CITY OF BELVEDERE
RETIREMENT ENHANCEMENT PLAN

GASB 68 DISCLOSURE
Fiscal Year: July 1, 2019 to June 30, 2020

Prepared by

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October 20, 2020

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Certification

Actuarial computations presented in this report under Statement No. 68 of the Governmental Accounting Standards Board are for purposes of assisting the City of Belvedere in fulfilling its financial accounting requirements for the Retirement Enhancement Plan. No attempt is being made to offer any accounting opinion or advice. This report is for fiscal year July 1, 2019 to June 30, 2020. The reporting date for determining plan assets and obligations is June 30, 2020. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

In preparing this report, we relied, without audit, on information as of June 30, 2018, June 30, 2019 and June 30, 2020 furnished by the City of Belvedere and the Public Agency Retirement Services (PARS). This information includes, but is not limited to, statutory provisions, member census data, and financial information. Please see Milliman's funding valuation report dated July 31, 2019 for more information on the plan's participant group as of June 30, 2018 as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions used for funding purposes.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

Statements No. 67 and 68 of the Governmental Accounting Standards Board (GASB) require that the investment return assumption be the estimated long-term yield on the investments that are expected to finance benefits. Based on direction from the City, we have used a 6.50% investment return assumption to determine the Plan’s Total Pension Liability as of June 30, 2020. Currently, trust assets are allocated 45% to fixed income, 37% to U.S. equities, 11% to foreign equity, and 7% to cash and real estate investments. Based on Milliman’s capital market assumptions as of June 30, 2020, average investment returns over the next 30 years are projected to be 5.14%. The 6.50% investment return assumption is outside the 75th percentile of average expected returns. Funding valuations for the plan are performed biennially. A decrease in the investment return assumption is recommended for the 2020 valuation.

We hereby certify that, to the best of our knowledge, this report, including all costs and liabilities based on actuarial assumptions (with the exception of the investment return rate) and methods, is complete and accurate and determined in conformance with generally recognized and accepted actuarial principles and practices, which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions and supporting Recommendations of the American Academy of Actuaries.

Other than the investment return rate and others set by law, each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and our professional judgment regarding future plan experience. We believe the assumptions are reasonable for the contingencies they are measuring, and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Certification

This valuation report is only an estimate of the Plan's financial condition as of a single date. It can neither predict the Plan's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or 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 actuarial assignment, we did not perform an analysis of the potential range of such future measurements.

Milliman's work is prepared solely for the internal use and benefit of the City of Belvedere and PARS. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions: (a) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to the Plan Sponsor's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the City; and (b) the Plan Sponsor may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their specific needs.

The consultants who worked on this assignment are pension actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, I, Lori V. Marsh, hereby certify that, to the best of my knowledge and belief, this report is complete and has been prepared in accordance with generally recognized accepted actuarial principles and practices. I am a member of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Lori V. Marsh

Lori V. Marsh, ASA, EA, MAAA
Consulting Actuary

Diane D. Calder

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Actuarial Analyst

Overview of GASB 67 and GASB 68

The Governmental Accounting Standards Board (GASB) released new accounting standards for public pension plans and participating employers in 2012. These standards, GASB Statements No. 67 and 68, have substantially revised the accounting requirements previously mandated under GASB Statements No. 25 and 27. The most notable change is the distinct separation of funding from financial reporting. The Annual Required Contribution (ARC) has been eliminated under GASB 67 and 68 and is no longer relevant for financial reporting purposes. As a result, plan sponsors have been encouraged to establish a formal funding policy that is separate from financial reporting calculations.

GASB 67 applies to financial reporting for public pension plans and is required to be implemented for plan fiscal years beginning after June 15, 2013. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue standalone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers and is required to be implemented for employer fiscal years beginning after June 15, 2014. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

Executive Summary

Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is June 30, 2018. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2020. This is the date as of which the net pension liability is determined. The Reporting Date is June 30, 2020. This is the plan's and/or employer's fiscal year ending date.

Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

Participant Data as of June 30, 2018

Actives	10
Terminated vested & other inactives	0
Retirees and beneficiaries	3
Total	13

Schedule of Employer Contributions

Fiscal Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2018	$27,648	$30,305	($2,657)	$921,592	3.29%
2019	27,648	26,737	911	946,936	2.82%
2020	36,078	36,042	36	972,977	3.70%

Actuarial Methods and Assumptions Used for Funding Policy

The following actuarial methods and assumptions were used in the June 30, 2018 funding valuation. Please see Milliman's report dated July 31, 2019 for further details.

Valuation Timing	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	
Level percent or level dollar	Level dollar
Closed, open, or layered periods	Closed
Amortization period at 06/30/2018	14 years
Amortization growth rate	0.00%
Asset Valuation Method	
Smoothing period	None
Recognition method	None
Corridor	None
Inflation	2.50%
Investment Rate of Return	6.50%
Salary Increases	Consistent with the rates used to value CalPERS Miscellaneous Public Agency Pension Plans for employees with an entry age of 30 years.

Years of Service	Annual Increase
0	10.50%
1	9.10%
2	7.85%
3	7.00%
4	6.30%
5	5.70%
10	4.10%
15	3.75%
22 or more	3.40%

Payroll Growth	2.75%
Cost of Living Adjustments	2.00%

Actuarial Methods and Assumptions Used for Funding Policy

Mortality

Pre-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2017.

Post-Retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans after June 30, 2017.

Withdrawal / Disability

Consistent with the Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.

Retirement

Tier I: The retirement rates are based on CalPERS Miscellaneous Public Agency Pension Plans "2.5% at age 55" for retirees with 20 years of service. Sample rates are as follows:

Age	Rate
55	7.30%
56	9.10%
57	8.30%
58	9.30%
59	9.20%
60	13.00%
61	13.30%
62	16.80%
63	19.20%
64	17.50%
65	22.90%
66-67	25.20%
68-74	22.90%
75+	100.00%

Tier II: The retirement rates are based on CalPERS Public Agency Police Pension Plans "3.0% at age 50" for retirees with 25 years of service. Sample rates are as follows:

Age	Rate
55	17.50%
56-57	16.50%
58-60	18.50%
61	16.00%
62-63	20.00%
64	17.50%
65+	100.00%

Actuarial Methods and Assumptions Used for Funding Policy

Maximum Benefits and Salary	Salary used in the calculation of final average compensation is subject to the limitations of IRC 401(a)(17). The limit is assumed to increase 2.50% per annum.
Form of Payment	Single Life Annuity

* Consistent with assumptions reported in the 2018 valuation report for the San Bernardino County Employees' Retirement Association (SBCERA).

Statement of Fiduciary Net Position

	June 30, 2019	June 30, 2020
Assets		
Cash and cash equivalents	$27,636	$40,421
Receivables and prepaid expenses:		
Receivable contributions	0	0
Receivable investment income	0	0
Receivables from brokers for unsettled trades	0	0
Prepaid expenses	0	0
Total receivables	0	0
Investments:		
Fixed income	242,016	257,873
Stocks	389,050	389,251
Short-term investments	0	0
Real estate	18,191	6,720
Alternative investments	0	0
Total investments	649,257	653,844
Invested securities lending cash collateral	0	0
Capital assets net of accumulated depreciation	0	0
Total assets	676,893	694,265
Liabilities		
Accrued expenses and benefits payable	0	0
Securities lending cash collateral	0	0
Payable to brokers for unsettled trades	0	0
Total liabilities	0	0
Net position restricted for pensions	$676,893	$694,265

Statement of Changes in Fiduciary Net Position

	June 30, 2020
Additions	
Member contributions	$0
Employer contributions	36,042
Total contributions	36,042
Investment income (loss):	15,207
Less investment expenses:	
Direct investment expense	0
Securities lending management fees	0
Securities lending borrower rebates	0
Net investment income	15,207
Other income	0
Total additions	51,249
Deductions	
Service benefits	30,420
Refunds of member contributions	0
Administrative expenses	3,457
Total deductions	33,877
Net increase (decrease)	17,372
Net position restricted for pensions	
Beginning of year (June 30, 2019)	676,893
End of year (June 30, 2020)	$694,265

Money-Weighted Rate of Return

Fiscal Year Ending June 30	Net Money-Weighted Rate of Return
2018	7.36%
2019	6.25%
2020	2.24%

Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value - July 1, 2019	$676,893	12.00	1.00	$692,080
Monthly net external cash flows:				
July	(2,372)	11.00	0.92	(2,421)
August	(2,410)	10.00	0.83	(2,455)
September	(2,395)	9.00	0.75	(2,435)
October	(2,400)	8.00	0.67	(2,436)
November	(2,407)	7.00	0.58	(2,438)
December	(2,404)	6.00	0.50	(2,431)
January	33,627	5.00	0.42	33,942
February	(2,460)	4.00	0.33	(2,478)
March	(5,892)	3.00	0.25	(5,925)
April	(2,889)	2.00	0.17	(2,900)
May	(2,917)	1.00	0.08	(2,922)
June	(2,916)	0.00	0.00	(2,916)
Ending Value - June 30, 2020	694,265			694,265
Money-Weighted Rate of Return	2.24%			

Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return was selected by the City. Below is a projection of the 30 year average return derived by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation on the Plan's current asset allocation. The capital market assumptions are per Milliman's investment consulting practice as of June 30, 2020.

Asset Class	Index	Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	BAML 3-Mon Tbill	5.82%	-0.22%	-0.20%
US Core Fixed Income	Barclays Aggregate	37.14%	0.92%	0.84%
US Equity Market	Russell 3000	44.95%	4.82%	3.52%
Foreign Developed Equity	MSCI EAFE NR	6.99%	6.32%	4.75%
Emerging Markets Equity	MSCI EM NR	4.13%	8.35%	5.53%
US REITs	FTSE NAREIT Equity REIT	0.97%	5.32%	3.62%
Assumed Inflation - Mean			2.21%	2.20%
Assumed Inflation - Standard Deviation			1.65%	1.65%
Portfolio Real Mean Return			3.33%	2.88%
Portfolio Nominal Mean Return			5.55%	5.14%
Portfolio Standard Deviation				9.45%
City's Long-Term Expected Rate of Return Assumption				**6.50%**

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 29) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City of Belvedere Retirement Enhancement Plan:

- The City of Belvedere has a recent history of paying 100% of the Actuarially Determined Contribution.

- The Actuarially Determined Contribution is based on a closed amortization period, which means that payment of the Actuarially Determined Contribution each year will bring the plan to a 100% funded position by the end of the amortization period.

- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our professional opinion that the detailed depletion date projections outlined in GASB 68 will show that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Net Pension Liability

Net Pension Liability	June 30, 2019	June 30, 2020
Total pension liability	$854,958	$893,446
Fiduciary net position	676,893	694,265
Net pension liability	178,065	199,181
Fiduciary net position as a % of total pension liability	79.17%	77.71%
Covered payroll	946,936	972,977
Net pension liability as a % of covered payroll	18.80%	20.47%

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There have been no significant changes between the valuation date and the fiscal year end. Any significant changes during this period must be reflected as prescribed by GASB 68.

Discount Rate

Discount rate	6.50%	6.50%
Long-term expected rate of return, net of investment expense	6.50%	6.50%
Municipal bond rate	N/A	N/A

The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Other Key Actuarial Assumptions

The non-economic actuarial assumptions that determined the total pension liability as of June 30, 2020 were based on the results of an actuarial experience study of the California Public Employees' Retirement System for the period 1997-2015 and released in November 2017.

Valuation date	June 30, 2018	June 30, 2018
Measurement date	June 30, 2019	June 30, 2020
Actuarial cost method	Entry Age Normal	Entry Age Normal
Inflation	2.50%	2.50%
Salary increases including inflation	Graded rates based on years of service, 3.40% after 22 years of service	Graded rates based on years of service, 3.40% after 22 years of service

Please see Milliman's funding valuation report dated July 31, 2019 for more detail.

Net Pension Liability

Other Key Actuarial Assumptions (continued)	**June 30, 2019**	**June 30, 2020**
Mortality	**Pre-retirement**: Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017. **Post-retirement**: Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.	**Pre-retirement**: Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017. **Post-retirement**: Consistent with Non-Industrial rates used to value CalPERS Miscellaneous Public Agency Pension Plans after June 30, 2017.

Please see Milliman's funding valuation report dated July 31, 2019 for more detail.

Changes in Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of June 30, 2019	$854,958	$676,893	$178,065
Changes for the year:			
Service cost	13,435		13,435
Interest on total pension liability	55,473		55,473
Effect of plan changes	0		0
Effect of economic/demographic gains or losses	0		0
Effect of assumptions changes or inputs	0		0
Benefit payments	(30,420)	(30,420)	0
Employer contributions		36,042	(36,042)
Member contributions		0	0
Net investment income		15,207	(15,207)
Administrative expenses		(3,457)	3,457
Balances as of June 30, 2020	893,446	694,265	199,181

Sensitivity Analysis

The following presents the net pension liability of the City of Belvedere Retirement Enhancement Plan, calculated using the discount rate of 6.50%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Total pension liability	$1,006,884	$893,446	$792,306
Fiduciary net position	694,265	694,265	694,265
Net pension liability	312,619	199,181	98,041

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Total Pension Liability										
Service cost	$13,435	$13,075	$22,887	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	55,473	52,857	51,821	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or losses	0	0	(13,640)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	0	42,116	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(30,420)	(21,829)	(19,173)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total pension liability	38,488	44,103	84,011	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	854,958	810,855	726,844	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, ending (a)	893,446	854,958	810,855	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary Net Position										
Employer contributions	$36,042	$26,737	$30,305	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	0	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net investment income	15,207	39,677	43,289	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(30,420)	(21,829)	(19,173)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(3,457)	(3,233)	(3,120)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in plan fiduciary net position	17,372	41,352	51,301	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	676,893	635,541	584,240	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, ending (b)	694,265	676,893	635,541	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability, ending = (a) - (b)	$199,181	$178,065	$175,314	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position as a % of total pension liability	77.71%	79.17%	78.38%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered payroll	$972,977	$946,936	$921,592	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a % of covered payroll	20.47%	18.80%	19.02%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

Pension Expense

Pension Expense	July 1, 2018 to June 30, 2019	July 1, 2019 to June 30, 2020
Service cost	$13,075	$13,435
Interest on total pension liability	52,857	55,473
Effect of plan changes	0	0
Administrative expenses	3,233	3,457
Member contributions	0	0
Expected investment return net of investment expenses	(41,364)	(44,067)
Recognition of Deferred Inflows/Outflows of Resources		
Recognition of economic/demographic gains or losses	(3,100)	(3,100)
Recognition of assumption changes or inputs	9,572	9,572
Recognition of investment gains or losses	(86)	5,686
Pension Expense	34,187	40,456

As of June 30, 2020, the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	($4,340)	$0
Changes of assumptions	0	13,400
Net difference between projected and actual earnings	0	23,253
Contributions made subsequent to measurement date	0	0
Total	(4,340)	36,653

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

Year ended June 30:	
2021	$12,158
2022	8,272
2023	6,111
2024	5,772
2025	0
Thereafter*	0

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Rec. Period*	Amount Recognized in Pension Expense for FYE 06/30/2020	Amount Recognized in Pension Expense through 06/30/2020	Balance of Deferred Inflows as of 06/30/2020	Balance of Deferred Outflows as of 06/30/2020
Economic/ demographic gains or losses	($13,640)	6/30/2018	4.4	($3,100)	($9,300)	($4,340)	$0
		Total		(3,100)	(9,300)	(4,340)	0
Assumption changes or inputs	42,116	6/30/2018	4.4	9,572	28,716	0	13,400
		Total		9,572	28,716	0	13,400
Investment gains or losses	28,860	6/30/2020	5.0	5,772	5,772	0	23,088
	1,687	6/30/2019	5.0	337	674	0	1,013
	(2,117)	6/30/2018	5.0	(423)	(1,269)	(848)	0
		Total		5,686	5,177	(848)	24,101

Total for economic/demographic gains or losses and assumption changes or inputs	(4,340)	13,400
Net deferred (inflows)/outflows for investment gains or losses	0	23,253
Total deferred (inflows)/outflows	(4,340)	36,653
Total net deferrals		32,313

* Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Deferred (Inflows)	Deferred Outflows	Net Investment (Inflows)/ Outflows	Net Deferrals	Net Pension Liability plus Net Deferrals	Annual Expense
Balances as of June 30, 2019	($854,958)	$676,893	($178,065)	($7,440)	$22,972	$79	$15,611	($162,454)	
Service cost	(13,435)		(13,435)						13,435
Interest on total pension liability	(55,473)		(55,473)						55,473
Effect of plan changes	0		0						0
Effect of liability gains or losses	0		0				0		
Effect of assumption changes or inputs	0		0				0		
Benefit payments	30,420	(30,420)	0						
Administrative expenses		(3,457)	(3,457)						3,457
Member contributions		0	0						0
Expected net investment income		44,067	44,067						(44,067)
Investment gains or losses		(28,860)	(28,860)			28,860	28,860		
Employer contributions		36,042	36,042					36,042	
Recognition of liability gains or losses				3,100			3,100		(3,100)
Recognition of assumption changes or inputs					(9,572)		(9,572)		9,572
Recognition of investment gains or losses						(5,686)	(5,686)		5,686
Annual expense								(40,456)	40,456
Balances as of June 30, 2020	(893,446)	694,265	(199,181)	(4,340)	13,400	23,253	32,313	(166,868)	

Glossary

Actuarially Determined Contribution

A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.

Deferred Inflows/Outflows of Resources

Portion of changes in net pension liability that is not immediately recognized in Pension Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

Discount Rate

Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of:

1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.
2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.

Fiduciary Net Position

Equal to market value of assets.

Long-Term Expected Rate of Return

Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses.

Money-Weighted Rate of Return

The internal rate of return on pension plan investments, net of investment expenses.

Municipal Bond Rate

Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Net Pension Liability

Total Pension Liability minus the Plan's Fiduciary Net Position (unfunded accrued liability).

Projected Benefit Payments

All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and expected future service.

Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Total Pension Liability

The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 67 and 68.