Gabriel Roeder Smith & Company
Consultants & Actuaries

CITY OF PARK RIDGE SLEP

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
Mark Buis
FSA, EA, MAAA

By Pieterse
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		0
- Inactive, Non-Retired Members		0
- Active Members		1
- Total		1
Covered Valuation Payroll	$	139,810
Net Pension Liability		
Total Pension Liability/(Asset)	$	269,001
Plan Fiduciary Net Position		188,406
Net Pension Liability/(Asset)	$	80,595
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		70.04%
Net Pension Liability as a Percentage of Covered Valuation Payroll		57.65%
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		2053
Resulting Single Discount Rate based on the above development		7.40%
Single Discount Rate calculated using December 31, 2013 Measurement Date		7.42%
Total Pension Expense/(Income)	$	23,401

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	$ 10,269
Changes in assumptions	7,330	-
Net difference between projected and actual earnings on pension plan investments	1,734	-
Total	$ 9,064	$ 10,269

**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 7.40%.

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	$	24,775
2. Interest on the Total Pension Liability		18,009
3. Current-Period Benefit Changes		0
4. Employee Contributions (made negative for addition here)		(10,486)
5. Projected Earnings on Plan Investments (made negative for addition here)		(12,289)
6. Other Changes in Plan Fiduciary Net Position		4,127
7. Recognition of Outflow (Inflow) of Resources due to Liabilities		(1,169)
8. Recognition of Outflow (Inflow) of Resources due to Assets		434
9. Total Pension Expense/(Income)	**$**	**23,401**

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	$	(14,352)
2. Assumption Changes (gains) or losses	$	10,244
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		3.5149
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	$	(4,083)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	2,914
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	(1,169)
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	$	(10,269)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	7,330
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	(2,939)
B. Outflows (Inflows) of Resources due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	2,168
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	$	434
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	1,734

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

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	$ 2,914	$ 4,083	$ (1,169)
2. Due to Assets	434	0	434
3. Total	$ 3,348	$ 4,083	$ (735)

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

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ 0	$ 4,083	$ (4,083)
2. Assumption changes	2,914	0	2,914
3. Net difference between projected and actual earnings on pension plan investments	434	0	434
4. Total	$ 3,348	$ 4,083	$ (735)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ 0	$ 10,269	$ (10,269)
2. Assumption changes	7,330	0	7,330
3. Net difference between projected and actual earnings on pension plan investments	1,734	0	1,734
4. Total	$ 9,064	$ 10,269	$ (1,205)

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

Year Ending December 31	Net Deferred Outflows of Resources
2015	$ (735)
2016	(735)
2017	(167)
2018	432
2019	0
Thereafter	0
Total	$ (1,205)

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	$	24,775
2. Interest on the Total Pension Liability		18,009
3. Changes of benefit terms		0
4. Difference between expected and actual experience of the Total Pension Liability		(14,352)
5. Changes of assumptions		10,244
6. Benefit payments, including refunds of employee contributions		0
7. Net change in total pension liability	$	38,676
8. Total pension liability – beginning		230,325
9. Total pension liability – ending	**$**	**269,001**
B. Plan fiduciary net position		
1. Contributions – employer	$	22,510
2. Contributions – employee		10,486
3. Net investment income		10,121
4. Benefit payments, including refunds of employee contributions		0
5. Other (Net Transfer)		(4,127)
6. Net change in plan fiduciary net position	$	38,990
7. Plan fiduciary net position – beginning		149,416
8. Plan fiduciary net position – ending	**$**	**188,406**
C. Net pension liability/(asset)	**$**	**80,595**
D. Plan fiduciary net position as a percentage of the total pension liability		**70.04%**
E. Covered Valuation payroll	**$**	**139,810**
F. Net pension liability as a percentage of covered valuation payroll		**57.65%**

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

	1% Decrease 6.40%	Current Single Discount Rate Assumption 7.40%	1% Increase 8.40%
Total Pension Liability	$ 298,564	$ 269,001	$ 243,834
Plan Fiduciary Net Position	188,406	188,406	188,406
Net Pension Liability/(Asset)	$ 110,158	$ 80,595	$ 55,428

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	$ 24,775									
Interest on the Total Pension Liability	18,009									
Benefit Changes	0									
Difference between Expected and Actual Experience	(14,352)									
Assumption Changes	10,244									
Benefit Payments and Refunds	0									
Net Change in Total Pension Liability	38,676									
Total Pension Liability - Beginning	230,325									
Total Pension Liability - Ending (a)	$ 269,001									
Plan Fiduciary Net Position										
Employer Contributions	$ 22,510									
Employee Contributions	10,486									
Pension Plan Net Investment Income	10,121									
Benefit Payments and Refunds	0									
Other	(4,127)									
Net Change in Plan Fiduciary Net Position	38,990									
Plan Fiduciary Net Position - Beginning	149,416									
Plan Fiduciary Net Position - Ending (b)	$ 188,406									
Net Pension Liability/(Asset) - Ending (a) - (b)	80,595									
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.04%									
Covered Valuation Payroll	$ 139,810									
Net Pension Liability as a Percentage of Covered Valuation Payroll	57.65%									

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	$ 22,509 *	$ 22,510	$ (1)	$ 139,810	16.10%

* *Estimated based on contribution rate of 16.10% and covered valuation payroll of $139,810. 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)	$	68,754
2. Employer Contribution Reserve (EAF assets from IMRF)		121,055
3. Annuitant Reserve		-
4. Assumed Transfer from Employer Reserve for Annuitant Mortality Change		-
5. Miscellaneous Adjustment*		(1,403)
6. Net Market Value	**$**	**188,406**

* *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	7.40%
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.

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 7.40%.

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	$ 139,810				
1	132,875	$ 9,966	$ 17,710	$ 2,200	$ 29,876
2	112,584	8,444	14,736	2,519	25,700
3	92,492	6,937	12,097	2,211	21,246
4	73,199	5,490	9,574	1,853	16,917
5	57,727	4,330	7,545	1,516	13,390
6	45,470	3,410	5,938	1,600	10,948
7	35,768	2,683	4,671	1,656	9,009
8	16,263	1,220	2,122	1,714	5,056
9	0	0	0	1,774	1,774
10	0	0	0	1,836	1,836
11	0	0	0	1,900	1,900
12	0	0	0	1,966	1,966
13	0	0	0	2,035	2,035
14	0	0	0	2,107	2,107
15	0	0	0	2,070	2,070
16	0	0	0	2,035	2,035
17	0	0	0	2,000	2,000
18	0	0	0	1,965	1,965
19	0	0	0	1,931	1,931
20	0	0	0	1,898	1,898
21	0	0	0	1,866	1,866
22	0	0	0	1,833	1,833
23	0	0	0	1,802	1,802
24	0	0	0	1,771	1,771
25	0	0	0	1,740	1,740
26	0	0	0	1,710	1,710
27	0	0	0	1,681	1,681
28	0	0	0	1,652	1,652
29	0	0	0	1,624	1,624
30	0	0	0	1,596	1,596
31	0	0	0	1,568	1,568
32	0	0	0	1,541	1,541
33	0	0	0	1,515	1,515
34	0	0	0	1,489	1,489
35	0	0	0	1,463	1,463
36	0	0	0	1,438	1,438
37	0	0	0	1,413	1,413
38	0	0	0	1,389	1,389
39	0	0	0	1,365	1,365
40	0	0	0	1,342	1,342
41	0	0	0	1,318	1,318
42	0	0	0	1,296	1,296
43	0	0	0	1,273	1,273
44	0	0	0	1,252	1,252
45	0	0	0	1,230	1,230
46	0	0	0	1,209	1,209
47	0	0	0	1,188	1,188
48	0	0	0	1,168	1,168
49	0	0	0	1,148	1,148
50	0	0	0	1,128	1,128

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	$ 1,108	$ 1,108
52	0	0	0	1,089	1,089
53	0	0	0	1,070	1,070
54	0	0	0	1,052	1,052
55	0	0	0	1,034	1,034
56	0	0	0	1,016	1,016
57	0	0	0	999	999
58	0	0	0	981	981
59	0	0	0	965	965
60	0	0	0	948	948
61	0	0	0	932	932
62	0	0	0	916	916
63	0	0	0	900	900
64	0	0	0	884	884
65	0	0	0	869	869
66	0	0	0	854	854
67	0	0	0	839	839
68	0	0	0	825	825
69	0	0	0	811	811
70	0	0	0	797	797
71	0	0	0	783	783
72	0	0	0	770	770
73	0	0	0	756	756
74	0	0	0	743	743
75	0	0	0	731	731
76	0	0	0	718	718
77	0	0	0	706	706
78	0	0	0	693	693
79	0	0	0	681	681
80	0	0	0	670	670
81	0	0	0	658	658
82	0	0	0	647	647
83	0	0	0	636	636
84	0	0	0	625	625
85	0	0	0	614	614
86	0	0	0	603	603
87	0	0	0	593	593
88	0	0	0	583	583
89	0	0	0	573	573
90	0	0	0	563	563
91	0	0	0	553	553
92	0	0	0	544	544
93	0	0	0	534	534
94	0	0	0	525	525
95	0	0	0	516	516
96	0	0	0	507	507
97	0	0	0	499	499
98	0	0	0	490	490
99	0	0	0	482	482
100	0	0	0	473	473

Single Discount Rate Development
Projection of Plan Fiduciary Net Position

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)
1	$ 188,406	$ 29,876	$ 8,882	$ 14,903	$ 224,303
2	224,303	25,700	12,035	17,326	255,294
3	255,294	21,246	16,803	19,311	279,047
4	279,047	16,917	19,394	20,837	297,407
5	297,407	13,390	21,629	22,002	311,171
6	311,171	10,948	23,603	22,872	321,387
7	321,387	9,009	25,339	23,503	328,560
8	328,560	5,056	41,206	23,311	315,720
9	315,720	1,774	29,421	22,661	310,734
10	310,734	1,836	29,802	22,275	305,042
11	305,042	1,900	30,139	21,838	298,641
12	298,641	1,966	30,426	21,350	291,532
13	291,532	2,035	30,647	20,811	283,732
14	283,732	2,107	30,798	20,223	275,263
15	275,263	2,070	30,877	19,584	266,040
16	266,040	2,035	30,877	18,891	256,089
17	256,089	2,000	30,792	18,146	245,443
18	245,443	1,965	30,616	17,353	234,146
19	234,146	1,931	30,342	16,515	222,251
20	222,251	1,898	29,964	15,635	209,820
21	209,820	1,866	29,479	14,720	196,926
22	196,926	1,833	28,879	13,774	183,654
23	183,654	1,802	28,163	12,803	170,096
24	170,096	1,771	27,326	11,816	156,358
25	156,358	1,740	26,366	10,820	142,552
26	142,552	1,710	25,284	9,823	128,802
27	128,802	1,681	24,082	8,835	115,236
28	115,236	1,652	22,768	7,865	101,985
29	101,985	1,624	21,350	6,923	89,181
30	89,181	1,596	19,848	6,017	76,945
31	76,945	1,568	18,285	5,155	65,385
32	65,385	1,541	16,687	4,346	54,585
33	54,585	1,515	15,082	3,594	44,612
34	44,612	1,489	13,494	2,904	35,511
35	35,511	1,463	11,941	2,277	27,310
36	27,310	1,438	10,444	1,717	20,020
37	20,020	1,413	9,023	1,221	13,632
38	13,632	1,389	7,690	790	8,121
39	8,121	1,365	6,460	421	3,447
40	3,447	1,342	5,339	111	0
41	0	1,318	4,335	0	0
42	0	1,296	3,456	0	0
43	0	1,273	2,700	0	0
44	0	1,252	2,066	0	0
45	0	1,230	1,544	0	0
46	0	1,209	1,127	0	0
47	0	1,188	802	0	0
48	0	1,168	555	0	0
49	0	1,148	373	0	0
50	0	1,128	243	0	0

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

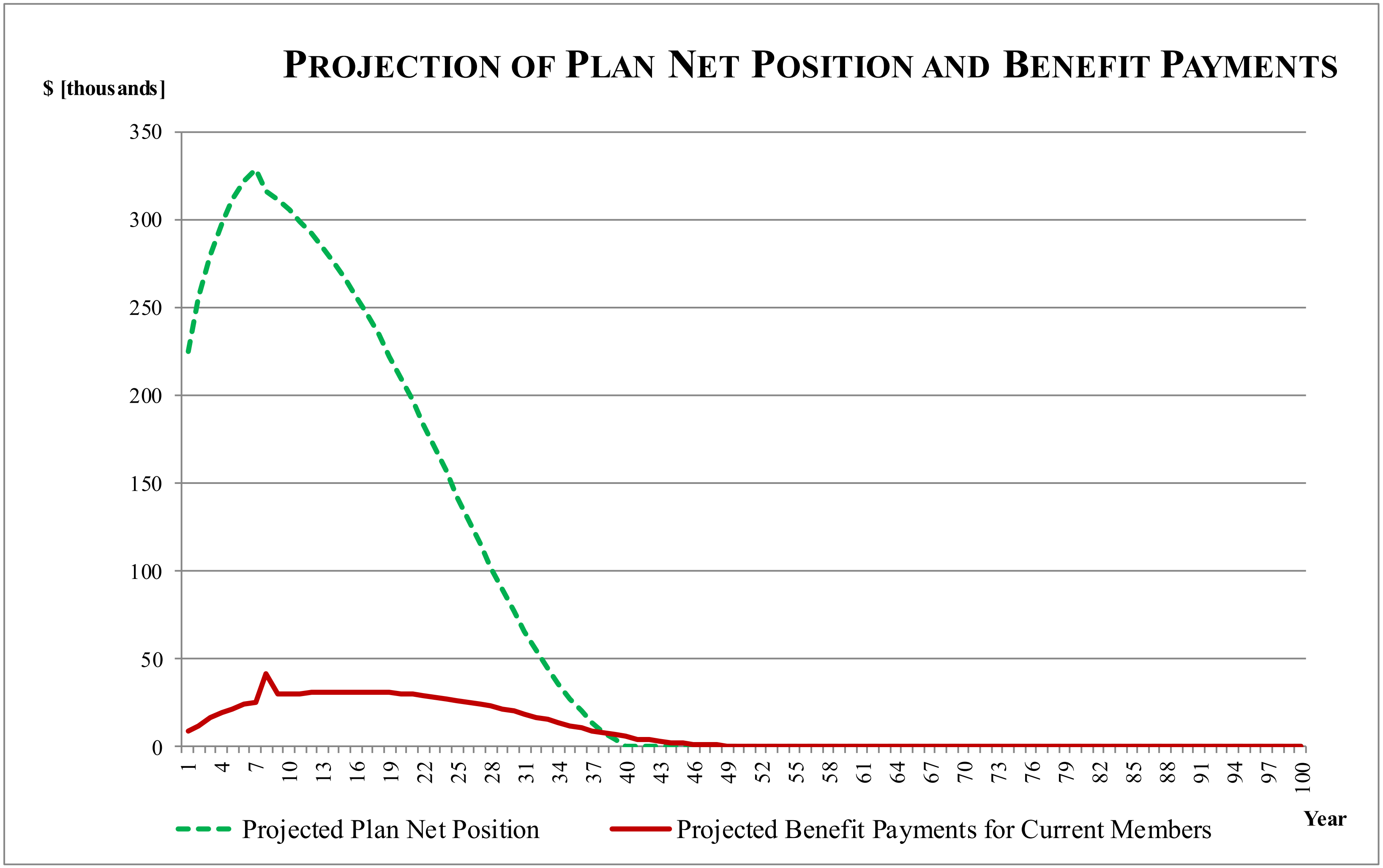
Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings at 7.50%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
51	$ 0	$ 1,108	$ 153	$ 0	$ 0
52	0	1,089	93	0	0
53	0	1,070	55	0	0
54	0	1,052	31	0	0
55	0	1,034	17	0	0
56	0	1,016	9	0	0
57	0	999	4	0	0
58	0	981	2	0	0
59	0	965	1	0	0
60	0	948	1	0	0
61	0	932	0	0	0
62	0	916	0	0	0
63	0	900	0	0	0
64	0	884	0	0	0
65	0	869	0	0	0
66	0	854	0	0	0
67	0	839	0	0	0
68	0	825	0	0	0
69	0	811	0	0	0
70	0	797	0	0	0
71	0	783	0	0	0
72	0	770	0	0	0
73	0	756	0	0	0
74	0	743	0	0	0
75	0	731	0	0	0
76	0	718	0	0	0
77	0	706	0	0	0
78	0	693	0	0	0
79	0	681	0	0	0
80	0	670	0	0	0
81	0	658	0	0	0
82	0	647	0	0	0
83	0	636	0	0	0
84	0	625	0	0	0
85	0	614	0	0	0
86	0	603	0	0	0
87	0	593	0	0	0
88	0	583	0	0	0
89	0	573	0	0	0
90	0	563	0	0	0
91	0	553	0	0	0
92	0	544	0	0	0
93	0	534	0	0	0
94	0	525	0	0	0
95	0	516	0	0	0
96	0	507	0	0	0
97	0	499	0	0	0
98	0	490	0	0	0
99	0	482	0	0	0
100	0	473	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	$ 188,406	$ 8,882	$ 8,882	$ 0	$ 8,566	$ 0	$ 8,570
2	224,303	12,035	12,035	0	10,798	0	10,813
3	255,294	16,803	16,803	0	14,024	0	14,056
4	279,047	19,394	19,394	0	15,057	0	15,106
5	297,407	21,629	21,629	0	15,620	0	15,685
6	311,171	23,603	23,603	0	15,857	0	15,938
7	321,387	25,339	25,339	0	15,836	0	15,931
8	328,560	41,206	41,206	0	23,955	0	24,121
9	315,720	29,421	29,421	0	15,911	0	16,035
10	310,734	29,802	29,802	0	14,992	0	15,124
11	305,042	30,139	30,139	0	14,104	0	14,241
12	298,641	30,426	30,426	0	13,245	0	13,385
13	291,532	30,647	30,647	0	12,410	0	12,554
14	283,732	30,798	30,798	0	11,601	0	11,746
15	275,263	30,877	30,877	0	10,820	0	10,965
16	266,040	30,877	30,877	0	10,065	0	10,209
17	256,089	30,792	30,792	0	9,337	0	9,479
18	245,443	30,616	30,616	0	8,636	0	8,776
19	234,146	30,342	30,342	0	7,961	0	8,098
20	222,251	29,964	29,964	0	7,314	0	7,446
21	209,820	29,479	29,479	0	6,693	0	6,820
22	196,926	28,879	28,879	0	6,100	0	6,221
23	183,654	28,163	28,163	0	5,533	0	5,649
24	170,096	27,326	27,326	0	4,994	0	5,103
25	156,358	26,366	26,366	0	4,483	0	4,585
26	142,552	25,284	25,284	0	3,999	0	4,094
27	128,802	24,082	24,082	0	3,543	0	3,630
28	115,236	22,768	22,768	0	3,116	0	3,196
29	101,985	21,350	21,350	0	2,718	0	2,790
30	89,181	19,848	19,848	0	2,351	0	2,415
31	76,945	18,285	18,285	0	2,014	0	2,072
32	65,385	16,687	16,687	0	1,710	0	1,760
33	54,585	15,082	15,082	0	1,438	0	1,481
34	44,612	13,494	13,494	0	1,197	0	1,234
35	35,511	11,941	11,941	0	985	0	1,017
36	27,310	10,444	10,444	0	801	0	828
37	20,020	9,023	9,023	0	644	0	666
38	13,632	7,690	7,690	0	511	0	529
39	8,121	6,460	6,460	0	399	0	413
40	3,447	5,339	3,447	1,891	198	475	318
41	0	4,335	0	4,335	0	1,051	241
42	0	3,456	0	3,456	0	809	179
43	0	2,700	0	2,700	0	611	130
44	0	2,066	0	2,066	0	451	92
45	0	1,544	0	1,544	0	326	64
46	0	1,127	0	1,127	0	230	44
47	0	802	0	802	0	158	29
48	0	555	0	555	0	105	19
49	0	373	0	373	0	68	12
50	0	243	0	243	0	43	7

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	$ 0	$ 153	$ 0	$ 153	$ 0	$ 26	$ 4
52	0	93	0	93	0	15	2
53	0	55	0	55	0	9	1
54	0	31	0	31	0	5	1
55	0	17	0	17	0	2	0
56	0	9	0	9	0	1	0
57	0	4	0	4	0	1	0
58	0	2	0	2	0	0	0
59	0	1	0	1	0	0	0
60	0	1	0	1	0	0	0
61	0	0	0	0	0	0	0
62	0	0	0	0	0	0	0
63	0	0	0	0	0	0	0
64	0	0	0	0	0	0	0
65	0	0	0	0	0	0	0
66	0	0	0	0	0	0	0
67	0	0	0	0	0	0	0
68	0	0	0	0	0	0	0
69	0	0	0	0	0	0	0
70	0	0	0	0	0	0	0
71	0	0	0	0	0	0	0
72	0	0	0	0	0	0	0
73	0	0	0	0	0	0	0
74	0	0	0	0	0	0	0
75	0	0	0	0	0	0	0
76	0	0	0	0	0	0	0
77	0	0	0	0	0	0	0
78	0	0	0	0	0	0	0
79	0	0	0	0	0	0	0
80	0	0	0	0	0	0	0
81	0	0	0	0	0	0	0
82	0	0	0	0	0	0	0
83	0	0	0	0	0	0	0
84	0	0	0	0	0	0	0
85	0	0	0	0	0	0	0
86	0	0	0	0	0	0	0
87	0	0	0	0	0	0	0
88	0	0	0	0	0	0	0
89	0	0	0	0	0	0	0
90	0	0	0	0	0	0	0
91	0	0	0	0	0	0	0
92	0	0	0	0	0	0	0
93	0	0	0	0	0	0	0
94	0	0	0	0	0	0	0
95	0	0	0	0	0	0	0
96	0	0	0	0	0	0	0
97	0	0	0	0	0	0	0
98	0	0	0	0	0	0	0
99	0	0	0	0	0	0	0
100	0	0	0	0	0	0	0
				Totals	$ 309,536	$ 4,387	$ 313,923


PROJECTION OF PLAN NET POSITION AND BENEFIT PAYMENTS
$ [thousands]
350
300
250
200
150
100
50
0
1 4 7 10 13 16 19 22 25 28 31 34 37 40 43 46 49 52 55 58 61 64 67 70 73 76 79 82 85 88 91 94 97 100
Year
Projected Plan Net Position
Projected Benefit Payments for Current Members

SECTION D

GLOSSARY OF TERMS

GLOSSARY OF TERMS

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

Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Amortization Method	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.
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	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.
Covered Valuation Payroll	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.
Deferred Inflows and Outflows	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.
Discount Rate	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: 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.
Entry Age Actuarial Cost Method (EAN)	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)

GASB	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
Fiduciary Net Position	The fiduciary net position is the value of the assets of the trust.
Long-Term Expected Rate of Return	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.
Money-Weighted Rate of Return	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.
Multiple-Employer Defined Benefit Pension Plan	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Municipal Bond Rate	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.
Net Pension Liability (NPL)	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
Non-Employer Contribution Entities	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.
Normal Cost	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.
Other Postemployment Benefits (OPEB)	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.
Real Rate of Return	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
Service Cost	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)

Total Pension Expense The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:

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; and
9. Recognition of Outflow (Inflow) of Resources due to Assets.

Total Pension Liability (TPL) The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

Unfunded Actuarial Accrued Liability (UAAL) The UAAL is the difference between actuarial accrued liability and valuation assets.

Valuation Assets 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.