

GRS Gabriel Roeder Smith & Company  
Consultants & Actuaries

STACEY

For 2014-15  
Audit

ARLINGTON HGTS SD 25 REGULAR  
GASB STATEMENT NO. 68 EMPLOYER REPORTING  
ACCOUNTING SCHEDULES  
DECEMBER 31, 2014

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April 27, 2015

Arlington Hgts SD 25  
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 Arlington Hgts SD 25 only in its entirety and only with the permission of Arlington Hgts SD 25.

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 Arlington Hgts SD 25. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Mark Buis and Francois Pieterse are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the Academy of Actuaries to render the actuarial opinions herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

By 

Mark Buis  
FSA, EA, MAAA

By 

Francois Pieterse  
ASA, MAAA

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**SECTION A**  
EXECUTIVE SUMMARY

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# **EXECUTIVE SUMMARY** **AS OF DECEMBER 31, 2014**

	<b>2014</b>
Actuarial Valuation Date	December 31, 2014
Measurement Date of the Net Pension Liability	December 31, 2014
Fiscal Year End	June 30, 2015

## **Membership**

Number of	
- Retirees and Beneficiaries	239
- Inactive, Non-Retired Members	242
- Active Members	266
- Total	747
Covered Valuation Payroll	\$ 7,545,460

## **Net Pension Liability**

Total Pension Liability/(Asset)	\$ 40,272,247
Plan Fiduciary Net Position	36,470,562
Net Pension Liability/(Asset)	\$ 3,801,685
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.56%
Net Pension Liability as a Percentage of Covered Valuation Payroll	50.38%

## **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	2082
Resulting Single Discount Rate based on the above development	7.48%

Single Discount Rate calculated using December 31, 2013 Measurement Date 7.50%

**Total Pension Expense/(Income)** \$ 1,110,886

## **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	\$ 234,611	\$ 0
Changes in assumptions	1,220,864	-
Net difference between projected and actual earnings on pension plan investments	394,824	-
Total	\$ 1,850,299	\$ -

*\*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 7.48%.

**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.



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**SECTION B**  
FINANCIAL STATEMENTS

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

**A. Expense/(Income)**

1. Service Cost	\$	915,435
2. Interest on the Total Pension Liability		2,690,242
3. Current-Period Benefit Changes		0
4. Employee Contributions (made negative for addition here)		(346,070)
5. Projected Earnings on Plan Investments (made negative for addition here)		(2,584,990)
6. Other Changes in Plan Fiduciary Net Position		(360,607)
7. Recognition of Outflow (Inflow) of Resources due to Liabilities		698,170
8. Recognition of Outflow (Inflow) of Resources due to Assets		98,706
9. Total Pension Expense/(Income)	\$	1,110,886

**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	\$ 347,151
2. Assumption Changes (gains) or losses	\$ 1,806,494
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3.0847
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	\$ 112,540
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ 585,630
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 698,170
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	\$ 234,611
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ 1,220,864
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ 1,455,475

**B. Outflows (Inflows) of Resources due to Assets**

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ 493,530
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	\$ 98,706
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ 394,824

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

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Due to Liabilities	\$ 698,170	\$ 0	\$ 698,170
2. Due to Assets	98,706	0	98,706
3. Total	\$ 796,876	\$ 0	\$ 796,876

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 112,540	\$ 0	\$ 112,540
2. Assumption changes	585,630	0	585,630
3. Net difference between projected and actual earnings on pension plan investments	98,706	0	98,706
4. Total	\$ 796,876	\$ 0	\$ 796,876

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 234,611	\$ 0	\$ 234,611
2. Assumption changes	1,220,864	0	1,220,864
3. Net difference between projected and actual earnings on pension plan investments	394,824	0	394,824
4. Total	\$ 1,850,299	\$ 0	\$ 1,850,299

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ 796,876
2016	796,876
2017	157,841
2018	98,706
2019	0
Thereafter	0
<b>Total</b>	\$ 1,850,299

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

<b>A. Total pension liability</b>	
1. Service Cost	\$ 915,435
2. Interest on the Total Pension Liability	2,690,242
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total Pension Liability	347,151
5. Changes of assumptions	1,806,494
6. Benefit payments, including refunds of employee contributions	(1,798,506)
7. Net change in total pension liability	\$ 3,960,816
8. Total pension liability – beginning	36,311,431
9. Total pension liability – ending	<u><u>\$ 40,272,247</u></u>
<b>B. Plan fiduciary net position</b>	
1. Contributions – employer	\$ 916,975
2. Contributions – employee	346,070
3. Net investment income	2,091,460
4. Benefit payments, including refunds of employee contributions	(1,798,506)
5. Other (Net Transfer)	360,607
6. Net change in plan fiduciary net position	\$ 1,916,606
7. Plan fiduciary net position – beginning	34,553,956
8. Plan fiduciary net position – ending	<u><u>\$ 36,470,562</u></u>
<b>C. Net pension liability/(asset)</b>	<u><u>\$ 3,801,685</u></u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	
	90.56%
<b>E. Covered Valuation payroll</b>	\$ 7,545,460
<b>F. Net pension liability as a percentage of covered valuation payroll</b>	
	50.38%

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

	1% Decrease 6.48%	Current Single Discount Rate Assumption 7.48%	1% Increase 8.48%
Total Pension Liability	\$ 45,203,929	\$ 40,272,247	\$ 36,178,616
Plan Fiduciary Net Position	36,470,562	36,470,562	36,470,562
Net Pension Liability/(Asset)	\$ 8,733,367	\$ 3,801,685	\$ (291,946)

**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
<b>Total Pension Liability</b>										
Service Cost	\$ 915,435									
Interest on the Total Pension Liability	2,690,242									
Benefit Changes	0									
Difference between Expected and Actual Experience	347,151									
Assumption Changes	1,806,494									
Benefit Payments and Refunds	(1,798,506)									
<b>Net Change in Total Pension Liability</b>	<b>3,960,816</b>									
<b>Total Pension Liability - Beginning</b>	<b>36,311,431</b>									
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 40,272,247</b>									
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 916,975									
Employee Contributions	346,070									
Pension Plan Net Investment Income	2,091,460									
Benefit Payments and Refunds	(1,798,506)									
Other	360,607									
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,916,606</b>									
<b>Plan Fiduciary Net Position - Beginning</b>	<b>34,553,956</b>									
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 36,470,562</b>									
<b>Net Pension Liability/(Asset) - Ending (a) - (b)</b>	<b>3,801,685</b>									
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>90.56%</b>									
<b>Covered Valuation Payroll</b>	<b>\$ 7,545,460</b>									
<b>Net Pension Liability as a Percentage of Covered Valuation Payroll</b>	<b>50.38%</b>									

## 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	\$ 909,982 *	\$ 916,975	\$ (6,993)	\$ 7,545,460	12.15%

\* Estimated based on contribution rate of 12.06% and covered valuation payroll of \$7,545,460.  
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)	\$ 6,307,776
2. Employer Contribution Reserve (EAF assets from IMRF)	11,859,307
3. Annuitant Reserve	19,507,284
4. Assumed Transfer from Employer Reserve for Annuitant Mortality Change	(932,225)
5. Miscellaneous Adjustment*	<u>(271,580)</u>
<b>6. Net Market Value</b>	<b>\$ 36,470,562</b>

\* 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	7.48%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

### Other Information:

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

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**SECTION C**  
CALCULATION OF THE SINGLE DISCOUNT RATE

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## 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 7.48%.

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	\$ 7,545,460				
1	7,490,972	\$ 337,094	\$ 564,793	\$ 270,310	\$ 1,172,196
2	7,011,979	315,539	475,221	357,441	1,148,201
3	6,598,545	296,935	449,161	315,006	1,061,102
4	6,216,269	279,732	423,755	265,574	969,062
5	5,838,096	262,714	397,398	219,174	879,285
6	5,482,769	246,725	372,668	231,050	850,442
7	5,142,518	231,413	348,522	239,136	819,072
8	4,794,950	215,773	323,542	247,506	786,821
9	4,474,993	201,375	300,624	256,169	758,167
10	4,179,442	188,075	279,528	265,135	732,737
11	3,897,230	175,375	259,495	274,414	709,285
12	3,644,067	163,983	241,556	284,019	689,558
13	3,405,706	153,257	224,744	293,960	671,961
14	3,175,043	142,877	208,580	304,248	655,705
15	2,956,339	133,035	193,334	299,012	625,381
16	2,749,362	123,721	178,982	293,865	596,568
17	2,553,584	114,911	165,226	288,808	568,945
18	2,366,333	106,485	152,641	283,837	542,963
19	2,187,361	98,431	140,447	278,952	517,830
20	2,017,164	90,772	128,720	274,151	493,643
21	1,832,955	82,483	116,239	269,433	468,155
22	1,639,389	73,772	103,477	264,796	442,045
23	1,462,267	65,802	91,718	260,238	417,758
24	1,297,839	58,403	80,891	255,760	395,053
25	1,154,521	51,953	71,272	251,358	374,583
26	1,024,949	46,123	62,664	247,032	355,819
27	901,901	40,586	54,695	242,780	338,060
28	788,657	35,490	47,593	238,602	321,684
29	688,427	30,979	41,272	234,495	306,746
30	598,264	26,922	35,570	230,459	292,952
31	521,185	23,453	30,626	226,493	280,573
32	459,389	20,673	26,495	222,595	269,762
33	401,550	18,070	22,682	218,764	259,515
34	333,225	14,995	18,459	214,999	248,453
35	270,305	12,164	14,840	211,298	238,302
36	206,516	9,293	11,338	207,662	228,293
37	134,998	6,075	7,492	204,088	217,655
38	92,763	4,174	5,368	200,575	210,118
39	65,067	2,928	3,894	197,123	203,946
40	41,557	1,870	2,561	193,731	198,162
41	28,368	1,277	1,847	190,396	193,520
42	18,729	843	1,258	187,120	189,221
43	14,080	634	986	183,899	185,519
44	10,513	473	750	180,734	181,957
45	7,787	350	561	177,624	178,535
46	5,499	247	397	174,567	175,211
47	3,924	177	282	171,562	172,021
48	2,572	116	187	168,609	168,912
49	1,443	65	104	165,708	165,876
50	834	38	60	162,856	162,953

**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	\$ 687	\$ 31	\$ 48	\$ 160,053	\$ 160,132
52	565	25	40	157,298	157,363
53	465	21	32	154,591	154,644
54	217	10	15	151,930	151,955
55	0	0	0	149,315	149,315
56	0	0	0	146,746	146,746
57	0	0	0	144,220	144,220
58	0	0	0	141,738	141,738
59	0	0	0	139,298	139,298
60	0	0	0	136,901	136,901
61	0	0	0	134,545	134,545
62	0	0	0	132,229	132,229
63	0	0	0	129,953	129,953
64	0	0	0	127,717	127,717
65	0	0	0	125,519	125,519
66	0	0	0	123,359	123,359
67	0	0	0	121,235	121,235
68	0	0	0	119,149	119,149
69	0	0	0	117,098	117,098
70	0	0	0	115,083	115,083
71	0	0	0	113,102	113,102
72	0	0	0	111,156	111,156
73	0	0	0	109,243	109,243
74	0	0	0	107,363	107,363
75	0	0	0	105,515	105,515
76	0	0	0	103,699	103,699
77	0	0	0	101,914	101,914
78	0	0	0	100,160	100,160
79	0	0	0	98,436	98,436
80	0	0	0	96,742	96,742
81	0	0	0	95,077	95,077
82	0	0	0	93,441	93,441
83	0	0	0	91,833	91,833
84	0	0	0	90,252	90,252
85	0	0	0	88,699	88,699
86	0	0	0	87,172	87,172
87	0	0	0	85,672	85,672
88	0	0	0	84,197	84,197
89	0	0	0	82,748	82,748
90	0	0	0	81,324	81,324
91	0	0	0	79,924	79,924
92	0	0	0	78,549	78,549
93	0	0	0	77,197	77,197
94	0	0	0	75,868	75,868
95	0	0	0	74,563	74,563
96	0	0	0	73,279	73,279
97	0	0	0	72,018	72,018
98	0	0	0	70,779	70,779
99	0	0	0	69,561	69,561
100	0	0	0	68,363	68,363

**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	\$	36,470,562	\$	1,172,196	\$	2,061,055	\$	2,702,563	\$	38,284,265
2		38,284,265		1,148,201		2,201,757		2,832,526		40,063,235
3		40,063,235		1,061,102		2,343,407		2,957,526		41,738,456
4		41,738,456		969,062		2,488,725		3,074,427		43,293,220
5		43,293,220		879,285		2,667,986		3,181,128		44,685,647
6		44,685,647		850,442		2,840,928		3,278,130		45,973,291
7		45,973,291		819,072		3,007,358		3,367,420		47,152,424
8		47,152,424		786,821		3,177,063		3,448,418		48,210,600
9		48,210,600		758,167		3,332,858		3,520,990		49,156,900
10		49,156,900		732,737		3,479,473		3,585,627		49,995,791
11		49,995,791		709,285		3,643,489		3,641,641		50,703,228
12		50,703,228		689,558		3,778,710		3,688,993		51,303,070
13		51,303,070		671,961		3,909,425		3,728,520		51,794,126
14		51,794,126		655,705		4,034,348		3,760,151		52,175,633
15		52,175,633		625,381		4,151,721		3,783,325		52,432,619
16		52,432,619		596,568		4,262,612		3,797,455		52,564,030
17		52,564,030		568,945		4,365,929		3,802,489		52,569,535
18		52,569,535		542,963		4,456,543		3,798,609		52,454,565
19		52,454,565		517,830		4,538,281		3,786,051		52,220,166
20		52,220,166		493,643		4,609,743		3,764,949		51,869,016
21		51,869,016		468,155		4,702,274		3,734,267		51,369,164
22		51,369,164		442,045		4,785,453		3,692,754		50,718,510
23		50,718,510		417,758		4,843,545		3,640,922		49,933,645
24		49,933,645		395,053		4,890,983		3,579,474		49,017,189
25		49,017,189		374,583		4,915,209		3,509,094		47,985,657
26		47,985,657		355,819		4,918,050		3,430,933		46,854,360
27		46,854,360		338,060		4,908,817		3,345,772		45,629,375
28		45,629,375		321,684		4,885,245		3,254,163		44,319,978
29		44,319,978		306,746		4,853,983		3,156,560		42,929,302
30		42,929,302		292,952		4,807,643		3,053,457		41,468,068
31		41,468,068		280,573		4,735,795		2,946,055		39,958,900
32		39,958,900		269,762		4,647,065		2,835,736		38,417,333
33		38,417,333		259,515		4,551,739		2,723,251		36,848,361
34		36,848,361		248,453		4,463,745		2,608,411		35,241,480
35		35,241,480		238,302		4,361,757		2,491,277		33,609,303
36		33,609,303		228,293		4,262,493		2,372,150		31,947,253
37		31,947,253		217,655		4,162,544		2,250,785		30,253,148
38		30,253,148		210,118		4,026,029		2,128,476		28,565,714
39		28,565,714		203,946		3,884,366		2,006,908		26,892,201
40		26,892,201		198,162		3,733,065		1,886,753		25,244,051
41		25,244,051		193,520		3,576,457		1,768,737		23,629,850
42		23,629,850		189,221		3,414,998		1,653,459		22,057,532
43		22,057,532		185,519		3,250,083		1,541,471		20,534,439
44		20,534,439		181,957		3,085,512		1,433,168		19,064,052
45		19,064,052		178,535		2,923,404		1,328,732		17,647,915
46		17,647,915		175,211		2,763,681		1,228,281		16,287,725
47		16,287,725		172,021		2,607,036		1,131,917		14,984,627
48		14,984,627		168,912		2,454,204		1,039,698		13,739,032
49		13,739,032		165,876		2,305,748		951,633		12,550,793
50		12,550,793		162,953		2,160,667		867,750		11,420,829

**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	S	11,420,829	S	160,132	S	2,019,839	S	788,084	S	10,349,206
52		10,349,206		157,363		1,883,767		712,621		9,335,424
53		9,335,424		154,644		1,752,432		641,323		8,378,958
54		8,378,958		151,955		1,626,174		574,138		7,478,877
55		7,478,877		149,315		1,504,332		511,021		6,634,882
56		6,634,882		146,746		1,387,047		451,946		5,846,527
57		5,846,527		144,220		1,274,529		396,869		5,113,087
58		5,113,087		141,738		1,166,866		345,734		4,433,693
59		4,433,693		139,298		1,064,205		298,470		3,807,257
60		3,807,257		136,901		966,728		254,988		3,232,417
61		3,232,417		134,545		874,639		215,180		2,707,503
62		2,707,503		132,229		788,092		178,913		2,230,553
63		2,230,553		129,953		707,154		146,038		1,799,390
64		1,799,390		127,717		631,825		116,392		1,411,675
65		1,411,675		125,519		562,036		89,802		1,064,960
66		1,064,960		123,359		497,658		66,090		756,750
67		756,750		121,235		438,509		45,074		484,550
68		484,550		119,149		384,364		26,575		245,911
69		245,911		117,098		335,002		10,420		38,426
70		38,426		115,083		290,205		0		0
71		0		113,102		249,704		0		0
72		0		111,156		213,242		0		0
73		0		109,243		180,588		0		0
74		0		107,363		151,522		0		0
75		0		105,515		125,836		0		0
76		0		103,699		103,517		0		0
77		0		101,914		83,762		0		0
78		0		100,160		66,985		0		0
79		0		98,436		52,779		0		0
80		0		96,742		40,919		0		0
81		0		95,077		31,170		0		0
82		0		93,441		23,299		0		0
83		0		91,833		17,070		0		0
84		0		90,252		12,238		0		0
85		0		88,699		8,571		0		0
86		0		87,172		5,855		0		0
87		0		85,672		3,895		0		0
88		0		84,197		2,517		0		0
89		0		82,748		1,576		0		0
90		0		81,324		955		0		0
91		0		79,924		560		0		0
92		0		78,549		317		0		0
93		0		77,197		173		0		0
94		0		75,868		90		0		0
95		0		74,563		45		0		0
96		0		73,279		22		0		0
97		0		72,018		10		0		0
98		0		70,779		4		0		0
99		0		69,561		2		0		0
100		0		68,363		0		0		0

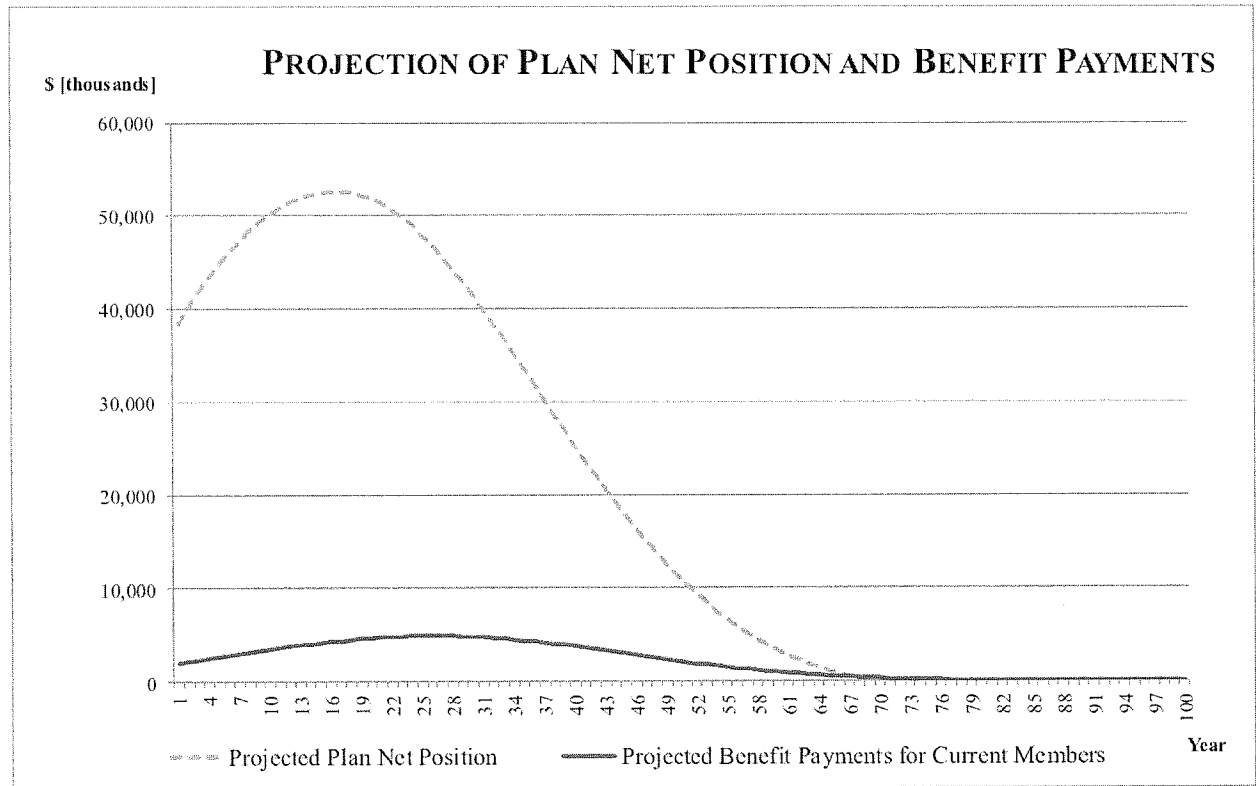


**SINGLE DISCOUNT RATE DEVELOPMENT**  
**PRESENT VALUES OF PROJECTED BENEFITS**

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 (s)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (sf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v <sup>n</sup> /(a)-5	(g)=(e)*v <sup>n</sup> /(fa)-5	(h)=(f)(c)/(1+sdr) <sup>n</sup> (a-5)
1	\$ 36,470,562	\$ 2,061,055	\$ 2,061,055	\$ 0	\$ 1,987,858	\$ 0	\$ 1,988,037
2	38,284,265	2,201,757	2,201,757	0	1,975,408	0	1,975,942
3	40,063,235	2,343,407	2,343,407	0	1,955,809	0	1,956,691
4	41,738,456	2,488,725	2,488,725	0	1,932,179	0	1,933,398
5	43,293,220	2,667,986	2,667,986	0	1,926,839	0	1,928,403
6	44,685,647	2,840,928	2,840,928	0	1,908,595	0	1,910,488
7	45,973,291	3,007,358	3,007,358	0	1,879,447	0	1,881,651
8	47,152,424	3,177,063	3,177,063	0	1,846,980	0	1,849,480
9	48,210,600	3,332,858	3,332,858	0	1,802,374	0	1,805,138
10	49,156,900	3,479,473	3,479,473	0	1,750,383	0	1,753,384
11	49,995,791	3,643,489	3,643,489	0	1,705,016	0	1,708,248
12	50,703,228	3,778,710	3,778,710	0	1,644,925	0	1,648,340
13	51,303,070	3,909,425	3,909,425	0	1,583,095	0	1,586,668
14	51,794,126	4,034,348	4,034,348	0	1,519,704	0	1,523,408
15	52,175,633	4,151,721	4,151,721	0	1,454,807	0	1,458,616
16	52,432,619	4,262,612	4,262,612	0	1,389,455	0	1,393,344
17	52,564,030	4,365,929	4,365,929	0	1,323,845	0	1,327,789
18	52,569,535	4,456,543	4,456,543	0	1,257,042	0	1,261,015
19	52,454,565	4,538,281	4,538,281	0	1,190,789	0	1,194,768
20	52,220,166	4,609,743	4,609,743	0	1,125,153	0	1,129,116
21	51,869,016	4,702,274	4,702,274	0	1,067,664	0	1,071,617
22	51,369,164	4,785,453	4,785,453	0	1,010,744	0	1,014,670
23	50,718,510	4,843,545	4,843,545	0	951,641	0	955,509
24	49,933,645	4,890,983	4,890,983	0	893,917	0	897,713
25	49,017,189	4,915,209	4,915,209	0	835,670	0	839,370
26	47,985,657	4,918,050	4,918,050	0	777,816	0	781,401
27	46,854,360	4,908,817	4,908,817	0	722,192	0	725,651
28	45,629,375	4,885,245	4,885,245	0	668,580	0	671,904
29	44,319,978	4,853,983	4,853,983	0	617,955	0	621,139
30	42,929,302	4,807,643	4,807,643	0	569,354	0	572,391
31	41,468,068	4,735,795	4,735,795	0	521,717	0	524,594
32	39,958,900	4,647,065	4,647,065	0	476,225	0	478,938
33	38,417,333	4,551,739	4,551,739	0	433,913	0	436,463
34	36,848,361	4,463,745	4,463,745	0	395,837	0	398,235
35	35,241,480	4,361,757	4,361,757	0	359,807	0	362,052
36	33,609,303	4,262,493	4,262,493	0	327,087	0	329,187
37	31,947,253	4,162,544	4,162,544	0	297,132	0	299,094
38	30,253,148	4,026,029	4,026,029	0	267,337	0	269,151
39	28,565,714	3,884,366	3,884,366	0	239,935	0	241,607
40	26,892,201	3,733,065	3,733,065	0	214,502	0	216,035
41	25,244,051	3,576,457	3,576,457	0	191,166	0	192,567
42	23,629,850	3,414,998	3,414,998	0	169,801	0	171,076
43	22,057,532	3,250,083	3,250,083	0	150,326	0	151,483
44	20,534,439	3,085,512	3,085,512	0	132,758	0	133,803
45	19,064,052	2,923,404	2,923,404	0	117,007	0	117,950
46	17,647,915	2,763,681	2,763,681	0	102,897	0	103,745
47	16,287,725	2,607,036	2,607,036	0	90,293	0	91,053
48	14,984,627	2,454,204	2,454,204	0	79,069	0	79,750
49	13,739,032	2,305,748	2,305,748	0	69,104	0	69,711
50	12,550,793	2,160,667	2,160,667	0	60,238	0	60,778

**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 (d)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	$(b)-(d) \cdot v^n \cdot (a) \cdot .5$	$(e)-(c) \cdot v^n \cdot (a) \cdot .5$	$(b)-(c) \cdot (1 + sdr)^n \cdot (a) \cdot .5$
51	\$ 11,420,829	\$ 2,019,839	\$ 2,019,839	\$ 0	\$ 52,383	\$ 0	\$ 52,862
52	10,349,206	1,883,767	1,883,767	0	45,446	0	45,870
53	9,335,424	1,752,432	1,752,432	0	39,328	0	39,702
54	8,378,958	1,626,174	1,626,174	0	33,948	0	34,277
55	7,478,877	1,504,332	1,504,332	0	29,213	0	29,502
56	6,634,882	1,387,047	1,387,047	0	25,057	0	25,309
57	5,846,527	1,274,529	1,274,529	0	21,418	0	21,637
58	5,113,087	1,166,866	1,166,866	0	18,240	0	18,430
59	4,433,693	1,064,205	1,064,205	0	15,475	0	15,639
60	3,807,257	966,728	966,728	0	13,077	0	13,218
61	3,232,417	874,639	874,639	0	11,006	0	11,126
62	2,707,503	788,092	788,092	0	9,225	0	9,328
63	2,230,553	707,154	707,154	0	7,700	0	7,787
64	1,799,390	631,825	631,825	0	6,400	0	6,473
65	1,411,675	562,036	562,036	0	5,296	0	5,358
66	1,064,960	497,658	497,658	0	4,362	0	4,414
67	756,750	438,509	438,509	0	3,575	0	3,618
68	484,550	384,364	384,364	0	2,915	0	2,951
69	245,911	335,002	245,911	89,091	1,735	8,113	2,393
70	38,426	290,205	38,426	251,779	252	22,140	1,929
71	0	249,704	0	249,704	0	21,203	1,544
72	0	213,242	0	213,242	0	17,484	1,227
73	0	180,588	0	180,588	0	14,298	967
74	0	151,522	0	151,522	0	11,584	755
75	0	125,836	0	125,836	0	9,290	583
76	0	103,317	0	103,317	0	7,365	445
77	0	83,762	0	83,762	0	5,766	336
78	0	66,985	0	66,985	0	4,452	250
79	0	52,779	0	52,779	0	3,388	183
80	0	40,919	0	40,919	0	2,536	132
81	0	31,170	0	31,170	0	1,865	94
82	0	23,289	0	23,289	0	1,346	65
83	0	17,070	0	17,070	0	953	44
84	0	12,238	0	12,238	0	659	30
85	0	8,571	0	8,571	0	446	19
86	0	5,855	0	5,855	0	294	12
87	0	3,895	0	3,895	0	189	8
88	0	2,517	0	2,517	0	118	5
89	0	1,576	0	1,576	0	71	3
90	0	955	0	955	0	42	1
91	0	560	0	560	0	24	1
92	0	317	0	317	0	13	0
93	0	173	0	173	0	7	0
94	0	90	0	90	0	3	0
95	0	45	0	45	0	2	0
96	0	22	0	22	0	1	0
97	0	10	0	10	0	0	0
98	0	4	0	4	0	0	0
99	0	2	0	2	0	0	0
100	0	0	0	0	0	0	0
<b>Totals</b>					\$ 46,317,435	\$ 133,651	\$ 46,451,087



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**SECTION D**  
**GLOSSARY OF TERMS**

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## 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: <ol style="list-style-type: none"> <li>1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and</li> <li>2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.</li> </ol>
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	<p>The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:</p> <ol style="list-style-type: none"><li>1. Service Cost;</li><li>2. Interest on the Total Pension Liability;</li><li>3. Current-Period Benefit Changes;</li><li>4. Employee Contributions (made negative for addition here);</li><li>5. Projected Earnings on Plan Investments (made negative for addition here);</li><li>6. Pension Plan Administrative Expense;</li><li>7. Other Changes in Plan Fiduciary Net Position;</li><li>8. Recognition of Outflow (Inflow) of Resources due to Liabilities; and</li><li>9. Recognition of Outflow (Inflow) of Resources due to Assets.</li></ol>
Total Pension Liability (TPL)	<p>The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.</p>
Unfunded Actuarial Accrued Liability (UAAL)	<p>The UAAL is the difference between actuarial accrued liability and valuation assets.</p>
Valuation Assets	<p>The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of the GASB Statement No. 68, the valuation asset is equal to the market value of assets.</p>