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. An experience study was completed in FY 2021 and any impact to the employer contribution rates has been 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' returns exceeded the 6.75 percent assumed rate of investment return in FY 2021. The Employees' system was up 26.9 percent, the Uniformed system was up 25.4 percent, and the Police Officers system was up 31.2 percent, all net of fees. The FY 2021 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 Annual Comprehensive Financial Report (ACFR) 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, 2019	June 30, 2020	June 30, 2021*
Employees'	70.8%	69.5%	81.3%
Uniformed	82.1%	76.8%	88.7%
Police Officers	83.3%	75.6%	90.2%

* The June 30, 2021 funding ratios will be included in the County's FY 2022 ACFR.

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 2021 experience, the required contribution rates remain unchanged from the FY 2022 adopted contribution rates. The proposed FY 2023 employer contribution rates for each of the three retirement systems are as follows:

	FY 2022 Rates (%)	Proposed FY 2023 Rates (%)	Percentage Point Change (%)	Net General Fund Impact* (in millions)
Employees'	28.88	28.88	0.00	$0.0
Uniformed	39.31	39.31	0.00	$0.0
Police Officers	46.04	46.04	0.00	$0.0
Total				**$0.0**

* 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)

<table>
<tr><th rowspan="2"></th><th>Police Officers Retirement</th><th colspan="4">Uniformed Retirement</th><th colspan="2">Employees' Retirement</th></tr>
<tr><th>Plans A/B/C</th><th>Plan A</th><th>Plan B</th><th>Plan C</th><th>Plans D/E/F</th><th>Plans A/C</th><th>Plans B/D/E</th></tr>
<tr><td>Up to Wage Base</td><td rowspan="2">8.65%</td><td>4.00%</td><td>7.08%</td><td rowspan="2">4.00%</td><td rowspan="2">7.08%</td><td>4.00%</td><td rowspan="2">5.33%</td></tr>
<tr><td>Above Wage Base</td><td>5.75%</td><td>8.83%</td><td>5.33%</td></tr>
</table>

FY 2023 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, 2021		
Police Officers Retirement	**Uniformed Retirement**	**Employees' Retirement**
Acadian Asset Management	Acadian Asset Management	Aberdeen Asset Management
Alpha Simplex	Activum SG Capital Management Ltd	Alpha Simplex
AQR Capital Management	Alcentra Ltd	AQR Capital Management
Aspect Capital Ltd.	Apollo Financial	Aspect Capital Ltd.
BlackRock, Inc.	AQR Capital Management	Axiom International Small Cap
Blockchain Capital	Ashmore Investment Management	BlackRock, Inc.
BlueCrest Capital Management	Aspect Capital Ltd.	Blockchain Capital
Blue Owl Capital Inc	Blackrock Enhanced STIF	Blue Owl Capital Inc
Bridgewater Associates	Blue Bay Asset Management	Brandywine Global Investment Management
Citadel Advisors LLC	BNY Fallen Angels	Bridgewater Associates
Cohen & Steers Capital Management	BNY US TIPS	Capstone Investment Advisors
Coatue Management LLC	Bridgewater Associates	Cohen & Steers Capital Management
Crabel Capital Management Inc	CarlyleProperty Investors LP	Crabel Capital Management Inc
Crestline Investors	Cohen & Steers Capital Management	Credit Suisse Asset Management LLC
Czech Asset Management	Czech Asset Management	Crestline Investors
DoubleLine Capital	Davidson Kempner Institutional Partners, LP	Czech Asset Management
DWS	DoubleLine Capital	DePrince, Race & Zollo
EJF Capital LLC	Garcia Hamilton	DoubleLine Capital
First Eagle Investment Management	Goldentree Asset Management	DWS
Hoisington Investment Management Co	Gresham Investment Management	EJF Alternative Asset Mgmt.
King Street Capital	Harbourvest Partners	Fairfax County Retirement
Kirkoswald Asset Management LLC	HG-Vora Capital Management	Florin Court Capital LLP
Landmark Partners	JP Morgan Investment Mgmt.	Hoisington Management
Loomis Sayles & Company	Kabouter Management	Investcorp LLC
Man Asset Management Ltd.	Kayne Anderson Capital Advisors LP	JP Morgan Investment Mgmt.
Marathon Asset Management	King Street Capital Management	Kirkoswald Asset Management LLC
Morgan Creek Capital Management	Kirkoswald Asset Management LLC	Landmark Partners
Onyxpoint Global Management LP	Landmark Partners	Lazard Asset Management
Pacific Investment Management Company	Levine Leichtman Capital Partners	Lombard Odier Asset Management Co
Parametric Portfolio Advisors	Manulife Asset Management	Man Asset Management Ltd
Pinnacle Associates GL, LLC	Marathon Asset Management	Marathon Asset Management
Prudential Global Investment Management	Millenium Management LLC	Marathon International
Sands Capital Management	Monroe Capital LLC	Millennium Management, LLC
Section Partners	Orbimed Healthcare Fund Mgmt.	Morgan Creek Capital Management
	Pacific Investment Management Company	Onyxpoint Global Management LP
	Pantheon Ventures	Pacific Investment Management Company
	Parametric Portfolio Advisors	
	Pontifax AG Tech	

• Solus Alternative Asset Management • Starboard Value, LP • Two Sigma • Verition • WCM Asset Management	• Siguler Guff & Company, LP • SoMa Equity Partners • Starboard Value, LP • Taurus Funds Management • Thoma Bravo, LLC • UBS Realty • Varde Partners • Walter Scott • Wellington Management, LLP	• Parametric Portfolio Advisors • Pinnacle Arcadia Cattle Partners • Roundhill Music Royalty Partners • Sands Capital Management • Section Partners • Shenkman Capital • Solus Alternative Asset Management • Verition • WCM Asset Management

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:

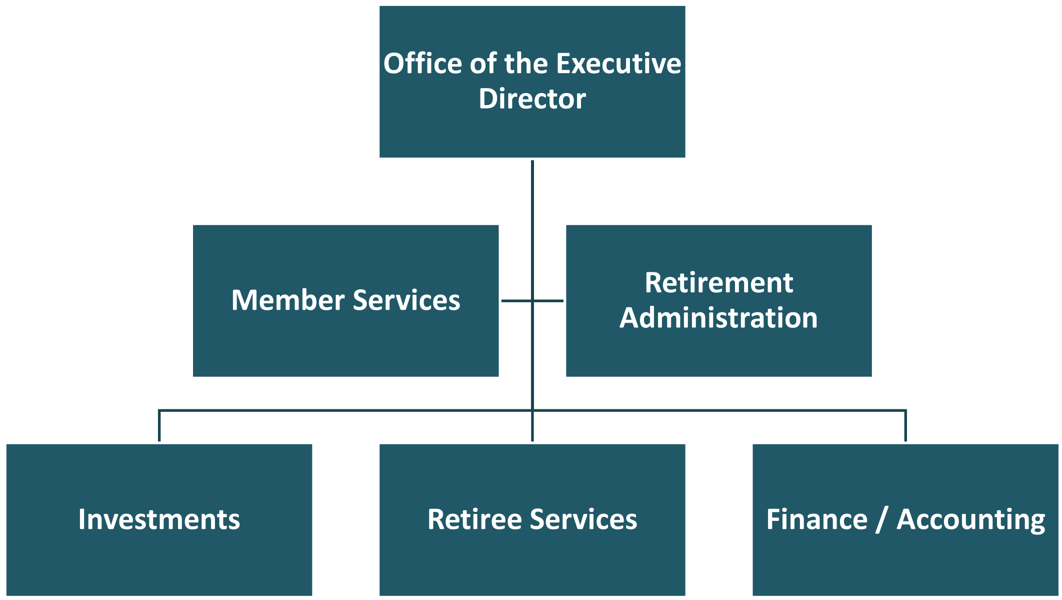
- Support for the Boards of Trustees;
- Services to active employees and retirees;
- Accurate accounting and control of plan assets;
- Accuracy of data;
- Cost efficiency of processes; and
- Investment return and risk control.

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 6.75 percent. It should be noted that this rate was reduced from 7.25 percent to 6.75 percent as part of the July 1, 2021 actuarial valuation.

Organizational Chart



Budget and Staff Resources

Category	FY 2021 Actual	FY 2022 Adopted	FY 2022 Revised	FY 2023 Advertised
FUNDING				
Expenditures:				
Personnel Services	$4,272,559	$4,776,960	$4,810,346	$5,014,434
Operating Expenses	662,831,424	677,973,930	677,973,930	693,063,760
Total Expenditures	**$667,103,983**	**$682,750,890**	**$682,784,276**	**$698,078,194**
AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)				
Regular	29 / 29	29 / 29	29 / 29	29 / 29

FY 2023 Funding Adjustments

The following funding adjustments from the FY 2022 Adopted Budget Plan are necessary to support the FY 2023 program:

Employee Compensation **$252,512**

An increase of $252,512 in Personnel Services includes $176,910 for a 4.01 percent market rate adjustment (MRA) for all employees and $75,602 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2022.

Investment Management Fees **$14,441,172**

An increase of $14,441,172 in Operating Expenses reflects an increase in investment management fees based on actual experience.

Other Operating Expenses **($670,393)**

A net decrease of $670,393 in all other Operating Expenses reflects the net impact of several adjustments based on actual experience.

Benefit Payments **$1,319,051**

A net increase of $1,319,051 in Benefit Payments reflects increased payments of $114,148 to retirees based on actual experience and an increase in payments of $1,224,366 to beneficiaries, partially offset by a decrease in refunds of $19,463. 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.

Other Post-Employment Benefits **($15,038)**

A decrease of $15,038 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 2023 Advertised Budget Plan.

Changes to FY 2022 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2022 Revised Budget Plan since passage of the FY 2022 Adopted Budget Plan. Included are all adjustments made as part of the FY 2021 Carryover Review, FY 2022 Mid-Year Review, and all other approved changes through December 31, 2021:

Carryover Adjustments **$33,386**

As part of the *FY 2021 Carryover Review*, the Board of Supervisors approved funding of $33,386 in Personnel Services for a one-time compensation adjustment of $1,000 for merit employees and $500 for non-merit employees paid in November 2021.

Position Detail

The FY 2023 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 2021 was a very good year for investment performance with the Employees' system up 26.9 percent, the Uniformed system up 25.4 percent, and the Police Officers system up 31.2 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 2021, the Employees' system gross return for the year was 29.4 percent (26.9 percent, net of fees), placing it in the 35th percentile; the Police Officers system gross return for the year was 35.1 percent (31.2 percent, net of fees), placing it in the 4th percentile; and the Uniformed system gross return for the year was 26.9 percent (25.4 percent, net of fees), placing it in the 60th 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 50th percentile and returned a gross 8.6 percent per year; the Police Officers system placed in the 73rd percentile returning 8.2 percent per year; and the Uniformed system placed in the 89th percentile returning 7.7 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 6.75 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 6.75 percent over the long-term. Including the results through FY 2021, the actual compound annual returns achieved since 1981, the earliest date for which data is available, have been 10.1 percent for the Employees' system, 9.3 percent for the Uniformed system, and 9.9 percent for the Police Officers system.

Indicator	FY 2019 Actual	FY 2020 Actual	FY 2021 Estimate	FY 2021 Actual	FY 2022 Estimate	FY 2023 Estimate
Employees' Retirement System funded status	70.8%	69.5%	69.0%	81.0%	71.0%	81.0%
Uniformed Retirement System funded status	82.1%	76.8%	77.0%	89.0%	79.0%	89.0%
Police Officers Retirement System funded status	83.3%	75.6%	76.0%	90.0%	78.0%	90.0%
Deviation from actuarial rate of return (total plan): Fairfax County Employees	(0.9%)	(4.4%)	0.0%	19.7%	0.0%	0.0%
Deviation from actuarial rate of return (total plan): Uniformed	(2.8%)	(8.5%)	0.0%	18.2%	0.0%	0.0%
Deviation from actuarial rate of return (total plan): Police Officers	(2.3%)	(11.1%)	0.0%	24.0%	0.0%	0.0%
Number of training classes offered[1]	NA	75	50	64	60	65
Number of training class attendees[1]	NA	1,933	1,500	1,634	1,600	1,800
Number of employee outreach sessions[1]	NA	44	25	2	15	7
Number of outreach session participants[1]	NA	1,661	1,000	75	500	350
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-2023-advertised-performance-measures-pm

FUND STATEMENT

Category	FY 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	FY 2023 Advertised Budget Plan
Beginning Balance	**$4,142,027,111**	**$4,323,983,267**	**$5,146,200,648**	**$5,316,622,533**
Revenue:				
County Employer Contributions	$170,540,806	$175,212,802	$175,212,802	$181,671,084
County Employee Contributions	30,082,997	30,360,211	30,360,211	33,528,632
School Employer Contributions	57,305,475	65,196,600	65,196,600	68,229,000
School Employee Contributions	9,584,614	12,032,475	12,032,475	12,592,125
Employee Payback	247,228	340,673	340,673	357,210
Return on Investments[1]	555,816,921	313,772,632	313,772,632	276,501,339
Total Realized Revenue	**$823,578,041**	**$596,915,393**	**$596,915,393**	**$572,879,390**
Unrealized Gain/(Loss)[1,2]	$594,356,178	$0	$0	$0
Total Revenue	**$1,417,934,219**	**$596,915,393**	**$596,915,393**	**$572,879,390**
Total Available	**$5,559,961,330**	**$4,920,898,660**	**$5,743,116,041**	**$5,889,501,923**
Expenditures:				
Administrative Expenses[1]	$4,065,161	$5,566,253	$5,589,623	$5,426,463
Investment Services[1]	52,363,376	43,678,485	43,678,485	54,130,482
Payments to Retirees	345,180,330	364,893,413	364,893,413	362,439,345
Beneficiaries	8,450,206	8,283,274	8,283,274	8,872,716
Refunds	3,701,609	4,048,713	4,048,713	4,035,088
Total Expenditures	**$413,760,682**	**$426,470,138**	**$426,493,508**	**$434,904,094**
Total Disbursements	**$413,760,682**	**$426,470,138**	**$426,493,508**	**$434,904,094**
Ending Balance[3]	**$5,146,200,648**	**$4,494,428,522**	**$5,316,622,533**	**$5,454,597,829**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $93,305,056.01 have been reflected as an increase to FY 2021 revenues, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $5,012,218.93 have been reflected as an increase to FY 2021 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2021. Details of the audit adjustments were found in Attachment VI of the *FY 2022 Mid-Year Review*.

[2] Unrealized gain/(loss) is 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 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	FY 2023 Advertised Budget Plan
Beginning Balance	**$1,762,088,442**	**$1,856,701,149**	**$2,165,012,552**	**$2,241,500,876**
Revenue:				
Employer Contributions	$69,464,042	$71,512,258	$71,512,258	$78,748,288
Employee Contributions	12,686,332	12,910,625	12,910,625	14,062,468
Employee Payback	294,288	73,001	73,001	76,545
Return on Investments[1]	255,706,478	134,612,644	134,612,644	112,471,573
Total Realized Revenue	**$338,151,140**	**$219,108,528**	**$219,108,528**	**$205,358,874**
Unrealized Gain/(Loss)[1,2]	$208,123,406	$0	$0	$0
Total Revenue	**$546,274,546**	**$219,108,528**	**$219,108,528**	**$205,358,874**
Total Available	**$2,308,362,988**	**$2,075,809,677**	**$2,384,121,080**	**$2,446,859,750**
Expenditures:				
Administrative Expenses[1]	$1,750,842	$1,579,745	$1,584,753	$1,445,385
Investment Services[1]	22,409,220	18,523,828	18,523,828	22,055,878
Payments to Retirees	116,482,333	120,089,995	120,089,995	122,306,449
Beneficiaries	1,808,161	1,554,047	1,554,047	1,554,047
Refunds	899,880	867,581	867,581	864,662
Total Expenditures	**$143,350,436**	**$142,615,196**	**$142,620,204**	**$148,226,421**
Total Disbursements	**$143,350,436**	**$142,615,196**	**$142,620,204**	**$148,226,421**
Ending Balance[3]	**$2,165,012,552**	**$1,933,194,481**	**$2,241,500,876**	**$2,298,633,329**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $26,700,111.04 have been reflected as an increase to FY 2021 revenues, primarily associated with adjustments necessary to record a net gain from the sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period, partially offset by adjustments necessary to record a net loss from the unrealized depreciation of investments. In addition, audit adjustments in the amount of $1,242,758.22 have been reflected as an increase to FY 2021 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2021. Details of the audit adjustments were found in Attachment VI of the *FY 2022 Mid-Year Review*.

[2] Unrealized gain/(loss) is 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 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan	FY 2023 Advertised Budget Plan
Beginning Balance	**$1,400,551,048**	**$1,474,609,264**	**$1,808,176,588**	**$1,869,755,285**
Revenue:				
Employer Contributions	$50,348,130	$57,688,069	$57,688,069	$60,899,801
Employee Contributions	10,502,791	10,886,558	10,886,558	11,441,861
Employee Payback	4,185,193	73,001	73,001	76,545
Return on Investments[1]	191,975,911	106,601,633	106,601,633	99,095,849
Total Realized Revenue	**$257,012,025**	**$175,249,261**	**$175,249,261**	**$171,514,056**
Unrealized Gain/(Loss)[1,2]	$260,606,380	$0	$0	$0
Total Revenue	**$517,618,405**	**$175,249,261**	**$175,249,261**	**$171,514,056**
Total Available	**$1,918,169,453**	**$1,649,858,525**	**$1,983,425,849**	**$2,041,269,341**
Expenditures:				
Administrative Expenses[1]	$1,246,964	$1,462,366	$1,467,374	$1,303,597
Investment Services[1]	19,165,545	18,982,947	18,982,947	19,440,072
Payments to Retirees	83,000,454	86,798,716	86,798,716	87,150,478
Beneficiaries	5,691,475	5,553,946	5,553,946	6,188,870
Refunds	888,427	867,581	867,581	864,662
Total Expenditures	**$109,992,865**	**$113,665,556**	**$113,670,564**	**$114,947,679**
Total Disbursements	**$109,992,865**	**$113,665,556**	**$113,670,564**	**$114,947,679**
Ending Balance[3]	**$1,808,176,588**	**$1,536,192,969**	**$1,869,755,285**	**$1,926,321,662**

[1] In order to account for revenues and expenditures in the proper fiscal year, audit adjustments in the amount of $57,604,891.76 have been reflected as an increase to FY 2021 revenues, primarily associated with adjustments necessary to record a net gain from the unrealized appreciation and sale of investments, as well as adjustments to record interest and dividend revenue in the proper fiscal period. In addition, audit adjustments in the amount of $3,095,454.45 have been reflected as an increase to FY 2021 expenditures primarily to appropriately account for investment management fees and securities lending expenses. The Annual Comprehensive Financial Report (ACFR) reflects all audit adjustments in FY 2021. Details of the audit adjustments were found in Attachment VI of the *FY 2022 Mid-Year Review*.

[2] Unrealized gain/(loss) is 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 return on investments.