CITY OF MARIETTA, GEORGIA

RETIREMENT PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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INTRODUCTORY SECTION

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CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
LIST OF PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Bobby Moss – Fire Department	Chairperson
Joseph Goldstein - City Council Member	Board Member
Cheryl Richardson - City Council Member	Board Member
Rich Buss – Park, Recreation & Facilities	Board Member
Patina Brown – Finance	Board Member
Rick Steffes – IT Department	Board Member
Yvonne Williams – Deputy City Clerk	Board Member
Steve Kish - Police Department	Board Member
William F. Bruton, Jr. - City Manager	Board Member
R. Read Gignilliat	Pension Board Attorney
Sam Lady – Finance Director	Pension Board Treasurer
Davy Godfrey – Director of HR & Risk Management	Pension Board Secretary
Dan Flynn – Police Chief	Ex Officio Member
Tim Milligan – Fire Chief	Ex Officio Member

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Pension Board
of the City of Marietta, Georgia
Retirement Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Marietta Retirement Plan, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Marietta Retirement Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the City of Marietta Retirement Plan, as of June 30, 2018, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the City of Marietta Retirement Plan, a Pension Trust Fund of the City of Marietta, and do not purport to, and do not, present fairly the financial position of the City of Marietta, Georgia, as of June 30, 2018, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions, and the Schedule of Investment Returns on pages 15 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Nichols, Cauley & Associates, LLC

Kennesaw, Georgia
November 19, 2018

CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

Assets:		
Cash and cash equivalents (Note 3B)	$	4,758,591
Receivables:		
Accrued interest		259,994
Contributions		125,804
Total receivables		385,798
Investments, at fair value (Note 3C)		
Common stock		61,565,764
Corporate notes and debentures		25,492,830
Preferred stock		3,567,594
United States government securities		11,931,249
Municipal bonds		108,459
Total investments		102,665,896
Total assets		107,810,285
Liabilities:		
Accrued expenses		148,141
Total liabilities		148,141
Net position restricted for pension benefits	$	107,662,144

See accompanying notes to financial statements.

CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Additions:	
Employer contributions	$ 6,138,338
Employee contributions	1,352,681
Total contributions	7,491,019
Investment income (expenses):	
Net appreciation in fair value of investments	7,771,458
Interest and dividends	2,137,285
	9,908,743
Less investment expenses	619,927
Net investment income	9,288,816
Total additions	16,779,835
Deductions:	
Pension benefits paid	11,747,238
Administrative costs	279,096
Total deductions	12,026,334
Change in net position	4,753,501
Net position - beginning of period	102,908,643
Net position - end of period	$ 107,662,144

See accompanying notes to financial statements.

1) Retirement Plan

The City of Marietta Retirement Plan is administered as a defined benefit pension plan by the Marietta Pension Board (Board). The Board is composed of nine members. One member is the City Manager or his designee, two are council members who serve based on committee assignment as Chair of the Personnel/Insurance Committee and Finance/Investments Committee, four are nominated and elected by general employees, one is elected by sworn police employees, and one is elected by sworn fire employees. All members serve without compensation.

The Retirement Plan is a single-employer defined benefit pension plan established to provide pension benefits for City employees. The Retirement Plan is considered part of the City's financial reporting entity and is included in the City's Comprehensive Annual Financial Report as a Pension Trust Fund.

As used in this document, “Retirement Plan” refers to the defined benefit pension plan established via ordinance by the City Council. The Retirement Plan was initially established via Ordinance 3042 with an effective date of November 1, 1973. It was later restructured as of July 1, 1980, via Ordinances 3739 and 3752. The Retirement Plan was later amended via Ordinance 4022 with an effective date of January 1, 1984. The Retirement Plan (and current iteration) was again amended with an effective date of March 1, 1987. Each employee who was employed with the City of Marietta, Georgia on March 1, 1987, had the right to either retain coverage under the previous plan’s provisions (Ordinance 4022) or to participate under the current plan. Each employee hired on or after March 1, 1987, participates under the new plan provisions. On June 1, 1999, employees participating under the previous plan’s provisions were given the opportunity to elect to participate under the new plan provisions (a special election period). Public safety employees who participate in the previous plan and transfer to a general employee position must change to the new plan; however, they are entitled to accrued benefits under the original plan which they can elect to receive upon retirement. Only full-time employees and elected officials are able to participate in the Retirement Plan.

As of June 30, 2017, the date of the most recent actuarial valuation, employee membership data related to the Retirement Plan was as follows:

Retirees and beneficiaries currently receiving benefits	574
Terminated employees entitled to benefits but not yet receiving them	308
Active employees	696
Total plan participants	1,578

4022 Plan	Consolidated Plan
Eligibility	
One year of service for police officers/firefighters hired prior to 3/1/87.	One year of service for elected officials. All employees to be covered on the first day of the month coinciding with or next following their employment date.
Employee Contributions	
None under the plan.	Participants must contribute 4.00% of gross wages effective January 1, 2009.
Retirement	
1. Normal - Age 55 police officers/firefighters with at least five years of service.	Age 65 and completion of at least five years of service. Note-Employees hired on or after March 18, 2008, through December 31, 2008, must complete at least 7 years of service. Employees hired on or after January 1, 2009, must complete at least 10 years of service.
2. Early - Ten years prior to normal retirement service. (with five years of service).	Age 55 or more with at least five years of service. Note-Employees hired on or after March 18, 2008, through December 31, 2008, must complete at least 7 years of service. Employees hired on or after January 1, 2009, must complete at least 10 years of service.
3. Late - Anyone after age 55	Over age 65 and completion of at least five years of service. Note-Employees hired on or after March 18, 2008, through December 31, 2008, must complete at least 7 years of service. Employees hired on or after January 1, 2009, must complete at least 10 years of service.
4. Disability - Actively employed and disabled to be a police officer/firefighter.	Actively employed for job-related total disability. Employed for at least one continuous year for non-job-related disability.

4022 Plan	Consolidated Plan
Benefit at Retirement	
1. Normal – The greater of 1.33% of final average earnings (highest three years) times service, or the monthly retirement benefit as computed under the plan formerly in existence prior to January 1, 1984: said benefit shall be calculated in accordance with Appendix A: of the plan document.	2.10% of final average earnings (highest three years) times service (maximum of 35 years). Final average monthly earnings for an elected or appointed member of the governing authority shall be defined as the average annual salary of all plan participants covered by the plan on the July 1 preceding the plan year of determination divided by twelve (12). Under no circumstances may this amount be more than 5.00% greater than the average salary used from the prior year. Elected officials sworn in on or after January 1, 2018, shall have their benefit limited to 73.5% of the Mayor's salary including salary as ex officio chair of the Board of Lights and Water. Note-Final average earnings will be for the highest five years for Participants hired on or after January 1, 2009.
2. Early – Benefit reduced actuarially.	Accrued normal pension is reduced by .25 of 1.00% for each month the participant's age at early retirement is less than 65. 100% of normal pension if the sum of age plus years of service equals at least 80. Note-Participants hired on or after March 18, 2008, shall be eligible to retire under the 80-point provision on an unreduced early retirement benefit provided they have reached age 55. Accrued normal pension is reduced by .417 of 1.00% for each month the participant's age at early retirement in less than 65 for participants hired on or after January 1, 2009.
3. Late - Benefit increased actuarially.	Same as normal retirement.
4. Disability – 100% of accrued benefit or, if greater, 50% of the average monthly earnings for the previous 12 months at disability.	100% of accrued benefits or, if greater, 50% of the average monthly earnings for the previous 12 months at disability.

4022 Plan	Consolidated Plan
Normal Form of Pension	
The benefit formula provides for a life annuity benefit with a guaranteed death benefit equal to the present value of the remaining benefits.	Single life annuity benefit.
Vesting A participant is 100% vested after five years of service.	A participant is 100% vested after five years of service Note – A participant hired on or after March 18, 2008, through December 31, 2008, is 100% vested after 7 years of service. A participant hired on or after January 1, 2009, is 100% vested after 10 years of service.

The benefit provisions described above were authorized through the adoption of a local ordinance by the City's governing body, and are subject to amendment through the same process. Under the terms of the Retirement Plan, the City and its employees make contributions necessary to fund the plan. Contribution provisions are also authorized by the City's governing body. The City's Pension Board of Trustees have been designated to oversee the administration of the Retirement Plan.

2) Supplemental Pension Plan

On July 1, 2000, fiduciary responsibility and custody of Trust assets for the defined contribution pension plan (Supplemental Pension Plan) was transferred to a professional pension management company. An annual certified financial report for the Supplemental Pension Plan will be prepared by the professional pension management company. The Pension Board serves as Plan Administrators of the Supplemental Pension Plan.

3) Summary of Significant Accounting Policies and Plan Asset Matters

A. Basis of Accounting

The Retirement Plan's financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Employer and employee contributions are recognized as revenues in the period in which employee services are performed. Investment income is recognized as earned by the Retirement Plan. The net appreciation (depreciation) in the fair value of investments held by the Retirement Plan is recorded as an increase (decrease) to investment income based on the valuation of investments as of the date of the statement of net position. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

B. Cash and Cash Equivalents

Cash and cash equivalents include demand bank accounts at a local financial institution, and money market mutual funds purchased and held by SunTrust, Inc. on the Retirement Plan's behalf.

C. Valuation of Investments

Investments are reported at fair value as of the statement of net position date. Investments of the Retirement Plan consist of United States government securities, municipal bonds, corporate notes and debentures, common stock, mutual funds, and preferred stock. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

D. Investment Income

Investment income consists of interest earnings and net realized and unrealized gains and losses from investments. Investment income is net of investment related expenses.

E. Administrative Costs

Administrative costs are financed through investment earnings.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

4) Cash and Cash Equivalents

Custodial Credit Risk- Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Retirement Plan's deposits may not be returned to it. The Retirement Plan limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2018, the Retirement Plan's deposits were properly insured and collateralized.

5) Investments

As of June 30, 2018, the Retirement Plan had the following investments:

		Investment Maturities (in Years)				
Type of Investment	**Rating**	**Less than 1**	**1 - 5**	**6 - 10**	**More than 10**	**Fair Value**
Money Market Mutual Fund	AAA	$ 2,361,669	$ -	$ -	$ -	$ 2,361,669
Common Stocks	n/a	n/a	n/a	n/a	n/a	61,565,766
Corporate Bonds	A+	-	261,346	-	-	261,346
	A	465,256	2,671,442	1,273,599	2,284,762	6,695,059
	AA+	-	164,450	23,056	53,531	241,037
	AAA	-	1,796,122	431,031	752,931	2,980,084
	A-	-	672,170	-	-	672,170
	AA-	-	-	-	-	-
	BBB+	371,317	665,258	-	648,909	1,685,484
	BBB	1,212,363	4,369,254	2,025,899	2,029,824	9,637,340
	BBB-	706,383	1,986,375	-	-	2,692,758
	BB+	-	-	-	-	-
	N/R	207,566	419,985	-	-	627,551
Preferred Stock	BBB	-	-	-	2,163,050	2,163,050
	BBB-	-	-	-	925,025	925,025
	BB-	-	-	-	299,118	299,118
	N/R	-	-	-	180,400	180,400
Government Bonds	AA+	138,548	4,488,762	2,050,708	5,253,231	11,931,249
	N/R	-	-	-	-	-
Municipal Bonds	A	-	77,790	-	30,669	108,459
Total Fiduciary Fund		$ 5,463,102	$ 17,572,954	$ 5,804,293	$ 14,621,450	$ 105,027,565

Investments of the Retirement Plan include $2,361,669 grouped with cash and cash equivalents.

The Retirement Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the exchange price that would be received for an asset (exit price) in the principal or most advantageous market for an asset in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets that the Plan has the ability to access.

Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset in active markets, as well as inputs that are observable for the asset (other than quoted prices), such as interest rates, foreign exchange rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs for the asset which are typically based on the Retirement Plan's own assumptions, as there is little, if any, related market activity.

The Retirement Plan's recurring fair value measurements as of June 30, 2018 are as follows:

		Fair Value Measurement Using		
	6/30/2018	Level 1	Level 2	Level 3
Money Market Mutual Fund	$ 2,361,669	$ 2,361,669	$ -	$ -
Common Stocks	61,565,766	61,565,766	-	-
Corporate Bonds	25,492,829	-	25,492,829	-
Preferred Stock	3,567,593	3,567,593	-	-
Government Bonds	11,931,249	-	11,931,249	-
Municipal Bonds	108,459	-	108,459	-
Total Fiduciary Fund	$ 105,027,565	$ 67,495,028	$ 37,532,537	$ -

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Retirement Plan's investment policy limits the weighted average maturity of the pension fixed income portfolio to 10 years.

The Retirement Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. The following was the Board's adopted asset allocation policy as of June 30, 2018:

Asset Class	Target Allocation
Equity	50.00%
Fixed Income	40.00%
Alternatives	10.00%
Total	100.00%

For the year ended June 30, 2018, the annual money-weighted rate of return on Retirement Plan investments, net of investment expense, was 9.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

6) Contributions Required and Contributions Made

The Retirement Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates is determined using the entry age normal cost method. Total employer contributions to the Retirement Plan for the fiscal year ended June 30, 2018 were $6,138,338.

As of January 1, 2009, each participant in the Consolidated Plan was required to contribute 4.00% of gross wages excluding overtime and expense reimbursements. These amounts were withheld from each payroll check for periods beginning on and after the date that the eligible employee became a participant in the Plan. The Participant may not direct the investment, and such amounts are held together with the remaining assets of the Plan. If a non-vested participant terminates, he or she shall receive a refund of contributions which shall not include interest. The total employee contributions to the Retirement Plan for the fiscal year ended June 30, 2018 were $1,352,681.

Additional required historical data is provided as required supplementary information after the notes to financial statements.

7) Net Pension Liability

The City's net pension liability was determined by an actuarial valuation as of June 30, 2017 and rolled forward to the measurement date of June 30, 2018. The City's net pension liability at June 30, 2018 was as follows ($ in thousands):

Total pension liability	$ 180,033
Plan fiduciary net position	107,662
Net pension liability	$ 72,371
Plan fiduciary net position as a percentage of the total pension liability	59.80%

Actuarial assumptions: The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	3.50% to 12.62%, including inflation
Investment rate of return	7.50%, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Retiree Mortality Table set forward four years. Post-disability mortality rates were based on the RP 2000 Disabled Retiree Mortality Table multiplied by 75%.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2004 − July 1, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	0.20%
Domestic equity	57.00%	6.00%
Fixed income	28.00%	2.30%
Alternative	15.00%	5.00%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate of 4.00% and the Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Projected future benefit payments for all current plan members were projected through the year 2115. Based on those assumptions, the Retirement Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability and a municipal bond rate was not used in determining the discount.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate ($ in thousands):

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$ 90,636	$ 72,371	$ 56,820

8) Risks and Uncertainties

The Retirement Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net position available for benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(in thousands)

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 2,879	$ 2,782	$ 2,696	$ 2,851	$ 2,652
Interest	12,769	12,035	11,747	11,766	11,415
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	6,282	-	(4,887)	-
Change of assumptions	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(11,748)	(10,870)	(10,321)	(9,655)	(9,118)
Net Change in Total Pension Liability	3,900	10,229	4,122	75	4,949
Total Pension Liability – Beginning	176,133	165,904	161,782	161,707	156,758
Total Pension Liability – Ending (a)	$ 180,033	$ 176,133	$ 165,904	$ 161,782	$ 161,707
Plan Fiduciary Net Position					
Contributions – employer	$ 6,138	$ 6,858	$ 5,583	$ 5,731	$ 5,669
Contributions – employees	1,353	1,343	1,318	1,280	1,260
Net investment income	9,289	14,633	(2,395)	2,746	14,663
Benefit payments, including refunds of employee contributions	(11,748)	(10,870)	(10,321)	(9,655)	(9,118)
Administrative expense	(279)	(393)	(162)	(111)	(144)
Other	-	-	-	-	-
Net Changes in Plan Fiduciary Net Position	$ 4,753	$ 11,571	$ (5,977)	$ (9)	$ 12,330
Plan Fiduciary Net Position – Beginning	102,909	91,338	97,315	97,324	84,994
Plan Fiduciary Net Position – Ending (b)	$ 107,662	$ 102,909	$ 91,338	$ 97,315	$ 97,324
Net Pension Liability – Ending (a)–(b)	$ 72,371	$ 73,224	$ 74,566	$ 64,467	$ 64,383
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	59.80%	58.43%	55.05%	60.15%	60.19%
Covered payroll	$ 35,286	$ 34,093	$ 32,996	$ 32,481	$ 32,997
Net Pension Liability as a percentage of Covered payroll	205.10%	214.78%	225.98%	198.48%	195.12%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF MARIETTA, GEORGIA
RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS

Last 10 Fiscal Years
(in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined employer contributions	$ 5,588	$ 5,398	$ 5,583	$ 5,394	$ 5,154	$ 5,560	$ 5,472	$ 5,364	$ 4,749	$ 6,209
Actual employer contributions	6,138	6,858	5,583	5,731	5,669	5,585	5,447	5,269	5,243	5,010
Annual contribution deficiency (excess)	$ (550)	$ (1,460)	$ -	$ (337)	$ (515)	$ (25)	$ 25	$ 95	$ (494)	$ 1,199
Covered payroll	$35,286	$34,093	$32,996	$32,481	$32,997	$31,882	$32,890	$33,654	$33,281	$33,079
Actual contributions as a percentage of covered payroll	17.40%	20.12%	16.92%	17.64%	17.18%	17.52%	16.56%	15.66%	15.75%	15.15%

Notes to Schedule:

The actuarially determined contribution rates in the schedule of contributions are calculated as of the June 30th, two or three years prior to the fiscal year end in which contributions are reported. Information as of the latest available actuarial valuation follows:

Valuation Date	June 30, 2015
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of the pay, closed.
Remaining Amortization Period	27 years
Actuarial Value of Assets	Ten-year smoothed market value.
Inflation	3.50%
Salary Increases	3.50– 12.62%
Investment Rate of Return	7.50%, net of pension plan investment expense, and including inflation

SCHEDULE OF INVESTMENT RETURNS

Annual money-weighted rate of return, net of investment expense

6/30/14	18.42%
6/30/15	3.01%
6/30/16	-2.00%
6/30/17	16.64%
6/30/18	9.50%

Note: The schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.