

CITY OF PARK RIDGE REGULAR

GASB STATEMENT NO. 68 EMPLOYER REPORTING
ACCOUNTING SCHEDULES
DECEMBER 31, 2014

**PRELIMINARY - WILL NOT IMPLEMENT GASB 68 UNTIL NEXT
YEAR**

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April 27, 2015

City of Park Ridge
Illinois Municipal Retirement System

The accounting schedules submitted in this report are required under the Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions."


Our calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of these accounting standards. These results are subject to review by the system's auditor and may be revised.

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 No. 68. Our calculation of the plan's liability for this report may not be applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the City of Park Ridge only in its entirety and only with the permission of City of Park Ridge.


This report is based upon information, furnished to us by IMRF, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different than ours, please let us know and do not use or distribute this report until those differences have been resolved to your satisfaction. This information was checked for internal consistency, but it was not otherwise audited.

To the best of our knowledge, the information contained in this report is accurate, and fairly represents the actuarial position of City of Park Ridge. 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. Mark Buis and Francois Pieterse are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinions herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

By 

Mark Buis
FSA, EA, MAAA

By 

Francois Pieterse
ASA, MAAA

SECTION A

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY
AS OF DECEMBER 31, 2014

	2014
Actuarial Valuation Date	December 31, 2014
Measurement Date of the Net Pension Liability	December 31, 2014
Fiscal Year End	April 30, 2015

Membership

Number of	
- Retirees and Beneficiaries	220
- Inactive, Non-Retired Members	105
- Active Members	148
- Total	473
Covered Valuation Payroll	\$ 8,534,323

Net Pension Liability

Total Pension Liability/(Asset)	\$ 67,782,907
Plan Fiduciary Net Position	66,085,602
Net Pension Liability/(Asset)	\$ 1,697,305
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.50%
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.89%

Development of the Single Discount Rate as of December 31, 2014

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate*	3.56%
Last year ending December 31 in the 2015 to 2114 projection period for which projected benefit payments are fully funded	2092
Resulting Single Discount Rate based on the above development	7.50%
Single Discount Rate calculated using December 31, 2013 Measurement Date	7.50%

Total Pension Expense/(Income) \$ 1,357,489

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 0	\$ 188,320
Changes in assumptions	1,638,383	-
Net difference between projected and actual earnings on pension plan investments	707,074	-
Total	\$ 2,345,457	\$ 188,320

**Based on the Bond Buyer 20-Bond Index of general obligation municipal bonds as of December 31, 2014
(i.e., the weekly rate closest to but not later than the Measurement Date).*

DISCUSSION

Accounting Standard

For state and local government employers (as well as certain non-employers) that contribute to a Defined Benefit (DB) pension plan administered through a trust or equivalent arrangement, Governmental Accounting Standards Board (GASB) Statement No. 68 establishes standards for pension accounting and financial reporting. Under GASB Statement No. 68, the employer must 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 is not included in this report if it is not actuarial in nature, such as the notes to the financial statements regarding accounting policies and investments. As a result, the retirement system and/or plan sponsor is responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state and local government employers that contribute to DB pension plans to recognize the net pension liability and the pension expense on their financial statements, along with the related deferred outflows of resources and deferred inflows of resources. 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).

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.

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 of resources and inflows of resources related to pensions.

In addition, GASB Statement No. 68 requires the notes of the financial statements for the employers to include certain additional information, including (page numbers refer to page numbers from this report unless specified otherwise):

- a description of the types of benefits provided by the plan, as well as automatic or ad hoc COLAs (please see pages B-1 - B-5 of the December 31, 2014 Annual Actuarial Valuation report dated April 8, 2015);
- the number and classes of employees covered by the benefit terms (page 1);
- for the current year, sources of changes in the net pension liability (page 8);
- significant assumptions and methods used to calculate the total pension liability (page 13);
- inputs to the single discount rate (page 14);
- certain information about mortality assumptions and the dates of experience studies (page 11 and page 13);
- the date of the valuation used to determine the total pension liability (page 1);
- information about changes of assumptions or other inputs and benefit terms (pages 11 and 13);
- the basis for determining contributions to the plan, including a description of the plan's funding policy, as well as member and employer contribution requirements (please see page A-3, B-5 and Section D of the December 31, 2014 Annual Actuarial Valuation report dated April 8, 2015, as well as page 11);
- the total pension liability, fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability (page 8);
- 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 (page 8); and
- a description of the system that administers the pension plan (to be provided by IMRF).

Required Supplementary Information

The financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- sources of changes in the net pension liability (page 9);
- 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 (page 9); and
- comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy (page 10).

These tables may be built prospectively as the information becomes available.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. 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 December 31, 2014 and a measurement date of December 31, 2014.

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 plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.56% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve); and the resulting single discount rate is 7.50%.

Effective Date and Transition

GASB Statement No. 68 is effective for an employer's fiscal years beginning after June 15, 2014; however, earlier application is encouraged by the GASB.

SECTION B

FINANCIAL STATEMENTS

PENSION EXPENSE/(INCOME) UNDER GASB STATEMENT NO. 68
CALENDAR YEAR ENDED DECEMBER 31, 2014

A. Expense/(Income)	
1. Service Cost	\$ 1,016,333
2. Interest on the Total Pension Liability	4,654,778
3. Current-Period Benefit Changes	0
4. Employee Contributions (made negative for addition here)	(407,420)
5. Projected Earnings on Plan Investments (made negative for addition here)	(4,728,915)
6. Other Changes in Plan Fiduciary Net Position	(36,470)
7. Recognition of Outflow (Inflow) of Resources due to Liabilities	682,414
8. Recognition of Outflow (Inflow) of Resources due to Assets	176,769
9. Total Pension Expense/(Income)	\$ 1,357,489

**STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT REPORTING
PERIOD
CALENDAR YEAR ENDED DECEMBER 31, 2014**

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ (276,946)
2. Assumption Changes (gains) or losses	\$ 2,409,423
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3.1249
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	\$ (88,626)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ 771,040
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	<u>\$ 682,414</u>
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	\$ (188,320)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ 1,638,383
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<u>\$ 1,450,063</u>

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ 883,843
2. Recognition period for Assets {in years}	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ 176,769
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ 707,074

**STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT AND PRIOR
REPORTING PERIODS
CALENDAR YEAR ENDED DECEMBER 31, 2014**

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Due to Liabilities	\$ 771,040	\$ 88,626	\$ 682,414
2. Due to Assets	176,769	0	176,769
3. Total	\$ 947,809	\$ 88,626	\$ 859,183

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 0	\$ 88,626	\$ (88,626)
2. Assumption changes	771,040	0	771,040
3. Net difference between projected and actual earnings on pension plan investments	176,769	0	176,769
4. Total	\$ 947,809	\$ 88,626	\$ 859,183

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 0	\$ 188,320	\$ (188,320)
2. Assumption changes	1,638,383	0	1,638,383
3. Net difference between projected and actual earnings on pension plan investments	707,074	0	707,074
4. Total	\$ 2,345,457	\$ 188,320	\$ 2,157,137

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 859,183
2016	859,183
2017	262,003
2018	176,768
2019	0
Thereafter	0
Total	\$ 2,157,137

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD
CALENDAR YEAR ENDED DECEMBER 31, 2014

A. Total pension liability	
1. Service Cost	\$ 1,016,333
2. Interest on the Total Pension Liability	4,654,778
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total Pension Liability	(276,946)
5. Changes of assumptions	2,409,423
6. Benefit payments, including refunds of employee contributions	(3,152,430)
7. Net change in total pension liability	\$ 4,651,158
8. Total pension liability – beginning	63,131,749
9. Total pension liability – ending	<u><u>\$ 67,782,907</u></u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 1,085,190
2. Contributions – employee	407,420
3. Net investment income	3,845,072
4. Benefit payments, including refunds of employee contributions	(3,152,430)
5. Other (Net Transfer)	36,470
6. Net change in plan fiduciary net position	\$ 2,221,722
7. Plan fiduciary net position – beginning	63,863,880
8. Plan fiduciary net position – ending	<u><u>\$ 66,085,602</u></u>
C. Net pension liability/(asset)	<u><u>\$ 1,697,305</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	97.50%
E. Covered Valuation payroll	\$ 8,534,323
F. Net pension liability as a percentage of covered valuation payroll	19.89%

SENSITIVITY OF NET PENSION LIABILITY/(ASSET) TO THE SINGLE DISCOUNT RATE ASSUMPTION

	Current Single Discount		
	1% Decrease 6.50%	Rate Assumption 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 76,083,401	\$ 67,782,907	\$ 60,941,310
Plan Fiduciary Net Position	66,085,602	66,085,602	66,085,602
Net Pension Liability/(Asset)	\$ 9,997,799	\$ 1,697,305	\$ (5,144,292)

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
MULTIYEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

(schedule to be built prospectively from 2014)

Calendar year ending December 31,	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Pension Liability										
Service Cost	\$ 1,016,333									
Interest on the Total Pension Liability	4,654,778									
Benefit Changes	0									
Difference between Expected and Actual Experience	(276,946)									
Assumption Changes	2,409,423									
Benefit Payments and Refunds	(3,152,430)									
Net Change in Total Pension Liability	4,651,158									
Total Pension Liability - Beginning	63,131,749									
Total Pension Liability - Ending (a)	\$ 67,782,907									
Plan Fiduciary Net Position										
Employer Contributions	\$ 1,085,190									
Employee Contributions	407,420									
Pension Plan Net Investment Income	3,845,072									
Benefit Payments and Refunds	(3,152,430)									
Other	36,470									
Net Change in Plan Fiduciary Net Position	2,221,722									
Plan Fiduciary Net Position - Beginning	63,863,880									
Plan Fiduciary Net Position - Ending (b)	\$ 66,085,602									
Net Pension Liability/(Asset) - Ending (a) - (b)	1,697,305									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	97.50%									
Covered Valuation Payroll	\$ 8,534,323									
Net Pension Liability as a Percentage of Covered Valuation Payroll	19.89%									

MULTIYEAR SCHEDULE OF CONTRIBUTIONS

Last 10 Calendar Years

Calendar Year Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a % of Covered Valuation Payroll
2014	\$ 1,054,842 *	\$ 1,085,190	\$ (30,348)	\$ 8,534,323	12.72%

* Estimated based on contribution rate of 12.36% and covered valuation payroll of \$8,534,323.
This number should be verified by the auditor.

NOTES TO SCHEDULE OF CONTRIBUTIONS

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS USED IN THE CALCULATION OF THE 2014 CONTRIBUTION RATE*

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period). Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	4.00%
Price Inflation	3.0% -- approximate; No explicit price inflation assumption is used in this valuation.
Salary Increases	4.40% to 16.00% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 - 2010.
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes There were no benefit changes during the year.

* Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation

DEVELOPMENT OF MARKET VALUE OF ASSETS**Market Value of Assets as of December 31, 2014**

1. Employee Contribution Reserve (MDF Assets from IMRF)	\$	10,619,395
2. Employer Contribution Reserve (EAF assets from IMRF)		21,892,825
3. Annuitant Reserve		35,568,902
4. Assumed Transfer from Employer Reserve for Annuitant Mortality Change		(1,503,410)
5. Miscellaneous Adjustment*		(492,110)
6. Net Market Value	\$	66,085,602

* Includes an adjustment factor of .00739151 on Items 1 through 4 to ensure that Market Value of Assets for all employers balances to the total Market Value of IMRF. Miscellaneous adjustments are due to various items such as suspended annuity reserve, disability benefit reserve, death benefit reserve, supplemental benefit reserve, employers with no assets, etc.

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
USED IN THE CALCULATION OF THE TOTAL PENSION LIABILITY**

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes	There were no benefit changes during the year.
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A detailed description of the actuarial assumptions and methods can be found in the December 31, 2014 Illinois Municipal Retirement Fund annual actuarial valuation report.

SECTION C

CALCULATION OF THE SINGLE DISCOUNT RATE

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 68 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 “risk-free” 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 (which is published by the Federal Reserve) 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 7.50%; the municipal bond rate is 3.56%; and the resulting single discount rate is 7.50%.

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).

Expected Contributions are developed based on the following:

- Member Contributions for current members
- Normal Cost contributions for current members
- Unfunded Liability contributions for current and future members.

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

The **Present Values of Projected Benefit Payments** table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

SINGLE DISCOUNT RATE DEVELOPMENT
PROJECTION OF CONTRIBUTIONS

Year	Payroll for Current Employees	Contributions from Current Employees	Normal Cost Contributions	UAL Contributions	Total Contributions
0	\$ 8,534,323				
1	8,470,422	\$ 381,169	\$ 661,631	\$ 260,647	\$ 1,303,448
2	7,952,122	357,845	561,241	322,345	1,241,431
3	7,515,092	338,179	531,141	229,740	1,099,060
4	7,136,530	321,144	505,093	123,473	949,710
5	6,804,887	306,220	481,621	22,490	810,330
6	6,492,091	292,144	459,482	31,227	782,854
7	6,180,561	278,125	436,821	32,320	747,266
8	5,895,411	265,294	416,083	33,451	714,828
9	5,627,544	253,239	396,062	34,622	683,924
10	5,351,100	240,800	375,545	35,834	652,179
11	5,079,899	228,595	355,505	37,088	621,189
12	4,829,604	217,332	337,031	38,386	592,750
13	4,596,205	206,829	319,833	39,730	566,391
14	4,373,457	196,806	303,899	41,120	541,825
15	4,170,380	187,667	288,961	40,412	517,040
16	3,952,298	177,853	273,067	39,717	490,637
17	3,716,283	167,233	256,024	39,033	462,290
18	3,496,727	157,353	239,858	38,362	435,572
19	3,280,025	147,601	224,018	37,701	409,320
20	3,035,377	136,592	206,707	37,052	380,352
21	2,780,573	125,126	188,528	36,415	350,069
22	2,529,644	113,834	170,512	35,788	320,134
23	2,266,200	101,979	151,631	35,172	288,782
24	2,026,461	91,191	134,385	34,567	260,143
25	1,810,982	81,494	119,018	33,972	234,485
26	1,605,787	72,260	104,419	33,387	210,066
27	1,412,218	63,550	90,852	32,813	187,214
28	1,233,855	55,524	78,277	32,248	166,048
29	1,074,345	48,346	67,092	31,693	147,130
30	929,269	41,817	57,019	31,147	129,983
31	798,938	35,952	48,151	30,611	114,714
32	666,572	29,996	39,381	30,084	99,461
33	546,738	24,603	31,976	29,567	86,146
34	468,639	21,089	27,269	29,058	77,415
35	374,489	16,852	21,419	28,558	66,829
36	271,988	12,239	15,530	28,066	55,835
37	192,019	8,641	11,230	27,583	47,454
38	120,451	5,420	7,283	27,108	39,812
39	79,611	3,582	5,177	26,642	35,401
40	59,306	2,669	4,127	26,183	32,979
41	44,049	1,982	3,153	25,733	30,867
42	33,330	1,500	2,405	25,290	29,195
43	24,302	1,094	1,754	24,855	27,702
44	14,864	669	1,071	24,427	26,167
45	9,318	419	670	24,006	25,095
46	5,827	262	420	23,593	24,276
47	3,403	153	242	23,187	23,582
48	1,512	68	109	22,788	22,965
49	190	9	13	22,396	22,418
50	0	0	0	22,010	22,010

**SINGLE DISCOUNT RATE DEVELOPMENT
PROJECTION OF CONTRIBUTIONS (CONCLUDED)**

Year	Payroll for Current Employees	Contributions from Current Employees	Normal Cost Contributions	UAL Contributions	Total Contributions
51	\$ 0	\$ 0	\$ 0	\$ 21,632	\$ 21,632
52	0	0	0	21,259	21,259
53	0	0	0	20,893	20,893
54	0	0	0	20,534	20,534
55	0	0	0	20,180	20,180
56	0	0	0	19,833	19,833
57	0	0	0	19,492	19,492
58	0	0	0	19,156	19,156
59	0	0	0	18,827	18,827
60	0	0	0	18,503	18,503
61	0	0	0	18,184	18,184
62	0	0	0	17,871	17,871
63	0	0	0	17,564	17,564
64	0	0	0	17,261	17,261
65	0	0	0	16,964	16,964
66	0	0	0	16,672	16,672
67	0	0	0	16,385	16,385
68	0	0	0	16,103	16,103
69	0	0	0	15,826	15,826
70	0	0	0	15,554	15,554
71	0	0	0	15,286	15,286
72	0	0	0	15,023	15,023
73	0	0	0	14,764	14,764
74	0	0	0	14,510	14,510
75	0	0	0	14,261	14,261
76	0	0	0	14,015	14,015
77	0	0	0	13,774	13,774
78	0	0	0	13,537	13,537
79	0	0	0	13,304	13,304
80	0	0	0	13,075	13,075
81	0	0	0	12,850	12,850
82	0	0	0	12,629	12,629
83	0	0	0	12,411	12,411
84	0	0	0	12,198	12,198
85	0	0	0	11,988	11,988
86	0	0	0	11,781	11,781
87	0	0	0	11,579	11,579
88	0	0	0	11,379	11,379
89	0	0	0	11,184	11,184
90	0	0	0	10,991	10,991
91	0	0	0	10,802	10,802
92	0	0	0	10,616	10,616
93	0	0	0	10,433	10,433
94	0	0	0	10,254	10,254
95	0	0	0	10,077	10,077
96	0	0	0	9,904	9,904
97	0	0	0	9,733	9,733
98	0	0	0	9,566	9,566
99	0	0	0	9,401	9,401
100	0	0	0	9,240	9,240

SINGLE DISCOUNT RATE DEVELOPMENT
PROJECTION OF PLAN FIDUCIARY NET POSITION

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected Ending Plan
	Plan Net Position	Contributions	Payments	Investment Earnings at 7.50%	Net Position
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
1	\$ 66,085,602	\$ 1,303,448	\$ 3,521,458	\$ 4,874,748	\$ 68,742,340
2	68,742,340	1,241,431	3,754,861	5,063,126	71,292,035
3	71,292,035	1,099,060	3,979,405	5,240,842	73,652,532
4	73,652,532	949,710	4,191,972	5,404,553	75,814,824
5	75,814,824	810,330	4,407,955	5,553,640	77,770,839
6	77,770,839	782,854	4,615,554	5,691,685	79,629,823
7	79,629,823	747,266	4,852,949	5,821,057	81,345,198
8	81,345,198	714,828	5,094,798	5,939,610	82,904,838
9	82,904,838	683,924	5,306,606	6,047,646	84,329,801
10	84,329,801	652,179	5,533,927	6,144,979	85,593,032
11	85,593,032	621,189	5,726,893	6,231,475	86,718,802
12	86,718,802	592,750	5,966,439	6,306,040	87,651,153
13	87,651,153	566,391	6,155,739	6,368,025	88,429,831
14	88,429,831	541,825	6,317,791	6,419,554	89,073,419
15	89,073,419	517,040	6,464,436	6,461,511	89,587,534
16	89,587,534	490,637	6,622,647	6,493,272	89,948,796
17	89,948,796	462,290	6,778,700	6,513,576	90,145,963
18	90,145,963	435,572	6,937,430	6,521,535	90,165,641
19	90,165,641	409,320	7,100,547	6,516,038	89,990,452
20	89,990,452	380,352	7,289,170	6,494,887	89,576,521
21	89,576,521	350,069	7,461,704	6,456,374	88,921,260
22	88,921,260	320,134	7,582,543	6,401,678	88,060,529
23	88,060,529	288,782	7,690,193	6,332,004	86,991,123
24	86,991,123	260,143	7,766,008	6,247,953	85,733,210
25	85,733,210	234,485	7,814,286	6,150,887	84,304,295
26	84,304,295	210,066	7,852,873	6,041,398	82,702,887
27	82,702,887	187,214	7,856,843	5,920,305	80,953,563
28	80,953,563	166,048	7,838,694	5,788,995	79,069,912
29	79,069,912	147,130	7,807,917	5,648,157	77,057,283
30	77,057,283	129,983	7,750,194	5,498,704	74,935,777
31	74,935,777	114,714	7,669,373	5,342,005	72,723,123
32	72,723,123	99,461	7,584,768	5,178,610	70,416,425
33	70,416,425	86,146	7,468,153	5,009,411	68,043,829
34	68,043,829	77,415	7,316,154	4,836,742	65,641,833
35	65,641,833	66,829	7,198,191	4,660,546	63,171,017
36	63,171,017	55,835	7,070,206	4,479,543	60,636,189
37	60,636,189	47,454	6,933,743	4,294,147	58,044,047
38	58,044,047	39,812	6,780,039	4,105,114	55,408,935
39	55,408,935	35,401	6,586,015	3,914,463	52,772,784
40	52,772,784	32,979	6,375,166	3,724,426	50,155,023
41	50,155,023	30,867	6,162,912	3,535,832	47,558,811
42	47,558,811	29,195	5,945,732	3,349,052	44,991,325
43	44,991,325	27,702	5,731,604	3,164,320	42,451,742
44	42,451,742	26,167	5,515,037	2,981,769	39,944,641
45	39,944,641	25,095	5,294,183	2,801,829	37,477,382
46	37,477,382	24,276	5,071,293	2,624,962	35,055,328
47	35,055,328	23,582	4,846,648	2,451,554	32,683,815
48	32,683,815	22,965	4,622,094	2,281,937	30,366,623
49	30,366,623	22,418	4,396,150	2,116,447	28,109,337
50	28,109,337	22,010	4,169,551	1,955,479	25,917,276

SINGLE DISCOUNT RATE DEVELOPMENT
PROJECTION OF PLAN FIDUCIARY NET POSITION (CONCLUDED)

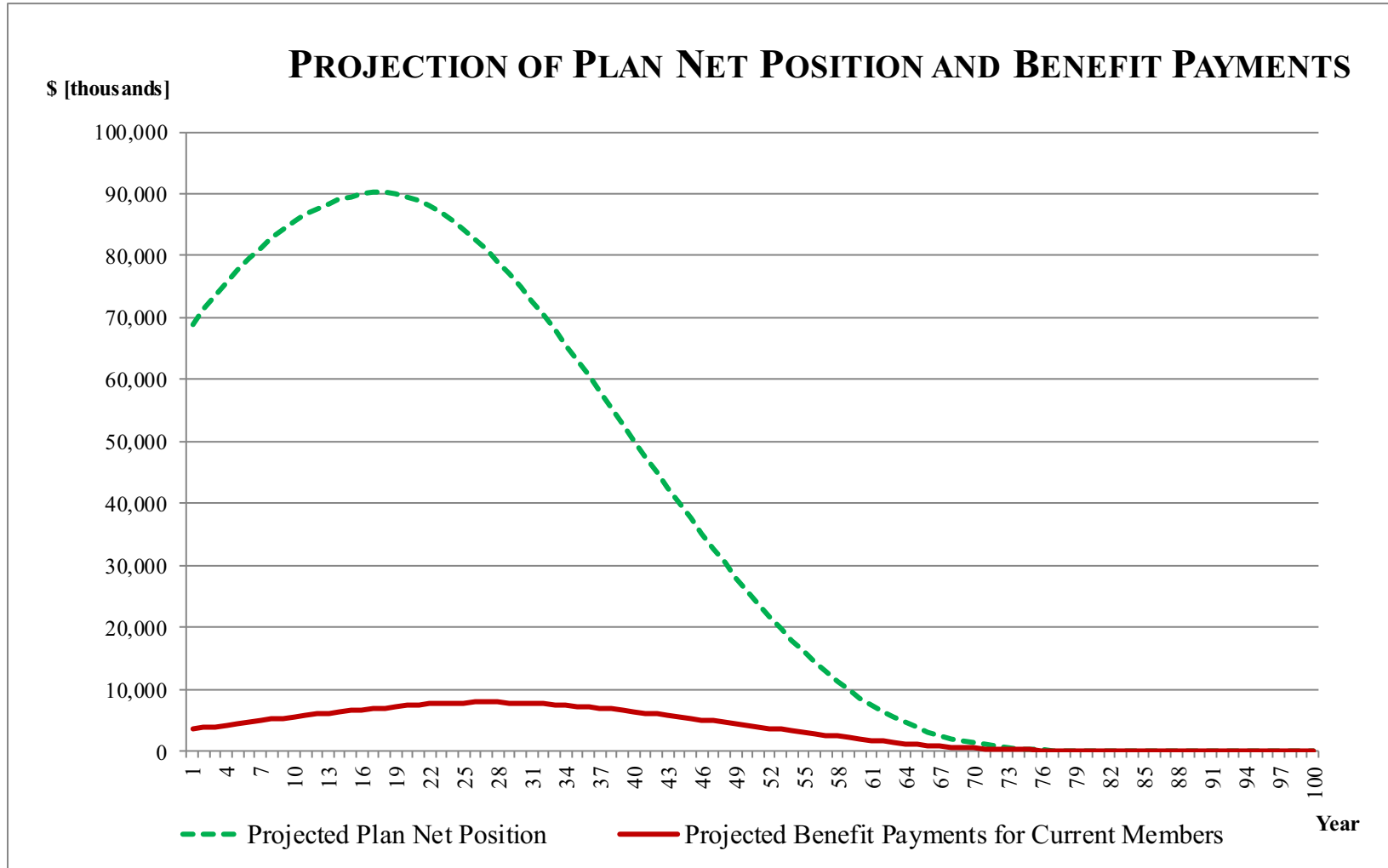
Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings at 7.50%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
51	\$ 25,917,276	\$ 21,632	\$ 3,943,002	\$ 1,799,403	\$ 23,795,309
52	23,795,309	21,259	3,716,722	1,648,574	21,748,419
53	21,748,419	20,893	3,490,950	1,503,357	19,781,720
54	19,781,720	20,534	3,266,076	1,364,121	17,900,299
55	17,900,299	20,180	3,042,700	1,231,227	16,109,007
56	16,109,007	19,833	2,821,585	1,105,009	14,412,264
57	14,412,264	19,492	2,603,581	985,768	12,813,943
58	12,813,943	19,156	2,389,693	873,758	11,317,164
59	11,317,164	18,827	2,180,931	769,174	9,924,233
60	9,924,233	18,503	1,978,139	672,160	8,636,757
61	8,636,757	18,184	1,782,146	582,804	7,455,599
62	7,455,599	17,871	1,593,785	501,142	6,380,827
63	6,380,827	17,564	1,413,977	427,143	5,411,556
64	5,411,556	17,261	1,243,770	360,704	4,545,752
65	4,545,752	16,964	1,084,149	301,635	3,780,203
66	3,780,203	16,672	935,967	249,665	3,110,573
67	3,110,573	16,385	799,981	204,439	2,531,417
68	2,531,417	16,103	676,842	165,526	2,036,204
69	2,036,204	15,826	566,915	132,423	1,617,539
70	1,617,539	15,554	470,122	104,577	1,267,547
71	1,267,547	15,286	386,061	81,413	978,186
72	978,186	15,023	314,087	62,352	741,474
73	741,474	14,764	253,287	46,828	549,778
74	549,778	14,510	202,528	34,310	396,071
75	396,071	14,261	160,581	24,317	274,068
76	274,068	14,015	126,263	16,422	178,242
77	178,242	13,774	98,443	10,250	103,823
78	103,823	13,537	76,061	5,484	46,783
79	46,783	13,304	58,171	1,857	3,772
80	3,772	13,075	43,971	0	0
81	0	12,850	32,793	0	0
82	0	12,629	24,080	0	0
83	0	12,411	17,363	0	0
84	0	12,198	12,257	0	0
85	0	11,988	8,456	0	0
86	0	11,781	5,684	0	0
87	0	11,579	3,709	0	0
88	0	11,379	2,341	0	0
89	0	11,184	1,425	0	0
90	0	10,991	838	0	0
91	0	10,802	474	0	0
92	0	10,616	258	0	0
93	0	10,433	134	0	0
94	0	10,254	68	0	0
95	0	10,077	34	0	0
96	0	9,904	15	0	0
97	0	9,733	6	0	0
98	0	9,566	2	0	0
99	0	9,401	0	0	0
100	0	9,240	0	0	0

**SINGLE DISCOUNT RATE DEVELOPMENT
PRESENT VALUES OF PROJECTED BENEFITS**

Year	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 ^{-(a)-.5}	(g)=(e)*vf ^{-(a)-.5}	(h)=(c)/(1+sdr) ^{-(a)-.5}
1	\$ 66,085,602	\$ 3,521,458	\$ 3,521,458	\$ 0	\$ 3,396,396	\$ 0	\$ 3,396,410
2	68,742,340	3,754,861	3,754,861	0	3,368,846	0	3,368,886
3	71,292,035	3,979,405	3,979,405	0	3,321,215	0	3,321,281
4	73,652,532	4,191,972	4,191,972	0	3,254,533	0	3,254,624
5	75,814,824	4,407,955	4,407,955	0	3,183,458	0	3,183,571
6	77,770,839	4,615,554	4,615,554	0	3,100,825	0	3,100,961
7	79,629,823	4,852,949	4,852,949	0	3,032,848	0	3,033,005
8	81,345,198	5,094,798	5,094,798	0	2,961,853	0	2,962,029
9	82,904,838	5,306,606	5,306,606	0	2,869,756	0	2,869,949
10	84,329,801	5,533,927	5,533,927	0	2,783,896	0	2,784,106
11	85,593,032	5,726,893	5,726,893	0	2,679,972	0	2,680,195
12	86,718,802	5,966,439	5,966,439	0	2,597,274	0	2,597,512
13	87,651,153	6,155,739	6,155,739	0	2,492,725	0	2,492,972
14	88,429,831	6,317,791	6,317,791	0	2,379,858	0	2,380,113
15	89,073,419	6,464,436	6,464,436	0	2,265,207	0	2,265,468
16	89,587,534	6,622,647	6,622,647	0	2,158,740	0	2,159,006
17	89,948,796	6,778,700	6,778,700	0	2,055,449	0	2,055,718
18	90,145,963	6,937,430	6,937,430	0	1,956,818	0	1,957,090
19	90,165,641	7,100,547	7,100,547	0	1,863,096	0	1,863,370
20	89,990,452	7,289,170	7,289,170	0	1,779,152	0	1,779,427
21	89,576,521	7,461,704	7,461,704	0	1,694,199	0	1,694,475
22	88,921,260	7,582,543	7,582,543	0	1,601,522	0	1,601,795
23	88,060,529	7,690,193	7,690,193	0	1,510,938	0	1,511,208
24	86,991,123	7,766,008	7,766,008	0	1,419,381	0	1,419,646
25	85,733,210	7,814,286	7,814,286	0	1,328,562	0	1,328,821
26	84,304,295	7,852,873	7,852,873	0	1,241,975	0	1,242,226
27	82,702,887	7,856,843	7,856,843	0	1,155,909	0	1,156,152
28	80,953,563	7,838,694	7,838,694	0	1,072,781	0	1,073,015
29	79,069,912	7,807,917	7,807,917	0	994,017	0	994,242
30	77,057,283	7,750,194	7,750,194	0	917,831	0	918,046
31	74,935,777	7,669,373	7,669,373	0	844,893	0	845,097
32	72,723,123	7,584,768	7,584,768	0	777,277	0	777,471
33	70,416,425	7,468,153	7,468,153	0	711,931	0	712,115
34	68,043,829	7,316,154	7,316,154	0	648,783	0	648,955
35	65,641,833	7,198,191	7,198,191	0	593,788	0	593,950
36	63,171,017	7,070,206	7,070,206	0	542,540	0	542,693
37	60,636,189	6,933,743	6,933,743	0	494,947	0	495,090
38	58,044,047	6,780,039	6,780,039	0	450,210	0	450,344
39	55,408,935	6,586,015	6,586,015	0	406,815	0	406,939
40	52,772,784	6,375,166	6,375,166	0	366,317	0	366,432
41	50,155,023	6,162,912	6,162,912	0	329,415	0	329,521
42	47,558,811	5,945,732	5,945,732	0	295,634	0	295,731
43	44,991,325	5,731,604	5,731,604	0	265,104	0	265,194
44	42,451,742	5,515,037	5,515,037	0	237,290	0	237,372
45	39,944,641	5,294,183	5,294,183	0	211,896	0	211,971
46	37,477,382	5,071,293	5,071,293	0	188,814	0	188,882
47	35,055,328	4,846,648	4,846,648	0	167,860	0	167,922
48	32,683,815	4,622,094	4,622,094	0	148,914	0	148,971
49	30,366,623	4,396,150	4,396,150	0	131,753	0	131,804
50	28,109,337	4,169,551	4,169,551	0	116,244	0	116,290

**SINGLE DISCOUNT RATE DEVELOPMENT
PRESENT VALUES OF PROJECTED BENEFITS (CONCLUDED)**

Year	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 ^{-(a)-.5}	(g)=(e)*vf ^{-(a)-.5}	(h)=(c)/(1+sdr) ^{-(a)-.5}
51	\$ 25,917,276	\$ 3,943,002	\$ 3,943,002	\$ 0	\$ 102,259	\$ 0	\$ 102,300
52	23,795,309	3,716,722	3,716,722	0	89,665	0	89,702
53	21,748,419	3,490,950	3,490,950	0	78,343	0	78,375
54	19,781,720	3,266,076	3,266,076	0	68,183	0	68,212
55	17,900,299	3,042,700	3,042,700	0	59,088	0	59,113
56	16,109,007	2,821,585	2,821,585	0	50,971	0	50,993
57	14,412,264	2,603,581	2,603,581	0	43,751	0	43,771
58	12,813,943	2,389,693	2,389,693	0	37,356	0	37,373
59	11,317,164	2,180,931	2,180,931	0	31,714	0	31,728
60	9,924,233	1,978,139	1,978,139	0	26,758	0	26,771
61	8,636,757	1,782,146	1,782,146	0	22,425	0	22,436
62	7,455,599	1,593,785	1,593,785	0	18,656	0	18,665
63	6,380,827	1,413,977	1,413,977	0	15,396	0	15,404
64	5,411,556	1,243,770	1,243,770	0	12,598	0	12,604
65	4,545,752	1,084,149	1,084,149	0	10,215	0	10,220
66	3,780,203	935,967	935,967	0	8,204	0	8,208
67	3,110,573	799,981	799,981	0	6,523	0	6,526
68	2,531,417	676,842	676,842	0	5,134	0	5,136
69	2,036,204	566,915	566,915	0	4,000	0	4,002
70	1,617,539	470,122	470,122	0	3,085	0	3,087
71	1,267,547	386,061	386,061	0	2,357	0	2,358
72	978,186	314,087	314,087	0	1,784	0	1,785
73	741,474	253,287	253,287	0	1,338	0	1,339
74	549,778	202,528	202,528	0	995	0	996
75	396,071	160,581	160,581	0	734	0	735
76	274,068	126,263	126,263	0	537	0	537
77	178,242	98,443	98,443	0	389	0	390
78	103,823	76,061	76,061	0	280	0	280
79	46,783	58,171	46,783	11,388	160	731	199
80	3,772	43,971	3,772	40,199	12	2,491	140
81	0	32,793	0	32,793	0	1,963	97
82	0	24,080	0	24,080	0	1,392	66
83	0	17,363	0	17,363	0	969	45
84	0	12,257	0	12,257	0	660	29
85	0	8,456	0	8,456	0	440	19
86	0	5,684	0	5,684	0	286	12
87	0	3,709	0	3,709	0	180	7
88	0	2,341	0	2,341	0	110	4
89	0	1,425	0	1,425	0	64	2
90	0	838	0	838	0	37	1
91	0	474	0	474	0	20	1
92	0	258	0	258	0	10	0
93	0	134	0	134	0	5	0
94	0	68	0	68	0	3	0
95	0	34	0	34	0	1	0
96	0	15	0	15	0	1	0
97	0	6	0	6	0	0	0
98	0	2	0	2	0	0	0
99	0	0	0	0	0	0	0
100	0	0	0	0	0	0	0
Totals	\$	75,072,368	\$	9,362	\$	75,081,730	



SECTION D

GLOSSARY OF TERMS

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability (AAL)</i>	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."
<i>Actuarial Assumptions</i>	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.
<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Equivalent</i>	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.
<i>Actuarial Cost Method</i>	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.
<i>Actuarial Gain (Loss)</i>	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.
<i>Actuarial Present Value (APV)</i>	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.
<i>Actuarial Valuation</i>	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.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	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 (CONTINUED)

<i>Amortization Payment</i>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<i>Amortization Method</i>	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).
<i>Cost-of-Living Adjustments</i>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i>	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.
<i>Covered Valuation Payroll</i>	The earnings of covered employees for the year ended on the valuation date, which is typically only the pensionable pay and does not include pay above any pay cap. It is not necessarily the same as payroll actually paid because it excludes all pay for people who exited during the year.
<i>Deferred Inflows and Outflows</i>	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.
<i>Discount Rate</i>	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"> 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 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.
<i>Entry Age Actuarial Cost Method (EAN)</i>	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 ages(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.

GLOSSARY OF TERMS (CONTINUED)

<i>GASB</i>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<i>Fiduciary Net Position</i>	The fiduciary net position is the value of the assets of the trust.
<i>Long-Term Expected Rate of Return</i>	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.
<i>Money-Weighted Rate of Return</i>	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. 68, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<i>Multiple-Employer Defined Benefit Pension Plan</i>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<i>Municipal Bond Rate</i>	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.
<i>Net Pension Liability (NPL)</i>	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
<i>Non-Employer Contribution Entities</i>	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.
<i>Normal Cost</i>	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.
<i>Other Postemployment Benefits (OPEB)</i>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other post-employment benefits do not include termination benefits.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

GLOSSARY OF TERMS (CONCLUDED)

<i>Total Pension Expense</i>	<p>The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:</p> <ol style="list-style-type: none">1. Service Cost;2. Interest on the Total Pension Liability;3. Current-Period Benefit Changes;4. Employee Contributions (made negative for addition here);5. Projected Earnings on Plan Investments (made negative for addition here);6. Pension Plan Administrative Expense;7. Other Changes in Plan Fiduciary Net Position;8. Recognition of Outflow (Inflow) of Resources due to Liabilities; and9. Recognition of Outflow (Inflow) of Resources due to Assets.
<i>Total Pension Liability (TPL)</i>	<p>The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.</p>
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	<p>The UAAL is the difference between actuarial accrued liability and valuation assets.</p>
<i>Valuation Assets</i>	<p>The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of the GASB Statement No. 68, the valuation asset is equal to the market value of assets.</p>