



Beaver County Employees' Retirement System

**Report on 2006 Actuarial Valuation Including
Determination of County Annual Required
Contribution for 2006**

June 8, 2006

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for

Beaver County Employees' Retirement Board

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Joe Spanik	Commissioner
Charles A. Camp	Commissioner
Richard W. Towcimak	Controller/Secretary
Connie T. Javens	Treasurer

June 8, 2006

CONFIDENTIAL

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I. Introduction

The primary purpose of this report is to investigate and fully and fairly disclose the actuarial position of the System as of January 1, 2006 and to establish the proper appropriation for the 2006 plan year, in accordance with the funding standards of Section 6 of Act 96, 1971 of the Commonwealth of Pennsylvania as amended.

On the basis of the actuarial methods, assumptions and major plan provisions summarized in this report and in reliance on the member data and statement of the Fund's assets furnished by the County, to the best of our knowledge the information in this report is complete and accurate.

In our opinion, this report presents fairly the financial and actuarial position for the Beaver County Employees' Retirement Plan as of January 1, 2006 in accordance with generally accepted actuarial principles, and on the basis of actuarial assumptions and methods which, in the aggregate, are reasonable (taking into account past experience under the System and reasonable expectations) and which in combination represent our best estimate of anticipated experience.

Respectfully submitted,

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II. Findings

Certified Annual Required Contribution (ARC)

Please note that the certified Annual Required Contribution which is reported on page 9 of this report and which must be funded in 2006 is \$2,020,537.00. This is required to be made by the County from the General Fund.

Actuarial Adjustments

Also note that the balances in the Reserve Accounts on page 8 reflect the following transfers which are necessary to keep the balance in the Retired Member's Reserve Account equal to the liability for the retired lives and to reflect the difference between the amount of interest credited to the respective reserves and the interest rate assumed in the valuation of the liabilities. Please make these transfers in your records:

	DEBIT	CREDIT
County Annuity Reserve Account	\$ 2,619,902.67	
Retired Members Annuity Reserve Account		\$ 2,619,902.67

III. Schedules

Schedule A

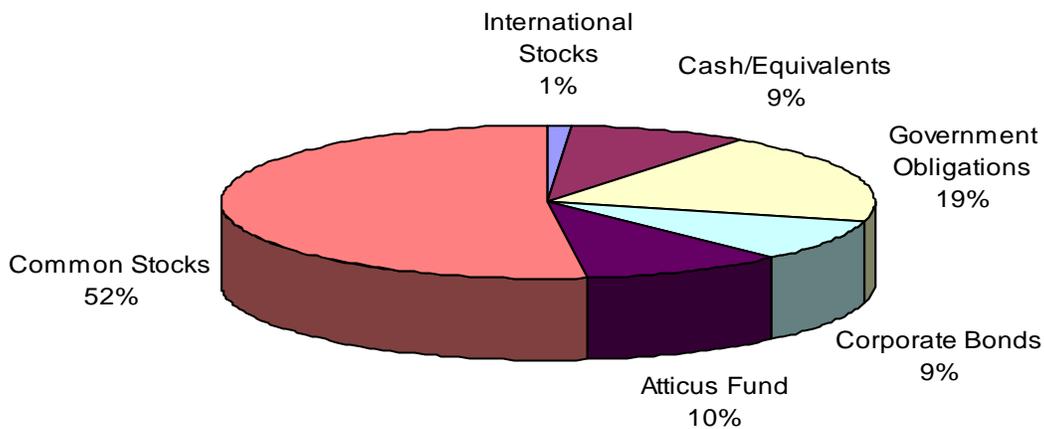
Disclosure of Pension Information in Accordance with Statement No. 25 and Statement No. 27 of the Governmental Accounting Standards Board

BEAVER COUNTY EMPLOYEES' RETIREMENT SYSTEM				
STATEMENT OF CHANGES IN PLAN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004				
Additions				
	<u>2005 Total</u>		<u>2004 Total</u>	
Contributions				
County	\$	15,282,136.41	\$	3,652,159.00
Plan Members	\$	4,646,279.05	\$	4,313,640.82
Miscellaneous	\$	944,787.85	\$	23,358.93
Total Contributions	\$	<u>20,873,203.31</u>	\$	<u>7,989,158.75</u>
Investment Income				
Realized Gain	\$	<u>6,764,237.25</u>		
Unrealized Loss	\$	<u>(7,053,450.81)</u>		
Net Loss in Fair Value	\$	(289,213.56)	\$	5,569,319.28
Interest	\$	2,525,200.52	\$	1,741,706.35
Dividends	\$	1,578,868.37	\$	2,102,458.91
Investment Income	\$	<u>3,814,855.33</u>	\$	<u>9,413,484.54</u>
Less Investment Expense	\$	597,318.11	\$	455,526.80
Net Investment Income	\$	<u>3,217,537.22</u>	\$	<u>8,957,957.74</u>
Total Additions	\$	<u>24,090,740.53</u>	\$	<u>16,947,116.49</u>
Deductions				
Benefits	\$	6,291,405.07	\$	4,547,629.21
Refunds of Member Contributions	\$	1,535,165.44	\$	1,048,015.95
Administrative Expense	\$	39,094.25	\$	35,240.00
Total Deductions	\$	<u>7,865,664.76</u>	\$	<u>5,630,885.16</u>
Net Increase/(Decrease)	\$	<u>16,225,075.77</u>	\$	<u>11,316,231.33</u>
Net Assets Held In Trust For Pension Benefits				
Beginning of Year	\$	<u>143,395,610.68</u>	\$	<u>132,079,379.35</u>
End of Year	\$	<u>159,620,686.45</u>	\$	<u>143,395,610.68</u>

Schedule A--Continued

BEAVER EMPLOYES' RETIREMENT SYSTEM			
STATEMENT OF PLAN ASSETS AS OF DECEMBER 31, 2005 AND 2004			
Assets			
	<u>2005 Total</u>		<u>2004 Total</u>
Cash and Short-Term Investments	\$ 14,480,887.44	\$	5,211,710.28
Receivables	\$ 0.00	\$	0.00
Investments, at fair market value			
Government Obligations	\$ 30,181,165.91	\$	18,912,099.95
Corporate Bonds	\$ 13,784,309.42	\$	34,473,712.89
Common Stocks	\$ 83,386,823.72	\$	83,762,056.03
International Stocks	\$ 1,787,944.75	\$	1,036,031.53
Atticus Fund	\$ 15,999,555.21	\$	0.00
Total Investments	\$ 145,139,799.01	\$	138,183,900.40
 Total Assets	 \$ 159,620,686.45	 \$	 143,395,610.68
Liabilities			
Refunds Payable and Other	\$ 0.00	\$	0.00
Net Assets Held In Trust For Pension Benefits			
	\$ 159,620,686.45	\$	143,395,610.68

TOTAL ASSETS (MARKET VALUE 12-31-2005)



Schedule A -- Continued

Beaver County Employees' Retirement System

Notes to the Financial Statements for the Fiscal Year Ended December 31, 2005

Summary of Significant Accounting Policies

Basis of Accounting: The Beaver County Employees' Retirement System financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments: Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Plan Descriptions and Contribution Information

Membership of the plan consisted of the following at December 31, 2005, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	494
Terminated Plan Members Entitled to but not yet Receiving Benefits	38
Active Plan Members	1,414
Total	1,946
Number of Participating Employers	1

Schedule A--Continued

Beaver County Employees' Pension System

Plan Description: The Beaver County Employees' Pension Plan is a single-employer defined benefit pension plan that covers all employees of the County. The plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided at the discretion of the Beaver County Employees' Retirement Board. Act 96 of 1971, as amended cited as the County Pension Law provides for the creation, maintenance and operation of this plan.

Contributions: Plan members are required to contribute 9% of their annual covered salary. The County is required to contribute at an actuarially determined rate. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County are established and may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs may be financed through investment earnings.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF EMPLOYER CONTRIBUTIONS

Year	Annual Required Contribution	County Contribution
1998	\$ 147,216	\$ 147,216
1999	\$ 0	\$ 0
2000	\$ 0	\$ 0
2001	\$ 0	\$ 0
2002	\$ 1,451,894	\$ 1,451,894
2003	\$ 3,325,708	\$ 3,325,708
2004	\$ 3,652,159	\$ 3,652,159
2005	\$ 3,737,244	\$ 15,282,136
2006	\$ 2,020,537	\$

Schedule A--Continued

NOTES TO THE REQUIRED SCHEDULES

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	12/31/2005
Actuarial Cost Method	Aggregate **
Asset Valuation Method	5-Year Smoothed Market
Actuarial Assumptions:	
Investment Rate of Return *	7½%
Projected Salary Increases *	3.75%-4.5%; graduated .25% increments over 3 years
* Includes Inflation at	3%

** Plans that use the aggregate actuarial cost method are not required to present a schedule of funding progress. Separate determination and amortization of the unfunded actuarial liability are not part of the aggregate actuarial cost method and are not required when that method is used.

ACCOUNTING PROCEDURES FOR CALCULATING - NET PENSION OBLIGATION (NPO)

(1) Year	(2) ARC	(3) Interest On NPO ***	(4) ARC Adjustment **	(5) Pension Cost (2+3-4)	(6) Contribution	(7) Change in NPO (5-6)	(8) NPO Balance * (BB+7)
1998	147,216	0	0	147,216	147,216	0	0
1999	0	0	0	0	0	0	0
2000	0	0	0	0	0	0	0
2001	0	0	0	0	0	0	0
2002	1,451,894	0	0	1,451,894	1,451,894	0	0
2003	3,325,708	0	0	3,325,708	3,325,708	0	0
2004	3,652,159	0	0	3,652,159	3,652,159	0	0
2005	3,737,244	0	0	3,737,244	15,282,136	(11,544,892)	(11,544,892)
2006	2,020,537	(865,867)	(1,342,218)	2,496,888))

* BB = Beginning balance for the year.

** ARC Adjustment -Amortization factor based upon level percentage of projected payroll.

*** Interest on the balance of the NPO at the beginning of the year using the investment return rate assumed in determining ARC. The interest is an estimate of the investment earnings lost to the plan on any contributions that were not made (7½% when applicable).

Schedule B

Schedule B shows the allocation of the assets among the Fund's reserve accounts (see Schedule F for Determination of Reserve Balances) and the Fund's liabilities as of January 1, 2006. The liabilities were determined from the actuarial valuation of the System based upon the data submitted by the County.

ASSETS	
Members' Annuity Reserve Account	\$ 52,988,532.21
County Annuity Reserve Account	\$ 57,629,956.84
Retired Members' Reserve Account	\$ 37,241,321.00
Unrealized Appreciation of Assets	\$ 11,760,876.40
<i>Total Assets, (Market Value) of the Beaver County Employees' Retirement Fund</i>	<i>\$ 159,620,686.45</i>
LIABILITIES	
Actuarial Present Value of:	
Accumulated Plan Benefits	
Vested (1,031)	\$ 36,041,184.00
Nonvested (382)	\$ 915,152.00
Future Benefit Accruals	\$ 54,793,872.00
Terminated Vested Benefits	\$ 1,237,088.00
Retired Benefits	\$ 37,241,321.00
Member Accumulated Deductions	\$ 52,988,531.21
<i>Total Liabilities of the Beaver County Employees' Retirement Fund</i>	<i>\$ 183,217,148.21</i>

Schedule C

Schedule C determines the certified Annual Required Contribution (ARC) of \$2,020,537.00 for 2006 for the Beaver County Employees' Retirement System.

1. Actuarial Present Value of Projected Future Benefits:		
a. Active Participants		\$ 91,750,208.00
Retirement Benefits	\$ 79,001,602.00	
Termination Benefits	\$ 7,618,287.00	
Death Benefits	\$ 5,130,319.00	
b. Terminated Vested Participants		\$ 1,237,088.00
c. Retired Members and Beneficiaries		\$ 37,241,321.00
Retirement Benefits	\$ 35,561,422.00	
Cost-of-Living Benefits	\$ 1,679,899.00	
d. Member Accumulated Deductions		\$ 52,988,532.21
e. Total (a) + (b) + (c) + (d)		\$ 183,217,148.21
2. Valuation Assets		
a. Actuarial Value of Plan Assets (see page 11)		\$ 163,355,518.14
b. Excess of actuarial value of assets over present value of future Benefits for Administrative and CBU plans		\$ 2,490,502.99
c. Total assets (a) + (b)		\$ 165,846,021.12
3. Present Value of Future County Normal Costs (1e) - (2)		\$ 17,371,127.09
4. Present Value of Future Compensation of Active Members		\$ 431,249,502.00
5. County Normal Cost Accrual Rate (3) / (4)		4.03*
6. Estimated 2006 Compensation Rate of Members		\$ 50,137,397.00
7. County Normal Cost for 2006 (5) x (6)		\$ 2,020,537.00
(Annual Required Contribution (ARC) for 2006)		
Notes:		
*The equivalent normal cost accrual rate to be applied to actual 2005 salaries to determine reimbursable expenses is 4.18%.		

Schedule D

The following are notes to Schedules B and C:

Members' Annuity Reserve Account

The balance of \$52,988,532.21 in this account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of January 1, 2006. Since these accumulations represent the present value as of January 1, 2006, of future benefits, the reserve balance and liability are identical.

County Annuity Reserve Account

The balance of \$57,629,956.84 in this account as of January 1, 2006 and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the county's share of the retirement allowances.

This is the account out of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the County are funded.

When a County Annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such County Annuities actually entered upon.

Retired Members' Reserve Account

This is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid.

The assets allocated to this reserve account as of January 1, 2006 amount to \$37,241,321.00. The corresponding liability for those annuitants on the roll is identical.

Schedule D--Continued

Adjustment for Market Value Fluctuation

In order to reduce the fluctuations in the County normal cost which can result from full recognition of the unrealized appreciation or depreciation of the Fund's securities each year, the value of assets used to determine costs was determined by adjusting the cost value of the assets by the average ratio of market to cost value for the past five years:

RATIO OF MARKET VALUE TO COST VALUE OF ASSETS				
January 1		(1) Cost Value of Assets	(2) Market Value of Assets	Ratio (2) / (1)
2002	\$	105,817,118	\$ 115,310,304	1.0897
2003	\$	105,605,978	\$ 109,927,709	1.0409
2004	\$	113,562,170	\$ 132,079,379	1.1631
2005	\$	124,581,283	\$ 143,395,611	1.1510
2006	\$	147,859,810	\$ 159,620,686	1.0795
Average				1.1048

ACTUARIAL VALUE OF ASSETS JANUARY 1, 2006	
(1) Cost Value of Assets	\$ 147,859,810.05
(2) Average Ratio	1.1048
(3) Actuarial Value of Assets (see line 2, page 9)	\$ 163,355,518.14

Schedule E

APPROXIMATE RATE OF RETURN FOR 2005 PLAN YEAR (MARKET VALUE)		
1. Market Value December 31, 2004	\$	143,395,610.68
2. Contributions Received During Year	\$	20,873,203.31
3. Benefits and Expenses Paid During Year	\$	8,462,982.87
4. Market Value December 31, 2005	\$	159,620,686.45
5. Non-Investment Increment: (2) - (3)	\$	12,410,220.44
6. Investment Increment: (4) - (1) - (5)	\$	3,814,855.33
7. Time Weighted Value of Assets: (1) + .5(5)	\$	149,600,720.90
8. Approximate Rate of Return for 2005: (6) / (7)		2.55%

HISTORY OF RATE OF RETURNS

Plan Year	Rate of Return
2004	7.08 %
2003	17.48 %
2002	(5.31) %
2001	(2.60) %
2000	(0.14) %
1999	8.16 %
1998	15.17 %
1997	18.77 %
1996	14.00 %

Five Year Average: 3.84%

Ten Year Average: 7.52%

Schedule F

Determination of Reserve Balances

	M.A.R.A.	C.A.R.A	R.M.R.A.	TOTAL
Balance 1/1/2005	\$ 49,888,966.61	\$ 42,213,010.86	\$ 32,479,306.00	\$ 124,581,283.47
County Appropriations		15,282,136.41		
Member Contributions	4,646,279.05			
Net Investment Income		10,868,306.14		
Investment Expenses		(597,318.11)		
Member Contributions Refunded	(1,535,165.44)			
Pension Payments			(6,025,451.52)	
Death Benefits			(265,953.55)	
Retiree and Death Benefit Transfers	(2,744,804.98)	(4,449,892.14)	7,194,697.12	
Return to Active – Claudette Lamatia and June Sarkis		76,880.20	(76,880.20)	
Administrative Expenses		(39,094.25)		
Miscellaneous		944,787.85		
Balance Before Interest	50,255,275.24	64,298,816.96	33,305,717.85	147,859,810.05
Interest Allocated in 2005	2,733,256.97	(4,048,957.45)	1,315,700.48	
Balance Before Actuarial Adjustments	52,988,532.21	60,249,859.51	34,621,418.33	147,859,810.05
Actuarial Adjustments		(2,619,902.67)	2,619,902.67	
Ending Balance 12/31/2005	52,988,532.21	57,629,956.84	37,241,321.00	147,859,810.05
Unrealized Appreciation				11,760,876.40
Total Assets (12/31/2005) (Market Value)				159,620,686.45

Schedule G

Membership History

Below is a ten-year history of the Retirement System's membership.

ACTIVE MEMBERS AND VESTED TERMINATED MEMBERS				RETIRED MEMBERS AND BENEFICIARIES		
January 1	Male	Female	Total	Male	Female	Total
2006	449	1,003	1,452	143	351	494*
2005	449	1,007	1,456	137	315	452
2004	508	1,073	1,581	116	271	387
2003	515	1,067	1,582	109	254	363
2002	489	1,044	1,533	100	239	339
2001	466	1,037	1,503	95	223	318
2000	441	1,011	1,452	93	210	303
1999	424	998	1,422	86	190	276
1998	411	959	1,370	82	174	256
1996	394	932	1,326	74	157	231

* This total does not include the 11 County retirees who are receiving monthly retirement payments from Hartford in addition to cost of living payments from Beaver County Employees' Retirement Fund.

Schedule H

Changes in Plan Participation From January 1, 2005 to January 1, 2006

ACTIVE PARTICIPANTS		
Number as of January 1, 2005		1,430
Changes During Plan Year:		
Retired	(-)	41
Terminated and Vested	(-)	12
Terminated	(-)	84
Died	(-)	2
New Participants	(+)	123
Number as of January 1, 2006		1,414

RETIRED PARTICIPANTS		
Number as of January 1, 2005		452
Changes During Plan Year:		
Returned to Active Service	(-)	2
Died	(-)	5
New Retirements from Active Service	(+)	41
New Surviving Annuitants	(+)	1
Vested Terminated Participants Whose Benefits Commenced	(+)	5
Additions	(+)	2
Number as of January 1, 2006		494

TERMINATED VESTED PARTICIPANTS		
Number as of January 1, 2005		31
Changes During Plan Year:		
Returned to Active Service	(-)	0
Benefits Commenced	(-)	5
Died	(-)	0
New Termination's with Vesting	(+)	12
Number as of January 1, 2006		38

Schedule I

Age, Service and Average Salary Profile of the Active Members on January 1, 2006.

MALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2006									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Average Salary
0-19	0	0	0	0	0	0	0	0	\$ 0
20-24	7	2	0	0	0	0	0	9	\$ 23,591
25-29	19	14	0	0	0	0	0	33	\$ 29,888
30-34	13	15	13	0	0	0	0	41	\$ 34,526
35-39	11	22	21	11	0	0	0	65	\$ 37,713
40-44	4	11	10	15	6	0	0	46	\$ 41,818
45-49	10	18	15	19	10	10	0	82	\$ 39,014
50-54	13	13	7	16	16	3	8	76	\$ 41,821
55-59	4	10	9	2	9	5	6	45	\$ 41,654
60-64	1	7	5	5	4	0	1	23	\$ 36,944
65 +	3	10	2	2	1	1	0	19	\$ 32,333
Total	85	122	82	70	46	19	15	439	\$ 38,053

Average Age: 45.28
Average Service: 11.87

FEMALES -- FULL YEARS OF SERVICE TO JANUARY 1, 2006									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Average Salary
0-19	1	0	0	0	0	0	0	1	\$ 25,522
20-24	18	4	0	0	0	0	0	22	\$ 27,253
25-29	34	37	3	0	0	0	0	74	\$ 31,249
30-34	29	36	9	1	0	0	0	75	\$ 32,559
35-39	26	37	24	16	1	0	0	104	\$ 32,866
40-44	20	35	18	34	5	3	0	115	\$ 34,730
45-49	25	37	33	53	11	16	4	179	\$ 36,016
50-54	24	41	34	53	19	9	10	190	\$ 35,709
55-59	17	25	31	35	18	4	3	133	\$ 35,265
60-64	5	11	10	21	6	1	0	54	\$ 33,102
65 +	3	8	6	7	4	0	0	28	\$ 33,267
Total	202	271	168	220	64	33	17	975	\$ 34,289

Average Age: 45.91
Average Service: 11.04

Schedule J

Actuarial Assumptions and Actuarial Cost Method for Funding Purposes, January 1, 2006.

Actuarial Assumptions

Mortality Rates: The life expectancy of all members (active and retired) is determined in accordance with the mortality rates set forth in the 1983 Group Annuity Mortality Table.

Withdrawal Rates: Members not eligible to retire are assumed to terminate employment in accordance with a percentage of the withdrawal rates set forth in Table T-7 of the Actuary's Handbook. The applicable percentage depends on the member's years of service as follows:

YEARS OF SERVICE	PERCENTAGE
less than 1	300 %
1 but less than 2	275 %
2 but less than 3	250 %
3 but less than 4	225 %
4 but less than 5	200 %
5 but less than 6	175 %
6 or more	100 %

It is further assumed that a percentage of members who terminate after having met the Plan's five year vesting requirement will elect an immediate refund of their own contributions with interest thus forfeiting the County -- provided pension. The applicable percentage is 100% for termination ages up to age 30. After age 30 the applicable percentage is determined as 100% less $(age - 30) \times 3 \frac{1}{3}\%$. Illustrative percentages are as follows:

AGE	PERCENTAGE
30 or less	100.0 %
35	83.3 %
40	66.7 %
45	50.0 %
50	33.3 %
55	16.7 %

Schedule J--Continued

The following tables set forth illustrative withdrawal rates as determined in accordance with the methodology described on the previous page.

**Probability of Withdrawing
During Year:**

LESS THAN FIVE YEARS OF SERVICE					
Age at Hire	Years of Service				
	0	1	2	3	4
20	.2982	.2720	.2460	.2202	.1947
30	.2791	.2532	.2275	.2021	.1770
40	.2326	.2067	.1814	.1570	.1335
50	.1267	.1013	.0781	.0577	.0407
59	.0086	-	-	-	-

FIVE OR MORE YEARS OF SERVICE		
Age at Beginning of Year	Probability of Withdrawing and Forfeiting County Pension	Probability of Withdrawing and Retaining County Pension
30	.0930	.0000
40	.0517	.0258
50	.0141	.0281
59	.0001	.0028

Schedule J--Continued

Retirement Rates: Members eligible to retire are assumed to retire in accordance with the following rates:

AGE AT BEGINNING OF YEAR	PROBABILITY OF RETIRING DURING YEAR
55-59	.07
60-61	.08
62-64	.15
65	.34
66-70	.23
71-79	.21
80	1.00

Disability Rates Disability rates are not used.

Investment Return 7½% per annum, compounded annually.

Salary Increases 3% per annum increase from 2002 to 2003 with subsequent increases in .25% increments until the ultimate assumed rate of 4.5% is attained for 2009 and later years.

Valuation Assets The assets at cost value adjusted by the past five-year average of the market to cost ratio of assets.

Administrative Expenses Assumed to be paid from the County’s general fund and not from plan assets. However, administrative expenses may from year to year be paid from the fund unless it is determined by the actuary that such payment will impair the actuarial soundness of the fund.

Actuarial Cost Method The Aggregate Actuarial Cost Method of funding was used to determine costs. Under this method, the valuation assets of the plan are subtracted from the present value of all projected benefits. The result, when divided by the present value of future compensation, gives a percentage normal cost factor which is applied to the estimated 2006 compensation of all members to arrive at the normal cost at the beginning of the plan year.

Schedule K

Summary of Plan Provisions

- 1. Effective Date** The effective date of this plan is January 1, 1942.
- 2. Eligibility for Plan Membership** An employee shall be eligible to become a participant immediately upon becoming an employee.
- 3. Accrued Benefit** The Retirement Board has authorized benefits equal to a percentage of the members Final Average Salary for each year of service the member has participated in the following Classes:

<u>CLASS</u>	<u>PERCENTAGE</u>	<u>EFFECTIVE</u>
1/120	0.833%	01/01/1942
1/100	1.000%	01/01/1950
1/80	1.250%	01/01/1965
1/60	1.667%	01/01/1972

- 4. Normal Retirement (Superannuation)** *Eligibility:* Retirement occurs at age 60 or at age 55 if the participant has completed 20 years of service.

Pension: A monthly pension equal to (a) and (b), as follows:

- (a) 0.833% of 1/12th of Final "Average" Salary multiplied by years of credited service on the 1/120 Class,
1.000% of 1/12th of Final "Average" Salary multiplied by years of credited service on the 1/100 Class,
1.250% of 1/12th of Final "Average" Salary multiplied by years of credited service on the 1/80 Class,
1.667% of 1/12th of Final "Average" Salary multiplied by years of credited service on the 1/60 Class,

PLUS

- (b) a monthly annuity based on the actuarial equivalent of the member's accumulated contributions with credited interest.

Schedule K--Continued

- 5. Final “Average” Salary** The average of the member’s annual compensation received for the three years which produce the highest such average.
- 6. Compensation** Pick-up contributions plus remuneration received as a county employee excluding refunds for expenses, contingency and accountable expense allowances and excluding severance payments or payments for unused vacation or sick leave.
- 7. Early Retirement**
- Eligibility:*
- Voluntary:* Upon completion of 20 years of service.
- Involuntary:* Upon completion of 8 years of service.
- Pension:*
- (a) a monthly pension equal to the actuarial equivalent of the benefits calculated in 4(a),
- PLUS
- (b) a monthly annuity based on the actuarial equivalent of the member’s accumulated contributions with credited interest.
- 8. Vesting** One Hundred Percent (100%) upon completion of five years of credited service. A member who terminates employment after five years of credited service will receive a deferred annuity commencing at age 60 (or at age 55 if the member has at least 20 years of service at termination). The deferred benefit shall be calculated using the normal retirement pension formula but based on credited service, final average salary and accumulated contributions at termination.
- If a member terminates employment prior to entitlement to Plan benefits, he will receive his accumulated contributions with interest.
- 9. Postponed Retirement** A member may work past normal retirement age and continue to accrue pension credits.

Schedule K--Continued

10. Disability Retirement

Eligibility: Total and permanent disability prior to Superannuation (Normal Retirement) age and after completion of five years of credited service.

Pension: A total monthly pension commencing on the last day of the month following disability retirement equal to 25% of the 1/12th of Final Average Salary at time of retirement. Such total monthly pension shall include the monthly disability that is actuarially equivalent to the member's accumulated contributions at retirement.

11. Normal Form of Pension

Benefits are payable in the form of a modified cash refund life annuity, that is for the member's lifetime only, except that disability benefits shall cease upon cessation of disability.

12. Optional Retirement Benefits

A member may elect to receive the actuarial equivalent of his retirement benefit as a full cash refund annuity (Option One) or a reduced joint and survivor pension payable for the remainder of his life, with either 100% or 50% of the member's pension continuing after death to the designated beneficiary. A member may also elect to receive, in one payment, the full amount of his accumulated deductions and continue to receive the annuity provided by the county.

13. Death Benefits

- (a) Pre-Retirement. If a member dies after having attained age 60 or having completed ten years of credited service, his beneficiary will receive a lump sum equal to the actuarially determined present value of the benefits calculated in (7a) based on the member's Final Average Salary and credited service at time of death plus the member's accumulated contributions with interest at time of death.
- (b) Post-Retirement. Upon the death of a terminated or retired member, his beneficiary will receive survivor benefits, if any, in accordance with the form under which benefits were being paid to the member. In any event, the total amount of benefits paid to the deceased member and beneficiary must, at least, equal the member's accumulated contributions with interest.

Schedule K--Continued

14. Employee Contributions

Employees on the 1/80 Class must contribute between 7% and 17% of salary.
Employees on the 1/60 Class must contribute between 9% and 19% of salary.

15. Deposit Administrator

Investment Managers:
C.S. McKee
MDL Capital
Commonwealth Security
Atticus Fund
Boston Company

16. Administration

Retirement Board as designated in Act 96 of 1971, the County Pension Law.

17. Cost-of-Living

The cost-of-living increase shall be reviewed at least once in every three years by the Retirement Board. The Board has granted cost-of-living increases in the past as follows:

PERCENTAGE CHANGE IN C.P.I.	EFFECTIVE DATE OF INCREASE
25 %	1/1/1987
25 %	1/1/1989
25 %	1/1/1990
25 %	1/1/1993
25 %	1/1/1997
100 %	1/1/2000

Schedule L

Historical Trend Information

REVENUES BY SOURCE						
Fiscal Year	Employee Contributions	Employer Contributions	Investment Income	Miscellaneous	Total	
1996	\$ 2,865,954	\$ 2,449,741	\$ 7,910,251	\$ 92,685	\$ 13,318,631	
1997	3,012,789	2,597,521	7,919,249	2,857	13,532,416	
1998	3,192,144	147,216	13,096,158	719	16,436,237	
1999	3,431,982	0	7,616,767	1,058	11,049,807	
2000	3,674,766	0	7,734,917	10,760	11,420,443	
2001	3,916,060	0	(274,679)	390,836	4,032,217	
2002	4,247,750	1,451,894	(969,434)	6,692	4,736,902	
2003	4,478,111	3,325,708	5,259,729	12,459	13,076,007	
2004	4,313,641	3,652,159	9,116,367	23,359	17,105,526	
2005	4,646,279	15,282,136	10,868,306	944,788	31,741,509	

EXPENSES BY TYPE					
Fiscal Year	Benefits	Refunds	Administrative/ Miscellaneous	Total	
1996	\$ 1,899,687	\$ 355,421	\$ 361,912	\$ 2,617,020	
1997	2,078,567	436,748	401,799	2,917,114	
1998	2,141,239	472,988	446,035	3,060,262	
1999	2,534,386	570,863	484,691	3,589,940	
2000	2,737,690	906,973	523,173	4,167,836	
2001	2,911,218	718,986	667,813	4,298,017	
2002	3,754,457	729,366	464,218	4,948,041	
2003	4,028,888	631,848	459,079	5,119,815	
2004	4,547,629	1,048,016	490,767	6,086,412	
2005	6,291,405	1,535,165	636,412	8,462,982	

*Beaver Valley
Geriatric Center Administrative
Employees Retirement Plan*

Actuarial Report January 1, 2006

June 8, 2006

Prepared By:

Henry E. Stiehl
Hay Group
The Wanamaker Building
100 Penn Square East
Philadelphia, Pennsylvania 19107-3388

for

Beaver County Employes' Retirement Board

CONFIDENTIAL

June 8, 2006

Beaver County Employees' Retirement Board
Court House
Third Street
Beaver, PA 15009

We are pleased to present the results of our actuarial valuation of the Beaver Valley Geriatric Center Administrative Employee Pension Plan as of January 1, 2006.

The primary purpose of this report is to investigate and fully and fairly disclose the actuarial position of the System as of January 1, 2006 and to establish the proper appropriation of the 2006 plan year. Highlights of the valuation are presented on page 1, followed by schedules which summarize the asset information, underlying calculations, participant data, plan benefits and actuarial assumptions.

In Schedule A is shown a list of the total assets by classification, as provided by the County as of January 1, 2006.

Schedule B shows the actuarial balance summary of the plan as of January 1, 2006. The liabilities were determined from the actuarial valuation of the plan based upon the data submitted by the Geriatric Center.

The certified annual appropriation of \$0 required for the Beaver Valley Geriatric Center Administrative Employees Pension Plan Retirement System for 2006 is determined in Schedule C.

Schedule D shows the age and service profile of the active members on January 1, 2006.

The current benefit and contribution provisions of the plan are summarized in Schedule E.

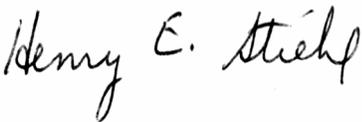
Schedule F summarizes the actuarial assumptions and cost methods used for determining costs. The Asset Valuation Method used is Market Value to comply with GASB standards which state that investments should be reported at the fair value at the reporting date.

On the basis of the actuarial methods, assumptions and major plan provisions summarized in this report and in reliance on the member data and statement of the Fund's assets furnished by the County, to the best of our knowledge the information in this report is complete and accurate.

In our opinion this report presents fairly the financial and actuarial position of the Beaver Valley Geriatric Center Administrative Employees Pension Plan as of January 1, 2006 in accordance with generally accepted actuarial principles, and on the basis of actuarial assumptions and methods which, in the aggregate, are reasonable (taking into account past experience under the plan and reasonable expectations) and which in combination represent my best estimate of anticipated experience.

Respectfully submitted,

HayGroup

By: 
Henry E. Stiehl
Consultant

By: 
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By: 
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HES/DDR/JJC:wdr

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I. Valuation Highlights

	January 1, 2003	January 1, 2004	January 1, 2005	January 1, 2006
Range of Contributions:				
Standard	\$ 0	\$ 0	\$ 0	\$ 0
Actuarial Value of Assets**	7,472,226	8,206,201	8,349,657	8,189,062
Actuarial Present Value of Accumulated Plan Benefits:				
Vested benefits *	5,315,008	5,486,961	5,515,447	5,512,056
Non-Vested Benefits	0	0	0	0
Total	5,315,008	5,486,961	5,515,447	5,512,056
Active Participants:				
Number	23	22	19	18
Average Compensation	50,486	52,087	54,446	52,887
Total Compensation	1,161,173	1,145,909	1,034,482	951,965
Pensioners and Beneficiaries:				
Number	40	41	41	42
Total Annual Pension	295,289	311,443	359,233	368,362
Terminated Vested Participants:				
Number	24	24	24	23
Total Annual Pension	\$ 72,457	\$ 72,457	\$ 72,457	\$ 67,895

* Does not include employee contributions.

** Market Value.

II. Schedules

Schedule A

Plan Assets

Plan Assets December 31, 2005	
	Market Value
Cash Equivalents	\$ 807,723.94
Government Securities	\$ 1,683,463.84
Corporate Bonds	\$ 768,869.78
Common Stock	\$ 4,651,202.10
Foreign Securities	\$ 99,729.09
Atticus Fund	\$ 178,073.25
Net Assets (Market Value) Available for Benefits, December 31, 2005	<u>\$ 8,189,062.00</u>

Schedule A--Continued

Reconciliation Of Assets		<u>Market Value</u>
1.	Total Assets December 31, 2004	\$ 8,349,657.34
2.	Increases	
	(a) Employer Appropriation for 2005	\$ 0.00
	(b) Employee Contributions	\$ 1,315.55
	(c) Net Investment Income	\$ 189,719.42
	(d) Miscellaneous	\$ 55,215.42
	(e) Total Increase	\$ 246,250.39
3.	Decreases	
	(a) Refund of Employee Contributions	\$ 0.00
	(b) Retirement Allowances Paid (including withholding taxes)	\$ 402,443.29
	(c) Death Benefits	\$ 4,402.44
	(d) Miscellaneous	\$ 0.00
	(e) Total Decreases	\$ 406,845.73
4.	Total Assets (Market Value) December 31, 2005 (1) + (2e) - (3e)	\$ <u>8,189,062.00</u>

**Actuarial Value Of Assets
January 1, 2006**

The December 31, 2005 market value of assets, \$8,189,062.00 was used as the actuarial value of assets as of January 1, 2006.

Schedule B

Actuarial Balance Sheet January 1, 2006

Assets	
Present Assets	
National City Trust	\$ 8,189,062.00
Reserve For Future Liabilities	<u>(1,095,603.99)</u>
<i>Total Assets</i>	\$ <u>7,093,458.01</u>
Liabilities	
Actuarial Present Value of Accumulated Plan Benefits	
Vested Benefits:	
Active Participants	\$ 2,593,159.00
Retired Participants	\$ 2,381,767.00
Terminated Participants	\$ 537,130.00
Employee Contributions	<u>\$ 82,337.01</u>
Total Vested Benefits	\$ 5,594,393.01
Non-Vested Benefits:	<u>\$ 0.00</u>
Total Accumulated Benefits	\$ 5,594,393.01
Actuarial Present Value of Future Benefit Accruals	0.00
Active Participants	<u>\$ 1,499,065.00</u>
<i>Total Liabilities</i>	\$ <u>7,093,458.01</u>

Schedule C

Development of Normal Cost January 1, 2006

1. Actuarial present value of projected benefits	
(a) Active participants	
Retirement benefits	\$ 3,792,285.00
Termination benefits	4,685.00
Disability benefits	192,577.00
Death benefits	102,677.00
Total	\$ 4,092,224.00
(b) Retired participants and beneficiaries	2,381,767.00
(c) Terminated vested participants	537,130.00
(d) Employee contributions	82,337.01
(e) Total	\$ 7,093,458.01
2. Actuarial value of assets (see Schedule A)	8,189,062.00
3. Actuarial present value of future normal costs: (1) - (2) (not less than zero)	0.00
4. Actuarial present value of future compensation	5,809,555.00
5. Normal cost accrual rate: (3) / (4)	0%
6. Current compensation for active participants under age 62 (nearest birthday)	\$ 951,965.00
7. Total normal cost (ARC) as of January 1, 2006: (5) x (6)	\$ 0.00

Schedule D

Age, Service and Average Salary Profile of the Active Participants on January 1, 2006

Males -- Full Years of Service to January 1, 2006									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Average Salary
0-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	\$ 0
25-29	0	0	0	0	0	0	0	0	\$ 0
30-34	0	0	0	0	0	0	0	0	\$ 0
35-39	0	0	0	0	0	0	0	0	\$ 0
40-44	0	0	0	0	0	0	0	0	\$ 0
45-49	0	0	0	0	0	0	0	0	\$ 0
50-54	0	0	0	0	0	0	0	0	\$ 0
55-59	0	0	0	0	0	0	2	2	\$ 59,344
60-64	0	0	0	0	0	0	0	0	\$ 0
65 +	0	0	0	0	0	0	0	0	\$ 0
Total	0	0	0	0	0	0	2	2	\$ 59,344

Average Age: 55.50
Average Service: 34.50

Females -- Full Years of Service to January 1, 2006									
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Average Salary
0-19	0	0	0	0	0	0	0	0	\$ 0
20-24	0	0	0	0	0	0	0	0	\$ 0
25-29	0	0	0	0	0	0	0	0	\$ 0
30-34	0	0	0	0	0	0	0	0	\$ 0
35-39	0	0	0	0	0	0	0	0	\$ 0
40-44	0	0	0	0	0	0	0	0	\$ 0
45-49	0	0	0	0	0	1	0	1	\$ 34,996
50-54	0	0	0	0	0	2	6	8	\$ 54,295
55-59	0	0	0	0	0	1	2	3	\$ 44,009
60-64	0	0	0	0	0	0	4	4	\$ 57,973
65 +	0	0	0	0	0	0	0	0	\$ 0
Total	0	0	0	0	0	4	12	16	\$ 52,080

Average Age: 54.56
Average Service: 30.87

Schedule E

Summary of Principal Plan Provisions

Type of Plan	The Plan is a defined benefit plan.
Effective Date	The Plan became effective January 21, 1975.
Eligibility for Participation	All full-time, non-union employees of the Beaver Valley Geriatric Center as of May 20, 1978 are eligible.
Definitions	<p>Plan Year: A Plan Year is a 12-month period beginning on January 1 and ending on December 31.</p> <p>Past Service: Years and portions of a year (number of days over 365) through 1971.</p> <p>Future Years: The number of calendar years after 1971 during which a participant works 1,000 hours.</p> <p>Accrued Benefit: A monthly benefit equal to 1.0% of Average Monthly Earnings multiplied by Past Service, plus 1.5% of Average Monthly Earnings multiplied by Future Service, reduced by any monthly amount payable from the Beaver County Retirement Plan.</p> <p>Compensation: Total compensation, not to exceed that of the highest paid elected official.</p> <p>Average Monthly Earnings: The total compensation of the participant in the 36 consecutive months of employment which produce the highest total, divided by 36.</p>

Retirement Benefits

Normal Retirement

Normal Retirement Date: The first day of the month coincident with or next following a participant's 60th birthday.

Normal Retirement Benefit: A monthly benefit equal to the Accrued Benefit.

Schedule E--Continued

Early Retirement

Retirement Benefits

Early Retirement Date: The first day of any month after the participant has both attained age 50 and completed at least 20 Vesting Years.

Early Retirement Benefit: The Accrued Benefit commencing at age 60, or a benefit reduced by 1/180 per month for each of the first 60 months, and 1/360 per month for each additional year by which the Early Retirement Date precedes the Normal Retirement Date.

Postponed Retirement

Postponed Retirement Date: The first day of any month after the participant's Normal Retirement Date.

Postponed Retirement Benefit: The accrued benefit as of the Postponed Retirement Date.

Termination Benefit

Eligibility: Eight years of service.

Termination Benefit: The Accrued Benefit, with payments commencing the first day of the month coincident with or next following the participant's 60th birthday.

Death Benefits

Pre-retirement Spouse's Benefit

Eligibility: Ten years of service.

Spouse's Benefit: A lump sum equal to the actuarial present value of the participant's Accrued Benefit as of the date of his death.

Post-retirement Spouse's Benefit: None, except as provided by the election of an optional form of payment.

Schedule E--Continued

Disability Benefit

Eligibility: Five years of service and permanently and totally disabled in accordance with the Federal Social Security Act.

Disability Benefit: The Accrued Benefit as of the date of disability.

Schedule F

Actuarial Assumptions

Actuarial Assumptions for Cost Calculations

Interest: 7½% per annum, compounded annually.

Salary Increases: 3% per annum increase from 2002 to 2003 with each subsequent year increasing by .25% increments until the ultimate assumed rate of 4.5% is attained for 2009 and later years.

Mortality: 1983 Group Annuity Mortality Table for males.

Withdrawal: Withdrawal rates from Table T-2 of the Actuary's Pension Handbook were assumed.

Sample rates are illustrated below:

Age	Rates of Withdrawal
25	5.3%
30	5.1
35	4.7
40	3.5
45	1.8
50	.4

Retirement: All active employees were assumed to retire at age 62, or immediately if over age 62.

Disability: Rates of disability as adopted from 1964 OASDI experience (Males).

Disabled Life Mortality: Pragmatic Disabled Life Continuance Table.

Expenses: None.

Asset Valuation Method: Market Value.

Schedule F--Continued

**Actuarial Assumptions for
Calculation of Actual
Present Value of
Accumulated Plan Benefits**

Same as above except no future salary or taxable wage base increases were assumed.

Actuarial Cost Methods

The Aggregate Actuarial Cost Method was used to determine liabilities and costs related to retirement termination, death and disability benefits. Under this method the value of present assets are subtracted from the present value of all future benefit payments. The difference is spread evenly over the future service of all members as a level percent of covered earnings. The normal cost includes an adjustment for gains and losses due to actuarial experience.

Benefits related to nonvested terminated participants are not valued even though benefits might be reinstated if any such participants are rehired.

*Beaver Valley
Geriatric Center
Collective Bargaining Unit
Employees Retirement Plan*

Actuarial Report January 1, 2006

June 8, 2006

HayGroup

Prepared By:

Henry E. Stiehl
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The Wanamaker Building
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for

Beaver County Employes' Retirement Board

CONFIDENTIAL

HayGroup

June 8, 2006

Beaver County Employees' Retirement Board
Court House
Third Street
Beaver, PA 15009

We are pleased to present the results of our actuarial valuation of the Beaver Valley Geriatric Center Collective Bargaining Unit Employees Retirement Plan as of January 1, 2006.

The primary purpose of this report is to investigate and fully and fairly disclose the actuarial position of the System as of January 1, 2006 and to establish the proper appropriation of the 2006 plan year. Highlights of the valuation are presented on page 1, followed by schedules which summarize the asset information, underlying calculations, participant data, plan benefits and actuarial assumptions.

In Schedule A is shown a list of the total assets by classification, as provided by the County as of January 1, 2006.

Schedule B shows the actuarial balance summary of the plan as of January 1, 2006. The liabilities were determined from the actuarial valuation of the System based upon the data submitted by the Center.

The certified annual appropriation of \$0 required for the Beaver Valley Geriatric Center Collective Bargaining Unit Employees Retirement Plan for 2006 is determined in Schedule C.

Schedule D shows the age and service profile of the active members on January 1, 2006.

The current benefit and contribution provisions of the plan are summarized in Schedule E.

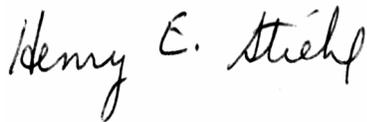
Schedule F summarizes the actuarial assumptions and cost methods used for determining costs. The Asset Valuation Method used is Market Value to comply with GASB standards which state that investments should be reported at the fair value at the reporting date.

On the basis of the actuarial methods, assumptions and major plan provisions summarized in this report and in reliance on the member data and statement of the Fund's assets furnished by the County, to the best of our knowledge the information in this report is complete and accurate.

In our opinion this report presents fairly the financial and actuarial position of the Beaver Valley Geriatric Center Collective Bargaining Unit Employees Retirement Plan as of January 1, 2006 in accordance with generally accepted actuarial principles, and on the basis of actuarial assumptions and methods which, in the aggregate, are reasonable (taking into account past experience under the plan and reasonable expectations) and which in combination represent my best estimate of anticipated experience.

Respectfully submitted,

HayGroup



By:

Henry E. Stiehl
Consultant



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Member, American Academy of Actuaries
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By:

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Senior Consultant
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ERISA Enrolled Actuary No. 05-433

HES/DDR/JJC:wdr

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I. Valuation Highlights

	<u>January 1, 2006</u>	<u>January 1, 2005</u>
Employer's Contributions	\$ 0	\$ 0
Actuarial Value of Assets	4,309,336	4,323,094
Actuarial Present Value of Accumulated Plan Benefits:		
Vested Benefits *	2,532,901	2,441,570
Non-Vested Benefits	0	0
Total	2,532,901	2,441,570
Active Participants:		
Number	44	50
Pensioners and Beneficiaries:		
Number	107	101
Total Annual Pension	119,444	124,980
Terminated Vested Participants:		
Number	57	62
Total Annual Pension	75,711	84,468

* Does not include employee contributions.

II. Schedules

Schedule A

Plan Assets

<i>Plan Assets December 31, 2005</i>	
	Market Value
Cash Equivalents	\$ 425,862.24
Government Securities	\$ 887,585.02
Corporate Bonds	\$ 405,376.87
Common Stock	\$ 2,452,287.49
Foreign Securities	\$ 52,580.91
Atticus Fund	\$ 85,643.95
Assets at Market Value, December 31, 2005	\$ <u>4,309,336.48</u>

Schedule A--Continued

Reconciliation of Assets

	Market Value
1. Total Assets December 31, 2004	\$ 4,323,093.61
2. Increases	
(a) Employer Appropriation for 2005	\$ 0.00
(b) Employee Contributions	\$ 4,664.47
(c) Net Investment Income	\$ 100,753.48
(d) Miscellaneous	\$ 28,391.30
(e) Total Increase	\$ 133,809.25
3. Decreases	
(a) Refund of Employee Contributions	\$ 0.00
(b) Retirement Allowances Paid	\$ 147,566.38
(c) Death Benefits	\$ 0.00
(d) Miscellaneous	\$ 0.00
(e) Total Decreases	\$ 147,566.38
4. Total Assets December 31, 2005 (Market Value) (1) + (2) - (3)	\$ 4,309,336.48

**Actuarial Value Of Assets
January 1, 2006**

The December 31, 2005 market value of assets, \$4,309,336.48 was used as the actuarial value of assets as of January 1, 2006.

Schedule B

Actuarial Balance Sheet January 1, 2006

Assets	
Present Assets	
National City Trust	\$ 4,309,336.48
Reserve for Future Liabilities	\$ (1,394,898.99)
<i>Total Assets</i>	<u>\$ 2,914,437.49</u>
Liabilities	
Actuarial Present Value of Accumulated Plan Benefits	
Vested benefits:	
Active Participants	\$ 711,506.00
Retired Participants	\$ 1,237,318.00
Terminated Participants	\$ 584,077.00
Employee Contributions	\$ 301,792.49
<i>Total Vested Benefits</i>	<u>\$ 2,834,693.49</u>
Non-Vested Benefits:	\$ 0.00
<i>Total Accumulated Benefits</i>	\$ 2,834,693.49
Actuarial Present Value of Future Benefit Accruals	
Active Participants	\$ 79,744.00
<i>Total Liabilities</i>	<u>\$ 2,914,437.49</u>

Schedule C

Development of Normal Cost January 1, 2006

1. Actuarial Present Value of Projected Benefits:	
(a) Active Participants	
Retirement Benefits	\$ 778,182.00
Termination Benefits	\$ 10,225.00
Death Benefits	\$ 2,843.00
Total	\$ 791,250.00
(b) Retired Participants and Beneficiaries	\$ 1,237,318.00
(c) Terminated Vested Participants	\$ 584,077.00
(d) Employee Contributions	\$ 301,792.49
(e) Total	\$ 2,914,437.49
2. Actuarial Value of Assets (See Schedule A)	\$ 4,309,336.48
3. Actuarial Present Value of Future Normal Costs:	
(1) - (2) (not less than zero)	\$ 0.00
4. Actuarial Present Value of Future Service Years	\$ 144
5. Normal Cost Accrual Rate: (3) / (4)	\$ 0.00
6. Current Number of Active Participants Under Age 60 (Nearest Birthday)	29
7. Total Normal Cost as of January 1, 2006: (5) x (6)	\$ 0.00

Schedule D

Age and Service Profile of Active Participants January 1, 2006

Males -- Full Years of Service to January 1, 2005								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
0-19	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	1	0	1
55-59	0	0	0	0	0	0	0	0
60-64	0	0	0	0	0	0	1	1
65 +	0	0	0	0	0	1	0	1
Total	0	0	0	0	0	2	1	3

Average Age: 64.00
Average Duration: 29.33

Females -- Full Years of Service to January 1, 2005								
Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
0-19	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	5	0	5
50-54	0	0	0	0	0	8	6	14
55-59	0	0	0	0	0	5	4	9
60-64	0	0	0	0	0	7	1	8
65 +	0	0	0	0	0	3	2	5
13	0	0	0	0	0	28	13	41

Average Age: 57.05
Average Duration: 29.78

Schedule E

Summary of Principal Plan Provisions as of January 1, 2006

- 1. Type of Plan** The Plan is a defined benefit plan.
- 2. Effective Date** The Plan became effective January 21, 1975.
- 3. Eligibility for Participation** All employees as of May 20, 1978 who are members of the Service Employees International Union, Local 585, are eligible.
- 4. Definitions**
- Plan Year:** A Plan Year is a 12-month period beginning on January 1 and ending on December 31.
- Credited Service:** All service from date of hire to retirement or termination; service credits transferred to the Beaver County Retirement Plan are excluded. Each year during which a participant works 1,000 hours is credited as one year of service.
- Accrued Benefit:** A monthly benefit for life equal to \$6.20 multiplied by years of Credited Service.
- 5. Retirement Benefits**
- Normal Retirement**
- Normal Retirement Date:* The first day of the month coincident with or next following a participant's 60th birthday.
- Normal Retirement Benefit:* A monthly benefit equal to the Accrued Benefit.
- Early Retirement**
- Early Retirement Date:* The first day of any month after the participant has both attained age 50 and completed at least 8 Vesting Years.

Schedule E--Continued

Early Retirement Benefit: A monthly benefit equal to the Accrued Benefit commencing at age 60, or a reduced monthly benefit beginning the first of any earlier month, with the reduction factor equal 1/180 for each of the first 60 months, and 1/360 for each of the next 60 months that Early Retirement Date precedes the Normal Retirement Date.

Postponed Retirement

Postponed Retirement Date: The first day of any month after the participant's Normal Retirement Date.

Postponed Retirement Benefit: The accrued benefit as of the Postponed Retirement Date.

6. Termination Benefit

Eligibility: Eight years of service.

Termination Benefit: A monthly benefit equal to the Accrued Benefit, commencing at age 60.

7. Death Benefits

Pre-retirement Spouse's Benefit: None

Post-retirement Spouse's Benefit: None, except as provided by the election of an optional form of payment.

8. Disability Benefit

Eligibility: Ten years of service and permanent and total disablement in accordance with the Federal Social Security Act.

Disability Benefit: A monthly benefit equal to 25% of the Accrued Benefit at disablement, commencing the first day of the month following eligibility.

Schedule F

Actuarial Assumptions for Cost Calculations

Interest

7½% per annum, compounded annually.

Mortality

1983 Group Annuity Mortality Table for males.

Withdrawal

Withdrawal rates from Table T-3 of the Actuary's Pension Handbook were assumed. Specimen rates are illustrated below:

Age	Rates of Withdrawal
25	5.3%
30	4.8
35	4.5
40	3.8
45	3.2
50	1.5
55	0.3

Retirement

Active employees were assumed to retire at age 60.

Disability

1964 OASDI Disability rates for males.

Disabled Life Mortality

Pragmatic Disabled Life Continuance Table.

Asset Valuation Method

Market value.

Actuarial Cost Methods

The Aggregate Actuarial Cost Method was used to determine liabilities and costs related to retirement, termination, death and disability benefits. Under this method, the value of present assets are subtracted from the present value of all future benefit payments. The difference is spread evenly over the future service of all members. This normal cost includes an adjustment for gains and losses due to actuarial experience.

Benefits related to non-vested terminated participants are not valued even though benefits might be reinstated if any such participants are re-hired.