

BONITA SPRINGS FIRE CONTROL AND RESCUE DISTRICT
GENERAL EMPLOYEES' RETIREMENT SYSTEM

SECTION 112.664, FLORIDA STATUTES
COMPLIANCE

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), Florida Statutes, and Rule 60T-1.0035, Florida Administrative Code.

By: Christine M. O'Neal Date: 3/30/2017

Christine M. O'Neal, EA, FSA, MAAA
Enrolled Actuary #14-7916



When reviewing the following schedules, please note the following:

- 1) The purpose of producing this report is solely to satisfy the requirements set forth by Section 112.664, Florida Statutes, and is mandatory for every Florida public pension fund, excluding the Florida Retirement System (FRS).
- 2) None of the schedules shown have any impact on the funding requirements of the Plan. These schedules are for statutory compliance purposes only.
- 3) In the schedules that follow, the columns labeled “ACTUAL” represent the final recorded GASB 67/68 results. The columns labeled “HYPOTHETICAL” illustrate what the results would have been if different assumptions were used.
- 4) It is our opinion that the Plan’s actual assumptions utilized in the October 1, 2016 Actuarial Valuation Report, as adopted by the Board of Trustees, are reasonable individually and in the aggregate, and represent our best estimate of future Plan experience.
- 5) The “Number of Years Expected Benefit Payments Sustained” calculated in Section II: Asset Sustainability should not be interpreted as the number of years the Plan has left until it is insolvent. This calculation is required by 112.664, Florida Statutes, but the numeric result is irrelevant, since in its calculation we are to assume there will be no further contributions to the Fund. As long as the Actuarially Determined Contribution is made each year the Plan will never become insolvent.

GASB 67: SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	7.80% RP-2000 Generational	5.80% RP-2000 Generational	9.80% RP-2000 Generational
<u>Total Pension Liability</u>			
Service Cost	61,946	99,431	42,474
Interest	239,113	230,119	248,235
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual			
Experience	164,346	263,338	98,683
Changes of Assumptions	148,708	170,510	54,780
Benefit Payments, Including Refunds of			
Employee Contributions	(294,631)	(294,631)	(294,631)
Net Change in Total Pension Liability	319,482	468,767	149,541
Total Pension Liability - Beginning	3,074,280	3,883,193	2,587,196
Total Pension Liability - Ending (a)	<u>\$ 3,393,762</u>	<u>\$ 4,351,960</u>	<u>\$ 2,736,737</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - Employer	133,167	133,167	133,167
Contributions - Employee	48,551	48,551	48,551
Net Investment Income	179,789	179,789	179,789
Benefit Payments, Including Refunds of			
Employee Contributions	(294,631)	(294,631)	(294,631)
Administrative Expenses	(16,781)	(16,781)	(16,781)
Net Change in Plan Fiduciary Net Position	50,095	50,095	50,095
Plan Fiduciary Net Position - Beginning	2,858,863	2,858,863	2,858,863
Plan Fiduciary Net Position - Ending (b)	<u>\$ 2,908,958</u>	<u>\$ 2,908,958</u>	<u>\$ 2,908,958</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 484,804</u>	<u>\$ 1,443,002</u>	<u>\$ (172,221)</u>

GASB 68: PENSION EXPENSE
FISCAL YEAR SEPTEMBER 30, 2016

	ACTUAL	HYPOTHETICAL	
	8.00%	6.00%	10.00%
Pension Expense	<u>\$ 107,077</u>	<u>\$ 173,531</u>	<u>\$ 57,745</u>

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 1
Plan Assumptions: 7.80% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	2,908,958	-	192,403	-	219,395	2,935,950
2017	2,935,950	-	202,450	-	221,109	2,954,609
2018	2,954,609	-	211,888	-	222,196	2,964,917
2019	2,964,917	-	217,590	-	222,778	2,970,105
2020	2,970,105	-	221,203	-	223,041	2,971,943
2021	2,971,943	-	227,524	-	222,938	2,967,357
2022	2,967,357	-	248,533	-	221,761	2,940,585
2023	2,940,585	-	253,904	-	219,463	2,906,144
2024	2,906,144	-	260,335	-	216,526	2,862,335
2025	2,862,335	-	264,975	-	212,928	2,810,288
2026	2,810,288	-	258,294	-	209,129	2,761,123
2027	2,761,123	-	258,366	-	205,291	2,708,048
2028	2,708,048	-	257,606	-	201,181	2,651,623
2029	2,651,623	-	256,477	-	196,824	2,591,970
2030	2,591,970	-	257,590	-	192,128	2,526,508
2031	2,526,508	-	269,066	-	186,574	2,444,016
2032	2,444,016	-	265,275	-	180,288	2,359,029
2033	2,359,029	-	261,361	-	173,811	2,271,479
2034	2,271,479	-	257,341	-	167,139	2,181,277
2035	2,181,277	-	252,992	-	160,273	2,088,558
2036	2,088,558	-	248,702	-	153,208	1,993,064
2037	1,993,064	-	245,258	-	145,894	1,893,700
2038	1,893,700	-	242,376	-	138,256	1,789,580
2039	1,789,580	-	236,296	-	130,372	1,683,656
2040	1,683,656	-	229,485	-	122,375	1,576,546
2041	1,576,546	-	221,975	-	114,314	1,468,885
2042	1,468,885	-	214,518	-	106,207	1,360,574
2043	1,360,574	-	206,659	-	98,065	1,251,980
2044	1,251,980	-	198,483	-	89,914	1,143,411
2045	1,143,411	-	190,075	-	81,773	1,035,109
2046	1,035,109	-	181,373	-	73,665	927,401
2047	927,401	-	172,554	-	65,608	820,455
2048	820,455	-	163,569	-	57,616	714,502
2049	714,502	-	154,619	-	49,701	609,584
2050	609,584	-	145,753	-	41,863	505,694
2051	505,694	-	137,051	-	34,099	402,742
2052	402,742	-	128,581	-	26,399	300,560
2053	300,560	-	120,420	-	18,747	198,887
2054	198,887	-	112,639	-	11,120	97,368
2055	97,368	-	105,261	-	-	-

Number of Years Expected Benefit Payments Sustained: 39.93

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 7.80% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 2
Hypothetical Assumptions: 5.80% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	2,908,958	-	192,403	-	163,140	2,879,695
2017	2,879,695	-	202,450	-	161,151	2,838,396
2018	2,838,396	-	211,888	-	158,482	2,784,990
2019	2,784,990	-	217,590	-	155,219	2,722,619
2020	2,722,619	-	221,203	-	151,497	2,652,913
2021	2,652,913	-	227,524	-	147,271	2,572,660
2022	2,572,660	-	248,533	-	142,007	2,466,134
2023	2,466,134	-	253,904	-	135,673	2,347,903
2024	2,347,903	-	260,335	-	128,629	2,216,197
2025	2,216,197	-	264,975	-	120,855	2,072,077
2026	2,072,077	-	258,294	-	112,690	1,926,473
2027	1,926,473	-	258,366	-	104,243	1,772,350
2028	1,772,350	-	257,606	-	95,326	1,610,070
2029	1,610,070	-	256,477	-	85,946	1,439,539
2030	1,439,539	-	257,590	-	76,023	1,257,972
2031	1,257,972	-	269,066	-	65,159	1,054,065
2032	1,054,065	-	265,275	-	53,443	842,233
2033	842,233	-	261,361	-	41,270	622,142
2034	622,142	-	257,341	-	28,621	393,422
2035	393,422	-	252,992	-	15,482	155,912
2036	155,912	-	248,702	-	-	-

Number of Years Expected Benefit Payments Sustained: 20.63

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 5.80% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.80% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	2,908,958	-	192,403	-	275,650	2,992,205
2017	2,992,205	-	202,450	-	283,316	3,073,071
2018	3,073,071	-	211,888	-	290,778	3,151,961
2019	3,151,961	-	217,590	-	298,230	3,232,601
2020	3,232,601	-	221,203	-	305,956	3,317,354
2021	3,317,354	-	227,524	-	313,952	3,403,782
2022	3,403,782	-	248,533	-	321,393	3,476,642
2023	3,476,642	-	253,904	-	328,270	3,551,008
2024	3,551,008	-	260,335	-	335,242	3,625,915
2025	3,625,915	-	264,975	-	342,356	3,703,296
2026	3,703,296	-	258,294	-	350,267	3,795,269
2027	3,795,269	-	258,366	-	359,276	3,896,179
2028	3,896,179	-	257,606	-	369,203	4,007,776
2029	4,007,776	-	256,477	-	380,195	4,131,494
2030	4,131,494	-	257,590	-	392,265	4,266,169
2031	4,266,169	-	269,066	-	404,900	4,402,003
2032	4,402,003	-	265,275	-	418,398	4,555,126
2033	4,555,126	-	261,361	-	433,596	4,727,361
2034	4,727,361	-	257,341	-	450,672	4,920,692
2035	4,920,692	-	252,992	-	469,831	5,137,531
2036	5,137,531	-	248,702	-	491,292	5,380,121
2037	5,380,121	-	245,258	-	515,234	5,650,097
2038	5,650,097	-	242,376	-	541,833	5,949,554
2039	5,949,554	-	236,296	-	571,478	6,284,736
2040	6,284,736	-	229,485	-	604,659	6,659,910
2041	6,659,910	-	221,975	-	641,794	7,079,729
2042	7,079,729	-	214,518	-	683,302	7,548,513
2043	7,548,513	-	206,659	-	729,628	8,071,482
2044	8,071,482	-	198,483	-	781,280	8,654,279
2045	8,654,279	-	190,075	-	838,806	9,303,010
2046	9,303,010	-	181,373	-	902,808	10,024,445
2047	10,024,445	-	172,554	-	973,940	10,825,831
2048	10,825,831	-	163,569	-	1,052,917	11,715,179
2049	11,715,179	-	154,619	-	1,140,511	12,701,071
2050	12,701,071	-	145,753	-	1,237,563	13,792,881
2051	13,792,881	-	137,051	-	1,344,987	15,000,817
2052	15,000,817	-	128,581	-	1,463,780	16,336,016
2053	16,336,016	-	120,420	-	1,595,029	17,810,625
2054	17,810,625	-	112,639	-	1,739,922	19,437,908
2055	19,437,908	-	105,261	-	1,899,757	21,232,404
2056	21,232,404	-	98,353	-	2,075,956	23,210,007
2057	23,210,007	-	91,941	-	2,270,076	25,388,142
2058	25,388,142	-	85,953	-	2,483,826	27,786,015
2059	27,786,015	-	80,373	-	2,719,091	30,424,733
2060	30,424,733	-	75,131	-	2,977,942	33,327,544
2061	33,327,544	-	70,156	-	3,262,662	36,520,050
2062	36,520,050	-	65,340	-	3,575,763	40,030,473
2063	40,030,473	-	60,679	-	3,920,013	43,889,807
2064	43,889,807	-	56,144	-	4,298,450	48,132,113
2065	48,132,113	-	51,754	-	4,714,411	52,794,770

PROJECTION OF THE NUMBER OF YEARS ASSETS WILL SUSTAIN BENEFIT PAYMENTS

Table 3
Hypothetical Assumptions: 9.80% and RP-2000 Generational Mortality

Fiscal Year Beginning 10/1	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expense	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2066	52,794,770	-	47,560	-	5,171,557	57,918,767
2067	57,918,767	-	43,535	-	5,673,906	63,549,138
2068	63,549,138	-	39,682	-	6,225,871	69,735,327
2069	69,735,327	-	36,158	-	6,832,290	76,531,459
2070	76,531,459	-	32,964	-	7,498,468	83,996,963
2071	83,996,963	-	30,066	-	8,230,229	92,197,126
2072	92,197,126	-	27,448	-	9,033,973	101,203,651
2073	101,203,651	-	25,053	-	9,916,730	111,095,328
2074	111,095,328	-	22,838	-	10,886,223	121,958,713
2075	121,958,713	-	20,731	-	11,950,938	133,888,920
2076	133,888,920	-	18,724	-	13,120,197	146,990,393
2077	146,990,393	-	16,786	-	14,404,236	161,377,843
2078	161,377,843	-	14,954	-	15,814,296	177,177,185
2079	177,177,185	-	13,208	-	17,362,717	194,526,694
2080	194,526,694	-	11,523	-	19,063,051	213,578,222
2081	213,578,222	-	9,897	-	20,930,181	234,498,506
2082	234,498,506	-	8,410	-	22,980,441	257,470,537
2083	257,470,537	-	7,073	-	25,231,766	282,695,230
2084	282,695,230	-	5,870	-	27,703,845	310,393,205
2085	310,393,205	-	4,803	-	30,418,299	340,806,701
2086	340,806,701	-	3,850	-	33,398,868	374,201,719
2087	374,201,719	-	3,036	-	36,671,620	410,870,303
2088	410,870,303	-	2,340	-	40,265,175	451,133,138
2089	451,133,138	-	1,765	-	44,210,961	495,342,334
2090	495,342,334	-	1,292	-	48,543,485	543,884,527
2091	543,884,527	-	930	-	53,300,638	597,184,235
2092	597,184,235	-	654	-	58,524,023	655,707,604
2093	655,707,604	-	450	-	64,259,323	719,966,477
2094	719,966,477	-	301	-	70,556,700	790,522,876
2095	790,522,876	-	198	-	77,471,232	867,993,910
2096	867,993,910	-	128	-	85,063,397	953,057,179
2097	953,057,179	-	81	-	93,399,600	1,046,456,698
2098	1,046,456,698	-	51	-	102,552,754	1,149,009,401
2099	1,149,009,401	-	31	-	112,602,920	1,261,612,290
2100	1,261,612,290	-	19	-	123,638,003	1,385,250,274
2101	1,385,250,274	-	12	-	135,754,526	1,521,004,788
2102	1,521,004,788	-	7	-	149,058,469	1,670,063,250
2103	1,670,063,250	-	4	-	163,666,198	1,833,729,444
2104	1,833,729,444	-	2	-	179,705,485	2,013,434,927
2105	2,013,434,927	-	1	-	197,316,623	2,210,751,549
2106	2,210,751,549	-	1	-	216,653,652	2,427,405,200
2107	2,427,405,200	-	-	-	237,885,710	2,665,290,910

Number of Years Expected Benefit Payments Sustained: 999.99

This projection assumes no further contributions, assumes no further benefit accruals, and assumes Market Value of Assets earn 9.80% interest.

It is important to note that as long as the Actuarially Determined Contribution is made each year, the Plan will never become insolvent. Furthermore, State and local laws mandate that the Actuarially Determined Contribution be made each year.

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.80% RP-2000 Generational	5.80% RP-2000 Generational	9.80% RP-2000 Generational
Total Required Contribution (Fixed \$)	\$158,144	\$271,444	\$69,516
Total Required Contribution (% of Payroll)	26.9%	46.1%	11.8%
Expected Member Contribution	41,139	41,139	41,139
Expected Sponsor Contribution (Fixed \$)	\$117,005	\$230,305	\$28,377
Expected Sponsor Contribution (% of Payroll)	19.9%	39.1%	4.8%

ASSETS

Actuarial Value ¹	2,924,349	2,924,349	2,924,349
Market Value ¹	2,908,958	2,908,958	2,908,958

LIABILITIES

Present Value of Benefits			
Active Members			
Retirement Benefits	2,154,390	3,093,141	1,589,235
Disability Benefits	34,534	46,595	26,544
Death Benefits	13,054	17,166	10,165
Vested Benefits	148,809	240,048	96,486
Refund of Contributions	20,714	21,407	20,714
Service Retirees	1,322,768	1,605,705	1,117,999
DROP Retirees ¹	0	0	0
Beneficiaries	0	0	0
Disability Retirees	284,731	339,033	244,838
Terminated Vested	0	0	0
Total:	3,979,000	5,363,095	3,105,981
Present Value of Future Salaries	3,994,469	4,437,616	3,634,006
Present Value of Future Member Contributions	279,613	310,633	254,380
Total Normal Cost	98,100	152,120	66,269
Present Value of Future Normal Costs (Entry Age Normal)	653,629	1,133,721	399,754
Total Actuarial Accrued Liability ¹	3,325,371	4,229,374	2,706,227
Unfunded Actuarial Accrued Liability (UAAL)	401,022	1,305,025	(218,122)

ACTUAL AND HYPOTHETICAL CONTRIBUTIONS APPLICABLE TO THE FISCAL YEAR
ENDING SEPTEMBER 30, 2018

Valuation Date: 10/1/2016

	ACTUAL	HYPOTHETICAL	
	7.80% RP-2000 Generational	5.80% RP-2000 Generational	9.80% RP-2000 Generational
<u>PENSION COST</u>			
Normal Cost (with interest)	101,926	156,531	69,516
Administrative Expenses (with interest)	17,435	17,268	17,603
Payment Required To Amortize UAAL (with interest)	38,783	97,645	(18,839)
Total Required Contribution	\$158,144	\$271,444	\$69,516 ²

¹ The asset values and liabilities for DROP Members include accumulated DROP Balances as of 9/30/2016.

² Per Florida Statutes, the Minimum Required Contribution may be no less than the Normal Cost.