



June 11, 2010

Mr. John L. Chow
Assistant Superintendent for Business
Chappaqua Central School District
66 Roaring Brook Road
Chappaqua, NY 10514

Re: Report - GASB 43 & 45 for Fiscal Year July 1, 2009 to June 30, 2010

Dear Mr. Chow:

Enclosed is an updated analysis of estimated costs for post employment benefits valuation under Government Accounting Standards Board (GASB) No. 43 & 45 for the Chappaqua Central School District. Valuation was done for fiscal year July 1, 2009 to June 30, 2010. This update reflects the finalizing of the two medical plans for July 1, 2010 renewal (Consortium and Emblem Health).

In addition, as requested, we illustrated thirty (30) additional scenarios for variations in the discount rates and health care cost inflation (trend) rates, which are described further in this document.

The attached analysis was completed in accordance with generally accepted actuarial principles and practices. Included in the analysis is a Table of Contents. Section I of the report includes the financial forecast for GASB 45. As an example, the unfunded accrued liability (UAL), which is the accrued liability less assets, is approximately \$87.8 million as of July 1, 2009. Pages 3-4 of the report illustrate financial projections for the plan as of yearend June 30, 2010 to assist your auditors with accounting for the respective plan year.

Results were valued based on census information provided as of March 2010. This is based on a total of 999 employees, reflecting the sum of 656 active and 343 retired employees. The active population reflects approximately 53.1% of the accrued liability above. This is due to the significant percentage of the active population (23% of the active population or 151 employees) eligible for early retirement.

Section I of the report also includes sensitivity analysis based on varying the discount interest rate and healthcare cost inflation (trend). The discount rate used was 6% as requested. Increasing the discount rate by 1% (a discount rate of 7%) would lower UAL by approximately 13.4%. Also included is a sensitivity analysis on healthcare cost inflation (trend). A 1% trend factor increase would increase UAL by approximately 15.9%. Sensitivity analysis is valued as of July 1, 2009. Details of these scenarios are also illustrated in Section I of the attached report.

In addition, as requested, we included additional scenarios illustrating the impact of variations in the discount rate and healthcare cost inflation (trend) rates. See Section VI for details. The total number of combinations is 30 scenarios reflecting 6 options for discount rates (2% to 7% in one percent increments) plus 5 options for trend rate increases (5% to 9% in one percent increments). Trend rates are based on the rates in the valuation prior valuation report, but the rates for the ultimate period (i.e., years 2015 and later) were varied based on the above scenarios.



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As part of the analysis, we included supporting documentation such as a summary of assumptions and key definitions (glossary), which are provided in Sections III and IV, respectively. See pages 5-8 for details.

Section V of the report illustrates additional information pertaining to underlying census information including age and sex analysis for active and retired employees along with summaries of the active population by age and years of service. Census analysis is illustrated separately for actives and retirees.

For retirees, the average age is 74.0 years as of the valuation date of July 1, 2009. For actives, the average age is 46.2 years and average years of service of 10.2 as of the valuation date of July 1, 2009.

Similar to the prior valuation, we based our analysis on reviewing electronic census information (record-by-record review), retiree plan designs, benefit cost information, contract information including special arrangements for individual retirement, and other summary information of retiree benefits and eligibility.

An important area to highlight in the report is page 4, which illustrates an actuarial gain of \$11.5 million, which is part of the calculation of OPEB costs. An actuarial gain is the result of the revised unfunded accrued liability as of July 1, 2009 compared to the prior unfunded accrued liability from the prior valuation period (e.g., July 1, 2008) rolled forward to the current period (e.g., June 30, 2009). The prior valuation unfunded accrued liability rolled forward to June 30, 2009 was \$99.3 million, which is illustrated on page 3 of the prior valuation report dated May 12, 2009.

The two primary drivers for this actuarial gain are due to the reduction in employee headcounts in the current year plus actual (realized) premium increases in the upcoming year being materially lower than previously projected.

Employee headcounts for combined actives and retirees from the prior valuation were reduced by 5.8%, which is illustrated on page 11 of the report. In the prior valuation, the assumptions for health care inflation were 9% for both pre-65 and post-65 retiree costs for the July 1, 2010 renewal date. Based on favorable renewal experience, the premium rate increase for the Putnam Northern Westchester Health Benefits Consortium was 3% for the most current period. These two factors above materially lowered the valuation results for UAL (or an actuarial gain) from the prior valuation.

Other contributing factors to the reduction of the UAL included increases in retiree contribution rate percentages through collective bargaining. Our understanding is that there are additional negotiations in process for postemployment (retirement) benefits, but these changes are not reflected in the valuation.



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We hope that this report is beneficial. When convenient, please contact me so that we can schedule a meeting or call to review report in more detail. In addition, please extend thanks to you and your team for assistance in the gathering of information to help us complete this analysis. Your assistance was much appreciated.

We look forward to working with you in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Frank".

Michael L. Frank, A.S.A., M.A.A.A., F.C.A.
President & Actuary

Cc: Donald Rusconi – Aquarius Capital

Enclosure



Client: Chappaqua Central School District
Valuation Estimates under GASB No. 43 & 45 valued as of July 1, 2009

CHAPPAQUA CENTRAL SCHOOL DISTRICT

GASB NO. 43 & 45

VALUATION AS OF JULY 1, 2009

Prepared by: Aquarius Capital Solutions Group LLC
June 11, 2010



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SECTION I - SUMMARY OF FINANCIAL INFORMATION INCLUDING SENSITIVITY ANALYSIS

Summary of Financial Results as of Valuation Date w/ Variations in Discount Rate

	Val. Discount Rate of <u>6.00%</u>	Sensitivity Analysis Val. Discount Rate of <u>7.00%</u>
	<u>Total</u>	<u>Total</u>
1 Total Employee Lives		
a. Actives	656	656
b. Retirees	343	343
c. Subtotal	999	999
2 Present Value of Future Benefits (PVFB)		
a. Actives	\$ 71,882,737	\$ 56,897,720
b. Retirees	\$ 41,133,307	\$ 37,825,782
c. Subtotal	\$ 113,016,045	\$ 94,723,502
d. % Actives	63.6%	60.1%
e. Ratio to Valuation Results for PVFB		83.8%
3 Accrued Liability (AL)		
a. Actives	\$ 46,635,229	\$ 38,192,874
b. Retirees	\$ 41,133,307	\$ 37,825,782
c. Subtotal	\$ 87,768,536	\$ 76,018,656
d. % Actives	53.1%	50.2%
e. Ratio to Valuation Results for AL		86.6%
4 Assets	\$ -	\$ -
5 Unfunded Accrued Liability (UAL) (3c) - (4)	\$ 87,768,536	\$ 76,018,656
6 Service Cost with Interest		
a. Service Cost at Year End:	\$ 3,621,575	\$ 2,863,472
b. Ratio to Valuation Results		79.1%
7 Pay-As-You-Go Benefits	\$ 3,445,730	\$ 3,445,730
8 Ratio of AL to Pay-As-You-Go: (3c) / (7)	25.47	22.06
9 Ratio of Service Cost to Pay-As-You-Go: (6a) / (7)	1.05	0.83
10 Average Annual Pay-As-You-Go Benefit per Retiree (7) / (1b)	\$ 10,046	\$ 10,046
11 Three Year Projection of Pay-As-You-Go Costs		
a. Year 1	\$ 3,445,730	\$ 3,445,730
b. Year 2	\$ 3,477,165	\$ 3,477,165
c. Year 3	\$ 3,724,666	\$ 3,724,666

Note: All costs are net of retiree contributions.



SECTION I - SUMMARY OF FINANCIAL INFORMATION INCLUDING SENSITIVITY ANALYSIS (CONTINUED)

Summary of Financial Results as of Valuation Date w/ Variations in Assumed Trend

	Valuation based on the above <u>Trend Rates</u>	Healthcare Cost Trend Rate Assumptions <u>Increased 1%</u>
	<u>Total</u>	<u>Total</u>
1 Total Employee Lives		
a. Actives	656	656
b. Retirees	343	343
c. Subtotal	999	999
2 Present Value of Future Benefits (PVFB)		
a. Actives	\$ 71,882,737	\$ 91,407,526
b. Retirees	\$ 41,133,307	\$ 44,572,624
c. Subtotal	\$ 113,016,045	\$ 135,980,151
d. % Actives	63.6%	67.2%
e. Ratio to Valuation Results for PVFB		120.3%
3 Accrued Liability (AL)		
a. Actives	\$ 46,635,229	\$ 57,115,666
b. Retirees	\$ 41,133,307	\$ 44,572,624
c. Subtotal	\$ 87,768,536	\$ 101,688,291
d. % Actives	53.1%	56.2%
e. Ratio to Valuation Results for AL		115.9%
4 Assets	\$ -	\$ -
5 Unfunded Accrued Liability (UAL) (3c) - (4)	\$ 87,768,536	\$ 101,688,291
6 Service Cost with Interest		
a. Service Cost at Year End	\$ 3,621,575	\$ 4,642,723
b. Ratio to Valuation Results		128.2%
7 Pay-As-You-Go Benefits	\$ 3,445,730	\$ 3,445,730
8 Ratio of Pay-As-You-Go Benefits to Valuation Assumptions (Line 7 Ratio)		100.0%
9 Ratio of AL to Pay-As-You-Go: (1c) / (7)	25.47	29.51
10 Ratio of Service Cost to Pay-As-You-Go: (6a) / (7)	1.05	1.35
11 Average Annual Pay-As-You-Go Benefit per Retiree (7) / (1b)	\$ 10,046	\$ 10,046
12 Three Year Projection of Pay-As-You-Go Costs		
a. Year 1	\$ 3,445,730	\$ 3,445,730
b. Year 2	\$ 3,477,165	\$ 3,477,165
c. Year 3	\$ 3,724,666	\$ 3,758,837

Notes:

A. All costs are net of employee contributions.

B. Healthcare cost inflation sensitivity analysis applied to Year 3 and later, since Year 2 costs (base rates) are already known.



SECTION II: FINANCIAL RESULTS AS OF JULY 1, 2009 VALUATION FOR YEAR END DISCLOSURE

(First Year of Implementation is Fiscal Year July 1, 2008 to June 30, 2009)

1 Discount Rate	6.00%
<u>Section 1: Development of Service Cost</u>	
2 Service Cost at Beginning of Year as of July 1, 2009	\$ 3,416,580
3 Interest on Service Cost (2) x (1)	\$ 204,995
4 Service Cost with Interest to Year End (2) + (3)	\$ 3,621,575
<u>Section 2: Projected Unfunded Accrued Liability to Year End</u>	
5 Accrued Liability (UAL) as of July 1, 2009	\$ 87,768,536
6 Assets	\$ -
7 Unfunded Accrued Liability (UAL) as of July 1, 2009 (5) - (6)	\$ 87,768,536
8 Service Cost with Interest to Year End (4)	\$ 3,621,575
9 Pay-As-You-Go Benefits - July 1, 2009 to June 30, 2010	\$ 3,445,730
10 Interest on Unfunded Accrued Liability (7) x (1) - (8) x (1) / 2	\$ 5,162,740
11 Projected Unfunded Accrued Liability (UAL) as of June 30, 2010 (7) + (8) - (9) + (10)	\$ 93,107,121
<u>Section 3: Amortization of Initial Unfunded Accrued Liability (Implementation)</u>	
12 Initial Unfunded Accrued Liability at Implementation (July 1, 2008 Valuation Report) (Same as Prior Year Valuation)	\$ 92,868,117
13 Number of Years of Amortization	30
14 Amortization of Initial Unfunded Accrued Liability as of July 1, 2008 - 30 Year Amortization: (12) / (13) (Revised to Reflect More Common Method Using Initial UAL)	\$ 3,095,604
15 Interest on Unfunded Accrued Liability (1) x (14)	\$ 185,736
16 Total Amortization of Initial Unfunded Accrued Liability w/ Interest (14) + (15)	\$ 3,281,340
17 Number of Years of Amortization of Initial Unfunded Accrued Liability, including Current Valuation	2



SECTION II: FINANCIAL RESULTS AS OF JULY 1, 2009 VALUATION FOR YEAR END DISCLOSURE (CONTINUED)

<u>Section 4: Adjustments to Annual Required Contribution (ARC)</u>	
18 Unfunded Accrued Liability (UAL) as of July 1, 2009 (7)	\$ 87,768,536
19 Projected Unfunded Accrued Liability as of June 30, 2009 (Prior Year Reporting - Results valued as of July 1, 2008 and rollforwarded to year end)	\$ 99,255,478
20 Calculation of Experience (Gain)/Loss on Unfunded Accrued Liability as of July 1, 2009 (18) - (19)	\$ (11,486,942)
21 Net OPEB Obligation as of June 30, 2009 (Reported in Prior Year Financial Statements)	\$ 4,200,739
22 Total (Gain)/Loss since Prior Valuation (20)	\$ (11,486,942)
23 Amortization Period for (Gain)/Loss	15
24 Adjustment to ARC - Amortization of (Gain)/Loss (22) / (23)	\$ (765,796)
<u>Section 5: Summary of Annual OPEB Cost & Net OPEB Obligation as of June 30, 2010</u>	
25 Unfunded Accrued Liability (UAL) as of July 1, 2009 (7)	\$ 87,768,536
26 Total Service Cost with Interest - July 1, 2009 to June 30, 2010 (4)	\$ 3,621,575
27 Total Amortization of Initial Unfunded Accrued Liability w/ Interest (16)	\$ 3,281,340
28 Annual Required Contribution (ARC) (26) + (27)	\$ 6,902,915
29 Interest on Net OPEB Obligation as of July 1, 2009 (1) x (21)	\$ 252,044
30 Adjustment to ARC (24)	\$ (765,796)
31 Annual OPEB Cost (28) + (29) + (30)	\$ 6,389,163
32 Contributions Made (Pay-As-You-Go Costs) - Illustrated as Projected (8)	\$ 3,445,730
33 Net OPEB Expense Cost at June 30, 2010 (31) - (32)	\$ 2,943,433
34 Net OPEB Obligation as of June 30, 2009 (21)	\$ 4,200,739
35 Net OPEB Obligation as of June 30, 2010 (33) + (34)	\$ 7,144,172



SECTION III - SUMMARY OF ASSUMPTIONS

Valuation Date	July 1, 2009
Initial Implementation Year	July 1, 2008 to June 30, 2009
Discount Rate	6.0%
Retirement Assumptions	Valuation of active and retired population
Covered Benefits	Coverage for medical only including prescription drug coverage as part of medical plan. Certain retirees are eligible for life insurance and receive on a non-contributory basis.
Retirement Benefits	Coverage for pre-65 and post-65 coverage.
Plan Design Changes	Assuming no changes in future plan designs (e.g., deductibles, coinsurance, etc.) from current benefits offered for the current plan year.
Insurance Coverage Funding Basis	Medical insurance are funded on a fully insured basis.
Assets	Not valued since benefit is unfunded. Assets are zero.
Actuarial Cost Method	Projected Unit Credit.
Health Care Cost Trend Assumption	The following assumptions are used for annual healthcare cost inflation (trend):

	<u>Year</u>	<u>Pre-65</u>	<u>Post 65</u>
Initial Trend	2011	9.0%	9.0%
Ultimate Trend	2015 & Later	5.0%	5.0%
Grading Per Year		1.0%	1.0%

Starting Claim Cost
 Base plan costs for the past three plan years (July 1 to June 30) are illustrated below on a monthly basis by coverage tier. Rates are as follows:

<u>Aetna Plan</u>	<u>7/09 to 6/10</u> <u>Monthly Costs</u>	<u>7/10 to 6/11</u> <u>Monthly Costs</u>
Single (Pre-65)	\$ 568.00	\$ 585.00
Family (Pre-65)	\$ 1,420.00	\$ 1,463.00
Single (Post-65)	\$ 511.00	\$ 527.00
Family (Post-65)	\$ 1,136.00	\$ 1,170.00

The above costs are based on 100% before retiree contributions. These costs assume administrative expenses. Aetna premium rates are fully insured as determined by the Putnam Northern Westchester Health Benefits Consortium. Company offers an alternative health plan with HealthNet prior to July 1, 2010. Afterward, coverage will be provided by a different health insurance company (Emblem). Costs for the new plan are assumed to be higher for conservatism so company portion will be based on Consortium plan. Currently the alternative plan is Emblem and rates are higher than Consortium.

The above monthly cost amounts are trended forward based on the percentages which are listed under "Health Care Cost Trend Assumptions" above.

Projected Benefit Costs
 All costs are not adjusted for aging since underlying premium rates are community rated. This is consistent with Actuarial Standards of Practice No. 6.

Retiree Contribution Rates
 Retirees contribution rates vary based on class of employees. Contribution rates are based on a percentage of premium. For the Aetna plan, contribution rates are as follows:

<u>Division</u>	<u>Current Retiree</u> <u>Contribution %</u>
CCT	6.5%
COSA	5.0%
ADM	10.0%
CSEA	7.0%



SECTION III - SUMMARY OF ASSUMPTIONS (CONTINUED)

Retiree Contribution Rates (continued)	<p>Effective 1/1/09, CSEA contribution rates will increase from 7% to 8% for future retirees. Teachers will increase to 7.75% for retirees after 7/1/09, 9% for retirees after 7/1/10, and 10% for retirees after 7/1/11. Support staff will increase to 7.75% for retirees after 7/1/09 and 9% for retirees after 7/1/10. Administrators will increase to 11% for retirees after 7/1/10.</p> <p>Retiree contribution rates for alternative plan are established at the Aetna premium plan rates plus the incremental cost amount in order for the company to have a net cost structure similar to the current Aetna plan. Since alternative plan premium rates are assumed than Aetna, then the net cost to the company is the same under both the Aetna and the alternative plans.</p>
Medicare Part B Premium Reimbursement	<p>The valuation reflects the reimbursement of Medicare Part B premium rates to retirees & spouses over age 65 that are eligible for the benefit. Employees would pay this premium and then be reimbursed by company.</p>
Future Contributions for Medical	<p>Assume no future contribution changes or benefit cost cap changes other than increases due to inflation as projected in the valuation. See Healthcare Cost Trend Assumptions above for factors.</p>
% Current Retirees Opting Out	<p>None, assume 100% participation for those covered as actives. All active and retiree employee records provided by client were valued.</p>
Retirement Eligibility Assumptions	<p>Eligibility for early retirement is based on meeting a criteria of minimum age and/or years of service (YOS) requirements. For this valuation, we assumed minimum retirement age of 55 with 5 YOS, which is based on the current contracts as provided by the client.</p>
Retirement System (ERS and TRS)	<p>TRS and ERS assigned to employees based on provided census information.</p>
Mortality	<p>RP 2000 Table Male and Female Tables were used for mortality assumptions.</p>
Turnover Assumptions	<p>This reflects rate of separation from the active plan and excludes retirement and disability. Turnover table various by age, gender and years of service with rates of turnover based on the New York State Teachers Retirement System (TRS) and Employees' Retirement System (ERS).</p>
Disability Assumptions	<p>This reflects disability assumptions from the active plan and is based on age and gender. This is the assumption used for the New York State Teachers Retirement System (TRS), and Employees' Retirement System (ERS).</p>
Retirement Assumptions	<p>This reflects rate of retirement from the active plan and is based on age and gender. This is the assumption used for the New York State Teachers Retirement System (ERS), and Employees' Retirement System (ERS).</p>
Medicare Tax Subsidy	<p>The Medicare tax subsidy is reflected in valuation. Subsidy is offset in premium rates charged to employer and post-65 costs are illustrated net of subsidy.</p>
Census Information	<p>Participant data provided by client dated March 2010. We relied on information provided by client as being accurate and we have not conducted any data audits. Separate census files were provided for active and retirees. We compared information to the prior census information for various analysis and comparisons. All data supplied was provided by company.</p>
Valuation of Spouses & Marital Status	<p>Spouses are valued for benefits similar to retired employees for medical coverage. Members that are spouses are assumed to be married to those spouses at retirement. Members that are without spouses (or not covering spouses) are assumed to be single at and throughout retirement.</p>
Surviving Spouses & Surviving Dependents	<p>Surviving dependents do not receive health insurance other than reimbursement for Medicare Part B coverage. Currently, there are eight (8) surviving spouses.</p>
Spouse Age Assumptions	<p>For missing date of births, we are assuming that female spouses are three years younger than male employees and male spouses are three years old than female employees. This is applied for spouses without dates of birth. This was assumed since spouse dates of birth were not available for all actives and retirees with family coverage.</p>
New Hires	<p>This valuation is based on a closed group and does not reflect the impact of future new entrants (e.g., new hires after date of data collection, i.e., March 2010) into the plan.</p>



SECTION III - SUMMARY OF ASSUMPTIONS (CONTINUED)

Missing Census Information

- o Dates of Birth
Six employees were missing date of birth, so assumed individuals has average age of 45 for four actives and 73 for two retirees. This assumption is consistent with averages for active and retiree population from prior valuation. Missing dates of births includes typos.
- o Dates of Hire
Two employees were missing date of hire, so assumed individual has nine (9) years of service from prior valuation. This assumption is consistent with average for active population.
- o Gender
No employees were missing gender, so no special adjustments were needed.

Dates of Retirement

Retirement dates were not provided for all retirees so a retirement decrement analysis on historical experience was not done. This was not critical for the valuation.

Buy Backs (Opt Outs)

Individuals that elected buy back option (i.e., opt outs) as actives are assumed to enroll in medical at retirement. Individuals are assumed to be single since no spouse information was available.

Amortization of Initial UAL

Initial unfunded accrued liability (UAL) was amortized over thirty (30) years on a fixed dollar basis for a closed period.

Life Insurance

Certain retired administrators are eligible for life insurance coverage at retirement. Coverage is provided on a non-contributory basis with rates varying by specific individuals, which are reflected in the valuation.

Special Adjustments

No other special adjustments were provided since client data was complete for purposes of completing the valuation. All active and retired employees provided were valued.

Rounding of Results

Results are illustrated to the nearest dollar. In using unrounded results (exact dollars), no implication is made as to the degree of precision in those results. Clients and their auditors should apply their own judgment as to the desirability of rounding when transferring results from this valuation report to the client's financial statements.

Initial Year of Recognition of GASB 43 & 45

We have not reviewed the audited financials of client so are not providing an opinion on when client should recognize and comply with GASB 43 & 45. We will rely on the opinion of the client and its auditor for this determination.

Other Comments

Actuarial methods, considerations, and analyses used in forming this certification conform to the appropriate Standards of Practice and guidelines of the Actuarial Standards Board (ASB).



SECTION IV - DEFINITIONS & GLOSSARY

Actuarial Present Value of Future Benefits (PVFB)	Present value of all benefits expected to be paid by the employer, net of expected retiree contributions, based on actuarial assumptions used in the valuation. Assumption are illustrated in Section II of this report.
Accrued Liability (AL)	This is the past service liability or present value of all benefits earned to date. Since retiree medical benefits are not accrued based on a specific formula like a pension plan, the accounting standard (GASB 45) requires the benefits to be earned ratably from date of hire to date of full eligibility for benefits. For retirees and actives that are immediately eligible to retire and receive full benefits, the AL equals the PVFB. For actives not yet eligible to retire, it equals a pro-rata portion of the PVFB based on past services to total service for that employee.
Unfunded Accrued Liability (UAL)	This is the excess of the AL over assets.
Annual Required Contribution (ARC)	The employer's periodic required contribution to a defined benefit OPEB plan. The portion, as determined by a particular Actuarial Method, of the Actuarial Present Value of the benefits and expenses, which is provided for by future Normal Costs.
Normal Cost	The proportion of the PVFB of a plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method used in the valuation. This is the cost of OPEB attributed to the current year of service.
Amortization Payment	The portion of the pension plan contribution (ARC) which is designated to pay interest on and to amortize the Actuarial Unfunded Accrued Liability (UAL)
Adjustment to ARC	For this valuation, the adjustment to the ARC reflected the gain/loss from the prior valuation. Cumulative gain/losses are amortized over fifteen years on a fixed dollar basis.
Closed Group Valuation	This means that it does not consider the Actuarial PVFB associated with future entrants.
Pay-As-You-Go	This is a method of financing a postretirement benefit plan under which the contributions to the plan are generally made at about the same time and amount as benefits and expenses become due.
Decrement Rates	This is mortality, turnover, disability and retirement rate assumptions. This is used to determine likelihood of employee qualifying for OPEB and when benefits will commence. Mortality is also used to determine probability of individuals to live and continue to receive benefits.
Discount Rate	Assumption used for converting present value of future benefits less future contributions into today's dollar amounts.
Service Cost	Accounting terminology, which is the same as the Normal Cost.
Projected Unit Credit	This is an actuarial cost method whereby the costs of benefits earned is funded each year and the value of the accrued liability reflects the benefits earned to date.
Plan Members	The individuals covered by the terms of an OPEB plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.
Other Post Employment Benefits (OPEB)	Medical, dental, vision, life and other health benefits provided to terminated or retired employees including their dependents and beneficiaries.
Substantive Plan	The terms of the OPEB plan as understood by the employer and its plan members.
Recognition Year for GASB No. 43 & 45	2007-08 Fiscal Year: This impacts public agencies with total annual revenue of \$100 million or more must comply in the fiscal year after December 15, 2006. 2008-09 Fiscal Year: This impacts public agencies with total annual revenue between \$10 million and \$100 million must comply in the fiscal year after December 15, 2007. 2009-10 Fiscal Year: This impacts public agencies with total annual revenue less than \$10 million must comply in the fiscal year after December 15, 2008.



SECTION V - SUMMARY OF CENSUS INFORMATION

Summary of Enrollment by Gender for Retirees, calculated as of July 1, 2009

	<u>Age</u>	<u>Female</u>	<u>Male</u>	<u>Subtotal</u>	<u>% Female</u>	<u>% Male</u>
1	53	1	-	1	100.0%	0.0%
2	55	1	-	1	100.0%	0.0%
3	56	-	1	1	0.0%	100.0%
4	57	1	1	2	50.0%	50.0%
5	58	1	1	2	50.0%	50.0%
6	59	3	3	6	50.0%	50.0%
7	60	6	6	12	50.0%	50.0%
8	61	12	3	15	80.0%	20.0%
9	62	10	-	10	100.0%	0.0%
10	63	7	6	13	53.8%	46.2%
11	64	4	4	8	50.0%	50.0%
12	65	10	2	12	83.3%	16.7%
13	66	4	6	10	40.0%	60.0%
14	67	10	3	13	76.9%	23.1%
15	68	4	6	10	40.0%	60.0%
16	69	8	5	13	61.5%	38.5%
17	70	9	4	13	69.2%	30.8%
18	71	8	2	10	80.0%	20.0%
19	72	4	3	7	57.1%	42.9%
20	73	8	5	13	61.5%	38.5%
21	74	4	2	6	66.7%	33.3%
22	75	4	2	6	66.7%	33.3%
23	76	8	4	12	66.7%	33.3%
24	77	7	9	16	43.8%	56.3%
25	78	8	5	13	61.5%	38.5%
26	79	4	3	7	57.1%	42.9%
27	80	14	3	17	82.4%	17.6%
28	81	3	3	6	50.0%	50.0%
29	82	7	7	14	50.0%	50.0%
30	83	6	5	11	54.5%	45.5%
31	84	4	3	7	57.1%	42.9%
32	85	5	4	9	55.6%	44.4%
33	86	3	4	7	42.9%	57.1%
34	87	2	1	3	66.7%	33.3%
35	88	4	3	7	57.1%	42.9%
36	89	5	2	7	71.4%	28.6%
37	90	6	1	7	85.7%	14.3%
38	91	4	3	7	57.1%	42.9%
39	92	1	1	2	50.0%	50.0%
40	93	1	2	3	33.3%	66.7%
41	94	2	-	2	100.0%	0.0%
42	97	-	1	1	0.0%	100.0%
43	98	-	1	1	0.0%	100.0%
	Total	213	130	343	62.1%	37.9%
	Pre 65	46	25	71	64.8%	35.2%
	Post 65	<u>167</u>	<u>105</u>	<u>272</u>	<u>61.4%</u>	<u>38.6%</u>
	Subtotal	213	130	343	62.1%	37.9%
	Average Age - Total	73.6	74.6	74.0		
	Average Age - Pre 65	61.1	61.0	61.0		
	Average Age - Post 65	77.0	77.9	77.4		

Note: Retiree counts above includes eight (8) surviving spouses.



SECTION V - SUMMARY OF CENSUS INFORMATION (CONTINUED)

Summary of Census for Actives by Age and Years of Service, calculated as of July 1, 2009

Age Band	Years of Service								Subtotal	% Subtotal
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 +		
Under 25	7	-	-	-	-	-	-	-	7	1.1%
25 to 29	45	7	-	-	-	-	-	-	52	7.9%
30 to 34	36	34	4	-	-	-	-	-	74	11.3%
35 to 39	10	28	19	3	-	-	-	-	60	9.1%
40 to 44	21	27	16	10	2	-	-	-	76	11.6%
45 to 49	35	30	23	10	8	2	-	-	108	16.5%
50 to 54	18	34	25	13	10	5	3	-	108	16.5%
55 to 59	17	25	20	16	5	11	7	4	105	16.0%
60 to 64	2	5	7	7	10	6	4	3	44	6.7%
Age 65 +	1	4	2	-	6	2	3	4	22	3.4%
Subtotal	192	194	116	59	41	26	17	11	656	100.0%
% Subtotal	29.3%	29.6%	17.7%	9.0%	6.3%	4.0%	2.6%	1.7%	100.0%	

Actives

Average Age: 46.2
Average Years of Service: 10.2

% by Gender

Female	477	72.7%
Male	179	27.3%
Total	656	100.0%

Actives by Service Category

Actives Not Yet Eligible for Benefits	505	77.0%
Actives Eligible for Benefits	151	23.0%
Total	656	100.0%



SECTION V - SUMMARY OF CENSUS INFORMATION (CONTINUED)

Comparison of Census Information with Prior Valuation

	<u>July 1, 2009</u>	<u>July 1, 2008</u>	<u>Difference</u>	<u>% Difference</u>
<u>Summary of Counts</u>				
Actives	656	710	(54)	-7.6%
Retirees	<u>343</u>	<u>351</u>	<u>(8)</u>	<u>-2.3%</u>
Total	999	1,061	(62)	-5.8%
Retiree Counts - % Pre-65	20.7%	24.5%	-3.8%	-15.5%
<u>Average Age</u>				
Actives	46.2	44.6	1.6	3.6%
Retirees				
o Pre-65	61.0	60.4	0.7	1.1%
o Post-65	77.4	77.2	0.1	0.2%
o Total	74.0	73.1	0.9	1.2%
<u>Average Years of Service</u>				
Actives - Average Years of Service	10.2	8.7	1.5	16.8%
Actives Eligible for Benefits	151	125	26	20.8%
% Actives Eligible for Benefits	23.0%	17.6%	5.4%	30.7%
<u>Gender</u>				
% Female - Actives	72.7%	73.4%	-0.7%	-0.9%
% Female - Retirees	62.1%	61.5%	0.6%	0.9%



SECTION V: SCENARIOS FOR DISCOUNT RATES AND HEALTHCARE COST TREND RATES

VALUATION RESULTS FOR UAL AS OF JULY 1, 2009:

Ultimate Healthcare Cost Trend Scenarios	<u>Discount Rate Scenarios</u>					
	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>
5%	\$ 180,828,103	\$ 147,211,330	\$ 121,970,916	\$ 102,704,768	\$ 87,768,536	\$ 76,018,656
6%	\$ 214,499,618	\$ 171,897,426	\$ 140,355,581	\$ 116,599,883	\$ 98,416,671	\$ 84,284,873
7%	\$ 258,004,865	\$ 203,383,034	\$ 163,517,042	\$ 133,901,883	\$ 111,529,737	\$ 94,358,896
8%	\$ 314,802,057	\$ 243,946,626	\$ 192,980,533	\$ 155,647,461	\$ 127,822,739	\$ 106,740,791
9%	\$ 389,730,927	\$ 296,739,831	\$ 230,831,886	\$ 183,238,747	\$ 148,252,408	\$ 122,092,792

RATIO OF UAL TO CURRENT VALUATION:

Ultimate Healthcare Cost Trend Scenarios	<u>Discount Rate Scenarios</u>					
	<u>2%</u>	<u>3%</u>	<u>4%</u>	<u>5%</u>	<u>6%</u>	<u>7%</u>
5%	206.0%	167.7%	139.0%	117.0%	100.0%	86.6%
6%	244.4%	195.9%	159.9%	132.8%	112.1%	96.0%
7%	294.0%	231.7%	186.3%	152.6%	127.1%	107.5%
8%	358.7%	277.9%	219.9%	177.3%	145.6%	121.6%
9%	444.0%	338.1%	263.0%	208.8%	168.9%	139.1%

Note: Trend rate scenarios are for ultimate trend assumptions in Year 2015 and later. Trend rates for Years 2011 to 2014 as per valuation report.