

# Schedule 1: Rolling NPO Calculation for the City of San Diego

NPO Calculations for the City of San Diego  
From 1988 to 2007

Description	Source/Formula	For the Fiscal Year Ended June 30,															2003	2004	2005	2006	2007
		1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002					
<b>Step A: Compute Annual Required Contributions:</b>																					
1a Annual Required Contribution (ARC)	J. Esuchanko	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,105	\$ 25,565	\$ 31,184	\$ 35,905	\$ 42,608	\$ 44,590	\$ 48,950	\$ 54,331	\$ 60,205	\$ 80,450	\$ 121,512	\$ 160,536	\$ 155,861	\$ 162,000
1b Adjustment for Corbett	J. Esuchanko															\$ 4,409	\$ 4,938	\$ 5,149	\$ 5,748	\$ 4,576	\$ 3,382
Conversion from BOY to EOY Corbett ARC	Adjustment for Corbett X 1.08															4,762	5,333	5,561	6,208	4,942	3,653
1c Adjusted ARC	Computed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,105	\$ 25,565	\$ 31,184	\$ 35,905	\$ 42,608	\$ 44,590	\$ 48,950	\$ 54,331	\$ 64,967	\$ 85,783	\$ 127,073	\$ 166,744	\$ 160,803	\$ 165,653
<b>Step B: Calculation of Annual Pension Cost (Adjusted ARC + Interest on Beginning Net Pension Obligation - ARC Adjustment):</b>																					
2a Calculation of Interest on Net Pension Obligation (NPO):																					
2b Beginning of Year NPO	Prior Years Ending NPO	\$ -	\$ 915	\$ 2,006	\$ 3,570	\$ 5,570	\$ (3,041)	\$ (8,758)	\$ (8,050)	\$ 4,401	\$ 15,172	\$ 28,392	\$ 45,191	\$ 61,649	\$ 78,395	\$ 104,392	\$ 129,930	\$ 158,558	\$ 218,053	\$ 264,060	\$ 160,342
2c Interest Rate	Interest rate per actuarial assumptions	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
2d Interest on NPO	Beginning of Year NPO x Interest Rate	\$ -	\$ 73	\$ 160	\$ 286	\$ 446	\$ (243)	\$ (701)	\$ (644)	\$ 352	\$ 1,214	\$ 2,271	\$ 3,615	\$ 4,932	\$ 6,272	\$ 8,351	\$ 10,394	\$ 12,685	\$ 17,444	\$ 21,125	\$ 12,827
Beginning of Year NPO (Original)																					
3a Calculator	Prior Years Ending NPO	\$ -	\$ 915	\$ 2,006	\$ 3,570	\$ 5,570	\$ (3,041)	\$ (8,758)	\$ (8,050)	\$ 4,401	\$ 15,172	\$ 28,392	\$ 45,191	\$ 61,649	\$ 78,395	\$ 104,392	\$ 129,930	\$ 158,558	\$ 218,053	\$ 264,060	\$ 160,342
3b Amortization Factor	J. Esuchanko; 30 year closed amortization period	10.58	9.81	9.02	8.21	7.38	21.80	20.10	19.64	18.18	17.75	17.32	16.86	16.02	15.56	15.09	14.60	14.08	13.55	18.47	18.09
3c Adjustment to ARC	Beginning of Year NPO / Amortization Factor	\$ -	\$ 93	\$ 222	\$ 435	\$ 755	\$ (140)	\$ (436)	\$ (410)	\$ 242	\$ 855	\$ 1,639	\$ 2,680	\$ 3,848	\$ 5,038	\$ 6,918	\$ 8,899	\$ 11,261	\$ 16,093	\$ 14,297	\$ 8,862
4 Annual Pension Cost (APC)	ARC (1) + Interest (2) - Adjustment(3)	\$ -	\$ (20)	\$ (62)	\$ (149)	\$ (309)	\$ (104)	\$ 18,840	\$ 25,331	\$ 31,294	\$ 36,264	\$ 43,240	\$ 45,525	\$ 50,034	\$ 55,564	\$ 66,400	\$ 87,278	\$ 128,497	\$ 168,096	\$ 167,631	\$ 169,618
<b>Step C: Compute NPO at End of Year (APC - Contributions Made + Beginning of Year NPO)</b>																					
Calculation of Adjusted Contributions Made:																					
5a Contributions Made	General Ledger	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,030	\$ 18,029	\$ 25,472	\$ 28,061	\$ 30,979	\$ 34,467	\$ 38,701	\$ 43,385	\$ 49,744	\$ 70,100	\$ 81,832	\$ 130,000	\$ 271,349	\$ 169,126
5b Contributions to Health Plan	General Ledger	\$ -	\$ -	\$ -	\$ -	\$ 10,815	\$ 9,317	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,610)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5c Contributions Made	Employer Contributions + Contributions to Health	\$ -	\$ -	\$ -	\$ -	\$ 10,815	\$ 9,317	\$ 22,530	\$ 18,029	\$ 25,472	\$ 28,061	\$ 30,979	\$ 34,467	\$ 38,701	\$ 36,775	\$ 49,744	\$ 70,100	\$ 81,832	\$ 130,000	\$ 271,349	\$ 169,126
6 Less Health Adjustment (expense)		\$ 915	\$ 1,111	\$ 1,626	\$ 2,149	\$ 2,513	\$ 3,704	\$ 4,398	\$ 5,149	\$ 4,949	\$ 5,017	\$ 4,538	\$ 5,400	\$ 5,413	\$ 7,208	\$ 8,882	\$ 11,450	\$ 12,830	\$ 7,911	\$ -	\$ -
7 Adjusted Contributions Made	Row 5c - Row 6	\$ (915)	\$ (1,111)	\$ (1,626)	\$ (2,149)	\$ 8,302	\$ 5,613	\$ 18,132	\$ 12,880	\$ 20,523	\$ 23,044	\$ 26,441	\$ 29,067	\$ 33,288	\$ 29,567	\$ 40,862	\$ 58,650	\$ 69,002	\$ 122,089	\$ 271,349	\$ 169,126
8 Increase (Decrease) in NPO	Annual Pension Cost (4) less adj Contributions(7)	\$ 915	\$ 1,091	\$ 1,564	\$ 2,000	\$ (8,611)	\$ (5,717)	\$ 708	\$ 12,451	\$ 10,771	\$ 13,220	\$ 16,799	\$ 16,458	\$ 16,746	\$ 25,997	\$ 25,538	\$ 28,628	\$ 59,495	\$ 46,007	\$ (103,718)	\$ 492
9 NPO Beginning of Year	Prior Years Ending NPO	\$ -	\$ 915	\$ 2,006	\$ 3,570	\$ 5,570	\$ (3,041)	\$ (8,758)	\$ (8,050)	\$ 4,401	\$ 15,172	\$ 28,392	\$ 45,191	\$ 61,649	\$ 78,395	\$ 104,392	\$ 129,930	\$ 158,558	\$ 218,053	\$ 264,060	\$ 160,342
10 NPO End of Year	Increase in NPO (8) + Beginning of Year NPO (9)	\$ 915	\$ 2,006	\$ 3,570	\$ 5,570	\$ (3,041)	\$ (8,758)	\$ (8,050)	\$ 4,401	\$ 15,172	\$ 28,392	\$ 45,191	\$ 61,649	\$ 78,395	\$ 104,392	\$ 129,930	\$ 158,558	\$ 218,053	\$ 264,060	\$ 160,342	\$ 160,834
<b>Final FY07 NPO-Like:</b>																					
<b>Total FY07 NPO:</b>																					
\$ 34,722																					
\$ 195,556																					

Source: General Ledger  
Actuarial Valuation  
Joe Esuchenko Schedules