Key Benefit Concepts, LLC

School District of Amery

Accounting and Sample Funding Report of Liabilities for Participants' Post Employment Benefits as of July 1, 2010

June 2011

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Background and Certification

The Government Accounting Standards Board (GASB) considers other post employment benefits, like pension benefits, as part of the compensation employees earn each year although they are not received until after employment ends. GASB has finalized Statement No. 27 (Accounting for Pensions by State and Local Government Employers), Statement No. 43 (Financial Reporting for Post Employment Benefit Plans Other Than Pension Plans), Statement No. 45 (Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions) and Statement No. 50 (Pension Disclosures). These Statements establish standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expense/expenditures and pension expense/expenditures as well as other related liabilities.

Key Benefit Concepts, LLC (KBC) is an independent actuarial and employee benefits consulting firm providing actuarial services to clients who sponsor qualified retirement and other post-employment benefits. We maintain no relationships with any client that might impair the objectivity of our work. This valuation and report were prepared by KBC based upon:

- Our understanding of GASB's current Statements
- The Summary of Benefits and Eligibility determined by the bargaining and other District agreements, as outlined herein
- The accuracy and completeness of information and data provided by the District.

The calculations of cost and liabilities illustrated were determined according to generally accepted actuarial principles and standards. Specific assumptions and actuarial methodology for the study are defined within the report. Given that actual experience may vary from the actuarial assumptions projected, developing liabilities and costs may differ from those estimated in this report. Furthermore, in the event of any inaccuracies in the information or data provided, upon which these calculations were based, revisions may be needed.

This report was prepared solely for the purposes of providing information required by GASB for the entity's financial reporting. KBC assumes neither responsibility nor any liability for use of this report for any other purposes.

Ted W. Windsor is an actuary meeting the qualifications of the American Academy of Actuaries required to provide the actuarial opinion detailed in this report.

Ted Windsor

Ted W. Windsor, ASA, EA, MAAA

June 20, 2011

Introduction

The actuarial present value of the other post employment benefit (OPEB) liabilities is the value of all benefits estimated to be payable to plan members discounted at the assumed discount interest rate back to the valuation date. The actuarial present value is comprised of:

- Benefits employees have already earned, and
- Benefits expected to be earned by employees in the future.

Presented in this report are the results of our study of the post employment benefits and the associated liabilities and costs. The study includes the following:

- Actuarial Accrued Liability (AAL): The portion of the actuarial present value of benefits allocated to all periods prior to the valuation date also known as the accrued benefit.

- Normal Cost (NC): The portion of the actuarial present value of benefits allocated to the valuation year.

- Unfunded Actuarial Accrued Liability (UAAL): The difference between the actuarial accrued liability and the actuarial value of assets. This amount may also be negative indicating the presence of a surplus of actuarial assets over actuarial accrued liabilities.

- Annual Required Contribution (ARC): The employer's annual contribution comprised of the normal cost plus the portion of the unfunded actuarial accrued liability to be amortized in the valuation year.

District OPEB Benefits

For the School District of Amery (the "District"), the other post employment benefit liability consists of several interdependent pieces arising from the rules of the plan. These pieces may include actual contributions made on behalf of (or perhaps to) a retiree as well as any incurred implicit rate subsidy.

The amounts paid by the school system for continued health care for all classifications that are entitled to a benefit are briefly outlined below. A full description of the eligibilities and benefits for eligible classifications can be found in the OPEB Technical Appendix.

> Administrators & Teachers: At least age 56 with a minimum of 15 years of service and hired prior to July 1, 2004; the District will contribute towards a retiree's medical premiums for a period of 8 years but not to exceed Medicare-eligibility. The amount of these contributions will be equal to either 100% of the single or 50% of the family medical premium rates in effect at the time of retirement and shall remain frozen at these amounts for the entire duration.
>
> ***Note****: Those hired on or after July 1, 2004 will not be entitled to a District-provided post-employment benefit of any kind.*

In a standard OPEB valuation, the GASB guidelines require that the OPEB benefit to be based upon the *value* of the health care benefit. Thus, when the benefits are insured, the value above the premium cost of benefits must be determined. This applies to all classifications and arises from the value of benefits in excess of the payments made by the District during the guaranteed period. This amount is determined and incorporated in the determined liability of the medical care benefit.

In addition, since GASB guidelines require the OPEB benefit to be based upon the *value* of the medical care benefit, when an individual self-pays 100% of the premium cost, the valuation also includes the difference between the premium cost and the value cost of the benefit. This is known as the Implicit Rate Subsidy.

Implicit Rate Subsidy exists when an employer's retirees and current employees are covered together as a group wherein the premium rate or premium equivalent rate paid by the retirees may be lower than they would be if the retirees were rated separately. The final GASB Statements declare that even if the retirees pay 100% of the premium, without a contribution from the employer, the employer is required to treat the implicit rate subsidy as an other post employment benefit (OPEB) liability. This is a reversal of GASB's initial opinion.

Note that the implicit rate subsidy is only applied when retirees are enrolled in the District's medical and/or long-term care plans. It is not applied, however, when retirees participate in the District's dental plan. Furthermore, when an individual becomes Medicare-eligible, their premium rates are adjusted, such that these adjusted rates represent the expected cost of coverage, and no implicit rate subsidy is calculated.

The census provided by the District included 7 Teachers listed as not having coverage in the medical plan. These 7 Teachers are currently receiving coverage thru their spouse whom is also employed by the District as either an Administrator or Teacher. For these 7 Teachers and their spouses (all of whom are employed as an Administrator or Teacher by the District), it was assumed that, if they were eligible for a District-provided post-employment benefit, they would each elect a single plan upon their retirement. As such, the liabilities incurred on behalf of these 14 employees was calculated and included in this valuation.

Supplemental Pension (Stipend) Benefit

Eligible Administrators and Teachers will also receive a stipend of$10,000 upon their retirement. This stipend will be paid out in one lump sum.

According to current GASB regulations, any such form of cash payments, whether it be a stipend, contributions to a TSA, severance payment or any other type of cash-related benefits (other than sick leave) are considered a supplemental pension and should be accounted for as such under GASB Statement 27 as updated and amended in GASB Statement 50.

The actuarial value of the stipend (supplemental pension) benefit for current and future retirees eligible for the stipend has been calculated and provided as separate tables.

Amortization Method

The current guidelines allow two amortization methods:

Level Dollar Amortization Method – The amount to be amortized is divided into equal dollar amounts to be paid over a given number of years; part of each payment is interest and part is principle (similar to a mortgage payment on a building). Since payroll can be expected to increase as a result of inflation, level dollar payments generally represent a decreasing percentage of the payroll over time.

Level Percent Amortization Method – Amortization payments are calculated so that they increase at a constant percentage over a given number of years. The dollar amount of the payments generally will increase over time due to inflation; however the percentage increases in these payments can be expected to remain level.

Note: The OPEB and Stipend Tables are based upon a 30-year amortization period.

District OPEB Liability

Based upon the actuarial assumptions and projections described herein as determined by the census, benefit and premium data provided by the District, the post employment medical as of July 1, 2010 are as follows:

Other Post Employment Liability			
		Level $ Amortization	Level % Amortization
1	Normal Cost with interest to end of year	$ 268,974	$ 268,974
2	Unfunded Actuarial Accrued Liability (UAAL)	$ 5,726,449	$ 5,726,449
3	30-yr. Amortization of UAAL	$ 394,011	$ 270,947
4	Annual Required Contribution (ARC)	$ 662,985	$ 539,921

Detailed calculations for the above results can be found in the OPEB Tables C and D.

District Stipend (Supplemental Pension) Liability

Based upon actuarial assumptions and projections described herein as determined by the census and benefit data provided by the District, the total post employment stipend liabilities as of July 1, 2010 are as follows:

Supplemental Pension Liability			
		Level $ Amortization	Level % Amortization
1	Normal Cost with interest to end of year	$ 28,240	$ 28,240
2	Unfunded Actuarial Accrued Liability (UAAL)	$ 511,966	$ 511,966
3	30-yr. Amortization of UAAL	$ 33,304	$ 22,677
4	Annual Supplemental Pension Cost	$ 61,544	$ 50,916

Detailed calculations for the above results can be found in the Stipend Tables C and D.

Discussion of Valuation Methods and Assumptions

The valuation was based upon the data provided by the District. In performing this study we utilized the premium rate history of the District's medical plan and projected a stream of expected premium rates for each year in the future based on the data as of July 1, 2010. As such, the first year (fiscal year 2010-2011) trends and expected future costs were derived from historical premium rates for actives and retirees.

Trend and retirement age are the most sensitive assumptions. Changes in these assumptions have the largest impact on the amount of liabilities. All of the demographic assumptions used for this report (i.e. other than trend, salary, payroll growth, expected discount rate, percent electing coverage and percent electing family coverage) are approximately the same as those used in the December 31, 2009 WRS annual report. The assumptions are shown in the technical appendices.

This is a subsequent valuation of the District's post-employment liabilities. Since the prior study, the District has continued to fund its post-employment OPEB liability thru its Trust. As such, the Trust balance as of the valuation date was incorporated in this study to offset the District's unfunded actuarial accrued OPEB liability.

A discount rate of 5½% (as the expected long-term yield on the Trust) was used in this valuation in calculating the OPEB liabilities. Furthermore, it was assumed that the District would continue to fund its OPEB liabilities in the same manner it has over the past few years.

In calculating the District's stipend liabilities, however, a discount rate of 5% (as the expected yield on general assets) was used. Unlike the OPEB, the District has not established a trust to fund these liabilities. Rather, the District has continued to fund its retiree stipend payments out of its general fund assets on a pay-as-you-go basis. Should the District choose to fund its post-employment stipend liabilities thru a trust, then a higher discount rate may be more appropriate.

Pay-As-You-Go

GASB requires all public entities to identify and include their post-employment liability in their financial statements. However, at this time GASB does not require any public entity to fund this liability. Since many districts currently provide for post-employment benefits on a pay-as-you-go basis, we have included OPEB Table I. This table illustrates, based upon the assumptions used in this valuation, the District's annual liability for retiree medical benefits on a pay-as-you-go basis.

The projections illustrated in OPEB Table I are for illustrative purposes and pertain only to the liabilities incurred from those active and retired employees of the District as of July 1, 2010. In other words, it is based upon a closed valuation, such that no new hires are assumed to replace those future retirees. The likelihood of actual costs equaling the stated projections decreases for each year projecting further into the future. Also note that the District's expected premium payments differ from the District's GASB OPEB value. This difference is attributed to the implicit rate subsidy as well as actual retirement rates versus the assumptions used in this study. A similar table to illustrate the projected stipend payments, Stipend Table I, has also been provided.

OPEB Tables

School District of Amery

Active Employees as of July 1, 2010

Years of Service in the School District of Amery

Age	0 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 or more	Total
Under 20	-	-	-	-	-	-	-	-	-
20 - 24	3	-	-	-	-	-	-	-	3
25 - 29	8	3	-	-	-	-	-	-	11
30 - 34	3	7	2	-	-	-	-	-	12
35 - 39	3	4	12	1	1	-	-	-	21
40 - 44	5	4	8	8	3	-	-	-	28
45 - 49	3	2	5	3	6	1	-	-	20
50 - 54	1	2	3	7	12	3	2	-	30
55 - 59	-	2	2	1	3	2	2	1	13
60 - 64	-	-	-	1	5	-	2	2	10
65 and over	-	-	-	-	-	-	-	-	-
Total	26	24	32	21	30	6	6	3	**148**

Averages:

Age: **44.1**

Service: **14.0**

School District of Amery

Members by Medical Coverage as of July 1, 2010

Medical Plan Enrollment

	Actives				***Retirees***		
	Single	Family	None	Total	Single	Family	Total
Administrators	-	15	-	15	-	1	1
Teachers	14	112	7	133	18	12	30
Totals	14	127	7	**148**	18	13	**31**

Notes:

1- *Those listed under 'None' are currently covered under their spouse whom is also employed as either an Administrator or Teacher in the District.*

It was assumed that each spouse would have their own Single plan upon their retirment.

2- *Included in the Retiree counts are 4 retirees that are currently self-paying the full amount of their medical premiums to remain on the group medical plan.*

However, given that all 4 retirees are Medicare-eligible, no liability, in the form of implicit rate subsidy or otherwise, need be calculated on their behalf.

School District of Amery

Determination of Normal Cost, Actuarial Accrued Liability and Unfunded Actuarial Accrued Liability as of 7/1/2010

		Total Incurred OPEB Liability		
		Administrators	Teachers	Total
1.	Normal cost as of 7/1/2010			
a.	Future retiree value of OPEB	$33,836	$376,327	$410,163
b.	Future retiree paid portion of premiums	12,133	143,078	155,211
c.	Total normal cost [#1a - #1b]	21,703	233,249	254,952
2.	Actuarial accrued liability as of 7/1/2010			
a.	Current retiree value of OPEB	208,387	1,768,203	1,976,590
b.	Current retiree paid portion of premiums	36,712	257,044	293,756
c.	Future retiree value of OPEB	695,104	6,140,756	6,835,860
d.	Future retiree paid portion of premiums	252,820	2,306,240	2,559,060
e.	Total actuarial accrued liability [(#2a - #2b)+ (#2c - #2d)]	613,959	5,345,675	5,959,634
3.	Actuarial value of assets	24,023	209,162	233,185
4.	Unfunded actuarial accrued liability [#2e - #3]	$589,936	$5,136,513	$5,726,449

School District of Amery

Determination of 2010-2011 Fiscal Year Annual Required Contribution (ARC)

Total Incurred OPEB Liability

	Administrators	Teachers	Total
1. Normal cost			
a. Beginning of year	$21,703	$233,249	$254,952
b. With interest to end of year	22,897	246,078	268,974
2. Expected payroll for 2010-2011 fiscal year	n/a	n/a	n/a
3. Unfunded actuarial accrued liability	589,936	5,136,513	5,726,449
4. 30 year amortization of UAAL as a level percent method			
a. Dollars	27,913	243,034	270,947
b. Percent of payroll	n/a	n/a	n/a
5. Annual required contribution *(ARC)*			
a. Normal cost	22,897	246,078	268,974
b. Amortization	27,913	243,034	270,947
c. Total contribution [a + b]	$50,809	$489,112	$539,921

School District of Amery

Determination of 2010-2011 Fiscal Year Annual Required Contribution (ARC)

Total Incurred OPEB Liability

		Administrators	Teachers	Total
1.	Normal cost			
	a. Beginning of year	$21,703	$233,249	$254,952
	b. With interest to end of year	22,897	246,078	268,974
2.	Expected payroll for 2010-2011 fiscal year	n/a	n/a	n/a
3.	Unfunded actuarial accrued liability	589,936	5,136,513	5,726,449
4.	30 year amortization of UAAL as a level dollar method			
	a. Dollars	40,591	353,420	394,011
	b. Percent of payroll	n/a	n/a	n/a
5.	Annual required contribution *(ARC)*			
	a. Normal cost	22,897	246,078	268,974
	b. Amortization	40,591	353,420	394,011
	c. Total contribution [a + b]	$63,487	$599,497	$662,985

School District of Amery

Annual OPEB Cost and Net OPEB Obligation for the Fiscal Year Ending June 30, 2011

	Total
Annual required contribution *(ARC)*	$539,921
Interest on net OPEB obligation	23,301
Adjustment to annual required contribution	(20,045)
Annual OPEB cost (expense)	$543,177
Contributions made	TBD
Change in net OPEB obligation	TBD
Net OPEB obligation - beginning of year	$423,652
Net OPEB obligation - end of year	TBD

History of OPEB Cost, Percentage Of Annual Contribution and Net OPEB Obligation

Valuation Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$717,283	60.65%	$282,219
6/30/2010	$726,657	80.54%	$423,652
6/30/2011	$543,177	TBD	TBD

School District of Amery

Annual OPEB Cost and Net OPEB Obligation for the Fiscal Year Ending June 30, 2011

	Total
Annual required contribution *(ARC)*	$662,985
Interest on net OPEB obligation	23,301
Adjustment to annual required contribution	(29,150)
Annual OPEB cost (expense)	$657,136
Contributions made	TBD
Change in net OPEB obligation	TBD
Net OPEB obligation - beginning of year	$423,652
Net OPEB obligation - end of year	TBD

History of OPEB Cost, Percentage Of Annual Contribution and Net OPEB Obligation

Valuation Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$717,283	60.65%	$282,219
6/30/2010	$726,657	80.54%	$423,652
6/30/2011	$657,136	TBD	TBD

School District of Amery

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a) / c)
7/1/2007	$0	$5,256,727	$5,256,727	0.00%	$10,211,944	51.48%
7/1/2010	$233,185	$5,959,634	$5,726,449	3.91%	TBD	TBD

School District of Amery

Significant Methods and Assumptions

Actuarial valuation date	7/1/2010
Actuarial cost method	Unit credit
Amortization method	30 year open level dollar & level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial Assumptions	
Investment rate of return *	5.50%
Projected payroll increases (for level amortization of pay only)	3.00%
Medical care trend*	10.00% decreasing by 1.00% per year down to 5.00%

* Implicit in this rate is an assumed rate of inflation of 4.00%

School District of Amery

Historical Development of Annual Net OPEB Obligation

Total Incurred OPEB Liabilities

Valuation Year Ending	ARC	Interest on Net OPEB Obligation	ARC Adjustment	Amort. Factor	OPEB Cost	Contribution	Change in Net OPEB Obligation	Net OPEB Obligation Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6/30/2010	$728,198	16,933	(18,474)	19.82	$726,657	(585,224)	141,433	$423,652
6/30/2011	$539,921	23,301	(20,045)	21.13	$543,177	TBD	TBD	TBD

School District of Amery

Historical Development of Annual Net OPEB Obligation

Total Incurred OPEB Liabilities

Valuation Year Ending	ARC	Interest on Net OPEB Obligation	ARC Adjustment	Amort. Factor	OPEB Cost	Contribution	Change in Net OPEB Obligation	Net OPEB Obligation Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6/30/2010	$728,198	16,933	(18,474)	19.82	$726,657	(585,224)	141,433	$423,652
6/30/2011	$662,985	23,301	(29,150)	14.53	$657,136	TBD	TBD	TBD

OPEB Table I

School District of Amery

Pay As You Go

Projection of Medical Benefits (30 Year Projection)

A	B	C	D	E	F	G
Fiscal Year Beginning	Expected Total Premiums	District's Premium Contribution	Total OPEB Value	District's OPEB Liability	Implicit Rate Subsidy	Cost → Value
2010	$376,017	$337,149	$518,933	$480,065	$142,916	1.3801
2011	$474,549	$354,926	$658,376	$538,753	$183,827	1.3874
2012	$464,396	$311,266	$647,677	$494,547	$183,281	1.3947
2013	$461,816	$279,354	$648,779	$466,317	$186,963	1.4048
2014	$451,211	$253,819	$628,575	$431,183	$177,364	1.3931
2015	$487,396	$256,837	$674,628	$444,069	$187,232	
2016	$522,637	$262,868	$718,176	$458,407	$195,539	
2017	$517,319	$245,456	$700,778	$428,915	$183,459	
2018	$601,985	$279,101	$823,851	$500,967	$221,866	
2019	$681,760	$321,656	$942,154	$582,050	$260,394	
2020	$742,966	$352,768	$1,033,806	$643,608	$290,840	
2021	$761,900	$362,328	$1,066,077	$666,505	$304,177	
2022	$745,367	$358,674	$1,051,445	$664,752	$306,078	
2023	$688,663	$333,478	$971,160	$615,975	$282,497	
2024	$653,361	$327,119	$911,490	$585,248	$258,129	
2025	$574,185	$301,665	$788,482	$515,962	$214,297	
2026	$694,713	$360,409	$956,917	$622,613	$262,204	
2027	$795,319	$403,733	$1,098,349	$706,763	$303,030	
2028	$755,146	$389,100	$1,029,302	$663,256	$274,156	
2029	$868,661	$431,067	$1,191,239	$753,645	$322,578	
2030	$997,163	$486,112	$1,369,038	$857,987	$371,875	
2031	$1,152,586	$553,144	$1,594,744	$995,302	$442,158	
2032	$1,152,988	$545,059	$1,603,436	$995,507	$450,448	
2033	$1,113,798	$515,761	$1,552,551	$954,514	$438,753	
2034	$1,088,678	$491,551	$1,532,988	$935,861	$444,310	
2035	$878,607	$386,248	$1,235,261	$742,902	$356,654	
2036	$862,423	$372,660	$1,232,620	$742,857	$370,197	
2037	$665,897	$287,757	$958,359	$580,219	$292,462	
2038	$460,586	$201,689	$665,466	$406,569	$204,880	
2039	$311,076	$139,713	$452,887	$281,524	$141,811	

When Funding the Trust: *<u>Pay-As-You-Go amount plus Implicit Rate Subsidy:</u>* *Multiply factor in column* ***G*** *times Pay-As-You-Go amount, the result is the amount to be paid to Fund Trust. The difference between the two amounts is the Implicit Rate Subsidy.*

OPEB Technical Appendix

School District of Amery

Post Employment Benefit Summary

Administrators & Teachers

Eligibility	OPEB
Hired Prior to July 1, 2004: At least age 56 with a minimum of 15 years of service with the District	Medical Insurance: The District will contribute 100% of the single or 50% of family medical premium rates in effect at the time of retirement on behalf of the retiree. These contributions will continue frozen at these amounts for up to 8 years but not to exceed Medicare-eligibility.
	Non-OPEB
	Stipend: The retiree shall receive a one-time (lump sum) cash payment of $10,000 upon their retirement.

Note: *Those hired on or after July 1, 2004 will not be eligible for District-provided post-employment benefit of any kind upon their retirement. Rather they will receive an HRA that is to be funded during their active employment.*

OPEB Actuarial Assumptions

1. Actuarial Valuation Date	July 1, 2010
2. Actuarial Cost Method	Unit Credit: The calculation of retirement plan benefits is based upon the accumulation of "benefit units" earned from such things as salary and/or service years. A Plan's normal cost is determined by the present value of benefits allocated to the valuation year. A Plan's accrued liability is the present value of benefits allocated to all periods prior to the valuation year.
3. Interest Rate	Discount rate for valuing liabilities – 5.50% Interest rate on plan assets – 5.50% Implicit in these rates is a 4.00% assumed rate of inflation
4. Level Percent Increase	3.00% – Used only for level percent amortization of Unfunded Actuarial Accrued Liability
5. Amortization Method	30 year open level percent & level dollar method
6. Remaining Amortization Period	30 years
7. Asset Valuation Method	Market Value

8. Retirement	*Early Retirement*

Age	Male	Female
55	15.0%	12.5%
56	15.0	12.5
57	15.0	11.5
58	14.0	12.5
59	11.0	12.5
60	15.0	15.0
61	14.0	16.0
62	23.0	23.0
63	23.0	21.0
64	16.0	19.0
65	100.0	100.0

Regular Retirement (30 or more years of service)

Age	Male	Female
57	40%	30%
58	35	30
59	28	30
60	28	30
61	28	30
62	38	38
63	35	32
64	25	26
65	100	100

9. Mortality	Active participant mortality rates at sample ages:

Age	Male	Female
20	0.000233	0.000077
25	0.000303	0.000085
30	0.000368	0.000115
35	0.000391	0.000203
40	0.000492	0.000285
45	0.000725	0.000446
50	0.001184	0.000614
55	0.002085	0.001281
60	0.003038	0.002174
65	0.004660	0.003325
70	0.008171	0.005327
75	0.015030	0.009751
80	0.027138	0.016934

10. Separation Rates	Select and ultimate termination rates at sample ages and years of service are shown below:

Age	Service	Male	Female
	0	16.5%	13.0%
	1	11.0	9.5
	2	7.1	7.2
	3	5.2	6.1
	4	4.2	5.0
	5	3.4	4.3
	6	2.9	3.7
	7	2.5	3.2
	8	2.3	2.7
	9	2.0	2.5
25	10 or more	2.0	2.0
30		1.7	1.9
35		1.3	1.7
40		1.1	1.3
45		1.0	1.1
50		0.8	0.9
55		0.8	0.9
60		0.8	0.9

11. Disablement Rates	Active participant disability rates at sample ages:

Age	Male	Female
20	0.01%	0.01%
25	0.01	0.01
30	0.01	0.01
35	0.01	0.01
40	0.02	0.02
45	0.05	0.07
50	0.13	0.14
55	0.23	0.20
60	0.39	0.29

12. Medical Trends (*Annual Increases*)	<u>Year</u> 1 2 3 4 5 6 7 8 9 10 11 12 13 & over	<u>Medical Trend</u> 10.0% 9.0 8.0 7.0 6.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0
13. Age Related Health Care Cost	Health care costs are assumed to increase at 2.5% per year of age separate from trend due to increased cost of older participants.	
14. Percent with Coverage at Retirement	100% of active Administrators & Teachers eligible for a District-provided post-employment benefit upon their retirement	
15. Spouses' Age	Males are assumed to be three years older than their spouses	

Stipend Tables

School District of Amery

Determination of Normal Cost, Actuarial Accrued Liability
and Unfunded Actuarial Accrued Liability (UAAL) as of 7/1/2010

	Total Incurred Non-OPEB Liabilities		
	Administrators	Teachers	Total
1. Normal cost as of 7/1/2010	$3,353	$23,542	$26,895
2. Actuarial accrued liability as of 7/1/2010			
a. Current retiree value of Non-OPEB	0	29,302	29,302
b. Future retiree value of Non-OPEB	62,231	420,433	482,664
c. Total actuarial accrued liability [#2a + #2b]	62,231	449,735	511,966
3. Actuarial value of assets	0	0	0
4. Unfunded actuarial accrued liability [#2c - #3]	$62,231	$449,735	$511,966

School District of Amery

Determination of 2010-2011 Fiscal Year Annual Supplemental Pension Cost

		Total Incurred Non-OPEB Liabilities		
		Administrators	Teachers	Total
1.	Normal cost			
	a. Beginning of year	$3,353	$23,542	$26,895
	b. With interest to end of year	3,521	24,719	28,240
2.	Expected payroll for 2010-2011 fiscal year	n/a	n/a	n/a
3.	Unfunded actuarial accrued liability	62,231	449,735	511,966
4.	30 year amortization of UAAL as a level percent method			
	a. Dollars	2,756	19,920	22,677
	b. Percent of payroll	n/a	n/a	n/a
5.	Annual supplemental pension cost			
	a. Normal cost	3,521	24,719	28,240
	b. Amortization	2,756	19,920	22,677
	c. Total cost [a + b]	$6,277	$44,639	$50,916

School District of Amery

Determination of 2010-2011 Fiscal Year Annual Supplemental Pension Cost

Total Incurred Non-OPEB Liabilities

		Administrators	Teachers	Total
1.	Normal cost			
	a. Beginning of year	$3,353	$23,542	$26,895
	b. With interest to end of year	3,521	24,719	28,240
2.	Expected payroll for 2010-2011 fiscal year	n/a	n/a	n/a
3.	Unfunded actuarial accrued liability	62,231	449,735	511,966
4.	30 year amortization of UAAL as a level dollar method			
	a. Dollars	4,048	29,256	33,304
	b. Percent of payroll	n/a	n/a	n/a
5.	Annual supplemental pension cost			
	a. Normal cost	3,521	24,719	28,240
	b. Amortization	4,048	29,256	33,304
	c. Total cost [a + b]	$7,569	$53,975	$61,544

School District of Amery

Annual Pension Cost and Net Pension Obligation for the Fiscal Year Ending June 30, 2011

	Total
Annual pension cost *(APC)*	$50,916
Interest on net pension obligation	1,408
Adjustment to APC	(1,247)
Annual pension cost (expense)	$51,077
Contributions made	TBD
Change in net pension obligation	TBD
Net pension obligation - beginning of year	$28,164
Net pension obligation - end of year	TBD

History of Pension Cost, Percentage Of Annual Contribution and Net Pension Obligation

Valuation Year Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2009	$52,831	101.88%	($994)
6/30/2010	$50,688	42.48%	$28,164
6/30/2011	$51,077	TBD	TBD

School District of Amery

Annual Pension Cost and Net Pension Obligation for the Fiscal Year Ending June 30, 2011

	Total
Annual pension cost *(APC)*	$61,544
Interest on net pension obligation	1,408
Adjustment to APC	(1,832)
Annual pension cost (expense)	$61,120
Contributions made	TBD
Change in net pension obligation	TBD
Net pension obligation - beginning of year	$28,164
Net pension obligation - end of year	TBD

History of Pension Cost, Percentage Of Annual Contribution and Net Pension Obligation

Valuation Year Ending	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2009	$52,831	101.88%	($994)
6/30/2010	$50,688	42.48%	$28,164
6/30/2011	$61,120	TBD	TBD

Stipend Table F

School District of Amery

Required Supplementary Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a) / c)
7/1/2007	$0	$480,274	$480,274	0.00%	$10,211,944	4.70%
7/1/2010	$0	$511,966	$511,966	0.00%	TBD	TBD

School District of Amery

Significant Methods and Assumptions

Actuarial valuation date	7/1/2010
Actuarial cost method	Unit credit
Amortization method	30 year open level dollar & level percent
Remaining amortization period	30 years
Asset valuation method	Market value
Actuarial Assumptions	
Investment rate of return *	5.00%

* Implicit in this rate is an assumed rate of inflation of 4.00%

School District of Amery

Historical Development of Annual Net Supplemental Pension Obligation

Total Incurred Stipend Liabilities

Valuation Year Ending	Annual Supplemental Pension Cost	Interest on Net Supplemental Pension Obligation	Annual Supplemental Pension Cost Adjustment	Amort. Factor	Supplemental Pension Cost	Contribution	Change in Net Supplemental Pension Obligation	Net Supplemental Pension Obligation Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6/30/2010	$50,675	(60)	73	19.82	$50,688	(21,530)	29,158	$28,164
6/30/2011	$50,916	1,408	(1,247)	22.58	$51,077	TBD	TBD	TBD

School District of Amery

Historical Development of Annual Net Supplemental Pension Obligation

Total Incurred Stipend Liabilities

Valuation Year Ending	Annual Supplemental Pension Cost	Interest on Net Supplemental Pension Obligation	Annual Supplemental Pension Cost Adjustment	Amort. Factor	Supplemental Pension Cost	Contribution	Change in Net Supplemental Pension Obligation	Net Supplemental Pension Obligation Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6/30/2010	$50,675	(60)	73	19.82	$50,688	(21,530)	29,158	$491,735
6/30/2011	$61,544	1,408	(1,832)	15.37	$61,120	TBD	TBD	TBD

School District of Amery

Pay As You Go

Projection of Stipend Payments

Fiscal Year Beginning	***Expected Total Payouts***
2010	$55,058
2011	$84,256
2012	$30,770
2013	$39,425
2014	$51,669
2015	$50,901
2016	$52,508
2017	$64,277
2018	$50,903
2019	$59,090
2020	$59,548
2021	$56,569
2022	$44,581
2023	$48,157
2024	$49,624
2025	$43,703
2026	$46,589
2027	$48,586
2028	$45,675
2029	$43,754
2030	$54,564
2031	$47,212
2032	$37,730
2033	$31,392
2034	$24,850
2035	$20,148
2036	$11,975
2037	$9,215
2038	$5,938
2039	$3,541

Stipend Technical Appendix

Stipend Actuarial Assumptions

1. Actuarial Valuation Date	July 1, 2010
2. Actuarial Cost Method	Unit Credit: The calculation of retirement plan benefits is based upon the accumulation of "benefit units" earned from such things as salary and/or service years. A Plan's normal cost is determined by the present value of benefits allocated to the valuation year. A Plan's accrued liability is the present value of benefits allocated to all periods prior to the valuation year.
3. Interest Rate	Discount rate for valuing liabilities – 5.00% Interest rate on plan assets – 5.00% Implicit in these rates is a 4.00% assumed rate of inflation
4. Level Percent Increase	3.00% – Used only for level percent amortization of Unfunded Actuarial Accrued Liability
5. Amortization Method	30 year open level percent & level dollar method
6. Remaining Amortization Period	30 years
7. Asset Valuation Method	Market Value
8. Disablement Rates	Active participant disability rates at sample ages:

Age	Male	Female
20	0.01%	0.01%
25	0.01	0.01
30	0.01	0.01
35	0.01	0.01
40	0.02	0.02
45	0.05	0.07
50	0.13	0.14
55	0.23	0.20
60	0.39	0.29

9. Retirement	*Early Retirement*

Age	Male	Female
55	15.0%	12.5%
56	15.0	12.5
57	15.0	11.5
58	14.0	12.5
59	11.0	12.5
60	15.0	15.0
61	14.0	16.0
62	23.0	23.0
63	23.0	21.0
64	16.0	19.0
65	100.0	100.0

Regular Retirement (30 or more years of service)

Age	Male	Female
57	40%	30%
58	35	30
59	28	30
60	28	30
61	28	30
62	38	38
63	35	32
64	25	26
65	100	100

10. Mortality	Active participant mortality rates at sample ages:

Age	Male	Female
20	0.000233	0.000077
25	0.000303	0.000085
30	0.000368	0.000115
35	0.000391	0.000203
40	0.000492	0.000285
45	0.000725	0.000446
50	0.001184	0.000614
55	0.002085	0.001281
60	0.003038	0.002174
65	0.004660	0.003325
70	0.008171	0.005327
75	0.015030	0.009751
80	0.027138	0.016934

11. Separation Rates	Select and ultimate termination rates at sample ages and years of service are shown below:

Age	Service	Male	Female
	0	16.5%	13.0%
	1	11.0	9.5
	2	7.1	7.2
	3	5.2	6.1
	4	4.2	5.0
	5	3.4	4.3
	6	2.9	3.7
	7	2.5	3.2
	8	2.3	2.7
	9	2.0	2.5
25	10 or more	2.0	2.0
30		1.7	1.9
35		1.3	1.7
40		1.1	1.3
45		1.0	1.1
50		0.8	0.9
55		0.8	0.9
60		0.8	0.9