

# Wyoming Air Guard Firefighters' Retirement System

Actuarial Valuation Report  
for the Year Beginning January 1, 2023





April 28, 2023

Board of Trustees  
Wyoming Air Guard Firefighters Retirement System  
6101 Yellowstone Road  
Suite 500  
Cheyenne, WY 82002

Dear Board of Trustees:

**Subject: Actuarial Valuation as of January 1, 2023**

We are pleased to present the report of the actuarial valuation of the Wyoming Air Guard Firefighters Retirement System (“the Fund”) for the plan year commencing January 1, 2023. This report describes the current actuarial condition of the Fund, determines the calculated employer contribution rate (the actuarially determined contribution rate), and analyzes changes in this contribution rate from the prior year. Valuations are prepared annually, as of January 1, the first day of the Fund’s plan year.

This report was prepared at the request of the Board and is intended for use by the Retirement System and those designated or approved by the Board. This report may be provided to parties other than the System only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

### **Financing Objectives and Funding Policy**

The employer and employee contribution rates are specified in the statute. The purposes of the valuation are to measure the System’s funding progress and to determine whether or not the statutory contribution is sufficient to meet the obligations of the Fund. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results, associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

### **Progress toward realization of financing objectives**

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a plan's funded status. The funded ratio, based upon the assumption of no further cost-of-living adjustment, as of January 1, 2023 is 82.41%. In the January 1, 2022 valuation, this funded ratio was 82.11%. On a market value of assets basis, the funded ratio is 79.89% as of January 1, 2023 and 91.43% as of January 1, 2022. The funded status alone is not appropriate for assessing the need for future contributions. The funded status is also not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

### **Benefit Provisions**

The benefit provisions reflected in this valuation are those, which were in effect on January 1, 2023. W.S. 9-3-454 prohibits benefit changes, including cost-of-living increases, unless the funded ratio stays above 100% plus a margin for adverse experience throughout the life of the benefit change. Therefore, this valuation does not include any liability for future cost-of-living increases. There were no changes to benefit provisions since the prior valuation.

The benefit provisions are summarized in Appendix B of the report.

### **Assumptions and Methods**

Actuarial assumptions and methods are set by the Board, based upon recommendations made by the plan's actuary. The current assumptions used in the actuarial valuation were adopted by the Board at the November 17, 2021 and February 17, 2022 meetings and were first utilized with the January 1, 2022 valuation report. For a detailed description of the experience related to these assumptions, as well as the rationale for any changes, please see our latest Wyoming Retirement System Actuarial Experience Study Report. Our experience study report that covered the five-year investigation period ending December 31, 2020. All actuarial assumptions used in this report are reasonable for the purposes of this valuation.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations presented in the report are intended to provide information for rational decision making.

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.

The 7.12% employer contribution and the 16.65% employee contribution are the rates that comply with State law. Due to the many factors affecting a retirement system, users of this report should be



aware that contributions made at that rate do not necessarily guarantee long-term benefit security.

The employer contribution requirement in Table 1 of this report is determined using the actuarial assumptions and methods disclosed in Appendix A of this report. This report does not include a detailed assessment of the risks of future experience not meeting the actuarial assumptions. Additional assessment of risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the plan's financial condition.

All assumptions and methods are described in Appendix A of the report.

### **Data**

Member data for retired, active, and inactive members was supplied as of January 1, 2023 by the Fund's staff. We did not audit this data, but we did apply a number of tests to the data, and we concluded that it was reasonable and consistent with the prior year's data.

Asset and financial information as of January 1, 2023 was prepared by Wyoming Retirement System and is the responsibility of management. Eide Bailly, LLP provided us the asset and financial information and will opine on Wyoming Retirement System's statements.

We are not responsible for the accuracy or completeness of the information provided by the System's staff.

### **Plan Experience**

As part of each valuation, we examine the Fund's experience relative to the assumptions. As experience in a given year deviates from the assumptions, a gain occurs if the liabilities grow slower than the assumption set anticipates and a loss occurs if the liabilities grow faster. This past fiscal year the Fund had a total experience loss of \$37,521. The aggregate results of these analyses are disclosed in Tables 4 and 5 under Section III of the report.



### Actuarial Certification

All of the tables contained in this actuarial valuation report were prepared by Gabriel, Roeder, Smith & Company. We certify that the information presented herein is accurate and fairly portrays the actuarial position of the Fund as of January 1, 2023.

All of our work conforms with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with the requirements of state law and, where applicable, the Internal Revenue Code and ERISA.

The undersigned are independent actuaries and consultants.

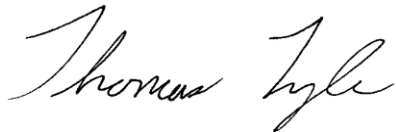
Thomas Lyle and Dana Woolfrey are Enrolled Actuaries and Paul Wood, Thomas Lyle, and Dana Woolfrey are Members of the American Academy of Actuaries, and all three meet all the Qualification Standards of the American Academy of Actuaries.

Finally, all of the undersigned are experienced in performing valuations for large public retirement systems.

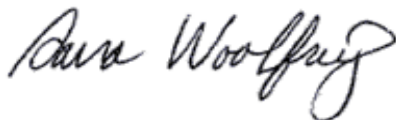
Respectfully submitted,  
**Gabriel, Roeder, Smith & Company**



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# Table of Contents

Page

## Section I — Executive Summary

Executive Summary .....	2
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## Section II — Discussion

Contribution Requirements .....	4
Calculation of Contribution Rates.....	5
Financial Data and Experience.....	6
Member Data.....	7
Benefit Provisions .....	8
Actuarial Methods and Assumptions.....	9
GASB and Funding Progress.....	10

## Section III — Supporting Exhibits

Table 1A - Calculation of Actuarially Determined Employer Contribution Rate .....	12
Table 1B - Calculation of UAAL Amortization Payment.....	13
Table 2 - Cost Breakdown .....	14
Table 3 - History of Total Normal Cost .....	15
Table 4 - Calculation of Total Actuarial Gain/(Loss) .....	16
Table 5 - Change in Calculated Contribution Rate Since the Prior Valuation.....	17
Table 6 - Statement of Plan Net Assets .....	18
Table 7 - Reconciliation of Plan Net Assets .....	19
Table 8 - Progress of Fund Through December 31, 2022 .....	20
Table 9 - Development of Actuarial Value of Assets .....	21
Table 10 - History of Investment Returns.....	22
Table 11 - Solvency Test .....	23
Table 12 - Schedule of Funding Progress.....	24
Table 13 - Schedule of Contributions from the Employer(s) and Other Contributing Entities .....	25
Table 14 - Reconciliation of Participant Data .....	26
Table 15 - Demographic Statistics .....	27
Table 16 - Distribution of Male Active Members by Age and by Years of Service .....	28
Table 17 - Distribution of Female Active Members by Age and by Years of Service.....	29
Table 18 - Distribution of Total Active Members by Age and by Years of Service .....	30



## Table of Contents (continued)

Table 19	- Schedule of Pension Recipients Added to and Removed from Rolls.....	31
Table 20	- Pensioners by Age .....	32
Table 21	- Pensioners by Option Code .....	33
Table 22	- Pensions Awarded in 2022.....	34
Table 23	- Retirees and Disabled Members by Service at Retirement and Years Since Retirement.....	35
Table 24	- Retirees and Disableds by Year of Retirement .....	36
Table 25	- Thirty Year Closed Group Projected Benefit Payments .....	37
<b>Appendix A</b>	— Summary of Actuarial Assumptions and Methods.....	39-44
<b>Appendix B</b>	— Summary of Plan Provisions .....	46-47
<b>Appendix C</b>	— Risks Associated with Measuring the Accrued Liability .....	49-51



**SECTION I**

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**EXECUTIVE SUMMARY**



## Executive Summary

Item	January 1, 2023	January 1, 2022
	No COLA	No COLA
1. Contributions:		
a. Total normal cost	15.26%	15.53%
b. Employee contributions	(16.65%)	(16.65%)
c. Net employer normal cost	(1.39%)	(1.12%)
d. Amortization payment	6.38%	6.38%
e. Administrative expenses	0.53%	0.50%
f. Required contribution	5.52%	5.76%
g. Statutory contribution	(7.12%)	(7.12%)
h. Shortfall/(surplus)	(1.60%)	(1.36%)
2. Funding Elements:		
a. Market value of assets (MVA)	\$9,593,858	\$10,627,210
b. Actuarial value of assets (AVA)	\$9,896,389	\$9,544,656
c. Actuarial accrued liability (AAL)	\$12,009,248	\$11,623,613
d. Unfunded/(overfunded) actuarial accrued liability	\$2,112,859	\$2,078,957
3. Contributions and Ratios:		
a. Actuarially determined contribution	\$126,727	\$126,606
b. Actual contributions	N/A	168,339
i. Employer	N/A	168,330
ii. Other	N/A	9
c. Percentage contributed	N/A	132.96%
d. Funded ratio on an actuarial basis (AVA/AAL)	82.41%	82.11%
e. Funded ratio on a market basis (MVA/AAL)	79.89%	91.43%
f. Projected valuation payroll	\$2,296,970	\$2,199,066

## **SECTION II**

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### **DISCUSSION**

## Contribution Requirements

- Exhibits throughout this report are based primarily, unless stated otherwise, on the assumption of no future cost-of-living adjustments (COLAs).
- W.S. 9-3-454 prohibits benefit changes, including cost-of-living increases, unless the funded ratio stays above 100% plus a margin for adverse experience throughout the life of the benefit change. The actuarial value funded ratio is 82.41% and the market value funded ratio is 79.89%.
- As shown in the Executive Summary, the statutory contributions continue to exceed the Actuarially Determined Contribution.
- There were no changes in the benefit provisions since the prior valuation.
- There were no changes to the actuarial assumptions since the prior valuation. For a detailed description of the experience related to these assumptions, please see our latest Wyoming Retirement System Actuarial Experience Study Report
- An Actuarially Determined Contribution (ADC) is calculated as part of this valuation. Because contribution rates are set in statutes, the ADC could be thought of as a metric to which one could compare the statutory rate. The amortization payment for the purpose of calculating the ADC is based upon the following assumptions:
  - The funding period is based on a 30-year closed period for the initial base as of January 1, 2018 and 20-year closed period layers for future gains and losses
  - Amortization payment amounts are calculated in such a way that they will increase as a level percentage of payroll
  - Total payroll increases assumed at 2.50% per year, and
  - Future growth in the number of active members is not reflected in the annual valuation
- The analysis of the changes in the ADC is shown in Table 5 under Section III of the report.
- The calculated funding period assuming the Statutory contribution rates and an open group projection based on a projection of the market value of assets is 18 years. In the January 1, 2022 valuation, the funding period based on a projection of the market value of assets was 7 years. Projection results were produced under a separate cover.
- The calculated funding period assuming the Statutory contribution rates and an open group projection based on the projection of the actuarial value of assets is 15 years. In the January 1, 2022 valuation, the funding period based on the projection of the actuarial value of assets was 15 years. Projection results were produced under a separate cover.

## Calculation of Contribution Rates

The funds available to pay benefits come from two sources, contributions and investment income on those contributions (the majority of the funds available to pay benefits typically come from investment income). The Fund receives contributions from two sources, employer contributions and member contributions, which are both determined as a percentage of pay. An Actuarially Determined Contribution (ADC) is calculated as part of this valuation. Because contribution rates are set in Statutes, the ADC could be thought of as a metric to which one could compare the Statutory rate. As shown in Table 1 under Section III of the report, the employer ADC has three components:

- The normal cost percentage (NC%)
- The amortization percentage (UAAL%)
- The administrative expenses

The NC% is the theoretical amount which would be required to pay the members' benefits if this amount had been contributed from each member's entry date and if the fund's experience exactly followed the actuarial assumptions. The NC% is shown in Table 3 under Section III of the report.

Members are required to make employee contributions and only the excess of the NC% over the member contribution rate is included in the employer contribution rate.

The actuarial accrued liability (AAL) is the difference between (i) the actuarial present value of all future benefits for all current participants of the fund, including active, inactive and retired members, and (ii) the actuarial present value of future normal costs. Thus, the AAL represents the liability associated with past years. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and the actuarial value of assets (AVA). It is the shortfall/excess between the liability associated with prior years (the AAL) and the assets actually accumulated (the AVA). This shortfall/excess can arise from several sources, including actuarial gains and losses which are caused by differences between actual experience and the plan's assumptions, changes to the plan's actuarial assumptions, and amendments to the benefit provisions.

The UAAL% is the amount required to fund this difference. It is the amount, expressed as a level percentage of payroll, necessary to amortize the UAAL. Amortization bases are established each year and amortized based on the Board's policy. The Board's policy for purposes of calculating the ADC consists of amortizing the unfunded liability as of January 1, 2018, over a closed 30 year period with each subsequent amortization base created as a result of year to year experience changes over individual 20 year closed periods. The Executive Summary shows the UAAL%, called Amortization Payment, compared to that of last year.

Administrative expenses are the average of the actual expenses for the prior two years, with each year projected at 2.50% to the valuation date.

The ADC is calculated for the twelve-month period beginning January 1, 2023. Note, however, that the statutory employer contribution is set at 7.12% of payroll. Therefore, the ADC will be fully contributed. This is detailed in the Executive Summary.



## Financial Data and Experience

As of January 1, 2023, the Fund has a total market value of \$9.6 million. Financial information was received from Eide Bailly, LLP.

Table 7 under Section III of the report shows a reconciliation of the market values between the beginning and end of 2022.

During 2022, the total investment return on the market value of assets (MVA), as reported by Meketa Investment Group, Inc., was -6.99%, as shown in Table 10 under Section III of the report.

In determining the contribution amounts and funded status of the Fund, an actuarial value of assets (AVA) is used rather than the market value of assets. The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (or less than) expected investment income. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year). The returns are computed net of administrative and investment expenses. An adjustment is made if the actuarial value is not within 20% of the Market Value. For any year following a year in which the 20% of market value adjustment was applied, the actuarial value is determined as if the adjustment was not applied in the previous year.

The development of the AVA is shown in Table 9 under Section III of the report. The AVA is \$9.9 million. The AVA is 103.15% of the MVA as of December 31, 2022, compared to 89.81% last year. The difference between the AVA and the MVA is deferred gains and losses. As of January 1, 2023, the total deferred loss was \$302,531 and as of January 1, 2022, the total deferred gain was \$1,082,554. Having a deferred loss in the AVA is an indicator that the funded ratio will have a downward “tilt” in the near term, and the ADC will likewise have upward pressure.

In addition to the market return, Table 10 also shows the return on the actuarial value of assets for the Fund. For 2022, this return was 7.21%. Since this return is greater than the prior assumed 6.80% investment return, an actuarial gain occurred decreasing the unfunded actuarial accrued liabilities of the Fund by \$37,860 as shown in Table 4.



## Member Data

Member data as of January 1, 2023 was supplied electronically by the Fund's staff. While we did not audit this data, we did perform various tests to ensure that it was internally consistent, consistent with the prior year's data, and was reasonable overall.

Table 15 under Section III of the report shows the number of members by category (active, inactive, retired, etc.) along with member statistics. Tables 16 through 23 show summaries of certain historical data and include membership statistics.

Of the 38 active participants, none are eligible or will become eligible for normal retirement and two are eligible or will become eligible for early retirement in 2023.

The average of the final average salaries for participants who retired or became disabled this year is \$79,114.

Total active member payroll increased 4.45% last year; the number of active members remained level at 38.

This change in payroll is significant because the Fund receives its statutory contributions as a percent of pay. If payroll does not grow at the assumed rate, then fewer contributions will be made to the plan and the funding of the Fund will be delayed. Furthermore, the methodology used in the valuation to amortize the unfunded actuarial accrued liability assumes a growing payroll into the future. If the payroll does not grow at the assumed 2.50% per year average, then the current amortization payments may be understated and the funding position of the Fund will not strengthen as assumed over time. Higher than expected payroll growth, however, has the opposite effect and the funded position of the Fund should trend to 100%. Table 5 under Section III of the report shows, for the past year, payroll for the plan decreased, so the effect is a decrease in the calculated contribution rate of 0.12% of payroll.

## Benefit Provisions

Appendix B of the report includes a more detailed summary of the benefit provisions for the Fund. A brief summary is as follows:

- *Normal Retirement Eligibility*
  - Age 60 with four or more years of service, or age 50 with 25 or more years of service.
- *Normal Retirement Benefit*
  - 2.50% of employee's Final Average Salary for each year of credited service. This amount is reduced by 5.0% per year that the employee is under age 60. However, members who are at least age 55 retiring with a combined age and service of at least 75 receive an unreduced benefit.
- *Normal Form of Payment*
  - Monthly benefit for life with a lump-sum death benefit equal to the excess (if any) of the employee contributions with interest over the total benefits received.
- *Employee Contributions* are required
  - 16.65% of pay.
- *Post-retirement Cost-of-Living Adjustments (COLAs)*
  - W.S. 9-3-454 prohibits benefit changes, including cost-of-living increases, unless the funded ratio stays above 100% plus a margin for adverse experience throughout the life of the benefit change.

There were no changes in the benefit provisions since the prior valuation.

## Actuarial Methods and Assumptions

Appendix A of the report includes a summary of the actuarial assumptions and methods used in this valuation. A few highlights are listed as follows:

- Costs are determined using the Entry Age Normal actuarial cost method, calculated as a level percentage of payroll.
- The unfunded actuarial accrued liability is amortized over an effective 23 year closed period as a level percent of payroll. Future valuations will include additional amortization layers on a closed 20 year basis.
- The assumed annual investment return rate is 6.80%, with assumed inflation of 2.25%.
- Payroll is assumed to increase at 2.50% per year.
- Inactive vested participants are assumed to retire at age 60 or on the valuation date if over age 60.
- No benefit data is available for members entitled to deferred benefits. The present value of benefits expected to be paid to vested inactive non-retired members is approximated using the data provided.

The average future lifetime for current pensioners is 23.6 years.

The actuarial assumptions and methods were reviewed in detail as part of the 2021 Experience Study covering the five year period ending December 31, 2020. Please see Appendix A for a summary of these assumptions.





## **GASB and Funding Progress**

Governmental Accounting Standards Board Statement Number 67 (GASB 67) contains certain accounting requirements for the Fund. Schedules, notes and required supplementary information are provided under separate cover.



## **SECTION III**

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### **SUPPORTING EXHIBITS**

## Table 1A

### Calculation of Actuarially Determined Employer Contribution Rate (Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2023	January 1, 2022
1. Projected valuation payroll	\$2,296,970	\$2,199,066
2. Present value of future pay	\$19,077,506	\$17,852,249
3. Employer normal cost rate	(1.39%)	(1.12%)
4. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	\$5,751,862	\$5,121,265
b. Less: present value of future employer normal costs	267,741	226,474
c. Less: present value of future employee contributions	(3,176,404)	(2,972,399)
d. Actuarial accrued liability	\$2,843,199	\$2,375,340
5. Total actuarial accrued liability for:		
a. Retirees and beneficiaries	\$7,432,286	\$7,453,058
b. Disabled members	1,184,339	1,191,541
c. Inactive members	549,424	603,674
d. Active members (Item 4d)	2,843,199	2,375,340
e. Total	\$12,009,248	\$11,623,613
6. Actuarial value of assets (Table 9)	\$9,896,389	\$9,544,656
7. Unfunded actuarial accrued liability (UAAL) (Item 5e - Item 6)	\$2,112,859	\$2,078,957
8. Effective UAAL amortization period	23 years	24 years
9. Assumed payroll growth rate	2.50%	2.50%
10. Actuarially Determined Employer Contribution		
a. UAAL amortization payment as % of pay	6.38%	6.38%
b. Employer normal cost	-1.39%	-1.12%
c. Administrative expense	0.53%	0.50%
d. Employer Contribution (a + b + c)	5.52%	5.76%

**Table 1B**  
**Calculation of UAAL Amortization Payment**  
**(Assumes No Future Cost-Of-Living Increases)**

UAAL as of January 1, 2023				\$2,112,859
Total Prior Remaining Amortization Bases as of January 1, 2023				2,075,338
<b>2023 Amortization Base as of January 1, 2023</b>				<b>\$37,521</b>
<b>2023 Payment (20 years, level percent of pay amortization)</b>				<b>\$2,786</b>
<b>As of January 1, 2023</b>				
Base Year	Initial Base	Remaining Base	Years Remaining	Amortization Payment
2023 Experience Loss	37,521	37,521	20	2,786
2022 Experience Loss	256,838	254,596	19	19,546
2022 Assumption Changes	402,286	398,774	19	30,615
2021 Experience Gain	(25,784)	(25,287)	18	(2,013)
2020 Experience Loss	122,713	118,711	17	9,825
2019 Experience Gain	(13,065)	(12,426)	16	(1,073)
2018 Experience Loss	1,304,897	1,340,970	25	86,902
<b>Total</b>		<b>\$ 2,112,859</b>		<b>\$ 146,588</b>

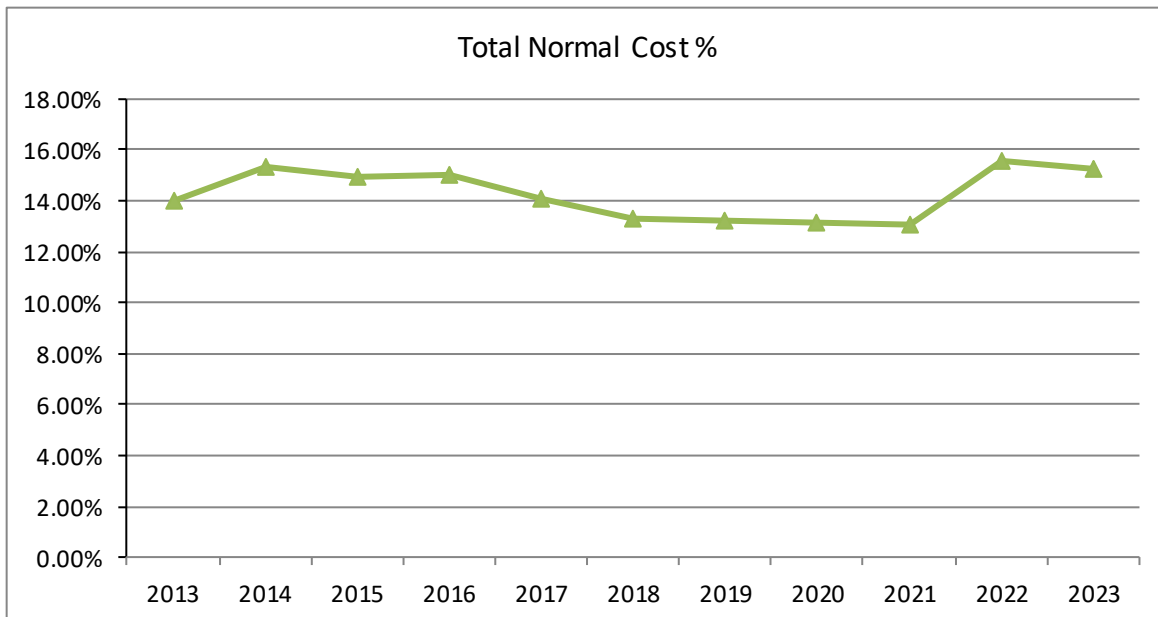
**Table 2**  
**Cost Breakdown**  
**(Assumes No Future Cost-Of-Living Increases)**

Item	Present Value of Future Normal Costs (1)	Actuarial Accrued Liabilities (2)	Total Present Value of Benefits (3) = (1) + (2)
Age and service allowances based on total service and disability benefits likely to be rendered by present active members	\$1,485,012	\$2,640,765	\$4,125,777
Death-in-service benefits likely to be paid on behalf of present active members (employer financed portion)	30,696	49,036	79,732
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active members	1,392,955	153,398	1,546,353
Benefits likely to be paid to vested inactive members	0	392,818	392,818
Benefits to be paid to members due refunds	0	156,606	156,606
Benefits to be paid to current retirees, disabled members, beneficiaries, and future beneficiaries of current retirees	0	8,616,625	8,616,625
<b>Total</b>	<b>\$2,908,663</b>	<b>\$12,009,248</b>	<b>\$14,917,911</b>
Actuarial value of assets	0	9,896,389	9,896,389
Liabilities to be covered by future contributions	\$2,908,663	\$2,112,859	\$5,021,522

## Table 3

### History of Total Normal Cost

Fiscal Year Ending December 31 (1)	Normal Cost as Percent of Payroll (2)
2013	14.02%
2014	15.30%
2015	14.95%
2016	15.04%
2017	14.05%
2018	13.32%
2019	13.22%
2020	13.17%
2021	13.07%
2022	15.53%
2023	15.26%



## Table 4

### Calculation of Total Actuarial Gain/(Loss)

(Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2023
1. Derivation of Experience Gain/(Loss)	
a. Unfunded actuarial accrued liability (UAAL) - previous valuation	\$2,078,957
b. Normal cost (NC) for fiscal year ending December 31, 2022	\$341,554
c. Expected administrative expenses for fiscal year ending December 31, 2022	\$10,900
d. Actuarially determined contribution for fiscal year ending December 31, 2022	\$492,749
e. Interest accrual:	
(i) For whole year on (a)	\$141,369
(ii) For half year on (b) + (c) - (d)	(\$4,692)
(iii) Total interest: (e)(i) + (e)(ii)	\$136,677
f. Change in UAAL due to plan changes	-
g. Change in UAAL due to assumption change	-
h. Expected UAAL current year: (a) + (b) + (c) - (d) + (e)(iii) + (f) + (g)	2,075,338
i. Actual UAAL current year	2,112,859
j. Experience gain/(loss): (h) - (i)	(37,521)
k. Experience gain/(loss) as a % of actuarial accrued liability	-0.31%
2. Approximate portion of gain/(loss) due to investments (at actuarial value)	\$37,860
3. Approximate portion of gain/(loss) due to contributions higher or lower than expected	\$72,019
4. Approximate amount of gain/(loss) due to liabilities: (1)(j) - (2) - (3)	(\$147,400)
a. Age & service retirements	(2,716)
b. Disability retirements	1,575
c. Death-In-service	1,027
d. Withdrawal from employment	(9,741)
e. Rehires and new hires	(18,863)
f. Pay increases	(158,940)
g. Death after retirement	15,258
h. Other	24,999
i. Other as a % of actuarial accrued liability	0.21%

## Table 5

### Change in Calculated Contribution Rate Since the Prior Valuation

(Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2023
1. Calculated contribution rate as of January 1, 2022	5.76%
2. Change in contribution rate during year	
a. Change in employer normal cost	-0.27%
b. Assumption changes	0.00%
c. Actuarial (gain) loss from investments on actuarial value of assets	-0.13%
d. Actuarial (gain) loss from liability sources and administrative expenses	0.52%
e. Difference between contributions made and required contributions	-0.24%
f. Effect of payroll growing (faster)/slower than assumption	-0.12%
h. Other changes	0.00%
i. Total change	-0.24%
3. Calculated contribution rate as of January 1, 2023	5.52%



**Table 6**  
**Statement of Plan Net Assets**

Assets at Market Value		
Item	FYE 2022	FYE 2021
1. Cash and Cash Equivalents (Operating Cash)	\$704,010	\$749,720
2. Receivables		
a. Insurance premium tax	\$0	\$0
b. Buy backs	0	0
c. Employee contributions	0	0
d. Employer contributions	0	0
e. Securities sold	4,085	10,126
f. Accrued interest and dividends	17,442	24,329
g. Currency contract receivable	567,309	839,753
h. Other	0	0
i. Rebate and fee income receivable	0	0
j. Total Receivables	\$588,836	\$874,208
3. Investments, at Fair Value	\$9,354,099	\$10,441,926
4. Liabilities		
a. Benefits and refunds payable	\$0	\$0
b. Accrued payroll taxes and deductions	0	0
c. Securities purchased	(13,585)	(36,397)
d. Administrative and consulting fees payable	(13,648)	(13,539)
e. Currency contract payable	(582,279)	(834,327)
f. Securities lending collateral	(\$443,575)	(554,381)
g. Total Liabilities	(1,053,087)	(1,438,644)
5. Total Market Value of Assets Available for Benefits	\$9,593,858	\$10,627,210

**Table 7**  
**Reconciliation of Plan Net Assets**

Assets at Market Value		
Item	FYE 2022	FYE 2021
A. Market Value of Assets at Beginning of Year	\$10,627,210	\$9,374,689
B. Contribution Income:		
1. Contributions		
a. Employee	\$393,638	\$364,707
b. Employer	168,330	155,959
c. Other	9	0
d. Total	\$561,977	\$520,666
2. Investment Income		
a. Interest, dividends, and other income	\$188,368	\$174,944
b. Net appreciation	(844,104)	1,450,745
c. Investment expenses	(53,654)	(58,938)
d. Net investment income	(\$709,390)	\$1,566,751
3. Securities Lending		
a. Gross income	\$8,121	1,075
b. Deductions	(7,149)	(161)
c. Net investment income	\$972	\$914
4. Benefits and Refunds		
a. Refunds	(\$194,630)	(\$178,314)
b. Regular monthly benefits	(681,226)	(644,223)
c. Total	(\$875,856)	(\$822,537)
5. Administrative and miscellaneous expenses	(\$11,055)	(\$13,273)
C. Market Value of Assets at End of Year	\$9,593,858	\$10,627,210

**Table 8**  
**Progress of Fund Through December 31, 2022**

Plan Year Ending December 31	Employer Contributions*	Employee Contributions	Administrative Expenses	Net Investment Income**	Benefit Payments	Transfers	Actuarial Value of Assets
Total	\$ 1,813,376	\$ 3,882,365	\$ (77,397)	\$ 5,379,177	\$ (4,851,834)	\$ -	
2012	\$ 230,795	\$ 256,054	\$ (2,899)	\$ 258,394	\$ (43,474)	\$ -	\$ 4,449,572
2013	132,641	310,179	(4,718)	375,914	(88,727)	-	5,174,861
2014	143,582	335,763	(4,372)	405,599	(126,427)	-	5,929,006
2015	158,319	405,026	(4,913)	318,585	(189,069)	-	6,616,954
2016	136,768	376,685	(6,032)	378,942	(702,598)	-	6,800,719
2017	156,268	367,480	(7,033)	484,502	(390,843)	-	7,411,093
2018	231,516	373,168	(7,433)	301,058	(598,879)	-	7,710,523
2019	158,176	369,907	(7,299)	474,906	(512,859)	-	8,193,354
2020	141,013	329,758	(8,370)	730,571	(500,565)	-	8,885,761
2021	155,959	364,707	(13,273)	974,039	(822,537)	-	9,544,656
2022	168,339	393,638	(11,055)	676,667	(875,856)	-	9,896,389

\* Employer contributions include other funding sources and employee contributions may include member redeposits and member service purchase contributions

\*\* Net of investment expenses



**Table 9**  
**Development of Actuarial Value of Assets**

Item	FYE 2022	FYE 2021
1. Actuarial value of assets, beginning of year (without corridor)	\$9,544,656	\$8,885,761
2. Market value, end of year	\$9,593,858	\$10,627,210
3. Market value, beginning of year	\$10,627,210	\$9,374,689
4. Non-investment/administrative net cash flow:		
a. Employee contributions	\$393,638	\$364,707
b. Employer contributions	168,330	155,959
c. Other contributions	9	-
d. Refund of employee accounts	(194,630)	(178,314)
e. Retirement benefits	(681,226)	(644,223)
f. Administrative expenses	(11,055)	(13,273)
g. Total net cash flow: [sum of (4a) through (4f)]	<u>(\$324,934)</u>	<u>(\$315,144)</u>
5. Investments and securities lending:		
a. Interest and dividends on investments	\$188,368	\$174,944
b. Gross income from securities lending	8,121	1,075
c. Fees and expenses	(60,803)	(59,099)
d. Total net income: [sum of (5a) through (5c)]	<u>\$135,686</u>	<u>\$116,920</u>
6. Investment income:		
a. Actual market return: (2) - (3) - (4g) - (5d)	(\$844,104)	\$1,450,745
b. Assumed rate of return	6.80%	7.00%
c. Assumed amount of return	576,098	528,465
d. Amount subject to phase-in: (6a) - (6c)	<u>(\$1,420,202)</u>	<u>\$922,280</u>
7. Phase-in recognition of investment income:		
a. Current year: 0.20 * (6d)	(\$284,040)	\$184,456
b. First prior year	184,456	60,560
c. Second prior year	60,560	159,141
d. Third prior year	159,141	(155,234)
e. Fourth prior year	(155,234)	79,731
f. Total recognition	<u>(\$35,117)</u>	<u>\$328,654</u>
<b>8. Actuarial value of assets, end of year</b>		
a. Preliminary actuarial value of assets, end of year: (1) + (4g) + (5d) + (6c) + (7f)	\$9,896,389	\$9,544,656
b. Upper corridor limit: 120% * (2)	11,512,629	12,752,652
c. Lower corridor limit: 80% * (2)	7,675,086	8,501,768
d. Actuarial value of assets, end of year	\$9,896,389	\$9,544,656
9. Difference between market and actuarial value of assets	(\$302,531)	\$1,082,554
<b>10. Actuarial rate of return</b>	7.21%	11.16%
<b>11. Market rate of return*</b>	-6.99%	17.19%
<b>12. Ratio of actuarial value to market value of assets</b>	103.15%	89.81%

\* Current year market rate of return is based on unaudited data and is supplied by the plan's investment consultant.

## Table 10

### History of Investment Returns

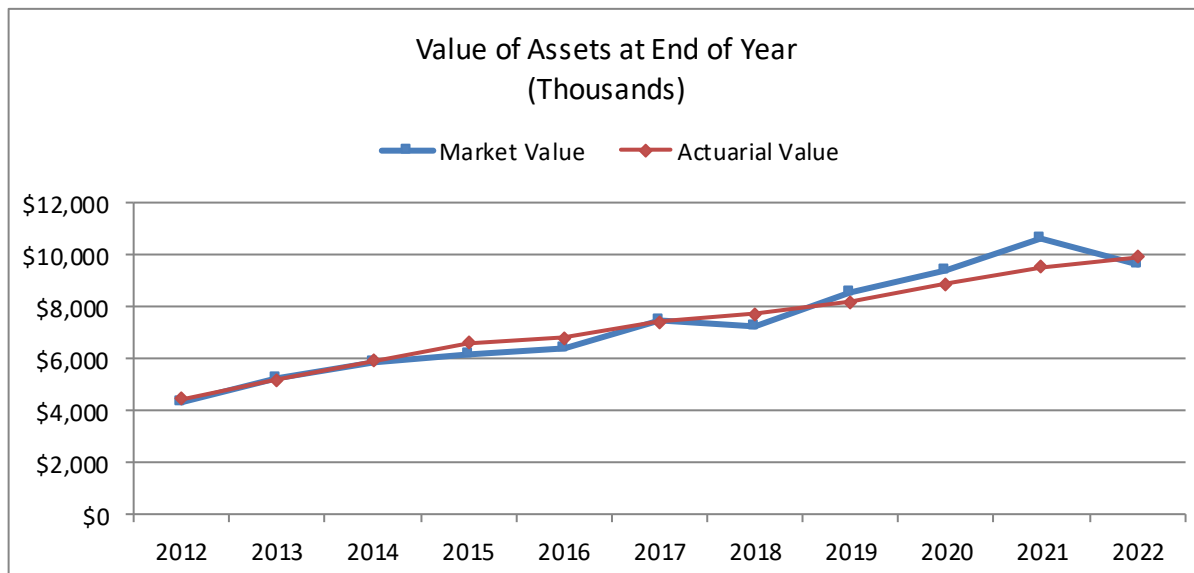
#### History of Investment Returns

Plan Year (1)	Market (2)	Actuarial (3)
2012	14.05%	6.51%
2013	13.53%	8.13%
2014	4.70%	7.58%
2015	-0.26%	5.21%
2016	7.60%	5.81%
2017	14.20%	7.06%
2018	-3.52%	4.06%
2019	18.72%	6.16%
2020	11.03%	8.94%
2021	17.19%	11.16%
2022	-6.99%	7.21%

**Average returns:**

Last five years:	6.75%	7.48%
Last ten years:	7.28%	7.12%

The market returns above are gross of investment expenses and were provided by the plan's investment consultant. The actuarial returns above are based on the financial information provided by the plan's auditors.



**Table 11**  
**Solvency Test**

Valuation Date January 1	Total Active Member Contributions (1)	Inactive and Pensioner Liability (2)	Employer Financed Active Accrued Liability (3)	Actuarial Value of Assets	Percentage of Liabilities Covered by Assets		
					(1)	(2)	(3)
2013	\$3,102,424	\$553,829	\$1,195,992	\$4,449,572	100%	100%	66%
2014	3,290,382	1,002,630	1,511,749	5,174,861	100%	100%	58%
2015	3,550,851	1,875,850	1,184,710	5,929,006	100%	100%	42%
2016	3,715,740	2,483,877	1,137,107	6,616,954	100%	100%	37%
2017	2,973,289	4,092,677	732,142	6,800,719	100%	94%	0%
2018	3,140,818	4,840,204	734,968	7,411,093	100%	88%	0%
2019	3,387,553	4,979,576	645,514	7,710,523	100%	87%	0%
2020	3,254,259	5,921,861	451,152	8,193,354	100%	83%	0%
2021	2,718,647	7,258,143	323,788	8,885,761	100%	85%	0%
2022	2,074,018	9,248,273	301,322	9,544,656	100%	81%	0%
2023	2,328,772	9,166,049	514,427	9,896,389	100%	83%	0%

**Table 12**  
**Schedule of Funding Progress**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Valuation Date January 1	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) [(3) - (2)]	Funded Ratio [(2)/(3)]	Covered Payroll	UAAL as a Percentage of Covered Payroll [(4)/(6)]
2014	\$5,174,861	\$5,804,761	\$629,900	89.15%	\$1,805,329	34.89%
2015	5,929,006	6,611,411	682,405	89.68%	2,214,578	30.81%
2016	6,616,954	7,336,724	719,770	90.19%	2,243,456	32.08%
2017	6,800,719	7,798,108	997,389	87.21%	2,059,595	48.43%
2018	7,411,093	8,715,990	1,304,897	85.03%	2,208,407	59.09%
2019	7,710,523	9,012,642	1,302,119	85.55%	2,399,940	54.26%
2020	8,193,354	9,627,272	1,433,918	85.11%	2,374,043	60.40%
2021	8,885,761	10,300,578	1,414,817	86.26%	2,211,746	63.97%
2022	9,544,656	11,623,613	2,078,957	82.11%	2,199,066	94.54%
2023	9,896,389	12,009,248	2,112,859	82.41%	2,296,970	91.98%

**Table 13**

**Schedule of Contributions from the Employer(s) and Other Contributing Entities**

(1)	(2)	(3)	(4)	(5)	(6)
Fiscal Year Ending December 31	Actuarially Determined Contribution		Employer Contributions*		Percentage of Actuarially Determined Contribution Contributed [(5)/(3)]
	% of Payroll	Amount	% of Payroll	Amount	
2014	0.75%	\$13,694	7.95%	\$143,582	1,048.52%
2015	0.18%	3,987	7.15%	158,319	3,970.65%
2016	0.34%	7,634	6.10%	136,768	1,791.66%
2017	0.29%	6,011	7.59%	156,268	2,599.80%
2018	0.53%	11,590	7.23%	159,583	1,376.86%
2019	0.19%	4,344	6.59%	158,176	3,641.25%
2020	0.65%	15,348	5.94%	141,013	918.78%
2021	0.88%	19,558	7.05%	155,959	797.41%
2022	5.76%	126,605	7.66%	168,339	132.96%
2023	5.52%	126,727	-	-	-

\* Includes other funding sources but excludes member redeposits and member service purchase contributions.



**Table 14**  
**Reconciliation of Participant Data**

	Active Participants	Vested Former Participants	Retired Participants	Disabled	Beneficiaries	Participants Due Refunds	Total
<b>Number as of January 1, 2022</b>	<b>38</b>	<b>6</b>	<b>16</b>	<b>3</b>	-	<b>8</b>	<b>71</b>
New participants	4	-	-	-	-	1	5
Vested terminations	(1)	1	-	-	-	-	-
Retirements	(1)	-	1	-	-	-	-
Disability	-	-	-	-	-	-	-
Deceased with beneficiary	-	-	-	-	-	-	-
Deceased without beneficiary	-	-	-	-	-	-	-
Due refunds	(2)	-	-	-	-	2	-
Lump sum payoffs	-	(2)	-	-	-	-	(2)
Rehires/return to active	-	-	-	-	-	-	-
Certain period expired	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Data corrections	-	-	-	-	-	-	-
<b>Number as of January 1, 2023</b>	<b>38</b>	<b>5</b>	<b>17</b>	<b>3</b>	-	<b>11</b>	<b>74</b>

**Table 15**  
**Demographic Statistics**

	January 1		Change
	2023	2022	
<u>Active Participants</u>			
Number	38	38	0.0%
<i>Vested</i>	17	16	
<i>Not vested</i>	21	22	
Average age (years)	32.54	33.20	-2.0%
Average service (years)	5.55	5.03	10.3%
Average entry age (years)	26.99	28.17	-4.2%
Total payroll*	\$2,296,970	\$2,199,066	4.5%
Average payroll*	\$60,447	\$57,870	4.5%
Total employee contributions with interest	\$2,328,772	\$2,074,018	12.3%
Average employee contributions with interest	\$61,283	\$54,579	12.3%
<u>Vested former participants</u>			
Number	5	6	-16.7%
Average age (years)	41.33	39.31	5.1%
Total employee contributions with interest	\$392,582	\$485,305	-19.1%
Average employee contributions with interest	\$78,516	\$80,884	-2.9%
<u>Service Retirees</u>			
Number	17	16	6.3%
Average age (years)	62.87	61.72	1.9%
Total annual benefits	\$589,179	\$584,362	0.8%
Average annual benefit	\$34,658	\$36,523	-5.1%
<u>Disability Retirees</u>			
Number	3	3	0.0%
Average age (years)	50.06	49.06	2.0%
Total annual benefits	\$93,953	\$93,953	0.0%
Average annual benefit	\$31,318	\$31,318	0.0%
<u>Beneficiaries</u>			
Number	0	0	0.0%
Average age (years)	0.00	0.00	
Total annual benefits	\$0	\$0	
Average annual benefit	N/A	N/A	
<u>Participants Due Refunds</u>			
Number	11	8	37.5%
Total Refunds Due	\$156,606	\$118,369	32.3%

\* Projected payroll for the upcoming valuation year



## Table 16

### Distribution of Male Active Members by Age and by Years of Service

Average Age = 33.1      Average Service = 5.8

Age Last Birthday		Whole Years of Service at Valuation Date						Totals
		0-4	5-9	10-14	15-19	20-24	25-29	
<b>Less than 20</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	*	-	-	-	-	-	*
<b>20-24</b>	Count	8	-	-	-	-	-	8
	Avg. Salary	\$50,880	-	-	-	-	-	\$50,880
<b>25-29</b>	Count	3	3	-	-	-	-	6
	Avg. Salary	*	*	-	-	-	-	53,748
<b>30-34</b>	Count	5	1	1	-	-	-	7
	Avg. Salary	54,503	*	*	-	-	-	56,936
<b>35-39</b>	Count	6	3	-	-	-	-	9
	Avg. Salary	52,878	*	-	-	-	-	59,072
<b>40-44</b>	Count	-	1	1	1	-	-	3
	Avg. Salary	-	*	*	*	-	-	*
<b>45-49</b>	Count	-	-	-	-	2	-	2
	Avg. Salary	-	-	-	-	*	-	*
<b>50-54</b>	Count	-	-	1	-	-	-	1
	Avg. Salary	-	-	*	-	-	-	*
<b>55-59</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>60-64</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>65-69</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>70 &amp; Over</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>Totals</b>	Count	<b>22</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>2</b>	-	<b>36</b>
	Avg. Salary	<b>\$51,937</b>	<b>\$64,728</b>	<b>*</b>	<b>*</b>	<b>*</b>	-	<b>\$59,391</b>

*Average Salary represents annualized salary earned in 2022 and is not shown for cells with counts less than or equal to three participants*

## Table 17

### Distribution of Female Active Members by Age and by Years of Service

Average Age = 23.3      Average Service = 1.1

Age Last Birthday		Whole Years of Service at Valuation Date						Totals	
		0-4	5-9	10-14	15-19	20-24	25-29		30 Plus
Less than 20	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
20-24	Count	1	-	-	-	-	-	-	1
	Avg. Salary	*	-	-	-	-	-	-	*
25-29	Count	1	-	-	-	-	-	-	1
	Avg. Salary	*	-	-	-	-	-	-	*
30-34	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
35-39	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
40-44	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
45-49	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
50-54	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
55-59	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
60-64	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
65-69	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
70 & Over	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
<b>Totals</b>	Count	<b>2</b>	-	-	-	-	-	-	<b>2</b>
	Avg. Salary	<b>*</b>	-	-	-	-	-	-	<b>*</b>

*Average Salary represents annualized salary earned in 2022 and is not shown for cells with counts less than or equal to three participants*

## Table 18

### Distribution of Total Active Members by Age and by Years of Service

Average Age = 32.5      Average Service = 5.6

Age Last Birthday		Whole Years of Service at Valuation Date						Totals
		0-4	5-9	10-14	15-19	20-24	25-29	
<b>Less than 20</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>20-24</b>	Count	9	-	-	-	-	-	9
	Avg. Salary	\$50,923	-	-	-	-	-	\$50,923
<b>25-29</b>	Count	4	3	-	-	-	-	7
	Avg. Salary	49,348	*	-	-	-	-	53,441
<b>30-34</b>	Count	5	1	1	-	-	-	7
	Avg. Salary	54,503	*	*	-	-	-	56,936
<b>35-39</b>	Count	6	3	-	-	-	-	9
	Avg. Salary	52,878	*	-	-	-	-	59,072
<b>40-44</b>	Count	-	1	1	1	-	-	3
	Avg. Salary	-	*	*	*	-	-	*
<b>45-49</b>	Count	-	-	-	-	2	-	2
	Avg. Salary	-	-	-	-	*	-	*
<b>50-54</b>	Count	-	-	1	-	-	-	1
	Avg. Salary	-	-	*	-	-	-	*
<b>55-59</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>60-64</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>65-69</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>70 &amp; Over</b>	Count	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-
<b>Totals</b>	Count	<b>24</b>	<b>8</b>	<b>3</b>	<b>1</b>	<b>2</b>	-	<b>38</b>
	Avg. Salary	<b>\$51,895</b>	<b>\$64,728</b>	<b>*</b>	<b>*</b>	<b>*</b>	-	<b>\$58,972</b>

*Average Salary represents annualized salary earned in 2022 and is not shown for cells with counts less than or equal to three participants*

## Table 19

### Schedule of Pension Recipients Added to and Removed from Rolls

Fiscal Year Ending December 31	Added to Rolls*		Removed from Rolls		Total		Percent Increase in Annual Pension Benefits	Average Annual Pension Benefit
	Count	Annual	Count	Annual	Count	Annual		
		Pension Benefits		Pension Benefits		Pension Benefits		
2013	1	\$ 46,109	0	\$0	3	\$86,238	114.90%	\$20,065
2014	2	66,242	0	0	5	152,480	76.81%	30,496
2015	1	40,663	0	0	6	193,143	26.67%	32,191
2016	3	138,890	0	0	9	332,033	71.91%	36,893
2017	1	32,744	0	0	10	364,776	9.86%	36,478
2018	1	27,581	0	0	11	392,357	7.56%	35,669
2019	2	71,764	0	0	13	464,121	18.29%	35,702
2020	2	74,397	0	0	15	538,518	16.03%	35,901
2021	4	139,797	0	0	19	678,316	25.96%	35,701
2022 **	1	4,816	0	0	20	683,132	0.71%	34,157

\* Includes cost-of-living increases

\*\* Also includes the reduction in benefits for one member

## Table 20

### Pensioners by Age

Average Age Male = 61.8      Average Age Female = 53.6      Average Age Total = 60.9

Age Last Birthday	Males	Females	Total
Under 50	1	0	1
50-54	3	2	5
55-59	2	0	2
60-64	6	0	6
65-69	3	0	3
70-74	2	0	2
75-79	1	0	1
80-84	0	0	0
85 & over	0	0	0
<b>Total</b>	<b>18</b>	<b>2</b>	<b>20</b>

**Table 21**  
**Pensioners by Option Code**

Option Code **	Count			Monthly Benefit		
	Male	Female	Total	Male	Female	Total
1	4	1	5	\$11,733	*	\$15,121
2	9	-	9	\$20,477	-	20,477
2P	3	1	4	*	*	12,636
3	-	-	-	-	-	-
3P	2	-	2	*	-	*
4	-	-	-	-	-	-
5	-	-	-	-	-	-
<b>Total</b>	<b>18</b>	<b>2</b>	<b>20</b>	<b>\$49,329</b>	<b>*</b>	<b>\$56,928</b>
<b>Beneficiaries</b>	-	-	-	-	-	-
<b>Grand Total</b>	<b>18</b>	<b>2</b>	<b>20</b>	<b>\$49,329</b>	<b>*</b>	<b>\$56,928</b>

\* Average benefit is not shown for cells with count less than or equal to three participants

\*\* See Optional Forms of Payment in Appendix B



**Table 22**  
**Pensions Awarded in 2022**

Average Age = 64.4

Males & Females								
Benefit Amount	1	2	2P	3	3P	4	5	Total
Under \$200	0	0	0	0	0	0	0	0
\$200-\$399	0	0	0	0	0	0	0	0
\$400-\$599	0	0	0	0	0	0	0	0
\$600-\$799	0	1	0	0	0	0	0	1
\$800-\$999	0	0	0	0	0	0	0	0
\$1,000-\$1,499	0	0	0	0	0	0	0	0
\$1,500-\$1,999	0	0	0	0	0	0	0	0
\$2,000-\$2,499	0	0	0	0	0	0	0	0
\$2,500 & over	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Males & Females								
Age Last Birthday	1	2	2P	3	3P	4	5	Total
Under 50	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	0	0
55-59	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	0	0
65-69	0	1	0	0	0	0	0	1
70-74	0	0	0	0	0	0	0	0
75-79	0	0	0	0	0	0	0	0
80-84	0	0	0	0	0	0	0	0
85 & over	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>



## Table 23

### Retirees and Disabled Members by Service at Retirement and Years Since Retirement

(Average Monthly Benefit)

Average Service at Retirement = 21.5      Average Years Since Retirement = 6.1

Service at Retirement		Years Elapsed Since Retirement						Totals
		0-4	5-9	10-14	15-19	20-24	25-29	
<b>Less than 5</b>	Count	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-
<b>5-9</b>	Count	2	-	-	-	-	-	2
	Avg. Benefit	*	-	-	-	-	-	*
<b>10-14</b>	Count	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-
<b>15-19</b>	Count	1	2	-	1	-	-	4
	Avg. Benefit	*	*	*	\$1,568	-	-	\$2,231
<b>20-24</b>	Count	4	4	-	-	1	-	9
	Avg. Benefit	\$2,455	\$3,319	-	*	\$1,776	-	\$2,763
<b>25-29</b>	Count	3	2	-	-	-	-	5
	Avg. Benefit	*	*	-	-	-	-	\$4,107
<b>30-34</b>	Count	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-
<b>35 &amp; Over</b>	Count	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-
<b>Totals</b>	Count	<b>10</b>	<b>8</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>20</b>
	Avg. Benefit	<b>\$2,653</b>	<b>\$3,382</b>	<b>-</b>	<b>*</b>	<b>*</b>	<b>-</b>	<b>\$2,846</b>

*Average benefit is not shown for cells with count less than or equal to three participants*

## Table 24

### Retirees and Disableds by Year of Retirement

January 1, 2023 Total = 20

Year of Retirement	Count
<b>Under 1998</b>	0
1998	0
1999	0
2000	0
2001	0
2002	1
2003	0
2004	0
2005	0
2006	0
2007	1
2008	0
2009	0
2010	0
2011	0
2012	0
2013	1
2014	2
2015	1
2016	3
2017	1
2018	1
2019	2
2020	3
2021*	3

*\*May include retirements as of January 1, 2023*

**Table 25****Thirty Year Closed Group Projected Benefit Payments**

<b>Year Ending December 31</b>	<b>Actives</b>	<b>Retirees*</b>	<b>Total</b>
<b>2023</b>	\$ 34,761	\$ 682,232	\$ 716,993
<b>2024</b>	40,237	680,296	720,533
<b>2025</b>	22,795	678,196	700,991
<b>2026</b>	21,902	675,906	697,808
<b>2027</b>	36,361	680,579	716,941
<b>2028</b>	49,910	684,842	734,752
<b>2029</b>	63,545	681,789	745,334
<b>2030</b>	80,397	678,399	758,797
<b>2031</b>	98,898	674,624	773,523
<b>2032</b>	119,042	670,407	789,449
<b>2033</b>	140,623	665,681	806,304
<b>2034</b>	164,561	660,372	824,933
<b>2035</b>	192,863	654,056	846,919
<b>2036</b>	220,859	646,900	867,759
<b>2037</b>	248,351	639,285	887,636
<b>2038</b>	280,485	630,800	911,284
<b>2039</b>	315,447	629,478	944,925
<b>2040</b>	360,687	619,602	980,289
<b>2041</b>	410,563	608,227	1,018,790
<b>2042</b>	455,145	595,819	1,050,964
<b>2043</b>	512,849	582,354	1,095,202
<b>2044</b>	585,119	567,821	1,152,940
<b>2045</b>	662,128	552,213	1,214,342
<b>2046</b>	736,444	538,434	1,274,878
<b>2047</b>	818,406	530,815	1,349,221
<b>2048</b>	904,794	523,398	1,428,193
<b>2049</b>	972,113	504,007	1,476,120
<b>2050</b>	1,050,666	483,270	1,533,936
<b>2051</b>	1,130,980	461,729	1,592,709
<b>2052</b>	1,194,305	439,524	1,633,828

\* Includes Disabled Members, Beneficiaries, and Deferred Vested Members. Retirement benefit payments for deferred vested members are assumed to commence at age 60.

## **APPENDIX A**

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### **SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS**

# Summary of Actuarial Assumptions and Methods

The following methods and assumptions were used in preparing the January 1, 2023 actuarial valuation report.

## 1. Valuation Date

The valuation date for any given year is January 1<sup>st</sup>, the first day of each plan year. This is the date as of which the actuarial present value of future benefits and the actuarial value of assets are determined.

## 2. Actuarial Cost Method

The actuarial valuation uses the Entry Age Normal (EAN) actuarial cost method, amortized as a level percentage of payroll. Under this method, the employer contribution rate is the sum of (i) the employer normal cost rate, and (ii) the rate that will amortize the unfunded actuarial accrued liability (UAAL).

- a. The valuation is prepared on the projected benefit basis, under which the present value, at the investment return rate assumed to be earned in the future (currently 6.80%), of each participant's expected benefit payable at retirement or death is determined, based on his/her age, service, sex and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his/her terminating with a service, disability, or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable for the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Fund on account of the present group of participants and beneficiaries.
- b. The employer contributions required to support the benefits of the Fund are determined using a level funding approach, and consist of a normal cost contribution and a unfunded accrued liability contribution.
- c. The normal cost contribution is determined using the "entry age normal" actuarial cost method. Under this method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his/her anticipated covered service, would be required to meet the cost of all benefits payable on his/her behalf based on the benefits provisions applicable for the individual member.
- d. The unfunded accrued liability contributions are determined by subtracting the actuarial value of assets from the actuarial accrued liability. Amortization bases are established each year and amortized based on the Board's policy. The Board's policy consists of amortizing the unfunded liability as of January 1, 2018, over a closed 30 year period with each subsequent amortization base created as a result of year to year experience changes over individual 20 year closed periods. The current year amortization base is determined by taking the current unfunded liability less the outstanding amounts of prior year bases.



## Summary of Actuarial Assumptions and Methods (continued)

### 3. Actuarial Value of Assets

The actuarial value of assets is based on the market value of assets with a five-year phase-in of actual investment return in excess of (less than) expected investment income, with interest, dividends, and other income recognized immediately. Expected investment income is determined using the assumed investment return rate and the market value of assets (adjusted for receipts and disbursements during the year).

The returns are computed net of administrative and investment expenses. An adjustment is made if the actuarial value is not within 20% of the Market Value. For any year following a year in which the 20% of market value adjustment was applied, the actuarial value is determined as if the adjustment was not applied in the previous year.

### 4. Economic Assumptions

#### a. Investment return

6.80% per year, compounded annually, composed of an assumed 2.25% inflation rate and a 4.55% net real rate of return. This rate represents the assumed return, net of investment expenses.

#### b. Salary increase rate

Service	Rate	Service	Rate
1	6.50%	14	3.25%
2	6.50%	15	3.00%
3	6.50%	16	3.00%
4	6.00%	17	2.75%
5	5.25%	18	2.75%
6	4.75%	19	2.75%
7	4.25%	20	2.75%
8	4.00%	21	2.50%
9	4.00%	22	2.50%
10	3.50%	23	2.50%
11	3.50%	24	2.50%
12	3.50%	25	2.50%
13	3.50%	25+	2.50%

#### c. Payroll growth rate

In the amortization of the unfunded actuarial accrued liability, payroll is assumed to increase 2.50% per year. This increase rate is solely due to the effect of inflation on salaries, with no allowance for future membership growth.

## Summary of Actuarial Assumptions and Methods (continued)

### d. Cost-of-Living adjustment

No cost-of-living adjustment is assumed since the policy for providing the benefit requires Board approval to make the recommendation to the Joint Appropriations Committee and the funded level of the plan shows a cost-of-living requirement would not be permitted.

## 5. Demographic Assumptions

### a. Mortality

#### Healthy Pre-Retirement Mortality:

Pub-2010 General Active Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale

Males: No set back with a multiplier of 100%

Females: No set back with a multiplier of 100%

#### Healthy Post-Retirement Mortality:

Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale

Males: No set back with a multiplier of 100%

Females: No set back with a multiplier of 103%

#### Disabled Mortality

Pub-2010 General Disabled Retiree Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale

Males: No set back with a multiplier of 100%

Females: No set back with a multiplier of 100%

Age	Pre-Retirement		Post-Retirement		Disabled	
	Projected to 2023 using Scale MP-2020					
	Male	Female	Male	Female	Male	Female
20	0.03%	0.01%	0.03%	0.01%	0.35%	0.20%
25	0.02%	0.01%	0.02%	0.01%	0.23%	0.14%
30	0.03%	0.01%	0.03%	0.01%	0.30%	0.22%
35	0.04%	0.02%	0.04%	0.02%	0.38%	0.34%
40	0.06%	0.03%	0.06%	0.03%	0.54%	0.53%
45	0.08%	0.05%	0.09%	0.06%	0.84%	0.83%
50	0.12%	0.07%	0.25%	0.19%	1.35%	1.24%
55	0.18%	0.10%	0.36%	0.25%	1.77%	1.46%
60	0.27%	0.16%	0.52%	0.33%	2.10%	1.64%
65	0.39%	0.25%	0.77%	0.53%	2.56%	1.90%
70	0.60%	0.42%	1.30%	0.93%	3.32%	2.43%
75			2.29%	1.66%	4.46%	3.44%
80			4.13%	3.00%	6.36%	5.20%
85			7.67%	5.70%	9.65%	8.33%
90			13.51%	10.90%	14.97%	12.59%
95			21.73%	18.41%	22.42%	18.32%
100			31.36%	27.89%	31.36%	27.08%



## Summary of Actuarial Assumptions and Methods (continued)

### b. Disability and Withdrawal

Age	Disability	
	Male	Female
20	0.01%	0.01%
25	0.01%	0.01%
30	0.01%	0.01%
35	0.01%	0.01%
40	0.01%	0.01%
45	0.03%	0.03%
50	0.08%	0.08%
55	0.20%	0.20%
60	0.20%	0.20%

65% of active disabilities are assumed to be duty-related

Withdrawal		
Service	Male	Female
1	13.00%	14.00%
2	13.00%	14.00%
3	13.00%	14.00%
4	13.00%	14.00%
5	13.00%	13.00%
6	11.00%	11.00%
7	10.00%	10.00%
8	9.00%	9.00%
9	8.00%	8.00%
10	8.00%	8.00%
11	8.00%	8.00%
12	8.00%	7.00%
13	7.00%	7.00%
14	6.00%	7.00%
15	6.00%	6.00%
16	5.00%	6.00%
17	5.00%	6.00%
18	4.00%	6.00%
19	3.00%	6.00%
20+	3.00%	6.00%

c. Retirement Rates

Age	Retirement	
	Unreduced	Reduced
<50	15.0%	0.2%
50	15.0%	0.2%
51	15.0%	0.2%
52	15.0%	0.3%
53	15.0%	0.5%
54	15.0%	0.5%
55	17.0%	1.0%
56	17.0%	1.0%
57	17.0%	1.0%
58	17.0%	1.5%
59	17.0%	2.0%
60	13.0%	2.5%
61	13.0%	2.5%
62	18.0%	2.5%
63	15.0%	2.5%
64	15.0%	2.5%
65	30.0%	2.5%
66	35.0%	2.5%
67	28.0%	2.5%
68	25.0%	2.5%
69	25.0%	2.5%
70	25.0%	2.5%
71	20.0%	2.5%
72	20.0%	2.5%
73	20.0%	2.5%
74	15.0%	2.5%
75	15.0%	2.5%
76	15.0%	2.5%
77	15.0%	2.5%
78	15.0%	2.5%
79	15.0%	2.5%
80+	100.0%	100.0%

## Summary of Actuarial Assumptions and Methods (continued)

### 6. Other Assumptions

- a. Percent married: 85% of employees are assumed to be married. (No beneficiaries other than the spouse assumed.)
- b. Age difference: Male members are assumed to be three years older than their spouses, and female members are assumed to be three years younger than their spouses.
- c. Percent electing annuity on death (when eligible): All of the spouses of vested, married participants are assumed to elect an annuity.
- d. Percent electing deferred termination benefit: Vested terminating members are assumed to elect a refund or a deferred benefit, whichever is more valuable at the time of termination.
- e. Assumed age for commencement of deferred benefits: Members electing to receive a deferred benefit are assumed to commence receipt at the first age at which unreduced benefits are available, which for this plan is age 60.
- f. No benefit amount data is available for members entitled to deferred benefits. The benefit is estimated using the final average compensation and service provided by WRS.
- g. There will be no recoveries once disabled.
- h. No surviving spouse will remarry.
- i. Administrative expenses: Assumed to be the average of the actual expenses for the prior two years, with each year projected at 2.50% to the valuation date.
- j. Pay increase timing: Beginning of (fiscal) year. This is equivalent to assuming that reported pay represents amount paid to members during the year ended on the valuation date.
- k. Decrement timing: Decrements of all types are assumed to occur mid-year.
- l. Eligibility testing: Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
- m. Decrement relativity: Decrement rates are converted to probabilities in order to account for multiple decrements.
- n. Incidence of Contributions: Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in the report, and the actual payroll payable at the time contributions are made.
- o. Benefit Service: All members are assumed to accrue one year of service each year. Exact fractional service is used to determine the amount of benefit payable.

## **APPENDIX B**

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### **SUMMARY OF PLAN PROVISIONS**

## Summary of Plan Provisions

<b>Covered Members</b>	Any employees covered by the Air Guard Firefighter Pension Plan (Air Guard Firefighters employees).
<b>Final Average Salary</b>	Employee's average annual salary for the highest paid three continuous years of service.
<b>Service Retirement</b>	
Eligibility	Age 60 with four or more years of service or age 50 with 25 or more years of service. All employees are eligible for a reduced benefit at age 50 with four or more years of service or any age with 25 or more years of service.
Monthly Benefit	2.50% of employee's Final Average Salary for each year of credited service. This amount is reduced by 5.0% per year that the employee is under age 60. However, members who are at least age 55 retiring with a combined age and service of at least 75 receive an unreduced benefit.
Vesting	Any employee who has left employment with four or more years of service, and who has not withdrawn accumulated contributions, is eligible to receive the above benefit or can elect to receive a lump-sum refund of contributions with interest. An employee who terminates with less than four years of service is only eligible for the lump-sum benefit.
<b>Duty Disability Benefit</b>	
Eligibility	No age or service eligibility requirements.
Benefit	65% of salary as of the date of disability, payable immediately.
<b>Non-Duty Disability Benefit</b>	
Eligibility	Ten or more years of service.
Benefit	65% of salary as of the date of disability, payable immediately.
<b>Pre-retirement Death Benefit</b>	
Eligibility	No age or service requirements.
Benefit	A lump sum equal to two times the employee contributions with interest. If the employee is vested, the beneficiary can elect, in lieu of this lump sum, to receive a monthly annuity equal to the actuarial equivalent of the retirement benefit that would be due the employee.



## Summary of Plan Provisions (continued)

### Contributions

Employee	16.65% of salary.
Employer	7.12% of salary.
Interest	3.00% annually.

### Cost-of-Living Improvements

W.S. 9-3-454 prohibits benefit changes, including cost-of-living increases, unless the funded ratio stays above 100% plus a margin for adverse experience throughout the life of the benefit change.

### Optional Forms of Payment

Option 1	Monthly benefit for life with a lump-sum death benefit equal to the excess (if any) of the employee contributions with interest over the total benefits received.
Option 2	Monthly benefit for life. Upon death, 100% of the benefit continues to be paid to the beneficiary.
Option 2P	Monthly benefit for life. Upon death, 100% of the benefit continues to be paid to the beneficiary. Benefit reverts to Option 1 amount but without the cash refund feature upon beneficiary death.
Option 3	Monthly benefit for life. Upon death, 50% of the benefit continues to be paid to the beneficiary.
Option 3P	Monthly benefit for life. Upon death, 50% of the benefit continues to be paid to the beneficiary. Benefit reverts to Option 1 amount but without the cash refund feature upon beneficiary death.
Option 4	Monthly benefit for life with a guarantee of 120 monthly payments.
Option 5	The largest possible monthly benefit payable for life with no lump-sum death benefit.



## APPENDIX C

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### **RISKS ASSOCIATED WITH MEASURING THE ACCRUED LIABILITY**

## Risks Associated With Measuring the Accrued Liability and Actuarially Determined Contribution

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Asset/Liability mismatch – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
6. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution rate shown on page 13 may be considered as a minimum contribution rate that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined rate do not necessarily guarantee benefit security.





# Risks Associated With Measuring the Accrued Liability and Actuarially Determined Contribution (continued)

## Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	<u>January 1, 2023</u>	<u>January 1, 2022</u>
Ratio of the market value of assets to total payroll	4.2	4.8
Ratio of actuarial accrued liability to payroll	5.2	5.3
Ratio of actives to retirees and beneficiaries	1.9	2.0
Ratio of net cash flows to market value of assets	-3%	-3%
Duration of the actuarial accrued liability	13.0	12.7

### Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 4.0 times the payroll, a return on assets 5% different than assumed would equal 20% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

### Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 5.5 times the payroll, a change in liability 2% other than assumed would equal 11% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

### Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

## Risks Associated With Measuring the Accrued Liability and Actuarially Determined Contribution (continued)

### Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

### Duration of Actuarial Accrued Liability

The duration of the actuarial accrued liability may be used to approximate the sensitivity to a 1% change in the assumed rate of return. For example, duration of 10 indicates that the liability would increase approximately 10% if the assumed rate of return were lowered 1%.

### Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.