



City of Allentown Police, Firemen's, and Officers and Employees Pension Plans

**GASB 67/68 Report
as of December 31, 2020**

Produced by Cheiron

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**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2020 MEASUREMENT DATE**

SECTION I – BOARD SUMMARY

The purpose of this report is to provide accounting and financial disclosure information under Government Accounting Standards Board Statements 67 and 68 (GASB 67 and GASB 68) for the City of Allentown Police, Firemen's, and Officers and Employees Pension Plans. This information includes:

- Determination of the discount rate;
- Projection of the Total Pension Liability from the Actuarial Valuation Date to the Measurement Date;
- Changes in the Net Pension Liability/(Asset) from the beginning to the end of the measurement period;
- Calculation of the Net Pension Liability/(Asset) at the discount rate as well as discount rates 1% higher and lower than the discount rate;
- Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios;
- Schedule of Employer Contributions;
- Schedule of Deferred Inflows and Outflows of Resources, and
- Calculation of Pension Expense/(Income).

Highlights

The Reporting Date for the City of Allentown Police, Firemen's, and Officers and Employees Pension Plans is December 31, 2020. For these three plans the Reporting Date and the Measurement Date are the same. Measurements as of the Reporting Date are based on the fair value of assets as of December 31, 2020 and the Total Pension Liability as of the valuation date of January 1, 2020, updated to December 31, 2020. There were no significant events between the Actuarial Valuation Date and the Measurement Date. Therefore, the projection of the Total Pension Liability from the Actuarial Valuation Date to the Reporting Date reflects the addition of service cost and interest cost offset by actual benefit payments. Differences between actual and expected experience reflect differences in the projected and the actual Total Pension Liability as of the December 31, 2019.

The tables below provide a summary of the key results during this reporting period.

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION I – BOARD SUMMARY

Table I-1a Summary of Results Police Pension Plan		
Measurement Date	12/31/2020	12/31/2019
Net Pension Liability/(Asset)	\$ 18,594,177	\$ 28,778,431
Deferred Outflows	(3,654,116)	(5,017,885)
Deferred Inflows	<u>13,716,002</u>	<u>9,856,223</u>
Net Impact on Statement of Net Position	\$ 28,656,063	\$ 33,616,769
Pension Expense/(Income)	\$ 2,957,686	\$ 8,129,059
Pension Expense/(Income) as % of Payroll	14.08%	38.89%

Table I-1b Summary of Results Firemen's Pension Plan		
Measurement Date	12/31/2020	12/31/2019
Net Pension Liability/(Asset)	\$ 7,390,856	\$ 14,503,492
Deferred Outflows	0	(843,976)
Deferred Inflows	<u>9,287,878</u>	<u>7,194,354</u>
Net Impact on Statement of Net Position	\$ 16,678,734	\$ 20,853,870
Pension Expense/(Income)	\$ (111,435)	\$ 3,639,377
Pension Expense/(Income) as % of Payroll	-0.93%	32.42%

Table I-1c Summary of Results Officers and Employees Pension Plan		
Measurement Date	12/31/2020	12/31/2019
Net Pension Liability/(Asset)	\$ 1,115,119	\$ 1,140,808
Deferred Outflows	0	0
Deferred Inflows	<u>215,772</u>	<u>159,302</u>
Net Impact on Statement of Net Position	\$ 1,330,891	\$ 1,300,110
Pension Expense/(Income)	\$ 261,127	\$ 418,362
Pension Expense/(Income) as % of Payroll	320.20%	530.69%

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION II – CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 for the City of Allentown Police, Firemen's, and Officers and Employees Pension Plans and GASB 68 for the City of Allentown. This report is for the use of the City of Allentown and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the City of Allentown Police, Firemen's, and Officers and Employees Pension Plans.

In preparing our report, we relied on information (some oral and some written) supplied by the City of Allentown. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The membership data, actuarial assumptions, and plan provisions are the same as were described in the January 1, 2020 Actuarial Valuation Reports for the City of Allentown's Police, Firemen's, and Officers and Employees Pension Plans.

Future actuarial measurements may differ significantly from the current measurements 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; and changes in plan provisions or applicable law.

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose calculating liabilities, normal costs, and projected benefit payments. As part of the review process for this actuarial valuation report, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this report.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for the City of Allentown Police, Firemen's, and Officers and Employees Pension Plans for the purposes described herein and for the use by the Plan Auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

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**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEE'S PENSION PLAN
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SECTION III – DETERMINATION OF DISCOUNT RATE

The discount rate as of December 31, 2020 is 7.50% for the Police and Firemen's Pension Plans and 6.50% for the Officers and Employees Pension Plan. These rates are the assumed long-term expected rate of return on Plan investments.

The projection of cash flows used to determine the discount rate assumed that the City of Allentown will contribute to the Plans based on the Minimum Municipal Obligation, as required by Act 205. Based on this policy, the Plans' Fiduciary Net Positions are expected to be available to make all projected future benefit payments for current members. We have not performed a formal cash flow projection as described under Paragraph 41 of GASB Statement 67. However, Paragraph 43 allows alternative methods to confirm the sufficiency of the Fiduciary Net Positions if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan..." In our professional judgment, the projected Fiduciary Net Positions will be greater than or equal to the benefit payments projected for each future period.

Therefore, the long-term expected rates of return on Plan Investments were applied to all periods of the projected benefit payments to determine the Total Pension Liability.

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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

The Total Pension Liability (TPL) at the end of the measurement year, December 31, 2020, is measured as of a valuation date of January 1, 2020 and projected to December 31, 2020. There were no significant events during the projection period of which we are aware.

The tables below show the projection of the TPL at discount rates equal to the rate used for disclosure and plus and minus one percent from the rate used for disclosure. The TPL and Service Cost have been determined using the Entry Age Actuarial Cost Method as described in GASB Statements 67 and 68.

Table IV-1a Projection of Total Pension Liability from Valuation to Measurement Date Police Pension Plan			
Discount Rate	6.50%	7.50%	8.50%
Valuation Total Pension Liability, 1/1/2020			
Actives	\$ 80,605,695	\$ 67,712,735	\$ 57,339,652
Deferred Vested	1,861,167	1,626,797	1,440,142
Retirees	156,431,359	141,148,749	128,385,218
Total	\$ 238,898,221	\$ 210,488,281	\$ 187,165,012
Service Cost	4,726,320	3,662,083	2,862,504
Benefit Payments	11,811,083	11,811,083	11,811,083
Interest	15,501,496	15,670,774	15,705,317
Total Pension Liability, 12/31/2020	\$ 247,314,954	\$ 218,010,055	\$ 193,921,750

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SECTION IV – PROJECTION OF TOTAL PENSION LIABILITY

Table IV-1b Projection of Total Pension Liability from Valuation to Measurement Date Firemen's Pension Plan			
Discount Rate	6.50%	7.50%	8.50%
Valuation Total Pension Liability, 1/1/2020			
Actives	\$ 45,530,001	\$ 39,373,187	\$ 34,269,212
Deferred Vested	70,850	70,850	70,850
Retirees	99,537,271	90,521,831	82,915,995
Total	\$ 145,138,122	\$ 129,965,868	\$ 117,256,057
Service Cost	2,285,683	1,813,315	1,448,131
Benefit Payments	8,222,890	8,222,890	8,222,890
Interest	9,345,870	9,607,882	9,775,342
Total Pension Liability, 12/31/2020	\$ 148,546,785	\$ 133,164,175	\$ 120,256,640

Table IV-1c Projection of Total Pension Liability from Valuation to Measurement Date Officers and Employees Pension Plan			
Discount Rate	5.50%	6.50%	7.50%
Valuation Total Pension Liability, 1/1/2020			
Actives	\$ 795,340	\$ 724,837	\$ 663,805
Deferred Vested	0	0	0
Retirees	11,973,981	11,353,483	10,794,209
Total	\$ 12,769,321	\$ 12,078,320	\$ 11,458,014
Service Cost	13,736	9,877	7,058
Benefit Payments	1,696,249	1,696,249	1,696,249
Interest	658,896	733,543	799,689
Total Pension Liability, 12/31/2020	\$ 11,745,704	\$ 11,125,491	\$ 10,568,512

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SECTION V – NOTE DISCLOSURES

The following tables show the changes in the Total Pension Liability, the Plan Fiduciary Net Position (i.e., fair value of Plan assets), and the Net Pension Liability/(Asset) during the measurement year.

Table V-1a Change in Net Pension Liability/(Asset) Police Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2019	\$ 209,477,166	\$ 180,698,735	\$ 28,778,431
Changes for the year:			
Service cost	3,662,083		3,662,083
Interest	15,670,774		15,670,774
Changes of benefits	0		0
Differences between expected and actual experience	1,011,115		1,011,115
Changes of assumptions	0		0
Contributions - other entities		0	0
Contributions - employer		7,918,392	(7,918,392)
Contributions - member		1,052,012	(1,052,012)
Net investment income		21,591,982	(21,591,982)
Benefit payments	(11,811,083)	(11,811,083)	0
Administrative expense		(34,160)	34,160
Net changes	<u>8,532,889</u>	<u>18,717,143</u>	<u>(10,184,254)</u>
Balances at 12/31/2020	<u>\$ 218,010,055</u>	<u>\$ 199,415,878</u>	<u>\$ 18,594,177</u>

There were no benefit or assumption changes during the year.

There were actuarial experience losses during the year of approximately \$1.01 million.

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SECTION V – NOTE DISCLOSURES

Table V-1b Change in Net Pension Liability/(Asset) Firemen's Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2019	\$ 130,473,306	\$ 115,969,814	\$ 14,503,492
Changes for the year:			
Service cost	1,813,315		1,813,315
Interest	9,607,882		9,607,882
Changes of benefits	0		0
Differences between expected and actual experience	(507,438)		(507,438)
Changes of assumptions	0		0
Contributions - other entities		0	0
Contributions - employer		4,063,701	(4,063,701)
Contributions - member		596,751	(596,751)
Net investment income		13,376,672	(13,376,672)
Benefit payments	(8,222,890)	(8,222,890)	0
Administrative expense		(10,729)	10,729
Net changes	<u>2,690,869</u>	<u>9,803,505</u>	<u>(7,112,636)</u>
Balances at 12/31/2020	<u>\$ 133,164,175</u>	<u>\$ 125,773,319</u>	<u>\$ 7,390,856</u>

There were no benefit or assumption changes during the year.

There were actuarial experience gains during the year of approximately \$0.51 million.

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SECTION V – NOTE DISCLOSURES

Table V-1c Change in Net Pension Liability/(Asset) Officers and Employees Pension Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a) - (b)
Balances at 12/31/2019	\$ 11,911,847	\$ 10,771,039	\$ 1,140,808
Changes for the year:			
Service cost	9,877		9,877
Interest	733,543		733,543
Changes of benefits	0		0
Differences between expected and actual experience	166,473		166,473
Changes of assumptions	0		0
Contributions - other entities		0	0
Contributions - employer		230,346	(230,346)
Contributions - member		4,485	(4,485)
Net investment income		711,480	(711,480)
Benefit payments	(1,696,249)	(1,696,249)	0
Administrative expense		(10,729)	10,729
Net changes	<u>(786,356)</u>	<u>(760,667)</u>	<u>(25,689)</u>
Balances at 12/31/2020	<u>\$ 11,125,491</u>	<u>\$ 10,010,372</u>	<u>\$ 1,115,119</u>

There were no benefit changes during the year.

There were actuarial experience losses during the year of approximately \$0.17 million.

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SECTION V – NOTE DISCLOSURES

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The tables below show the sensitivity of the NPL to the discount rate.

Table V-2a Sensitivity of Net Pension Liability/(Asset) to Changes in Discount Rate Police Pension Plan				
	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%	
Total Pension Liability	\$ 247,314,954	\$ 218,010,055	\$ 193,921,750	
Plan Fiduciary Net Position	<u>199,415,878</u>	<u>199,415,878</u>	<u>199,415,878</u>	
Net Pension Liability/(Asset)	<u>\$ 47,899,076</u>	<u>\$ 18,594,177</u>	<u>\$ (5,494,128)</u>	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.6%	91.5%	102.8%	

Table V-2b Sensitivity of Net Pension Liability/(Asset) to Changes in Discount Rate Firemen's Pension Plan				
	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%	
Total Pension Liability	\$ 148,546,785	\$ 133,164,175	\$ 120,256,640	
Plan Fiduciary Net Position	<u>125,773,319</u>	<u>125,773,319</u>	<u>125,773,319</u>	
Net Pension Liability/(Asset)	<u>\$ 22,773,466</u>	<u>\$ 7,390,856</u>	<u>\$ (5,516,679)</u>	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.7%	94.4%	104.6%	

Table V-2c Sensitivity of Net Pension Liability/(Asset) to Changes in Discount Rate Officers and Employees Pension Plan				
	1% Decrease 5.50%	Discount Rate 6.50%	1% Increase 7.50%	
Total Pension Liability	\$ 11,745,704	\$ 11,125,491	\$ 10,568,512	
Plan Fiduciary Net Position	<u>10,010,372</u>	<u>10,010,372</u>	<u>10,010,372</u>	
Net Pension Liability/(Asset)	<u>\$ 1,735,332</u>	<u>\$ 1,115,119</u>	<u>\$ 558,140</u>	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.2%	90.0%	94.7%	

SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

The schedules of Required Supplementary Information generally start with information as of the implementation of GASB 67 and eventually will build up to 10 years of information. The following schedules show the changes in NPL and related ratios required by GASB for the five years since implementation.

Notes to Schedules of Changes in the Net Pension Liability and Related Ratios:

Benefit changes: None.

Changes of assumptions: None.

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Table VI-1a Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Police Pension Plan							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability							
Service cost	\$ 3,662,083	\$ 3,567,206	\$ 3,496,148	\$ 3,500,390	\$ 3,039,127	\$ 2,856,276	\$ 2,661,908
Interest (includes interest on service cost)	15,670,774	15,010,083	14,586,053	14,049,286	13,161,554	12,720,534	12,280,247
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	1,011,115	(1,518,678)	377,097	4,018,311	(205,379)	737,072	0
Changes of assumptions	0	0	0	0	7,903,467	0	0
Benefit payments, including refunds of member contributions	(11,811,083)	(11,133,444)	(10,833,661)	(10,700,026)	(10,506,610)	(10,190,293)	(10,194,574)
Net change in total pension liability	\$ 8,532,889	\$ 5,925,167	\$ 7,625,637	\$ 10,867,961	\$ 13,392,159	\$ 6,123,589	\$ 4,747,581
Total pension liability - beginning	209,477,166	203,551,999	195,926,362	185,058,401	171,666,242	165,542,653	160,795,072
Total pension liability - ending	\$ 218,010,055	\$ 209,477,166	\$ 203,551,999	\$ 195,926,362	\$ 185,058,401	\$ 171,666,242	\$ 165,542,653
Plan fiduciary net position							
Contributions - other entities	\$ 0	0	0	0	0	0	0
Contributions - employer	7,918,392	7,046,609	6,924,460	4,341,381	4,216,537	2,669,759	2,507,471
Contributions - member	1,052,012	1,069,615	988,224	931,395	991,017	914,420	825,381
Net investment income	21,591,982	30,934,769	(7,348,537)	22,256,155	10,741,586	(701,889)	6,419,152
Benefit payments, including refunds of member contributions	(11,811,083)	(11,133,444)	(10,833,661)	(10,700,026)	(10,506,610)	(10,190,293)	(10,194,574)
Administrative expense	(34,160)	(65,707)	(98,985)	(85,075)	(9,593)	(9,673)	(10,682)
Net change in plan fiduciary net position	\$ 18,717,143	\$ 27,851,842	\$ (10,368,499)	\$ 16,743,830	\$ 5,432,937	\$ (7,317,676)	\$ (453,252)
Plan fiduciary net position - beginning	180,698,735	152,846,893	163,215,392	146,471,561	141,038,624	148,356,300	148,809,552
Plan fiduciary net position - ending	\$ 199,415,878	\$ 180,698,735	\$ 152,846,893	\$ 163,215,391	\$ 146,471,561	\$ 141,038,624	\$ 148,356,300
Net pension liability/(asset) - ending	\$ 18,594,177	\$ 28,778,431	\$ 50,705,106	\$ 32,710,971	\$ 38,586,840	\$ 30,627,618	\$ 17,186,353
Plan fiduciary net position as a percentage of the total pension liability	91.47%	86.26%	75.09%	83.30%	79.15%	82.16%	89.62%
Covered-employee payroll							
Net pension liability/(asset) as a percentage of covered-employee payroll	21.013,019	20,904,708	19,718,764	19,231,733	18,931,433	17,794,000	17,031,352
	88.49%	137.66%	257.14%	170.09%	203.82%	172.12%	100.91%

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Table VI-1b Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Firemen's Pension Plan						
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015
Total Pension Liability						
Service cost	\$ 1,813,315	\$ 1,800,136	\$ 1,789,346	\$ 1,735,549	\$ 1,544,110	\$ 1,513,683
Interest (includes interest on service cost)	9,607,882	9,388,037	9,292,591	9,101,734	8,940,922	8,782,604
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	(507,438)	(1,788,062)	(324,574)	(513,486)	(502,487)	312,322
Changes of assumptions	0	0	0	0	4219,884	0
Benefit payments, including refunds of member contributions	(8,222,890)	(8,031,919)	(8,032,161)	(8,011,715)	(8,113,374)	(8,104,277)
Net change in total pension liability	\$ 2,690,869	\$ 1,368,192	\$ 2,725,202	\$ 2,312,082	\$ 6,089,055	\$ 2,504,332
Total pension liability - beginning	130,473,306	129,105,114	126,379,912	124,067,830	117,978,775	113,526,423
Total pension liability - ending	\$ 133,164,175	\$ 130,473,306	\$ 129,105,114	\$ 126,379,912	\$ 124,067,830	\$ 115,474,443
Plan fiduciary net position						
Contributions - other entities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - employer	4,063,701	3,779,843	3,714,299	3,068,607	2,965,478	1,205,379
Contributions - member	596,751	600,769	537,852	520,536	495,834	482,441
Net investment income	13,376,672	19,883,204	(4,686,690)	14,584,720	7,093,225	(374,539)
Benefit payments, including refunds of member contributions	(8,222,890)	(8,031,919)	(8,032,161)	(8,011,715)	(8,113,374)	(8,104,277)
Administrative expense	(10,729)	(11,183)	(78,361)	(83,632)	(9,593)	(9,673)
Net change in plan fiduciary net position	\$ 9,803,505	\$ 16,220,714	\$ (8,545,061)	\$ 10,076,516	\$ 2,431,571	\$ (6,800,669)
Plan fiduciary net position - beginning	115,969,814	99,749,100	108,294,161	98,217,645	95,786,074	102,586,743
Plan fiduciary net position - ending	\$ 125,773,319	\$ 115,969,814	\$ 99,749,100	\$ 108,294,161	\$ 98,217,645	\$ 102,586,743
Net pension liability/(asset) - ending	\$ 7,390,856	\$ 14,503,492	\$ 29,356,014	\$ 18,085,751	\$ 25,850,185	\$ 12,887,700
Plan fiduciary net position as a percentage of the total pension liability	94.45%	88.88%	77.26%	85.69%	79.16%	88.84%
Covered-employee payroll						
Net pension liability/(asset) as a percentage of covered-employee payroll	\$ 11,979,474	\$ 11,226,704	\$ 10,776,923	\$ 10,408,858	\$ 9,901,453	\$ 9,544,000
	61.70%	129.19%	272.40%	173.75%	261.07%	232.53%
						143.69%

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

<p align="center">Table VI-1c Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Officers and Employees Pension Plan</p>							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Total Pension Liability							
Service cost	\$ 9,877	\$ 9,577	\$ 9,983	\$ 9,614	\$ 8,894	\$ 8,254	\$ 7,950
Interest (includes interest on service cost)	733,543	782,628	842,606	917,538	1,010,525	1,064,075	1,169,496
Changes of benefit terms	0	0	0	0	0	0	0
Differences between expected and actual experience	166,473	119,191	(132,092)	(49,185)	278,360	(434,623)	0
Changes of assumptions	0	(57,537)	0	0	294,664	0	0
Benefit payments, including refunds of member contributions	(1,696,249)	(1,794,179)	(1,877,646)	(2,016,648)	(2,136,355)	(2,235,966)	(2,371,674)
Net change in total pension liability	\$ (786,356)	\$ (940,320)	\$ (1,157,149)	\$ (1,138,681)	\$ (543,912)	\$ (1,598,260)	\$ (1,194,228)
Total pension liability - beginning	11,911,847	12,852,167	14,009,316	15,147,997	15,691,909	17,290,169	18,484,397
Total pension liability - ending	\$ 11,125,491	\$ 11,911,847	\$ 12,852,167	\$ 14,009,316	\$ 15,147,997	\$ 15,691,909	\$ 17,290,169
Plan fiduciary net position							
Contributions - other entities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions - employer	230,346	203,401	203,427	149,845	149,540	161,022	103,519
Contributions - member	4,485	4,336	4,212	4,073	3,930	3,851	3,573
Net investment income	711,480	1,481,190	(264,012)	1,281,494	647,814	50,233	940,162
Benefit payments, including refunds of member contributions	(1,696,249)	(1,794,179)	(1,877,646)	(2,016,648)	(2,136,355)	(2,235,966)	(2,371,674)
Administrative expense	(10,729)	(11,278)	(64,142)	(68,931)	(9,593)	(9,673)	(10,682)
Net change in plan fiduciary net position	\$ (760,667)	\$ (116,530)	\$ (1,998,161)	\$ (650,167)	\$ (1,344,663)	\$ (2,030,533)	\$ (1,335,102)
Plan fiduciary net position - beginning	10,771,039	10,887,569	12,885,730	13,535,897	14,880,560	16,911,093	18,246,195
Plan fiduciary net position - ending	\$ 10,010,372	\$ 10,771,039	\$ 10,887,569	\$ 12,885,730	\$ 13,535,897	\$ 14,880,560	\$ 16,911,093
Net pension liability/(asset) - ending	\$ 1,115,119	\$ 1,140,808	\$ 1,964,598	\$ 1,123,586	\$ 1,612,100	\$ 811,349	\$ 379,076
Plan fiduciary net position as a percentage of the total pension liability	89.98%	90.42%	84.71%	91.98%	89.36%	94.83%	97.81%
Covered-employee payroll							
Net pension liability/(asset) as a percentage of covered-employee payroll	\$ 81,552	\$ 78,833	\$ 76,590	\$ 74,062	\$ 71,512	\$ 70,000	\$ 64,960
	1367.37%	1447.12%	2565.08%	1517.10%	2254.30%	1159.07%	583.55%

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Table VI-2a Schedule of Employer Contributions Police Pension Plan							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially Determined Contribution	\$ 7,918,392	\$ 7,046,609	\$ 6,924,460	\$ 4,341,381	\$ 4,216,537	\$ 2,669,759	\$ 2,507,472
Contributions in Relation to the							
Actuarially Determined Contribution	<u>7,918,392</u>	<u>7,046,609</u>	<u>6,924,460</u>	<u>4,341,381</u>	<u>4,216,537</u>	<u>2,669,759</u>	<u>2,507,471</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1</u>
Covered-Employee Payroll	\$ 21,013,019	\$ 20,904,708	\$ 19,718,764	\$ 19,231,733	\$ 18,931,433	\$ 17,794,000	\$ 17,031,352
Contributions as a Percentage of							
Covered-Employee Payroll	37.68%	33.71%	35.12%	22.57%	22.27%	15.00%	14.72%

Table VI-2b Schedule of Employer Contributions Firemen's Pension Plan							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially Determined Contribution	\$ 4,063,701	\$ 3,779,843	\$ 3,714,299	\$ 3,068,607	\$ 2,965,478	\$ 1,205,379	\$ 1,345,613
Contributions in Relation to the							
Actuarially Determined Contribution	<u>4,063,701</u>	<u>3,779,843</u>	<u>3,714,299</u>	<u>3,068,607</u>	<u>2,965,478</u>	<u>1,205,379</u>	<u>1,355,613</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>
Covered-Employee Payroll	\$ 11,979,474	\$ 11,226,704	\$ 10,776,923	\$ 10,408,858	\$ 9,901,453	\$ 9,544,000	\$ 8,968,810
Contributions as a Percentage of							
Covered-Employee Payroll	33.92%	33.67%	34.47%	29.48%	29.95%	12.63%	15.11%

Table VI-2c Schedule of Employer Contributions Officers and Employees Pension Plan							
	FYE 2020	FYE 2019	FYE 2018	FYE 2017	FYE 2016	FYE 2015	FYE 2014
Actuarially Determined Contribution	\$ 230,346	\$ 203,401	\$ 203,427	\$ 149,845	\$ 149,540	\$ 161,022	\$ 103,519
Contributions in Relation to the							
Actuarially Determined Contribution	<u>230,346</u>	<u>203,401</u>	<u>203,427</u>	<u>149,845</u>	<u>149,540</u>	<u>161,022</u>	<u>103,519</u>
Contribution Deficiency/(Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered-Employee Payroll	\$ 81,552	\$ 78,833	\$ 76,590	\$ 74,062	\$ 71,512	\$ 70,000	\$ 64,960
Contributions as a Percentage of							
Covered-Employee Payroll	282.45%	258.02%	265.60%	202.32%	209.11%	230.03%	159.36%

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Notes to Schedules of Employer Contributions:

The following summarizes key methods and assumptions used to determine the Actuarially Determined Contribution (ADC) for FYE 2020.

Valuation Date: January 1, 2019

Timing: Two years of recommended contributions are calculated every other year on January 1. Contributions are equal to the current year's normal cost plus amortization of unfunded actuarial accrued liability plus expenses. The January 1, 2019 actuarial valuation determines the contributions for fiscal years ending December 31, 2020 and December 31, 2021.

Actuarial cost method: Entry Age Normal

Amortization method: Under Act 44 of 2009, the unfunded actuarial liability is amortized as a level dollar amount over the lesser of:

- (a) (i) 30 years, with respect to the initial liability as of 1/1/85 (or first valuation);
- (ii) 20 years, with respect to actuarial gains and losses;
- (iii) 15 years, with respect to changes due to actuarial assumptions;
- (iv) 10 years, with respect to changes in benefits not mandated by the state for active members;
- (v) 1 year, with respect to changes in benefits not mandated by the state for currently retired members;
- (vi) 20 years, with respect to state mandated benefit changes;

or

(b) If the Plan is no longer moderately or severely distressed, the average assumed working lifetime of active employees as of the date the liability was established, rounded to the next highest whole year.

For the Firemen's and the Officers and Employees Pension Plans only: due to Ordinance 57 passed by City Council on September 16, 2015, if the Plan is greater than 70% funded, the amortization amount is the lesser of the traditional amortization of individual bases using the amortization periods described above or the 10-year level-dollar rolling amortization of the total unfunded actuarial liability. This comparison between the two amortization amounts occurs biennially, and the amortization method employed by the subsequent MMO amounts based upon the biennial valuation cannot change. For example, the 10-year rolling amortization cannot be applied to the 2018 MMO and then changed to the traditional amortization for the 2019 MMO. This amortization method is asymptotic in nature, where 100% full funding of the unfunded actuarial liability is not projected to occur if all assumptions are met and the 10-year rolling method applies, although the funding ratio is projected to continuously improve.

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SECTION VI – REQUIRED SUPPLEMENTARY INFORMATION

Expenses:	Total administrative expenses for the current year are equal to the average of the previous two years' expenses, rounded to the nearest \$10,000.
Asset valuation method:	5 year smoothed market, 80% / 120% corridor around market
Investment rate of return:	6.50% (Officers and Employees Pension Plan) 7.50% (Police and Firemen's Pension Plans)
Salary increases:	4.50%
Mortality:	<i>Healthy lives:</i> RP-2000 Combined Healthy Mortality Table (Officers and Employees Pension Plan) or Blue Collar Adjusted RP-2000 Combined Healthy Mortality Table (Police and Firemen's Pension Plans). Mortality is projected generationally from base year 2000 using 50% of scale AA. <i>Disabled lives:</i> RP-2000 Disabled Mortality Table
Cost of Living Adjustment:	2.4% per year upon eligibility to receive a COLA (Police and Firemen's Pension Plans only)

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SECTION VII – EMPLOYER REPORTING AMOUNTS

The City of Allentown is required to report under GASB 68 for its Reporting Date of December 31, 2020. It is our understanding that the City has elected to use a December 31, 2020 Measurement Date for their 2020 reporting. As a result, the schedules in this section will be used by the City for their 2020 reporting.

The impact of experience gains or losses and assumption changes on the TPL are recognized in expense over the average expected remaining service life of all active and inactive members of the Plan determined as of the beginning of the measurement period. As of December 31, 2020, this average was five years for the Police Pension Plan, four years for the Firemen's Pension Plan, and one year for the Officers and Employees Pension Plan. The impact of investment gains or losses is recognized over a period of five years.

The following tables summarize the current balances of Deferred Outflows and Deferred Inflows of Resources along with the net recognition over future years.

Table VII-1a Schedule of Deferred Inflows and Outflows of Resources Police Pension Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,336,874	\$ 945,435
Changes in assumptions	1,317,242	0
Net difference between projected and actual earnings on pension plan investments	0	12,770,567
Total	<u>\$ 3,654,116</u>	<u>\$ 13,716,002</u>
Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:		
Measurement year ended December 31:		
2021	(2,031,025)	
2022	(1,019,291)	
2023	(5,584,707)	
2024	(1,426,863)	
2025	0	
Thereafter	\$ 0	

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VII – EMPLOYER REPORTING AMOUNTS

Table VII-1b		
Schedule of Deferred Inflows and Outflows of Resources		
Firemen's Pension Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 1,507,135
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	7,780,743
Total	\$ 0	\$ 9,287,878

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended December 31:	
2021	(3,154,508)
2022	(1,574,930)
2023	(3,596,337)
2024	(962,103)
2025	0
Thereafter	\$ 0

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VII – EMPLOYER REPORTING AMOUNTS

Table VII-1c		
Schedule of Deferred Inflows and Outflows of Resources		
Officers and Employees Pension Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	215,772
Total	\$ 0	\$ 215,772

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Measurement year ended December 31:	
2021	(60,081)
2022	32,612
2023	(176,613)
2024	(11,690)
2025	0
Thereafter	\$ 0

SECTION VII – EMPLOYER REPORTING AMOUNTS

Pension Expense/(Income) can be calculated two different ways. First, it is the change in the amounts reported on the Statement of Net Position that relate to the Plan and are not attributable to City and other entity contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus City and other entity contributions.

Alternatively, Pension Expense/(Income) can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the following tables, we believe it helps to understand the level and volatility of Pension Expense/(Income).

First, there are components that we refer to as operating expenses. These are items directly attributable to the operation of the Plan during the measurement year. Service Cost less employee contributions represents the increase in employer-provided benefits attributable to the year, and administrative expenses are the cost of operating each Plan for the year.

Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is the interest on the Net Pension Liability/(Asset), Service Cost, contributions and administrative expenses.

The final category is changes. This category will drive most of the volatility in Pension Expense/(Income) from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses.

The following tables provide the Pension Expense/(Income) for the Allentown Police, Firemen's, and Officers and Employees Pension Plans.

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VII – EMPLOYER REPORTING AMOUNTS

Table VII-2a Calculation of Pension Expense/(Income) Police Pension Plan		
Measurement Year Ending	2020	2019
Change in Net Pension Liability	\$ (10,184,254)	\$ (21,926,675)
Change in Deferred Outflows	1,363,769	13,255,591
Change in Deferred Inflows	3,859,779	9,753,534
City and Other Entity Contributions	<u>7,918,392</u>	<u>7,046,609</u>
Pension Expense/(Income)	\$ 2,957,686	\$ 8,129,059
Pension Expense/(Income) as % of Payroll	14.08%	38.89%
Operating Expenses		
Service cost	\$ 3,662,083	\$ 3,567,206
Employee contributions	(1,052,012)	(1,069,615)
Administrative expenses	<u>34,160</u>	<u>65,707</u>
Total	\$ 2,644,231	\$ 2,563,298
Financing Expenses		
Interest cost	\$ 15,670,774	\$ 15,010,083
Expected return on assets	<u>(13,446,548)</u>	<u>(11,349,997)</u>
Total	\$ 2,224,226	\$ 3,660,086
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	1,317,245	1,317,245
Recognition of liability gains and losses	719,673	517,448
Recognition of investment gains and losses	<u>(3,947,689)</u>	<u>70,982</u>
Total	\$ (1,910,771)	\$ 1,905,675
Pension Expense/(Income)	\$ 2,957,686	\$ 8,129,059

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VII – EMPLOYER REPORTING AMOUNTS

Table VII-2b Calculation of Pension Expense/(Income) Firemen's Pension Plan		
Measurement Year Ending	2020	2019
Change in Net Pension Liability	\$ (7,112,636)	\$ (14,852,522)
Change in Deferred Outflows	843,976	8,286,449
Change in Deferred Inflows	2,093,524	6,425,607
City and Other Entity Contributions	<u>4,063,701</u>	<u>3,779,843</u>
Pension Expense/(Income)	\$ (111,435)	\$ 3,639,377
Pension Expense/(Income) as % of Payroll	-0.93%	32.42%
Operating Expenses		
Service cost	\$ 1,813,315	\$ 1,800,136
Employee contributions	(596,751)	(600,769)
Administrative expenses	<u>10,729</u>	<u>11,183</u>
Total	\$ 1,227,293	\$ 1,210,550
Financing Expenses		
Interest cost	\$ 9,607,882	\$ 9,388,037
Expected return on assets	<u>(8,566,165)</u>	<u>(7,346,322)</u>
Total	\$ 1,041,717	\$ 2,041,715
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	843,976	843,977
Recognition of liability gains and losses	(841,987)	(652,659)
Recognition of investment gains and losses	<u>(2,382,434)</u>	<u>195,794</u>
Total	\$ (2,380,445)	\$ 387,112
Pension Expense/(Income)	\$ (111,435)	\$ 3,639,377

**CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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SECTION VII – EMPLOYER REPORTING AMOUNTS

Table VII-2c Calculation of Pension Expense/(Income) Officers and Employees Pension Plan		
Measurement Year Ending	2020	2019
Change in Net Pension Liability	\$ (25,689)	\$ (823,790)
Change in Deferred Outflows	0	879,449
Change in Deferred Inflows	56,470	159,302
City and Other Entity Contributions	<u>230,346</u>	<u>203,401</u>
Pension Expense/(Income)	\$ 261,127	\$ 418,362
Pension Expense/(Income) as % of Payroll	320.20%	530.69%
Operating Expenses		
Service cost	\$ 9,877	\$ 9,577
Employee contributions	(4,485)	(4,336)
Administrative expenses	<u>10,729</u>	<u>11,278</u>
Total	\$ 16,121	\$ 16,519
Financing Expenses		
Interest cost	\$ 733,543	\$ 782,628
Expected return on assets	<u>(653,026)</u>	<u>(656,584)</u>
Total	\$ 80,517	\$ 126,044
Changes		
Benefit changes	\$ 0	\$ 0
Recognition of assumption changes	0	(57,537)
Recognition of liability gains and losses	166,473	119,191
Recognition of investment gains and losses	<u>(1,984)</u>	<u>214,145</u>
Total	\$ 164,489	\$ 275,799
Pension Expense/(Income)	\$ 261,127	\$ 418,362

APPENDIX A – GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution 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.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the Measurement Date and up to 30 months prior to the employer's Reporting Date.

3. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

4. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability, or investment losses that are recognized in future reporting periods.

5. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, 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 of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

6. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date is the same as the Reporting Date for these plans.

APPENDIX A – GLOSSARY OF TERMS

7. Net Pension Liability/(Asset)

The liability of employers and non-employer contributing entities for employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position. The Net Pension Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling benefit obligations in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.

8. Pension Expense/(Income)

The economic cost of pensions that an entity recognizes during a reporting period.

9. Plan Fiduciary Net Position

The fair or market value of assets as specified in GASB 72.

10. Reporting Date

The last day of the plan or employer's fiscal year.

11. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The Service Cost is the normal cost calculated under the Entry Age Actuarial Cost Method.

12. Total Pension Liability

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 67 and 68. The Total Pension Liability is the actuarial liability calculated under the Entry Age Actuarial Cost Method. This measurement generally is not appropriate for estimating the cost to settle the Plans' liabilities.

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APPENDIX B – RECONCILIATION OF DEFERRED INFLOWS AND OUTFLOWS

Reconciliation of Deferred Inflows and Outflows Police Pension Plan						
	Deferred (Inflows)			Deferred Outflows		
	Differences between expected and actual experience	Changes in assumptions	Net difference between projected and actual earnings on pension plan investments	Differences between expected and actual experience	Changes in assumptions	Net difference between projected and actual earnings on pension plan investments
12/31/2019	\$ (1,283,401)	\$ 0	\$ (8,572,822)	\$ 2,383,398	\$ 2,634,487	\$ 0
Adjustments for investment earnings change in inflow/outflow status	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2020 deferred amounts	0	0	(8,145,434)	1,011,115	0	0
Recognition amounts	337,966	0	3,947,689	(1,057,639)	(1,317,245)	0
Net changes	<u>\$ 337,966</u>	<u>\$ 0</u>	<u>\$ (4,197,745)</u>	<u>\$ (46,524)</u>	<u>\$ (1,317,245)</u>	<u>\$ 0</u>
12/31/2020	\$ (945,435)	\$ 0	\$ (12,770,567)	\$ 2,336,874	\$ 1,317,242	\$ 0
			\$ (13,716,002)			\$ 3,654,116

Reconciliation of Deferred Inflows and Outflows Firemen's Pension Plan						
	Deferred (Inflows)			Deferred Outflows		
	Differences between expected and actual experience	Changes in assumptions	Net difference between projected and actual earnings on pension plan investments	Differences between expected and actual experience	Changes in assumptions	Net difference between projected and actual earnings on pension plan investments
12/31/2019	\$ (1,841,684)	\$ 0	\$ (5,352,670)	\$ 0	\$ 843,976	\$ 0
Adjustments for investment earnings change in inflow/outflow status	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2020 deferred amounts	(507,438)	0	(4,810,507)	0	0	0
Recognition amounts	841,987	0	2,382,434	0	(843,976)	0
Net changes	<u>\$ 334,549</u>	<u>\$ 0</u>	<u>\$ (2,428,073)</u>	<u>\$ 0</u>	<u>\$ (843,976)</u>	<u>\$ 0</u>
12/31/2020	\$ (1,507,135)	\$ 0	\$ (7,780,743)	\$ 0	\$ 0	\$ 0
			\$ (9,287,878)			\$ 0

CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
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APPENDIX C – FURTHER INFORMATION REGARDING DEFERRED INFLOWS AND OUTFLOWS

Recognition of Experience (Gains) and Losses - Police Pension Plan										
Experience Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	Recognition Year 2021	Recognition Year 2022	Recognition Year 2023	Recognition Year 2024
2020	5	5	\$ 1,011,115	\$ 1,011,115	\$ 808,892	\$ 202,223	\$ 202,223	\$ 202,223	\$ 202,223	\$ 202,223
2019	5	4	(1,518,678)	(1,214,942)	(911,206)	(303,736)	(303,736)	(303,736)	(303,734)	-
2018	6	4	377,097	251,397	188,547	62,850	62,850	62,850	62,847	-
2017	6	3	4,018,311	2,009,154	1,339,435	669,719	669,719	669,716	-	-
2016	6	2	(205,379)	(68,459)	(34,229)	(34,230)	(34,229)	-	-	-
2015	6	1	737,072	122,847	-	122,847	-	-	-	-
Total outflow for losses										
Total (inflow) for (gains)				3,271,666	2,336,874					
Increase in expense				(1,283,401)	(945,435)					
						1,057,639	934,792	934,789	265,070	202,223
Decrease in expense						(337,966)	(337,965)	(303,736)	(303,734)	-
Recognition of Assumption Changes - Police Pension Plan										
Change Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	Recognition Year 2021	Recognition Year 2022	Recognition Year 2023	Recognition Year 2024
2020	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	0	0	-	-	-	-	-	-	-	-
2018	0	0	-	-	-	-	-	-	-	-
2017	0	0	-	-	-	-	-	-	-	-
2016	6	2	7,903,467	2,634,487	1,317,242	1,317,245	1,317,242	-	-	-
Total outflow for losses										
Total (inflow) for (gains)				2,634,487	1,317,242					
Increase in expense						1,317,245	1,317,242	-	-	-
Decrease in expense						-	-	-	-	-
Recognition of Investment (Gains) and Losses - Police Pension Plan										
Change Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	Recognition Year 2021	Recognition Year 2022	Recognition Year 2023	Recognition Year 2024
2020	5	5	\$ (8,145,434)	\$ (8,145,434)	\$ (6,516,347)	\$ (1,629,087)	\$ (1,629,087)	\$ (1,629,087)	\$ (1,629,087)	\$ (1,629,086)
2019	5	4	(19,584,772)	(15,667,818)	(11,750,864)	(3,916,954)	(3,916,954)	(3,916,954)	(3,916,956)	-
2018	5	3	19,478,489	11,687,093	7,791,395	3,895,698	3,895,698	3,895,697	-	-
2017	5	2	(11,473,763)	(4,589,504)	(2,294,751)	(2,294,753)	(2,294,751)	-	-	-
2016	5	1	(12,965)	(2,593)	-	(2,593)	-	-	-	-
Total (Inflow) / Outflow										
(Decrease) / Increase in expense				(16,718,256)	(12,770,567)	(3,947,689)	(3,945,094)	(1,650,344)	(5,546,043)	(1,629,086)

CITY OF ALLENTOWN POLICE, FIREMEN'S, AND OFFICERS AND EMPLOYEES PENSION PLAN
GASB 67 AND 68 REPORTING FOR DECEMBER 31, 2020 MEASUREMENT DATE

APPENDIX C – FURTHER INFORMATION REGARDING DEFERRED INFLOWS AND OUTFLOWS

Recognition of Experience (Gains) and Losses - Firemen's Pension Plan										
Experience Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	2021	2022	2023	Future Total
2020	4	4	\$ (507,438)	\$ (507,438)	\$ (380,578)	\$ (126,860)	\$ (126,860)	\$ (126,860)	\$ (126,858)	\$ -
2019	4	3	(1,788,062)	(1,341,046)	(894,030)	(447,016)	(447,016)	(447,014)	-	-
2018	5	3	(324,574)	(194,744)	(129,829)	(64,915)	(64,915)	(64,914)	-	-
2017	5	2	(513,486)	(205,395)	(102,698)	(102,697)	(102,698)	-	-	-
2016	5	1	(502,487)	(100,499)	-	(100,499)	-	-	-	-
Total outflow for losses										
Total (inflow) for (gains)				(2,349,122)	(1,507,135)	-	-	-	-	-
Increase in expense						(841,987)	(741,489)	(638,788)	(126,858)	-
Decrease in expense										-

Recognition of Assumption Changes - Firemen's Pension Plan										
Change Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	2021	2022	2023	Future Total
2020	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	0	0	-	-	-	-	-	-	-	-
2018	0	0	-	-	-	-	-	-	-	-
2017	0	0	-	-	-	-	-	-	-	-
2016	5	1	4,219,884	843,976	-	843,976	-	-	-	-
Total outflow for losses										
Total (inflow) for (gains)				843,976	-	-	-	-	-	-
Increase in expense				-	-	843,976	-	-	-	-
Decrease in expense						-	-	-	-	-

Recognition of Investment (Gains) and Losses - Firemen's Pension Plan										
Change Year	Original Recognition Period	Remaining Recognition Period	Original Amounts	BOY Remaining Amount	EOY Remaining Amount	Recognition Year 2020	2021	2022	2023	Future Total
2020	5	5	\$ (4,810,507)	\$ (4,810,507)	\$ (3,848,406)	\$ (962,101)	\$ (962,101)	\$ (962,101)	\$ (962,101)	\$ -
2019	5	4	(12,536,882)	(10,029,506)	(7,522,130)	(2,507,376)	(2,507,376)	(2,507,376)	(2,507,378)	-
2018	5	3	12,666,679	7,600,007	5,066,671	2,533,336	2,533,336	2,533,335	-	-
2017	5	2	(7,384,398)	(2,953,758)	(1,476,878)	(1,476,880)	(1,476,878)	-	-	-
2016	5	1	152,927	30,587	-	30,587	-	-	-	-
Total (Inflow) / Outflow										
(Decrease) / Increase in expense				(10,163,177)	(7,780,743)	(2,382,434)	(2,413,019)	(936,142)	(3,469,479)	(962,103)