

# The General Retirement System of the City of Detroit

GASB Statement Nos. 67 and 68 Accounting and Financial  
Reporting for Pension Plans of Component II  
June 30, 2021





October 29, 2021

Board of Trustees  
The General Retirement System of the City of Detroit

Dear Board Members:

This report provides information required for the General Retirement System of the City of Detroit in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67 "Financial Reporting for Pension Plans" and Statement No. 68 "Employer Reporting for Pension Plans." These calculations have been made on a basis that is consistent with our understanding of this Statement. This information is subject to a review by the System's Auditor. Please let us know if the System's Auditor recommends any changes. This report covers the General Retirement System Plan known as Component II (also known as the Legacy Plan). Since Component I is a separate plan, it is detailed in a separate report.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement Nos. 67 and 68. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. In particular, this is not a funding report and nothing in this report should be construed as a funding recommendation. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The Appendix of this report also provides some of the information necessary to complete the reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form No. 5572). This information is not required to be included in your financial statements. The calculations in the Appendix are based on assumptions that satisfy the Uniform Assumptions criteria published by the Michigan Treasury for Fiscal Year 2021 reporting requirements.

This report is based upon information, furnished to us by System staff, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This report is based on the valuation date of June 30, 2020. The total pension liability was rolled-forward from the valuation date to the plan year ending June 30, 2021 using generally accepted actuarial principles. The asset information as of June 30, 2021 was provided by the System. This information was checked for internal consistency, but it was not audited by Gabriel, Roeder, Smith & Company. A description of the adjustments made to the data is incorporated in this report (either directly or by reference). GRS is not responsible for the accuracy of the data provided by the Retirement System. This report is based upon estimates of frozen accrued benefits. Future measurements based on final calculation of benefit amounts will differ.

At the direction of the System and approval of the System's Auditor, the long-term expected return on assets used to determine the discount rate is 6.50%, net of investment expenses, as of June 30, 2021, down from 7.06% as of June 30, 2020. We have reviewed this assumption based on the System's asset allocation and have determined it does not significantly conflict with what, in our professional judgement, would be reasonable for purposes of the measurement.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the System on the measurement date for purposes of GASB Statement Nos. 67 and 68 reporting. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled. We are relying on the GRS actuaries and Internal Software, Training, and Processes Team who developed and maintain the model.

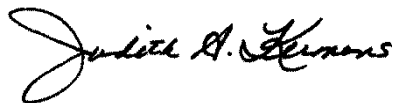
The signing individuals are independent of the plan sponsor.

David T. Kausch, Judith A. Kermans, and Jamal Adora are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,  
Gabriel, Roeder, Smith & Company



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Senior Consultant and Chief Actuary



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DTK/JAK/JA:bd



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## **SECTION A**

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### **EXECUTIVE SUMMARY**

# Executive Summary as of June 30, 2021

|   |               |
|---|---------------|
| Actuarial Valuation Date  | June 30, 2020 |
| Measurement Date of the Net Pension Liability                   | June 30, 2021 |
| Employer's Fiscal Year Ending Date (GASB No. 68 Reporting Date) | June 30, 2022 |

## Membership

|                                |                |
|--------------------------------|----------------|
| Number of                      |                |
| - Retirees and Beneficiaries   | 11,220         |
| - Inactive, Nonretired Members | 2,728          |
| - Active Members               | 2,403          |
| - Total                        | 16,351         |
| Covered Payroll                | \$ 111,124,304 |

## Net Pension Liability

|   |                  |
|---|------------------|
| Total Pension Liability   | \$ 2,704,110,233 |
| Plan Fiduciary Net Position   | 1,818,649,298    |
| Net Pension Liability   | \$ 885,460,935   |
| Plan Fiduciary Net Position as a Percentage<br>of Total Pension Liability | 67.25%           |
| Net Pension Liability as a Percentage<br>of Covered Payroll               | 796.82%          |

## Development of the Single Discount Rate

|   |       |
|---|-------|
| Single Discount Rate  | 6.50% |
| Long-Term Expected Rate of Investment Return  | 6.50% |
| Long-Term Municipal Bond Rate*  | 1.92% |
| Last year ending June 30 in the 2022 to 2121 projection period<br>for which projected benefit payments are fully funded | 2121  |

|                              |                      |
|------------------------------|----------------------|
| <b>Total Pension Expense</b> | <b>\$ 97,970,192</b> |
|------------------------------|----------------------|

## Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience                                   | \$ -                              | \$ -                             |
| Changes in assumptions  | -                                 | -                                |
| Net difference between projected and actual earnings<br>on pension plan investments | 119,508,010                       | 245,801,617                      |
| Total   | \$ 119,508,010                    | \$ 245,801,617                   |

\*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

# Discussion

## Changes Compared to Funding Valuation

For purposes of determining the Total Pension Liability (TPL) as of June 30, 2021, we note the following differences from the assumptions used in the June 30, 2020 funding valuation:

- At the direction of the System and approval of the System's Auditor, the long-term expected return on assets was 6.50% net of investment expenses, as of June 30, 2021. It was 6.75% net of investment and administrative expenses, in the June 30, 2020 funding valuation, as required by the Plan of Adjustment.
- Administrative expenses are assumed to be shared 60% with Component II and 40% with Component I. This was reflected in our modeling, where appropriate.

All other actuarial assumptions were the same as those used in the June 30, 2020 actuarial valuation (the funding valuation).

## Changes Compared to Prior Year's GASB Report

The changes in actuarial assumptions compared to the June 30, 2019 GASB No. 68 reporting was:

- The long-term expected rate of investment return and single discount rate decreased from 7.06% to 6.50%.

This change increased the TPL by \$120 million resulting in a new deferred outflow for recognition in the pension expense.

## Data Approximations and Assumptions

A description of the data approximations and assumptions used in completing this report are included in the June 30, 2020 funding valuation report.

# Discussion

## Development of Employer Proportionate Shares

As instructed, we have developed the proportionate employer shares as follows:

- General, DOT, DWSD, and Library have contribution rates assessed on separate relationships and are, therefore, accounted for separately under Paragraph 49 of GASB Statement No. 68.
- The component units in the General Division were 1) General City; 2) Parking; and 3) Airport.
- Proportionate shares in the General Division were determined by prorating based on the Total Pension Liability.

## Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

## Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the General Retirement System of the City of Detroit subsequent to the measurement date of June 30, 2021.



## Discussion

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the certain changes in the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan’s reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

### Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer’s financial statements to disclose the total pension expense, the pension plan’s liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan’s funding policy, which includes member and employer contribution requirements;
- The pension plan’s investment policies;
- The pension plan’s fiduciary net position and the net pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan’s Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

# Discussion

## Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

## Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2020, rolled to the plan year end of June 30, 2021.

## Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50% the municipal bond rate is 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 6.50%.

The expected rate of return was provided by the Retirement System and approved by the System's auditor.

# Discussion

## Limitation of Assets as a Percent of Total Pension Liability Measurements

This report includes a measure of the plan fiduciary net position as a percent of total pension liability (67.25% as of June 30, 2021). Unless otherwise indicated, with regard to any such measurements presented in this report:

- (1) This measurement is not intended to be a funded ratio or a measure of funded progress.
- (2) This measurement is inappropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations.
- (3) The measurement is inappropriate for assessing the need for or amount of future employer contributions.

## Limitations of Project Scope

Actuarial Standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entities to make required contributions when due. Such an evaluation was not within the scope of this project and is not within our area of expertise. Consequently, we have not made such an evaluation.

## ASF Recoupments

The reported June 30, 2021 assets included a receivable, computed by the System's auditor, that accounts for future ASF recoupments. We understand this amount was originally determined as of June 30, 2015 and updated to June 30, 2021 in accordance with GAAP.

## **SECTION B**

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### **FINANCIAL STATEMENTS**

This information is subject to the System's Auditor's review. Please let us know if the System's Auditor recommends any changes.

# Statement of Fiduciary Net Position as of June 30, 2021

## Assets

|  |                         |
|--|-------------------------|
| Cash and Cash Equivalents                                      | \$ 81,684,767           |
| Receivables  | 108,348,712             |
| Investments at Fair Value                                      | 1,631,592,944           |
| Cash and Investments held as collateral for securities lending | 77,656,896              |
| Capital Assets - Net   | <u>2,647,165</u>        |
| <b>Total Assets</b>  | <u>\$ 1,901,930,484</u> |

## Liabilities

|                          |                      |
|--------------------------|----------------------|
| Accounts Payable         | <u>\$ 83,281,186</u> |
| <b>Total Liabilities</b> | <u>\$ 83,281,186</u> |

**Net Position Restricted for Pensions** \$ 1,818,649,298

|                                    |                         |
|------------------------------------|-------------------------|
| <b>ASF Reserve</b>                 | \$ 104,783,035          |
| <b>Other Reserves</b>              | <u>1,713,866,263</u>    |
| <b>Plan Fiduciary Net Position</b> | <u>\$ 1,818,649,298</u> |

# Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2021

## Additions

|  |                       |
|--|-----------------------|
| Contributions                          |                       |
| Employer                               | \$ 47,900,000         |
| Employee                               | -                     |
| Foundation Contribution                | 375,000               |
| <b>Total Contributions</b>             | <u>\$ 48,275,000</u>  |
| Investment Income                      |                       |
| Investment Income                      | <u>\$ 406,977,917</u> |
| Net Investment Income                  | <u>\$ 406,977,917</u> |
| Other Income (Including ASF Interest)^ | <u>\$ 7,576,875</u>   |
| <b>Total Additions</b>                 | <u>\$ 462,829,792</u> |

## Deductions

|   |                       |
|---|-----------------------|
| Benefit Payments, including Refunds of Employee Contributions | \$ 237,123,777        |
| Pension Plan Administrative Expense                           | 1,987,193             |
| Other (including ASF write-offs and transfers to Comp I)      | <u>1,171,513</u>      |
| <b>Total Deductions</b>                                       | <u>\$ 240,282,483</u> |
| <b>Net Increase in Net Position</b>                           | <u>\$ 222,547,309</u> |

## Net Position Restricted for Pensions

|                   |                         |
|-------------------|-------------------------|
| Beginning of Year | <u>\$ 1,596,101,989</u> |
| End of Year       | <u>\$ 1,818,649,298</u> |

<sup>^</sup> Following discussions with the auditor, we understand that for purposes of determining the Pension Expense for GASB Statement No. 68, ASF Interest should be treated as Other Changes in Plan Fiduciary Net Position and recognized immediately.

## Statement of Pension Expense Under GASB Statement No. 68 Fiscal Year Ended June 30, 2021\*

| A. Expense  | General              | DOT                  | DWSD                 | Library             | Total                |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|
| 1. Service Cost   | \$ -                 | \$ -                 | \$ -                 | \$ -                | -                    |
| 2. Interest on the Total Pension Liability                                  | 98,821,058           | 28,380,977           | 48,808,307           | 6,129,763           | 182,140,105          |
| 3. Current-Period Benefit Changes   | -                    | -                    | -                    | -                   | -                    |
| 4. Employee Contributions (made negative for addition here)                 | -                    | -                    | -                    | -                   | -                    |
| 5. Projected Earnings on Plan Investments (made negative for addition here) | (56,441,869)         | (8,648,648)          | (35,896,761)         | (5,187,122)         | (106,174,400)        |
| 6. Pension Plan Administrative Expense                                      | 1,717,931            | 174,636              | -                    | 94,626              | 1,987,193            |
| 7. Other Changes in Plan Fiduciary Net Position                             | (3,462,963)          | (929,607)            | (1,874,921)          | (137,871)           | (6,405,362)          |
| 8. Recognition of Outflow (Inflow) of Resources due to Liabilities          | 28,271,756           | 8,889,512            | 20,008,404           | 3,474,173           | 60,643,845           |
| 9. Recognition of Outflow (Inflow) of Resources due to Assets               | (19,081,501)         | (2,525,029)          | (11,250,854)         | (1,363,805)         | (34,221,189)         |
| <b>10. Total Pension Expense</b>  | <b>\$ 49,824,412</b> | <b>\$ 25,341,841</b> | <b>\$ 19,794,175</b> | <b>\$ 3,009,764</b> | <b>\$ 97,970,192</b> |

*\*Totals may not add due to rounding.*

## Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2021\*

| A. Outflows (Inflows) of Resources due to Liabilities  | General          | DOT             | DWS              | Library         | Total            |
|--|------------------|-----------------|------------------|-----------------|------------------|
| 1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses  | \$ (35,563,723)  | \$ (10,172,786) | \$ (13,092,918)  | \$ (403,422)    | \$ (59,232,849)  |
| 2. Assumption Changes (gains) or losses  | \$ 63,835,479    | \$ 19,062,298   | \$ 33,101,322    | \$ 3,877,595    | \$ 119,876,694   |
| 3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}   | 1.0000           | 1.0000          | 1.0000           | 1.0000          | 1.0000           |
| 4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability      | \$ (35,563,723)  | \$ (10,172,786) | \$ (13,092,918)  | \$ (403,422)    | \$ (59,232,849)  |
| 5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes  | \$ 63,835,479    | \$ 19,062,298   | \$ 33,101,322    | \$ 3,877,595    | \$ 119,876,694   |
| 6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities  | \$ 28,271,756    | \$ 8,889,512    | \$ 20,008,404    | \$ 3,474,173    | \$ 60,643,845    |
| 7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability | \$ -             | \$ -            | \$ -             | \$ -            | \$ -             |
| 8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes   | \$ -             | \$ -            | \$ -             | \$ -            | \$ -             |
| 9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities   | \$ -             | \$ -            | \$ -             | \$ -            | \$ -             |
| <b>B. Outflows (Inflows) of Resources due to Assets</b>  |                  |                 |                  |                 |                  |
| 1. Net difference between projected and actual earnings on pension plan investments (gains) or losses  | \$ (163,725,622) | \$ (22,993,665) | \$ (100,639,867) | \$ (13,444,363) | \$ (300,803,517) |
| 2. Recognition period for Assets {in years}  | 5.0000           | 5.0000          | 5.0000           | 5.0000          | 5.0000           |
| 3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets   | \$ (32,745,124)  | \$ (4,598,733)  | \$ (20,127,973)  | \$ (2,688,873)  | \$ (60,160,703)  |
| 4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets  | \$ (130,980,498) | \$ (18,394,932) | \$ (80,511,894)  | \$ (10,755,490) | \$ (240,642,814) |

\*Totals may not add due to rounding.





# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30 General

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 63,835,479            | \$ 35,563,723           | \$ 28,271,756                |
| 2. Due to Assets      | 25,427,451               | 44,508,952              | (19,081,501)                 |
| <b>3. Total</b>       | <b>\$ 89,262,930</b>     | <b>\$ 80,072,675</b>    | <b>\$ 9,190,255</b>          |

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                     | \$ 35,563,723           | \$ (35,563,723)              |
| 2. Assumption Changes   | 63,835,479               | -                       | 63,835,479                   |
| 3. Net Difference between projected and actual earnings on pension plan investments | 25,427,451               | 44,508,952              | (19,081,501)                 |
| <b>4. Total</b>   | <b>\$ 89,262,930</b>     | <b>\$ 80,072,675</b>    | <b>\$ 9,190,255</b>          |

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                              | \$ -                             | \$ -                                  |
| 2. Assumption Changes   | -                                 | -                                | -                                     |
| 3. Net Difference between projected and actual earnings on pension plan investments | 66,289,191                        | 134,132,407                      | (67,843,216)                          |
| <b>4. Total</b>   | <b>\$ 66,289,191</b>              | <b>\$ 134,132,407</b>            | <b>\$ (67,843,216)</b>                |

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

| Year Ending<br>June 30 | Net Deferred Outflows<br>of Resources<br>General Total |
|------------------------|--|
| 2022                   | \$ (10,469,582)  |
| 2023                   | (7,317,675)  |
| 2024                   | (17,310,833)   |
| 2025                   | (32,745,126)   |
| 2026                   | -  |
| Thereafter             | -  |
| <b>Total</b>           | <b>\$ (67,843,216)</b>                                 |



# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended June 30, 2021

### General

| Year Established  | Initial Amount  | Initial<br>Recognition<br>Period | Current Year<br>Recognition | Remaining<br>Recognition | Remaining<br>Recognition<br>Period |
|---|-----------------|----------------------------------|-----------------------------|--------------------------|------------------------------------|
| <b>Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities</b>     |                 |                                  |                             |                          |                                    |
| 2017  | \$ (23,006,975) | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | 3,041,504       | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | 10,605,505      | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | (30,326,230)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | (35,563,723)    | 1.0000                           | (35,563,723)                | -                        | 0.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ (35,563,723)</b>      | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Assumption Changes</b>  |                 |                                  |                             |                          |                                    |
| 2017  | \$ 41,844,061   | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (59,163,587)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | -               | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | 36,247,728      | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | 63,835,479      | 1.0000                           | 63,835,479                  | -                        | 0.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ 63,835,479</b>        | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments</b> |                 |                                  |                             |                          |                                    |
| 2017  | \$ (43,059,585) | 5.0000                           | \$ (8,611,917)              | \$ -                     | 0.0000                             |
| 2018  | (15,759,553)    | 5.0000                           | (3,151,911)                 | (3,151,909)              | 1.0000                             |
| 2019  | 49,965,808      | 5.0000                           | 9,993,162                   | 19,986,322               | 2.0000                             |
| 2020  | 77,171,447      | 5.0000                           | 15,434,289                  | 46,302,869               | 3.0000                             |
| 2021  | (163,725,622)   | 5.0000                           | (32,745,124)                | (130,980,498)            | 4.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ (19,081,501)</b>      | <b>\$ (67,843,216)</b>   |                                    |

# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30 DOT

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 19,062,298            | \$ 10,172,786           | \$ 8,889,512                 |
| 2. Due to Assets      | 4,064,434                | 6,589,463               | (2,525,029)                  |
| <b>3. Total</b>       | <b>\$ 23,126,732</b>     | <b>\$ 16,762,249</b>    | <b>\$ 6,364,483</b>          |

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                     | \$ 10,172,786           | \$ (10,172,786)              |
| 2. Assumption Changes   | 19,062,298               | -                       | 19,062,298                   |
| 3. Net Difference between projected and actual earnings on pension plan investments | 4,064,434                | 6,589,463               | (2,525,029)                  |
| <b>4. Total</b>   | <b>\$ 23,126,732</b>     | <b>\$ 16,762,249</b>    | <b>\$ 6,364,483</b>          |

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                              | \$ -                             | \$ -                                  |
| 2. Assumption Changes   | -                                 | -                                | -                                     |
| 3. Net Difference between projected and actual earnings on pension plan investments | 10,517,052                        | 18,811,364                       | (8,294,312)                           |
| <b>4. Total</b>   | <b>\$ 10,517,052</b>              | <b>\$ 18,811,364</b>             | <b>\$ (8,294,312)</b>                 |

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

| Year Ending<br>June 30 | Net Deferred Outflows<br>of Resources |
|------------------------|---------------------------------------|
| 2022                   | \$ (950,731)                          |
| 2023                   | (534,297)                             |
| 2024                   | (2,210,551)                           |
| 2025                   | (4,598,733)                           |
| 2026                   | -                                     |
| Thereafter             | -                                     |
| <b>Total</b>           | <b>\$ (8,294,312)</b>                 |



# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended June 30, 2021

### DOT

| Year Established  | Initial Amount | Initial<br>Recognition<br>Period | Current Year<br>Recognition | Remaining<br>Recognition | Remaining<br>Recognition<br>Period |
|---|----------------|----------------------------------|-----------------------------|--------------------------|------------------------------------|
| <b>Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities</b>     |                |                                  |                             |                          |                                    |
| 2017  | \$ (5,802,247) | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | 32,573,900     | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | (1,582,543)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | (7,081,563)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | (10,172,786)   | 1.0000                           | (10,172,786)                | -                        | 0.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ (10,172,786)</b>      | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Assumption Changes</b>  |                |                                  |                             |                          |                                    |
| 2017  | \$ 11,022,689  | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (17,236,637)   | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | -              | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | 10,660,029     | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | 19,062,298     | 1.0000                           | 19,062,298                  | -                        | 0.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ 19,062,298</b>        | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments</b> |                |                                  |                             |                          |                                    |
| 2017  | \$ (7,871,494) | 5.0000                           | \$ (1,574,298)              | \$ -                     | 0.0000                             |
| 2018  | (2,082,160)    | 5.0000                           | (416,432)                   | (416,432)                | 1.0000                             |
| 2019  | 8,381,262      | 5.0000                           | 1,676,252                   | 3,352,506                | 2.0000                             |
| 2020  | 11,940,910     | 5.0000                           | 2,388,182                   | 7,164,546                | 3.0000                             |
| 2021  | (22,993,665)   | 5.0000                           | (4,598,733)                 | (18,394,932)             | 4.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ (2,525,029)</b>       | <b>\$ (8,294,312)</b>    |                                    |

# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30 DWSD

## A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 33,101,322            | \$ 13,092,918           | \$ 20,008,404                |
| 2. Due to Assets      | 14,258,921               | 25,509,775              | (11,250,854)                 |
| <b>3. Total</b>       | <b>\$ 47,360,243</b>     | <b>\$ 38,602,693</b>    | <b>\$ 8,757,550</b>          |

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                     | \$ 13,092,918           | \$ (13,092,918)              |
| 2. Assumption Changes   | 33,101,322               | -                       | 33,101,322                   |
| 3. Net Difference between projected and actual earnings on pension plan investments | 14,258,921               | 25,509,775              | (11,250,854)                 |
| <b>4. Total</b>   | <b>\$ 47,360,243</b>     | <b>\$ 38,602,693</b>    | <b>\$ 8,757,550</b>          |

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                              | \$ -                             | \$ -                                  |
| 2. Assumption Changes   | -                                 | -                                | -                                     |
| 3. Net Difference between projected and actual earnings on pension plan investments | 37,407,153                        | 81,947,581                       | (44,540,428)                          |
| <b>4. Total</b>   | <b>\$ 37,407,153</b>              | <b>\$ 81,947,581</b>             | <b>\$ (44,540,428)</b>                |

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

| Year Ending<br>June 30 | Net Deferred Outflows<br>of Resources |
|------------------------|---------------------------------------|
| 2022                   | \$ (7,304,739)                        |
| 2023                   | (5,869,050)                           |
| 2024                   | (11,238,664)                          |
| 2025                   | (20,127,975)                          |
| 2026                   | -                                     |
| Thereafter             | -                                     |
| <b>Total</b>           | <b>\$ (44,540,428)</b>                |



# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended June 30, 2021

### DWSD

| Year Established  | Initial Amount  | Initial<br>Recognition<br>Period | Current Year<br>Recognition | Remaining<br>Recognition | Remaining<br>Recognition<br>Period |
|---|-----------------|----------------------------------|-----------------------------|--------------------------|------------------------------------|
| <b>Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities</b>     |                 |                                  |                             |                          |                                    |
| 2017  | \$ 3,370,105    | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (456,059)       | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | 4,924,609       | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | (14,601,904)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | (13,092,918)    | 1.0000                           | (13,092,918)                | -                        | 0.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ (13,092,918)</b>      | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Assumption Changes</b>  |                 |                                  |                             |                          |                                    |
| 2017  | \$ 21,554,914   | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (30,363,241)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | -               | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | 18,638,831      | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | 33,101,322      | 1.0000                           | 33,101,322                  | -                        | 0.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ 33,101,322</b>        | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments</b> |                 |                                  |                             |                          |                                    |
| 2017  | \$ (19,730,574) | 5.0000                           | \$ (3,946,114)              | \$ -                     | 0.0000                             |
| 2018  | (7,178,439)     | 5.0000                           | (1,435,688)                 | (1,435,687)              | 1.0000                             |
| 2019  | 26,848,067      | 5.0000                           | 5,369,613                   | 10,739,228               | 2.0000                             |
| 2020  | 44,446,541      | 5.0000                           | 8,889,308                   | 26,667,925               | 3.0000                             |
| 2021  | (100,639,867)   | 5.0000                           | (20,127,973)                | (80,511,894)             | 4.0000                             |
| <b>Total</b>  |                 |                                  | <b>\$ (11,250,854)</b>      | <b>\$ (44,540,428)</b>   |                                    |

# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30 Library

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 3,877,595             | \$ 403,422              | \$ 3,474,173                 |
| 2. Due to Assets      | 2,023,734                | 3,387,539               | (1,363,805)                  |
| <b>3. Total</b>       | <b>\$ 5,901,329</b>      | <b>\$ 3,790,961</b>     | <b>\$ 2,110,368</b>          |

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                     | \$ 403,422              | \$ (403,422)                 |
| 2. Assumption Changes   | 3,877,595                | -                       | 3,877,595                    |
| 3. Net Difference between projected and actual earnings on pension plan investments | 2,023,734                | 3,387,539               | (1,363,805)                  |
| <b>4. Total</b>   | <b>\$ 5,901,329</b>      | <b>\$ 3,790,961</b>     | <b>\$ 2,110,368</b>          |

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                              | \$ -                             | \$ -                                  |
| 2. Assumption Changes   | -                                 | -                                | -                                     |
| 3. Net Difference between projected and actual earnings on pension plan investments | 5,294,614                         | 10,910,265                       | (5,615,651)                           |
| <b>4. Total</b>   | <b>\$ 5,294,614</b>               | <b>\$ 10,910,265</b>             | <b>\$ (5,615,651)</b>                 |

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

| Year Ending<br>June 30 | Net Deferred Outflows<br>of Resources |
|------------------------|---------------------------------------|
| 2022                   | \$ (819,914)                          |
| 2023                   | (665,137)                             |
| 2024                   | (1,441,729)                           |
| 2025                   | (2,688,871)                           |
| 2026                   | -                                     |
| Thereafter             | -                                     |
| <b>Total</b>           | <b>\$ (5,615,651)</b>                 |



# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended June 30, 2021

### Library

| Year Established  | Initial Amount | Initial<br>Recognition<br>Period | Current Year<br>Recognition | Remaining<br>Recognition | Remaining<br>Recognition<br>Period |
|---|----------------|----------------------------------|-----------------------------|--------------------------|------------------------------------|
| <b>Deferred Outflow (Inflow) due to Differences Between Expected and Actual Experience on Liabilities</b>     |                |                                  |                             |                          |                                    |
| 2017  | \$ (2,069,263) | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (1,005,018)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | (350,671)      | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | (3,827,052)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | (403,422)      | 1.0000                           | (403,422)                   | -                        | 0.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ (403,422)</b>         | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Assumption Changes</b>  |                |                                  |                             |                          |                                    |
| 2017  | \$ 2,504,293   | 1.0000                           | \$ -                        | \$ -                     | 0.0000                             |
| 2018  | (3,511,050)    | 1.0000                           | -                           | -                        | 0.0000                             |
| 2019  | -              | 1.0000                           | -                           | -                        | 0.0000                             |
| 2020  | 2,130,947      | 1.0000                           | -                           | -                        | 0.0000                             |
| 2021  | 3,877,595      | 1.0000                           | 3,877,595                   | -                        | 0.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ 3,877,595</b>         | <b>\$ -</b>              |                                    |
| <b>Deferred Outflow (Inflow) due to Differences Between Projected and Actual Earnings on Plan Investments</b> |                |                                  |                             |                          |                                    |
| 2017  | \$ (2,719,454) | 5.0000                           | \$ (543,890)                | \$ -                     | 0.0000                             |
| 2018  | (773,879)      | 5.0000                           | (154,776)                   | (154,775)                | 1.0000                             |
| 2019  | 3,882,957      | 5.0000                           | 776,591                     | 1,553,184                | 2.0000                             |
| 2020  | 6,235,716      | 5.0000                           | 1,247,143                   | 3,741,430                | 3.0000                             |
| 2021  | (13,444,363)   | 5.0000                           | (2,688,873)                 | (10,755,490)             | 4.0000                             |
| <b>Total</b>  |                |                                  | <b>\$ (1,363,805)</b>       | <b>\$ (5,615,651)</b>    |                                    |



# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30 Total

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

|                       | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|-----------------------|--------------------------|-------------------------|------------------------------|
| 1. Due to Liabilities | \$ 119,876,694           | \$ 59,232,849           | \$ 60,643,845                |
| 2. Due to Assets      | 45,774,540               | 79,995,729              | (34,221,189)                 |
| <b>3. Total</b>       | <b>\$ 165,651,234</b>    | <b>\$ 139,228,578</b>   | <b>\$ 26,422,656</b>         |

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

|   | Outflows<br>of Resources | Inflows<br>of Resources | Net Outflows<br>of Resources |
|---|--------------------------|-------------------------|------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                     | \$ 59,232,849           | \$ (59,232,849)              |
| 2. Assumption Changes   | 119,876,694              | -                       | 119,876,694                  |
| 3. Net Difference between projected and actual earnings on pension plan investments | 45,774,540               | 79,995,729              | (34,221,189)                 |
| <b>4. Total</b>   | <b>\$ 165,651,234</b>    | <b>\$ 139,228,578</b>   | <b>\$ 26,422,656</b>         |

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Net Deferred Outflows<br>of Resources |
|---|-----------------------------------|----------------------------------|---------------------------------------|
| 1. Differences between expected and actual experience                               | \$ -                              | \$ -                             | \$ -                                  |
| 2. Assumption Changes   | -                                 | -                                | -                                     |
| 3. Net Difference between projected and actual earnings on pension plan investments | 119,508,010                       | 245,801,617                      | (126,293,607)                         |
| <b>4. Total</b>   | <b>\$ 119,508,010</b>             | <b>\$ 245,801,617</b>            | <b>\$ (126,293,607)</b>               |

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

| Year Ending<br>June 30 | Net Deferred Outflows<br>of Resources |
|------------------------|---------------------------------------|
| 2022                   | \$ (19,544,966)                       |
| 2023                   | (14,386,159)                          |
| 2024                   | (32,201,777)                          |
| 2025                   | (60,160,705)                          |
| 2026                   | -                                     |
| Thereafter             | -                                     |
| <b>Total</b>           | <b>\$ (126,293,607)</b>               |

## Schedule of Proportionate Employer Share for Year Ended June 30, 2021 General Subgroup\*

| Deferred Outflows of Resources |                                |                |                       |  |   |                   |   |                                      |
|--------------------------------|--------------------------------|----------------|-----------------------|--|---|-------------------|---|--------------------------------------|
| TPL                            | Employer                       | Prop. Share    | Net Pension Liability | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes of Assum. | Changes in Proportion and Differences Between Employer Cont. and Share of Cont. | Total Deferred Outflows of Resources |
| \$ 1,437,453,800               | General City                   | 98.33%         | \$ 496,509,550        | \$ -   | \$ 65,182,162   | \$ -              | \$ -  | \$ 65,182,162                        |
| 21,489,445                     | Parking                        | 1.47%          | 7,422,649             | -  | 974,451   | -                 | -   | 974,451                              |
| 2,923,734                      | Airport                        | 0.20%          | 1,009,884             | -  | 132,578   | -                 | -   | 132,578                              |
| <b>\$ 1,461,866,979</b>        | <b>Total for All Employers</b> | <b>100.00%</b> | <b>\$ 504,942,083</b> | <b>\$ -</b>  | <b>\$ 66,289,191</b>  | <b>\$ -</b>       | <b>\$ -</b>   | <b>\$ 66,289,191</b>                 |

| Deferred Inflows of Resources  |  |   |                   |   |                                     | Pension Expense                     |   |                                |
|--------------------------------|--|---|-------------------|---|-------------------------------------|-------------------------------------|---|--------------------------------|
| Employer                       | Differences Between Expected and Actual Experience | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes of Assum. | Changes in Proportion and Differences Between Employer Cont. and Share of Cont. | Total Deferred Inflows of Resources | Prop. Share of Plan Pension Expense | Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributins and Proportionate | Total Employer Pension Expense |
| General City                   | \$ -   | \$ 131,892,396  | \$ -              | \$ -  | \$ 131,892,396                      | \$ 48,992,344                       | \$ 481,157  | \$ 49,473,501                  |
| Parking                        | -  | 1,971,746   | -                 | -   | 1,971,746                           | 732,419                             | (183,219)   | 549,200                        |
| Airport                        | -  | 268,265   | -                 | -   | 268,265                             | 99,649                              | (297,938)   | (198,289)                      |
| <b>Total for All Employers</b> | <b>\$ -</b>  | <b>\$ 134,132,407</b>   | <b>\$ -</b>       | <b>\$ -</b>   | <b>\$ 134,132,407</b>               | <b>\$ 49,824,412</b>                | <b>\$ -</b>   | <b>\$ 49,824,412</b>           |

\* Totals may not add due to rounding.



## Schedule of Proportionate Employer Share for Year Ended June 30, 2021 General Subgroup\*

| Schedule of Deferred Inflows and Outflows |                                |                        |                       |                        |                        |             |             |                        |
|---|--------------------------------|------------------------|-----------------------|------------------------|------------------------|-------------|-------------|------------------------|
| Employer                                  | Employer Allocation Percentage | 2022                   | 2023                  | 2024                   | 2025                   | 2026        | Thereafter  | Total                  |
| General City                              | 98.33%                         | \$ (10,294,740)        | \$ (7,195,470)        | \$ (17,021,742)        | \$ (32,198,282)        | \$ -        | \$ -        | \$ (66,710,234)        |
| Parking                                   | 1.47%                          | (153,903)              | (107,570)             | (254,469)              | (481,353)              | -           | -           | (997,295)              |
| Airport                                   | 0.20%                          | (20,939)               | (14,635)              | (34,622)               | (65,490)               | -           | -           | (135,686)              |
| <b>TOTAL</b>                              | <b>100.00%</b>                 | <b>\$ (10,469,582)</b> | <b>\$ (7,317,675)</b> | <b>\$ (17,310,833)</b> | <b>\$ (32,745,125)</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ (67,843,215)</b> |

\* Totals may not add due to rounding.

## Determination of Employer Contribution Allocation for Year Ended June 30, 2021

| Employer                               | General City | Parking   | Airport   | General Total | DOT        | DWSD          | Library      | Total         |
|--|--------------|-----------|-----------|---------------|------------|---------------|--------------|---------------|
| Contributions Before General Breakdown |              |           |           | \$ 2,765,012  | \$ 109,988 | \$ 42,900,000 | \$ 2,500,000 | \$ 48,275,000 |
| General Employer Allocation Percent    | 100.00%      | 0.00%     | 0.00%     | 100.00%       | N/A        | N/A           | N/A          | N/A           |
| Times General Total                    | 2,765,012    | 2,765,012 | 2,765,012 | 2,765,012     | N/A        | N/A           | N/A          | N/A           |
| Contribution Allocation Dollar         | \$ 2,765,012 | \$ -      | \$ -      | \$ 2,765,012  | \$ 109,988 | \$ 42,900,000 | \$ 2,500,000 | \$ 48,275,000 |

We understand that the General contributions should be split between the General component units (General City, Parking, and Airport) according to the above schedule. Please let us know if a different allocation should be used.



## SECTION C

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### REQUIRED SUPPLEMENTARY INFORMATION

# Schedule of Changes in Net Pension Liability and Related Ratios Current Period

## Fiscal Year Ended June 30, 2021\*

| A. Total Pension Liability   | General                 | DOT                   | DWSD                  | Library              | Total                   |
|--|-------------------------|-----------------------|-----------------------|----------------------|-------------------------|
| 1. Service Cost  | \$ -                    | \$ -                  | \$ -                  | \$ -                 | \$ -                    |
| 2. Interest on the Total Pension Liability   | 98,821,058              | 28,380,977            | 48,808,307            | 6,129,763            | 182,140,105             |
| 3. Changes of benefit terms  | -                       | -                     | -                     | -                    | -                       |
| 4. Difference between expected and actual experience of the Total Pension Liability  | (35,563,723)            | (10,172,786)          | (13,092,918)          | (403,422)            | (59,232,849)            |
| 5. Changes of assumptions  | 63,835,479              | 19,062,298            | 33,101,322            | 3,877,595            | 119,876,694             |
| 6. Benefit payments, including refunds of employee contributions                     | (129,915,040)           | (36,393,303)          | (63,209,867)          | (7,605,567)          | (237,123,777)           |
| 7. Net change in Total Pension Liability   | \$ (2,822,226)          | \$ 877,186            | \$ 5,606,844          | \$ 1,998,369         | \$ 5,660,173            |
| 8. Total Pension Liability – Beginning   | 1,464,689,205           | 420,193,498           | 722,940,733           | 90,626,624           | 2,698,450,060           |
| 9. Total Pension Liability – Ending  | <b>\$ 1,461,866,979</b> | <b>\$ 421,070,684</b> | <b>\$ 728,547,577</b> | <b>\$ 92,624,993</b> | <b>\$ 2,704,110,233</b> |
| <b>B. Plan Fiduciary Net Position</b>  |                         |                       |                       |                      |                         |
| 1. Contributions – employer  | \$ 2,765,012            | \$ 109,988            | \$ 42,900,000         | \$ 2,500,000         | \$ 48,275,000           |
| 2. Contributions – employee  | -                       | -                     | -                     | -                    | -                       |
| 3. Net investment income   | 220,167,491             | 31,642,313            | 136,536,628           | 18,631,485           | 406,977,917             |
| 4. Benefit payments, including refunds of employee contributions                     | (129,915,040)           | (36,393,303)          | (63,209,867)          | (7,605,567)          | (237,123,777)           |
| 5. Pension Plan Administrative Expense   | (1,717,931)             | (174,636)             | -                     | (94,626)             | (1,987,193)             |
| 6. Other   | 3,462,963               | 929,607               | 1,874,921             | 137,871              | 6,405,362               |
| 7. Net change in Plan Fiduciary Net Position   | \$ 94,762,495           | \$ (3,886,031)        | \$ 118,101,682        | \$ 13,569,163        | \$ 222,547,309          |
| 8. Plan Fiduciary Net Position – Beginning   | 862,162,401             | 140,266,264           | 517,670,180           | 76,003,144           | 1,596,101,989           |
| 9. Plan Fiduciary Net Position – Ending  | <b>\$ 956,924,896</b>   | <b>\$ 136,380,233</b> | <b>\$ 635,771,862</b> | <b>\$ 89,572,307</b> | <b>\$ 1,818,649,298</b> |
| <b>C. Net Pension Liability</b>  | <b>\$ 504,942,083</b>   | <b>\$ 284,690,451</b> | <b>\$ 92,775,715</b>  | <b>\$ 3,052,686</b>  | <b>\$ 885,460,935</b>   |
| <b>D. Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b> | <b>65.46%</b>           | <b>32.39%</b>         | <b>87.27%</b>         | <b>96.70%</b>        | <b>67.25%</b>           |
| <b>E. Covered-employee payroll</b>   | <b>\$ 72,060,511</b>    | <b>\$ 15,783,013</b>  | <b>\$ 14,485,553</b>  | <b>\$ 8,795,227</b>  | <b>\$ 111,124,304</b>   |
| <b>F. Net Pension Liability as a percentage of covered-employee payroll</b>          | <b>700.72%</b>          | <b>1803.78%</b>       | <b>640.47%</b>        | <b>34.71%</b>        | <b>796.82%</b>          |

\*Totals may not add due to rounding.

A Special Funding Situation may occur if a non-city entity has a legal obligation to contribute directly to the Retirement System. The Net Pension Liability shown here has not been adjusted for any potential special funding situation.



# Schedules of Required Supplementary Information

## Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

Ultimately 10 Fiscal Years will be Displayed

| Fiscal year ending June 30,                        | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015             | 2014             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total Pension Liability</b>                     |                  |                  |                  |                  |                  |                  |                  |                  |
| Service Cost                                       | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ -             | \$ 32,736,019    |
| Interest on the Total Pension Liability            | 182,140,105      | 192,888,245      | 195,489,643      | 192,359,745      | 201,919,236      | 214,011,164      | 263,007,329      | 242,611,073      |
| Benefit Changes                                    | -                | -                | -                | -                | -                | -                | (731,824,895)    | (113,311,571)    |
| Difference between Expected and Actual Experience  | (59,232,849)     | (55,836,749)     | 13,596,900       | 34,154,327       | (27,508,380)     | (43,719,112)     | 24,644,530       | -                |
| Assumption Changes                                 | 119,876,694      | 67,677,535       | -                | (110,274,515)    | 76,925,957       | 90,034,927       | (101,559,893)    | (271,190,194)    |
| Benefit Payments                                   | (225,790,173)    | (230,537,598)    | (235,153,732)    | (239,301,938)    | (242,938,006)    | (242,470,451)    | (253,217,949)    | (253,683,194)    |
| Refunds*   | (11,333,604)     | (9,344,054)      | (13,636,283)     | (14,140,692)     | (24,311,533)     | (49,811,728)     | (44,321,041)     | (144,050,613)    |
| <b>Net Change in Total Pension Liability</b>       | 5,660,173        | (35,152,621)     | (39,703,472)     | (137,203,073)    | (15,912,726)     | (31,955,200)     | (843,271,919)    | (506,888,480)    |
| <b>Total Pension Liability - Beginning</b>         | 2,698,450,060    | 2,733,602,681    | 2,773,306,153    | 2,910,509,226    | 2,926,421,952    | 2,958,377,152    | 3,801,649,071    | 4,308,537,551    |
| <b>Total Pension Liability - Ending (a)</b>        | \$ 2,704,110,233 | \$ 2,698,450,060 | \$ 2,733,602,681 | \$ 2,773,306,153 | \$ 2,910,509,226 | \$ 2,926,421,952 | \$ 2,958,377,152 | \$ 3,801,649,071 |
| <b>Plan Fiduciary Net Position</b>                 |                  |                  |                  |                  |                  |                  |                  |                  |
| Employer Contributions                             | \$ 48,275,000    | \$ 47,900,000    | \$ 67,900,000    | \$ 68,275,000    | \$ 91,238,402    | \$ 104,792,657   | \$ 189,282,095   | \$ 25,126,131    |
| Employee Contributions                             | -                | -                | -                | -                | -                | -                | 609,073          | 10,241,761       |
| Pension Plan Net Investment Income                 | 406,977,917      | (14,002,111)     | 47,170,007       | 155,423,193      | 206,896,567      | (7,865,094)      | 93,054,978       | 289,789,607      |
| Benefit Payments                                   | (225,790,173)    | (230,537,598)    | (235,153,732)    | (239,301,938)    | (242,938,006)    | (242,470,451)    | (253,217,949)    | (253,683,194)    |
| Refunds*   | (11,333,604)     | (9,344,054)      | (13,636,283)     | (14,140,692)     | (24,311,533)     | (49,811,728)     | (44,321,041)     | (144,050,613)    |
| Pension Plan Administrative Expense                | (1,987,193)      | (2,351,273)      | (3,023,943)      | (3,313,418)      | (6,021,837)      | (3,742,618)      | (7,556,822)      | (11,237,767)     |
| Other  | 6,405,362        | 5,530,198        | (4,972,864)      | 6,952,522        | 8,324,075        | 1,360,330        | 138,219,998      | -                |
| <b>Net Change in Plan Fiduciary Net Position</b>   | 222,547,309      | (202,804,838)    | (141,716,815)    | (26,105,333)     | 33,187,668       | (197,736,904)    | 116,070,332      | (83,814,075)     |
| <b>Plan Fiduciary Net Position - Beginning</b>     | 1,596,101,989    | 1,798,906,827    | 1,940,623,642    | 1,966,728,975    | 1,933,541,307    | 2,131,278,211    | 2,015,207,879    | 2,099,021,954    |
| <b>Plan Fiduciary Net Position - Ending (b)</b>    | \$ 1,818,649,298 | \$ 1,596,101,989 | \$ 1,798,906,827 | \$ 1,940,623,642 | \$ 1,966,728,975 | \$ 1,933,541,307 | \$ 2,131,278,211 | \$ 2,015,207,879 |
| <b>Net Pension Liability - Ending (a) - (b)</b>    | \$ 885,460,935   | \$ 1,102,348,071 | \$ 934,695,854   | \$ 832,682,511   | \$ 943,780,251   | \$ 992,880,645   | \$ 827,098,941   | \$ 1,786,441,192 |
| <b>Plan Fiduciary Net Position as a Percentage</b> |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>of Total Pension Liability</b>                  | 67.25 %          | 59.15 %          | 65.81 %          | 69.98 %          | 67.57 %          | 66.07 %          | 72.04 %          | 53.01 %          |
| <b>Covered-Employee Payroll</b>                    | \$ 111,124,304   | \$ 142,215,060   | \$ 149,373,313   | \$ 141,454,717   | \$ 143,882,722   | \$ 200,722,197   | \$ 203,507,079   | \$ 213,291,083   |
| <b>Net Pension Liability as a Percentage</b>       |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>of Covered-Employee Payroll</b>                 | 796.82 %         | 775.13 %         | 625.74 %         | 588.66 %         | 655.94 %         | 494.65 %         | 406.42 %         | 837.56 %         |
| <b>Notes to Schedule:</b>                          | N/A              | N/A              | N/A              | N/A              | N/A              | N/A              | N/A              | N/A              |

\* For FY 2017, includes approximately \$2.9 million of adjusted loan balances that were treated as refunds of ASF contributions.

A Special Funding Situation may occur if a non-city entity has a legal obligation to contribute directly to the Retirement System. The Net Pension Liability shown here has not been adjusted for any potential funding situation. Our understanding is that the City makes all the employer contributions into the fund, even though the City may receive monies from other entities as a result of the POA.



# Schedules of Required Supplementary Information

## Schedule of the Net Pension Liability Multiyear

**Ultimately 10 Fiscal Years will be Displayed**

| FY Ending<br>June 30, | Total<br>Pension<br>Liability | Plan Net<br>Position | Net Pension<br>Liability | Plan Net Position<br>as a % of Total<br>Pension Liability | Covered<br>Payroll* | Net Pension Liability<br>as a % of<br>Covered Payroll |
|-----------------------|-------------------------------|----------------------|--------------------------|---|---------------------|---|
| 2014                  | \$ 3,801,649,071              | \$ 2,015,207,879     | \$ 1,786,441,192         | 53.01%  | \$ 213,291,083      | 837.56%   |
| 2015                  | 2,958,377,152                 | 2,131,278,211        | 827,098,941              | 72.04%  | 203,507,079         | 406.42%   |
| 2016                  | 2,926,421,952                 | 1,933,541,307        | 992,880,645              | 66.07%  | 200,722,197         | 494.65%   |
| 2017                  | 2,910,509,226                 | 1,966,728,975        | 943,780,251              | 67.57%  | 143,882,722         | 655.94%   |
| 2018                  | 2,773,306,153                 | 1,940,623,642        | 832,682,511              | 69.98%  | 141,454,717         | 588.66%   |
| 2019                  | 2,733,602,681                 | 1,798,906,827        | 934,695,854              | 65.81%  | 149,373,313         | 625.74%   |
| 2020                  | 2,698,450,060                 | 1,596,101,989        | 1,102,348,071            | 59.15%  | 142,215,060         | 775.13%   |
| 2021                  | 2,704,110,233                 | 1,818,649,298        | 885,460,935              | 67.25%  | 111,124,304         | 796.82%   |

\* Covered payroll shown is the reported payroll on the actuarial valuation date (census date). Actual covered payroll paid during the year was unavailable.

# Schedule of Contributions Multiyear

Ultimately 10 Fiscal Years will be Displayed

| <b>FY Ending<br/>June 30,</b> | <b>Actuarially<br/>Determined<br/>Contribution</b> | <b>Actual<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Covered<br/>Payroll*</b> | <b>Actual Contribution<br/>as a % of<br/>Covered Payroll</b> |
|-------------------------------|--|--------------------------------|---|-----------------------------|--|
| 2014                          | \$80,627,791                                       | \$ 25,126,131                  | \$55,501,660                                    | \$213,291,083               | 11.78%   |
| 2015                          | N/A  | 189,282,095                    | N/A   | 203,507,079                 | 93.01%   |
| 2016                          | N/A  | 104,792,657                    | N/A   | 200,722,197                 | 52.21%   |
| 2017                          | N/A  | 91,238,402                     | N/A   | 143,882,722                 | 63.41%   |
| 2018                          | N/A  | 68,275,000                     | N/A   | 141,454,717                 | 48.27%   |
| 2019                          | N/A  | 68,275,000                     | N/A   | 149,373,313                 | 45.71%   |
| 2020                          | N/A  | 48,275,000                     | N/A   | 142,215,060                 | 33.95%   |
| 2021                          | N/A  | 48,275,000                     | N/A   | 111,124,304                 | 43.44%   |

\* Covered payroll shown is the reported payroll from the actuarial valuation date (census date). Actual covered payroll paid during the year was unavailable.



## Notes to Schedule of Contributions

**Contribution Requirement:** Required contributions to the Plan through FY 2023 are provided in the POA. Certain agreements (as allowed for in the POA) have resulted in some of the contributions being accelerated. The schedule below details our understanding of the remaining contributions required by the POA.

| Fiscal Year | Contribution Source |           |                       |       |     |       |                     | Total |
|-------------|---------------------|-----------|-----------------------|-------|-----|-------|---------------------|-------|
|             | For DWSD            |           | For Other Liabilities |       |     |       |                     |       |
|             | DWSD                | Transfers | UTGO                  | State | DIA | Other | Transfers from DWSD |       |
| <b>2022</b> | 45.4                | (2.5)     | -                     | -     | 0.4 | 2.5   | 2.5                 | 48.3  |
| <b>2023</b> | 45.4                | (2.5)     | -                     | -     | 0.4 | 2.5   | 2.5                 | 48.3  |

We have assumed the contributions outlined above as called for in the POA (with adjustments) will not change. An estimate of the probability of those payments being made was outside the scope of this project, not required by Actuarial Standards, and was not made.

Beginning with Fiscal Year 2024, employer contributions will be actuarially determined.

## Schedule of Investment Returns

This information should be provided by the plan’s investment consultant.

## **SECTION D**

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### **NOTES TO FINANCIAL STATEMENTS**

## Single Discount Rate

A Single Discount Rate of 6.50%, net of investment expenses, was used to measure the total pension liability as of June 30, 2021. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.50% as directed by the System and approved by the System’s Auditor. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions ceased as of June 30, 2014, and that employer contributions will be made at rates equal to those set by the final Plan of Adjustment through June 30, 2023 and contributions consistent with PERSIA and the intention to fully fund the System by 2053 as determined in the bankruptcy (POA). Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan’s net pension liability, calculated using a Single Discount Rate of 6.50%, as well as what the plan’s net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher.

### Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

|                                      | Current Single Discount |                          |                      |
|--------------------------------------|-------------------------|--------------------------|----------------------|
|                                      | 1% Decrease<br>5.50%    | Rate Assumption<br>6.50% | 1% Increase<br>7.50% |
| Total Pension Liability (TPL)        | \$2,946,663,108         | \$2,704,110,233          | \$2,497,006,493      |
| Net Position Restricted for Pensions | 1,818,649,298           | 1,818,649,298            | 1,818,649,298        |
| Net Pension Liability (NPL)          | \$1,128,013,810         | \$ 885,460,935           | \$ 678,357,195       |

Users of this report should be aware that, in the actuary’s judgement, a discount rate of 7.50% would not be a reasonable assumption for funding purposes.

## Summary of Population Statistics

|   |              |
|---|--------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 11,220       |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits    | 2,728        |
| Active Plan Members   | <u>2,403</u> |
| Total Plan Members  | 16,351       |

Additional information regarding the plan population may be found in the June 30, 2020 actuarial valuation of the System.

### Additional Note

Potential future asset transfers from this Plan to Component I for payment of Transition Costs were not included in this calculation.

**SECTION E**

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**SUMMARY OF BENEFITS**

# Summary of Benefit Provisions Evaluated

## Component II Frozen Benefits

All Component II benefits are frozen as of June 30, 2014 based on service and average final compensation accrued as of that date and the provisions of the Detroit General Retirement System as it existed on June 30, 2014. Frozen benefits are further reduced by 4.5% and all future Cost-of-Living Adjustments (“COLAs”) were eliminated. Benefits resulting from the Annuity Savings Fund and benefits paid from the Annuity Reserve Fund were subject to a separate reduction described as a “Claw-back.” Details of the claw-back provision are complicated and can be found in the Eighth Amended Plan of Adjustment. The benefits evaluated in this report are the frozen reduced benefits after the claw-back. Component II benefits are payable after separation from service, upon meeting the eligibility conditions of the plan as it existed on June 30, 2014, regardless of whether the individual is eligible to receive a Component I benefit at that time.

Our understanding of the June 30, 2014 plan provisions is provided below for completeness. The material below does not have legal standing and is not intended to cover all potential situations that could occur. If there are discrepancies between the description below, and appropriate legal documents, the latter necessarily govern.

### Age and Service Pension

**Eligibility** - Any age (minimum age 55 for non-EMS members hired after 1995) with 30 years of service (25 for EMS members), or age 60 with 10 years of service, or age 65 with 8 years of service.

**Annual Amount - EMS Members:** Sum of a) a basic pension of \$12 for each of the first 10 years of service, plus b) a pension equal to 2.0% of AFC multiplied by years of service. Maximum benefit is 90% of AFC.

**Other Members:** Sum of a) a basic pension of \$12 for each of the first 10 years of service, plus b) a pension equal to the first 10 years of service multiplied by 1.6% of AFC, plus 1.8% of AFC for each year of service greater than 10 years up to 20 years, plus 2.0% of AFC for each year of service greater than 20 years up to 25 years, plus 2.2% of AFC for each year of service greater than 25 years. Future benefit accruals for certain active members (depending on bargaining unit) were reduced to 1.5% of final average compensation per year of service.

**Type of Average Final Compensation (AFC)** - Highest 3 consecutive years out of the last 10. Pension benefits will not be diminished if compensation is reduced because of a fiscal emergency. Effective July 1, 1999, in computing the AFC, a member shall have the option of adding the value of 25% of unused accrued sick leave to the earnings used in computing the AFC. Longevity is added to AFC in accordance with the following schedule: \$150 after 5 years, \$300 after 10 years, \$450 after 15 years, \$600 after 20 years, and \$750 after 25 years.

### Early Retirement

**Eligibility** - Any age with 25 or more years of service (min. age 55 for members hired after 1995).

**Annual Amount** - Same as regular retirement but actuarially reduced.



# Summary of Benefit Provisions Evaluated (Continued)

## ***Deferred Retirement (Vested Benefit)***

**Eligibility** - Hired prior to 7-1-80: Age 40 with 8 years of service. Hired on or after 7-1-80: Any age with 10 years of service.

**Benefit Commencement - APTE hired prior to July 1, 1988:** Benefit begins at the age the member would have become eligible for regular retirement if service had continued. **SAAA, Non-Union and lawyers hired prior to June 30, 1986:** Benefit begins at the age the member would have become eligible for regular retirement. **Others:** Benefits based on service rendered by June 30, 1986 begin at the age the member would have become eligible for regular retirement. Benefits based on service rendered after July 1, 1986 begin at age 62.

**Annual Amount** - Same as regular retirement but based on average final compensation and service at the time of termination.

## ***Duty Disability Retirement***

**Eligibility** - Service related disability before eligibility for service retirement prior to July 1, 2014. No service requirement.

**Annual Amount** - An annuity which is the actuarial equivalent of the accumulated contributions at date of disability plus a pension of two-thirds of average final compensation at time of disability. The maximum annual pension is \$5,700 (\$9,000 for EMS). At the earliest of when the member would have accrued 30 years of service credit (25 for EMS) or age 60, the annuity is recomputed assuming contributions would have continued at a salary level equal to final compensation. The pension is recomputed with additional service credit granted from the date of disability to age 60 (or 30 years of service credit) or June 30, 2014, whichever is earlier. Benefits payable prior to conversion/re-computation, if any, were assumed to be paid outside the trust.

## ***Non-Duty Disability Retirement***

**Eligibility** - Disability from any cause before age 60 with 10 or more years of service prior to July 1, 2014.

**Annual Amount** - Computed in the same manner as a regular retirement benefit. Maximum annual pension to age 60 is \$6,000. Benefit is recomputed at age 60 with no maximum. Benefits payable prior to age 60, if any, were assumed to be paid from outside the trust.

## ***Duty Death Before Retirement***

**Eligibility** - Death from service related causes. No age or service requirements.

**Annual Amount** - One-third of final compensation as of June 30, 2014 to the surviving spouse for life or until remarriage, plus an equal share of 1/4 of final compensation to each unmarried child under age 18. If there is no eligible spouse, eligible children each receive 1/4 of final compensation; if there are more than 2 such children, each child shares an equal part of 1/2 of final compensation. Maximum total amount for spouse and children is \$9,000 annually. If there is no eligible spouse or children, dependent parents each receive 1/6 of deceased's final compensation, to a total maximum of \$600 annually.



# Summary of Benefit Provisions Evaluated (Concluded)

## ***Non-Duty Death Before Retirement***

**Eligibility** - Death-in-service at any age with 15 years of service; or after age 60 with 10 years of service; or after age 65 with 8 years of service.

**Annual Amount** - To Surviving Spouse: Computed as a regular retirement benefit but reduced in accordance with a 100% joint and survivor election for members with 20 or more years of service. For members with 15 years of service but less than 20, benefit is reduced in accordance with a 50% joint and survivor election. To Dependent Children if no Surviving Spouse: \$9,000 payable to age 19 of the youngest child or for life if child is physically or mentally impaired for members with 20 or more years of service (\$6,000 if less than 20 years of service).

## ***Post-Retirement Cost-of-Living Adjustments***

Benefit is increased annually by 2.25% of the **original** pension amount at retirement. Post-retirement cost-of-living increases were eliminated on future accruals for certain active members (depending on bargaining unit).

## ***Member Contributions***

Members had the option of choosing one of four contribution amounts: (1) 0%; (2) 3.0% of compensation up to the Social Security wage base, plus 5.0% of compensation in excess of the Social Security wage base; (3) 5.0% of total compensation; or (4) 7.0% of total compensation. Member contributions can be paid as a lump sum or annuitized at retirement to provide an annuity in addition to the pension (which is not affected by the level of member contributions).



## **SECTION F**

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### **ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS**

# Summary of Assumptions and Methods Used for GASB Actuarial Valuations Adopted by Board of Trustees

All assumptions are estimates of future experience except as noted. The rationale for the assumptions is based on experience studies where noted.

## Economic Assumptions

**The investment return rate** is 6.50% per year, compounded annually (net after investment expenses) as of June 30, 2021. This assumption was provided by the Retirement System.

**Price inflation** is not directly used in the valuation. For purposes of assessing the reasonability of the investment return assumptions, we assumed price inflation of 2.25% per year.

## Non-Economic Assumptions

**The mortality table** used to measure retired life mortality was 100% of the RP-2014 Blue Collar Annuitant Table set-forward 1 year for males and 100% of the RP-2014 Blue Collar Annuitant Table set-forward 1 year for females. Tables were extended below age 50 with a cubic spline to the published Juvenile rates. Pre-retirement mortality is based on the corresponding Employee tables with corresponding set-forward. The tables are projected to be fully generational, based on the 2-dimensional, sex distinct mortality improvement scale MP-2014 (which was published and intended to be used with RP-2014). 75% of all deaths-in-service are assumed to be non-duty related. This table was first used as of June 30, 2014. For disabled members, the same tables are used. The rationale for the mortality assumption is based on the 2008-2013 Mortality Experience Study issued February 4, 2015.

**The probabilities of retirement** for members eligible to retire are shown on pages 34 and 35. These probabilities were revised for the June 30, 2008 valuation. The rationale is based on the 2002-2007 Experience Study.

**The probabilities of separation** from service (including *disability*) are shown for sample ages on page 36. These probabilities were revised for the June 30, 2008 valuation. The rationale is based on the 2002-2007 Experience Study.

**Single Life Retirement Values  
Based on RP-2014 Blue Collar  
100% of Male Rates Set-Forward 1 Year  
100% of Female Rates Set-Forward 1 Year**

| Sample<br>Attained<br>Ages in 2020 | Future Life<br>Expectancy (years) |       |
|------------------------------------|-----------------------------------|-------|
|                                    | Men                               | Women |
| 45                                 | 38.83                             | 42.17 |
| 50                                 | 33.87                             | 37.11 |
| 55                                 | 29.10                             | 32.20 |
| 60                                 | 24.54                             | 27.44 |
| 65                                 | 20.23                             | 22.86 |
| 70                                 | 16.23                             | 18.54 |
| 75                                 | 12.59                             | 14.57 |
| 80                                 | 9.39                              | 11.05 |

Rationale for assumption is based upon a 2008 to 2013 study of mortality experience dated February 4, 2015.

## Probabilities of Age/Service Retirement for Members Eligible to Retire

| Retirement<br>Ages | Percent of Eligible Active Members<br>Retiring Within Next Year With Unreduced Benefits |        |        |
|--------------------|---|--------|--------|
|                    | EMS   | D.O.T. | Others |
| 45                 | 25%   |        |        |
| 46                 | 25%   |        |        |
| 47                 | 25%   |        |        |
| 48                 | 22%   |        |        |
| 49                 | 20%   |        |        |
| 50                 | 18%   | 55%    | 50%    |
| 51                 | 15%   | 50%    | 50%    |
| 52                 | 15%   | 50%    | 45%    |
| 53                 | 15%   | 50%    | 45%    |
| 54                 | 15%   | 55%    | 40%    |
| 55                 | 15%   | 50%    | 30%    |
| 56                 | 15%   | 50%    | 30%    |
| 57                 | 15%   | 50%    | 30%    |
| 58                 | 15%   | 50%    | 30%    |
| 59                 | 15%   | 55%    | 40%    |
| 60                 | 40%   | 40%    | 25%    |
| 61                 | 30%   | 30%    | 25%    |
| 62                 | 30%   | 30%    | 25%    |
| 63                 | 30%   | 30%    | 25%    |
| 64                 | 30%   | 30%    | 25%    |
| 65                 | 30%   | 30%    | 35%    |
| 66                 | 30%   | 30%    | 30%    |
| 67                 | 30%   | 30%    | 25%    |
| 68                 | 30%   | 50%    | 25%    |
| 69                 | 30%   | 50%    | 25%    |
| 70                 | 100%  | 100%   | 20%    |
| 71                 |   |        | 20%    |
| 72                 |   |        | 20%    |
| 73                 |   |        | 20%    |
| 74                 |   |        | 20%    |
| 75                 |   |        | 20%    |
| 76                 |   |        | 20%    |
| 77                 |   |        | 20%    |
| 78                 |   |        | 20%    |
| 79                 |   |        | 20%    |
| 80                 |   |        | 100%   |
| Ref                | 537   | 1648   | 1647   |

Rationale for assumption is 2002 to 2007 Experience Study. Additional retirement rates for Component I (Hybrid Plan) eligibility are not reflected in this valuation due to materiality.

# Probabilities of Early Retirement for Members Eligible for Early Retirement

| Retirement<br>Ages | Percent of<br>Eligible<br>Active Members<br>Retiring Within<br>Next Year With<br>Reduced Benefits |
|--------------------|---|
| 55                 | 7%  |
| 56                 | 8%  |
| 57                 | 9%  |
| 58                 | 10%   |
| 59                 | 12%   |
| 60                 | 12%   |
| 61                 | 12%   |
| 62                 | 12%   |
| 63                 | 12%   |
| 64                 | 12%   |
| Ref                | 1649  |

Rationale for assumption is based upon a 2002 to 2007 Experience Study.

## Sample Rates of Separation from Active Employment Before Retirement

| Sample Ages | Years of Service | % of Active Members Separating Within Next Year |            |                   |                   |
|-------------|------------------|---|------------|-------------------|-------------------|
|             |                  | Withdrawal                                      |            |                   |                   |
|             |                  | EMS   | D.O.T.     | Others            |                   |
| Men         | Women            |   |            |                   |                   |
| ALL         | 0                | 11.00%  | 18.00%     | 18.00%            | 20.00%            |
|             | 1                | 10.00%  | 16.00%     | 15.00%            | 16.00%            |
|             | 2                | 8.00%   | 14.00%     | 13.00%            | 14.00%            |
|             | 3                | 8.00%   | 11.00%     | 11.00%            | 12.00%            |
|             | 4                | 7.00%   | 9.00%      | 10.00%            | 10.00%            |
| 25          | 5 & Over         | 6.70%   | 8.00%      | 7.60%             | 7.60%             |
| 30          |                  | 5.90%   | 7.60%      | 7.22%             | 7.22%             |
| 35          |                  | 5.20%   | 5.56%      | 5.28%             | 5.28%             |
| 40          |                  | 4.40%   | 4.26%      | 4.05%             | 4.05%             |
| 45          |                  | 3.40%   | 3.69%      | 3.51%             | 3.51%             |
| 50          |                  | 2.40%   | 3.50%      | 3.33%             | 3.33%             |
| 55          |                  | 2.00%   | 3.50%      | 3.33%             | 3.33%             |
| 60          |                  | 0.00%   | 3.50%      | 3.33%             | 3.33%             |
| Ref         |                  | 338<br>1068                                     | 143<br>212 | 584<br>212 x 0.95 | 188<br>212 x 0.95 |

| Sample Ages | % of Active Members Becoming Disabled Within Next Year |           |           |            |
|-------------|--|-----------|-----------|------------|
|             | D.O.T.   |           | Others    |            |
|             | Ordinary   | Duty      | Ordinary  | Duty       |
| 25          | 0.02%  | 0.03%     | 0.01%     | 0.25%      |
| 30          | 0.05%  | 0.08%     | 0.04%     | 0.29%      |
| 35          | 0.14%  | 0.21%     | 0.11%     | 0.34%      |
| 40          | 0.27%  | 0.42%     | 0.21%     | 0.39%      |
| 45          | 0.51%  | 0.79%     | 0.40%     | 0.45%      |
| 50          | 0.66%  | 1.03%     | 0.51%     | 0.52%      |
| 55          | 0.76%  | 1.18%     | 0.59%     | 0.60%      |
| 60          | 0.86%  | 1.34%     | 0.67%     | 0.70%      |
| Ref         | 23 x 0.45  | 23 x 0.70 | 23 x 0.35 | 423 x 0.90 |

Rationale for assumption is based upon a 2002 to 2007 Experience Study.

## Miscellaneous and Technical Assumptions

|                                |  |
|--------------------------------|--|
| <b>Benefit Service</b>         | Exact Fractional service is used to determine the amount of benefit payable.   |
| <b>Decrement Operation</b>     | Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal also do not operate during retirement eligibility.   |
| <b>Decrement Timing</b>        | Decrements of all types are assumed to occur mid-year.   |
| <b>Eligibility Testing</b>     | Eligibility for benefits is determined based upon the age nearest birthday and rounded service on the date the decrement is assumed to occur.  |
| <b>Forfeitures</b>             | None.  |
| <b>Marriage Assumption</b>     | 100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.  |
| <b>Normal Form of Benefit</b>  | Straight life is the normal form of benefit. The Board adopted assumptions for Actuarial Equivalence to be an 80%/20% unisex blend of RP-2014 mortality (Male/Female) with Blue Collar Adjustment, set ahead 1 year for males and females, projected 11 years with MP-2014, an interest rate of 6.75, and no COLA for optional forms of payment and early retirement reduction. Assumptions for annuitizing member contributions are the same except for using a 60%/40% unisex blend and a 5.25% assumed interest rate of interest. Prior to that, actuarial equivalent factors were based on 7.5% interest and 1984 Group Annuity Mortality table. |
| <b>Service Credit Accruals</b> | Service accruals stop as of June 30, 2014 for measurement of Component II liabilities. However, future service in Component I may be used to satisfy benefit eligibility requirement in Component II. Members who became duty disabled prior to June 30, 2014 are assumed to get projected service from date of disability to conversion date. Members who become disabled after June 30, 2014 are assumed to get their frozen accrued benefit as of June 30, 2014 at date of conversion.  |
| <b>Administrative Expenses</b> | 3.00% of Component I payroll. 60% was allocated to Component II and 40% to Component I.  |
| <b>Sick Leave</b>              | Sick leave banks as of June 30, 2014 were included in the 2014 data file provided by the System.   |
| <b>Member Contributions</b>    | Member contributions to this Component II plan are assumed to have ceased with the bankruptcy.   |
| <b>Pop-Up Benefits</b>         | For current retirees with a pop-up benefit, the value of the pop-up was estimated by valuing a non-pop-up option and increasing the associated liabilities by 2%.  |

Rationale for assumption is based upon a 2002 to 2007 Experience Study, modified as necessary for changes in data or administration.



## **SECTION G**

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### **CALCULATION OF THE SINGLE DISCOUNT RATE**



## Calculation of the Single Discount Rate at End of Year

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 6.50% as of June 30, 2021.

The tables in this section provide background for the development of the Single Discount Rate.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities). For purposes of determining the discount rate as of June 30, 2021, the employer contributions for the 10-year period ending June 30, 2023 were set by the 8<sup>th</sup> Amended Plan of Adjustment (POA), as adjusted by subsequent agreements. Subsequent employer contributions were determined by a closed 30-year level principle amortization of any unfunded actuarial accrued liability (as required by State law) using 6.50% interest, net of investment expenses, consistent with the 100% funded target by 2053 in the POA.

**Rates of Return:** Note that these projections are specifically used to determine the SDR and should not be interpreted as a funding recommendation. The 6.50% rate of return was before administrative expenses. Therefore, the projections assumed that any administrative expenses incurred by the plan will directly increase employer contributions beginning with FY 2024. The rate is net of investment expenses.

**Administrative Expenses:** For purposes of the projection using a 6.50% rate of return, administrative expenses were assumed to be related to payroll. Payroll was increased by an assumed wage inflation as of June 30, 2014 of 2.00% for 5 years, 2.50% for the next 5 years and 3.00% thereafter. Since benefits are frozen, the wage inflation assumption does not affect anything other than the administrative expenses.

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

**Unfunded Actuarial Accrued Liabilities.** Actual employer contributions through June 30, 2023 are set by the POA. The amortization period and method after 2023 has not yet been established by the Board.



## Calculation of the Single Discount Rate at End of Year

The **Present Values of Projected Benefit Payments** table shows the development of the SDR. It breaks down the benefit payments into present values for funded and unfunded portions (if any) and shows the equivalent total at the SDR. For purposes of determining the discount rate as of June 30, 2021, the benefit payments reflect the plan provisions in force as of June 30, 2021.

# Single Discount Rate Development Projection of Contributions End of Year

| Fiscal Year Ending June 30, | Projected Contributions from Current Employees | Projected Service Cost | Administrative Expense Contributions | Projected UAL Contributions | Projected Total Contributions |
|-----------------------------|--|------------------------|--------------------------------------|-----------------------------|-------------------------------|
| 2022                        | \$ -   | \$ -                   | \$ 4,176,397                         | \$ 44,098,603               | \$ 48,275,000                 |
| 2023                        | -  | -                      | 3,882,715                            | 44,392,285                  | 48,275,000                    |
| 2024                        | -  | -                      | 3,659,350                            | 86,712,707                  | 90,372,057                    |
| 2025                        | -  | -                      | 3,476,712                            | 84,802,088                  | 88,278,800                    |
| 2026                        | -  | -                      | 3,323,625                            | 82,891,469                  | 86,215,094                    |
| 2027                        | -  | -                      | 3,165,379                            | 80,980,850                  | 84,146,229                    |
| 2028                        | -  | -                      | 3,000,204                            | 79,070,231                  | 82,070,435                    |
| 2029                        | -  | -                      | 2,834,697                            | 77,159,612                  | 79,994,309                    |
| 2030                        | -  | -                      | 2,667,903                            | 75,248,993                  | 77,916,896                    |
| 2031                        | -  | -                      | 2,504,881                            | 73,338,374                  | 75,843,255                    |
| 2032                        | -  | -                      | 2,353,332                            | 71,427,755                  | 73,781,087                    |
| 2033                        | -  | -                      | 2,209,042                            | 69,517,137                  | 71,726,179                    |
| 2034                        | -  | -                      | 2,073,504                            | 67,606,518                  | 69,680,022                    |
| 2035                        | -  | -                      | 1,947,524                            | 65,695,899                  | 67,643,423                    |
| 2036                        | -  | -                      | 1,828,248                            | 63,785,280                  | 65,613,528                    |
| 2037                        | -  | -                      | 1,713,822                            | 61,874,661                  | 63,588,483                    |
| 2038                        | -  | -                      | 1,606,611                            | 59,964,042                  | 61,570,653                    |
| 2039                        | -  | -                      | 1,506,746                            | 58,053,423                  | 59,560,169                    |
| 2040                        | -  | -                      | 1,411,440                            | 56,142,804                  | 57,554,244                    |
| 2041                        | -  | -                      | 1,321,064                            | 54,232,185                  | 55,553,249                    |
| 2042                        | -  | -                      | 1,234,735                            | 52,321,566                  | 53,556,301                    |
| 2043                        | -  | -                      | 1,153,312                            | 50,410,947                  | 51,564,259                    |
| 2044                        | -  | -                      | 1,074,259                            | 48,500,328                  | 49,574,587                    |
| 2045                        | -  | -                      | 995,058                              | 46,589,709                  | 47,584,767                    |
| 2046                        | -  | -                      | 917,092                              | 44,679,090                  | 45,596,182                    |
| 2047                        | -  | -                      | 838,925                              | 42,768,471                  | 43,607,396                    |
| 2048                        | -  | -                      | 758,501                              | 40,857,852                  | 41,616,353                    |
| 2049                        | -  | -                      | 675,222                              | 38,947,233                  | 39,622,455                    |
| 2050                        | -  | -                      | 589,105                              | 37,036,614                  | 37,625,719                    |
| 2051                        | -  | -                      | 503,258                              | 35,125,995                  | 35,629,253                    |
| 2052                        | -  | -                      | 422,553                              | 33,215,376                  | 33,637,929                    |
| 2053                        | -  | -                      | 349,523                              | 31,304,757                  | 31,654,280                    |
| 2054                        | -  | -                      | 285,410                              | -                           | 285,410                       |
| 2055                        | -  | -                      | 229,852                              | -                           | 229,852                       |
| 2056                        | -  | -                      | 182,474                              | -                           | 182,474                       |
| 2057                        | -  | -                      | 143,163                              | -                           | 143,163                       |
| 2058                        | -  | -                      | 110,639                              | -                           | 110,639                       |
| 2059                        | -  | -                      | 83,235                               | -                           | 83,235                        |
| 2060                        | -  | -                      | 60,828                               | -                           | 60,828                        |
| 2061                        | -  | -                      | 43,687                               | -                           | 43,687                        |
| 2062                        | -  | -                      | 30,912                               | -                           | 30,912                        |
| 2063                        | -  | -                      | 21,617                               | -                           | 21,617                        |
| 2064                        | -  | -                      | 14,985                               | -                           | 14,985                        |
| 2065                        | -  | -                      | 10,343                               | -                           | 10,343                        |
| 2066                        | -  | -                      | 7,125                                | -                           | 7,125                         |
| 2067                        | -  | -                      | 4,852                                | -                           | 4,852                         |
| 2068                        | -  | -                      | 3,269                                | -                           | 3,269                         |
| 2069                        | -  | -                      | 2,195                                | -                           | 2,195                         |
| 2070                        | -  | -                      | 1,458                                | -                           | 1,458                         |
| 2071                        | -  | -                      | 959                                  | -                           | 959                           |

Employer contributions as shown may differ substantially from those determined by a funding valuation.



# Single Discount Rate Development

## Projection of Plan Fiduciary Net Position

### End of Year

| Fiscal Year Ending June 30, | Projected Beginning Plan Net Position | Projected Total Contributions | Projected Benefit Payments | Projected ASF Refund | Projected Administrative Expenses | Projected Investment Earnings at 6.50% (5.25% for ASF) | Projected Ending Plan Net Position |
|-----------------------------|---------------------------------------|-------------------------------|----------------------------|----------------------|-----------------------------------|--|------------------------------------|
|                             | (a)                                   | (b)                           | (c)                        | (d)                  | (e)                               | (f)  | (g)=(a)+(b)-(c)-(d)-(e)+(f)        |
| 2022                        | \$ 1,818,649,298                      | \$ 48,275,000                 | \$ 233,194,114             | \$ 13,388,175        | \$ 4,176,397                      | \$ 110,506,615   | \$ 1,726,672,226                   |
| 2023                        | 1,726,672,226                         | 48,275,000                    | 231,632,170                | 13,388,175           | 3,882,715                         | 104,690,389  | 1,630,734,554                      |
| 2024                        | 1,630,734,554                         | 90,372,057                    | 229,678,354                | 13,388,175           | 3,659,350                         | 99,979,029   | 1,574,359,761                      |
| 2025                        | 1,574,359,761                         | 88,278,800                    | 227,304,484                | 13,388,175           | 3,476,712                         | 96,443,502   | 1,514,912,693                      |
| 2026                        | 1,514,912,693                         | 86,215,094                    | 224,685,515                | 13,388,175           | 3,323,625                         | 92,722,104   | 1,452,452,576                      |
| 2027                        | 1,452,452,576                         | 84,146,229                    | 221,397,592                | 13,388,175           | 3,165,379                         | 88,832,556   | 1,387,480,215                      |
| 2028                        | 1,387,480,215                         | 82,070,435                    | 217,509,671                | 13,388,175           | 3,000,204                         | 84,805,536   | 1,320,458,135                      |
| 2029                        | 1,320,458,135                         | 79,994,309                    | 213,077,133                | 13,388,175           | 2,834,697                         | 80,669,684   | 1,251,822,123                      |
| 2030                        | 1,251,822,123                         | 77,916,896                    | 208,419,369                | 13,388,175           | 2,667,903                         | 76,443,477   | 1,181,707,050                      |
| 2031                        | 1,181,707,050                         | 75,843,255                    | 203,389,387                | 13,388,175           | 2,504,881                         | 72,140,769   | 1,110,408,631                      |
| 2032                        | 1,110,408,631                         | 73,781,087                    | 198,138,917                | -                    | 2,353,332                         | 68,123,277   | 1,051,820,747                      |
| 2033                        | 1,051,820,747                         | 71,726,179                    | 192,584,977                | -                    | 2,209,042                         | 64,431,609   | 993,184,515                        |
| 2034                        | 993,184,515                           | 69,680,022                    | 186,651,092                | -                    | 2,073,504                         | 60,748,951   | 934,888,892                        |
| 2035                        | 934,888,892                           | 67,643,423                    | 180,244,810                | -                    | 1,947,524                         | 57,103,545   | 877,443,525                        |
| 2036                        | 877,443,525                           | 65,613,528                    | 173,567,870                | -                    | 1,828,248                         | 53,522,063   | 821,182,998                        |
| 2037                        | 821,182,998                           | 63,588,483                    | 166,644,813                | -                    | 1,713,822                         | 50,025,468   | 766,438,313                        |
| 2038                        | 766,438,313                           | 61,570,653                    | 159,629,229                | -                    | 1,606,611                         | 46,630,363   | 713,403,489                        |
| 2039                        | 713,403,489                           | 59,560,169                    | 152,339,671                | -                    | 1,506,746                         | 43,355,163   | 662,472,404                        |
| 2040                        | 662,472,404                           | 57,554,244                    | 144,880,268                | -                    | 1,411,440                         | 40,222,139   | 613,957,079                        |
| 2041                        | 613,957,079                           | 55,553,249                    | 137,333,560                | -                    | 1,321,064                         | 37,248,932   | 568,104,636                        |
| 2042                        | 568,104,636                           | 53,556,301                    | 129,720,807                | -                    | 1,234,735                         | 34,450,926   | 525,156,320                        |
| 2043                        | 525,156,320                           | 51,564,259                    | 122,124,781                | -                    | 1,153,312                         | 31,841,152   | 485,283,637                        |
| 2044                        | 485,283,637                           | 49,574,587                    | 114,559,511                | -                    | 1,074,259                         | 29,430,311   | 448,654,765                        |
| 2045                        | 448,654,765                           | 47,584,767                    | 107,016,987                | -                    | 995,058                           | 27,229,589   | 415,457,076                        |
| 2046                        | 415,457,076                           | 45,596,182                    | 99,582,406                 | -                    | 917,092                           | 25,248,442   | 385,802,201                        |
| 2047                        | 385,802,201                           | 43,607,396                    | 92,317,166                 | -                    | 838,925                           | 23,492,161   | 359,745,668                        |
| 2048                        | 359,745,668                           | 41,616,353                    | 85,247,151                 | -                    | 758,501                           | 21,963,527   | 337,319,896                        |
| 2049                        | 337,319,896                           | 39,622,455                    | 78,417,540                 | -                    | 675,222                           | 20,663,202   | 318,512,791                        |
| 2050                        | 318,512,791                           | 37,625,719                    | 71,854,495                 | -                    | 589,105                           | 19,589,564   | 303,284,474                        |
| 2051                        | 303,284,474                           | 35,629,253                    | 65,587,238                 | -                    | 503,258                           | 18,739,085   | 291,562,316                        |
| 2052                        | 291,562,316                           | 33,637,929                    | 59,635,025                 | -                    | 422,553                           | 18,106,429   | 283,249,095                        |
| 2053                        | 283,249,095                           | 31,654,280                    | 54,015,782                 | -                    | 349,523                           | 17,684,702   | 278,222,773                        |
| 2054                        | 278,222,773                           | 285,410                       | 48,740,916                 | -                    | 285,410                           | 16,525,338   | 246,007,195                        |
| 2055                        | 246,007,195                           | 229,852                       | 43,807,028                 | -                    | 229,852                           | 14,589,152   | 216,789,320                        |
| 2056                        | 216,789,320                           | 182,474                       | 39,221,860                 | -                    | 182,474                           | 12,836,662   | 190,404,122                        |
| 2057                        | 190,404,122                           | 143,163                       | 34,983,031                 | -                    | 143,163                           | 11,257,218   | 166,678,308                        |
| 2058                        | 166,678,308                           | 110,639                       | 31,084,807                 | -                    | 110,639                           | 9,839,738  | 145,433,239                        |
| 2059                        | 145,433,239                           | 83,235                        | 27,518,405                 | -                    | 83,235                            | 8,572,892  | 126,487,726                        |
| 2060                        | 126,487,726                           | 60,828                        | 24,272,131                 | -                    | 60,828                            | 7,445,276  | 109,660,871                        |
| 2061                        | 109,660,871                           | 43,687                        | 21,331,784                 | -                    | 43,687                            | 6,445,588  | 94,774,674                         |
| 2062                        | 94,774,674                            | 30,912                        | 18,681,379                 | -                    | 30,912                            | 5,562,767  | 81,656,062                         |
| 2063                        | 81,656,062                            | 21,617                        | 16,303,628                 | -                    | 21,617                            | 4,786,118  | 70,138,552                         |
| 2064                        | 70,138,552                            | 14,985                        | 14,180,323                 | -                    | 14,985                            | 4,105,400  | 60,063,630                         |
| 2065                        | 60,063,630                            | 10,343                        | 12,292,667                 | -                    | 10,343                            | 3,510,914  | 51,281,876                         |
| 2066                        | 51,281,876                            | 7,125                         | 10,621,566                 | -                    | 7,125                             | 2,993,555  | 43,653,866                         |
| 2067                        | 43,653,866                            | 4,852                         | 9,148,084                  | -                    | 4,852                             | 2,544,869  | 37,050,650                         |
| 2068                        | 37,050,650                            | 3,269                         | 7,853,870                  | -                    | 3,269                             | 2,157,060  | 31,353,840                         |
| 2069                        | 31,353,840                            | 2,195                         | 6,721,398                  | -                    | 2,195                             | 1,822,993  | 26,455,435                         |
| 2070                        | 26,455,435                            | 1,458                         | 5,734,171                  | -                    | 1,458                             | 1,536,177  | 22,257,441                         |
| 2071                        | 22,257,441                            | 959                           | 4,876,741                  | -                    | 959                               | 1,290,735  | 18,671,435                         |

Employer contributions as shown may differ substantially from those determined by a funding valuation.



# Single Discount Rate Development Projection of Plan Fiduciary Net Position End of Year (Concluded)

| Fiscal Year Ending June 30, | Projected Beginning Plan Net Position | Projected Total Contributions | Projected Benefit Payments | Projected ASF Refund | Projected Administrative Expenses | Projected Investment Earnings at 6.50% (5.25% for ASF) | Projected Ending Plan Net Position |
|-----------------------------|---------------------------------------|-------------------------------|----------------------------|----------------------|-----------------------------------|--|------------------------------------|
|                             | (a)                                   | (b)                           | (c)                        | (d)                  | (e)                               | (f)  | (g)=(a)+(b)-(c)-(d)-(e)+(f)        |
| 2072                        | \$ 18,671,435                         | \$ 624                        | \$ 4,134,710               | \$ -                 | \$ 624                            | \$ 1,081,381   | \$ 15,618,105                      |
| 2073                        | 15,618,105                            | 399                           | 3,494,810                  | -                    | 399                               | 903,384  | 13,026,679                         |
| 2074                        | 13,026,679                            | 251                           | 2,944,909                  | -                    | 251                               | 752,531  | 10,834,301                         |
| 2075                        | 10,834,301                            | 155                           | 2,473,956                  | -                    | 155                               | 625,092  | 8,985,437                          |
| 2076                        | 8,985,437                             | 89                            | 2,071,951                  | -                    | 89                                | 517,775  | 7,431,261                          |
| 2077                        | 7,431,261                             | 47                            | 1,729,905                  | -                    | 47                                | 427,695  | 6,129,051                          |
| 2078                        | 6,129,051                             | 24                            | 1,439,774                  | -                    | 24                                | 352,332  | 5,041,609                          |
| 2079                        | 5,041,609                             | 11                            | 1,194,454                  | -                    | 11                                | 289,496  | 4,136,651                          |
| 2080                        | 4,136,651                             | 5                             | 987,706                    | -                    | 5                                 | 237,287  | 3,386,233                          |
| 2081                        | 3,386,233                             | 2                             | 814,082                    | -                    | 2                                 | 194,064  | 2,766,214                          |
| 2082                        | 2,766,214                             | -                             | 668,842                    | -                    | -                                 | 168,409  | 2,255,781                          |
| 2083                        | 2,255,781                             | -                             | 547,869                    | -                    | -                                 | 129,100  | 1,837,012                          |
| 2084                        | 1,837,012                             | -                             | 447,562                    | -                    | -                                 | 105,089  | 1,494,539                          |
| 2085                        | 1,494,539                             | -                             | 364,753                    | -                    | -                                 | 85,477   | 1,215,263                          |
| 2086                        | 1,215,263                             | -                             | 296,673                    | -                    | -                                 | 69,502   | 988,093                            |
| 2087                        | 988,093                               | -                             | 240,911                    | -                    | -                                 | 56,520   | 803,701                            |
| 2088                        | 803,701                               | -                             | 195,393                    | -                    | -                                 | 45,990   | 654,299                            |
| 2089                        | 654,299                               | -                             | 158,352                    | -                    | -                                 | 37,464   | 533,410                            |
| 2090                        | 533,410                               | -                             | 128,300                    | -                    | -                                 | 30,568   | 435,678                            |
| 2091                        | 435,678                               | -                             | 103,986                    | -                    | -                                 | 24,993   | 356,684                            |
| 2092                        | 356,684                               | -                             | 84,371                     | -                    | -                                 | 20,486   | 292,799                            |
| 2093                        | 292,799                               | -                             | 68,585                     | -                    | -                                 | 16,838   | 241,051                            |
| 2094                        | 241,051                               | -                             | 55,904                     | -                    | -                                 | 13,880   | 199,028                            |
| 2095                        | 199,028                               | -                             | 45,730                     | -                    | -                                 | 11,474   | 164,772                            |
| 2096                        | 164,772                               | -                             | 37,577                     | -                    | -                                 | 9,508  | 136,703                            |
| 2097                        | 136,703                               | -                             | 31,036                     | -                    | -                                 | 7,893  | 113,559                            |
| 2098                        | 113,559                               | -                             | 25,761                     | -                    | -                                 | 6,557  | 94,356                             |
| 2099                        | 94,356                                | -                             | 21,479                     | -                    | -                                 | 5,446  | 78,322                             |
| 2100                        | 78,322                                | -                             | 17,980                     | -                    | -                                 | 4,516  | 64,858                             |
| 2101                        | 64,858                                | -                             | 15,093                     | -                    | -                                 | 3,733  | 53,499                             |
| 2102                        | 53,499                                | -                             | 12,686                     | -                    | -                                 | 3,072  | 43,884                             |
| 2103                        | 43,884                                | -                             | 10,660                     | -                    | -                                 | 2,511  | 35,736                             |
| 2104                        | 35,736                                | -                             | 8,934                      | -                    | -                                 | 2,037  | 28,839                             |
| 2105                        | 28,839                                | -                             | 7,451                      | -                    | -                                 | 1,636  | 23,024                             |
| 2106                        | 23,024                                | -                             | 6,169                      | -                    | -                                 | 1,299  | 18,153                             |
| 2107                        | 18,153                                | -                             | 5,059                      | -                    | -                                 | 1,018  | 14,113                             |
| 2108                        | 14,113                                | -                             | 4,100                      | -                    | -                                 | 786  | 10,799                             |
| 2109                        | 10,799                                | -                             | 3,277                      | -                    | -                                 | 597  | 8,119                              |
| 2110                        | 8,119                                 | -                             | 2,579                      | -                    | -                                 | 445  | 5,985                              |
| 2111                        | 5,985                                 | -                             | 1,992                      | -                    | -                                 | 325  | 4,319                              |
| 2112                        | 4,319                                 | -                             | 1,509                      | -                    | -                                 | 232  | 3,042                              |
| 2113                        | 3,042                                 | -                             | 1,119                      | -                    | -                                 | 162  | 2,084                              |
| 2114                        | 2,084                                 | -                             | 810                        | -                    | -                                 | 110  | 1,384                              |
| 2115                        | 1,384                                 | -                             | 571                        | -                    | -                                 | 72   | 885                                |
| 2116                        | 885                                   | -                             | 390                        | -                    | -                                 | 45   | 539                                |
| 2117                        | 539                                   | -                             | 259                        | -                    | -                                 | 27   | 307                                |
| 2118                        | 307                                   | -                             | 166                        | -                    | -                                 | 15   | 156                                |
| 2119                        | 156                                   | -                             | 103                        | -                    | -                                 | 7  | 60                                 |
| 2120                        | 60                                    | -                             | 62                         | -                    | -                                 | 2  | -                                  |
| 2121                        | -                                     | -                             | -                          | -                    | -                                 | 0  | 0                                  |

Employer contributions as shown may differ substantially from those determined by a funding valuation.



# Single Discount Rate Development

## Present Values of Projected Benefits

### End of Year (Excluding ASF)

| Fiscal Year Ending June 30, | Projected Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Benefit Payments | Unfunded Portion of Benefit Payments | Present Value of Funded Benefit Payments using Expected Return Rate (v) | Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf) | Present Value of Benefit Payments using Single Discount Rate (sdr) |
|-----------------------------|---------------------------------------|----------------------------|------------------------------------|--------------------------------------|---|---|--|
| (a)                         | (b)                                   | (c)                        | (d)                                | (e)                                  | (f)=(d)*v <sup>a</sup> /(a-.5)  | (g)=(e)*vf <sup>a</sup> /(a-.5)   | (h)=(c)/(1+sdr) <sup>a</sup> /(a-.5)                               |
| 2022                        | \$ 1,713,866,263                      | \$ 233,194,114             | \$ 233,194,114                     | \$ -                                 | \$ 225,965,835  | \$ -  | \$ 225,965,835   |
| 2023                        | 1,630,123,201                         | 231,632,170                | 231,632,170                        | -                                    | 210,753,339   | -   | 210,753,339  |
| 2024                        | 1,542,851,825                         | 229,678,354                | 229,678,354                        | -                                    | 196,221,255   | -   | 196,221,255  |
| 2025                        | 1,495,598,308                         | 227,304,484                | 227,304,484                        | -                                    | 182,341,018   | -   | 182,341,018  |
| 2026                        | 1,445,751,383                         | 224,685,515                | 224,685,515                        | -                                    | 169,239,541   | -   | 169,239,541  |
| 2027                        | 1,393,395,417                         | 221,397,592                | 221,397,592                        | -                                    | 156,584,962   | -   | 156,584,962  |
| 2028                        | 1,339,057,674                         | 217,509,671                | 217,509,671                        | -                                    | 144,446,200   | -   | 144,446,200  |
| 2029                        | 1,283,228,531                         | 213,077,133                | 213,077,133                        | -                                    | 132,866,283   | -   | 132,866,283  |
| 2030                        | 1,226,373,084                         | 208,419,369                | 208,419,369                        | -                                    | 122,029,944   | -   | 122,029,944  |
| 2031                        | 1,168,657,055                         | 203,389,387                | 203,389,387                        | -                                    | 111,816,788   | -   | 111,816,788  |
| 2032                        | 1,110,408,631                         | 198,138,917                | 198,138,917                        | -                                    | 102,281,928   | -   | 102,281,928  |
| 2033                        | 1,051,820,747                         | 192,584,977                | 192,584,977                        | -                                    | 93,347,333  | -   | 93,347,333   |
| 2034                        | 993,184,515                           | 186,651,092                | 186,651,092                        | -                                    | 84,949,424  | -   | 84,949,424   |
| 2035                        | 934,888,892                           | 180,244,810                | 180,244,810                        | -                                    | 77,027,014  | -   | 77,027,014   |
| 2036                        | 877,443,525                           | 173,567,870                | 173,567,870                        | -                                    | 69,646,616  | -   | 69,646,616   |
| 2037                        | 821,182,998                           | 166,644,813                | 166,644,813                        | -                                    | 62,787,455  | -   | 62,787,455   |
| 2038                        | 766,438,313                           | 159,629,229                | 159,629,229                        | -                                    | 56,473,394  | -   | 56,473,394   |
| 2039                        | 713,403,489                           | 152,339,671                | 152,339,671                        | -                                    | 50,605,169  | -   | 50,605,169   |
| 2040                        | 662,472,404                           | 144,880,268                | 144,880,268                        | -                                    | 45,189,912  | -   | 45,189,912   |
| 2041                        | 613,957,079                           | 137,333,560                | 137,333,560                        | -                                    | 40,221,599  | -   | 40,221,599   |
| 2042                        | 568,104,636                           | 129,720,807                | 129,720,807                        | -                                    | 35,673,250  | -   | 35,673,250   |
| 2043                        | 525,156,320                           | 122,124,781                | 122,124,781                        | -                                    | 31,534,593  | -   | 31,534,593   |
| 2044                        | 485,283,637                           | 114,559,511                | 114,559,511                        | -                                    | 27,775,698  | -   | 27,775,698   |
| 2045                        | 448,654,765                           | 107,016,987                | 107,016,987                        | -                                    | 24,363,346  | -   | 24,363,346   |
| 2046                        | 415,457,076                           | 99,582,406                 | 99,582,406                         | -                                    | 21,287,136  | -   | 21,287,136   |
| 2047                        | 385,802,201                           | 92,317,166                 | 92,317,166                         | -                                    | 18,529,661  | -   | 18,529,661   |
| 2048                        | 359,745,668                           | 85,247,151                 | 85,247,151                         | -                                    | 16,066,278  | -   | 16,066,278   |
| 2049                        | 337,319,896                           | 78,417,540                 | 78,417,540                         | -                                    | 13,877,109  | -   | 13,877,109   |
| 2050                        | 318,512,791                           | 71,854,495                 | 71,854,495                         | -                                    | 11,939,609  | -   | 11,939,609   |
| 2051                        | 303,284,474                           | 65,587,238                 | 65,587,238                         | -                                    | 10,233,069  | -   | 10,233,069   |
| 2052                        | 291,562,316                           | 59,635,025                 | 59,635,025                         | -                                    | 8,736,518   | -   | 8,736,518  |
| 2053                        | 283,249,095                           | 54,015,782                 | 54,015,782                         | -                                    | 7,430,329   | -   | 7,430,329  |
| 2054                        | 278,222,773                           | 48,740,916                 | 48,740,916                         | -                                    | 6,295,517   | -   | 6,295,517  |
| 2055                        | 246,007,195                           | 43,807,028                 | 43,807,028                         | -                                    | 5,312,903   | -   | 5,312,903  |
| 2056                        | 216,789,320                           | 39,221,860                 | 39,221,860                         | -                                    | 4,466,494   | -   | 4,466,494  |
| 2057                        | 190,404,122                           | 34,983,031                 | 34,983,031                         | -                                    | 3,740,644   | -   | 3,740,644  |
| 2058                        | 166,678,308                           | 31,084,807                 | 31,084,807                         | -                                    | 3,120,955   | -   | 3,120,955  |
| 2059                        | 145,433,239                           | 27,518,405                 | 27,518,405                         | -                                    | 2,594,257   | -   | 2,594,257  |
| 2060                        | 126,487,726                           | 24,272,131                 | 24,272,131                         | -                                    | 2,148,563   | -   | 2,148,563  |
| 2061                        | 109,660,871                           | 21,331,784                 | 21,331,784                         | -                                    | 1,773,036   | -   | 1,773,036  |
| 2062                        | 94,774,674                            | 18,681,379                 | 18,681,379                         | -                                    | 1,457,974   | -   | 1,457,974  |
| 2063                        | 81,656,062                            | 16,303,628                 | 16,303,628                         | -                                    | 1,194,746   | -   | 1,194,746  |
| 2064                        | 70,138,552                            | 14,180,323                 | 14,180,323                         | -                                    | 975,726   | -   | 975,726  |
| 2065                        | 60,063,630                            | 12,292,667                 | 12,292,667                         | -                                    | 794,215   | -   | 794,215  |
| 2066                        | 51,281,876                            | 10,621,566                 | 10,621,566                         | -                                    | 644,364   | -   | 644,364  |
| 2067                        | 43,653,866                            | 9,148,084                  | 9,148,084                          | -                                    | 521,102   | -   | 521,102  |
| 2068                        | 37,050,650                            | 7,853,870                  | 7,853,870                          | -                                    | 420,075   | -   | 420,075  |
| 2069                        | 31,353,840                            | 6,721,398                  | 6,721,398                          | -                                    | 337,562   | -   | 337,562  |
| 2070                        | 26,455,435                            | 5,734,171                  | 5,734,171                          | -                                    | 270,405   | -   | 270,405  |
| 2071                        | 22,257,441                            | 4,876,741                  | 4,876,741                          | -                                    | 215,936   | -   | 215,936  |



# Single Discount Rate Development

## Present Values of Projected Benefits

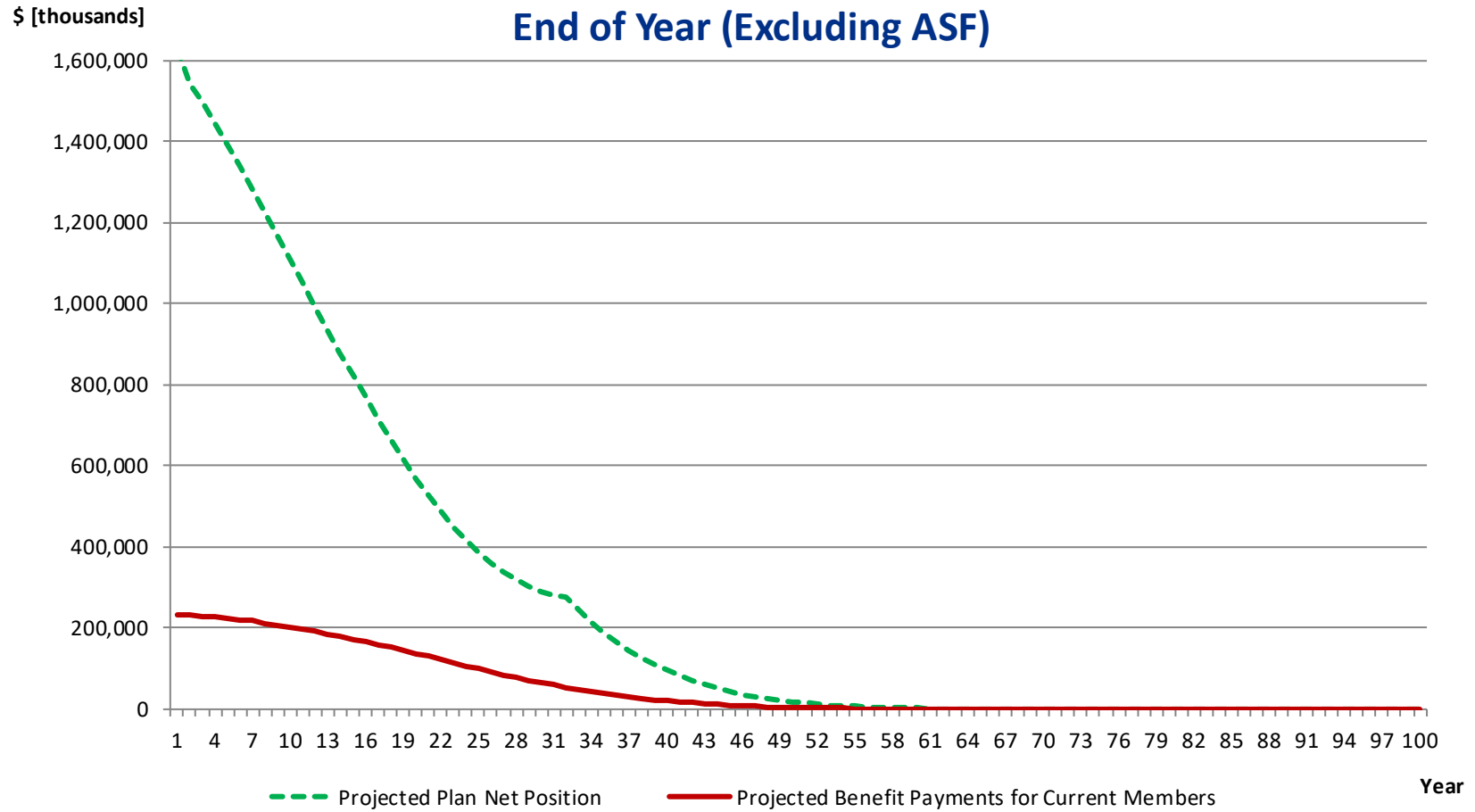
### End of Year

### (Excluding ASF) (Concluded)

| Fiscal Year     | Projected                   |                            |                                    | Unfunded Portion    | Present Value of                                       | Present Value of   | Present Value of                                  |
|-----------------|-----------------------------|----------------------------|------------------------------------|---------------------|--|--|---|
| Ending June 30, | Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Benefit Payments | of Benefit Payments | Funded Benefit Payments using Expected Return Rate (v) | Unfunded Benefit Payments using Municipal Bond Rate (vf) | Benefit Payments using Single Discount Rate (sdr) |
| (a)             | (b)                         | (c)                        | (d)                                | (e)                 | (f)=(d)*v <sup>n</sup> ((a)-.5)                        | (g)=(e)*vf <sup>n</sup> ((a)-.5)                         | (h)=(c)/(1+sdr) <sup>n</sup> ((a)-.5)             |
| 2072            | \$ 18,671,435               | \$ 4,134,710               | \$ 4,134,710                       | \$ -                | \$ 171,906   | \$ -   | \$ 171,906  |
| 2073            | 15,618,105                  | 3,494,810                  | 3,494,810                          | -                   | 136,433  | -  | 136,433   |
| 2074            | 13,026,679                  | 2,944,909                  | 2,944,909                          | -                   | 107,949  | -  | 107,949   |
| 2075            | 10,834,301                  | 2,473,956                  | 2,473,956                          | -                   | 85,151   | -  | 85,151  |
| 2076            | 8,985,437                   | 2,071,951                  | 2,071,951                          | -                   | 66,962   | -  | 66,962  |
| 2077            | 7,431,261                   | 1,729,905                  | 1,729,905                          | -                   | 52,495   | -  | 52,495  |
| 2078            | 6,129,051                   | 1,439,774                  | 1,439,774                          | -                   | 41,024   | -  | 41,024  |
| 2079            | 5,041,609                   | 1,194,454                  | 1,194,454                          | -                   | 31,957   | -  | 31,957  |
| 2080            | 4,136,651                   | 987,706                    | 987,706                            | -                   | 24,813   | -  | 24,813  |
| 2081            | 3,386,233                   | 814,082                    | 814,082                            | -                   | 19,203   | -  | 19,203  |
| 2082            | 2,766,214                   | 668,842                    | 668,842                            | -                   | 14,814   | -  | 14,814  |
| 2083            | 2,255,781                   | 547,869                    | 547,869                            | -                   | 11,394   | -  | 11,394  |
| 2084            | 1,837,012                   | 447,562                    | 447,562                            | -                   | 8,740  | -  | 8,740   |
| 2085            | 1,494,539                   | 364,753                    | 364,753                            | -                   | 6,688  | -  | 6,688   |
| 2086            | 1,215,263                   | 296,673                    | 296,673                            | -                   | 5,108  | -  | 5,108   |
| 2087            | 988,093                     | 240,911                    | 240,911                            | -                   | 3,895  | -  | 3,895   |
| 2088            | 803,701                     | 195,393                    | 195,393                            | -                   | 2,966  | -  | 2,966   |
| 2089            | 654,299                     | 158,352                    | 158,352                            | -                   | 2,257  | -  | 2,257   |
| 2090            | 533,410                     | 128,300                    | 128,300                            | -                   | 1,717  | -  | 1,717   |
| 2091            | 435,678                     | 103,986                    | 103,986                            | -                   | 1,307  | -  | 1,307   |
| 2092            | 356,684                     | 84,371                     | 84,371                             | -                   | 996  | -  | 996   |
| 2093            | 292,799                     | 68,585                     | 68,585                             | -                   | 760  | -  | 760   |
| 2094            | 241,051                     | 55,904                     | 55,904                             | -                   | 582  | -  | 582   |
| 2095            | 199,028                     | 45,730                     | 45,730                             | -                   | 447  | -  | 447   |
| 2096            | 164,772                     | 37,577                     | 37,577                             | -                   | 345  | -  | 345   |
| 2097            | 136,703                     | 31,036                     | 31,036                             | -                   | 267  | -  | 267   |
| 2098            | 113,559                     | 25,761                     | 25,761                             | -                   | 208  | -  | 208   |
| 2099            | 94,356                      | 21,479                     | 21,479                             | -                   | 163  | -  | 163   |
| 2100            | 78,322                      | 17,980                     | 17,980                             | -                   | 128  | -  | 128   |
| 2101            | 64,858                      | 15,093                     | 15,093                             | -                   | 101  | -  | 101   |
| 2102            | 53,499                      | 12,686                     | 12,686                             | -                   | 80   | -  | 80  |
| 2103            | 43,884                      | 10,660                     | 10,660                             | -                   | 63   | -  | 63  |
| 2104            | 35,736                      | 8,934                      | 8,934                              | -                   | 50   | -  | 50  |
| 2105            | 28,839                      | 7,451                      | 7,451                              | -                   | 39   | -  | 39  |
| 2106            | 23,024                      | 6,169                      | 6,169                              | -                   | 30   | -  | 30  |
| 2107            | 18,153                      | 5,059                      | 5,059                              | -                   | 23   | -  | 23  |
| 2108            | 14,113                      | 4,100                      | 4,100                              | -                   | 18   | -  | 18  |
| 2109            | 10,799                      | 3,277                      | 3,277                              | -                   | 13   | -  | 13  |
| 2110            | 8,119                       | 2,579                      | 2,579                              | -                   | 10   | -  | 10  |
| 2111            | 5,985                       | 1,992                      | 1,992                              | -                   | 7  | -  | 7   |
| 2112            | 4,319                       | 1,509                      | 1,509                              | -                   | 5  | -  | 5   |
| 2113            | 3,042                       | 1,119                      | 1,119                              | -                   | 4  | -  | 4   |
| 2114            | 2,084                       | 810                        | 810                                | -                   | 2  | -  | 2   |
| 2115            | 1,384                       | 571                        | 571                                | -                   | 2  | -  | 2   |
| 2116            | 885                         | 390                        | 390                                | -                   | 1  | -  | 1   |
| 2117            | 539                         | 259                        | 259                                | -                   | 1  | -  | 1   |
| 2118            | 307                         | 166                        | 166                                | -                   | 0  | -  | 0   |
| 2119            | 156                         | 103                        | 103                                | -                   | 0  | -  | 0   |
| 2120            | 60                          | 62                         | 62                                 | -                   | 0  | -  | 0   |
| 2121            | 0                           | -                          | -                                  | -                   | -  | -  | -   |
| <b>Totals</b>   |                             |                            |                                    |                     | <b>\$ 2,599,327,198</b>                                | <b>\$ -</b>  | <b>\$ 2,599,327,198</b>                           |



## Projection of Plan Net Position and Benefit Payments End of Year (Excluding ASF)





## **SECTION H**

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### **GLOSSARY OF TERMS**

# Glossary of Terms

|   |   |
|---|---|
| <b><i>Actuarial Accrued Liability (AAL)</i></b>   | The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."  |
| <b><i>Actuarial Assumptions</i></b>   | These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation. |
| <b><i>Accrued Service</i></b>   | Service credited under the system which was rendered before the date of the actuarial valuation.  |
| <b><i>Actuarial Equivalent</i></b>  | A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.  |
| <b><i>Actuarial Cost Method</i></b>   | A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.   |
| <b><i>Actuarial Gain (Loss)</i></b>   | The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.   |
| <b><i>Actuarial Present Value (APV)</i></b>   | The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.  |
| <b><i>Actuarial Valuation</i></b>   | The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.   |
| <b><i>Actuarial Valuation Date</i></b>  | The date as of which an actuarial valuation is performed.   |
| <b><i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i></b> | A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.  |

## Glossary of Terms

|  |   |
|--|---|
| <b>AFC</b>   | Average Final Compensation.   |
| <b>Amortization Payment</b>  | The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.   |
| <b>Amortization Method</b>   | The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).   |
| <b>APTE</b>  | Association of Professional and Technical Employees.  |
| <b>ASF</b>   | Annuity Savings Fund.   |
| <b>Cost-of-Living Adjustments</b>  | Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.  |
| <b>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</b> | A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.   |
| <b>Covered-Employee Payroll</b>  | The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.   |
| <b>Deferred Inflows and Outflows</b>   | The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.   |
| <b>DIA</b>   | Detroit Institute of Art.   |
| <b>Discount Rate</b>   | For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: <ol style="list-style-type: none"><li>1. The benefit payments to be made while the pension plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and</li><li>2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.</li></ol> |

## Glossary of Terms

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| <b><i>D.O.T.</i></b>   | Department of Transportation.  |
| <b><i>DWSD</i></b>   | Detroit Water and Sewerage Department.   |
| <b><i>EMS</i></b>  | Emergency Medical Service.   |
| <b><i>Entry Age Actuarial Cost Method (EAN)</i></b>          | The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits. |
| <b><i>GASB</i></b>   | The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.  |
| <b><i>GLWA</i></b>   | Great Lakes Water Authority.   |
| <b><i>Fiduciary Net Position</i></b>                         | The fiduciary net position is the value of the assets of the trust.  |
| <b><i>Long-Term Expected Rate of Return</i></b>              | The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.   |
| <b><i>Money-Weighted Rate of Return</i></b>                  | The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.   |
| <b><i>Multiple-Employer Defined Benefit Pension Plan</i></b> | A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.  |
| <b><i>Municipal Bond Rate</i></b>                            | The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.  |
| <b><i>Net Pension Liability (NPL)</i></b>                    | The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.   |

## Glossary of Terms

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|--|--|
| <b><i>Non-Employer Contribution Entities</i></b> | Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB Accounting statement plan members are not considered non-employer contribution entities. |
| <b><i>Normal Cost</i></b>                        | The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method. Also known as service cost.  |
| <b><i>POA</i></b>                                | The 8th Amended Plan for the Adjustment of the Debt of the City of Detroit.  |
| <b><i>SAAA</i></b>                               | Senior Accountants, Analysts, and Appraisers Association.  |
| <b><i>UTGO</i></b>                               | Unlimited Tax General Obligation.  |

## **APPENDIX**

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### **MICHIGAN PUBLIC ACT 202**

## State Reporting Assumptions for Fiscal Year 2021 Calculations as of June 30, 2020

The Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017, was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Sec. 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions, are denoted below. Additional discussion of PA 202 and uniform assumptions may be found on the State website in the *Public Act 202: Selection of the Uniform Assumptions for Fiscal Year 2021* memo dated October 22, 2020.

|  | PA 202   | Assumptions used for GASB  | Uniform Assumptions used for Fiscal Year 2020   |
|--|--|--|---|
| Investment Rate of Return<br>Discount Rate                             | <b>Maximum of 7.00%<sup>^</sup></b>  | 7.06%  | <b>7.00%<sup>^</sup></b>  |
| Salary Increase  | Minimum of 3.00% or based on experience study within last 5 years  | <b>N/A</b>   | <b>N/A</b>  |
| Mortality  | <b>Version of Pub-2010 with future mortality improvement projected generationally using Scale MP-2019 or based on experience study within last 5 years</b> | A version of RP-2014. First used for the September 30, 2014 valuation. | <b>Pub-2010, Amount Weighted, General tables with fully generational projection using Scale MP-2019. The corresponding Disabled Retiree and Employee tables are used for disability and pre-retirement mortality, respectively.</b> |
| Amortization of the Unfunded<br>Accrued Actuarial Liability:<br>Period | Maximum Period of 18 Years   | N/A  | <b>18</b>   |
| Method   | <b>Closed Plans: Level Dollar<br/>Open Plans: Level Percent of Payroll or Level Dollar</b>   | Other  | <b>Level Dollar</b>   |

<sup>^</sup> A blended rate calculated using GASB Statement No. 68 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 7.00%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – 2.20%.

The calculations for PA 202 use a June 30, 2020 valuation date and a June 30, 2020 measurement date. The 7.06% Investment Rate of Return was used as the Long Term Expected Rate of Return for GASB disclosures with a measurement date of June 30, 2020. With exception of the assumptions and methods listed above, all other assumptions and methods are the same as those listed in June 30, 2021 GASB report.



## State Reporting for Fiscal Year 2021 Calculations as of June 30, 2020

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan’s Local Government Retirement System Annual Report (Form 5572). The local unit of government is required to complete/develop all of the remaining reporting requirements necessary for Form 5572. Additional resources are available on the State website.

| Line      | Descriptive Information  |                     |
|-----------|--|---------------------|
| <b>18</b> | <b>Actuarial Assumptions</b>   |                     |
| 19        | Actuarial assumed Rate of Investment Return  | 6.75%               |
| 20        | Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any | Other               |
| 21        | Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any | N/A                 |
| 22        | Is each division within the system closed to new employees? ~                                      | yes                 |
| <b>23</b> | <b>Uniform Assumptions<sup>^</sup></b>   |                     |
| 24        | Enter retirement pension system's actuarial value of assets using uniform assumptions <sup>+</sup> | \$ 1,596,101,989.00 |
| 25        | Enter retirement pension system's actuarial accrued liabilities using uniform assumptions          | \$ 2,727,913,413.00 |
| 26        | Funded ratio using uniform assumptions   | 58.5%               |
| 27        | Actuarially Determined Contribution (ADC) using uniform assumptions                                | \$ 112,516,318.00   |
| 28        | All systems combined ADC/Governmental fund revenues  | Auto*               |

- <sup>^</sup> Information on lines 23-28 is based on the Uniform Assumptions used, listed on the prior page, as of the most recent valuation date, June 30, 2020.
- <sup>+</sup> The actuarial value of assets is equal to the market value of assets as of the June 30, 2020.
- <sup>\*</sup> Automatically calculated by State of Michigan Form 5572.
- <sup>~</sup> This Component II plan is closed to new employees. The Component I plan is open to new employees and its PA 202 information is in the Component I GASB Statement No. 68 report.