General Retirement System of the City of Detroit

Financial Report
with Supplementary Information
June 30, 2024

General Retirement System of the City of Detroit

Contents

Plante & Moran, PLLC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

Independent Auditor's Report

To the Board of Trustees
General Retirement System of the City of Detroit

Opinion

We have audited the financial statements of the General Retirement System of the City of Detroit (the "System") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the System's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the fiduciary net position of the General Retirement System of the City of Detroit as of June 30, 2024 and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Trustees
General Retirement System of the City of Detroit

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the General Retirement System of the City of Detroit's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Trustees
General Retirement System of the City of Detroit

Report on Summarized Comparative Information

We have previously audited the General Retirement System of the City of Detroit's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 7, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Plante & Moran, PLLC

December 19, 2024

General Retirement System of the City of Detroit

Management's Discussion and Analysis

As management of the General Retirement System of the City of Detroit (DGRS or the "System"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2024.

Using This Annual Report

This annual report consists of three parts: (1) management's discussion and analysis (this section), (2) the basic financial statements, and (3) the required supplementary information. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The financial statements are followed by sections of required supplementary information that further explain and support the information in the financial statements.

Financial Highlights

The U.S. economy has remained resilient this fiscal year, although there has been a small uptick in the unemployment rate and the housing market remains limited by the lack of available supply. The U.S. inflation rate was down to 2.6 percent in June 2024. That is not too far off the Federal Reserve's target of 2.0 percent. The U.S. stock market also saw healthy returns during the first half of the 2024 calendar year. We remain optimistic about the strength and long-term growth of the U.S. economy. The System's investment returns are a testament of that strength. The fiscal year 2024 investment return was 9.6 percent.

This year, the System saw an upward spike in investment income. This primarily resulted from the realization of gains related to the sale of investments and investment market value appreciation.

Also, during this fiscal year, the Legacy Plan reverted back to the City being fully responsible for the funding of employer contributions. The funding requirement is calculated by our actuary. That calculation, known as the actuarially determined employer contribution, resulted in an inflow of $82.1 million into the Legacy Plan.

The System also received a grant from the State of Michigan this year. The purpose of the grant was to provide funding to underfunded defined benefit pension plans with a funding ratio of less than 60 percent. The amount of the grant was $22,968,047. There was an additional $217,095.24 in interest added to the total as a result of the length of time that the City held the funds. The revenue groups that received the funds were the Department of Transportation and the General City. These are the groups that were underfunded, qualifying the System to meet the grant requirement.

The transfers to Component I from Component II in the prior fiscal year related to the hybrid plan's transition cost. The transfer guidelines were established by the bankruptcy's plan of adjustment. The purpose of the transfers was to assist in funding the obligations of the hybrid plan caused by legacy plan members who were active and fully vested at the time of the transition from the Legacy Plan to the Hybrid Plan. Those particular members were automatically vested in the new hybrid plan. The ability to make those transfers ceased last fiscal year.

Condensed Financial Information

The tables below compare key financial information in a condensed format between the current year and the prior year:

	2024	2023
Assets	$ 1,871,807,799	$ 1,790,953,379
Liabilities	103,423,263	57,334,754
Fiduciary Net Position		
Restricted:		
Pension	1,739,432,066	1,707,502,532
Postemployment benefits other than pension	28,952,470	26,116,093
Total fiduciary net position	**$ 1,768,384,536**	**$ 1,733,618,625**

	2024	2023
Additions		
Net investment income (loss):		
Interest, dividends, and other income	$ 52,256,064	$ 40,702,871
Net increase in fair value of investments	100,947,610	64,840,515
Investment-related expenses	(10,790,036)	(9,291,674)
Net investment income	142,413,638	96,251,712
Securities lending income	332,748	412,111
Contributions:		
Employer	95,939,289	63,153,813
Employee	19,928,667	18,842,551
Foundation and State of Michigan Pension Grant	23,560,142	375,000
Total contributions	139,428,098	82,371,364
ASF recoupment interest	5,230,674	5,509,059
Transfer from Component II to Component I	-	15,592,259
Other income	1,439,010	2,142,960
Total additions - Net	288,844,168	202,279,465
Deductions		
Benefit payments	218,779,021	221,414,865
Member refunds and withdrawals	14,284,872	16,066,741
Transfer to Component I from Component II	-	15,592,259
General and administrative expenses	5,014,119	4,733,373
ASF recoupment write-off	16,000,245	1,379,089
Total deductions	254,078,257	259,186,327
Net Increase (Decrease) in Net Position Held in Trust	**$ 34,765,911**	**$ (56,906,862)**

Fund Overview, Membership, and Governance

The pension plans of the General Retirement System of the City of Detroit consist of defined benefit pension plans and defined contribution plans for the nonuniformed employees of the City of Detroit, Michigan (the "City"), composed of Component I and Component II, which are memorialized in a document titled the Combined Plan for the General Retirement System of the City of Detroit, Michigan, made effective July 1, 2014, as amended and restated on December 8, 2014 (the “Combined Plan”). The System also manages open and closed death benefit funds (collectively, the "Death Benefit Plans"). The Death Benefit Plans are held in a separate trust; the board of the Death Benefit Plans is substantially the same as the board of the pension plans. This discussion and its accompanying financial statements are concerned primarily with Component I, a new pension plan created by the City effective July 1, 2014 for active nonuniformed employees of the City to earn pension benefits on and after that date (also referred to as the “Hybrid Plan”), and Component II, the legacy pension plan where benefits were earned through June 30, 2014 (the "Legacy Plan").

As discussed in greater detail below, at the conclusion of the 2014 fiscal year, the City froze Component II. The freeze of Component II, which was the pension plan that existed as of June 30, 2014, means that no further benefit accruals occurred after that date, and no new employees are allowed to participate as members.

General Retirement System of the City of Detroit

Management's Discussion and Analysis (Continued)

DGRS exists to pay benefits to its members. Members of the System include active nonuniformed city employees, retirees, and their beneficiaries. Active members still employed with the City on and after July 1, 2014 earn service credit that entitles them to receive benefits in the future in Component I but not in Component II, which, as noted above, has been frozen. Both the employer and municipal plan sponsor for the System, the City, and actively employed members have historically contributed to the System (the employee contributions were voluntary prior to July 1, 2014). Retirees, their beneficiaries, and disabled members are those currently receiving benefits, though the City elected in fiscal year 2015 to transition new disability claims from the benefit program administered by the System to one administered by a third-party insurance carrier.

Component I of DGRS is a newly created plan (effective July 1, 2014), with more active members earning service credit than members eligible to receive or receiving benefits. As of June 30, 2023, there were 5,333 active members, with 762 retirees and 830 terminated plan members entitled to but not yet receiving benefits.

Component II of DGRS is a relatively mature plan in that there are more members receiving current benefits than active members. As of June 30, 2023, there were 1,737 active members in Component II, with 10,792 members receiving benefits and 2,391 terminated plan members entitled to but not yet receiving benefits.

By way of background, a brief review of the City's migration from the Legacy Plan to the Hybrid Plan is appropriate. On June 30, 2014, the emergency manager of the City of Detroit, Michigan issued Order No. 30, which froze Component II. After that date, no new employees were allowed to participate in Component II, and benefit accruals for members with respect to service rendered prior to July 1, 2014 were frozen based on the member's years of service, average final compensation, and the pension multiplier formula as of the freeze date. Employees working after July 1, 2014 are now earning service credit in the Hybrid Plan, or Component I. On July 1, 2014, the City first published the Combined Plan with the city clerk. By August 1, 2014, the City completed the payroll information systems project transitions required to allow the now mandatory employee contributions to be contributed to Component I.

On October 19, 2014, the emergency manager issued Order No. 43, which amended and restated the Combined Plan. On December 8, 2014, before leaving office, the emergency manager issued Order No. 44, which again amended and restated the Combined Plan. According to Order No. 44, the latest amendments and restatements to the Combined Plan conformed the combined plan terms to the requirements of the City's bankruptcy plan and made clarifying modifications. The Combined Plan is available at DGRS' website, www.rscd.org.

In December 2014, DGRS governance was modified as part of the City's bankruptcy plan. DGRS is governed by a board of trustees (the “Board”). Although DGRS' investment management is now the ultimate responsibility of a seven-member investment committee (the “Investment Committee”), the Board maintains its role as the governing board vested with responsibility for the general administration, management, and operation of the System, with which the Investment Committee assists, pursuant to Michigan law.

The Board is composed of 10 members. The active membership elects 5 members to serve six-year terms. A sixth member is elected by the retiree membership to serve a two-year term. A seventh member is appointed by the mayor of the City of Detroit, Michigan from the citizens of the City to serve a six-year term. The 3 remaining members, the mayor of the City (or designee), the city treasurer, and one representative from the Detroit City Council, serve ex officio. Expirations of terms of elected trustees are staggered, while the remaining trustees serve in accordance with their office or as a designee of an office.

The Investment Committee has five independent members appointed to initial terms, which will all eventually become six years, with staggered expirations. Additionally, two members, one active and one retired, serve on the Investment Committee based on appointment by the Board. The Investment Committee will be in place through at least December 2034.

Contributions to the System

Historically, both the City and active employees have made regular contributions to the System, with employee contributions being optional in Component II, essentially before July 1, 2014, though there was a period of transition due to the City's aging information technology infrastructure, which meant that voluntary employee contributions to Component II continued through July 2014, and mandatory employee contributions to Component I from active payroll were implemented as of August 1, 2014.

Basic pension and disability benefits in Component II had been funded through employer contributions plus investment earnings on those contributions, but employee contributions are mandatory in Component I. The required employer contributions had been determined by the System's actuaries using the entry age normal cost method, which is still the case. Assumptions used by the actuaries are subject to experience testing every five years, which is also still the case. Effective December 10, 2014, as part of the resolution of the Chapter 9 case, the investment return assumption and discount rate used by the System's actuary for the purpose of determining the System's assets and liabilities for funding purposes was fixed at 6.75 percent through the period ended June 30, 2023. This applies to both Component I and Component II.

Subsequent to the City's bankruptcy, for the Legacy Plan, the obligations for contributions to support Component II of the System through 2023 are determined as fixed amounts by the provisions in the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment"). Now that we are beyond the 2023 fiscal year, the City and various other employer constituents, such as the library; DWSD; and Huntington Place, formerly known as the COBO Authority, are responsible for the full funding obligations of Component II of the System, consistent with Michigan law. This funding amount is calculated by the System's actuary.

The Plan of Adjustment allowed for certain of the Legacy Plan's funding obligations to DGRS through 2034 to be met by prepayment of the present value equivalent using a discount rate of 6.75 percent. In the fiscal year ended June 30, 2016, a portion of the DIA obligation to make annual $5 million contributions over 10 years ending in 2034 was prepaid. This present value prepayment resulted in DGRS receiving $32,511,827 on June 30, 2016 from the DIA, which represents the present value, using a 6.75 percent discount rate, of $4,625,000 per year for the 9 years remaining on that annual $5,000,000 commitment ending in 2024. Pursuant to the Plan of Adjustment, DGRS still expects to receive the equivalent or actual remaining $375,000 per year from the DIA for that 10-year period ending in 2024.

In addition, the City was to remit payments on the UTGO Stub Bonds to the Combined Plan through 2028. In fiscal year 2017, the City of Detroit, Michigan refunded all of its outstanding UTGO Stub Bonds. Upon refunding, the payments to the Combined Plan were accelerated, with a majority of the outstanding balance paid to the Combined Plan in fiscal year 2017; as a result, the Combined Plan received approximately $7.7 million in the ISP and $18.3 million in Component II related to this transaction.

With respect to Component I, the Hybrid Plan, nonuniformed employees who are members of DGRS are now required to make mandatory contributions toward their defined benefit pensions earned with the City. The contribution percentage varies based on the revenue group the member belongs to. That percentage is calculated by the System’s actuary. The City contributes an additional 5 percent of the member’s base pay. The City no longer counts overtime in the calculation of its employer contribution.

The City is also setting aside an additional 0.75 percent of payroll to meet the premium payments required for the disability insurance established with a third-party carrier. DGRS is not administering those disability benefits managed by the third-party carrier.

On June 30, 2024, the City met its obligation for Component I employer contributions by contributing $13,673,679 to DGRS.

Impact of City of Detroit, Michigan Collective Bargaining and Bankruptcy Pension Adjustments

Pursuant to Emergency Manager Order No. 30, the existing Component II defined contribution plan and defined benefit plan were frozen, preventing any future accruals or new members in Component II effective June 30, 2014.

The following changes became effective July 1, 2014, with the advent of Component I:

- The Hybrid Plan's defined benefit plan commenced with mandatory contributions of 4 percent of base pay. The City contributes 5 percent of employee base pay, not including overtime.
- A new Hybrid Plan defined contribution plan commenced for the annuity savings fund. Employees may make voluntary annuity savings fund contributions of up to 7 percent of total after-tax pay. Interest will be credited at the actual net investment rate of return of DGRS, but in no event will it be lower than 0 percent or higher than 5.25 percent.
- The Hybrid Plan provides that future duty disability and nonduty disability retirement allowances for members who become disabled after July 1, 2014 move to a commercial insurance program through the City.

Benefit Payments

The System exists to pay the benefits that its members have earned pursuant to benefits promised by the City, subject to the Chapter 9 case benefit adjustments going forward in the Legacy Plan and the new promises in the Hybrid Plan. Benefits are paid monthly. In fiscal year 2024, DGRS paid out $231,900,000 in benefits, consisting of $217,600,000 in benefits to retirees and beneficiaries plus $14,300,000 in refunds of annuity savings fund balances and mandatory contributions. The benefits and refunds represent approximately 13.1 percent of the net position of the System as of June 30, 2024. Employer, foundation, State of Michigan pension grant, and employee contributions were $139,200,000, or 7.9 percent of the net position of the System. The excess of benefits over contributions of $92.7 million is funded through investment income. The public capital markets represent the primary source of opportunities to earn investment income.

Asset Allocation

The Board and the Investment Committee of DGRS believe that the principal determinant of total fund investment performance over long periods of time is asset allocation. DGRS' asset allocation is built upon the foundation that the obligations of the System to pay the benefits promised to its members are very long-term obligations. Accordingly, the Board and the Investment Committee must make investment decisions that they believe will be the most beneficial to the System over many years, not just one or two years.

DGRS has established asset allocation policies that are expected to deliver investment income over a very long period of time to satisfy the obligations to pay the benefits promised to the members of the System. The following is a summary of the DGRS asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Global equity	46.00 %
Global fixed income	33.00
Real estate/Real assets	13.00
Diversifying strategies	8.00

DGRS' asset allocation policies comply with Michigan law.

Investment Results

DGRS calculates investment results on a time-weighted Global Investment Performance Standard (GIPS) basis unless explicitly stated otherwise. All returns for periods of one year or greater have been annualized.

Total Fund Composite

DGRS' total fund composite return for the year was 9.6 percent, net of fees and expenses using a time-weighted methodology. The fund returned 3.0 percent, 6.9 percent, and 6.4 percent for its 3-, 5-, and 10-year annualized returns, respectively, net of fees and expenses.

From June 30, 2023 to June 30, 2024, U.S. financial markets were largely influenced by the Federal Reserve's aggressive interest rate hikes, aimed at tackling persistent inflation. By mid-2024, rates had reached 5.25 percent, contributing to slower economic growth and dampening consumer spending. Despite these challenges, the stock market, particularly tech stocks, performed well, lifted by optimism around AI advancements. Inflation moderated somewhat but remained above the Federal Reserve's 2 percent target, keeping expectations for rate cuts subdued. Geopolitical tensions, particularly in the Middle East and the ongoing war in Ukraine, added to global market volatility, with energy prices and supply chains affected. U.S. political uncertainty, driven by the lead-up to the 2024 presidential election, also created additional market jitters, with investors wary of potential policy shifts. The U.S. dollar remained strong during these global risks, while bond markets saw fluctuations in response to the Federal Reserve's tightening. As of June 2024, markets were in a cautious holding pattern, awaiting further signals from the Federal Reserve, while heightened geopolitical risks increase the likelihood of surprises for global markets going forward.

Total plan returns, net of fees and expenses, for the recent prior fiscal years ended June 30 are shown below:

2023	7.50 %
2022	(7.34)
2021	28.30
2020	(0.96)
2019	3.40
2018	6.50
2017	14.10
2016	1.40
2015	2.60
2014	14.50
2013	11.70

Money-weighted Rate of Return

GASB Statement No. 67 requires the disclosure of the annual money-weighted rate of return. A money-weighted rate of return (as opposed to the time-weighted rate of return discussed in the previous section) considers both the size and timing of cash flows over the course of the year to determine an internal rate of return (sometimes referred to as IRR). This return is calculated net of expenses and uses cash flows determined on a monthly basis. The DGRS money-weighted rate of return for the year using month-end cash flows was 9.38 percent.

Requests for Further Information

This financial report is intended to provide a general overview of the System's finances and investment results in relation to actuarial projections. It shows the System's accountability for the money it receives from employer and employee contributions. If you have questions about this report or need additional information, we welcome you to contact the System's office or visit its website at www.rscd.org.

General Retirement System of the City of Detroit

Statement of Fiduciary Net Position

June 30, 2024

	Component II Plan (Legacy)		Component I Plan (Hybrid)		
	Defined Benefit Fund	Income Stabilization Fund	Defined Benefit Fund	Death Benefit Plans	Total
Assets					
Cash and cash equivalents (Note 3)	$ 32,236,393	$ 1,000,813	$ 26,574,116	$ 673,663	$ 60,484,985
Investments: (Notes 3 and 4)					
Global equities	687,779,665	6,484,514	147,880,629	20,260,326	862,405,134
Global fixed income	223,500,529	2,671,080	63,720,231	2,258,607	292,150,447
Real estate	198,977,680	1,875,998	42,782,516	1,732,335	245,368,529
Private equity	102,706,192	968,332	22,083,027	82,873	125,840,424
Diversifying strategies	118,890,303	1,120,920	25,562,798	4,089,571	149,663,592
Receivables:					
Investment income	1,802,788	16,997	387,611	-	2,207,396
Contributions (Note 1)	-	-	1,086	-	1,086
Other receivables	372,402	2,205	2	9,583	384,192
ASF recoupment receivable - Net (Note 1)	75,898,626	-	-	-	75,898,626
Notes receivable from participants	1,770,021	-	1,339,907	-	3,109,928
Receivables from investment sales	2,513,039	23,694	540,332	-	3,077,065
Restricted investments (Note 11)	3,120,725	29,423	670,992	-	3,821,140
Cash and investments held as collateral for securities lending: (Note 3)					
Certificate of deposit	14,016,034	132,146	3,013,610	-	17,161,790
Repurchase agreements	12,703,180	119,768	2,731,331	-	15,554,279
U.S. corporate floating rate	3,475,624	32,769	747,300	-	4,255,693
Commercial paper	1,307,421	12,327	281,111	-	1,600,859
Time deposits	1,519,247	14,324	326,656	-	1,860,227
Capital assets - Net (Note 1)	3,968,572	-	2,993,835	-	6,962,407
Total assets	1,486,558,441	14,505,310	341,637,090	29,106,958	1,871,807,799
Liabilities					
Accrued expenses	6,681,300	17,076	1,496,069	154,488	8,348,933
Payables for investment purchases	42,861,620	404,108	9,215,747	-	52,481,475
Due to the City of Detroit, Michigan	383,621	-	-	-	383,621
Amounts due to broker under securities lending agreements (Note 3)	33,004,474	311,172	7,096,346	-	40,411,992
Lease liability	1,024,428	-	772,814	-	1,797,242
Total liabilities	83,955,443	732,356	18,580,976	154,488	103,423,263
Net Position - Restricted for					
Pension	1,402,602,998	13,772,954	323,056,114	-	1,739,432,066
Postemployment benefits other than pension	-	-	-	28,952,470	28,952,470
Total net position	**$ 1,402,602,998**	**$ 13,772,954**	**$ 323,056,114**	**$ 28,952,470**	**$ 1,768,384,536**

See notes to financial statements.

General Retirement System of the City of Detroit

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024
(with comparative totals for the year ended June 30, 2023)

	Component II Plan (Legacy)		Component I Plan (Hybrid)			
	Defined Benefit Fund	Income Stabilization Fund	Defined Benefit Fund	Death Benefit Plans	Total	2023
Additions						
Investment income (loss):						
Interest, dividends, and other income	$ 42,892,995	$ 403,981	$ 8,618,459	$ 340,629	$ 52,256,064	$ 40,702,871
Net increase in fair value of investments	79,876,903	764,130	16,738,753	3,567,824	100,947,610	64,840,515
Investment-related expenses	(8,759,618)	(83,141)	(1,860,172)	(87,105)	(10,790,036)	(9,291,674)
Net investment income	114,010,280	1,084,970	23,497,040	3,821,348	142,413,638	96,251,712
Securities lending income (loss):						
Interest and dividends	1,093,438	10,376	227,010	-	1,330,824	473,373
Net loss on collateralized securities	(842,640)	(7,787)	(147,649)	-	(998,076)	(61,262)
Total securities lending income	250,798	2,589	79,361	-	332,748	412,111
Contributions:						
Employer	82,125,000	-	13,673,679	140,610	95,939,289	63,153,813
Employee	-	-	19,821,458	107,209	19,928,667	18,842,551
Foundation and State of Michigan Pension Grant	23,560,142	-	-	-	23,560,142	375,000
Total contributions	105,685,142	-	33,495,137	247,819	139,428,098	82,371,364
ASF recoupment interest (Note 1)	5,230,674	-	-	-	5,230,674	5,509,059
Transfer from Component II to Component I	-	-	-	-	-	15,592,259
Other income	950,864	1,282	486,864	-	1,439,010	2,142,960
Total additions - Net	226,127,758	1,088,841	57,558,402	4,069,167	288,844,168	202,279,465
Deductions						
Benefit payments	214,776,801	433,909	2,367,176	1,201,135	218,779,021	221,414,865
Member refunds and withdrawals	8,518,148	-	5,766,724	-	14,284,872	16,066,741
Transfer to Component I from Component II	-	-	-	-	-	15,592,259
General and administrative expenses	2,838,846	-	2,143,618	31,655	5,014,119	4,733,373
ASF recoupment write-offs and allowance adjustments (Note 1)	16,000,245	-	-	-	16,000,245	1,379,089
Total deductions	242,134,040	433,909	10,277,518	1,232,790	254,078,257	259,186,327
Net (Decrease) Increase in Fiduciary Net Position	(16,006,282)	654,932	47,280,884	2,836,377	34,765,911	(56,906,862)
Net Position Restricted for Pension/OPEB - Beginning of year	1,418,609,280	13,118,022	275,775,230	26,116,093	1,733,618,625	1,790,525,487
Net Position Restricted for Pension/OPEB - End of year	**$ 1,402,602,998**	**$ 13,772,954**	**$ 323,056,114**	**$ 28,952,470**	**$ 1,768,384,536**	**$ 1,733,618,625**

See notes to financial statements.

Page 273

Note 1 - Significant Accounting Policies

Reporting Entity

The pension plans of the General Retirement System of the City of Detroit (the "System" or DGRS) and the Death Benefit Plans are managed by the Retirement System of the City of Detroit. The City of Detroit, Michigan (the "City") sponsors these plans, which consist of four single-employer retirement plans - two pension plans (the "Combined Plan") and two other postemployment benefit plans (the "Death Benefit Plans") - as described below.

Pension Plans

Component II

This is the legacy plan (the "Legacy Plan") that is the original defined benefit plan, which includes a defined benefit component and a defined contribution component. Component II generally applies to benefits accrued by members prior to July 1, 2014. On June 30, 2014, as a result of negotiations between the City and the public employee unions, the existing plan benefit formulas were frozen, and no employees were allowed to earn benefits under the existing plan. The emergency manager issued Order No. 30 (General Retirement System of the City of Detroit) on June 30, 2014, which put these changes into effect. Except as specifically provided in the Combined Plan, benefits provided under Component II are frozen effective June 30, 2014.

Component II also includes the Income Stabilization Fund. The fund, which is part of Component II only and established as a special plan of adjustment provision, was established for the sole purpose of paying the Income Stabilization Benefits and Income Stabilization Benefits Plus to eligible pensioners. Beginning in 2022, the investment committee of DGRS (the "Investment Committee") may recommend to the board that a portion or all of the assets that exceed income stabilization benefits (including Income Stabilization Benefits Plus) to be paid in the future be used to fund regular pension payments. As of June 30, 2024, no decisions have been made to transfer any income stabilization funds.

Nonemployer Contributing Entity within Component II

On September 9, 2014, a memorandum of understanding (the "MOU") was entered into by the emergency manager and mayor of the City of Detroit, Michigan; the county executive of each of the charter counties of Wayne and Macomb, Michigan; the County of Oakland, Michigan; and the governor of the State of Michigan. The purpose of the MOU was to establish a framework for the creation of a regional authority (known as Great Lakes Water Authority or GLWA) pursuant to Act 233 of 1955 to operate, control, and improve the regional assets of the water supply system and the sewage disposal system owned by the City.

Pursuant to the MOU, the City of Detroit, Michigan and GLWA entered into two lease agreements: the Regional Water Supply System Lease dated June 12, 2015 and the Regional Sewage Supply System Lease dated June 12, 2015. Under the provisions of the lease agreements, GLWA leases the regional assets of the City for a period of at least 40 years.

Pursuant to the lease agreements, on December 1, 2015, a triparty agreement between the City of Detroit, Michigan; the General Retirement System of the City of Detroit; and GLWA was signed (referred to as the pension reporting agreement). Per the POA and Section 4.3 of the lease agreements, GLWA is required to pay a portion of the pension obligation that will be allocable to the Detroit Water and Sewer Department (DWSD). The purpose of the pension reporting agreement is to set forth determining the funding status for the DWSD pension pool and for DGRS to agree to provide GLWA with certain actuarial and other reports to enable GLWA to properly manage and pay its portion of the pension obligation that is allocable to DWSD.

Note 1 - Significant Accounting Policies (Continued)

Effective January 1, 2016, GLWA was launched. Accordingly, the prior DWSD division was split into two - one representing the ongoing DWSD department, now referenced as DWSD-Retail (DWSD-R), and another to represent Great Lakes Water Authority. In accordance with the pension reporting agreement, the net position and liabilities of DWSD were allocated to DWSD-R and GLWA in accordance with written directions received from DWSD-R and GLWA. Per written directions, GLWA is to be allocated 70.3 percent of the net position and liabilities of DWSD. Because GLWA has no employees or retirees in the Combined Plan, GLWA is considered a nonemployer contributing entity in accordance with GASB Statement No. 67.

The financial statements of the Combined Plan reflect the net position and pension liabilities of the plan as a whole, which includes the portion allocable to GLWA. GLWA's portion of the total Component II net pension liability of $843,993,547 at June 30, 2024 was $29,537,162, with the remainder allocable to the City of Detroit, Michigan and related entities.

Component I

As of July 1, 2014, all current and future employees participate in the new hybrid pension plan (the "Hybrid Plan"), or Component I. Active city employees who participated in the Legacy Plan will receive the benefits they have earned under the plan through June 30, 2014 plus an additional benefit under the new hybrid plan formula, assuming all vesting requirements are met.

Other Postemployment Benefit Plans

Death Benefit Plans

Death benefits are provided to certain employees and retirees of the City of Detroit, Michigan through an employee benefit trust. The following are the benefit plans paid through the trust, both of which are defined benefit plans under GAAP:

- Closed Death Benefit Plan (Closed Plan) - This plan covers those retirees who retired on or before December 10, 2014.
- Death Benefit Plan (Open Plan) - This plan is open to all employees providing services after December 10, 2014.

System Reporting

The Combined Plan and the Death Benefit Plans are separate and independent trusts qualified under applicable provisions of the Internal Revenue Code; they are independent entities (separate and distinct from the employer/plan sponsor), as required by (1) state law and (2) Internal Revenue Code provisions setting forth qualified plan status. The trustees of the Combined Plan and the Death Benefit Plans have a fiduciary obligation and legal liability for any violations of fiduciary duties as independent trustees. The Combined Plan provides retirement, disability, and survivor benefits to plan members and beneficiaries. The Death Benefit Plans provide death benefits for plan members.

The assets of the System include no securities of loans to the City, although the System did pledge collateral related to a loan of the City (see Note 11).

The basic financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Note 1 - Significant Accounting Policies (Continued)

Plan Sponsor Financial Condition - Impact on the System

In the past, the City of Detroit, Michigan (the "plan sponsor") has experienced significant financial difficulty and liquidity concerns. As of June 2013, the City had defaulted on approximately $36 million of pension contributions due to the Combined Plan. During fiscal year 2014, the City did not pay any employer contributions into the Combined Plan, despite the fact that there were actuarially required contributions.

In February 2013, the governor appointed a financial review team, which determined that a local government financial emergency existed in the City. This culminated in bankruptcy proceedings, which the City initiated in July 2013. Part of the federal court's ruling in December 2013 indicated that the bankruptcy status usurped whatever protections may be offered to governmental pensions under the Michigan Constitution. On December 10, 2014, the City exited from bankruptcy through confirmation of the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (the "Plan of Adjustment" or the "POA"). The POA specifies certain provisions pertinent to the legacy and hybrid plans, including contributions and benefits.

From 2015 through 2023, the contributions received by the Combined Plan were made in accordance with the provisions of the POA. Beginning in 2024, the contributions received by the Combined Plan are made in accordance with actuarially determined amounts. See Note 12 for significant changes that were implemented by the Combined Plan under the POA.

The POA also resulted in the City closing the existing supplemental death benefit plan to new members effective December 10, 2014. Benefits to be paid to individuals retiring prior to that date are limited to the assets allocated to that closed plan. There are no further contribution requirements for the City for plan members who were retired as of that date.

Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used by the General Retirement System of the City of Detroit.

Accounting and Reporting Principles

The System follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Basis of Accounting

The System uses the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Specific Balances and Transactions

Cash and Cash Equivalents

The System considers cash on hand, demand deposits, and short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Note 1 - Significant Accounting Policies (Continued)

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sale price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments. The fair value of real estate investments is based on periodic appraisals, as well as the judgment of independent real estate advisors and management. Investments that do not have an established market value are reported at estimated fair value determined by the System's management.

Approximately $846,400,000, or 48 percent, of the System's net position as of June 30, 2024 does not have a readily determinable market value. Of this balance, approximately $14,600,000 has been estimated by management. The remaining $831,800,000 is based on valuations performed by the investee company management as of June 30, 2024, which are also subject to annual audits that are generally performed as of December 31.

Investments for which market quotations are readily available are generally priced by the custodian using nationally recognized pricing services and practices. For investments that do not have readily observable market prices, including, but not limited to, private equity, public and private real estate, alternatives, and direct loans, management's estimate of fair value is based on information provided by investment managers, general partners, real estate advisors, and other means. However, due to the inherent uncertainty and the degree of judgment involved in determining fair value for such investments, the values reflected in the financial statements may differ significantly from values that would have been used had a readily determinable market value for the investments existed, and the difference could be material.

ASF Recoupment Receivable - Component II (Legacy)

For members who elected to make employee contributions into the defined contributions-style program, referred to as the annuity savings fund (ASF), between July 1, 2003 and June 30, 2013, the POA called for recoupment of amounts that the City calculated were excess interest credited to individual ASF accounts. In 2011, the City Council adopted an ordinance that limited ASF interest credits to the plan's actual net investment return, with a cap of 7.9 percent and a floor of 0 percent. The POA calculation of excess interest applies the interest formula in the 2011 ordinance to the July 1, 2003 - June 30, 2013 recoupment period, recouping all interest paid in excess of the lower of 7.9 percent or the plan's actual return for that year, with a cap on the recoupment amount of 20 percent of the highest ASF balance in this period. The recoupment amount is also capped at 15.5 percent of the retiree's monthly pension check. The City offered a limited lump sum or a monthly payment option. Repayment of these excess interest amounts is not optional. The receivable will be collected, with 6.75 percent interest, as a reduction to monthly pension benefits for those with recoupment balances outstanding. As of June 30, 2024, the System has approximately $90,600,000 to be collected. In fiscal year 2024, the System, based on historic information related to collection history and write-offs, has recorded an allowance of approximately $14,700,000 against this gross receivable balance. This is the first year an allowance was recorded given the sufficiency of historical write-off trends in order to properly estimate an allowance on the receivable balance.

Receivable/Payable from Investment Sales/Purchases

The System liquidated investments prior to year end and reported a receivable from investment sales at June 30, 2024 in the amount of $3,077,065. The proceeds from the sales were received subsequent to year end. In addition, the System purchased investments prior to year end and reported a payable from investment purchases at June 30, 2024 in the amount of $52,481,475. This amount was paid subsequent to year end.

Note 1 - Significant Accounting Policies (Continued)

Notes Receivable from Participants

In Component II (Legacy) and Component I (Hybrid), any active general employee who is or has been a participant in the 1973 defined contribution plan (annuity savings fund) may be eligible for the employee loan program. The minimum amount of the loan was established at $1,000. The maximum loan is the lesser of 50 percent of the member's account balance in the annuity savings fund or $10,000. Members can borrow as either a general purpose loan payable in 1 to 5 years or a residential loan payable in 1 to 15 years. A member can have only two outstanding loans. The balance of these loans for the year ended June 30, 2024 was $1,770,021 and $1,339,907 for Legacy and Hybrid, respectively. The balance is measured at the unpaid principal balance plus any accrued but unpaid interest. Participant notes receivable are written off when deemed uncollectible.

Capital Assets

Capital assets for the System include software, office equipment, and furniture. The System's leased assets are also categorized as part of capital assets (see below). Depreciation and amortization expense is calculated by allocating the net cost of the assets over their estimated useful lives.

Leases

The System is a lessee for its office building. The System recognizes a lease liability and an intangible right-to-use lease asset in the statement of fiduciary net position.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the System determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The System uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the System generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the System is reasonably certain to exercise.

The System monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets (reported with other capital assets) and lease liabilities are reported on the statement of fiduciary net position.

Restricted Assets

As part of an agreement with the City, the System has pledged collateral in case of the City's default on a certain loan agreement between the City and the United States Department of Housing and Urban Development (HUD) (see Note 11). At June 30, 2024, this amount has been shown as restricted assets on the statement of fiduciary net position.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the Unites States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the System's financial statements for the year ending June 30, 2025. This standard is not expected to have a significant impact on the System's financial statements.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the System's financial statements for the year ending June 30, 2025. The System is evaluating the impact this will have when effective.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements. For the System, the impact of this new pronouncement, when implemented, will primarily be limited to the management's discussion and analysis. The provisions of this statement are effective for the System's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-to-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the System's financial statements for the year ending June 30, 2026. This standard is not expected to have a significant impact on the System's financial statements.

Note 2 - Pension Plan Description

Component II (Legacy Plan) and Component I (Hybrid Plan)

Plan Administration

The Combined Plan's governance was modified in December 2014 as part of the City's bankruptcy plan. The Combined Plan's board of trustees and the Investment Committee administer the General Retirement System of the City of Detroit Pension Plan - a single-employer defined benefit and defined contribution plan that provides retirement benefits, as well as survivor and disability benefits, for plan members and beneficiaries. Plan members include active employees, retirees, and beneficiaries from various departments within the City of Detroit, Michigan. Benefit terms have been established by contractual agreements between the City and the employees' collective bargaining unit, as modified by the POA. Future amendments are subject to the same process. However, pursuant to the POA, pension benefit terms presently expressed in the Combined Plan were not subject to amendment before June 30, 2023 unless an amendment was required to maintain the tax-qualified status of the plans. The obligation to contribute to and maintain the Combined Plan was established by the city charter and negotiations with the employees' collective bargaining units.

The board is composed of 10 members. The active membership elects 5 members to serve six-year terms. The retiree membership elects 1 retiree member to serve a two-year term. The mayor of the City of Detroit, Michigan appoints 1 member from the citizens of the City to serve a six-year term. The remaining 3 members, these members being the mayor of the City (or designee), the city treasurer, and one representative from the Detroit City Council, serve ex officio. Expirations of terms of elected trustees are staggered.

The Investment Committee has five independent members appointed to initial terms, which will all eventually become six years, with staggered expirations. Additionally. two members, one active and one retired, serve on the Investment Committee based on appointment by the board. The Investment Committee will be in place through at least December 2034.

Benefits Provided

The Combined Plan provides retirement and disability benefits. Benefit terms had been established by negotiations between the City Council and the employees' collective bargaining unit and were subject to amendment by the City Council. Further changes to benefits were provided for under the POA.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Component II (Legacy Plan)	Component I (Hybrid Plan)
Date of member count	June 30, 2023	June 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	10,792	762
Inactive plan members entitled to but not yet receiving benefits	2,391	830
Active plan members	1,737	5,333
Total employees covered by the plan	14,920	6,925

As of June 30, 2014, Component II has been frozen. As of that date, no new participants were allowed to enter the plan, and no new benefit accruals were allowed for existing participants.

After July 1, 2014, active members will retain existing service credit in the Legacy Plan but will earn only additional service credit in the new Hybrid Plan.

Note 2 - Pension Plan Description (Continued)

Contributions

Article 9, Section 24 of the State of Michigan Constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, in the past, the Combined Plan had retained an independent actuary to determine the annual contribution. The actuarially determined rate was the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. However, from 2015 through 2023, contributions were based on specific provisions in accordance with the Plan of Adjustment. Beginning in 2024, the contributions are based on the actuarially determined rate.

Employer and Nonemployer Contributing Entity Contributions

Component II

For Component II, during fiscal year 2024, employer contributions were actuarially determined based on the amount necessary to fund the plan on an actuarial basis. For fiscal year 2024, total employer contributions from the city-related entities and GLWA were $82.5 million, which includes $375,000 from the Foundation for Detroit's Future (the "Foundation"). In addition, during fiscal year 2024, Component II received $23,185,142 from the Protecting Michigan Pension Grant Program, which includes $217,095 in interest from the City of Detroit, Michigan given the funds were first sent to the City prior to being transferred to Component II.

Component I

For Component I, during fiscal year 2024, employer contributions were actuarially determined based on the amount necessary to fund the plan on an actuarial basis. The City and related entities were required to contribute the following percent of base compensation of active members:

- General City - 4.01%
- Department of Transportation - 4.50%
- Detroit Water and Sewer Department - 4.39%
- Library - 4.83%

During fiscal year 2024, the City and related entities contributed $13,673,679 into the Hybrid Plan.

Employee Contributions

Component II

Contribution requirements of plan members historically were established and amended by the board of trustees in accordance with the city charter, union contracts, and plan provisions. For the year ended June 30, 2024, there were no employee contributions into Component II, as the plan was frozen as of June 30, 2014.

Component I

Contribution requirements of plan members are established in Sections 9.3 and 10.1 of Component I of the Combined Plan. For the year ended June 30, 2024, the required active member contribution rate for employees was 4.0 percent of annual pay. Additionally, employees can make voluntary contributions of 3 percent, 5 percent, or 7 percent of annual pay. During fiscal year 2024, the plan received mandatory and voluntary employee contributions of $19,821,458.

Note 2 - Pension Plan Description (Continued)

Fiscal Responsibility Provision

To safeguard the long-term actuarial and financial integrity of the Combined Plan, in the event the funding level of Component I projected over a five-year period falls below 100 percent, certain remedial actions are required, as set forth in Section 9.5 of Component I of the Combined Plan, including elimination of COLA, transfers from the rate stabilization fund reserve to the pension accumulation fund reserve, and increases in mandatory employee contributions from 4 percent to 5 percent.

In the event the funding level of Component I is projected to fall below 80 percent, additional remedial actions are required, including further increasing the mandatory employee contributions to 6 percent and the potential for reducing the retirement allowance.

As of June 30, 2024, the enactment of the remedial actions has not been required based on actuarial projections of the funding levels.

Note 3 - Deposits and Investments

The System is authorized by Michigan Public Act 314 of 1965, as amended, to invest, within the pension and Death Benefit Plans, in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The investment policy adopted by the board is in accordance with Public Act 196 of 1997 and has authorized investments according to Michigan Public Act 314 of 1965, as amended. The System's deposits and investment policies are in accordance with statutory authority.

The System invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, credit risks, and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported on the statement of changes in fiduciary net position.

The System's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the System's deposits may not be returned to it. The System does not have a deposit policy for custodial credit risk. Approximately $5.8 million of the System's checking account balances was uninsured and uncollateralized at June 30, 2024. The System believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The System's investment policy does not restrict investment maturities.

Note 3 - Deposits and Investments (Continued)

At year end, the System had the following investments and maturities:

Investment (in Thousands)	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 140,283	$ 10,791	$ 107,907	$ 13,370	$ 8,215
U.S. government mortgage-backed securities	27,114	2,370	5,002	1,397	18,345
Mutual funds	41,570	-	35,221	6,349	-
Government securities	383	-	225	139	19
U.S. government securities	30,692	708	14,795	8,223	6,966
Asset backed	5,343	-	5,343	-	-
Total	$ 245,385	$ 13,869	$ 168,493	$ 29,478	$ 33,545

Not all fixed-income securities are subject to interest rate risk.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The System has no investment policy that would further limit its investment choices.

At June 30, 2024, the credit quality ratings of debt securities (other than those guaranteed by the U.S. government), as rated by Standard & Poor's, are as follows:

Investment (in Thousands)	AAA	AA	A	BBB	BB	B or lower	NR
Corporate bonds	$ 1,642	$ 1,773	$ 16,903	$ 16,675	$ 19,672	$ 11,970	$ 71,648
U.S. government mortgage-backed securities	161	26,953	-	-	-	-	-
Mutual funds	-	-	-	-	-	-	41,570
Government securities	-	263	-	-	-	-	120
Asset backed	5,343	-	-	-	-	-	-
Total	$ 7,146	$ 28,989	$ 16,903	$ 16,675	$ 19,672	$ 11,970	$ 113,338

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. The System does not restrict the amount of investments in foreign currency.

The following securities are subject to foreign currency risk:

Currency (in Thousands)	Equity	Cash	Net Investment Receivable
Canadian dollar	$ 729	$ -	$ 71
Eurocurrency unit	-	1	143
Japanese yen	-	-	87
Norwegian krone	-	-	78
Swiss franc	-	-	81
Total	$ 729	$ 1	$ 460

Note 3 - Deposits and Investments (Continued)

Securities Lending

As permitted by state statutes and under the provisions of a securities lending authorization agreement, the System, through the Combined Plan, lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. The custodial bank does not have the ability to pledge or sell collateral securities unless the borrower defaults. Borrowers are required to deliver collateral for each loan equal to no less than 102 percent of the market value of the loaned securities.

As of June 30, 2024, the collateral provided was 102.71 percent of the market value of the loaned securities, which is more than the required 102 percent.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank.

The System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of June 30, 2024 was two days. Because the loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2024, the System had no credit risk exposure to borrowers. The collateral held (at cost) and the fair market value of the underlying securities on loans for the System as of June 30, 2024 were $40,411,992 and $39,346,939, respectively.

The following represents the balances relating to the securities lending transactions as of June 30, 2024; investments are reported at fair value:

Securities Lent	Underlying Securities
U.S. corporate fixed income	$ 14,707,257
U.S. equities	20,023,988
U.S. governments	4,615,694
Total	$ 39,346,939

The fair market value of the collateral pool related to securities lending at June 30, 2024 was $40,432,848. The investments were in asset-backed securities, certificate of deposit, time deposits, commercial paper, corporate bonds, and repurchase agreements. Approximately 95 percent of these securities had a duration of less than one year and 5 percent had a duration between one and three years.

The credit ratings of the securities lending collateral pool held at June 30, 2024, as rated by S&P, are as follows:

Ratings	Amount
AAA	$ 550,996
AA	5,949,910
A	14,955,000
A-1	3,460,000
NR	15,516,942
Total	$ 40,432,848

Note 4 - Fair Value Measurements

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, the notes to the financial statements now include enhanced disclosures about fair value measurement, the level of fair value hierarchy, and valuation techniques.

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 4 - Fair Value Measurements (Continued)

The System has the following recurring fair value measurements as of June 30, 2024:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
Fixed income:				
Government securities (U.S. and other)	$ 16,643,114	$ 382,947	$ -	$ 17,026,061
Corporate bonds	-	144,596,569	-	144,596,569
U.S. government mortgage backed	-	27,114,147	-	27,114,147
Asset-backed securities	-	5,331,341	-	5,331,341
Certificate of deposit (negotiable)	-	17,161,790	-	17,161,790
Commercial paper	-	1,600,858	-	1,600,858
Mutual funds	41,569,459	-	-	41,569,459
Privately negotiated debt	-	36,082	-	36,082
U.S. Treasury	-	14,048,718	-	14,048,718
Total fixed income	58,212,573	210,272,452	-	268,485,025
Equity:				
Common stock	581,082,479	-	-	581,082,479
Preferred stock	1,524,367	4,863,566	-	6,387,933
Total equity	582,606,846	4,863,566	-	587,470,412
Partnership investments	-	-	830,000	830,000
Real estate private equity funds	-	-	10,178,580	10,178,580
Real estate-related investments	-	-	3,600,000	3,600,000
Total	$ 640,819,419	$ 215,136,018	$ 14,608,580	870,564,017
Investments measured at NAV:				
International equity funds				302,671,579
Fixed-income funds				44,598,506
Hedge funds				145,574,021
Real estate funds				213,899,287
Private equity funds				125,010,424
Total investments measured at NAV				831,753,817
Total investments measured at fair value				$ 1,702,317,834

A total of approximately $17,400,000 of repurchase agreements and time deposits recorded at amortized cost are not included in the fair value table above.

Equity securities, U.S. government securities, and mutual funds classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of preferred stock and fixed-income securities at June 30, 2024 was determined primarily based on Level 2 inputs. The System estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals for identical or similar assets.

Note 4 - Fair Value Measurements (Continued)

The fair value of the remaining investments at June 30, 2024 was determined primarily based on Level 3 inputs. The System estimates the fair value of these investments using the System's own pricing estimate methodology, pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the table below.

Investments in Entities that Calculate Net Asset Value per Share

The System holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

As of June 30, 2024, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
International equity funds	$ 302,671,579	$ -	Monthly	Up to 30 days
Fixed-income funds	44,598,506	-	Daily	10 business days
Hedge funds	145,574,021	-	Quarterly	100 days
Real estate funds	213,899,287	-	Quarterly	90 days
Private equity funds	125,010,424	56,841,324	N/A	N/A
Total investments measured at NAV	$ 831,753,817	$ 56,841,324		

Multiple funds are held in each category. For reporting purposes, the redemption frequency and redemption notice period provided are the most restrictive of any of the funds in the category.

The international equity funds class includes investments in funds that invest in predominantly equity securities of non-U.S. companies. The funds invest in developed and emerging market countries and utilize investments across the capitalization spectrum from large to small companies. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The fixed-income funds class includes investments in funds that invest in predominantly fixed-income instruments in the U.S. and developed and emerging market countries. The funds invest across a diverse group of security types, including government, corporate, and mortgage-backed debt, and across the credit quality spectrum of investment grade and high yield. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The hedge funds class includes investments in funds that achieve capital appreciation through multimanager and/or multistrategy investments. Within this group of funds, there is exposure to investment strategies, including, but not limited to, credit, event-driven, equity, and relative value. The funds have the ability to invest across all markets and across all asset classes to implement their various strategies. The fair values of the investments in this class have been estimated using net asset value per share of the investments.

The real estate funds class includes investments in funds whose objective is to operate a core portfolio of real estate investments predominantly located in the U.S. The funds acquire ownership in underlying investments either through direct real estate ownership or ownership in real estate companies or the equity of real estate investment trusts. The funds predominantly target purchases in office, industrial, retail, or multifamily real estate classes. The fair values of the investments in this class have been estimated using net asset value per share of the investments (or its equivalent).

Note 4 - Fair Value Measurements (Continued)

The private equity funds class is an alternative investment class and consists of investments in companies that are not listed on a public exchange. The General Retirement System of the City of Detroit maintains a diversified portfolio of private equity investments by both style (buyout, turnaround, venture capital, etc.) and vintage year exposure. With its private equity allocation, the General Retirement System of the City of Detroit seeks to take advantage of the illiquidity premium associated with these private equity investments. The fair values of the investments in this class have been estimated using net asset value per share of the investments (or its equivalent).

Note 5 - Pension Plan Investments - Policy and Rate of Return

Component II (Legacy Plan) and Component I (Hybrid Plan)

Investment Policy

The assets of Components II and I are commingled and invested together, as allowed by the POA. The Combined Plan's policy in regard to the allocation of invested assets is established and may be amended by governance by a majority vote of its members. It is the policy of the governance to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Combined Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the governance's adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Global equity	46.00 %
Global fixed income	33.00
Real estate/Real assets	13.00
Diversifying strategies	8.00
Total	100.00 %

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.38 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 6 - Pension Plan Reserves

Component II (Legacy Plan)

In accordance with the Combined Plan for the General Retirement System of the City of Detroit and state law, the following reserves are required to be set aside within the Component II (Legacy) pension plan:

The annuity reserve fund is an accumulation of transfers that is made from the annuity savings fund when an employee retires or becomes disabled or if a surviving spouse elects an annuity rather than a lump-sum payout of accumulated employee contribution, net of the annuities paid. The balance is currently negative and, as a result, has been combined with the pension reserve fund for disclosure.

The pension reserve fund represents funded pension benefits available for retired members and is funded by actuarially determined transfers from the pension accumulation fund. The transfers from the pension accumulation fund to the pension reserve fund for fiscal year 2024 retirements have not yet been determined.

Note 6 - Pension Plan Reserves (Continued)

The employee reserve (annuity savings fund or ASF) is credited as employee contributions are received throughout the year; the ASF maintains a record of the amount contributed by each employee and credits interest annually at a rate approved by the board. During fiscal year 2024, the board approved the interest rate at 0 percent. Eligible active members may elect to withdraw their accumulated (annuity) contributions plus investment earnings. Upon retirement, members can elect to annuitize or receive a lump sum of their accumulated contribution and interest earnings. When an employee retires or becomes disabled or if a surviving spouse elects an annuity rather than a lump-sum payout of accumulated employee contributions, the balance is transferred to the annuity reserve fund. See Note 12 for disclosure of significant changes to the ASF going forward.

The pension accumulation fund is the fund that will accumulate reserves for the pensions and other benefits payable from the contributions made by the City, including various departments thereof, and certain third parties pursuant to the POA and from which pensions and other benefits will be paid on account of members with prior service credit and transfers, as provided in Section E-18. Due to the required transfers to fund the pension reserve fund, the fund as of June 30, 2024 is negative and has been combined with the pension reserve fund for disclosure.

The expense fund is the fund that will be credited with all money provided by the City to pay the administrative expenses of the Combined Plan and from which all the expenses necessary in connection with the administration and operation of the Combined Plan will be paid. At year end, this reserve balance is zero, as all employer contributions were credited to the pension accumulation fund.

The income fund shall be the fund to which all interest, dividends, and other income derived from the investments of Component II of the Combined Plan will be credited. Transfers from the income fund will be made to credit earnings and losses to various reserves of the Combined Plan in accordance with the provisions of Component II of the combined plan document. Amounts credited to the income fund in excess of amounts needed to credit earnings and losses of the Combined Plan, as provided in Component II, for any plan year shall be transferred to the pension accumulation fund and used to pay retirement allowances and other benefits on account of members. During fiscal year 2024, the income fund reserve was not utilized, and all investment income was credited to the pension accumulation fund.

The balances of the reserve accounts for Component II (excluding the Income Stabilization Fund) as of June 30, 2024 are included in the table below. The reserve balances as of June 30, 2024 shown below do not include the current year transfer amount related to fiscal year 2024 retirements for amounts that are transferred from the pension accumulation fund to the pension reserve fund.

The balances of the reserve accounts at June 30, 2024 are as follows:

	Required Reserve	Amount Funded
Annuity savings fund	$ 72,490,304	$ 72,490,304
Pension reserve fund	1,802,247,467	1,330,112,694
Annuity reserve fund	-	-
Pension accumulation fund	-	-

Component I (Hybrid Plan)

In accordance with the Combined Plan for the General Retirement System of the City of Detroit and state law, the following reserves are required to be set aside within the Component I (Hybrid) pension plan:

The accumulated mandatory employee contribution fund shall be the fund in which shall be accumulated the contributions of members to provide their retirement allowances. Upon the retirement, termination, or death of a member with a vested retirement allowance, the member's accumulated mandatory employee contributions shall be deemed to be part of the pension reserve that shall be used to pay the member's retirement allowance.

Note 6 - Pension Plan Reserves (Continued)

The accumulated voluntary employee contribution fund shall be the fund in which shall be accumulated the voluntary after-tax contributions of members together with earnings thereon (the board approved 0 percent rate of return for fiscal year ended June 30, 2024).

The pension accumulation fund shall be the fund in which shall be accumulated reserves for the retirement allowances and other benefits payable from that portion of the employer's annual contribution that is not credited to the rate stabilization fund and amounts transferred to Component I and from which shall be paid retirement allowances and other benefits on account of members. During fiscal year 2024, all employer contributions were directed by the City into the pension accumulation fund, and no amounts were credited to the rate stabilization fund.

The rate stabilization fund shall be the fund that shall be credited with the employer's annual contributions in excess of the amount of the employer's contribution that is credited to the pension accumulation fund and amounts transferred to Component I, as provided in Section E-16(C) of Component II. See Note 11 for details on the transfer provisions related to transfers between Component II and Component I. During fiscal year 2024, no amounts were credited to the rate stabilization fund. Therefore, this reserve balance is zero.

The medical benefit fund shall be the fund that will be credited with contributions made for the purpose of funding medical benefits. During the year, no such contributions were made, and, therefore, this reserve balance is zero.

The expense fund shall be the fund to which will be credited any money provided by the employers to pay the administrative expenses of the Combined Plan and from which certain expenses incurred in connection with the administration and operation of the Combined Plan will be paid. At year end, this reserve balance is zero, as all employer contributions were credited to the pension accumulation fund.

The income fund shall be the fund to which all interest, dividends, and other income derived from the investments of Component I of the Combined Plan will be credited. Transfers from the income fund will be made to credit earnings and losses to various reserves of the Combined Plan in accordance with the provisions of Component I of the combined plan document. Amounts credited to the income fund in excess of amounts needed to credit earnings and losses of the Combined Plan, as provided in Component I, for any plan year shall be transferred to the pension accumulation fund. During fiscal year 2024, investment income was transferred to other reserve funds, and, therefore, this reserve balance at June 30, 2024 remains unfunded.

The balances of the reserve accounts for Component I as of June 30, 2024 are included in the table below. As of June 30, 2024, not all transfers from the accumulated mandatory employee contribution fund to the pension accumulation fund for retirements have occurred.

The balances of the above reserves for Component I that were funded as of June 30, 2024 are as follows:

	Required Reserve	Amount Funded
Accumulated mandatory employee contribution fund	$ 81,041,103	$ 81,041,103
Accumulated voluntary employee contribution fund	39,928,350	39,928,350
Pension accumulation fund	-	202,086,661

Note 7 - Net Pension Liability for Component II (Legacy Plan)

The net pension liability has been measured as of June 30, 2024 and is composed of the following:

Total pension liability	$ 2,246,596,545
Plan fiduciary net position	1,402,602,998
City's pension liability	$ 843,993,547
Plan fiduciary net position as a percentage of the total pension liability	62.43 %

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, which used update procedures to roll forward the estimated liability to June 30, 2024. The valuation used the following actuarial assumptions applied to all periods included in the measurement:

Inflation	N/A	
Salary increases	N/A	No inflation assumption or salary increases due to plan freeze as of June 30, 2014
Investment rate of return	6.75%	Net of pension plan investment expense, including inflation

Note that the long-term assumed rate of return used for the purpose of the GASB Statement No. 67 valuations was determined in accordance with generally accepted accounting principles. This rate will change annually based on capital market expectations in consideration of the System's most recently approved asset mix. Although in the current year the assumptions are identical, the investment return used for financial reporting purposes should not be confused with the provisions in the Plan of Adjustment, which established a 6.75 percent assumed rate of return that does not change annually as it is set by the POA for the purpose of the various provisions within the plan; the Plan of Adjustment did not attempt to dictate the long-term rate of return to be used for accounting purposes.

The mortality table assumption was based on the PubG-2010(B) Below-Median General Retiree Table. The tables are projected to be fully generational, based on the two-dimensional, sex-distinct mortality scale MP-2021.

The actuarial assumptions, other than the investment rate of return, used in the June 30, 2023 valuation to calculate the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period from July 1, 2015 through June 30, 2020.

Attribution Period

As addressed more fully in Note 12, as of June 30, 2014, the plan was frozen such that no new benefit accruals were allowed, and no new members could join. Starting on July 1, 2014, the participants in the Legacy Plan (Component II) will now be earning benefits under a newly created defined benefit plan (Component I). GASB Statement No. 67 requires that the service costs of all pensions be attributed through all assumed exit ages through retirement. Neither GASB Statement No. 67 nor any other GASB standard has set forth guidance specifically related to frozen plans with successor plans in place. Absent any guidance to the contrary, due to the status as a frozen plan combined with the fact that individuals are now earning service in a new defined benefit pension plan, the retirement date for the purpose of attribution was assumed to be June 30, 2014 for all members. Therefore, the total pension liability at June 30, 2024 is equal to the present value of projected benefit payments.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 was 6.75 percent; however, the single discount rate used at the beginning of the year was 6.76 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Note 7 - Net Pension Liability for Component II (Legacy Plan) (Continued)

Projected Cash Flows

Based on the above assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees at both the beginning of the year and the end of the year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate. Contributions to the Combined Plan are projected based on actuarially determined amounts. The projection of cash flows assumes full funding of the actuarially assumed contributions will be made at rates sufficient to fund the benefits by amortizing the unfunded liability over a closed 30-year period, based on the System's adopted funding policy.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return as of June 30, 2024 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.45 %
Global fixed income	4.30
Real estate/Real assets	4.11
Diversifying strategies	4.09

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 6.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percentage Point Decrease (5.75%)	Current Discount Rate (6.75%)	1 Percentage Point Increase (7.75%)
Net pension liability	$ 1,026,033,983	$ 843,993,547	$ 686,424,016

Note 8 - Net Pension Asset of the City for Component I (Hybrid Plan)

The net pension asset of the City has been measured as of June 30, 2024 based on benefits in force as of that date and is composed of the following:

Total pension liability	$ 301,513,026
Plan fiduciary net position	323,056,114
City's net pension asset	$ (21,543,088)
Plan fiduciary net position as a percentage of the total pension liability	107.14 %

Note 8 - Net Pension Asset of the City for Component I (Hybrid Plan) (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, which used update procedures to roll forward the estimated liability to June 30, 2024. The following are the significant assumptions:

Wage inflation assumption was 3 percent.

The investment rate of return (net of pension plan investment expense, including inflation) applied to the beginning of year total pension liability was 6.76 percent as compared to 6.75 percent, which was the assumed long-term rate of return as of the end of year. The rates were determined in accordance with generally accepted accounting principles. This rate will change annually based on capital market expectations in consideration of the System's most recently approved asset mix. Although in the current year, the assumptions are identical, the investment return used for financial reporting purposes should not be confused with the provisions in the Plan of Adjustment, which established a 6.75 percent assumed rate of return that does not change annually, as it is set by the POA for the purpose of the various provisions within the plan; the Plan of Adjustment did not attempt to dictate the long-term rate of return to be used for accounting purposes.

The mortality table assumption was based on the PubG-2010(B) Below-Median General Mortality Table. The tables are projected to be fully generational, based on the two-dimensional, sex-distinct mortality scale MP-2021.

The actuarial assumptions, other than the investment rate of return, used in the June 30, 2023 valuation to calculate the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period from July 1, 2015 through June 30, 2020.

Cost of living adjustments (COLA): This plan has a postretirement COLA feature known as the Variable Pension Improvement Factor (VPIF) of a 2 percent simple COLA. It can be granted beginning on July 1, 2018 only if the five-year projection shows the plan's funded status at 100 percent based upon 6.75 percent future investment return. For the purpose of the total pension liability, the actuary assumed a 2 percent simple COLA to model the potential average COLA over time, which is a change from the 0.5 percent assumed at the beginning of year total pension liability.

There were no changes in benefit provisions during the year affecting the total pension liability.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 was 6.75 percent; however, the single discount rate used at the beginning of the year was 6.76 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees at both the beginning of the year and the end of the year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate. Contributions to the Combined Plan are projected to be at the actuarially determined amounts. The projection of cash flows assumes full funding of the actuarially assumed contributions will be made at rates sufficient to fund the benefits by amortizing the unfunded liability over a closed 15-year period, based on the System's adopted funding policy.

Note 8 - Net Pension Asset of the City for Component I (Hybrid Plan) (Continued)

The long-term expected rate of return on future pension plan investments is the same as Component II given that the assets are commingled (see Note 7).

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the City, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percentage Point Decrease (5.75%)	Current Discount Rate (6.75%)	1 Percentage Point Increase (7.75%)
Net pension liability (asset) of the City	$ 22,150,463	$ (21,543,088)	$ (57,106,648)

Note 9 - Other Postemployment Benefit Plan

Closed Death Benefit Plan (Closed Plan) and Death Benefit Plan (Open Plan)

Plan Description

The City of Detroit Employees Death Benefit Board of Trustees administers the Death Benefit Plans, which are single-employer defined benefit OPEB plans used to provide death benefits to employees and retirees. The Death Benefit Board of Trustees is the same as the board of trustees of the General Retirement System of the City of Detroit, with the exception of the civilian member. Also, the one representative from the Detroit City Council is the City Council president.

In accordance with the City of Detroit, Michigan's plan of adjustment, the Death Benefit Plans were split into two parts: an Open Plan and a Closed Plan. Members retired on or before December 10, 2014 are in the Closed Plan. Members who retire after December 10, 2014 (provided they were active on or after December 10, 2014) are in the Open Plan. The City has no further obligations to Closed Plan members. Closed Plan members will receive benefits only if the Closed Plan assets are sufficient.

Benefits Provided

In accordance with the City of Detroit, Michigan Code of Ordinances, effective July 1, 1999, prior to retirement from city services, a death benefit in the amount of $10,000 or the amount designated in the member's labor agreement, shall be paid. After retirement of the member from the City, the amount of death benefits paid is based upon the retiree's years of city service ranging from $1,860 (for 8 to 10 years of service) to $3,720 (for 30 years of service). For years of service beyond 30 years, $93 will be added per year for each additional year of service.

Employees Covered by Benefit Terms

Closed plan: As of June 30, 2023, 8,556 retirees are covered by the benefit terms in the Closed Plan.

Open plan: The following members were covered by the benefit terms in the Open Plan:

Date of member count	June 30, 2023
Inactive, nonretired members	384
Retirees and beneficiaries	2,807
Active plan members	8,065
Total participants covered by the plan	11,256

Note 9 - Other Postemployment Benefit Plan (Continued)

Contributions

Open Plan

The City of Detroit Employee Benefit Plan board establishes contribution rates for the Open Death Benefit Plan; however, the City of Detroit, Michigan is under no legal obligation to prefund the plan benefits. The board's policy is to develop an employer contribution that is the greater of (1) the per active person rate provided for in the City of Detroit, Michigan Ordinance or (2) normal cost plus a 26-year closed (30-year closed period beginning with the June 30, 2019 valuation) amortization of unfunded actuarial accrued liability on a per active person basis.

For the year ended June 30, 2024, the employer contribution rate for each active member was $19.63 per year. Active plan members are required to contribute $10.40 per year, except for police lieutenants and sergeants and fire equivalents, who must contribute $13.00 a year. For retired plan members, required contributions are $1.08 a year. During the year ended June 30, 2024, the Open Plan received employer contributions of $140,610 and employee/retiree contributions of $94,319.

Closed Plan

The City of Detroit, Michigan allocated $30,423,997 to the Closed Death Benefit Plan as of December 31, 2014 to fully fund the plan. There are no required additional employer contributions. For retired plan members, required employee contributions are $1.08 per year. Total employee contributions for the year ended June 30, 2024 for the Closed Plan were $12,890.

Net OPEB Liability

Closed Plan

The Closed Death Benefit Plan will provide future benefits only to the extent that plan assets are available to pay them. After the contribution in 2014, no further employer contributions will be made to the Plan. As such, the total OPEB liability as of June 30, 2024 is equal to the plan net position of $23,412,240.

Open Plan

The net OPEB liability has been measured as of June 30, 2024 and is composed of the following:

Total OPEB liability	$ 6,166,222
Plan fiduciary net position	5,540,230
Net OPEB liability of the City	$ 625,992
Plan fiduciary net position as a percentage of the total OPEB liability	89.85 %

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, which used update procedures to roll forward the estimated liability to June 30, 2024. The valuation used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

The inflation assumption was 2.5 percent. The investment rate of return (net of pension plan investment expense, including inflation) was 5.50 percent, which was also the investment rate of return used at the beginning of the year. The rate was determined in accordance with generally accepted accounting principles.

For members in the general retirement system, the mortality table assumption was based on the PubG-2010(B) Below-Median General Retiree Table. For members in the police and fire retirement system, the mortality table assumption was based on the PubS-2010 Safety Retiree Table. All mortality tables are projected to 2021 based on the two-dimensional, sex-distinct mortality improvement scale MP-2021.

Note 9 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 5.50 percent, which was also the single discount rate used at the beginning of the year. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the current contribution rate.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The actuarial assumptions, other than the investment rate of return, used in the June 30, 2023 valuation to calculate the total pension liability as of June 30, 2024 were based on the results of an actuarial experience study for the period from July 1, 2015 through June 30, 2020.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The board has not adopted a formal investment policy; however, the pension board approved a formal investment allocation in August 2014. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	26.00 %	4.44 %
International equities	25.00	5.34
Bonds	25.00	3.03
REITs	4.00	3.73
Global multisector fixed income	20.00	2.56
Total	100.00 %	

Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 5.50 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.50 percent) or 1 percentage point higher (6.50 percent) than the current rate:

	1 Percentage Point Decrease (4.50%)	Current Discount Rate (5.50%)	1 Percentage Point Increase (6.50%)
Net OPEB liability (asset) of the City	$ 1,824,966	$ 625,992	$ (314,424)

Since the OPEB benefits in this plan are life insurance only, there is no health care trend assumption. The sensitivity of net OPEB liability using +/-1 percent health care trend is not applicable to this plan.

Note 9 - Other Postemployment Benefit Plan (Continued)

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 14.69 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 10 - Leases

The System leases its office building from a third party. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease liability, such as common area maintenance (CAM) and taxes.

The lease asset of the System, reported with other capital assets on the statement of fiduciary net position, is $2,320,754, with accumulated amortization of $731,777 as of June 30, 2024.

Future principal and interest payment requirements related to the System's lease liability at June 30, 2024 are as follows:

Years Ending	Principal	Interest	Total
2025	$ 219,132	$ 103,928	$ 323,060
2026	241,081	114,276	355,357
2027	264,556	103,928	368,484
2028	289,651	50,869	340,520
2029	316,466	34,269	350,735
2030-2031	466,356	16,789	483,145
Total	$ 1,797,242	$ 424,059	$ 2,221,301

Note 11 - Commitments

The Combined Plan document setting forth the Legacy Plan (Component II) contains a provision for the transfer of certain excess investment returns to the new Hybrid Plan (Component I). In any plan year during the period beginning on or after July 1, 2014 and ending on June 30, 2023, if the annual rate of return credited to member annuity savings fund accounts is less than the actual rate of return net of expenses of the plan's invested assets for the second plan year preceding the plan year in which the annual rate of return is credited, the excess earned shall be transferred to the pension accumulation fund maintained under Component I of the Combined Plan and will be used to fund transition costs related to Component I. The transition cost is a measure of the liability that Component I of the Combined Plan has at its inception due to the fact that members in Component I receive vesting and eligibility credit under Component I for service that was earned prior to July 1, 2014 and is otherwise credited to members under Component II. Such transition costs have been calculated by the plan's actuary. Yearly transfers to fund these costs are required in the second year following the year in which the return is earned based on a two-year look-back.

Based on these provisions, $0 and $15,592,259 was transferred from Component II to Component I toward the transition costs in the fiscal years ended June 30, 2024 and 2023, respectively. The cumulative amount of transfers from prior fiscal years was $25,786,066. No more transfers will occur given the combined plan document only specified transfers to be made through June 30, 2023.

Note 11 - Commitments (Continued)

Account Pledge Agreement

In 2022, the System entered into a collateral pledge agreement with the U.S. Department of Housing and Urban Development, as allowed under MCL 38.1133(8). This collateral pledge agreement requires the System to pledge to HUD, as collateral for the City of Detroit, Michigan on its outstanding loan with HUD, an amount equal to the balance of the HUD loan to the City that exceeds $2 million. The City has provided a covenant that it will make all payments to HUD on this related obligation. As the HUD loan balance held by the City is reduced as the City makes payments, the collateral will decrease in a similar amount. According to the repayment schedule, the City is due to pay off the principal balance in August 2026. As of June 30, 2024, the amount of pledged collateral is $3,821,140.

Note 12 - City of Detroit, Michigan's Chapter 9 Bankruptcy Plan of Adjustment and Continuing Impact on the Plan

In March 2013, after enduring years of financial difficulty, the City of Detroit, Michigan filed for bankruptcy protection. The Eighth Amended Plan for Adjustment of Debts of the City of Detroit was filed with the Bankruptcy Court on October 22, 2014. In November 2014, after a confirmation hearing lasting several weeks, the Bankruptcy Court confirmed the Plan of Adjustment, which became effective on December 10, 2014.

Legacy Plan (Component II)

The pension settlement, as part of the Plan of Adjustment, compromised pension claims and provided funding support for legacy pension benefit obligations under the General Retirement System of the City of Detroit Component II from the State of Michigan, the Detroit Institute of Arts, and certain foundation donors. The Plan of Adjustment also required certain governance changes for DGRS. Those governance changes included establishment of the Investment Committee effective December 10, 2014, which officially marked the beginning of implementation of the Plan of Adjustment, although DGRS had for months already undertaken contingency planning for all of the pension adjustments. In addition to governance changes, the POA requires of the System, through its board of trustees and the Investment Committee, certain periodic and interim reporting obligations to the City, the Foundation for Detroit's Future, and the State of Michigan. Although there were some delays in meeting certain obligations because of new actuarial reporting requirements for governmental systems, which in turn impacted the preparation of the System's audited financial statements, the System believes it has ultimately met its special reporting obligations in fiscal year 2016 and continued to do so in fiscal years 2017 through 2024.

For DGRS, with respect to Component II benefit adjustments, the pension settlement (for which benefit levels were and are contingent on other factors, including receipt of outside contributions) is provided for the following:

- A loss of cost of living adjustments, or escalators, paid after July 1, 2014
- A 4.5 percent cut to the remaining accrued pension benefit after the COLA loss
- For DGRS members who participated in the annuity savings fund plan between 2003 and 2013, subject to certain caps, recoupment of certain amounts of interest deemed by the City to be in excess of that which should have been credited to individual ASF accounts, referred to as "ASF Recoupment." ASF Recoupment, like other provisions of the pension settlement, was not optional. Most members will pay their ASF Recoupment by a monthly deduction from their future pension benefits for a set term of months, including interest calculated at 6.75 percent. All members were offered a lump-sum cash option, which was limited in the aggregate to $30 million in member recoupment. In fiscal year 2016, the Bankruptcy Court approved certain additional members whose application submissions were not timely received to participate in the lump-sum cash option.

Note 12 - City of Detroit, Michigan's Chapter 9 Bankruptcy Plan of Adjustment and Continuing Impact on the Plan (Continued)

- The possibility of restoration of certain pension benefit cuts, based on a program for the most financially vulnerable pensioners and beneficiaries through the State of Michigan Treasury Department, as well as a new feature of Component II allowing restoration depending on the System's funding level over time
- An Income Stabilization Program (the "ISF Program") was established as part of the State Contribution Agreement, another facet of the pension settlement. The ISF Program, supported by city funds arising from an unlimited tax general obligation bonds settlement, is intended to ensure that the most financially vulnerable retirees and beneficiaries do not fall below the poverty line as a result of bankruptcy-related pension changes. Beginning on March 1, 2015, certain DGRS members also received benefit pension cut restoration under the ISF Program administered by DGRS, pursuant to the State Contribution Agreement, based on eligibility and benefit payments calculated by the State of Michigan. Following the close of the fiscal year ended June 30, 2016 and pursuant to Component II of the Combined Plan and the State Contribution Agreement, the System implemented the first annual ISF Program benefit adjustments effective July 1, 2016.
- The POA also discusses a restoration plan. Terms of the pension restoration are contained in Exhibit II.B.3.r.ii.C of the POA, and the terms govern how accrued pensions, including COLA benefits that were reduced as a part of the POA, may be restored over the 30-year period following the confirmation order. The Investment Committee will supervise the restoration process in accordance with the restoration plan. The restoration plan shall be deemed a part of Component II. The funding levels have not been attained as of June 30, 2024 for the restoration process to initiate.

The obligations for contributions to support Component II of the System through 2023 was determined as fixed amounts by the provisions in the Plan of Adjustment. Pursuant to the Plan of Adjustment, the System was expected to receive contributions totaling $718.6 million through fiscal year 2023. The Plan of Adjustment calls for the System to receive $98.8 million from the State of Michigan; $428.5 million from DWSD; $31.7 million from UTGO settlement proceeds; the actual or present value equivalent of $50 million from the DIA and its foundation donors; and $114.6 million from the other city-related employer contribution sources, such as the General Fund, Detroit Library Commission, and COBO Authority, over a 10-year period covering fiscal year 2014 through fiscal year 2023. Between 2025 and 2034, DGRS will receive $18.3 million per year from certain foundation donors. After 2023, the City, and various other employer constituents, such as the Library, DWSD, and COBO Authority, will retain responsibility for the full funding obligations of Component I of the System, consistent with Michigan law.

In fiscal year 2017, DGRS received from the City, its employer-related contribution sources, and the DIA and its foundation donors all contributions required by the Plan of Adjustment. The City was to remit payments on the UTGO Stub Bonds to the Combined Plan through 2028. In fiscal year 2017, the City of Detroit, Michigan refunded all of its outstanding UTGO Stub Bonds. Upon refunding, the payments to the Combined Plan were accelerated, with a majority of the outstanding balance paid to the Combined Plan in fiscal year 2017; as a result, the Combined Plan received approximately $9.4 million in the ISF and $18.3 million in the Component II Defined Benefit Fund related to this transaction.

DGRS continues to implement the POA, which includes ongoing compliance and additional reporting requirements by the board and the Investment Committee, annual review of benefit levels, and essentially provides for a 40-year plan to close the DGRS Legacy Component II underfunded liability. ASF Recoupment, in particular, is a notable facet of the Plan of Adjustment that will continue to be implemented as members apply for Component II pension benefits over time.

Note 13 - City of Detroit, Michigan Commitment to Future Funding

In anticipation of significant actuarially required contributions commencing in fiscal year 2024, the City, independent of the System, has established a Retiree Protection Trust Fund (the "Trust"). The Trust, a permanent irrevocable trust under Sections 115 and 414(d) of the Internal Revenue Code, is to receive, maintain, and invest city funds restricted for future deposits to the General Retirement System Plan and the Police and Fire Retirement System Plan as part of an effort to manage and stabilize future required city contributions to the plans. The City has set aside approximately $406 million for this Trust as of June 30, 2024 for future contributions to the General Retirement System Plan and the Police and Fire Retirement System Plan. Contributions to the System will be recognized as the City makes distributions from this independent trust to the System.

Note 14 - Pension Reporting Agreement

Effective January 1, 2016, Great Lakes Water Authority was launched. Accordingly, the prior DWSD division in Component II was split into two - one representing the ongoing DWSD department, now referenced as DWSD-Retail, and another to represent the GLWA serving water and sewer customers in areas outside of the City.

On December 1, 2015, a triparty agreement referred to as the pension reporting agreement between the City of Detroit, Michigan; the General Retirement System of the City of Detroit; and GLWA was signed. Per the Plan of Adjustment and Section 4.3 of the lease agreements, GLWA is required to pay a portion of the pension obligation that would otherwise have been allocated in full to the DWSD pension pool.

The purpose of the pension reporting agreement is to set forth determining the funding status for the DWSD pension pool and for DGRS to agree to provide GLWA with certain actuarial and other reports to enable GLWA to properly manage and pay its portion of the pension obligation that is allocable to the DWSD pension pool. In accordance with the pension reporting agreement, the net position and liabilities of the DWSD pension pool were allocated between DWSD-R and GLWA. Per written directions, GLWA is to be allocated 70.3 percent of the net position and liabilities of the DWSD pension pool.

Additionally, per Section 2.3 of the pension reporting agreement, the DWSD pension pool was to pay $2.5 million annually for administrative expenses into the System. This annual payment occurred for the nine years ending with fiscal year June 30, 2023. According to the pension reporting agreement, DGRS was to track the actual annual administrative expenses allocable to the DWSD pension pool, and, then, beginning with the fiscal year commencing on July 1, 2023, DGRS was required to calculate the actual aggregate amount of administrative expenses allocable to the DWSD pension pool during such nine-year period. In the event that the aggregate amount paid by the DWSD pension pool was more than the actual aggregate amount of administrative expenses allocable to the DWSD pension pool during such nine-year period, such amount was to be considered the aggregate excess of administrative expenses as of June 30, 2023. Based on this required reporting by DGRS, as of June 30, 2023, the aggregate excess of administrative expenses paid by the DWSD pension pool was approximately $13 million.

During the fiscal year beginning on July 1, 2023, the parties to the pension reporting agreement were to mutually determine and resolve whether any aggregate excess or shortfall of administrative expenses as of June 30, 2023 shall have any effect on the obligation of DWSD-R or GLWA to make payments to the General Retirement System of the City of Detroit under the pension reporting agreement. Pending a formalized agreement, the parties verbally agreed to have the City make the DWSD-R/GLWA annual required contribution until such time that the aggregate excess of approximately $13 million is exhausted. The City did make the first quarter payment for fiscal year 2025 on behalf of DWSD-R/GLWA in accordance with this verbal agreement.

Required Supplementary Information

General Retirement System of the City of Detroit

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios
Legacy Plan

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Interest	$ 150,743,003	$ 157,105,662	$ 168,079,194	$ 182,140,105	$ 192,888,245	$ 195,489,643	$ 192,359,745	$ 201,919,236	$ 214,011,164	$ 263,007,329
Changes in benefit terms	-	-	-	-	-	-	-	-	-	(731,824,895)
Differences between expected and actual experience	(24,103,038)	(27,014,766)	(12,568,209)	(59,232,849)	(55,836,749)	13,596,902	34,154,327	(27,508,380)	(43,719,112)	24,644,530
Changes in assumptions	1,677,964	(1,789,161)	(181,357,524)	119,876,694	67,677,535	-	(110,274,515)	76,925,957	90,034,927	(101,559,893)
Benefit payments, including refunds	(223,294,949)	(228,438,915)	(236,552,949)	(237,123,777)	(239,881,652)	(248,790,017)	(253,442,630)	(267,249,539)	(292,282,179)	(297,538,990)
Net Change in Total Pension Liability	(94,977,020)	(100,137,180)	(262,399,488)	5,660,173	(35,152,621)	(39,703,472)	(137,203,073)	(15,912,726)	(31,955,200)	(843,271,919)
Total Pension Liability - Beginning of year	2,341,573,565	2,441,710,745	2,704,110,233	2,698,450,060	2,733,602,681	2,773,306,153	2,910,509,226	2,926,421,952	2,958,377,152	3,801,649,071
Total Pension Liability - End of year	**$ 2,246,596,545**	**$ 2,341,573,565**	**$ 2,441,710,745**	**$ 2,704,110,233**	**$ 2,698,450,060**	**$ 2,733,602,681**	**$ 2,773,306,153**	**$ 2,910,509,226**	**$ 2,926,421,952**	**$ 2,958,377,152**
Plan Fiduciary Net Position										
Contributions - Employer, state, and foundation	$ 105,685,142	$ 48,281,252	$ 48,275,000	$ 48,275,000	$ 48,275,000	$ 68,275,000	$ 68,275,000	$ 91,238,402	$ 104,792,657	$ 189,282,094
Contributions - Employee	-	-	-	-	-	-	-	-	-	609,073
Net investment income (loss)	114,261,078	80,971,836	(102,790,030)	406,977,916	(14,002,111)	47,170,004	155,423,193	206,896,568	(12,450,547)	93,054,981
Administrative expenses	(2,838,846)	(2,680,907)	(2,541,080)	(1,987,194)	(2,351,273)	(3,023,939)	(3,313,418)	(6,021,837)	(3,742,618)	(4,617,194)
Benefit payments, including refunds	(223,294,949)	(228,438,915)	(236,552,949)	(237,123,777)	(239,881,652)	(248,790,017)	(253,442,630)	(267,249,539)	(292,282,179)	(297,538,991)
Other (includes ASF recoupment)	(9,818,707)	(9,370,281)	4,806,056	6,405,364	5,155,198	(5,347,863)	6,952,522	8,324,074	5,945,783	135,280,369
Net Change in Plan Fiduciary Net Position	(16,006,282)	(111,237,015)	(288,803,003)	222,547,309	(202,804,838)	(141,716,815)	(26,105,333)	33,187,668	(197,736,904)	116,070,332
Plan Fiduciary Net Position - Beginning of year	1,418,609,280	1,529,846,295	1,818,649,298	1,596,101,989	1,798,906,827	1,940,623,642	1,966,728,975	1,933,541,307	2,131,278,211	2,015,207,879
Plan Fiduciary Net Position - End of year	**$ 1,402,602,998**	**$ 1,418,609,280**	**$ 1,529,846,295**	**$ 1,818,649,298**	**$ 1,596,101,989**	**$ 1,798,906,827**	**$ 1,940,623,642**	**$ 1,966,728,975**	**$ 1,933,541,307**	**$ 2,131,278,211**
Net Pension Liability - Ending	**$ 843,993,547**	**$ 922,964,285**	**$ 911,864,450**	**$ 885,460,935**	**$ 1,102,348,071**	**$ 934,695,854**	**$ 832,682,511**	**$ 943,780,251**	**$ 992,880,645**	**$ 827,098,941**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.43 %	60.58 %	62.65 %	67.25 %	59.15 %	65.81 %	69.98 %	67.57 %	66.07 %	72.04 %
Covered Payroll	$ -	$ 78,649,527	$ 83,104,746	$ 102,653,636	$ 111,124,304	$ 142,215,060	$ 149,373,313	$ 141,454,717	$ 143,882,722	$ 200,722,197
Net Pension Liability as a Percentage of Covered Payroll	- %	1,173.52 %	1,097.25 %	862.57 %	992.00 %	657.24 %	557.45 %	667.20 %	690.06 %	412.06 %

GASB Statement No. 67, as amended, requires covered payroll to be presented, as well as the net pension liability as a percentage of covered payroll. Covered payroll for 2024 is not available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Investment Returns
Legacy and Hybrid Plans

Last Ten Fiscal Years

Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015*
Annual money-weighted rate of return - Net of investment expense	9.38 %	4.94 %	(7.27)%	28.31 %	(0.78)%	3.28 %	6.70 %	12.60 %	1.10 %	2.40 %

*Fiscal year 2015 does not include information related to the Hybrid Plan. The Hybrid Plan was effective July 1, 2014, and, for the first year (fiscal year 2015), it did not invest in anything other than cash and cash equivalents.

See notes to required supplementary information.

Page 303

Required Supplementary Information
Schedule of Pension Contributions
Legacy Plan

Last Ten Fiscal Years

Years Ended June 30

	2024	2023*	2022*	2021*	2020*	2019*	2018*	2017*	2016*	2015*
Actuarially determined contribution	$ 82,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the actuarially determined contribution	82,500,000	-	-	-	-	-	-	-	-	-
Contribution Deficiency	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions as a Percentage of Covered Payroll	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %

*The contributions starting with fiscal year 2015 through 2023 were determined by the provisions of the POA; the contributions were not actuarially determined and, therefore, not subject to disclosure in accordance with GASB Statement No. 67 within this schedule.

Notes to Schedule of Pension Contributions Legacy Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level principal, closed
Remaining amortization period	30 years (Beginning with fiscal year 2024 contribution)
Asset valuation method	3-year smoothed market
Inflation	2.50% price inflation
Salary increase	N/A
Investment rate of return	6.75%
Mortality	PubG-2010(B) Below-Median General Mortality Table

General Retirement System of the City of Detroit

Required Supplementary Information
Schedule of Changes in the City's Net Pension (Asset) Liability and Related Ratios
Hybrid Plan

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 23,496,093	$ 22,742,191	$ 27,040,658	$ 25,208,118	$ 22,532,002	$ 20,171,596	$ 17,056,732	$ 18,417,036	$ 18,302,706	$ 19,318,576
Interest	16,505,580	14,296,616	14,050,863	12,218,430	10,270,622	7,531,400	5,438,061	4,084,390	2,495,896	695,469
Differences between expected and actual experience	(11,142,531)	(6,162,346)	(18,137,902)	(10,183,406)	(7,464,424)	7,556,858	4,546,865	(4,667,487)	(1,263,760)	(1,202,108)
Changes in assumptions	31,718,494	(278,694)	(22,668,570)	14,453,739	6,518,200	-	(5,758,189)	2,780,462	2,111,451	-
Changes in benefit terms	-	3,617,374	-	-	-	-	-	-	-	-
Voluntary employee contributions	6,582,488	6,588,107	5,691,594	5,183,291	5,723,982	5,804,274	5,302,650	5,043,347	5,213,744	5,775,885
Benefit payments, including refunds	(8,133,900)	(7,013,532)	(7,395,729)	(5,118,404)	(3,629,833)	(3,539,384)	(2,390,592)	(2,134,809)	(2,287,214)	-
Net Change in Total Pension Liability	59,026,224	33,789,716	(1,419,086)	41,761,768	33,950,549	37,524,744	24,195,527	23,522,939	24,572,823	24,587,822
Total Pension Liability - Beginning of year	242,486,802	208,697,086	210,116,172	168,354,404	134,403,855	96,879,111	72,683,584	49,160,645	24,587,822	-
Total Pension Liability - End of year	**$ 301,513,026**	**$ 242,486,802**	**$ 208,697,086**	**$ 210,116,172**	**$ 168,354,404**	**$ 134,403,855**	**$ 96,879,111**	**$ 72,683,584**	**$ 49,160,645**	**$ 24,587,822**
Plan Fiduciary Net Position										
Contributions - Employer	$ 13,673,679	$ 15,126,876	$ 15,689,188	$ 11,690,984	$ 12,515,861	$ 12,205,699	$ 14,673,644	$ 9,484,992	$ 9,048,831	$ 8,811,369
Mandatory employee contributions	13,238,970	12,149,463	10,418,809	9,333,975	10,205,770	9,765,911	8,837,967	7,752,058	7,345,515	6,970,544
Net investment income (loss)	23,576,401	12,717,757	(13,857,941)	41,527,492	(2,216,167)	3,270,862	8,445,590	9,109,732	(76,608)	20,690
Administrative expenses	(2,143,618)	(2,022,440)	(1,894,415)	(1,316,430)	(1,540,433)	(1,942,064)	(2,171,693)	(2,648,385)	(3,094,197)	(1,481,590)
Voluntary employee contributions	6,582,488	6,588,107	5,691,594	5,183,291	5,723,982	5,804,274	5,302,650	5,043,347	5,213,744	5,786,488
Benefit payments, including refunds of mandatory contributions	(4,888,237)	(4,621,285)	(4,058,032)	(2,743,760)	(2,048,198)	(1,920,550)	(1,308,550)	(1,021,847)	(1,031,060)	(10,603)
Refunds based on voluntary contributions	(3,245,663)	(2,392,247)	(3,337,697)	(2,374,644)	(1,581,635)	(1,618,834)	(1,082,042)	(1,112,962)	(1,256,154)	-
Other	486,864	15,642,655	40,981	32,244	1,237,613	9,066,288	12,436	61,834	6,586	-
Net Change in Plan Fiduciary Net Position	47,280,884	53,188,886	8,692,487	61,333,152	22,296,793	34,631,586	32,710,002	26,668,769	16,156,657	20,096,898
Plan Fiduciary Net Position - Beginning of year	275,775,230	222,586,344	213,893,857	152,560,705	130,263,912	95,632,326	62,922,324	36,253,555	20,096,898	-
Plan Fiduciary Net Position - End of year	**$ 323,056,114**	**$ 275,775,230**	**$ 222,586,344**	**$ 213,893,857**	**$ 152,560,705**	**$ 130,263,912**	**$ 95,632,326**	**$ 62,922,324**	**$ 36,253,555**	**$ 20,096,898**
City's Net Pension (Asset) Liability - Ending	**$ (21,543,088)**	**$ (33,288,428)**	**$ (13,889,258)**	**$ (3,777,685)**	**$ 15,793,699**	**$ 4,139,943**	**$ 1,246,785**	**$ 9,761,260**	**$ 12,907,090**	**$ 4,490,924**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	107.14 %	113.73 %	106.66 %	101.80 %	90.62 %	96.92 %	98.71 %	86.57 %	73.75 %	81.74 %
Covered Payroll	$ 330,528,688	$ 293,017,696	$ 260,683,104	$ 233,681,019	$ 245,732,111	$ 224,726,503	$ 246,173,916	$ 199,307,987	$ 185,147,364	$ 180,069,852
City's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(6.52)%	(11.36)%	(5.33)%	(1.62)%	6.43 %	1.84 %	0.51 %	4.90 %	6.97 %	2.49 %

See notes to required supplementary information.

Page 305

General Retirement System of the City of Detroit

Required Supplementary Information
Schedule of Pension Contributions
Hybrid Plan

Last Fiscal Year

Year Ended June 30

	2024
Actuarially determined contribution	$ 13,673,679
Contributions in relation to the actuarially determined contribution	13,673,679
Contribution Deficiency (Excess)	**$ -**
Covered Payroll	$ 330,528,688
Contributions as a Percentage of Covered Payroll	4.14 %

Contributions before fiscal year 2024 were determined by the provisions of the POA; the contributions were not actuarially determined and, therefore, not subject to disclosure in accordance with GASB Statement No. 67 within this schedule.

Notes to Schedule of Pension Contributions Hybrid Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years closed (Beginning with fiscal year 2024)
Asset valuation method	3-year smoothed market
Inflation	3% wage inflation
Salary increase	3-7.90% including inflation
Investment rate of return	6.75%
VPIF	2%
Mortality	PubG-2010(B) Below-Median General Mortality Table

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Open Death Benefit Plan

Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 159,364	$ 132,945	$ 154,693	$ 129,692	$ 142,198	$ 129,558	$ 114,919	$ 103,457
Interest	323,009	326,131	331,758	311,172	281,348	255,501	223,231	215,053
Differences between expected and actual experience	(289,588)	21,270	33,174	2,304	215,945	197,652	325,148	-
Changes in assumptions	-	-	117,486	806,689	-	-	-	-
Benefit payments, including refunds	(218,724)	(260,207)	(186,198)	(213,821)	(205,148)	(234,422)	(184,826)	(230,000)
Net Change in Total OPEB Liability	(25,939)	220,139	450,913	1,036,036	434,343	348,289	478,472	88,510
Total OPEB Liability - Beginning of year	6,192,161	5,972,022	5,521,109	4,485,073	4,050,730	3,702,441	3,223,969	3,135,459
Total OPEB Liability - End of year	**$ 6,166,222**	**$ 6,192,161**	**$ 5,972,022**	**$ 5,521,109**	**$ 4,485,073**	**$ 4,050,730**	**$ 3,702,441**	**$ 3,223,969**
Plan Fiduciary Net Position								
Contributions - Employer	$ 140,610	$ 126,937	$ 106,510	$ 114,790	$ 113,842	$ 92,990	$ 107,627	$ 88,709
Contributions - Employee	94,319	89,485	85,236	96,996	86,147	73,457	96,337	80,151
Net investment income (loss)	724,251	393,971	(671,339)	1,128,321	11,617	246,685	296,957	315,310
Administrative expenses	(5,824)	(5,104)	(6,584)	(18,094)	(55,108)	(61,160)	(32,001)	(61,755)
Benefit payments, including refunds	(218,724)	(260,207)	(186,198)	(213,821)	(205,148)	(234,422)	(184,826)	(230,000)
Other	-	-	-	-	-	-	(221,948)	-
Net Change in Plan Fiduciary Net Position	734,632	345,082	(672,375)	1,108,192	(48,650)	117,550	62,146	192,415
Plan Fiduciary Net Position - Beginning of year	4,805,598	4,460,516	5,132,891	4,024,699	4,073,349	3,955,799	3,893,653	3,701,238
Plan Fiduciary Net Position - End of year	**$ 5,540,230**	**$ 4,805,598**	**$ 4,460,516**	**$ 5,132,891**	**$ 4,024,699**	**$ 4,073,349**	**$ 3,955,799**	**$ 3,893,653**
City's Net OPEB Liability (Asset) - Ending	**$ 625,992**	**$ 1,386,563**	**$ 1,511,506**	**$ 388,218**	**$ 460,374**	**$ (22,619)**	**$ (253,358)**	**$ (669,684)**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	89.85 %	77.61 %	74.69 %	92.97 %	89.74 %	100.56 %	106.84 %	120.77 %

Contributions to the OPEB plan are not based on a measure of pay; therefore, no covered payroll is presented.

GASB Statement No. 74 was implemented on June 30, 2017 and does not require retroactive implementation. Data will be added as information is available until 10 years of such information is available.

Page 307

Required Supplementary Information
Schedule of OPEB Contributions
Open Death Benefit Plan

Last Eight Fiscal Years

Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 140,610	$ 126,937	$ 106,510	$ 114,790	$ 113,842	$ 92,990	$ 93,797	$ 104,659
Contributions in relation to the actuarially determined contribution	140,610	126,937	106,510	114,790	113,842	92,990	107,627	88,709
Contribution Excess (Deficiency)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 13,830**	**$ (15,950)**

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retrospective implementation. Data will be added as information is available until 10 years of such information is reported.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed beginning with contribution for fiscal year ended June 30, 2021
Remaining amortization period	27 years, board policy
Asset valuation method	3-year smoothed market, no corridor
Inflation	N/A
Investment rate of return	5.50 percent, net of OPEB plan expenses, including price inflation at 2.50 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	For members in the General Retirement System, the PubG-2010(B) Below-Median General Retiree table for males and females with male rates multiplied by 97 percent and female rates multiplied by 126 percent For members in the Police and Fire Retirement System, the PubS-2010 Safety Retiree table for males and females with male rates multiplied by 115 percent and female rates multiplied by 125 percent All mortality tables are projected to 2021, based on the two-dimensional, sex-distinct mortality improvement scale MP-2021. This table contains no margin for future improvements in life expectancies for conservatism in this valuation.
Other information	There were no benefit changes during the year.

Required Supplementary Information
Schedule of OPEB Investment Returns
Open and Closed Death Benefit Plans

Last Eight Fiscal Years

Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	14.69 %	10.19 %	(14.46)%	24.52 %	0.30 %	2.97 %	5.93 %	7.23 %

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retrospective implementation. Data will be added as information is available until 10 years of such information is reported.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the City's Net OPEB Liability and Related Ratios
Closed Death Benefit Plan

Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability -								
Increase (decrease) in total OPEB liability due to availability of assets	$ 2,101,745	$ 553,487	$ (4,209,561)	$ 4,496,393	$ (944,616)	$ 12,295	$ 38,822	$ (15,035)
Total OPEB Liability - Beginning of year	21,310,495	20,757,008	24,966,569	20,470,176	21,414,792	21,402,497	21,363,675	21,378,710
Total OPEB Liability - End of year	**$ 23,412,240**	**$ 21,310,495**	**$ 20,757,008**	**$ 24,966,569**	**$ 20,470,176**	**$ 21,414,792**	**$ 21,402,497**	**$ 21,363,675**
Plan Fiduciary Net Position								
Retiree contribution	$ 12,890	$ 9,244	$ 9,390	$ 19,867	$ 12,925	$ 9,080	$ 9,528	$ -
Net investment income (loss)	3,097,095	1,880,092	(3,277,720)	5,538,571	63,605	1,295,090	1,416,686	1,996,352
Administrative expenses	(25,829)	(24,922)	(32,147)	(18,096)	-	-	-	-
Benefit payments, including refunds	(982,411)	(1,310,927)	(909,084)	(1,043,949)	(1,074,935)	(1,230,715)	(1,355,391)	(1,949,612)
Other	-	-	-	-	53,789	(61,160)	(32,001)	(61,775)
Net Change in Plan Fiduciary Net Position	2,101,745	553,487	(4,209,561)	4,496,393	(944,616)	12,295	38,822	(15,035)
Plan Fiduciary Net Position - Beginning of year	21,310,495	20,757,008	24,966,569	20,470,176	21,414,792	21,402,497	21,363,675	21,378,710
Plan Fiduciary Net Position - End of year	**$ 23,412,240**	**$ 21,310,495**	**$ 20,757,008**	**$ 24,966,569**	**$ 20,470,176**	**$ 21,414,792**	**$ 21,402,497**	**$ 21,363,675**
City's Net OPEB Liability - Ending	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and does not require retrospective implementation. Data will be added as information is available until 10 years of such information is reported.

As the plan will provide future benefits only to the extent that plan assets are available to pay them, the total OPEB liability is equal to the plan's ending net position.

Contributions to the OPEB plan are not based on a measure of pay, nor is there applicable payroll; therefore, no covered payroll is presented.

See notes to required supplementary information.

General Retirement System of the City of Detroit

Notes to Required Supplementary Information

June 30, 2024

Pension Information

Benefit Changes

Legacy Plan

In 2014, the pension plan was frozen. No new employees are allowed to participate in the plan. All benefits for actives were frozen as of June 30, 2014 based on service and average final compensation accrued as of that date.

In 2015, benefits were reduced by 4.5 percent, and the cost of living adjustments were eliminated.

Hybrid Plan

In 2023, the bankruptcy court granted a change to the Hybrid Plan to allow members in the work share program during the period April 1, 2020 through December 31, 2022 to get credited service for that period.

Changes in Assumptions

Legacy Plan

In 2014, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 5.88 percent to 7.2 percent and updating the mortality tables from RP-2000 Combined Table to RP-2014 Blue Collar Mortality Table, and adjustments for longevity and unused sick leave were eliminated.

Legacy and Hybrid Plan

In 2015, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.2 to 7.61 percent.

In 2016, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.61 to 7.23 percent.

In 2017, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.23 to 6.91 percent.

In 2018, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.91 to 7.38 percent.

In 2020, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.38 to 7.06 percent.

In 2021, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 7.06 to 6.50 percent.

In 2022, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.50 to 6.75 percent and updating the mortality tables from the RP-2014 Blue Collar Annuitant Table to the Pub-2010 General Employee table, as well as updates to wage inflation, withdrawal, and disability rates.

In 2023, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.75 to 6.76 percent.

In 2024, amounts reported as changes of assumptions resulted from adjustment of the discount rate from 6.76 to 6.75 percent. Also, for Component I, the Variable Pension Improvement Factor assumption changed from 0.50 percent to 2 percent.

OPEB Information

Changes in Assumptions

In 2021, the discount rate changed from 7.00 to 5.99 percent.

In 2022, the discount rate changed from 5.99 to 5.50 percent and updating the mortality tables from the RP-2014 Blue Collar Annuitant Table to the PubG-2010(B) Below-Median General Retiree table for members in the general retirement system and to the PubS-2010 Safety Retiree table for members in the police and fire retirement system, as well as updates to the withdrawal and disability rates.

Supplementary Information

Statement of Changes in Fiduciary Net Position by Division - Legacy Defined Benefit Plan

For the Year Ended June 30, 2024

	DWSD Subdivisions		General Retirement System - Divisions				
	GLWA	DWSD-R	DWSD - Division Total (all DWSD Subdivisions)	General Division	DOT	Library	Total - General Retirement System (all Divisions)
Beginning Net Position - July 1, 2023	413,242,476	174,584,665	587,827,141	686,593,617	65,168,252	79,020,270	1,418,609,280
Additions:							
Investment income (loss):							
Interest, dividends, and other income	13,295,586	5,617,054	18,912,640	21,110,020	1,591,536	2,372,237	43,986,433
Net increase in fair value of investments	24,144,041	10,200,257	34,344,298	38,334,616	2,890,140	4,307,849	79,876,903
Net unrealized loss on collateralized securities	(254,701)	(107,605)	(362,306)	(404,401)	(30,489)	(45,444)	(842,640)
Investment related expenses	(2,647,731)	(1,118,601)	(3,766,332)	(4,203,926)	(316,944)	(472,416)	(8,759,618)
Net investment income	34,537,195	14,591,105	49,128,300	54,836,309	4,134,243	6,162,226	114,261,078
Contributions:							
Employer contributions	492,100	207,900	700,000	51,425,000	29,900,000	100,000	82,125,000
Foundation for Detroit's Future	-	-	-	265,012	109,988	-	375,000
State of Michigan Pension Grant	-	-	-	15,765,896	7,419,246	-	23,185,142
Total contributions	492,100	207,900	700,000	67,455,908	37,429,234	100,000	105,685,142
ASF recoupment interest	1,018,581	430,325	1,448,906	2,705,946	964,007	111,815	5,230,674
Other income	263,464	111,307	374,771	467,418	53,658	55,017	950,864
Total additions - net	36,311,340	15,340,637	51,651,977	125,465,581	42,581,142	6,429,058	226,127,758
Deductions:							
Member refunds and withdrawals	771,567	325,968	1,097,535	5,684,188	1,242,290	494,135	8,518,148
Retirees' pension and annuity benefits	40,997,998	17,320,633	58,318,631	119,814,110	30,079,384	6,564,676	214,776,801
General and administrative expenses	826,959	349,370	1,176,329	1,373,975	130,411	158,131	2,838,846
ASF Recoupment Write-off	3,000,446	1,267,619	4,268,065	8,345,826	3,010,096	376,258	16,000,245
Total deductions	45,596,970	19,263,590	64,860,560	135,218,099	34,462,181	7,593,200	242,134,040
Net Increase (Decrease) in Net Position	(9,285,630)	(3,922,953)	(13,208,583)	(9,752,518)	8,118,961	(1,164,142)	(16,006,282)
End of Year Net Position Restricted for Pensions - June 30, 2024	**403,956,846**	**170,661,712**	**574,618,558**	**676,841,099**	**73,287,213**	**77,856,128**	**1,402,602,998**

General Retirement System of the City of Detroit

Schedule of DWSD/GLWA Excess of Contributions Paid Toward Administrative Expenses

For the Year Ended June 30, 2024

	DWSD Division Total	
	GLWA	DWSD-R
Amount Paid in Excess of Administrative Expenses Otherwise Allocable - June 30, 2023	$ 9,111,980	$ 3,849,587
City payments against excess	-	-
Cumulative Amount Paid in Excess of Administrative Expenses Otherwise Allocable - June 30, 2024	**$ 9,111,980**	**$ 3,849,587**

Allocation Between Divisions

The Combined Plan's allocation methodology to allocate fiscal year 2024 activity between the four main divisions (General Division, DOT, DWSD, and Library) is dependent upon each revenue or expense type. Below is a description of the allocation methodology used by the Combined Plan. Where applicable, the allocation methodology outlined in the pension reporting agreement was utilized.

Investment Income - Investment income (including income from securities lending activity) and investment expenses were allocated to the divisions, with the exception of the allocation between DWSD-R and GLWA, based on the net position of each division compared to total net position (excluding the Annuity Savings Fund) as of fiscal year ended June 30, 2024. The investment income and expenses allocated were after adjusting for interest credited to the Annuity Savings Fund.

Administrative Expenses - In accordance with Section 2.3 of the pension reporting agreement, DWSD-R and GLWA's collective allocable share of administrative expenses through fiscal year 2023 had been allocated to the general division. Correspondingly, the expenses transferred to the general division were offset by a $2.5 million contribution made by DWSD-R and GLWA, collectively, for administrative expenses, which was credited to the general division. This occurred until 2023, at which point the City and GLWA were to mutually determine and resolve whether any aggregate over- or underpayment will impact the obligation of DWSD-R and GLWA to make payments to GRS under the pension reporting agreement. As of June 30, 2023, the aggregate excess of administrative expenses paid by DWSD-R and GLWA were $12,961,567. As of June 30, 2024, the City and GLWA have not formally agreed to a resolution of this excess.

Contributions - In fiscal year 2024, the Plan received contributions from the divisions, the Foundation for Detroit's Future, and a one-time State of Michigan pension grant. The employer contributions were allocated between the divisions according to which division the contribution was received from. The payment from the Foundation was allocated based on a common understanding from the bankruptcy proceedings, which was ultimately determined by the City of Detroit and agreed to by the other divisions. The Foundation proceeds were allocated solely to the general division and DOT in proportion to their respective net pension liability as determined by the City's actuary as of June 30, 2024. The State of Michigan pension grant was allocated between the general division and DOT given these were the two divisions that were under 60% funded as of the 2020 actuarial valuation that was used to apply for the grant.

ASF Recoupment - Revenue from the ASF recoupment was allocated between the divisions, other than between DWSD-R and GLWA, according to the division under which the individual's ASF earnings were originally accumulated and paid out.

Member Refunds, Withdrawals, Retirees' Pension, and Annuity Benefits - These deductions were allocated, other than the allocation between DWSD-R and GLWA, based on the original division from which benefits were being provided and withdrawals were being made.

Allocation between DWSD-R and GLWA - Once the above activity was allocated to the divisions, the DWSD division was further subdivided between DWSD-R and GLWA in accordance with the pension reporting agreement, which stipulated such allocation would be dictated to the Plan by DWSD-R and GLWA. Per those instructions, the Plan allocated the DWSD activity between GLWA (70.3 percent) and DWSD-R (29.7 percent).