

**Town of Ipswich Other
Postemployment Benefits Plan**

GASB 45 Actuarial Valuation

as of

July 1, 2009

For the fiscal year ending

June 30, 2010

Revised June 2010

TABLE OF CONTENTS

LETTER

<u>SECTION</u>		<u>PAGE</u>
I	PRINCIPAL RESULTS OF THE VALUATION	1
II	SUMMARY OF PLAN PROVISIONS	16
III	ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS	17
 <u>EXHIBITS</u>		
A	FINANCIAL STATEMENT DISCLOSURES	24
B	RECONCILIATION OF PLAN PARTICIPANTS	29
C	PROJECTED CASH FLOWS (CLOSED GROUP)	30
D	GLOSSARY OF TERMS	33

June 7, 2010

Personal and Confidential

Ms. Rita Negri
Finance Director
Town of Ipswich
25 Green Street
Ipswich, MA 01938

Dear Ms. Negri:

We have performed an actuarial valuation of the Town of Ipswich Other Postemployment Benefits Plan for the fiscal year ending June 30, 2010. The figures presented in this report reflect the adoption, by the Town of Ipswich, of Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") effective July 1, 2008.

The financial results of the actuarial valuation are summarized in the report. The Executive Summaries highlight the results of the valuation. Additional information summarizing census data, actuarial assumptions, claim rates and the methodology for developing them, as well as a glossary of selected terms used in this study, is also included in the report.

All costs, liabilities and other factors under the plan were determined in accordance with generally accepted actuarial principles and procedures. In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and reasonable expectations and, in combination, represent our best estimate of the anticipated experience under the plan.

We refer you to Section I of this report for a detailed summary and commentary on the results of the valuation and a comparison with the prior valuation. Section II is a summary of the plan provisions, and Section III describes the actuarial cost method and assumptions. Details for cost calculations, supporting data, and disclosures are provided in Exhibits A through C.

We will be pleased to answer any questions that you may have regarding this actuarial valuation report.

Very truly yours,

Parker E. Elmore, A.S.A., E.A., M.A.A.A.
President & CEO

Enclosure

SECTION I

PRINCIPAL RESULTS OF THE VALUATION

**Town of Ipswich
Comparison of Plan Liabilities to Prior Valuation**

	<u>July 1, 2009</u>	<u>July 1, 2008</u>
I. Actuarial Accrued Liability (Projected Unit Credit)		
A. Actives	12,608,878	12,365,705
B. Retirees	<u>11,321,717</u>	<u>9,185,984</u>
C. Total	23,930,595	21,551,689
II. Plan Assets	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	23,930,595	21,551,689
IV. Unrecognized Transition Obligation	17,217,725	21,551,689
V. Annual Covered Payroll	23,032,308	20,463,394
VI. UAAL as% of Covered Payroll	103.90%	105.3%
VII. Net OPEB Obligation	1,741,065	0
VIII. Number of Covered Participants		
A. Actives	453	434
B. Retirees	<u>159</u>	<u>192</u>
C. Total	612	626
	<u>June 30, 2010</u>	<u>June 30, 2009</u>
IX. Normal Cost	1,049,450	1,169,773
X. Amortization of UAAL (30 years - flat dollar)	1,121,178	1,121,178
XI. Annual Required Contribution ("ARC") [IX. + X.]	2,170,628	2,290,951
XII. Interest on Net OPEB Obligation	69,645	
XIII. Adjustment to Annual Required Contribution	(98,570)	
XIV. Annual OPEB Cost [XI. + XII. + XIII.]	2,141,703	2,290,951
XV. Expected Employer Contribution	659,964	549,886
XVI. Percentage of Annual OPEB Cost Contributed	30.8%	24.0%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	1,741,065	0
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	1,481,739	1,741,065
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	3,222,804	1,741,065

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
 (continued)

Town of Ipswich
Plan Liabilities as of July 1, 2009

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	12,591,857	0	17,021	12,608,878
B. Retirees	<u>11,313,551</u>	<u>0</u>	<u>8,166</u>	<u>11,321,717</u>
C. Total	23,905,408	0	25,187	23,930,595
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	23,905,408	0	25,187	23,930,595
IV. Unrecognized Transition Obligation	17,180,665	0	37,060	17,217,725
V. Annual Covered Payroll	23,032,308	23,032,308	23,032,308	23,032,308
VI. UAAL as % of Covered Payroll	103.8%	0.0%	0.1%	103.9%
VII. Net OPEB Obligation	1,732,151	0	8,914	1,741,065
VIII. Number of Covered Participants				
A. Actives	453	0	453	
B. Retirees	<u>159</u>	<u>0</u>	<u>27</u>	
C. Total	612	0	480	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	1,048,228	0	1,222	1,049,450
X. Amortization of UAAL - 30 year flat dollar	1,118,433	0	2,745	1,121,178
XI. Annual Required Contribution ("ARC") [IX. + X.]	2,166,661	0	3,967	2,170,628
XII. Interest on Net OPEB Obligation	69,287	0	358	69,645
XIII. Adjustment to Annual Required Contribution	(98,065)	0	(505)	(98,570)
XIV. Annual OPEB Cost [XI. + XII. + XIII.]	2,137,883	0	3,820	2,141,703
XV. Expected Employer Contribution	659,508	0	456	659,964
XVI. Percentage of Annual OPEB Cost Contributed	30.8%	0.0%	11.9%	30.8%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	1,732,151	0	8,914	1,741,065
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	1,478,375	0	3,364	1,481,739
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	3,210,526	0	12,278	3,222,804

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Education Department
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	8,445,772	0	12,084	8,457,856
B. Retirees	<u>6,466,634</u>	<u>0</u>	<u>8,166</u>	<u>6,474,800</u>
C. Total	14,912,406	0	20,250	14,932,656
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	14,912,406	0	20,250	14,932,656
IV. Unrecognized Transition Obligation	11,604,650	0	33,732	11,638,382
V. Annual Covered Payroll	15,731,564	15,731,564	15,731,564	15,731,564
VI. UAAL as % of Covered Payroll	94.8%	0.0%	0.1%	94.9%
VII. Net OPEB Obligation	1,201,332	0	6,989	1,208,321
VIII. Number of Covered Participants				
A. Actives	328	0	328	
B. Retirees	<u>95</u>	<u>0</u>	<u>27</u>	
C. Total	423	0	355	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	715,047	0	841	715,888
X. Amortization of UAAL - 30 year flat dollar	748,605	0	2,176	750,781
XI. Annual Required Contribution ("ARC") [IX. + X.]	1,463,652	0	3,017	1,466,669
XII. Interest on OPEB Obligation	48,053	0	280	48,333
XIII. Adjustment to Annual Required Contribution	(68,014)	0	(396)	(68,410)
XIV. Annual OPEB Cost [XI. + XII. + XIII.]	1,443,691	0	2,901	1,446,592
XV. Expected Employer Contribution	405,003	0	447	405,450
XVI. Percentage of Annual OPEB Cost Contributed	28.1%	0.0%	15.4%	28.0%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	1,201,332	0	6,989	1,208,321
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	1,038,688	0	2,454	1,041,142
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	2,240,020	0	9,443	2,249,463

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Code Enforcement
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	175,757	0	207	175,964
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
C. Total	175,757	0	207	175,964
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	175,757	0	207	175,964
IV. Unrecognized Transition Obligation	59,201	0	155	59,356
V. Annual Covered Payroll	254,977	254,977	254,977	254,977
VI. UAAL as % of Covered Payroll	68.9%	0.0%	0.1%	69.0%
VII. Net OPEB Obligation	10,546	0	56	10,602
VIII. Number of Covered Participants				
A. Actives	5	0	5	
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	
C. Total	5	0	5	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	17,417	0	19	17,436
X. Amortization of UAAL - 30 year flat dollar	3,819	0	10	3,829
XI. Annual Required Contribution ("ARC") [IX. + X.]	21,236	0	29	21,265
XII. Interest on OPEB Obligation	422	0	2	424
XIII. Adjustment to Annual Required Contribution	(597)	0	(3)	(600)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	21,061	0	28	21,089
XIV. Expected Employer Contribution	127	0	0	127
XVI. Percentage of Annual OPEB Cost Contributed	0.6%	0.0%	0.0%	0.6%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	10,546	0	56	10,602
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	20,934	0	28	20,962
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	31,480	0	84	31,564

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Electric Department
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	396,325	0	348	396,673
B. Retirees	<u>1,157,564</u>	<u>0</u>	<u>0</u>	<u>1,157,564</u>
C. Total	1,553,889	0	348	1,554,237
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	1,553,889	0	348	1,554,237
IV. Unrecognized Transition Obligation	1,050,116	0	651	1,050,767
V. Annual Covered Payroll	931,633	931,633	931,633	931,633
VI. UAAL as % of Covered Payroll	166.8%	0.0%	0.0%	166.8%
VII. Net OPEB Obligation	80,251	0	78	80,329
VIII. Number of Covered Participants				
A. Actives	12	0	12	
B. Retirees	<u>16</u>	<u>0</u>	<u>0</u>	
C. Total	28	0	12	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	31,891	0	30	31,921
X. Amortization of UAAL - 30 year flat dollar	67,742	0	42	67,784
XI. Annual Required Contribution ("ARC") [IX. + X.]	99,633	0	72	99,705
XII. Interest on OPEB Obligation	3,210	0	3	3,213
XIII. Adjustment to Annual Required Contribution	(4,543)	0	(4)	(4,547)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	98,300	0	71	98,371
XIV. Expected Employer Contribution	58,851	0	0	58,851
XVI. Percentage of Annual OPEB Cost Contributed	59.9%	0.0%	0.0%	59.8%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	80,251	0	78	80,329
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	39,449	0	71	39,520
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	119,700	0	149	119,849

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Ipswich
Finance Department
Plan Liabilities as of July 1, 2009

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	237,375	0	349	237,724
B. Retirees	<u>524,405</u>	<u>0</u>	<u>0</u>	<u>524,405</u>
C. Total	761,780	0	349	762,129
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	761,780	0	349	762,129
IV. Unrecognized Transition Obligation	761,780	0	349	762,129
V. Annual Covered Payroll	616,108	616,108	616,108	616,108
VI. UAAL as % of Covered Payroll	123.6%	0.0%	0.1%	123.7%
VII. Net OPEB Obligation	56,472	0	204	56,676
VIII. Number of Covered Participants				
A. Actives	10	0	10	
B. Retirees	10	0	0	
C. Total	20	0	10	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	29,857	0	43	29,900
X. Amortization of UAAL - 30 year flat dollar	39,363	0	70	39,433
XI. Annual Required Contribution ("ARC") [IX. + X.]	69,220	0	113	69,333
XII. Interest on OPEB Obligation	2,259	0	8	2,267
XIII. Adjustment to Annual Required Contribution	(3,197)	0	(12)	(3,209)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	68,282	0	109	68,391
XIV. Expected Employer Contribution	30,163	0	0	30,163
XVI. Percentage of Annual OPEB Cost Contributed	44.2%	0.0%	0.0%	44.1%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	56,472	0	204	56,676
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	38,119	0	109	38,228
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	94,591	0	313	94,904

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

Town of Ipswich
General Government
Plan Liabilities as of July 1, 2009

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	74	0	0	74
B. Retirees	<u>230,085</u>	<u>0</u>	<u>0</u>	<u>230,085</u>
C. Total	230,159	0	0	230,159
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	230,159	0	0	230,159
IV. Unrecognized Transition Obligation	230,159	0	0	230,159
V. Annual Covered Payroll	163,200	163,200	163,200	163,200
VI. UAAL as % of Covered Payroll	141.0%	0.0%	0.0%	141.0%
VII. Net OPEB Obligation	7,270	0	15	7,285
VIII. Number of Covered Participants				
A. Actives	2	0	2	
B. Retirees	<u>2</u>	<u>0</u>	<u>0</u>	
C. Total	4	0	2	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	459	0	0	459
X. Amortization of UAAL - 30 year flat dollar	10,401	0	11	10,412
XI. Annual Required Contribution ("ARC") [IX. + X.]	10,860	0	11	10,871
XII. Interest on OPEB Obligation	291	0	1	292
XIII. Adjustment to Annual Required Contribution	(412)	0	(1)	(413)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	10,739	0	11	10,750
XIV. Expected Employer Contribution	8,545	0	0	8,545
XVI. Percentage of Annual OPEB Cost Contributed	79.6%	0.0%	0.0%	79.5%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	7,270	0	15	7,285
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	2,194	0	11	2,205
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	9,464	0	26	9,490

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Human Services
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	220,158	0	493	220,651
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
C. Total	220,158	0	493	220,651
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	220,158	0	493	220,651
IV. Unrecognized Transition Obligation	220,158	0	493	220,651
V. Annual Covered Payroll	145,511	145,511	145,511	145,511
VI. UAAL as % of Covered Payroll	151.3%	0.0%	0.3%	151.6%
VII. Net OPEB Obligation	15,488	0	170	15,658
VIII. Number of Covered Participants				
A. Actives	4	0	4	
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	
C. Total	4	0	4	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	11,846	0	18	11,864
X. Amortization of UAAL - 30 year flat dollar	7,491	0	40	7,531
XI. Annual Required Contribution ("ARC") [IX. + X.]	19,337	0	58	19,395
XII. Interest on OPEB Obligation	620	0	7	627
XIII. Adjustment to Annual Required Contribution	(877)	0	(10)	(887)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	19,080	0	55	19,135
XIV. Expected Employer Contribution	3,315	0	7	3,322
XVI. Percentage of Annual OPEB Cost Contributed	17.4%	0.0%	12.7%	17.4%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	15,488	0	170	15,658
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	15,765	0	48	15,813
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	31,253	0	218	31,471

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Library Employees
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	174,340	0	258	174,598
B. Retirees	<u>90,001</u>	<u>0</u>	<u>0</u>	<u>90,001</u>
C. Total	264,341	0	258	264,599
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	264,341	0	258	264,599
IV. Unrecognized Transition Obligation	264,341	0	258	264,599
V. Annual Covered Payroll	331,516	331,516	331,516	331,516
VI. UAAL as % of Covered Payroll	79.7%	0.0%	0.1%	79.8%
VII. Net OPEB Obligation	13,149	0	42	13,191
VIII. Number of Covered Participants				
A. Actives	4	0	4	
B. Retirees	<u>2</u>	<u>0</u>	<u>0</u>	
C. Total	6	0	4	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	17,173	0	26	17,199
X. Amortization of UAAL - 30 year flat dollar	8,308	0	13	8,321
XI. Annual Required Contribution ("ARC") [IX. + X.]	25,481	0	39	25,520
XII. Interest on OPEB Obligation	526	0	2	528
XIII. Adjustment to Annual Required Contribution	(744)	0	(2)	(746)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	25,263	0	39	25,302
XIV. Expected Employer Contribution	4,051	0	0	4,051
XVI. Percentage of Annual OPEB Cost Contributed	16.0%	0.0%	0.0%	16.0%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	13,149	0	42	13,191
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	21,212	0	39	21,251
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	34,361	0	81	34,442

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Planning & Development
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	153,839	0	182	154,021
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
C. Total	153,839	0	182	154,021
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	153,839	0	182	154,021
IV. Unrecognized Transition Obligation	153,839	0	182	154,021
V. Annual Covered Payroll	263,938	263,938	263,938	263,938
VI. UAAL as % of Covered Payroll	58.3%	0.0%	0.1%	58.4%
VII. Net OPEB Obligation	18,964	0	115	19,079
VIII. Number of Covered Participants				
A. Actives	5	0	5	
B. Retirees	<u>0</u>	<u>0</u>	<u>0</u>	
C. Total	5	0	5	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	16,335	0	18	16,353
X. Amortization of UAAL - 30 year flat dollar	5,267	0	16	5,283
XI. Annual Required Contribution ("ARC") [IX. + X.]	21,602	0	34	21,636
XII. Interest on OPEB Obligation	759	0	5	764
XIII. Adjustment to Annual Required Contribution	(1,074)	0	(7)	(1,081)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	21,287	0	32	21,319
XIV. Expected Employer Contribution	0	0	0	0
XVI. Percentage of Annual OPEB Cost Contributed	0.0%	0.0%	0.0%	0.0%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	18,964	0	115	19,079
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	21,287	0	32	21,319
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	40,251	0	147	40,398

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Public Safety Employees
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	1,638,071	0	1,589	1,639,660
B. Retirees	<u>1,960,130</u>	<u>0</u>	<u>0</u>	<u>1,960,130</u>
C. Total	3,598,201	0	1,589	3,599,790
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	3,598,201	0	1,589	3,599,790
IV. Unrecognized Transition Obligation	3,598,201	0	1,589	3,599,790
V. Annual Covered Payroll	2,552,601	2,552,601	2,552,601	2,552,601
VI. UAAL as % of Covered Payroll	141.0%	0.0%	0.1%	141.0%
VII. Net OPEB Obligation	168,528	0	412	168,940
VIII. Number of Covered Participants				
A. Actives	46	0	46	
B. Retirees	<u>23</u>	<u>0</u>	<u>0</u>	
C. Total	69	0	46	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	106,022	0	94	106,116
X. Amortization of UAAL - 30 year flat dollar	143,586	0	173	143,759
XI. Annual Required Contribution ("ARC") [IX. + X.]	249,608	0	267	249,875
XII. Interest on OPEB Obligation	6,741	0	16	6,757
XIII. Adjustment to Annual Required Contribution	(9,541)	0	(23)	(9,564)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	246,808	0	260	247,068
XIV. Expected Employer Contribution	97,272	0	1	97,273
XVI. Percentage of Annual OPEB Cost Contributed	39.4%	0.0%	0.4%	39.4%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	168,528	0	412	168,940
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	149,536	0	259	149,795
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	318,064	0	671	318,735

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Public Works Employees
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	609,927	0	836	610,763
B. Retirees	<u>623,319</u>	<u>0</u>	<u>0</u>	<u>623,319</u>
C. Total	1,233,246	0	836	1,234,082
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	1,233,246	0	836	1,234,082
IV. Unrecognized Transition Obligation	1,233,246	0	836	1,234,082
V. Annual Covered Payroll	997,158	997,158	997,158	997,158
VI. UAAL as % of Covered Payroll	123.7%	0.0%	0.1%	123.8%
VII. Net OPEB Obligation	99,145	0	443	99,588
VIII. Number of Covered Participants				
A. Actives	19	0	19	
B. Retirees	<u>8</u>	<u>0</u>	<u>0</u>	
C. Total	27	0	19	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	52,402	0	70	52,472
X. Amortization of UAAL - 30 year flat dollar	52,611	0	116	52,727
XI. Annual Required Contribution ("ARC") [IX. + X.]	105,013	0	186	105,199
XII. Interest on OPEB Obligation	3,966	0	18	3,984
XIII. Adjustment to Annual Required Contribution	(5,613)	0	(25)	(5,638)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	103,366	0	179	103,545
XIV. Expected Employer Contribution	39,035	0	1	39,036
XVI. Percentage of Annual OPEB Cost Contributed	37.8%	0.0%	0.6%	37.7%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	99,145	0	443	99,588
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	64,331	0	178	64,509
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	163,476	0	621	164,097

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Sewer Department
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	248,471	0	343	248,814
B. Retirees	<u>110,848</u>	<u>0</u>	<u>0</u>	<u>110,848</u>
C. Total	359,319	0	343	359,662
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	359,319	0	343	359,662
IV. Unrecognized Transition Obligation	359,319	0	343	359,662
V. Annual Covered Payroll	413,918	413,918	413,918	413,918
VI. UAAL as % of Covered Payroll	86.8%	0.0%	0.1%	86.9%
VII. Net OPEB Obligation	21,486	0	94	21,580
VIII. Number of Covered Participants				
A. Actives	6	0	6	
B. Retirees	<u>1</u>	<u>0</u>	<u>0</u>	
C. Total	7	0	6	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	18,467	0	27	18,494
X. Amortization of UAAL - 30 year flat dollar	12,550	0	23	12,573
XI. Annual Required Contribution ("ARC") [IX. + X.]	31,017	0	50	31,067
XII. Interest on OPEB Obligation	859	0	4	863
XIII. Adjustment to Annual Required Contribution	(1,216)	0	(5)	(1,221)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	30,660	0	49	30,709
XIV. Expected Employer Contribution	8,209	0	0	8,209
XVI. Percentage of Annual OPEB Cost Contributed	26.8%	0.0%	0.0%	26.7%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	21,486	0	94	21,580
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	22,451	0	49	22,500
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	43,937	0	143	44,080

SECTION I
PRINCIPAL RESULTS OF THE VALUATION
(continued)

**Town of Ipswich
Water Department
Plan Liabilities as of July 1, 2009**

	<u>Medical</u>	<u>Dental</u>	<u>Life</u>	<u>Total</u>
I. Actuarial Accrued Liability (Projected Unit Credit)				
A. Actives	291,748	0	332	292,080
B. Retirees	<u>150,565</u>	<u>0</u>	<u>0</u>	<u>150,565</u>
C. Total	442,313	0	332	442,645
II. Plan Assets	0	0	0	0
III. Unfunded Actuarial Accrued Liability ("UAAL")	442,313	0	332	442,645
IV. Unrecognized Transition Obligation	442,313	0	332	442,645
V. Annual Covered Payroll	630,184	630,184	630,184	630,184
VI. UAAL as % of Covered Payroll	70.2%	0.0%	0.1%	70.2%
VII. Net OPEB Obligation	39,520	0	296	39,816
VIII. Number of Covered Participants				
A. Actives	12	0	12	
B. Retirees	<u>2</u>	<u>0</u>	<u>0</u>	
C. Total	14	0	12	
For Fiscal Year Ending June 30, 2010				
IX. Normal Cost	31,312	0	36	31,348
X. Amortization of UAAL - 30 year flat dollar	18,691	0	55	18,746
XI. Annual Required Contribution ("ARC") [IX. + X.]	50,003	0	91	50,094
XII. Interest on OPEB Obligation	1,581	0	12	1,593
XIII. Adjustment to Annual Required Contribution	(2,237)	0	(17)	(2,254)
XIII. Annual OPEB Cost [XI. + XII. + XIII.]	49,347	0	86	49,433
XIV. Expected Employer Contribution	4,937	0	0	4,937
XVI. Percentage of Annual OPEB Cost Contributed	10.0%	0.0%	0.0%	10.0%
XVII. Net OPEB Obligation at Beginning of Year (VII.)	39,520	0	296	39,816
XVIII. Increase in Net OPEB Obligations (XIV. - XV.)	44,410	0	86	44,496
XIX. Net OPEB Obligation at End of Year (XVII. + XVIII.)	83,930	0	382	84,312

Commentary on Plan Experience and Contribution Amounts

1. Transition to GASB 45:

The Plan adopted and implemented GASB 45 (“Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions”) effective for the fiscal year ending June 30, 2009. As part of this implementation, the Employer must recognize the Actuarial Accrued Liability for past service. Under GASB 45, this amount may be amortized over a period not to exceed thirty (30) years. We utilized a 30 year period and a flat dollar amortization of the Unfunded Actuarial Accrued Liability (“UAAL”) at transition. This approach yields an amortization charge of \$1,121,178. Additionally the Employer must recognize a “normal cost” which represents the annual accrual of benefits for current active employees toward their ultimate postemployment benefits. The normal cost for the 2010 fiscal year is \$1,049,450. The combined amortization charge and normal cost represent the Annual Required Contribution (“ARC”) for the plan for the 2010 fiscal year. As the Employer has chosen to continue their “pay-as-you-go” funding policy, this valuation must utilize a discount rate which represents earnings on short term investments. For this discount rate, we have used 4.00% per annum. The incremental cost of GASB 45 for the 2010 fiscal year beyond the “pay-as-you-go” costs is \$1,481,739.

2. Plan Experience

Plan experience was slightly less favorable than expected. This is due largely to retirements earlier than expected and greater retention of employees than expected. However this was slightly offset by fact that medical experience was slightly more favorable than expected.

SECTION II
SUMMARY OF PLAN PROVISIONS

<u>Effective Date</u>	July 1, 2008; GASB 45 is adopted.
<u>Plan Year</u>	July 1 through June 30.
<u>Eligibility</u>	An employee shall become eligible to retire under this plan upon attainment of age 55 as an active member and completion of 10 years of service.
<u>Credited Service</u>	Elapsed time from date of hire to termination of service date.
<u>Participant Contributions</u>	50% of premiums for Medical insurance & 50% of premiums for Life insurance. Dental insurance is offered to retirees assuming they pay 100% of the premiums.
<u>Benefits Offered</u>	Comprehensive Medical Insurance offered through Blue Cross Blue Shield of Massachusetts Comprehensive Dental through MIAA and Group Term Life Insurance.
<u>Normal Retirement Date</u>	The normal retirement date is the first day of the month following a participant's 65th birthday.
<u>Early Retirement</u>	Early retirement is available for any participant who has attained benefit eligibility.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD AND ACTUARIAL ASSUMPTIONS

A. ACTUARIAL COST METHOD

The actuarial cost method used to calculate the costs and liabilities of the plan is the Projected Unit Credit Actuarial Cost Method. Under this method, the normal cost and actuarial accrued liability are both based on an accrual of projected benefits over the period for which benefits are accrued. The normal cost is the actuarial present value of one year's benefit accrual on this basis. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to total service.

Actuarial gains and losses are calculated each year and amortized over the minimum and maximum periods allowed by law from the year of such gain or loss.

All employees who are plan participants on a valuation date are included in the actuarial valuation.

B. ASSET VALUATION METHOD

The actuarial value of assets is equal to the Market Value of the Plan's assets.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS

We used the following assumptions in this year's actuarial valuation:

Pre- and Post-Retirement Mortality

It is assumed that both pre-retirement and post-retirement mortality are represented by the RP-2000 Mortality Table for males and females.

Discount Rate

4.00% per annum.

Employee Termination

It was assumed that employees would terminate employment in accordance with the sample rates shown in the following table:

<u>Age</u>	<u>Male</u>	<u>Female</u>
25	8.78%	8.78%
30	5.55%	5.55%
35	3.93%	3.93%
40	2.31%	2.31%
45	1.89%	1.89%
50	1.46%	1.46%
55	0.00%	0.00%
60	0.00%	0.00%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

Retirement Rates

It was assumed that the following percentage of eligible employees would retire each year:

<u>Age</u>	<u>Male</u>	<u>Female</u>
55	5.0%	5.0%
56	3.0%	3.0%
57	3.0%	3.0%
58	3.0%	3.0%
59	3.0%	3.0%
60	5.0%	5.0%
61	5.0%	5.0%
62	15.0%	15.0%
63	15.0%	15.0%
64	15.0%	15.0%
65	25.0%	25.0%
66	15.0%	15.0%
67	15.0%	15.0%
68	15.0%	15.0%
69	15.0%	15.0%
70	50.0%	50.0%
71	50.0%	50.0%
72	100.0%	100.0%

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Healthcare Trend

It was assumed that healthcare costs would increase in accordance with the trend rates in the following table:

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2008	4.5%	8.5%
FY 2009	2.5%	8.0%
FY 2010	9.0%	7.5%
FY 2011	8.0%	7.0%
FY 2012	7.0%	6.5%
FY 2013	6.0%	6.0%
FY 2014	5.0%	5.5%
FY 2015	5.0%	5.0%

Participation Rate

It was assumed that 80% of the employees covered under the active plan on the day before retirement would enroll in the retiree medical plans upon retirement. All eligible employees were assumed to be covered under the retiree life insurance program.

Percent Married

It was assumed that 80% of the participants who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement. It was further assumed that husbands are three years older than their wives. For current retirees, the actual census information was used.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

C. ACTUARIAL ASSUMPTIONS (continued)

Compensation Increases

4.50% per year.

Claims Costs Methodology

Premium equivalent rates as of July 1, 2009 formed the basis for our per capita claims rates. Aging factors were then introduced to allow for the calculation of age-related pre-person claim rates. Details of the calculation are included in this report.

Additional Comments

The values in this report reflect a closed group and do not reflect any new entrants after the valuation date.

For purposes of this valuation, retiree contributions were assumed to increase with the same trend rate as health care claims.

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

I. CLAIMS COSTS DEVELOPMENT - Based on Active & Retiree Incurred Claims & Premiums

	Number of Participants			
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>	<u>Total</u>
Blue Care Elect PPO	21		2	23
HMO Blue New England	169		168	337
VIP 2000	0		0	0
Managed Blue Senior	0	0		0
Medex 3	<u>72</u>	<u>25</u>		<u>97</u>
Total	262	25	170	457

	Per Contract Costs (monthly) - FY 2010		
	<u>Single</u>	<u>Two-Person</u>	<u>Family</u>
Blue Care Elect PPO	702.42		1,801.63
HMO Blue New England	537.55		1,434.06
VIP 2000	822.01		2,048.42
Managed Blue Senior	433.43	866.86	
Medex 3	416.29	832.58	

Gross Expected FY 2010 Incurred Premiums	4,810,914
Adjustment to reflect children's claims	<u>(733,186)</u>
Total Expected FY 2010 Incurred Premiums (adults only)	4,077,728

SECTION III

ACTUARIAL COST METHOD, ASSET VALUATION METHOD
AND ACTUARIAL ASSUMPTIONS

(continued)

D. DEVELOPMENT OF REPRESENTATIVE MEDICAL PER CAPITA CLAIMS COSTS

III. BREAKDOWN OF CLAIM COSTS

4,077,728 Active and Retired Claims (No Children) - Including Administrative fees & trend
60.00% Medicare Integration Percentage

ALL ACTIVE EMPLOYEES AND SPOUSES

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
24 & Under	14	8	1.312	0.549	5,993	2,508	103,966
25 to 29	26	16	1.312	0.591	5,993	2,700	199,018
30 to 34	26	17	1.312	0.712	5,993	3,252	211,102
35 to 39	19	21	1.312	0.850	5,993	3,883	195,410
40 to 44	30	24	1.312	1.000	5,993	4,568	289,422
45 to 49	43	30	1.456	1.193	6,651	5,450	449,493
50 to 54	39	42	1.599	1.441	7,304	6,582	561,300
55 to 59	26	27	1.740	1.753	7,948	8,008	422,864
60 to 64	20	15	1.968	2.102	8,990	9,602	323,830
65 to 69	4	1	2.168	2.316	9,903	10,579	50,191
70 & Over	1	2	2.396	2.557	10,945	11,680	34,305
Total	248	203					2,840,901

ALL RETIREES AND SPOUSES - NOT MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
44 & Under	2	0	1.312	1.000	5,993	4,568	11,986
45 to 49	1	1	1.456	1.193	6,651	5,450	12,101
50 to 54	1	8	1.599	1.441	7,304	6,582	59,960
55 to 59	9	10	1.740	1.753	7,948	8,008	151,612
60 to 64	25	26	1.968	2.102	8,990	9,602	474,402
Total	38	45					710,061

ALL RETIREES AND SPOUSES - MEDICARE ELIGIBLE

Age Bracket	Number of Females	Number of Males	Female Aging Factor	Male Aging Factor	Aged (F) Average Claims	Aged (M) Average Claims	Age Related Claims
65 to 69	29	26	2.168	2.316	3,961	4,232	224,901
70 to 74	17	12	2.396	2.557	4,378	4,672	130,490
75 to 79	10	7	2.593	2.769	4,738	5,060	82,800
80 to 84	8	6	2.724	2.910	4,977	5,317	71,718
85 to 89	0	2	2.864	3.059	5,233	5,589	11,178
90 & Over	1	0	3.010	3.215	5,500	5,874	5,500
Total	65	53					526,587
Grand Totals	351	301					4,077,549

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2009)

The GASB Standards for accounting and financial reporting for postemployment benefits other than pensions requires the following disclosures in the financial statements with regard to the retiree medical and life insurance benefits;

1. A DESCRIPTION OF THE RETIREE MEDICAL INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Medical via Blue Cross Blue Shield of Massachusetts
- b. Administrator: MIIA Health Benefits Trust
- c. Eligibility: An employee shall become eligible to retire under this plan upon meeting attainment of age 55 as an active member and completion of 10 years of service.
- d. Cost Sharing: 50% of premiums

2. A DESCRIPTION OF THE DENTAL LIFE INSURANCE PROGRAM:

- a. Plan Type: Comprehensive Dental
- b. Administrator: MIIA Health Benefits Trust
- c. Eligibility: Same as above.
- d. Cost sharing: 100% of premiums for Dental

3. A DESCRIPTION OF THE RETIREE LIFE INSURANCE PROGRAM:

- a. Plan Type: Group Term Life Insurance - \$1,000
- b. Administrator: MIIA Health Benefits Trust
- c. Eligibility: Same as above.
- d. Cost sharing: 50% of premiums.

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2009)

(continued)

4. RETIREE MEDICAL, DENTAL AND LIFE INSURANCE CONTRIBUTIONS:

Group	Individual	Family
Medical	50% of premiums	50% of premiums
Dental	100% of premiums	100% of premiums
Life	50% of premiums	N/A

5. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended through Town ordinances. The required contribution is based on the projected pay-as-you-go financing requirements. For the 2010 fiscal year, total Town premiums plus implicit costs for the retiree medical program are \$659,964.

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2009)
(continued)

6. ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The following table shows the components of the Town's annual OPEB costs for the fiscal year, the amount actually contributed to the plan and changes in the Town's net OPEB obligation to the plan:

Annual Required Contribution	\$2,170,628
Interest on net OPEB obligation	\$69,645
Adjustment to annual required contribution	\$(98,570)
Annual OPEB cost (expense)	\$2,141,703
Contributions made	<u>\$659,964</u>
Increase in net OPEB obligation	\$1,481,739
Net OPEB Obligation - beginning of year	\$1,741,065
Net OPEB Obligation - end of year	\$3,222,804

The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2010 fiscal year and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Increase in OPEB Obligation
06/30/2008	N/A	N/A	N/A
06/30/2009	\$2,290,951	24.0%	\$1,741,065
06/30/2010	\$2,141,703	30.8%	\$1,481,739

EXHIBIT A

Financial Statement Disclosure

(As of July 1, 2009)

(continued)

7. FUNDED STATUS AND FUNDING PROGRESS

As of July 1, 2009, the most recent valuation date, the plan was 0.0% funded. The actuarial liability for benefits was \$23,930,595, and the actuarial value of assets was \$0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$23,930,595. The covered payroll (annual payroll of active employees covered by the plan) was \$ 23,032,308 and the ratio of the UAAL to the covered payroll was 103.9%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented in the required supplementary information following the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. EFFECT OF 1% CHANGE IN HEALTHCARE TREND RATES

In the event that healthcare trend rates were 1% higher than forecast and employee contributions were to increase at the forecast rates, the Actuarial Accrued Liability would increase to \$32,774,923 or by 37.0% and the corresponding Normal Cost would increase to \$1,624,823 or by 54.8%. If such healthcare trend rates were 1% less than forecast and employee contributions were to increase at the forecast rate, the Actuarial Accrued Liability would decrease to \$16,919,606 or by 29.3% and the corresponding Normal Cost would decrease to \$616,503 or by 41.3%.

EXHIBIT A

Financial Statement Disclosure
(As of July 1, 2009)
(continued)

9. ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Cost Method: Projected Unit Credit
Investment Rate of Return: 4.00% per annum
Healthcare Trend Rates

<u>Year</u>	<u>Medical</u>	<u>Dental</u>
FY 2008	4.5%	8.5%
FY 2009	2.5%	8.0%
FY 2010	9.0%	7.5%
FY 2011	8.0%	7.0%
FY 2012	7.0%	6.5%
FY 2013	6.0%	6.0%
FY 2014	5.0%	5.5%
FY 2015	5.0%	5.0%

General Inflation Assumption: 3.5% per annum
Annual Compensation Increases: 4.5% per annum
Actuarial Value of Assets: Market Value
Amortization of UAAL: Amortized as level dollar amount over 30 years at transition
Remaining Amortization Period: 29 years at July 1, 2009

EXHIBIT B

Reconciliation of Plan Participation
(As of July 1, 2009)

ACTIVE EMPLOYEES

	<u>July 1, 2009</u>	<u>July 1, 2007</u>
A. Average Age at Hire	37.30	37.07
B. Average Service	9.45	10.22
C. Average Current Age	46.75	47.29

EXHIBIT C

Projected Cash Flows (Closed Group)

Total Medical, Dental & Life Insurance

Fiscal Year	Total APBO	Normal Cost	Employer Payments	Active APBO	Expected Annual OPEB Cost	Expected OPEB Obligation
						1,741,065
2010	23,930,595	1,049,451	659,965	12,608,879	2,141,709	3,222,809
2011	25,292,880	1,038,853	722,717	13,220,848	2,106,495	4,606,587
2012	26,633,376	1,029,315	778,799	13,863,249	2,073,969	5,901,757
2013	27,959,249	1,006,843	829,670	14,518,652	2,029,980	7,102,067
2014	29,261,878	990,443	891,575	14,965,621	1,993,640	8,204,132
2015	30,535,175	968,472	946,314	15,454,375	1,953,360	9,211,178
2016	31,779,626	939,032	1,026,565	15,837,801	1,907,190	10,091,803
2017	32,960,466	901,011	1,083,498	16,082,279	1,854,540	10,862,845
2018	34,089,672	855,044	1,186,372	16,150,232	1,795,764	11,472,237
2019	35,108,678	811,533	1,276,221	16,024,054	1,742,129	11,938,146
2020	36,030,116	757,890	1,361,321	15,900,376	1,680,748	12,257,573
2021	36,843,752	711,446	1,408,025	15,561,508	1,628,998	12,478,546
2022	37,593,316	663,657	1,499,764	15,262,603	1,577,539	12,556,321
2023	38,227,862	615,791	1,601,999	14,793,271	1,528,382	12,482,704
2024	38,731,321	569,048	1,664,844	14,253,235	1,482,863	12,300,722
2025	39,142,286	524,091	1,769,167	13,630,753	1,440,931	11,972,485
2026	39,413,098	485,394	1,858,500	12,969,331	1,407,688	11,521,673
2027	39,561,750	446,982	1,912,795	12,407,601	1,376,767	10,985,645
2028	39,619,844	413,180	1,979,061	11,796,187	1,351,872	10,358,456
2029	39,576,738	377,572	2,063,708	11,270,956	1,326,686	9,621,434
2030	39,406,452	347,366	2,102,036	10,630,200	1,308,725	8,828,123
2031	39,158,017	316,611	2,171,183	10,078,370	1,291,151	7,948,092
2032	38,795,808	287,072	2,227,842	9,438,441	1,276,234	6,996,483
2033	38,329,379	259,192	2,277,074	8,804,562	1,264,165	5,983,574
2034	37,764,079	232,867	2,314,039	8,173,912	1,254,670	4,924,205
2035	37,110,376	208,899	2,361,796	7,554,069	1,248,304	3,810,713
2036	36,355,840	187,480	2,401,595	6,935,709	1,245,384	2,654,502
2037	35,507,540	164,675	2,400,061	6,382,741	1,241,790	1,496,230
2038	34,603,041	143,640	2,424,930	5,749,643	1,239,999	311,299
2039	33,614,920	123,951	2,425,179	5,155,001	118,819	36,848
2040	32,566,240	106,656	2,415,964	4,552,789	106,081	33,375

EXHIBIT C

Projected Cash Flows (Closed Group)
(Continued)

Medical Insurance

Fiscal Year	Total APBO	Normal Cost	Employer Payments	Active APBO	Expected Annual OPEB Cost	Expected OPEB Obligation
						1,732,151
2010	23,905,408	1,048,228	659,508	12,591,857	2,137,881	3,210,524
2011	25,265,889	1,037,679	722,203	13,204,087	2,102,768	4,591,089
2012	26,604,619	1,028,174	778,233	13,846,344	2,070,325	5,883,181
2013	27,928,743	1,005,759	829,043	14,501,373	2,026,441	7,080,579
2014	29,229,677	989,403	890,885	14,948,406	1,990,190	8,179,884
2015	30,501,323	967,485	945,553	15,437,160	1,950,006	9,184,337
2016	31,744,185	938,105	1,025,729	15,820,809	1,903,937	10,062,545
2017	32,923,511	900,156	1,082,579	16,065,626	1,851,397	10,831,363
2018	34,051,305	854,264	1,185,364	16,134,215	1,792,731	11,438,730
2019	35,069,013	810,821	1,275,124	16,008,837	1,739,196	11,902,802
2020	35,989,265	757,257	1,360,127	15,885,898	1,677,921	12,220,596
2021	36,801,850	710,876	1,406,737	15,548,002	1,626,260	12,440,119
2022	37,550,484	663,149	1,498,376	15,249,874	1,574,886	12,516,629
2023	38,184,231	615,340	1,600,510	14,781,482	1,525,805	12,441,924
2024	38,687,024	568,646	1,663,253	14,242,348	1,480,352	12,259,023
2025	39,097,452	523,737	1,767,469	13,620,729	1,438,482	11,930,036
2026	39,367,869	485,077	1,856,697	12,960,227	1,405,288	11,478,627
2027	39,516,258	446,702	1,910,884	12,399,213	1,374,414	10,942,157
2028	39,574,229	412,929	1,977,045	11,788,555	1,349,554	10,314,666
2029	39,531,133	377,350	2,061,584	11,263,889	1,324,402	9,577,484
2030	39,361,001	347,167	2,099,807	10,623,767	1,306,467	8,784,144
2031	39,112,858	316,435	2,168,849	10,072,427	1,288,917	7,904,212
2032	38,751,087	286,916	2,225,405	9,433,053	1,274,017	6,952,824
2033	38,285,242	259,055	2,274,539	8,799,671	1,261,965	5,940,250
2034	37,720,669	232,745	2,311,413	8,169,474	1,252,479	4,881,316
2035	37,067,835	208,792	2,359,085	7,550,032	1,246,121	3,768,352
2036	36,314,305	187,385	2,398,809	6,932,070	1,243,206	2,612,749
2037	35,467,142	164,593	2,397,210	6,379,441	1,239,614	1,455,153
2038	34,563,906	143,569	2,422,030	5,746,733	1,237,824	270,947
2039	33,577,163	123,891	2,422,245	5,152,428	119,389	0
2040	32,529,961	106,605	2,413,015	4,550,546	106,605	0

EXHIBIT C

Projected Cash Flows (Closed Group)
(Continued)

Life Insurance

Fiscal Year	Total APBO	Normal Cost	Employer Payments	Active APBO	Expected Annual OPEB Cost	Expected OPEB Obligation
						8,914
2010	25,187	1,223	457	17,022	3,828	12,285
2011	26,991	1,174	514	16,761	3,727	15,498
2012	28,757	1,141	566	16,905	3,644	18,576
2013	30,506	1,084	627	17,279	3,539	21,488
2014	32,201	1,040	690	17,215	3,450	24,248
2015	33,852	987	761	17,215	3,354	26,841
2016	35,441	927	836	16,992	3,253	29,258
2017	36,955	855	919	16,653	3,143	31,482
2018	38,367	780	1,008	16,017	3,033	33,507
2019	39,665	712	1,097	15,217	2,934	35,344
2020	40,851	633	1,194	14,478	2,827	36,977
2021	41,902	570	1,288	13,506	2,738	38,427
2022	42,832	508	1,388	12,729	2,653	39,692
2023	43,631	451	1,489	11,789	2,577	40,780
2024	44,297	402	1,591	10,887	2,510	41,699
2025	44,834	354	1,698	10,024	2,448	42,449
2026	45,229	317	1,803	9,104	2,400	43,046
2027	45,492	280	1,911	8,388	2,353	43,488
2028	45,615	251	2,016	7,632	2,318	43,790
2029	45,605	222	2,124	7,067	2,284	43,950
2030	45,451	199	2,229	6,433	2,258	43,979
2031	45,159	176	2,334	5,943	2,235	43,880
2032	44,721	156	2,437	5,388	2,216	43,659
2033	44,137	137	2,535	4,891	2,200	43,324
2034	43,410	122	2,626	4,438	2,191	42,889
2035	42,541	107	2,711	4,037	2,183	42,361
2036	41,535	95	2,786	3,639	2,178	41,753
2037	40,398	82	2,851	3,300	2,175	41,077
2038	39,135	71	2,900	2,910	2,175	40,352
2039	37,757	60	2,934	2,573	(570)	36,848
2040	36,279	51	2,949	2,243	(524)	33,375

EXHIBIT D

GLOSSARY

Accrual Accounting - A system of accounting in which revenues are recorded when earned and outlays are recorded when goods are received or services performed, even though the actual receipt of revenues and payment for goods or services may occur, in whole or in part, at a different time.

Actuarial Value of Assets - The value of cash, investments, other assets and property belonging to an OPEB trust, pension fund or similar entity, as used by the actuary for the purpose of actuarial valuation. Some funds may be restricted for other purposes, and "smoothing" of investment gains and losses often make the actuarial value of assets different from the market value of assets.

Annual Required Contribution - Normal Cost plus an amortization of the funding shortfall over a period of no more than 30 years.

Cash Basis Accounting - A system of accounting in which revenues are recorded when actually received and outlays are recorded when payment is made.

Discount Rate - The interest rate used to calculate present value of a series of future cash flows. Under GASB 45, the rate should be "long term expected yield on the investments that are expected to be used to pay benefits as they come due. These would be plan investments for a funded plan, the employer's investments for a pay as you go plan [e.g. short term county investment pool], or a weighted average of expected plan and employer investments for a plan that is partially funded".

FASB - Financial Accounting Standards Board. "Since 1973, the Financial Accounting Standards Board (FASB) has been the designated organization in the private sector for establishing standards of financial accounting and reporting".

GASB - Government Accounting Standards Board. "The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities. Its standards guide the preparation of external financial reports of those entities."

GFOA - Government Finance Officers Association. "GFOA is the professional association of state/provincial and local finance officers in the United States and Canada, and has served the public finance profession since 1906. Approximately 16,000 GFOA members are dedicated to the sound management of government financial resources."

EXHIBIT D

GLOSSARY

(continued)

Implicit Subsidy - “The difference between a premium rate charged to retirees for a particular benefit and the estimated rate that would have been applicable to those retirees if that benefit was acquired for them as a separate group.”

Irrevocable Contribution - “Irrevocably transferred assets to a qualifying trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator. The preceding criteria preclude counting as [irrevocable] contributions (a) designations of net assets of a governmental or proprietary fund to be used for OPEB or (b) internal transfers of assets to a separate governmental or proprietary fund for the same purpose. Rather, such actions should be regarded as earmarking of employer assets.”

Level Dollar Amortization - Funding a shortfall in OPEB assets with equal dollar payments over a designated number of years (no more than 30 years). The present value of the level payments equals the present value of unfunded liabilities, the UAAL.

Level Percent of Payroll Amortization - Funding a shortfall in OPEB assets as a level percent of payroll over a designated number of years (no more than 30 years). The present value of the payments equals the present value of unfunded liabilities, the UAAL. Level percent of payroll typically has lower payments in the early years than level dollar amortization. When using level payroll amortization, employee count is assumed to be constant, and the payroll differences arise from overall wage trends.

Normal Cost - The actuarially determined present value contribution needed to fund benefits which are earned for employee service rendered during the current year. Normal cost depends on many factors, including the interest rate used to discount future cashflows, and expected inflation.

OPEB - Other Post Employment Benefits

OPEB Trust - An entity other than a pension or retirement system which manages OPEB assets. In many respects it is similar to a pension fund for OPEB. For reasons detailed in GASB 45, contributions to an OPEB trust should be irrevocable in order to obtain the most favorable accounting treatment.

EXHIBIT D

GLOSSARY

(continued)

Pay-as-you-go funding - Paying benefits (such as pensions or OPEB) on a cash basis, with no money set aside for future liabilities which are already incurred.

POB - Pension Obligation Bond. Generally yielding taxable interest, POBs are issued to help fund a previously unfunded or underfunded pension liability.

UAAL - Unfunded Accrued Actuarial Liability. Actuarial Accrued Liability minus the Actuarial Value of Assets.