

# REQUIRED SUPPLEMENTARY INFORMATION



# CITY AND COUNTY OF SAN FRANCISCO

Required Supplementary Information –  
Schedules of Funding Progress (Unaudited)  
June 30, 2010  
(Dollars in Thousands)

The schedules of funding progress presented below provide consolidated snapshots of the entity's ability to meet current and future liabilities with plan assets. Of particular interest to most is the funded status ratio. This ratio conveys a plan's level of assets to liabilities, an important indicator to determine the financial health of the pension or OPEB plans. The closer the plan is to a 100% funded status, the better position it will be in to meet all of its future liabilities.

## Employees' Retirement System – Pension Plan <sup>(1)</sup>

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	Over (Under) funded AAL (O/UAAL)	Funded Ratio	Covered Payroll	O/UAAL as a % of Covered Payroll
07/01/07	\$ 14,929,287	\$ 13,541,388	\$ 1,387,899	110.2%	\$ 2,376,221	58.4%
07/01/08	15,941,390	15,358,824	582,566	103.8%	2,457,196	23.7%
07/01/09	16,004,730	16,498,649	(493,919)	97.0%	2,537,785	-19.5%

<sup>(1)</sup> In the most recent actuarial valuation as of July 1, 2009, the Retirement System assumed investment rate of return is 7.75% consistent with previous actuarial valuation as of July 1, 2008. However, the unfunded actuarial liability increased by \$1.1 billion from a surplus of \$582.6 million as of July 1, 2008 to a deficit of \$493.9 million as of July 1, 2009. This increase in the unfunded liability primarily reflects investment experience reductions of \$722.7 million and liability experience losses of an additional \$235.8 million.

In the prior July 1, 2008 valuation, along with a decrease in the assumed rate of return to 7.75%, the following benefit changes passed in June 2008 under Proposition B were recognized:

- Increased retirement accrual factors for miscellaneous plan members (resulting in an additional change in retirement rates to recognize the increased benefits).
- Basic COLA for all new plan members (police, fire, and miscellaneous) changed from a 2.0% simple COLA to a 2.0% compound COLA.
- The changes to the supplemental COLA took effect July 1, 2009; however, no Supplemental COLA was adopted by the Board as of July 1, 2009.

## California Public Employees' Retirement System – Pension Plan (Safety Members)

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	Under funded AAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
06/30/07	\$ 622,866	\$ 627,675	\$ (4,809)	99.2%	\$ 85,508	-5.6%
06/30/08	673,275	685,150	(11,875)	98.3%	89,009	-13.3%
06/30/09	707,615	758,124	(50,509)	93.3%	101,929	-49.6%

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**City and County of San Francisco – Other Postemployment Health Care Benefits**

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	(Under) funded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
07/01/06	\$ -	\$ 4,036,324	\$ (4,036,324)	0.0%	\$ 2,066,866	-195.3%
07/01/08	-	4,364,273	(4,364,273)	0.0%	2,296,336	-190.1%

**San Francisco County Transportation Authority – Other Postemployment Health Care Benefits**

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	(Under) funded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
01/01/08	\$ -	\$ 182	\$ (182)	0.0%	\$ 1,978	-9.2%
01/01/10	173	374	(201)	46.3%	2,858	-7.0%

**San Francisco Redevelopment Agency – Other Postemployment Health Care Benefits**

Actuarial Valuation Date <sup>(1)</sup>	Actuarial Asset Value	Actuarial Accrued Liability (AAL) Entry Age	(Under) funded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
06/30/07	\$ -	\$ 13,829	\$ (13,829)	0.0%	\$ 9,634	-143.5%
06/30/09	493	13,790	(13,297)	3.6%	10,515	-126.5%

<sup>(1)</sup> The actuarial valuation report is conducted once every two years.