Actuarial Valuation Report on the
Toronto Civic Employees' Pension and Benefit Fund
as of
December 31, 2006

April 2007

Prepared for:
Toronto Civic Employees' Pension and Benefit Fund Committee
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Sections

Appendices

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Introduction

This report, prepared for the Toronto Civic Employees' Pension and Benefit Fund Committee, presents the results of our actuarial valuation of the Toronto Civic Employees' Pension and Benefit Fund (the "Plan") as at December 31, 2006.

The report is prepared in accordance with applicable Ontario pension legislation and the requirements for registration under the Income Tax Act of Canada, and is intended to be filed with the Canada Revenue Agency (the "CRA") and the Financial Services Commission of Ontario (the "FSCO"). The Plan is registered under the Income Tax Act and the Pension Benefits Act of Ontario (Registration No. 0351593).

Information presented is intended to serve a number of purposes, as follows:

- To estimate the ongoing financial condition of the Plan, that is, a comparison of the actuarial value of pension fund assets with the actuarial present value of future benefits and the resultant actuarial surplus.

- The availability of actuarial surplus to continue inflation protection pension increases to retired members and their beneficiaries.

- To confirm actuarial surplus for contribution holidays in 2007 and after.

- To review the solvency of the Plan with respect to benefits accrued to the date of the valuation under Plan termination conditions.

- To determine any solvency deficiency and the need for any special payments to amortize any solvency deficiency.

- To compare actual and expected experience under the Plan during the inter-valuation period and reconcile the change in the ongoing funded status of the Plan.

- To provide supplementary information to support government filings on funding, as may be required by the Canada Revenue Agency and the Financial Services Commission of Ontario.

The Plan covers a closed group of employees hired prior to July 1, 1968. Consequently, the number of active members is declining. As of December 31, 2006, there were 2 active members, the same as at December 31, 2005.

The Plan was amended effective January 1, 1992 for compliance with CRA legislation with respect to pension plans.

Commencing 1986, City Council adopted a policy of providing ad hoc increases in pension to pensioners based on an excess interest indexing methodology. The policy provided for and subject to City Council approval, each year, ad hoc increases subject to a minimum of 50% increase in the Consumer Price Index (the "CPI"), year over year, December to December, and, a maximum increase equal to the lesser of the increase from "excess interest" and 100% CPI.

Commencing 1997, the Plan by-laws were amended to provide for future increases to pensioners including spouses of deceased retired members, based on the lesser of:

(a) the investment rate of return of Fund assets (using a 5-year smoothing technique) in excess of the rate of return required to maintain the actuarial solvency of the Benefit Fund as determined by the Actuary, and

(b) the increase in the year over year level of the average CPI,

to the extent that actuarial surplus is available.

Pensions in payment to pensioners and spouses that commenced prior to January 1, 2006 were increased by 2.23% effective January 1, 2006. The minimum annual pension for members remained at $9,400, effective since July 1, 1997.

For information purposes only, the estimated cost as at December 31, 2006 to provide anticipated future ad hoc pension increases based on 100% of the increase in the CPI is $63,436,000, based on the current valuation data and valuation assumptions.

A summary of the main Plan provisions is shown in Appendix "C".

The actuarial assumptions and valuation methods used in the going-concern valuation remain unchanged from the December 31, 2005 going-concern valuation and are shown in Appendix "A". Emerging experience different from the actuarial assumptions adopted for this valuation will result in gains or losses which will be revealed in future valuations.

The current going-concern valuation reveals Plan assets at actuarial value of $443,784,000 as of December 31, 2006. The sum of the present value of future benefit payments based on total projected service for active members and the present value of future benefits for inactive members is $287,173,000. As a result, the actuarial surplus under the Plan, on a going-concern basis, is $156,611,000 as of December 31, 2006. The funded ratio for the Plan is 154.5% as at December 31, 2006, compared to 143.8% as at December 31, 2005. Section V of this report shows the reconciliation of the actuarial surplus of the Plan from December 31, 2005 to December 31, 2006.

For this Plan, excess surplus, as defined in Section 8516 of the Regulations under the Income Tax Act, is determined as the amount of surplus in excess of 10% of the actuarial liabilities, including the value of future pension increases at 100% of CPI. On this basis, there is an excess surplus of $58.1 million at December 31, 2006. Excess surplus means that no City contributions can be made until the $58.1 million is used up. Active members and the City are not currently contributing.

The current valuation confirms that the Plan has no solvency deficiency as of December 31, 2006. Under Section 47(1) of Regulation 909 of the Pension Benefits Act, R.S.O. 1990, the pension benefits provided by this Plan are not guaranteed by the Pension Benefits Guarantee Fund and this Plan is exempt from any Guarantee Fund assessment.

The next actuarial valuation report must be filed with the FSCO no later than December 31, 2009.

The undersigned is available to address any questions which may arise with regard to this report.

Cynthia L. Rynne Fellow, Society of Actuaries Fellow, Canadian Institute of Actuaries	April 12, 2007 Date

I Summary of Principal Valuation Results

For convenience of reference, the principal results of the valuation and a comparison with the results of the previous valuation are summarized below:

	Valuation Date	12/31/2006	12/31/2005
A	**Going-Concern Valuation**		
	Invested Assets (000's)		
	Market Value	$ 500,647	$ 475,306
	Book Value	$ 479,398	$ 460,944
	Actuarial Value	$ 443,784	$ 429,744
	Plan Assets (000's)		
	Actuarial Value of Invested Assets	$ 443,784	$ 429,744
	Present Value of		
	(1) Future Member and City Matching Contributions	-	-
	(2) Future City Special Payments	-	-
	Total Plan Assets (000's)	$ 443,784	$ 429,744
	Actuarial Liabilities (000's)	$ 287,173	$ 298,910
	Actuarial Surplus (000's)	$ 156,611	$ 130,834
	Excess Surplus	$ 58,115	$ 26,264
	Funded Ratio	154.5%	143.8%
	Current Service Contributions for the Year following the Valuation Date		
	Estimated Employee Contributions	$ 0	$ 0
	Estimated City Current Service Contribution	$ 0	$ 0
B	**Solvency Valuation**		
	Market Value of Invested Assets (000's)	$ 500,647	$ 475,306
	Solvency Liability (000's)	$ 332,708	$ 348,266
	Solvency Deficiency	Nil	Nil
	Solvency Ratio (Assets/Liabilities)	150.5%	136.5%

II Membership Data

Valuation Date	12/31/2006	12/31/2005
Active Members		
Number	2	2
Pensionable Earnings	$ 129,457	$ 127,276
Average Earnings	$ 64,729	$ 63,638
Average Age	61.0	60.0
Average Service	41.0	40.0
Inactive Members		
Number of Retired Members	1,025	1,087
Annual Pension	$ 26,747,154	$ 27,545,072
Average Annual Pensions	$ 26,095	$ 25,340
Average Age	78.0	77.2
Number of Spouses	722	739
Annual Pension	$ 9,282,782	$ 9,080,154
Average Annual Pensions	$ 12,857	$ 12,287
Average Age	80.6	80.1
Number of Deferred Vested Members	1	1
Annual Pension	$ 531	$ 531
Average Age	60.0	59.0

1. The employee data used in this valuation was furnished by the City of Toronto. Since the form of pension and spouse date of birth for inactive members are not readily available for valuation purposes, the following assumptions pertaining to this data have been made:

   - 70% of male and 30% of female retired and deferred vested members are married. The form of pension that is payable to the member is life guaranteed for 10 years with 66.67% of the member's pension continuing to the spouse following the member's death;

   - 30% of male and 70% of female retired and deferred vested members are not married. The form of pension that is payable to the member is life guaranteed for 10 years;

   - female spouses are assumed to be 3 years younger than their male spouses.

2. We have performed the following tests on the reliability and completeness of the data provided, and, in our opinion, the data used in this valuation is sufficient and reliable for the purposes of this valuation:

- current membership totals were reconciled to the membership totals at the previous valuation;
- pension amounts were compared to pension amounts in the previous valuation to verify increases indicated by the City of Toronto;
- average age and service were compared to average age and service at the previous valuation;
- pensionable earnings used in the valuation were verified to pensionable earnings as defined in the Plan text;
- total payroll of active members was compared to total payroll at the previous valuation.

3. A reconciliation of membership from December 31, 2005 to December 31, 2006 is as follows:

	Actives	Pensioners	Spouses & Beneficiaries	Deferreds
At 12/31/2005	2	1,087	739	1
– Retired	-	-	-	-
– Termination of Benefits	-	-	-	-
– Deaths, no Continuation	-	–35	-44	-
– Deaths, with Spouse Continuation		–27	+27	
At 12/31/2006	2	1,025	722	1

4. Tables 1 and 2 of Appendix "B" provide an age distribution of the number and annual pensions of retired members and beneficiaries respectively.

III Invested Assets

1. CIBC Mellon is the custodian of the assets of the Plan. For the purposes of this valuation, we have relied on the draft financial statements as at December 31, 2006 provided by the City of Toronto. The data was reviewed for consistency, accuracy and completeness and the following tests were completed:

   - the beginning market and book values of the assets from the asset statements were compared to the ending values from the previous valuation;
   - the contributions and benefit payments shown on the asset statements were compared to expected contributions and benefit payments based on the previous valuation;
   - the invested funds were reviewed for any material changes.

2. A reconciliation summary of the change in the market value of the Benefit Fund for the period January 1, 2006 through December 31, 2006 is set out in Table A.

3. The reported market value as of December 31, 2006 is $500,646,607. The invested funds are distributed as follows:

	(Amounts in 000's)	%
Bonds & Debentures	$ 225,451	45.03
Equities	260,148	51.96
Cash	4,439	0.89
Accrued Income	651	0.13
Accounts Receivable less Accounts Payable	(611)	(0.12)
Short Term Investments	10,569	2.11
Total	$ 500,647	100.00

4. The actuarial value of assets is a 4-year moving-average market value. This method recognizes realized and unrealized investment gains and losses over a period of 4 years The actuarial value of invested assets at December 31, 2006 is $443,784,469. The development of the actuarial value of invested assets is set out in Table B.

5. In 2006, the Benefit Fund earned approximately 12.29%, net of expenses, based on the actuarial value of invested assets. In performing the rate of return calculation, payments into and out of the Fund are distributed uniformly throughout the year.

Table A

Reconciliation of Market Value of Invested Assets
From January 1, 2006 to December 31, 2006

During the period January 1, 2006 to December 31, 2006, the market value of the invested assets increased as follows:

Market Value at January 1, 2006	$ 475,305,536
LESS:	
Annuity Payments	(36,536,190)
Fees and Expenses	(1,889,747)
Investment Income and Appreciation (Depreciation) in Market Value of Invested Assets	63,767,008
Market Value at December 31, 2006	$ 500,646,607

Table B

Development of Actuarial Value of Invested Assets

December 31, 2006 Market Value		$ 500,646,607
LESS:		
3/4 of 2005 Realized and Unrealized Gains/(Losses)	$ 34,183,672	
1/2 of 2004 Realized and Unrealized Gains/(Losses)	16,085,066	
1/4 of 2003 Realized and Unrealized Gains/(Losses)	6,593,400	
		(56,862,138)
December 31, 2006 Actuarial Value		$ 443,784,469

IV Actuarial Liabilities and Going-Concern Funding Position at December 31, 2006

The going-concern funding position of the Plan as at December 31, 2006, based on the assumptions and valuation methods described in Appendix "A", is as follows:

	(Amounts in 000's)
Plan Assets	
Actuarial Value of Invested Assets	$ 443,784
Present Value of Future Member and City Matching Contributions	–
Present Value of Future City Special Payments	–
Total Plan Assets	$ 443,784
Actuarial Liabilities	
Present Value of Future Benefits payable on account of:	
Active Members	$ 824
Retired Members and their Beneficiaries	286,345
Deferred Vested Members	4
Total Actuarial Liabilities	$ 287,173
Actuarial Surplus	$ 156,611

V Reconciliation of Change in Going-Concern Funded Position

A reconciliation of the going-concern funded position over the period December 31, 2005 to December 31, 2006 is as follows:

		(Amounts in 000's)
December 31, 2005 Surplus Account		$ 130,834
Interest on Surplus Account		8,504
		$ 139,338
Plus Gains due to:		
Investment Gain on Actuarial Value of Assets	$ 23,829	
Experience Gain on Salary Increases	48	
Active Experience Gain	12	
Pensioner Mortality Experience Gain	34	
Miscellaneous	1,296	
		25,219
Less Losses due to:		
Cost of 2006 Pension Increases to Pensioners and Spouses	$ 7,946	
		(7,946)
December 31, 2006 Surplus Account		$ 156,611

Investment returns were greater than the 6.5% assumed rate of return resulting in a gain.

VI Solvency Valuation and Solvency Funding Position at December 31, 2006

The Ontario Pension Benefits Act requires a special valuation to determine the solvency of the Plan under conditions of Plan termination as of the valuation date. If there are insufficient assets to meet the liabilities under the solvency test, then additional special payments from the City are required to eliminate the solvency deficiency. The solvency funding position of the Plan as at December 31, 2006, using the solvency assumptions and valuation methods described in Appendix "A", is as follows:

1. Solvency Funding Status

	(Amounts in 000's)
Solvency Liabilities:	
Active Members	$ 1,106
Retired Members and their Beneficiaries	331,596
Deferred Vested Members	6
Total Solvency Liabilities	$ 332,708
Market Value of Invested Assets	500,647
Solvency Deficiency	$ Nil

2. Transfer Ratio

The transfer ratio is determined by dividing the market value of invested assets by the solvency liabilities. This indicates a transfer ratio greater than 1.0.

As the transfer ratio is greater than 1.0, there are no restrictions on transfers of lump sum payments on termination of membership under the Ontario Pension Benefits Act.

3. Wind-Up Status

At December 31, 2006 the wind-up liabilities were $332,708,000. Assuming wind-up expenses of $100,000, net assets available on wind-up are $500,547,000. On wind-up there would be a surplus of $167,839,000.

VII Contribution Requirements under the Plan

1. Effective January 1, 1998 and subject to paragraph 2 below, members with less than 35 years of service contribute 5% of salary in each pay period less the amount of their contributions under the Canada Pension Plan. The City contributes an equal amount in respect of current service pension accruals.

   Each of the 2 remaining active members as at December 31, 2006 has completed 35 years of service. Therefore, they are no longer making member contributions to the Plan. The City matching contribution is nil.

2. Effective August 1, 1998, a one-year contribution holiday for current service pension accruals for both members and the City was authorized by City Council. This contribution holiday has been extended indefinitely. At December 31, 2006, all current active members have completed 35 years of service, therefore member contributions have ceased.

3. There are no City contributions required under the Plan.

4. The Ontario Regulation 909 under the Pension Benefits Act, R.S.O. 1990 requires that any member and any City contributions be remitted to the pension fund monthly.

5. An excess surplus of $58.1 million exists for purposes of Section 147.2(2)(d) of the Income Tax Act. For this Plan, excess surplus is determined as the amount of surplus in excess of 10% of the actuarial liabilities. For determining the amount of excess surplus, actuarial liabilities include the estimated value of anticipated future ad hoc pension increases at 100% CPI. It is estimated that the value of anticipated future ad hoc pension increases at 100% CPI is $63,436,000. No City contributions are permitted while the Plan has an excess surplus.

VIII Subsequent Events

In accordance with the Consolidated Standards of Practice of the CIA, we have reviewed all subsequent events pertaining to this Plan, i.e. any events occurring subsequent to December 31, 2006 but prior to the date of this report.

Subsequent Events

First Type – take the event into account

This type of subsequent event is an event occurring after the calculation date of January 1, 2006 and up to the date of the report, which will cause a material change to the current valuation results.

There are no subsequent events of this type of which we are aware.

Second Type – report the event, but not take it into account

This type of subsequent event is an event occurring after the calculation date of the valuation and up to the date of the report, which will not cause a material change to the current valuation results, but may cause a material change to a subsequent actuarial valuation.

On September 12, 2000, the Toronto Civic Employees' Pension and Benefit Fund Committee adopted the motion to request that the CPP integration provision of the Fund be amended as follows:;

1. For any pensioner or beneficiary who turned age 65 prior to January 1, 2000, their CPP offset will be reduced from 0.70% to 0.675% and the pension benefit will be re-calculated to incorporate this change.
2. For any pensioner or beneficiary who turned age 65 after January 1, 2000, their CPP offset will be reduced from 0.70% to 0.675% and the YMPE will be re-calculated using a 5 year period instead of a 3 year period. The pension benefits will be re-calculated to incorporate these changes.
3. For any pensioner or beneficiary who has not yet turned age 65, their CPP offset will be based on 0.675% and the YMPE will be calculated using a 3 year period. The pension benefits will be calculated to incorporate these changes.

The revised pension benefits are currently in the process of being calculated and will be reflected in the next actuarial valuation. It is not anticipated that the above changes will have any material affect on the current surplus position of the Fund.

Appendix "A"
Outline of Actuarial Assumptions and Valuation Methods

Going-Concern Valuation Assumptions

Interest Rate
The valuation interest rate assumes a long-term average rate of return on pension fund assets, net of administration expenses, actuarial fees, investment management expenses and custodial fees, of 6.5% per annum.

Salary Scale
Salaries as reported by the City are assumed to increase at the rate of 4.0% per annum compounded annually.

YMPE Scale
The Year's Maximum Pensionable Earnings (YMPE) under the Canada Pension Plan are assumed to increase at the rate of 3.5% per annum.

CRA Maximum Indexing Rate (Post January 1992 Benefits)
The CRA maximum annual pension base of $2,111.11 (2006) per year of credited service is assumed to increase to $2,222.22 in 2007, $2,333.33 in 2008, $2,444.44 in 2009 and to increase thereafter at the rate of 3.5% per annum.

Retirement Age
The valuation results are the average of two valuations. The first valuation assumes retirement at age 65 only. The second valuation assumes retirement at the earliest age eligible for unreduced early retirement benefits.

Spouse's Age
Female spouses are assumed to be 3 years younger than male spouses.

Marital Status
For active members, it is assumed that 85% are married at death, termination, or retirement. For pensioners and deferred vested members, it is assumed that 70% of males and 30% of females are currently married.

Deaths Before and After Retirement
According to the UP 94 Mortality Table projected to 2005. Representative values are as follows:

Age	Males	Females
25	0.0637%	0.0268%
35	0.0866%	0.0455%
45	0.1470%	0.0876%
55	0.3853%	0.2257%
65	1.3384%	0.8788%
75	3.4264%	2.2330%
85	9.6784%	6.8170%
95	24.5718%	19.5868%
105	44.0585%	41.5180%

Separations Before Normal Retirement
Representative values of the assumed rates of termination and disability are as follows:

	Annual Rate of			
	Termination/Vesting		Disability	
Age	Males	Females	Males	Females
35	4.90%	6.90%	0.13%	0.19%
45	1.70%	2.80%	0.23%	0.35%
55	0.00%	0.40%	0.55%	0.83%
56	0.00%	0.00%	0.62%	0.93%
57	0.00%	0.00%	0.70%	1.05%
58	0.00%	0.00%	0.80%	1.21%
59	0.00%	0.00%	0.93%	1.39%
60	0.00%	0.00%	1.08%	1.62%
64	0.00%	0.00%	2.09%	3.13%

Future Expenses
Administration expenses, actuarial fees, investment management expenses and custodial fees are paid from the Benefit Fund. The interest rate assumption is net of anticipated administration expenses, actuarial fees, investment management expenses and custodial fees.

Post-Retirement Indexation
No provision has been made for future post-retirement adjustments in the liabilities. Post-retirement adjustments granted up to and including 2006 have been included in the liabilities.

Future post-retirement adjustments based on 100% CPI (Consumer Price Index) indexation were projected and valued to increase actuarial liabilities for the purpose of determining excess surplus and eligible contributions under Section 147.2(2) of the Income Tax Act. The increase in CPI is assumed to be 3.0% per annum.

Liabilities Valuation Method

A projected actuarial valuation method, sometimes referred to as the aggregate actuarial cost method, is used to determine the present value of future benefits for the Plan. Under this method, the actuarial deficiency (actuarial surplus) at the valuation date is the sum of the present value of future benefit payments based on:

(a) total projected service for active members, and

(b) the present value of future benefits for inactive members,

reduced by:

(c) the present value of future member contributions,

(d) the present value of future City matching contributions,

(e) the present value of any remaining future City special payments previously established, and

(f) the actuarial value of invested assets.

If an actuarial deficiency arises, the City amortizes this deficiency by making special annual payments over certain periods, up to a maximum of 15 years for each deficiency. If an actuarial surplus arises, where allowed under the Plan by-laws, future special payments which have already been established may be reduced or eliminated by application of actuarial surplus. Alternatively, the surplus may be held as a reserve for future enhancements or contributions.

The aggregate actuarial cost method produces level contributions as a percentage of covered payroll which provide for the security of all benefits payable under the Plan.

Asset Valuation Method

The actuarial value of assets is a 4-year moving-average market value. This method recognizes realized and unrealized investment gains and losses over a period of 4 years.

Solvency Valuation Assumptions

Interest Rate
An interest rate of 4.60% per annum was used to value solvency liabilities for active and inactive members. These rates are appropriate for the December 31, 2006 solvency valuation, and, the rates are in accordance with the Canadian Institute of Actuaries guidelines for solvency valuations.

Separations Before Normal Retirement
All active members are considered to terminate employment or retire on the valuation date.

Early Retirement
Age plus service equal to or greater than 55: Unreduced pension at age 55 or immediately if age is greater than 55.

Age plus service less than 55: Deferred pension to normal retirement age.

Excluded Benefits
No future post-retirement adjustments have been included in the solvency liabilities. Ad hoc post-retirement adjustments granted through 2006 have been included in the liabilities. Since post-retirement adjustments are ad hoc they have not been included in the wind-up liability.

Deaths After Retirement
According to the UP94 projected to 2015 Table.

Spouse's Age
Female spouses are assumed to be 3 years younger than male spouses.

Marital Status
For active members, it is assumed that 85% are married at death, termination, or retirement. For pensioners and deferred vested members, it is assumed that 70% of males and 30% of females are currently married.

Liabilities Valuation Method
Unit Credit Method. The actuarial value of benefits for active members is calculated as the discounted value of benefits based on credited service and average earnings to the valuation date. The actuarial value of benefits for former employees with vested deferred pensions, retired members and beneficiaries is calculated as the discounted value of their respective benefit payments.

Asset Valuation Method
Assets are valued at market value as reported by the custodian for the Benefit Fund.

Loading or Contingencies
None.

Expenses
The solvency liabilities do not include any provision for expenses. An explicit expense assumption of $100,000 has been used for purposes of the solvency valuation. These expenses reflect the cost of complying with the legislative disclosure requirements on wind up and the administrative expenses associated with purchasing pensions for the retirees from an insurance company. This estimate of expenses does not reflect any expenses due to the determination of surplus and surplus distribution on wind up of the Benefit Fund.

Appendix "B"
Membership Data

Table 1

The Number and Annual Retirement Pensions
for Retired Members
Distributed by Age
as of December 31, 2006

	Males		Females	
Age	Number	Amount	Number	Amount
57	1	$ 39,885.12	1	$ 40,378.32
58	-	-	3	77,012.40
59	9	359,206.08	1	36,166.08
60	8	387,844.92	4	116,654.52
61	8	406,420.08	3	123,886.20
62	9	375,696.00	4	170,092.80
63	8	341,504.88	3	103,518.12
64	8	425,854.56	3	132,282.96
65	7	231,519.72	5	133,369.08
66	14	527,662.80	4	88,506.84
67	13	464,907.96	3	88,153.92
68	18	628,196.88	4	122,439.12
69	25	757,388.04	3	123,929.04
70	24	987,305.04	8	189,049.32
71	25	808,418.64	6	164,434.92
72	37	1,132,984.68	6	144,059.28
73	24	709,964.64	7	159,668.04
74	29	915,228.00	4	114,467.64
75	28	786,763.08	7	165,967.80
76	46	1,168,256.16	3	79,652.76
77	51	1,356,795.72	8	175,322.88
78	44	1,139,381.88	11	283,984.56
79	52	1,330,050.12	7	165,500.16
80	52	1,268,003.88	5	74,144.76
81	39	957,153.48	9	142,288.32
82	29	623,998.92	9	146,347.20
83	42	1,009,328.76	8	130,769.52
84	21	475,817.28	7	90,999.84
85	35	630,381.60	7	140,821.56
86	20	455,706.36	15	253,566.12
87	19	346,046.28	9	126,203.40
88	12	199,065.36	10	192,084.12
89	11	148,623.00	10	154,852.68

Table 1

The Number and Annual Retirement Pensions
for Retired Members
Distributed by Age
as of December 31, 2006

(continued)

Age	Males Number	Males Amount	Females Number	Females Amount
90	10	$ 177,620.28	7	$ 112,381.56
91	4	89,272.56	8	113,354.76
92	7	86,533.44	6	101,466.60
93	4	47,154.36	3	28,002.00
94	1	14,138.88	3	32,708.64
95	4	63,976.80	1	11,322.96
96	1	11,322.96	-	-
97	-	-	-	-
98	-	-	-	-
99	-	-	-	-
100	1	11,963.88	-	-
Totals:	800	$ 21,897,343.08	225	$ 4,849,810.80

	Males	Females	Total
Average Age	77.6	79.3	78.0

Table 2

The Number and Annual Retirement Pensions
for Beneficiaries
Distributed by Age
as of December 31, 2006

Age	Males Number	Males Amount	Females Number	Females Amount
<50	-	$ -	2	$ 25,613.16
50	-	-	-	-
51	-	-	-	-
52	-	-	-	-
53	-	-	-	-
54	-	-	1	25,057.44
55	-	-	2	22,057.56
56	-	-	-	-
57	-	-	1	18,502.20
58	-	-	1	7,548.84
59	-	-	1	8,265.36
60	-	-	2	26,196.36
61	-	-	3	32,339.40
62	-	-	8	139,734.12
63	-	-	5	74,679.60
64	-	-	-	-
65	-	-	8	243,175.20
66	1	16,421.28	5	85,552.92
67	1	17,057.64	11	183,935.52
68	-	-	7	83,166.24
69	-	-	9	136,629.72
70	1	7,839.60	14	214,394.76
71	-	-	19	260,493.60
72	-	-	17	335,024.16
73	-	-	17	239,267.52
74	-	-	22	313,135.92
75	1	2,350.08	26	446,085.68
76	-	-	19	282,132.48
77	-	-	33	370,591.92
78	2	35,345.28	36	510,288.45
79	3	23,188.32	35	486,485.04
80	-	-	45	611,673.48
81	-	-	47	550,848.36
82	-	-	42	514,168.16
83	-	-	42	466,392.60
84	2	14,353.56	26	331,239.96
85	-	-	44	532,518.84
86	-	-	33	371,490.60
87	1	22,072.44	19	171,920.76

Table 2

The Number and Annual Retirement Pensions
for Beneficiaries
Distributed by Age
as of December 31, 2006

(*Continued*)

	Males		Females	
Age	Number	Amount	Number	Amount
88	-	$ -	14	$ 145,359.24
89	-	-	16	162,882.48
90	-	-	16	170,092.68
91	-	-	14	129,044.52
92	-	-	7	78,168.96
93	-	-	9	94,333.32
94	-	-	9	72,396.12
95	-	-	5	37,837.68
96	1	8,405.40	5	35,229.60
97	1	7,548.84	3	22,903.80
98	-	-	3	26,019.12
99	-	-	1	3,130.92
100	-	-	4	30,195.36
Total:	14	$ 154,582.44	708	$ 9,128,199.73

	Males	Females	Total
Average Age	80.4	80.6	80.6

Appendix "C"
Summary of Main Benefit and Contribution Provisions

Covered Members
All employees hired before July 1, 1968 including former employees transferred to Metro Toronto who elected to continue in the Civic Fund, but excluding Firemen, employees on a local board participating in OMERS and any employee hired after age 50 (male), 45 (female), unless such employee elected within 60 days after September 16, 1970 to become a member.

Normal Retirement Date
Age 65.

Employee Contributions
Effective January 1, 1998, members with less than 35 years of service contribute to the Plan at the rate of 5% of their salary less their contributions to the Canada Pension Plan. Prior to January 1, 1999, the contribution rate was 7% of salary less contributions to the Canada Pension Plan.

Employer Contributions
The City contributions are an amount equal to member contributions to the Plan, plus any additional special payments in respect of past service as specified by the by-laws.

Retirement Pension
An annual pension of 2% of the member's average annual earnings during the 60 consecutive months which produce the highest average, multiplied by his credited service up to 35 years; less a CPP offset equal to 0.675% of the lesser of such average earnings and the average of the YMPE at retirement and the 4 preceding years multiplied by his credited service after January 1, 1966. The CPP offset commences when the member attains age 65.

Minimum Pension
Member's annual pension shall not be less than $9,400.

Early Retirement
An unreduced pension is payable when a member retires after age 55 with 30 years of service, or when a member retires after age 60 with 25 years of service, or when a member's age plus service total at least 85 points. Alternatively, a member may receive an actuarially reduced immediate pension commencing on or after age 55, reduced for the period between pension commencement date and the earliest age at which unreduced early retirement would have occurred.

Effective January 1, 1998, subject to annual review over a 5-year window period, members with 30 years of service can retire with an unreduced pension, regardless of age.

Disability Pension
A member's accrued pension is payable on retirement due to:

(a) occupational disability after 20 years of service, or

(b) total and permanent disability after 10 years of service.

Form of Pension
For members without a spouse, pension payments are guaranteed for 10 years.

For members with a spouse, the normal form is a joint annuity with 66-2/3% of the member's pension continuing to the spouse following the death of the member. Pension payments are guaranteed for 10 years.

Death Benefits Before Retirement
A pension equal to 66-2/3% of the pension accrued to the date of the member's death will be paid to the surviving spouse.

If no spouse's pension is payable, the member's beneficiary will receive an amount equal to the greater of:

(a) the member's contributions with interest plus $150 for each year of service, and

(b) the commuted value of the member's benefit accrued after December 31, 1986 plus the member's contributions made prior to January 1, 1987 with interest.

Termination of Employment
For Benefits Accrued Prior to January 1, 1987
On termination of service before retirement but after age 45 and 10 years of service or after 20 years of service, a retirement pension will be payable at age 65 determined the same as for normal retirement but based on service before January 1, 1987.

For Benefits Accrued After January 1, 1987
On termination of service before retirement but after 2 years of credited service, a retirement pension will be payable at age 65 determined the same as for normal retirement but based on service after January 1, 1987.

Refunds on Termination
Members' contributions in respect of pension not vested are refunded with interest.

Credited Interest
The interest rate credited on employee contributions is established by the Pension Committee. Interest credited on and after January 1, 1988 shall be at least equal to the rate prescribed under the Ontario Pension Benefits Act.

Maximum Cost to Member

Effective January 1, 1988, in the event of the earliest of a member's retirement, termination of employment, termination of membership or death after completion of 24 months of Plan membership, in respect of service after January 1, 1987, the member's contributions with interest shall not provide for more than 50% of the commuted value of the retirement allowance to which the member or his surviving spouse, if applicable, is entitled under the Plan. The member's contributions with interest in excess of 50% of the commuted value of such retirement allowance shall be refunded to the member or spouse, if applicable.

Ad Hoc Post-Retirement Adjustments

Commencing 1986, City Council adopted a policy of providing ad hoc increases in pensions to pensioners based upon an excess interest indexing methodology. Subject to City Council approval, each year, ad hoc increases in pension were provided, with a minimum increase of 50% of the increase in the Consumer Price Index (CPI) on a year over year basis, and a maximum increase of the lesser of the excess investment return on the Benefit Fund and 100% CPI.

Commencing 1997, the Plan by-laws were amended to provide for future increases to pensioners including spouses of deceased retired members, based on the lesser of:

(a) the investment rate of return of Fund assets (using a 5-year smoothing technique) in excess of the rate of return required to maintain the actuarial solvency of the Benefit Fund as determined by the Actuary, and

(b) the increase in the year over year level of the average CPI,

to the extent that actuarial surplus is available.

Appendix "D"
Statement of Actuary's Opinion

1. In my opinion, the data on which the valuation is based are sufficient and reliable for the purposes of the valuation.

2. In my opinion, the assumptions are, in aggregate, appropriate for the purposes of:

   (a) estimating the ongoing financial condition of the Plan;

   (b) estimating the City contribution requirements for 2007;

   (c) reviewing the solvency of the Plan;

   (d) determining the need for any special payments to amortize any solvency deficiency;

   (e) comparing the actual and expected experience under the Plan and reconciling the change in the ongoing funded status of the Plan; and

   (f) providing supplementary information to support government filings.

3. In my opinion, the methods employed in the valuation are appropriate for the purposes of:

   (a) estimating the ongoing financial condition of the Plan;

   (b) estimating the City contribution requirements for 2007;

   (c) reviewing the solvency of the Plan;

   (d) determining the need for any special payments to amortize any solvency deficiency;

   (e) comparing the actual and expected experience under the Plan and reconciling the change in the ongoing funded status of the Plan; and

   (f) providing supplementary information to support government filings.

4. This report has been prepared, and my opinion given, in accordance with accepted actuarial practice.

5. In my opinion, the value of the Plan assets would be greater than the actuarial liabilities if the Plan were to be wound up on the valuation date.

Cindy Rynne

Cynthia L. Rynne
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

April 12, 2007
Date

Appendix "E"
Actuarial Cost Certificate on the
Toronto Civic Employees' Pension and Benefit Fund
As at December 31, 2006

Registration #: 0351593

Based on a valuation of the Plan as of December 31, 2006, I hereby certify that:

1. The estimated City cost of benefits for service in 2007 and subsequent years up to the date of the next cost certificate shall be determined as 100% of the members' required contributions. Members with less than 35 years of service are required to contribute 5% of their salary in each pay period, less the amount of their contributions under the Canada Pension Plan.

2. For 2007, the sum of the members' contributions and City matching contributions in respect of current service benefits is $0. A contribution holiday for both members and the City has been effective since August 1, 1998. Also, all members at December 31, 2006 have completed 35 years of service. So they, as well as the City, are no longer making contributions to the Plan.

3. The amount of the invested pension fund assets on December 31, 2006 is $500,647,000 at market value and $443,784,000 at actuarial value.

4. The actuarial surplus under the Plan is $156,611,000 as of December 31, 2006 under the going-concern valuation.

5. There is an excess surplus of $58.1 million as of December 31, 2006 as defined in Section 147.2(2)(d) of the Income Tax Act.

6. There is no solvency deficiency under the Plan as of December 31, 2006.

7. The pre-1990 past service benefit restriction contained in subsection 8504(6) of the Income Tax Regulations does not apply to any member of this Plan.

8. This report and cost certificate have been prepared and this opinion has been given in accordance with accepted actuarial practice and the Recommendations of the Canadian Institute of Actuaries, and the report and cost certificate, in my opinion, are consistent with the valuation requirements under the Pension Benefits Act, R.S.O. 1990 and Regulations thereunder and are in compliance with the requirements outlined in subparagraphs 147.2(2)(a)(iii) and (iv) of the Income Tax Act.

Cindy Rynne

Cynthia L. Rynne
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

April 12, 2007
Date