# Employee Retirement Systems Overview

## Overview

Fairfax County employee retirement systems include the Fairfax County Employees' Retirement System (Fund 73000), the Uniformed Retirement System (Fund 73010), and the Police Officers Retirement System (Fund 73020). Each of these systems is funded from employee contributions based on a fixed percentage of pay, County contributions based on a variable percentage of employee pay as determined by actuarial analysis and return on investments. County contributions are paid from multiple sources, including the General Fund, General Fund-Supported and Other Funds, and Fairfax County Public Schools.

In order to assure the continued soundness of each fund, an actuarial valuation is conducted annually and, if appropriate, an adjustment is made to the employer contribution rate. In addition, an experience study – which compares actual experience to actuarial assumptions, both economic and demographic – is conducted once every five years to ensure that the plan is being valued appropriately. Experience studies of each system were conducted in FY 2016. The assumption changes adopted by the Boards of Trustees as a result of those studies were incorporated in the actuarial valuations for FY 2016 and their impacts were included in the employer contribution rates beginning in FY 2018. The next experience study will take place in FY 2021 and any impact to the employer contribution rates as a result of assumption changes will be included in FY 2023.

### Funding Policy

The County is committed to strengthening the financial position of its retirement systems and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the Board of Supervisors approved, as part of the adoption of the FY 2016 Adopted Budget Plan, the following multi-year strategy:

- The employer contribution rates will be increased so that the County will include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems by FY 2020. The County will continue to use a conservative 15-year amortization period.
- Until each system reaches 100 percent funded status, employer contributions to that system will not be reduced. Various factors, such as the historical trend of the County's investment returns exceeding the assumed rate of return, could allow employer contribution rates to be reduced from current levels. However, the County is committed to maintaining the rates and redirecting any potential savings into further improvement in the systems' funded positions.
- Any additional unfunded liability created as a result of approved benefit enhancements, such as ad-hoc Cost-of-Living Adjustments (COLAs), will be fully funded. It is the intent that no adjustments to benefit levels will reduce the funded status of any of the systems.

In keeping with this strategy, the FY 2020 Adopted Budget Plan included the amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems. In addition, the employer contribution rates to all three systems have been maintained or increased each year, and benefit enhancements, when approved by the Board, have been accompanied by one-time contributions to fully fund any associated increase in liability in the year that the benefit enhancement is approved.

The County has also taken multiple steps to limit increases in liabilities:

- In FY 2010, the requirements regarding the award of ad-hoc COLAs were tightened. Retirees are eligible to receive an annual base COLA which is the lesser of the Consumer Price Index (CPI) for the 12 months ending on the previous year's March 31, or 4.0 percent. If certain conditions are met, an additional 1.0 percent ad-hoc COLA can be awarded at the discretion of each retirement system's Board of Trustees. After a staff review at the Board of Supervisors' direction, the Fairfax County Code was changed to require that the retirement system must have an actuarial surplus, demonstrated by having a funding ratio exceeding 100 percent, before an ad-hoc COLA can be considered.

- In FY 2012, the Board of Supervisors adopted modifications to the retirement systems, which apply only to new employees who are hired on or after January 1, 2013. These changes include increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system; increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system; placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and, for the Deferred Retirement Option Plan (DROP), removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. No changes were made to benefits for existing employees.

- In FY 2019, the Board of Supervisors adopted modifications to the retirement benefits provided to new employees hired on or after July 1, 2019. These changes include eliminating the pre-Social Security supplement for employees in the Employees' and Uniformed systems and repealing the additional retirement allowance that increases the calculated retirement annuity by 3 percent for all three retirement systems. No changes were made to benefits for existing employees.

## Funding Status

All three systems failed to reach the 7.25 percent assumed rate of investment return in FY 2020. The Employees' system was up 2.9 percent, the Uniformed system was down 1.2 percent, and the Police Officers system was down 3.9 percent, all net of fees. The FY 2020 investment results, contribution levels, and liability experience affected the funding ratios as demonstrated in the table below. The table displays the market value of each system's assets as a percentage of the total plan liability as published in the County's Comprehensive Annual Financial Report (CAFR) and as required under new GASB requirements. It should be noted that since these calculations utilize asset figures as of a point in time (not smoothed as under previous methodologies), the funding ratios calculated are subject to volatility based on market returns.

| | June 30, 2018 | June 30, 2019 | June 30, 2020* |
|---|---|---|---|
| **Employees'** | 70.5% | 70.8% | 69.5% |
| **Uniformed** | 82.8% | 82.1% | 76.8% |
| **Police Officers** | 83.8% | 83.3% | 75.6% |

* The June 30, 2020 funding ratios are included in the FY 2020 County CAFR.

## Employer Contribution Rates

Following the County's policy, contribution rates are only adjusted to maintain amortization of 100 percent of the unfunded liability, to fund approved benefit enhancements, or to acknowledge changes in actuarial assumptions. As a result of FY 2020 experience, the required contribution rates have increased from the FY 2021 adopted contribution rates. The FY 2022 employer contribution rates for each of the three retirement systems are as follows:

| | FY 2021 Rates (%) | FY 2022 Rates (%) | Percentage Point Change (%) | Net General Fund Impact* (in millions) |
|---|---|---|---|---|
| **Employees'** | 28.35 | 28.88 | 0.53 | $2.2 |
| **Uniformed** | 38.84 | 39.31 | 0.47 | $0.8 |
| **Police Officers** | 41.60 | 46.04 | 4.44 | $5.4 |
| **Total** | | | | **$8.4** |

* The General Fund impact reflected in the table is based solely on rate changes and does not include other adjustments, including the impact of new positions, employee pay increases, or year-to-date experience.

For more information on the General Fund impact of these employer contribution rate changes, please refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1.

The following table displays relevant information about each retirement system:

| EMPLOYEES COVERED | | |
|---|---|---|
| **Police Officers Retirement** | **Uniformed Retirement** | **Employees' Retirement** |
| Fairfax County Police Officers. | Fire and Rescue Personnel; Uniformed Sheriff's Office employees; Animal Protection Police Officers; Helicopter Pilots; Non-administrative staff in the Department of Public Safety Communications. | County employees not covered under Uniformed or Police Officers system; certain FCPS employees including food service, custodial, bus drivers, part-time and substitute teachers, maintenance staff. |

| CONDITIONS OF COVERAGE | | |
|---|---|---|
| **Police Officers Retirement** | **Uniformed Retirement** | **Employees' Retirement** |
| At age 55 or after 20 years of police service if hired before July 1, 1981; or 25 years of service if hired on or after July 1, 1981. | At age 55 with 6 years of service or after 25 years of service. | At age 65 with 5 years of service or earlier when age and years of service combined equal 80 if hired before January 1, 2013; or 85 if hired on or after January 1, 2013. Not before age 50 if hired before January 1, 2013; or age 55 if hired on or after January 1, 2013. For reduced "early retirement" benefits, when age and years of service combined equal 75. |

| EMPLOYEE CONTRIBUTIONS[1] (% of Pay) | | | | | | | |
|---|---|---|---|---|---|---|---|
| | **Police Officers Retirement** | **Uniformed Retirement** | | | | **Employees' Retirement** | |
| | **Plans A/B/C** | **Plan A** | **Plan B** | **Plan C** | **Plans D/E/F** | **Plans A/C** | **Plans B/D/E** |
| Up to Wage Base | 8.65% | 4.00% | 7.08% | 4.00% | 7.08% | 4.00% | 5.33% |
| Above Wage Base | | 5.75% | 8.83% | | | 5.33% | |

| FY 2022 EMPLOYER CONTRIBUTIONS (% of Pay) | | |
|---|---|---|
| **Police Officers Retirement** | **Uniformed Retirement** | **Employees' Retirement** |
| 46.04% | 39.31% | 28.88% |

[1] As of July 1, 2019, new hires in the Uniformed Retirement System are automatically enrolled in Plan F, new hires in the Fairfax County Employees' Retirement System are automatically enrolled in Plan E, and new hires in the Police Officers Retirement System are automatically enrolled in Plan C. Additional plans listed above are earlier plan designs that apply to employees hired prior to July 1, 2019. For additional information regarding the County's retirement plans, please refer to the Retirement Administration Agency website at https://www.fairfaxcounty.gov/retirement/.

| INVESTMENT MANAGERS AS OF JUNE 30, 2020 | | |
|---|---|---|
| **Police Officers Retirement** | **Uniformed Retirement** | **Employees' Retirement** |
| Acadian Asset Management | Acadian Asset Management | Aberdeen Asset Management |
| Alpha Simplex | Alcentra | Alpha Simplex |
| AQR Capital Management | Anchorage Capital Group | AQR Capital Management |
| Aspect Capital Ltd. | Apollo Financial | Aspect Capital Ltd. |
| BlackRock, Inc. | AQR Capital Management | Axiom International Small Cap |
| Bridgewater Associates | Ashmore Investment Management | BlackRock, Inc. |
| Cohen & Steers Capital Management | Aspect Capital Ltd. | Brandywine Global Investment Management |
| Crestline Investors | Blue Bay Asset Management | Bridgewater Associates |
| Czech Asset Management | Brandywine Global Investment Management | Capstone Investment Advisors |
| DGV Solutions, LP | Bridgewater Associates | Cohen & Steers Capital Management |
| DoubleLine Capital | Cohen & Steers Capital Management | Crestline Investors |
| DWS | Czech Asset Management | Czech Asset Management |
| First Eagle Investment Management | Davidson Kempner Institutional Partners, LP | DePrince, Race & Zollo |
| King Street Capital | DoubleLine Capital | DoubleLine Capital |
| Landmark Partners | Garcia Hamilton | DWS |
| Loomis Sayles & Company | Goldentree Asset Management | EJF Alternative Asset Mgmt. |
| Marathon Asset Management | Gresham Investment Management | Fairfax County Retirement |
| Maverick Fund Quant Neutral LP | Harbourvest Partners | Hoisington Management |
| Morgan Creek Capital Management | HG-Vora Capital Management | JP Morgan Investment Mgmt. |
| Neuberger Berman Group LLC | JP Morgan Investment Mgmt. | Landmark Partners |
| Pacific Investment Management Company | Kabouter Management | Lazard Asset Management |
| Parametric Portfolio Advisors | King Street Capital Management | Marathon Asset Management |
| Prudential Global Investment Management | Landmark Partners | Marathon International |
| Sands Capital Management | Levine Leichtman Capital Partners | Maverick Fund Quantum Neutral LP |
| Solus Alternative Asset Management | Manulife Asset Management | Millennium Management, LLC |
| Standish Mellon Asset Mgmt. | Marathon Asset Management | Morgan Creek Capital Management |
| Starboard Value, LP | Millenium Management LLC | Neuberger Berman Group, LLC |
| WCM Asset Management | Monroe Capital LLC | Pacific Investment Management Company |
| | Orbimed Healthcare Fund Mgmt. | Parametric Portfolio Advisors |
| | Pacific Investment Management Company | Pinnacle Arcadia Cattle Partners |
| | Pantheon Ventures | Post Advisory Group |
| | Parametric Portfolio Advisors | QMS Capital Management Inc. |
| | Siguler Guff & Company, LP | Sands Capital Management |
| | Standish Mellon Asset Mgmt. | Shenkman Capital |
| | Starboard Value, LP | Standish Mellon Asset Mgmt. |
| | Thoma Bravo, LLC | Vanguard |
| | UBS Realty | WCM Asset Management |
| | Wellington Management, LLP | |

# Retirement Administration Agency

## Mission

As an agent of the Boards of Trustees of the Employees', Uniformed, and Police Officers Retirement Systems, the mission of the Retirement Administration Agency is to administer the systems according to the terms established by the County of Fairfax and to do so in a manner that:

- Safeguards and invests the assets of the systems;
- Maximizes cost effectiveness of the retirement programs by optimizing long-term investment returns within an acceptable level of variation in required funding and by maintaining efficient administrative operations;
- Maximizes the value of retirement plans in retaining County personnel through communications, education, and counseling programs and by providing quality service;
- Fulfills the obligations of the systems to retirees by providing timely and accurate payments and by providing quality service; and
- Provides technical support and advice to County management and the Board of Supervisors regarding retirement benefits.

## Focus

The Retirement Administration Agency contributes to the County's corporate stewardship through sound management of County resources and assets. To accomplish its specific mission, the Retirement Administration Agency will focus on:

- Support for the Boards of Trustees;
- Services to active employees and retirees;
- Accurate accounting and control of plan assets;
- Accuracy of data;
- Cost efficiency of processes; and
- Investment return and risk control.

Under the direction of the Boards of Trustees for the Fairfax County Employees', Police Officers, and Uniformed Retirement Systems, the Retirement Administration Agency processes benefit payments to eligible Fairfax County retirees and beneficiaries. The agency also processes payments for the retiree health benefit subsidy and provides counseling and comprehensive information pertaining to benefits to active and retired County employees.

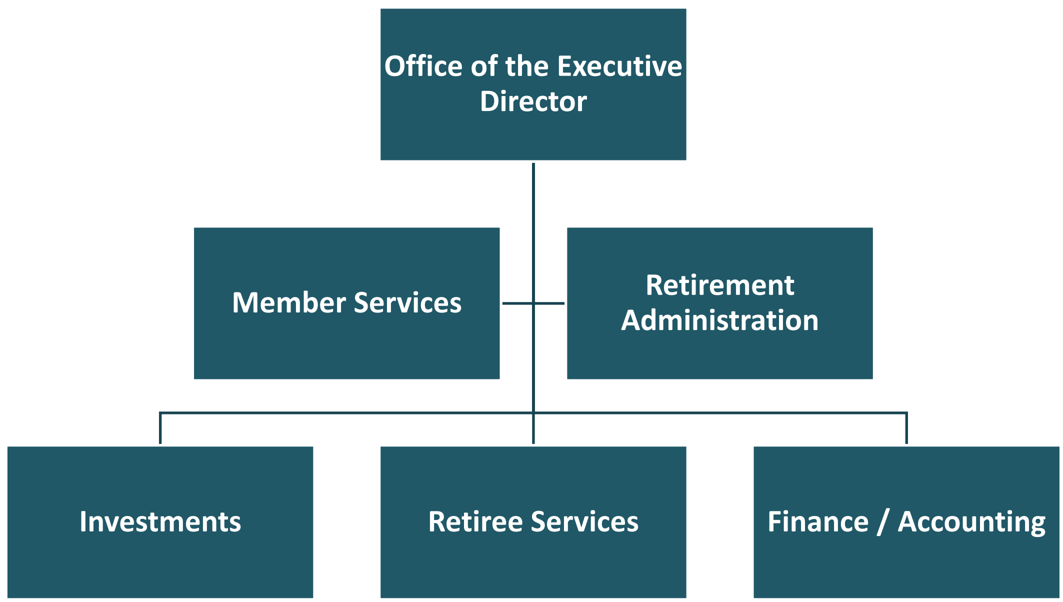
The agency receives revenues from various sources, including employee and employer contributions to the various retirement systems, employee payback, and return on investments, to finance the three employee retirement systems. Employee contributions are based on a fixed percentage of pay. Employer contributions come from Agency 89, Employee Benefits, for County employees in General Fund agencies, the employee's agency for County employees in non-General Fund agencies, and Fairfax County Public Schools (FCPS) for school employees.

Some revenues are also generated through employee payback, a process by which employees who have left the County can make a "payback" contribution and return to their previous standing in the retirement system upon their return to County employment. Additionally, significant revenues are achieved through returns on fund investments. Revenue projections are based on an assumed actuarial rate of return of 7.25 percent.

## Pandemic Response and Impact

The Retirement Administration Agency has had to be creative and flexible in managing the systems' assets and serving its members while working from home. The Retirement Administration Agency has come up with ways to meet all of its members' needs virtually and, just as importantly, all three retirement boards have conducted multiple virtual/electronic meetings to monitor and manage the performance of the systems' investments.

## Organizational Chart




## Budget and Staff Resources

| Category | FY 2020 Actual | FY 2021 Adopted | FY 2021 Revised | FY 2022 Advertised |
|---|---|---|---|---|
| **FUNDING** | | | | |
| **Expenditures:** | | | | |
| Personnel Services | $4,153,372 | $4,559,372 | $4,559,372 | $4,733,278 |
| Operating Expenses | 612,844,774 | 680,493,252 | 680,493,252 | 677,973,930 |
| **Total Expenditures** | **$616,998,146** | **$685,052,624** | **$685,052,624** | **$682,707,208** |
| | | | | |
| **AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)** | | | | |
| Regular | 29 / 29 | 29 / 29 | 29 / 29 | 29 / 29 |

## FY 2022 Funding Adjustments

*The following funding adjustments from the FY 2021 Adopted Budget Plan are necessary to support the FY 2022 program:*

**Personnel Services** **$182,518**

An increase of $182,518 in Personnel Services reflects adjustments necessary to align the Personnel Services budget with actual expenditure levels.

**Fringe Benefits** **($16,764)**

A decrease of $16,764 in Fringe Benefits reflects adjustments necessary based on actual enrollment and experience.

**Other Post-Employment Benefits** **$8,152**

An increase of $8,152 in Other Post-Employment Benefits reflects required adjustments associated with providing Other Post-Employment Benefits (OPEBs) to retirees, including the Retiree Health Benefits Subsidy. For more information on Other Post-Employment Benefits, please refer to Fund 73030, OPEB Trust, in Volume 2 of the FY 2022 Advertised Budget Plan.

**Other Operating Expenses** **($855,574)**

A net decrease of $855,574 in all other Operating Expenses reflects the net impact of several adjustments based on actual experience.

**Investment Management Fees** **$6,021,987**

An increase of $6,021,987 in Operating Expenses reflects an increase in investment management fees based on actual experience.

**Benefit Payments** **($7,685,735)**

A net decrease of $7,685,735 in Benefit Payments reflects decreased payments of $8,981,437 to retirees based on actual experience and a decrease in refunds of $508,469, partially offset by an increase in payments to beneficiaries of $1,804,171. Since benefits are pre-funded during an employee's active career, the employer contribution rates as calculated through the actuarial valuation process already reflect this level of benefit payments.

## Changes to FY 2021 Adopted Budget Plan

*The following funding adjustments reflect all approved changes in the FY 2021 Revised Budget Plan since passage of the FY 2021 Adopted Budget Plan. Included are all adjustments made as part of the FY 2020 Carryover Review, FY 2021 Mid-Year Review, and all other approved changes through December 31, 2020.*

**There have been no adjustments to this fund since approval of the FY 2021 Adopted Budget Plan.**

## Position Detail

*The FY 2022 Advertised Budget Plan includes the following positions:*

| RETIREMENT ADMINISTRATION AGENCY - 29 Positions[1] | | | |
|---|---|---|---|
| **Office of the Director** | | | |
| 1 | Executive Director | 1 | Administrative Assistant IV |
| **Retirement Administration** | | | |
| 1 | Programmer Analyst III | 1 | Communications Specialist II |
| 1 | Programmer Analyst II | 1 | Administrative Assistant V |
| 1 | Information Technology Technician I | 3 | Administrative Assistants III |
| **Retiree Services** | | | |
| 1 | Management Analyst II | 4 | Administrative Assistants V |
| **Membership Services** | | | |
| 1 | Management Analyst III | 4 | Retirement Counselors |
| 1 | Financial Specialist II | | |
| **Finance/Accounting** | | | |
| 1 | Financial Specialist IV | 1 | Accountant I |
| **Investments** | | | |
| 3 | Senior Investment Managers | 2 | Investment Analysts |
| 1 | Investment Operations Manager | | |

[1] 1/1.0 FTE Accountant III position resides in the Retirement Administration Agency, but is accounted for and financed by Fund 73030, OPEB Trust. The 29/29.0 FTE positions shown above are financed jointly by the three retirement trust funds (Fund 73000, Fund 73010, and Fund 73020).

## Performance Measurement Results

Overall, FY 2020 was a volatile year for investment performance with the Employees' system up 2.9 percent, the Uniformed system down 1.2 percent, and the Police Officers system down 3.9 percent. The fiscal year ended June 2020 saw the end of the longest economic expansion on record. Economies around the world were disrupted because of the novel coronavirus (COVID-19) and markets reacted with historically fast-paced declines. Governments and central banks from around the world took extraordinary measures to stimulate shuttered economies. In the U.S., fiscal stimulus reached over 12 percent of GDP while Germany, Japan, France, and the U.K. had materially larger stimulus packages. The Federal Reserve provided additional support to the U.S. economy by reducing the Fed Funds Rate to a targeted range of 0.00 percent to 0.25 percent, resumed quantitative easing, and flooded markets with liquidity. Similar actions were taken by central banks globally. These stimulus measures, along with optimism around a potential vaccine for COVID-19 and easing of lockdown restrictions, resulted in a historically dramatic reversal in risk assets in the fourth fiscal quarter. U.S. stocks posted their eleventh consecutive year of positive returns and outperformed international equities, returning 7.5 percent as measured by the S&P 500 Index. International developed-markets equities (-5.1 percent for the year) lagged domestic equities by 12.6 percent. U.S. equity outperformance was driven in large part by big technology stocks that benefitted from a demand surge in the wake of the pandemic. Emerging markets equities returned -3.4 percent, underperforming U.S. equities and outperforming international developed markets equities. Driven by declining interest rates and demand for safe-haven assets, U.S. high quality fixed income investments generated a positive 8.7 percent return in the fiscal year as measured by the Bloomberg Barclays U.S. Aggregate Bond Index Universe.

Compared to their peers across the country in the BNY Mellon public fund universe for FY 2020, the Employees' system gross return for the year was 3.7 percent (2.9 percent, net of fees), placing it in the 38th percentile; the Police Officers system gross return for the year was -2.9 percent (-3.9 percent, net of fees), placing it in the 97th percentile; and the Uniformed system gross return for the year was -0.5 percent (-1.3 percent, net of fees), placing it in the 88th percentile. In addition to comparing one-year returns to general market results, the long-term investments of the retirement systems should also be considered over multi-year periods relative to the returns achieved by other public pension plans. For the last ten-year period, all three systems had favorable results relative to their peers. The Employees' system placed in the 11th percentile and returned a gross 10.3 percent per year; the Police Officers system placed in the 31st percentile returning 9.8 percent per year; and the Uniformed system placed in the 67th percentile returning 9.2 percent per year.

Employer contribution rates are calculated based on a number of actuarial assumptions, including an actuarially determined rate of return. The actuarial rate of return uses a smoothing methodology to phase in total recognition of a given year's returns above or below the long-term expected rate of 7.25 percent. This smoothing is done to mitigate volatility in funding requirements, recognizing the cyclical nature of capital market returns. However, this smoothing process does not include the impact of any liability gains or losses, which are determined by comparing actual experience, such as rates of retirement and death, against actuarial assumptions. Funding policy and calculations include an average compound return of 7.25 percent over the long-term. Including the results through FY 2020, the actual compound annual returns achieved since 1981, the earliest date for which data is available, have been 9.9 percent for the Employees' system, 9.8 percent for the Uniformed system, and 9.2 percent for the Police Officers system.

Over the past several years, staff has made training and outreach a priority. In FY 2020, training was provided to 1,993 employees in 75 individual class sessions. This is a significant increase from FY 2014 when training was provided to 405 attendees in 16 class sessions. In FY 2019, staff began reaching out to members in all County agencies and select training sites, with a goal of building a network of retirement representatives across the County. These representatives meet regularly with retirement staff for updates on the status of the retirement systems, and provide concerns and issues from members. In FY 2020, staff conducted 44 meetings with a total of 1,661 representatives participated.

| Indicator | FY 2018 Actual | FY 2019 Actual | FY 2020 Estimate | FY 2020 Actual | FY 2021 Estimate | FY 2022 Estimate |
|---|---|---|---|---|---|---|
| Employees' Retirement System funded status | 70.5% | 70.8% | 71.0% | 69.5% | 69.0% | 71.0% |
| Uniformed Retirement System funded status | 82.8% | 82.1% | 79.0% | 76.8% | 77.0% | 79.0% |
| Police Officers Retirement System funded status | 83.8% | 83.3% | 77.0% | 75.6% | 76.0% | 78.0% |
| Deviation from actuarial rate of return (total plan): Fairfax County Employees | 0.0% | (0.9%) | 0.0% | (4.4%) | 0.0% | 0.0% |
| Deviation from actuarial rate of return (total plan): Uniformed | 0.9% | (2.8%) | 0.0% | (8.5%) | 0.0% | 0.0% |
| Deviation from actuarial rate of return (total plan): Police Officers | (0.3%) | (2.3%) | 0.0% | (11.1%) | 0.0% | 0.0% |
| Number of training classes offered[1] | NA | NA | NA | 75 | 50 | 60 |
| Number of training class attendees[1] | NA | NA | NA | 1,933 | 1,500 | 1,600 |
| Number of employee outreach sessions[1] | NA | NA | NA | 44 | 25 | 15 |
| Number of outreach session participants[1] | NA | NA | NA | 1,661 | 1,000 | 500 |
| Percent of retiree payments processed on time: Fairfax County Employees | 100% | 100% | 100% | 100% | 100% | 100% |
| Percent of retiree payments processed on time: Uniformed | 100% | 100% | 100% | 100% | 100% | 100% |
| Percent of retiree payments processed on time: Police Officers | 100% | 100% | 100% | 100% | 100% | 100% |

[1] Prior year data not available due to new performance measurement indicators.

**A complete list of performance measures can be viewed at**
**https://www.fairfaxcounty.gov/budget/fy-2022-advertised-performance-measures-pm**

## FUND STATEMENT

| Category | FY 2020 Actual | FY 2021 Adopted Budget Plan | FY 2021 Revised Budget Plan | FY 2022 Advertised Budget Plan |
|---|---|---|---|---|
| **Beginning Balance** | **$4,101,596,928** | **$4,251,128,080** | **$4,142,027,111** | **$4,324,006,627** |
| | | | | |
| **Revenue:** | | | | |
| County Employer Contributions | $173,869,890 | $175,000,000 | $175,000,000 | $175,212,802 |
| County Employee Contributions | 29,818,008 | 30,000,000 | 30,000,000 | 30,360,211 |
| School Employer Contributions | 60,873,753 | 64,000,000 | 64,000,000 | 65,196,600 |
| School Employee Contributions | 10,129,311 | 10,500,000 | 10,500,000 | 12,032,475 |
| Employee Payback | 380,041 | 450,000 | 450,000 | 340,673 |
| Return on Investments[1] | 228,965,052 | 330,476,420 | 330,476,420 | 313,772,632 |
| **Total Realized Revenue** | **$504,036,055** | **$610,426,420** | **$610,426,420** | **$596,915,393** |
| Unrealized Gain/(Loss)[1,2] | ($78,390,339) | $0 | $0 | $0 |
| **Total Revenue** | **$425,645,716** | **$610,426,420** | **$610,426,420** | **$596,915,393** |
| **Total Available** | **$4,527,242,644** | **$4,861,554,500** | **$4,752,453,531** | **$4,920,922,020** |
| | | | | |
| **Expenditures:** | | | | |
| Administrative Expenses[1] | $4,219,469 | $6,090,624 | $6,090,624 | $5,536,750 |
| Investment Services[1] | 37,380,210 | 42,569,375 | 42,569,375 | 43,678,485 |
| Payments to Retirees | 331,721,283 | 367,216,421 | 367,216,421 | 364,893,413 |
| Beneficiaries | 7,888,832 | 7,473,685 | 7,473,685 | 8,283,274 |
| Refunds | 4,005,739 | 5,096,799 | 5,096,799 | 4,048,713 |
| **Total Expenditures** | **$385,215,533** | **$428,446,904** | **$428,446,904** | **$426,440,635** |
| **Total Disbursements** | **$385,215,533** | **$428,446,904** | **$428,446,904** | **$426,440,635** |
| | | | | |
| **Ending Balance[3]** | **$4,142,027,111** | **$4,433,107,596** | **$4,324,006,627** | **$4,494,481,385** |

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $110,813,681.83 have been reflected as an increase to FY 2020 revenue, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments necessary to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $4,123,043.54 have been reflected as an increase to FY 2020 expenditures primarily to appropriately account for investment management fees and security lending expenses. These audit adjustments were included in the FY 2020 Comprehensive Annual Financial Report (CAFR). Details of the FY 2020 audit adjustments were included in the FY 2021 Mid-Year package.

[2] Unrealized gain/(loss) will be reflected as an actual revenue at the end of each fiscal year.

[3] The Employees' Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to interest on investments.

## FUND STATEMENT

| Category | FY 2020 Actual | FY 2021 Adopted Budget Plan | FY 2021 Revised Budget Plan | FY 2022 Advertised Budget Plan |
|---|---|---|---|---|
| **Beginning Balance** | **$1,813,717,921** | **$1,904,531,784** | **$1,762,088,442** | **$1,856,706,155** |
| | | | | |
| **Revenue:** | | | | |
| Employer Contributions | $69,930,974 | $75,000,000 | $75,000,000 | $71,512,258 |
| Employee Contributions | 12,764,189 | 13,500,000 | 13,500,000 | 12,910,625 |
| Employee Payback | 45,923 | 150,000 | 150,000 | 73,001 |
| Return on Investments[1] | 43,832,127 | 150,146,753 | 150,146,753 | 134,612,644 |
| **Total Realized Revenue** | **$126,573,213** | **$238,796,753** | **$238,796,753** | **$219,108,528** |
| Unrealized Gain/(Loss)[1,2] | ($50,176,979) | $0 | $0 | $0 |
| **Total Revenue** | **$76,396,234** | **$238,796,753** | **$238,796,753** | **$219,108,528** |
| **Total Available** | **$1,890,114,155** | **$2,143,328,537** | **$2,000,885,195** | **$2,075,814,683** |
| | | | | |
| **Expenditures:** | | | | |
| Administrative Expenses[1] | $1,545,149 | $1,353,024 | $1,353,024 | $1,572,164 |
| Investment Services[1] | 14,937,321 | 18,145,265 | 18,145,265 | 18,523,828 |
| Payments to Retirees | 109,172,723 | 122,549,492 | 122,549,492 | 120,089,995 |
| Beneficiaries | 1,480,045 | 1,376,178 | 1,376,178 | 1,554,047 |
| Refunds | 890,475 | 755,081 | 755,081 | 867,581 |
| **Total Expenditures** | **$128,025,713** | **$144,179,040** | **$144,179,040** | **$142,607,615** |
| **Total Disbursements** | **$128,025,713** | **$144,179,040** | **$144,179,040** | **$142,607,615** |
| | | | | |
| **Ending Balance[3]** | **$1,762,088,442** | **$1,999,149,497** | **$1,856,706,155** | **$1,933,207,068** |

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $33,089,797.46 have been reflected as an increase to FY 2020 revenue, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments necessary to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $2,214,520.80 have been reflected as an increase to FY 2020 expenditures primarily to appropriately account for investment management fees and security lending expenses. These audit adjustments were included in the FY 2020 Comprehensive Annual Financial Report (CAFR). Details of the FY 2020 audit adjustments were included in the FY 2021 Mid-Year package.

[2] Unrealized gain/(loss) will be reflected as an actual revenue at the end of each fiscal year.

[3] The Uniformed Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to interest on investments.

## FUND STATEMENT

| Category | FY 2020 Actual | FY 2021 Adopted Budget Plan | FY 2021 Revised Budget Plan | FY 2022 Advertised Budget Plan |
|---|---|---|---|---|
| **Beginning Balance** | **$1,483,659,513** | **$1,561,222,878** | **$1,400,551,048** | **$1,474,614,270** |
| | | | | |
| **Revenue:** | | | | |
| Employer Contributions | $50,781,403 | $53,000,000 | $53,000,000 | $57,688,069 |
| Employee Contributions | 10,553,689 | 11,000,000 | 11,000,000 | 10,886,558 |
| Employee Payback | 16,469 | 75,000 | 75,000 | 73,001 |
| Return on Investments[1] | 5,909,691 | 122,414,902 | 122,414,902 | 106,601,633 |
| **Total Realized Revenue** | **$67,261,252** | **$186,489,902** | **$186,489,902** | **$175,249,261** |
| Unrealized Gain/(Loss)[1,2] | ($46,612,817) | $0 | $0 | $0 |
| **Total Revenue** | **$20,648,435** | **$186,489,902** | **$186,489,902** | **$175,249,261** |
| **Total Available** | **$1,504,307,948** | **$1,747,712,780** | **$1,587,040,950** | **$1,649,863,531** |
| | | | | |
| **Expenditures:** | | | | |
| Administrative Expenses[1] | $1,158,353 | $1,291,959 | $1,291,959 | $1,455,768 |
| Investment Services[1] | 18,148,895 | 14,959,376 | 14,959,376 | 18,982,947 |
| Payments to Retirees | 78,907,924 | 90,997,648 | 90,997,648 | 86,798,716 |
| Beneficiaries | 5,179,873 | 4,737,233 | 4,737,233 | 5,553,946 |
| Refunds | 361,855 | 440,464 | 440,464 | 867,581 |
| **Total Expenditures** | **$103,756,900** | **$112,426,680** | **$112,426,680** | **$113,658,958** |
| **Total Disbursements** | **$103,756,900** | **$112,426,680** | **$112,426,680** | **$113,658,958** |
| | | | | |
| **Ending Balance[3]** | **$1,400,551,048** | **$1,635,286,100** | **$1,474,614,270** | **$1,536,204,573** |

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $30,972,607.17 have been reflected as an increase to FY 2020 revenue, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments necessary to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $1,393,446.88 have been reflected as an increase to FY 2020 expenditures primarily to appropriately account for investment management fees and security lending expenses. These audit adjustments were included in the FY 2020 Comprehensive Annual Financial Report (CAFR). Details of the FY 2020 audit adjustments were included in the FY 2021 Mid-Year package.

[2] Unrealized gain/(loss) will be reflected as an actual revenue at the end of each fiscal year.

[3] The Police Retirement Fund maintains fund balances at adequate levels relative to projected requirements. The fund balance fluctuates annually primarily due to interest on investments.