

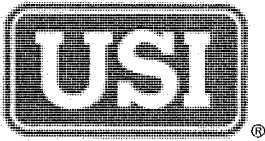
**A Postretirement Welfare Benefit
GASB 45 Actuarial Valuation
As of July 1, 2011**

For:

**City of Woonsocket
Education Department**

Prepared by:
The USI Consulting Group

December 21, 2011



December 21, 2011

City of Woonsocket, RI
169 Main Street
Woonsocket, RI 02895

RE: July 1, 2011 Actuarial Valuation of Postretirement Welfare Benefits

We enclose the report covering the actuarial valuation of the postretirement medical insurance plan for the employees of the City of Woonsocket Education Department as of July 1, 2011. The numbers presented in this report reflect the adoption, by the City of Woonsocket Education Department, of the Statement of Governmental Accounting Standard No. 45 (GASB 45).

The financial results of the actuarial valuation are summarized in the report. The Executive Summary highlights the results of the valuation, including the calculation of the Annual OPEB Costs for the fiscal years beginning July 1, 2011, and July 1, 2012.

Additional information summarizing census information, actuarial assumptions, and the methodology for developing them, as well as a glossary of selected terms used in this study, are also included in the report.

All calculations are made in accordance with our understanding of the provisions of the Statement of Governmental Accounting Standards Board Number 45 (GASB 45). We believe this report provides all of the information your auditor requires. We would appreciate a copy of the footnote to your financial statement related to the postretirement benefits.

Respectfully submitted,

USI Consulting Group

A handwritten signature in cursive script that reads "Robert W. Webb".

Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary

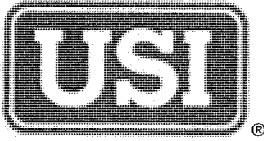


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Section I

Executive Summary

The section presents the results of the July 1, 2011 valuation. The first section provides a brief summary of the valuation results. The Executive Summary Detail provides a more detailed development of the expenses and liabilities. Items I through V show the development of the Annual Required Contribution (ARC). Items VI through IX show the calculation of the Annual OPEB Cost. Item XII provides a brief summary of the key assumptions used in developing the plan's costs and liabilities.

EXECUTIVE SUMMARY

Introduction

This report details the development of the Annual OPEB Cost for the Fiscal Year ending June 30, 2012. Estimated June 30, 2012, and June 30, 2013 disclosures are included in Section III

The liabilities developed in this report are only valid for purposes of meeting employer accounting requirements as required by Statement of Governmental Accounting Standards Number 45 (GASB 45). Liabilities developed for other purposes could be significantly different than those shown in this report.

Summary of Results

The Actuarial Accrued Liability and Normal Cost are calculated as of the valuation date. The Annual OPEB Cost and Expected Benefit Payments are for the year beginning on the valuation date. Additional detail is developed in the exhibits included in this actuarial valuation report.

Fiscal Year Ending June 30, 2012

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$5,688,980
<i>Actuarial Accrued Liability (AAL)</i>	\$55,275,280
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$55,275,280
<i>Annual Required Contribution (30 year amortization)</i>	\$4,580,611
<i>Annual OPEB Cost</i>	\$4,548,513
<i>Expected Benefit Payments</i>	\$2,233,551

Fiscal Year Ending June 30, 2013

<i>Beginning of Year Net OPEB Obligation (NOO)</i>	\$8,003,942
<i>Actuarial Accrued Liability (AAL)</i>	\$57,310,469
<i>Actuarial Value of Assets</i>	\$0
<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	\$57,310,469
<i>Annual Required Contribution (30 year amortization)</i>	\$4,799,855
<i>Annual OPEB Cost</i>	\$4,744,942
<i>Expected Benefit Payments</i>	\$2,035,650

Economic Assumptions

The employer, with the approval of the auditor, is responsible for selecting the economic assumptions as of the disclosure date. The following table details the selected economic assumptions for the current fiscal year:

<u>Assumption Selection Date</u>	<u>July 1, 2011</u>
<i>Funding Interest Rate*</i>	4.00%
<i>2011 Medical / Dental Trend Rates</i>	9.0% / 5.0%
<i>Ultimate Medical / Dental Trend Rate</i>	5.0% / 5.0%
<i>Year Ultimate Trend Rates Reached</i>	2015 / 2011
<i>Annual Payroll Increase</i>	2.50%

* Reflects current funding policy (assumes no funding).

EXECUTIVE SUMMARY (cont.)

Changes included in current valuation

The plan had an accumulated experience loss since the last valuation, primarily due to health care costs increasing more than assumed. The impact of the gain on the actuarial accrued liability is provided in Appendix II. Based on the plan's experience, the assumed medical trend rate was increased by 1% for the period from 2011 through 2014. All other assumptions are unchanged from the last valuation.

Accounting for Postretirement Benefits

Government Accounting Standard No. 45 (GAS 45) addresses the accounting and financial reporting requirements by Employers for Postemployment Benefits Other than Pensions (OPEB). Employers that are required to follow Government Accounting Standards are subject to this standard. The statement does not require that the benefits be pre-funded, however, it defines a financial framework for assessing the costs, design, and sustainability of OPEBs offered by employers.

This report presents the annual expense required to be recognized by the plan sponsor for purposes of complying with the accounting requirements of Governmental Accounting Standards Board Statement No. 45. This report also provides the information needed to prepare the footnote in your financial statements related to your postretirement benefit plans.

The Annual Required Contribution (ARC) and Annual OPEB Cost are developed in the Executive Summary Detail included in this section. Section III presents the disclosure information, including the development of the Net OPEB obligation based on expected contributions / benefits to be paid during the fiscal year.

Actuarial Certification

The financial results of the actuarial valuation are summarized in this report. The valuation has been prepared as of July 1, 2011. The detail charts included in this Executive Summary highlight the results of the valuation. Additional information summarizing the census, actuarial assumptions, plan provisions, and a glossary of selected terms used in this study are also included in this report.

The valuation is based on the July 1, 2011 census data and July 1, 2011 plan information as provided by the employer. We have reviewed both the census and financial data for reasonableness, but have not completed an independent audit of the information.

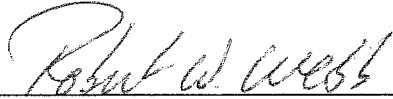
All costs, liabilities, and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. The calculations are consistent and undertaken with our understanding of Statement of Governmental Accounting Standards Number 45 (GAS 45). In our opinion, the actuarial assumptions are reasonable, taking in account the experience of the plan and reasonable expectations and, individually represent our best estimate of the anticipated experience under the plan.

EXECUTIVE SUMMARY (cont.)

Actuarial Certification (cont.)

I have no relationship with the employer or the plan that would objectively impair, or appear to impair, my ability to perform the work detailed in this report.

I certify that I am a member of the American Academy of Actuaries and meet its Qualification Standards to provide an actuarial opinion in accordance with GASB 45.



Robert W. Webb, FSA, EA, MAAA
Vice President and Actuary



Adeniyi Olaiya, ASA, MAAA
Associate Vice President and Actuary

EXECUTIVE SUMMARY DETAIL
GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION
AND ANNUAL OPEB COST FOR 2011 BY BENEFIT

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>				
A. Retirees/Disableds	\$22,806,887	\$341,713	\$1,005,357	\$24,153,957
B. Active Employees	<u>\$60,389,308</u>	<u>\$388,129</u>	<u>\$1,226,528</u>	<u>\$62,003,965</u>
C. Total	\$83,196,195	\$729,842	\$2,231,885	\$86,157,922
<i>II. Actuarial Accrued Liability</i>				
A. Retirees/Disableds	\$22,806,887	\$341,713	\$1,005,357	\$24,153,957
B. Active Employees	<u>\$30,233,151</u>	<u>\$186,552</u>	<u>\$701,620</u>	<u>\$31,121,323</u>
C. Total	\$53,040,038	\$528,265	\$1,706,977	\$55,275,280
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$53,040,038	\$528,265	\$1,706,977	\$55,275,280
<i>V. Annual Required Contribution (ARC)</i>				
A. Normal Cost	\$1,969,852	\$12,334	\$39,352	\$2,021,538
B. Supplemental Cost	\$2,326,858	\$23,794	\$75,197	\$2,425,849
C. Compound Interest to Year End	<u>\$129,391</u>	<u>(\$350)</u>	<u>\$4,183</u>	<u>\$133,224</u>
D. Annual Required Contribution [A. + B. + C.]	\$4,426,101	\$35,778	\$118,732	\$4,580,611
<i>VI. Net OPEB Obligation</i>	\$5,560,656	(\$138,670)	\$266,994	\$5,688,980
<i>VII. Interest on net OPEB Obligation</i>	\$222,426	(\$5,547)	\$10,680	\$227,559
<i>VIII. Adjustment to ARC</i>	(\$253,800)	\$6,329	(\$12,186)	(\$259,657)
<i>IX. Annual OPEB Cost (Expense)</i> [V.D. + VII. + VIII.]	\$4,394,727	\$36,560	\$117,226	\$4,548,513
<i>X. Expected Benefit Payments</i>				
A. Retirees/Disableds	\$2,106,569	\$89,398	\$19,576	\$2,215,543
B. Active Employees	<u>\$17,277</u>	<u>\$365</u>	<u>\$366</u>	<u>\$18,008</u>
C. Total	\$2,123,846	\$89,763	\$19,942	\$2,233,551

EXECUTIVE SUMMARY DETAIL
GASB 45 LIABILITIES, ANNUAL REQUIRED CONTRIBUTION
AND ANNUAL OPEB COST FOR 2012 BY BENEFIT

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
<i>I. Present value of Future benefits</i>				
A. Retirees/Disableds	\$21,892,303	\$265,289	\$1,040,672	\$23,198,264
B. Active Employees	<u>\$63,825,053</u>	<u>\$410,938</u>	<u>\$1,276,175</u>	<u>\$65,512,166</u>
C. Total	\$85,717,356	\$676,227	\$2,316,847	\$88,710,430
<i>II. Actuarial Accrued Liability</i>				
A. Retirees/Disableds	\$21,892,303	\$265,289	\$1,040,672	\$23,198,264
B. Active Employees	<u>\$33,151,660</u>	<u>\$205,376</u>	<u>\$755,169</u>	<u>\$34,112,205</u>
C. Total	\$55,043,963	\$470,665	\$1,795,841	\$57,310,469
<i>III. Actuarial Assets</i>	\$0	\$0	\$0	\$0
<i>IV. Unfunded Actuarial Accrued Liability (UAAL)</i>	\$55,043,963	\$470,665	\$1,795,841	\$57,310,469
<i>V. Annual Required Contribution (ARC)</i>				
A. Normal Cost	\$2,019,098	\$12,642	\$40,336	\$2,072,076
B. Supplemental Cost	\$2,479,021	\$22,185	\$81,110	\$2,582,316
C. Compound Interest to Year End	<u>\$141,119</u>	<u>(\$68)</u>	<u>\$4,412</u>	<u>\$145,463</u>
D. Annual Required Contribution [A. + B. + C.]	\$4,639,238	\$34,759	\$125,858	\$4,799,855
<i>VI. Net OPEB Obligation</i>	\$7,831,537	(\$191,873)	\$364,278	\$8,003,942
<i>VII. Interest on net OPEB Obligation</i>	\$313,261	(\$7,675)	\$14,571	\$320,158
<i>VIII. Adjustment to ARC</i>	(\$366,991)	\$8,991	(\$17,070)	(\$375,070)
<i>IX. Annual OPEB Cost (Expense)</i> <i>[V.D. + VII. + VIII.]</i>	\$4,585,508	\$36,075	\$123,359	\$4,744,942
<i>X. Expected Benefit Payments</i>				
A. Retirees/Disableds	\$1,904,586	\$72,103	\$21,705	\$1,998,394
B. Active Employees	<u>\$35,718</u>	<u>\$965</u>	<u>\$573</u>	<u>\$37,256</u>
C. Total	\$1,940,304	\$73,068	\$22,278	\$2,035,650

Section II

Census Information

This section details statistics related to the participants in the postretirement benefit plan.

CENSUS INFORMATION – A.

EMPLOYEE COUNTS

As of July 1, 2011

	<u>Actives</u>	<u>Retirees</u>	<u>Total</u>
Male	175	78	253
Female	573	139	712
Total	748	217	965

COUNTS BY AGE AND ELIGIBILITY STATUS

ACTIVE EMPLOYEES :

<u>Age</u>	<u>Currently Eligible to Retire</u>	<u>Not Currently Eligible to Retire</u>	<u>Total</u>
29 and under	0	52	52
30 - 34	0	74	74
35 - 39	0	98	98
40 - 44	0	117	117
45 - 49	0	99	99
50 - 54	0	124	124
55 - 59	2	93	95
60 - 64	0	61	61
65 and over	1	27	28
Total	3	745	748

CURRENT RETIREES:

<u>Age</u>	<u>Retirees</u>	<u>Spouse*</u>	<u>Total</u>
39 and under	1	0	1
40 - 44	0	0	0
45 - 49	0	0	0
50 - 54	8	3	11
55 - 59	40	12	52
60 - 64	145	46	191
65 - 69	19	14	33
70 - 74	5	1	6
75 - 79	0	0	0
80 - 84	1	0	1
85 - 89	0	0	0
90 and over	0	0	0
Total	219	76	295

* Includes Surviving Spouses

CENSUS INFORMATION – B.

AVERAGE AGE AND SERVICE

As of July 1, 2011

ACTIVE EMPLOYEES:

A. Average Age at Hire

Males	36.1
Females	34.7
Total	35.1

B. Average Service

Males	10.8
Females	11.7
Total	11.4

C. Average Current Age

Males	46.9
Females	46.4
Total	46.5

CURRENT RETIREES

D. Average Current Age

Males	62.8
Females	61.5
Total	62.0

Section III

Financial Statement Disclosure

This section provides the required information and notes to the Financial Statements For the fiscal years ending June 30, 2012 and June 30, 2013.

FINANCIAL STATEMENT DISCLOSURE

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

1.) GASB 45 DISCLOSURE FINANCIALS

A. Annual OPEB Cost and Net OPEB Obligation	<u>7/1/2011 - 6/30/2012</u>	<u>7/1/2012 - 6/30/2013</u>
1. Annual Required Contribution (ARC)	\$4,580,611	\$4,799,855
2. Interest on net OPEB Obligation	\$227,559	\$320,158
3. Adjustment to ARC	<u>(\$259,657)</u>	<u>(\$375,070)</u>
4. Annual OPEB Cost (Expense)	\$4,548,513	\$4,744,942
5. Contribution made (assumed middle of year) *	<u>(\$2,233,551)</u>	<u>(\$2,035,650)</u>
6. Increase in net OPEB Obligation	\$2,314,962	\$2,709,292
7. Net OPEB Obligation - beginning of year	<u>\$5,688,980</u>	<u>\$8,003,942</u>
8. Net OPEB Obligation - end of year	\$8,003,942	\$10,713,235

* Contribution made was assumed to equal Expected Benefit Payments

The annual OPEB Cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ending 2012 / 2013 are as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	<u>Covered Payroll</u>	<u>OPEB Cost % of Pay</u>
6/30/2012	\$4,548,513	49.1%	\$8,003,942	N/A	N/A
6/30/2013	\$4,744,942	42.9%	\$10,713,235	N/A	N/A

B. Funded Status and Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (AAL) ((b - a) / c)</u>
7/1/2008	\$0	\$45,346,079	\$45,346,079	0.0%	N/A	N/A
7/1/2009	\$0	\$47,145,503	\$47,145,503	0.0%	N/A	N/A
7/1/2012	\$0	\$55,275,280	\$55,275,280	0.0%	N/A	N/A

C. Methods and Assumptions

- Interest Rate 4.00%
- 2011 Medical / Dental Trend Rates 9.0% / 5.0%
- Ultimate Medical / Dental Trend Rate 5.0% / 5.0%
- Year Ultimate Trend Rates Reached 2015 / 2011
- Actuarial Cost Method Entry Age Normal
- The remaining amortization period at 06/30/2010 26.43
- Annual Payroll Increase 2.50%

FINANCIAL STATEMENT DISCLOSURE

The GASB standard on accounting for postretirement benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree benefit liability:

2.) A BRIEF DESCRIPTION OF THE RETIREE MEDICAL AND DRUG INSURANCE PLAN:

Type of Coverage:

a. Plan Types:

Medical: Pre-65 - HealthMate
Post-65 Group Plan 65
Dental: Delta Dental
Life: Superintendents: \$25,000; Non-superintendents: \$10,000

b. Eligibility:

Paraprofessionals: Future retirees with 28 years of employment credited under the Rhode Island Retirement System, 20 of which are service with the Woonsocket Education Department are eligible for two individual medical insurance plans. Retirees with 32 years of employment credited under the Rhode Island Retirement System, 20 of which are service with the Woonsocket Education Department are eligible for a family medical insurance plan.

Teachers: Future retirees with 35 years of employment credited under the Rhode Island Retirement System, 20 of which are service with the Woonsocket Education Department are eligible for a family medical insurance plan.

Custodial and Secretarial: Future retirees with 25 years of employment credited with the Woonsocket Education Department are eligible for a family medical insurance plan.

Plan 65 for all members: Future retirees with 35 years of employment credited under the Rhode Island Retirement System, 25 of which are service with the Woonsocket Education Department, and who retire after June 30, 2004, are eligible for the post age 65 plan.

c. Benefit/Cost Sharing:

Paraprofessional: For members hired prior to November 1, 1994, the Board pays 100% of individual coverage. For member hired on or after November 1, 1994, the Board pays 95% of individual coverage. If the retiree elects a family plan, the retiree is responsible for the difference between the family premium and the individual premium.

Teachers: The board pays 100% of individual coverage for the retiree and one dependent.

Custodial and Secretarial: The board pays 90% of individual coverage. If the retiree elects a family plan, the retiree is responsible for the difference between the family premium and the individual premium.

FINANCIAL STATEMENT DISCLOSURE (cont.)

d. Spouse Benefit: Yes, paid fully by the retiree. Board pays 100% for Teachers until retiree reaches age 65.

e. Surviving Spouse Benefit: Yes, paid fully by the retiree, and until the date at which the deceased retiree would have attained age 65.

f. Monthly Premiums:

Medical	Individual	Family
HealthMate eff. 7/1/2011	571.54	1,407.07
Classic Blue eff. 7/1/2011	783.85	1,819.85
Plan 65	522.75	
Dental eff. 7/1/2011	32.44	96.65

Section IV

Actuarial Assumptions And Methodology

The following pages detail the assumptions used in the calculations.

ACTUARIAL ASSUMPTIONS AND METHODOLOGY

1. **Funding Interest Rate:** An interest rate of 4.00% was used.
2. **Health Care Trend Rates:** It was assumed that health care costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical Rates</u>
2011	9.0%
2012	8.0%
2013	7.0%
2014	6.0%
2015+	5.0%

For the following demographic (mortality, retirement, disability, and other termination of employment) assumptions we utilized rates used in the actuarial valuation of the Employees' Retirement System of Rhode Island.

3. **Mortality:**

Post-retirement mortality rates: Sex distinct rates from the 1994 Group Annuity Mortality Table with male rates set forward 1 year.
Pre-retirement mortality rates: 65% of the post-retirement mortality rates.
4. **Termination Rates:** Base on service:

<u>Service</u>	<u>Male</u>	<u>Female</u>
0	17.50%	18.00%
1	9.59%	10.69%
5	5.41%	5.58%
10	3.50%	3.18%
15	3.19%	2.97%
20	2.27%	2.50%

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

5. **Retirement Rates:** Separate male and female rates. Sample rates are shown below:
 30 or more years of service prior to age 58:

<u>Service</u>	<u>Male</u>	<u>Female</u>
30	30.0%	20.0%
31	25.0%	15.0%
32-34	15.0%	7.5%
35	25.0%	15.0%
36-37	25.0%	20.0%
38-39	25.0%	15.0%
40+	100.0%	100.0%

Age 58 and older

<u>Age</u>	<u>Male</u>	<u>Female</u>
58	15.0%	15.0%
59-61	10.0%	10.0%
62	30.0%	20.0%
63-64	25.0%	15.0%
65	25.0%	20.0%
66-69	30.0%	20.0%
70-74	20.0%	20.0%
75	100.0%	100.0%

6. **Participation Rate:** It was assumed that 100% of the current active employees covered under the active plan on the day before retirement would enroll in the retiree life insurance plan upon retirement; and that 70% of the current active employees would enroll in the medical and dental insurance plans upon retirement.
7. **Percent Married:** It was assumed that 75% of the active employees who elect retiree health care coverage for themselves would also elect coverage for their spouse upon retirement. It was assumed that male spouses are three years older than their wives and female spouses are three years younger than the retiree. For current retirees, actual census information was used.
8. **Actuarial Value of Assets:** N/A

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

9. **Per Capita Claims Cost:** Premiums were age-graded on the current participants in the Medical plan. Further details of the annual per capita claims cost is featured in Section V of the report.
10. **Administrative expenses:** Included in premiums used.
11. **Participant Salary**
Increases: 3.50% per annum.
13. **Payroll Growth Rate:** 2.50% annually

ACTUARIAL ASSUMPTIONS AND METHODOLOGY (cont.)

ACTUARIAL COST METHOD

An Actuarial Cost Method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the Normal Cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the Actuarial Accrued Liability. The Unfunded Actuarial Accrued Liability is amortized over future years in accordance with the employer's established accounting policy.

The Entry Age Actuarial Cost Method is used in this valuation. Under this method, the Actuarial Present Value of Projected Benefits of each individual included in the Actuarial Valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.

The amortization of the unfunded actuarial accrued liability may be determined in level dollar amounts or as a level percentage of projected payroll of active plan members. The total unfunded actuarial accrued liability may be amortized as one amount, or components of the total may be separately amortized. The equivalent single amortization period for all components combined may not exceed the maximum acceptable period of 30 years.

ADDITIONAL COMMENTS

The values in this GASB 45 valuation represent a closed group and do not reflect new entrants after the census collection date.

Section V

Representative Claim Costs

Based on combined actual claims and premium experience, age-related representative per capita claims costs were developed. This section shows the development of these costs.

REPRESENTATIVE 2011 PER CAPITA MEDICAL CLAIM COSTS

DEVELOPMENT OF PER CAPITA RETIREE CLAIM COSTS

\$9,493,257	Employer Primary Premium Based Claims
<u>\$280,407</u>	Medicare Primary Premium Based Claims
\$9,773,664	Total Premium Based Claims
\$8,747	Retiree (Pre-65) Average Per Capita Claim
\$280,407	Retiree (Post-65) Average Per Capita Claim

ALL ACTIVE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>
24 & under	22	4	0.549	1.312	\$2,475	\$5,914	\$63,129
25 - 29	27	10	0.591	1.312	\$2,664	\$5,914	\$233,645
30 - 34	32	30	0.712	1.312	\$3,210	\$5,914	\$468,895
35 - 39	37	61	0.850	1.312	\$3,832	\$5,914	\$724,628
40 - 44	42	84	1.000	1.312	\$4,508	\$5,914	\$887,300
45 - 49	47	69	1.193	1.456	\$5,378	\$6,564	\$863,341
50 - 54	52	81	1.441	1.599	\$6,496	\$7,208	\$1,319,063
55 - 59	57	86	1.753	1.740	\$7,902	\$7,844	\$1,299,260
60 - 64	62	60	2.102	1.968	\$9,476	\$8,872	\$950,015
65 - 69	67	<u>32</u>	2.316	2.168	\$10,440	\$9,773	<u>\$470,914</u>
Employer Primary Sub.	517	597					\$7,280,190

ALL RETIREE PARTICIPANTS EMPLOYER PRIMARY

<u>Age Bracket</u>	<u>Number of Males</u>	<u>Number of Females</u>	<u>Male Aging Factor</u>	<u>Female Aging Factor</u>	<u>Aged (M) Average Claims</u>	<u>Aged (F) Average Claims</u>	<u>Age Related Claims</u>
44 & under	42	0	1.000	1.312	\$4,508	\$5,914	\$5,914
45 - 49	47	0	1.193	1.456	\$5,378	\$6,564	\$0
50 - 54	52	3	1.441	1.599	\$6,496	\$7,208	\$77,153
55 - 59	57	15	1.753	1.740	\$7,902	\$7,844	\$400,911
60 - 64	62	72	2.102	1.968	\$9,476	\$8,872	\$1,729,089
65 - 69	67	0	2.316	2.168	\$10,440	\$9,773	\$0
70 - 74	72	0	2.557	2.396	\$11,527	\$10,801	\$0
75 - 79	77	0	2.769	2.593	\$12,482	\$11,689	\$0
80 - 84	82	0	2.910	2.724	\$13,118	\$12,280	\$0
85 - 89	87	0	3.059	2.864	\$13,790	\$12,911	\$0
90 & Over	92	<u>0</u>	3.215	3.010	\$14,493	\$13,569	<u>\$0</u>
Employer Primary Sub.	90	163					\$2,213,067

Section VI
Appendices

APPENDIX - I.

ACTIVE EMPLOYEE BY AGE AND SERVICE

AS OF JULY 1, 2011

Age	Service									Total
	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40+	
0 - 19	0	0	0	0	0	0	0	0	0	0
20 - 24	14	0	0	0	0	0	0	0	0	14
25 - 29	32	3	2	0	1	0	0	0	0	38
30 - 34	23	41	10	0	0	0	0	0	0	74
35 - 39	9	36	48	5	0	0	0	0	0	98
40 - 44	20	24	42	28	3	0	0	0	0	117
45 - 49	16	21	44	9	7	2	0	0	0	99
50 - 54	16	25	35	19	22	4	3	0	0	124
55 - 59	8	24	17	16	23	5	2	0	0	95
60 - 64	9	10	20	8	7	4	2	1	0	61
65 - 69	0	6	6	4	3	1	2	0	1	23
70 - 74	0	0	3	0	2	0	0	0	0	5
75 - 79	0	0	0	0	0	0	0	0	0	0
80 - 84	0	0	0	0	0	0	0	0	0	0
85 and Over	0	0	0	0	0	0	0	0	0	0
Total	147	190	227	89	68	16	9	1	1	748

APPENDIX - II

PROJECTED BENEFIT PAYMENTS

Year	Amount	Accumulated	Year	Amount	Accumulated	Year	Amount	Accumulated
2010	\$ 2,233,551	\$ 2,233,551	2043	\$ 7,530,969	\$ 129,585,061	2076	\$ 1,149,287	\$ 286,107,037
2011	\$ 2,035,650	\$ 4,269,201	2044	\$ 7,485,218	\$ 137,070,279	2077	\$ 976,574	\$ 287,083,611
2012	\$ 2,035,650	\$ 6,304,851	2045	\$ 7,409,968	\$ 144,480,247	2078	\$ 820,029	\$ 287,903,640
2013	\$ 1,870,300	\$ 8,175,151	2046	\$ 7,382,097	\$ 151,862,344	2079	\$ 679,940	\$ 288,583,580
2014	\$ 1,677,713	\$ 9,852,864	2047	\$ 7,380,022	\$ 159,242,366	2080	\$ 556,277	\$ 289,139,857
2015	\$ 1,518,282	\$ 11,371,146	2048	\$ 7,278,365	\$ 166,520,731	2081	\$ 448,694	\$ 289,588,551
2016	\$ 1,439,861	\$ 12,811,007	2049	\$ 7,102,666	\$ 173,623,397	2082	\$ 356,527	\$ 289,945,078
2017	\$ 1,417,602	\$ 14,228,609	2050	\$ 7,029,510	\$ 180,652,907	2083	\$ 278,818	\$ 290,223,896
2018	\$ 1,434,950	\$ 15,663,559	2051	\$ 6,825,793	\$ 187,478,700	2084	\$ 214,392	\$ 290,438,288
2019	\$ 1,477,648	\$ 17,141,207	2052	\$ 6,576,485	\$ 194,055,185	2085	\$ 161,922	\$ 290,600,210
2020	\$ 1,565,606	\$ 18,706,813	2053	\$ 6,375,068	\$ 200,430,253	2086	\$ 119,980	\$ 290,720,190
2021	\$ 1,694,534	\$ 20,401,347	2054	\$ 6,205,520	\$ 206,635,773	2087	\$ 87,107	\$ 290,807,297
2022	\$ 1,826,325	\$ 22,227,672	2055	\$ 6,029,543	\$ 212,665,316	2088	\$ 61,872	\$ 290,869,169
2023	\$ 2,033,740	\$ 24,261,412	2056	\$ 5,843,377	\$ 218,508,693	2089	\$ 42,935	\$ 290,912,104
2024	\$ 2,234,791	\$ 26,496,203	2057	\$ 5,647,195	\$ 224,155,888	2090	\$ 29,066	\$ 290,941,170
2025	\$ 2,496,251	\$ 28,992,454	2058	\$ 5,441,172	\$ 229,597,060	2091	\$ 19,163	\$ 290,960,333
2026	\$ 2,783,442	\$ 31,775,896	2059	\$ 5,225,561	\$ 234,822,621	2092	\$ 12,280	\$ 290,972,613
2027	\$ 3,109,552	\$ 34,885,448	2060	\$ 5,000,783	\$ 239,823,404	2093	\$ 7,638	\$ 290,980,251
2028	\$ 3,476,114	\$ 38,361,562	2061	\$ 4,767,415	\$ 244,590,819	2094	\$ 4,612	\$ 290,984,863
2029	\$ 3,868,220	\$ 42,229,782	2062	\$ 4,526,215	\$ 249,117,034	2095	\$ 2,705	\$ 290,987,568
2030	\$ 4,286,829	\$ 46,516,611	2063	\$ 4,278,175	\$ 253,395,209	2096	\$ 1,541	\$ 290,989,109
2031	\$ 4,671,296	\$ 51,187,907	2064	\$ 4,024,489	\$ 257,419,698	2097	\$ 852	\$ 290,989,961
2032	\$ 5,048,880	\$ 56,236,787	2065	\$ 3,766,526	\$ 261,186,224	2098	\$ 459	\$ 290,990,420
2033	\$ 5,357,412	\$ 61,594,199	2066	\$ 3,505,823	\$ 264,692,047	2099	\$ 243	\$ 290,990,663
2034	\$ 5,684,167	\$ 67,278,366	2067	\$ 3,244,055	\$ 267,936,102	2100	\$ 127	\$ 290,990,790
2035	\$ 6,024,731	\$ 73,303,097	2068	\$ 2,983,019	\$ 270,919,121	2101	\$ 66	\$ 290,990,856
2036	\$ 6,310,758	\$ 79,613,855	2069	\$ 2,724,620	\$ 273,643,741	2102	\$ 34	\$ 290,990,890
2037	\$ 6,532,361	\$ 86,146,216	2070	\$ 2,470,814	\$ 276,114,555	2103	\$ 17	\$ 290,990,907
2038	\$ 6,788,793	\$ 92,935,009	2071	\$ 2,223,605	\$ 278,338,160	2104	\$ 9	\$ 290,990,916
2039	\$ 7,059,153	\$ 99,994,162	2072	\$ 1,984,954	\$ 280,323,114	2105	\$ 4	\$ 290,990,920
2040	\$ 7,251,631	\$ 107,245,793	2073	\$ 1,756,682	\$ 282,079,796	2106	\$ 2	\$ 290,990,922
2041	\$ 7,326,974	\$ 114,572,767	2074	\$ 1,540,410	\$ 283,620,206	2107	\$ 1	\$ 290,990,923
2042	\$ 7,481,325	\$ 122,054,092	2075	\$ 1,337,544	\$ 284,957,750	2108	\$ -	\$ 290,990,923

APPENDIX – III
GLOSSARY

Actuarial Accrued Liability. The portion, as determined by a particular Actuarial Cost Method, of the present value of benefits which is not provided for by future Normal Costs.

Actuarial Cost Method. A procedure for determining the Actuarial Present Value of Total Projected Benefits and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.

Actuarially Equivalent. Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.

Actuarial Present Value of Total Projected Benefits. The present value, as of the valuation date, of the cost of future benefits to be paid to employees, retirees, and covered dependents, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. It is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.

Annual OPEB Cost. The accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB Plan.

Annual Required Contributions of the Employer (ARC). The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters defined in GAS 45.

Investment Return Assumption (Discount Rate). The rate used to adjust a series of future benefit payments to reflect the time value of money.

Healthcare Cost Trend Rate. The rate of change in per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services and technological developments.

Net OPEB Obligation. The cumulative difference since the effective date of GAS 45 between the annual OPEB cost and the employer's contributions to the plan.

Normal Cost. The portion of the Actuarial Present Value of plan benefits which is allocated to a valuation year by the Actuarial Cost Method.

OPEB. Postemployment benefits other than pension benefits.

Pay-As-You-Go. The amount of the benefits paid out to plan participants during the year.

Per Capita Claims Cost. The current average annual cost of providing postretirement health care benefits per individual.

Supplemental Cost. The amount of the Annual Required Contribution attributable to the amortization of the unfunded Actuarial Accrued Liability.