A Defined Benefit
Actuarial Valuation

For:

Knox County Employee Benefit System Knox County Board of Education Retirement Plan

As of:

January 1, 2011

Prepared by:
The USI Consulting Group

USI Consulting Group
95 Glastonbury Boulevard, Suite 102
Glastonbury, CT 06033-6503
www.usi.biz
Phone: 860.633.5283
Fax: 860.368.2112

March 21, 2011

CONFIDENTIAL

Knox County Employee Benefit System

RE: KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

Gentlemen:

We are pleased to present our Actuarial Valuation Report for the Plan Year beginning January 1, 2011. A summary of the principal results of the report is provided for your convenience on pages one through three. Details supporting the cost calculations are also included, as well as other information designed to assist you and your accountants in preparing your reports.

The suggested employer contribution for the fiscal year is $1,046,949.

We would be happy to answer any questions you may have regarding this report.

Sincerely,

USI CONSULTING GROUP

Bob Cross, ASA, MAAA, FCA
President, Southeast

TABLE OF CONTENTS

Section I
Valuation Summaries

Section II
Accounting Information

Section III
Employee Detail

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

VALUATION AS OF 1/1/2011

PRINCIPAL RESULTS OF THE VALUATION

Below is a summary of the principal results of this year's valuation compared with the previous valuation. Amounts for each valuation period reflect the actuarial cost method, assumptions and plan benefits in effect at that time.

	As of January 1, 2010	As of January 1, 2011
CONTRIBUTION LIMITATIONS		
Recommended Contribution	$ 1,217,506	$ 1,046,949
Percentage of Payroll	112.51%	127.17%
Expected Employee Contribution	$ 50,652	$ 38,380
SUPPORTING INFORMATION		
Market Value of Assets	$ 63,175,855	$ 66,954,807
Actuarial Value of Assets	$ 69,493,440	$ 70,428,532
Present Value of Accumulated Benefits	$ 78,602,446	$ 77,936,758
Funding Ratio – Actuarial Value of Assets as a Percentage of Present Value of Accumulated Benefits	88.4%	90.4%
Funding Ratio – Market Value of Assets as a Percentage of Present Value of Accumulated Benefits	80.4%	85.9%
Funding Ratio Discount Rate	7.5%	7.5%
Number of Lives Included in the Valuation	485	482
Present Value of All Future Benefits	$ 79,245,634	$ 78,340,833

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

VALUATION AS OF 1/1/2011

EXECUTIVE SUMMARY

Purpose and Scope

The principal purposes of this actuarial valuation report are:

1. To present our calculation of the Plan contributions under the Knox County Employee Benefit System funding policy,

2. To review plan experience during the year ended December 31, 2010, and the funded status of the plan as of January 1, 2011, and

3. To determine the funded status of accumulated plan benefits, accumulated vested benefits, and plan funding progress in accordance with Governmental Accounting Standards Board Statements No. 25, 27 and other Financial Accounting Standards.

The valuation is based upon employee data and financial information provided by Knox County. This data was not audited or otherwise verified by us other than for tests of reasonable consistency with prior year data.

Actuarial Methods and Assumptions

For the January 1, 2011 plan year, all assumptions remained the same as those used in the January 1, 2010 valuation. The period over which the Unfunded Accrued Liability is amortized is 11 years.

Plan Experience

During 2010 the market value of plan assets increased from $63,175,855 to $66,954,807 with an investment return of approximately 14.26%. This investment performance was above the 7.5% assumption, creating an asset gain of about $4,103,000. The actuarial value of plan assets increased from $69,493,440 to $70,428,532 with an investment return of approximately 8.67%. This resulted in an asset gain of about $786,000. The plan also experienced a liability gain of approximately $903,000, due largely to benefit increases that were less than expected, resulting in a net actuarial gain of about $1,689,000.

Recall that the asset smoothing method recognizes each year's investment gains and losses over a five year period. See page 5 for more details of the method. In this way, the actuarial value of assets methodology smoothes out much of the volatility of annual changes in the market value of assets. Note that in a future year, the smoothed actuarial value of assets could be less than the market value.

Contribution Requirements

The suggested employer contribution for the 2011 fiscal year is $1,046,949. Please see page 7 for more details.

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

VALUATION AS OF 1/1/2011

EXECUTIVE SUMMARY
(Continued)

Funding Status
The plan's funding ratio as shown on page 1 increased from 88.4% in 2010 to 90.4% in 2011.

This report has been prepared in accordance with generally accepted actuarial standards and procedures, and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. It is based upon the employee and financial data submitted to USI Consulting Group by the plan sponsor and the retirement plan provisions as outlined herein.

I, Dennis E. Jacobs, FSA, EA, MAAA, am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

USI CONSULTING GROUP

Dennis E. Jacobs, FSA, EA, MAAA
Vice President and Actuary

Jaime Packer, ASA
Assistant Team Leader and Actuary

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

FINANCIAL STATEMENT AS OF 1/1/2011

ASSETS	1/1/2010	1/1/2011
Cash (and money market funds)	0	0
Accrued Income	0	0
Receivables	0	0
Investments		
Bond Funds	0	0
Corporate (debt and equity instruments)	63,175,855	67,009,745
Real Estate Equity Fund	0	0
Other - Cash Equivalents	0	0
Total Investments	63,175,855	67,009,745
Buildings & Other Property used in Plan Operation	0	0
Insurance Contracts	0	0
Other Assets	0	0
Total Assets	63,175,855	67,009,745
LIABILITIES AND NET ASSETS		
Payables	0	54,938
Acquisition Indebtedness	0	0
Other Liabilities	0	0
Total Liabilities	0	54,938
NET ASSETS	63,175,855	66,954,807
STATEMENT OF RECEIPTS AND DISBURSEMENTS		
Net Assets at Beginning of Year		63,175,855
Contributions Received or Receivable		
Employer	1,217,506	
Employees	97,824	
Others	0	
Total Contributions	0	1,315,330
Dividends and Income		636,004
Other Income		0
Net Realized Gain (Loss)		942,684
Net Unrealized Gain (Loss)		7,079,871
Total Income		9,973,889
Distribution of Benefits		
Directly to Participants or Beneficiaries	5,749,469	
Other	0	5,749,469
Fees and Commissions		445,467
Other Expenses		0
Total Expenses		6,194,936
Net Income (loss)		3,778,953
NET ASSETS AT END OF YEAR		66,954,807

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

DETERMINATION OF VALUATION ASSETS AS OF 1/1/2011

1. ASSET GAIN/(LOSS) AS OF 1/1/2011

(1) Expected market value of assets as of 1/1/2011:	
(a) Market value of assets as of 1/1/2010	$ 63,175,855
(b) Expected return on assets at 7.5%	$ 4,738,189
(c) Contributions	$ 1,315,330
(d) Benefit Payments and Expenses	$ (6,194,936)
(e) Net interest on (c) - (d), weighted for timing	(182,985)
(f) Total: (a) + (b) + (c) + (d) + (e)	$ 62,851,452
(2) Actual Market value of assets as of 1/1/2011:	$ 66,954,807
(3) Asset gain/(loss) as of 1/1/2011: (2) - (1)(f)	$ 4,103,355

2. DETERMINATION OF VALUATION ASSETS AS OF 1/1/2011

(1) Market value of assets as of 1/1/2011: $ 66,954,807

(2) Recognition of asset gain/(loss) over a five year period:

Year Ending December 31	Asset Gain/(Loss)	X	Portion Not Yet Recognized	=	Amount Deferred
2010	$ 4,103,355		4/5		$ 3,282,684
2009	$ 7,573,242		3/5		$ 4,543,945
2008	$ (28,250,884)		2/5		$ (11,300,354)

Total: $ (3,473,724)

(3) Accrued contributions as of 1/1/2011: $ -

(4) Valuation assets as of 1/1/2011: (1) - (2) + (3) $ 70,428,532

3. VALUATION ASSETS AS OF 1/1/2011

(1) Valuation assets as of 1/1/2010: (1) + (2) + (3) + (4) + (5)	$ 69,493,440
(2) Contributions, including receivables:	$ 1,315,330
(3) Benefit payments:	$ (5,749,469)
(4) Plan expenses:	$ (445,467)
(5) Return on assets:	$ 5,814,698
(6) Valuation assets as of 1/1/2011: (1) + (2) + (3) + (4) + (5)	$ 70,428,532
(7) 110% of Market Value	$ 73,650,288
(8) Final Actuarial Value of Assets, no more than (7).	$ 70,428,532

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

VALUATION RESULTS AS OF JANUARY 1, 2011

1. PRESENT VALUE OF FUTURE BENEFITS

The value of all projected retirement, death, disability, and vested termination benefits expected to be paid to all current plan participants, discounted to the valuation date with interest, mortality, withdrawal, and disablility decrements.

	Lives	Retirement	Death	Withdrawal	Disability	Total
Active	29	10,433,074	12,067	315,652	182,035	10,942,828
Terminated	10	738,905	6,711	0	0	745,616
Retired	443	66,652,389	0	0	0	66,652,389
Totals	482	77,824,368	18,778	315,652	182,035	78,340,833

2. ENTRY AGE ACCRUED LIABILITY

The portion of the present value of future benefit attributable to prior normal costs.

Active	10,869,702
Terminated	745,616
Retired	66,652,389
Total	78,267,707

3. ACTUARIAL VALUE OF ASSETS	70,428,532
4. UNFUNDED ACCRUED LIABILITY (2 - 3)	7,839,175

5. DEVELOPMENT OF CREDIT BALANCE

(1) Minimum Contribution as of 7/1/2010 - prior year	1,217,506
(2) Actual Employer Contribution - 7/1/2009 - 6/30/2010	1,217,506
(3) Interest on Employer Contribution	0
(4) Credit Balance (2 + 3 - 1)	0

6. ENTRY AGE NORMAL COST

The amount required to fund the present value of benefits as a level percent of pay from entry age to retirement age.

A. Total Normal Cost	50,654
B. Expected Employee Contributions	38,380
C. Employer Normal Cost	12,274

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

CONTRIBUTION REQUIREMENTS FOR PLAN YEAR ENDING DECEMBER 31, 2011

With recent experience, the Plan now shows an Unfunded Accrued Liability using the Individual Entry Age Normal cost method. The Recommended Employer contribution will be the Plan's Normal Cost reduced by Expected Employee Contributions (see pg. 6) plus an 11 year amoritization of the Past Service Base in effect on January 1, 2011 (see below) reduced by the Plan's Credit Balance (also on page 6).

RECOMMENDED PLAN CONTRIBUTION

CHARGES:

(1) Employer Normal Cost		12,274
(2) Outstanding Charge Base	7,839,175	
(3) Amortization of Outstanding Charge Base		996,833
(4) Credit Balance		0
(5) Total Charges = (1) + (3) - (4), not less than zero		1,009,107
(6) Interest Charge on (1) and (3) and (4)		37,842

	Annual Contributions	
	2010	2011
Total Recommended Employer Contribution as of Beginning of the Plan Year	1,173,500	1,009,107
Total Recommended Employer Contribution as of Beginning of fiscal year starting July 1	1,217,506	1,046,949
Expected Employee Contributions for the Plan Year	50,652	38,380

AMORTIZATION SCHEDULE

Description	Year Est.	Initial Amount	Outstanding Balance	Amortization Payment	Years Remaining
Past Service Base	2010	7,839,175	7,839,175	996,833	11
			7,839,175	996,833	

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

PARTICIPANT DATA AS OF 1/1/2011

Active employees under assumed retirement age	
Number	12
Total annual compensation	823,283
Average accrued benefit	1,830.62
Average projected benefit	2,494.27
Average attained age	57.86
Average prior service	35.70
Other active and inactive employees	
Number	17
Average accrued benefit	2,576.11
Average attained age	62.53
Terminated deferred vested, deceased and disabled employees	
Number	10
Average accrued benefit	536.35
Average attained age	58.98
Retired employees, beneficiaries and contingent annuitants	
Number	443
Average monthly benefit	1,098.33
Average attained age	68.60

RECONCILIATION OF PARTICIPANT STATUS

	Active	Inactive	Deferred Vested	Pay Status	Total
Prior Valuation	36	0	15	434	485
Terminated - vested	0	0	0	0	0
Cashed Out	0	0	0	0	0
Death	0	0	0	(4)	(4)
Entered as Beneficiary	0	0	0	0	0
Retired	(7)	0	(5)	12	0
Rehired		0	0	0	0
Data Corrections	0	0	0	1	1
Current Valuation	29	0	10	443	482

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

SUMMARY OF PLAN PROVISIONS

Effective Date

Shall mean for credited service July 1, 1987 and for all other purposes June 26, 1990.

Eligibility

Participation

Any person who is a "teacher" as defined by the Court of Appeals in its opinion of December 30, 1987 in the case of Knox County v. The City of Knoxville, et al, and who is entitled to maintain membership in a local pension system as a result of their membership in any applicableplan of the City of Knoxville Pension System on June 30, 1987, and who thereafter is employed as a result of the City of Knoxville ceasing to operate a separate school system and is so regularly employed by the Knox County Board of Education.

Normal Retirement

Eligibility

Each member shall be eligible to retire at age 62 or on the first day of any of the thirty-five months next following age 62.

Benefit

A monthly benefit payable for life, computed as of normal retirement date as one-twelfth of credited service multiplied by the sum of (A) and (B):

(A) Benefit Rate A times average base earnings

(B) Benefit Rate B times average excess earnings

Benefit Rate A and Benefit Rate B shall vary according to the member's last birthday at time benefit payments are to commence, as follows:

Age	Benefit Rate A	Benefit Rate B
62 or earlier	.75%	1.50%
63	.78%	1.58%
64	.84%	1.66%
65 or later	.88%	1.76%

This amount is then reduced by the benefit accrued under the applicable City of Knoxville retirement plan as of June 30, 1987.

SUMMARY OF PLAN PROVISIONS
(Continued)

Minimum Benefit	The monthly benefit, including 50% of the primary Social Security benefit, shall not be less than $10 per year of credited service, with a maximum of $250.
Earnings	Total compensation
Base Earnings	That part of earnings in any calendar year which does not exceed $4,800.00 per annum.
Excess Earnings	That part of earnings in any calendar year which are in excess of base earnings.
Credited Service	Years and completed calendar months of service as an employee of either the City of Knoxville or Knox County.
Average Earnings	A 3-year arithmetic average determined for the number of full calendar years of credited service during which the earnings were the highest, or number of full calendar years actually completed if less than 3.
Accrued Benefit	Normal retirement benefit based on service and compensation up to the determination date less that benefit accrued under the applicable City of Knoxville retirement plan as of June 30, 1987.
Early Retirement	
Eligibility	Completion of 25 years of credited service.
Benefit	Upon early retirement, a member may elect to receive either (a) a deferred monthly benefit equal to his accrued benefit commencing at normal retirement date, or (b) a reduced benefit equal to the actuarially equivalent benefit described in (a) above, commencing immediately.
Disability Not In Line of Duty	
Eligibility	Completion of 15 years of credited service.
Benefit	Accrued benefit, based on credited service at time of disablement, payable immediately, plus a lump sum equal to six times the accrued monthly benefit.

SUMMARY OF PLAN PROVISIONS
(Continued)

Disability in Line of Duty

Eligibility	Disablement in the course of performance of duty as an employee.
Benefit	Accrued benefit, based on credited service projected to age 62, payable immediately and reduced by any workers' compensation benefits paid.

Death Benefit

Eligibility	Completion of 15 years of credited service.
Benefit	50% of the monthly benefit that the participant would have been entitled to if he/she had elected the 50% joint and survivor form of payment, payable at the earliest time benefits could have commenced to the participant.

Deferred Vested

Eligibility	Completion of 10 years of credited service.
Benefit	A deferred monthly benefit equal to the accrued benefit commencing at normal retirement date, determined as of the date of termination, provided the member leaves his contributions in the fund.

Return of Employee Contribution	A minimum of employee contributions with interest is paid on death, termination, or retirement.
Normal Form of Annuity	Life Annuity
Optional Forms of Annuity	Certain and Life, Joint and Survivor, Cash Refund. Such options will be actuarially equivalent to a life annuity.
Employee Contributions	Each employee who is a member shall contribute to the fund an amount equal to (a) plus (b) where: (a) The contribution rate shall be 3 percent of base earnings, and (b) The contribution rate shall be 5 percent of excess earnings.

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

ACTUARIAL COST METHOD

Individual Entry Age Normal Cost.

Under this method, the annual cost is equal to the normal cost, plus amortization of unfunded accrued liabilities over a fixed period of years selected within the minimum (10 years) and maximum (5 to 30 years) periods permitted by law.

The normal cost is the sum of individual normal costs, determined as a level percentage of compensation which would have been necessary to fund the employee's projected retirement, death and withdrawal benefits, from entry age (the age at which the employee would have entered the plan had it been in effect on his employment date), to his retirement age. Thus, the dollar normal cost is expected to increase with the salary projection assumption.

The actuarial accrued liability is the accumulation, based on the actuarial assumptions, of all assumed prior normal costs. Thus, it represents the amount of reserves, which would be held by the plan, had it always been in effect for the present group of participants and had plan experience followed that predicted by the actuarial assumptions. The unfunded accrued liability is the excess, if any, of the accrued liability over the plan assets.

Actuarial gains and losses arising from differences between plan experience and that predicted by the actuarial assumptions, as measured by the difference between actual and expected unfunded accrued liabilities, are amortized over 5 years.

ACTUARIAL ASSUMPTIONS

Post-Retirement

Mortality - 1983 Group Annuity Mortality Table for Males and Females

Investment Return – 7.5% per annum.

Assumed benefit increases – 3.00% per annum on the participant's original benefit

Pre-Retirement

Mortality - 1983 Group Annuity Mortality Table for Males and Females

Investment Return – 7.5% per annum.

Salary projection – 3.0% per annum.

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS
(Continued)

ACTUARIAL ASSUMPTIONS (Continued)

Expense loading - None

Retirement age – 60 or immediately if older.

Disability rates – Rates set forth below.

Withdrawal rates – Rates set forth below.

Pre-retirement Decrement Rates

	Mortality		Withdrawal		Disability	
Age	Male	Female	Male	Female	Male	Female
20	0.038%	0.032%	0.000%	0.000%	0.000%	0.000%
25	0.046%	0.036%	6.100%	5.925%	0.000%	0.000%
30	0.061%	0.044%	5.850%	5.460%	0.400%	0.400%
35	0.086%	0.057%	5.097%	4.861%	0.400%	0.400%
40	0.124%	0.078%	2.701%	3.891%	0.400%	0.400%
45	0.218%	0.113%	2.060%	3.444%	0.420%	0.420%
50	0.391%	0.193%	2.997%	2.889%	0.730%	0.730%
55	0.613%	0.351%	3.271%	3.015%	1.400%	1.400%
60	0.916%	0.566%	6.537%	3.372%	2.480%	2.480%

ASSET VALUATION

Each plan year's investment gain or loss is recognized over five years.

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

ACCUMULATED PLAN BENEFITS UNDER FAS 35

Actuarial Present Values of Accumulated Plan Benefits (Accumulated Benefit Obligation):	1/1/2010	1/1/2011
Vested Benefits		
Participants currently receiving payments	64,551,840	66,652,389
Other Participants		
Active Employees	12,313,772	10,538,753
Deceased and Disabled Employees	0	0
Deferred Vested Terminated Employees	1,736,834	745,616
Total - Other Participants	14,050,606	11,284,369
Total Vested Benefits	78,602,446	77,936,758
Nonvested Benefits	0	0
Total Actuarial Present Values of Accumulated Plan Benefits	78,602,446	77,936,758

Discount Rate	7.50%	7.50%

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal (Aggregate prior to 1/1/05) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
1/1/1997	31,532,498	31,532,498	0	100.00%	16,518,534	0.00%
1/1/1998	55,425,760	55,425,760	0	100.00%	16,280,062	0.00%
1/1/1999	62,622,721	62,622,721	0	100.00%	15,714,131	0.00%
1/1/2000	70,243,735	70,243,735	0	100.00%	14,392,249	0.00%
1/1/2001	69,634,862	69,634,862	0	100.00%	14,009,264	0.00%
1/1/2002	72,917,044	72,917,044	0	100.00%	13,254,219	0.00%
1/1/2003	71,458,839	71,458,839	0	100.00%	12,286,006	0.00%
1/1/2004	73,472,465	73,472,465	0	100.00%	11,014,729	0.00%
1/1/2005	74,889,828	82,120,286	7,230,458	91.20%	7,595,733	95.19%
1/1/2006	75,174,360	83,066,476	7,892,116	90.50%	6,274,664	125.78%
1/1/2007	84,154,462	84,362,290	207,828	99.75%	5,236,764	3.97%
1/1/2008	83,327,598	84,657,462	1,329,864	98.43%	4,102,017	32.42%
1/1/2009	61,496,011	83,991,358	22,495,347	73.22%	2,018,191	1114.63%
1/1/2010	69,493,440	79,131,091	9,637,651	87.82%	1,050,650	917.30%
1/1/2011	70,428,532	78,267,707	7,839,175	89.98%	823,283	952.18%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
1997	2,797,910	697,248	24.92%
1998	2,522,434	17,366,919	688.50%
1999	773,683	778,642	100.64%
2000	357,275	343,534	96.15%
2001	0	400,000	N/A
2002	344,411	600,000	174.21%
2003	412,445	600,000	145.47%
2004	784,838	784,838	100.00%
2005	881,447	881,447	100.00%
2006	739,370	739,370	100.00%
2007	771,772	771,772	100.00%
2008	135,786	135,786	100.00%
2009	198,608	250,000	125.88%
2010	1,898,484	1,898,864	100.02%
2011	1,217,506	1,217,506	100.00%

KNOX COUNTY EMPLOYEE BENEFIT SYSTEM
KNOX COUNTY BOARD OF EDUCATION RETIREMENT PLAN

GOVERNMENT ACCOUNTING STANDARDS BOARD STATEMENT No. 27

	6/30/2001	6/30/2002	6/30/2003	6/30/2004	6/30/2005	6/30/2006	6/30/2007	6/30/2008	6/30/2009	6/30/2010	6/30/2011
1. NPO: Net Pension Obligation/(Asset) at beginning of period	4,360,656	3,931,267	3,649,183	3,437,034	3,413,870	3,385,016	3,356,407	3,328,039	3,299,911	3,220,629	3,193,029
2. Annual Pension Cost:											
a. Annual Required Contribution (ARC)	0	344,411	412,445	784,838	881,447	739,370	771,772	135,786	198,608	1,898,484	1,217,506
b. Interest on NPO	348,852	314,501	291,935	274,963	256,040	253,876	251,731	249,603	247,493	241,547	239,477
c. Adjustments to ARC *	(378,242)	(340,997)	(316,529)	(298,127)	(284,894)	(282,486)	(280,098)	(277,731)	(275,383)	(268,767)	(266,464)
d. Total = (a)+(b)+(c)	(29,389)	317,916	387,851	761,674	852,594	710,761	743,404	107,658	170,718	1,871,264	1,190,519
3. Contributions made	400,000	600,000	600,000	784,838	881,447	739,370	771,772	135,786	250,000	1,898,864	1,217,506
4. Increase in NPO = (2)(d)-(3)	(429,389)	(282,084)	(212,149)	(23,164)	(28,853)	(28,609)	(28,368)	(28,128)	(79,282)	(27,600)	(26,987)
5. NPO at end of period = (1)+(4)	3,931,267	3,649,183	3,437,034	3,413,870	3,385,016	3,356,407	3,328,039	3,299,911	3,220,629	3,193,029	3,166,042
Amortization Period:	25	25	25	25	25	25	25	25	25	25	25
Interest Rate:	8.00%	8.00%	8.00%	8.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

* The adjustment is a level dollar amortization of the NPO at beginning of period.