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INTERAGENCY INTERNAL AUDIT AUTHORITY
FREDERICK COUNTY, MARYLAND

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Date: November 10, 2004

To: Commissioner John Lovell

From: Martin T. Standel, Director, Internal Audit

Subject: Request for Information (Bonds, Pension, Fleet)

In response to your June 25, 2004 memo, the Internal Audit Department reviewed the following:

- Bonding assumptions,
- Administrative costs of pension fund, and
- Fleet Services projections

The following report is classified as an Attestation Engagement (Government Accountability Office (GAO) Auditing Standards, Chapter 1.13). Attestation engagements allow an internal audit department to review, perform analysis and provide information on an agreed topic for use by management. Our approach was to adhere to the GAO's Generally Accepted Government Auditing Standards.

We want to thank Austin Abraham, Tracy Lobuts and Erin White for taking time out of their busy schedules to answer questions and provide data. Per GAO Standard 6.43, each impacted Department reviewed the draft report and provided us with their formal written responses, which are included in the attached final report. If you have any additional questions, please let us know.

PC: IIAA
Commissioners (John Thompson Jr., Michael Cady, Jan Gardner, and Bruce Reeder)
Doug Browning, County Manager
Austin Abraham, Director, Management Services
Tracy Lobuts, Assistant Director of Human Resources
Erin White, Team Leader, Accounting

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I. Introduction

The Government Accountability Office, formally know as the General Accounting Office (GAO) established standards and guidance in conducting various audits and reviews. Often referred to as GAGAS, (Generally Accepted Government Auditing Standards) they are intended for use by government auditors to ensure competence, integrity, objectivity, and independence in planning, conducting and reporting. The goal of these standards is to provide report recipients with the confidence that reviews done by the internal auditor are performed in accordance with the standards and that the work is performed objectively and is credible.

Using those standards as a guideline, we believe that Commissioner Lovell's request falls under the criterion for an "Attestation Engagement."

II. Background

Commissioner Lovell requested (memo dated June 25, 2004) that Internal Audit review (1) bonding assumptions, (2) administrative costs of the County's pension fund and (3) Fleet Services projections. The IIAA authorized Internal Audit, "…to provide reasonable assistance and analysis to answer the Commissioner's questions."

GAGAS allows auditors to perform "Attestation Engagements" which may contribute to governments' accountability for the use of public resources and the delivery of services (Government Auditing Standards, Chapter 1.13). An attestation engagement allows an examination, a review or an assertion about a subject area."

GAGAS Chapter 1.11 identifies: "The concept of accountability for public resources is key in our nation's governing process…the public wants to know whether, 1) government resources are managed properly and used in compliance with laws and regulations, 2) government programs are achieving their objectives and desired outcomes, and 3) government programs are being provided efficiently, economically and effectively."

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This report is intended to provide information to County citizens and management. The report is a matter of public record, and with the exception of public disclosure exemptions distribution should not be limited. Information extracted from this report may also serve as a method to disseminate information to the public as a reporting tool to help citizens assess government operations. Responsible officials of the areas being evaluated have been asked to provide a formal written response, (GAO Standard 6.43).

III. Methodology

This review was conducted using Generally Accepted Government Auditing Standards as outlined by the GAO's Government Auditing Standards 2003 Revision (Yellow Book). Those standards require the Internal Audit Department to maintain competence, integrity, objectivity and independence. Therefore, as necessary, and on a limited basis, we performed tests, validated the data and information, provided opinions and made recommendations, when appropriate.

Our review approach was to conduct interviews with key personnel associated with each identified area. We worked closely with the various individuals to minimize disruption of key staff and duplication of effort. As appropriate, we tested and validated information received. Where applicable, we provided data, findings and opinions. When relevant, we quantified our findings if they could be supported by our fieldwork. Overall we used GAGAS as our principal guidebook. In addition, we contacted various outside agencies such as:

- Internal Revenue Service (IRS),
- Department of Labor, (DOL),
- Pension Benefit Guaranty Corporation (PBGC),
- Government Finance Officers Association (GFOA),
- National Association of State Retirement Administrators (NASRA),
- National Association of Local Government Auditors (N.A.L.G.A.),
- Several Individual cities, counties and state pension administrators.

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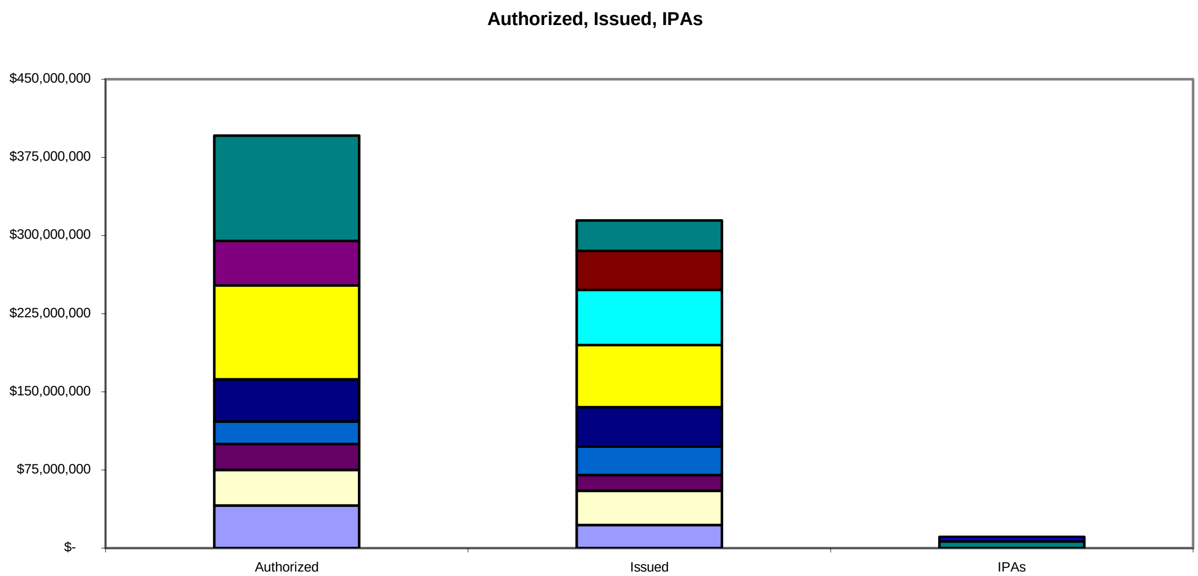
IV. Findings

BONDS:
Because state and local governments can go bankrupt, (ex. Orange County, California) local governments must compete with the private sector for funds through the use of competitive interest rates. To minimize costs and to be competitive, local governments can waive various state and/or local income taxes along with the income tax exemption, which can be provided by the federal government. However, the local governments still must demonstrate their ability to pay back principle and interest in order to maintain their bond rating and their ability to borrow in the future.

Exhibit 1 below and on the following page identifies the level of bonds authorized, amount issued and the current level of Installment Purchase Agreements (IPAs) issued by year for Frederick County. As of August 17, 2004, Frederick County Government was authorized to issue bonds in the amount of $395.9 million. The county had issued $314.5 million in bonds along with $10.7 million of IPAs leaving an available authority of $70.7 million.

Exhibit 1: Authorized, Issued and IPAs by Year (Source Finance Department).



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	Authorized	Issued	IPAs
1989 - Prior	$ 41,000,000	$ 22,000,000	$ -
1990	$ -	$ -	$ -
1991	$ 34,000,000	$ 33,035,000	$ -
1992	$ -	$ -	$ -
1993	$ 25,000,000	$ 15,182,300	$ -
1994	$ -	$ -	$ -
1995	$ 21,400,000	$ 27,262,400	$ -
1996	$ -	$ -	$ -
1997	$ 40,500,000	$ 37,858,075	$ -
1998	$ -	$ -	$ -
1999	$ 90,000,000	$ 59,631,000	$ -
2000	$ -	$ 52,815,000	$ -
2001	$ 43,000,000	$ -	$ -
2002	$ -	$ 37,578,925	$ -
2003	$ 101,000,000	$ 29,108,791	$ 6,389,380
2004	$ -	$ -	$ 4,329,097
Check Totals	$ 395,900,000	$ 314,471,491	$ 10,718,477

House Bill 203: House Bill 203 passed during Maryland General Assembly (2003 Session) gave Frederick County Government the authority to issue up to an additional $101 million of new bonds in the County's Capital Improvement Plan. Proceeds from those general obligation bonds are earmarked for construction and improvement projects as follows:

- County Government $ 42.2 million
- Board of Education $ 46.0
- Frederick Community College $ 1.6
- Roads $ 5.0
- Municipalities $ 4.3
- Park & Recreation $ 1.9
- Total $101.0 million

HB 203 stated that these bonds would be issued over three years in the following increments: FY04 $30 million, FY05 $35 million, and FY06 $36 million. These bonds would have a projected debt service cost of $2.4 million in FY04, $5.2 million in FY05

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and $8.0 million FY06 and beyond. Projected bond service costs are based on an average interest rate of 4.88%.

Prior to this further bond authorization Frederick County's outstanding debt approached $304.2 million. That debt level represents 2.3% of the county's assessable base. In comparison, the average outstanding debt to assessable base for the State of Maryland is 3.1%. Therefore, due to the county's favorable debt to assessable base ratio, the county has an AA credit rating from Standard & Poors and an Aa2 rating from Moody Investors Service.

Debt Affordability: The primary tools in which local governments increase their ability to afford higher levels of debt and servicing costs is through:

- Increased tax base through higher property valuation,
- Expanded tax base through growth,
- Increased tax rates,
- Fees for services,
- Reducing services previously provided,
- Refinancing existing debt at a lower interest rate, and
- Paying off existing outstanding debt

Frederick County Government has established a group within the Finance Division to oversee the County's bonding practices and to provide staff support for the Board of County Commissioners (BOCC) in their oversight capacity. (Per Policy #4 - Capital Improvement Program)

> "The County will annually review and adopt Debt Affordability standards based on the Debt Affordability Study conducted by Alex Brown and Sons in a effort to maintain or improve the Bond rating. The standards shall be updated by the Finance Division annually and submitted to the Board of County Commissioners for review and approval."

The Finance Division provides the BOCC statistical data showing the County's current bond authorization, amount issued, additional capacity, and existing and new debt affordability. That group establishes standards, which are incorporated in the County's Debt Affordability Model. That model is used to compute the level of debt that can be

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issued by the County and to maintain the standards as established by the Finance Division. Those current standards are identified on the following page:

• General Fund Debt Service/General Fund Revenue	8.60%
• General Fund Dept/Assessed Value	1.56%
• General Fund Debt/General Fund Revenue	82.60%
• Total Debt Service*/General Fund Revenue	17.20%

*Total Debt Service includes bonds issued for the following:

- General Obligation
- Enterprise Funds
- Impact Fee
- Fire Tax Districts
- Citizens Nursing Home

Additionally, the Finance Division establishes growth rates for general fund revenue, assessed value and population, which are based on historical data and future projections (See Exhibit 2 below).

Exhibit 2: GROWTH ASSUMPTIONS (FY1999 - FY2010)

	Assessed Value	General Fund Revenue	Population
FY 1999 (Actual)	4.06%	7.68%	4.26%
FY 2000	4.91%	6.18%	(0.15)%
FY 2001	5.10%	13.05%	2.10%
FY 2002	6.01%	12.45%	2.31%
FY 2003	6.46%	9.83%	4.85%
FY 2004	6.74%	4.27% (Budget)	N/A
FY2005 (Projected)	6.50%	5.00%	1.80%
FY 2006	7.00%	5.00%	1.80%
FY 2007	7.00%	5.00%	1.80%
FY 2008	6.50%	5.00%	1.80%
FY 2009	6.00%	5.00%	1.80%
FY 2010	6.00%	5.00%	1.80%

Source: Finance Dept.

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This actual and projected data is then imputed into the County's Affordability Model and the Finance Division uses the information to compute the level of affordable debt the County can maintain based on the various growth assumptions and debt limitation as established by the approved standards (Se Exhibit 3, page 7).

Exhibit 3: BOND AFFORDABLE DEBT STATISTICS (FY1999 - FY2010)

Frederick County
Bond Affordable Debt Statistics

		Standard
General Fund Debt Service/GF Revenue	GFDS/GFR	8.60%
General Fund Debt/Assessable Base	GFD/AB	1.56%
General Fund Debt/General Fund Revenue	GFD/GFR	82.60%
Total Debt Service/General Fund Revenue	TDS/GFR	17.20%

Standard	8.60% GFDS/GFR	1.56% GFD/AB	82.60% GFD/GFR	17.20% TDS/GFR
1996 - Actual	5.70%	2.20%	52.80%	9.10%
1997 - Actual	5.60%	2.00%	47.00%	9.10%
1998 - Actual	5.20%	2.50%	55.00%	8.90%
1999 - Actual	5.10%	2.20%	47.00%	8.70%
2000 - Actual	4.70%	2.80%	59.20%	8.40%
2001 - Actual	5.92%	3.14%	62.56%	10.60%
2002 - Actual	5.84%	1.17%	52.57%	10.60%
2003 - Actual	5.37%	1.37%	59.61%	11.68%
2004 - Estimated	5.50%	1.62%	79.87%	9.27%
2005 - Projection	6.98%	1.56%	78.90%	15.18%
2006 - Projection	7.25%	1.56%	80.40%	15.54%
2007 - Projection	7.65%	1.56%	81.50%	16.36%
2008 - Projection	8.07%	1.55%	82.60%	16.56%
2009 - Projection	8.50%	1.51%	80.90%	16.62%
2010 - Projection	8.60%	1.53%	82.60%	16.18%

Source: Finance Dept.

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The Finance Division then uses the Affordability Model to compute the amount of new debt that can be incurred by the County and still remain within the parameters as established in the standards. Based on that model, Frederick County could issue new general obligation bonds, by year, in the following amounts and still maintain its established standards for affordability guidelines (See Exhibit 4, page 8).

Exhibit 4: NET NEW AFFORDABLE DEBT (FY2005 - FY2010)

Frederick County
Net New Affordable Debt

	Additional New Affordable Debt (In Millions)					
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Affordable Debt	$ 20.1	$ 32.2	$ 33.8	$ 37.3	$ 30.0	$ 48.2

Source: Finance Dept.

Conclusion: Our review of the Affordability Model verifies that the computed answers based on the various inputted assumptions and data results in correctly forecasted projections. We also note that starting amounts for the current General Fund level used within this model is conservative. In addition, the projected growth assumptions established by the Finance Division and reviewed by the BOCC are logical, consistent, and conservative.

The affordable bonds standards as established by the Finance Division and approved by the BOCC are incorporated properly within the model. The model produces outcomes in accordance with the inherent limitations as defined by the standards.

PENSION FUND:
Beginning with FY1993, the BOCC of Frederick County Government elected to leave Maryland's State Pension System and to establish an independent and locally controlled plan for County employees. Current employees, at that time, were given the option of staying with the State Pension System or transferring their accrued assets to the Frederick County Pension System. Mandatory participation was required of all new employees, effective July 1, 1993. Beginning with an asset transfer of $12.8 million dollars during FY1993, the County pension plan assets have grown to over $118.2 million as of June 30, 2004.

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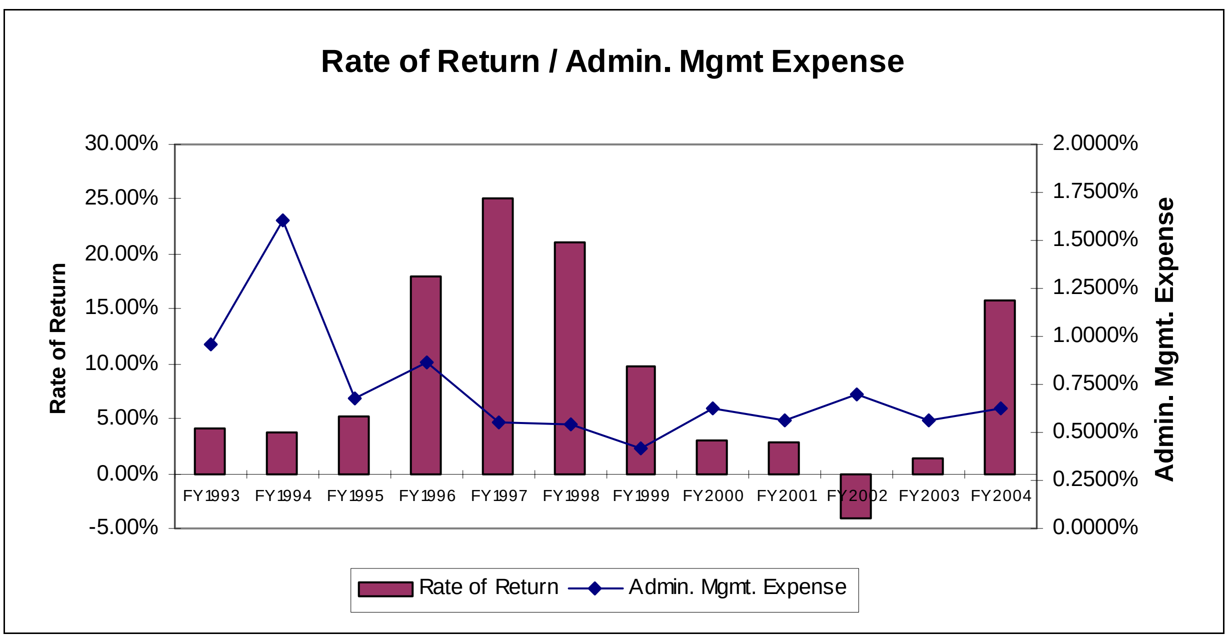
Over this same period (FY1993 – FY2004), active employees covered by the County pension plan has increased from 725 to 1,696. Employees receiving benefits from the plan has grown from zero to 216 individuals. (See Attachment 1 for complete cash flow information between FY1993 - FY2004).

Administration Overhead Costs: The County manages their pension plan with the assistance of outside pension plan management and in-house staff. Administration costs consists of the following elements:

- Investment Management Fees
- Banking Fees
- Actuary & Investment Oversight
- Legal

Those fees have ranged from a high of 160 basis points in FY1994 to a low of 41 basis points in FY1999. Fees in FY2004 were 63 basis points (See Exhibit 5 below).

Exhibit 5: RATE OF RETURN/ADMIN. MGMT. EXPENSE (FY1993 – FY2004)



Source: Finance Dept.

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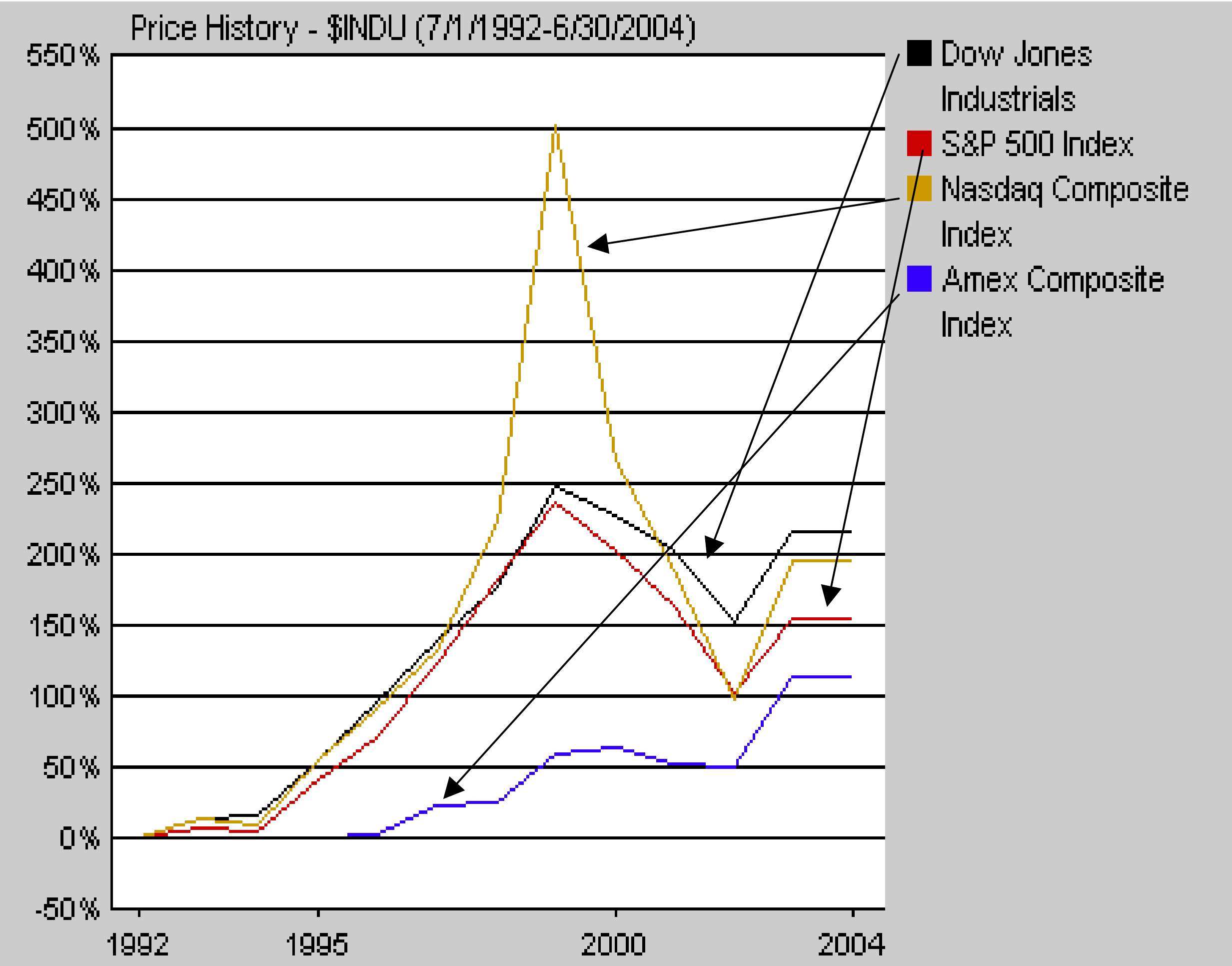
As a comparison, over the same period FY1993 – FY2004, Dow Jones, S&P 500, NASDAQ Composite and the Amex Composite indexes experienced the following changes in price.

Exhibit 6: PRICE HISTORY (FY1993 – FY2004)



Source: MSN Stock Index

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National Association of State Retirement Administrators (NASRA): is a non-profit association comprised of the administrators of the state retirement systems for the 50 American states, the District of Columbia, and the territories of American Samoa, Guam, Puerto Rico and the Virgin Islands and of certain other statewide retirement systems. We spoke with Mr. Keith Brainard (NASRA Research Office) who provided the following median investment management and administrative expenses for their member plans for FY2003. He stated:

> "For the public retirement systems included in the database I maintain, for fiscal year 2003, median investment management expenses were 19.2 basis points, or 0.192%. Median administrative expenses for FY03 were 9 basis points. My database includes most of the nation's largest public retirement systems; due to their size, they are able to enjoy economies of scale that typically result in lower costs than smaller systems.
>
> For the ten-year period ended December 31, 2003, the Independent Consultants Cooperative reports median annual average investment returns of 8.9%."

Investment Management Expense: This compares to Frederick County's FY2003 investment management expense of 33 basis points. Frederick County's administrative expense for FY2003 was 22 basis points.

Investment Return: For the ten-year period FY1994 – FY2003, Frederick County's pension plan earned $31.1 million from investment income. Over the same period, market value less market gain/(loss) was $493.6 million. This equates to an average annual investment return of (based on beginning market value) of 6.29%.

If Market Gain/(Loss) were included with investment income, the rate of return would increase to 6.96%.

Churning: The BOCC in their fiduciary responsibility wants to assure both the citizens and employees of Fredrick County that the pension plan is being managed professionally and efficiently. In that regard, churning is one of many concerns as it relates to the investment management oversight. I asked Mr. Brainard for his opinion based on our plan history, he stated:

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> "Churning typically raises brokerage fees (via increased trading activity), and the results of churning would be reflected in your rates of return. Your returns look to me to be in line with those of the public pension community."
>
> He further stated: "One way to avoid churning is to invest in index funds, where no trading takes place except to make adjustments as the index composition changes. The real question, in my view, is not so much whether a manager is churning, as whether your money managers are meeting their benchmarks."

Commission Recapture: Mr. Brainard suggested that Frederick County Government: "…might also want to be sure your plan is participating in a commission recapture plan, through which the fund would receive a portion of the broker commissions it pays. Don't settle for soft dollars; get real dollars."

After discussing Mr. Brainard's suggestions with Tracy Lobuts, Assistant Director, Human Resources, she stated: "I think you'll be pleased to hear we do have a commission recapture program with hard dollars and it has been in place since January 2000, when we diversified to four separate managers. We have recaptured $70,116.78 since that date."

Conclusion: Frederick County established and has managed their independent pension plan since 1993. Over this period, the plan enrollment increased from 725 employees to 1,696. Fiscal year ending June 30, 2004 showed that 216 individuals are receiving benefits totaling $3.1 million. During FY2004, the plan received $11.3 million on net new contributions, not including interest income or market gain/(loss). That represents a contribution to payout ratio of 3.6 to 1.

FLEET SERVICES PROJECTIONS:

Frederick County currently owns over 800 vehicles, with a current replacement value of over $30 million. Of these vehicles approximately 560 are fleet-owned and the remainder are agency-owned. The County maintains a fleet service fund, which includes Equipment Repair & Replacement (ER&R) costs for the 560 fleet owned vehicles. The Fleet Service replacement funds are currently at $488,000 or approximately a 2.4% of the fleet-owned vehicle's value.

Life Cycle: The projected vehicle life cycle has a major service impact on preventive maintenance performed by Fleet Services. The dollar level of the fleet service fund has

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a significant financial impact to the County's various departments as it relates to charge back rates computed for budget purposes.

Vehicle fleet replacement is a timing decision made to achieve the lowest life cycle cost of fleet units. While there are many factors that go into that decision, the primary goal of fleet services is to minimize the system asset utilization costs and maximize system value. While any system developed is not perfect, various life cycle models have been developed which can be used to verify and to support the County life cycle analysis. It should be pointed out that all life cycle analysis identifies the economic value point after the fact; however, that analysis does provide useful information on total maintenance costs and can have the ability to identify superior equipment type.

Typical Live Cycle Model: A typical model will provide Fleet Services a systematic tool to input vehicle cost and maintenance data, with resulting analyses and graphs being automatically developed. Most live cycle models take into consideration the following elements:

Purchase Price (P)
Replacement Cost (RC)
    Replacement Cost = Cost New Unit – Original Purchase Price (RC = NP – P)
Resale Value (RV)
Depreciation (D)
    Depreciation = Original Purchase Price – Resale Value (D = P – RV)
Maintenance Costs (M)
    Maintenance Costs = Labor + Material + Repair +Accident Repair + Overhead
    (M = l + m + r+ a+ o)
Operating Costs (O)
    O = Fuel + Training + materials + insurance + salary + downtime
    (O = f + t + m +l +s + d)
Downtime Costs = Maintenance Time Hourly Rental Rate
Replacement Analysis Procedures
    Use Cost = Maintenance + Operations (UC = M + O)
Total Life Cost = Cumulative Usage Costs + Depreciation (TLC = Sum (UC) + D)
Optimum Economic Replacement = Total Life Cost/Age of Vehicle (OER = TLC/A)

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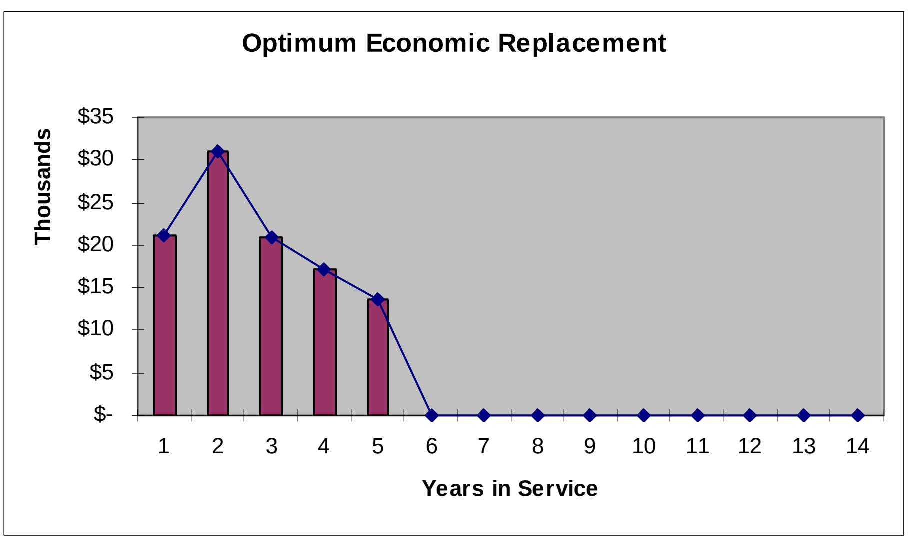
Example of Life Cycle Model: Inputting the various cost elements, a typical life cycle model will develop the following cost data:

% of Yrs In Service	0.17	1.17	2.17	3.17	4.17
Purchase Price	$193,251	$199,048	$205,020	$211,170	$217,505
Replacement Cost	$ -	$ 5,798	$ 5,971	$ 6,151	$ 6,335
Current Value	$190,030	$168,128	$167,954	$167,775	$170,811
Dep and Replacement	$ 3,221	$ 25,123	$ 25,297	$ 25,476	$ 22,439
Fuel Service Cost	$ -	$ 2,283	$ 3,401	$ 2,897	$ 2,445
Maintenance Cost	$ 310	$ 8,466	$ 5,521	$ 5,849	$ 2,795
Use Cost	$ 310	$ 10,750	$ 8,922	$ 8,746	$ 5,240
Cumulative Use Cost	$ 310	$ 11,060	$ 19,982	$ 28,727	$ 33,967
Total Life Cost	$ 3,531	$ 36,183	$ 45,278	$ 54,203	$ 56,407
Optimum Economic Replacement (OER)	$ 21,187	$ 31,014	$ 20,898	$ 17,117	$ 13,538

The data can then be converted to a graphic format:



Lastly the life cycle model will identify the OER point:

Optimum Economic Replacement Point		
OER Point Amount	**$ 13,538**	
OER Year (1 - 8)		**5**
OER Year (9 - 14)		**FALSE**

Conclusion: The Frederick County Fleet Services Department has developed processes and methods to determine the life cycle for the different classes of vehicles within the County's fleet. Fleet Services' approach is to collect data and analyze actual experience to identify replacement points by vehicle class. Charge back rates are developed using actual experience and budgetary requirements.

V. Responses

GAO Standard 6.43 provides guidelines regarding written responses from responsible officials. Standard 6.43 states:

> "Auditors should normally request that the responsible officials submit in writing their views on the auditors' reported findings, conclusions…"

Written responses were requested from:

- Austin Abraham, Director, Management Services – Regarding Fleet Services,
- Tracy Lobuts, Assistant Director of Human Resources – Regarding Pensions,
- Erin White, Team Leader, Accounting - Regarding Bonding Assumptions.

Their responses are as follows:

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MANAGEMENT SERVICES DIVISION
FREDERICK COUNTY, MARYLAND

Winchester Hall • 12 East Church Street • Frederick, Maryland 21701
301-694-1039 • FAX 301-631-3170 • TDD 301-694-1672

Date: October 29, 2004

To: Marty Standel, Director, Internal Audit

From: Austin Abraham, Director

Subject: Fleet Services Projections

I have reviewed your response to Commissioner Lovell regarding Fleet Services Projections and find the vehicle and vehicle funding statistics to be accurate.

Please feel free to call me if you have any questions.

ASA/nfw

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DEPARTMENT OF HUMAN RESOURCES
FREDERICK COUNTY, MARYLAND
Winchester Hall • 12 East Church Street • Frederick, Maryland 21701
301-694-1070 • FAX 301-631-2314 • TTY 301-694-2004
www.co.frederick.md.us

MEMORANDUM

TO: Martin Standel, Director of Internal Audit

FROM: Tracy Lobuts, Assistant Director of Human Resources

DATE: October 20, 2004

SUBJECT: Pension Administration

Upon review of the report to be submitted to Commissioner Lovell concerning the administrative expenses of the Frederick County Employees Retirement Plan I concur with the plan's historical information contained within.

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FINANCE DIVISION
FREDERICK COUNTY, MARYLAND

Winchester Hall • 12 East Church Street • Frederick, Maryland 21701
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Date: November 10, 2004

To: Marty Standel, Director, Internal Audit

From: Erin White, Accounting Team Leader

Subject: Bonds

I concur with your conclusion to the review of the Debt Affordability Model. Within this section, you reference the current standards formulas for General Fund Debt Service, Total Debt Service, and General Fund Revenue. You should make sure your audience knows that these formulas are for a current period calculation and do not have any cumulative implications.

I cannot confirm the section on House Bill 203, since I was not involved with this issue. I do caution you in your comment "due to the county's favorable debt to assessable base ratio, the county has an AA credit rating from Standards & Poors and an Aa2 rating from Moody Investors Service". This is only one of many complex factors involved in the computation of the county's bond rating. For example, if the County had a high rate of unemployment, the bond rating would be lower even though the County does have a favorable debt to assessable base ratio

If you have any questions or need additional clarification, do not hesitate to contact me at your convenience.

ATTACHMENT 1

Frederick County
Pension Plan - Cash Flow

	FY1993	FY1994	FY1995	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004
Beginning Market Value	$ -	$ 15,223,594	$ 18,025,014	$ 25,189,228	$ 32,834,482	$ 44,277,192	$ 56,968,499	$ 66,368,843	$ 72,820,790	$ 80,802,864	$ 84,411,927	$ 92,668,852
Receipts												
Contributions	$ 2,110,120	$ 3,144,894	$ 3,637,454	$ 3,837,436	$ 4,147,839	$ 4,564,037	$ 5,266,336	$ 6,184,487	$ 8,065,755	$ 9,614,857	$ 10,384,386	$ 11,300,000
Investment Income	$ 523,815	$ 563,304	$ 947,980	$ 4,521,206	$ 8,245,032	$ 9,331,792	$ 5,570,599	$ 1,974,839	$ 2,025,017	$ (3,259,018)	$ 1,150,082	$ 14,600,000
Total Receipts	$ 2,633,935	$ 3,708,198	$ 4,585,434	$ 8,358,642	$ 12,392,871	$ 13,895,829	$ 10,836,935	$ 8,159,326	$ 10,090,772	$ 6,355,839	$ 11,534,468	$ 25,900,000
Disbursements												
Admin. Mgmt. Expense												
Investment Mgmt. Fees	$ 70,000	$ 175,471	$ 108,596	$ 139,947	$ 172,560	$ 195,904	$ 193,244	$ 244,432	$ 353,397	$ 400,231	$ 282,505	$ 478,925
Banking Fees	$ 5,396	$ 5,121	$ 5,608	$ 5,390	$ 5,390	$ 5,138	$ 6,288	$ 16,751	$ 12,366	$ 29,132	$ 31,748	$ 34,692
Actuary & Investment Oversight	$ 19,500	$ 38,648	$ 33,610	$ 114,422	$ 42,638	$ 78,810	$ 72,242	$ 167,473	$ 75,810	$ 136,388	$ 193,968	$ 208,590
Legal	$ 51,692	$ 69,022	$ 23,562	$ 25,576	$ 25,576	$ 28,452	$ 2,735	$ 24,464	$ 10,082	$ 22,363	$ 17,379	$ 17,733
Subtotal Admin. Mgmt. Expense	$ 146,588	$ 288,262	$ 171,376	$ 285,335	$ 246,164	$ 308,304	$ 274,509	$ 453,120	$ 451,655	$ 588,114	$ 525,600	$ 739,940
Benefit Payments	$ 109,007	$ 109,010	$ 222,603	$ 472,815	$ 772,211	$ 1,003,480	$ 1,237,059	$ 1,462,947	$ 1,729,844	$ 2,270,700	$ 2,877,840	$ 3,142,342
Total Disbursements	$ 255,595	$ 397,272	$ 393,979	$ 758,150	$ 1,018,375	$ 1,311,784	$ 1,511,568	$ 1,916,067	$ 2,181,499	$ 2,858,814	$ 3,403,440	$ 3,882,282
Market Gain/(Loss)												
Market Gain/(Loss)	$ 12,845,254	$ (509,506)	$ 2,972,759	$ 44,762	$ 68,214	$ 107,262	$ 74,977	$ 208,688	$ 72,801	$ 112,038	$ 125,897	$ 3,500,161
Ending Market Value	$ 15,223,594	$ 18,025,014	$ 25,189,228	$ 32,834,482	$ 44,277,192	$ 56,968,499	$ 66,368,843	$ 72,820,790	$ 80,802,864	$ 84,411,927	$ 92,668,852	$ 118,186,731

Number of Participants												
Actives	725	840	976	1,010	1,088	1,132	1,211	1,321	1,425	1,565	1,617	1,696
Retired, Disabled & Beneficiaries	-	15	32	53	67	90	102	114	136	157	191	216
Vested/Non-Vested Lump Sum Cash outs	-	16	46	48	68	97	113	131	143	167	189	148
Participant Payroll	$ 19,943,810	$ 23,789,747	$ 23,699,455	$ 28,326,006	$ 31,213,899	$ 35,126,681	$ 39,418,141	$ 45,981,373	$ 51,966,538	$ 58,253,351	$ 63,581,281	$ 68,969,464

Ending Market Value	$ 15,223,594	$ 18,025,014	$ 25,189,228	$ 32,834,482	$ 44,277,192	$ 56,968,499	$ 66,368,843	$ 72,820,790	$ 80,802,864	$ 84,411,927	$ 92,668,852	$ 118,186,731
Net Receipts less Disbursements	$ 2,378,340	$ 18,534,520	$ 22,216,469	$ 32,789,720	$ 44,208,978	$ 56,861,237	$ 66,293,866	$ 72,612,102	$ 80,730,063	$ 84,299,889	$ 92,542,955	$ 114,686,570
Market Gain/(Loss)	$ 12,845,254	$ (509,506)	$ 2,972,759	$ 44,762	$ 68,214	$ 107,262	$ 74,977	$ 208,688	$ 72,801	$ 112,038	$ 125,897	$ 3,500,161

Interest Income % Beginning Market Value	4.08%	3.70%	5.26%	17.95%	25.11%	21.08%	9.78%	2.98%	2.78%	-4.03%	1.36%	15.76%
Admin. Mgmt. Expense % Ending Value												
Investment Mgmt. Fees	0.46%	0.97%	0.43%	0.43%	0.39%	0.34%	0.29%	0.34%	0.44%	0.47%	0.30%	0.41%
Banking Fees	0.04%	0.03%	0.02%	0.02%	0.01%	0.01%	0.01%	0.02%	0.02%	0.03%	0.03%	0.03%
Actuary & Investment Oversight	0.13%	0.21%	0.13%	0.35%	0.10%	0.14%	0.11%	0.23%	0.09%	0.16%	0.21%	0.18%
Legal	0.34%	0.38%	0.09%	0.08%	0.06%	0.05%	0.00%	0.03%	0.01%	0.03%	0.02%	0.02%
Subtotal Admin. Mgmt. Expense	0.96%	1.60%	0.68%	0.87%	0.56%	0.54%	0.41%	0.62%	0.56%	0.70%	0.57%	0.63%