

# SECTION 2

## FINANCIAL SECTION

• REQUIRED SUPPLEMENTAL SCHEDULES

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SCHEDULES

*Caring For Your Future...*

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## REQUIRED SUPPLEMENTAL SCHEDULES

### FOR THE YEARS JUNE 30, 2009 AND 2008

The information presented in the Supplemental Schedules was determined as part of the actuarial valuations as part of the most recent actuarial valuation date, June 30, 2008.

## 1 SCHEDULE OF FUNDING PROGRESS

(Dollars in Millions)

Actuarial Valuation Date	(1) *Actuarial Value of Assets	(2) Actuarial Liability (AAL)	(3) Percentage Funded (1) / (2)	(4) (Prefunded) / Unfunded AAL (2) - (1)	(5) Annual Covered Payroll	(6) (Prefunded) / Unfunded AAL Percentage of Covered Payroll (4) / (5)
1998	\$625	\$409	152.8%	\$(216)	\$70	(309.4)%
1999	\$702	\$427	164.7%	\$(276)	\$76	(361.3)%
2000	\$771	\$471	163.5%	\$(299)	\$85	(353.5)%
2001	\$782	\$501	156.2%	\$(281)	\$90	(311.9)%
2002	\$749	\$530	141.3%	\$(219)	\$93	(235.2)%
2003	\$699	\$546	128.1%	\$(153)	\$97	(157.4)%
2004	\$742	\$554	133.8%	\$(187)	\$100	(187.9)%
2005	\$791	\$566	139.8%	\$(225)	\$103	(219.7)%
2006	\$848	\$614	138.1%	\$(234)	\$111	(209.7)%
2007	\$927	\$631	146.8%	\$(295)	\$122	(241.5)%
2008	\$981	\$690	142.2%	\$(291)	\$133	(218.7)%

## 2 SCHEDULE OF EMPLOYER CONTRIBUTIONS

(Dollars in Thousands)

Year Ended June 30	Actuarially Required Contribution	Contributions as a % of ARC
2009	\$ 1,345	100%
2008	\$ 355	100%
2007	\$ 1,566	100%
2006	\$ 0	100%
2005	\$ 0	100%
2004	\$ 0	100%
2003	\$ 0	100%
2002	\$ 0	100%
2001	\$ 0	100%
2000	\$ 0	100%
1999	\$ 0	100%

## NOTES TO THE REQUIRED SUPPLEMENTAL SCHEDULES

### FOR THE YEARS JUNE 30, 2009 AND 2008

#### ACTUARIAL ASSUMPTION

The Segal Company, the System's actuary, performed an actuarial valuation as of June 30, 2008. The actuarial assumptions used to compute the contribution requirements and to determine funding status are as follows:

1. Annual inflation is assumed at 3.75%.
2. Annual investment return is assumed to be 8.25%.
3. The City contribution rate is set at 10.62% (normal cost of 10.62% is offset by applying prefunded actuarial accrued liability of 8.75% and prepaid contribution of 1.87%).
4. Average employee contribution rate is 5.04%, (basic only) although individual rates depend upon entry age.
5. Accrued benefits and costs are calculated using the projected unit credit method.
6. Withdrawal, disability and salary increase assumptions are based on actual System experience.
7. Post retirement mortality assumptions are based on the Society of Actuaries' 1994 Group Annuity Mortality Table, weighted for males 65% and for females 35%.
8. Actuarial valuation of assets is based upon a five-year smoothed recognition of realized and unrealized capital gains and losses which are more or less than the actuarial assumed return of 8.25%.
9. Projected salary Increase assumption is assumed to be 3.75% plus 0.25% across the board salary increases, plus merit and promotion increases based on completed years of service.
10. Post retirement benefit increases are based on CPI for each year to a maximum of 3.75% per year.
11. The amortization period for Prefunded Actuarial Accrued Liability is an open non-declining 15-year period.

These actuarial assumptions were adopted by the Retirement Board on January 14, 2009 for implementation as of July 1, 2009.