

REPORTED FUNDING VALUE OF ASSETS

Year Ended June 30:	2010	2011	2012	2013	2014	2015	2016	2017
A. Funding Value Beginning of Year	\$3,412,411,183	\$3,238,130,553						
B. Market Value End of Year	2,246,512,689	2,421,566,956						
C. Market Value Beginning of Year	2,387,136,535	2,246,512,689						
D. Non-Investment Net Cash Flow (Contribution-Benefits)	(268,005,262)	(265,814,394)						
E. Investment Income								
E1. Market Total: B - C - D	127,381,416	440,868,661						
E2. Amount for Immediate Recogn: Reg. Int. on Reserves	258,994,276	245,312,645						
E3. Amount for Phased-In Recognition: E1-E2	(131,612,860)	195,556,016						
F. Phased-In Recognition of Investment Income								
F1. Current Year: E3/7	(165,269,644)	27,936,574						
F2. First Prior Year		(165,269,644)	\$ 27,936,574					
F3. Second Prior Year			(165,269,644)	\$ 27,936,574				
F4. Third Prior Year				(165,269,644)	\$ 27,936,574			
F5. Fourth Prior Year					(165,269,644)	\$ 27,936,574		
F6. Fifth Prior Year						(165,269,644)	\$ 27,936,574	
F7. Sixth Prior Year							(165,269,644)	\$ 27,936,574
F8. Total Recognized Investment Gain	(165,269,644)	(137,333,070)	(137,333,070)	(137,333,070)	(137,333,070)	(137,333,070)	(137,333,070)	\$27,936,572
G. Total Recognized Investment Income: (E2+F8)	93,724,632	107,979,575						
H. Funding Value End of Year: A + D + G								
H1. Preliminary Funding Value End of Year: A + D + E2 + F8	3,238,130,553	3,080,295,734						
H2. Corridor Limit	50%	40%	30%	30%	30%	30%	30%	30%
H3. Upper Corridor Limit: (100% + H2) * B	3,369,769,034	3,390,193,738						
H4. Lower Corridor Limit: (100% - H2) * B	1,123,256,345	1,452,940,174						
H5. Funding Value End of Year	3,238,130,553	3,080,295,734						
I. Difference between Market & Funding Value: B - H4	(991,617,864)	(658,728,778)						
J. Recognized Rate of Return: G / [1/2(A+H4-G)]	2.9%	3.5%						
K. Market Value Rate of Return (net)	5.7%	20.9%						
L. Ratio of Funding Value to Market Value	144.1%	127.2%						

The Funding Value of Assets recognizes assumed investment income (line E2) fully each year. Differences between actual and assumed investment income (line E3) are phased-in over a closed 7-year period. During periods when investment performance exceeds the assumed rate, the Funding Value of Assets will tend to be less than Market Value. During periods when investment performance is less than the assumed rate, Funding Value of Assets will tend to be greater than market value. The Funding Value of Assets is unbiased with respect to Market Value. At any time it may be either greater or less than Market Value. If assumed rates are exactly realized for 6 consecutive years, it will become equal to Market Value.