

**City of Battle Creek**  
**Police and Fire Retirement System**  
GASB Statement Nos. 67 and 68 Accounting and  
Financial Reporting for Pensions - Revised  
June 30, 2025





November 25, 2025

Retirement Board  
City of Battle Creek  
Police and Fire Retirement System  
Battle Creek, Michigan

Dear Board Members:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Battle Creek Police and Fire Retirement System. These calculations have been made on a basis that is consistent with our understanding of these accounting standards.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City of Battle Creek Police and Fire Retirement System only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the City, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not audited. We are not responsible for the accuracy or completeness of such information.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

Retirement Board  
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This report complements the actuarial valuation report that was provided to the Retirement System and should be considered in conjunction with that report. Please see the June 30, 2024 actuarial valuation report dated November 27, 2024 for additional discussion of the nature of actuarial calculations, and for more information related to participant data and benefit provisions.

The signing actuaries are independent of the plan sponsor.

To the best of our knowledge, this report is complete, accurate, and in accordance with generally recognized actuarial methods. Derek Henning, Abra Hill, and Brad Lee Armstrong are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

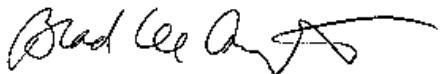
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**Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Battle Creek Police and Fire Retirement System. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.**



City of Battle Creek Police and Fire Retirement System

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## **SECTION A**

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### **EXECUTIVE SUMMARY**

# Executive Summary as of June 30, 2025

Actuarial Valuation Date	June 30, 2024	
Measurement Date of the Net Pension Liability	June 30, 2025	
Employer's Fiscal Year Ending Date (Reporting Date)	June 30, 2025	
<b>Membership</b>		
Number of		
- Retirees and Beneficiaries (Includes 13 DROP members)	300	
- Inactive, Nonretired Members	10	
- Active Members	<u>176</u>	
- Total	486	
Covered Payroll <sup>(1)</sup>	\$ 14,832,522	
<b>Net Pension Liability</b>		
Total Pension Liability	\$ 241,732,379	
Plan Fiduciary Net Position	<u>201,672,609</u>	
Net Pension Liability	\$ 40,059,770	
Plan Fiduciary Net Position as a Percentage		
of Total Pension Liability	83.43%	
Net Pension Liability as a Percentage		
of Covered Payroll	270.08%	
<b>Development of the Single Discount Rate</b>		
Single Discount Rate	6.25%	
Long-Term Expected Rate of Investment Return	6.25%	
Long-Term Municipal Bond Rate <sup>(2)</sup>	5.20%	
Last year ending June 30 in the 2026 to 2125 projection period		
for which projected benefit payments are fully funded	2125	
<b>Total Pension Expense</b>	\$ 4,544,515	
<b>Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses</b>		
	<b>Deferred Outflows</b>	<b>Deferred Inflows</b>
	<b>of Resources</b>	<b>of Resources</b>
Difference between expected and actual experience	\$ 978,434	\$ 6,235,950
Changes in assumptions	-	-
Net difference between projected and actual earnings		
on pension plan investments	7,042,185	17,845,187
<b>Total</b>	\$ 8,020,619	\$ 24,081,137

(1) The amount provided represents the annual pays for members active on the valuation date increased with one year's pay growth, and does not necessarily represent Covered Payroll as defined in GASB Statements No. 67 and 68.

(2) Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality. In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA. The weekly rate shown is as of June 26, 2025, the most recent date available on or before the measurement date.

# Discussion

## Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to 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, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

## Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." The information contained in this report does not incorporate any contributions made to the City of Battle Creek Police and Fire Retirement System subsequent to the measurement date of June 30, 2025.

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 liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

## 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 and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans, to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- 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;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets;
- Annual money-weighted rate of return; and
- A description of the terms of the plan's Deferred Retirement Option Program (DROP) and the total DROP balance for those members currently participating in the DROP.

## Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- 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; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

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

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 6.25% on the actuarial value of assets), then the following outcomes are expected:

1. The employer normal cost is sufficient to cover the cost of benefits accruing each year;
2. The Unfunded Actuarial Accrued Liabilities (UAAL) will continue to be amortized; and
3. The funded status of the Retirement System will continue to increase gradually towards a 100% funded ratio.

The Board's funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits through at least 2125. The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

## Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. 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 June 30, 2024 and a measurement date of June 30, 2025.

## Roll-Forward Methodology

The June 30, 2024 Total Pension Liability was rolled-forward to the June 30, 2025 measurement date by applying one year of Service Cost (increases Total Pension Liability), benefit payments and refunds during the year (reduces Total Pension Liability), and an interest rate adjustment. A full year of interest was applied to the beginning of year Total Pension Liability and one-half year of interest was applied to the Service Cost and benefit payments.

## **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 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 6.25%; the municipal bond rate is 5.20% (based on the weekly rate closest to but not later than the measurement date of the "20-Bond GO Index" rate from the Bond Buyer Index); and the resulting Single Discount Rate is 6.25%.

## **Benefit Changes**

There were no benefit changes for the June 30, 2025 measurement date.

## **Assumption and Method Changes**

There were no assumption or method changes for the June 30, 2025 measurement date.

## **SECTION B**

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### **FINANCIAL STATEMENTS**

Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Battle Creek Police and Fire Retirement System. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.

# **Statement of Pension Expense under GASB Statement No. 68**

## **Fiscal Year Ended June 30, 2025**

### **A. Expense**

1. Service Cost	\$ 4,562,487
2. Interest on the Total Pension Liability	14,959,093
3. Current Period Benefit Changes	0
4. Employee Contributions (made negative for addition here)	(2,114,089)
5. Projected Earnings on Plan Investments (made negative for addition here)	(11,469,562)
6. Pension Plan Administrative Expense	221,800
7. Other Changes in Plan Fiduciary Net Position	180,758
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	2,079,841
9. Recognition of Outflow (Inflow) of Resources due to Assets	<u>(3,875,813)</u>
<b>10. Total Pension Expense</b>	<b>\$ 4,544,515</b>

# Statement of Outflows and Inflows Arising from the Current Reporting Period Fiscal Year Ended June 30, 2025

## **A. Outflows (Inflows) of Resources Due to Liabilities**

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ (8,111,142)
2. Assumption Changes (gains) or losses	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	4.3255
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	\$ (1,875,192)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	<hr/> \$ (1,875,192)
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	\$ (6,235,950)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<hr/> \$ (6,235,950)

## **B. Outflows (Inflows) of Resources Due to Assets**

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (9,416,790)
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	\$ (1,883,358)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (7,533,432)

# Statement of Outflows and Inflows Arising from the Current and Prior Reporting Periods Fiscal Year Ended June 30, 2025

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to Liabilities	\$ 4,083,102	\$ 2,003,261	\$ 2,079,841
2. Due to Assets	7,042,186	10,917,999	(3,875,813)
<b>3. Total</b>	<b>\$ 11,125,288</b>	<b>\$ 12,921,260</b>	<b>\$ (1,795,972)</b>

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

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 841,932	\$ 2,003,261	\$ (1,161,329)
2. Assumption Changes	3,241,170	-	3,241,170
3. Net Difference between projected and actual earnings on pension plan investments	7,042,186	10,917,999	(3,875,813)
<b>4. Total</b>	<b>\$ 11,125,288</b>	<b>\$ 12,921,260</b>	<b>\$ (1,795,972)</b>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 978,434	\$ 6,235,950	\$ (5,257,516)
2. Assumption Changes	-	-	0
3. Net Difference between projected and actual earnings on pension plan investments	7,042,185	17,845,187	(10,803,002)
<b>4. Total</b>	<b>\$ 8,020,619</b>	<b>\$ 24,081,137</b>	<b>\$ (16,060,518)</b>

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

Year Ending June 30	Net Deferred Outflows of Resources
2026	\$ 38,940
2027	(7,426,927)
2028	(6,178,799)
2029	(2,493,732)
2030	-
Thereafter	-
<b>Total</b>	<b>\$ (16,060,518)</b>

# Recognition of Deferred Outflows and Inflows of Resources

## Measurement Date – June 30, 2025

## Reporting Date – June 30, 2025

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
<b>Deferred Outflow (Inflow) Due to Differences Between Expected and Actual Experience on Liabilities</b>					
2021	\$ (2,568,605)	4.2099	\$ (128,069)	\$ -	0.0000
2022	676,786	3.8950	155,512	\$ -	0.0000
2023	1,780,898	3.9365	452,406	423,680	0.9365
2024	1,022,782	4.3706	234,014	554,754	2.3706
2025	(8,111,142)	4.3255	<u>(1,875,192)</u>	<u>(6,235,950)</u>	3.3255
<b>Total</b>			<b>\$ (1,161,329)</b>	<b>\$ (5,257,516)</b>	
<b>Deferred Outflow (Inflow) Due to Assumption Changes</b>					
2021	\$ 5,687,254	4.2099	\$ 283,558	\$ -	0.0000
2022	12,871,400	3.8950	2,957,612	\$ -	0.0000
2023	-	3.9365	-	-	0.9365
2024	-	4.3706	-	-	2.3706
2025	-	4.3255	<u>-</u>	<u>-</u>	3.3255
<b>Total</b>			<b>\$ 3,241,170</b>	<b>\$ -</b>	
<b>Deferred Outflow (Inflow) Due to Differences Between Projected and Actual Earnings on Plan Investments</b>					
2021	\$ (25,661,268)	5.0000	\$ (5,132,252)	\$ -	0.0000
2022	35,210,929	5.0000	7,042,186	7,042,185	1.0000
2023	(6,977,077)	5.0000	(1,395,415)	(2,790,832)	2.0000
2024	(12,534,871)	5.0000	(2,506,974)	(7,520,923)	3.0000
2025	(9,416,790)	5.0000	<u>(1,883,358)</u>	<u>(7,533,432)</u>	4.0000
<b>Total</b>			<b>\$ (3,875,813)</b>	<b>\$ (10,803,002)</b>	

According to paragraph 33 of GASB Statement No. 68, differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 2102 years. Additionally, the total plan membership (active employees and inactive employees) was 486. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 4.3255 years.

Additionally, differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

# Statement of Fiduciary Net Position as of June 30, 2025

## **Assets**

Cash and Deposits	\$ 2,335,573
<b>Receivables</b>	
Employer - 401(h)	\$ -
Accrued Interest and Other Dividends	417,290
Accounts Receivable - Employer Contributions	1,024,443
Accounts Receivable - Member Contributions	205,667
Total Receivables	<u>\$ 1,647,400</u>
<b>Investments</b>	
Fixed Income	\$ 59,882,401
Open End Mutual Fund - Equities	138,050,071
Real Estate	-
Other	-
Total Investments	<u>\$ 197,932,472</u>
<b>Total Assets</b>	<u><b>\$ 201,915,445</b></u>

## **Liabilities**

<b>Payables</b>	
Accounts Payable - Purchase of Investments	\$ -
Accrued Expenses	3,300
Accounts Payable - 401(h) Contribution	<u>239,536</u>
<b>Total Liabilities</b>	<u><b>\$ 242,836</b></u>
<b>Net Position Restricted for Pensions</b>	<u><b>\$ 201,672,609</b></u>

# **Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2025**

## **Additions**

### Contributions

Employer - Pension	\$ 6,080,083
Employer - 401(h)	239,536
Employee	2,114,089
Other	-
<b>Total Contributions</b>	<b><u>\$ 8,433,708</u></b>

### Investment Income

Net Appreciation in Fair Value of Investments	\$ 16,809,269
Interest and Dividends	4,219,111
Less Investment Expense	(142,028)
<b>Net Investment Income</b>	<b><u>\$ 20,886,352</u></b>

### Other

<b>Total Additions</b>	<b><u>\$ 29,378,838</u></b>
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## **Deductions**

Benefit Payments, Including Refunds of Employee Contributions	\$ 13,484,607
Pension Plan Administrative Expense	221,800
Health Insurance Premiums Paid For Retired Members	239,536
Other Deductions	-
<b>Total Deductions</b>	<b><u>\$ 13,945,943</u></b>

<b>Net Increase in Net Position</b>	<b><u>\$ 15,432,895</u></b>
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### **Net Position Restricted for Pensions**

<b>Beginning of Year</b>	<b><u>\$ 186,239,714</u></b>
<b>End of Year</b>	<b><u>\$ 201,672,609</u></b>

## **SECTION C**

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### **REQUIRED SUPPLEMENTARY INFORMATION**

# Schedule of Changes in the Net Pension Liability and Related Ratios

## Fiscal Year Ended June 30, 2025

### **A. Total Pension Liability**

1. Service Cost	\$ 4,562,487
2. Interest on the Total Pension Liability	14,959,093
3. Changes of benefit terms	0
4. Difference between expected and actual experience of the Total Pension Liability	(8,111,142)
5. Changes of assumptions	0
6. Benefit payments, including refunds of employee contributions	(13,484,607)
7. Net change in Total Pension Liability	\$ (2,074,169)
8. Total Pension Liability – Beginning	243,806,548
<b>9. Total Pension Liability – Ending</b>	<b>\$ 241,732,379</b>

### **B. Plan Fiduciary Net Position**

1. Contributions – Employer	\$ 6,319,619
2. Contributions – Employee	2,114,089
3. Net investment income	20,886,352
4. Benefit payments, including refunds of employee contributions	(13,484,607)
5. Pension Plan Administrative Expense	(221,800)
6. Other	(180,758)
7. Net change in Plan Fiduciary Net Position	\$ 15,432,895
8. Plan Fiduciary Net Position – Beginning	186,239,714
<b>9. Plan Fiduciary Net Position – Ending</b>	<b>\$ 201,672,609</b>

### **C. Net Pension Liability**

<b>D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>83.43%</b>
<b>E. Covered-Employee Payroll <sup>(1)</sup></b>	<b>\$ 14,832,522</b>
<b>F. Net pension liability as a percentage of covered-employee payroll</b>	<b>270.08%</b>

*(1) The amount provided represents the annual pays for members active on the valuation date increased with one year's pay growth, and does not necessarily represent Covered Payroll as defined in GASB Statements No. 67 and 68.*

# Schedules of Required Supplementary Information

## Schedule of Changes in the Employers' Net Pension Liability and Related Ratios

Fiscal Year Ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service Cost	\$ 4,562,487	\$ 5,015,797	\$ 4,315,718	\$ 4,153,430	\$ 3,784,164	\$ 4,041,341	\$ 4,068,824	\$ 4,070,388	\$ 3,637,644	\$ 3,649,198
Interest on the Total Pension Liability	14,959,093	14,524,313	14,082,332	13,460,908	12,950,656	12,839,190	12,270,179	11,718,436	11,630,004	11,317,045
Benefit Changes	-	-	(33,713)	(26,483)	(23,512)	(108,003)	405,223	1,505,727	1,062,436	704,651
Difference between expected and actual experience of the Total Pension Liability	(8,111,142)	1,022,782	1,780,898	676,786	(2,568,605)	(3,167,079)	2,789,999	1,955,535	(5,040,576)	(119,463)
Assumption Changes	-	-	-	12,871,400	5,687,254	(336,475)	-	6,224,926	-	4,988,870
Benefit Payments and Refunds	(13,484,607)	(13,274,908)	13,572,258	(12,409,271)	(11,919,837)	(10,931,209)	(10,601,742)	(10,015,645)	(10,375,906)	(9,444,578)
<b>Net Change in Total Pension Liability</b>	<b>(2,074,169)</b>	<b>7,287,984</b>	<b>6,572,977</b>	<b>18,726,770</b>	<b>7,910,120</b>	<b>2,337,765</b>	<b>8,932,483</b>	<b>15,459,367</b>	<b>913,602</b>	<b>11,095,724</b>
<b>Total Pension Liability - Beginning</b>	<b>\$ 243,806,548</b>	<b>\$ 236,518,564</b>	<b>\$ 229,945,587</b>	<b>\$ 211,218,817</b>	<b>\$ 203,308,697</b>	<b>\$ 200,970,932</b>	<b>\$ 192,038,449</b>	<b>\$ 176,579,082</b>	<b>\$ 175,665,481</b>	<b>\$ 164,569,757</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 241,732,379</b>	<b>\$ 243,806,548</b>	<b>\$ 236,518,564</b>	<b>\$ 229,945,587</b>	<b>\$ 211,218,817</b>	<b>\$ 203,308,697</b>	<b>\$ 200,970,932</b>	<b>\$ 192,038,449</b>	<b>\$ 176,579,082</b>	<b>\$ 175,665,481</b>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ 6,319,619	\$ 6,140,034	\$ 6,323,009	\$ 6,368,077	\$ 6,353,070	\$ 5,869,972	\$ 5,544,586	\$ 5,180,487	\$ 4,728,234	\$ 4,664,957
Employee Contributions	2,114,089	1,965,479	1,922,364	1,725,254	1,593,679	1,580,109	1,473,592	1,475,859	1,233,148	1,077,633
Pension Plan Net Investment Income	20,886,352	22,913,764	16,666,426	(23,276,182)	35,586,493	8,926,870	9,706,959	10,056,835	11,469,432	2,515,535
Benefit Payments and Refunds	(13,484,607)	(13,274,908)	(13,572,258)	(12,409,271)	(11,919,837)	(10,931,209)	(10,601,742)	(10,015,645)	(10,375,906)	(9,444,578)
Pension Plan Administrative Expense	(221,800)	(217,278)	(196,493)	(211,312)	(231,994)	(229,271)	(180,119)	(204,123)	(189,782)	(216,729)
Other	(180,758)	(86,009)	(271,367)	(289,461)	(319,737)	(367,993)	(422,042)	(414,289)	(404,783)	(398,259)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 15,432,895</b>	<b>\$ 17,441,082</b>	<b>\$ 10,871,681</b>	<b>\$ (28,092,895)</b>	<b>\$ 31,061,674</b>	<b>\$ 4,848,478</b>	<b>\$ 5,521,234</b>	<b>\$ 6,079,124</b>	<b>\$ 6,460,343</b>	<b>\$ (1,801,441)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>\$ 186,239,714</b>	<b>\$ 168,798,632</b>	<b>\$ 157,926,951</b>	<b>\$ 186,019,846</b>	<b>\$ 154,958,172</b>	<b>\$ 150,109,694</b>	<b>\$ 144,588,460</b>	<b>\$ 138,509,336</b>	<b>\$ 132,048,993</b>	<b>\$ 133,850,434</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 201,672,609</b>	<b>\$ 186,239,714</b>	<b>\$ 168,798,632</b>	<b>\$ 157,926,951</b>	<b>\$ 186,019,846</b>	<b>\$ 154,958,172</b>	<b>\$ 150,109,694</b>	<b>\$ 144,588,460</b>	<b>\$ 138,509,336</b>	<b>\$ 132,048,993</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 40,059,770</b>	<b>\$ 57,566,834</b>	<b>\$ 67,719,932</b>	<b>\$ 72,018,636</b>	<b>\$ 25,198,971</b>	<b>\$ 48,350,525</b>	<b>\$ 50,861,238</b>	<b>\$ 47,449,989</b>	<b>\$ 38,069,746</b>	<b>\$ 43,616,488</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	83.43 %	76.39 %	71.37 %	68.68 %	88.07 %	76.22 %	74.69 %	75.29 %	78.44 %	75.17 %
<b>Covered-Employee Payroll <sup>(1)</sup></b>	\$ 14,832,522	\$ 16,381,903	\$ 14,045,794	\$ 13,766,610	\$ 14,616,125	\$ 14,766,506	\$ 14,897,135	\$ 14,718,636	\$ 14,043,138	\$ 14,069,533
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	270.08 %	351.41 %	482.14 %	523.14 %	172.41 %	327.43 %	341.42 %	322.38 %	271.09 %	310.01 %
<b>Notes to Schedule:</b>										

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date increased with one year's pay growth, and does not necessarily represent Covered Payroll as defined in GASB Statements No. 67 and 68.

# Schedules of Required Supplementary Information

## Schedule of the Employers' Net Pension Liability

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll <sup>(1)</sup>	Net Pension Liability as a % of Covered Payroll
2016	\$175,665,481	\$132,048,993	\$ 43,616,488	75.17%	\$14,069,533	310.01%
2017	176,579,082	138,509,336	38,069,746	78.44%	14,043,138	271.09%
2018	192,038,449	144,588,460	47,449,989	75.29%	14,718,636	322.38%
2019	200,970,932	150,109,694	50,861,238	74.69%	14,897,135	341.42%
2020	203,308,697	154,958,172	48,350,525	76.22%	14,766,506	327.43%
2021	211,218,817	186,019,846	25,198,971	88.07%	14,616,125	172.41%
2022	229,945,587	157,926,951	72,018,636	68.68%	13,766,610	523.14%
2023	236,518,564	168,798,632	67,719,932	71.37%	14,045,794	482.14%
2024	243,806,548	186,239,714	57,566,834	76.39%	16,381,903	351.41%
2025	241,732,379	201,672,609	40,059,770	83.43%	14,832,522	270.08%

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date increased with one year's pay growth, and does not necessarily represent Covered Payroll as defined in GASB Statements No. 67 and 68.

## Schedule of Contributions

FY Ending June 30,	Actuarially Determined		Contribution			Actual Contribution	
	Contribution	Actual Contribution	Deficiency (Excess)	Covered Payroll <sup>(1)</sup>	as a % of Covered Payroll		
2016	\$ 4,164,957	\$ 4,164,957	\$ -	\$ 14,069,533	29.60%		
2017	4,228,234	4,228,234	-	14,043,138	30.11%		
2018	4,680,487	4,680,487	-	14,718,636	31.80%		
2019	5,060,534	5,060,534	-	14,897,135	33.97%		
2020	5,441,963	5,441,963	-	14,766,506	36.85%		
2021	6,021,227	6,021,227	-	14,616,125	41.20%		
2022	6,063,482	6,063,482	-	13,766,610	44.04%		
2023	6,051,642	6,051,642	-	14,045,794	43.09%		
2024	6,140,034	6,140,034	-	16,381,903	37.48%		
2025	6,080,083	6,080,083	-	14,832,522	40.99%		

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date increased with one year's pay growth, and does not necessarily represent Covered Payroll as defined in GASB Statements No. 67 and 68.

# Notes to Schedule of Contributions

<b>Valuation Date:</b>	June 30, 2023
Notes	Actuarially determined contribution amounts are calculated as of June 30 of each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

## Methods and Assumptions Used to Determine Contribution Rates for the Fiscal Year Ending

### June 30, 2025\*:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Layered, Level Percent-of-Payroll
Remaining Amortization Period	Closed 15 years for benefit changes. Closed 20 years for assumption changes, method changes and experience deviations. Closed 25 years for all other liabilities as of June 30, 2022.
Asset Valuation Method	5-Year smoothed market, with 20% corridor.
Wage Inflation	3.50%
Salary Increases	4.25% to 15.75% including inflation.
Investment Rate of Return	6.25%
Retirement Age	Age and service-based tables of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation.
Mortality	PubS-2010 Standard Mortality Tables with generation mortality improvement using projection scale MP-2021.

### Other Information:

#### Notes

\* Based on valuation assumptions used in the June 30, 2023 actuarial valuation.

## **SECTION D**

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### **NOTES TO FINANCIAL STATEMENTS**

## Single Discount Rate

A Single Discount Rate of 6.25% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 6.25%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 6.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one-percent lower or one percent higher.

### Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

	100 Basis Point Decrease 5.25%	Current Single Discount Rate 6.25%	100 Basis Point Increase 7.25%
Total Pension Liability	\$ 271,287,882	\$ 241,732,379	\$ 217,009,704
Plan Fiduciary Net Position	201,672,609	201,672,609	201,672,609
<b>Net Pension Liability/(Asset)</b>	<b>\$ 69,615,273</b>	<b>\$ 40,059,770</b>	<b>\$ 15,337,095</b>

## **Summary of Population Statistics as of June 30, 2024**

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	300
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	10
Active Plan Members	<u>176</u>
Total Plan Members	486

## **SECTION E**

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### **ADDITIONAL STATE REPORTING**

## State Reporting Assumptions as of June 30, 2025

The Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017 (PA 202), was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions are denoted below. Additional discussion of the PA 202 and uniform assumptions may be found on the State website in the uniform assumption memo dated March 4, 2025.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return Discount Rate	Maximum of 7.00% <sup>^</sup>	6.25%	6.25%
Salary Increase	Minimum of 3.65% or based on experience study within last 5 years	3.50% based on experience study report dated September 20, 2022	3.50%
Mortality	Version of Pub-2010 tables with generational mortality improvements using MP-2021 or later if available	A version of Pub-2010 tables with generational mortality improvements using MP-2021	A version of Pub-2010 tables with generational mortality improvements using MP-2021
Amortization of the Unfunded Accrued Actuarial Liability: Period	Maximum Period of 14 Years	Layered amortization periods ranging from 14 - 24 years	<b>14 years</b>
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll or Level Dollar	Level Percent of Payroll	Level Percent of Payroll
Type	Closed	Closed	Closed

<sup>^</sup> A blended rate calculated using GASB Statements No. 67/68 and 74/75 methodology. For periods in which projected plan assets are sufficient to make projected benefit payments – maximum of 7.00%; for periods in which projected plan assets are NOT sufficient to make projected benefit payments – 3.65%.

## State Reporting as of June 30, 2025

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form 5572). Additional resources are available on the State website.

Line	Descriptive Information	
23	Uniform Assumptions <sup>1</sup>	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions	\$191,208,814
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions	\$241,732,379
26	Funded ratio using uniform assumptions	Auto <sup>2</sup>
27	Actuarially Determined Contribution (ADC) using uniform assumptions <sup>3</sup>	\$ 7,485,926
28	All systems combined ADC/Governmental fund revenues	Auto <sup>2</sup>

<sup>1</sup> Information on lines 24-28 is based on assumptions listed on the prior page as of the most recent valuation date, June 30, 2025, after reflecting uniform assumptions.

<sup>2</sup> Automatically calculated by State of Michigan Form 5572.

<sup>3</sup> For the fiscal year ending June 30, 2025.

## **SECTION F**

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### **SUMMARY OF BENEFITS**

# **Brief Summary of Act 345 Benefit Conditions Evaluated (Updated to June 30, 2025)**

ELIGIBILITY	AMOUNT
<b>SERVICE RETIREMENT</b>	
The benefit amounts attributable to regular retirements and the conditions under which such benefits may be paid are described in tabular form on page 20.	
<b>DEFERRED RETIREMENT</b>	
Termination of employment after 10 or more years of service.	Computed as service retirement but based upon service, Average Final Compensation (AFC) and benefit in effect at termination. Benefit begins at date retirement would have occurred had member remained in employment.
<b>DEATH AFTER RETIREMENT SURVIVOR'S PENSION</b>	
Payable to a surviving spouse, if any, upon the death of a retired member who was receiving a straight life pension which was effective July 1, 1975 or later.	Spouse's pension equals 60% of the straight life pension the deceased retiree was receiving.
<b>NON-DUTY DEATH-IN-SERVICE SURVIVOR'S PENSION</b>	
Payable to a surviving spouse, if any, upon the death of a member with 20 or more years of service, or a Police member with 10 or more years of service.	Accrued straight life pension actuarially reduced in accordance with an Option I election.
<b>DUTY DEATH-IN-SERVICE SURVIVOR'S PENSION</b>	
Payable upon the expiration of Worker's Compensation to the survivors of a member who died in the line of duty.	Same amount that was paid by Worker's Compensation.
<b>NON-DUTY DISABILITY</b>	
Payable upon the total and permanent disability of a member with 5 or more years-of-service.	To age 55: 1.5% of AFC times years of service. At age 55: Same as Service Retirement Pension.
<b>DUTY DISABILITY</b>	
Payable upon the total and permanent disability of a member in the line of duty.	To age 55: 50% of AFC. At age 55: Same as Service Retirement Pension with service credit from date of disability to age 55.
<b>MEMBER CONTRIBUTIONS</b>	
Amounts are described on page 20.	

## Summary of Benefit Provisions as of June 30, 2025

Group	No. People	GRS Code	Eligibility	Benefit Multiplier*	Maximum Benefit	Years in FAC	Member Contribution Rate
<b>Police:</b>							
Sergeants - POLC	18	91	25 yrs. of service or age 60	3.0%/1.0%	80% of FAC	3	13.22%
Lieutenants	6	90	25 yrs. of service or age 60	3.0%/1.0%	80% of FAC	3	12.50%
POLC	84	92	25 yrs. of service or age 60	3.0%/1.0%	80% of FAC	5	10.75%
Non-Represented	1	95,97	25 yrs. of service or age 60	3.0%/1.0%	80% of FAC	3	10.00%
<b>Fire:</b>							
OSP	3	94	25 yrs. of service or age 60	3.0%/0.0%	75% of FAC	3	11.65%
IAFF	76	93	25 yrs. of service or age 60	3.0%/0.0%	75% of FAC	3	13.04%
Non-Represented	1	98	25 yrs. of service or age 60	3.0%/1.0%	80% of FAC	3	10.00%
<b>Total</b>	<b>189</b>						

\* First multiplier applies to the first 25 years of service. Second multiplier applies to service greater than 25 years.

Note: Person counts are as of the June 30, 2024 valuation date.

None of the above groups are covered by Social Security.

Employee contributions are made on a pre-tax basis.

# **Summary of Benefit Provisions as of June 30, 2025**

## **DEFERRED RETIREMENT OPTION PLAN (DROP)**

Effective April 2, 2015 for Firefighter OSP Chiefs and July 1, 2016 for Police Lieutenants, Firefighter IAFF, July 1, 2020 for Non-Represented Command Police Personnel, July 1, 2021 for Non-Represented Command Fire Personnel, and July 1, 2022 for Police Sergeants members with credited service between 25 and 30 years may participate in the Deferred Retirement Option Plan for a maximum participation period of five years (two years for Non-Represented Command Personnel). For Police Sergeants, the DROP expires on June 30, 2024. The benefit amount is the participant's accrued benefit at the date of DROP election. DROP benefits are credited monthly and DROP interest is credited quarterly to a DROP account at the rate of 2% annually. Employer and employee contributions will continue while the member participates in the DROP. Employer and employee contributions are not deposited in the DROP account. Upon actual retirement, the participant may elect a lump sum distribution of the DROP account or direct rollover to a qualified plan.

## **SECTION G**

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### **ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS**

## Actuarial Cost Method and Actuarial Assumptions

This report complements the June 30, 2024 actuarial valuation report and the Actuarial Experience Study report for the five-year period ending June 30, 2021. The information herein should be considered along with the information from those two reports, especially for additional discussions of the nature of actuarial calculations and for more information related to valuation methods and actuarial assumptions.

**Assets** - The value of assets used for GASB Statement Nos. 67 and 68 reporting purposes was the fair market value of assets.

## SECTION H

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### CALCULATION OF THE SINGLE DISCOUNT RATE

## Calculation of the Single Discount Rate

GASB Statement No. 67 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 municipal bond 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 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 6.25%; the municipal bond rate is 5.20% (based on the weekly rate closest to but not later than the measurement date of the “20-Bond GO Index” rate from the Bond Buyer Index); and the resulting SDR is 6.25%.

The tables in this section provide background for the development of the SDR.

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).

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 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	Normal Cost and					
	Payroll for Current Employees	Contributions from Current Employees	Expense Contributions	UAL Contributions	Total Contributions	
0	\$ 14,832,522					
1	14,658,442	\$ 1,755,968	\$ 2,921,506	\$ 2,974,302	\$ 7,651,777	
2	14,587,179	1,747,679	2,908,884	3,168,200	7,824,763	
3	14,578,884	1,747,845	2,908,763	2,871,929	7,528,537	
4	14,519,734	1,742,011	2,892,998	2,633,886	7,268,895	
5	14,303,136	1,717,568	2,844,820	2,567,297	7,129,685	
6	14,043,901	1,688,369	2,790,121	2,657,153	7,135,643	
7	13,762,904	1,657,095	2,732,580	2,750,153	7,139,828	
8	13,501,155	1,627,625	2,679,825	2,846,409	7,153,858	
9	13,206,694	1,592,364	2,618,209	2,946,033	7,156,605	
10	12,803,638	1,542,647	2,537,046	3,049,144	7,128,837	
11	12,361,338	1,488,076	2,451,014	3,155,864	7,094,954	
12	11,997,012	1,443,224	2,380,985	3,266,319	7,090,528	
13	11,484,542	1,375,446	2,281,321	3,380,641	7,037,408	
14	10,568,532	1,259,093	2,102,009	2,828,425	6,189,526	
15	9,689,094	1,155,216	1,929,893	2,890,058	5,975,168	
16	9,034,133	1,078,435	1,800,844	2,973,085	5,852,365	
17	8,473,974	1,011,941	1,689,158	3,077,143	5,778,243	
18	7,741,189	925,103	1,543,850	3,184,843	5,653,796	
19	7,065,914	844,891	1,409,856	3,042,942	5,297,689	
20	6,583,107	787,527	1,313,655	2,947,532	5,048,714	
21	5,950,090	712,723	1,187,332	4,604,833	6,504,888	
22	5,202,145	626,300	1,038,355	4,587,325	6,251,980	
23	4,018,108	490,130	802,474	5,558,039	6,850,643	
24	2,621,732	328,011	523,552	(305,244)	546,318	
25	1,844,655	235,008	368,156	-	603,164	
26	1,471,938	189,097	293,584	-	482,682	
27	1,122,140	144,568	224,165	-	368,733	
28	719,232	92,790	144,297	-	237,087	
29	266,396	34,444	53,622	-	88,066	
30	-	-	-	-	-	
31	-	-	-	-	-	
32	-	-	-	-	-	
33	-	-	-	-	-	
34	-	-	-	-	-	
35	-	-	-	-	-	
36	-	-	-	-	-	
37	-	-	-	-	-	
38	-	-	-	-	-	
39	-	-	-	-	-	
40	-	-	-	-	-	
41	-	-	-	-	-	
42	-	-	-	-	-	
43	-	-	-	-	-	
44	-	-	-	-	-	
45	-	-	-	-	-	
46	-	-	-	-	-	
47	-	-	-	-	-	
48	-	-	-	-	-	
49	-	-	-	-	-	
50	-	-	-	-	-	

# Single Discount Rate Development

## Projection of Contributions (Concluded)

Year	Normal Cost and				UAL Contributions	Total Contributions
	Payroll for Current Employees	Contributions from Current Employees	Expense Contributions			
51	-	-	-	-	-	-
52	-	-	-	-	-	-
53	-	-	-	-	-	-
54	-	-	-	-	-	-
55	-	-	-	-	-	-
56	-	-	-	-	-	-
57	-	-	-	-	-	-
58	-	-	-	-	-	-
59	-	-	-	-	-	-
60	-	-	-	-	-	-
61	-	-	-	-	-	-
62	-	-	-	-	-	-
63	-	-	-	-	-	-
64	-	-	-	-	-	-
65	-	-	-	-	-	-
66	-	-	-	-	-	-
67	-	-	-	-	-	-
68	-	-	-	-	-	-
69	-	-	-	-	-	-
70	-	-	-	-	-	-
71	-	-	-	-	-	-
72	-	-	-	-	-	-
73	-	-	-	-	-	-
74	-	-	-	-	-	-
75	-	-	-	-	-	-
76	-	-	-	-	-	-
77	-	-	-	-	-	-
78	-	-	-	-	-	-
79	-	-	-	-	-	-
80	-	-	-	-	-	-
81	-	-	-	-	-	-
82	-	-	-	-	-	-
83	-	-	-	-	-	-
84	-	-	-	-	-	-
85	-	-	-	-	-	-
86	-	-	-	-	-	-
87	-	-	-	-	-	-
88	-	-	-	-	-	-
89	-	-	-	-	-	-
90	-	-	-	-	-	-
91	-	-	-	-	-	-
92	-	-	-	-	-	-
93	-	-	-	-	-	-
94	-	-	-	-	-	-
95	-	-	-	-	-	-
96	-	-	-	-	-	-
97	-	-	-	-	-	-
98	-	-	-	-	-	-
99	-	-	-	-	-	-
100	-	-	-	-	-	-

# Single Discount Rate Development

## Projection of Plan Fiduciary Net Position

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 6.25%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 201,672,609	\$ 7,651,777	\$ 14,909,542	\$ 219,877	\$ 12,374,403	\$ 206,569,370
2	206,569,370	7,824,763	15,255,008	218,808	12,675,175	211,595,492
3	211,595,492	7,528,537	15,409,007	218,683	12,975,455	216,471,795
4	216,471,795	7,268,895	15,615,688	217,796	13,265,900	221,173,106
5	221,173,106	7,129,685	16,264,491	214,547	13,535,580	225,359,333
6	225,359,333	7,135,643	16,583,788	210,659	13,787,695	229,488,224
7	229,488,224	7,139,828	16,573,912	206,444	14,046,313	233,894,009
8	233,894,009	7,153,858	16,592,678	202,517	14,321,650	238,574,323
9	238,574,323	7,156,605	16,930,932	198,100	14,603,980	243,205,876
10	243,205,876	7,128,837	17,307,199	192,055	14,881,203	247,716,662
11	247,716,662	7,094,954	17,682,074	185,420	15,150,751	252,094,873
12	252,094,873	7,090,528	17,794,153	179,955	15,420,972	256,632,266
13	256,632,266	7,037,408	18,649,470	172,268	15,676,837	260,524,773
14	260,524,773	6,189,526	19,675,723	158,528	15,862,863	262,742,910
15	262,742,910	5,975,168	19,101,444	145,336	16,012,979	265,484,277
16	265,484,277	5,852,365	19,788,632	135,512	16,159,689	267,572,187
17	267,572,187	5,778,243	20,071,611	127,110	16,279,451	269,431,160
18	269,431,160	5,653,796	21,136,655	116,118	16,359,367	270,191,549
19	270,191,549	5,297,689	20,642,581	105,989	16,411,449	271,152,118
20	271,152,118	5,048,714	21,329,305	98,747	16,442,910	271,215,689
21	271,215,689	6,504,888	21,027,994	89,251	16,501,265	273,104,597
22	273,104,597	6,251,980	21,067,331	78,032	16,610,672	274,821,886
23	274,821,886	6,850,643	22,545,870	60,272	16,691,470	275,757,858
24	275,757,858	546,318	22,889,144	39,326	16,546,024	269,921,731
25	269,921,731	603,164	23,137,049	27,670	16,175,745	263,535,921
26	263,535,921	482,682	23,130,132	22,079	15,773,308	256,639,700
27	256,639,700	368,733	23,638,984	16,832	15,323,289	248,675,906
28	248,675,906	237,087	23,427,150	10,788	14,828,205	240,303,260
29	240,303,260	88,066	23,687,162	3,996	14,292,535	230,992,702
30	230,992,702	-	21,692,113	-	13,769,439	223,070,028
31	223,070,028	-	21,208,473	-	13,289,156	215,150,712
32	215,150,712	-	20,717,769	-	12,809,301	207,242,244
33	207,242,244	-	20,219,915	-	12,330,344	199,352,673
34	199,352,673	-	19,715,468	-	11,852,771	191,489,976
35	191,489,976	-	19,202,924	-	11,377,126	183,664,178
36	183,664,178	-	18,683,444	-	10,904,002	175,884,736
37	175,884,736	-	18,157,921	-	10,433,960	168,160,775
38	168,160,775	-	17,626,916	-	9,967,555	160,501,414
39	160,501,414	-	17,091,125	-	9,505,335	152,915,624
40	152,915,624	-	16,551,243	-	9,047,839	145,412,220
41	145,412,220	-	16,007,988	-	8,595,595	137,999,828
42	137,999,828	-	15,461,955	-	8,149,126	130,686,998
43	130,686,998	-	14,913,572	-	7,708,951	123,482,377
44	123,482,377	-	14,363,141	-	7,275,603	116,394,839
45	116,394,839	-	13,810,763	-	6,849,632	109,433,708
46	109,433,708	-	13,256,426	-	6,431,622	102,608,903
47	102,608,903	-	12,700,058	-	6,022,194	95,931,039
48	95,931,039	-	12,141,621	-	5,622,014	89,411,432
49	89,411,432	-	11,581,130	-	5,231,789	83,062,091
50	83,062,091	-	11,018,660	-	4,852,266	76,895,697

# Single Discount Rate Development

## Projection of Plan Fiduciary Net Position (Concluded)

Year	Projected Beginning	Projected Total	Projected Benefit	Projected	Projected	Projected Ending Plan
	Plan Net Position	Contributions	Payments	Administrative Expenses	Investment Earnings at 6.25%	Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	\$ 76,895,697	\$ -	\$ 10,454,508	\$ -	\$ 4,484,229	\$ 70,925,417
52	70,925,417	-	9,889,249	-	4,128,483	65,164,651
53	65,164,651	-	9,323,806	-	3,785,837	59,626,682
54	59,626,682	-	8,759,507	-	3,457,081	54,324,256
55	54,324,256	-	8,198,002	-	3,142,961	49,269,215
56	49,269,215	-	7,641,324	-	2,844,153	44,472,045
57	44,472,045	-	7,091,831	-	2,561,242	39,941,456
58	39,941,456	-	6,551,959	-	2,294,695	35,684,192
59	35,684,192	-	6,024,229	-	2,044,858	31,704,822
60	31,704,822	-	5,511,118	-	1,811,939	28,005,642
61	28,005,642	-	5,014,891	-	1,596,012	24,586,764
62	24,586,764	-	4,537,758	-	1,397,017	21,446,023
63	21,446,023	-	4,081,752	-	1,214,755	18,579,026
64	18,579,026	-	3,648,582	-	1,048,899	15,979,343
65	15,979,343	-	3,239,795	-	899,000	13,638,547
66	13,638,547	-	2,856,607	-	764,493	11,546,433
67	11,546,433	-	2,499,893	-	644,714	9,691,254
68	9,691,254	-	2,170,324	-	538,909	8,059,838
69	8,059,838	-	1,868,141	-	446,245	6,637,942
70	6,637,942	-	1,593,296	-	365,835	5,410,482
71	5,410,482	-	1,345,589	-	296,743	4,361,636
72	4,361,636	-	1,124,475	-	237,995	3,475,156
73	3,475,156	-	929,135	-	188,602	2,734,623
74	2,734,623	-	758,515	-	147,570	2,123,677
75	2,123,677	-	611,295	-	113,916	1,626,299
76	1,626,299	-	485,939	-	86,688	1,227,048
77	1,227,048	-	380,671	-	64,975	911,352
78	911,352	-	293,567	-	47,925	665,710
79	665,710	-	222,648	-	34,755	477,816
80	477,816	-	165,898	-	24,758	336,675
81	336,675	-	121,316	-	17,309	232,668
82	232,668	-	86,978	-	11,865	157,555
83	157,555	-	61,074	-	7,968	104,448
84	104,448	-	41,958	-	5,237	67,727
85	67,727	-	28,173	-	3,366	42,919
86	42,919	-	18,472	-	2,114	26,561
87	26,561	-	11,817	-	1,296	16,040
88	16,040	-	7,369	-	776	9,447
89	9,447	-	4,475	-	453	5,425
90	5,425	-	2,646	-	258	3,036
91	3,036	-	1,522	-	143	1,657
92	1,657	-	853	-	77	881
93	881	-	466	-	41	456
94	456	-	247	-	21	230
95	230	-	127	-	10	113
96	113	-	65	-	5	54
97	54	-	32	-	2	24
98	24	-	15	-	1	10
99	10	-	11	-	0	-
100	-	-	-	-	-	-

# Single Discount Rate Development

## Present Values of Projected Benefit Payments

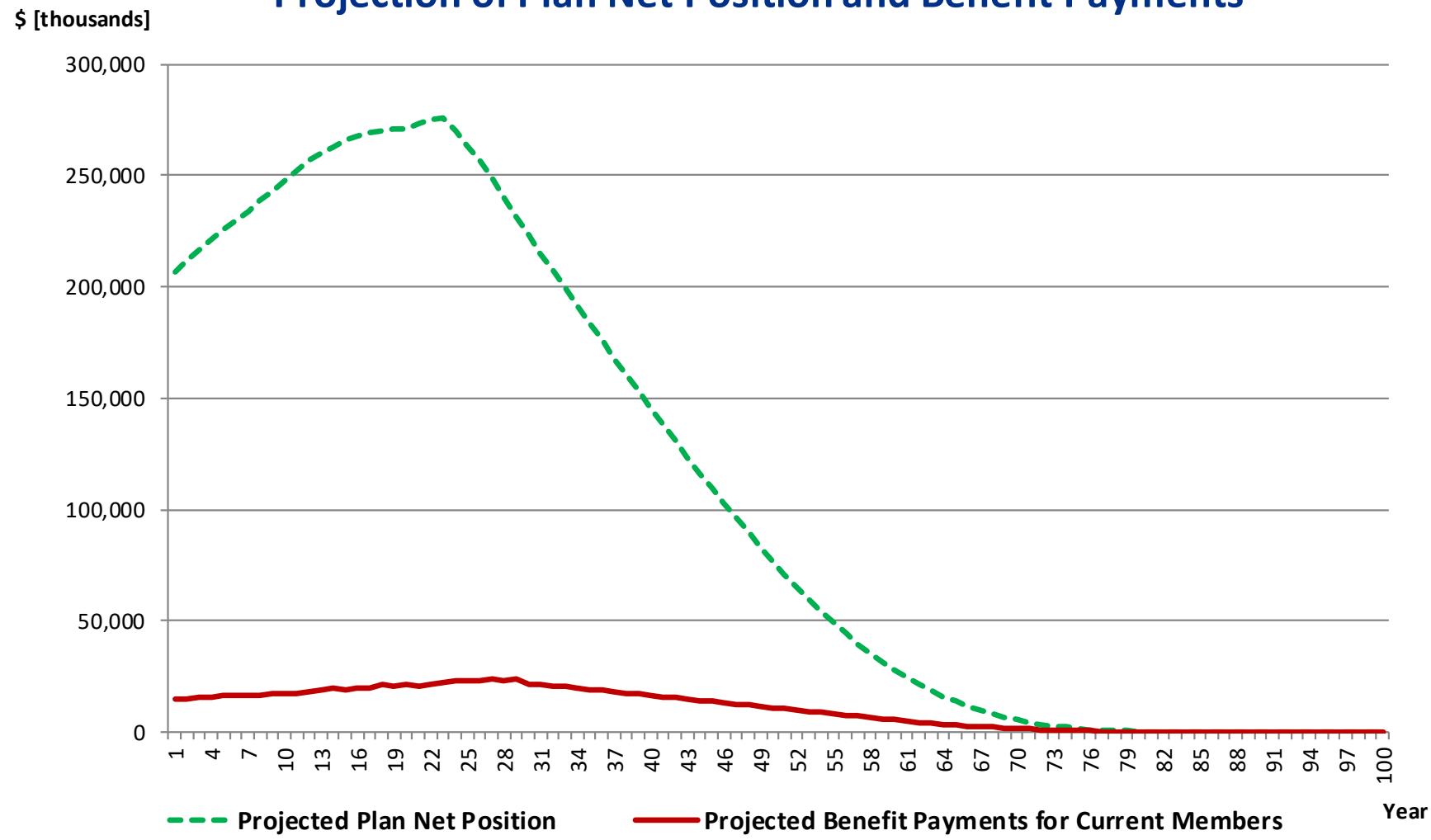
Year	Projected			Unfunded Portion of Benefit Payments		Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
	Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	of Benefit Payments				
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^(a-.5)	(g)=(e)*vf^(a-.5)	(h)=(c)/(1+sdr)^(a-.5)	
1	\$ 201,672,609	\$ 14,909,542	\$ 14,909,542	\$ -	\$ 14,464,380	\$ -	\$ 14,464,380	
2	206,569,370	15,255,008	15,255,008	-	13,928,971	-	13,928,971	
3	211,595,492	15,409,007	15,409,007	-	13,241,961	-	13,241,961	
4	216,471,795	15,615,688	15,615,688	-	12,630,189	-	12,630,189	
5	221,173,106	16,264,491	16,264,491	-	12,381,129	-	12,381,129	
6	225,359,333	16,583,788	16,583,788	-	11,881,591	-	11,881,591	
7	229,488,224	16,573,912	16,573,912	-	11,176,013	-	11,176,013	
8	233,894,009	16,592,678	16,592,678	-	10,530,511	-	10,530,511	
9	238,574,323	16,930,932	16,930,932	-	10,113,114	-	10,113,114	
10	243,205,876	17,307,199	17,307,199	-	9,729,754	-	9,729,754	
11	247,716,662	17,682,074	17,682,074	-	9,355,766	-	9,355,766	
12	252,094,873	17,794,153	17,794,153	-	8,861,240	-	8,861,240	
13	256,632,266	18,649,470	18,649,470	-	8,740,872	-	8,740,872	
14	260,524,773	19,675,723	19,675,723	-	8,679,407	-	8,679,407	
15	262,742,910	19,101,444	19,101,444	-	7,930,427	-	7,930,427	
16	265,484,277	19,788,632	19,788,632	-	7,732,452	-	7,732,452	
17	267,572,187	20,071,611	20,071,611	-	7,381,672	-	7,381,672	
18	269,431,160	21,136,655	21,136,655	-	7,316,103	-	7,316,103	
19	270,191,549	20,642,581	20,642,581	-	6,724,788	-	6,724,788	
20	271,152,118	21,329,305	21,329,305	-	6,539,769	-	6,539,769	
21	271,215,689	21,027,994	21,027,994	-	6,068,126	-	6,068,126	
22	273,104,597	21,067,331	21,067,331	-	5,721,861	-	5,721,861	
23	274,821,886	22,545,870	22,545,870	-	5,763,229	-	5,763,229	
24	275,757,858	22,889,144	22,889,144	-	5,506,802	-	5,506,802	
25	269,921,731	23,137,049	23,137,049	-	5,239,007	-	5,239,007	
26	263,535,921	23,130,132	23,130,132	-	4,929,356	-	4,929,356	
27	256,639,700	23,638,984	23,638,984	-	4,741,458	-	4,741,458	
28	248,675,906	23,427,150	23,427,150	-	4,422,559	-	4,422,559	
29	240,303,260	23,687,162	23,687,162	-	4,208,606	-	4,208,606	
30	230,992,702	21,692,113	21,692,113	-	3,627,423	-	3,627,423	
31	223,070,028	21,208,473	21,208,473	-	3,337,926	-	3,337,926	
32	215,150,712	20,717,769	20,717,769	-	3,068,891	-	3,068,891	
33	207,242,244	20,219,915	20,219,915	-	2,818,959	-	2,818,959	
34	199,352,673	19,715,468	19,715,468	-	2,586,948	-	2,586,948	
35	191,489,976	19,202,924	19,202,924	-	2,371,477	-	2,371,477	
36	183,664,178	18,683,444	18,683,444	-	2,171,599	-	2,171,599	
37	175,884,736	18,157,921	18,157,921	-	1,986,369	-	1,986,369	
38	168,160,775	17,626,916	17,626,916	-	1,814,852	-	1,814,852	
39	160,501,414	17,091,125	17,091,125	-	1,656,176	-	1,656,176	
40	152,915,624	16,551,243	16,551,243	-	1,509,515	-	1,509,515	
41	145,412,220	16,007,988	16,007,988	-	1,374,089	-	1,374,089	
42	137,999,828	15,461,955	15,461,955	-	1,249,147	-	1,249,147	
43	130,686,998	14,913,572	14,913,572	-	1,133,971	-	1,133,971	
44	123,482,377	14,363,141	14,363,141	-	1,027,876	-	1,027,876	
45	116,394,839	13,810,763	13,810,763	-	930,208	-	930,208	
46	109,433,708	13,256,426	13,256,426	-	840,349	-	840,349	
47	102,608,903	12,700,058	12,700,058	-	757,722	-	757,722	
48	95,931,039	12,141,621	12,141,621	-	681,792	-	681,792	
49	89,411,432	11,581,130	11,581,130	-	612,065	-	612,065	
50	83,062,091	11,018,660	11,018,660	-	548,083	-	548,083	

# Single Discount Rate Development

## Present Values of Projected Benefit Payments (Concluded)

Year	Projected				Unfunded Portion of Benefit Payments	Expected Return Rate (v)	Present Value of Funded Benefit Payments using	Present Value of Unfunded Benefit Payments using	Present Value of Benefit Payments using
	Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	(e)			(f)=(d)*v^(a-.5)	Municipal Bond Rate (vf)	Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^(a-.5)	(g)=(e)*vf^(a-.5)	(h)=(c)/(1+sdr)^(a-.5)		
51	\$ 76,895,697	\$ 10,454,508	\$ 10,454,508	\$ -	\$ 489,432	\$ -	\$ 489,432		
52	70,925,417	9,889,249	9,889,249	-	435,736	-	435,736		
53	65,164,651	9,323,806	9,323,806	-	386,655	-	386,655		
54	59,626,682	8,759,507	8,759,507	-	341,886	-	341,886		
55	54,324,256	8,198,002	8,198,002	-	301,149	-	301,149		
56	49,269,215	7,641,324	7,641,324	-	264,188	-	264,188		
57	44,472,045	7,091,831	7,091,831	-	230,767	-	230,767		
58	39,941,456	6,551,959	6,551,959	-	200,658	-	200,658		
59	35,684,192	6,024,229	6,024,229	-	173,643	-	173,643		
60	31,704,822	5,511,118	5,511,118	-	149,509	-	149,509		
61	28,005,642	5,014,891	5,014,891	-	128,044	-	128,044		
62	24,586,764	4,537,758	4,537,758	-	109,046	-	109,046		
63	21,446,023	4,081,752	4,081,752	-	92,318	-	92,318		
64	18,579,026	3,648,582	3,648,582	-	77,667	-	77,667		
65	15,979,343	3,239,795	3,239,795	-	64,908	-	64,908		
66	13,638,547	2,856,607	2,856,607	-	53,865	-	53,865		
67	11,546,433	2,499,893	2,499,893	-	44,366	-	44,366		
68	9,691,254	2,170,324	2,170,324	-	36,251	-	36,251		
69	8,059,838	1,868,141	1,868,141	-	29,368	-	29,368		
70	6,637,942	1,593,296	1,593,296	-	23,574	-	23,574		
71	5,410,482	1,345,589	1,345,589	-	18,738	-	18,738		
72	4,361,636	1,124,475	1,124,475	-	14,738	-	14,738		
73	3,475,156	929,135	929,135	-	11,461	-	11,461		
74	2,734,623	758,515	758,515	-	8,806	-	8,806		
75	2,123,677	611,295	611,295	-	6,680	-	6,680		
76	1,626,299	485,939	485,939	-	4,997	-	4,997		
77	1,227,048	380,671	380,671	-	3,685	-	3,685		
78	911,352	293,567	293,567	-	2,674	-	2,674		
79	665,710	222,648	222,648	-	1,909	-	1,909		
80	477,816	165,898	165,898	-	1,339	-	1,339		
81	336,675	121,316	121,316	-	921	-	921		
82	232,668	86,978	86,978	-	622	-	622		
83	157,555	61,074	61,074	-	411	-	411		
84	104,448	41,958	41,958	-	266	-	266		
85	67,727	28,173	28,173	-	168	-	168		
86	42,919	18,472	18,472	-	104	-	104		
87	26,561	11,817	11,817	-	62	-	62		
88	16,040	7,369	7,369	-	37	-	37		
89	9,447	4,475	4,475	-	21	-	21		
90	5,425	2,646	2,646	-	12	-	12		
91	3,036	1,522	1,522	-	6	-	6		
92	1,657	853	853	-	3	-	3		
93	881	466	466	-	2	-	2		
94	456	247	247	-	1	-	1		
95	230	127	127	-	0	-	0		
96	113	65	65	-	0	-	0		
97	54	32	32	-	0	-	0		
98	24	15	15	-	0	-	0		
99	15	11	11	-	0	-	0		
100	-	-	-	-	-	-	-		
					Totals	\$ 285,757,244	\$ 285,757,244		

## Projection of Plan Net Position and Benefit Payments



## **SECTION I**

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### **GLOSSARY OF TERMS**

# Glossary of Terms

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

## ***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(s) 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).

## ***Amortization Payment***

The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.

## ***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-Employee Payroll***

The payroll of employees that are provided with pensions through the pension plan.

## ***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.

## ***Deferred Retirement Option Program (DROP)***

A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.

## ***Discount Rate***

For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically:

1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and
2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

## Glossary of Terms

<b>Entry Age Actuarial Cost Method (EAN)</b>	The EAN is a cost 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 age(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.
<b>Fiduciary Net Position</b>	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
<b>GASB</b>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<b>Long-Term Expected Rate of Return</b>	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.
<b>Money-Weighted Rate of Return</b>	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. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<b>Multiple-Employer Defined Benefit Pension Plan</b>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<b>Municipal Bond Rate</b>	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.
<b>Net Pension Liability (NPL)</b>	The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.
<b>Non-Employer Contributing Entities</b>	Non-employer contributing 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 statements, plan members are not considered non-employer contributing entities.
<b>Normal Cost</b>	The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

## Glossary of Terms

<b>Other Postemployment Benefits (OPEB)</b>	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 health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<b>Real Rate of Return</b>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<b>Service Cost</b>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<b>Total Pension Expense</b>	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: <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</li><li>9. Recognition of Outflow (Inflow) of Resources due to Assets</li></ol>
<b>Total Pension Liability (TPL)</b>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<b>Valuation Assets</b>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.



November 25, 2025

Ms. Lily Vardell  
Finance Officer  
City of Battle Creek  
10 N. Division Street  
Battle Creek, Michigan 49014

Dear Ms. Vardell:

Please find enclosed one copy of the GASB Statement Nos. 67 and 68 Plan Reporting and Accounting Schedules for the City of Battle Creek Police and Fire Retirement System as of June 30, 2025.

Sincerely,  
Gabriel, Roeder, Smith & Company

A handwritten signature in black ink that reads "Derek Henning". The signature is fluid and cursive, with a small dot above the letter 'i'.

Derek Henning, ASA, EA, FCA, MAAA

DH:rmn  
Enclosures

cc: Rehmann Robson (+1 report copy)  
Attention: Ms. Corrin Day