OBRA 1990 RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE

ACTUARIAL VALUATION
JANUARY 1, 2010

May 14, 2010

The Retirement Board
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the OBRA 1990 Retirement System of the County of Milwaukee as of January 1, 2010. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2010; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2011.

The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary.

For 2010 we received the data in multiple files. We received the counts of members to include in the January 1, 2010 valuation separately from the members' benefit information. Missing information was updated with either supplemental information sent or by using assumptions based on the prior year's data.

While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

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Funding Adequacy

The 2009 valuation performed last year resulted in an Actual Funding Contribution of $660,925 against which $660,925 was actually contributed.

The Actual Funding Contribution for 2010, based on the results of this valuation, is $716,439. It is expected that $786,000 will be contributed during 2011 on behalf of the 2010 plan year. The excess of $69,561 will be amortized over five years.

Budget Contribution

The 2011 Budget Contribution, expected to be contributed in 2012, is $772,000.

Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Qualified actuaries completed the valuation in accordance with accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. The undersigned with actuarial designations are qualified to render the opinions contained in this report.

Respectfully submitted,

Larry Langer, ASA, EA, MAAA	Marco Ruffini	Lawrence Lin, ASA
Principal, Consulting Actuary	Senior Consultant	Consultant, Actuary

LL/MR/LL:pl

EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE
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Executive Summary

This report presents the actuarial valuation as of January 1, 2010 for the OBRA 1990 Retirement System of the County of Milwaukee. The principal valuation results include:

- The Actual Funding Contribution for fiscal year 2010, which is $716,439.
- The Annual Required Contribution for fiscal year 2010 in accordance with GASB requirements, which is $716,439.
- The Budget Contribution for fiscal year 2011, which is $772,000.
- The total funded ratio of the plan determined as of January 1, 2010, which is 20.5% based on the accrued liability and the actuarial value of assets.
- The determination of the actuarial gain or loss as of January 1, 2010, which is a loss of $16,048.
- Annual disclosure as of January 1, 2010 as required by Statement No. 25 of the Governmental Accounting Standards Board.

The valuation was based on membership and financial data submitted by the Retirement System.

Changes Since Last Year

Legislative and Administrative Changes

There were no legislative or administrative changes since the prior valuation.

The benefit provisions and contribution provisions are summarized in Table 15.

Actuarial Assumptions and Methods

Effective with the 2007 valuation, the Board adopted a new mortality table assumption to better reflect actual and expected experience. There were no legislative or administrative changes since the prior valuation.

The actuarial assumptions and methods are outlined in Table 14.

Contribution Amounts

The results of the valuation as of January 1, 2010 determine the Actual Funding Contribution and Annual Required Contribution for fiscal year 2010 and the Budget Contribution for fiscal year 2011. The Actual Funding Contribution and the Annual Required Contribution for GASB 25 disclosure for fiscal year 2010 are both $716,439. The Budget Contribution for fiscal year 2011 is $772,000.

Reasons for Change in Budget Contribution Calculated by the Actuary

The Budget Contribution calculated by the actuary decreased from $786,000 for fiscal year 2010 to $772,000 for fiscal year 2011. A reconciliation of the decrease of $14,000 is shown in the following table:

Item	Amount	
1. 2010 Budget Contribution		$ 786,000
2. Increase / (Decrease) during 2009 due to		
a. Unanticipated liability loss (gain)	$ (39,000)	
b. Asset loss (gain) other than expected	(7,000)	
c. 2009 reimbursable expenses other than assumed	4,000	
d. 2009 contribution variance other than assumed	(28,000)	
e. Full recognition of bases other than assumed	-	
f. Other	-	
g. Total		(70,000)
3. 2010 Actual Contribution (1 + 2)		$ 716,000
4. Expected Increase / (Decrease) during 2010 due to		
a. Normal cost and existing amortization schedule	$ 14,000	
b. Phase-in of deferred asset (gains) losses	-	
c. Amortization of 2010 reimbursable expenses	79,000	
d. Expected contribution variance for 2010	(17,000)	
e. Full recognition of certain amortization bases	(20,000)	
f. Increase due to assumption changes	-	
g. Total		56,000
5. 2011 Budget Contribution (3 + 4)		$ 772,000

Summary of Principal Results

Summarized below are the principal financial results for the OBRA 1990 Retirement System of the County of Milwaukee based upon the actuarial valuation as of January 1, 2010. Comparable results from the January 1, 2009 valuation are also shown.

Item	January 1, 2010	January 1, 2009
Demographics		
Active Members		
• Number	1,173	1,726
• Average Annual Pay	$ 5,883	$ 4,924
Inactive Members		
• Members Receiving Benefits		
• Number	2	2
• Average Annual Benefit Payment	$ 1,923	$ 1,923
• Members With Deferred Benefits		
• Number	10,134	9,211
• Average Annual Benefit Payment	$ 230	$ 220
Actual Funding Contribution	**(Fiscal Year 2010)**	**(Fiscal Year 2009)**
• Normal Cost with Interest	$ 135,517	$ 167,791
• Net Amortization Payments	580,922	493,134
• Total Contribution	$ 716,439	$ 660,925
Actuarial Funded Status		
• Accrued Liability	$ 5,068,513	$ 4,451,626
• Actuarial Value of Assets	1,038,607	859,923
• Unfunded Accrued Liability	$ 4,029,906	$ 3,591,703
• Funded Ratio	20.5 %	19.3 %

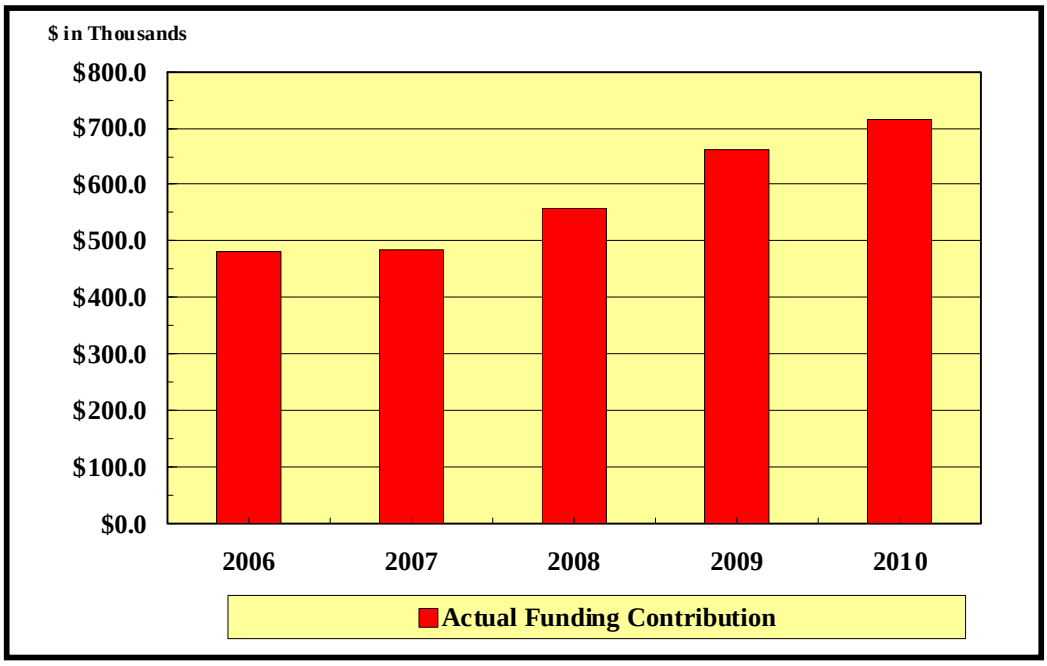
Five-Year History of Principal Financial Results

Five-Year History of Contribution Amounts

Valuation as of January 1	Actual Funding Contributions		
	Normal Cost with Interest	Net Amortization Payments	Total
2010	$ 135,517	$ 580,922	$ 716,439
2009	167,791	493,134	660,925
2008	176,532	381,281	557,813
2007	142,902	342,651	485,553
2006	169,071	311,825	480,896

The following chart shows a five-year history of employer contribution amounts:

Five-Year History of Actual Funding Contributions



Funded Ratio

The financing objective of the System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code, i.e., a schedule of 5, 10, or 30 years for each change in the unfunded accrued liability according to Section 3.1.

The total Actual Funding Contribution of $716,439, when taken together with any contributions payable by members and asset returns, is the amount sufficient to achieve the financing objective for 2010.

The System's total funded ratio on the funding basis is measured by comparing the actuarial value of assets (same as market value) with the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the System's funding method.

On this basis, the System's funded ratio is 20.5% as of January 1, 2010. This funded ratio is based on an actuarial value of assets of $1,038,607 and an accrued liability of $5,068,513.

Reasons for Change in the Total Funded Ratio

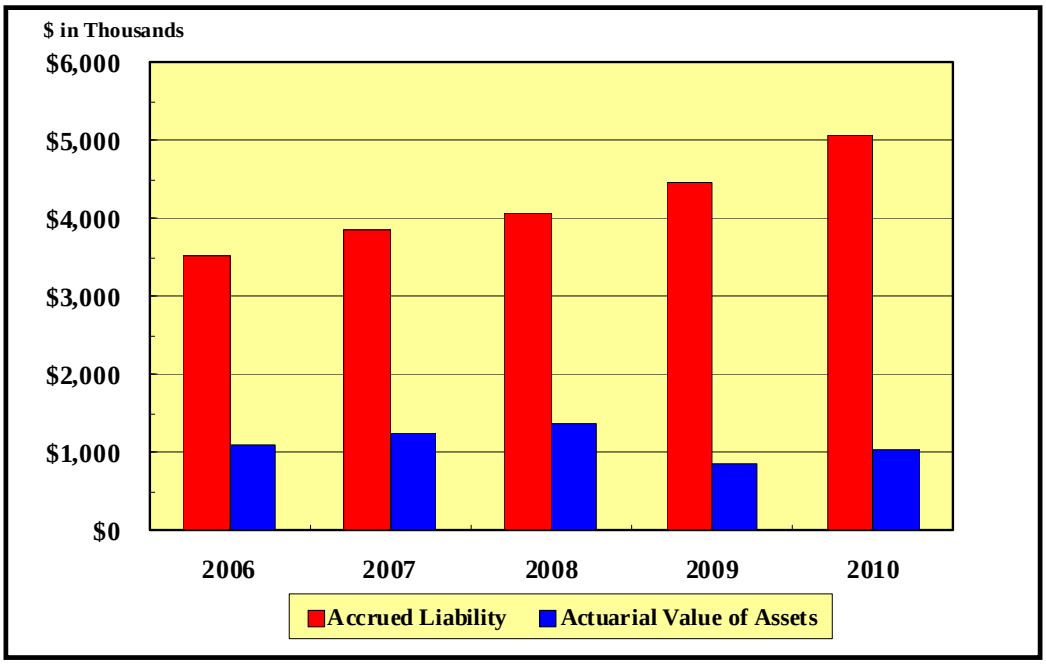
The total funded ratio increased from 19.3% as of January 1, 2009 to 20.5% as of January 1, 2010. The decrease is due to experience gains and losses.

Five-Year History of Total Funded Ratio

Valuation as of January 1	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2010	$ 5,068,513	$ 1,038,607	$ 4,029,906	20.5%
2009	4,451,626	859,923	3,591,703	19.3
2008	4,076,739	1,354,805	2,721,934	33.2
2007	3,842,625	1,260,931	2,581,694	32.8
2006	3,530,352	1,090,405	2,439,947	30.9

The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

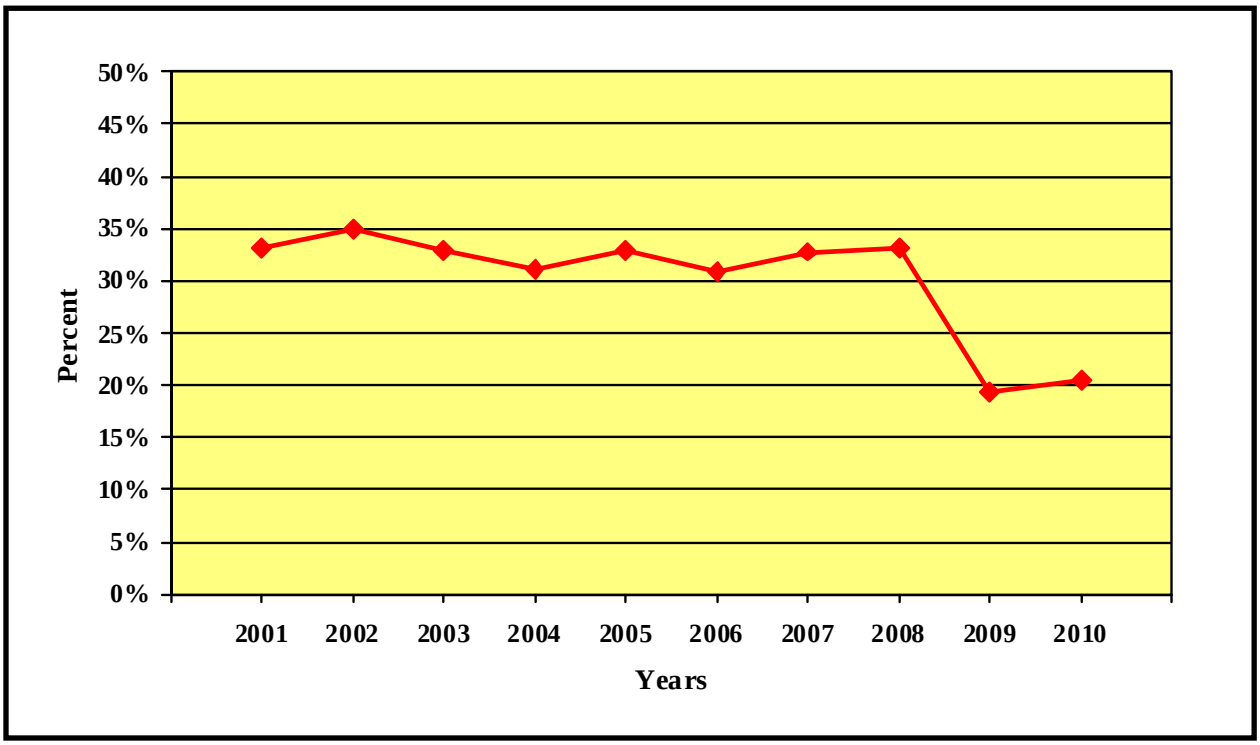
Five-Year History of Accrued Liability and Actuarial Value of Assets



The following chart shows a ten-year history of the total funded ratio:

Ten-Year History of Total Funded Ratio

(2001 - 2010)



GASB No. 25 Disclosure

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the "schedule of funding progress" and the "schedule of employer contributions" in the System's financial statements.

The "schedule of funding progress" shows historical trend information about the System's actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded ratio is measured by comparing the actuarial value of assets (based on market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System's funding method and reflects future pay increases for active employees. On this basis, the System's funded ratio is 20.5% as of January 1, 2010. This funded ratio is based on an actuarial value of assets of $1,038,607 and an accrued liability of $5,068,513.

The "schedule of employer contributions" shows historical trend information about the annual required contribution (ARC) for pensions of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost for pensions plus amortization of the unfunded actuarial accrued liability for pensions. The maximum period of amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. The maximum amortization period decreased from 40 years to 30 years in 2007. The employer contributions to the System are equal to the normal cost plus a payment towards each change in the unfunded accrued liability, which are amortized over 5, 10 or 30-year periods. The ARC and the actual employer percentage contributed for the five fiscal years ending December 31, 2010 are shown in Table 13.

Rate of Return

The estimated investment return of the fund (i.e. total return including both realized and unrealized gains and losses) for fiscal years 2005 through 2009 is shown in the table below. The return based on the actuarial value of assets used for determining annual contribution rates is also shown.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year. The actuarial assets are the assets recognized for valuation purposes. Actuarial assets are the same as market value for purposes of this valuation.. The rates of return shown below have been developed by the actuary for illustrative purposes only. They are based on simplifying assumptions and as such, likely will not exactly match the returns presented by your investment consultants. The reader is encouraged to use the returns developed by the investment consultants.

Five Year History of Assets and Returns

As of	Asset Values		Rates of Return		
12/31	Market	Actuarial	Market	Actuarial	Assumed
2009	$ 1,038,607	$ 1,038,607	20.5%	20.5%	8.0%
2008	859,923	859,923	(23.2%)	(23.2%)	8.0%
2007	1,354,805	1,354,805	5.6%	5.6%	8.0%
2006	1,260,931	1,260,931	11.3%	11.3%	8.0%
2005	1,090,405	1,090,405	11.8%	11.8%	8.5%
	Compound Rate of Return (five years):		4.0%	4.0%	

TABLE 1

SUMMARY OF RESULTS OF ACTUARIAL VALUATION

Item	January 1, 2010	January 1, 2009
Participant Data		
1. Number of Participants		
a) Active Participants	1,173	1,726
b) Participants with Deferred Benefits	10,134	9,211
c) Participants Receiving Benefits	2	2
d) Total	11,309	10,939
2. Total Compensation	$ 6,901,021	$ 8,498,484
3. Annual Annuities	$ 3,846	$ 3,846
Valuation Results		
4. Actuarial Accrued Liability		
a) Active Participants	$ 1,009,809	$ 1,079,012
b) Participants with Deferred Benefits	4,027,035	3,340,132
c) Participants Receiving Benefits	31,669	32,482
d) Total	$ 5,068,513	$ 4,451,626
5. Actuarial Value of Assets	$ 1,038,607	$ 859,923
6. Funded Status: (5 / 4)	20.5 %	19.3 %
7. Unfunded Actuarial Accrued Liability: (4 - 5)	$ 4,029,906	$ 3,591,703
8. Normal Cost for the Plan Year	$ 125,479	$ 155,362
Employer Actual Funding Contribution and Annual Required Contribution for Fiscal 2010		
9. Actual Funding Contribution Calculated by Actuary		
a) Normal Cost with Interest	$ 135,517	$ 167,791
b) Net Annual Amortization Payments	580,922	493,134
c) Total Contribution: ((a + b), not less than zero)	$ 716,439	$ 660,925

TABLE 2

SECURITY OF PROMISED BENEFITS
UNFUNDED ACTUARIAL ACCRUED LIABILITY
FUNDED STATUS

Item	January 1, 2010	January 1, 2009
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	$ 870,934	$ 925,688
Withdrawal Benefits	138,875	153,324
Total Active	1,009,809	1,079,012
b. Participants with Deferred Benefits	4,027,035	3,340,132
c. Participants Receiving Benefits	31,669	32,482
d. Total All Participants	$ 5,068,513	$ 4,451,626
2. Actuarial Value of Assets	1,038,607	859,923
3. Unfunded Actuarial Accrued Liability (1d - 2)	$ 4,029,906	$ 3,591,703
4. Funded Status: (2 / 1d)	20.5%	19.3%

Both valuations were based on the same methods and plan provisions.

The interest rate used as of January 1, 2010 and January 1, 2009 was 8.00%.

TABLE 3

ACTUARIAL GAIN/(LOSS) FOR PLAN YEAR ENDING

Item	December 31, 2009	December 31, 2008
1. Actuarial Accrued Liability at the Beginning of the Year	$ 4,451,626	$ 4,076,739
2. Increases/(Decreases) During the Year		
a. Normal Cost for the Year	155,362	163,456
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(27,833)	(128,103)
d. Assumed Interest to End of Year*	367,467	334,190
e. Plan and Assumption Changes	-	-
f. Total: (a + b + c + d + e)	494,996	369,543
3. Expected Liability at the End of the Year: (1 + 2)	4,946,622	4,446,282
4. Actuarial Accrued Liability at the End of the Year	5,068,513	4,451,626
5. Liability Gain/(Loss): (3 - 4)	**$ (121,891)**	**$ (5,344)**
6. Actuarial Value of Assets at the Beginning of the Year	$ 859,923	$ 1,354,805
7. Increases/(Decreases) During the Year		
a. County Contributions	660,925	522,000
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(27,833)	(128,103)
d. Administrative Expenses	(627,953)	(590,678)
e. Assumed Interest to End of Year*	67,702	103,358
f. Total: (a + b + c + d + e)	72,841	(93,423)
8. Expected Actuarial Assets at the End of the Year (6 + 7)	932,764	1,261,382
9. Actuarial Value of Assets at the End of the Year	1,038,607	859,923
10. Actuarial Asset Gain/(Loss): (9 - 8)	**$ 105,843**	**$ (401,459)**
11. Total Gain/(Loss): (5 + 10)	**$ (16,048)**	**$ (406,803)**

* 8.00% per annum interest rate assumed for 2009 and 2008 plan years

TABLE 4

AMORTIZATION SCHEDULE FOR ACTUAL FUNDING CONTRIBUTION FOR 2010 PLAN YEAR

	Amortization Period				Balances		
Type of Payment	Date Created	Initial Years	Remaining Years	Last Payment	Initial	Outstanding	Payment
1. Charges							
Expense	1/1/2001	10	1	2010	$ 100,656	$ 14,068	$ 15,193
Expense	1/1/2002	10	2	2011	109,857	29,512	16,549
Expense	1/1/2003	10	3	2012	141,818	54,854	21,286
Expense	1/1/2004	10	4	2013	178,462	88,403	26,690
Reestablished unfunded	1/1/2004	30	24	2033	1,009,474	1,125,701	82,842
Expense	1/1/2005	10	5	2014	238,648	142,249	35,628
Loss	1/1/2005	30	25	2034	19,357	21,106	1,520
Expense	1/1/2006	10	6	2015	276,403	190,427	41,192
Variance	1/1/2006	5	1	2010	21,222	4,922	5,316
Assumption Change	1/1/2006	30	26	2035	318,945	339,550	23,965
Expense	1/1/2007	10	7	2016	307,150	238,320	45,774
Variance	1/1/2007	5	2	2011	18,896	8,439	4,733
Assumption Change	1/1/2007	30	27	2036	67,011	69,668	4,825
Expense	1/1/2008	10	8	2017	449,781	385,200	67,031
Expense	1/1/2009	10	9	2018	590,678	549,904	88,028
Variance	1/1/2009	5	4	2013	35,813	29,708	8,970
Loss	1/1/2009	30	29	2038	406,803	412,541	27,610
Expense	1/1/2010	10	10	2019	627,953	627,953	93,584
Loss	1/1/2010	30	30	2039	16,048	16,048	1,057
Total Charges						4,348,573	611,793
2. Credits							
Gain	1/1/2006	30	26	2035	$ 16,036	$ 17,071	$ 1,205
Gain	1/1/2007	30	27	2036	134,681	140,019	9,697
Variance	1/1/2008	5	3	2012	43,447	28,042	10,882
Gain	1/1/2008	30	28	2037	129,979	133,535	9,087
Total						318,667	30,871
3. Net Amount (1 - 2)						$ 4,029,906	$ 580,922

Annual amortization payments of the reestablished unfunded actuarial accrued liability (UAAL), and changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll, assuming payroll growth of 3% per year over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

TABLE 5

STATEMENT OF NORMAL COST
FOR CURRENT AND PRIOR PLAN YEAR ACTUAL FUNDING CALCULATIONS

Item	January 1, 2010	January 1, 2009
1. Unit Credit Normal Cost		
a. Active Participants		
Retirement Benefits	$ 90,752	$ 112,805
Withdrawal Benefits	34,727	42,557
Total	125,479	155,362
2. Interest to the End of the Plan Year	10,038	12,429
3. Normal Cost for the Plan Year: (1 + 2)	**135,517**	**167,791**

TABLE 6

CONTRIBUTION REQUIREMENTS – END-OF-YEAR BASIS
ACTUAL AND BUDGET AMOUNTS FOR CURRENT PLAN YEAR
BUDGET AMOUNT FOR NEXT PLAN YEAR

Item	2011	2010	
	Budget	Actual	Budget
1. Normal Cost with Interest	$ 146,000	$ 135,517	$ 182,000
2. Net Annual Amortizations	626,000	580,922	604,000
3. Total Contribution ((1 + 2), not less than zero)	$ 772,000	$ 716,439	$ 786,000

The budgeted contributions shown above for the 2011 and 2010 plan years were estimated based on participant data as of January 1, 2010, and January 1, 2009, respectively.

The actual contribution for the 2010 plan year was determined based on participant data as of January 1, 2010, and satisfies the pension accounting requirements of GASB Statement Nos. 25 and 27.

There have been no changes in assumptions, methodology, and plan provisions since the prior valuation.

TABLE 7

SUMMARY STATEMENT OF MARKET VALUE OF PLAN ASSETS

Asset Category	December 31, 2009	December 31, 2008
1. Cash and Cash Equivalents	$ 327	$ 1,928
2. Investments at Fair Value	377,355	335,995
3. Contributions Receivable	660,925	522,000
4. Net Assets Available for Benefits (1 + 2 + 3)	$ 1,038,607	$ 859,923

TABLE 8

SUMMARY RECONCILIATION OF MARKET VALUE OF PLAN ASSETS

Item	For Year Ending December 31, 2009	For Year Ending December 31, 2008
1. Market Value of Assets at the Beginning of the Year	$ 859,923	$ 1,354,805
2. Contributions for Plan Year		
a. County	$ 660,925	$ 522,000
b. Member	-	-
c. Total	660,925	522,000
3. Disbursements for Plan Year		
a. Benefit payments and refunds	$ 27,833	$ 128,103
b. Administrative expenses payable to County	627,953	590,678
c. Total	655,786	718,781
4. Market Value of Assets at the End of the Year	1,038,607	859,923
5. Net Investment Income* (4 - 1 - 2c + 3c)	173,545	(298,101)
6. Expected Net Investment Income (8.00% per annum)	67,702	103,358
7. Gain (Loss) on Market Value of Assets (5 - 6)	105,843	(401,459)
8. Estimated Rate of Return	20.5%	(23.2%)

* Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 9

ACTUARIAL VALUE OF PLAN ASSETS

Item	January 1, 2010	January 1, 2009
1. Actuarial Value of Assets	$ 1,038,607	$ 859,923

The actuarial value of plan assets is equal to the market value of plan assets.

TABLE 10

EMPLOYER CONTRIBUTIONS FOR 2009 PLAN YEAR AND VARIANCE FROM THE FUNDING CALCULATION CONTRIBUTION

Item				Amount
1. Total Funding Calculation, End-of-Year Basis, for 2009 Plan Year (from January 1, 2009 actuarial valuation report)				$ 660,925
2. Total Employer Contributions Made, End-of-Year Basis				
Contribution Made	Fraction of a Year Invested	Contribution Amount	Interest to Year End*	End of Year Amount
Bi-weekly	50.0%	$ -	$ -	$ -
2/1/2010	0.0%	-	-	-
3/1/2010	0.0%	-	-	-
4/15/2010	0.0%	660,925	-	660,925
5/1/2010	0.0%	-	-	-
6/1/2010	0.0%	-	-	-
Total		$ 660,925	$ -	$ 660,925
3. Variance from Funding Calculation Amount** (2 - 1)				$ -

* Interest to 12/31/2009 at 8.00% per annum

** Variance will be amortized on a level dollar basis over five years.

TABLE 11

GASB NOS. 25 AND 27 DISCLOSURE INFORMATION FOR CURRENT AND PRIOR PLAN YEAR

Equivalent Single Amortization Period

Item	January 1, 2010	January 1, 2009
1. Covered Payroll	$ 6,901,021	$ 8,498,484
2. Unfunded Amount	4,029,906	3,591,703
3. Amortization Payment	580,922	493,134
4. Payment as a Level Percentage of Payroll (3 / 1)	8.42%	5.80%
5. Weighted Average Amortization Period (2 / 3)	6.94	7.28
6. Equivalent Single Amortization Period (Nearest Whole Year)	9	10

Net Pension Obligation

Item	January 1, 2010	January 1, 2009
1. Annual Required Contribution (ARC)	$ 716,439	$ 660,925
2. Interest on Net Pension Obligation	2,159	2,603
3. Adjustment to ARC	(6,760)	(8,150)
4. Annual Pension Cost (APC)	711,838	655,378
5. Contributions made*	(786,000)	(660,925)
6. Increase (Decrease) in Net Pension Obligation	(74,162)	(5,547)
7. Net Pension Obligation at Beginning of Year	26,992	32,539
8. Net Pension Obligation at End of Year**	(47,170)	26,992
9. Percent of APC Contributed	110.42%	100.85%

TABLE 12

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
($ Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a Percentage of Covered Payoll [(b - a) / c]
12/31/2009	$ 1,039	$ 5,069	20.5%	$ 4,030	$ 6,901	58.4%
12/31/2008	860	4,452	19.3%	3,592	8,498	42.3%
12/31/2007	1,355	4,077	33.2%	2,722	8,284	32.9%
12/31/2006	1,261	3,843	32.8%	2,582	7,057	36.6%
12/31/2005	1,090	3,530	30.9%	2,440	8,353	29.2%

TABLE 13

SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB STATEMENT NO. 25 DISCLOSURE

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed
2010	$ 716,439	109.7 *
2009	660,925	100.0
2008	557,813	93.6
2007	485,553	108.9
2006	499,137	92.6

* Contributions for 2010 are estimated based on the County budget.

The information presented above was determined as part of the actuarial valuation as of the dates indicated.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2010
Actuarial Cost Method:	Unit Credit
Amortization Method:	
- Administrative Expense	Level dollar closed
- Contribution Variance	Level dollar closed
- All other	Level percent of payroll closed
Remaining Amortization Period:	
- Administrative Expense	10 years
- Contribution Variance	5 years
- All other	30 years
Asset Valuation Method:	Market
Actuarial Assumptions:	
- Investment Rate of Return	8.00%
- Payroll Growth	3.00%

TABLE 14

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS

ASSUMPTIONS

Interest Rate: 8.0% per annum, compounded annually. The components are 3.0% for inflation and 5.0% for the real rate of return.

Salary Increase: 5% per annum, compounded annually.

Payroll Growth: 3% per annum.

Separation From Service: Retirement age is assumed to be age 65. Illustrative rates of assumed separation from service (mortality and turnover) are shown in the following tables.

Annual Rates per 100 Participants

Attained Age	Mortality	
	Males	Females
45	0.13	0.11
50	0.19	0.19
55	0.31	0.38
60	0.59	0.76
65	1.11	1.26
70	1.86	1.96
75	2.87	3.40
80	5.03	5.86
85	8.61	10.72

*	Healthy pensioners:	The sex-distinct UP-1994 Mortality Table projected to 2010, set back 1 year for males and set forward 4 years for females.
	Active members:	70% of the rates applicable to healthy pensioners.

TABLE 14

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Annual Rates per 100 Participants

Withdrawal						
Attained Age	**Select Rates by Year of Employment + Ultimate**					
	0	**1**	**2**	**3**	**4**	**Ult.**
20	33.75	31.50	28.50	24.00	19.05	15.00
25	31.35	29.46	26.88	22.86	18.54	14.25
30	27.30	25.47	22.92	18.99	15.36	12.00
35	22.35	20.64	18.03	14.01	10.17	6.00
40	17.85	16.26	13.80	10.26	7.23	3.90
45	17.25	14.85	11.94	8.43	5.37	2.52
50	16.50	13.38	10.98	7.89	4.47	1.07
55	14.85	12.45	9.78	6.93	3.63	0.23

TABLE 14

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

METHODS

Calculations: The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system, and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the Unit Credit Cost Method. The outstanding balance of the unfunded actuarial accrued liability (UAAL) as of January 1, 2004 and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

Asset Valuation Method: The actuarial asset value is the market value of assets plus any receivable contributions.

DATA

Census and Assets: The valuation was based on members of the System as of January 1, 2010 and does not take into account future members. All census data was supplied by the System and was subject to reasonable consistency checks. Asset data was supplied by the System.

TABLE 15

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

MEMBERSHIP

Any person employed by the County for whom the County is not obligated to collect and withhold FICA taxes. However, such persons shall not include: 1) an employee hired to relieve him from unemployment; 2) an employee of a hospital, home, or institution where he is an inmate; 3) an employees who is a temporary employee to handle fire, storm, snow, earthquake or similar emergencies; 4) an employee paid on a fee basis as self-employed; or 5) an employee who is a member of a collective bargaining unit covered by an agreement which does not provide for his inclusion.

VESTING SERVICE

One year of service is credited on and after January 1, 1992 for each plan year during which the employee is employed at any time. However, the employee shall not receive credit for any plan year in which the County is obligated to collect and withhold FICA taxes. If, during such plan year, FICA taxes are withheld for only a portion of the year, the employee shall receive a pro rata credit for the portion of the year worked when no FICA taxes were withheld.

BENEFIT SERVICE

Same as vesting service.

EARNINGS

Earnable compensation shall include the compensation earned during the period for which no FICA tax was withheld, exclusive of any amounts reimbursed for moving expenses. However, such compensation shall be limited to the Social Security taxable wage base for the plan year.

Average compensation is the average of the total earnings accumulated during the plan years of employment with the County, with the exception of years prior to January 1, 1992.

TABLE 15

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS
(Continued)

BENEFITS

Normal Retirement

Eligibility	Age 65.
Amount	2% of the member's average compensation multiplied by years of service (not in excess of 30).

Deferred Vested Benefit

Upon termination of employment, a member is eligible for a deferred vested pension commencing at age 65. Such benefit shall be calculated the same as for normal retirement, considering average compensation and service at termination.

TABLE 16

SUMMARY OF MEMBERSHIP DATA
AS OF JANUARY 1, 2010

Active Participants

Item	Total
Number of Participants	1,173
Average Annual Salaries *	$ 5,883
Average Age	26.6
Average Service	3.7

* The salaries shown in the table above represent total annual pay increased by the salary assumption.

Inactive Participants

Item	Number	Annual Annuities	Average Annuities
Participants with Deferred Benefits	10,134	$ 2,326,912	$ 230
Participants receiving the benefits	2	3,846	1,923
Total	10,136	$ 2,330,758	$ 230

EXHIBIT I

ACTIVE MEMBERSHIP DATA

NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2010

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	710	130								840
	$3,478	$8,077								$4,190
25-29	48	36	24							108
	$15,192	$11,991	$ 14,237							$13,913
30-34	16	18	8							42
	-	-	-							$8,218
35-39	8	6	1	2						17
	-	-	-	-						-
40-44	16	5	2	3						26
	-	-	-	-						$8,646
45-49	14	4	4	3						25
	-	-	-	-						$10,104
50-54	16	6	3	1						26
	-	-	-	-						$8,777
55-59	15	8	2	1						26
	-	-	-	-						$8,502
60-64	12	10	3	2						27
	-	-	-	-						$8,061
Over 64	16	8	7	5						36
	-	-	-	-						$ 6,106
Total	871	231	54	17						1,173
	$4,585	$9,159	$11,213	-						$5,883

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT II

5-YEAR HISTORY OF MEMBERSHIP DATA

Active Participants

Valuation as of January 1	Number of Active Participants	Percentage Change in Membership	Total Annual Payroll	Percentage Change in Payroll
2010	1,173	(32.04%)	$ 6,901,021	(18.80%)
2009	1,726	23.20%	8,498,484	2.59%
2008	1,401	8.02%	8,284,312	17.39%
2007	1,297	(7.95%)	7,057,342	(15.51%)
2006	1,409	(3.43%)	8,352,835	(0.63%)

Retired Participants

Valuation as of January 1	Number on roll	Additions	Deletions	Percentage Change in Membership	Annual Annuities	Percentage Change in Annuities
2010	2	-	-	0.00%	$ 3,846	0.00%
2009	2	1	-	100.00%	3,846	180.53%
2008	1	-	-	0.00%	1,371	0.00%
2007	1	-	-	0.00%	1,371	0.00%
2006	1	-	-		1,371	

EXHIBIT III

DETAILED TABULATIONS OF THE DATA

TABLE III-A

THE NUMBER AND ANNUAL SALARIES OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY AGE AS OF JANUARY 1, 2010
(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
16	11		10	
17	56	105,277	40	79,931
18	104	265,903	84	234,269
19	87	346,350	65	189,203
20	73	356,948	57	281,159
21	52	262,424	45	182,992
22	41	282,097	25	145,608
23	39	333,547	19	
24	19		13	
25	9		20	176,049
26	13		9	
27	16		14	
28	10		6	
29	7		4	
30	10		5	
31	1		4	
32	5		3	
33	4		1	
34	8		1	
35	5		1	
36	4		2	
37	2			
38	1			
39			2	
40	3		1	
41	5		1	
42	3			
43	4		2	
44	4		3	
45	1		3	
46	6			
47	3		2	
48	2		2	
49	3		3	
50	5		2	
51	3		1	
52	2		1	
53	3		1	
54	7		1	
55	2		4	
56	2		2	

TABLE III-A

THE NUMBER AND ANNUAL SALARIES OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY AGE AS OF JANUARY 1, 2010
(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
57	6		2	
58			1	
59	7			
60	4			
61	4		1	
62	5		1	
63	5		3	
64	3		1	
65	2		1	
66	4		2	
67	5		1	
68	2		2	
69	3			
70	2			
72			1	
73			1	
74	3			
78	1			
79	1			
80	1			
81	1			
83	1		1	
89	1			
Total	696	$ 4,237,839	477	$ 2,663,182

TABLE III-B

THE NUMBER AND ANNUAL SALARIES OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2010
(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
1	92	$ 267,205	59	$ 331,243
2	238	1,003,523	166	577,287
3	110	610,189	93	482,775
4	68	491,516	45	229,721
5	52	451,810	23	173,336
6	36	334,263	23	199,579
7	32	367,637	15	
8	19		13	
9	8		10	
10	12		8	
11	8		8	
12	4		1	
13	3		2	
14	4		4	
15	3		2	
16	3		4	
17	3			
18	1		1	
Total	696	$ 4,237,839	477	$ 2,663,182

TABLE III-C

THE NUMBER AND ANNUAL BENEFITS PAID TO ALL INACTIVE MEMBERS AS OF JANUARY 1, 2010

Age	Men		Women	
	Number	Annuity	Number	Annuity
16	1	$ 234	1	$ 1
17	32	467	31	$ 551
18	58	1,465	55	1,436
19	98	3,818	73	2,717
20	125	8,653	111	8,065
21	121	12,249	100	8,833
22	137	16,907	124	12,883
23	181	33,063	142	22,378
24	233	37,722	194	29,658
25	260	44,589	229	40,384
26	246	50,877	216	35,435
27	310	57,401	303	55,485
28	275	59,806	247	59,221
29	287	71,450	274	61,075
30	271	63,153	231	44,344
31	290	65,981	233	43,766
32	255	52,817	235	49,028
33	246	67,609	184	35,323
34	227	50,837	179	34,389
35	203	49,965	152	29,451
36	157	36,373	144	27,347
37	126	37,328	97	23,305
38	103	30,793	90	21,109
39	114	31,733	92	18,381
40	78	22,423	86	24,823
41	59	17,004	67	19,765
42	56	18,609	64	16,308
43	52	15,591	40	11,979
44	61	19,573	52	11,746
45	40	10,528	46	12,335
46	44	24,889	59	21,963
47	51	23,664	22	7,766
48	44	23,633	43	9,405
49	50	20,949	38	9,043
50	38	12,965	29	11,474
51	45	21,984	33	4,907
52	41	13,141	26	10,439
53	37	12,738	30	14,003
54	30	12,258	26	10,756
55	40	17,687	20	7,469
56	30	14,432	23	7,819

TABLE III-C

THE NUMBER AND ANNUAL BENEFITS PAID TO ALL INACTIVE MEMBERS AS OF JANUARY 1, 2010

Age	Men		Women	
	Number	Annuity	Number	Annuity
57	33	15,724	29	9,069
58	28	7,529	18	8,655
59	25	11,136	13	3,491
60	27	12,707	14	10,368
61	27	17,935	16	5,584
62	24	14,829	14	8,399
63	17	10,544	7	4,601
64	13	7,161	7	2,079
65	13	7,310	8	4,354
66	14	5,952	4	735
67	9	4,377	5	1,922
68	11	11,171	3	721
69	6	6,989	1	395
70	5	2,013	2	806
71	9	4,564	3	207
72	6	5,519	2	984
73	9	2,527	1	1,101
74	11	9,620	3	1,543
75	7	3,874	1	1,416
76	5	1,445	1	285
77	3	120	2	605
78	5	1,259		
79	8	3,600	4	2,675
80	8	4,118	1	920
81	7	2,807	4	3,499
82	6	2,039	2	1,385
83	5	966		
84	4	627		
85	5	4,091		
86	8	1,949	2	82
87	3	486		
88	2	469	2	469
90	3	1,552	2	428
91	2	358	1	1,138
92	2	1,543		
100	1	15		
Total	5,523	$ 1,376,281	4,613	$ 954,477

EXHIBIT IV

GLOSSARY

Accrued Liability	The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as "actuarial accrued liability."
Accrued Service	The service credited under the plan which was rendered before the date of the actuarial valuation.
Actual Funding Contribution	The Actual Funding Contribution for a plan year is calculated using census and asset information as of the first day of the plan year, and includes Normal Cost, with interest to the end of the plan year, and a net amortization payment.
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the "present value of future plan benefits" between the present value of future normal cost and the accrued liability. Sometimes referred to as the "actuarial funding method."
Actuarial Equivalent	A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.
Actuarial Value of Assets	The value of current plan assets recognized for valuation purposes. Based on a smoothed market value that recognizes investment gains and losses over a period of three years.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXHIBIT IV

GLOSSARY
(Continued)

Annual Required Contribution	The Annual Required Contribution, or ARC, is the amount determined in accordance with Governmental Accounting Standards Board Statements Nos. 25 and 27.
Budget Contribution	The Budget Contribution for a year is based on census and asset information as of the first day of the PRIOR plan year, rolled forward to the next plan year based on all actuarial assumptions being met. For example, the Budget Contribution for 2011 is based on census and asset information as of January 1, 2010, rolled forward to January 1, 2011.
Contribution Variance	The difference between the Actual Contribution and the Budget Contribution for a plan year is referred to as the Contribution Variance. A Contribution Variance resulting from an overpayment is amortized over 5 years as a level dollar credit. A Contribution Variance resulting from an underpayment is amortized over 5 years as a level dollar charge.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as "current service cost."
Present Value	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Unfunded Accrued Liability	The difference between the actuarial accrued liability and valuation assets.