

Pension Liability**June 30, 2022 Actuarial Report****Maricopa Police Department (243)**

	Pension	Health	Total
Assets	\$21,117,106	\$448,096	\$21,565,202
Accrued Liability	\$22,385,034	\$353,457	\$22,738,491
Unfunded Actuarial Accrued Liability	\$1,267,928	(\$94,639)	\$1,173,289
Funded Ratio	94.3%	126.8%	94.8%

Maricopa Fire Department (228)

Assets	\$29,242,404	\$590,355	\$29,832,759
Accrued Liability	\$32,978,359	\$575,072	\$33,553,431
Unfunded Actuarial Accrued Liability	\$3,735,955	(\$15,283)	\$3,720,672
Funded Ratio	88.7%	103%	88.9%

Total Police and Fire

Assets	\$50,359,510	\$1,038,451	\$51,397,961
Accrued Liability	\$55,363,393	\$928,529	\$56,291,922
Unfunded Actuarial Accrued Liability	\$5,003,883	(\$109,922)	\$4,893,961
Funded Ratio	91.0%	111.8%	91.3%

III. LIABILITY SUPPORT

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 2,644,952	\$ 2,570,937
DROP Members	3,090,553	785,874
Vested Members	238,763	238,763
Active Members	<u>35,004,269</u>	<u>35,461,128</u>
Total Actuarial Present Value of Benefits	40,978,537	39,056,702
Actuarial Accrued Liability (AAL)		
All Inactive Members	5,974,268	3,595,574
Active Members	<u>27,004,091</u>	<u>26,905,346</u>
Total Actuarial Accrued Liability	32,978,359	30,500,920
Actuarial Value of Assets (AVA)	<u>29,242,404</u>	25,760,464
Unfunded Actuarial Accrued Liability	<u>3,735,955</u>	4,740,456
PVB Funded Ratio (AVA / PVB)	71.4%	66.0%
AAL Funded Ratio (AVA / AAL)	88.7%	84.5%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 30,369	\$ 30,186
DROP Members	45,216	11,433
Active Members	<u>636,675</u>	<u>613,559</u>
Total Present Value of Benefits	712,260	655,178
Actuarial Accrued Liability (AAL)		
All Inactive Members	75,585	41,619
Active Members	<u>499,487</u>	<u>465,527</u>
Total Actuarial Accrued Liability	<u>575,072</u>	507,146
Actuarial Value of Assets (AVA)	<u>590,355</u>	534,838
Unfunded Actuarial Accrued Liability	<u>(15,283)</u>	(27,692)
PVB Funded Ratio (AVA / PVB)	82.9%	81.6%
AAL Funded Ratio (AVA / AAL)	<u>102.7%</u>	105.5%

Health liabilities were increased by \$4,207 under the lateral transfer methodology. Pension liabilities were not impacted.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members

Valuation Date Applicable to Fiscal Year Ending	June 30, 2022 2024		June 30, 2021 2023	
	Rate	Dollar	Rate	Dollar
Pension				
Normal Cost				
Total Normal Cost	20.53%	\$ 1,166,774	20.26%	\$ 1,195,272
Employee Cost	<u>(7.65%)</u>	<u>(434,770)</u>	<u>(7.65%)</u>	<u>(451,324)</u>
Employer (Net) Normal Cost	12.88%	732,004	12.61%	743,948
Amortization of Unfunded Liability	<u>7.12%</u>	<u>404,648</u>	<u>7.86%</u>	<u>463,714</u>
Total Employer Cost (Pension)	20.00%	1,136,652	20.47%	1,207,662
Health				
Normal Cost	0.37%	21,028	0.37%	21,829
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>(0.04%)</u>	<u>(2,360)</u>
Total Employer Cost (Health)	0.37%	21,028	0.33%	19,469
Total Employer Cost (Pension + Health)	20.37%	1,157,680	20.80%	1,227,131
Total Minimum Contribution Requirement (if applicable)	8.00%		8.00%	
Alternate Contribution Rate (ACR) *	8.00%		8.00%	
Underlying Payroll (as of valuation date)		5,544,646		5,727,830

* The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").

III. LIABILITY SUPPORT

Liabilities and Funded Ratios by Benefit - Tiers 1 & 2

	June 30, 2022	June 30, 2021
Pension		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 4,852,656	\$ 4,756,865
DROP Members	624,925	0
Vested Members	1,158,844	1,026,494
Active Members	<u>22,058,223</u>	<u>20,937,504</u>
Total Actuarial Present Value of Benefits	28,694,648	26,720,863
Actuarial Accrued Liability (AAL)		
All Inactive Members	6,636,425	5,783,359
Active Members	<u>15,748,609</u>	<u>14,584,848</u>
Total Actuarial Accrued Liability	<u>22,385,034</u>	20,368,207
Actuarial Value of Assets (AVA)	<u>21,117,106</u>	19,081,998
Unfunded Actuarial Accrued Liability	<u>1,267,928</u>	1,286,209
PVB Funded Ratio (AVA / PVB)	73.6%	71.4%
AAL Funded Ratio (AVA / AAL)	<u>94.3%</u>	93.7%
Health		
Actuarial Present Value of Benefits (PVB)		
Retirees and Beneficiaries	\$ 39,899	\$ 39,878
DROP Members	12,356	0
Active Members	<u>410,185</u>	<u>410,920</u>
Total Present Value of Benefits	462,440	450,798
Actuarial Accrued Liability (AAL)		
All Inactive Members	52,255	39,878
Active Members	<u>301,202</u>	<u>288,303</u>
Total Actuarial Accrued Liability	<u>353,457</u>	328,181
Actuarial Value of Assets (AVA)	<u>448,096</u>	412,067
Unfunded Actuarial Accrued Liability	<u>(94,639)</u>	(83,886)
PVB Funded Ratio (AVA / PVB)	96.9%	91.4%
AAL Funded Ratio (AVA / AAL)	<u>126.8%</u>	125.6%

Health liabilities were increased by \$6,400 under the lateral transfer methodology. Pension liabilities were not impacted.

II. CONTRIBUTION RESULTS

Contribution Requirements

Development of Employer Contributions - Tiers 1 & 2 Members				
Valuation Date Applicable to Fiscal Year Ending	June 30, 2022 2024		June 30, 2021 2023	
	Rate	Dollar	Rate	Dollar
Pension				
Normal Cost				
Total Normal Cost	18.74%	\$ 913,252	18.76%	\$ 911,833
Employee Cost	<u>(7.65%)</u>	<u>(372,806)</u>	<u>(7.65%)</u>	<u>(371,829)</u>
Employer (Net) Normal Cost	11.09%	540,446	11.11%	540,004
Amortization of Unfunded Liability	<u>3.32%</u>	<u>161,793</u>	<u>3.06%</u>	<u>148,732</u>
Total Employer Cost (Pension)	14.41%	702,239	14.17%	688,736
Health				
Normal Cost				
Amortization of Unfunded Liability	<u>0.00%</u>	<u>0</u>	<u>(0.13%)</u>	<u>(6,319)</u>
Total Employer Cost (Health)	0.33%	16,082	0.24%	11,665
Total Employer Cost (Pension + Health)	14.74%	718,321	14.41%	700,401
Total Minimum Contribution Requirement (if applicable)	8.00%		8.00%	
Alternate Contribution Rate (ACR) *	8.00%		8.00%	
Underlying Payroll (as of valuation date)		4,754,416		4,718,948

* The Alternate Contribution Rate is the sum of the positive amortization rates for Tiers 1 & 2 Pension and Health (subject to an 8% minimum) and is charged when retirees return to active status.

The results above are shown both prior to and after the application of the statutory minimum contribution requirement of 8% of payroll (5% of payroll if the actual employer contribution is less than 5% for the 2006/2007 Fiscal Year) and are based on the current amortization schedule approved by the Board of Trustees for your individual plan (see "Actuarial Assumptions and Methods").