

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM
GASB STATEMENT NOS. 67 AND 68 ACCOUNTING AND FINANCIAL
REPORTING FOR PENSIONS
DECEMBER 31, 2014

May 14, 2015

The Board of Trustees
Arkansas Local Police and Fire Retirement System

Dear Trustees:

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

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

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 may produce significantly different results. This report may be provided to parties other than the Arkansas Local Police and Fire Retirement System ("LOPFI") only in its entirety and only with the permission of LOPFI.

This report is based upon information, furnished to us by LOPFI, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not otherwise audited.

This report complements the actuarial valuation report that was provided to LOPFI and should be considered in conjunction with that report. Please see the actuarial valuation report as of December 31, 2014 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of the Arkansas Local Police and Fire Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

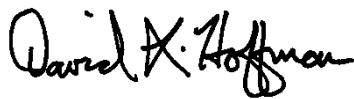
This information is presented in draft form for review by the plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the plan's financial statements.

Board of Trustees
May 14, 2015
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The signing actuaries are independent of the plan sponsor.

Heidi G. Barry is a Member of the American Academy of Actuaries (MAAA) and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

A handwritten signature in black ink that reads "David L. Hoffman". The signature is written in a cursive style with a large initial "D".

David L. Hoffman

A handwritten signature in black ink that reads "Heidi G. Barry". The signature is written in a cursive style with a large initial "H".

Heidi G. Barry, ASA, MAAA

DLH/HGB:sc:dj

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SECTION A
EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

AS OF DECEMBER 31, 2014

	2014	
Actuarial Valuation Date	December 31, 2014	
Measurement Date of the Net Pension Liability	December 31, 2014	
Employer's Fiscal Year Ending Date (Reporting Date)	December 31, 2014	
	Paid	Volunteer
Membership		
Number of		
- Retirees and Beneficiaries	1,913	1,912
- Inactive, Nonretired Members	4,480	5,320
- Active Members (Including DROP)	6,081	7,347
- Total	12,474	14,579
Covered Payroll	\$ 307,405,199	N/A
Net Pension Liability		
Total Pension Liability	\$ 1,735,124,657	\$ 90,183,301
Plan Fiduciary Net Position	1,384,020,882	59,147,396
Net Pension Liability	\$ 351,103,775	\$ 31,035,905
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.76%	65.59%
Net Pension Liability as a Percentage of Covered Payroll	114.22%	N/A
Development of the Single Discount Rate		
Single Discount Rate	8.00%	8.00%
Long-Term Expected Rate of Investment Return	8.00%	8.00%
Long-Term Municipal Bond Rate*	3.56%	3.56%
Last year ending December 31 in the 2015 to 2114 projection period for which projected benefit payments are fully funded	2114	2114
Total Pension Expense	\$ 49,960,909	\$ 3,826,615

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

	Paid		Volunteer	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,456,084	\$ -	\$ 80,609	\$ 1,891,636
Changes in assumptions	8,239,573	-	320,522	-
Net difference between projected and actual earnings on pension plan investments	19,278,794	60,749,035	554,239	2,969,821
Total	\$ 54,974,451	\$ 60,749,035	\$ 955,370	\$ 4,861,457

*Source: State & local bonds' rate from Federal Reserve statistical release (H.15) as of December 31, 2014.

The statistical release describes this rate as "Bond Buyer Index, general obligation, 20 years to maturity, mixed quality." In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

DISCUSSION

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

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

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

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

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

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

- a description of benefits provided by the plan;
- the type of employees and number of members covered by the pension plan;
- a description of the plan's funding policy, which includes member and employer contribution requirements;
- the pension plan's investment policies;
- the pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- the net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- significant assumptions and methods used to calculate the total pension liability;
- inputs to the discount rates; and
- certain information about mortality assumptions and the dates of experience studies.

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

- the composition of the pension plan's board and the authority under which benefit terms may be amended;
- a description of how fair value is determined;
- information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- annual money-weighted rate of return.

Required Supplementary Information

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

- sources of changes in the net pension liability;
- information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy,

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. The net pension liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of December 31, 2014 and a measurement date of December 31, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 8.00%; the municipal bond rate is 3.56% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 8.00%.

Effective Date and Transition

GASB Statement Nos. 67 and 68 are effective for fiscal years beginning after June 15, 2013, and June 15, 2014 respectively, earlier application is encouraged by the GASB.

SECTION B

FINANCIAL STATEMENTS

Auditor's Note – This information is presented in draft form for review by the plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the plan's financial statements.

PENSION EXPENSE UNDER GASB STATEMENT NO. 68
FISCAL YEAR ENDED DECEMBER 31, 2014

A. Expense	Paid	Volunteer
1. Service Cost	\$ 49,060,513	\$ 2,087,131
2. Interest on the Total Pension Liability	127,882,355	6,767,758
3. Current-Period Benefit Changes	50,330	222,045
4. Employee Contributions (made negative for addition here)	(21,264,720)	-
5. Projected Earnings on Plan Investments (made negative for addition here)	(101,131,947)	(4,247,815)
6. Pension Plan Administrative Expense	2,196,145	93,854
7. Other Changes in Plan Fiduciary Net Position	-	-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	4,465,878	(417,513)
9. Recognition of Outflow (Inflow) of Resources due to Assets	(11,297,645)	(678,845)
10. Total Pension Expense	\$ 49,960,909	\$ 3,826,615

**STATEMENT OF OUTFLOWS AND INFLOWS ARISING
FROM CURRENT REPORTING PERIOD
FISCAL YEAR ENDED DECEMBER 31, 2014**

	Paid Service	Volunteer Service
A. Outflows (Inflows) of Resources due to Liabilities		
1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ 2,210,271	\$ (1,426,660)
2. Assumption Changes (gains) or losses	\$ -	\$ -
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years }	4.8701	3.8690
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 453,845	\$ (368,741)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ -	\$ -
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	\$ 453,845	\$ (368,741)
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ 1,756,426	\$ (1,057,919)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ -	\$ -
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	\$ 1,756,426	\$ (1,057,919)
B. Outflows (Inflows) of Resources due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ 3,436,820	\$ (509,626)
2. Recognition period for Assets {in years }	5.0000	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ 687,364	\$ (101,925)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ 2,749,456	\$ (407,701)

PAID SERVICE
STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT AND PRIOR
REPORTING PERIODS
FISCAL YEAR ENDED DECEMBER 31 *

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

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to liabilities	\$ 4,465,878	\$ -	\$ 4,465,878
2. Due to assets	8,952,033	20,249,678	(11,297,645)
3. Total	\$ 13,417,911	\$ 20,249,678	\$ (6,831,767)

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

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ 3,410,875	\$ -	\$ 3,410,875
2. Assumption changes	1,055,003	-	1,055,003
3. Net difference between projected and actual earnings on pension plan investments	8,952,033	20,249,678	(11,297,645)
4. Total	\$ 13,417,911	\$ 20,249,678	\$ (6,831,767)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ 27,456,084	\$ -	\$ 27,456,084
2. Assumption changes	8,239,573	-	8,239,573
3. Net difference between projected and actual earnings on pension plan investments	19,278,794	60,749,035	(41,470,241)
4. Total	\$ 54,974,451	\$ 60,749,035	\$ (5,774,584)

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

Year Ending December 31	Net Deferred Outflows of Resources
2015	\$ (6,831,767)
2016	(6,831,767)
2017	(15,096,436)
2018	5,094,288
2019	4,012,033
Thereafter	13,879,065
Total	\$ (5,774,584)

* Totals may not add due to rounding.

VOLUNTEER SERVICE
STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT AND PRIOR
REPORTING PERIODS
FISCAL YEAR ENDED DECEMBER 31 *

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Due to liabilities	\$ 74,559	\$ 492,072	\$ (417,513)
2. Due to assets	277,120	955,965	(678,845)
3. Total	\$ 351,679	\$ 1,448,037	\$ (1,096,358)

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

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>	<u>Net Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 14,983	\$ 492,072	\$ (477,089)
2. Assumption changes	59,576	-	59,576
3. Net difference between projected and actual earnings on pension plan investments	277,120	955,965	(678,845)
4. Total	\$ 351,679	\$ 1,448,037	\$ (1,096,358)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows of Resources</u>
1. Differences between expected and actual experience	\$ 80,609	\$ 1,891,636	\$ (1,811,027)
2. Assumption changes	320,522	-	320,522
3. Net difference between projected and actual earnings on pension plan investments	554,239	2,969,821	(2,415,582)
4. Total	\$ 955,370	\$ 4,861,457	\$ (3,906,087)

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows of Resources</u>
2015	\$ (1,096,358)
2016	(1,096,358)
2017	(1,325,173)
2018	(150,697)
2019	(48,771)
Thereafter	(188,730)
Total	\$ (3,906,087)

* Totals may not add due to rounding.

STATEMENT OF FIDUCIARY NET POSITION*
AS OF DECEMBER 31, 2014

	2014	
	Paid	Volunteer
Assets		
Cash and Short Term Investments	\$ 97,457,247	\$ 4,164,924
Receivables		
Accrued Interest and Other Dividends	\$ -	\$ -
Contributions Receivable	3,300,451	141,048
Accounts Receivable - Other	22,659	968
Total Receivables	<u>\$ 3,323,110</u>	<u>\$ 142,016</u>
Prepaid Expense	\$ 4,862,137	\$ 207,788
Investments		
U.S. Government and State Obligations	\$ 71,805,739	\$ 3,068,684
Corporate Obligations	67,057,185	2,865,750
Foreign Bonds	6,742,657	288,154
Alternative Assets	150,672,433	6,439,124
Common and Preferred Stocks	752,638,874	32,164,709
Equity Mutual Collective Trusts	228,363,473	9,759,322
Real Estate Investments	1,605,998	68,634
Total Investments	<u>\$ 1,278,886,359</u>	<u>\$ 54,654,377</u>
Land, Building, Furniture and Equipment	\$ 568,145	\$ 24,280
Other Assets	\$ 8,479	\$ 362
Total Assets	<u>\$ 1,385,105,477</u>	<u>\$ 59,193,747</u>
Liabilities		
Payables		
Accounts Payable and Accrued Expenses	\$ 827,409	\$ 35,360
Refunds Payable	124,850	5,336
Due to Pension Review Board	132,336	5,655
Total Liabilities	<u>\$ 1,084,595</u>	<u>\$ 46,351</u>
Net Position Restricted for Pensions	<u>\$ 1,384,020,882</u>	<u>\$ 59,147,396</u>

* Prorated between groups based on information from the December 31, 2014 CAFR Report.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION #
FOR YEAR ENDED DECEMBER 31, 2014**

	2014	
	Paid	Volunteer
Additions		
Contributions		
Employer	\$ 59,244,093	\$ 4,625,292
Employee	21,264,720	-
Other	-	-
Total Contributions	\$ 80,508,813	\$ 4,625,292
Investment Income		
Net Appreciation in Fair Value of Investments	#	#
Interest and Dividends	#	#
Less Investment Expense	#	#
Net Investment Income	\$ 86,361,416	\$ 3,675,957
Other	\$ -	\$ -
Total Additions	\$ 166,870,229	\$ 8,301,249
Deductions		
Benefit Payments, including Refunds of Employee Contributions	\$ 35,309,578	\$ 2,040,757
Pension Plan Administrative Expense*	2,196,145	93,854
Deferred Retirement Option Distributions	846,408	-
Other	-	-
Total Deductions	\$ 38,352,131	\$ 2,134,611
Net Increase in Net Position	\$ 128,518,098	\$ 6,166,638
Amount to Reconcile Beginning and End of Year Assets	\$ 13,529,856	\$ 1,175,338
Net Position Restricted for Pensions		
Beginning of Year	\$ 1,241,972,928	\$ 51,805,420
End of Year	\$ 1,384,020,882	\$ 59,147,396

Breakdown not provided in income statement. Totals shown from individually reported balances.

* Prorated between groups based on information from the December 31, 2014 CAFR Report.

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Auditor's Note – This information is presented in draft form for review by the plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the plan's financial statements.

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

	Paid	Volunteer
A. Total Pension Liability		
1. Service Cost	\$ 49,060,513	\$ 2,087,131
2. Interest on the Total Pension Liability	127,882,355	6,767,758
3. Changes of benefit terms	50,330	222,045
4. Difference between expected and actual experience of the Total Pension Liability	2,210,271	(1,426,660)
5. Changes of assumptions	0	0
6. Benefit payments, including refunds of employee contributions & DROP distributions	(36,155,986)	(2,040,757)
7. Net change in Total Pension Liability	\$ 143,047,483	\$ 5,609,517
8. Total Pension Liability – beginning	1,592,077,174	84,573,784
9. Total Pension Liability – ending	\$ 1,735,124,657	\$ 90,183,301
B. Plan Fiduciary Net Position		
1. Employer contributions	\$ 59,244,093	\$ 4,625,292
2. Employee contributions	21,264,720	-
3. Pension plan net investment income	86,361,416	3,675,957
4. Benefit payments, including refunds of employee contributions & DROP distributions	(36,155,986)	(2,040,757)
5. Pension plan administrative expense	(2,196,145)	(93,854)
6. Reconciliation adjustment	13,529,856	1,175,338
7. Net change in Plan Fiduciary Net Position	\$ 142,047,954	\$ 7,341,976
8. Plan Fiduciary Net Position – beginning	1,241,972,928	51,805,420
9. Plan Fiduciary Net Position – ending	\$ 1,384,020,882	\$ 59,147,396
C. Net Pension Liability	\$ 351,103,775	\$ 31,035,905
D. Plan Fiduciary Net Position as a percentage of the Total Pension Liability	79.76%	65.59%
E. Covered-employee payroll	\$ 307,405,199	N/A
F. Net Pension Liability as a percentage of covered employee payroll	114.22%	N/A

PAID SERVICE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MULTIYEAR

Ultimately 10 Fiscal Years Will Be Displayed

Fiscal year ending December 31,	2014	2013	2012
Total Pension Liability			
Service Cost	\$ 49,060,513	\$ 46,880,057	\$ 32,887,545
Interest on the Total Pension Liability	127,882,355	115,278,991	104,818,714
Benefit Changes	50,330	348,420	(566,588)
Difference between Expected and Actual Experience	2,210,271	28,684,356	5,429,255
Assumption Changes	-	-	11,404,582
Benefit Payments	(33,884,333)	(29,265,369)	(24,486,875)
Refunds	(1,425,245)	(1,499,210)	(1,504,764)
Deferred Retirement Option Distributions	(846,408)	(2,559,445)	(1,116,940)
Net Change in Total Pension Liability	143,047,483	157,867,800	126,864,929
Total Pension Liability - Beginning	1,592,077,174	1,434,209,374	1,307,344,445
Total Pension Liability - Ending (a)	\$ 1,735,124,657	\$ 1,592,077,174	\$ 1,434,209,374
Plan Fiduciary Net Position			
Employer Contributions	\$ 59,244,093	\$ 54,034,420	\$ 48,370,995
Employee Contributions	21,264,720	20,527,162	19,507,135
Pension Plan Net Investment Income	86,361,416	180,444,091	101,219,292
Benefit Payments	(33,884,333)	(29,265,369)	(24,486,875)
Refunds	(1,425,245)	(1,499,210)	(1,504,764)
Pension Plan Administrative Expense	(2,196,145)	(1,762,128)	(1,827,704)
Deferred Retirement Option Distributions	(846,408)	(2,559,445)	(1,116,940)
Reconciliation Adjustment	13,529,856	5,537,225	9,922,458
Net Change in Plan Fiduciary Net Position	142,047,954	225,456,746	150,083,597
Plan Fiduciary Net Position - Beginning	1,241,972,928	1,016,516,182	866,432,585
Plan Fiduciary Net Position - Ending (b)	\$ 1,384,020,882	\$ 1,241,972,928	\$ 1,016,516,182
Net Pension Liability - Ending (a) - (b)	351,103,775	350,104,246	417,693,192
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	79.76 %	78.01 %	70.88 %
Covered Employee Payroll	\$ 307,405,199	\$ 296,617,370	\$ 282,170,105
Net Pension Liability as a Percentage of Covered Employee Payroll	114.22 %	118.03 %	148.03 %
Notes to Schedule:	N/A	N/A	N/A

VOLUNTEER SERVICE
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
MULTIYEAR

Ultimately 10 Fiscal Years Will Be Displayed

Fiscal year ending December 31,	2014	2013	2012
Total Pension Liability			
Service Cost	\$ 2,087,131	\$ 2,054,684	\$ 2,029,573
Interest on the Total Pension Liability	6,767,758	6,372,275	5,814,832
Benefit Changes	222,045	353,488	77,374
Difference between Expected and Actual Experience	(1,426,660)	(1,080,379)	125,558
Assumption Changes	-	-	499,251
Benefit Payments	(2,040,757)	(1,752,384)	(1,591,098)
Refunds	-	-	-
Net Change in Total Pension Liability	5,609,517	5,947,684	6,955,490
Total Pension Liability - Beginning	84,573,784	78,626,100	71,670,610
Total Pension Liability - Ending (a)	\$ 90,183,301	\$ 84,573,784	\$ 78,626,100
Plan Fiduciary Net Position			
Employer Contributions	\$ 4,625,292	\$ 4,359,914	\$ 4,195,779
Employee Contributions	-	-	-
Pension Plan Net Investment Income	3,675,957	7,477,975	4,073,345
Benefit Payments	(2,040,757)	(1,752,384)	(1,591,098)
Refunds	-	-	-
Pension Plan Administrative Expense	(93,854)	(73,502)	(74,623)
Reconciliation Adjustment	1,175,338	290,280	535,692
Net Change in Plan Fiduciary Net Position	7,341,976	10,302,283	7,139,095
Plan Fiduciary Net Position - Beginning	51,805,420	41,503,137	34,364,042
Plan Fiduciary Net Position - Ending (b)	\$ 59,147,396	\$ 51,805,420	\$ 41,503,137
Net Pension Liability - Ending (a) - (b)	31,035,905	32,768,364	37,122,963
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.59 %	61.25 %	52.79 %
Covered Employee Payroll	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A
Notes to Schedule:	N/A	N/A	N/A

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY MULTIYEAR**

LOPFI PAID SERVICE EMPLOYERS

Ultimately 10 Fiscal Years Will Be Displayed

FY Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2012	\$ 1,434,209,374	\$ 1,016,516,182	\$ 417,693,192	70.88%	\$ 282,170,105	148.03%
2013	1,592,077,174	1,241,972,928	350,104,246	78.01%	296,617,370	118.03%
2014	1,735,124,657	1,384,020,882	351,103,775	79.76%	307,405,199	114.22%

LOPFI VOLUNTEER SERVICE EMPLOYERS

Ultimately 10 Fiscal Years Will Be Displayed

FY Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2012	\$ 78,626,100	\$ 41,503,137	\$ 37,122,963	52.79%	N/A	N/A
2013	84,573,784	51,805,420	32,768,364	61.25%	N/A	N/A
2014	90,183,301	59,147,396	31,035,905	65.59%	N/A	N/A

SCHEDULE OF CONTRIBUTIONS MULTIYEAR**LOPFI PAID SERVICE EMPLOYERS****Ultimately 10 Fiscal Years Will Be Displayed**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll*	Actual Contribution as a % of Covered Payroll
2005	\$ 27,365,980	\$ 27,365,980	\$ -	\$ 197,501,660	13.86%
2006	36,466,213	36,466,213	-	212,949,694	17.12%
2007	34,111,802	34,111,802	-	230,177,530	14.82%
2008	37,419,713	37,419,713	-	244,703,982	15.29%
2009	38,927,727	38,927,727	-	261,756,026	14.87%
2010	39,299,629	39,299,629	-	265,628,662	14.79%
2011	46,312,346	46,312,346	-	274,656,592	16.86%
2012	48,370,995	48,370,995	-	282,170,105	17.14%
2013	54,034,420	54,034,420	-	296,617,370	18.22%
2014	59,244,093	59,244,093	-	307,405,199	19.27%

* Census payroll reported for valuation at year end. Contributions are made on actual payroll during the year.

LOPFI VOLUNTEER SERVICE EMPLOYERS**Ultimately 10 Fiscal Years Will Be Displayed**

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2005	\$ 1,581,999	\$ 1,581,999	\$ -	N/A	N/A
2006	1,910,989	1,910,989	-	N/A	N/A
2007	1,957,647	1,957,647	-	N/A	N/A
2008	2,595,918	2,595,918	-	N/A	N/A

PAID SERVICE
NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: December 31, 2014
Notes: Actuarially determined contribution rates are calculated as of December 31, which is one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	17.3 years beginning January 1, 2015
Asset Valuation Method	5-Year smoothed market; 20% corridor
Wage Inflation	4.00%
Price Inflation	3.00%
Salary Increases	4.5% to 19.0%, including inflation
Investment Rate of Return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2008 - 2011.
Mortality	RP-2000 Combined Projected to 2017 Table, set forward two years for men. Disability post-retirement mortality was assumed to be the same as standard post-retirement mortality set forward an additional 10 years.

Other Information:

Notes: There were no benefit changes during the year.

VOLUNTEER SERVICE

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: December 31, 2014

Notes: Actuarially determined contribution rates are calculated as of December 31, which is one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Increasing Dollar, Closed
Remaining Amortization Period	25 years beginning January 1, 2015
Asset Valuation Method	5-Year smoothed market; 20% corridor
Inflation	3.00%
Investment Rate of Return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2008 - 2011.
Mortality	RP-2000 Combined Projected to 2017 Table, set forward two years for men. Disability post-retirement mortality was assumed to be the same as standard post-retirement mortality set forward an additional 10 years.

Other Information:

Notes: There were no benefit changes during the year.

**SCHEDULE OF INVESTMENT RETURNS MULTIYEAR
LAST 10 FISCAL YEARS**

FY Ending December 31,	Annual Return¹
2005	2.41 %
2006	11.74 %
2007	8.61 %
2008	(25.24)%
2009	17.75 %
2010	9.57 %
2011	0.20 %
2012	11.17 %
2013	17.33 %
2014	6.80 %

¹ Money-weighted annual return determined by GRS. Monthly money-weighted returns are not available.

SECTION D

NOTES TO FINANCIAL STATEMENTS

Auditor's Note – This information is presented in draft form for review by the plan's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the plan's financial statements.

Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in our actuarial valuation report as of December 31, 2014 and the 2008-2011 four-year experience study. The assumed rate of investment return falls within a reasonable range of the long-term expected rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2014, these best estimates are summarized in the following table:

ASSET ALLOCATION

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
Domestic Fixed Income	30.00%	2.97%	0.89%
International Fixed Income	6.00%	1.50%	0.09%
Domestic Equity	33.00%	5.88%	1.94%
Foreign Equity	7.00%	6.25%	0.44%
Index	11.00%	6.73%	0.74%
Alternative Investments	10.00%	6.13%	0.61%
Cash	3.00%	-0.40%	-0.01%
Total	100.00%		4.70%
Expected Inflation			3.00%
Total Return			7.70%

The figures in the above table were from the 4-year experience study ending December 31, 2011. Gabriel, Roeder, Smith and Company does not provide investment advice.

Single Discount Rate

A Single Discount Rate of 8.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 8.00%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 8.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

**SENSITIVITY OF NET PENSION LIABILITY
TO THE SINGLE DISCOUNT RATE ASSUMPTION**

	Current Single Discount		
	1% Decrease 7.00%	Rate Assumption 8.00%	1% Increase 9.00%
Paid Service	\$626,614,838	\$351,103,775	\$125,393,618
Volunteer Service	\$ 46,038,577	\$ 31,035,905	\$ 18,950,242

SUMMARY OF POPULATION STATISTICS

	Paid Service	Volunteer Service
Inactive Plan Members or Beneficiaries Currently Receiving Benefits (Including DROP)	1,913	1,912
Inactive Plan Members Entitled to But Not Yet Receiving Benefits #	4,480	5,320
Active Plan Members	6,081	7,347
Total Plan Members	12,474	14,579

These counts include 1,496 and 1,869 inactive linked records for paid service and volunteer service, respectively. These records will generate separate checks at retirement as well as separate counts.

SECTION E

SUMMARY OF BENEFITS

ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM
BRIEF SUMMARY AS OF DECEMBER 31, 2014 OF LOPFI COVERAGE FOR
BENEFIT PROGRAM 1 PAID SERVICE
Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2013 General Assembly Session)

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2014 was \$1,347.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Final Average Pay. Section 24-10-102(16)(A). The average of a member's monthly pay during the period of 36 consecutive months of credited Paid Service producing the highest monthly average, which period is contained within the 120 consecutive months of credited Paid Service immediately preceding retirement. Not applicable to Volunteer Service.

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. ***Paid Service Not Covered by Social Security.*** For each year of such service, 2.94% of the member's final average pay.

B. ***Paid Service Also Covered by Social Security.*** For each year of such service, 1.94% of the member's final average pay. In addition, there is a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.

C. At time of retirement, the total of A plus B cannot exceed 100% of final average pay.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50 or (iii) after completing 25 years of credited paid service. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age (age 55 for members with 25 years of credited paid service).

Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age and does not withdraw his accumulated contributions. The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service and pay record to time of leaving LOPFI coverage. However, final average pay is increased by one-half of any increase in the inflation index for the period from termination of employment to beginning of annuity payments.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years (10 or more years for members hired on or after July 1, 2013) of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. The minimum annuity payable is 65% of the member's final average pay.

Non-Duty Death-in-Service. Paid Member. Section 24-10-608(a)(1). Upon the death, from other than duty-connected causes, of a Paid Service member who had completed 5 years (10 years for members hired on or after July 1, 2013) of paid service, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service (and pay) record to time of death. Minimum of 20% of member's final average pay, or \$125 monthly if greater.

(b) While a spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 10% of member's final average pay, or \$25 monthly if greater. The totals for 4 or more children cannot exceed 30% of final average pay, or \$125 monthly if greater.

(c) While no spouse benefit is payable, each dependent child under age 18 (age 23 if full time student) receives 20% of member's final average pay, or \$25 monthly if greater. The total for 3 or more children cannot exceed 50% of final average pay, or \$125 monthly if greater.

(d) If there is neither spouse nor child at time of member's death, each dependent parent receives 20% of final average pay.

Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes After Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. Sections 24-10-404 and 24-10-613. Each member contributes 8.5% of his covered pay if his covered employment is resulting in Paid Service credit and is not covered by Social Security. For other covered employment conditions, each member contributes 2.5% of his covered pay. Individual member deposit accounts do not receive interest credit. If a member leaves LOPFI-covered employment before an annuity is payable on his behalf, the member may choose to have his accumulated contributions refunded to him. If he dies, his accumulated contributions are refunded to his designated beneficiary.

Employer Contributions. Section 24-10-405. Each employer contributes the remainder amounts necessary to finance its employees' participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

DROP (Deferred Retirement Option Plan). Sections 24-10-701 through 24-10-708. Paid service members who have attained age 55 with at least 20 years of service or members with at least 28 years of service may participate. A participant with 28 years of service will receive 75% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). A participant with less than 28 years of service will receive 72% of his accrued benefit at time of DROP election while in the DROP, payable into the participant's DROP account (which will be credited with 6% interest annually). The duration of participation in the DROP shall not exceed 7 years. When a member has reached year 6 of participation in the DROP, the amount of the accrued benefit at the time of DROP election shall be redetermined. The redetermined amount shall be the amount of the benefit as of the immediately preceding July 1 increased by 3%. The redetermined amount shall be payable only when the member elects to cease employment and receive a service retirement and shall not be added to the plan account. Employer and employee contributions continue and are used to finance System benefits (i.e., they are not deposited to the participant's DROP account). For additional details please refer to Arkansas Code, Title 24, Chapter 10, Subchapter 7.

**ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM
BRIEF SUMMARY AS OF DECEMBER 31, 2014 OF LOPFI COVERAGE FOR
BENEFIT PROGRAM 2 PAID SERVICE
Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2013 General Assembly Session)**

The provisions for Benefit Program 2 employers are the same as those for Benefit Program 1 employers with the following exception:

Age & Service Annuity. Section 24-10-602. The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

A. Paid Service Not Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 3.28% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

B. Paid Service Also Covered by Social Security.

- **Paid Service Before Adoption of Benefit Program 2.** For each year of such service, 1.94% of the member's final average pay, plus a temporary annuity equal to 1.0% of the member's final average pay for each year of service, payable to normal Social Security retirement age.
- **Paid Service After Adoption of Benefit Program 2.** For each year of such service, 2.94% of the member's final average pay.
- At time of retirement, the total cannot exceed 100% of final average pay.

**ARKANSAS LOCAL POLICE AND FIRE RETIREMENT SYSTEM
BRIEF SUMMARY AS OF DECEMBER 31, 2014 OF LOPFI COVERAGE FOR
VOLUNTEER SERVICE**

**Benefits and Conditions Evaluated and/or Considered
(Section references are to Arkansas Code of 1987, including
amendments from 2013 General Assembly Session)**

Voluntary Retirement. Section 24-10-604. A member may retire with an age & service annuity after both (i) completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, and (ii) attaining his normal retirement age. The normal retirement age is age 60 for a member with less than 20 years credited service, age 55 for a member with at least 20 years credited service or any age for a member with 28 or more years of credited service.

Compulsory Retirement. Section 24-10-605. Established by each employer.

Paid Service. Section 24-10-102(13). Covered employment which is half-time employment or more, and for which a minimum dollar amount is paid. For each calendar month in 1981, the minimum is \$500 for the month. For each later calendar year, the \$500 is indexed for inflation (Consumer Price Index). Accordingly, the monthly minimum during 2014 was \$1,347.

Volunteer Service. Section 24-10-102(14). Covered employment which cannot be classified as Paid Service.

Age & Service Annuity. Section 24-10-102(16)(A). The annuity, payable monthly for life, equals a specified amount multiplied by the member's number of years of credited service. The amount depends upon the conditions related to covered employment:

Volunteer Service. For each year of Benefit Program 3 Volunteer Service, \$5.00 monthly, to a maximum of \$200 monthly for all volunteer service. Beginning in 2003, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2003 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2014 valuations was \$6.39 monthly.

For each year of Benefit Program 4 Volunteer Service, \$10.00 monthly, to a maximum benefit of \$400 monthly for all volunteer service. Beginning in 2013, each July 1 these amounts are indexed for inflation by any percentage increase in the inflation index for the period from December 2011 to the December immediately preceding July 1, for members retiring in the next 12 months. Accordingly, the basic benefit factor reflected in the December 31, 2014 valuations was \$10.35 monthly.

Early Annuity. Section 24-10-606. A member may retire with an early annuity after both (i) completing 20 years of credited service, and (ii) attaining age 50. The early annuity amount, payable monthly for life, is computed in the same manner as an age & service annuity, based upon his service record to time of early retirement, but reduced to reflect the fact that his age when payments begin is younger than his normal retirement age. The amount of the reduction is 1/2 of 1% (.005) for each month his age at early retirement is younger than his normal retirement age.

Vested Termination Annuity. Section 24-10-611. If a member leaves LOPFI-covered employment (i) before attaining his early retirement age, and (ii) after completing 5 years (10 years for members hired on or after July 1, 2013) of credited service, he becomes eligible for a vested termination annuity; provided he lives to his normal retirement age (and does not withdraw any accumulated contributions). The vested annuity amount, payable monthly for life from his normal retirement age, is computed in the same manner as an age & service annuity, based upon his service record to time of leaving LOPFI coverage.

Non-Duty Disability Annuity. Section 24-10-607(a)(1)(A). A member with 5 or more years (10 or more years for members hired on or after July 1, 2013) of credited service who becomes totally and permanently disabled from other than duty-connected causes receives a non-duty disability annuity computed in the same manner as an age & service annuity, based upon his service record to time of disability.

Duty Disability Annuity. Section 24-10-607(c)(1)(A). A member who becomes totally and permanently disabled from duty-connected causes receives a duty disability annuity computed in the same manner as an age & service annuity, based upon his service and pay record to time of disability. If the member had less than 25 years of service at time of disability, credited service is increased to 25 years.

Non-Duty Death-in-Service. Volunteer Member. Section 24-10-609. Upon the death, from other than duty-connected causes, of a Volunteer member who had completed 5 years (10 years for members hired on or after July 1, 2013) of volunteer service, or who was eligible for normal retirement, his eligible surviving dependents receive the following benefits:

(a) The surviving spouse receives an annuity equal to the Option B50 annuity (joint and 50% survivor benefit) computed based upon the deceased member's service record to time of death.

(b) Each dependent child under age 18 (age 23 if full time student) receives \$15 monthly. The totals for 3 or more children cannot exceed \$40 monthly.

Duty Death-in-Service. Section 24-10-608(b)(1). Upon the death of a Paid Service member from duty-connected causes, regardless of length of service, his eligible surviving dependents receive the same benefits as for Non-Duty Death, except that if credited service at the time of death is less than 25 years, credited service is increased to 25 years.

Benefit Changes After Retirement. Section 24-10-612. There is an annual redetermination of monthly benefit amount, beginning the July first following 12 months of retirement. The redetermined amount is 3.0% of the monthly benefit from the preceding July.

Member Contributions. For Volunteer Service credit, members do not contribute.

Employer Contributions. Section 24-10-405. Each employer contributes the amounts necessary to finance all employees participation in LOPFI. Contributions to LOPFI are determined based upon level-rate principles, so that contribution rates do not have to increase over decades of time.

SECTION F

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

**SUMMARY OF
FINANCIAL ASSUMPTIONS USED FOR LOPFI ACTUARIAL VALUATIONS
Assumptions Adopted by Board of Trustees after Consulting with Actuary**

The actuarial assumptions used in making the valuations are shown in this section of the report.

ECONOMIC ASSUMPTIONS

The investment return rate used in making the valuation was 8.0% per year, compounded annually (net after administrative expenses). This rate of return is not the assumed real rate of return. The real rate of return is defined to be the portion of investment return which is more than the wage inflation rate. With a 4.0% recognition of wage inflation, the 8.0% investment return rate translates to an assumed real rate of return of 4.0%.

Price inflation was assumed to be 3.0% a year. This assumption was utilized to increase the basic benefit factor for volunteer members.

Pay increase assumptions for individual active members are summarized in Schedule A-5. Part of the assumption for each age is for a merit and/or seniority increase, and the other 4.0% recognizes wage inflation.

Total active member payroll is assumed to increase 4.0% a year, which is the portion of the individual pay increase assumptions attributable to wage inflation.

The number of active members is assumed to continue at the present number for LOPFI plans.

NON-ECONOMIC ASSUMPTIONS

The mortality table used to measure retired life mortality was the RP-2000 Combined Projected to 2017 Table, set forward two years for men. Related values are shown in Schedule A-1. Disability post-retirement mortality was assumed to be the same as standard post-retirement mortality set forward an additional 10 years. For death-in-service mortality, one hundred percent of the post-retirement mortality tables were used. Fifty percent of deaths-in-service were assumed to be duty related. These assumptions include a margin for future mortality improvements.

The probabilities of retirement for members eligible to retire are shown in Schedule A-3.

The probabilities of withdrawal from service are summarized in Schedule A-4, and the *probabilities of disability* are summarized in Schedule A-2.

An individual entry age actuarial cost method of valuation was used in determining age & service allowance normal costs and the allocation of actuarial present values between service rendered before and after the valuation date. The entry-age actuarial cost method has the following characteristics:

- (i) the annual normal costs for each individual active member, payable from the member's actual date of employment to the member's projected date of retirement are sufficient to accumulate the actuarial present value of the member's benefit at the time of retirement;
- (ii) each annual normal cost is: (a) a constant percentage of the member's year by year projected covered pay for paid service plans, or (b) an increasing dollar amount for volunteer service plans.

Differences in the past between assumed experience and actual experience ("actuarial gains and losses") are inevitable and become part of accrued liabilities. In LOPFI, cumulative actuarial losses and gains are the same as unfunded (or overfunded) accrued liabilities.

Unfunded accrued liabilities are amortized to produce contribution amounts (principal and interest) which are (a) level percent of payroll contributions over a period of future years for paid service plans, or (b) increasing dollar amounts for volunteer service plans.

For Benefit Program 3 volunteer service plans the contribution rates from the December 31, 2002 valuation were developed based on a \$5.00 per month basic benefit factor. This factor is \$6.39 effective July 1, 2015 and is assumed to increase at the assumed rate of price inflation in future years. For Benefit Program 4 volunteer service plans the contribution rates from the December 31, 2012 valuation were developed based on a \$10.00 per month basic benefit factor. This factor is \$10.35 effective July 1, 2015 and is assumed to increase at the assumed rate of price inflation in future years.

OTHER TECHNICAL ASSUMPTIONS

Decrements are assumed to occur at the middle of the valuation year.

The probability of being married, for death-in-service benefits, is assumed to be 90%.

Members who are eligible to participate in the DROP are assumed to participate in the DROP program in such a manner that is the most advantageous to them.

Future service credit is always assumed to accrue at the rate of 1 year of credit every 12 calendar months. Lower service accrual rates (service breaks or less-than-full-time employment) or higher service accrual rates (addition of military credit or reinstatement of prior service) are reflected as they are reported. Any lower or higher accrual rates may result in small financial gains or losses when reported.

The form of benefit payment assumed in the valuation for paid service and volunteer service plans is the Five Year Certain and Life Option. For local plans under LOPFI administration, the assumed form of benefit payment is 100% joint and survivor for police plans and the Life Option for fire plans. For local fire plans under LOPFI administration who have adopted Act 397, the assumed form of benefit payment is 100% joint and survivor.

Employer contribution dollars were assumed to be ***paid in equal installments*** throughout the employer fiscal year.

Present assets (cash & investments) were used based on a smoothed market value.

The data about persons now covered and about present assets were furnished by the System's administrative staff. Although examined for general reasonableness, the data was not audited by the Actuary.

 Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic and demographic assumptions; changes in economic or demographic assumptions; 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. Due to the limited scope of the actuary's assignment, the actuary did not perform an analysis of the potential range of such future measurements.

Schedule A-1
Single Life Retirement Values
Based on the RP-2000 Combined Projected to 2017 Table
and 8.0% Interest
(First used for December 31, 2012 Valuations)

Sample Attained Ages	Value at Retirement: \$1.00 Monthly for Life		Future Life Expectancy (years)	
	Men	Women	Men	Women
45	\$140.76	\$144.71	35.48	40.05
50	135.22	140.50	30.80	35.29
55	127.96	134.83	26.25	30.61
60	118.85	127.35	21.90	26.04
65	107.86	117.98	17.83	21.70
70	94.81	106.88	14.07	17.68
75	80.17	94.15	10.72	14.02
80	64.67	79.99	7.83	10.76

Sample Attained Ages	Benefit Increasing 3% Yearly	Portion of Age 55 Lives Still Alive	Sample Attained Ages
55	\$100	100 %	55
60	116	97	60
65	134	92	65
70	156	84	70
75	181	73	75
80	209	56	80

Schedule A-2
Probabilities of Disability Retirement

PAID SERVICE MEMBERS
(First used for December 31, 2012 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.07 %	0.09 %
25	0.07	0.09
30	0.10	0.11
35	0.13	0.16
40	0.20	0.24
45	0.31	0.37
50	0.52	0.63
55	0.91	1.09
60	1.36	1.63

VOLUNTEER SERVICE MEMBERS
(First used for December 31, 2003 Valuations)

Sample Ages	Percent Becoming Disabled within Next Year	
	Non-Duty	Duty
20	0.07 %	0.00 %
25	0.07	0.00
30	0.07	0.00
35	0.07	0.00
40	0.18	0.01
45	0.23	0.01
50	0.43	0.02
55	0.79	0.04
60	1.24	0.06

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire
(First used for December 31, 2012 Valuations)

PAID SERVICE MEMBERS

Retirement Ages	Percents of Active Members Retiring within Next Year		Years of Service	Percents of Active Members Retiring within Next Year
	Early	Normal		
45-49	3 %			
50-54	3			
55		20 %	28	25 %
56		20	29	15
57		20	30	15
58		20	31	20
59		20	32	35
60		20	33	40
61		20	34	100
62		25		
63		25		
64		25		
65		50		
66		60		
67		70		
68		80		
69		90		
70+		100		

A member was assumed eligible for retirement after attaining age 55 with 20 years of service or age 60 with 5 years of service or any age with 28 or more years of service. A member was assumed to retire with 100% probability at 34 or more years of service credit.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service or any age with 25 or more years of paid service credit.

The probabilities of retirement shown above represent ultimate termination of employment (whether or not the member participates in the DROP).

Schedule A-3
Probabilities of Retirement for Members Eligible to Retire (Concluded)
(First used for December 31, 2012 Valuations)

VOLUNTEER SERVICE MEMBERS

Retirement Ages	Percents of Active Members Retiring within Next Year	
	Early	Normal
Under 50		20 %
50-54	2 %	20
55-59		15
60-64		15
65-69		20
70-74		30
75+		100

A member was assumed to be eligible for retirement after 28 years of service, attaining age 55 with 20 years of service, or age 60 with 5 years of service.

A member was assumed eligible for a reduced benefit after attaining age 50 with 20 or more years of service.

Schedule A-4
Rates of Separation (Excluding Deaths and Disability)
from Active Employment Before Retirement
(First used for December 31, 2012 Valuations)

PAID SERVICE MEMBERS

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	18.00 %
	1	16.00
	2	13.00
	3	11.00
	4	10.00
25	5 & Over	8.56
30		7.20
35		5.52
40		4.40
45		3.52
50		2.80
55		0.80
60		0.00

VOLUNTEER SERVICE MEMBERS

Sample Ages	Years of Service	% of Active Members Separating within Next Year
ALL	0	23.00 %
	1	21.00
	2	19.00
	3	17.00
	4	15.00
25	5 & Over	8.50
30		8.50
35		8.50
40		8.50
45		8.50
50		8.50
55		8.50
60		8.50

Schedule A-5
Pay Increase Assumptions
for an Individual Paid Service Member
(First used for December 31, 2012 Valuations)

Pay Increase Assumptions			
For an Individual Member			
Service Years	Merit and Seniority	Base (Economic)	Increase Next Year
1	15.0%	4.0%	19.0%
2	9.0%	4.0%	13.0%
3	4.0%	4.0%	8.0%
4	3.0%	4.0%	7.0%
5	2.0%	4.0%	6.0%
6	1.5%	4.0%	5.5%
7	1.5%	4.0%	5.5%
8	1.5%	4.0%	5.5%
9	1.0%	4.0%	5.0%
10	1.0%	4.0%	5.0%
11	0.5%	4.0%	4.5%
12	0.5%	4.0%	4.5%
13	0.5%	4.0%	4.5%
14	0.5%	4.0%	4.5%
15	0.5%	4.0%	4.5%
16	0.5%	4.0%	4.5%
17	0.5%	4.0%	4.5%
18	0.5%	4.0%	4.5%
19	0.5%	4.0%	4.5%
20+	0.5%	4.0%	4.5%

Investment Return and Inflation: Past and Future

Inflation Distortions

Inflation's impact on investment return is not uniform from year to year. A common expectation for real investment return (which is the portion of total return remaining after price inflation) is in the area of 3% to 5% annually.

Historical Economic Data

Over the last 30 years, real return on average has exceeded the 3% to 5% range. However, for parts of this period, real return was actually negative. It is difficult to maintain a long-term portfolio allocation during periods of negative real return.

Annual Investment Return % (including Income) Expressed as Real Return (Remainder after Price Inflation)

No. Years Ended December	Inflation (CPI)	Cash Equiv. (T-Bills)	Bonds (Long Term)		Stocks (S & P 500)	Real Return for Sample Fund		
			US Treasury	Corporate (Sol. Bro.)		A	B	C
1/2010	1.5	(1.4)	8.5	10.7	13.4	9.7	10.4	11.0
1/2011	3.0	(2.9)	24.5	14.6	(0.9)	11.2	7.1	3.8
1/2012	1.7	(1.6)	1.6	8.8	14.1	7.2	8.9	10.4
1/2013	1.5	(1.5)	(12.7)	(8.5)	30.4	2.7	10.8	17.1
1/2014	0.8	(0.8)	22.9	16.4	12.8	15.6	14.2	13.0
5/1980	9.2	(1.3)	(6.9)	(6.2)	4.3	(2.6)	(0.4)	1.3
5/1985	4.8	5.2	11.5	12.3	9.4	10.7	10.2	9.8
5/1990	4.1	2.6	6.4	6.1	8.6	6.7	7.2	7.6
5/1995	2.8	1.5	10.0	9.1	13.4	10.0	10.8	11.3
5/2000	2.5	2.6	4.9	3.2	15.4	7.7	10.0	11.7
5/2005	2.5	(0.4)	5.1	6.6	(2.0)	3.4	2.0	0.7
5/2010	2.2	0.0	3.3	3.6	0.1	3.1	2.6	2.0
5/2014	1.7	(1.6)	8.1	8.1	13.6	9.1	10.2	11.0
30/2014	2.7	1.0	6.8	6.5	8.4	7.1	7.5	7.7

Sample Funds (only three of many reasonable samples)

	A	B	C
Cash Equiv.: T-Bills	10 %	10 %	10 %
Bonds: US Treasury	30	20	10
Bonds: Corporate	30	20	15
Stock	30	50	65

For many pension plans, benefit increases after retirement have fallen short of keeping up with inflation. The retired life group has been affected more than the active life group. The investment return that would be necessary for the indexing of benefits with inflation after retirement probably cannot be realized during periods of high inflation.

Forward-Looking Economic Data

The assumed rate of price inflation should not give undue weight to recent experience. Some historical economic data may not be appropriate for use in developing assumptions for future periods due to changes in the underlying economic environment. Professional forecasters, economists, and investors are reliable sources to guide in the selection and evaluation of expected future price inflation rates.

Investment Return and Inflation: Past and Future - Concluded

The Survey of Professional Forecasters, maintained by the Federal Reserve Bank of Philadelphia, is the longest running quarterly survey of macroeconomic forecasts in the U.S. Over 50 forecasters from industry, government, banking, and academics are included in this Survey. With respect to price inflation, their median projections are published quarterly for the annual-average Headline CPI over the next 10 years. Headline CPI is the total CPI, as opposed to Core CPI, which excludes food and energy prices. The following table presents the Survey's quarterly projections through the first quarter of 2015.

Quarterly Median Projections of the 10-Year Annual-Average Headline CPI-U Inflation (Philadelphia Federal Reserve)

2012-2	2012-3	2012-4	2013-1	2013-2	2013-3	2013-4	2014-1	2014-2	2014-3	2014-4	2015-1
2.48%	2.35%	2.30%	2.30%	2.30%	2.21%	2.30%	2.30%	2.30%	2.30%	2.21%	2.30%

Source: Federal Reserve Bank of Philadelphia – Survey of Professional Forecasters Quarterly (Inflation.xls)

The Congressional Budget Office (CBO) regularly publishes its Budget and Economic Outlook. This report includes a forecast of annual CPI-U (All Urban Consumers). The following table presents the CBO's forecast for calendar years 2015 – 2025, as published in its report dated January, 2015.

Consumer Price Index Forecast (CBO)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Compound Average
1.50%	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.30%

Source: Congressional Budget Office – The Budget and Economic Outlook: 2015 – 2025 (p. 30)

The Trustees of the Social Security system prepare and publish an annual report. Social Security's economists develop a forecast of future CPI-W (for Urban Wage Earners and Clerical Workers). The following table presents their forecasts in the 2014 annual report.

Social Security Trustees' Ultimate CPI-W Assumption for 2020 and later

Low-cost	3.40%
Intermediate	2.70%
High-cost	2.00%

Source: 2014 Social Security Trustees' Report (p. 8)

Another source of information about future price inflation is the market for U.S. Treasury bonds. Comparing spreads between nominal and inflation-indexed treasury securities (TIPS) provides an estimate of the bond market's expectation of inflation over the next decade or more. However, this analysis ignores the inflation risk premium that buyers of U.S. Treasury bonds often demand, and it ignores the differences in liquidity between U.S. Treasury bonds and TIPS.

Treasury Constant Maturities (2014 Annual Yields)

Term	Nominal	Inflation-Indexed	Implied Inflation
10-year	2.54%	0.44%	2.11%
20-year	3.07%	0.86%	2.21%
30-year	3.34%	1.11%	2.23%

Source: Board of Governors of the Federal Reserve System, Selected Interest Rates (Daily) – H. 15

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

CALCULATION OF THE SINGLE DISCOUNT RATE

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 8.00%; the municipal bond rate is 3.56%; and the resulting Single Discount Rate is 8.00%.

The tables in this section provide background for the development of the Single Discount Rate.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the Single Discount Rate. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF CONTRIBUTIONS ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Payroll for Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
0	\$ 307,405,199				
1	307,287,186	\$ 21,030,334	\$ 29,308,452	\$ 19,511,585	\$ 69,850,370
2	291,912,830	20,097,374	28,679,036	19,792,545	68,568,955
3	279,592,327	19,290,144	28,129,531	20,044,784	67,464,459
4	268,546,511	18,500,694	27,552,977	20,263,956	66,317,627
5	257,661,596	17,505,070	27,218,491	37,434,479	82,158,041
6	248,276,307	16,834,284	26,621,290	38,931,859	82,387,433
7	238,440,215	16,126,359	25,992,466	40,489,133	82,607,958
8	228,021,386	15,377,471	25,307,276	42,108,698	82,793,445
9	217,261,765	14,604,979	24,584,105	43,793,046	82,982,131
10	206,178,741	13,809,323	23,822,905	45,544,768	83,176,996
11	194,837,641	13,002,258	23,023,792	47,366,559	83,392,609
12	183,220,134	12,184,276	22,182,782	49,261,221	83,628,279
13	171,348,859	11,356,270	21,304,736	51,231,670	83,892,676
14	159,560,955	10,538,614	20,418,606	53,280,937	84,238,157
15	148,051,487	9,744,531	19,542,692	55,412,174	84,699,397
16	136,789,387	8,973,379	18,671,689	57,628,661	85,273,730
17	125,614,331	8,212,823	17,792,649	59,933,808	85,939,280
18	114,515,574	7,464,216	16,906,812	18,946,965	43,317,993
19	103,635,852	6,733,359	15,969,121	-	22,702,480
20	93,135,603	6,032,338	15,021,764	-	21,054,102
21	83,135,610	5,371,433	14,101,300	-	19,472,733
22	73,768,507	4,755,568	13,224,848	-	17,980,416
23	64,661,878	4,154,272	12,364,654	-	16,518,925
24	56,005,649	3,581,162	11,538,656	-	15,119,818
25	47,772,090	3,037,782	10,738,996	-	13,776,778
26	39,790,469	2,515,837	9,944,346	-	12,460,184
27	32,210,498	2,027,652	9,168,975	-	11,196,627
28	25,092,820	1,578,066	8,422,187	-	10,000,253
29	18,990,212	1,194,177	7,753,026	-	8,947,203
30	14,055,793	883,103	7,173,016	-	8,056,119
31	9,749,215	611,519	6,633,526	-	7,245,045
32	5,928,438	368,740	6,122,683	-	6,491,424
33	2,855,631	175,451	5,663,904	-	5,839,355
34	781,025	47,662	5,282,642	-	5,330,304
35	-	-	5,008,379	-	5,008,379
36	-	-	4,798,317	-	4,798,317
37	-	-	4,581,413	-	4,581,413
38	-	-	4,358,939	-	4,358,939
39	-	-	4,132,438	-	4,132,438
40	-	-	3,903,624	-	3,903,624
41	-	-	3,674,129	-	3,674,129
42	-	-	3,445,224	-	3,445,224
43	-	-	3,218,067	-	3,218,067
44	-	-	2,993,910	-	2,993,910
45	-	-	2,774,019	-	2,774,019
46	-	-	2,559,352	-	2,559,352
47	-	-	2,350,685	-	2,350,685
48	-	-	2,148,779	-	2,148,779
49	-	-	1,954,470	-	1,954,470
50	-	-	1,768,515	-	1,768,515

PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF CONTRIBUTIONS ENDING DECEMBER 31 FOR 2065 TO 2114 (CONCLUDED)

Year	Projected Payroll for Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
51	\$ -	\$ -	\$ 1,591,561	\$ -	\$ 1,591,561
52	-	-	1,424,145	-	1,424,145
53	-	-	1,266,689	-	1,266,689
54	-	-	1,119,508	-	1,119,508
55	-	-	982,818	-	982,818
56	-	-	856,729	-	856,729
57	-	-	741,252	-	741,252
58	-	-	636,296	-	636,296
59	-	-	541,673	-	541,673
60	-	-	457,099	-	457,099
61	-	-	382,199	-	382,199
62	-	-	316,513	-	316,513
63	-	-	259,502	-	259,502
64	-	-	210,562	-	210,562
65	-	-	169,038	-	169,038
66	-	-	134,236	-	134,236
67	-	-	105,436	-	105,436
68	-	-	81,917	-	81,917
69	-	-	62,968	-	62,968
70	-	-	47,907	-	47,907
71	-	-	36,101	-	36,101
72	-	-	26,971	-	26,971
73	-	-	20,002	-	20,002
74	-	-	14,748	-	14,748
75	-	-	10,831	-	10,831
76	-	-	7,937	-	7,937
77	-	-	5,817	-	5,817
78	-	-	4,271	-	4,271
79	-	-	3,148	-	3,148
80	-	-	2,332	-	2,332
81	-	-	1,739	-	1,739
82	-	-	1,306	-	1,306
83	-	-	987	-	987
84	-	-	751	-	751
85	-	-	575	-	575
86	-	-	442	-	442
87	-	-	340	-	340
88	-	-	262	-	262
89	-	-	202	-	202
90	-	-	155	-	155
91	-	-	119	-	119
92	-	-	90	-	90
93	-	-	68	-	68
94	-	-	50	-	50
95	-	-	37	-	37
96	-	-	26	-	26
97	-	-	18	-	18
98	-	-	12	-	12
99	-	-	7	-	7
100	-	-	3	-	3

PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF PLAN FIDUCIARY NET POSITION ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 8.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 1,384,020,882	\$ 69,850,370	\$ 49,085,799	\$ 2,076,031	\$ 111,454,831	\$ 1,514,164,253
2	1,514,164,253	68,568,955	52,693,658	2,271,246	121,666,834	1,649,435,138
3	1,649,435,138	67,464,459	59,773,010	2,474,153	132,159,488	1,786,811,922
4	1,786,811,922	66,317,627	68,232,435	2,680,218	142,764,689	1,924,981,584
5	1,924,981,584	82,158,041	73,939,311	2,887,472	154,207,675	2,084,520,517
6	2,084,520,517	82,387,433	84,210,984	3,126,781	166,567,437	2,246,137,622
7	2,246,137,622	82,607,958	96,068,842	3,369,206	179,030,757	2,408,338,290
8	2,408,338,290	82,793,445	108,468,189	3,612,507	191,518,110	2,570,569,149
9	2,570,569,149	82,982,131	121,158,343	3,855,854	203,996,594	2,732,533,677
10	2,732,533,677	83,176,996	134,014,899	4,098,801	216,447,501	2,894,044,473
11	2,894,044,473	83,392,609	148,291,930	4,341,067	228,807,224	3,053,611,309
12	3,053,611,309	83,628,279	163,019,773	4,580,417	240,994,646	3,210,634,044
13	3,210,634,044	83,892,676	178,301,803	4,815,951	252,958,076	3,364,367,042
14	3,364,367,042	84,238,157	193,872,996	5,046,551	264,650,357	3,514,336,009
15	3,514,336,009	84,699,397	209,548,359	5,271,504	276,042,192	3,660,257,734
16	3,660,257,734	85,273,730	225,222,256	5,490,387	287,114,980	3,801,933,801
17	3,801,933,801	85,939,280	240,557,582	5,702,901	297,865,226	3,939,477,823
18	3,939,477,823	43,317,993	255,960,651	5,909,217	306,584,330	4,027,510,278
19	4,027,510,278	22,702,480	271,174,904	6,041,265	312,216,127	4,085,212,715
20	4,085,212,715	21,054,102	286,394,511	6,127,819	316,167,187	4,129,911,675
21	4,129,911,675	19,472,733	301,127,420	6,194,868	319,100,457	4,161,162,577
22	4,161,162,577	17,980,416	314,945,827	6,241,744	320,998,043	4,178,953,464
23	4,178,953,464	16,518,925	327,499,571	6,268,430	321,870,442	4,183,574,831
24	4,183,574,831	15,119,818	339,450,140	6,275,362	321,716,165	4,174,685,313
25	4,174,685,313	13,776,778	351,185,142	6,262,028	320,492,469	4,151,507,390
26	4,151,507,390	12,460,184	361,952,910	6,227,261	318,165,524	4,113,952,926
27	4,113,952,926	11,196,627	372,075,244	6,170,929	314,716,703	4,061,620,082
28	4,061,620,082	10,000,253	380,643,134	6,092,430	310,150,098	3,995,034,869
29	3,995,034,869	8,947,203	387,518,989	5,992,552	304,516,144	3,914,986,675
30	3,914,986,675	8,056,119	393,079,144	5,872,480	297,863,914	3,821,955,084
31	3,821,955,084	7,245,045	396,957,379	5,732,933	290,242,897	3,716,752,714
32	3,716,752,714	6,491,424	398,992,201	5,575,129	281,723,506	3,600,400,314
33	3,600,400,314	5,839,355	399,543,541	5,400,600	272,374,951	3,473,670,479
34	3,473,670,479	5,330,304	397,187,635	5,210,506	262,316,475	3,338,919,117
35	3,338,919,117	5,008,379	391,784,934	5,008,379	251,743,617	3,198,877,799
36	3,198,877,799	4,798,317	385,393,377	4,798,317	240,791,055	3,054,275,478
37	3,054,275,478	4,581,413	377,835,728	4,581,413	229,519,360	2,905,959,109
38	2,905,959,109	4,358,939	369,000,978	4,358,939	218,000,642	2,754,958,773
39	2,754,958,773	4,132,438	358,861,044	4,132,438	206,318,409	2,602,416,139
40	2,602,416,139	3,903,624	347,555,318	3,903,624	194,558,528	2,449,419,348
41	2,449,419,348	3,674,129	335,399,081	3,674,129	182,795,679	2,296,815,946
42	2,296,815,946	3,445,224	322,530,502	3,445,224	171,092,248	2,145,377,691
43	2,145,377,691	3,218,067	308,947,566	3,218,067	159,510,053	1,995,940,178
44	1,995,940,178	2,993,910	294,707,922	2,993,910	148,113,680	1,849,345,936
45	1,849,345,936	2,774,019	280,071,568	2,774,019	136,960,332	1,706,234,700
46	1,706,234,700	2,559,352	265,205,818	2,559,352	126,094,623	1,567,123,506
47	1,567,123,506	2,350,685	250,159,924	2,350,685	115,555,985	1,432,519,566
48	1,432,519,566	2,148,779	234,924,915	2,148,779	105,385,347	1,302,979,998
49	1,302,979,998	1,954,470	219,593,914	1,954,470	95,623,624	1,179,009,709
50	1,179,009,709	1,768,515	204,275,665	1,768,515	86,306,943	1,061,040,987

PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF PLAN FIDUCIARY NET POSITION ENDING DECEMBER 31 FOR 2065 TO 2114
(CONCLUDED)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 8.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	\$ 1,061,040,987	\$ 1,591,561	\$ 189,076,648	\$ 1,591,561	\$ 77,465,710	\$ 949,430,049
52	949,430,049	1,424,145	174,095,585	1,424,145	69,124,550	844,459,013
53	844,459,013	1,266,689	159,422,722	1,266,689	61,302,490	746,338,782
54	746,338,782	1,119,508	145,140,159	1,119,508	54,013,184	655,211,807
55	655,211,807	982,818	131,324,250	982,818	47,265,031	571,152,587
56	571,152,587	856,729	118,046,036	856,729	41,061,204	494,167,755
57	494,167,755	741,252	105,370,283	741,252	35,399,693	424,197,165
58	424,197,165	636,296	93,355,427	636,296	30,273,395	361,115,133
59	361,115,133	541,673	82,052,961	541,673	25,670,233	304,732,405
60	304,732,405	457,099	71,506,557	457,099	21,573,356	254,799,204
61	254,799,204	382,199	61,752,170	382,199	17,961,369	211,008,402
62	211,008,402	316,513	52,816,069	316,513	14,808,672	173,001,006
63	173,001,006	259,502	44,712,325	259,502	12,085,994	140,374,675
64	140,374,675	210,562	37,443,539	210,562	9,761,046	112,692,182
65	112,692,182	169,038	31,001,023	169,038	7,799,189	89,490,349
66	89,490,349	134,236	25,363,718	134,236	6,164,197	70,290,827
67	70,290,827	105,436	20,498,474	105,436	4,819,101	54,611,454
68	54,611,454	81,917	16,360,167	81,917	3,727,099	41,978,387
69	41,978,387	62,968	12,892,699	62,968	2,852,484	31,938,172
70	31,938,172	47,907	10,032,114	47,907	2,161,489	24,067,547
71	24,067,547	36,101	7,709,742	36,101	1,622,947	17,980,752
72	17,980,752	26,971	5,854,661	26,971	1,208,779	13,334,869
73	13,334,869	20,002	4,396,939	20,002	894,296	9,832,226
74	9,832,226	14,748	3,269,958	14,748	658,296	7,220,564
75	7,220,564	10,831	2,411,946	10,831	483,023	5,291,641
76	5,291,641	7,937	1,767,778	7,937	353,980	3,877,843
77	3,877,843	5,817	1,290,159	5,817	259,614	2,847,299
78	2,847,299	4,271	939,713	4,271	190,919	2,098,504
79	2,098,504	3,148	684,694	3,148	141,019	1,554,830
80	1,554,830	2,332	500,217	2,332	104,763	1,159,375
81	1,159,375	1,739	367,186	1,739	78,345	870,534
82	870,534	1,306	271,320	1,306	58,999	658,213
83	658,213	987	202,078	987	44,729	500,864
84	500,864	751	151,775	751	34,115	383,205
85	383,205	575	114,965	575	26,146	294,386
86	294,386	442	87,767	442	20,108	226,727
87	226,727	340	67,442	340	15,492	174,777
88	174,777	262	52,106	262	11,938	134,609
89	134,609	202	40,389	202	9,184	103,405
90	103,405	155	31,357	155	7,042	79,090
91	79,090	119	24,367	119	5,371	60,094
92	60,094	90	18,926	90	4,065	45,233
93	45,233	68	14,660	68	3,044	33,616
94	33,616	50	11,324	50	2,245	24,537
95	24,537	37	8,706	37	1,621	17,452
96	17,452	26	6,630	26	1,136	11,958
97	11,958	18	4,990	18	761	7,729
98	7,729	12	3,698	12	473	4,504
99	4,504	7	2,691	7	255	2,068
100	2,068	3	1,926	3	90	232

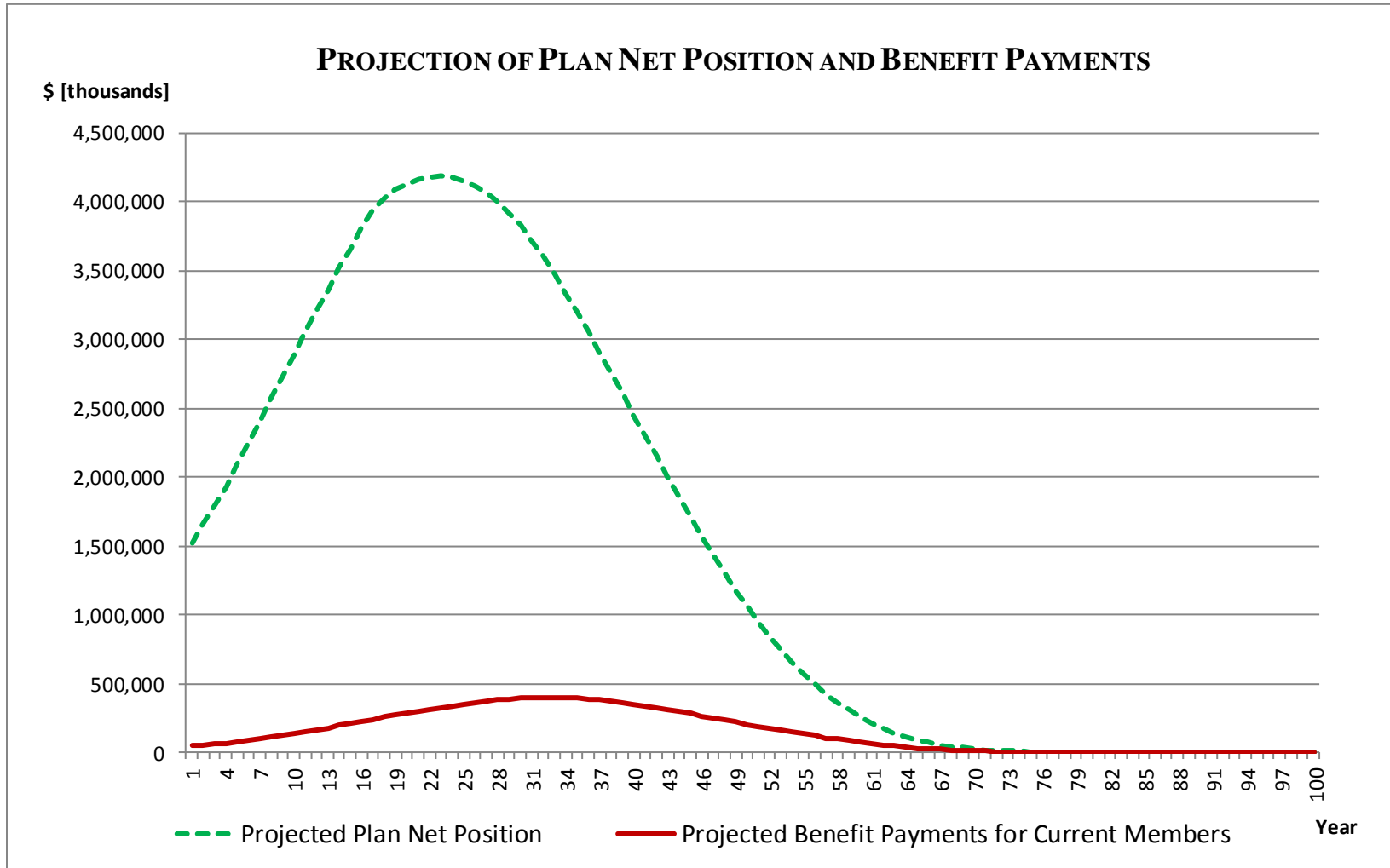
PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES
OF PROJECTED BENEFITS ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{^(a)-.5}	(g)=(e)*vf ^{^(a)-.5}	(h)=-((c)/(1+SDR) ^{^(a)-.5})
1	\$ 1,384,020,882	\$ 49,085,799	\$ 49,085,799	\$ -	\$ 47,232,832	\$ -	\$ 47,232,832
2	1,514,164,253	52,693,658	52,693,658	-	46,948,608	-	46,948,608
3	1,649,435,138	59,773,010	59,773,010	-	49,311,219	-	49,311,219
4	1,786,811,922	68,232,435	68,232,435	-	52,120,399	-	52,120,399
5	1,924,981,584	73,939,311	73,939,311	-	52,296,003	-	52,296,003
6	2,084,520,517	84,210,984	84,210,984	-	55,149,056	-	55,149,056
7	2,246,137,622	96,068,842	96,068,842	-	58,254,321	-	58,254,321
8	2,408,338,290	108,468,189	108,468,189	-	60,900,972	-	60,900,972
9	2,570,569,149	121,158,343	121,158,343	-	62,987,069	-	62,987,069
10	2,732,533,677	134,014,899	134,014,899	-	64,510,054	-	64,510,054
11	2,894,044,473	148,291,930	148,291,930	-	66,094,921	-	66,094,921
12	3,053,611,309	163,019,773	163,019,773	-	67,277,074	-	67,277,074
13	3,210,634,044	178,301,803	178,301,803	-	68,133,201	-	68,133,201
14	3,364,367,042	193,872,996	193,872,996	-	68,595,657	-	68,595,657
15	3,514,336,009	209,548,359	209,548,359	-	68,649,884	-	68,649,884
16	3,660,257,734	225,222,256	225,222,256	-	68,319,251	-	68,319,251
17	3,801,933,801	240,557,582	240,557,582	-	67,565,825	-	67,565,825
18	3,939,477,823	255,960,651	255,960,651	-	66,566,770	-	66,566,770
19	4,027,510,278	271,174,904	271,174,904	-	65,299,525	-	65,299,525
20	4,085,212,715	286,394,511	286,394,511	-	63,855,963	-	63,855,963
21	4,129,911,675	301,127,420	301,127,420	-	62,167,487	-	62,167,487
22	4,161,162,577	314,945,827	314,945,827	-	60,203,968	-	60,203,968
23	4,178,953,464	327,499,571	327,499,571	-	57,966,388	-	57,966,388
24	4,183,574,831	339,450,140	339,450,140	-	55,631,112	-	55,631,112
25	4,174,685,313	351,185,142	351,185,142	-	53,291,031	-	53,291,031
26	4,151,507,390	361,952,910	361,952,910	-	50,856,481	-	50,856,481
27	4,113,952,926	372,075,244	372,075,244	-	48,406,229	-	48,406,229
28	4,061,620,082	380,643,134	380,643,134	-	45,852,680	-	45,852,680
29	3,995,034,869	387,518,989	387,518,989	-	43,223,105	-	43,223,105
30	3,914,986,675	393,079,144	393,079,144	-	40,595,623	-	40,595,623
31	3,821,955,084	396,957,379	396,957,379	-	37,959,400	-	37,959,400
32	3,716,752,714	398,992,201	398,992,201	-	35,327,761	-	35,327,761
33	3,600,400,314	399,543,541	399,543,541	-	32,756,090	-	32,756,090
34	3,473,670,479	397,187,635	397,187,635	-	30,150,874	-	30,150,874
35	3,338,919,117	391,784,934	391,784,934	-	27,537,732	-	27,537,732
36	3,198,877,799	385,393,377	385,393,377	-	25,081,929	-	25,081,929
37	3,054,275,478	377,835,728	377,835,728	-	22,768,580	-	22,768,580
38	2,905,959,109	369,000,978	369,000,978	-	20,589,068	-	20,589,068
39	2,754,958,773	358,861,044	358,861,044	-	18,540,085	-	18,540,085
40	2,602,416,139	347,555,318	347,555,318	-	16,625,917	-	16,625,917
41	2,449,419,348	335,399,081	335,399,081	-	14,855,928	-	14,855,928
42	2,296,815,946	322,530,502	322,530,502	-	13,227,718	-	13,227,718
43	2,145,377,691	308,947,566	308,947,566	-	11,732,084	-	11,732,084
44	1,995,940,178	294,707,922	294,707,922	-	10,362,355	-	10,362,355
45	1,849,345,936	280,071,568	280,071,568	-	9,118,259	-	9,118,259
46	1,706,234,700	265,205,818	265,205,818	-	7,994,700	-	7,994,700
47	1,567,123,506	250,159,924	250,159,924	-	6,982,535	-	6,982,535
48	1,432,519,566	234,924,915	234,924,915	-	6,071,566	-	6,071,566
49	1,302,979,998	219,593,914	219,593,914	-	5,254,945	-	5,254,945
50	1,179,009,709	204,275,665	204,275,665	-	4,526,273	-	4,526,273

PAID SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES
OF PROJECTED BENEFITS ENDING DECEMBER 31 FOR 2065 TO 2114 (CONCLUDED)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{^(a)-.5}	(g)=(e)*vf ^{^(a)-.5}	(h)=-((c)/(1+SDR) ^{^(a)-.5})
51	\$ 1,061,040,987	\$ 189,076,648	\$ 189,076,648	\$ -	\$ 3,879,165	\$ -	\$ 3,879,165
52	949,430,049	174,095,585	174,095,585	-	3,307,230	-	3,307,230
53	844,459,013	159,422,722	159,422,722	-	2,804,162	-	2,804,162
54	746,338,782	145,140,159	145,140,159	-	2,363,832	-	2,363,832
55	655,211,807	131,324,250	131,324,250	-	1,980,388	-	1,980,388
56	571,152,587	118,046,036	118,046,036	-	1,648,288	-	1,648,288
57	494,167,755	105,370,283	105,370,283	-	1,362,310	-	1,362,310
58	424,197,165	93,355,427	93,355,427	-	1,117,567	-	1,117,567
59	361,115,133	82,052,961	82,052,961	-	909,504	-	909,504
60	304,732,405	71,506,557	71,506,557	-	733,892	-	733,892
61	254,799,204	61,752,170	61,752,170	-	586,834	-	586,834
62	211,008,402	52,816,069	52,816,069	-	464,735	-	464,735
63	173,001,006	44,712,325	44,712,325	-	364,286	-	364,286
64	140,374,675	37,443,539	37,443,539	-	282,467	-	282,467
65	112,692,182	31,001,023	31,001,023	-	216,543	-	216,543
66	89,490,349	25,363,718	25,363,718	-	164,043	-	164,043
67	70,290,827	20,498,474	20,498,474	-	122,756	-	122,756
68	54,611,454	16,360,167	16,360,167	-	90,716	-	90,716
69	41,978,387	12,892,699	12,892,699	-	66,194	-	66,194
70	31,938,172	10,032,114	10,032,114	-	47,692	-	47,692
71	24,067,547	7,709,742	7,709,742	-	33,936	-	33,936
72	17,980,752	5,854,661	5,854,661	-	23,862	-	23,862
73	13,334,869	4,396,939	4,396,939	-	16,593	-	16,593
74	9,832,226	3,269,958	3,269,958	-	11,426	-	11,426
75	7,220,564	2,411,946	2,411,946	-	7,804	-	7,804
76	5,291,641	1,767,778	1,767,778	-	5,296	-	5,296
77	3,877,843	1,290,159	1,290,159	-	3,579	-	3,579
78	2,847,299	939,713	939,713	-	2,414	-	2,414
79	2,098,504	684,694	684,694	-	1,628	-	1,628
80	1,554,830	500,217	500,217	-	1,101	-	1,101
81	1,159,375	367,186	367,186	-	749	-	749
82	870,534	271,320	271,320	-	512	-	512
83	658,213	202,078	202,078	-	353	-	353
84	500,864	151,775	151,775	-	246	-	246
85	383,205	114,965	114,965	-	172	-	172
86	294,386	87,767	87,767	-	122	-	122
87	226,727	67,442	67,442	-	87	-	87
88	174,777	52,106	52,106	-	62	-	62
89	134,609	40,389	40,389	-	44	-	44
90	103,405	31,357	31,357	-	32	-	32
91	79,090	24,367	24,367	-	23	-	23
92	60,094	18,926	18,926	-	17	-	17
93	45,233	14,660	14,660	-	12	-	12
94	33,616	11,324	11,324	-	8	-	8
95	24,537	8,706	8,706	-	6	-	6
96	17,452	6,630	6,630	-	4	-	4
97	11,958	4,990	4,990	-	3	-	3
98	7,729	3,698	3,698	-	2	-	2
99	4,504	2,691	2,691	-	1	-	1
100	2,068	1,926	1,926	-	1	-	1
Totals					\$ 2,118,349,202	\$ -	\$ 2,118,349,202

PAID SERVICE



VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF CONTRIBUTIONS ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Number of Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
0	7,347				
1	6,520	\$ -	\$ 2,109,662	\$ 1,759,447	\$ 3,869,109
2	5,878	-	1,894,931	1,785,547	3,680,478
3	5,350	-	1,724,947	1,810,296	3,535,242
4	4,898	-	1,588,975	1,833,481	3,422,456
5	4,505	-	1,469,996	2,580,921	4,050,916
6	4,147	-	1,362,483	2,658,349	4,020,832
7	3,809	-	1,265,442	2,738,099	4,003,541
8	3,498	-	1,177,283	2,820,242	3,997,525
9	3,202	-	1,098,336	2,904,849	4,003,186
10	2,926	-	1,020,486	2,991,995	4,012,481
11	2,669	-	950,791	3,081,755	4,032,546
12	2,430	-	888,076	3,174,207	4,062,283
13	2,208	-	827,949	3,269,433	4,097,383
14	2,001	-	777,138	3,367,516	4,144,655
15	1,810	-	726,515	3,468,542	4,195,057
16	1,634	-	680,978	3,572,598	4,253,576
17	1,471	-	639,153	3,679,776	4,318,929
18	1,322	-	602,340	3,790,169	4,392,509
19	1,184	-	569,773	3,903,875	4,473,647
20	1,058	-	540,420	4,020,991	4,561,411
21	940	-	513,616	4,141,620	4,655,237
22	832	-	488,936	4,265,869	4,754,805
23	732	-	467,291	4,393,845	4,861,136
24	639	-	446,392	4,525,661	4,972,052
25	553	-	427,944	4,661,430	5,089,375
26	474	-	413,687	-	413,687
27	401	-	391,452	-	391,452
28	335	-	372,116	-	372,116
29	279	-	354,752	-	354,752
30	231	-	336,864	-	336,864
31	192	-	319,245	-	319,245
32	159	-	305,490	-	305,490
33	131	-	290,578	-	290,578
34	108	-	278,816	-	278,816
35	89	-	264,237	-	264,237
36	73	-	252,474	-	252,474
37	59	-	241,361	-	241,361
38	47	-	228,253	-	228,253
39	38	-	216,460	-	216,460
40	30	-	204,645	-	204,645
41	23	-	192,867	-	192,867
42	18	-	181,785	-	181,785
43	14	-	170,694	-	170,694
44	10	-	161,699	-	161,699
45	8	-	149,330	-	149,330
46	6	-	139,668	-	139,668
47	4	-	129,233	-	129,233
48	3	-	119,354	-	119,354
49	2	-	109,873	-	109,873
50	1	-	100,991	-	100,991

VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF CONTRIBUTIONS ENDING DECEMBER 31 FOR 2065 TO 2114 (CONCLUDED)

Year	Projected Number of Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
51	1	\$ -	\$ 92,438	\$ -	\$ 92,438
52	-	-	84,218	-	84,218
53	-	-	76,352	-	76,352
54	-	-	68,860	-	68,860
55	-	-	61,762	-	61,762
56	-	-	55,072	-	55,072
57	-	-	48,803	-	48,803
58	-	-	42,965	-	42,965
59	-	-	37,563	-	37,563
60	-	-	32,599	-	32,599
61	-	-	28,071	-	28,071
62	-	-	23,973	-	23,973
63	-	-	20,296	-	20,296
64	-	-	17,025	-	17,025
65	-	-	14,144	-	14,144
66	-	-	11,632	-	11,632
67	-	-	9,465	-	9,465
68	-	-	7,619	-	7,619
69	-	-	6,064	-	6,064
70	-	-	4,772	-	4,772
71	-	-	3,712	-	3,712
72	-	-	2,854	-	2,854
73	-	-	2,170	-	2,170
74	-	-	1,632	-	1,632
75	-	-	1,214	-	1,214
76	-	-	894	-	894
77	-	-	653	-	653
78	-	-	473	-	473
79	-	-	340	-	340
80	-	-	242	-	242
81	-	-	172	-	172
82	-	-	121	-	121
83	-	-	85	-	85
84	-	-	59	-	59
85	-	-	40	-	40
86	-	-	27	-	27
87	-	-	18	-	18
88	-	-	12	-	12
89	-	-	8	-	8
90	-	-	5	-	5
91	-	-	3	-	3
92	-	-	2	-	2
93	-	-	1	-	1
94	-	-	1	-	1
95	-	-	-	-	-
96	-	-	-	-	-
97	-	-	-	-	-
98	-	-	-	-	-
99	-	-	-	-	-
100	-	-	-	-	-

VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF PLAN FIDUCIARY NET POSITION ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 8.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 59,147,396	\$ 3,869,109	\$ 2,489,359	\$ 88,721	\$ 4,782,439	\$ 65,220,865
2	65,220,865	3,680,478	2,896,475	97,831	5,244,588	71,151,626
3	71,151,626	3,535,242	3,312,408	106,727	5,696,685	76,964,418
4	76,964,418	3,422,456	3,752,902	115,447	6,139,661	82,658,187
5	82,658,187	4,050,916	4,198,673	123,987	6,601,994	88,988,437
6	88,988,437	4,020,832	4,650,115	133,483	7,089,151	95,314,823
7	95,314,823	4,003,541	5,132,736	142,972	7,575,278	101,617,933
8	101,617,933	3,997,525	5,660,992	152,427	8,058,196	107,860,235
9	107,860,235	4,003,186	6,199,793	161,790	8,536,298	114,038,135
10	114,038,135	4,012,481	6,776,078	171,057	9,007,923	120,111,404
11	120,111,404	4,032,546	7,384,724	180,167	9,470,337	126,049,396
12	126,049,396	4,062,283	8,000,774	189,074	9,922,025	131,843,856
13	131,843,856	4,097,383	8,614,097	197,766	10,362,557	137,491,933
14	137,491,933	4,144,655	9,225,645	206,238	10,791,934	142,996,639
15	142,996,639	4,195,057	9,865,481	214,495	11,208,863	148,320,583
16	148,320,583	4,253,576	10,507,274	222,481	11,611,583	153,455,987
17	153,455,987	4,318,929	11,138,674	230,184	11,999,907	158,405,965
18	158,405,965	4,392,509	11,790,902	237,609	12,372,913	163,142,876
19	163,142,876	4,473,647	12,422,878	244,714	12,729,978	167,678,909
20	167,678,909	4,561,411	13,024,788	251,518	13,072,423	172,036,438
21	172,036,438	4,655,237	13,583,500	258,055	13,402,531	176,252,651
22	176,252,651	4,754,805	14,129,998	264,379	13,722,047	180,335,126
23	180,335,126	4,861,136	14,657,151	270,503	14,031,896	184,300,504
24	184,300,504	4,972,052	15,149,622	276,451	14,333,924	188,180,407
25	188,180,407	5,089,375	15,632,788	282,271	14,629,736	191,984,459
26	191,984,459	413,687	16,083,295	287,977	14,732,733	190,759,606
27	190,759,606	391,452	16,494,353	286,139	14,617,818	188,988,384
28	188,988,384	372,116	16,856,173	283,483	14,461,272	186,682,116
29	186,682,116	354,752	17,195,313	280,023	14,262,920	183,824,453
30	183,824,453	336,864	17,480,065	275,737	14,022,603	180,428,118
31	180,428,118	319,245	17,681,657	270,642	13,742,496	176,537,559
32	176,537,559	305,490	17,809,896	264,806	13,425,910	172,194,258
33	172,194,258	290,578	17,866,314	258,291	13,075,903	167,436,134
34	167,436,134	278,816	17,873,270	251,154	12,694,799	162,285,325
35	162,285,325	264,237	17,816,896	243,428	12,284,677	156,773,914
36	156,773,914	252,474	17,696,294	235,161	11,848,358	150,943,291
37	150,943,291	241,361	17,515,455	226,415	11,388,910	144,831,693
38	144,831,693	228,253	17,252,478	217,248	10,910,144	138,500,364
39	138,500,364	216,460	16,936,519	207,751	10,415,943	131,988,497
40	131,988,497	204,645	16,569,760	197,983	9,909,301	125,334,700
41	125,334,700	192,867	16,127,163	188,002	9,394,290	118,606,693
42	118,606,693	181,785	15,623,052	177,910	8,875,788	111,863,303
43	111,863,303	170,694	15,069,038	167,795	8,358,012	105,155,176
44	105,155,176	161,699	14,479,987	157,733	7,844,513	98,523,668
45	98,523,668	149,330	13,871,095	147,786	7,337,784	91,991,901
46	91,991,901	139,668	13,247,544	137,988	6,839,710	85,585,748
47	85,585,748	129,233	12,612,557	128,379	6,352,097	79,326,142
48	79,326,142	119,354	11,969,437	118,989	5,876,539	73,233,610
49	73,233,610	109,873	11,320,900	109,850	5,414,565	67,327,298
50	67,327,298	100,991	10,669,305	100,991	4,967,622	61,625,615

VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PROJECTION
OF PLAN FIDUCIARY NET POSITION ENDING DECEMBER 31 FOR 2065 TO 2114
(CONCLUDED)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 8.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	\$ 61,625,615	\$ 92,438	\$ 10,017,511	\$ 92,438	\$ 4,537,057	\$ 56,145,161
52	56,145,161	84,218	9,368,225	84,218	4,124,093	50,901,029
53	50,901,029	76,352	8,724,017	76,352	3,729,835	45,906,847
54	45,906,847	68,860	8,087,488	68,860	3,355,272	41,174,631
55	41,174,631	61,762	7,461,210	61,762	3,001,264	36,714,685
56	36,714,685	55,072	6,847,767	55,072	2,668,534	32,535,451
57	32,535,451	48,803	6,249,899	48,803	2,357,650	28,643,201
58	28,643,201	42,965	5,670,421	42,965	2,069,003	25,041,783
59	25,041,783	37,563	5,112,103	37,563	1,802,792	21,732,472
60	21,732,472	32,599	4,577,584	32,599	1,559,017	18,713,906
61	18,713,906	28,071	4,069,285	28,071	1,337,472	15,982,093
62	15,982,093	23,973	3,589,367	23,973	1,137,755	13,530,481
63	13,530,481	20,296	3,139,737	20,296	959,265	11,350,009
64	11,350,009	17,025	2,721,992	17,025	801,216	9,429,233
65	9,429,233	14,144	2,337,343	14,144	662,644	7,754,533
66	7,754,533	11,632	1,986,644	11,632	542,426	6,310,315
67	6,310,315	9,465	1,670,328	9,465	439,297	5,079,285
68	5,079,285	7,619	1,388,359	7,619	351,877	4,042,803
69	4,042,803	6,064	1,140,219	6,064	278,693	3,181,277
70	3,181,277	4,772	924,849	4,772	218,220	2,474,648
71	2,474,648	3,712	740,627	3,712	168,917	1,902,938
72	1,902,938	2,854	585,430	2,854	129,268	1,446,776
73	1,446,776	2,170	456,733	2,170	97,824	1,087,867
74	1,087,867	1,632	351,712	1,632	73,232	809,386
75	809,386	1,214	267,405	1,214	54,260	596,242
76	596,242	894	200,840	894	39,820	435,223
77	435,223	653	149,134	653	28,967	315,056
78	315,056	473	109,599	473	20,905	226,362
79	226,362	340	79,814	340	14,978	161,526
80	161,526	242	57,672	242	10,660	114,514
81	114,514	172	41,396	172	7,537	80,655
82	80,655	121	29,540	121	5,294	56,408
83	56,408	85	20,960	85	3,690	39,139
84	39,139	59	14,779	59	2,551	26,911
85	26,911	40	10,345	40	1,747	18,313
86	18,313	27	7,177	27	1,184	12,320
87	12,320	18	4,928	18	792	8,184
88	8,184	12	3,344	12	524	5,364
89	5,364	8	2,239	8	341	3,467
90	3,467	5	1,478	5	219	2,208
91	2,208	3	962	3	139	1,385
92	1,385	2	616	2	87	856
93	856	1	389	1	53	521
94	521	1	242	1	32	311
95	311	-	149	-	19	181
96	181	-	90	-	11	102
97	102	-	54	-	6	54
98	54	-	31	-	3	27
99	27	-	17	-	1	12
100	12	-	12	-	-	-

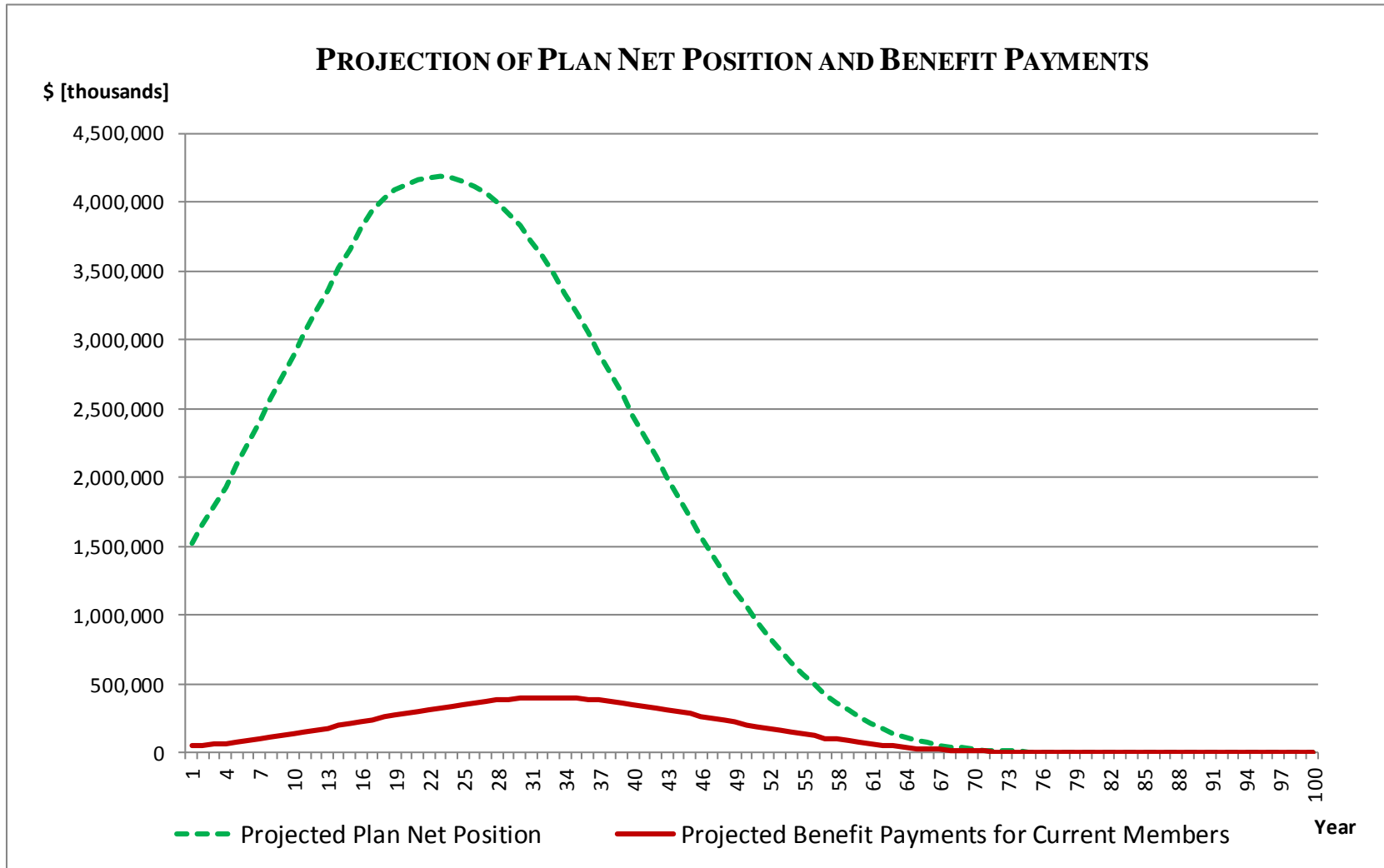
VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES
OF PROJECTED BENEFITS ENDING DECEMBER 31 FOR 2015 TO 2064

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^(a-.5)	(g)=(e)*vf^(a-.5)	(h)=[(c)/(1+SDR)]^(a-.5)
1	\$ 59,147,396	\$ 2,489,359	\$ 2,489,359	\$ -	\$ 2,395,387	\$ -	\$ 2,395,387
2	65,220,865	2,896,475	2,896,475	-	2,580,680	-	2,580,680
3	71,151,626	3,312,408	3,312,408	-	2,732,653	-	2,732,653
4	76,964,418	3,752,902	3,752,902	-	2,866,712	-	2,866,712
5	82,658,187	4,198,673	4,198,673	-	2,969,649	-	2,969,649
6	88,988,437	4,650,115	4,650,115	-	3,045,320	-	3,045,320
7	95,314,823	5,132,736	5,132,736	-	3,112,394	-	3,112,394
8	101,617,933	5,660,992	5,660,992	-	3,178,443	-	3,178,443
9	107,860,235	6,199,793	6,199,793	-	3,223,111	-	3,223,111
10	114,038,135	6,776,078	6,776,078	-	3,261,766	-	3,261,766
11	120,111,404	7,384,724	7,384,724	-	3,291,432	-	3,291,432
12	126,049,396	8,000,774	8,000,774	-	3,301,861	-	3,301,861
13	131,843,856	8,614,097	8,614,097	-	3,291,644	-	3,291,644
14	137,491,933	9,225,645	9,225,645	-	3,264,195	-	3,264,195
15	142,996,639	9,865,481	9,865,481	-	3,232,018	-	3,232,018
16	148,320,583	10,507,274	10,507,274	-	3,187,292	-	3,187,292
17	153,455,987	11,138,674	11,138,674	-	3,128,539	-	3,128,539
18	158,405,965	11,790,902	11,790,902	-	3,066,418	-	3,066,418
19	163,142,876	12,422,878	12,422,878	-	2,991,457	-	2,991,457
20	167,678,909	13,024,788	13,024,788	-	2,904,072	-	2,904,072
21	172,036,438	13,583,500	13,583,500	-	2,804,301	-	2,804,301
22	176,252,651	14,129,998	14,129,998	-	2,701,042	-	2,701,042
23	180,335,126	14,657,151	14,657,151	-	2,594,269	-	2,594,269
24	184,300,504	15,149,622	15,149,622	-	2,482,810	-	2,482,810
25	188,180,407	15,632,788	15,632,788	-	2,372,217	-	2,372,217
26	191,984,459	16,083,295	16,083,295	-	2,259,796	-	2,259,796
27	190,759,606	16,494,353	16,494,353	-	2,145,882	-	2,145,882
28	188,988,384	16,856,173	16,856,173	-	2,030,513	-	2,030,513
29	186,682,116	17,195,313	17,195,313	-	1,917,931	-	1,917,931
30	183,824,453	17,480,065	17,480,065	-	1,805,270	-	1,805,270
31	180,428,118	17,681,657	17,681,657	-	1,690,824	-	1,690,824
32	176,537,559	17,809,896	17,809,896	-	1,576,932	-	1,576,932
33	172,194,258	17,866,314	17,866,314	-	1,464,748	-	1,464,748
34	167,436,134	17,873,270	17,873,270	-	1,356,776	-	1,356,776
35	162,285,325	17,816,896	17,816,896	-	1,252,312	-	1,252,312
36	156,773,914	17,696,294	17,696,294	-	1,151,699	-	1,151,699
37	150,943,291	17,515,455	17,515,455	-	1,055,491	-	1,055,491
38	144,831,693	17,252,478	17,252,478	-	962,633	-	962,633
39	138,500,364	16,936,519	16,936,519	-	875,003	-	875,003
40	131,988,497	16,569,760	16,569,760	-	792,643	-	792,643
41	125,334,700	16,127,163	16,127,163	-	714,325	-	714,325
42	118,606,693	15,623,052	15,623,052	-	640,737	-	640,737
43	111,863,303	15,069,038	15,069,038	-	572,237	-	572,237
44	105,155,176	14,479,987	14,479,987	-	509,137	-	509,137
45	98,523,668	13,871,095	13,871,095	-	451,600	-	451,600
46	91,991,901	13,247,544	13,247,544	-	399,351	-	399,351
47	85,585,748	12,612,557	12,612,557	-	352,045	-	352,045
48	79,326,142	11,969,437	11,969,437	-	309,347	-	309,347
49	73,233,610	11,320,900	11,320,900	-	270,912	-	270,912
50	67,327,298	10,669,305	10,669,305	-	236,407	-	236,407

VOLUNTEER SERVICE
SINGLE DISCOUNT RATE DEVELOPMENT PRESENT VALUES
OF PROJECTED BENEFITS ENDING DECEMBER 31 FOR 2065 TO 2114 (CONCLUDED)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^{^(a)-5}	(g)=(e)*vf ^{^(a)-5}	(h)=[(c)/(1+SDR)] ^{^(a)-5}
51	\$ 61,625,615	\$ 10,017,511	\$ 10,017,511	\$ -	\$ 205,523	\$ -	\$ 205,523
52	56,145,161	9,368,225	9,368,225	-	177,965	-	177,965
53	50,901,029	8,724,017	8,724,017	-	153,451	-	153,451
54	45,906,847	8,087,488	8,087,488	-	131,717	-	131,717
55	41,174,631	7,461,210	7,461,210	-	112,516	-	112,516
56	36,714,685	6,847,767	6,847,767	-	95,616	-	95,616
57	32,535,451	6,249,899	6,249,899	-	80,804	-	80,804
58	28,643,201	5,670,421	5,670,421	-	67,881	-	67,881
59	25,041,783	5,112,103	5,112,103	-	56,664	-	56,664
60	21,732,472	4,577,584	4,577,584	-	46,981	-	46,981
61	18,713,906	4,069,285	4,069,285	-	38,671	-	38,671
62	15,982,093	3,589,367	3,589,367	-	31,583	-	31,583
63	13,530,481	3,139,737	3,139,737	-	25,580	-	25,580
64	11,350,009	2,721,992	2,721,992	-	20,534	-	20,534
65	9,429,233	2,337,343	2,337,343	-	16,326	-	16,326
66	7,754,533	1,986,644	1,986,644	-	12,849	-	12,849
67	6,310,315	1,670,328	1,670,328	-	10,003	-	10,003
68	5,079,285	1,388,359	1,388,359	-	7,698	-	7,698
69	4,042,803	1,140,219	1,140,219	-	5,854	-	5,854
70	3,181,277	924,849	924,849	-	4,397	-	4,397
71	2,474,648	740,627	740,627	-	3,260	-	3,260
72	1,902,938	585,430	585,430	-	2,386	-	2,386
73	1,446,776	456,733	456,733	-	1,724	-	1,724
74	1,087,867	351,712	351,712	-	1,229	-	1,229
75	809,386	267,405	267,405	-	865	-	865
76	596,242	200,840	200,840	-	602	-	602
77	435,223	149,134	149,134	-	414	-	414
78	315,056	109,599	109,599	-	281	-	281
79	226,362	79,814	79,814	-	190	-	190
80	161,526	57,672	57,672	-	127	-	127
81	114,514	41,396	41,396	-	84	-	84
82	80,655	29,540	29,540	-	56	-	56
83	56,408	20,960	20,960	-	37	-	37
84	39,139	14,779	14,779	-	24	-	24
85	26,911	10,345	10,345	-	16	-	16
86	18,313	7,177	7,177	-	10	-	10
87	12,320	4,928	4,928	-	6	-	6
88	8,184	3,344	3,344	-	4	-	4
89	5,364	2,239	2,239	-	2	-	2
90	3,467	1,478	1,478	-	2	-	2
91	2,208	962	962	-	1	-	1
92	1,385	616	616	-	1	-	1
93	856	389	389	-	-	-	-
94	521	242	242	-	-	-	-
95	311	149	149	-	-	-	-
96	181	90	90	-	-	-	-
97	102	54	54	-	-	-	-
98	54	31	31	-	-	-	-
99	27	17	17	-	-	-	-
100	12	12	12	-	-	-	-
Totals					\$ 102,088,166	\$ -	\$ 102,088,166

VOLUNTEER SERVICE



SECTION H

GLOSSARY OF TERMS

GLOSSARY OF TERMS

<i>Actuarial Accrued Liability (AAL)</i>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<i>Actuarial Assumptions</i>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<i>Actuarial Gain (Loss)</i>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<i>Actuarial Present Value (APV)</i>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<i>Actuarial Valuation</i>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

GLOSSARY OF TERMS

<i>Amortization Payment</i>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<i>Amortization Method</i>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<i>Cost-of-Living Adjustments</i>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<i>Covered-Employee Payroll</i>	The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.
<i>Deferred Retirement Option Program (DROP)</i>	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
<i>Deferred Inflows and Outflows</i>	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
<i>Discount Rate</i>	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: <ol style="list-style-type: none">1. The benefit payments to be made while the pension plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

GLOSSARY OF TERMS

<i>Entry Age Actuarial Cost Method (EAN)</i>	The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit ages(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
<i>GASB</i>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<i>Fiduciary Net Position</i>	The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.
<i>Long-Term Expected Rate of Return</i>	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
<i>Money-Weighted Rate of Return</i>	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<i>Multiple-Employer Defined Benefit Pension Plan</i>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<i>Municipal Bond Rate</i>	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
<i>Net Pension Liability (NPL)</i>	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
<i>Non-Employer Contribution Entities</i>	Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contribution entities.
<i>Normal Cost</i>	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

GLOSSARY OF TERMS

<i>Other Postemployment Benefits (OPEB)</i>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other post-employment benefits do not include termination benefits.
<i>Real Rate of Return</i>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<i>Service Cost</i>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<i>Total Pension Expense</i>	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: <ol style="list-style-type: none">1. Service Cost2. Interest on the Total Pension Liability3. Current-Period Benefit Changes4. Employee Contributions (made negative for addition here)5. Projected Earnings on Plan Investments (made negative for addition here)6. Pension Plan Administrative Expense7. Other Changes in Plan Fiduciary Net Position8. Recognition of Outflow (Inflow) of Resources due to Liabilities9. Recognition of Outflow (Inflow) of Resources due to Assets
<i>Total Pension Liability (TPL)</i>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<i>Valuation Assets</i>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.



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May 14, 2015

Mr. David B. Clark
Executive Director
Arkansas Local Police and Fire Retirement System
620 W. 3rd, Suite 200
Little Rock, Arkansas 72201-2212

Dear Mr. Clark:

Please find enclosed copies of the GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions report of the Arkansas Local Police and Fire Retirement System.

Sincerely yours,

A handwritten signature in black ink that reads 'David L. Hoffman'.

David L. Hoffman

DLH:sc:dj
Enclosures