



Comprehensive Annual Financial Report For the Year Ended December 31, 2020

David Wescoe, Executive Director

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June 24, 2021

2021 Action Plan Item #4:

Comprehensive Annual Financial Report Clarity Project

- Refreshed the Report to enhance visual appeal, readability and referencing
- Multiple authors and reviewers for the Introductory, Financial, Investment, Actuarial and Statistical Sections
- 2019 was the 33rd year that we received Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting Award

Introductory Section

- Executive Director's Letter of Transmittal
- Board of Trustees and Committees
- 2020 Highlights
 - 89.50% composite funded ratio
 - \$1.5 billion in retirement benefits paid
 - \$1.2 billion in city and \$479 million in Member contributions
 - 205,596 total Members
 - 895 participating cities

Financial Section

- CliftonLarsonAllen LLP issued unqualified or clean opinion
 - Basic Financial Statements
 - Statement of Fiduciary Net Position
 - Statement of Changes in Fiduciary Net Position
 - Notes to Financial Statements
 - Note 2 – Plan Description expanded to include summary of plan provisions previously included in Introductory Section
 - GASB requirements for footnotes unchanged from prior year

Financial Section, continued

- Management's Discussion and Analysis
 - Pension Trust Fund increased by \$2.47 billion or 7.8%
 - Net investment income increased by \$2.41 billion
 - City contributions increased by \$261.5 million or 28.1% primarily due to lump sum contributions
 - Retirement benefit payments increased by \$98.5 million or 6.8% primarily due to number of retirees increasing from 61,266 in 2019 to 64,121 in 2020
 - Supplemental Death Benefits Fund (SDBF) decreased by \$1.5 million or 10.6%

Investment Section

- Trust Fund investments totaled \$34.5 billion as of year-end, an all-time high
- Actual net investment return was 7.65%, exceeding the 6.75% actuarial return assumption
- The 3-year, 5-year and 10-year actual net investment returns were 6.46%, 7.99% and 6.74%, respectively
- New investment managers table per Pension Review Board reporting requirement

Other Sections

- Actuarial Section

- GRS Actuary's Certification Letters for Pension Trust Fund and SDBF
- Summarized actuarial assumptions from May 2021 Actuarial Valuation
- Average annual benefit was \$19,264

- Statistical Section

- 10-year Financial Trends
 - Pension Trust Fund increased from \$18.57 billion to \$34.28 billion
 - SDBF decreased from \$27.75 million to \$12.59 million

- Demographic Information

- 55% of retirees select a survivor lifetime option, 31% select life only and 14% select a guaranteed term option

Staff Recommendation

- Board approve the distribution of the Comprehensive Annual Financial Report for the Year Ended December 31, 2020