MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 AND 2006

Goldstein Schechter Koch

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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March 11, 2007

Board of Trustees
Miami Beach Employees' Retirement Plan
Miami Beach, Florida

Independent Certified Public Accountants

We have audited the accompanying statement of plan net assets of the Miami Beach Employees' Retirement Plan at September 30, 2007, and the related statements of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Trustees. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the Miami Beach Employees' Retirement Plan at September 30, 2006 were audited by other auditors whose opinion dated April 6, 2007, expressed an unqualified opinion.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Miami Beach Employees' Retirement Plan as of September 30, 2007, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 2 – 5 and the supplementary information in Schedules 1 and 2 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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MIAMIBEACH

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(unaudited)

Our discussion and analysis of the Miami Beach Employees' Retirement Plan (the Plan) financial performance provides an overview of the Plan's financial activities for the fiscal years ended September 30, 2007 and 2006. Please read it in conjunction with the Plan's financial statements, which follow this discussion.

For financial statement presentation purposes, the balances as of September 30, 2005 and for the year then ended of the presently merged Retirement Plans, formerly known as Retirement System for General Employees Plan and Retirement System for Unclassified Employees and Elected Officials Plan are hereby presented combined as if the plans would have been one plan at September 30, 2005.

Financial Highlights

- The Plan assets exceeded its liabilities at the close of fiscal years ended September 30, 2007 and 2006 by $429,720,685 and $374,489,919, respectively (reported as net assets held in trust for pension benefits). Net assets are held in trust to meet future benefit payments.

- For the fiscal year ended September 30, 2007, liabilities decreased by $813,845 (or 61.22%) from the fiscal year ended September 30, 2006, primarily due to a decrease in payable for securities purchased.

  For the fiscal year ended September 30, 2006, liabilities increased by $1,329,285 (or 100.00%) from the fiscal year ended September 30, 2005, primarily due to an increase in payable for securities purchased.

- For the fiscal year ending September 30, 2007 employer contributions to the Plan, increased $7,552,902 or 137.3%. Actual employer contributions are based primarily on the actuarial valuation and were $13,053,231 and $5,500,329 for 2007 and 2006, respectively.

  For the fiscal year ending September 30, 2006 employer contributions to the Plan, increased $417,734 or 8.2% based primarily on the actuarial valuation. Actual employer contributions were $5,500,329 and $5,082,595 for 2006 and 2005, respectively.

- For the fiscal year ending September 30, 2007 employee contributions including buybacks decreased by $9,380,906 or a 45.0% decrease. Actual employee contributions, including buybacks were $11,484,385 and $20,860,631 for 2007 and 2006, respectively. Employee contributions decreased from 2006 due the rollover of funds from 401(a) participant balances. Employee contributions have fluctuated from year to year, based on the number of active members and increases in salaries.

Financial Highlights (continued)

For the fiscal year ending September 30, 2006 employee contributions including buybacks increased by $17,315,215 or a 487.8% increase. Actual employee contributions, including buybacks were $20,860,631 and $3,550,016 for 2006 and 2005, respectively. Employee contributions have fluctuated from year to year, based on the number of active members and increases in salaries.

- For the fiscal year ending September 30, 2007, net investment income increased by $32,325,007 or 128.2%. Actual results were $52,758,436 and $21,667,566 in net appreciation in fair value of investments for 2007 and 2006, respectively, and $5,559,442 and $4,298,634 income from interest and dividends, respectively. Investment expenses increased by $26,671 or 3.5%.

  For the fiscal year ending September 30, 2006, net investment income decreased by $14,910,293 or 37.2%. Actual results were $21,667,566 and $40,121,388 in net appreciation in fair value of investments for 2006 and 2005, respectively, and $4,298,634 and $4,287,476 income from interest and dividends, respectively. Investment expenses increased by $2,428 or 0.3%.

- For the fiscal year ending September 30, 2007, benefit payments & refunds increased by $2,786,728 or 11.9%.

  For the fiscal year ending September 30, 2006, benefit payments & refunds increased by $1,361,351 or 6.2%.

- For the fiscal year ending September 30, 2007, administrative expenses increased by $124,223 from 2006 or 24.0% due primarily to increase in payments for professional fees.

  For the fiscal year ending September 30, 2006, administrative expenses increased by $39,703 from 2005 or 8.3% due primarily to increase in payments for professional fees.

Plan Highlights

Due to the diversification of the Plan's portfolio, the total return of the portfolio was 15.5% for the 2007 year and ranked in the top 22nd percentile of the total fund universe, 1.8% above the benchmark return of 13.7%. Actual net returns from investments in 2007 were $57,536,102, compared with $25,211,095 in 2006.

Due to the diversification of the Plan's portfolio, the total return of the portfolio was 7.6% for the 2006 year and ranked in the top 66th percentile of the total fund universe, which matched the benchmark return of 7.6%. Actual net returns from investments in 2006 were $25,211,095, compared with $40,121,388 in 2005.

MANAGEMENT'S DISCUSSION AND ANALYSIS - Continued
(unaudited)

Using the Audited Financial Statements

The financial statements reflect the activities of the Plan and are reported in the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These statements are presented on a full accrual basis, reflect all trust activities as incurred.

Statement of Plan Net Assets

The table below shows a comparative summary of Plan Net Assets.

	2007	2006	As Pro Forma 2005
Cash and cash equivalents	$ 6,360,027	$ 6,624,539	$ 2,663,677
Receivables	1,057,005	491,916	438,574
Investments	422,819,093	368,702,749	345,871,621
Total assets	430,236,125	375,819,204	348,973,872
Liabilities	515,440	1,329,285	0
Net assets held in trust for pension benefits	$ 429,720,685	$374,489,919	$ 346,845,205

Statement of Changes in Plan Net Assets

The following comparative summary of the changes in net assets reflects the activities of the Plan.

	2007	2006	As Pro Forma 2005
ADDITIONS:			
Contributions			
Employee	$ 11,484,385	$ 20,865,291	$ 3,554,558
Employer	13,053,231	5,500,329	5,082,595
Total contributions	24,537,616	26,365,620	8,637,153
Net investment income	57,536,102	25,211,095	40,121,388
Total additions	82,073,718	51,576,715	48,758,541
DEDUCTIONS:			
Benefits paid	25,589,393	23,105,121	21,638,821
Refund of contributions	611,742	309,286	414,235
Administrative expenses	641,817	517,594	477,891
Total deductions	26,842,952	23,932,001	22,530,947
Net increase	55,230,766	27,644,714	26,227,597
Net assets held in trust for pension benefits at beginning of year	374,489,919	346,845,205	320,617,611
Net assets held in trust for pension benefits at end of year	$429,720,685	$374,489,919	$346,845,205

Statement of Changes in Plan Net Assets (continued)

The Plan's investment activities, measured as of the end of any month, quarter or year, is a function of the underlying marketplace for the period measured and the investment policy's asset allocation. There was opportunity for positive returns on investment of a diversified portfolio for this year. Actual returns increased from those of fiscal years ended 2006 and 2005.

The benefit payments are a function of changing payments to retirees, their beneficiary (if the retiree is deceased) and new retirements during the period.

Asset Allocation

At September 30, 2007, the domestic equity portion comprised 57.73% ($247,766,400) of the total portfolio. The allocation to fixed income securities was 30.55% ($131,097,437), while cash and cash equivalents comprised 1.48% ($6,360,027). The allocation to international equity was 10.24% ($43,955,256).

At September 30, 2006, the domestic equity portion comprised 57.51% ($215,838,429) of the total portfolio. The allocation to fixed income securities was 32.29% ($121,208,889), while cash and cash equivalents comprised 1.77% ($6,624,539). The allocation to international equity was 8.43% ($31,655,432).

The target asset allocation as of September 30, 2007 and 2006 was as follows:

60%	Domestic equity
33%	Fixed income
7%	International equity
0%	Cash

Contacting the Plan's Financial Management

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the Plan finances and to demonstrate accountability for the money they receive. If you have any questions about this report or need additional financial information, contact Miami Beach Employees' Retirement Plan, 1700 Convention Center Drive, Miami Beach, Florida 33139.

MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF PLAN NET ASSETS
SEPTEMBER 30, 2007 AND 2006

	2007	2006
Assets		
Cash and cash equivalents	$ 6,360,027	$ 6,624,539
Receivables		
Accrued interest and dividends	533,599	491,916
Contributions receivable	209,672	-
Receivable for securities sold	313,734	-
Total receivables	1,057,005	491,916
Investments, at fair value		
Common stocks	51,670,353	43,342,561
U.S. government securities	13,495,275	11,622,885
Corporate bonds and notes	26,606,172	25,173,328
Domestic equity funds	196,096,047	172,495,867
Domestic bond funds	90,745,990	84,162,676
International equity	43,955,256	31,655,432
State of Israel bond	250,000	250,000
Total investments	422,819,093	368,702,749
Total assets	430,236,125	375,819,204
Liabilities		
Accrued expenses	78,311	-
Payable for securities purchased	437,129	1,329,285
Total liabilities	515,440	1,329,285
Net assets held in trust for pension benefits (a schedule of funding progress for the Plan is presented on page 15)	$ 429,720,685	$ 374,489,919

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2007 AND 2006

	2007	2006
Additions		
Contributions		
Employee	$ 11,484,385	$ 20,865,291
Employer	13,053,231	5,500,329
Total contributions	24,537,616	26,365,620
Investment income		
Net appreciation in fair value of investments	52,758,436	21,667,566
Interest and dividend income	5,559,442	4,298,634
Total investment income	58,317,878	25,966,200
Less: Investment expenses	781,776	755,105
Net investment income	57,536,102	25,211,095
Total additions	82,073,718	51,576,715
Deductions		
Benefits paid	25,589,393	23,105,121
Refund of contributions	611,742	309,286
Administrative expenses	641,817	517,594
Total deductions	26,842,952	23,932,001
Net increase	55,230,766	27,644,714
Net assets held in trust for pension benefits		
Beginning of year	374,489,919	346,845,205
End of year	$ 429,720,685	$ 374,489,919

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Note 1 - Description of the Plan

a. Organization

The Miami Beach Employees' Retirement Plan (the Plan) is a single employer defined benefit pension plan for general employees established by the City of Miami Beach, Florida (the City) effective March 18, 2006. The Miami Beach Employees' Retirement System was created under and by the authority of Chapter 18691, Laws of Florida, Acts of 1937, as amended, by merging the "Retirement System for General Employees of the City of Miami Beach" created by Ordinance 1901 with the "Retirement System for Unclassified Employees and Elected Officials of the City of Miami Beach" created by Ordinance 88-2603, as amended. Since the Plan is sponsored by the City, the Plan is included as a pension trust fund in the City's comprehensive annual financial report as part of the City's financial reporting entity.

Classified employees in the Plan are segregated into three unions and into a category called "Others": American Federation of State, County and Municipal Employees ("AFSCME"), CWA (formerly Benevolent) and Government Supervisors Association ("GSA"). Unclassified and Others employees are not represented by a bargaining unit.

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Plan document for more detailed and comprehensive information.

b. Participants

Participants are all full-time employees, classified and unclassified positions, who work more than 30 hours per week except for policemen and firemen and persons who elected to join the defined contribution retirement Plan sponsored by the City.

c. Membership

As of September 30, 2006 and 2005, membership in the Plan consisted of:

	2006	As Pro Forma 2005
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	1,059	1,042
Current employees	1,018	736

d. Pension Benefits

The Plan provides for retirement benefits as well as death and disability benefits at two different tiers depending on when the employees entered the Plan.

The First Tier is for members that entered the Plan prior to the Second Tier Dates. The Second Tier Dates were established when each of the unions bargained with the City to establish new guidelines for retirement benefits relating to employees associated with their Unions. The Second Tier Dates are April 30, 1993 for members of AFSCME; August 1, 1993 for those classified as Other and GSA and February 21, 1994 for members of CWA. The Second Tier is for members that entered the Plan on or after the Second Tier Dates.

Note 1 - Description of the Plan (continued)

d. Pension Benefits (continued)

Classified members administered under the First Tier are eligible for normal retirement at age 50 and five years of Creditable Service and are entitled to benefits of 3% of Final Average Monthly Earnings ("FAME") multiplied by the first 15 years of Creditable Service plus 4% of FAME multiplied by years of service in excess of 15 years, with the total not to exceed 90% of FAME. FAME for the First Tier members is defined as one-twelfth of the average annual earnings during the two highest paid years of creditable service. First Tier unclassified members accrued 4% for creditable service before October 18, 1992. Unclassified First Tier members accrued 3% per year of service after October 18, 1992, with the total not to exceed 80% of FAME.

Classified and unclassified members administered under the Second Tier are eligible for Normal Retirement at age 55 and five years of creditable service and are entitled to benefits of 4% of FAME multiplied by creditable service, subject to a maximum of 80% of FAME. FAME for the Second Tier members is defined as one-twelfth of average annual earnings during the two highest paid years of creditable service.

New employees to the Plan will vest over five years.

e. Funding Requirements

Member Contributions:
All First Tier employees who participate are required to contribute 10% of their salary to the Plan. All Second Tier employees are required to contribute 8% of their salary.

City Contributions:
The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the participants.

Any First Tier member who terminates employment may either request a refund of their own contributions plus interest, or receive their accrued benefit beginning at age 50, if at least five years of creditable service are completed, or at age 62, if less than five years of creditable service are completed. Any Second Tier member how entered on or after the Second Tier Date and who terminates employment after five years of creditable service may either request a refund of their own contributions plus interest or receive their accrued benefit beginning at age 55.

f. Investments

The Plan has contracts with investment managers who supervise and direct the investment of equity and fixed income securities. In addition, the Plan utilizes an investment advisor who monitors the investing activity. The investments owned are held by a custodian in the name of the Plan.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting
The Plan's financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which employee services are performed. Employer contributions are recognized as revenues when due pursuant to actuarial valuations. Interest and dividend income are recorded as earned.

b. Adoption of New Accounting Standards
In May 2007, the Governmental Accounting Standards Board issued GASB Statement No. 50, "Pension Disclosures" (an amendment of GASB Statement No. 25 and No. 27) effective for financial statements with periods beginning after June 15, 2007. We are currently evaluating the impact of the adoption of this pronouncement, but do not expect the impact to be material to the Plan's financial statements.

c. Cash Equivalents
The Plan considers all highly liquid investment with maturity of three months or less when purchased, to be cash equivalents.

d. Investments
The fair value of quoted equity investments is based on the aggregate fair market value as of September 30, 2007 and 2006. The fair value of quoted investments is based on the closing sales price or bid price as reported by recognized security exchanges. Bonds are reported at established fair value.

Unrealized gains and losses are presented as net appreciation (depreciation) in fair value of investments on the statement of changes in plan net assets along with gains and losses realized on sales of investments. Purchases and sales of investments are recorded on a trade-date basis.

e. Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

f. Reclassifications
Certain reclassifications have been made to the 2006 financial statement presentation to correspond to the current year's format. Total net assets held in trust for pension benefits and net increase in net assets are unchanged due to these reclassifications.

Note 3 – Contributions

For the fiscal year ended September 30, 2007, the City was required to make contributions of $4,415,158 (or 17.08% of covered payroll) and $1,903,883 (or 17.57% of covered payroll), to the former Retirement system for Unclassified Employees and former Retirement System for General Employees Plans, respectively, in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2005. On February 28, 2006 an actuarial impact statement was performed which increased the required employer contributions of the City for the Plan by $6,734,190 or 12.72% of combined payroll.

For the fiscal year ended September 30, 2006, the City was required to make contributions $1,674,339 (or 17.28% of covered payroll) and $3,825,990 (or 15.35% of covered payroll), to the former Retirement system for Unclassified Employees and former Retirement System for General Employees Plans, respectively, in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2005.

For the fiscal year ended September 30, 2007 and 2006, the employees contributed $11,484,385 and $20,865,291, respectively. The September 30, 2006 contributions include migrated pension balances from the City of Miami Beach Employees 401(a) accounts which amounted to $10,187,256.

Note 4 – Deposit and Investment Risk Disclosures

a. Investment Authorization

The Plan's investment policy is determined by the Board of Trustees. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status, and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain every kind of property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations, and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

Investment in all equity securities shall be limited to those listed on a major U.S. stock exchange and limited to no more than 70% (at market) of the Plan's total asset value with no more than 5% of an investment manager's equity portfolio invested in the shares of a single corporate issuer. Investments in stocks of foreign companies shall be limited to 10% (at cost) of the value of the portfolio.

The fixed income portfolio shall be comprised of securities rated "BBB" or higher by Standard & Poors rating services with no more than 5% of an investment manager's total fixed income portfolio invested in the securities of a single corporate issuer.

Note 4 – Deposit and Investment Risk Disclosures (continued)

b. Types of Investments

Florida statutes and Plan investment policy authorize the Trustees to invest funds in various investments. The current target allocation of these investments at market is as follows:

Authorized investments	Target % of portfolio
Domestic equities	60%
Fixed income	33%
International equities	7%

c. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer with various durations of maturities.

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments by maturity at September 30, 2007 and 2006.

2007

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	$ 3,694,191	$ -	$ -	$ 1,233,714	$ 2,460,477
U.S. agencies	9,801,085	-	1,727,487	665,387	7,408,211
Corporate bonds and notes	26,606,171	754,554	8,400,858	6,897,068	10,553,691
Bond funds	90,745,990	-	-	26,031,023	64,714,967
State of Israel	250,000	-	250,000	-	-
	$131,097,437	$ 754,554	$ 10,378,345	$ 34,827,192	$ 85,137,346

2006

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. treasuries	$ 5,929,176	$ -	$ 2,589,850	$ -	$ 3,339,326
U.S. agencies	5,693,709	496,015	868,394	2,087,535	2,241,765
Corporate bonds and notes	25,173,328	775,808	10,388,157	5,529,067	8,480,296
Bond funds	84,162,676	-	19,362,179	64,800,497	-
State of Israel	250,000	-	-	250,000	-
	$121,208,889	$ 1,271,823	$ 33,208,580	$ 72,667,099	$ 14,061,387

Note 4 – Deposit and Investment Risk Disclosures (continued)

d. Credit Risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2007 and 2006.

	2007	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	$ 13,495,275	10.29%
Quality rating of credit risk debt securities		
AAA	89,972,029	68.63
AA+	126,239	0.10
AA	2,895,129	2.21
AA-	1,645,602	1.26
A+	2,669,821	2.04
A	5,889,833	4.49
A-	983,099	0.75
BBB+	7,592,719	5.79
BBB	3,795,253	2.89
BBB-	645,018	0.49
BB+	511,771	0.39
Unrated	875,649	0.67
Total credit risk debt securities	117,602,162	89.71
Total fixed income securities	$131,097,437	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Note 4 – Deposit and Investment Risk Disclosures (continued)

d. Credit Risk (continued)

	2006	
	Fair Value	Percentage of Portfolio
U.S. government guaranteed*	$ 11,622,885	9.59%
Quality rating of credit risk debt securities		
AAA	59,749,223	49.29
AA+	19,735,493	16.28
AA	3,577,234	2.95
AA-	1,283,243	1.06
A+	1,476,115	1.22
A	8,318,762	6.86
A-	2,483,830	2.05
BBB+	3,885,520	3.18
BBB	7,535,604	6.22
BBB-	362,247	0.30
BB+	324,510	0.27
Unrated	804,223	0.73
Total credit risk debt securities	109,586,004	90.41
Total fixed income securities	$121,208,889	100.00%

*Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

e. Concentration of Credit Risk

The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. *There* were no individual investments that represent 5% or more of plan net assets at September 30, 2007 and 2006.

f. Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the Plan's investment policy, the investments are held by Plan's custodial bank and registered in the Plan's name.

REQUIRED SUPPLEMENTARY INFORMATION

MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2007 AND 2006
(unaudited)

Schedule "1" – Schedule of Funding Progress
(in thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/01	$ 336,024	$ 292,748	$ (43,276)	114.8%	$ 27,664	(154.6)%
10/1/02	322,181	319,831	(2,350)	100.7	30,351	(7.7)
10/1/03	320,053	338,904	18,851	94.4	34,489	54.7
10/1/04	320,736	352,105	31,369	91.1	34,619	90.6
10/1/05	325,727	368,096	42,369	88.5	36,680	115.5
10/1/06*	358,459	448,933	90,585	79.8	57,391	157.6

*after changes

Schedule "2" – Schedule of Contributions by Employer

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2002	$ -	n/a
2003	1,226,457	100 %
2004	2,476,702	100
2005	5,082,595	100
2006	5,500,329	100
2007	13,053,231	100

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

Valuation Date	10/1/06
Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	8.75%
Projected salary increases*	6.0%
*Includes inflation at	4.0%
Cost-of-living adjustments	2.5%