

**CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE
RETIREMENT SYSTEM**

**Financial Statements
And
Supplementary Information**

**For the Years Ended
June 30, 2010 and 2009**

**CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM**

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INDEPENDENT AUDITORS' REPORT

December 17, 2010

To the Retirement Board
City of Ypsilanti, Michigan
Police and Fire Retirement System
Ypsilanti, Michigan

We have audited the accompanying statements of plan net assets of the *City of Ypsilanti, Michigan Police and Fire Retirement System* as of June 30, 2010 and 2009, and the related statement of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Retirement Board. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the City of Ypsilanti, Michigan Police and Fire Retirement System pension trust fund and do not purport to, and do not, present fairly the financial position and the changes in financial position of the City of Ypsilanti, Michigan in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the City of Ypsilanti, Michigan Police and Fire Retirement System as of June 30, 2010 and 2009, and the changes in plan net assets thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The historical pension information listed in the table of contents is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Ypsilanti, Michigan Police and Fire Retirement System. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Lehmann Johnson". The signature is written in a cursive, flowing style.

FINANCIAL STATEMENTS

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Statements of Plan Net Assets
June 30, 2010 and 2009

| | 2010 | 2009 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 2,391,277 | \$ 2,430,446 |
| Investments, at fair value: | | |
| U.S. agencies | 3,082,262 | 3,185,151 |
| Foreign government bonds | 23,434 | 13,795 |
| Corporate bonds | 4,525,509 | 4,243,311 |
| Bond mutual fund | 5,536,551 | 5,416,202 |
| Domestic equities | 9,608,831 | 8,061,047 |
| International equities | 593,371 | 502,589 |
| Domestic real estate investment trusts | 438,569 | 320,285 |
| Money market accounts | 854,395 | 1,185,580 |
| Total investments | 24,662,922 | 22,927,960 |
| Accounts receivable | 601 | 6,131 |
| Total assets | 27,054,800 | 25,364,537 |
| Liabilities | | |
| Accounts payable | 167,274 | 6,137 |
| Net assets held in trust for pension benefits | \$ 26,887,526 | \$ 25,358,400 |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Statements of Changes in Plan Net Assets
For the Years Ended June 30, 2010 and 2009

| | 2010 | 2009 |
|---|----------------------|----------------------|
| Additions | | |
| Investment income: | | |
| Net appreciation (depreciation) in fair value of investments | \$ 2,416,368 | \$ (4,847,991) |
| Interest and dividends | 861,073 | 765,728 |
| Total investment income (loss) | 3,277,441 | (4,082,263) |
| Investment management fees | (89,321) | (88,433) |
| Total net investment income (loss) | 3,188,120 | (4,170,696) |
| Contributions: | | |
| Employer | 968,212 | 946,937 |
| Employee | 386,087 | 399,238 |
| Total contributions | 1,354,299 | 1,346,175 |
| Total additions (net investment loss in excess of contributions) | 4,542,419 | (2,824,521) |
| Deductions | | |
| Participant benefits | 2,324,626 | 2,096,903 |
| Participant refunds | 635,395 | 304,554 |
| Administrative expenses | 53,272 | 44,275 |
| Total deductions | 3,013,293 | 2,445,732 |
| Change in net assets held in trust for benefits | 1,529,126 | (5,270,253) |
| Net assets held in trust for pension benefits, beginning of year | 25,358,400 | 30,628,653 |
| Net assets held in trust for pension benefits, end of year | \$ 26,887,526 | \$ 25,358,400 |

The accompanying notes are an integral part of these financial statements.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

1. PLAN DESCRIPTION

The City of Ypsilanti, Michigan Police and Fire Retirement System (the “System”) is a single-employer defined benefit contributory pension plan which provides retirement, disability and death benefits to plan members and their beneficiaries in accordance with the City of Ypsilanti’s pension ordinance. The System covers all police and fire employees of the City.

System membership consisted of the following at June 30:

| | <u>2010</u> | <u>2009</u> |
|--|-------------------|-------------------|
| Retirees and beneficiaries receiving benefits | 99 | 101 |
| Terminated employee entitled to but not yet receiving benefits | 3 | 4 |
| Vested active employees | <u>54</u> | <u>55</u> |
| Total | <u>156</u> | <u>160</u> |

Plan members are required to contribute 10% of their annual covered wages to the System for pension benefits. The City contributes such additional amounts as necessary, based on actuarial determinations, to provide assets sufficient to pay for member benefits. The City’s pension contribution for the year ended June 30, 2010 represented 23.54% of the annual covered payroll. The City’s pension contribution for the year ended June 30, 2009 represented 23.07% of the annual covered payroll

The System is administered by the Retirement Board of the City of Ypsilanti, Michigan Police and Fire Retirement System. Plan benefit provisions were established and may be amended under the authority of City Ordinances. Contribution requirements were established and may be amended subject to collective bargaining agreements and approval by the Retirement Board and City of Ypsilanti City Council.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The System's financial statements are prepared on the accrual basis of accounting. Employee contributions are recognized in the period in which they are due. The City's contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments and Income Recognition - The System's investments are stated at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments, if any, is based on independent appraisals. Investments that do not have established market values are reported at estimated fair value as determined by the custodian under the direction of the Retirement Board with the assistance of a valuation service.

Administration - Administrative costs are financed through the System's earnings.

3. DEPOSITS AND INVESTMENTS

Deposits - The System cash and cash equivalents consist of amounts deposited in the City's cash management pool of demand deposit accounts and certificates of deposit. As such, it is not practicable to present separate custodial risk disclosures for the System's portion of this pool; accordingly, please refer to the City of Ypsilanti's comprehensive annual financial report for custodial risk disclosures of deposits.

Investments - The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in stocks, government and corporate securities, mortgages, real estate, and various other investment instruments, subject to certain limitations. The Retirement Board has the responsibility and authority to oversee the investment portfolio. Various professional investment managers are contracted to assist in managing the System's assets. All investment decisions are subject to Michigan law and the investment policy established by the Retirement Board.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

Following is a summary of the System's investments as of June 30:

| | 2010 | 2009 |
|---|----------------------|----------------------|
| Investments at fair value, as determined by quoted market price: | | |
| U.S. agencies | \$ 3,082,262 | \$ 3,185,151 |
| Foreign government bonds | 23,434 | 13,795 |
| Corporate bonds | 4,525,509 | 4,243,311 |
| Bond mutual fund | 5,536,551 | 5,416,202 |
| Domestic equities | 9,608,831 | 8,061,047 |
| International equities | 593,371 | 502,589 |
| Domestic real estate investment trusts | 438,569 | 320,285 |
| Money market accounts | 854,395 | 1,185,580 |
| Total investments | \$ 24,662,922 | \$ 22,927,960 |

Credit Risk. The System's investment policy provides that its investments in fixed income securities be limited to those rated BBB or better by a nationally recognized statistical rating organization. The System's investments in U.S. Agencies were rated Aaa by Moody's Investor Services at both June 30, 2010 and 2009. The System's investments in corporate securities were rated by Moody's Investor Services as follows at June 30:

| Rating | 2010 | 2009 |
|---------------|---------------------|---------------------|
| Aa2 | \$ 213,766 | \$ 191,410 |
| A1 | 771,144 | 703,279 |
| A2 | 1,643,606 | 1,599,005 |
| A3 | 367,157 | 317,940 |
| Baa1 | 220,730 | 200,526 |
| Baa2 | 612,268 | 624,414 |
| Baa3 | 445,062 | 409,252 |
| Ba1 | 251,776 | 197,485 |
| | \$ 4,525,509 | \$ 4,243,311 |

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

The System's policy regarding credit risk provides that a minimum of 70% of fixed income investments must be in the top three major grades as determined by Moody's and the balance must be in the top four major grades.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that investment securities be held in trust by a third-party institution in the System's name. As such, although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department in the System's name. Short-term investments in money market funds are not subject to custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's policy regarding concentration of credit risk does not specify limits regarding concentration of credit risk, although it provides guidelines regarding target maximums for investment types.

At June 30, 2010, the investment portfolio was concentrated (i.e., had holdings in any one issue greater than 5% of the total investment portfolio) as follows:

| | <u>% of portfolio</u> |
|--|-----------------------|
| U.S. agencies | |
| Federal Home Loan Mortgage Corporation | 6.0% |

At June 30, 2009, the investment portfolio was concentrated (i.e., had holdings in any one issue greater than 5% of the total investment portfolio) as follows:

| | <u>% of portfolio</u> |
|--|-----------------------|
| U.S. agencies | |
| Federal Home Loan Mortgage Corporation | 6.3% |
| Federal National Mortgage Association | 6.1% |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy requires a maximum term to maturity of 30 years for any single fixed income security. The System's investment policy does not address weighted average portfolio maturities.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

As of June 30, 2010, maturities of the System's debt securities were as follows:

| | Fair Value | Investment Maturities (fair value by years) | | | More Than 10 |
|-----------------|---------------------|---|---------------------|---------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | |
| U.S. agencies | \$ 3,082,262 | \$ - | \$ - | \$ 90,540 | \$ 2,991,722 |
| Corporate bonds | 4,525,509 | 719,206 | 1,088,540 | 1,595,688 | 1,122,075 |
| | <u>\$ 7,607,771</u> | <u>\$ 719,206</u> | <u>\$ 1,088,540</u> | <u>\$ 1,686,228</u> | <u>\$ 4,113,797</u> |

None of the above securities are callable. The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the System's holdings comply with this requirement.

As of June 30, 2009, maturities of the System's debt securities were as follows:

| | Fair Value | Investment Maturities (fair value by years) | | | More Than 10 |
|-----------------|---------------------|---|---------------------|-------------------|---------------------|
| | | Less Than 1 | 1-5 | 6-10 | |
| U.S. agencies | \$ 3,185,151 | \$ - | \$ - | \$ 120,379 | \$ 3,064,772 |
| Corporate bonds | 4,243,311 | - | 2,395,550 | 864,241 | 983,520 |
| | <u>\$ 7,428,462</u> | <u>\$ -</u> | <u>\$ 2,395,550</u> | <u>\$ 984,620</u> | <u>\$ 4,048,292</u> |

None of the above securities are callable. The System's policy regarding interest rate risk provides that fixed income maturities may not exceed 30 years; the System's holdings comply with this requirement.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows at June 30:

| Investment/ Country | Currency | Fair value (in U.S. Dollars) | |
|---------------------------------|----------------------|-------------------------------------|-------------|
| | | 2010 | 2009 |
| Foreign government bonds | | | |
| Puerto Rico | U.S dollar | \$ 23,434 | \$ 13,795 |
| International equities | | | |
| Bermuda | Bermudian dollar | - | 108,382 |
| Canada | Canadian dollar | - | 3 |
| Cayman Islands | Cayman Island dollar | 41,149 | - |
| Finland | European euro | - | 33,534 |
| Hong Kong | Hong Kong dollar | 68,068 | - |
| Ireland | European euro | 225,002 | - |
| Israel | Israeli new shekel | - | 72,694 |
| Netherlands | European euro | 65,286 | 65,247 |
| Netherlands Antilles | Guilder | 60,321 | - |
| Singapore | Singapore dollar | 69,440 | 53,605 |
| Switzerland | Swiss franc | 64,105 | 27,487 |
| United Kingdom | British pound | - | 112,263 |
| Virgin Islands | U.S dollar | - | 29,374 |
| | | 593,371 | 502,589 |
| Total | | \$ 616,805 | \$ 516,384 |

The System restricts the amount of investment in foreign currency-denominated investments to 20% of total pension system investment.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

4. ANNUAL REQUIRED CONTRIBUTION

The annual required contribution (ARC) for the year ended June 30, 2010 and 2009 was \$968,212 and \$946,937, respectively. The ARC was made by the City. There was no net pension obligation at the beginning or the end of either fiscal year. The respective ARC was determined as part of an actuarial valuation as of June 30, 2009 and 2008, using the entry age cost method.

Three-Year Trend Information

| Years Ended June 30, | Annual Pension Cost (APC) | Percentage Contributed | Net Pension Obligation |
|---------------------------------|--|-----------------------------------|-----------------------------------|
| 2008 | \$ 941,417 | 100% | \$ - |
| 2009 | 946,937 | 100% | - |
| 2010 | 968,212 | 100% | - |

5. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the pension portion of the System as of June 30, 2009, the date of the most recent actuarial valuation, was as follows:

| | | | |
|-----------------------------------|---------|-------------------------|---------------|
| Actuarial accrued liability (AAL) | (1) | \$ 39,453,312 | |
| Actuarial value of assets | (2) | 32,472,100 | |
| Unfunded AAL (UAAL) | (3) | <u>\$ 6,981,212</u> | (1) - (2) |
| Funded ratio | (4) | <u>82.3%</u> | (2) / (1) |
| Covered payroll | (5) | <u>\$ 3,889,397</u> | |
| UAAL as % of covered payroll | (6) | <u>179.5%</u> | (2) / (5) |

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value as shown is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of June 30, 2009, the date of the latest actuarial valuation using the entry age actuarial cost method, includes:

| | |
|-------------------------------|------------------------|
| Actuarial cost method | Individual entry age |
| Amortization method | Level percent open |
| Remaining amortization period | 30 years |
| Asset valuation method | 5-year smoothed market |
| Actuarial assumptions: | |
| Investment rate of return | 8.0% |
| Projected salary increases | 4.5% to 15.0% |
| Assume rate of payroll growth | 4.5% |
| Cost-of-living adjustments | None |

GASB Statement 25 required supplementary information is presented after the notes to the financial statements section of this report.

CITY OF YPSILANTI, MICHIGAN
Police and Fire Retirement System

Notes To Financial Statements

6. RISK MANAGEMENT

The System's exposure to noninvestment loss is minimal. The System is exposed to various risks of loss related to torts, errors and omissions. The System participates in the Michigan Municipal League risk pool program for all of these exposures.

* * * * *

**GASB REQUIRED SUPPLEMENTARY
INFORMATION**

**CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM**

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) Entry Age | (3) Unfunded AAL (Overfunded) (UAAL) (2-1) | (4) Funded Ratio (1/2) | (5) Covered Payroll | (6) UAAL as a % of Covered Payroll (3/5) |
|--|--|---|---|---------------------------------|---------------------------|---|
| 2001 | \$ 34,479,264 | \$ 26,933,083 | \$ (7,546,181) | 128.0% | \$ 3,813,904 | -197.9% |
| 2002 | 34,970,658 | 27,899,273 | (7,071,385) | 125.3% | 3,858,409 | -183.3% |
| 2003 | 33,916,996 | 29,020,485 | (4,896,511) | 116.9% | 4,003,846 | -122.3% |
| 2004 | 32,569,762 | 31,251,133 | (1,318,629) | 104.2% | 3,891,478 | -33.9% |
| 2005 | 31,180,708 | 32,774,898 | 1,594,190 | 95.1% | 4,042,199 | 39.4% |
| 2006 | 30,843,790 | 34,980,132 | 4,136,342 | 88.2% | 3,996,679 | 103.5% |
| 2007 | 34,292,073 | 36,211,916 | 1,919,843 | 94.7% | 3,957,733 | 48.5% |
| 2008 | 32,934,094 | 37,869,913 | 4,935,819 | 87.0% | 3,843,177 | 128.4% |
| 2009 | 32,472,100 | 39,453,312 | 6,981,212 | 82.3% | 3,889,397 | 179.5% |

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended June 30, | Annual Required Contribution | Annual Actual Contribution | Percentage Contributed |
|---------------------------|------------------------------------|----------------------------------|---------------------------|
| 2002 | \$ - | \$ - | 100.00% |
| 2003 | - | - | 100.00% |
| 2004 | - | - | 100.00% |
| 2005 | - | - | 100.00% |
| 2006 | 500,602 | 500,602 | 100.00% |
| 2007 | 730,106 | 730,106 | 100.00% |
| 2008 | 941,417 | 941,417 | 100.00% |
| 2009 | 946,937 | 946,937 | 100.00% |
| 2010 | 968,212 | 968,212 | 100.00% |

**OTHER SUPPLEMENTARY
INFORMATION**

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Schedule of Changes in Components of Net Assets
For the Year Ended June 30, 2010

| | <u>Employer</u> <u>Contributions</u> | <u>Reserved for</u> <u>Employee</u> <u>Contributions</u> | <u>Benefit</u> <u>Payments</u> | <u>Totals</u> |
|--|---|--|-----------------------------------|----------------------|
| Additions | | | | |
| Employee contributions | \$ - | \$ 386,087 | \$ - | \$ 386,087 |
| Employer contributions | 968,212 | - | - | 968,212 |
| Net appreciation in fair value of investments | 3,277,441 | - | - | 3,277,441 |
| Investment management fees | (89,321) | - | - | (89,321) |
| Total additions | <u>4,156,332</u> | <u>386,087</u> | <u>-</u> | <u>4,542,419</u> |
| Deductions | | | | |
| Benefit payments | - | - | (2,324,626) | (2,324,626) |
| Administrative expenses | (53,272) | - | - | (53,272) |
| Refunds | - | (635,395) | - | (635,395) |
| Total deductions | <u>(53,272)</u> | <u>(635,395)</u> | <u>(2,324,626)</u> | <u>(3,013,293)</u> |
| Transfers | | | | |
| Employee | (1,312,888) | - | 1,312,888 | - |
| Other | 1,444,272 | - | (1,444,272) | - |
| Interest | (1,841,515) | 89,410 | 1,752,105 | - |
| Total transfers | <u>(1,710,131)</u> | <u>89,410</u> | <u>1,620,721</u> | <u>-</u> |
| Net change in reserve balances | 2,392,929 | (159,898) | (703,905) | 1,529,126 |
| Reserve balances, beginning of year | (2,657,851) | 4,886,933 | 23,129,318 | 25,358,400 |
| Reserve balances, end of year | <u>\$ (264,922)</u> | <u>\$ 4,727,035</u> | <u>\$ 22,425,413</u> | <u>\$ 26,887,526</u> |

CITY OF YPSILANTI, MICHIGAN
POLICE AND FIRE RETIREMENT SYSTEM
Schedule of Changes in Components of Net Assets
For the Year Ended June 30, 2009

| | <u>Employer</u> <u>Contributions</u> | <u>Reserved for</u> <u>Employee</u> <u>Contributions</u> | <u>Benefit</u> <u>Payments</u> | <u>Totals</u> |
|--|---|--|-----------------------------------|----------------------|
| Additions | | | | |
| Employee contributions | \$ - | \$ 399,238 | \$ - | \$ 399,238 |
| Employer contributions | 946,937 | - | - | 946,937 |
| Net depreciation in fair value of investments | (4,082,263) | - | - | (4,082,263) |
| Investment management fees | (88,433) | - | - | (88,433) |
| Total additions | <u>(3,223,759)</u> | <u>399,238</u> | <u>-</u> | <u>(2,824,521)</u> |
| Deductions | | | | |
| Benefit payments | - | - | (2,096,903) | (2,096,903) |
| Administrative expenses | (44,275) | - | - | (44,275) |
| Refunds | - | (304,554) | - | (304,554) |
| Total deductions | <u>(44,275)</u> | <u>(304,554)</u> | <u>(2,096,903)</u> | <u>(2,445,732)</u> |
| Transfers | | | | |
| Employee | (2,354,103) | - | 2,354,103 | - |
| Other | 21,608 | - | (21,608) | - |
| Interest | (1,794,460) | 89,903 | 1,704,557 | - |
| Total transfers | <u>(4,126,955)</u> | <u>89,903</u> | <u>4,037,052</u> | <u>-</u> |
| Net change in reserve balances | (7,394,989) | 184,587 | 1,940,149 | (5,270,253) |
| Reserve balances, beginning of year | 4,737,138 | 4,702,346 | 21,189,169 | 30,628,653 |
| Reserve balances, end of year | <u>\$ (2,657,851)</u> | <u>\$ 4,886,933</u> | <u>\$ 23,129,318</u> | <u>\$ 25,358,400</u> |