

# REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

## PENSION PLAN

Changes in the net pension liability for the years ended June 30, 2018 and 2017 are summarized as follows:

(in thousands)	2018		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	\$ 73,968	\$ 70,532	\$ 3,436
Interest cost	5,013		5,013
Changes in assumptions	(822)		(822)
Differences between expected and actual plan experience	(767)		(767)
Benefit payments	(4,712)	(4,712)	-
Contributions from the employer		2,171	(2,171)
Net investment income:			
Expected investment earnings		4,848	(4,848)
Difference between expected and actual earnings		3,664	(3,664)
Balance, end of year	\$ 72,680	\$ 76,503	\$ (3,823)

(in thousands)	2017		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	\$ 96,414	\$ 67,236	\$ 29,178
Interest cost	4,482		4,482
Changes in assumptions	(24,906)		(24,906)
Differences between expected and actual plan experience	2,067		2,067
Benefit payments	(4,089)	(4,089)	-
Contributions from the employer		2,903	(2,903)
Net investment income:			
Expected investment earnings		3,166	(3,166)
Difference between expected and actual earnings		1,316	(1,316)
Balance, end of year	\$ 73,968	\$ 70,532	\$ 3,436

The plan fiduciary net position as a percentage of the total pension liability was 105 percent and 95 percent at June 30, 2018 and 2017, respectively.

Employer contributions in relation to actuarially determined contributions for the years ended June 30, 2018 and 2017 are as follows:

(in thousands)	2018	2017
Employer contributions*	\$ 1,047	\$ 2,171
Actuarially determined contributions	1,622	1,754
(Deficient) excess contributions	\$ (575)	\$ 417

\* Reflects no employer contributions after April 30 of the respective fiscal year

Significant methods and assumptions used to calculate the actuarially determined contributions for the years ended June 30 are as follows:

<i>Actuarially determined contributions</i>	The plan is subject to funding requirements under the provisions of ERISA and the Pension Protection Act of 2006 (including MAP-21, HATFA and BBA). The actuarially determined contributions represent the IRC Section 430 minimum required contributions.
<i>Contributions in relation to actuarially determined contributions</i>	Under IRC Section 430, the due date to pay minimum required contributions for the plan year is generally 8 ½ months after the end of the plan year. For the plan years ended September 30, contributions are due by June 15 of the following year.
<i>Actuarial cost method</i>	Unit Credit method
<i>Asset valuation method</i>	24-month smoothed value of assets
<i>Interest rate</i>	2018: First segment rate: 4.16%; Second segment rate: 5.72%; Third segment rate: 6.48%; Effective rate: 5.93% 2017: First segment rate: 4.43%; Second segment rate: 5.91%; Third segment rate: 6.65%; Effective rate: 6.13%
<i>Mortality</i>	Prescribed by the Secretary of Treasury and described in Treasury regulation 1.430(h)(3)-1. Based on the RP-2000 gender distinct table that reflects projected mortality improvements 15 years into the future from the valuation date for non annuitants and 7 years into the future for annuitants.

## POSTEMPLOYMENT BENEFITS

The historical reconciliation of the total reported liability for postemployment benefits obligations for the years ended June 30, 2018 and 2017 is summarized as follows (amounts in thousands):

	2018	2017
Service cost	\$ 143,787	\$ 122,073
Interest cost	94,153	108,561
Changes in assumptions	(107,874)	255,041
Differences between expected and actual plan experience	52,721	14,028
Benefit payments	(77,374)	(72,302)
Net change	\$ 105,413	\$ 427,401
Total liability, beginning of year	\$ 3,198,327	\$ 2,770,926
Total liability, end of year	\$ 3,303,740	\$ 3,198,327
Covered employee payroll	\$ 3,792,553	\$ 3,568,918
Total liability as a percentage of covered employee payroll	87%	90%

Discount rates used in determining the total reported liability for postemployment benefits obligations at June 30 are as follows:

2018	3.58%
2017	2.85%
2016	3.80%