

Alsip Park Dist Regular

GASB Statement No. 68 Employer Reporting
Accounting Schedules
December 31, 2017



Table of Contents

Page

Certification Letter

Section A Executive Summary

Executive Summary.....	1
Discussion.....	2 - 4
Other Observations.....	5 - 6

Section B Financial Statements

Pension Expense/(Income) under GASB Statement No. 68.....	7
Statement of Outflows and Inflows Arising from Current Period	8
Statement of Outflows and Inflows Arising from Current and Prior Periods	9
Schedule of Changes in Net Pension Liability and Related Ratios Current Period	10
Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption	10
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios	11
Multiyear Schedule of Contributions.....	12
Notes to Schedule of Contributions.....	13
Development of Market Value of Assets	14
Schedule of Contributions	14
Summary of Actuarial Methods and Assumptions used in the Calculation of the Total Pension Liability	15

Section C Calculation of the Single Discount Rate

Calculation of the Single Discount Rate.....	16
Projection of Contributions.....	17 - 18
Projection of Plan Fiduciary Net Position	19 - 20
Present Values of Projected Benefits.....	21 - 22
Projection of Plan Net Position and Benefit Payments	23

Section D Glossary of Terms..... 24 - 27



April 6, 2018

Alsip Park Dist
Illinois Municipal Retirement Fund

Ladies and Gentlemen:

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 fund'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. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the Alsip Park Dist only in its entirety and only with the permission of Alsip Park Dist. GRS is not responsible for unauthorized use of this report.

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 audited.

This report complements the actuarial valuation report that was provided to the Illinois Municipal Retirement Fund and should be considered in conjunction with that report. Please see the actuarial valuation report as of December 31, 2017 for additional discussions of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained in this report is accurate, and fairly represents the GASB 68 information related to Alsip Park Dist. 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,

A handwritten signature in black ink that reads "Mark Buis".

Mark Buis, FSA, EA, FCA, MAAA

A handwritten signature in black ink that reads "Francois Pieterse".

Francois Pieterse, ASA, FCA, MAAA

SECTION A

EXECUTIVE SUMMARY

Executive Summary as of December 31, 2017

Actuarial Valuation Date	December 31, 2017
Measurement Date of the Net Pension Liability	December 31, 2017
Fiscal Year End	April 30, 2018

Membership

Number of	
- Retirees and Beneficiaries	22
- Inactive, Non-Retired Members	30
- Active Members	27
- Total	79
Covered Valuation Payroll ⁽¹⁾	\$ 999,847

Net Pension Liability

Total Pension Liability/(Asset)	\$ 5,958,544
Plan Fiduciary Net Position	5,662,973
Net Pension Liability/(Asset)	\$ 295,571
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.04%
Net Pension Liability as a Percentage of Covered Valuation Payroll	29.56%

Development of the Single Discount Rate as of December 31, 2017

Long-Term Expected Rate of Investment Return	7.50%
Long-Term Municipal Bond Rate ⁽²⁾	3.31%
Last year ending December 31 in the 2018 to 2117 projection period for which projected benefit payments are fully funded	2117
Resulting Single Discount Rate based on the above development	7.50%

Single Discount Rate calculated using December 31, 2016 Measurement Date 7.50%

Total Pension Expense/(Income) \$ 85,125

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	\$ 117,066	\$ 77,322
Changes in assumptions	3,720	135,561
Net difference between projected and actual earnings on pension plan investments	148,146	345,508
Total	\$ 268,932	\$ 558,391

⁽¹⁾ Does not necessarily represent Covered Employee Payroll as defined in GASB Statement Nos. 67-68.

⁽²⁾ Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of December 29, 2017. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

Discussion

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 fund 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).

Paragraph 57 of GASB Statement No. 68 says, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to IMRF subsequent to the measurement date of December 31, 2017.

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, 2017 Annual Actuarial Valuation report dated March 22, 2018);
- 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 10);
- significant assumptions and methods used to calculate the total pension liability (page 15);
- inputs to the single discount rate (page 16);
- certain information about mortality assumptions and the dates of experience studies (page 13 and page 15);
- 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 13 and 15);
- 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, 2017 Annual Actuarial Valuation report dated March 22, 2018, as well as page 13);
- 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 10);
- 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 10); and
- a description of the fund 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 11);
- 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 11); and
- comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy (page 12).

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, 2017 and a measurement date of December 31, 2017.

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 3.31% (based on the daily rate closest to but not later than the measurement date of the "20-Bond Go Index" described on page 1 and the resulting Single Discount Rate is 7.50%.

Other Observations

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.50% on the actuarial value of assets), it is expected that:

- (1) The employer normal cost as a percentage of pay will decrease to the level of Tier 2 normal cost as time passes as the majority of the active population will consist of Tier 2 members.
- (2) The unfunded liability will increase in dollar amount for several years before it begins to decrease.
- (3) The funded status of the plan will increase gradually towards a 100% funded ratio.

This funding policy results in a crossover date in 2117 and a discount rate of 7.50%. The projections in this report are strictly for the purposes of determining the GASB discount rate and are different from a funding projection for the ongoing plan.

Limitations of Assets as a Percent of Total Pension Liability Measurements

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

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.
- (2) The measurement is inappropriate for assessing the need for or amount of future employer contributions.

Limitations of Funded Status Measurements

Unless otherwise indicated, a funded ratio measurement presented in this report is based upon the actuarial accrued liability and the market value of assets. Unless otherwise indicated, with regard to any funded status measurements presented in this report:

- (1) The measurement is inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, in other words of transferring the obligations to a unrelated third party in an arm's length market value type transaction.
- (2) The measurement is dependent upon the actuarial cost method which, in combination with the plan's amortization policy, affects the timing and amounts of future contributions. The amount of future contributions will most certainly differ from those assumed in this report due to future actual experience differing from assumed experience based upon actuarial assumptions. A funded ratio measurement in this report of 100% is not synonymous with no required future contributions. If the funded ratio were 100%, the plan would still require future normal cost contributions (i.e., contributions to cover the cost of the active membership accruing an additional year of service credit).

Limitation of Project Scope

Actuarial standards do not require the actuary to evaluate the ability of the plan sponsor or other contributing entity to make required contributions to the plan when due. Such an evaluation was not within the scope of this project and is not within the actuary's domain of expertise. Consequently, the actuary performed no such evaluation.

SECTION B

FINANCIAL STATEMENTS

Pension Expense/(Income) Under GASB Statement No. 68

Calendar Year Ended December 31, 2017

A. Expense/(Income)

1. Service Cost	\$	96,242
2. Interest on the Total Pension Liability		422,508
3. Current-Period Benefit Changes		0
4. Employee Contributions (made negative for addition here)		(47,402)
5. Projected Earnings on Plan Investments (made negative for addition here)		(368,003)
6. Other Changes in Plan Fiduciary Net Position		49,068
7. Recognition of Outflow (Inflow) of Resources due to Liabilities		(51,681)
8. Recognition of Outflow (Inflow) of Resources due to Assets		(15,607)
9. Total Pension Expense/(Income)	\$	85,125

Statement of Outflows and Inflows Arising from Current Reporting Period Calendar Year Ended December 31, 2017

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ 145,089
2. Assumption Changes (gains) or losses	\$ (184,589)
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3.1399
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	\$ 46,208
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ (58,788)
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ (12,580)
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	\$ 98,881
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ (125,801)
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ (26,920)

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (431,885)
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	\$ (86,377)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (345,508)

* Please note that employer contributions made after the measurement date have not been reported as deferred outflows of resources. These employer contributions must be separately accounted for by the employer.

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Calendar Year Ended December 31, 2017

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	\$ 68,645	\$ 120,326	\$ (51,681)
2. Due to Assets	70,770	86,377	(15,607)
3. Total	\$ 139,415	\$ 206,703	\$ (67,288)

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	\$ 64,836	\$ 54,640	\$ 10,196
2. Assumption changes	3,809	65,686	\$ (61,877)
3. Net difference between projected and actual earnings on pension plan investments	70,770	86,377	(15,607)
4. Total	\$ 139,415	\$ 206,703	\$ (67,288)

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	\$ 117,066	\$ 77,322	\$ 39,744
2. Assumption changes	3,720	135,561	\$ (131,841)
3. Net difference between projected and actual earnings on pension plan investments	148,146	345,508	(197,362)
4. Total	\$ 268,932	\$ 558,391	\$ (289,459)

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
2018	\$ (67,820)
2019	(53,731)
2020	(81,531)
2021	(86,377)
2022	0
Thereafter	0
Total	\$ (289,459)

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Calendar Year Ended December 31, 2017

A. Total pension liability	
1. Service Cost	\$ 96,242
2. Interest on the Total Pension Liability	422,508
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total Pension Liability	145,089
5. Changes of assumptions	(184,589)
6. Benefit payments, including refunds of employee contributions	(212,057)
7. Net change in total pension liability	\$ 267,193
8. Total pension liability – beginning	5,691,351
9. Total pension liability – ending	<u><u>\$ 5,958,544</u></u>
B. Plan fiduciary net position	
1. Contributions – employer	\$ 126,481
2. Contributions – employee	47,402
3. Net investment income	799,888
4. Benefit payments, including refunds of employee contributions	(212,057)
5. Other (Net Transfer)	(49,068)
6. Net change in plan fiduciary net position	\$ 712,646
7. Plan fiduciary net position – beginning	4,950,327
8. Plan fiduciary net position – ending	<u><u>\$ 5,662,973</u></u>
C. Net pension liability/(asset)	<u><u>\$ 295,571</u></u>
D. Plan fiduciary net position as a percentage of the total pension liability	95.04%
E. Covered Valuation payroll	\$ 999,847
F. Net pension liability as a percentage of covered valuation payroll	29.56%

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.50%	7.50%	8.50%
Total Pension Liability	\$ 6,805,482	\$ 5,958,544	\$ 5,275,884
Plan Fiduciary Net Position	5,662,973	5,662,973	5,662,973
Net Pension Liability/(Asset)	\$ 1,142,509	\$ 295,571	\$ (387,089)

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,	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability										
Service Cost	\$ 96,242	\$ 109,139	\$ 113,280							
Interest on the Total Pension Liability	422,508	411,317	378,708							
Benefit Changes	0	0	0							
Difference between Expected and Actual Experience	145,089	(186,602)	74,069							
Assumption Changes	(184,589)	(23,556)	15,147							
Benefit Payments and Refunds	(212,057)	(141,258)	(116,864)							
Net Change in Total Pension Liability	267,193	169,040	464,340							
Total Pension Liability - Beginning	5,691,351	5,522,311	5,057,971							
Total Pension Liability - Ending (a)	\$ 5,958,544	\$ 5,691,351	\$ 5,522,311							
Plan Fiduciary Net Position										
Employer Contributions	\$ 126,481	\$ 111,845	\$ 113,877							
Employee Contributions	47,402	42,870	46,927							
Pension Plan Net Investment Income	799,888	312,759	23,176							
Benefit Payments and Refunds	(212,057)	(141,258)	(116,864)							
Other	(49,068)	40,740	(96,914)							
Net Change in Plan Fiduciary Net Position	712,646	366,956	(29,798)							
Plan Fiduciary Net Position - Beginning	4,950,327	4,583,371	4,613,169							
Plan Fiduciary Net Position - Ending (b)	\$ 5,662,973	\$ 4,950,327	\$ 4,583,371							
Net Pension Liability/(Asset) - Ending (a) - (b)	295,571	741,024	938,940							
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.04%	86.98%	83.00%							
Covered Valuation Payroll	\$ 999,847	\$ 952,673	\$ 1,042,824							
Net Pension Liability as a Percentage of Covered Valuation Payroll	29.56%	77.78%	90.04%							

Multiyear Schedule of Contributions

Last 10 Calendar Years

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2015	\$ 113,876	\$ 113,877	\$ (1)	\$ 1,042,824	10.92%
2016	111,844	111,845	(1)	952,673	11.74%
2017	126,481 *	126,481	0	999,847	12.65%

* Estimated based on contribution rate of 12.65% and covered valuation payroll of \$999,847.

Notes to Schedule of Contributions

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2017 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2017 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): 26-year closed 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 21 years for most employers (two employers were financed over 30 years).
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage growth	3.50%
Price Inflation	2.75% -- approximate; No explicit price inflation assumption is used in this valuation.
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 2012). 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 2012). 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 2012). 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.

* Based on Valuation Assumptions used in the December 31, 2015 actuarial valuation

Development of Market Value of Assets

Market Value of Assets as of December 31, 2017

1. Employee Contribution Reserve (MDF Assets from IMRF)	\$	1,265,667
2. Employer Contribution Reserve (EAF assets from IMRF)	\$	2,047,663
3. Annuitant Reserve	\$	2,350,108
4. Miscellaneous Adjustment*	\$	(465)
5. Net Market Value	\$	5,662,973

* Includes an adjustment factor of (0.0000820765) on Items 1 through 3 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.

Schedule of Contributions

Total Contributions

1. Employer

a.) Wage Reporting	\$	126,481
b.) Accelerated payments and Reserve Payments		-
	\$	126,481

2. Member

a.) Wage Reporting	\$	44,993
b.) Member Payments (i.e. ERI, Pension Payments)		2,409
Sub-total (Amount used for valuation on Schedule of Changes Page 10)	\$	47,402

c.) Voluntary Additional Plan	\$	13,488
Total Member Contributions (a+b+c)	\$	60,890

Total Employer and Member Contributions (1+2)	\$	187,371
--	----	----------------

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 3.31%; 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
2017	\$ 999,847				
2018	1,023,445	\$ 46,055	\$ 71,554	\$ 39,120	\$ 156,729
2019	970,668	43,680	56,967	34,326	134,974
2020	928,878	41,800	54,240	28,833	124,873
2021	890,522	40,074	52,088	22,556	114,718
2022	840,039	37,802	49,218	15,393	102,413
2023	784,422	35,299	45,882	15,778	96,959
2024	739,164	33,262	43,090	16,173	92,525
2025	700,004	31,500	40,669	16,577	88,746
2026	668,858	30,099	38,794	16,991	85,883
2027	642,067	28,893	37,113	17,416	83,422
2028	617,205	27,774	35,615	17,852	81,242
2029	590,821	26,587	33,977	18,298	78,861
2030	561,593	25,272	32,240	18,755	76,267
2031	533,299	23,998	30,564	19,224	73,786
2032	505,457	22,746	28,918	19,705	71,369
2033	471,997	21,240	26,911	20,197	68,348
2034	433,251	19,496	24,574	20,702	64,772
2035	393,140	17,691	22,144	21,220	61,055
2036	356,911	16,061	19,963	21,750	57,774
2037	326,577	14,696	18,073	22,294	55,063
2038	294,730	13,263	16,166	22,852	52,280
2039	263,423	11,854	14,215	23,423	49,492
2040	234,434	10,550	12,466	24,008	47,023
2041	206,627	9,298	10,804	24,609	44,711
2042	182,214	8,200	9,330	25,224	42,754
2043	163,992	7,380	8,203	0	15,583
2044	150,027	6,751	7,342	0	14,094
2045	137,517	6,188	6,608	0	12,797
2046	126,729	5,703	5,978	0	11,680
2047	116,416	5,239	5,376	0	10,615
2048	106,645	4,799	4,810	0	9,609
2049	99,884	4,495	4,397	0	8,891
2050	94,722	4,262	4,067	0	8,329
2051	72,454	3,260	3,032	0	6,293
2052	45,256	2,037	1,894	0	3,930
2053	36,545	1,645	1,573	0	3,217
2054	32,626	1,468	1,388	0	2,856
2055	30,060	1,353	1,246	0	2,599
2056	27,850	1,253	1,127	0	2,380
2057	26,536	1,194	1,032	0	2,226
2058	25,893	1,165	987	0	2,152
2059	16,547	745	626	0	1,370
2060	4,752	214	182	0	395
2061	1,700	77	71	0	148
2062	837	38	40	0	78
2063	485	22	26	0	48
2064	295	13	17	0	31
2065	131	6	8	0	14
2066	1	0	0	0	0
2067	0	0	0	0	0

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Single Discount Rate Development Projection of Contributions (Concluded)

Year	Payroll for Current Employees	Contributions from Current Employees	Normal Cost Contributions	UAL Contributions	Total Contributions
2068	\$ 0	\$ 0	\$ 0	\$ 0	0
2069	0	0	0	0	0
2070	0	0	0	0	0
2071	0	0	0	0	0
2072	0	0	0	0	0
2073	0	0	0	0	0
2074	0	0	0	0	0
2075	0	0	0	0	0
2076	0	0	0	0	0
2077	0	0	0	0	0
2078	0	0	0	0	0
2079	0	0	0	0	0
2080	0	0	0	0	0
2081	0	0	0	0	0
2082	0	0	0	0	0
2083	0	0	0	0	0
2084	0	0	0	0	0
2085	0	0	0	0	0
2086	0	0	0	0	0
2087	0	0	0	0	0
2088	0	0	0	0	0
2089	0	0	0	0	0
2090	0	0	0	0	0
2091	0	0	0	0	0
2092	0	0	0	0	0
2093	0	0	0	0	0
2094	0	0	0	0	0
2095	0	0	0	0	0
2096	0	0	0	0	0
2097	0	0	0	0	0
2098	0	0	0	0	0
2099	0	0	0	0	0
2100	0	0	0	0	0
2101	0	0	0	0	0
2102	0	0	0	0	0
2103	0	0	0	0	0
2104	0	0	0	0	0
2105	0	0	0	0	0
2106	0	0	0	0	0
2107	0	0	0	0	0
2108	0	0	0	0	0
2109	0	0	0	0	0
2110	0	0	0	0	0
2111	0	0	0	0	0
2112	0	0	0	0	0
2113	0	0	0	0	0
2114	0	0	0	0	0
2115	0	0	0	0	0
2116	0	0	0	0	0
2117	0	0	0	0	0

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

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)					
2018	\$	5,662,973	\$	156,729	\$	224,992	\$	422,209	\$	6,016,919
2019		6,016,919		134,973		245,144		447,212		6,353,960
2020		6,353,960		124,873		263,987		471,425		6,686,272
2021		6,686,272		114,718		284,553		495,217		7,011,654
2022		7,011,654		102,413		319,768		517,871		7,312,170
2023		7,312,170		96,960		355,370		538,898		7,592,657
2024		7,592,657		92,525		384,218		558,709		7,859,673
2025		7,859,673		88,746		415,915		577,428		8,109,932
2026		8,109,932		85,884		445,333		595,009		8,345,492
2027		8,345,492		83,422		467,731		611,761		8,572,944
2028		8,572,944		81,241		494,234		627,764		8,787,715
2029		8,787,715		78,861		524,923		642,654		8,984,307
2030		8,984,307		76,267		553,246		656,260		9,163,588
2031		9,163,588		73,786		588,194		668,328		9,317,508
2032		9,317,508		71,369		618,617		678,662		9,448,921
2033		9,448,921		68,348		644,990		687,436		9,559,715
2034		9,559,715		64,772		674,219		694,538		9,644,806
2035		9,644,806		61,055		704,306		699,675		9,701,230
2036		9,701,230		57,774		727,370		702,936		9,734,571
2037		9,734,571		55,063		749,580		704,519		9,744,573
2038		9,744,573		52,280		773,054		704,303		9,728,101
2039		9,728,101		49,492		794,735		702,166		9,685,025
2040		9,685,025		47,024		814,784		698,106		9,615,370
2041		9,615,370		44,711		832,769		692,135		9,519,447
2042		9,519,447		42,754		844,435		684,439		9,402,205
2043		9,402,205		15,583		850,186		674,434		9,242,036
2044		9,242,036		14,094		852,074		662,297		9,066,353
2045		9,066,353		12,797		851,808		649,082		8,876,423
2046		8,876,423		11,680		848,785		634,908		8,674,226
2047		8,674,226		10,615		845,079		619,840		8,459,602
2048		8,459,602		9,609		838,254		603,958		8,234,915
2049		8,234,915		8,891		827,957		587,459		8,003,308
2050		8,003,308		8,329		815,475		570,527		7,766,689
2051		7,766,689		6,293		827,477		552,264		7,497,769
2052		7,497,769		3,930		831,071		531,876		7,202,504
2053		7,202,504		3,217		815,190		510,289		6,900,821
2054		6,900,821		2,856		795,396		488,379		6,596,659
2055		6,596,659		2,599		774,198		466,338		6,291,398
2056		6,291,398		2,380		752,122		444,248		5,985,904
2057		5,985,904		2,226		727,865		422,223		5,682,489
2058		5,682,489		2,152		701,911		400,420		5,383,150
2059		5,383,150		1,370		691,205		378,335		5,071,650
2060		5,071,650		395		675,510		355,515		4,752,050
2061		4,752,050		148		648,105		332,545		4,436,637
2062		4,436,637		78		618,949		309,960		4,127,726
2063		4,127,726		48		588,992		287,893		3,826,675
2064		3,826,675		31		558,621		266,432		3,534,517
2065		3,534,517		14		528,075		245,644		3,252,100
2066		3,252,100		0		496,905		225,610		2,980,806
2067		2,980,806		0		465,457		206,421		2,721,770

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Single Discount Rate Development

Projection of Plan Fiduciary Net Position (Concluded)

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)
2068	\$ 2,721,770	\$ 0	\$ 434,028	\$ 188,151	\$ 2,475,892
2069	2,475,892	0	402,826	170,859	2,243,925
2070	2,243,925	0	372,083	154,594	2,026,435
2071	2,026,435	0	342,033	139,388	1,823,791
2072	1,823,791	0	312,866	125,264	1,636,189
2073	1,636,189	0	284,755	112,229	1,463,664
2074	1,463,664	0	257,886	100,279	1,306,057
2075	1,306,057	0	232,439	89,395	1,163,013
2076	1,163,013	0	208,589	79,545	1,033,970
2077	1,033,970	0	186,495	70,681	918,155
2078	918,155	0	166,268	62,739	814,626
2079	814,626	0	147,958	55,649	722,317
2080	722,317	0	131,555	49,330	640,092
2081	640,092	0	116,983	43,699	566,809
2082	566,809	0	104,101	38,677	501,386
2083	501,386	0	92,749	34,189	442,826
2084	442,826	0	82,752	30,165	390,239
2085	390,239	0	73,915	26,546	342,870
2086	342,870	0	66,039	23,284	300,115
2087	300,115	0	58,954	20,338	261,499
2088	261,499	0	52,526	17,678	226,652
2089	226,652	0	46,654	15,281	195,279
2090	195,279	0	41,265	13,126	167,141
2091	167,141	0	36,309	11,199	142,030
2092	142,030	0	31,760	9,483	119,752
2093	119,752	0	27,605	7,965	100,112
2094	100,112	0	23,822	6,631	82,921
2095	82,921	0	20,393	5,468	67,996
2096	67,996	0	17,309	4,462	55,149
2097	55,149	0	14,558	3,600	44,192
2098	44,192	0	12,118	2,868	34,941
2099	34,941	0	9,967	2,254	27,227
2100	27,227	0	8,088	1,744	20,883
2101	20,883	0	6,469	1,328	15,742
2102	15,742	0	5,092	993	11,643
2103	11,643	0	3,936	728	8,435
2104	8,435	0	2,982	523	5,976
2105	5,976	0	2,211	367	4,131
2106	4,131	0	1,601	251	2,781
2107	2,781	0	1,129	167	1,819
2108	1,819	0	773	108	1,154
2109	1,154	0	514	68	708
2110	708	0	330	41	418
2111	418	0	205	24	237
2112	237	0	122	13	128
2113	128	0	69	7	66
2114	66	0	38	4	32
2115	32	0	20	2	14
2116	14	0	10	1	5
2117	5	0	5	0	0

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

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}
2018	\$ 5,662,973	\$ 224,992	\$ 224,992	\$ 0	\$ 217,002	\$ 0	\$ 217,002
2019	6,016,919	245,144	245,144	0	219,942	0	219,942
2020	6,353,960	263,987	263,987	0	220,324	0	220,324
2021	6,686,272	284,553	284,553	0	220,919	0	220,919
2022	7,011,654	319,768	319,768	0	230,939	0	230,939
2023	7,312,170	355,370	355,370	0	238,745	0	238,745
2024	7,592,657	384,218	384,218	0	240,117	0	240,117
2025	7,859,673	415,915	415,915	0	241,791	0	241,791
2026	8,109,932	445,333	445,333	0	240,832	0	240,832
2027	8,345,492	467,731	467,731	0	235,297	0	235,297
2028	8,572,944	494,234	494,234	0	231,283	0	231,283
2029	8,787,715	524,923	524,923	0	228,506	0	228,506
2030	8,984,307	553,246	553,246	0	224,033	0	224,033
2031	9,163,588	588,194	588,194	0	221,568	0	221,568
2032	9,317,508	618,617	618,617	0	216,770	0	216,770
2033	9,448,921	644,990	644,990	0	210,243	0	210,243
2034	9,559,715	674,219	674,219	0	204,438	0	204,438
2035	9,644,806	704,306	704,306	0	198,661	0	198,661
2036	9,701,230	727,370	727,370	0	190,853	0	190,853
2037	9,734,571	749,580	749,580	0	182,959	0	182,959
2038	9,744,573	773,054	773,054	0	175,524	0	175,524
2039	9,728,101	794,735	794,735	0	167,857	0	167,857
2040	9,685,025	814,784	814,784	0	160,086	0	160,086
2041	9,615,370	832,769	832,769	0	152,204	0	152,204
2042	9,519,447	844,435	844,435	0	143,568	0	143,568
2043	9,402,205	850,186	850,186	0	134,461	0	134,461
2044	9,242,036	852,074	852,074	0	125,358	0	125,358
2045	9,066,353	851,808	851,808	0	116,576	0	116,576
2046	8,876,423	848,785	848,785	0	108,058	0	108,058
2047	8,674,226	845,079	845,079	0	100,080	0	100,080
2048	8,459,602	838,254	838,254	0	92,346	0	92,346
2049	8,234,915	827,957	827,957	0	84,848	0	84,848
2050	8,003,308	815,475	815,475	0	77,738	0	77,738
2051	7,766,689	827,477	827,477	0	73,379	0	73,379
2052	7,497,769	831,071	831,071	0	68,556	0	68,556
2053	7,202,504	815,190	815,190	0	62,554	0	62,554
2054	6,900,821	795,396	795,396	0	56,777	0	56,777
2055	6,596,659	774,198	774,198	0	51,408	0	51,408
2056	6,291,398	752,122	752,122	0	46,458	0	46,458
2057	5,985,904	727,865	727,865	0	41,823	0	41,823
2058	5,682,489	701,911	701,911	0	37,518	0	37,518
2059	5,383,150	691,205	691,205	0	34,368	0	34,368
2060	5,071,650	675,510	675,510	0	31,244	0	31,244
2061	4,752,050	648,105	648,105	0	27,885	0	27,885
2062	4,436,637	618,949	618,949	0	24,773	0	24,773
2063	4,127,726	588,992	588,992	0	21,929	0	21,929
2064	3,826,675	558,621	558,621	0	19,347	0	19,347
2065	3,534,517	528,075	528,075	0	17,013	0	17,013
2066	3,252,100	496,905	496,905	0	14,892	0	14,892
2067	2,980,806	465,457	465,457	0	12,977	0	12,977

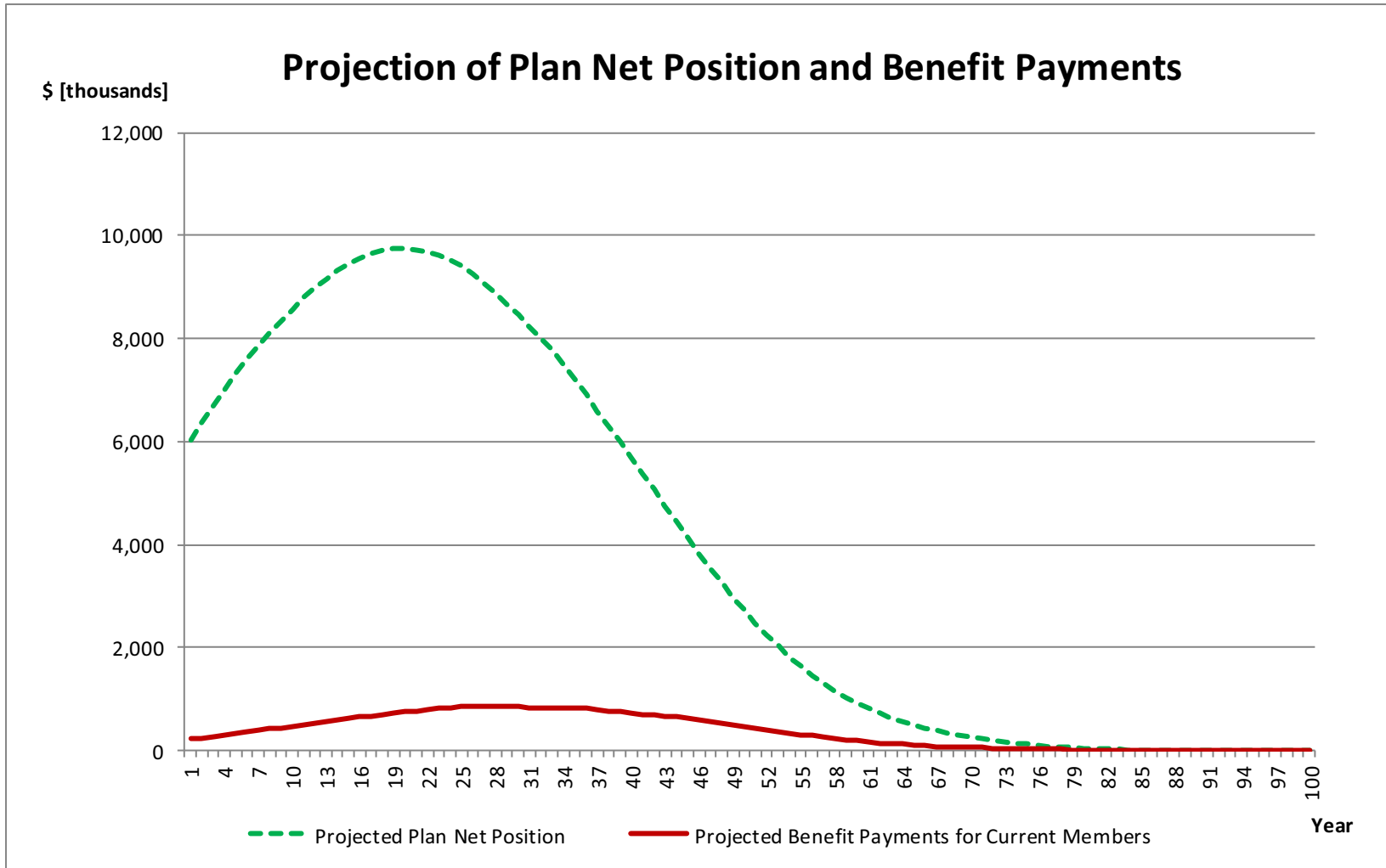
The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

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)	$(f)=(d)*v^{((a)-.5)}$	$(g)=(e)*vf^{((a)-.5)}$	$(h)=(c)/(1+sdr)^{(a-.5)}$
2068	\$ 2,721,770	\$ 434,028	\$ 434,028	\$ 0	\$ 11,256	\$ 0	\$ 11,256
2069	2,475,892	402,826	402,826	0	9,718	0	9,718
2070	2,243,925	372,083	372,083	0	8,350	0	8,350
2071	2,026,435	342,033	342,033	0	7,140	0	7,140
2072	1,823,791	312,866	312,866	0	6,076	0	6,076
2073	1,636,189	284,755	284,755	0	5,144	0	5,144
2074	1,463,664	257,886	257,886	0	4,334	0	4,334
2075	1,306,057	232,439	232,439	0	3,633	0	3,633
2076	1,163,013	208,589	208,589	0	3,033	0	3,033
2077	1,033,970	186,495	186,495	0	2,523	0	2,523
2078	918,155	166,268	166,268	0	2,092	0	2,092
2079	814,626	147,958	147,958	0	1,732	0	1,732
2080	722,317	131,555	131,555	0	1,432	0	1,432
2081	640,092	116,983	116,983	0	1,185	0	1,185
2082	566,809	104,101	104,101	0	981	0	981
2083	501,386	92,749	92,749	0	813	0	813
2084	442,826	82,752	82,752	0	675	0	675
2085	390,239	73,915	73,915	0	561	0	561
2086	342,870	66,039	66,039	0	466	0	466
2087	300,115	58,954	58,954	0	387	0	387
2088	261,499	52,526	52,526	0	321	0	321
2089	226,652	46,654	46,654	0	265	0	265
2090	195,279	41,265	41,265	0	218	0	218
2091	167,141	36,309	36,309	0	178	0	178
2092	142,030	31,760	31,760	0	145	0	145
2093	119,752	27,605	27,605	0	117	0	117
2094	100,112	23,822	23,822	0	94	0	94
2095	82,921	20,393	20,393	0	75	0	75
2096	67,996	17,309	17,309	0	59	0	59
2097	55,149	14,558	14,558	0	46	0	46
2098	44,192	12,118	12,118	0	36	0	36
2099	34,941	9,967	9,967	0	27	0	27
2100	27,227	8,088	8,088	0	21	0	21
2101	20,883	6,469	6,469	0	15	0	15
2102	15,742	5,092	5,092	0	11	0	11
2103	11,643	3,936	3,936	0	8	0	8
2104	8,435	2,982	2,982	0	6	0	6
2105	5,976	2,211	2,211	0	4	0	4
2106	4,131	1,601	1,601	0	3	0	3
2107	2,781	1,129	1,129	0	2	0	2
2108	1,819	773	773	0	1	0	1
2109	1,154	514	514	0	1	0	1
2110	708	330	330	0	0	0	0
2111	418	205	205	0	0	0	0
2112	237	122	122	0	0	0	0
2113	128	69	69	0	0	0	0
2114	66	38	38	0	0	0	0
2115	32	20	20	0	0	0	0
2116	14	10	10	0	0	0	0
2117	5	5	5	0	0	0	0
Totals					\$ 6,770,016	\$ -	\$ 6,770,016

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.



The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

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 fund 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; and2. 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)

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.