Wyoming Air Guard Firefighters' Retirement System

Actuarial Valuation Report
for the Year Beginning January 1, 2021

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April 20, 2021

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, 2021

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, 2021. 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, 2021 is 86.26%. In the January 1, 2021 valuation, this funded ratio was 85.11%. On a market value of assets basis, the funded ratio is 91.01% as of January 1, 2021 and 88.45% as of January 1, 2020. 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, 2021. 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 effective August 23, 2017 and were first utilized with the January 1, 2018 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 was dated January 10, 2018 and it covered the five-year investigation period ending December 31, 2016. 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.

Assumptions and Methods (continued)

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, 2021 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, 2021 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 gain of $25,784. 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, 2021.

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.

Mark Randall and Thomas Lyle are Enrolled Actuaries and Mark Randall, Paul Wood, and Thomas Lyle are Members of the American Academy of Actuaries, and all four 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

Mark R. Randall, FCA, EA, MAAA
Chief Executive Officer

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Consultant

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Table of Contents

Table of Contents (continued)

SECTION I

EXECUTIVE SUMMARY

Executive Summary

Item	January 1, 2021 No COLA	January 1, 2020 No COLA
1. Contributions:		
a. Total normal cost	13.07%	13.17%
b. Employee contributions	(16.65%)	(16.65%)
c. Net employer normal cost	(3.58%)	(3.48%)
d. Amortization payment	4.11%	3.82%
e. Administrative expenses	0.35%	0.31%
f. Required contribution	0.88%	0.65%
g. Statutory contribution	(7.12%)	(7.12%)
h. Shortfall/(surplus)	(6.24%)	(6.47%)
2. Funding Elements:		
a. Market value of assets (MVA)	$9,374,689	$8,515,296
b. Actuarial value of assets (AVA)	$8,885,761	$8,193,354
c. Actuarial accrued liability (AAL)	$10,300,578	$9,627,272
d. Unfunded/(overfunded) actuarial accrued liability	$1,414,817	$1,433,918
3. Contributions and Ratios:		
a. Annual required contribution	$19,558	$15,347
b. Actual contributions	N/A	141,013
i. Employer	*N/A*	*141,013*
ii. Other	*N/A*	-
c. Percentage contributed	N/A	918.80%
d. Funded ratio on an actuarial basis (AVA/AAL)	86.26%	85.11%
e. Funded ratio on a market basis (MVA/AAL)	91.01%	88.45%
f. Projected valuation payroll	$2,211,746	$2,374,043

SECTION II

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 86.26% and the market value funded ratio is 91.01%.
- 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.
- The actuarial assumptions have not changed since the prior valuation. 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
- The amortization payment 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 contribution rates is shown in Table 5 under Section III of the report.
- The calculated funding period assuming the current statutory contribution of 7.12% of pay is 5 years.

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. As shown in Table 1 under Section III of the report, the employer contribution rate 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 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 calculated rate is used in determining the contributions necessary to meet the Actuarially Determined Contribution for the twelve-month period beginning January 1, 2021. Note, however, that the employer contribution is set at 7.12% of payroll. Therefore, the Actuarially Determined Contribution will be fully contributed. This is detailed in the Executive Summary.

Financial Data and Experience

As of January 1, 2021, the Fund has a total market value of $9.4 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 2020.

During 2020, the total investment return on the market value of assets (MVA), as reported by Meketa Investment Group, Inc., was 11.03%, 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 $8.9 million. The AVA is 94.78% of the MVA as of December 31, 2020, compared to 96.22% last year. The difference between the AVA and the MVA is deferred gains and losses. As of January 1, 2021, the total deferred gain was $488,928 and as of January 1, 2020, the total deferred gain was $321,942.

In addition to the market return, Table 10 also shows the return on the actuarial value of assets for the Fund. For 2020, this return was 8.94%. Since this return is greater than the prior assumed 7.00% investment return, an actuarial gain occurred decreasing the unfunded actuarial accrued liabilities of the Fund by $158,017 as shown in Table 4.

Member Data

Member data as of January 1, 2021 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, two are eligible or will become eligible for normal retirement and two are eligible or will become eligible for early retirement in 2021.

The average of the final average salaries for participants who retired or became disabled this year is $73,463.

Total active member payroll decreased 6.84% last year; the number of active members decreased to 38.

This change in payroll is significant because 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 an increase in the calculated contribution rate of 0.37% 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 27 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 7.00%, 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 years.

The actuarial assumptions and methods were reviewed in detail as part of the 2017 Experience Study covering the five year period ending December 31, 2016. Please see Appendix A for a summary of the 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

SUPPORTING EXHIBITS

Table 1A

Calculation of Annual Required Contribution Rate

(Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2021	January 1, 2020
1. Projected valuation payroll	$2,211,746	$2,374,043
2. Present value of future pay	$19,264,465	$20,343,675
3. Employer normal cost rate	(3.58%)	(3.48%)
4. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	$5,537,057	$6,357,591
b. Less: present value of future employer normal costs	712,911	735,042
c. Less: present value of future employee contributions	(3,207,533)	(3,387,222)
d. Actuarial accrued liability	$3,042,435	$3,705,411
5. Total actuarial accrued liability for:		
a. Retirees and beneficiaries	$6,153,467	$5,219,299
b. Disabled members	467,863	471,396
c. Inactive members	636,813	231,166
d. Active members (Item 4d)	3,042,435	3,705,411
e. Total	$10,300,578	$9,627,272
6. Actuarial value of assets (Table 9)	$8,885,761	$8,193,354
7. Unfunded actuarial accrued liability (UAAL) (Item 5e - Item 6)	$1,414,817	$1,433,918
8. Effective UAAL amortization period	27 years	28 years
9. Assumed payroll growth rate	2.50%	2.50%
10. Employer contribution requirement		
a. UAAL amortization payment as % of pay	4.11%	3.82%
b. Employer normal cost	-3.58%	-3.48%
c. Administrative expense	0.35%	0.31%
d. Contribution requirement (a + b + c)	0.88%	0.65%

Table 1B

Calculation of UAAL Amortization Payment

(Assumes No Future Cost-Of-Living Increases)

UAAL as of January 1, 2021	$1,414,817
Total Prior Remaining Amortization Bases as of January 1, 2021	1,440,601
2021 Amortization Base as of January 1, 2021	**($25,784)**
2021 Payment (20 years, level percent of pay amortization)	**($1,946)**

		As of January 1, 2021		
Base Year	**Initial Base**	**Remaining Base**	**Years Remaining**	**Amortization Payment**
2021	$ (25,784)	$ (25,784)	20	$ (1,946)
2020	122,713	121,725	19	9,491
2019	(13,065)	(12,822)	18	(1,036)
2018	1,304,897	1,331,698	27	84,384
Total		**$ 1,414,817**		**$ 90,893**

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	$1,686,493	$2,977,932	$4,664,425
Death-in-service benefits likely to be paid on behalf of present active members (employer financed portion)	60,647	94,038	154,685
Separation benefits (refunds of contributions and deferred allowances) likely to be paid to present active members	747,482	(29,535)	717,947
Benefits likely to be paid to vested inactive members	0	569,156	569,156
Benefits to be paid to members due refunds	0	67,657	67,657
Benefits to be paid to current retirees, disabled members, beneficiaries, and future beneficiaries of current retirees	0	6,621,330	6,621,330
Total	$2,494,622	$10,300,578	$12,795,200
Actuarial value of assets	0	8,885,761	8,885,761
Liabilities to be covered by future contributions	$2,494,622	$1,414,817	$3,909,439

Table 3

History of Total Normal Cost

Fiscal Year Ending December 31	Normal Cost as Percent of Payroll
(1)	(2)
2012	13.75%
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%

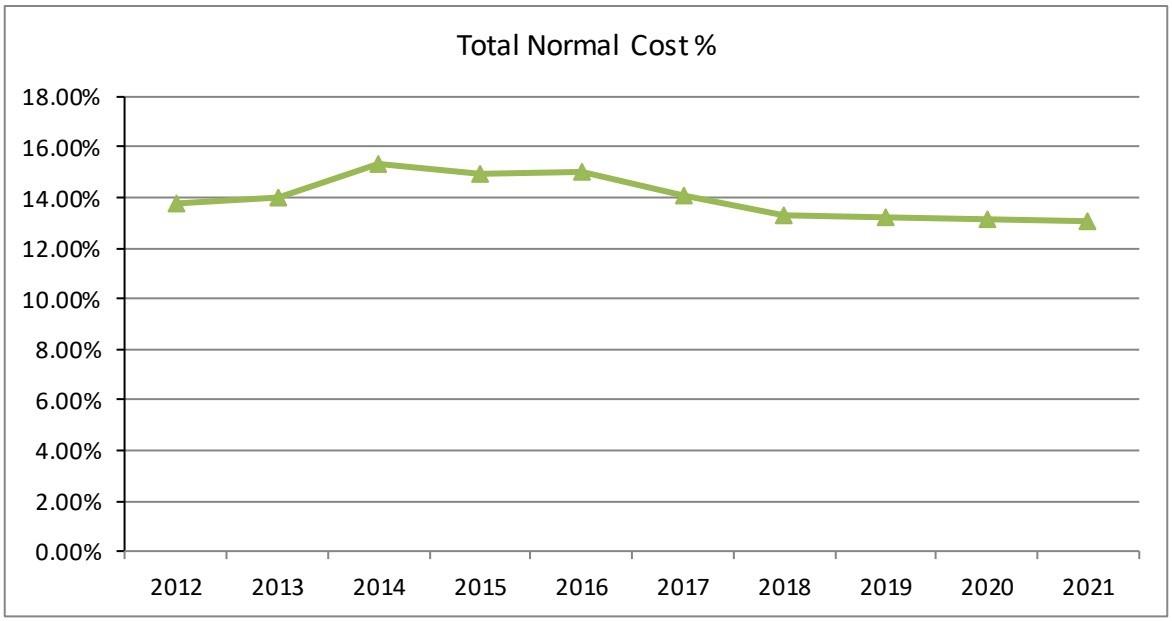

Table 4

Calculation of Total Actuarial Gain/(Loss)

(Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2021
1. Derivation of Experience Gain/(Loss)	
a. Unfunded actuarial accrued liability (UAAL) - previous valuation	$1,433,918
b. Normal cost (NC) for fiscal year ending December 31, 2020	$312,751
c. Expected administrative expenses for fiscal year ending December 31, 2020	$7,300
d. Actuarially determined contribution for fiscal year ending December 31, 2020	$410,625
e. Interest accrual:	
(i) For whole year on (a)	$100,374
(ii) For half year on (b) + (c) - (d)	($3,116)
(iii) Total interest: (e)(i) + (e)(ii)	$97,258
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)	1,440,601
i. Actual UAAL current year	1,414,817
j. Experience gain/(loss): (h) - (i)	25,784
k. Experience gain/(loss) as a % of actuarial accrued liability	0.25%
2. Approximate portion of gain/(loss) due to investments (at actuarial value)	$158,017
3. Approximate portion of gain/(loss) due to contributions higher or lower than expected	$61,441
4. Approximate amount of gain/(loss) due to liabilities: (1)(j) - (2) - (3)	($193,674)
a. Age & service retirements	(109,428)
b. Disability retirements	1,470
c. Death-In-service	2,700
d. Withdrawal from employment	(69,358)
e. Rehires	-
f. Pay increases	33,752
g. Death after retirement	(24,276)
h. Other	(28,534)
i. Other as a % of actuarial accrued liability	-0.28%

Table 5

Change in Calculated Contribution Rate Since the Prior Valuation

(Assumes No Future Cost-Of-Living Increases)

Item	January 1, 2021
1. Calculated contribution rate as of January 1, 2020	0.65%
2. Change in contribution rate during year	
a. Change in employer normal cost	-0.10%
b. Assumption changes	0.00%
c. Actuarial (gain) loss from investments on actuarial value of assets	-0.49%
d. Actuarial (gain) loss from liability sources and administrative expenses	0.64%
e. Difference between contributions made and required contributions	-0.19%
f. Effect of payroll growing (faster)/slower than assumption	0.37%
h. Other changes	0.00%
i. Total change	0.23%
3. Calculated contribution rate as of January 1, 2021	0.88%

Table 6

Statement of Plan Net Assets

Assets at Market Value		
Item	**FYE 2020**	**FYE 2019**
1. Cash and Cash Equivalents (Operating Cash)	$467,015	$601,132
2. Receivables		
a. Insurance premium tax	$0	$0
b. Buy backs	0	0
c. Employee contributions	0	3,433
d. Employer contributions	0	1,468
e. Securities sold	18,153	29,842
f. Accrued interest and dividends	18,043	18,616
g. Currency contract receivable	940,560	185,441
h. Other	0	0
i. Rebate and fee income receivable	0	0
j. Total Receivables	$976,756	$238,800
3. Investments, at Fair Value	$9,300,372	$8,299,521
4. Liabilities		
a. Benefits and refunds payable	$0	$0
b. Accrued payroll taxes and deductions	0	0
c. Securities purchased	(48,008)	(39,936)
d. Administrative and consulting fees payable	(14,453)	(27,864)
e. Currency contract payable	(960,831)	(186,342)
f. Securities lending collateral	($346,162)	(370,015)
g. Total Liabilities	(1,369,454)	(624,157)
5. Total Market Value of Assets Available for Benefits	$9,374,689	$8,515,296

Table 7

Reconciliation of Plan Net Assets

Assets at Market Value			
	Item	**FYE 2020**	**FYE 2019**
A.	Market Value of Assets at Beginning of Year	$8,515,296	$7,206,910
B.	Contribution Income:		
	1. Contributions		
	a. Employee	$329,758	$369,907
	b. Employer	141,013	158,176
	c. Other	0	0
	d. Total	$470,771	$528,083
	2. Investment Income		
	a. Interest, dividends, and other income	$122,253	$131,451
	b. Net appreciation	822,531	1,218,089
	c. Investment expenses	(49,242)	(50,267)
	d. Net investment income	$895,542	$1,299,273
	3. Securities Lending		
	a. Gross income	$4,510	$12,344
	b. Deductions	(2,495)	(11,156)
	c. Net investment income	$2,015	$1,188
	4. Benefits and Refunds		
	a. Refunds	$0	($69,971)
	b. Regular monthly benefits	(500,565)	(442,888)
	c. Total	($500,565)	($512,859)
	5. Administrative and miscellaneous expenses	($8,370)	($7,299)
C.	Market Value of Assets at End of Year	$9,374,689	$8,515,296

Table 8

Progress of Fund Through December 31, 2020

Plan Year Ending December 31	Employer Contributions*	Employee Contributions	Administrative Expenses	Net Investment Income**	Benefit Payments	Transfers	Actuarial Value of Assets
Total	$ 1,592,451	$ 3,365,353	$ (56,452)	$ 3,936,009	$ (3,190,226)	$ -	
2011	$ 103,373	$ 241,333	$ (3,383)	$ 207,538	$ (36,785)	$ -	$ 3,750,702
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

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

** Net of investment expenses

Table 9

Development of Actuarial Value of Assets

Item	FYE 2020	FYE 2019
1. Actuarial value of assets, beginning of year (without corridor)	$8,193,354	$7,710,523
2. Market value, end of year	$9,374,689	$8,515,296
3. Market value, beginning of year	$8,515,296	$7,206,910
4. Non-investment/administrative net cash flow:		
a. Employee contributions	$329,758	$369,907
b. Employer contributions	141,013	158,176
c. Other contributions	-	-
d. Refund of employee accounts	-	(69,971)
e. Retirement benefits	(500,565)	(442,888)
f. Administrative expenses	(8,370)	(7,299)
g. Total net cash flow: [sum of (4a) through (4f)]	($38,164)	$7,925
5. Investments and securities lending:		
a. Interest and dividends on investments	$122,253	$131,451
b. Gross income from securities lending	4,510	12,344
c. Fees and expenses	(51,737)	(61,423)
d. Total net income: [sum of (5a) through (5c)]	$75,026	$82,372
6. Investment income:		
a. Actual market return: (2) - (3) - (4g) - (5d)	$822,531	$1,218,089
b. Assumed rate of return	7.00%	7.00%
c. Assumed amount of return	519,732	422,384
d. Amount subject to phase-in: (6a) - (6c)	$302,799	$795,705
7. Phase-in recognition of investment income:		
a. Current year: 0.20 * (6d)	$60,560	$159,141
b. First prior year	159,141	(155,234)
c. Second prior year	(155,234)	79,731
d. Third prior year	79,731	(8,385)
e. Fourth prior year	(8,385)	(105,103)
f. Total recognition	$135,813	($29,850)
8. Actuarial value of assets, end of year		
a. Preliminary actuarial value of assets, end of year: (1) + (4g) + (5d) + (6c) + (7f)	$8,885,761	$8,193,354
b. Upper corridor limit: 120% * (2)	11,249,627	10,218,355
c. Lower corridor limit: 80% * (2)	7,499,751	6,812,237
d. Actuarial value of assets, end of year	$8,885,761	$8,193,354
9. Difference between market and actuarial value of assets	$488,928	$321,942
10. Actuarial rate of return	8.94%	6.16%
11. Market rate of return*	11.03%	18.72%
12. Ratio of actuarial value to market value of assets	94.78%	96.22%

* 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

Plan Year	Market	Actuarial
(1)	(2)	(3)
2011	-0.90%	6.12%
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%
Average returns:		
Last five years:	9.34%	6.39%
Last ten years:	7.67%	6.55%

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.

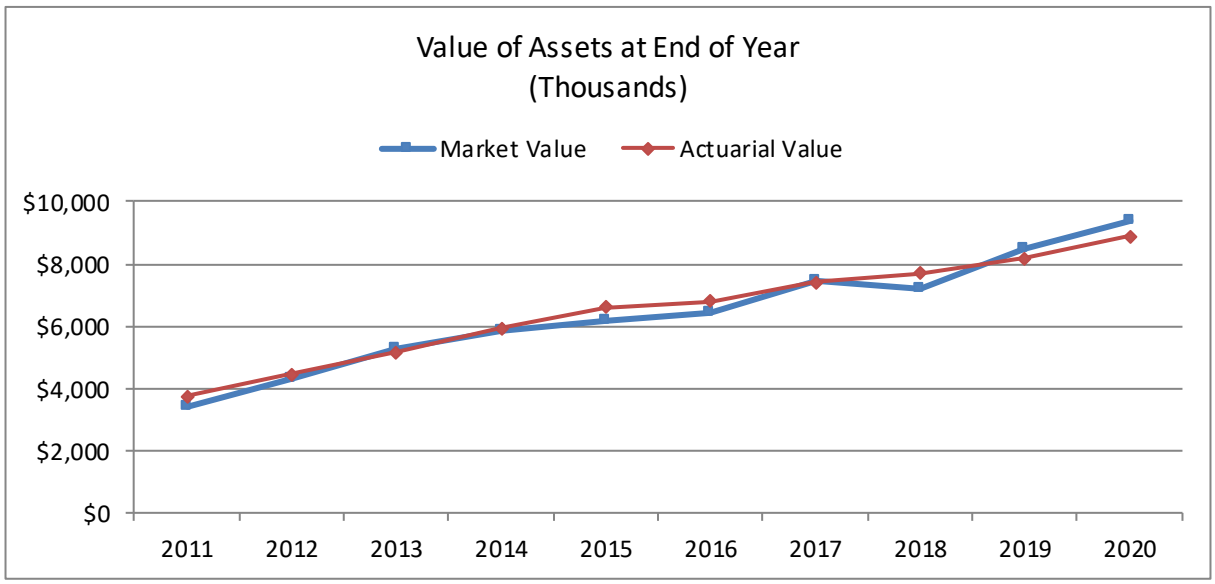

Table 11

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)
2012	$2,691,205	$570,660	$1,118,985	$3,750,702	100%	100%	44%
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%

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)]
2012	$3,750,702	$4,380,850	$630,148	85.62%	$1,522,749	41.38%
2013	4,449,572	4,852,245	402,673	91.70%	1,866,393	21.57%
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%

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
	% of Payroll	Amount	% of Payroll	Amount	[(5)/(3)]
2012	(0.48%)	(7,270)	15.16%	$230,795	(3,174.45%)
2013	(1.28%)	(23,938)	7.11%	132,641	(554.10%)
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	-	-	-

* 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	Disableds	Beneficiaries	Participants Due Refunds	Total
Number as of January 1, 2020	**41**	**2**	**12**	**1**	**-**	**4**	**60**
New participants	5	-	-	-	-	-	5
Vested terminations	(5)	5	-	-	-	-	-
Retirements	(2)	-	2	-	-	-	-
Disability	-	-	-	-	-	-	-
Deceased with beneficiary	-	-	-	-	-	-	-
Deceased without beneficiary	-	-	-	-	-	-	-
Due refunds	(1)	-	-	-	-	1	-
Lump sum payoffs	-	-	-	-	-	-	-
Rehires/return to active	-	-	-	-	-	-	-
Certain period expired	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Data corrections	-	-	-	-	-	-	-
Number as of January 1, 2021	**38**	**7**	**14**	**1**	**-**	**5**	**65**

Table 15

Demographic Statistics

	January 1		
	2021	2020	Change
Active Participants			
Number	38	41	-7.3%
Vested	*21*	*22*	
Not vested	*17*	*19*	
Average age (years)	34.98	35.76	-2.2%
Average service (years)	6.54	7.12	-8.1%
Average entry age (years)	28.44	28.64	-0.7%
Total payroll*	$2,211,746	$2,374,043	-6.8%
Average payroll*	$58,204	$57,903	0.5%
Total employee contributions with interest	$2,718,647	$3,254,259	-16.5%
Average employee contributions with interest	$71,543	$79,372	-9.9%
Vested former participants			
Number	7	2	250.0%
Average age (years)	39.54	42.99	-8.0%
Total employee contributions with interest	$569,156	$170,085	234.6%
Average employee contributions with interest	$81,308	$85,043	-4.4%
Service Retirees			
Number	14	12	16.7%
Average age (years)	62.11	62.24	-0.2%
Total annual benefits	$497,855	$423,458	17.6%
Average annual benefit	$35,561	$35,288	0.8%
Disability Retirees			
Number	1	1	0.0%
Average age (years)	50.91	49.91	2.0%
Total annual benefits	$40,663	$40,663	0.0%
Average annual benefit	$40,663	$40,663	0.0%
Beneficiaries			
Number	0	0	0.0%
Average age (years)	0.00	0.00	
Total annual benefits	$0	$0	
Average annual benefit	N/A	N/A	
Participants Due Refunds			
Number	5	4	25.0%
Total Refunds Due	$67,657	$61,081	10.8%

* Projected payroll for the upcoming valuation year

Table 16

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

Average Age = 34.5 Average Service = 6.0

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	3	-	-	-	-	-	-	3
	Avg. Salary	*	-	-	-	-	-	-	*
25-29	Count	8	2	-	-	-	-	-	10
	Avg. Salary	49,803	*	-	-	-	-	-	50,099
30-34	Count	6	4	-	-	-	-	-	10
	Avg. Salary	48,068	59,362	-	-	-	-	-	52,585
35-39	Count	3	1	-	-	-	-	-	4
	Avg. Salary	*	*	-	-	-	-	-	53,420
40-44	Count	1	1	2	-	-	-	-	4
	Avg. Salary	*	*	*	-	-	-	-	74,283
45-49	Count	-	1	-	1	2	-	-	4
	Avg. Salary	-	*	-	*	*	-	-	71,669
50-54	Count	-	-	-	1	-	-	-	1
	Avg. Salary	-	-	-	*	-	-	-	*
55-59	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
60-64	Count	1	-	-	-	-	-	-	1
	Avg. Salary	*	-	-	-	-	-	-	*
65-69	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
70 & Over	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
Totals	Count	**22**	**9**	**2**	**2**	**2**	**-**	**-**	**37**
	Avg. Salary	**$50,253**	**$61,802**	*	*	*	**-**	**-**	**$55,828**

Average Salary represents annualized salary earned in 2020 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 = 52.3 Average Service = 24.7

Age Last Birthday		Whole Years of Service at Valuation Date							
		0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	Totals
Less than 20	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
20-24	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
25-29	Count	-	-	-	-	-	-	-	-
	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	-	-	-	-	1	-	-	1
	Avg. Salary	-	-	-	-	*	-	-	*
55-59	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
60-64	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
65-69	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
70 & Over	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
Totals	Count	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**1**
	Avg. Salary	**-**	**-**	**-**	**-**	*	**-**	**-**	*

Average Salary represents annualized salary earned in 2020 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 = 35.0 Average Service = 6.5

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	3	-	-	-	-	-	-	3
	Avg. Salary	*	-	-	-	-	-	-	*
25-29	Count	8	2	-	-	-	-	-	10
	Avg. Salary	49,803	*	-	-	-	-	-	50,099
30-34	Count	6	4	-	-	-	-	-	10
	Avg. Salary	48,068	59,362	-	-	-	-	-	52,585
35-39	Count	3	1	-	-	-	-	-	4
	Avg. Salary	*	*	-	-	-	-	-	53,420
40-44	Count	1	1	2	-	-	-	-	4
	Avg. Salary	*	*	*	-	-	-	-	74,283
45-49	Count	-	1	-	1	2	-	-	4
	Avg. Salary	-	*	-	*	*	-	-	71,669
50-54	Count	-	-	-	1	1	-	-	2
	Avg. Salary	-	-	-	*	*	-	-	*
55-59	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
60-64	Count	1	-	-	-	-	-	-	1
	Avg. Salary	*	-	-	-	-	-	-	*
65-69	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
70 & Over	Count	-	-	-	-	-	-	-	-
	Avg. Salary	-	-	-	-	-	-	-	-
Totals	Count	**22**	**9**	**2**	**2**	**3**	**-**	**-**	**38**
	Avg. Salary	**$50,253**	**$61,802**	*****	*****	*****	**-**	**-**	**$56,784**

Average Salary represents annualized salary earned in 2020 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 Pension Benefits	Count	Annual Pension Benefits	Count	Annual Pension Benefits		
2011	0	$0	0	$0	2	$40,129	0.00%	$20,065
2012	0	0	0	0	2	40,129	0.00%	20,065
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

* Includes cost-of-living increases

Table 20

Pensioners by Age

Average Age Male = 62.1 Average Age Female = 50.9 Average Age Total = 61.4

Age Last Birthday	Males	Females	Total
Under 50	0	0	0
50-54	1	1	2
55-59	4	0	4
60-64	5	0	5
65-69	2	0	2
70-74	2	0	2
75-79	0	0	0
80-84	0	0	0
85 & over	0	0	0
Total	**14**	**1**	**15**

Table 21

Pensioners by Option Code

Option Code**	Count			Monthly Benefit		
	Male	Female	Total	Male	Female	Total
1	3	1	4	*	*	$13,256
2	7	-	7	$17,165	-	17,165
2P	2	-	2	*	-	*
3	-	-	-	-	-	-
3P	2	-	2	*	-	*
4	-	-	-	-	-	-
5	-	-	-	-	-	-
Total	**14**	**1**	**15**	**$41,488**	*	**$44,877**
Beneficiaries	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total	**14**	**1**	**15**	**$41,488**	*	**$44,877**

* 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 2020

Average Age = 54.7

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	0	0	0	0	0	0	0
$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	1	0	0	0	0	1
$2,000-$2,499	0	0	0	0	0	0	0	0
$2,500 & over	0	0	0	0	1	0	0	1
Total	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**2**
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	1	0	0	1
55-59	0	0	0	0	0	0	0	0
60-64	0	0	1	0	0	0	0	1
65-69	0	0	0	0	0	0	0	0
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
Total	**0**	**0**	**1**	**0**	**1**	**0**	**0**	**2**

Table 23

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

(Average Monthly Benefit)

Average Service at Retirement = 22.2 Average Years Since Retirement = 5.6

Service at Retirement		Years Elapsed Since Retirement							
		0-4	5-9	10-14	15-19	20-24	25-29	30 Plus	Totals
Less than 5	Count	-	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-	-
5-9	Count	-	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-	-
10-14	Count	-	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-	-
15-19	Count	2	1	1	-	-	-	-	4
	Avg. Benefit	*	*	*	-	-	-	-	$2,231
20-24	Count	2	4	-	1	-	-	-	7
	Avg. Benefit	*	$3,319	-	*	-	-	-	$2,804
25-29	Count	3	1	-	-	-	-	-	4
	Avg. Benefit	*	$3,930	-	-	-	-	-	$4,081
30-34	Count	-	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-	-
35 & Over	Count	-	-	-	-	-	-	-	-
	Avg. Benefit	-	-	-	-	-	-	-	-
Totals	Count	**7**	**6**	**1**	**1**	**-**	**-**	**-**	**15**
	Avg. Benefit	**$3,089**	**$3,319**	*	*	**-**	**-**	**-**	**$2,992**

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, 2021 Total = 15

Year of Retirement	Count
Under 1998	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*	2

**May include retirements as of January 1, 2021*

Table 25

Thirty Year Closed Group Projected Benefit Payments

Year Ending December 31	Actives	Retirees*	Total
2021	$ 35,509	$ 537,629	$ 573,138
2022	35,368	535,720	571,088
2023	39,150	533,660	572,810
2024	38,050	531,434	569,484
2025	56,505	529,025	585,530
2026	85,032	526,411	611,443
2027	113,214	530,523	643,736
2028	138,961	534,228	673,190
2029	163,947	530,854	694,800
2030	188,995	527,163	716,158
2031	212,480	523,118	735,598
2032	236,707	518,677	755,384
2033	262,896	513,795	776,691
2034	292,045	508,421	800,466
2035	326,337	502,012	828,349
2036	363,217	494,861	858,078
2037	402,589	487,530	890,120
2038	443,210	482,655	925,865
2039	487,556	481,759	969,315
2040	539,353	472,163	1,011,517
2041	589,625	467,632	1,057,257
2042	638,097	469,445	1,107,542
2043	696,751	460,823	1,157,574
2044	764,840	447,911	1,212,751
2045	841,456	435,124	1,276,580
2046	917,563	430,053	1,347,616
2047	984,271	421,987	1,406,258
2048	1,050,519	406,877	1,457,396
2049	1,109,753	389,162	1,498,915
2050	1,168,455	371,268	1,539,723

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

APPENDIX A

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

Summary of Actuarial Assumptions and Methods

The following methods and assumptions were used in preparing the January 1, 2021 actuarial valuation report.

1. Valuation Date

The valuation date for any given year is January 1st, 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 7.00%), 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

7.00% per year, compounded annually, composed of an assumed 2.25% inflation rate and a 4.75% 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	3.50%
2	6.50%	15	3.25%
3	6.50%	16	3.25%
4	6.00%	17	3.25%
5	5.25%	18	3.25%
6	4.75%	19	3.00%
7	4.25%	20	3.00%
8	4.00%	21	2.75%
9	4.00%	22	2.75%
10	4.00%	23	2.75%
11	3.75%	24	2.75%
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:
RP-2014 Combined Mortality Table, fully generational, projected with Scale MP-2017
Males: No set back with a multiplier of 100%
Females: No set back with a multiplier of 100%
Healthy Post-Retirement Mortality:
RP-2014 Combined Mortality Table, fully generational, projected with Scale MP-2017
Males: No set back with a multiplier of 100%
Females: No set back with a multiplier of 88%
Disabled Mortality
RP-2014 Disabled Mortality Table, fully generational, projected with Scale MP-2017
Males: No set back with a multiplier of 100%
Females: No set back with a multiplier of 100%

	Pre-Retirement		Post-Retirement		Disabled	
	Projected to 2021 using Scale MP-2017					
Age	Male	Female	Male	Female	Male	Female
20	0.04%	0.02%	0.04%	0.01%	0.04%	0.02%
25	0.05%	0.02%	0.06%	0.03%	0.19%	0.09%
30	0.05%	0.02%	0.09%	0.06%	0.50%	0.24%
35	0.06%	0.03%	0.13%	0.10%	0.92%	0.45%
40	0.07%	0.04%	0.19%	0.14%	1.32%	0.68%
45	0.09%	0.06%	0.27%	0.18%	1.62%	0.90%
50	0.16%	0.11%	0.38%	0.23%	1.89%	1.13%
55	0.26%	0.17%	0.54%	0.32%	2.21%	1.43%
60	0.46%	0.25%	0.77%	0.46%	2.63%	1.72%
65	0.82%	0.36%	1.10%	0.69%	3.16%	2.04%
70	1.34%	0.59%	1.62%	1.06%	3.89%	2.65%
75			2.52%	1.72%	5.10%	3.83%
80			4.19%	2.90%	7.17%	5.77%
85			7.30%	5.10%	10.68%	8.66%
90			12.90%	9.08%	16.42%	12.78%
95			20.72%	15.14%	23.43%	18.82%
100			30.16%	23.14%	31.39%	27.00%

Summary of Actuarial Assumptions and Methods (continued)

b. Disability and Withdrawal

Age	Disability		Withdrawal Ultimate	
	Male	Female	Male	Female
20	0.01%	0.01%	11.00%	10.00%
25	0.01%	0.01%	11.00%	10.00%
30	0.01%	0.01%	6.00%	6.00%
35	0.01%	0.01%	5.00%	5.00%
40	0.01%	0.01%	4.00%	5.00%
45	0.03%	0.03%	4.00%	5.00%
50	0.08%	0.08%	3.00%	4.00%
55	0.20%	0.20%	3.00%	4.00%
60	0.20%	0.20%	3.00%	4.00%

Withdrawal		
	First five years	
Service	Male	Female
1	22.00%	25.00%
2	18.00%	21.00%
3	14.00%	15.00%
4	13.00%	15.00%
5	13.00%	14.00%

c. Retirement Rates

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

SUMMARY OF PLAN PROVISIONS

Summary of Plan Provisions

Covered Members	Any employees covered by the Air Guard Firefighter Pension Plan (Air Guard Firefighters employees).
Final Average Salary	Employee's average annual salary for the highest paid three continuous years of service.
Service Retirement	
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.
Duty Disability Benefit	
Eligibility	No age or service eligibility requirements.
Benefit	65% of salary as of the date of disability, payable immediately.
Non-Duty Disability Benefit	
Eligibility	Ten or more years of service.
Benefit	65% of salary as of the date of disability, payable immediately.
Pre-retirement Death Benefit	
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

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:

	January 1, 2021	January 1, 2020
Ratio of the market value of assets to total payroll	4.2	3.6
Ratio of actuarial accrued liability to payroll	4.7	4.1
Ratio of actives to retirees and beneficiaries	2.5	3.2
Ratio of net cash flows to market value of assets	0%	0%
Duration of the actuarial accrued liability	13.2	14.0

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.