

# **Educational Employees' Supplementary Retirement System of Fairfax County**

Information Required Under Governmental  
Accounting Standards Board Statement No. 67  
and 68 as of June 30, 2024

September 2024



**Gallagher**

Insurance | Risk Management | Consulting

Pension Committee  
Educational Employees' Supplementary Retirement System of Fairfax County  
(ERFC)

We have prepared selected required accounting information for Governmental Accounting Standards Board (GASB) Statement No. 67 and No. 68 for the Educational Employees' Supplementary Retirement System of Fairfax County ("ERFC"). Information contained in this report is based on data from the Actuarial Valuation Report for ERFC for the valuation year December 31, 2023 and a Measurement Date of June 30, 2024. The actuarial assumptions and methods used in this report are the same used in the December 31, 2023 actuarial valuation of the System, except as noted herein. Please refer to the December 31, 2023 valuation report dated September 20, 2024 for detailed information regarding data, assumptions and methods used to prepare this report.

Results for years prior to June 30, 2024 shown in this report were prepared by the prior actuarial firm.

This report may be used for the review of the operation of the System as well as in preparation of audited financial statements of the System. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Gallagher to review any statement you wish to make on the results contained in this report. Gallagher will not accept any liability for any such statement made without prior review.

In preparing results shown in this report, we have relied upon information provided by ERFC's administrative staff regarding plan provisions, plan participants, and plan assets. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

We certify that the information contained in this report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the System in accordance with the requirements of GASB 67 and GASB 68 as of June 30, 2024.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this report.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For entity and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for ERFC and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.

The plan sponsor selected the assumptions used for the accounting results in this report. We believe that these assumptions are reasonable and comply with the Actuarial Standards of Practice ("ASOPs") 27 and 35 and the requirements of GASB Statement No. 67. We prepared this report in accordance with the requirement of this standard.

ASOPs 27 and 35 ask the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the plan sponsor do not significantly conflict with what, in the actuary's professional judgment, are reasonable for the purpose of the measurement. In the case of the Board's selection of the investment return assumption, we used GEMS® Economic Scenario Generator from Conning & Company to assess reasonableness of the investment return rate. GEMS® uses a multifactor model to create

internally consistent, realistic economic scenarios (paths) that reflect the current economic environment as a starting point. Asset class correlations may vary from year to year (just as in the real world), as well as from path to path. The model generates results that are not normally distributed, with fatter tails, and should therefore estimate the probabilities of rare events more realistically than a pure mean-variance model. Based on the actuaries' analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the GEMS® Economic Scenario Generator and review of actuarial gain/loss experience, the actuaries believe the assumptions, in the actuaries' professional judgment, are reasonable for the purpose of the measurement. In addition, in our professional judgment, the combined effect of the assumptions is expected to have no significant bias.

Actuarial Standard of Practice No. 56 provides guidance to actuaries performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Gallagher uses third-party software to perform annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the System's provisions using data and assumptions as of the measurement date under the funding methods specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding methods and policies to the derived liabilities and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

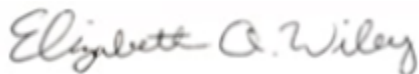
Gallagher maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed.

This report was prepared under the supervision of Kevin Spanier and Elizabeth Wiley who are members of the American Academy of Actuaries and have met the Academy's Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

Buck Global, LLC  
Gallagher Benefit Services, Inc. (hereinafter "Gallagher")



Kevin Spanier, ASA, EA, MAAA, FCA  
Principal, Public Sector Retirement Operations Leader



Elizabeth A. Wiley, FSA, EA, MAAA, FCA  
Director, Retirement Consulting

## Development of GASB 68 Net Pension Expense

**Table 1: Net Pension Liability**

The following table illustrates the Net Pension Liability under GASB 68.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Total Pension Liability	\$ 4,203,831,095	\$ 4,380,439,604
(2) Plan Fiduciary Net Position	<u>3,076,733,102</u>	<u>3,213,424,628</u>
(3) Net Pension Liability (Asset)	\$ 1,127,097,993	\$ 1,167,014,976
(4) Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	73.19%	73.36%
(5) Deferred Outflow of Resources for Contributions Made After Measurement Date	\$ 0	\$ 0

**Table 2: Expense**

The following table illustrates the pension expense under GASB 68.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Service Cost	\$ 97,264,457	\$ 102,289,996
(2) Interest Cost	279,596,095	293,865,503
(3) Expected Investment Return	(208,384,665)	(213,842,723)
(4) Employee Contributions	(52,542,598)	(56,450,447)
(5) Administrative Expense	5,625,786	5,685,425
(6) Changes of Benefit Terms	0	161,937,951
(7) Amortization of Unrecognized		
(a) Liability (Gain) / Loss	15,764,456	(17,603,968)
(b) Asset (Gain) / Loss	30,477,543	25,556,005
(c) Assumption Change (Gain) / Loss	<u>22,056,298</u>	<u>19,811,983</u>
(8) Total Expense	\$ 189,857,372	\$ 321,249,725

**Table 3: Expense Calculation**

Shown below are details regarding the calculation of Service and Interest Cost components of the Expense.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Development of Service Cost		
(a) Normal Cost at Beginning of Measurement Period <sup>1</sup>	\$ 97,264,457	\$ 102,289,996
(2) Development of Interest Cost		
(a) Total Pension Liability at Beginning of Measurement Period	\$ 3,999,987,949	\$ 4,203,831,095
(b) Normal Cost at Beginning of Measurement Period	97,264,457	102,289,996
(c) Actual Benefit Payments	(206,044,965)	(216,084,948)
(d) Discount Rate, Beginning of Measurement Period	<u>7.00%</u>	<u>7.00%</u>
(e) Interest Cost [(a) + (b) + {(c) / 2}] x (d)	\$ 279,596,095	\$ 293,865,503
(3) Development of Expected Investment Return		
(a) Plan Fiduciary Net Position at Beginning of Measurement Period	\$ 2,997,909,880	\$ 3,076,733,102
(b) Prior Period Adjustment	0	0
(c) Actual Contributions - Employer	117,155,967	121,645,811
(d) Actual Contributions - Employee	52,542,598	56,450,447
(e) Actual Benefit Payments	(206,044,965)	(216,084,948)
(f) Administrative Expenses	(5,625,786)	(5,685,425)
(g) Other	0	0
(h) Expected Return on Assets, Beginning of Measurement Period	<u>7.00%</u>	<u>7.00%</u>
(i) Expected Return [(a) + (b) + {(c) + (d) + (e) + (f) / 2} x (h)]	\$ 208,384,665	\$ 213,842,723

<sup>1</sup> Normal Cost at beginning of Measurement period was determined by the prior actuarial firm for fiscal year ending June 30, 2024.

## Reconciliation of Net Pension Liability

**Table 4: Reconciliation of Net Pension Liability**

Shown below are details regarding the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Measurement Period from June 30, 2023 to June 30, 2024.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance Recognized at 06/30/2023 (Based on 06/30/2023 Measurement Date)	\$ 4,203,831,095	\$ 3,076,733,102	\$ 1,127,097,993
Changes Recognized for the Fiscal Year			
Service Cost	\$ 102,289,996	\$ 0	\$ 102,289,996
Interest on the Total Pension Liability	293,865,503	0	293,865,503
Changes of Benefit Terms	161,937,951	0	161,937,951
Differences Between Expected and Actual Experience	(165,399,993)	0	(165,399,993)
Changes of Assumptions	0	0	0
Benefit Payments	(216,084,948)	(216,084,948)	0
Contributions from the Employer	0	121,645,811	(121,645,811)
Contributions from the Employee	0	56,450,447	(56,450,447)
Net Investment Income	0	180,365,641	(180,365,641)
Administrative Expense	0	(5,685,425)	5,685,425
Net Changes	\$ 176,608,509	\$ 136,691,526	\$ 39,916,983
Balance Recognized at 06/30/2024 (Based on 06/30/2024 Measurement Date)	\$ 4,380,439,604	\$ 3,213,424,628	\$ 1,167,014,976

## Liability (Gain) / Loss

**Table 5: Liability (Gain) / Loss**

The following table illustrates the liability gain / loss under GASB 68.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Pension Liability at Beginning of Measurement Period	\$ 3,999,987,949	\$ 4,203,831,095
(2) Service Cost	97,264,457	102,289,996
(3) Interest on the Total Pension Liability	279,596,095	293,865,503
(4) Changes of Benefit Terms	0	161,937,951
(5) Changes of Assumptions	0	0
(6) Benefit Payments	(206,044,965)	(216,084,948)
(7) Expected Pension Liability at End of Measurement Period	\$ 4,170,803,536	\$ 4,545,839,597
(8) Actual Pension Liability at End of Measurement Period	4,203,831,095	4,380,439,604
(9) Pension Liability (Gain) / Loss	\$ 33,027,559	\$ (165,399,993)
(10) Average Future Working Life Expectancy	5.8149	5.4060
(11) Total Pension Liability (Gain) / Loss Amortization [(9) / (10)]	\$ 5,679,815	\$ (30,595,633)
(12) Pension Assumption Change (Gain) / Loss Amortization [(5) / (10)]	0	0
(13) Pension Overall Liability (Gain) / Loss Amortization [(11) / (12)]	\$ 5,679,815	\$ (30,595,633)

**Table 6: Liability (Gain) / Loss Impact on Expense**

The following table details the allocation of the FY2024 liability gain / loss in the expense calculation under GASB 68.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Total Liability (Gain) / Loss	\$ 33,027,559	\$ (165,399,993)
(2) Recognized in Current Year Expense	5,679,815	(30,595,633)
(3) Amount Recognized in Future Years as Deferred Outflows [(1) - (2)]	\$ 27,347,744	\$ (134,804,360)

**Table 7: Asset (Gain) / Loss**

The following table illustrates the asset gain / loss under GASB 68

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Pension Asset at Beginning of Measurement Period	\$ 2,997,909,880	\$ 3,076,733,102
(2) Prior Period Adjustment	0	0
(3) Contributions - Employer	117,155,967	121,645,811
(4) Contributions - Employee	52,542,598	56,450,447
(5) Expected Investment Income	208,384,665	213,842,723
(6) Benefit Payments	(206,044,965)	(216,084,948)
(7) Administrative Expense	(5,625,786)	(5,685,425)
(8) Other	<u>0</u>	<u>0</u>
(9) Expected Pension Asset at End of Measurement Period	\$ 3,164,322,359	\$ 3,246,901,710
(10) Actual Pension Asset at End of Measurement Period	<u>3,076,733,102</u>	<u>3,213,424,628</u>
(11) Pension Asset (Gain) / Loss	\$ 87,589,257	\$ 33,477,082
(12) Amortization Factor	<u>5.0000</u>	<u>5.0000</u>
(13) Pension Asset (Gain) / Loss Amortization	\$ 17,517,851	\$ 6,695,416

**Table 8: Asset (Gain) / Loss Impact on Expense**

The following table details the allocation of the FY2024 asset gain / loss under GASB 68.

Fiscal Year Ending	June 30, 2023	June 30, 2024
(1) Total Asset (Gain) / Loss	\$ 87,589,257	\$ 33,477,082
(2) Recognized in Current Year Expense	<u>17,517,851</u>	<u>6,695,416</u>
(3) Amount Recognized in Future Years as Deferred Outflows [(1) - (2)]	\$ 70,071,406	\$ 26,781,666



## Deferred Outflows / Inflows

**Table 9: Deferred Outflows / Inflows**

The following table illustrates the deferred outflows and inflows as of June 30, 2024 under GASB 68.

	Deferred Outflows	Deferred Inflows
(1) Difference Between Actual and Expected Experience	\$ 34,601,587	\$ (140,523,610)
(2) Net Difference Between Expected and Actual Earnings on Pension Plan Investments	266,513,541	(106,847,968)
(3) Assumption Changes	<u>64,876,088</u>	<u>(5,702,047)</u>
(4) Sub Total	\$ 365,991,216	\$ (253,073,625)
(5) Contributions Made in Fiscal Year Ending 2023 After Measurement Date	0	0
(6) Total	\$ 365,991,216	\$ (253,073,625)

**Table 10: Schedule of Differences Between Expected and Actual Experience**

The following schedule illustrates the recognition in pension expense of differences between expected and actual experience as of June 30, 2024 under GASB 68.

Schedule of Differences Between Expected and Actual Experience							
Measurement Year	2024	2023	2022	2021	2020	2019	2018
Amount Established	\$ (165,399,993)	\$ 33,027,559	\$ (5,133,211)	\$ 29,758,913	\$ (12,696,483)	\$ 27,726,555	\$ 12,140,768
Recognition Period	5.4060	5.8149	5.8552	5.9594	6.6962	6.7688	6.5355
Annual Recognition	\$ (30,595,633)	\$ 5,679,815	\$ (876,693)	\$ 4,993,609	\$ (1,896,073)	\$ 4,096,229	\$ 1,857,665
Amount Recognized							
Fiscal Year End							
2024	\$ (30,595,633)	\$ 5,679,815	\$ (876,693)	\$ 4,993,609	\$ (1,896,073)	\$ 4,096,229	\$ 994,778
2025	(30,595,633)	5,679,815	(876,693)	4,993,609	(1,896,073)	3,149,181	0
2026	(30,595,633)	5,679,815	(876,693)	4,790,868	(1,320,045)	0	0
2027	(30,595,633)	5,679,815	(749,746)	0	0	0	0
2028	(30,595,633)	4,628,484	0	0	0	0	0
2029	(12,421,828)	0	0	0	0	0	0
Deferred Balance							
Fiscal Year End							
2024	\$ (134,804,360)	\$ 21,667,929	\$ (2,503,132)	\$ 9,784,477	\$ (3,216,118)	\$ 3,149,181	\$ 0
2025	(104,208,727)	15,988,114	(1,626,439)	4,790,868	(1,320,045)	0	0
2026	(73,613,094)	10,308,299	(749,746)	0	0	0	0
2027	(43,017,461)	4,628,484	0	0	0	0	0
2028	(12,421,828)	0	0	0	0	0	0
2029	0	0	0	0	0	0	0

**Table 11: Schedule of Changes in Assumptions**

The following schedule illustrates the recognition in pension expense of changes in assumptions as of June 30, 2024 under GASB 68.

Schedule of Changes in Assumptions									
Measurement Year	2024	2023	2022	2021	2020	2019	2018		
Amount Established	\$ 0	\$ 0	\$ 133,042,334	\$ (17,342,443)	\$ 0	\$ 0	\$ 0		
Recognition Period	5.4060	5.8149	5.8552	5.9594	6.6962	6.7688	6.5355		
Annual Recognition	\$ -	\$ -	\$ 22,722,082	\$ (2,910,099)	\$ 0	\$ 0	\$ 0		
Amount Recognized									
Fiscal Year End									
2024	\$ 0	\$ 0	\$ 22,722,082	\$ (2,910,099)	\$ 0	\$ 0	\$ 0		
2025	0	0	22,722,082	(2,910,099)	0	0	0		
2026	0	0	22,722,082	(2,791,948)	0	0	0		
2027	0	0	19,431,924	0	0	0	0		
2028	0	0	0	0	0	0	0		
2029	0	0	0	0	0	0	0		
Deferred Balance									
Fiscal Year End									
2024	\$ 0	\$ 0	\$ 64,876,088	\$ (5,702,047)	\$ 0	\$ 0	\$ 0		
2025	0	0	42,154,006	(2,791,948)	0	0	0		
2026	0	0	19,431,924	0	0	0	0		
2027	0	0	0	0	0	0	0		
2028	0	0	0	0	0	0	0		
2029	0	0	0	0	0	0	0		

**Table 12: Schedule of Differences Between Projected and Actual Earnings**

The following schedule illustrates the recognition in pension expense of differences between projected and actual earnings on pension plan investments as of June 30, 2024 under GASB 68.

Schedule of Differences Between Projected and Actual Earnings								
Measurement Year	2024	2023	2022	2021	2020	2019	2018	
Amount Established	\$ 33,477,082	\$ 87,589,257	\$ 467,945,800	\$ (534,239,840)	\$ 73,007,730	\$ 58,084,778	\$ (22,757,907)	
Recognition Period	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
Annual Recognition	\$ 6,695,416	\$ 17,517,851	\$ 93,589,160	\$ (106,847,968)	\$ 14,601,546	\$ 11,616,956	\$ (4,551,581)	
Amount Recognized								
Fiscal Year End								
2024	\$ 6,695,416	\$ 17,517,851	\$ 93,589,160	\$ (106,847,968)	\$ 14,601,546	\$ 0	\$ 0	0
2025	6,695,416	17,517,851	93,589,160	(106,847,968)	0	0	0	0
2026	6,695,416	17,517,851	93,589,160	0	0	0	0	0
2027	6,695,416	17,517,853	0	0	0	0	0	0
2028	6,695,418	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0
Deferred Balance								
Fiscal Year End								
2024	\$ 26,781,666	\$ 52,553,555	\$ 187,178,320	\$ (106,847,968)	\$ 0	\$ 0	\$ 0	0
2025	20,086,250	35,035,704	93,589,160	0	0	0	0	0
2026	13,390,834	17,517,853	0	0	0	0	0	0
2027	6,695,418	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0

**Table 13: Schedule of Deferred Inflows / Outflows**

Amounts recognized in the deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in the pension expense as follows:

Reporting Year Fiscal Year End	Amount Recognized
2025	\$ 11,220,648
2026	115,410,873
2027	17,979,629
2028	(19,271,731)
2029	(12,421,828)
Total thereafter	0

**Table 14: Interest Rate Sensitivity**

The following table illustrates the impact of interest rate sensitivity on the net pension liability for fiscal year ending June 30, 2024.

	Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
	1% Decrease	Current	1% Increase
Discount Rate	6.00%	7.00%	8.00%
Total Pension Liability	\$ 5,009,412,590	\$ 4,380,439,604	\$ 3,869,410,589
Plan Fiduciary Net Position	<u>3,213,424,628</u>	<u>3,213,424,628</u>	<u>3,213,424,628</u>
Net Pension Liability	\$ 1,795,987,962	\$ 1,167,014,976	\$ 655,985,961

**Table 15: Participant Data**

The actuarial valuation was based on personnel information from ERFC records as of December 31, 2023. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	December 31, 2022	December 31, 2023
Active Participants	22,916	23,093
Inactives with Deferred Benefits	6,067	7,588
Inactives Receiving Payment	<u>13,747</u>	<u>14,098</u>
<b>Total Participants</b>	42,730	44,779

## Statement of Fiduciary Net Position

**Table 16: Statement of Fiduciary Net Position**

Fiscal Year Ending	June 30, 2023	June 30, 2024
<b>Assets</b>		
Cash Equivalents	\$ 208,468,363	\$ 258,157,985
Receivables		
Contributions	\$ 0	\$ 0
Investment Income	2,530,231	2,426,596
Accounts Receivable - Sale of Investments	17,449,687	57,988,110
Other Receivables	14,198	47,004
Total Receivables	\$ 19,994,116	\$ 60,461,710
Investments		
Equities	\$ 314,666,906	\$ 242,393,289
Bonds and Mortgage Backed Securities	426,672,387	557,591,511
U.S. Government Obligations	160,214,589	176,910,401
Preferred Securities	0	0
Real Estate	271,172,886	272,834,792
Global Asset Allocation	0	0
Better Beta	0	0
Multi Asset Class Solutions (MACS)	126,407,441	128,865,750
Hedge Fund of Funds	225,645,325	263,926,035
Private Equity	316,852,573	337,958,279
Private Debt	61,387,456	86,546,300
Infrastructure	53,947,972	66,051,827
Natural Resources	13,554,618	23,445,055
Commingled Fixed Income Funds	169,316,809	163,116,095
Commingled Equity Funds	888,977,897	808,479,325
Total Investments	\$ 3,028,816,859	\$ 3,128,118,659
Prepaid Expenses	0	0
Other	2,603,176	2,357,728
<b>Total Assets</b>	<b>\$ 3,259,882,514</b>	<b>\$ 3,449,096,082</b>
<b>Liabilities</b>		
Payables		
Accounts Payable & Securities Purchased	\$ 27,331,045	\$ 82,691,016
Securities Lending Collateral	153,057,006	150,091,528
Other	2,761,361	2,888,910
<b>Total Liabilities</b>	<b>\$ 183,149,412</b>	<b>\$ 235,671,454</b>
<b>Net Position Restricted for Pensions</b>	<b>\$ 3,076,733,102</b>	<b>\$ 3,213,424,628</b>

**Table 17: Statement of Change in Fiduciary Net Position**

Fiscal Year Ending	June 30, 2023	June 30, 2024
<b>Additions</b>		
Contributions		
Employer	\$ 117,155,967	\$ 121,645,811
Employee	52,542,598	56,450,447
Total Contributions	\$ 169,698,565	\$ 178,096,258
Investment Income		
Net Increase in Fair Value of Investments	\$ 95,289,778	\$ 146,964,353
Interest and Dividends	31,876,806	39,825,878
Real Estate	0	0
Less Investment Expense	<u>(7,006,173)</u>	<u>(6,997,293)</u>
Net Investment Income	\$ 120,160,411	\$ 179,792,938
Other	<u>634,997</u>	<u>572,703</u>
Total Additions	\$ 290,493,973	\$ 358,461,899
<b>Deductions</b>		
Benefit Payments / Refunds	\$ 206,044,965	\$ 216,084,948
Administrative Expenses	5,119,588	5,459,646
Depreciation Expense	506,198	225,779
Other	<u>0</u>	<u>0</u>
Total Deductions	\$ 211,670,751	\$ 221,770,373
Net Increase in Net Position	\$ 78,823,222	\$ 136,691,526
<b>Net Position Restricted for Pensions</b>		
Beginning of Year	<u>\$ 2,997,909,880</u>	<u>\$ 3,076,733,102</u>
End of Year	<b>\$ 3,076,733,102</b>	<b>\$ 3,213,424,628</b>

## Plan Fiduciary Net Position Projection

**Table 18: Projection of Contributions<sup>1</sup>**

Fiscal Year	Payroll for Current Employees	Contributions from Current Employees	Service Cost and Expense Contributions	UAL Contributions	Total Contributions
2025	\$ 1,858,672,160	\$ 55,760,165	\$ 49,812,414	\$ 79,504,615	\$ 185,077,194
2026	1,747,593,888	52,427,817	46,311,238	85,096,473	183,835,528
2027	1,655,123,577	49,653,707	43,860,775	94,761,600	188,276,082
2028	1,575,653,741	47,269,612	41,754,824	109,149,817	198,174,253
2029	1,509,572,395	45,287,172	40,003,668	113,447,472	198,738,312
2030	1,453,464,208	43,603,926	38,516,802	118,816,861	200,937,589
2031	1,404,052,588	42,121,578	37,207,394	122,752,174	202,081,145
2032	1,359,574,516	40,787,235	36,028,725	129,131,569	205,947,529
2033	1,317,710,510	39,531,315	34,919,329	133,046,872	207,497,516
2034	1,276,740,047	38,302,201	33,833,611	137,149,110	209,284,923
2035	1,236,801,865	37,104,056	32,775,249	141,367,200	211,246,505
2036	1,198,062,014	35,941,860	31,748,643	145,668,385	213,358,889
2037	1,159,099,548	34,772,986	30,716,138	150,066,596	215,555,720
2038	1,118,946,159	33,568,385	29,652,073	154,640,116	217,860,574
2039	1,077,333,083	32,319,992	28,549,327	159,345,065	220,214,384
2040	1,034,715,287	31,041,459	27,419,955	56,270,966	114,732,380
2041	992,008,604	29,760,258	26,288,228	58,383,253	114,431,739
2042	947,353,897	28,420,617	25,104,878	56,131,884	109,657,379
2043	896,813,433	26,904,403	23,765,556	50,319,843	100,989,802
2044	840,228,207	25,206,846	22,266,047	38,316,661	85,789,555
2045	779,525,704	23,385,771	20,657,431	41,291,048	85,334,250
2046	716,766,103	21,502,983	18,994,302	36,387,226	76,884,511
2047	653,512,719	19,605,382	17,318,087	25,447,964	62,371,433
2048	589,603,878	17,688,116	15,624,503	4,778,070	38,090,689
2049	527,465,577	15,823,967	13,977,838	3,237,698	33,039,503
2050	470,553,700	14,116,611	12,469,673	0	26,586,284
2051	418,320,557	12,549,617	11,085,495	0	23,635,111
2052	366,233,554	10,987,007	9,705,189	0	20,692,196
2053	312,040,516	9,361,215	8,269,074	0	17,630,289
2054	258,130,370	7,743,911	6,840,455	0	14,584,366
2055	207,405,886	6,222,177	5,496,256	0	11,718,433
2056	160,656,823	4,819,705	4,257,406	0	9,077,111
2057	117,513,305	3,525,399	3,114,103	0	6,639,502
2058	80,138,935	2,404,168	2,123,682	0	4,527,850
2059	52,643,041	1,579,291	1,395,041	0	2,974,332
2060	34,810,603	1,044,318	922,481	0	1,966,799
2061	23,076,917	692,308	611,538	0	1,303,846
2062	15,272,386	458,172	404,718	0	862,890
2063	10,093,523	302,806	267,478	0	570,284
2064	6,665,862	199,976	176,645	0	376,621
2065	4,397,409	131,922	116,531	0	248,454
2066	2,893,328	86,800	76,673	0	163,473
2067	1,896,080	56,882	50,246	0	107,129
2068	1,234,736	37,042	32,720	0	69,763
2069	796,377	23,891	21,104	0	44,995
2070	508,520	15,256	13,476	0	28,731
2071	318,694	9,561	8,445	0	18,006
2072	193,036	5,791	5,115	0	10,907
2073	112,732	3,382	2,987	0	6,369
2074	62,108	1,863	1,646	0	3,509

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.



**Table 18: Projection of Contributions<sup>1</sup> (continued)**

Fiscal Year	Payroll for Current Employees	Contributions from Current Employees	Service Cost and Expense Contributions	UAL Contributions	Total Contributions
2075	\$ 30,816	\$ 924	\$ 817	0	\$ 1,741
2076	13,407	402	355	0	757
2077	4,858	146	129	0	274
2078	1,297	39	34	0	73
2079	449	13	12	0	25
2080	157	5	4	0	9
2081	36	1	1	0	2
2082	0	0	0	0	0

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

**Table 19: Projection of Plan Fiduciary Net Position Ending June 30, 2024<sup>1</sup>**

Fiscal Year	Beginning Plan Net Position	Total Contributions	Benefit Payments	Administrative Expenses	Investment Return 7.00%	Ending Plan Net Position
2025	\$ 3,213,424,628	\$ 185,077,194	\$ 231,979,041	\$ 4,646,680	\$ 223,166,040	\$ 3,385,042,140
2026	3,385,042,140	183,835,528	233,872,029	4,718,503	235,068,937	3,565,356,072
2027	3,565,356,072	188,276,082	238,757,863	4,468,834	247,684,182	3,758,089,640
2028	3,758,089,640	198,174,253	243,023,416	4,254,265	261,376,722	3,970,362,934
2029	3,970,362,934	198,738,312	283,657,947	4,075,845	274,863,245	4,156,230,699
2030	4,156,230,699	200,937,589	322,959,098	3,924,353	286,602,598	4,316,887,435
2031	4,316,887,435	202,081,145	330,713,050	3,790,942	297,625,710	4,482,090,298
2032	4,482,090,298	205,947,529	337,546,335	3,670,851	309,091,956	4,655,912,597
2033	4,655,912,597	207,497,516	335,166,718	3,557,818	321,398,617	4,846,084,194
2034	4,846,084,194	209,284,923	336,649,349	3,447,198	334,724,922	5,049,997,491
2035	5,049,997,491	211,246,505	342,778,759	3,339,365	348,859,156	5,263,985,029
2036	5,263,985,029	213,358,889	350,216,002	3,234,767	363,658,664	5,487,551,813
2037	5,487,551,813	215,555,720	356,204,960	3,129,569	379,181,479	5,722,954,484
2038	5,722,954,484	217,860,574	359,744,253	3,021,155	395,620,922	5,973,670,572
2039	5,973,670,572	220,214,384	363,135,873	2,908,799	413,139,205	6,240,979,489
2040	6,240,979,489	114,732,380	366,133,956	2,793,731	428,122,201	6,414,906,383
2041	6,414,906,383	114,431,739	372,393,972	2,678,423	440,075,312	6,594,341,039
2042	6,594,341,039	109,657,379	382,423,069	2,557,856	452,130,529	6,771,148,022
2043	6,771,148,022	100,989,802	394,198,210	2,421,396	463,808,318	6,939,326,536
2044	6,939,326,536	85,789,555	407,842,990	2,268,616	474,593,570	7,089,598,055
2045	7,089,598,055	85,334,250	423,520,840	2,104,719	484,563,106	7,233,869,852
2046	7,233,869,852	76,884,511	440,495,645	1,935,268	493,793,154	7,362,116,603
2047	7,362,116,603	62,371,433	459,122,224	1,764,484	501,636,031	7,465,237,359
2048	7,465,237,359	38,090,689	478,422,518	1,591,930	507,360,883	7,530,674,483
2049	7,530,674,483	33,039,503	496,757,324	1,424,157	511,142,589	7,576,675,094
2050	7,576,675,094	26,586,284	513,695,502	1,270,495	513,563,067	7,601,858,448
2051	7,601,858,448	23,635,111	530,132,704	1,129,466	514,663,638	7,608,895,028
2052	7,608,895,028	20,692,196	546,800,002	988,831	514,486,288	7,596,284,680
2053	7,596,284,680	17,630,289	563,069,617	842,509	512,943,438	7,562,946,281
2054	7,562,946,281	14,584,366	578,063,408	696,952	509,994,048	7,508,764,335
2055	7,508,764,335	11,718,433	591,228,803	559,996	505,654,417	7,434,348,385
2056	7,434,348,385	9,077,111	602,823,896	433,773	499,959,796	7,340,127,622
2057	7,340,127,622	6,639,502	612,628,756	317,286	492,947,112	7,226,768,194
2058	7,226,768,194	4,527,850	619,105,074	216,375	484,719,929	7,096,694,523
2059	7,096,694,523	2,974,332	622,113,462	142,136	475,460,360	6,952,873,616
2060	6,952,873,616	1,966,799	622,539,370	93,989	465,345,231	6,797,552,288
2061	6,797,552,288	1,303,846	620,691,237	62,308	454,514,608	6,632,617,197
2062	6,632,617,197	862,890	616,894,951	41,235	443,085,327	6,459,629,227
2063	6,459,629,227	570,284	611,370,562	27,253	431,156,666	6,279,958,363
2064	6,279,958,363	376,621	604,225,999	17,998	418,819,190	6,094,910,178
2065	6,094,910,178	248,454	595,539,504	11,873	406,160,504	5,905,767,758
2066	5,905,767,758	163,473	585,373,252	7,812	393,267,551	5,713,817,718
2067	5,713,817,718	107,129	573,773,804	5,119	380,228,316	5,520,374,240
2068	5,520,374,240	69,763	560,774,292	3,334	367,133,337	5,326,799,713
2069	5,326,799,713	44,995	546,397,329	2,150	354,076,991	5,134,522,220
2070	5,134,522,220	28,731	530,665,314	1,373	341,158,342	4,945,042,606
2071	4,945,042,606	18,006	513,606,337	860	328,481,383	4,759,934,798
2072	4,759,934,798	10,907	495,258,276	521	316,154,925	4,580,841,832
2073	4,580,841,832	6,369	475,678,304	304	304,291,977	4,409,461,570
2074	4,409,461,570	3,509	454,945,081	168	293,008,655	4,247,528,486

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

**Table 19: Projection of Plan Fiduciary Net Position Ending June 30, 2024<sup>1</sup> (continued)**

Fiscal Year	Beginning Plan Net Position	Total Contributions	Benefit Payments	Administrative Expenses	Investment Return 7.00%	Ending Plan Net Position
2075	\$ 4,247,528,486	\$ 1,741	\$ 433,162,459	\$ 83	\$ 282,422,778	\$ 4,096,790,463
2076	4,096,790,463	757	410,463,103	36	272,652,125	3,958,980,206
2077	3,958,980,206	274	387,005,621	13	263,812,517	3,835,787,363
2078	3,835,787,363	73	362,971,397	4	256,015,983	3,728,832,018
2079	3,728,832,018	25	338,559,699	1	249,369,065	3,639,641,408
2080	3,639,641,408	9	313,979,827	0	243,971,467	3,569,633,057
2081	3,569,633,057	2	289,445,769	0	239,915,052	3,520,102,342
2082	3,520,102,342	0	265,169,634	0	237,283,196	3,492,215,904
2083	3,492,215,904	0	241,356,309	0	236,150,515	3,487,010,110
2084	3,487,010,110	0	218,200,004	0	236,582,873	3,505,392,979
2085	3,505,392,979	0	195,879,749	0	238,637,669	3,548,150,899
2086	3,548,150,899	0	174,555,487	0	242,364,450	3,615,959,862
2087	3,615,959,862	0	154,364,927	0	247,805,795	3,709,400,730
2088	3,709,400,730	0	135,419,941	0	254,998,516	3,828,979,305
2089	3,828,979,305	0	117,805,010	0	263,975,112	3,975,149,407
2090	3,975,149,407	0	101,577,548	0	274,765,374	4,148,337,233
2091	4,148,337,233	0	86,768,489	0	287,398,073	4,348,966,817
2092	4,348,966,817	0	73,384,571	0	301,902,657	4,577,484,903
2093	4,577,484,903	0	61,411,447	0	318,310,896	4,834,384,352
2094	4,834,384,352	0	50,815,520	0	336,658,442	5,120,227,274
2095	5,120,227,274	0	41,546,171	0	356,986,386	5,435,667,489
2096	5,435,667,489	0	33,537,307	0	379,342,771	5,781,472,953
2097	5,781,472,953	0	26,708,363	0	403,784,125	6,158,548,715
2098	6,158,548,715	0	20,966,693	0	430,376,988	6,567,959,010
2099	6,567,959,010	0	16,210,371	0	459,199,364	7,010,948,003
2100	7,010,948,003	0	12,331,692	0	490,342,050	7,488,958,361
2101	7,488,958,361	0	9,221,123	0	523,909,805	8,003,647,043
2102	8,003,647,043	0	6,770,561	0	560,022,332	8,556,898,814
2103	8,556,898,814	0	4,876,198	0	598,815,136	9,150,837,752
2104	9,150,837,752	0	3,440,991	0	640,440,244	9,787,837,005
2105	9,787,837,005	0	2,376,652	0	685,066,814	10,470,527,167
2106	10,470,527,167	0	1,605,017	0	732,881,676	11,201,803,826
2107	11,201,803,826	0	1,058,784	0	784,089,837	11,984,834,879
2108	11,984,834,879	0	681,671	0	838,914,986	12,823,068,194
2109	12,823,068,194	0	428,032	0	897,600,046	13,720,240,208
2110	13,720,240,208	0	262,004	0	960,407,800	14,680,386,004
2111	14,680,386,004	0	156,333	0	1,027,621,641	15,707,851,312
2112	15,707,851,312	0	90,979	0	1,099,546,462	16,807,306,795
2113	16,807,306,795	0	51,700	0	1,176,509,697	17,983,764,792
2114	17,983,764,792	0	28,739	0	1,258,862,547	19,242,598,600
2115	19,242,598,600	0	15,659	0	1,346,981,363	20,589,564,304
2116	20,589,564,304	0	8,371	0	1,441,269,213	22,030,825,146
2117	22,030,825,146	0	4,388	0	1,542,157,610	23,572,978,368
2118	23,572,978,368	0	2,247	0	1,650,108,408	25,223,084,529
2119	25,223,084,529	0	1,114	0	1,765,615,879	26,988,699,294
2120	26,988,699,294	0	525	0	1,889,208,932	28,877,907,701
2121	28,877,907,701	0	231	0	2,021,453,531	30,899,361,001
2122	30,899,361,001	0	93	0	2,162,955,267	33,062,316,175
2123	33,062,316,175	0	35	0	2,314,362,131	35,376,678,271
2124	35,376,678,271	0	13	0	2,476,367,478	37,853,045,736

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

**Table 20: Present Value of Projected Benefits Ending June 30, 2024<sup>1</sup>**

Fiscal Year	Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of		
					Funded Benefits Using EROA 7.00%	Unfunded Benefits Using Municipal Rate 3.93%	Benefits Using Single Rate at 7.00%
2025	\$ 3,213,424,628	\$ 231,979,041	\$ 231,979,041	\$ 0	\$ 224,262,604	\$ 0	\$ 224,262,604
2026	3,385,042,140	233,872,029	233,872,029	0	211,301,518	0	211,301,518
2027	3,565,356,072	238,757,863	238,757,863	0	201,603,579	0	201,603,579
2028	3,758,089,640	243,023,416	243,023,416	0	191,780,700	0	191,780,700
2029	3,970,362,934	283,657,947	283,657,947	0	209,203,023	0	209,203,023
2030	4,156,230,699	322,959,098	322,959,098	0	222,605,938	0	222,605,938
2031	4,316,887,435	330,713,050	330,713,050	0	213,037,853	0	213,037,853
2032	4,482,090,298	337,546,335	337,546,335	0	203,214,674	0	203,214,674
2033	4,655,912,597	335,166,718	335,166,718	0	188,581,365	0	188,581,365
2034	4,846,084,194	336,649,349	336,649,349	0	177,023,895	0	177,023,895
2035	5,049,997,491	342,778,759	342,778,759	0	168,455,128	0	168,455,128
2036	5,263,985,029	350,216,002	350,216,002	0	160,850,547	0	160,850,547
2037	5,487,551,813	356,204,960	356,204,960	0	152,898,330	0	152,898,330
2038	5,722,954,484	359,744,253	359,744,253	0	144,315,463	0	144,315,463
2039	5,973,670,572	363,135,873	363,135,873	0	136,145,840	0	136,145,840
2040	6,240,979,489	366,133,956	366,133,956	0	128,289,601	0	128,289,601
2041	6,414,906,383	372,393,972	372,393,972	0	121,946,773	0	121,946,773
2042	6,594,341,039	382,423,069	382,423,069	0	117,038,291	0	117,038,291
2043	6,771,148,022	394,198,210	394,198,210	0	112,749,535	0	112,749,535
2044	6,939,326,536	407,842,990	407,842,990	0	109,020,793	0	109,020,793
2045	7,089,598,055	423,520,840	423,520,840	0	105,805,280	0	105,805,280
2046	7,233,869,852	440,495,645	440,495,645	0	102,846,709	0	102,846,709
2047	7,362,116,603	459,122,224	459,122,224	0	100,182,835	0	100,182,835
2048	7,465,237,359	478,422,518	478,422,518	0	97,564,728	0	97,564,728
2049	7,530,674,483	496,757,324	496,757,324	0	94,676,398	0	94,676,398
2050	7,576,675,094	513,695,502	513,695,502	0	91,499,650	0	91,499,650
2051	7,601,858,448	530,132,704	530,132,704	0	88,249,954	0	88,249,954
2052	7,608,895,028	546,800,002	546,800,002	0	85,069,645	0	85,069,645
2053	7,596,284,680	563,069,617	563,069,617	0	81,869,932	0	81,869,932
2054	7,562,946,281	578,063,408	578,063,408	0	78,551,419	0	78,551,419
2055	7,508,764,335	591,228,803	591,228,803	0	75,084,512	0	75,084,512
2056	7,434,348,385	602,823,896	602,823,896	0	71,548,653	0	71,548,653
2057	7,340,127,622	612,628,756	612,628,756	0	67,955,499	0	67,955,499
2058	7,226,768,194	619,105,074	619,105,074	0	64,181,197	0	64,181,197
2059	7,096,694,523	622,113,462	622,113,462	0	60,273,897	0	60,273,897
2060	6,952,873,616	622,539,370	622,539,370	0	56,369,309	0	56,369,309
2061	6,797,552,288	620,691,237	620,691,237	0	52,525,202	0	52,525,202
2062	6,632,617,197	616,894,951	616,894,951	0	48,788,734	0	48,788,734
2063	6,459,629,227	611,370,562	611,370,562	0	45,188,620	0	45,188,620
2064	6,279,958,363	604,225,999	604,225,999	0	41,738,822	0	41,738,822
2065	6,094,910,178	595,539,504	595,539,504	0	38,447,453	0	38,447,453
2066	5,905,767,758	585,373,252	585,373,252	0	35,318,813	0	35,318,813
2067	5,713,817,718	573,773,804	573,773,804	0	32,354,163	0	32,354,163
2068	5,520,374,240	560,774,292	560,774,292	0	29,552,469	0	29,552,469
2069	5,326,799,713	546,397,329	546,397,329	0	26,911,039	0	26,911,039
2070	5,134,522,220	530,665,314	530,665,314	0	24,426,364	0	24,426,364
2071	4,945,042,606	513,606,337	513,606,337	0	22,094,527	0	22,094,527
2072	4,759,934,798	495,258,276	495,258,276	0	19,911,423	0	19,911,423
2073	4,580,841,832	475,678,304	475,678,304	0	17,873,110	0	17,873,110
2074	4,409,461,570	454,945,081	454,945,081	0	15,975,777	0	15,975,777

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

**Table 20: Present Value of Projected Benefits Ending June 30, 2024<sup>1</sup> (continued)**

Calendar Year	Beginning Fiduciary Position	Benefit Payments	Funded Benefit Payments	Unfunded Benefit Payments	Present Value of Benefit Payments		
					Funded Payments at 7.00%	Unfunded Payments at 3.93%	Using Single Discount Rate of 7.00%
2075	\$ 4,247,528,486	\$ 433,162,459	\$ 433,162,459	\$ 0	\$ 14,215,759	\$ 0	\$ 14,215,759
2076	4,096,790,463	410,463,103	410,463,103	0	12,589,532	0	12,589,532
2077	3,958,980,206	387,005,621	387,005,621	0	11,093,509	0	11,093,509
2078	3,835,787,363	362,971,397	362,971,397	0	9,723,896	0	9,723,896
2079	3,728,832,018	338,559,699	338,559,699	0	8,476,555	0	8,476,555
2080	3,639,641,408	313,979,827	313,979,827	0	7,346,865	0	7,346,865
2081	3,569,633,057	289,445,769	289,445,769	0	6,329,709	0	6,329,709
2082	3,520,102,342	265,169,634	265,169,634	0	5,419,467	0	5,419,467
2083	3,492,215,904	241,356,309	241,356,309	0	4,610,072	0	4,610,072
2084	3,487,010,110	218,200,004	218,200,004	0	3,895,112	0	3,895,112
2085	3,505,392,979	195,879,749	195,879,749	0	3,267,917	0	3,267,917
2086	3,548,150,899	174,555,487	174,555,487	0	2,721,643	0	2,721,643
2087	3,615,959,862	154,364,927	154,364,927	0	2,249,378	0	2,249,378
2088	3,709,400,730	135,419,941	135,419,941	0	1,844,220	0	1,844,220
2089	3,828,979,305	117,805,010	117,805,010	0	1,499,374	0	1,499,374
2090	3,975,149,407	101,577,548	101,577,548	0	1,208,260	0	1,208,260
2091	4,148,337,233	86,768,489	86,768,489	0	964,586	0	964,586
2092	4,348,966,817	73,384,571	73,384,571	0	762,430	0	762,430
2093	4,577,484,903	61,411,447	61,411,447	0	596,294	0	596,294
2094	4,834,384,352	50,815,520	50,815,520	0	461,130	0	461,130
2095	5,120,227,274	41,546,171	41,546,171	0	352,350	0	352,350
2096	5,435,667,489	33,537,307	33,537,307	0	265,820	0	265,820
2097	5,781,472,953	26,708,363	26,708,363	0	197,844	0	197,844
2098	6,158,548,715	20,966,693	20,966,693	0	145,152	0	145,152
2099	6,567,959,010	16,210,371	16,210,371	0	104,882	0	104,882
2100	7,010,948,003	12,331,692	12,331,692	0	74,567	0	74,567
2101	7,488,958,361	9,221,123	9,221,123	0	52,110	0	52,110
2102	8,003,647,043	6,770,561	6,770,561	0	35,759	0	35,759
2103	8,556,898,814	4,876,198	4,876,198	0	24,069	0	24,069
2104	9,150,837,752	3,440,991	3,440,991	0	15,874	0	15,874
2105	9,787,837,005	2,376,652	2,376,652	0	10,246	0	10,246
2106	10,470,527,167	1,605,017	1,605,017	0	6,467	0	6,467
2107	11,201,803,826	1,058,784	1,058,784	0	3,987	0	3,987
2108	11,984,834,879	681,671	681,671	0	2,399	0	2,399
2109	12,823,068,194	428,032	428,032	0	1,408	0	1,408
2110	13,720,240,208	262,004	262,004	0	805	0	805
2111	14,680,386,004	156,333	156,333	0	449	0	449
2112	15,707,851,312	90,979	90,979	0	244	0	244
2113	16,807,306,795	51,700	51,700	0	130	0	130
2114	17,983,764,792	28,739	28,739	0	67	0	67
2115	19,242,598,600	15,659	15,659	0	34	0	34
2116	20,589,564,304	8,371	8,371	0	17	0	17
2117	22,030,825,146	4,388	4,388	0	8	0	8
2118	23,572,978,368	2,247	2,247	0	4	0	4
2119	25,223,084,529	1,114	1,114	0	2	0	2
2120	26,988,699,294	525	525	0	1	0	1
2121	28,877,907,701	231	231	0	0	0	0
2122	30,899,361,001	93	93	0	0	0	0
2123	33,062,316,175	35	35	0	0	0	0
2124	35,376,678,271	13	13	0	0	0	0

<sup>1</sup> The projections in this report are strictly for the purposes of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

**Table 21: Disclosure – Changes in the Net Pension Liability and Related Ratios<sup>1</sup>**

Fiscal Year Ending	2022	2023	2024
<b>Total Pension Liability</b>			
Service Cost	\$ 92,063,438	\$ 97,264,457	\$ 102,289,996
Interest Cost	268,463,381	279,596,095	293,865,503
Changes of Benefit Terms	0	0	161,937,951
Differences Between Expected and Actual Experiences	(5,133,211)	33,027,559	(165,399,993)
Changes of Assumptions	133,042,334	0	0
Benefit Payments	<u>(198,655,496)</u>	<u>(206,044,965)</u>	<u>(216,084,948)</u>
Net Change in Total Pension Liability	\$ 289,780,446	\$ 203,843,146	\$ 176,608,509
Total Pension Liability (Beginning)	<u>3,710,207,503</u>	<u>3,999,987,949</u>	<u>4,203,831,095</u>
Total Pension Liability (Ending)	\$ 3,999,987,949	\$ 4,203,831,095	\$ 4,380,439,604
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 111,119,456	\$ 117,155,967	\$ 121,645,811
Contributions - Member	50,017,839	52,542,598	56,450,447
Net Investment Income	(232,237,621)	120,795,408	180,365,641
Benefit Payments	(198,655,496)	(206,044,965)	(216,084,948)
Administrative Expense	(4,481,381)	(5,625,786)	(5,685,425)
Other	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Plan Fiduciary Net Position	\$ (274,237,203)	\$ 78,823,222	\$ 136,691,526
Plan Fiduciary Net Position (Beginning)	3,272,151,084	2,997,909,880	3,076,733,102
Prior Period Adjustment	<u>(4,001)</u>	<u>0</u>	<u>0</u>
Plan Fiduciary Net Position (Ending)	\$ 2,997,909,880	\$ 3,076,733,102	\$ 3,213,424,628
Net Pension Liability (Ending)	\$ 1,002,078,069	\$ 1,127,097,993	\$ 1,167,014,976
Net Position as a Percentage of Total Pension Liability	74.95%	73.19%	73.36%
Covered Payroll <sup>2</sup>	\$ 1,658,499,343	\$ 1,748,596,522	\$ 1,877,250,170
Net Pension Liability as a Percentage of Payroll	60.42%	64.46%	62.17%

<sup>1</sup> GASB 68 was effective the year beginning in 2014 and requires plan sponsors to report changes in Net Pension Liability for a rolling 10-year period.

<sup>2</sup> Covered payroll for FYE June 30, 2024 has been set equal to the amount implied by the employer contributions. According to GASB Statement Nos. 67 and 68, as amended by GASB Statement No. 82, this should be payroll on which contributions are based for the measurement period. Therefore, this number may need to be updated for inclusion in financial statements.

**Table 22: Disclosure – Contribution Schedule**

Fiscal Year Ending	2022	2023	2024
Actuarially Determined Contribution (ADC)	\$ 111,119,456	\$ 117,155,967	\$ 121,645,811
Contributions Made in Relation to the ADC	111,119,456	117,155,967	121,645,811
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 1,658,499,343	\$ 1,748,596,522	\$ 1,877,250,170
Contributions as a Percentage of Payroll	6.70%	6.70%	6.48%

## Notes to Schedule

Valuation Date: Actuarial valuations performed as of odd numbered years typically determine the contribution rate for the two-year period beginning 18 months after the valuation date. The December 31, 2021 valuation was used to determine the funding policy contribution rates for fiscal year ending 2024. Each actuarial valuation determines an ADEC for the period beginning 18 months after the valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Contribution Method	Layered 20-year amortization method
Asset Valuation Method	5-Year smoother market; 25% corridor
IRS Limit Increases	2.50%
Salary Increases	2.75% to 7.25% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	<p>Non-disabled (Healthy)</p> <p>The mortality table used to measure retired life mortality was 102% of the male rates and 99% of the female rates of the PUB-2010 Teachers mortality table projected generationally using Scale MP-2020.</p> <p>Disabled</p> <p>The corresponding Disabled and Employee tables were used for disability and pre-retirement mortality, respectively.</p>

## Asset Allocation

The long-term expected rate of return on pension plan investments was determined using the GEMS Economic Scenario Generator. This is a multifactor model that is based on historic returns, but forecasts *future* asset class returns based on multiple factors such as simulated GDP growth, employment levels, interest rates, etc. Gallagher generates projected asset returns based on scenarios created with GEMS. The model simulates approximately 1,000 paths and results, which are collected and percentiles computed. Returns on various asset classes are computed in a manner consistent with forecast economic environments. By weighing the expected future nominal rates of return by the target asset allocation percentage, the long-term expected rate of return on pension plan investments can be determined.

Expected nominal arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table.

**Table 23: Asset Allocation**

Asset Class	Gallagher 20-Year Expected Nominal Arithmetic Rate of Return	Allocation
US Large Cap Equity	7.77%	11.00%
US Small Cap Equity	10.64%	6.00%
MSCI EAFE Equity	9.58%	10.00%
MSCI Emerging Markets Equity	11.22%	5.00%
Global Equity	8.18%	3.00%
TIPS	4.61%	4.00%
Aggregate Bonds	4.49%	24.00%
Hedge Funds	6.59%	9.00%
Commodities	6.60%	5.00%
Private Debt	9.00%	4.00%
REITs	9.69%	7.00%
Emerging Market Debt	7.00%	2.00%
Infrastructure	8.48%	3.00%
Private Equity	11.23%	7.00%
Total		100.00%



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