



Meeting Date: September 28, 2022

Agenda Item: # C.5

AGENDA SUMMARY REPORT

SUBJECT:

GASB68 Draft Report for FY 2021-2022

SUMMARY:

The Draft GASB68 Report for Fiscal Year Ended June 30th,2022 is attached. This report is prepared annually, and the results are incorporated into our annual audit.

Attached is our draft 2022 GASBS 68 report for the Mendocino Transit Authority's cost sharing plans. There are a couple of items to note as you review this.

1. The net pension liability has decreased by roughly \$1M from last year (slide 3). This is mainly because of the very good investment return for the year ending 6/30/2021 but it does not include the 6.8% discount rate approved by CalPERS Board in November 2021. For FY 2023 reporting, we expect the discount rate to be lowered 25 basis points, increasing the liability, and the poor investment return for FY 2022 will approximately offset FY 2021's asset gains.
2. On page 16 of the Authority's 2021 Basic Financial Statements, 4th item in the table of deferrals (\$281,669 outflow) should be called "Change in employer's proportion" instead of "Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions". The way it is named now implies that it includes 2 deferrals, which is not the case (deferral for differences between the employer's contributions and the employer's proportionate share of contributions is shown as \$125,207 inflow on the row below).

Please let us know if you have any questions on this or anything else in the report, or if you would like to schedule a time to walk through the report over the phone. We'll send a final version of the report whenever you are ready for it.

Kateryna and Mary Beth





DRAFT

BARTEL
ASSOCIATES, LLC

**Mendocino Transit Authority
CalPERS Miscellaneous Pension Plans**

June 30, 2022

Consolidated GASB 68 Reporting Information
CalPERS Risk Pools
Preliminary Results

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Contents

<u>Topic</u>	<u>Page</u>
Applicable Dates and Periods	1
Basis of Report	2
Net Pension Liability	3
Note Disclosures	5
Required Supplementary Information	13
Data as of 6/30/21 Measurement Date	17
Supporting Calculations	19
Journal Entries	33
Reconciliation of Deferred Outflows/(Inflows)	37

Applicable Dates and Periods

	June 30, 2022 Employer Fiscal Year
■ Measurement date	June 30, 2021
■ Measurement period	July 1, 2020 to June 30, 2021
■ Actuarial valuation date	June 30, 2020



Basis of Report

This report presents employer-specific amounts for reporting in accordance with Governmental Accounting Standards Board Statement No. 68 (GASB 68) for CalPERS public agency cost-sharing plans. Our calculations are based on information provided in actuarial valuation reports prepared by CalPERS and on the June 30, 2021 "Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts", prepared by CalPERS and audited by BDO. We have followed the methodology described in that report and in other CalPERS publications including the GASB 68 Guide for Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plans. It was not part of the scope of this project, nor was information available, to review the census data, actuarial calculations or the actuarial assumptions used to prepare those reports. CalPERS reports used for our calculations are available at:

<https://www.calpers.ca.gov/page/employers/actuarial-services/gasb>

Additional information to be presented in each agency's Notes and RSI can be found on CalPERS website in the CalPERS Risk Pool reports as of the June 30, 2021 Measurement Date and CalPERS Annual Comprehensive Financial Report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-miscellaneous-risk-pool-2021.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-accounting-valuation-safety-risk-pool-2021.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/acfr-2021.pdf>



Net Pension Liability

Proportionate Share of Net Pension Liability/(Asset)

	Fiscal Year Ending	
■ Fiscal Year End	6/30/2022	6/30/2021
■ Measurement Date	6/30/2021	6/30/2020
■ Total	\$ 1,247,312	\$ 2,177,528

See page 20 for supporting detail.



Net Pension Liability

Proportionate Share of Net Pension Liability/(Asset)

	Percentage Share of Plan		Change: Increase/ (Decrease)
■ Fiscal Year End	6/30/2022	6/30/2021	
■ Measurement Date	6/30/2021	6/30/2020	
■ Percentage of Plan (PERF C) NPL	0.02306%	0.02001%	0.00305%

See page 20 for supporting detail.



Note Disclosures

Plan Description *

The Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan or PERF C) is administered by the California Public Employees' Retirement System (the System or CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. Each individual employer rate plan generally has less than 100 active members.

The Plan was established to provide retirement, death and disability benefits to public agency rate plans with generally less than 100 active members. The benefit provisions for PERF C employees are established by statute. A full description regarding the number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information for the respective rate plan is listed in the respective rate plan's June 30, 2020 Annual Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the funding valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be found on CalPERS' website at <https://www.calpers.ca.gov/page/forms-publications>

* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2021.pdf>



Note Disclosures

Net Pension Liability Assumptions *

The collective total pension liability for the June 30, 2021 measurement period was determined by an actuarial valuation as of June 30, 2020, with update procedures used to roll forward the total pension liability to June 30, 2021. The collective total pension liability was based on the following assumptions:

■ Discount Rate	7.15%
■ Inflation	2.50%
■ Salary increases	Varies by Entry Age and Service
■ Mortality	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website
■ Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

* These assumptions are from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2021.pdf>



Note Disclosures

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return¹ Years 1 - 10²</u>	<u>Real Return¹ Years 11 + ³</u>
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%

* This information is from the CalPERS report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2021.pdf>

¹ Figures are based on previous 2017 ALM.

² An expected inflation of 2.00% used for this period.

³ An expected inflation of 2.92% used for this period.



Note Disclosures

Discount Rate *

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

* This description is from the CalPERS report:

<https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2021.pdf>



Note Disclosures

**Sensitivity of Proportionate Share of Net Pension Liability (Asset)
to Changes in the Discount Rate**

	Discount Rate		
	6.15% (1% Decrease)	7.15% (Current Rate)	8.15% (1% Increase)
■ Measurement Date	6/30/2021		
■ Fiscal Year End	6/30/2022		
■ Net Pension Liability	\$ 2,901,103	\$ 1,247,312	\$ (119,853)

See page 21 for supporting detail.



Note Disclosures

Pension Expense (Income) for Fiscal Year

	2021/22
■ Total pension expense (income) for fiscal year	\$ 323,175

See page 31 for supporting detail.



Deferred Outflows/Inflows Balances at June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
■ Differences between expected and actual experience *	\$ 139,872	-
■ Changes of assumptions *	-	-
■ Net differences between projected and actual earnings on plan investments *	-	(1,088,837)
■ Change in employer's proportion **	485,109	-
■ Differences between the employer's contributions and the employer's proportionate share of contributions***	-	(156,473)
■ Pension contributions subsequent to measurement date	378,170	-
■ Total	1,003,151	(1,245,310)

* Supporting detail on page 23.

** Supporting detail on page 26.

*** Supporting detail on page 29.



**Recognition of Deferred Outflows and Inflows of Resources
in Future Pension Expense**

	Deferred Outflows/(Inflows) of Resources
■ Fiscal Year Ending June 30:	
● 2023	\$ (57,761)
● 2024	(85,990)
● 2025	(175,680)
● 2026	(300,898)
● 2027	-
● Thereafter	-

Supporting detail on page 30.



Required Supplementary Information

**Schedule of Authority's Proportionate Share
of the Plan's (PERF C) Net Pension Liability**

	Fiscal Year End	
	6/30/22	6/30/21
■ Measurement Date	6/30/21	6/30/20
■ Authority's proportion of the net pension liability	0.02306%	0.02001%
■ Authority's proportionate share of the net pension liability	\$ 1,247,312	\$ 2,177,528
■ Authority's covered payroll *	2,214,796	2,503,504
■ Authority's proportionate share of the net pension liability as a percentage of covered payroll	56.32%	86.98%
■ Plan's fiduciary net position as a percentage of the plan's total pension liability **	88.29%	75.10%

* For the year ending on the measurement date.

** Supporting detail on page 17.



Required Supplementary Information

Schedule of the Authority's Contributions

Contributions for the fiscal year ending:	6/30/22	6/30/21
■ Actuarially determined contribution	\$ 378,170	\$ 315,229
■ Contributions in relation to the actuarially determined contribution	<u>378,170</u>	<u>315,229</u>
■ Contribution deficiency (Excess)	-	-
■ Authority's covered payroll *	2,509,682	2,214,796
■ Contributions as a percentage of covered payroll	15.07%	14.23%

* For the fiscal year ending on the date shown.



Actuarially Determined Contribution Assumptions *

■ Valuation Date	June 30, 2019
■ Actuarial cost method	Entry age normal cost method
■ Amortization method	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
■ Remaining Amortization Periods	Differs by employer rate plan but not more than 29 years
■ Asset valuation method	Market value of assets
■ Inflation	2.50%
■ Salary increases	Varies by Entry Age and Service
■ Discount Rate **	7.00% (net of administrative expenses)
■ Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries

* From the CalPERS reports (Appendix A):

<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-miscellaneous-2019.pdf>

<https://www.calpers.ca.gov/docs/forms-publications/actuarial-valuation-section2-safety-2019.pdf>

** Please note, the discount rate used for Actuarially Determined Contributions is different from the one used for Total Pension Liability (page 6). You can find more information on this here:

<https://www.bartel-associates.com/news/2020/03/27/pension-plan-funding-and-accounting-comparison>



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Data as of 6/30/21 Measurement Date

	Miscellaneous Risk Pool	Safety Risk Pool	Total
■ Employer Allocation Basis*			
Total Pension Liability	0.06274%	N/A	N/A
Fiduciary Net Postion	0.06243%	N/A	N/A
■ Data from Risk Pool Reports for Measurement Date June 30, 2021			
Total Pension Liability	\$ 19,964,594,105	\$ 26,210,348,159	\$ 46,174,942,264
(1) Fiduciary Net Postion	18,065,791,524	22,700,862,352	40,766,653,876
Net Pension Liability	1,898,802,581	3,509,485,807	5,408,288,388
Funded Percentage	N/A	N/A	88.29%
■ Sensitivity			
(2) NPL @ 6.15% discount rate	4,534,745,933	7,037,624,888	
(1) + (2) TPL @ 6.15% discount rate	22,600,537,457	29,738,487,240	
(3) NPL @ 8.15% discount rate	(280,294,125)	611,555,373	
(1) + (3) TPL @ 8.15% discount rate	17,785,497,399	23,312,417,725	
■ Collective Pension Expense	148,495,760	188,401,318	



■ Deferred Outflows (Inflows) Balances at June 30, 2021 Measurement Date (MD)				
MD				
2019	Differences between expected and actual experience	52,906,588	95,545,819	N/A
2020	Differences between expected and actual experience	36,653,287	178,055,063	N/A
2021	Differences between expected and actual experience	123,370,455	325,991,748	N/A
2018	Differences between projected and actual earnings on plan investments	(33,897,346)	(40,641,618)	N/A
2019	Differences between projected and actual earnings on plan investments	28,294,262	33,417,976	N/A
2020	Differences between projected and actual earnings on plan investments	180,298,870	217,660,052	N/A
2021	Differences between projected and actual earnings on plan investments	(1,832,250,032)	(2,299,255,130)	N/A
■ Other				
	Aggregate Employer Contributions	710,555,982	1,212,802,371	N/A
	Expected Average Remaining Service Lifetime (EARSL)		N/A	3.7
	Future Recognition of Deferred Amounts			
	Measurement Date			
	2022	(298,750,813)	(210,990,080)	N/A
	2023	(321,832,644)	(285,678,176)	N/A
	2024	(365,977,951)	(417,744,053)	N/A
	2025	(458,062,508)	(574,813,781)	N/A

*From the report: <https://www.calpers.ca.gov/docs/forms-publications/gasb-68-public-agency-schedules-2021.pdf>



Supporting Calculations

Employer Contributions during Fiscal Year

	2021/22	2020/21
■ Misc Classic - 3901	\$ 259,606	\$ 227,827
■ Misc PEPR - 27121	118,564	87,402
■ Total	378,170	315,229



Supporting Calculations

Proportionate Share of Net Pension Liability/(Asset)

	Fiscal Year Ending 6/30/2022		
	Measurement Date 6/30/2021		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)
■ Authority % *	0.06274%	0.06243%	
■ Total Misc Risk Pool *	\$ 19,964,594,105	\$ 18,065,791,524	N/A
■ Authority's Proportionate Share	12,525,786	11,278,474	\$ 1,247,312
■ Total PERF-C NPL *	N/A	N/A	5,408,288,388
■ Authority's Proportionate Share of NPL	N/A	N/A	0.02306%

* Supporting detail on page 17.



Supporting Calculations

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate

	Discount Rate		
	6.15%	7.15%	8.15%
■ Measurement Date	6/30/2021		
■ Fiscal Year End	6/30/2022		
■ Miscellaneous			
Risk Pool Total Pension Liability *	\$ 22,600,537,457	\$ 19,964,594,105	\$ 17,785,497,399
Employer's TPL Proportion	0.06274%	0.06274%	0.06274%
Proportionate share of TPL	\$ 14,179,577	\$ 12,525,786	\$ 11,158,621
Less: Proportionate share of FNP **	11,278,474	11,278,474	11,278,474
Net Pension Liability	2,901,103	1,247,312	(119,853)

* Supporting detail on page 17.

** Supporting detail on page 20.



Supporting Calculations

Allocation Factor for Deferred Inflows and Outflows

	<u>Miscellaneous</u>
(1) Total Misc Risk Pool Net Pension Liability*	\$ 1,898,802,581
(2) Authority's Proportionate Share of Net Pension Liability **	1,247,312
(3) Authority's Deferred Outflows/Inflows of Resources Allocation Basis (2) ÷ (1) ***	0.06569%

* Supporting detail on page 17.

** Supporting detail on page 20.

*** Deferred Outflows/Inflows of resources allocated based on the employer's share of the Miscellaneous Risk Pool net pension liability, per CalPERS' guidance in the 6/30/2021 Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts.



Supporting Calculations

Total Risk Pool Deferred Outflows/(Inflows)

Measurement Date	Item	Misc Risk Pool*	Employer Amount (0.06569%)**	Employer Deferred Outflow	Employer Deferred (Inflow)
Differences between Actual and Expected Experience					
2019		\$ 52,906,588	\$ 34,754	\$ 34,754	-
2020		36,653,287	24,077	24,077	-
2021		123,370,455	81,041	81,041	-
Total Differences between Actual and Expected Experience			139,872	139,872	-
Net Difference between Projected and Actual Return on Investments					
2018 to 2021		(1,657,554,246)	(1,088,837)	-	(1,088,837)

* Supporting detail on page 18. ** Supporting detail on page 22, unrounded allocation factor is used.



Supporting Calculations

Change in Proportion Calculation

	Unrecognized Differences between Expected and Actual Experience	Unrecognized Changes in Assumptions	Unrecognized Net Difference Between Projected and Actual Earnings on Investments	Total Pension Liability	Fiduciary Net Position	Total
■ Miscellaneous Risk Pool						
Net deferral at 6/30/2020 MD	\$217,370,008	\$ (30,085,020)	\$125,304,636	\$(18,920,437,526)	\$14,702,361,183	
Employer proportion at 6/30/2021 MD*	<u>0.06569%</u>	<u>0.06569%</u>	<u>0.06569%</u>	<u>0.06274%</u>	<u>0.06243%</u>	
Employer amount using 6/30/2021 basis	142,789	(19,763)	82,312	(11,870,683)	9,178,684	(2,486,661)
Employer balances at 6/30/2020 MD	<u>112,215</u>	<u>(15,531)</u>	<u>64,687</u>	<u>(11,079,808)</u>	<u>8,902,280</u>	<u>(2,016,157)</u>
Difference	(30,574)	4,232	(17,625)	790,875	(276,404)	470,504

* Supporting details on pages 17 and 22, unrounded allocation factor is used.



Supporting Calculations

Change in Proportion

Calculation at June 30, 2022 financial statement date

	2018 Measurement Date	2019 Measurement Date	2020 Measurement Date	2021 Measurement Date	Total
Balance reported at June 30, 2021	\$ 44,452	\$ 54,071	\$ 183,146	\$ 470,504 *	
Remaining Amortization Years	0.8 years	1.8 years	2.8 years	3.7 years	
Current Year Amortization	(44,452)	(30,040)	(65,409)	(127,163)	(267,064)
Balance reported at June 30, 2022	-	24,031	117,737	343,341	485,109

* Balance at July 1, 2021, after 6/30/21 reporting date.



Supporting Calculations

Recognition Schedule for Deferred Outflows/Inflows at June 30, 2022 Employer-Specific Deferral: Change in Proportions

	Initial Recognition Period				Total
	2018/19	2019/20	2020/21	2021/22	
■ Measurement Period	2017/18	2018/19	2019/20	2020/21	
■ Initial amount	\$ 211,141	\$ 114,151	\$ 248,555	\$ 470,504	
■ Initial recognition period	3.8 years	3.8 years	3.8 years	3.7 years	
■ Amount recognized in FY pension expense					
● 2018/19 (3rd prior year)	55,563	N/A	N/A	N/A	55,563
● 2019/20 (2nd prior year)	55,563	30,040	N/A	N/A	85,603
● 2020/21 (Prior year)	55,563	30,040	65,409	N/A	151,012
● 2021/22 (Current year)	44,452	30,040	65,409	127,163	267,064
● 2022/23	-	24,031	65,409	127,163	216,603
● 2023/24	-	-	52,328	127,163	179,491
● 2024/25	-	-	-	89,015	89,015
● Total	211,141	114,151	248,555	470,504	1,044,351
■ Deferred Outflows at FYE 6/30/2022	-	24,031	117,737	343,341	485,109
■ Deferred Inflows at FYE 6/30/2022	-	-	-	-	-



Supporting Calculations

Difference in Actual Contribution and Proportionate Share of Contribution Calculation

	<u>Miscellaneous</u>
(1) Aggregate Risk Pool employer contributions for MP 2020/21*	\$ 710,555,982
(2) Employer proportion (FNP %)**	0.06243%
(3) Proportionate share of aggregate Employer contribution (1) * (2)	443,600
(4) Actual Contribution for Measurement Period 2020/2021	315,229
(5) Difference (4) - (3)	(128,371)

* Supporting detail on page 18.

** Supporting detail on page 17.



Supporting Calculations

Difference in Actual Contributions and Proportionate Share of Contributions

Calculation at June 30, 2022 financial statement date

	<u>2018 Measurement Date</u>	<u>2019 Measurement Date</u>	<u>2020 Measurement Date</u>	<u>2021 Measurement Date</u>	<u>Total</u>
Balance reported at June 30, 2021	(14,189)	(43,206)	(67,812)	(128,371) *	
Remaining Amortization Years	0.8 years	1.8 years	2.8 years	3.7 years	
Current Year Amortization	14,189	24,003	24,218	34,695	97,105
Balance reported at June 30, 2022	-	(19,203)	(43,594)	(93,676)	(156,473)

* Balance at July 1, 2021, after 6/30/21 reporting date.



Supporting Calculations

Recognition Schedule for Deferred Outflows/Inflows at June 30, 2022 Employer-Specific Deferral: Difference Between Actual & Proportionate Share of Employer Contributions

	Initial Recognition Period				Total
	2018/19	2019/20	2020/21	2021/22	
■ Measurement Period	2017/18	2018/19	2019/20	2020/21	
■ Initial amount	\$ (67,400)	\$ (91,212)	\$ (92,030)	\$ (128,371)	
■ Initial recognition period	3.8 years	3.8 years	3.8 years	3.7 years	
■ Amount recognized in FY pension expense					
● 2018/19 (3rd prior year)	(17,737)	N/A	N/A	N/A	(17,737)
● 2019/20 (2nd prior year)	(17,737)	(24,003)	N/A	N/A	(41,740)
● 2020/21 (Prior year)	(17,737)	(24,003)	(24,218)	N/A	(65,958)
● 2021/22 (Current year)	(14,189)	(24,003)	(24,218)	(34,695)	(97,105)
● 2022/23	-	(19,203)	(24,218)	(34,695)	(78,116)
● 2023/24	-	-	(19,376)	(34,695)	(54,071)
● 2024/25	-	-	-	(24,286)	(24,286)
● Total	(67,400)	(91,212)	(92,030)	(128,371)	(379,013)
■ Deferred Outflows at FYE 6/30/2022	-	-	-	-	-
■ Deferred Inflows at FYE 6/30/2022	-	(19,203)	(43,594)	(93,676)	(156,473)



Supporting Calculations

Recognition of Deferrals in Future Pension Expense

Measurement Period Ending June 30:	Fiscal Year Ending June 30:	Miscellaneous Risk Pool Amount			Employer Specific Amounts		Total
		Risk Pool Amount*	Applicable Percentage**	Authority's Proportionate Share	Change in Proportion***	Difference Between Actual and Proportionate Share of Contributions****	
■ 2022	■ 2023	\$ (298,750,813)	0.06569%	\$ (196,248)	\$ 216,603	\$ (78,116)	\$ (57,761)
■ 2023	■ 2024	(321,832,644)	0.06569%	(211,410)	179,491	(54,071)	(85,990)
■ 2024	■ 2025	(365,977,951)	0.06569%	(240,409)	89,015	(24,286)	(175,680)
■ 2025	■ 2026	(458,062,508)	0.06569%	(300,898)	-	-	(300,898)
■ 2026	■ 2027	-	0.06569%	-	-	-	-
■ Thereafter	■ Thereafter	-	0.06569%	-	-	-	-

* See page 18.

** See page 22, unrounded allocation factor is used.

*** See page 26.

**** See page 29.



Supporting Calculations

GASB 68 Balance Equation for Pension Expense Calculation

	Fiscal year ending		Change
	6/30/2021	6/30/2022	
■ Measurement date	6/30/2020	6/30/2021	
■ Total pension liability	\$ 11,079,808	\$ 12,525,786	\$ 1,445,978
■ Fiduciary net position	8,902,280	11,278,474	2,376,194
■ Net pension liability/(asset)	2,177,528	1,247,312	(930,216)
■ Deferred inflows of resources	140,738	1,245,310	1,104,572
■ Deferred (outflows) of resources *	(458,571)	(624,981)	(166,410)
■ Contributions in the measurement period	-	315,229	315,229
■ Net balance sheet impact	1,859,695	2,182,870	323,175
■ Pension Expense (Income)			323,175

* The deferral for contributions after the measurement date is excluded.



Supporting Calculations

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Journal Entries

Beginning Balances

Following summarizes the beginning balances from the 2020 measurement date *

	Debit	Credit
Differences between expected and actual experience	\$ 112,215	\$ -
Changes of assumptions	-	(15,531)
Net differences between projected and actual earnings on plan investments	64,687	-
Change in employer's proportion	281,669	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(125,207)
Total deferred outflow/inflow	458,571	(140,738)
Pension contributions subsequent to measurement date	315,229	-
Net Pension Liability	-	(2,177,528)
Net Impact	1,544,466	-
<i>Check</i>	<i>2,318,266</i>	<i>(2,318,266)</i>

* Recorded at 6/30/21 fiscal year end.



Journal Entries

Employer Contributions

Following records the impact of employer contributions, assuming employer contributions were recorded as pension expense when paid.

	Debit	Credit
Net pension liability	\$ 315,229	
Deferred Outflow - FY 2021 contributions		\$ (315,229)
Deferred Outflow - FY 2022 contributions	378,170	
Pension Expense		(378,170)
<i>Check</i>	<i>693,399</i>	<i>(693,399)</i>



Journal Entries

Summary Journal Entries - Pension Expense

Following records the impact of current year pension expense

	Debit	Credit
Deferred Outflows	\$ 231,097	\$ (64,687)
Deferred Inflows	15,531	(1,120,103)
Pension Expense (Income)	323,175	-
Net pension liability	614,987	-
<i>Check</i>	<i>1,184,790</i>	<i>(1,184,790)</i>

See pages 38 and 37 ("Subtotal" row) for details.



Journal Entries

Ending Balances at June 30, 2022

	Debit	Credit
Differences between expected and actual experience	\$ 139,872	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(1,088,837)
Change in employer's proportion	485,109	-
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(156,473)
Total deferred outflow/inflow	624,981	(1,245,310)
Pension contributions subsequent to measurement date	378,170	-
Net Pension Liability (NPL)	-	(1,247,312)
Net Impact	1,489,471	-
<i>Check</i>	<i>2,492,622</i>	<i>(2,492,622)</i>
Total pension expense (income) for FYE 2022	323,175	-



Reconciliation of Deferred Outflows

(Detail for page 35)

Deferred Outflows	Opening Balance Debit	Journal Entry- Debit	Journal Entry - (Credit)	Ending Balance Debit
Differences between actual and expected experience	\$ 112,215	\$ 27,657	\$ -	\$ 139,872
Change in assumptions	-	-	-	-
Differences between projected and actual earnings on plan investments	64,687	-	(64,687)	-
<u>Employer Specific</u>				
Change in employer's proportion	281,669	203,440	-	485,109
Differences between the employer's contributions and the employer's proportionate share of contributions	-	-	-	-
Subtotal	458,571	231,097	(64,687)	624,981
Contributions after the Measurement Date	315,229	378,170	(315,229)	378,170
Total Deferred Outflows	773,800	609,267	(379,916)	1,003,151

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



Reconciliation of Deferred Inflows

(Detail for page 35)

Deferred Inflows	Opening Balance (Credit)	Journal Entry- (Credit)	Journal Entry - Debit	Ending Balance (Credit)
Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
Change in assumptions	(15,531)	-	15,531	-
Differences between projected and actual earnings on plan investments	-	(1,088,837)	-	(1,088,837)
<u>Employer Specific</u>				
Change in employer's proportion	-	-	-	-
Differences between the employer's contributions and the employer's proportionate share of contributions	(125,207)	(31,266)	-	(156,473)
Total Deferred Inflows	(140,738)	(1,120,103)	15,531	(1,245,310)

Note "Changes" for Risk Pool deferrals equals total change from prior year to current year. "Changes" for employer-specific deferrals includes recognition of previous deferral or establishment of new deferral.



Reconciliation of Deferred Outflows/(Inflows)

Summary of Balances

	Fiscal year ending	
	6/30/2021	6/30/2022
■ Measurement date	6/30/2020	6/30/2021
■ Total pension liability	\$ (11,079,808)	\$ (12,525,786)
■ Fiduciary net position	<u>8,902,280</u>	<u>11,278,474</u>
■ Net pension (liability)/asset	(2,177,528)	(1,247,312)
■ Deferred (inflows) of resources	(140,738)	(1,245,310)
■ Deferred outflows of resources	<u>773,800</u>	<u>1,003,151</u>
■ Net balance sheet impact	(1,544,466)	(1,489,471)

Deferred Outflows includes contributions after the measurement date.



Reconciliation of Deferred Outflows/(Inflows)

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