

TEACHERS HEALTH TRUST

JUNE 30, 2009 AND 2008

**TEACHERS HEALTH TRUST
JUNE 30, 2009 AND 2008**

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KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Teachers Health Trust

We have audited the accompanying statements of net assets available for benefits and of benefit obligations of the Teachers Health Trust (the "Trust") as of June 30, 2009 and 2008, and the related statements of changes in net assets available for benefits and of changes in benefit obligations for the years then ended. The financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Teachers Health Trust as of June 30, 2009 and 2008, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules for the years ended June 30, 2009 and 2008, listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Trust's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Kafoury, Armstrong & Co.

Reno, Nevada
December 8, 2009

TEACHERS HEALTH TRUST

STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS AS OF JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
INVESTMENTS, at fair value	\$ 27,291,170	\$ 25,755,761
RECEIVABLES:		
Related party	23,371	687
Other receivables	-	22,015
	<u>23,371</u>	<u>22,702</u>
CASH AND CASH EQUIVALENTS	7,963,355	5,830,530
FIXED ASSETS (net of accumulated depreciation of \$2,635,089 and \$2,199,030, respectively)	7,055,367	5,681,365
OTHER ASSETS	27,505	5,039
PREPAID EXPENSES	<u>115,026</u>	<u>276,395</u>
Total assets	<u>42,475,794</u>	<u>37,571,792</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable for administrative expenses	990,099	736,997
Due to related party	17,705	28,681
Deferred insurance contribution	<u>58,737</u>	<u>115,621</u>
Total liabilities	<u>1,066,541</u>	<u>881,299</u>
TOTAL NET ASSETS AVAILABLE FOR PLAN BENEFITS	<u><u>\$ 41,409,253</u></u>	<u><u>\$ 36,690,493</u></u>

See accompanying notes.

TEACHERS HEALTH TRUST

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ADDITIONS:		
Contributions		
Clark County School District	\$ 119,925,775	\$ 109,919,527
Employee deduction	22,250,797	21,858,718
Retiree participants	389,258	561,441
Self-pay, COBRA, staff participants	2,081,588	2,030,869
	<u>144,647,418</u>	<u>134,370,555</u>
Interest and other income	<u>1,674,756</u>	<u>2,624,039</u>
Total additions	<u>146,322,174</u>	<u>136,994,594</u>
REDUCTIONS:		
Insurance premiums	<u>2,738,673</u>	<u>3,069,657</u>
Benefits paid for participants		
Medical	88,371,169	79,046,886
Prescription drugs	27,693,653	25,542,262
Dental	12,082,161	11,641,132
Vision	2,236,625	2,168,800
	<u>130,383,608</u>	<u>118,399,080</u>
Administrative expenses	<u>8,481,133</u>	<u>8,317,812</u>
Total deductions	<u>141,603,414</u>	<u>129,786,549</u>
NET INCREASE	4,718,760	7,208,045
NET ASSETS AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	<u>36,690,493</u>	<u>29,482,448</u>
NET ASSETS AVAILABLE FOR PLAN BENEFITS, END OF YEAR	<u>\$ 41,409,253</u>	<u>\$ 36,690,493</u>

See accompanying notes.

TEACHERS HEALTH TRUST

STATEMENTS OF BENEFIT OBLIGATIONS AS OF JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
AMOUNTS CURRENTLY PAYABLE TO OR FOR PARTICIPANTS, BENEFICIARIES AND DEPENDENTS:		
Insurance premiums	\$ 216,527	\$ 2,318,894
Benefit claims	1,916,672	2,672,416
Prescription drugs	1,048,665	1,278,469
Total currently payable	<u>3,181,864</u>	<u>6,269,779</u>
OTHER CURRENT BENEFIT COVERAGE OBLIGATIONS:		
Claims incurred but not reported, at present value of estimated amounts	<u>7,783,328</u>	<u>8,527,585</u>
Total obligations other than postretirement benefit obligations	<u>10,965,192</u>	<u>14,797,364</u>
POSTRETIREMENT BENEFIT OBLIGATIONS:		
Current retirees	<u>-</u>	<u>19,286</u>
TOTAL BENEFIT OBLIGATIONS	<u>\$ 10,965,192</u>	<u>\$ 14,816,650</u>

See accompanying notes.

TEACHERS HEALTH TRUST

STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
AMOUNTS CURRENTLY PAYABLE TO OR FOR PARTICIPANTS, BENEFICIARIES AND DEPENDENTS:		
Balance at beginning of year	\$ 6,269,779	\$ 5,250,324
Claims reported and approved for payment	130,034,366	122,488,192
Claims paid	<u>(133,122,281)</u>	<u>(121,468,737)</u>
Balance at end of year	<u>3,181,864</u>	<u>6,269,779</u>
OTHER OBLIGATIONS FOR CURRENT BENEFIT COVERAGE, at estimated amounts:		
Balance at beginning of year	8,527,585	8,730,997
Net change during year	<u>(744,257)</u>	<u>(203,412)</u>
Balance at end of year	<u>7,783,328</u>	<u>8,527,585</u>
TOTAL OBLIGATIONS OTHER THAN POSTRETIREMENT BENEFIT OBLIGATIONS	<u>10,965,192</u>	<u>14,797,364</u>
POSTRETIREMENT BENEFIT OBLIGATIONS:		
Balance at beginning year	19,286	818,395
Interest	-	55,992
Benefits paid	-	(37,030)
Plan amendments	(19,286)	(687,006)
Actuarial (gains)/losses	<u>-</u>	<u>(131,065)</u>
Retiree life insurance	<u>-</u>	<u>19,286</u>
TOTAL BENEFIT OBLIGATIONS, END OF YEAR	<u>\$ 10,965,192</u>	<u>\$ 14,816,650</u>

See accompanying notes.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1 – DESCRIPTION OF THE TRUST

The following description of the Teachers Health Trust (the "Trust") provides only general information. Trust participants should refer to the Trust Agreement and plan document for a more complete description of the Trust provisions.

General - On October 1, 1983, as a result of contract negotiations between the Clark County Education Association ("CCEA"), operating at that time as the Clark County Classroom Teachers Association ("CCCTA"), and the Clark County School District ("CCSD"), the Trust was created under NRS 287.010. The responsibilities of administration and management of health and welfare benefits shifted from the CCSD, as an employer, to the CCEA as bargaining agents of education employees. The Trust was established by the CCEA to administer health benefits for its participants. All licensed employees of CCSD paid on the teachers' salary schedule and eligible for representation by the CCEA, and other groups identified by the Teachers Health Trust Board of Trustees, are eligible for coverage. The Trust has elected to follow, but is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended.

Benefits - The Trust provides medical, prescription drug, dental, vision, behavioral health, and death benefits to eligible participants. Participants become eligible for coverage on the first day of the month following their hire date.

Contributions - The collective bargaining agreement with the CCSD provides for monthly contributions to the Trust for eligible employees of the CCSD. The contribution rate is determined through collective bargaining between the CCEA and the CCSD. Participants may elect to make contributions to extend coverage to their eligible dependents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The Trust maintains its records on the accrual basis of accounting. Revenue is recognized when earned, and administrative expenses are recognized when incurred.

Investments - Investments consist of a money market account, mutual funds and a limited partnership through Charles Schwab and a certificate of deposit with Bank of Nevada. Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date and interest income on the accrual method. The Trust has contracted with an investment consultant, investment manager, and investment custodian to manage the Trust's investment assets. For further information regarding fair value measurements of the Trust's investments, see Note 5.

Cash Equivalents - The Trust considers all highly liquid investments with maturity of three months or less at the date of purchase to be cash equivalents.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets, Net - Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the various assets. The Trust depreciates its fixed assets using an estimated useful life of 40 years for buildings, 10 years for office furniture and equipment, and 5 years for computer hardware and software and telephone equipment. Costs of major improvements are capitalized, while costs of normal maintenance and repairs are expensed as incurred.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates used by the Trust include the total benefit obligation and changes therein, claims incurred but not reported, claims payable, and the estimated useful lives for depreciable assets. Actual results could differ from these estimates.

Priorities Upon Termination - Except as may be otherwise provided by law, in the event of termination, the Trust agreement provides that any monies remaining in the Trust will be used for the continuance of the purpose for which the Trust was established and for the administrative expense of the Trust, until such monies are exhausted.

Other Assets – Other assets consists primarily of deposits for security alarm, utilities, and workers compensation policy.

Benefits and Insurance Premiums – Benefits and insurance premiums are recorded when paid.

Claims Payable and Estimated Claims Incurred but Not Reported - Plan obligations at June 30, 2009 and 2008, for health claims payable and claims incurred by participants but not reported at that date, are estimated by the Trust's actuary in accordance with accepted actuarial principles.

Income Taxes - Based on a determination received from the Internal Revenue Service ("IRS") the Trust is exempt from federal income tax based upon Section 501 (c)(9) of the Internal Revenue Code ("IRC"). Accordingly, the Trust's net investment income is exempt from income taxes. The Trust has obtained a favorable tax determination letter, dated March 21, 1991, from the IRS, and management of the Trust believes it continues to qualify and to operate in accordance with applicable provisions of the IRC.

Reclassification – Certain amounts in the 2008 financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

Subsequent Events – Management has evaluated subsequent events through December 8, 2009, which is the date these financial statements were available to be issued and the financial statements have not been updated for subsequent events occurring after that date.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 3 – CONTRIBUTION RATE

Pursuant to the current collective bargaining agreement, the CCSD contribution for each participating licensed employee was increased to \$538.87 per month effective July 1, 2008. The previous contribution rate, effective July 1, 2007, for each eligible employee was \$439.37. The collective bargaining agreement remains effective until a new rate is negotiated.

NOTE 4 – INVESTMENTS

The Trust retains an investment consultant and manager to manage the Trust investments according to the investment policies established by the Trust's Board of Trustees. Investments consist of the following at June 30:

	<u>2009</u>	<u>2008</u>
Mutual funds – bond	\$ 16,219,181	\$ 13,551,655
Mutual funds – equity	7,047,804	8,083,480
Limited partnership	812,130	1,019,695
Certificate of deposit	3,140,608	3,032,233
Money market account	<u>71,447</u>	<u>68,698</u>
	<u>\$ 27,291,170</u>	<u>\$ 25,755,761</u>

The fair market value of individual investments that represent 5% or more of the Trust's net assets are as follows:

	<u>2009</u>	<u>2008</u>
Mutual Funds:		
PIMCO Real Return Fund, Institutional	\$ 2,934,931	\$ 3,748,742
PIMCO Total Return Fund, Institutional	4,505,311	6,086,115
PIMCO Total Asset Fund, Institutional	2,008,611	2,273,591
Vanguard Total Bond Market Index Fund	3,822,515	3,716,798
PIMCO GNMA, Institutional	2,524,479	-
PIMCO Investment Grade, Institutional	2,431,945	-
Certificate of Deposit:		
Bank of Nevada	3,140,608	3,032,233

During 2009 and 2008, the Trust's investments in mutual funds (including investments bought, sold and held during the year) depreciated in value by \$1,925,208 and \$776,658, respectively. During 2009 and 2008, the Trust received dividends of \$876,198 and \$924,069, respectively. During 2009 and 2008, the Trust's investment in the certificate of deposit earned interest of \$208,375 and \$32,233, respectively. These amounts are included in "Interest and other income" on the accompanying statements of changes in net assets available for benefits.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 5 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board Statement No. 157, *Fair Value Measurements* (FASB Statement No. 157), establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

- *Money Market Fund*: Valued at amortized cost, in accordance with accounting rules under the Investment Company Act of 1940. Amortized cost approximated fair value.
- *Mutual Funds*: Valued at the net asset value ("NAV") of shares held by the Trust at year end.
- *Limited Partnership*: Valued at the net asset value ("NAV") of the units held, which is determined on the fair value of the entities underlying net assets.
- *Certificate of Deposit*: Valued at cost, plus accrued interest.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 5 – Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Trust's assets at fair value as of June 30, 2009.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market fund	\$ -	\$ 71,447	\$ -	\$ 71,447
Mutual funds	23,266,985	-	-	23,266,985
Limited partnership	-	-	812,130	812,130
Certificate of deposit	-	3,140,608	-	3,140,608
Total	<u>\$ 23,266,985</u>	<u>\$ 3,212,055</u>	<u>\$ 812,130</u>	<u>\$ 27,291,170</u>

The table below sets forth a summary of changes in the fair value of the Plan's level 3 assets for the year ended June 30, 2009.

	<u>Limited Partnership</u>
Balance, beginning of year	\$ 1,019,695
Purchases, sales, issuances and settlements (net)	<u>(207,565)</u>
Balance, end of year	<u>\$ 812,130</u>

NOTE 6 – CONCENTRATION OF CREDIT RISK

The Trust maintains its cash balances with Bank of Nevada. At June 30, 2009, the Trust's uninsured bank balances totaled \$10,609,589. Trust management periodically evaluates financial soundness of the financial institution and believes such assets do not pose a financial risk to the Trust.

NOTE 7 – FIXED ASSETS

Fixed assets, net are summarized as follows at June 30:

	<u>2009</u>	<u>2008</u>
Building - 2950 E. Rochelle Avenue	\$ 5,008,447	\$ 2,796,216
Land - 2950 E Rochelle Avenue	640,000	640,000
Office furniture and equipment	742,822	488,121
Computer hardware and software	2,244,651	2,104,090
Telephone equipment	248,399	236,361
Construction in progress	806,137	1,615,607
	<u>9,690,456</u>	<u>7,880,395</u>
Accumulated depreciation	<u>(2,635,089)</u>	<u>(2,199,030)</u>
Total fixed assets, net	<u>\$ 7,055,367</u>	<u>\$ 5,681,365</u>

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 7 – FIXED ASSETS (continued)

Depreciation expense for the years ended June 30, 2009 and 2008 totaled \$526,590 and \$664,120, respectively.

NOTE 8 – RELATED PARTIES

The Trust reimburses CCEA for costs incurred based on the relationship agreement between the CCEA and the Trust. The Trust and CCEA are separate entities and maintain separate records. As of June 30, 2009 and 2008, the Trust had a receivable due from CCEA of \$0 and \$687, respectively. In addition, the Trust had a payable due to CCEA of \$17,705 and \$28,681, respectively. Amounts paid to CCEA were \$444,982 and \$480,201 for the years ended June 30, 2009 and 2008, respectively.

The Agreement and Declaration of Trust by the Clark County Education Association (CCEA) was made on August 11, 2008. CCEA entered into a Collective Bargaining Agreement (CBA) with the Clark County School District (CCSD) providing for the creation of a retiree health and welfare plan for the employees covered by the CBA. This Trust, known as Retiree Health Trust (RHT), was established to provide health benefits to the retired employees and their dependents. The Trust and RHT are separate entities and maintain separate records. All employees who retire from actual employment with CCSD on or after January 1, 2009 and have attained the age of 52 with five years of service as a licensed employee are eligible to participate. RHT will provide medical, prescription drug, dental, vision, wellness and life insurance to eligible participants.

On August 11, 2008, the Trust signed an Administrative Services Agreement with RHT, with an effective date of July 1, 2008, and will continue for a period of five (5) years. Under this Agreement, the Trust will provide services including claim processing, maintenance of eligibility records and other similar services. RHT will pay the Trust for the services according to the fees set forth by the Agreement. Subsequent to June 30, 2009, an addendum to the administrative services was signed and to be in effect from September 1, 2009 to October 31, 2011. Under the addendum, the monthly fee per retiree is \$44.81 and a flat administration fee of \$4,000 per month is paid by RHT to the Trust.

NOTE 9 – BENEFIT OBLIGATIONS

The Trust's benefit obligations, excluding the postretirement benefit obligation, represents claims incurred but not reported, claims unprocessed, claims in ready-to-pay status but not yet paid, insurance premium payable, and prescription drug claims payable. As of June 30, 2009 and 2008, the Trust had recorded benefit obligations (excluding the postretirement benefit obligation) of \$10,965,192 and \$14,797,364, in the accompanying statements of benefit obligations, of which \$3,181,864 and \$6,269,779 is currently payable as of June 30, 2009 and 2008, respectively. The remaining amounts of \$7,783,328 and \$8,527,585 represent claims incurred but not reported.

TEACHERS HEALTH TRUST

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 9 – BENEFIT OBLIGATIONS (continued)

As presented in the statements of changes in benefit obligations, the accumulated postretirement benefit obligation (APBO) was \$19,286 as of June 30, 2008. The APBO represented the liability for life insurance costs that exceed the value of the premiums charged to retirees.

The amount reported as the postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed by the terms of the plan. Benefits include amounts expected to be paid to retired or terminated employees or their beneficiaries. The actuarial present value of postretirement benefits is determined by an actuary and it is that amount that results from applying actuarial assumptions to adjust the postretirement benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and expected date of payment. The significant actuarial assumptions used in the June 30, 2008 (valuation date) valuations were:

- **Discount Rate:** 7%
- **Mortality:** RP-2000 Mortality Table

The 2008 actuarial assumptions are based on a termination of coverage date of January 1, 2009. On August 11, 2008, the Retiree Health Trust (RHT) was established to provide this benefit to retirees effective January 1, 2009.

NOTE 10 – COMMITMENTS

The Trust pays monthly license and maintenance fees of \$18,701 for up to 30,000 members and an additional \$1,560 for each additional 2,500 members under a software licensing agreement signed with TriZetto Group, Inc. (formerly Quality Care Solutions, Inc.). The Trust has approximately 34,930 members. The agreement expires on December 20, 2009 and the Trust does not plan to enter into a new agreement.

NOTE 11 – EMPLOYEE BENEFIT PLAN

Effective January 1, 2007, the Trust established a 401(k) plan for its employees. No contributions to the plan were made or required to be made by the Trust for the year ended June 30, 2009 and 2008.

NOTE 12 – RISKS AND UNCERTAINTIES

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

SUPPLEMENTAL SCHEDULES

TEACHERS HEALTH TRUST

SUPPLEMENTAL SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Salaries and related expenses		
Administrative	\$ 4,472,942	\$ 4,208,069
Health Traxx newsletter	14,044	13,835
Lifestyle decisions - Wellness	173,205	177,162
Medical PPO network	477,860	423,623
Imaging	250,220	238,974
Benefits communications	11,435	13,804
	<u>5,399,706</u>	<u>5,075,467</u>
Depreciation expense	526,590	664,120
Computers - supplies and maintenance	422,824	402,895
Community foundation service fees	225,000	225,000
Claims data entry for electronic submission	97,531	106,530
Administrative fees	219,003	220,020
Rent	5,524	5,186
Benefit communications	227,673	241,962
Legal fees	374,606	233,861
Building expenses	133,300	107,588
Audit fees	42,500	54,600
Postage	81,006	107,566
Printing	62,280	51,662
Hospital service purchasing coalition fees	63,142	259,441
Health Traxx newsletter	48,449	50,265
Health education program	157,721	162,318
Telephone	37,371	34,784
Office expense	33,894	29,132
Professional fees	154,643	125,142
Claims review and processing expense	49,748	57,305
Fiduciary insurance	32,623	32,623
Manager and partner meetings and training	29,141	20,940
Insurance expense	29,793	27,514
Publications, subscriptions and dues	10,051	5,278
Payroll processing fees	9,675	9,000
Employee search	6,463	6,903
Trustee meetings	876	710
	<u>8,481,133</u>	<u>8,317,812</u>
Total	<u>\$ 8,481,133</u>	<u>\$ 8,317,812</u>

TEACHERS HEALTH TRUST

SUPPLEMENTAL SCHEDULE OF INSURANCE PREMIUMS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
PacifiCare / Secure Horizons	\$ 352,134	\$ 658,404
Group Term Life Insurance - Hartford	1,251,791	1,296,884
Utilization Management - Encompass	547,144	530,918
Medical PPO Network - Coalition of America	52,440	40,962
Behavioral Health - HBI	227,931	231,766
Vision PPO Network - Vision Service Plan	166,240	168,097
Dental PPO Network - Diversified Dental	140,993	142,626
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Total	<u>\$ 2,738,673</u>	<u>\$ 3,069,657</u>