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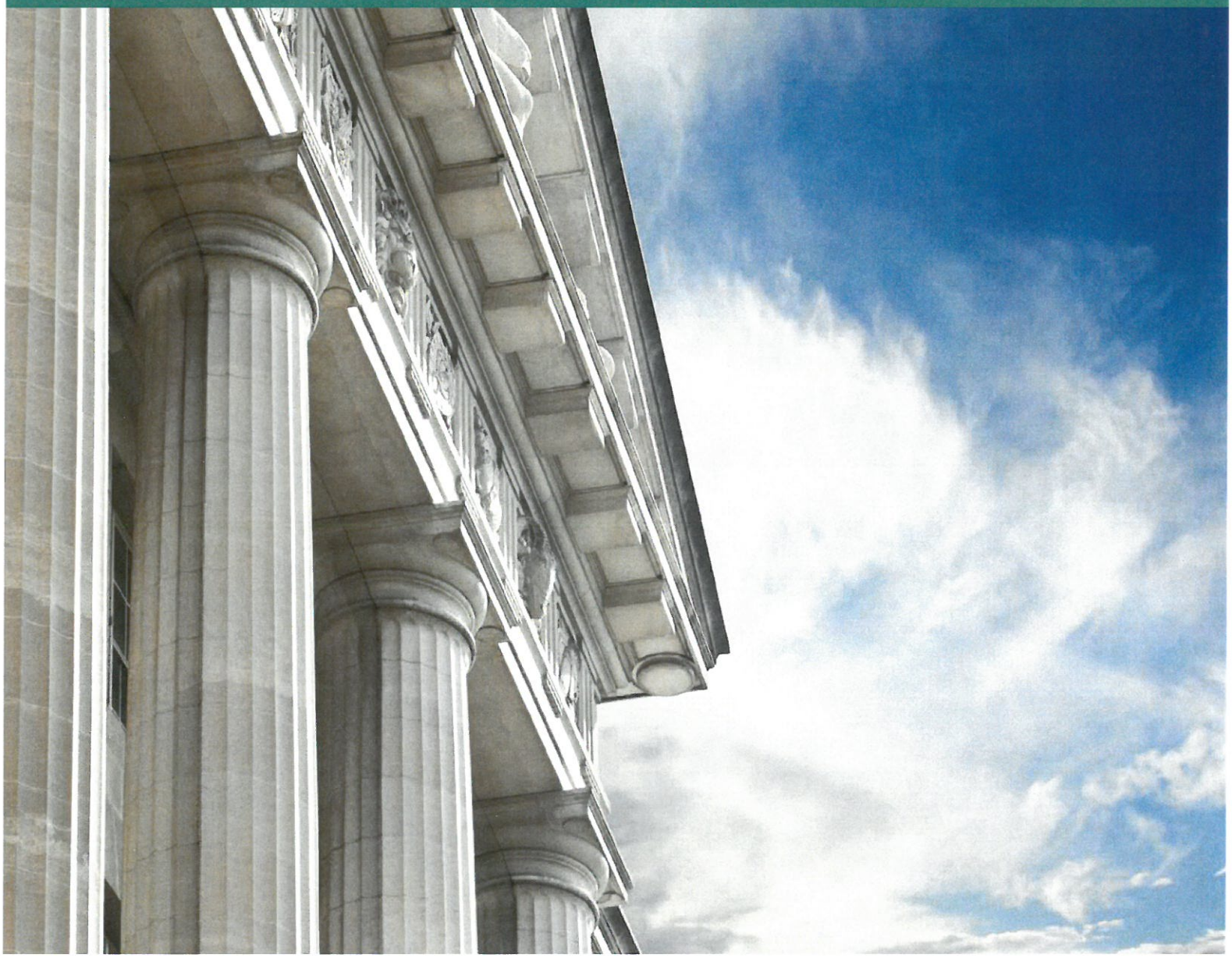
Beaver Valley Geriatric Center Administrative Employee Retirement System

Actuarial Report January 1, 2018



Prepared by:

Henry E. Stiehl
Korn Ferry Hay Group
Suite 2300
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

for

Beaver County Employees' Retirement Board

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I. Valuation Highlights

	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018
Range of Contributions:				
Standard	$ 0	$ 0	$ 0	$ 0
Actuarial Value of Assets**	8,550,806	7,437,140	7,805,753	8,884,805
Actuarial Present Value of Accumulated Plan Benefits:				
Vested benefits *	6,726,985	6,529,725	5,946,941	5,770,170
Non-Vested Benefits	0	0	0	0
Total	6,726,985	6,529,725	5,946,941	5,770,170
Active Participants:				
Number	0	0	0	0
Average Compensation	0	0	0	0
Total Compensation	0	0	0	0
Pensioners and Beneficiaries:				
Number	59	58	53	53
Total Annual Pension	891,429	887,927	818,887	818,887
Terminated Vested Participants:				
Number	5	4	4	4
Total Annual Pension	$ 15,087	$ 13,491	$ 13,491	$ 13,491

* Does not include employee contributions.

** Market Value.

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II. Schedules

Schedule A

Plan Assets

Plan Assets December 31, 2017

		Market Value
Cash Equivalents	$	288,873.37
Government Securities	$	673,745.67
Corporate Bonds	$	618,612.48
Common Stock	$	3,975,172.00
Ameriserv	$	543,362.24
Collateralized Mortgage	$	135,168.42
Mutual Funds	$	1,985,447.69
International Stock	$	671,405.81
Payables	$	(6,983.03)
Net Assets (Market Value) Available for Benefits, December 31, 2017	$	8,884,804.65

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Schedule A (cont'd)

Reconciliation of Assets

				Market Value
1.	Total Assets December 31, 2016		$	7,805,752.56
2.	Increases			
	(a)	Employer Appropriation for 2017	$	0.00
	(b)	Employee Contributions	$	0.00
	(c)	Net Investment Income	$	1,905,871.26
	(d)	Miscellaneous	$	0.00
	(e)	Total Increase	$	1,905,871.26
3.	Decreases			
	(a)	Refund of Employee Contributions	$	0.00
	(b)	Retirement Allowances Paid (including withholding taxes)	$	781,585.14
	(c)	Death Benefits	$	0.00
	(d)	Miscellaneous	$	45,234.03
	(e)	Total Decreases	$	826,819.17
4.	Total Assets (Market Value) December 31, 2017 (1) + (2e) - (3e)		$	8,884,804.65

Actuarial Value of Assets January 1, 2018: The December 31, 2017 market value of assets, $8,884,804.65 was used as the actuarial value of assets as of January 1, 2018.

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Schedule B

Actuarial Balance Sheet January 1, 2018

Assets

Present Assets		
National City Trust	$	8,884,804.65
Reserve for Future Liabilities	$	(3,114,634.65)
Total Assets	$	5,770,170.00

Liabilities

Actuarial Present Value of Accumulated Plan Benefits		
Vested Benefits:		
Active Participants	$	0.00
Retired Participants	$	5,642,008.00
Terminated Participants	$	128,162.00
Employee Contributions	$	0.00
Total Vested Benefits	$	5,770,170.00
Non-Vested Benefits:	$	0.00
Total Accumulated Benefits	$	5,770,170.00
Actuarial Present Value of Future Benefit Accruals		0.00
Active Participants	$	0.00
Total Liabilities	$	5,770,170.00

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Schedule C

Development of Normal Cost January 1, 2018

1.	Actuarial present value of projected benefits		
	(a) Retired participants and beneficiaries		5,642,008.00
	(b) Terminated vested participants		128,162.00
	(c) Employee contributions		0.00
	(d) Total	$	5,770,170.00
2.	Actuarial value of assets (see Schedule A)		8,884,804.65
3.	Actuarial present value of future normal costs: (1) - (2) (not less than zero)		0.00
4.	Actuarial present value of future compensation		0.00
5.	Normal cost accrual rate: (3) / (4)		0.00%
6.	Current compensation for active participants under age 62 (nearest birthday)	$	0.00
7.	Total normal cost (ARC) as of January 1, 2018: (5) x (6)	$	0.00

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Schedule D

Summary of Principal Plan Provisions

1. **Type of Plan** - The Plan is a defined benefit plan.

2. **Effective Date** – The Plan because effective January 21, 1975.

3. **Eligibility for Participation** - All full time, non-union employees of the Beaver Valley Geriatric Center as of May 20, 1978 are eligible.

4. **Definitions**

   Plan Year: A Plan Year is a 12-month period beginning on January 1 and ending on December 31.

   Past Service: Years and portions of a year (number of days over 365) through 1971.

   Future Years: The number of calendar years after 1971 during which a participant works 1,000 hours.

   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.

   Compensation: Total compensation, not to exceed that of the highest paid elected official.

   Average Monthly Earnings: The total compensation of the participant in the 36 consecutive months of employment which produce the highest total, divided by 36.

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.

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Schedule D (cont'd)

Early Retirement

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.

6. 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.

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.

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Schedule E

Actuarial Assumptions

Actuarial Assumptions for Cost Calculations

Interest: 7.5% per annum, compounded annually.

Salary Increases: 4.5% per annum.

Mortality: 2013 RP Annuitant and Non-Annuitant mortality tables 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.

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Schedule E (cont'd)

Actuarial Assumptions for Calculation of Actual Present Value of Accumulated Plan Benefits: Same as previous 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.

Changes from Prior Valuation: None.

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