Section 1

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Specific Information for The SAFETY PLAN of the COUNTY OF NEVADA

(Employer # 505)
(Rate Plan # 532)

Purpose of Section 1

Section 1 of this report was prepared by the Plan Actuary in order to:

- Certify that the actuarially required employer contribution rate of the SAFETY PLAN of the COUNTY OF NEVADA for the fiscal year July 1, 2009 through June 30, 2010 is 33.063%;
- Set forth the plan's Employer Side Fund as of June 30, 2007;
- Provide pension information as of June 30, 2007 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27.

This section was prepared in order to provide actuarial information as of June 30, 2007 to the CalPERS Board of Administration and other interested parties

Use of this report for other purposes may be inappropriate.

Required Employer Contributions

		Fiscal Year 2008/2009		Fiscal Year 2009/2010
Employer Contribution Required (in Projected Dollars)				
Risk Pool's Net Employer Normal Cost	$	742,463	$	748,602
Risk Pool's Payment on Amortization Bases		80,156		82,666
Surcharge for Class 1 Benefits				
a) FAC 1		43,595		43,829
b) PRSA		85,037		85,306
Phase out of Normal Cost Difference		(28,981)		(14,536)
Amortization of Side Fund		621,152		641,340
Total Employer Contribution	$	1,543,422	$	1,587,207
Annual Lump Sum Prepayment Option*	$	1,486,880	$	1,529,061
Projected Payroll for the Contribution Fiscal Year	$	4,785,453	$	4,800,577
Employer Contribution Required (Percentage of Payroll)				
Risk Pool's Net Employer Normal Cost		15.515%		15.594%
Risk Pool's Payment on Amortization Bases		1.675%		1.722%
Surcharge for Class 1 Benefits				
a) FAC 1		0.911%		0.913%
b) PRSA		1.777%		1.777%
Phase out of Normal Cost Difference		(0.606%)		(0.303%)
Amortization of Side Fund		12.980%		13.360%
Total Employer Contribution		32.252%		33.063%

Appendix C of Section 2 of this report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

Risk pooling was implemented as of June 30, 2003. The normal cost difference was scheduled to be phased out over a five year period. The phase out of normal cost difference began at 100% for the first year, and was incrementally reduced by 20% of the original normal cost difference for each subsequent year.

*Payment must be received by CalPERS between July 1 and July 15.

Projected Contributions

The rate shown below is an estimate for the employer contribution for Fiscal Year 2010/2011. The estimated rate is based on a projection of the most recent information we have available, including an estimate of the investment return for fiscal year 2007/2008, namely -2.5%:

Projected Employer Contribution Rate:	33.2%

The estimate also assumes that there are no liability gains or losses among the plans in your risk pool, that your plan has no new amendments in the next year, and that your plan's and your risk pool's payrolls both increase exactly 3.25% in the 2007/2008 fiscal year. Therefore, the projected employer contribution rate for 2010/2011 is just an estimate. Your actual rate for 2010/2011 will be provided in next year's report.

Rate Volatility

Your plan's employer contribution rate will inevitably fluctuate, for many reasons. However, the biggest fluctuations are generally due to changes in the side fund rate resulting from unexpected changes in payroll. The following figure shows how much ***your*** 2010/2011 rate would change for each 1% deviation between our 3.25% payroll growth assumption and your actual 2007/2008 payroll growth.

POTENTIAL 2010/2011 RATE IMPACT
FROM 2007/2008 PAYROLL DEVIATION

% Rate Change per 1% Deviation from Assumed 3.25% Payroll Growth:	(0.128%)

Examples: To see how your employer contribution rate might be affected by unexpected payroll change, suppose the following:

- *The **% Rate Change per 1% Deviation** figure given above is -0.400%*
- *Your plan's payroll increased 10% in 2007/2008 (6.75% more than our 3.25% assumption).*

Then your 2010/2011 rate would decrease -0.400% x (10 – 3.25) = -2.70% from that cause alone.

*Or conversely, using the same **% Rate Change per 1% Deviation** figure given above, suppose your plan's payroll remained the same in 2007/2008 (3.25% less than our 3.25% assumption).*

*Then your 2010/2011 rate would **increase** -0.400% x (0 – 3.25%) = 1.3% from that cause alone.*

Note that if your plan had a negative side fund, an unexpected payroll increase would spread the payback of the negative side fund over a bigger payroll, which would decrease your plan's side fund percentage rate and the total employer contribution rate. On the other hand, if your plan had a positive side fund, an unexpected payroll increase would spread the payback of the positive side fund over a smaller payroll, which would increase your plan's side fund percentage rate and the total employer contribution rate. In either case, the Side Fund dollar amount would not change.

Employer Side Fund

At the time of joining a risk pool, a side fund was created to account for the difference between the funded status of the pool and the funded status of your plan. The side fund for your plan as of the June 30, 2007 valuation is shown in the following table.

Your side fund will be credited, on an annual basis, with the actuarial investment return assumption. This assumption is currently 7.75%. A positive side fund will cause your required employer contribution rate to be reduced by the Amortization of Side Fund shown above in Required Employer Contributions. A negative side fund will cause your required employer contribution rate to be increased by the Amortization of Side Fund. In the absence of subsequent contract amendments or funding changes, the side fund will disappear at the end of the amortization period shown below.

Employer Side Fund Reconciliation

	June 30, 2006	June 30, 2007
Side Fund as of valuation date*	$ (6,352,749)	$ (6,240,266)
Adjustments	0	0
Side Fund Payment	582,664	601,600
Side Fund one year later	$ (6,240,266)	$ (6,099,410)
Adjustments	0	0
Side Fund Payment	601,600	621,152
Side Fund two years later	$ (6,099,410)	$ (5,927,342)
Amortization Period	13	12
Side Fund Payment during last year	$ 621,152	$ 641,340

* If your agency employed vouchers in fiscal year 2006/2007 to pay employee contributions, the June 30, 2007 Side Fund amount has been adjusted by a like amount without any further adjustment to the Side Fund's amortization period. Similarly, the Side Fund has been adjusted for the increase in liability from any recently adopted Class 1 or Class 2 contract amendments. Also, the Side Fund may be adjusted or eliminated due to recent lump sum payments. Contract amendments and lump sum payments may result in an adjustment to the Side Fund amortization period.

Superfunded Status

	June 30, 2006	June 30, 2007
Is the plan Superfunded? [Yes if Assets exceed PVB, No otherwise]	No	No

Summary of Participant Data

Below is a table showing a summary of the active member data for your plan upon which this valuation is based:

	June 30, 2006	June 30, 2007
Projected Payroll for Contribution Purposes	$ 4,785,453	$ 4,800,577
Number of Members		
Active	71	69
Transferred	34	32
Separated	18	16
Retired	76	91

ACTUARIAL VALUATION

as of June 30, 2007

for the MISCELLANEOUS PLAN of the COUNTY OF NEVADA

(EMPLOYER # 505)

REQUIRED CONTRIBUTIONS FOR FISCAL YEAR July 1, 2009 – June 30, 2010

CalPERS

California Public Employees' Retirement System
P.O. Box 942709
Sacramento, CA 94229-2709
(888) CalPERS (225-7377)

Purpose of the Report

This report presents the results of the June 30, 2007 actuarial valuation of the MISCELLANEOUS PLAN OF THE COUNTY OF NEVADA of the California Public Employees' Retirement System (CalPERS). The valuation was prepared by the Plan Actuary in order to:

- set forth the actuarial assets and accrued liabilities of this plan as of June 30, 2007;
- certify the actuarially required employer contribution rate of this plan for the fiscal year July 1, 2009 through June 30, 2010 is 19.606%;
- provide actuarial information as of June 30, 2007 to the CalPERS Board of Administration and other interested parties; and
- provide pension information as of June 30, 2007 to be used in financial reports subject to Governmental Accounting Standards Board (GASB) Statement Number 27 for a Single Employer Defined Benefit Pension Plan.

Use of this report for other purposes may be inappropriate.

Required Contributions

	Fiscal Year 2008/2009	Fiscal Year 2009/2010
Required Employer Contributions		
Employer Contribution Required (in Projected Dollars)		
Payment for Normal Cost	$ 5,877,525	$ 6,044,797
Payment on the Amortization Bases	3,113,176	3,806,946
Total (not less than zero)	$ 8,990,701	$ 9,851,743
Annual Lump Sum Prepayment Option*	$ 8,661,337	$ 9,490,835
Employer Contribution Required (Percentage of Payroll)		
Payment for Normal Cost	11.755%	12.030%
Payment on the Amortization Bases	6.226%	7.576%
Total (not less than zero)	17.981%	19.606%
Required Employee Contributions (Percentage)	7.737%	7.738%

Funded Status

	June 30, 2006	June 30, 2007
Present Value of Projected Benefits	$ 281,234,767	$ 313,817,578
Entry Age Normal Accrued Liability	219,324,147	248,063,046
Actuarial Value of Assets (AVA)**	177,539,454	197,968,605
Unfunded Liability	$ 41,784,693	$ 50,094,441
Market Value of Assets (MVA)	$ 188,118,040	$ 228,852,611
Funded Status (on an MVA basis)	85.8%	92.3%
Superfunded Status	No	No

* Payment must be received by CalPERS between July 1 and July 15.

** The Actuarial Value of Assets is used to establish funding requirements, while the funded ratio based on the Market Value of Assets is a better indicator of the solvency of the plan.