

**RAEL & LETSON**  
*CONSULTANTS AND ACTUARIES*

# ACTUARIAL VALUATION

**WESTERN STATES OFFICE & PROFESSIONAL EMPLOYEES  
PENSION PLAN**

**AS OF JANUARY 1, 2012**

September 2012

September 6, 2012

Board of Trustees  
Western States Office & Professional Employees Pension Plan

Dear Trustees:

We are pleased to present the results of our actuarial valuation of the Pension Plan as of January 1, 2012. Included in this report is an analysis of the actuarial experience for the 2011 Plan Year.

Here is a summary of the valuation results:

- The actuarial balance sheet which states the financial position of the Trust as of January 1, 2012. The Plan's Unfunded Accrued Actuarial Liability is \$160.7 million.
- Net investment income was (\$11.0) million for an annual rate of return of (2.74)% (based on the actuarial value of assets). The market value rate of return was 1.50 %. Both returns are net of all expenses.
- The Plan experienced an actuarial loss of \$39.2 million during 2011. The Plan's 2011 net actuarial loss due to recognized investment return being less than the assumed return of 7.25% resulted in a loss of \$40.1 million. On the liability side, a gain of \$0.9 million was realized during the 2011 Plan Year.
- Based on the PPA and the Plan interest assumption of 7.25%, the funded ratio for the 2012 Plan Year provided in notices to be distributed during 2013 is 70.1%.
- As of December 31, 2011 the credit balance in the Funding Standard Account was \$53.3 million, an increase of \$7.2 million from the prior year. This change includes the 5-year automatic extension for the charge bases in the Funding Standard Account that was granted for 2009.

- As of January 1, 2012, the Plan was certified under the PPA as being in critical status. As required, the Trustees adopted a Rehabilitation Plan. The Rehabilitation Plan was effective October 16, 2009 and updated annually. We will continue to monitor the Plan's status and update the Plan's scheduled progress of the adopted Rehabilitation Plan near the end of the Plan Year based on investment results from 2012.
- The projected Employer contributions exceed the estimated cost of benefits to be earned during 2012 by \$6.9 million. However, this excess is not sufficient to offset the annual interest accrual of \$11.6 million on the Unfunded Accrued Actuarial Liability.
- Contributions for 2012 are projected to be fully deductible as they will fall within the maximum limits set by the IRS.
- As of December 31, 2011, there is an unfunded vested liability for withdrawal liability purposes of \$212.3 million. Pursuant to the IRC, the determination of the unfunded vested liability disregards certain benefit reductions implemented as part of the Rehabilitation Plan.

We will review the contents of this report at the September Board of Trustees meeting.

Sincerely,



Paul Graf



Lisa M. Vu

cc: Vicki Peterson  
Joe Reinhart, Esq.  
Alex Miller

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**VALUATION HIGHLIGHTS**

**PLAN  
HISTORY**

The Western States Office and Professional Employees Pension Plan became effective in 1959 as a result of collective bargaining between Locals 29 and 11 of OPEIU and Pacific Intermountain Express. Trust assets are invested at the direction of various investment managers.

There were 120 new participants and 11 rehires during the 2011 Plan Year.

Employer contributions increased by approximately \$142,000 in 2011.

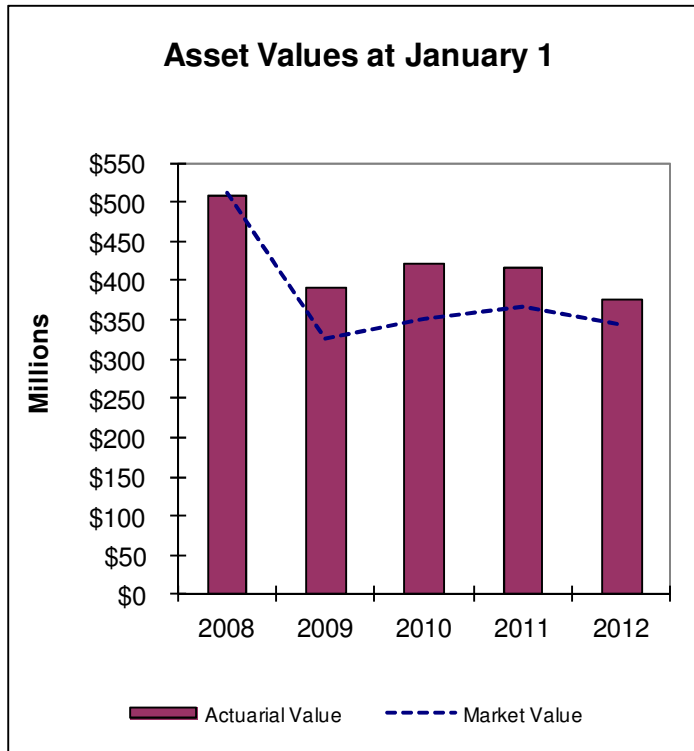
**VALUATION HIGHLIGHTS**

|  | January 1, 2011 | January 1, 2012 | Change          |
|--|-----------------|-----------------|-----------------|
| Number of Participants: <sup>1</sup>   |                 |                 |                 |
| Active                                 | 1,936           | 1,887           | (49)            |
| Vested Inactives                       | 2,598           | 2,577           | (21)            |
| Retired and Beneficiaries <sup>2</sup> | <u>3,450</u>    | <u>3,460</u>    | <u>10</u>       |
| <b>Total Participants</b>              | 7,984           | 7,924           | (60)            |
| Employer Contributions                 | \$ 8,489,009    | \$ 8,630,961    | \$ 141,952      |
| Market Value of Assets                 | \$ 366,575,098  | \$ 343,278,474  | \$ (23,296,624) |
| Actuarial Value of Assets              | \$ 415,436,594  | \$ 375,837,641  | \$ (39,598,953) |
| Accrued Actuarial Liability            | \$ 535,120,828  | \$ 536,525,258  | \$ 1,404,430    |
| Unfunded Actuarial Accrued Liability   | \$ 119,684,234  | \$ 160,687,617  | \$ 41,003,383   |

<sup>1</sup> Does not include 416 and 493 non-vested inactive participants in 2011 and 2010, respectively, who have not had a permanent break-in-service.

<sup>2</sup> Includes disabled retirees.

## SECTION I ACTUARIAL BALANCE SHEET



| ASSETS                             |                    |
|------------------------------------|--------------------|
| Cash                               | \$ 5,119,880       |
| Marketable Securities              | 334,428,822        |
| Net of Receivables and Payables    | <u>3,729,772</u>   |
| <b>Market Value of Assets</b>      | \$ 343,278,474     |
| Actuarial Adjustment (Appendix F)  | <u>32,559,167</u>  |
| <b>Actuarial Value of Assets</b>   | \$ 375,837,641     |
| LIABILITIES                        |                    |
| <b>Reserves Required For:</b>      |                    |
| Pensioners <sup>1</sup>            | \$ 355,947,898     |
| Active Participants                | 77,746,880         |
| Vested Inactives                   | <u>100,279,873</u> |
| Subtotal Vested Benefits           | \$ 533,974,651     |
| Non-Vested Benefits                | <u>2,550,607</u>   |
| <b>Actuarial Accrued Liability</b> | \$ 536,525,258     |
| Less Unfunded Accrued Liabilities  | <u>160,687,617</u> |
| <b>Actuarial Value of Assets</b>   | \$ 375,837,641     |

The PPA Funded Ratio is  
70.1% as of  
January 1, 2012.

Actuarial Value is 109.5%  
of Market Value.

<sup>1</sup> Includes disabled retirees.

**SECTION I DISCUSSION OF BALANCE SHEET**

The actuarial balance sheet presents the financial status of the Plan as of January 1, 2012 and provides us with the means of measuring the actuarial position of the Trust.

**ASSETS**

The total Market Value of Assets as of January 1, 2012 is \$343,278,474. Information regarding assets was taken from the audit report prepared by Heming Morse.

We have utilized an asset valuation method that recognizes net investment income on Trust assets that is more or less than 7.25% per year over a five-year period. The value of Trust assets based on this method is \$375,837,641, which represents 109.5% of the Market Value of Assets. This method is intended to dampen the volatility associated with year to year changes in the market value of Trust assets, while at the same time systematically recognizing longer term overall investment performance. The derivation of the Actuarial Value of Assets is shown in Appendix G.

Contributions receivable from Employers for hours worked in the 2011 Plan Year but received after December 31, 2011 are included with other receivables and payables.

**LIABILITIES**

Under the Liabilities section of the balance sheet, we have listed separately the reserves required for pensioners and active and inactive benefits earned by non-retired employees. The \$355,947,898 reserve for pensioners represents the estimated amount required as of the valuation date to pay all benefits to pensioners as the benefits come due in the future. The total reserve requirement of the Trust is the sum of the reserve requirements for pensioners, vested and non-vested actives, and vested inactives, and amounts to \$536,525,258.

The liabilities of the Plan exceed the valuation assets by \$160,687,617. This amount is known as the Unfunded Accrued Liability, which is amortized by the excess of contributions received over the cost of each future year's accumulation of benefits.

**SECTION II ACTUARIAL GAIN/(LOSS) ANALYSIS**

**ACTUARIAL VALUATION**

An actuarial valuation is a snapshot of asset and liability measures of the pension fund. It is used to estimate the amount of funds needed to cover the cost of the future payment of retirement, termination and death benefits to participants based on Plan benefits in effect on the valuation date. The valuation is based on the actual service rendered by these participants prior to the valuation date and on a set of actuarial assumptions and methods. These assumptions and methods have been adopted by the Trustees upon the recommendation of the Actuary and are described in Appendix B.

**Actuarial Experience**

In the paragraphs below, we have outlined the experience over the 2011 Plan Year and have shown experience for the past five years.

**Net Investment Yield - 7.25% per annum, net of all expenses**

The net investment yield of the invested funds during the Plan Year was (2.74)%. Appendix F shows the details of the actual investment income calculation.

| INCOME                          | DOLLAR<br>AMOUNT  | YIELD         |
|---------------------------------|-------------------|---------------|
| Gross Investment Income         | \$ (8,330,629)    | (2.08)%       |
| Less Investment Expenses        | (1,686,924)       | (0.42)        |
| Less Operational Expenses       | <u>(988,257)</u>  | <u>(0.24)</u> |
| Net Investment Income           | \$ (11,005,810)   | (2.74)%       |
| Less Expected Investment Income | <u>29,082,651</u> | <u>7.25</u>   |
| <b>Investment Gain / (Loss)</b> | \$ (40,088,461)   | (9.99)%       |

| INVESTMENT YIELDS |                 |              |
|-------------------|-----------------|--------------|
|                   | NET YIELD ON    |              |
| YEAR              | ACTUARIAL VALUE | MARKET VALUE |
| 2007              | 10.04%          | 4.62%        |
| 2008              | (18.37)         | (32.15)      |
| 2009              | 14.48           | 15.95        |
| 2010              | 5.71            | 13.23        |
| 2011              | (2.74)          | 1.50         |

**SECTION II ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)**

**Mortality – 1983 GAM F Mortality Table**

**17-year set-forward for disabled lives (until age 62)**

Based on the assumptions used in the valuation we compared the reserves which were expected to be released on account of death to the actual amount released. The reserve released during the year was more than anticipated, resulting in a mortality **gain** of **\$819,175** to the Fund.

| YEAR | GAIN/(LOSS) |
|------|-------------|
| 2007 | \$ 609,792  |
| 2008 | 2,337,772   |
| 2009 | 3,427,808   |
| 2010 | 443,653     |
| 2011 | 819,175     |

**Turnover**

Reserves for non-vested participants are discounted for turnover according to Table T-7 of the Actuary's Pension Handbook. During 2011, reserves released on account of non-vested terminations were less than those anticipated, resulting in a **loss** to the Trust of **\$183,334**.

| YEAR | GAIN/(LOSS)  |
|------|--------------|
| 2007 | \$ 3,496,820 |
| 2008 | 208,536      |
| 2009 | 138,998      |
| 2010 | 182,094      |
| 2011 | (183,334)    |

Prior to January 1, 2008, Table T-4 of the Actuary's Pension Handbook was used to estimate turnover experience.



**SECTION II ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)**

**Retirement**<sup>1</sup>

Participants are assumed to retire in accordance with an explicit set of retirement rates described in Appendix B. A gain to the Plan results if participants delay their retirement. Any gains are offset by losses from early retirements. During 2011 the actuarial **gain** attributable to the assumptions relating to the rates of retirement was **\$650,964**.

| YEAR | GAIN/(LOSS) |
|------|-------------|
| 2007 | \$ 129,454  |
| 2008 | 1,007,178   |
| 2009 | (3,026,254) |
| 2010 | 510,575     |
| 2011 | 650,964     |

**Disability**

Participants are assumed to become disabled in accordance with an explicit set of disablement rates. During 2011 the actuarial **loss** attributable to the assumption relating to the rates of disability was **\$4,920**.

| YEAR | GAIN/(LOSS) |
|------|-------------|
| 2010 | (131,473)   |
| 2011 | (4,920)     |

<sup>1</sup> Prior to 2010, Disability Cost experience analysis was included with the Retirement Age experience analysis.

**SECTION II ACTUARIAL GAIN/(LOSS) ANALYSIS (CONTINUED)**

**Miscellaneous**<sup>1</sup>

Each year, there are miscellaneous corrections due to age adjustments, corrections in benefit payments and programming changes. The miscellaneous **loss** for the year ended December 31, 2011 was **\$372,465**.

| YEAR | GAIN/(LOSS) |
|------|-------------|
| 2007 | \$ 128,169  |
| 2008 | 193,667     |
| 2009 | (589,859)   |
| 2010 | (338,597)   |
| 2011 | (372,465)   |

**SUMMARY OF GAINS AND LOSSES**

Following is a summary of the gains and losses from the various sources:

**SUMMARY OF GAINS AND LOSSES**

| SOURCE                 | GAIN/(LOSS)            |
|------------------------|------------------------|
| Investment Income      | \$ (40,088,461)        |
| Mortality              | 819,175                |
| Turnover               | (183,334)              |
| Retirement             | 650,964                |
| Disability Costs       | (4,920)                |
| Data and Miscellaneous | <u>(372,465)</u>       |
| <b>Total Loss</b>      | <b>\$ (39,179,041)</b> |

Fluctuations in experience for all assumptions are to be expected from year to year. It is the net result over a period of time that must be viewed to determine the validity of the assumptions used.

<sup>1</sup> Prior to 2010, Cost of Benefit experience analysis was listed out separately.

SECTION III CHANGES SINCE LAST VALUATION

**Changes in Plan Provisions, Valuation Methodology and Assumptions**

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

SECTION IV PROJECTION OF EMPLOYER CONTRIBUTIONS AND COSTS

**Projection of Employer Contributions**

Following is a summary of the expected application of Employer contributions during 2012. This projection is based on contribution experience reported in the Administrator's unaudited financials through June 2012, which considers the surcharges and supplemental contributions made for collective bargaining agreements negotiated on or before June 30, 2012. Average hours worked in the past year for each active participant as of January 1, 2012 were also assumed:

|  |                  |
|--|------------------|
| Employer Contributions                   | \$ 8,915,000     |
| Less Estimated Cost of Benefits          | <u>1,994,800</u> |
| Available to Amortize Unfunded Liability | \$ 6,920,200     |

The interest on the current Unfunded Accrued Actuarial Liability at 7.25% amounts to \$11.6 million, so the amount available is insufficient to amortize the Unfunded Accrued Actuarial Liability. However, based on the terms of Rehabilitation Plan, the Plan's funded percentage is expected to improve and a favorable credit balance is expected to be achieved by the end of the Rehabilitation Period. We will continue to monitor the Plan's status and provide updates on scheduled progress.

SECTION V WITHDRAWAL LIABILITY

WITHDRAWAL LIABILITY

Withdrawal liability assessments, if any, are based on the amount of “Unfunded Vested Benefits” (UVB) and an employer’s contribution history. Benefits in which a participant is not immediately vested are excluded from the determination of vested benefits; this includes disability and death benefits. Assets are valued at Market Value for this purpose. Note that the Pension Protection Act requires plans that implemented a Rehabilitation Plan to disregard any reduction in Adjustable Benefits when determining the Unfunded Vested Benefits for withdrawal liability. The resulting UVB is as follows:

- |                              |               |
|------------------------------|---------------|
| 1. Market Value of Assets:   | \$343,278,474 |
| 2. Vested Benefit Liability: | \$555,604,744 |
| 3. Unfunded Vested Benefits: | \$212,326,270 |

This means that any Employer who withdraws in the 2012 Plan Year may be subject to a withdrawal liability assessment.

SECTION VI COMMENTS AND CERTIFICATION

This is to certify that we have completed an actuarial valuation of the Plan as of January 1, 2012 in accordance with generally accepted actuarial principles and practices, including Actuarial Standards of Practice (ASOP) Nos. 4, 23, 27, 35, 41 and 44. This report has been prepared for the Board of Trustees of the Western States Office & Professional Employees Pension Plan to provide information on the Plan's funded status, to review the recent experience under the Plan and to supply figures needed by the auditor.

This report on the results of the valuation was based on the assumption that the Plan is qualified under the Internal Revenue Code and on information supplied by the auditor with respect to contributions and assets and by the Plan Administrator with respect to participant data. We have not verified, and customarily would not verify such information, but we have no reason to doubt its substantial accuracy.

To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate and, in our opinion, the individual assumptions used: (a) are reasonably related to the experience of the Plan and to reasonable expectations; and (b) represent our best estimate of anticipated experience under the Plan.

The mortality assumption being used to value the Plan liabilities for this report does not formally anticipate any future improvement in mortality or longevity. The recent mortality experience for the Plan has been generating moderate gains vis-à-vis the mortality basis that is assumed. We will continue to review the mortality rates and other assumptions.

We are not aware of any events, subsequent to January 1, 2012, that would have a material effect on the actuarial findings presented in this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (for instance, the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the assignment, we did not perform analysis of the potential range of such future measurements.

SECTION VI COMMENTS AND CERTIFICATION (CONTINUED)

In preparation of this report and the actuarial findings contained herein, there has been no conflict of interest between any relevant parties; no findings for which we, the actuaries, do not assume responsibility; and no deviation from ASOP Nos. 4, 23, 27, 35, 41 and 44.

All information pertaining to the findings presented in this report is contained within this report, and should not be relied upon for any other purpose than as stated above.

The Pension Protection Act of 2006 (PPA) became effective for this Plan on January 1, 2008. In accordance with Internal Revenue Code Section 432(b), the Plan, as of the beginning of its 2012 Plan Year was certified as remaining in critical status. In response, the Board of Trustees adopted a Rehabilitation Plan which complies with Internal Revenue Code Section 432(e). We will again update the Plan's status and the adopted Rehabilitation Plan near the beginning of the following plan year based on investment results for 2012.

We have determined that the projected contributions for the 2012 Plan Year will meet the minimum funding requirements of ERISA and will be fully deductible by the Employers.

I, Paul Graf, am an actuary for Rael & Letson. I am a member of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified by: Paul Graf A.S.A., M.A.A.A.  
Paul Graf  
Enrolled Actuary No. 11-05627

Prepared by: Lisa Vu  
Lisa Vu

**SECTION VII APPENDICES**



APPENDIX A PARTICIPANT COUNTS AND STATISTICS

PARTICIPANT STATISTICS

|                         | January 1, 2011 | January 1, 2012 | Change    | Percent Change |
|-------------------------|-----------------|-----------------|-----------|----------------|
| <b>Active:</b>          |                 |                 |           |                |
| Number:                 |                 |                 |           |                |
| Continuing              | 1,817           | 1,756           | (61)      | (3.4)%         |
| New / Rehires           | <u>119</u>      | <u>131</u>      | <u>12</u> | 10.1%          |
| Total                   | 1,936           | 1,887           | (49)      | (2.5)%         |
| Averages:               |                 |                 |           |                |
| Age <sup>1</sup>        | 46.9            | 47.5            | 0.6       | 1.3%           |
| Years of Service        | 12.8            | 13.2            | 0.4       | 3.1%           |
| Hours                   | 1,884           | 1,862           | (22)      | (1.2)%         |
| <b>Deferred Vested:</b> |                 |                 |           |                |
| Number                  | 2,598           | 2,577           | (21)      | (0.8)%         |
| Averages:               |                 |                 |           |                |
| Age                     | 49.7            | 50.7            | 1.0       | 2.0%           |
| Years of Service        | 9.8             | 9.9             | 0.1       | 0.6%           |
| Accrued Monthly Benefit | \$ 604.08       | \$ 611.88       | \$ 7.80   | 1.3%           |
| <b>In Pay Status:</b>   |                 |                 |           |                |
| Number:                 |                 |                 |           |                |
| Healthy Retirees        | 3,244           | 3,245           | 1         | 0.0%           |
| Disabled Retirees       | 48              | 46              | (2)       | (4.2)%         |
| Beneficiaries           | <u>158</u>      | <u>169</u>      | <u>11</u> | 7.0%           |
| Total                   | 3,450           | 3,460           | 10        | 0.3%           |
| Averages: <sup>2</sup>  |                 |                 |           |                |
| Age                     | 70.3            | 70.8            | 0.5       | 0.7%           |
| Monthly Benefit         | \$ 910.44       | \$ 916.19       | \$ 5.75   | 0.6%           |

<sup>1</sup> For active participants with known birth dates

<sup>2</sup> Excluding beneficiaries

**APPENDIX A PARTICIPANT COUNTS AND STATISTICS (CONTINUED)**

**PARTICIPANT RECONCILIATION**

|                                    | ACTIVES  | NON-VESTED<br>INACTIVES | VESTED<br>INACTIVES | RETIREES AND<br>BENEFICIARIES | TOTAL      |
|------------------------------------|----------|-------------------------|---------------------|-------------------------------|------------|
| <b>Total as of January 1, 2011</b> | 1,936    | 493                     | 2,598               | 3,450                         | 8,477      |
| New Entrants                       | 120      | 0                       | 0                   | 0                             | 120        |
| Rehired                            | 11       | (4)                     | (6)                 | 0                             | 1          |
| Terminated Vested                  | (92)     | 0                       | 92                  | 0                             | 0          |
| Terminated Non-Vested              | (68)     | 68                      | 0                   | 0                             | 0          |
| Permanent Break in Service         | 0        | (142)                   | 0                   | 0                             | (142)      |
| Retired                            | (18)     | 0                       | (88)                | 106                           | 0          |
| Deaths                             | (2)      | 0                       | (9)                 | (117)                         | (128)      |
| Expired Period Certains            | 0        | 0                       | 0                   | 0                             | 0          |
| New Beneficiaries and QDROs        | 0        | 0                       | 0                   | 21                            | 21         |
| Correction                         | <u>0</u> | <u>1</u>                | <u>(10)</u>         | <u>0</u>                      | <u>(9)</u> |
| <b>Total as of January 1, 2012</b> | 1,887    | 416                     | 2,577               | 3,460                         | 8,340      |

**APPENDIX A PARTICIPANT COUNTS AND STATISTICS (CONTINUED)**

**DISTRIBUTION OF ACTIVE PLAN PARTICIPANTS BY AGE AND YEARS OF CREDITED SERVICE**

**YEARS OF CREDITED SERVICE**

| AGE GROUP     | < 1      | 1 - 4     | 5 - 9    | 10 - 14  | 15 - 19  | 20 - 24  | 25 - 29  | 30 - 34  | 35 - 39  | 40+      | TOTAL     |
|---------------|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Under 25      | 0        | 21        | 6        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 27        |
| 25 - 29       | 0        | 82        | 35       | 1        | 0        | 1        | 0        | 0        | 0        | 0        | 119       |
| 30 - 34       | 0        | 75        | 50       | 24       | 0        | 6        | 0        | 0        | 0        | 0        | 155       |
| 35 - 39       | 0        | 39        | 44       | 34       | 11       | 33       | 0        | 0        | 0        | 0        | 161       |
| 40 - 44       | 0        | 47        | 42       | 45       | 15       | 61       | 1        | 0        | 0        | 0        | 211       |
| 45 - 49       | 0        | 42        | 43       | 45       | 26       | 100      | 12       | 0        | 0        | 0        | 268       |
| 50 - 54       | 0        | 53        | 41       | 52       | 35       | 145      | 20       | 2        | 1        | 0        | 349       |
| 55 - 59       | 0        | 34        | 50       | 35       | 33       | 151      | 16       | 16       | 4        | 1        | 340       |
| 60 - 64       | 0        | 22        | 28       | 21       | 27       | 58       | 13       | 10       | 6        | 1        | 186       |
| 65 - 69       | 0        | 8         | 9        | 9        | 4        | 8        | 2        | 2        | 1        | 1        | 44        |
| 70 and Over   | 0        | 1         | 1        | 0        | 0        | 7        | 0        | 0        | 0        | 0        | 9         |
| No Birthdates | <u>0</u> | <u>16</u> | <u>1</u> | <u>1</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>18</u> |
| <b>TOTAL</b>  | 0        | 440       | 350      | 267      | 151      | 570      | 64       | 30       | 12       | 3        | 1,887     |

**APPENDIX A PARTICIPANT COUNTS AND STATISTICS (CONTINUED)**

**DISTRIBUTION OF VESTED INACTIVE PARTICIPANTS BY AGE**

| <b>AGE GROUP</b> | <b>VESTED INACTIVES</b> |
|------------------|-------------------------|
| Under 20         | 0                       |
| 20 - 24          | 0                       |
| 25 - 29          | 7                       |
| 30 - 34          | 72                      |
| 35 - 39          | 184                     |
| 40 - 44          | 381                     |
| 45 - 49          | 447                     |
| 50 - 54          | 603                     |
| 55 - 59          | 472                     |
| 60 - 62          | 222                     |
| 63 - 69          | 160                     |
| 70 and Over      | 28                      |
| No Birthdates    | <u>1</u>                |
| <b>Total</b>     | <b>2,577</b>            |

**APPENDIX A PARTICIPANT COUNTS AND STATISTICS (CONTINUED)**

**DISTRIBUTION OF PENSIONERS BY AGE**

| AGE GROUP                          | PRIOR     | NEW       | TOTAL     |
|------------------------------------|-----------|-----------|-----------|
| Under 50                           | 12        | 0         | 12        |
| 50 - 54                            | 14        | 0         | 14        |
| 55 - 59                            | 211       | 20        | 231       |
| 60 - 64                            | 611       | 33        | 644       |
| 65 - 69                            | 779       | 38        | 817       |
| 70 - 74                            | 566       | 13        | 579       |
| 75 - 79                            | 386       | 2         | 388       |
| 80 - 84                            | 257       | 0         | 257       |
| 85 and Over                        | 349       | 0         | 349       |
| No Birthdates                      | <u>0</u>  | <u>0</u>  | <u>0</u>  |
| <b>TOTAL</b>                       | 3,185     | 106       | 3,291     |
| Average Age                        | 71        | 64        | 71        |
| Average Monthly Benefit            | \$ 924.51 | \$ 666.30 | \$ 916.19 |
| Beneficiaries (not included above) | 148       | 21        | 169       |
| <b>GRAND TOTAL</b>                 | 3,333     | 127       | 3,460     |

**APPENDIX B ACTUARIAL METHODS AND ASSUMPTIONS**

| <b>METHODOLOGY:</b>         |  |
|-----------------------------|--|
| Asset Valuation:            | Assets are valued according to a method which recognizes 20% of each year's excess (or deficiency) of actual investment return over the expected return on the Market Value of Assets in the year the excess (or deficiency) occurs. An additional 20% of the excess (or deficiency) is recognized in each of the succeeding four years until it is totally recognized. In no event will the Actuarial Value be less than 80% or more than 120% of the Market Value.   |
| Actuarial Cost Method:      | <u>Unit Credit Cost Method</u> - Under this method, we determine the present value of all benefits earned through the valuation date. An individual's normal cost is the present value of the benefit expected to be earned in the valuation year. The total accrued liability is the sum of the individual present values for all participants. The Unfunded Accrued Liability is the difference between the accrued liability and the assets of the Trust. If the assets exceed the accrued liability, the Plan is in a surplus position. This method requires that each year's contributions be applied first to the normal cost, and the balance of the contributions applied to amortize the Unfunded Accrued Liability. (Prior to January 1, 2008: Entry Age Normal with replacement). |
| Withdrawal Liability Basis: | The present value of accrued vested benefits for withdrawal liability determination uses valuation assumptions. Assets for this purpose are based on the Market Value.   |

**APPENDIX B ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)**

| <b>ASSUMPTIONS:</b>                    |   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
|--|---|------------|-------------|------------|-------------|----|-----|----|-----|----|-----|----|-----|-------|-----|-------|-----|----|-----|-----|------|
| Discount Interest Rate:                | 7.25% for funding, FASB ASC 960, and withdrawal liability; 4.29% for current liability.   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Assumed Rate of Return on Investments: | 7.25% compounded annually, net of all investment and operational expenses.<br>(Prior to January 1, 2008: 0.20% for operational expenses).   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Mortality:                             | 1983 GAMF Mortality Table (the table is set forward 17 years for disability retirees until age 62).<br>(Prior to January 1, 1990: UP 1984 setback 6 years).<br>Current Liability: RP-2000 Mortality Tables (static, separate for annuitants and non-annuitants), projected forward to the valuation year plus seven years for annuitants and 15 years for non-annuitants, as prescribed by IRS regulations.   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Mortality Improvement:                 | The current mortality assumption is appropriate for anticipated future mortality experience. No mortality improvement is assumed (ASOP 35).   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Turnover:                              | Table T-7, <u>The Actuary's Pension Handbook</u> . Non-Vested Participants have been assumed to earn one year of vesting credit annually until vested. (Prior to January 1, 2008: Table T-4).   |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Retirement Rates:                      | <table border="1"> <thead> <tr> <th><u>Age</u></th> <th><u>Rate</u></th> <th><u>Age</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>55</td> <td>20%</td> <td>61</td> <td>20%</td> </tr> <tr> <td>56</td> <td>15%</td> <td>62</td> <td>40%</td> </tr> <tr> <td>57-59</td> <td>12%</td> <td>63-70</td> <td>35%</td> </tr> <tr> <td>60</td> <td>15%</td> <td>71+</td> <td>100%</td> </tr> </tbody> </table> <p>Inactive Vested participants are assumed to retire at age 62.</p> | <u>Age</u> | <u>Rate</u> | <u>Age</u> | <u>Rate</u> | 55 | 20% | 61 | 20% | 56 | 15% | 62 | 40% | 57-59 | 12% | 63-70 | 35% | 60 | 15% | 71+ | 100% |
| <u>Age</u>                             | <u>Rate</u>   | <u>Age</u> | <u>Rate</u> |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| 55                                     | 20%   | 61         | 20%         |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| 56                                     | 15%   | 62         | 40%         |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| 57-59                                  | 12%   | 63-70      | 35%         |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| 60                                     | 15%   | 71+        | 100%        |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Disablement:                           | 1952 Society of Actuaries Table, Period 2, Benefit 5.<br>(Prior to January 1, 1990: Part of non-retiree load).  |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |
| Form of Benefit:                       | All participants are assumed to elect a Straight Life Annuity.  |            |             |            |             |    |     |    |     |    |     |    |     |       |     |       |     |    |     |     |      |

**APPENDIX B ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)**

|                    |  |
|--------------------|--|
| Marital Status:    | 80% of participants are assumed to be married. Spouses are assumed to be the same age as participants in the population<br><br>(Prior to January 1, 1991: None assumed). |
| Future Employment: | Based on hours worked during the 2011 Plan Year. (Prior to January 1, 2008: 1,750 hours).  |
| Missing Data:      | If not specified, participants are assumed to be female and the same age as the average of participants with the same status code.                                       |

|                                       |   |
|---------------------------------------|---|
| <b>CHANGES SINCE PRIOR VALUATION:</b> | The RPA '94 current liability interest rate was changed from 4.47% to 4.29% to be within the allowable range. The current liability mortality table was also updated, in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1. |
|---------------------------------------|---|



**APPENDIX C SUMMARY OF PRINCIPAL PLAN PROVISIONS**

| <b>REQUIREMENTS</b>    |  |
|------------------------|--|
| Normal Retirement:     | Age 65 and vested.   |
| Early Retirement:      | Age 55 and vested.   |
| Disability Retirement: | Vested with at least 200 hours in year prior to onset of Total and Permanent Disability. |
| Vesting Requirement:   | 5 years (including at least 2 years future service).                                     |
| Pre-Retirement Death:  | Vested.  |

| <b>BENEFITS</b>                |  |
|--------------------------------|--|
| Normal Retirement:             | <p>Service after 2009: 0.75% of Employer Contributions.<br/>           2003 - 2009: 1.8% of Employer Contributions.<br/>           2003 Service: 2.2% of Employer Contributions; up to \$6,240; 1.8% of excess.<br/>           2001 - 2002 Service: 3.2% of Employer Contributions; up to \$6,240 each year; 1.8% of excess.<br/>           1997 - 2000 Service: 3.65% of Employer Contributions; up to \$6,240 each year, 1.8% of excess.<br/>           Prior to 1997: 3.65% of Employer Contributions.<br/>           Past Service: \$8.20 per year of past service (maximum 15 years).</p> |
| Early Retirement:              | Normal Retirement benefit actuarially reduced from age 62 for benefits earned before January 1, 2010 and from age 65 for benefits earned on or after January 1, 2010.  |
| Delayed Retirement:            | Normal Retirement benefit increased 6% per year (½% per month) past age 62 for benefits earned before January 1, 2010 and past age 65 for benefits earned on or after January 1, 2010.   |
| Disability Retirement:         | 50% of Normal Retirement Benefit and payable until age 55.   |
| Pre-Retirement Death:          |  |
| Married                        | 50% Joint Marital Annuity (reduced for Early Retirement and for joint lives), or   |
| All Others                     | Lump sum payment of \$500 per year of service (maximum of \$5,000 total).  |
| Changes Since Prior Valuation: | None   |

**APPENDIX D 15 YEAR HISTORY OF CONTRIBUTIONS AND BENEFIT PAYMENTS**

| PLAN YEAR | CONTRIBUTIONS | BENEFIT PAYMENTS |
|-----------|---------------|------------------|
| 1997      | \$ 7,865,768  | \$ 13,437,418    |
| 1998      | 8,936,246     | 15,248,117       |
| 1999      | 9,249,078     | 17,053,008       |
| 2000      | 9,366,427     | 18,819,097       |
| 2001      | 9,660,131     | 20,927,583       |
| 2002      | 9,277,458     | 20,835,583       |
| 2003      | 7,854,003     | 24,206,237       |
| 2004      | 6,935,726     | 26,487,895       |
| 2005      | 7,357,903     | 28,371,211       |
| 2006      | 7,399,605     | 29,919,215       |
| 2007      | 7,678,247     | 32,970,957       |
| 2008      | 8,277,807     | 32,853,989       |
| 2009      | 8,004,785     | 34,155,460       |
| 2010      | 8,489,009     | 37,136,630       |
| 2011      | 8,630,961     | 37,224,104       |

**APPENDIX E CHANGE IN NET ASSETS**

| <b>CHANGES IN NET ASSETS</b>                |                        |                     |
|---|------------------------|---------------------|
|   | <b>ACTUARIAL VALUE</b> | <b>MARKET VALUE</b> |
| <b>Value of Assets at January 1, 2011</b>   | \$ 415,436,594         | \$ 366,575,098      |
| <b>Receipts During Year</b>                 |                        |                     |
| Employer Contributions                      | \$ 8,630,961           | \$ 8,630,961        |
| Rollover                                    | -                      | -                   |
| Net Investment Income (Appendix E)          | (11,005,810)           | 5,296,519           |
| Subtotal Receipts                           | (2,374,849)            | 13,927,480          |
| <b>Disbursements During Year:</b>           |                        |                     |
| Benefits Paid                               | \$ 37,224,104          | \$ 37,224,104       |
| Subtotal Disbursements                      | 37,224,104             | 37,224,104          |
|   | -                      | -                   |
| <b>Value of Assets at December 31, 2011</b> | \$ 375,837,641         | \$ 343,278,474      |
| Net Yield                                   | -2.74%                 | 1.50%               |

APPENDIX F DETERMINATION OF ACTUARIAL VALUE NET INVESTMENT INCOME

INVESTMENT INCOME

|    |  |                  |                     |                     |
|----|--|------------------|---------------------|---------------------|
| A. | Market Value of Assets as of January 1, 2011                           |                  | \$366,575,098       |                     |
| B. | Receipts and Disbursements January 2011 - December 2011                |                  |                     |                     |
|    | Employer Contributions   |                  | 8,630,961           |                     |
|    | Benefit Payments   |                  | <u>(37,224,104)</u> |                     |
|    | Subtotal   |                  | \$(28,593,143)      |                     |
| C. | Average Market Value of Assets   |                  | 352,278,527         |                     |
| D. | Expected Investment Income (7.25% Net of Expenses)                     |                  |                     | \$25,540,193        |
| E. | Actual Investment Income (Net of Expenses)                             |                  |                     |                     |
|    | Interest and Dividends   | \$2,441,473      |                     |                     |
|    | Realized and Unrealized Gains  | 5,345,825        |                     |                     |
|    | Other Income   | 184,402          |                     |                     |
|    | Investment Expenses  | (1,686,924)      |                     |                     |
|    | Operational Expenses   | <u>(988,257)</u> |                     |                     |
|    | Net Investment Income  |                  | 5,296,519           |                     |
| F. | Excess Investment Income (E - D)                                       |                  | (20,243,674)        |                     |
| G. | Recognized Portion of 2011 Investment Gain/(Loss) (20% of F)           |                  |                     | (4,048,735)         |
| H. | Recognized Portion of 2007-2010 Investment Gains/(Losses) (Appendix F) |                  |                     | <u>(32,497,268)</u> |
| I. | Net Investment Income (D+G+H)  |                  |                     | \$(11,005,810)      |
| J. | Adjustment for Corridor  |                  |                     | <u>0</u>            |
| K. | Total Net Investment Income (I+J)                                      |                  |                     | \$(11,005,810)      |

**APPENDIX G DETERMINATION OF ACTUARIAL VALUE OF ASSETS**

**DETERMINATION OF MARKET VALUE ADJUSTMENT AND ACTUARIAL VALUE OF ASSETS**

**AMOUNT OF EXCESS INCOME RECOGNIZED OR TO BE RECOGNIZED**

| PLAN YEAR ENDED<br>DECEMBER 31 | EXCESS INCOME       | PRIOR YEARS      | CURRENT YEAR       | FUTURE YEARS        |
|--------------------------------|---------------------|------------------|--------------------|---------------------|
| 2007                           | \$ (13,158,593)     | \$ (10,526,874)  | \$ (2,631,719)     | \$ 0                |
| 2008                           | (196,730,650)       | (118,038,390)    | (39,346,130)       | (39,346,130)        |
| 2009                           | 27,299,221          | 10,919,688       | 5,459,844          | 10,919,689          |
| 2010                           | 20,103,687          | 4,020,737        | 4,020,737          | 12,062,213          |
| 2011                           | <u>(20,243,674)</u> | <u>0</u>         | <u>(4,048,735)</u> | <u>(16,194,939)</u> |
| Total                          | \$ (182,730,009)    | \$ (113,624,839) | \$ (36,546,003)    | \$ (32,559,167)     |

|  |                     |
|--|---------------------|
| a. Market Value of Assets As of January 1, 2012                            | \$ 343,278,474      |
| b. Less Amount of Excess Income/(Deficit) to be Recognized in Future Years | <u>(32,559,167)</u> |
| c. Preliminary Actuarial Value of Assets (a-b)                             | \$ 375,837,641      |
| d. Recognition of Assets in Excess of the 20% Corridor                     | <u>0</u>            |
| e. Actuarial Value of Assets as of January 1, 2012 (c+d)                   | \$ 375,837,641      |

**APPENDIX H FUNDING STANDARD ACCOUNT AND AMORTIZATION BASES (FOR SCHEDULE MB)**

| FUNDING STANDARD ACCOUNT                                  | 2011             | Estimated 2012   |
|---|------------------|------------------|
| <b>Credit Balance on January 1</b>                        | \$ 46,069,894    | \$ 53,311,185    |
| <b>Charges</b>  |                  |                  |
| a. Normal Cost  | \$ 1,949,714     | \$ 1,927,400     |
| b. Amortization Charges <sup>1</sup>                      | 29,243,460       | 33,317,885       |
| c. Interest on a and b                                    | <u>2,261,505</u> | <u>2,555,283</u> |
| Subtotal Charges  | \$ 33,454,679    | \$ 37,800,568    |
| <b>Credits</b>  |                  |                  |
| a. Employer Contributions for Year                        | \$ 8,630,961     | \$ 8,915,000     |
| b. Amortization Credits                                   | 26,491,440       | 26,491,440       |
| c. Interest on a, b, and Beginning of Year Credit Balance | <u>5,573,569</u> | <u>6,108,859</u> |
| Subtotal Credits  | \$ 40,695,970    | \$ 41,515,299    |
| <b>Credit Balance on December 31</b>                      | \$ 53,311,185    | \$ 57,025,916    |

<sup>1</sup> Incorporates 5-year extension of the charge bases.

**APPENDIX H FUNDING STANDARD ACCOUNT AND AMORTIZATION BASES (FOR SCHEDULE MB)  
(CONTINUED)**

**FUNDING STANDARD ACCOUNT AMORTIZATION BASES**

| Description               | Date Established | Beginning Of Year |                  |            |
|---------------------------|------------------|-------------------|------------------|------------|
|                           |                  | Balance           | Remaining Period | Payment    |
| <b>Charges</b>            |                  |                   |                  |            |
| Initial Liability         | 12/31/1975       | \$ 4,842,723      | 10               | \$ 650,335 |
| Actuarial Assumption      | 12/31/1977       | 716,739           | 10               | 96,252     |
| Actuarial Assumption      | 12/31/1979       | 22,254            | 4                | 6,161      |
| Plan Amendment            | 12/31/1979       | 209,015           | 14               | 22,619     |
| Plan Amendment            | 12/31/1980       | 2,034,345         | 15               | 211,562    |
| Plan Amendment            | 12/31/1982       | 1,659,023         | 7                | 289,534    |
| Plan Amendment            | 12/31/1983       | 1,069,384         | 8                | 168,603    |
| Plan Amendment            | 12/31/1984       | 1,078,582         | 9                | 156,003    |
| Plan Amendment            | 12/31/1985       | 1,496,252         | 10               | 200,933    |
| Plan Amendment            | 12/31/1986       | 1,959,459         | 11               | 246,686    |
| Plan Amendment            | 12/31/1987       | 3,642,562         | 12               | 433,319    |
| Plan Amendment            | 12/31/1988       | 3,288,978         | 13               | 372,143    |
| Plan Amendment            | 12/31/1989       | 1,129,819         | 14               | 122,268    |
| Plan Amendment+Act Assump | 12/31/1990       | 2,339,975         | 15               | 243,346    |
| Plan Amendment            | 12/31/1991       | 1,482,813         | 16               | 148,790    |
| Plan Amendment            | 12/31/1992       | 5,393,490         | 17               | 524,040    |
| Plan Amendment+Act Assump | 12/31/1993       | 4,096,847         | 18               | 386,626    |
| Plan Amendment            | 12/31/1994       | 2,900,015         | 19               | 266,543    |
| Actuarial Assumption      | 12/31/1995       | 1,774,627         | 20               | 159,236    |
| Plan Amendment            | 12/31/1995       | 14,995,338        | 20               | 1,345,523  |
| Plan Amendment            | 12/31/1996       | 9,467,766         | 21               | 831,144    |
| Plan Amendment            | 12/31/1997       | 10,386,427        | 22               | 893,747    |
| Actuarial Assumption      | 12/31/1997       | 4,573,779         | 22               | 393,572    |
| Actuarial Assumption      | 12/31/1998       | 415,696           | 23               | 35,122     |
| Plan Amendment            | 12/31/1998       | 17,970,931        | 23               | 1,518,376  |

**APPENDIX H FUNDING STANDARD ACCOUNT AND AMORTIZATION BASES (FOR SCHEDULE MB)  
(CONTINUED)**

**FUNDING STANDARD ACCOUNT AMORTIZATION BASES (Continued)**

|                            | Description           | Date Established | Beginning Of Year   |                  |                    |
|----------------------------|-----------------------|------------------|---------------------|------------------|--------------------|
|                            |                       |                  | Balance             | Remaining Period | Payment            |
| <b>Charges (Continued)</b> | Plan Amendment        | 12/31/1999       | 6,763,276           | 24               | 561,942            |
|                            | Actuarial Assumption  | 12/31/1999       | 3,740,153           | 24               | 310,759            |
|                            | Actuarial Cost Method | 12/31/1999       | 3,109,137           | 4                | 860,690            |
|                            | Plan Amendment        | 12/31/2000       | 11,106,192          | 25               | 908,708            |
|                            | Plan Amendment        | 12/31/2001       | 2,016,968           | 26               | 162,714            |
|                            | Plan Amendment        | 12/31/2002       | 2,686,530           | 27               | 213,933            |
|                            | Experience Loss       | 12/31/2002       | 7,948,249           | 12               | 945,524            |
|                            | Experience Loss       | 12/31/2003       | 16,448,180          | 13               | 1,861,090          |
|                            | Experience Loss       | 12/31/2004       | 9,502,424           | 14               | 1,028,346          |
|                            | Plan Amendment        | 12/31/2004       | 937,242             | 29               | 72,938             |
|                            | Actuarial Assumption  | 12/31/2004       | 995,881             | 29               | 77,502             |
|                            | Experience Loss       | 12/31/2005       | 5,297,031           | 15               | 550,865            |
|                            | Plan Amendment        | 12/31/2005       | 1,386,507           | 30               | 106,809            |
|                            | Plan Amendment        | 12/31/2006       | 1,420,818           | 31               | 108,429            |
|                            | Plan Amendment        | 12/31/2007       | 1,257,417           | 17               | 122,173            |
|                            | Experience Loss       | 12/31/2008       | 117,049,740         | 18               | 11,046,176         |
|                            | Experience Loss       | 12/31/2010       | <u>5,600,066</u>    | 15               | <u>582,379</u>     |
|                            | <b>Total</b>          |                  | \$ 296,212,650      |                  | \$ 29,243,460      |
| <b>Credits</b>             | Combine Credits       | 12/31/2007       | \$ (73,385,559)     | 4                | \$ (20,315,043)    |
|                            | Experience Gain       | 12/31/2009       | (26,278,444)        | 14               | (2,843,835)        |
|                            | Plan Amendment        | 12/31/2009       | <u>(30,794,519)</u> | 14               | <u>(3,332,562)</u> |
|                            |                       | <b>Total</b>     |                     | \$ (130,458,522) |                    |



APPENDIX I CURRENT LIABILITY AND MAXIMUM TAX DEDUCTION (FOR SCHEDULE MB)

CURRENT LIABILITY

|  | January 1, 2012      |
|--|----------------------|
| Retirees, Disableds and Beneficiaries  | \$445,007,489        |
| Inactive Vested Participants   | 167,171,849          |
| Active Participants  |                      |
| Non-vested   | 1,575,072            |
| Vested   | <u>123,126,725</u>   |
| Sub-total  | <u>\$124,701,797</u> |
| Total Liability  | \$736,881,135        |
| Market Value of Assets   | \$343,278,474        |
| Funded Ratio Using Market Value of Assets  | 46.59%               |
| Expected Increase in Current Liability   | \$3,302,993          |
| Expected Release from Current Liability <sup>1</sup>   | \$38,434,192         |
| Expected Disbursements <sup>1</sup>  | \$38,434,192         |
| Current Liability Interest Rate  | 4.29%                |
| Maximum Tax Deduction (140% of Projected Current Liability Less Projected Actuarial Value of Assets) | \$678,178,284        |

<sup>1</sup> Actual disbursements during the Plan Year will be used in the 2012 Schedule MB.

**APPENDIX J AUDITOR INFORMATION (FASB ASC 960)**

**STATEMENT OF CHANGES IN ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

|   | December 31, 2011   | December 31, 2010   |
|---|---------------------|---------------------|
| Actuarial Present Value of Accumulated Plan Benefits at Beginning of Year (January 1) | \$ 535,120,828      | \$ 533,426,348      |
| Plan amendments   | 0                   | 0                   |
| Assumption changes  | 0                   | 0                   |
| Increase for interest   | 37,446,886          | 37,327,207          |
| Benefits accumulated and actuarial experience   | 1,181,648           | 1,503,903           |
| Benefits paid   | <u>(37,224,104)</u> | <u>(37,136,630)</u> |
| Actuarial Present Value of Accumulated Plan Benefits at End of Year (December 31)     | \$ 536,525,258      | \$ 535,120,828      |

**RECONCILIATION OF VESTED AND NONVESTED PORTIONS OF THE ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

|   |                    |                    |
|---|--------------------|--------------------|
| Actuarial Present Value of Accrued Benefits:                                      |                    |                    |
| Vested benefits   |                    |                    |
| Participants currently receiving benefits   | \$ 355,947,898     | \$ 358,159,010     |
| Other participants  | <u>178,026,753</u> | <u>173,259,659</u> |
| Total vested benefits   | \$ 533,974,651     | \$ 531,418,669     |
| Non-vested benefits   | <u>2,550,607</u>   | <u>3,702,159</u>   |
| Actuarial Present Value of Accumulated Plan Benefits at End of Year (December 31) | \$ 536,525,258     | \$ 535,120,828     |