

East Bay Municipal Utility District Employees' Retirement System

**Governmental Accounting Standards Board Statement No. 68
(GASB 68) Actuarial Valuation for the Pension Plan as of
June 30, 2024 for Employer Reporting as of June 30, 2025**



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June 16, 2025

Ms. Sophia Skoda
Director of Finance
East Bay Municipal Utility District
375 Eleventh Street
Oakland, CA 94607-4240

Dear Sophia:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 68 (GASB 68) Actuarial Valuation as of June 30, 2024 for the Pension Plan of the East Bay Municipal Utility District Employees' Retirement System ("EBMUDERS" or "the Plan") for employer reporting as of June 30, 2025. It contains various information that will need to be disclosed in order to comply with GASB 68. Please refer to EBMUDERS' Pension Plan Actuarial Valuation and Review as of June 30, 2024 dated January 14, 2025 for the data, assumptions, and plan of benefits underlying these calculations.

This report was prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Retirement Board (the Board) and the two systems in EBMUDERS (i.e., Water and Wastewater), based upon information provided by the staff of the Plan and the Plan's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and

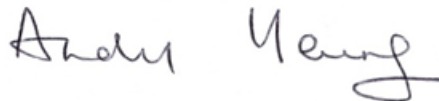
Ms. Sophia Skoda
June 16, 2025

recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Plan and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

A handwritten signature in dark ink, appearing to read "Andy Yeung".

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Actuary

A handwritten signature in dark ink, appearing to read "Emily Klare".

Emily Klare, ASA, MAAA, EA
Senior Actuary

BTS/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 68 (GASB 68) as of June 30, 2024 for employer reporting as of June 30, 2025. The results used in preparing this GASB 68 report are comparable to those used in preparing the Governmental Accounting Standards Board Statement No. 67 (GASB 67) report for the Plan based on a reporting date and a measurement date as of June 30, 2024. This report is based on:

- The benefit provisions of the Pension Plan, as administered by the Board;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2024, provided by EBMUDERS;
- The assets of the Plan as of June 30, 2024, provided by EBMUDERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2024 funding valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc., adopted by the Board for the June 30, 2024 funding valuation.

General observations on a GASB 68 actuarial valuation

1. The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, they do not apply to contribution amounts for pension funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
2. When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as EBMUDERS uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on the same basis as EBMUDERS' actuarial accrued liability (AAL) measure for funding. We note that the same is true for the service cost for financial reporting shown in this report and the normal cost component of the annual plan cost for funding.
3. The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan Fiduciary Net Position (FNP). The Plan FNP is equal to the fair value of assets and therefore, the NPL measure is very similar to an unfunded actuarial accrued liability (UAAL) calculated on a market value basis.

Section 1: Actuarial Valuation Summary

Highlights of the valuation

1. The reporting date for the employer is June 30, 2025 and the NPL was measured as of June 30, 2024. The TPL was determined based upon the actuarial funding valuation as of June 30, 2024 and the Plan FNP was also valued as of the measurement date.
2. Section 33 of the Employees' Retirement System Ordinance ("Ordinance") references a funded ratio based on the ratio of the market value of assets to the projected benefit obligation (PBO) for purposes of determining post-retirement cost-of-living adjustments (COLA). As noted in the plan provisions section of the June 30, 2024 Pension Plan funding valuation report dated January 14, 2025 (*Section 4, Exhibit 2*), the basic minimum COLA benefit is the lesser of 3% and the actual change in the cost-of-living index. Any excess of the actual change in the cost-of-living index over 3% is accumulated in individual retiree COLA banks, and withdrawals from the bank are made in years when the index increases less than 3%. However, increases of up to 5% are granted in years when the Retirement Board determines that the System is more than 85% funded on a PBO basis. In those years when the System is more than 85% funded and the cost-of-living index exceeds 5%, any excess cost of living over 5% is accumulated in the COLA bank. Furthermore, effective October 1, 2000, in those years when the system is more than 85% funded on a PBO basis and the change in the cost-of-living index is less than 4%, withdrawals from the bank are made to allow cost-of-living increases up to 4%.

For the June 30, 2024 Pension Plan and HIB Plan valuations, we note that the funded ratio on the PBO (and market value) basis is 78.4% for both plans combined, as shown in the Supplemental Exhibits report dated January 14, 2025.

3. The NPL decreased from \$800 million as of June 30, 2023 to \$698 million as of June 30, 2024 primarily due to a return on the market value of assets of 12.57% during fiscal year 2023/2024 that was more than the assumption of 6.75% used in the June 30, 2023 valuation (a gain of about \$127 million), offset somewhat by the change in actuarial assumptions and methodology (a loss of about \$25 million). Changes in these values during the last two fiscal years can be found in *Section 2, Exhibit 3: Schedule of changes in Net Pension Liability* on page 19.
4. There was a decrease in the total employer pension expense from \$162.0 million calculated last year to \$131.2 million calculated this year, mainly due to the new amortization base related to this year's investment gain offset somewhat by the change in actuarial assumptions and methodology.
5. The discount rate used to measure the TPL and NPL as of June 30, 2024 was 6.75%, following the same assumption used by EBMUDERS in the actuarial funding valuation as of June 30, 2024. The detailed calculations used in the derivation of the 6.75% discount rate can be found in *Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.

Section 1: Actuarial Valuation Summary

6. The NPL as of June 30, 2024 is allocated to the two systems in EBMUDERS (i.e., Water System and Wastewater System) based on the actual employer contributions. The steps we used are as follows:
 - a. Calculate the ratio of the system's contributions to the total contributions for the two systems in EBMUDERS.
 - b. This ratio is multiplied by the NPL for the two systems in EBMUDERS to determine the employer's proportionate share of the NPL for the two systems.
7. Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2024. The employer should consult with their auditor to determine the deferred outflow that should be created for these contributions.

Section 1: Actuarial Valuation Summary

Summary of key valuation results

| Line Description | Current Year | Prior Year |
|---|---|---|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Disclosure elements | | |
| Service cost ¹ | \$60,312,330 | \$56,378,319 |
| Total Pension Liability | 3,143,728,340 | 2,994,429,150 |
| Plan Fiduciary Net Position | 2,445,611,000 | 2,194,142,000 |
| Net Pension Liability | 698,117,340 | 800,287,150 |
| Pension expense | 131,208,602 | 161,956,946 |
| Schedule of contributions | | |
| Actuarially determined contributions | \$105,111,000 | \$95,103,000 |
| Actual contributions | 105,111,000 | 95,103,000 |
| Contribution deficiency / (excess) | 0 | 0 |
| Demographic data | | |
| Number of retired members and beneficiaries | 2,176 | 2,117 |
| Number of inactive members ² | 407 | 381 |
| Number of active members | 1,974 | 1,955 |
| Key assumptions | | |
| Investment rate of return | 6.75% | 6.75% |
| Inflation rate | 2.50% | 2.50% |
| "Across-the-board" salary increase | 0.50% | 0.50% |
| Projected salary increases ³ | 1955/1980 Plan: 9.25% to 3.75% 2013 Tier: 9.50% to 3.75% | 1955/1980 Plan: 9.25% to 3.75% 2013 Tier: 9.25% to 3.75% |
| Cost-of-living adjustments | 2.75% | 2.75% |

¹ The service cost is based on the previous year's valuation, meaning the service costs as of the June 30, 2024 and June 30, 2023 measurement dates are based on the valuations as of June 30, 2023 and June 30, 2022, respectively. Both service costs have been calculated using the assumptions shown in the Prior Year column, as there had been no changes in the actuarial assumptions between the June 30, 2023 and June 30, 2022 valuations.

² Includes inactive members due a refund of member contributions.

³ Includes inflation at 2.50% plus "across-the-board" salary increase of 0.50% plus merit and promotion increases that vary based on time from hire.

Section 1: Actuarial Valuation Summary

Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

| Input Item | Description |
|------------------------------|--|
| Plan provisions | Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits. |
| Member information | An actuarial valuation for a plan is based on data provided to the actuary by EBMUDERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data. |
| Financial information | The valuation is based on the fair value of assets as of the measurement date, as provided by EBMUDERS. |
| Actuarial assumptions | In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if any). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong. |
| Actuarial models | Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. |

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If EBMUDERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by EBMUDERS upon delivery and review. EBMUDERS should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 68 Information

General information about the pension plan

Plan administration

The East Bay Municipal Utility District (the District) Employees' Retirement System (EBMUDERS or the System) was established in 1937 to administer a single-employer, contributory, defined benefit pension plan (the Pension Plan). The System provides retirement, disability, survivorship, and post-employment health insurance benefits¹ for eligible directors, officers, and employees of the District. The System is administered by a Retirement Board composed of three members appointed by the board of directors of the District, two members elected by and from the active membership, and one (nonvoting) member elected by and from the retired membership of the System. Retirement Ordinance No. 40 (Ordinance) assigns the authority to establish Plan benefit provisions to the District's board of directors. It should be noted that there are two systems in EBMUDERS (i.e., Water System and Wastewater System).

The System is exempt from the regulations of the Employee Retirement Income Security Act of 1974. The System is also exempt from federal income taxes and California franchise taxes.

The System is an integral part of the District and the District appoints the majority of the Retirement Board of the System and provides for its funding. Accordingly, the System's operations have been reported as a Pension and Other Employee Benefit Trust Fund in the District's basic financial statements.

Plan membership

All regular full-time employees of the District are members of the Plan, in addition to certain job share and intermittent employees. Eligible employees become members on the first day they are physically on the job. At June 30, 2024, Pension Plan membership consisted of the following:

| Membership | Count |
|-----------------------------------|--------------|
| Retired members and beneficiaries | 2,176 |
| Inactive members ² | 407 |
| Active members | 1,974 |
| Total | 4,557 |

¹ The liabilities and expenses associated with providing post-employment health insurance benefits are reportable under GASB Statements 74 and 75. They have not been included in this report.

² Includes inactive members due a refund of member contributions.

Section 2: GASB 68 Information

Benefits provided

EBMUDERS provides service retirement, disability, death and survivor benefits to eligible employees.

There are two tiers in effect currently, the 1955/1980 Plan and the 2013 Tier.

- Employees who became members of the Retirement System prior to January 1, 2013, or who have reciprocal membership are in the 1955/1980 Plan.
- Employees who became members on or after January 1, 2013 are in the 2013 Tier.

Members may receive disability retirement benefits prior to age 65 if the member is determined to be physically or mentally incapacitated, provided the member has eight or more years of continuous full-time employment. The allowance for disability retirement is computed by a formula specified in the Ordinance and is based upon compensation earnable during employment, years of continuous service, and date upon which the retiring individual became a member. There is a guaranteed minimum disability benefit equal to the greater of one-third of terminal compensation (final average salary) or the retirement allowance, based on the disability formula.

Death benefits are payable to the estate or beneficiary of a member who dies before retirement. Survivorship benefits are payable to the spouse/domestic partner of a member who dies after retirement, or who was eligible but had not retired from service, provided the spouse/domestic partner was married to/established domestic partnership with the member at the date of retirement and for at least one year prior to the member's death.

EBMUDERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment is capped at 3.0% unless the System is more than 85% funded on a Projected Benefit Obligation (PBO) basis, in which case the cost-of-living adjustment is capped at 5.0%.¹

1955/1980 Plan member benefits

1955/1980 Plan members may elect voluntary reduced service retirement upon attaining the age of 54 and completing five years of continuous full-time employment. Members may elect voluntary unreduced service retirement upon attaining the age of 62 and completing five years of continuous full-time employment or age 65 without restriction.

Members who continue to work upon attaining the normal retirement age of 65 continue to contribute to the Plan, and at the time they retire, computation of their retirement allowance is based upon their compensation and length of service as of the date of retirement.

¹ Effective October 1, 2000, when the System is 85% funded on a PBO basis and the cost-of-living is less than 4%, withdrawals from the accumulated COLA bank are made to allow cost-of-living increases up to 4%.

Section 2: GASB 68 Information

Service retirement allowances are computed by formulas specified in the Ordinance and are based on date of employment, length of employment, age at date of retirement, and compensation earned during employment.

2013 Tier member benefits

2013 Tier members may elect voluntary reduced service retirement upon attaining the age of 52 and completing five years of continuous full-time employment. Members may elect voluntary unreduced service retirement upon attaining the age of 67 and completing five years of continuous full-time employment.

Members who continue to work upon attaining the normal retirement age of 67 continue to contribute to the Plan, and at the time they retire, computation of their allowance is based upon their compensation and length of service as of the date of retirement. Service retirement allowances are computed by formulas specified in the Ordinance and are based on length of service, age at retirement, and compensation earned during employment.

Contributions

The East Bay Municipal Utility District contributes to the Pension Plan based upon actuarially determined contribution rates adopted by the Retirement Board. Employer contribution rates are adopted annually based upon recommendations received from EBMUDERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2024 for 2023-2024 (based on contribution rates adopted for the June 30, 2022 valuation) was 39.75% of covered payroll.

All members are required to make contributions to EBMUDERS regardless of the plan or tier in which they are included. The average member contribution rate as of June 30, 2024 for 2023-2024 (based on the June 30, 2022 valuation) was 8.94% of covered payroll.

Section 2: GASB 68 Information

Exhibit 1: Net Pension Liability

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of the Net Pension Liability | | |
| Total Pension Liability | \$3,143,728,340 | \$2,994,429,150 |
| Plan Fiduciary Net Position | (2,445,611,000) | (2,194,142,000) |
| Net Pension Liability | \$698,117,340 | \$800,287,150 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability ¹ | 77.79% | 73.27% |

The NPL for the Plan in this valuation was measured as of June 30, 2024. The Plan FNP was valued as of the measurement date and the TPL was determined based upon the actuarial valuation as of June 30, 2024.

Plan provisions

The plan provisions used in the measurement of the NPL as of June 30, 2024 are the same as those used in EBMUDERS' actuarial funding valuation as of June 30, 2024.

Actuarial assumptions

The TPL as of June 30, 2024 uses the same actuarial assumptions as the actuarial funding valuation as of June 30, 2024. The actuarial assumptions used in that funding valuation were based on the results of an experience study for the period July 1, 2020 through June 30, 2024. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

¹ These funded percentages are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Section 2: GASB 68 Information

| Assumption Type | Assumption |
|------------------------------------|--|
| Investment rate of return | 6.75%, net of Pension Plan investment expense, including inflation |
| Inflation rate | 2.50% |
| “Across-the-board” salary increase | 0.50% |
| Projected salary increases | 1955/1980 Plan: 9.25% to 3.75% 2013 Tier: 9.50% to 3.75% The above salary increases vary based on time from hire and include inflation and “across-the-board” salary increase. |
| Cost-of-living adjustments | 2.75% For members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter. |
| Other assumptions | See analysis of actuarial experience during the period July 1, 2020 through June 30, 2024. |

Detailed information regarding all actuarial assumptions can be found in the June 30, 2024 Pension Plan Actuarial Valuation and Review.

Section 2: GASB 68 Information

Exhibit 2: Discount rate

Determination of discount rate and investment rates of return

The long-term expected rate of return on Pension Plan investments¹ was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation and, beginning with June 30, 2024, any applicable investment manager expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses (beginning with June 30, 2024 including only investment consulting fees, custodian fees and other miscellaneous investment expenses) and a risk margin. Beginning with June 30, 2024, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation and applicable investment management expenses), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2024. This information will be subject to change every four years based on the results of an actuarial experience study, or every two years based upon an interim economic actuarial assumptions study.

¹ Note that the investment return assumption for funding purposes was developed net of both investment and administrative expenses; however, the same investment return assumption was used for financial reporting purposes, where it is considered gross of administrative expenses. This results in an increase in the margin for adverse deviation when using that investment return assumption for financial reporting.

Section 2: GASB 68 Information

| Asset Class | Target Allocation | Long-Term Expected Arithmetic Real Rate of Return ¹ |
|--|-------------------|--|
| Domestic large cap equity | 32.55% | 5.80% |
| Domestic small cap equity | 2.45% | 6.59% |
| Developed international large cap equity | 18.00% | 6.44% |
| Emerging markets equity | 7.00% | 8.32% |
| Core bonds | 20.00% | 2.27% |
| High yield bonds | 7.50% | 4.62% |
| Bank loans | 5.00% | 4.43% |
| Real estate | 2.50% | 4.54% |
| Private debt | 5.00% | 6.63% |
| Total | 100.00% | 5.26% |

Discount rate

The discount rate used to measure the TPL was 6.75% as of June 30, 2024.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates.² Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2024.

¹ Arithmetic real rates of return are net of inflation.

² For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included.

Section 2: GASB 68 Information

Discount rate sensitivity

The following presents the NPL of EBMUDERS as of June 30, 2024 calculated using the current discount rate of 6.75%, as well as what EBMUDERS' NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate.

| System | 1% Decrease in Discount Rate (5.75%) | Current Discount Rate (6.75%) | 1% Increase in Discount Rate (7.75%) |
|-------------------------------|--|-------------------------------------|--|
| Water System | \$951,113,925 | \$597,701,246 | \$305,612,020 |
| Wastewater System | 159,790,775 | 100,416,094 | 51,343,988 |
| Total for both Systems | \$1,110,904,700 | \$698,117,340 | \$356,956,008 |

Section 2: GASB 68 Information

Exhibit 3: Schedule of changes in Net Pension Liability

| Line Description | Current Year | Prior Year |
|--|------------------------|------------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Total Pension Liability | | |
| Service cost | \$60,312,330 | \$56,378,319 |
| Interest | 201,159,010 | 190,492,351 |
| Change of benefit terms | 0 | 0 |
| Differences between expected and actual experience | 11,736,760 | 51,868,388 |
| Changes of assumptions or other inputs | 25,307,090 | 0 |
| Benefit payments, including refunds of member contributions | (149,216,000) | (140,081,000) |
| Net change in Total Pension Liability | \$149,299,190 | \$158,658,058 |
| Total Pension Liability — beginning | 2,994,429,150 | 2,835,771,092 |
| Total Pension Liability — ending | \$3,143,728,340 | \$2,994,429,150 |
| Plan Fiduciary Net Position | | |
| Contributions — employer | \$105,111,000 | \$95,103,000 |
| Contributions — member | 23,637,000 | 21,865,000 |
| Net investment income | 274,375,000 | 214,117,000 |
| Benefit payments, including refunds of member contributions | (149,216,000) | (140,081,000) |
| Administrative expense | (2,438,000) | (2,214,000) |
| Net change in Plan Fiduciary Net Position | \$251,469,000 | \$188,790,000 |
| Plan Fiduciary Net Position — beginning | 2,194,142,000 | 2,005,352,000 |
| Plan Fiduciary Net Position — ending | \$2,445,611,000 | \$2,194,142,000 |
| Net Pension Liability — ending | \$698,117,340 | \$800,287,150 |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 77.79% | 73.27% |
| Covered payroll ¹ | \$264,425,972 | \$246,230,567 |
| Net Pension Liability as percentage of covered payroll | 264.01% | 325.02% |

¹ Covered payroll represents payroll on which contributions to the pension plan are based, as reported by EBMUDERS.

Section 2: GASB 68 Information

Exhibit 4: Schedule of employer contributions

Total for both Systems

| Year Ended June 30 | Actuarially Determined Contributions | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency / (Excess) | Covered Payroll ¹ | Contributions as a Percentage of Covered Payroll |
|-----------------------|--|---|--|------------------------------|--|
| 2015 | \$64,177,000 | \$64,177,000 | \$0 | \$166,886,146 | 38.46% |
| 2016 | 65,218,000 | 65,218,000 | 0 | 174,586,444 | 37.36% |
| 2017 | 67,096,000 | 67,096,000 | 0 | 182,031,838 | 36.86% |
| 2018 | 71,221,000 | 71,221,000 | 0 | 193,717,364 | 36.77% |
| 2019 | 74,033,000 | 74,033,000 | 0 | 203,541,207 | 36.37% |
| 2020 | 77,645,000 | 77,645,000 | 0 | 215,109,948 | 36.10% |
| 2021 | 79,252,000 | 79,252,000 | 0 | 221,809,447 | 35.73% |
| 2022 | 91,393,000 | 91,393,000 | 0 | 233,939,981 | 39.07% |
| 2023 | 95,103,000 | 95,103,000 | 0 | 246,230,567 | 38.62% |
| 2024 | 105,111,000 | 105,111,000 | 0 | 264,425,972 | 39.75% |

See accompanying notes to this schedule on the next page.

¹ Covered payroll represents payroll on which contributions to the pension plan are based, as reported by EBMUDERS.

Section 2: GASB 68 Information

Methods and assumptions used to establish the actuarially determined contribution for the year ended June 30, 2024

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (the June 30, 2022 valuation set the rates for the 2023-2024 fiscal year).

Actuarial cost method

Entry Age Cost Method

Amortization method

Level percent of payroll

Remaining amortization period

Prior to July 1, 2011, the UAAL from plan changes, assumption changes, and experience gains/losses were amortized over separate decreasing 30-year amortization periods.

On or after July 1, 2011, any new UAAL resulting from plan changes are amortized over separate decreasing 15-year periods; assumption and method changes are amortized over separate decreasing 25-year periods (prior to July 1, 2021); and experience gains/losses are amortized over separate decreasing 20-year periods.

On or after July 1, 2021, assumption and method changes are amortized over separate decreasing 20-year periods.

Asset valuation method

The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last five years. The unrecognized return each year is equal to the difference between the actual and expected returns on the market value of assets, recognized over a five-year period. The actuarial value of assets is further adjusted, if necessary, to be within 30% of the market value of assets.

Section 2: GASB 68 Information

Actuarial assumptions

The actuarially determined contribution for the year ended June 30, 2024 is based on the results of EBMUDERS' June 30, 2022 Actuarial Valuation and Review of Pension Plan Benefits. The actuarial assumptions used in that valuation are as follows:

| Assumption Type | Assumptions Used in the June 30, 2022 Valuation |
|------------------------------------|--|
| Investment rate of return | 6.75%, net of administrative and investment expense, including inflation |
| Inflation rate | 2.50% |
| "Across-the-board" salary increase | 0.50% |
| Projected salary increases | 9.25% to 3.75% The above salary increases vary by time from hire and include inflation and "across-the-board" salary increase. |
| Cost-of-living adjustments | 2.75% For members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter. |
| Mortality | Healthy: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020 |
| Other assumptions | Same as those used in the actuarial funding valuation as of June 30, 2022. |

Section 2: GASB 68 Information

Exhibit 5: Determination of proportionate share

Actual Employer Contributions by System from July 1, 2022 to June 30, 2023

| System | Contributions | Percentage ¹ |
|-------------------------------|---------------------|-------------------------|
| Water System | \$81,711,000 | 85.918% |
| Wastewater System | 13,392,000 | 14.082% |
| Total for both Systems | \$95,103,000 | 100.000% |

Allocation of June 30, 2023 Net Pension Liability (NPL)

| System | NPL | Percentage |
|-------------------------------|----------------------|-----------------|
| Water System | \$687,594,117 | 85.918% |
| Wastewater System | 112,693,033 | 14.082% |
| Total for both Systems | \$800,287,150 | 100.000% |

Notes

Based on the July 1, 2022 through June 30, 2023 employer contributions as provided by EBMUDERS.

The Net Pension Liability (NPL) is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (FNP). The NPL, TPL, and Plan FNP for the Plan in total are provided in Segal's June 30, 2023 GASB 67 valuation report dated January 5, 2024.

A system's proportionate share of the collective NPL is the ratio of the system's contributions to the Plan's total employer contributions.

¹ The unrounded percentages are used in the allocation of the NPL amongst systems.

Section 2: GASB 68 Information

Actual Employer Contributions by Employer July 1, 2023 to June 30, 2024

| System | Contributions | Percentage ¹ |
|-------------------------------|----------------------|-------------------------|
| Water System | \$89,992,000 | 85.616% |
| Wastewater System | 15,119,000 | 14.384% |
| Total for both Systems | \$105,111,000 | 100.000% |

Allocation of June 30, 2024 Net Pension Liability (NPL)

| System | NPL | Percentage |
|-------------------------------|----------------------|-----------------|
| Water System | \$597,701,246 | 85.616% |
| Wastewater System | 100,416,094 | 14.384% |
| Total for both Systems | \$698,117,340 | 100.000% |

Notes

Based on the July 1, 2023 through June 30, 2024 employer contributions as provided by EBMUDERS.

The Net Pension Liability (NPL) is the Total Pension Liability (TPL) minus the Plan Fiduciary Net Position (FNP). The NPL, TPL, and Plan FNP for the Plan in total are provided in Segal's June 30, 2024 GASB 67 valuation report dated January 14, 2025.

A system's proportionate share of the collective NPL is the ratio of the system's contributions to the Plan's total employer contributions.

¹ The unrounded percentages are used in the allocation of the NPL amongst systems.

Section 2: GASB 68 Information

Notes

For purposes of the above results, the reporting date for the employer under GASB 68 is June 30, 2025. The reporting date and measurement date for the Plan under GASB 67 are June 30, 2024. Consistent with the provisions of GASB 68, the assets and liabilities measured as of June 30, 2024 are **not** adjusted or rolled forward to the June 30, 2025 reporting date. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

The following items are allocated based on each system's corresponding proportionate share:

1. Net Pension Liability
2. Service cost
3. Interest on the Total Pension Liability
4. Benefit changes
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
6. Expensed portion of current-period changes of assumptions or other inputs
7. Member contributions
8. Projected earnings on plan investments
9. Expensed portion of current-period differences between actual and projected earnings on plan investments
10. Administrative expense
11. Recognition of beginning of year deferred outflows of resources as pension expense
12. Recognition of beginning of year deferred inflows of resources as pension expense

Section 2: GASB 68 Information

Exhibit 6: Pension expense

Total for both Systems

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Pension Expense | | |
| Service cost | \$60,312,330 | \$56,378,319 |
| Interest on the Total Pension Liability | 201,159,010 | 190,492,351 |
| Expensed portion of current-period changes in proportion ¹ | 0 | 0 |
| Benefit changes | 0 | 0 |
| Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability | 2,149,590 | 9,605,257 |
| Expensed portion of current-period changes of assumptions or other inputs | 4,634,998 | 0 |
| Member contributions | (23,637,000) | (21,865,000) |
| Projected earnings on plan investments | (147,331,508) | (134,506,474) |
| Expensed portion of current-period differences between projected and actual earnings on plan investments | (25,408,698) | (15,922,105) |
| Administrative expense | 2,438,000 | 2,214,000 |
| Other | 0 | 0 |
| Recognition of beginning of year deferred outflows of resources as pension expense | 151,898,887 | 154,645,500 |
| Recognition of beginning of year deferred inflows of resources as pension expense | (95,007,007) | (79,084,902) |
| Net recognition of beginning of year deferred amounts from changes in proportion ¹ | 0 | 0 |
| Pension expense | \$131,208,602 | \$161,956,946 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Water System

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Pension Expense | | |
| Service cost | \$51,637,101 | \$48,439,364 |
| Interest on the Total Pension Liability | 172,224,616 | 163,668,028 |
| Expensed portion of current-period changes in proportion ¹ | (340,849) | (106,286) |
| Benefit changes | 0 | 0 |
| Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability | 1,840,396 | 8,252,686 |
| Expensed portion of current-period changes of assumptions or other inputs | 3,968,307 | 0 |
| Member contributions | (20,237,091) | (18,786,064) |
| Projected earnings on plan investments | (126,139,577) | (115,565,844) |
| Expensed portion of current-period differences between projected and actual earnings on plan investments | (21,753,951) | (13,680,022) |
| Administrative expense | 2,087,322 | 1,902,234 |
| Other | 0 | 0 |
| Recognition of beginning of year deferred outflows of resources as pension expense | 130,049,991 | 132,868,978 |
| Recognition of beginning of year deferred inflows of resources as pension expense | (81,341,349) | (67,948,502) |
| Net recognition of beginning of year deferred amounts from changes in proportion ¹ | 358,788 | 609,022 |
| Pension expense | \$112,353,704 | \$139,653,594 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Wastewater System

| Line Description | Current Year | Prior Year |
|---|---------------------|---------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Pension Expense | | |
| Service cost | \$8,675,229 | \$7,938,955 |
| Interest on the Total Pension Liability | 28,934,394 | 26,824,323 |
| Expensed portion of current-period changes in proportion ¹ | 340,849 | 106,286 |
| Benefit changes | 0 | 0 |
| Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability | 309,194 | 1,352,571 |
| Expensed portion of current-period changes of assumptions or other inputs | 666,691 | 0 |
| Member contributions | (3,399,909) | (3,078,936) |
| Projected earnings on plan investments | (21,191,931) | (18,940,630) |
| Expensed portion of current-period differences between projected and actual earnings on plan investments | (3,654,747) | (2,242,083) |
| Administrative expense | 350,678 | 311,766 |
| Other | 0 | 0 |
| Recognition of beginning of year deferred outflows of resources as pension expense | 21,848,896 | 21,776,522 |
| Recognition of beginning of year deferred inflows of resources as pension expense | (13,665,658) | (11,136,400) |
| Net recognition of beginning of year deferred amounts from changes in proportion ¹ | (358,788) | (609,022) |
| Pension expense | \$18,854,898 | \$22,303,352 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Notes

Amounts shown in this exhibit were allocated by system based on the employer allocation percentages shown in *Section 2, Exhibit 5: Determination of proportionate share*.

In determining the pension expense:

- Any differences between projected and actual investment earnings on Pension Plan investments are recognized over a period of five years beginning with the year in which they occur.
- Current period differences between expected and actual experience as well as changes of assumptions or other inputs (if any) are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period differences between expected and actual experience as well as changes of assumptions or other inputs continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.

In addition, there have been changes in both systems' proportionate share of the collective NPL during the measurement period ending June 30, 2024. The net effect of that change on the system's proportionate share of the collective NPL and collective deferred outflows and deferred inflows of resources, as well as the difference between the employer's contributions and the proportionate share of contributions (if any), are recognized as follows:

- Current period changes in proportion and differences between system's contributions and proportionate share of contributions are recognized over the average expected remaining service lives of all employees, calculated as of the beginning of the measurement period.
- Prior period changes in proportion and differences between system's contributions and proportionate share of contributions continue to be recognized based on the average expected remaining service lives of all employees calculated based on their respective measurement dates.

The average expected remaining service lives of all employees is 5.46 years for the measurement period ending June 30, 2024 (calculated as of June 30, 2023). The average expected remaining service lives of all employees was determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active, nonactive and retired members.

Section 2: GASB 68 Information

Exhibit 7: Deferred outflows and deferred inflows of resources

Total for both Systems

| Line Description | Current Year | Prior Year |
|---|---------------|---------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Deferred Outflows of Resources | | |
| Changes in proportion ¹ | \$2,399,731 | \$1,450,902 |
| Changes of assumptions or other inputs | 59,098,384 | 71,411,167 |
| Net difference between projected and actual earnings on Pension Plan investments (if any) | 0 | 53,452,602 |
| Difference between actual and expected experience in the Total Pension Liability | 66,938,575 | 78,464,890 |
| Total deferred outflows | \$128,436,690 | \$204,779,561 |
| Deferred Inflows of Resources | | |
| Changes in proportion ¹ | \$2,399,731 | \$1,450,902 |
| Changes of assumptions or other inputs | 0 | 0 |
| Net difference between actual and projected earnings on Pension Plan investments (if any) | 58,895,929 | 0 |
| Difference between expected and actual experience in the Total Pension Liability | 10,814,251 | 18,734,468 |
| Total deferred inflows | \$72,109,911 | \$20,185,370 |
| Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer | | |
| June 30, 2025 | N/A | \$56,891,880 |
| June 30, 2026 | \$6,807,429 | 25,431,539 |
| June 30, 2027 | 75,427,911 | 94,052,021 |
| June 30, 2028 | (14,247,462) | 4,376,648 |
| June 30, 2029 | (14,782,009) | 3,842,103 |
| June 30, 2030 | 3,120,910 | 0 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Water System

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Deferred Outflows of Resources | | |
| Changes in proportion ¹ | \$518,169 | \$983,243 |
| Changes of assumptions or other inputs | 50,597,766 | 61,355,350 |
| Net difference between projected and actual earnings on Pension Plan investments (if any) | 0 | 45,925,634 |
| Difference between actual and expected experience in the Total Pension Liability | 57,310,236 | 67,415,798 |
| Total deferred outflows | \$108,426,171 | \$175,680,025 |
| Deferred Inflows of Resources | | |
| Changes in proportion ¹ | \$1,881,562 | \$467,659 |
| Changes of assumptions or other inputs | 0 | 0 |
| Net difference between actual and projected earnings on Pension Plan investments (if any) | 50,424,432 | 0 |
| Difference between expected and actual experience in the Total Pension Liability | 9,258,746 | 16,096,360 |
| Total deferred inflows | \$61,564,740 | \$16,564,019 |
| Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer | | |
| June 30, 2025 | N/A | \$49,239,395 |
| June 30, 2026 | \$5,648,502 | 22,011,470 |
| June 30, 2027 | 64,313,547 | 80,883,931 |
| June 30, 2028 | (12,576,676) | 3,722,650 |
| June 30, 2029 | (13,039,152) | 3,258,560 |
| June 30, 2030 | 2,515,210 | 0 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Wastewater System

| Line Description | Current Year | Prior Year |
|---|---------------------|---------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Deferred Outflows of Resources | | |
| Changes in proportion ¹ | \$1,881,562 | \$467,659 |
| Changes of assumptions or other inputs | 8,500,618 | 10,055,817 |
| Net difference between projected and actual earnings on Pension Plan investments (if any) | 0 | 7,526,968 |
| Difference between actual and expected experience in the Total Pension Liability | 9,628,339 | 11,049,092 |
| Total deferred outflows | \$20,010,519 | \$29,099,536 |
| Deferred Inflows of Resources | | |
| Changes in proportion ¹ | \$518,169 | \$983,243 |
| Changes of assumptions or other inputs | 0 | 0 |
| Net difference between actual and projected earnings on Pension Plan investments (if any) | 8,471,497 | 0 |
| Difference between expected and actual experience in the Total Pension Liability | 1,555,505 | 2,638,108 |
| Total deferred inflows | \$10,545,171 | \$3,621,351 |
| Recognition of Deferred Outflows/(Inflows) by Reporting Date for Employer | | |
| June 30, 2025 | N/A | \$7,652,485 |
| June 30, 2026 | \$1,158,927 | 3,420,069 |
| June 30, 2027 | 11,114,364 | 13,168,090 |
| June 30, 2028 | (1,670,786) | 653,998 |
| June 30, 2029 | (1,742,857) | 583,543 |
| June 30, 2030 | 605,700 | 0 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

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Exhibit 8: Schedule of reconciliation of Net Pension Liability

Total for both Systems

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Net Pension Liability | | |
| Beginning Net Pension Liability | \$800,287,150 | \$830,419,092 |
| • Pension expense | 131,208,602 | 161,956,946 |
| • Employer contributions | (105,111,000) | (95,103,000) |
| • New net deferred outflows/(inflows) | (71,375,532) | (21,425,290) |
| • Change in allocation of prior deferred outflows/(inflows) | 0 | 0 |
| • New net deferred outflows/(inflows) due to change in proportion ¹ | 0 | 0 |
| • Recognition of prior deferred outflows/(inflows) | (56,891,880) | (75,560,598) |
| • Recognition of prior deferred outflows/(inflows) due to change in proportion ¹ | 0 | 0 |
| Ending Net Pension Liability | \$698,117,340 | \$800,287,150 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Water System

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Net Pension Liability | | |
| Beginning Net Pension Liability | \$687,594,117 | \$714,351,412 |
| • Pension expense | 112,353,704 | 139,653,594 |
| • Employer contributions | (89,992,000) | (81,711,000) |
| • New net deferred outflows/(inflows) | (61,108,989) | (18,408,272) |
| • Change in allocation of prior deferred outflows/(inflows) | (557,967) | (294,460) |
| • New net deferred outflows/(inflows) due to change in proportion ¹ | (1,520,189) | (467,659) |
| • Recognition of prior deferred outflows/(inflows) | (48,708,642) | (64,920,476) |
| • Recognition of prior deferred outflows/(inflows) due to change in proportion ¹ | (358,788) | (609,022) |
| Ending Net Pension Liability | \$597,701,246 | \$687,594,117 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Wastewater System

| Line Description | Current Year | Prior Year |
|---|----------------------|----------------------|
| Reporting and Measurement Dates | | |
| Reporting date for employer under GASB 68 | June 30, 2025 | June 30, 2024 |
| Measurement date for employer under GASB 68 | June 30, 2024 | June 30, 2023 |
| Components of Net Pension Liability | | |
| Beginning Net Pension Liability | \$112,693,033 | \$116,067,680 |
| • Pension expense | 18,854,898 | 22,303,352 |
| • Employer contributions | (15,119,000) | (13,392,000) |
| • New net deferred outflows/(inflows) | (10,266,543) | (3,017,018) |
| • Change in allocation of prior deferred outflows/(inflows) | 557,967 | 294,460 |
| • New net deferred outflows/(inflows) due to change in proportion ¹ | 1,520,189 | 467,659 |
| • Recognition of prior deferred outflows/(inflows) | (8,183,238) | (10,640,122) |
| • Recognition of prior deferred outflows/(inflows) due to change in proportion ¹ | 358,788 | 609,022 |
| Ending Net Pension Liability | \$100,416,094 | \$112,693,033 |

¹ Includes differences between employer's contributions and proportionate share of contributions, if any.

Section 2: GASB 68 Information

Exhibit 9: Schedule of proportionate share of Net Pension Liability

Total for both Systems

| Reporting Date for Employer as of June 30 | Proportion of NPL | Proportionate Share of NPL | Covered Payroll ¹ | Proportionate Share of NPL as a Percentage of Covered Payroll | Plan FNP as a Percentage of TPL |
|---|----------------------|-------------------------------|------------------------------|---|------------------------------------|
| 2016 | 100.0% | \$462,859,285 | \$166,886,146 | 277.35% | 74.93% |
| 2017 | 100.0% | 604,092,155 | 174,586,444 | 346.01% | 69.73% |
| 2018 | 100.0% | 487,458,945 | 182,031,838 | 267.79% | 76.43% |
| 2019 | 100.0% | 504,499,433 | 193,717,364 | 260.43% | 77.28% |
| 2020 | 100.0% | 548,649,072 | 203,541,207 | 269.55% | 76.56% |
| 2021 | 100.0% | 721,647,211 | 215,109,948 | 335.48% | 71.54% |
| 2022 | 100.0% | 334,850,762 | 221,809,447 | 150.96% | 87.15% |
| 2023 | 100.0% | 830,419,092 | 233,939,981 | 354.97% | 70.72% |
| 2024 | 100.0% | 800,287,150 | 246,230,567 | 325.02% | 73.27% |
| 2025 | 100.0% | 698,117,340 | 264,425,972 | 264.01% | 77.79% |

¹ Covered payroll represents payroll on which contributions to the pension plan are based, as reported by EBMUDERS.

Section 2: GASB 68 Information

Water System

| Reporting Date for Employer as of June 30 | Proportion of NPL | Proportionate Share of NPL | Covered Payroll ¹ | Proportionate Share of NPL as a Percentage of Covered Payroll | Plan FNP as a Percentage of TPL |
|---|----------------------|-------------------------------|------------------------------|---|------------------------------------|
| 2016 | 84.973% | \$393,304,539 | \$141,811,327 | 277.34% | 74.93% |
| 2017 | 85.220% | 514,809,376 | 148,621,780 | 346.39% | 69.73% |
| 2018 | 85.376% | 416,173,814 | 155,221,134 | 268.12% | 76.43% |
| 2019 | 85.372% | 430,702,728 | 165,235,805 | 260.66% | 77.28% |
| 2020 | 85.598% | 469,634,357 | 174,040,983 | 269.84% | 76.56% |
| 2021 | 85.802% | 619,188,085 | 184,365,098 | 335.85% | 71.54% |
| 2022 | 85.863% | 287,512,298 | 190,047,243 | 151.29% | 87.15% |
| 2023 | 86.023% | 714,351,412 | 200,833,534 | 355.69% | 70.72% |
| 2024 | 85.918% | 687,594,117 | 210,765,227 | 326.24% | 73.27% |
| 2025 | 85.616% | 597,701,246 | 225,484,640 | 265.07% | 77.79% |

¹ Covered payroll represents payroll on which contributions to the pension plan are based, as reported by EBMUDERS.

Section 2: GASB 68 Information

Wastewater System

| Reporting Date for Employer as of June 30 | Proportion of NPL | Proportionate Share of NPL | Covered Payroll ¹ | Proportionate Share of NPL as a Percentage of Covered Payroll | Plan FNP as a Percentage of TPL |
|---|----------------------|-------------------------------|------------------------------|---|------------------------------------|
| 2016 | 15.027% | \$69,554,746 | \$25,074,819 | 277.39% | 74.93% |
| 2017 | 14.780% | 89,282,779 | 25,964,664 | 343.86% | 69.73% |
| 2018 | 14.624% | 71,285,131 | 26,810,704 | 265.88% | 76.43% |
| 2019 | 14.628% | 73,796,705 | 28,481,559 | 259.10% | 77.28% |
| 2020 | 14.402% | 79,014,715 | 29,500,224 | 267.84% | 76.56% |
| 2021 | 14.198% | 102,459,126 | 30,744,850 | 333.26% | 71.54% |
| 2022 | 14.137% | 47,338,464 | 31,762,204 | 149.04% | 87.15% |
| 2023 | 13.977% | 116,067,680 | 33,106,447 | 350.59% | 70.72% |
| 2024 | 14.082% | 112,693,033 | 35,465,340 | 317.76% | 73.27% |
| 2025 | 14.384% | 100,416,094 | 38,941,332 | 257.87% | 77.79% |

¹ Covered payroll represents payroll on which contributions to the pension plan are based, as reported by EBMUDERS.

Section 2: GASB 68 Information

Exhibit 10: Schedule of recognition of changes in Net Pension Liability

The following tables present the increase/(decrease) in pension expense due to various changes in Net Pension Liability.

Differences between Expected and Actual Experience on Total Pension Liability *Recognition by Reporting Date for Employer as of June 30*

| Reporting Date for Employer as of June 30 | Total Change | Recognition Period | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|--------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|------------------|
| 2019 ¹ | \$48,581,253 | 5.28 | \$2,576,278 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2020 ¹ | 25,973,667 | 5.30 | 4,900,692 | 1,470,207 | 0 | 0 | 0 | 0 | 0 |
| 2021 ¹ | (6,199,240) | 5.30 | (1,169,668) | (1,169,668) | (350,900) | 0 | 0 | 0 | 0 |
| 2022 ¹ | (37,465,547) | 5.55 | (6,750,549) | (6,750,549) | (6,750,549) | (3,712,802) | 0 | 0 | 0 |
| 2023 ¹ | 54,807,594 | 5.46 | 10,038,021 | 10,038,021 | 10,038,021 | 10,038,021 | 4,617,489 | 0 | 0 |
| 2024 | 51,868,388 | 5.40 | 9,605,257 | 9,605,257 | 9,605,257 | 9,605,257 | 9,605,257 | 3,842,103 | 0 |
| 2025 | 11,736,760 | 5.46 | N/A | 2,149,590 | 2,149,590 | 2,149,590 | 2,149,590 | 2,149,590 | 988,810 |
| Total | N/A | N/A | \$19,200,031 | \$15,342,858 | \$14,691,419 | \$18,080,066 | \$16,372,336 | \$5,991,693 | \$988,810 |

As described in *Section 2, Exhibit 6: Pension expense*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through EBMUDERS (active and inactive members) determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024) is 5.46 years.

¹ The amortization amounts prior to June 30, 2024 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Assumption Changes or Other Inputs *Recognition by Reporting Date for Employer as of June 30*

| Reporting Date for Employer as of June 30 | Total Change | Recognition Period | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|--------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| 2019 ¹ | \$12,484,391 | 5.28 | \$662,051 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2020 ¹ | 0 | 5.30 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2021 ¹ | 104,813,640 | 5.30 | 19,776,158 | 19,776,158 | 5,932,850 | 0 | 0 | 0 | 0 |
| 2022 ¹ | 0 | 5.55 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 ¹ | 72,119,593 | 5.46 | 13,208,717 | 13,208,717 | 13,208,717 | 13,208,717 | 6,076,008 | 0 | 0 |
| 2024 | 0 | 5.40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2025 | 25,307,090 | 5.46 | N/A | 4,634,998 | 4,634,998 | 4,634,998 | 4,634,998 | 4,634,998 | 2,132,100 |
| Total | N/A | N/A | \$33,646,926 | \$37,619,873 | \$23,776,565 | \$17,843,715 | \$10,711,006 | \$4,634,998 | \$2,132,100 |

As described in *Section 2, Exhibit 6: Pension expense*, for the current period, the average of the expected remaining service lives of all employees that are provided with pensions through EBMUDERS (active and inactive members) determined as of June 30, 2023 (the beginning of the measurement period ending June 30, 2024) is 5.46 years.

¹ The amortization amounts prior to June 30, 2024 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Differences between Projected and Actual Earnings on Pension Plan Investments *Recognition by Reporting Date for Employer as of June 30*

| Reporting Date for Employer as of June 30 | Total Change | Recognition Period | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|----------------|--------------------|---------------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|------------|
| 2019 ¹ | \$(33,250,637) | 5.00 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2020 ¹ | 28,415,280 | 5.00 | 5,683,056 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2021 ¹ | 84,827,970 | 5.00 | 16,965,594 | 16,965,594 | 0 | 0 | 0 | 0 | 0 |
| 2022 ¹ | (355,823,425) | 5.00 | (71,164,685) | (71,164,685) | (71,164,685) | 0 | 0 | 0 | 0 |
| 2023 ¹ | 404,174,665 | 5.00 | 80,834,933 | 80,834,933 | 80,834,933 | 80,834,933 | 0 | 0 | 0 |
| 2024 | (79,610,526) | 5.00 | (15,922,105) | (15,922,105) | (15,922,105) | (15,922,105) | (15,922,106) | 0 | 0 |
| 2025 | (127,043,492) | 5.00 | N/A | (25,408,698) | (25,408,698) | (25,408,698) | (25,408,698) | (25,408,700) | 0 |
| Total | N/A | N/A | \$16,396,793 | \$(14,694,961) | \$(31,660,555) | \$39,504,130 | \$(41,330,804) | \$(25,408,700) | \$0 |

The differences between projected and actual earnings on Pension Plan investments are recognized over a five-year period per Paragraph 33b. of GASB 68.

¹ The amortization amounts prior to June 30, 2024 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Total Increase (Decrease) in Pension Expense Recognition by Reporting Date for Employer as of June 30

| Reporting Date for Employer as of June 30 | Total Change | Recognition Period | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---------------|--------------------|---------------------|---------------------|--------------------|---------------------|-----------------------|-----------------------|--------------------|
| 2019 ¹ | \$27,815,007 | N/A | \$3,238,329 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2020 ¹ | 54,388,947 | N/A | 10,583,748 | 1,470,207 | 0 | 0 | 0 | 0 | 0 |
| 2021 ¹ | 183,442,370 | N/A | 35,572,084 | 35,572,084 | 5,581,950 | 0 | 0 | 0 | 0 |
| 2022 ¹ | (393,288,972) | N/A | (77,915,234) | (77,915,234) | (77,915,234) | (3,712,802) | 0 | 0 | 0 |
| 2023 ¹ | 531,101,852 | N/A | 104,081,671 | 104,081,671 | 104,081,671 | 104,081,671 | 10,693,497 | 0 | 0 |
| 2024 | (27,742,138) | N/A | (6,316,848) | (6,316,848) | (6,316,848) | (6,316,848) | (6,316,849) | 3,842,103 | 0 |
| 2025 | (89,999,642) | N/A | N/A | (18,624,110) | (18,624,110) | (18,624,110) | (18,624,110) | (18,624,112) | 3,120,910 |
| Total | N/A | N/A | \$69,243,750 | \$38,267,770 | \$6,807,429 | \$75,427,911 | \$(14,247,462) | \$(14,782,009) | \$3,120,910 |

¹ The amortization amounts prior to June 30, 2024 have been omitted from this schedule. These amounts can be found in prior years' GASB 68 reports.

Section 2: GASB 68 Information

Exhibit 11: Schedule of recognition of changes in proportionate share

In addition to the amounts shown in the *Section 2, Exhibit 10: Schedule of recognition of changes in Net Pension Liability*, there are changes in each employer's proportionate share of the collective NPL during the measurement period ending on June 30, 2024.

The net effect of the change in the employer's proportionate share of the collective NPL and collective deferred outflows and deferred inflows of resources, as well as the difference between the employer's contributions and the proportionate share of contributions (if any), is recognized over the average of the expected remaining service lives of all employees that are provided with pensions through EBMUDERS as shown earlier.

The scheduled increase/(decrease) in pension expense due to the change in proportion and difference in employer contributions during the measurement period ending June 30, 2024 is shown in the following table, with the corresponding amount for the measurement periods ending each June 30 beginning in 2018 shown on the following pages. While these amounts are different for both systems, they sum to zero over the entire EBMUDERS.

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2024

Recognition by Reporting Date for Employer as of June 30

| System | Total Change | Recognition Period | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--------------|---------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Water | \$(1,861,038) | 5.46 | \$(340,849) | \$(340,849) | \$(340,849) | \$(340,849) | \$(340,849) | \$(156,793) |
| Wastewater | 1,861,038 | 5.46 | 340,849 | 340,849 | 340,849 | 340,849 | 340,849 | 156,793 |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2023

Recognition by Reporting Date for Employer as of June 30

| System | Total Change | Recognition Period | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|--------------|--------------|--------------------|-------------|-------------|-------------|-------------|-------------|------------|
| Water | \$(573,945) | 5.40 | \$(106,286) | \$(106,286) | \$(106,286) | \$(106,286) | \$(106,286) | \$(42,515) |
| Wastewater | 573,945 | 5.40 | 106,286 | 106,286 | 106,286 | 106,286 | 106,286 | 42,515 |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Section 2: GASB 68 Information

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2022 *Recognition by Reporting Date for Employer as of June 30*

| System | Total Change | Recognition Period | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 |
|--------------|--------------|--------------------|------------|------------|------------|------------|------------|------------|
| Water | \$814,134 | 5.46 | \$149,109 | \$149,109 | \$149,109 | \$149,109 | \$149,109 | \$68,589 |
| Wastewater | (814,134) | 5.46 | (149,109) | (149,109) | (149,109) | (149,109) | (149,109) | (68,589) |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2021 *Recognition by Reporting Date for Employer as of June 30*

| System | Total Change | Recognition Period | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 |
|--------------|--------------|--------------------|------------|------------|------------|------------|------------|------------|
| Water | \$333,948 | 5.55 | \$60,171 | \$60,171 | \$60,171 | \$60,171 | \$60,171 | \$33,093 |
| Wastewater | (333,948) | 5.55 | (60,171) | (60,171) | (60,171) | (60,171) | (60,171) | (33,093) |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2020 *Recognition by Reporting Date for Employer as of June 30*

| System | Total Change | Recognition Period | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------|--------------|--------------------|------------|------------|------------|------------|------------|------------|
| Water | \$1,026,398 | 5.30 | \$193,660 | \$193,660 | \$193,660 | \$193,660 | \$193,660 | \$58,098 |
| Wastewater | (1,026,398) | 5.30 | (193,660) | (193,660) | (193,660) | (193,660) | (193,660) | (58,098) |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Section 2: GASB 68 Information

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2019 *Recognition by Reporting Date for Employer as of June 30*

| System | Total Change | Recognition Period | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------|--------------|--------------------|------------|------------|------------|------------|------------|------------|
| Water | \$1,097,699 | 5.30 | \$207,113 | \$207,113 | \$207,113 | \$207,113 | \$207,113 | \$62,134 |
| Wastewater | (1,097,699) | 5.30 | (207,113) | (207,113) | (207,113) | (207,113) | (207,113) | (62,134) |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Change in Proportion and Difference in Employer Contributions for the Year Ended June 30, 2018 *Recognition by Reporting Date for Employer as of June 30*

| System | Total Change | Recognition Period | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------|--------------|--------------------|------------|------------|------------|------------|------------|------------|
| Water | \$(19,471) | 5.28 | \$(3,688) | \$(3,688) | \$(3,688) | \$(3,688) | \$(3,688) | \$(1,031) |
| Wastewater | 19,471 | 5.28 | 3,688 | 3,688 | 3,688 | 3,688 | 3,688 | 1,031 |
| Total | \$0 | N/A | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Section 3: Actuarial Valuation Basis

The following presents the actuarial assumptions and methods used in the June 30, 2024 measurement date for employer reporting as of June 30, 2025.

Actuarial assumptions

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2020 through June 30, 2024 Actuarial Experience Study report dated November 13, 2024. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both tiers. These assumptions were adopted by the Board.

Net investment return

6.75%; net of investment expenses.

Employee contribution crediting rate

6.75%, compounded semi-annually.

Inflation rate

Increase of 2.50% per year.

Cost-of-Living Adjustment (COLA)

Increase of 2.75% per year. For members with a sufficient COLA bank, withdrawals from the bank can be made to increase the retiree COLA up to 3.00% per year.

Payroll growth

Inflation of 2.50% per year plus real “across-the-board” salary increase of 0.50% per year. The payroll growth assumption is used to amortize the unfunded actuarial accrued liability as a level percentage of payroll.

Section 3: Actuarial Valuation Basis

Increase in Internal Revenue Code Section 401(a)(17) compensation limit

Increase of 2.50% per year from the valuation date.

Increase in California Government Code Section 7522.10 compensation limit

Increase of 2.50% per year from the valuation date.

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- “Across-the-board” salary increase of 0.50% per year, plus
- Merit and promotion increase based on time from hire:

Merit and Promotion Increases (%)

| Time from Hire (Years) | 1955/1980 Plan | 2013 Tier |
|------------------------|----------------|-----------|
| Less than 1 | 6.25 | 6.50 |
| 1–2 | 6.00 | 6.25 |
| 2–3 | 5.00 | 5.25 |
| 3–4 | 3.75 | 4.25 |
| 4–5 | 2.50 | 2.75 |
| 5–6 | 1.50 | 1.75 |
| 6–7 | 1.25 | 1.25 |
| 7–8 | 1.25 | 1.25 |
| 8–9 | 1.25 | 1.25 |
| 9–10 | 1.25 | 1.25 |
| 10–11 | 1.00 | 1.00 |
| 11–12 | 1.00 | 1.00 |
| 12–13 | 0.75 | 0.75 |
| 13–14 | 0.75 | 0.75 |
| 14–15 | 0.75 | 0.75 |
| 15 and over | 0.75 | 0.75 |

Section 3: Actuarial Valuation Basis

Post-retirement mortality rates

The Pub-2010 mortality tables and adjustments as shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Healthy

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Disabled

Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Beneficiary

- **Not in pay status at the valuation**
 - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **In pay status at the valuation**
 - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Section 3: Actuarial Valuation Basis

Pre-retirement mortality rates

Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-Retirement Mortality Rates (%) — Before Generational Projection from 2010

| Age | Male | Female |
|-----|------|--------|
| 20 | 0.04 | 0.01 |
| 25 | 0.02 | 0.01 |
| 30 | 0.03 | 0.01 |
| 35 | 0.04 | 0.02 |
| 40 | 0.06 | 0.03 |
| 45 | 0.09 | 0.05 |
| 50 | 0.13 | 0.08 |
| 55 | 0.19 | 0.11 |
| 60 | 0.28 | 0.17 |
| 65 | 0.41 | 0.27 |

Section 3: Actuarial Valuation Basis

Disability

Disability Incidence Rates (%)

| Age | All Members |
|-----|-------------|
| 25 | 0.000 |
| 30 | 0.006 |
| 35 | 0.016 |
| 40 | 0.080 |
| 45 | 0.126 |
| 50 | 0.136 |
| 55 | 0.146 |
| 60 | 0.156 |
| 65 | 0.166 |
| 70 | 0.170 |

Disability rates are applicable after eight years of service.

Section 3: Actuarial Valuation Basis

Termination

Termination Rates (%)

| Years of Service | 1955/1980 Plan | 2013 Tier |
|------------------|----------------|-----------|
| Less than 1 | 11.30 | 8.00 |
| 1–2 | 6.00 | 4.00 |
| 2–3 | 6.00 | 3.75 |
| 3–4 | 3.00 | 3.25 |
| 4–5 | 3.00 | 3.00 |
| 5–6 | 2.50 | 2.70 |
| 6–7 | 2.50 | 2.60 |
| 7–8 | 2.50 | 2.50 |
| 8–9 | 2.50 | 2.30 |
| 9–10 | 1.80 | 2.20 |
| 10–11 | 1.80 | 2.10 |
| 11–12 | 1.80 | 2.00 |
| 12–13 | 1.80 | 1.90 |
| 13–14 | 1.80 | 1.80 |
| 14–15 | 1.60 | 1.70 |
| 15–16 | 1.60 | 1.60 |
| 16–17 | 1.60 | 1.60 |
| 17–18 | 1.60 | 1.60 |
| 18–19 | 1.60 | 1.60 |
| 19–20 | 1.60 | 1.60 |
| 20 and over | 1.60 | 1.60 |

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is assumed).

Section 3: Actuarial Valuation Basis

Retirement rates

| Retirement Rates (%) | | | |
|----------------------|---|------------------------------------|-----------|
| Age | 1955/1980 Plan: Unreduced Pension ¹ | 1955/1980 Plan: Reduced Pension | 2013 Tier |
| 52 | 0.00 | 0.00 | 2.00 |
| 53 | 0.00 | 0.00 | 2.00 |
| 54 | 50.00 | 7.00 | 2.00 |
| 55 | 16.00 | 7.00 | 3.00 |
| 56 | 16.00 | 7.00 | 3.00 |
| 57 | 16.00 | 8.00 | 4.00 |
| 58 | 16.00 | 8.00 | 4.00 |
| 59 | 16.00 | 8.00 | 6.00 |
| 60 | 16.00 | 10.00 | 6.00 |
| 61 | 16.00 | 10.00 | 6.00 |
| 62 | 20.00 | N/A ² | 10.00 |
| 63 | 20.00 | N/A | 10.00 |
| 64 | 20.00 | N/A | 10.00 |
| 65 | 20.00 | N/A | 20.00 |
| 66 | 24.00 | N/A | 20.00 |
| 67 | 24.00 | N/A | 20.00 |
| 68 | 24.00 | N/A | 20.00 |
| 69 | 24.00 | N/A | 20.00 |
| 70 | 40.00 | N/A | 35.00 |
| 71 | 40.00 | N/A | 35.00 |
| 72 | 40.00 | N/A | 35.00 |
| 73 | 40.00 | N/A | 35.00 |
| 74 | 40.00 | N/A | 35.00 |
| 75 and over | 100.00 | N/A | 100.00 |

¹ For example, a 1955/1980 Plan member age 54 with 30 or more years of service would receive the full 2.60% per year of service accrual.

² For ages 62 and over, all 1955/1980 Plan members who are eligible for retirement receive the full 2.60% per year of service accrual.

Section 3: Actuarial Valuation Basis

Retirement age for inactive members

For current and future inactive vested members, the retirement age assumption is 59.

1955/1980 Plan non-reciprocal members who are currently terminated with less than five years of service and are not vested are assumed to retire at age 65 if they decide to leave their contributions on deposit.

Reciprocity

15% of members who terminate with a vested benefit are assumed to enter a reciprocal system. For reciprocals, 3.75% compensation increases are assumed per annum.

Future benefit accruals

1.0 year of service per year of employment, plus 0.040 years of additional service to anticipate conversion of unused sick leave for each year of employment. As directed by EBMUDERS, this assumption has been applied to active members in the 1955/1980 Plan and the 2013 Tier.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Percent married/domestic partnership

For all active and inactive members, 85% of male members and 65% of female members are assumed to be married or with domestic partner at pre-retirement death or retirement.

Age and gender of spouse/domestic partner

For all active and inactive members, male members are assumed to have a female spouse who is 2 years younger than the member and female members are assumed to have a male spouse who is 3 years older than the member.

Since birth dates for non-spouse/non-domestic partner contingent beneficiaries are not provided by EBMUDERS, the age differences noted above also apply to assumed contingent beneficiaries of retired members who chose an optional form of payment at retirement.

Section 3: Actuarial Valuation Basis

Form of payment

At retirement, members with spouses or domestic partners are assumed to elect the following form of payment (single members are assumed to elect the Unmodified option):

| Form of Payment | Election Percentage |
|-----------------------------|---------------------|
| Unmodified or Option 1 | 55% |
| Option 2 (100% Continuance) | 10% |
| Option 3 (50% Continuance) | 20% |
| Option 4 (25% Continuance) | 15% |

Actuarial methods

Actuarial cost method

Entry age cost method. Entry age is the age at the member's hire date. Normal cost and actuarial accrued liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.

Expected remaining service lives

The average of the expected service lives of all employees is determined by:

1. Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
2. Setting the remaining service life to zero for each nonactive or retired member.
3. Dividing the sum of the above amounts by the total number of active, nonactive and retired members.

Justification for change in actuarial assumptions or methods

Based on the July 1, 2020 through June 30, 2024 Actuarial Experience Study, the following actuarial assumptions were changed. Previously, these assumptions were:

Section 3: Actuarial Valuation Basis

Salary increases (prior assumption)

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- “Across-the-board” salary increase of 0.50% per year, plus
- Merit and promotion increase based on time from hire:

Merit and Promotion Increases (%)

| Time from Hire (Years) | All Members |
|------------------------|-------------|
| Less than 1 | 6.25 |
| 1–2 | 6.00 |
| 2–3 | 5.00 |
| 3–4 | 3.75 |
| 4–5 | 2.50 |
| 5–6 | 1.50 |
| 6–7 | 1.25 |
| 7–8 | 1.25 |
| 8–9 | 1.00 |
| 9–10 | 1.00 |
| 10 and over | 0.75 |

Section 3: Actuarial Valuation Basis

Post-retirement mortality rates (prior assumption)

The Pub-2010 mortality tables and adjustments as shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Healthy

Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Disabled

Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates increased by 5% for males, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Beneficiary

Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Pre-retirement mortality rates (prior assumption)

Pub-2010 General Employee Amount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Section 3: Actuarial Valuation Basis

Disability (prior assumption)

Disability Incidence Rates (%)

| Age | All Members |
|-----|-------------|
| 25 | 0.000 |
| 30 | 0.006 |
| 35 | 0.022 |
| 40 | 0.084 |
| 45 | 0.150 |
| 50 | 0.170 |
| 55 | 0.182 |
| 60 | 0.220 |
| 65 | 0.288 |

Disability rates are applicable after eight years of service.

Section 3: Actuarial Valuation Basis

Termination (prior assumption)

Termination Rates (%) — Less Than Five Years of Service

| Years of Service | All Members |
|------------------|-------------|
| Less than 1 | 6.75 |
| 1–2 | 4.25 |
| 2–3 | 4.00 |
| 3–4 | 3.50 |
| 4–5 | 2.50 |

Termination Rates (%) — Five or More Years of Service

| Age | All Members |
|-----|-------------|
| 25 | 2.34 |
| 30 | 2.24 |
| 35 | 2.14 |
| 40 | 2.04 |
| 45 | 1.85 |
| 50 | 1.60 |
| 55 | 1.35 |
| 60 | 1.10 |

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is assumed).

Section 3: Actuarial Valuation Basis

Retirement rates (prior assumption)

Retirement Rates (%)

| Age | 1955/1980 Plan: Unreduced Pension ¹ | 1955/1980 Plan: Reduced Pension | 2013 Tier |
|-------------|---|------------------------------------|-----------|
| 52 | 0.00 | 0.00 | 1.75 |
| 53 | 0.00 | 0.00 | 1.75 |
| 54 | 55.00 | 7.00 | 2.75 |
| 55 | 16.00 | 7.00 | 4.75 |
| 56 | 16.00 | 7.00 | 5.75 |
| 57 | 16.00 | 7.00 | 5.75 |
| 58 | 16.00 | 7.00 | 5.75 |
| 59 | 16.00 | 7.00 | 7.75 |
| 60 | 16.00 | 7.00 | 7.75 |
| 61 | 16.00 | 12.00 | 10.25 |
| 62 | 16.00 | N/A ² | 18.00 |
| 63 | 16.00 | N/A | 15.00 |
| 64 | 16.00 | N/A | 9.00 |
| 65 | 16.00 | N/A | 23.75 |
| 66 | 27.00 | N/A | 23.75 |
| 67 | 27.00 | N/A | 32.50 |
| 68 | 27.00 | N/A | 35.00 |
| 69 | 27.00 | N/A | 38.75 |
| 70 and over | 100.00 | N/A | 100.00 |

¹ For example, a 1955/1980 Plan member age 54 with 30 or more years of service would receive the full 2.60% per year of service accrual.

² For ages 62 and over, all 1955/1980 Plan members who are eligible for retirement receive the full 2.60% per year of service accrual.

Section 3: Actuarial Valuation Basis

Future benefit accruals (prior assumption)

1.0 year of service per year of employment, plus 0.038 years of additional service to anticipate conversion of unused sick leave for each year of employment. As directed by EBMUDERS, this assumption has been applied to active members in the 1955/1980 Plan and the 2013 Tier.

Percent married/domestic partnership (prior assumption)

For all active and inactive members, 85% of male members and 60% of female members are assumed to be married or with domestic partner at pre-retirement death or retirement.

Form of payment (prior assumption)

At retirement, members with spouses or domestic partners are assumed to elect the following form of payment (single members are assumed to elect the Unmodified option):

| Form of Payment | Election Percentage |
|-----------------------------|---------------------|
| Unmodified or Option 1 | 50% |
| Option 2 (100% Continuance) | 10% |
| Option 3 (50% Continuance) | 20% |
| Option 4 (25% Continuance) | 20% |

Appendix A: Projection of Plan Fiduciary Net Position

Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2024
(\$ in millions)

| Year Beginning July 1 | Beginning Plan Fiduciary Net Position (a) | Total Contributions (b) | Benefit Payments (c) | Administrative Expenses (d) | Investment Earnings (e) | Ending Plan Fiduciary Net Position (a) + (b) – (c) – (d) + (e) |
|-----------------------------|---|-------------------------------|----------------------------|-----------------------------------|-------------------------------|--|
| 2023 | \$2,194 | \$129 | \$149 | \$2 | \$274 | \$2,446 |
| 2024 | 2,446 | 131 | 162 | 3 | 163 | 2,576 |
| 2025 | 2,576 | 129 | 170 | 3 | 172 | 2,704 |
| 2026 | 2,704 | 133 | 179 | 3 | 180 | 2,835 |
| 2027 | 2,835 | 130 | 188 | 3 | 189 | 2,963 |
| 2028 | 2,963 | 129 | 196 | 3 | 197 | 3,089 |
| 2029 | 3,089 | 130 | 205 | 3 | 205 | 3,216 |
| 2030 | 3,216 | 124 | 213 | 4 | 213 | 3,336 |
| 2031 | 3,336 | 124 | 222 | 4 | 221 | 3,456 |
| 2032 | 3,456 | 122 | 230 | 4 | 229 | 3,573 |
| 2054 | 3,883 | 17 | 334 | 4 | 250 | 3,812 |
| 2055 | 3,812 | 16 ¹ | 335 | 4 | 245 | 3,734 |
| 2056 | 3,734 | 15 ¹ | 335 | 4 | 240 | 3,650 |
| 2057 | 3,650 | 14 ¹ | 334 | 4 | 234 | 3,560 |
| 2116 | 1 | 0 ^{1,2} | 1 | 0 ² | 0 ² | 1 |
| 2117 | 1 | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |
| 2118 | 0 ² | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |
| 2119 | 0 ² | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |
| 2120 | 0 ² | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |
| 2121 | 0 ² | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |
| 2122 | 0 ² | 0 ^{1,2} | 0 ² | 0 ² | 0 ² | 0 ² |

¹ Mainly attributable to employer contributions to fund each year's annual administrative expenses.

² Less than \$1 million when rounded.

Appendix A: Projection of Plan Fiduciary Net Position

Notes

1. Amounts may not total exactly due to rounding.
2. Amounts shown in the year beginning July 1, 2023 row are actual amounts, based on the financial statements provided by EBMUDERS.
3. Various years have been omitted from this table.
4. In preparing the above projections, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.
5. **Column (a):** None of the Plan FNP amounts shown have been adjusted for the time value of money.
6. **Column (b):** Projected total contributions include member and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2024); plus employer contributions to the UAAL, plus employer contributions to fund each year's annual administrative expenses reflecting a 20-year amortization schedule. Contributions are assumed to occur halfway through the year, on average.
7. **Column (c):** Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive and retired members and beneficiaries as of June 30, 2024. The projected benefit payments reflect the cost-of-living increase assumptions used in the June 30, 2024 valuation report. Benefit payments are assumed to occur halfway through the year, on average.
8. **Column (d):** Projected administrative expenses are calculated as approximately 0.11% of the beginning Plan FNP. The 0.11% was based on the actual fiscal year 2023/2024 administrative expenses as a percentage of the beginning Plan FNP as of July 1, 2023. Administrative expenses are assumed to occur halfway through the year, on average.
9. **Column (e):** Projected investment earnings are based on the assumed investment rate of return of 6.75% per annum and reflect the assumed timing of cashflows, as noted above.
10. As illustrated in this appendix, the Plan FNP was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are **not** covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 6.75% per annum was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2024 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

Appendix B: Definition of Terms

Definitions of certain terms as they are used in GASB Statement No. 68. The terms may have different meanings in other contexts.

| Term | Definition |
|---|--|
| Active employees | Individuals employed at the end of the reporting or measurement period, as applicable. |
| Actual contributions | Cash contributions recognized as additions to the Plan Fiduciary Net Position. |
| Actuarial present value of projected benefit payments | Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. |
| Actuarial valuation | The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB. |
| Actuarial valuation date | The date as of which an actuarial valuation is performed. |
| Actuarially determined contribution | A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted. |
| Ad hoc cost-of-living adjustments (Ad Hoc COLAs) | Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions. |
| Ad hoc postemployment benefit changes | Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions. |
| Agent employer | An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan. |
| Agent multiple-employer defined benefit pension plan (agent pension plan) | A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees. |
| Automatic cost-of-living adjustments (Automatic COLAs) | Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index). |
| Automatic postemployment benefit changes | Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index). |

Appendix B: Definition of Terms

| Term | Definition |
|---|--|
| Closed period | A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth. |
| Collective deferred outflows of resources and deferred inflows of resources related to pensions | Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability. |
| Collective Net Pension Liability | The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation. |
| Collective pension expense | Pension expense arising from certain changes in the collective Net Pension Liability. |
| Contributions | Additions to the Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources. |
| Cost-of-living adjustments | Postemployment benefit changes intended to adjust benefit payments for the effects of inflation. |
| Cost-sharing employer | An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan. |
| Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan) | A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan. |
| Covered payroll | Payroll on which contributions to a pension plan are based. |
| Deferred retirement option program (DROP) | A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period. |
| Defined benefit pension plans | Pension plans that are used to provide defined benefit pensions. |
| Defined benefit pensions | Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of GASB Statement No. 68.) |

Appendix B: Definition of Terms

| Term | Definition |
|--|--|
| Defined contribution pension plans | Pension plans that are used to provide defined contribution pensions. |
| Defined contribution pensions | <p>Pensions having terms that:</p> <ol style="list-style-type: none"> 1. Provide an individual account for each employee; 2. Define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and 3. Provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account. |
| Discount rate | <p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> 1. The actuarial present value of benefit payments projected to be made in future periods in which: <ol style="list-style-type: none"> a. The amount of the Plan Fiduciary Net Position is projected (under the requirements of GASB Statement No. 68) to be greater than the benefit payments that are projected to be made in that period, and b. Pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in 1., calculated using the municipal bond rate. |
| Entry age actuarial cost method | A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability. |
| Inactive employees | Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits. |
| Measurement period | The period between the prior and the current measurement dates. |
| Multiple-employer defined benefit pension plan | A defined benefit pension plan that is used to provide pensions to the employees of more than one employer. |
| Net Pension Liability (NPL) | The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan. |

Appendix B: Definition of Terms

| Term | Definition |
|---|---|
| Non-employer contributing entities | Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. |
| Other postemployment benefits | All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits. |
| Pension plans | Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due. |
| Pensions | Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits. |
| Plan members | Individuals that are covered under the terms of a pension plan. Plan members generally include: <ol style="list-style-type: none"> 1. Employees in active service (active plan members), and 2. Terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members). |
| Postemployment | The period after employment. |
| Postemployment benefit changes | Adjustments to the pension of an inactive employee. |
| Postemployment healthcare benefits | Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment. |
| Projected benefit payments | All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service. |
| Public employee retirement system | A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans. |
| Real rate of return | The rate of return on an investment after adjustment to eliminate inflation. |
| Service costs | The portions of the actuarial present value of projected benefit payments that are attributed to valuation years. |
| Single employer | An employer whose employees are provided with pensions through a single-employer defined benefit pension plan. |
| Single-employer defined benefit pension plan (Single-employer pension plan) | A defined benefit pension plan that is used to provide pensions to employees of only one employer. |
| Special funding situations | Circumstances in which a non-employer entity is legally responsible for making contributions |

Appendix B: Definition of Terms

| Term | Definition |
|-------------------------------|--|
| | directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: <ol style="list-style-type: none">1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions.2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan. |
| Termination benefits | Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits. |
| Total Pension Liability (TPL) | The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement No. 68. |

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