CLERKS' OF COURT
RETIREMENT & RELIEF FUND

ACTUARIAL VALUATION AS OF
JUNE 30, 2009

TABLE OF CONTENTS

G. S. CURRAN & COMPANY, LTD.
Actuarial Services
10555 N. Glenstone Place • Baton Rouge, Louisiana 70810 • (225)769-4825

Gary S. Curran, FCA, MAAA, ASA, EA
Consulting Actuary

Gregory M. Curran, FCA, MAAA, ASA
Associate Actuary

November 9, 2009

Board of Trustees
Clerks' of Court Retirement and Relief Fund
11745 Bricksome Avenue, Suite B-1
Baton Rouge, Louisiana 70816

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Clerks' of Court Retirement and Relief Fund for the fiscal year ending June 30, 2009. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the Clerks' of Court Retirement and Relief Fund of the State of Louisiana. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2010, to recommend the net direct employer contribution rate for fiscal 2011, and to provide information for the system's financial statements. This report was prepared exclusively for the Clerks of Court Retirement and Relief Fund for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

This report has been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated herein. The undersigned actuaries are members of the American Academy of Actuaries and have met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report, and are available to provide further information or answer any questions with respect to this valuation.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By: Gary Curran
Gary Curran, F.C.A., M.A.A.A., A.S.A.

By: Gregory M. Curran
Gregory Curran, F.C.A., M.A.A.A., A.S.A.

SUMMARY OF VALUATION RESULTS
CLERKS' OF COURT RETIREMENT AND RELIEF FUND

Valuation Date:		June 30, 2010	June 30, 2009
Census Summary:	Active Members (including DROP)	2,330	2,371
	Retired Members and Survivors	929	894
	Terminated Due a Deferred Benefit	97	101
	Terminated Due a Refund	360	338
Payroll:		$ 86,484,686	$ 85,840,893
Benefits in Payment (excluding DROP accruals):		$ 18,640,843	$ 17,431,083
Frozen Unfunded Actuarial Accrued Liability:		$ 86,953,999	$ 86,185,073
Market Value of Assets:		$ 301,692,473	$ 271,624,094
Actuarial Asset Value (AVA):		$ 358,981,529	$ 338,755,452
Actuarial Accrued Liability (as defined by GASB-25)		$ 445,935,528	$ 424,940,525
Ratio of Net AVA to GASB – 25 Accrued Liability:		80.50%	79.72%

****

	FISCAL 2011	FISCAL 2010
Employer Normal Cost (July 1):	$ 16,874,556	$ 16,166,850
Amortization Cost (July 1):	$ 5,941,536	$ 5,672,111
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 24,153,179	$ 23,131,064
Projected Ad Valorem Taxes and Revenue Sharing Funds	$ 7,897,955	$ 7,985,608
Net Direct Employer Actuarially Required Contributions	$ 15,933,300	$ 15,145,456
Actuarially Required Net Direct Employer Contribution Rate	17.96%	17.05%
Actual Net Direct Employer Contribution Rate:	17.25%	14.75%

****

Minimum Recommended Net Direct Contribution Rate: For Fiscal 2011: 18.00% Fiscal 2010: 17.25%

Employee Contribution Rate: 8.25% of payroll

Dedicated Funding: 0.25% (0.5% for Orleans Parish) of ad valorem taxes plus revenue sharing funds

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 8% (Net of Investment Expense)

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of investment securities adjusted to phase in asset earnings above or below the assumed rate of return over a five-year period with limits set at 85% and 115% of the market value of assets. When the adjusted value falls outside of the limits, the actuarial value is set equal to the average of the limited and adjusted value.

Changes in Valuation Methods, Assumptions, and/or Amortization Periods: Change in the method of calculating the actuarial value of assets from five year phase in of earning above or below the assumed rate of return subject to limits of 90% to 110% of the market value of assets to the above described method.

Method of Recognizing Gains and Losses: Under the Frozen Attained Age Normal Method, actuarial gains and losses are spread over future normal costs.

COMMENTS ON DATA

For the valuation, the administrative staff of the system furnished a census on magnetic diskette derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 2,371 active members in the system of whom 979 have vested retirement benefits including 114 participants in the Deferred Retirement Option Plan (DROP); 894 former system members or their beneficiaries are receiving retirement benefits. An additional 439 terminated members have contributions remaining on deposit with the system; of this number, 101 have vested rights for future retirement benefits. All individuals submitted were included in the valuation.

Census data submitted to our office is tested for errors. Several types of census data errors are possible; to ensure that the valuation results are as accurate as possible, a significant effort is made to identify and correct these errors. In order to minimize coverage errors (i.e., missing or duplicated individual records) the records are checked for duplicates, and a comparison of the current year's records to those submitted in prior years is made. Changes in status, new records, and previous records, which have no corresponding current record are identified. This portion of the review indicates the annual flow of members from one status to another and is used to check some of the actuarial assumptions, such as retirement rates, rates of withdrawal, and mortality. In addition, the census is checked for reasonableness in several areas, such as age, service, salary, and current benefits. The records identified by this review as questionable are checked against data from prior valuations; those not recently verified are included in a detailed list of items sent to the system's administrator for verification and/or correction. Once the identified data has been researched and verified or corrected, it is returned to us for use in the valuation. Occasionally some requested information is either unavailable or impractical to obtain. In such cases, values may be assigned to missing data. The assigned values are based on information from similar records or based on information implied from other data in the record.

In addition to the statistical information provided on the system's participants, the system's administrator furnished general information related to other aspects of the system's expenses, benefits, and funding. Valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. As indicated in the system's audit report, the net market value of the system's assets was $271,624,094 as of June 30, 2009. Net investment income for fiscal 2009 measured on a market value basis amounted to a loss of $64,441,163. Contributions to the fund for the fiscal year totaled $25,379,916 benefits and expenses amounted to $21,180,163.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Frozen Attained Age Normal actuarial cost method with the unfunded accrued liability frozen as of June 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability which was determined to be $58,719,822 as of June 30, 1989, was amortized over forty years with payments increasing at 4.75% per year. In any year in which the net direct employer contribution is scheduled to decrease, the board of trustees may freeze the net direct employer contribution rate and use the excess funds collected, if any, to reduce the frozen unfunded actuarial accrued liability. For fiscal years 1999 through 2002, the board did freeze the employer contribution rates. The additional payments of $6,660,791 and the accrued interest thereon reduced the outstanding Unfunded Accrued Liability by $9,536,353 as of June 30, 2005, and shortened the remaining amortization period to June 30, 2026. However, in 2006 a statutory change was made to reamortize the then existing balance of the Frozen Unfunded Accrued Liability through June 30, 2029.

Since payments on the Fund’s unfunded actuarial accrued liability increase by 4.75% each year, payroll growth in excess of 4.75% per year will reduce future amortization payments as a percent of payroll; payroll growth less than 4.75% will increase future payments as a percent of payroll. Under the Frozen Attained Age Normal Cost Method, actuarial gains and losses are spread over future normal costs. Thus, favorable plan experience will lower future normal costs; unfavorable experience will cause future normal costs to increase. In addition, changes in benefits and assumptions are also spread over future normal costs.

All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

The actuarial assumptions utilized for the report are outlined on pages thirty-five through thirty-eight. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. The assumptions are the same as those used for the prior year. The method used to calculate the Actuarial Value of Assets was changed. In the prior year, the actuarial value of assets was determined by smoothing all earnings above or below the assumed rate of return over a five year period with the resulting value constrained to a corridor of no less than 90% of the market value of assets and no more than 110% of the market value of assets. For this valuation, the corridor was expanded to a range of 85% to 115% of the market value of assets; the actuarial value of assets was then set equal to the average of the applicable corridor limit and the smoothed value if the smoothed value fell outside of the corridor. The effect of this change was to reduce the fund’s normal cost accrual rate by 5.482%.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2009 Regular Session of the Louisiana Legislature:

Act 270 provides that a member of a state or statewide retirement system, upon applying for retirement, may irrevocably elect a retirement payment option whereby his benefit is actuarially reduced, but he receives a 2.5% compounded increase in his benefit annually on each retirement anniversary date. This increase is also available to DROP participants and applied to the monthly benefit allowance. The adjustment is only payable to retirees who are 55 and older. The adjustment is not based on any other COLAs the system may grant. Any additional COLA granted by the system will be based on the retiree's monthly benefit as it exists when such COLA is granted. Spousal beneficiaries also receive the COLA upon the retiree's death if the retiree chose to have his benefits paid to his spouse upon his death.

Act 296 creates a funding deposit account. The beginning balance of each system's account was set equal to zero as of December 31, 2008. All surplus funds collected for the system are then credited to the account for any fiscal year ending on or after December 31, 2008, in which the board of trustees elects to set the direct employer contribution rate higher than the minimum recommended rate. The funds will earn interest at the board-approved actuarial valuation rate, and the interest will be credited at least once a year. Beginning with the first valuation on or after December 31, 2008, the system's board may direct the account funds be charged for the following purposes: (1) To reduce the unfunded accrued liability, (2) To reduce the present value of future normal, (3) To pay all or a portion of any future net direct employer contributions. The funds charged from the account may not exceed the outstanding balance. If the board elects to charge funds from the funding deposit account in order to reduce the employers' direct contributions, the percent reduction in the minimum recommended employer contribution rate will be determined by dividing the interest-adjusted value of the charges from the funding deposit account by the projected payroll for the fiscal year for which the contribution rate is to be reduced. For funding purposes, any asset value used in the calculation of the actuarial value of assets of a system will exclude the account balance as of the asset determination date for the calculation. For all purposes other than funding, the funds in the account will be considered assets of the system.

ASSET EXPERIENCE

The actuarial and market rates of return for the past ten years are given below. These investment rates of return were determined by assuming a uniform distribution of income and expense throughout the fiscal year.

	Market Value	Actuarial Value
2000	4.2%	11.0%
2001	-1.5%	4.2%
2002	-3.0%	-0.3%
2003	2.9%	-0.9%
2004	12.3%	2.9%
2005	8.7%	7.2%
2006	11.5%	* 16.7%
2007	14.3%	10.2%
2008	-6.3%	7.9%
2009	-19.3%	** -6.1%

* Includes effect of change in asset valuation method. Effective with the 2006 valuation the method was changed from smoothing capital gains and losses over 3 years to smoothing investment earnings above or below the assumed rate of return over a five year period, subject to a limit of 90% to 110% of the market value of assets.

** Includes effect of change in asset valuation method. Effective with 2009 fiscal year, the corridor limits were increased to 85% to 115% of the market value of assets and the final asset value was determined by averaging the smoothed value with the corridor limit if the smoothed value extends beyond the corridor.

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2009, the fund earned $3,805,445 of dividends, interest and other recurring income. During the same period, the Fund had net realized and unrealized capital losses on investments of $67,230,657. In addition, the Fund had $1,015,951 of investment expense. The geometric mean of the market value rates of return measured over the last ten years was 1.9%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8.0% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, and recognized capital gains as given in Exhibit VI. Investment income used to calculate this yield is based upon a smoothing of investment income above or below the valuation interest rate over a five year period subject to limits as described in the section detailing actuarial assumptions. The difference between rates of return on an actuarial and market value basis results from the smoothing utilized. Yields in excess of the 8.0% assumption will reduce future costs; yields below 8.0% will increase future costs. For fiscal 2009 the system experienced net actuarial investment earnings of $90,601,101 less than the actuarial assumed earnings rate of 8.0%. This loss in earnings produced an actuarial loss, which increased the normal cost accrual rate by 12.4265% without regard to the change in the method used to determine the actuarial value of assets.

DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The average active member is 46 years old with 12.12 years of service and an annual salary of $36,205. The system's active membership decreased during the fiscal year by 37 members. The plan has experienced an increase in the active plan population of 15 members over the last five years. A review of the active census by age indicates that over the last ten years the population in the under-fifty age group has decreased significantly while the proportion of active members over-fifty increased. Over the same ten-year period, the percentage of members with service in the fifteen to twenty-four year range has decreased. The percentage of members with service of at least twenty-five years has increased significantly.

The average regular retiree is 71 years old with a monthly benefit of $1,674. The number of retirees and beneficiaries receiving benefits from the system increased by 45 during the fiscal year. Over the last five years, the number of retirees has increased by 151; during this same period, annual benefits in payment increased by $5,567,753.

Plan liability experience for fiscal 2009 was favorable. No significant single factors were evident in the experience gain. Retirements and disabilities were below projected levels, and deaths were above projected levels. These factors tend to reduce costs. However, DROP entries exceeded projections, and withdrawals were below expected levels, and salaries increased slightly more than expected. These factors would tend to offset cost reductions. In aggregate, liability experience reduced the normal cost accrual rate by 0.5121%

FUNDING ANALYSIS AND RECOMMENDATIONS

Actuarial funding of a retirement system is a process whereby funds are accumulated over the working lifetimes of employees in such a manner as to have sufficient assets available at retirement to pay for the lifetime benefits accrued by each member of the system. The required contributions are determined by an actuarial valuation based on rates of mortality, termination, disability, and retirement, as well as investment return and other statistical measures specific to the particular group. Each year a determination is made of two cost components, and the actuarially required contributions are based on the sum of these two components plus administrative expenses. These two components are the normal cost and the amortization payment on the unfunded actuarial accrued liability. The normal cost refers to the portion of annual cost based on the salary of active participants. The term unfunded accrued liability (UAL) refers to the excess of the present value of plan benefits over the sum of current assets and future normal costs. Each year the UAL grows with interest and is reduced by payments. Under the funding method used for the plan, changes in plan experience, benefits, or assumptions do not affect the frozen unfunded actuarial accrued liability. These items increase or decrease future normal costs.

In order to establish the actuarially required contribution in any given year, it is necessary to define the assumptions, funding method, and method of amortizing the UAL. Thus, the determination of what contribution is actuarially required depends upon the funding method and amortization schedules employed. Regardless of the method selected, the ultimate cost of providing benefits is dependent upon the benefits, expenses, and investment earnings. Only to the extent that some methods accumulate assets more rapidly and thus produce greater investment earnings does the funding method affect the ultimate cost.

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2010 as of July 1, 2009, is $16,166,850. The amortization payment on the fund's frozen unfunded actuarial accrued liability as of July 1, 2009, is $5,672,111. The total actuarially required contribution is determined by adjusting these two values for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit I the total actuarially required contribution for fiscal 2010 is $23,131,064. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2010 is $15,145,456. This is 17.05% of the projected payroll for fiscal 2010.

Liability and asset experience as well as changes in assumptions and benefits can increase or lower plan costs. In addition to these factors, any COLA granted in the prior fiscal year will increase required contributions. New entrants to the system can also increase or lower costs as a percent of payroll depending upon their demographic distribution and other factors related to prior plan experience. Finally, contributions above or below requirements may reduce or increase future costs.

The effects of various factors on the fund's cost structure are outlined below:

Normal Cost Accrual Rate – Fiscal 2009	13.1619%

Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	12.4265%
Factors Decreasing the Normal Cost Accrual Rate:	
Contribution Gain	0.0710%
New Members	0.1850%
Liability Experience	0.5121%
Asset Valuation Method Change	5.4820%
Normal Cost Accrual Rate – Fiscal 2010	19.3383%

In addition to the above factors, payroll growth affects plan costs to the extent that payments on the system's unfunded liability are on a schedule that varies from actual trends in payroll growth or decline. If payroll changes at rates not consistent with the amortization schedule the result will be costs that change as a percentage of payroll. For fiscal 2010, the net effect of the change in payroll on amortization costs was to increase such costs by 0.02% of payroll. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2010 will increase by 0.87% of payroll.

Although the actuarially required net direct employer contribution rate for fiscal 2010 is 17.05%, the actual employer contribution rate for fiscal 2010 is 14.75% of payroll. Since the contribution rate for fiscal 2010 was 14.75%, any shortfall in employer contributions collected in the fiscal year will increase the Fund's normal cost accrual rate. We estimate this shortfall will result in an increase of 0.26% to the normal cost accrual rate in fiscal 2011. R.S. 11:103 requires that the net direct employer contributions be rounded to the nearest 0.25%, hence we are recommending a minimum net direct employer contribution rate of 17.25% for fiscal 2011. R.S. 11:106 allows the board to set the employer contribution rate at a level not to exceed 3% above the minimum net direct employer contribution rate.

Although the minimum direct employer contribution for fiscal 2009 was 11.25%, the board of trustees had elected pursuant to R. S. 11:105 to freeze the contribution rate at 11.75%, which was the rate for the prior fiscal year. Act 296 of the 2009 legislative session allocated all such additional funds collected to a newly created Funding Deposit Account. The balance credited to the account as of June 30, 2009 amounted to $517,540. The funds in this account can be used to reduce the unfunded liability of the fund, reduce future normal costs, or offset direct employer contribution increases. In formulating policy to disburse funds from the account, the Board should consider that given the large market losses incurred in fiscal 2009 and the actuarial asset smoothing used to produce the valuation, there is a high probability of contribution increases over the course of the next several years.

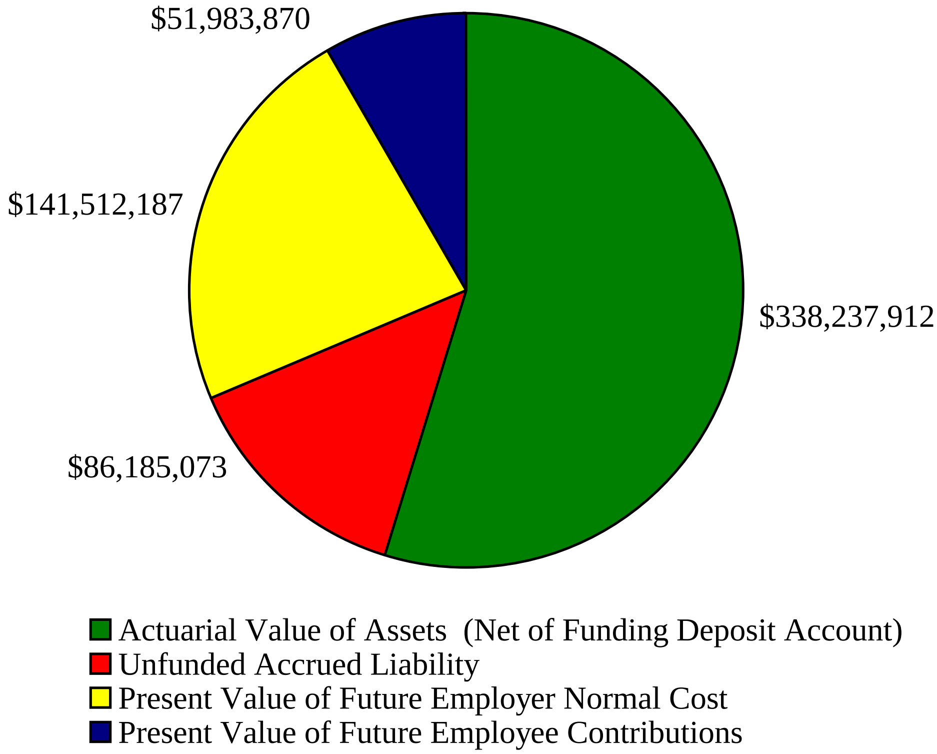
Recent capital market conditions have resulted in asset experience losses for the fund that will significantly increase its cost structure. These market conditions may be temporary or may indicate that future return expectations should be reduced. Contribution rates to the fund as given in this report are a function of the assumed long-term rate of return on assets used for the valuation. That rate of return should be consistent with long-term capital market expectations and the asset allocation utilized by the fund. The sensitivity of each plan's contribution rate with regard to the assumed rate of return in unique. For the Clerks of Court Retirement and Relief Fund, we have determined that a decrease in the long-term assumed rate of return of 1% would lead to an increase in the required employer contribution rate of 9.63% of payroll. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

COST OF LIVING INCREASES

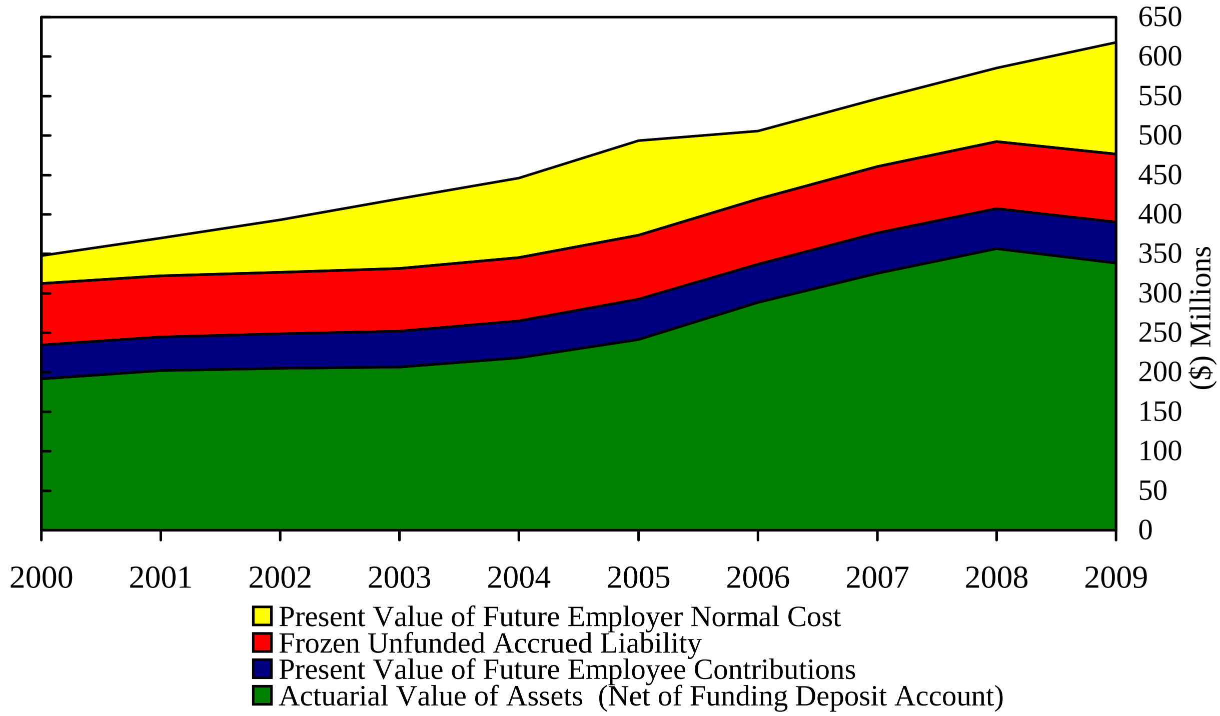
During fiscal 2009, the actual cost of living (as measured by the US Department of Labor CPI-U) decreased by 1.43%. Cost of living provisions for the system are detailed in R.S. 11:1549 and R.S. 11:246. The former statute allows the board to grant annual cost of living increases of 2.5% of each retiree's current benefit subject to a limit of $40 per month. In order to grant such an increase there must have been an increase in the CPI-U of 3% since the last such increase. R.S. 11:246 provides cost of living increases to retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date (R.S. 11:246 only permits payment of such an increase if earnings exceed the system's valuation rate). R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $X×(A+B) where X is at most $1 and "A" represents the number of years of credited service accrued at retirement or at death of the member or retiree and "B" is equal to the number of years since retirement or since death of the member or retiree to June 30th of the initial year of such increase. The provisions of this subpart do not repeal provisions relative to cost of living adjustments contained within the individual laws governing systems; however, they are to be controlling in cases of conflict. We have determined there has not been more than a 3% increase in the CPI-U since the last COLA granted; therefore, the requirements of R.S. 11:1549 for the granting of a 2.5% COLA have not been met. In addition, in order to grant any cost of living increase to regular retirees, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:242. This section sets forth a minimum "target ratio" of the actuarial value of assets to the Pension Benefit Obligation. For fiscal 2009 the fund has not met the necessary target ratio, and plan investment experience was below assumptions. Therefore, the Fund is unable to grant COLAs to retirees at this time.

Components of Present Value of Future Benefits

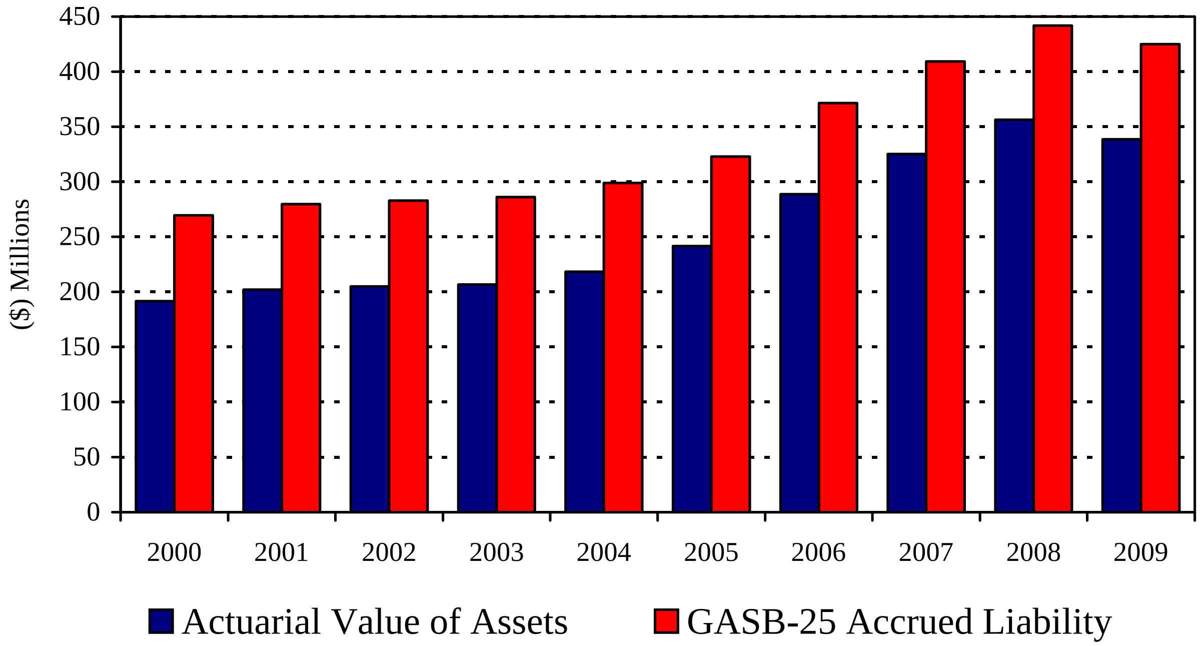
June 30, 2009



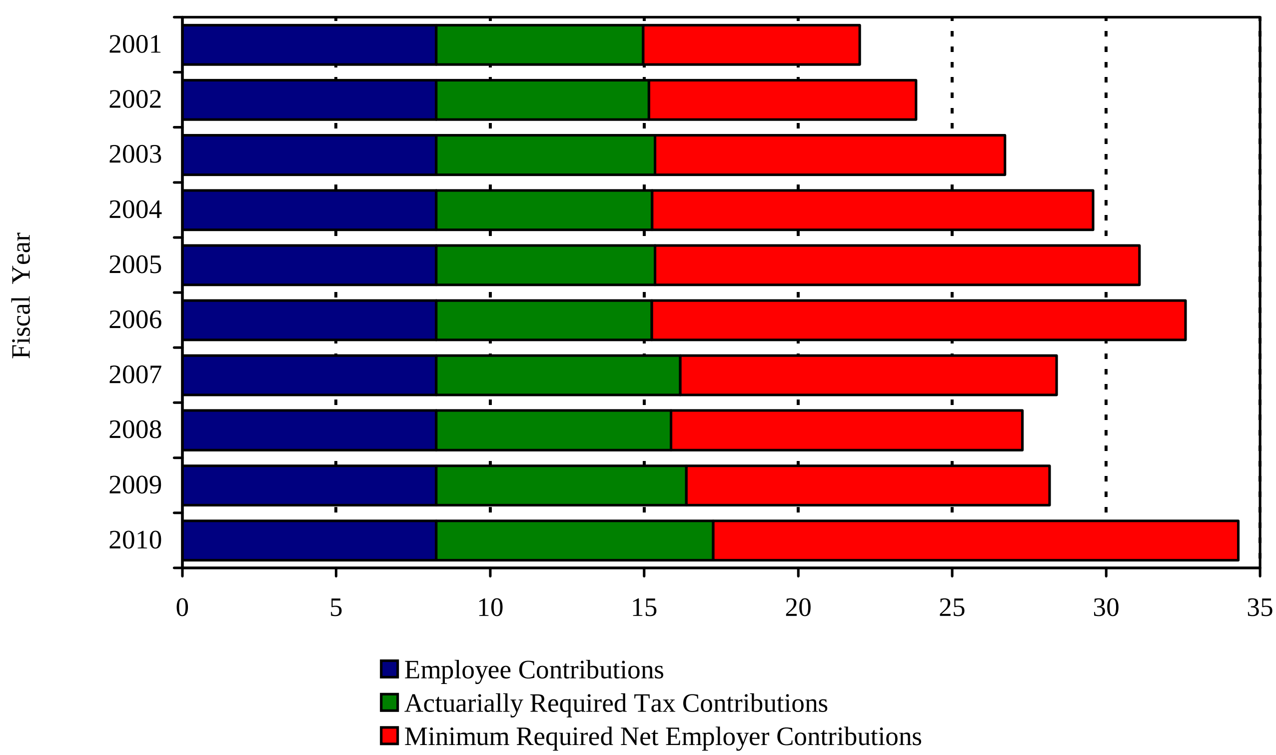
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. GASB-25 Accrued Liability

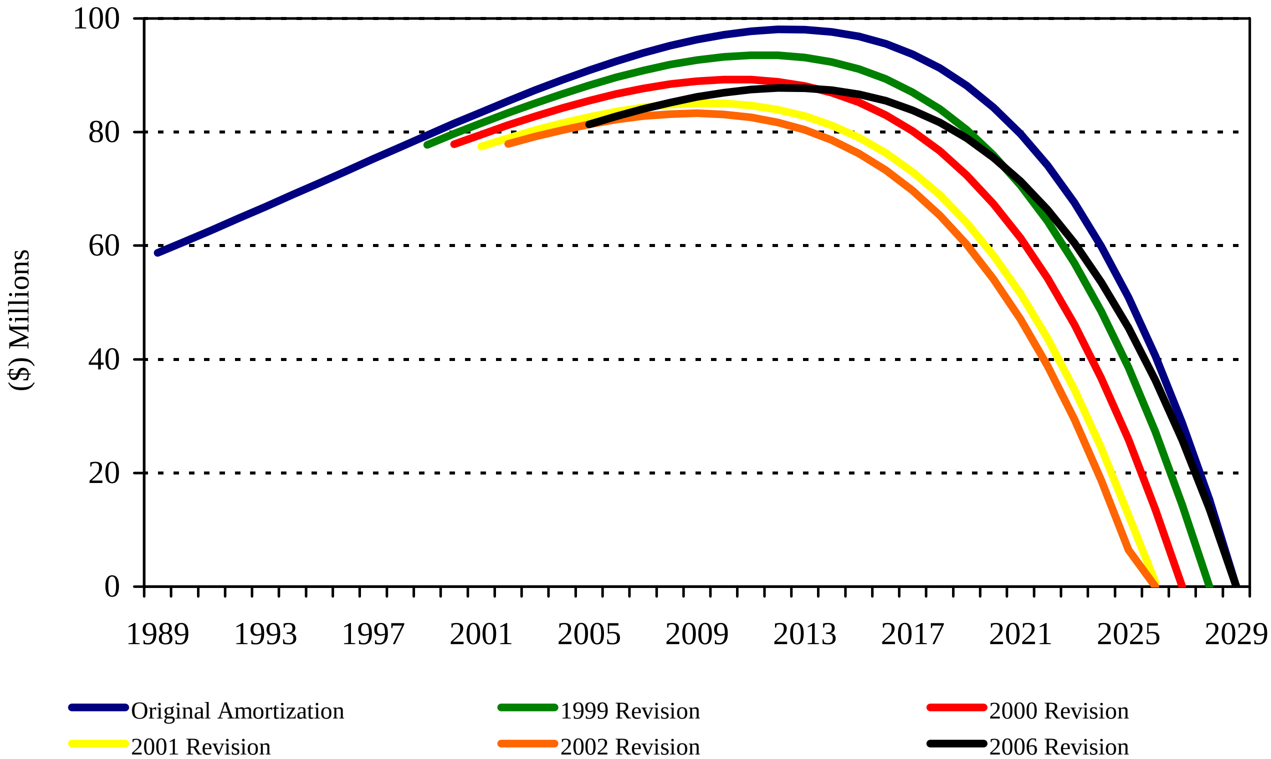


Components of Actuarial Funding

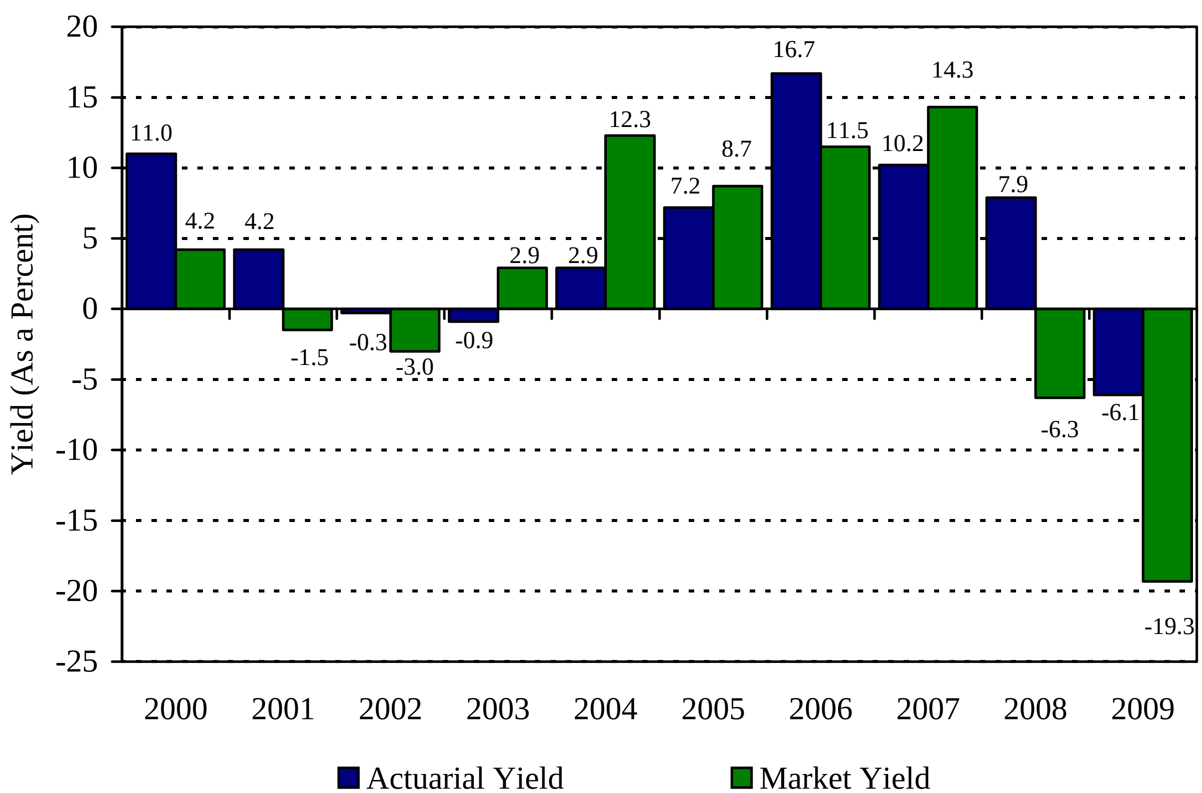


Actuarially Required Tax Contributions consist of the lesser of Actuarially Required Contributions and the amount of taxes available divided by the projected payroll.

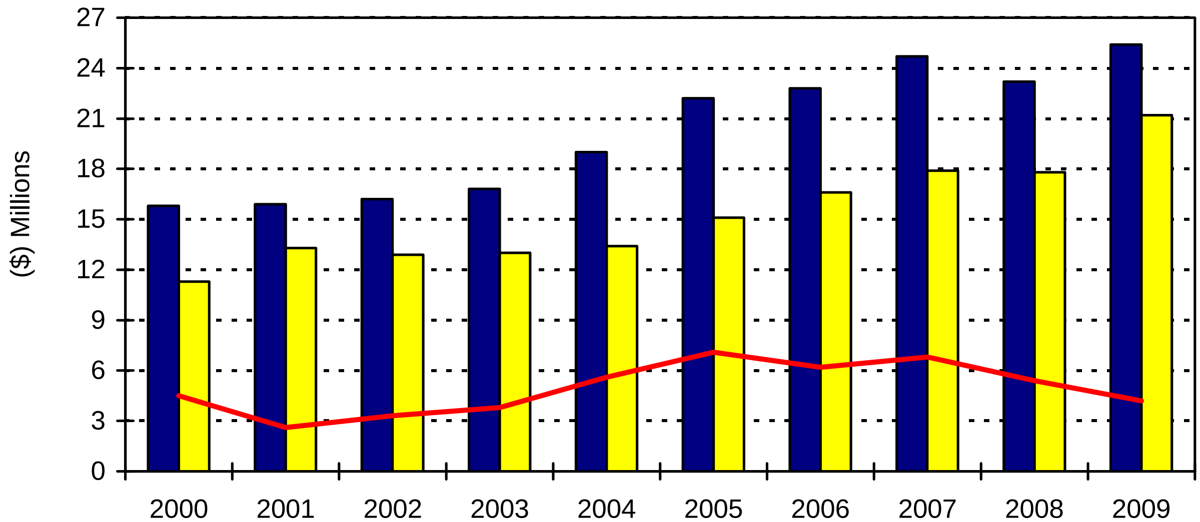
Frozen Unfunded Actuarial Accrued Liability



Historical Asset Yields

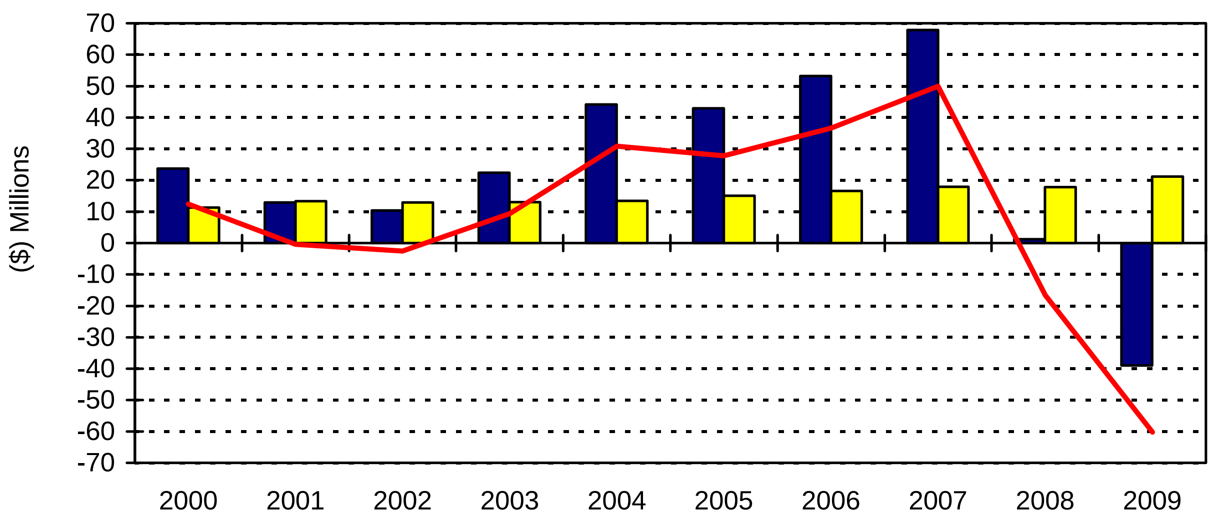


Net Non-Investment Income



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)	15.8	15.9	16.2	16.8	19.0	22.2	22.8	24.7	23.2	25.4
Benefits and Expenses ($Mil)	11.3	13.3	12.9	13.0	13.4	15.1	16.6	17.9	17.8	21.2
Net Non-Investment Income ($Mil)	4.5	2.6	3.3	3.8	5.6	7.1	6.2	6.8	5.4	4.2

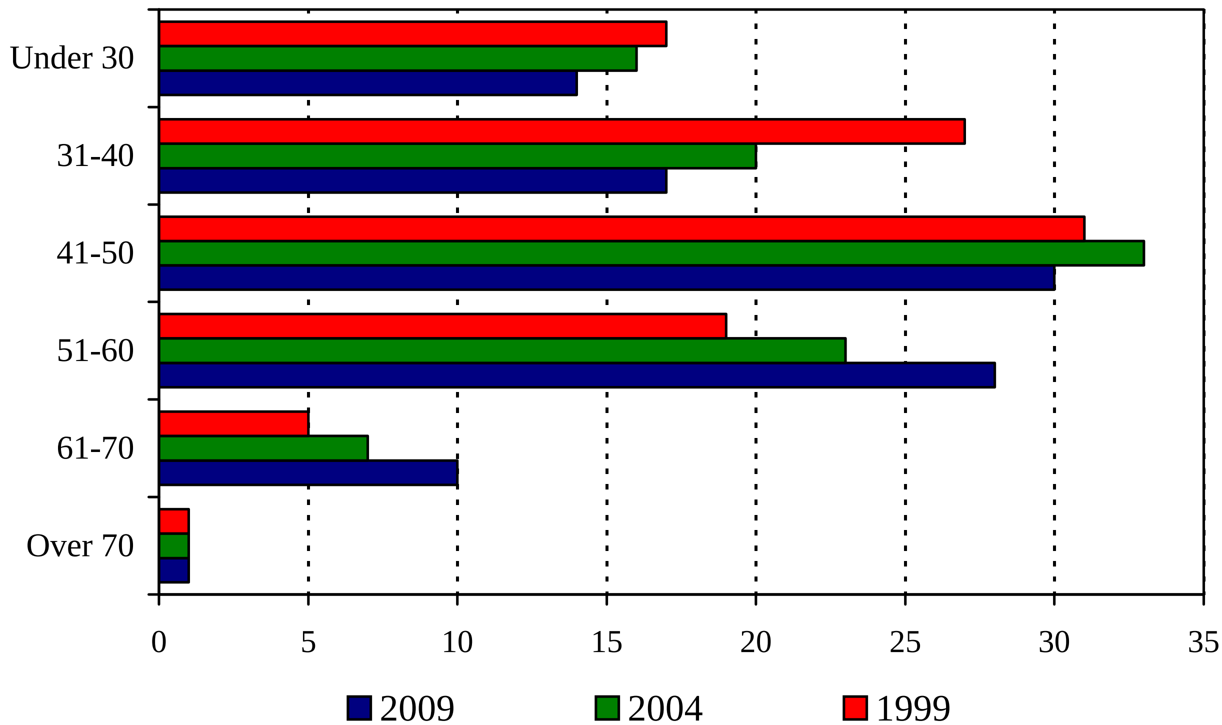
Total Income vs. Expenses
(Based on Market Value of Assets)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)	23.7	12.9	10.4	22.4	44.2	42.9	53.2	67.9	1.2	-39.0
Benefits and Expenses ($Mil)	11.3	13.3	12.9	13.0	13.4	15.1	16.6	17.9	17.8	21.2
Net Change in MVA ($Mil)	12.4	-0.4	-2.5	9.4	30.8	27.8	36.6	50.0	-16.6	-60.2

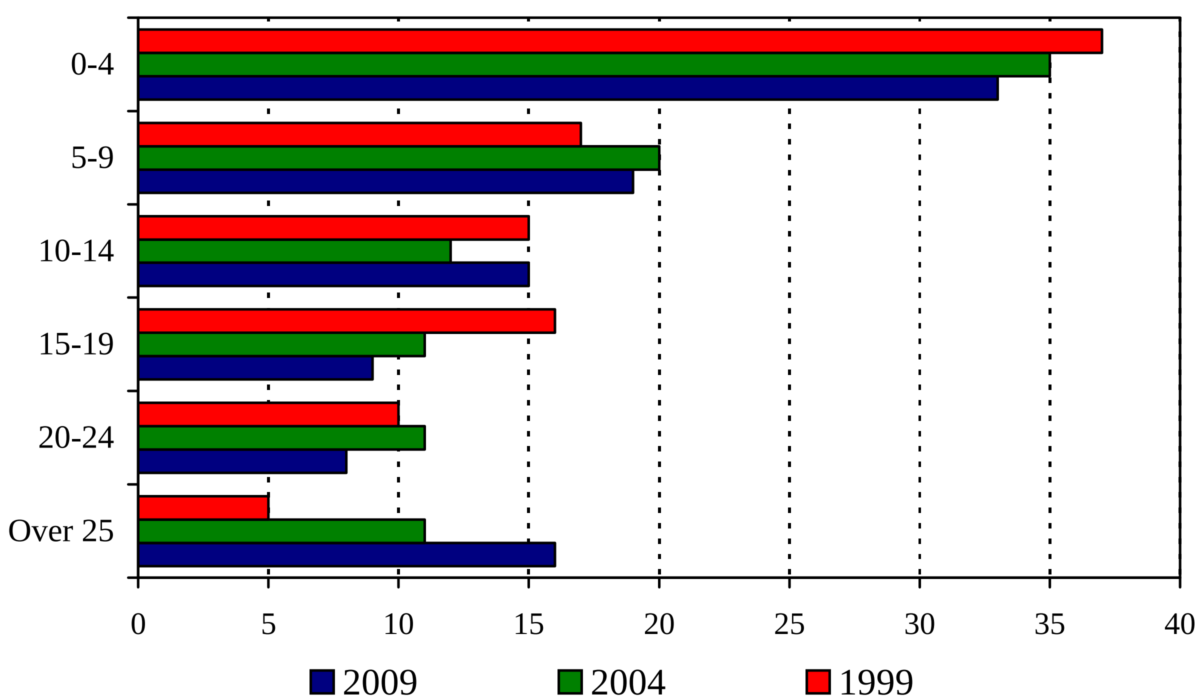
Active – Census By Age

(as a percent)



Active – Census By Service

(as a percent)



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 637,358,274
2.	Present Value of Future Employee Contributions	$ 49,725,546
3.	Frozen Unfunded Actuarial Accrued Liability	$ 86,953,999
4.	Actuarial Value of Assets	$ 358,981,529
5.	Funding Deposit Account Credit Balance	$ 558,943
6.	Present Value of Future Employer Normal Costs (1-2-3-4+5)	$ 142,256,143
7.	Present Value of Future Salaries	$ 704,252,575
8.	Employer Normal Cost Accrual Rate (6÷7)	20.199591%
9.	Projected Fiscal 2011 Salary for Current Membership	$ 83,539,097
10.	Employer Normal Cost as of July 1, 2010 (8 x 9)	$ 16,874,556
11.	Amortization Payment on remaining frozen Unfunded Accrued Liability of $86,953,999 with Payments increasing at 4.75% per year	$ 5,941,536
12.	TOTAL Employer Normal Cost and Amortization Payment (10 + 11)	$ 22,816,092
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$ 23,711,179
14.	Estimated Administrative Cost for Fiscal 2011	$ 442,000
15.	TOTAL Employer Actuarially Required Contribution for Fiscal 2011 (13 + 14)	$ 24,153,179
16.	Projected Ad Valorem Tax Contributions for Fiscal 2011	$ 7,897,955
17.	Projected Revenue Sharing Funds for Fiscal 2011	$ 321,924
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2011 (15 - 16 - 17)	$ 15,933,300
19.	Projected Payroll (July 1, 2010 to June 30, 2011)	$ 88,698,869
20.	Employer’s Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2011 (18÷19)	17.96%
21.	Actual Employer Contribution Rate for Fiscal 2011	17.25%
22.	Contribution Shortfall (Excess) as a Percentage of Payroll (20-21)	0.71%
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess)	0.08%
24.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2012 (20+23, Rounded to nearest .25%)	18.00%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 406,458,018	
Survivor Benefits	6,841,516	
Disability Benefits	5,989,288	
Vested Deferred Termination Benefits	20,097,137	
Contribution Refunds	5,655,811	
TOTAL Present Value of Future Benefits for Active Members		$ 445,041,770

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 13,439,083	
Terminated Members with Reciprocals Due Benefits at Retirement	101,130	
Terminated Members Due a Refund	1,324,050	
TOTAL Present Value of Future Benefits for Terminated Members		$ 14,864,263

Present Value of Future Benefits for Retirees:

Maximum	80,182,558		
Option 1	0		
Option 2	39,168,272		
Option 3	18,796,119		
Option 4	2,107,239		
Option 5	1,996,193		
TOTAL Regular Retirees		$ 142,250,381	
Disability Retirees		2,101,144	
Survivors & Widows		12,283,217	
Drop Account Balances Payable to Retirees		1,378,267	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 158,013,009

TOTAL Present Value of Future Benefits	$ 617,919,042

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:				
Cash	$	3,345,198		
Contributions Receivable from Members		574,906		
Contributions Receivable from Employers		1,110,840		
Accrued Interest and Dividends		365,010		
Miscellaneous		2,711		
Investments Receivable		998,300		
TOTAL CURRENT ASSETS			$	6,396,965
Equipment and Fixtures			$	8,500
Investments:				
Equity Fund - Domestic		136,520,670		
Equity Fund - International		56,598,193		
Marketable Securities		56,233,486		
Index Bond Funds		28,851,898		
Real Estate Funds		19,624,812		
Hedge Funds		10,541,790		
Cash Equivalents		6,096,232		
Mutual Funds		8,418,284		
TOTAL INVESTMENTS			$	295,585,892
TOTAL ASSETS			$	301,991,357
Current Liabilities:				
Accounts Payable		298,884		
TOTAL CURRENT LIABILITIES			$	298,884
NET MARKET VALUE OF ASSETS			$	301,692,473

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

Excess (Shortfall) of invested income
for current and previous 4 years:

Fiscal year 2009	$	(91,155,162)
Fiscal year 2008		(50,097,059)
Fiscal year 2007		19,043,663
Fiscal year 2006		9,228,992
Fiscal year 2005		1,612,459
Total for four years	$	(111,367,107)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$	(72,924,129)
Fiscal year 2008 (60%)		(30,058,235)
Fiscal year 2007 (40%)		7,617,465
Fiscal year 2006 (20%)		1,845,798
Fiscal year 2005 (0%)		0
Total deferred for year	$	(93,519,101)

Market value of plan net assets, end of year	$	271,624,094
Preliminary actuarial value of plan assets, end of year	$	365,143,195

Actuarial value of assets corridor

85% of market value, end of year	$	230,880,480
115% of market value, end of year	$	312,367,708

Final actuarial value of plan net assets, end of year (average of preliminary actuarial value of plan assets and 115% of market value)	$	338,755,452

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$	51,983,870
Employer Normal Contributions to the Pension Accumulation Fund		141,512,187
Employer Amortization Payments to the Pension Accumulation Fund		86,185,073
Funding Deposit Account Credit Balance		(517,540)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$	279,163,590

EXHIBIT V
CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability			$	85,215,896
Interest on Frozen Unfunded Accrued Liability	$	6,817,272		
Employer Normal Cost for Prior Year		10,510,147		
Interest on the Normal Cost		840,812		
Administrative Expenses		368,809		
Interest on Expenses		14,469		
Credit to Funding Deposit Account		517,540		
TOTAL Increases to Frozen Unfunded Accrued Liability			$	19,069,049
Direct Employer Contributions	$	10,191,672		
Interest on Employer Contributions		399,824		
Ad Valorem Taxes and Revenue Sharing Funds		7,224,937		
Interest on Ad Valorem Taxes and Revenue Sharing Funds		283,439		
TOTAL Decreases to Frozen Unfunded Accrued Liability			$	18,099,872
NET Change in Frozen Unfunded Accrued Liability			$	969,177
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY			$	86,185,073

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets: (June 30, 2009)		$ 338,755,452
Income:		
Member Contributions	$ 6,741,380	
Employer Contributions	12,933,192	
Ad Valorem Tax Funds	7,262,923	
Revenue Sharing Tax Funds	324,108	
Contributions for Purchased or Transferred Service	572,198	
SUBTOTAL of all contributions		$ 27,833,801
Net Appreciation in Fair Value of Investments	$ 20,404,272	
Dividends on Stock	4,042,843	
Interest Income	456,624	
Securities Lending	36,186	
Investment Expense	(1,071,989)	
SUBTOTAL of all market investment income		$ 23,967,936
TOTAL Income		$ 51,801,737
Expenses:		
Retirement and Survivor Benefits	$ 18,029,059	
Disability Benefits	234,871	
Refunds of Contributions	743,869	
DROP Disbursements	1,447,195	
Administrative Expenses	410,810	
Funds Transferred to Another System	867,554	
TOTAL Expenses		$ 21,733,358
Net Market Income for Fiscal 2010(Income - Expenses)		$ 30,068,379
Adjustment for Actuarial Smoothing		$ 42,493,998
Actuarial Value of Assets: (June 30, 2010)		$ 358,981,529

EXHIBIT VII
FUND BALANCE AND ASSET RECONCILIATION

Present Assets of the System Creditable to:

Annuity Savings Fund	$	57,896,049
Annuity Reserve Fund		156,634,742
Pension Accumulation Fund		42,878,807
DROP Account		13,696,956
Funding Deposit Account		517,540
NET MARKET VALUE OF ASSETS	$	271,624,094
ADJUSTMENT FOR ACTUARIAL SMOOTHING		67,131,358
NET ACTUARIAL VALUE OF ASSETS	$	338,755,452

EXHIBIT VIII
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$	305,684,022
Present Value of Benefits Payable to Terminated Employees		14,864,263
Present Value of Benefits Payable to Current Retirees and Beneficiaries		158,013,009
TOTAL PENSION BENEFIT OBLIGATION	$	478,561,294
NET ACTUARIAL VALUE OF ASSETS	$	338,755,452
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation		70.79%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

Actuarial Value of Assets Divided by PBO as of Fiscal 1986			31.83%
Amortization of Unfunded Balance over 30 years:			52.26%
Adjustments in Funded Ratio Due To Mergers or Changes in Assumption(s):			
	Changes for Fiscal 1988	5.90%	
	Changes for Fiscal 1993	(1.42%)	
	Changes for Fiscal 1995	(2.51%)	
	Changes for Fiscal 1998	(3.99%)	
	Changes for Fiscal 2001	(1.15%)	
	Changes for Fiscal 2005	(2.02%)	
	Changes for Fiscal 2006	3.66%	
	Changes for Fiscal 2009	8.36%	
TOTAL Adjustments			6.83%
Amortization of Adjustments in Funded Ratio over 30 years:			
	Changes for Fiscal 1988	(4.13%)	
	Changes for Fiscal 1993	0.76%	
	Changes for Fiscal 1995	1.17%	
	Changes for Fiscal 1998	1.46%	
	Changes for Fiscal 2001	0.31%	
	Changes for Fiscal 2005	0.27%	
	Changes for Fiscal 2006	(0.37%)	
	Changes for Fiscal 2009	0.0%	
TOTAL Amortization of Adjustments			(0.53%)
Target Ratio for Current Fiscal Year			90.39%
Actuarial Value of Assets Divided by PBO as of Fiscal 2009			70.79%

EXHIBIT X
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2008	2,306	404	102	849	3,661
Additions to Census					
Initial membership	162	16			178
Death of another member				9	9
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(83)	83			
Actives who retired	(32)			32	
Actives entering DROP	(56)	(1)	57		
Term. members rehired	13	(13)			
Term. members who retire		(6)		6	
Retirees who are rehired					
Refunded who are rehired	4	1			5
DROP participants retiring			(25)	25	
DROP returned to work	20		(20)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(68)	(45)			(113)
Deaths	(9)			(30)	(39)
Included in error last year					
Adjustment for multiple records				3	3
Number of members as of June 30, 2009	2,257	439	114	894	3,704

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	5	8	13	14,074	182,965
21 - 25	22	107	129	21,525	2,776,781
26 - 30	33	166	199	25,534	5,081,314
31 - 35	27	166	193	29,378	5,670,025
36 - 40	25	189	214	33,129	7,089,599
41 - 45	41	232	273	35,077	9,576,055
46 - 50	46	363	409	37,563	15,363,349
51 - 55	48	336	384	41,553	15,956,476
56 - 60	46	235	281	40,902	11,493,366
61 - 65	37	132	169	40,967	6,923,483
66 - 70	24	50	74	52,869	3,912,314
71 - 75	6	17	23	46,584	1,071,436
76 - 80	3	2	5	71,618	358,088
81 - 85	0	3	3	41,053	123,160
86 - 90	1	1	2	131,241	262,482
TOTAL	364	2,007	2,371	36,205	85,840,893

THE ACTIVE CENSUS INCLUDES 979 ACTIVES WITH VESTED BENEFITS, INCLUDING 114 DROP PARTICIPANTS AND 76 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	2	9	11	14,288	157,171
41 - 45	2	15	17	16,585	281,951
46 - 50	7	28	35	19,194	671,803
51 - 55	6	30	36	21,146	761,270
56 - 60	0	1	1	4,350	4,350
66 - 70	0	1	1	2,970	2,970
TOTAL	17	84	101	18,609	1,879,515

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	57	2,064
100	-	499	57	16,742
500	-	999	42	32,355
1000	-	1999	40	60,863
2000	-	4999	55	177,074
5000	-	9999	48	352,941
10000	-	19999	29	392,290
20000	-	99999	10	289,721
	TOTAL		338	1,324,050

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	5	6	17,905	107,432
56 - 60	20	92	112	26,294	2,944,876
61 - 65	23	110	133	23,360	3,106,930
66 - 70	27	130	157	19,705	3,093,702
71 - 75	29	103	132	18,390	2,427,495
76 - 80	32	81	113	15,959	1,803,312
81 - 85	23	59	82	19,069	1,563,660
86 - 90	5	28	33	13,132	433,347
91 - 99	2	9	11	15,505	170,551
TOTAL	162	617	779	20,092	15,651,305

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	0	3	3	7,878	23,635
46 - 50	0	2	2	12,374	24,748
51 - 55	1	8	9	13,972	125,752
61 - 65	1	1	2	9,268	18,536
66 - 70	0	1	1	8,907	8,907
TOTAL	2	15	17	11,858	201,578

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	2	2	4	6,934	27,734
31 - 35	0	1	1	9,834	9,834
41 - 45	1	1	2	4,543	9,086
46 - 50	0	2	2	13,320	26,640
51 - 55	0	2	2	5,070	10,140
56 - 60	2	4	6	24,572	147,429
61 - 65	4	3	7	18,836	131,850
66 - 70	3	9	12	17,471	209,647
71 - 75	4	10	14	19,227	269,179
76 - 80	2	14	16	19,211	307,369
81 - 85	5	15	20	12,418	248,369
86 - 90	1	8	9	17,288	155,594
91 - 99	0	3	3	8,443	25,329
TOTAL	24	74	98	16,104	1,578,200

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20	7	5	1									13
21 - 25	28	43	35	11	3	9						129
26 - 30	35	37	39	16	21	48	3					199
31 - 35	17	22	26	12	14	59	40	3				193
36 - 40	12	18	25	13	6	58	51	29	1	1		214
41 - 45	15	27	23	6	8	53	53	30	39	19		273
46 - 50	17	25	17	13	11	67	67	50	46	82	14	409
51 - 55	18	20	16	7	8	47	56	44	41	66	61	384
56 - 60	12	9	18	10	9	56	39	27	33	30	38	281
61 - 65	6	12	10	6	6	27	29	21	21	15	16	169
66 - 70	2		2	2	4	11	17	10	5	7	14	74
71 & Over		2	1			5	4	4	5		12	33
Totals	169	220	213	96	90	440	359	218	191	220	155	2371

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
0 - 20	14,373	12,261	21,045									14,074
21 - 25	17,309	20,471	22,693	23,746	28,400	30,130						21,525
26 - 30	22,954	24,650	22,608	25,169	27,724	29,013	35,545					25,534
31 - 35	24,748	25,132	30,865	25,132	29,657	31,338	30,653	34,019				29,378
36 - 40	25,396	24,068	26,502	32,196	28,943	34,561	37,256	38,766	38,700	29,379		33,129
41 - 45	40,537	22,335	28,723	27,055	28,843	33,384	32,471	41,786	45,204	42,337		35,077
46 - 50	34,679	27,231	26,375	31,297	37,739	34,560	35,308	38,664	45,799	42,528	43,876	37,563
51 - 55	30,438	26,223	32,561	28,196	46,633	37,871	36,483	42,895	41,750	51,102	49,145	41,553
56 - 60	25,340	39,795	26,244	28,505	36,659	37,367	34,541	42,431	46,151	48,247	57,582	40,902
61 - 65	26,281	25,662	24,552	27,573	30,333	30,883	43,295	44,589	52,203	44,469	67,241	40,967
66 - 70	51,415		90,993	49,956	25,184	30,156	44,763	44,731	39,074	38,772	101,434	52,869
71 & Over		27,573	54,589			21,286	29,734	37,123	30,572		98,226	55,005
Average	26,179	24,406	26,979	28,135	32,087	33,515	35,780	41,184	44,962	45,817	61,128	36,205

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 35												0
36 - 40								11				11
41 - 45							17					17
46 - 50						34	1					35
51 - 55	4	8	10	8	6							36
56 - 60				1								1
61 - 65												0
66 - 70	1											1
71 & Over												0
Totals	5	8	10	9	6	34	18	11	0	0	0	101

AVERAGE ANNUAL BENEFITS OF TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 35												0
36 - 40								14,288				14,288
41 - 45							16,585					16,585
46 - 50						19,504	8,653					19,194
51 - 55	21,964	24,030	17,766	22,747	20,256							21,146
56 - 60				4,350								4,350
61 - 65												0
66 - 70	2,970											2,970
71 & Over												0
Average	18,165	24,030	17,766	20,703	20,256	19,504	16,145	14,288	0	0	0	18,609

SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55	4					2						6
56 - 60	21	24	19	29	14	5						112
61 - 65	16	8	14	13	15	61	5	1				133
66 - 70	11	8	4	5	11	56	54	5	2	1		157
71 - 75	3	2	4	4	5	32	34	43	5			132
76 - 80	3	2		1	1	18	18	25	41	3	1	113
81 - 85	1			1		6	14	7	21	30	2	82
86 - 90						1	2		14	4	12	33
91 & Over									2	2	7	11
Totals	59	44	41	53	46	181	127	81	85	40	22	779

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50												0
51 - 55	22,282					9,153						17,905
56 - 60	31,142	21,733	27,610	25,833	26,881	23,841						26,294
61 - 65	28,032	29,697	23,046	23,693	31,551	19,235	25,062	18,286				23,360
66 - 70	33,293	14,861	14,686	22,976	25,416	21,591	15,991	10,483	10,417	9,479		19,705
71 - 75	25,441	14,846	21,949	19,110	35,016	17,485	16,889	18,453	10,986			18,390
76 - 80	22,073	10,523		5,925	6,008	14,361	17,000	16,388	16,751	12,553	5,463	15,959
81 - 85	78,399			21,486		29,504	27,414	14,164	20,922	11,412	11,050	19,069
86 - 90						17,129	23,227		15,479	18,598	6,556	13,132
91 & Over									30,250	18,936	10,311	15,505
Average	30,149	21,109	24,238	24,073	28,484	19,515	18,105	16,951	17,401	12,544	8,110	20,092

DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 40												0
41 - 45			1	1	1							3
46 - 50						2						2
51 - 55	3	1		2		2	1					9
56 - 60												0
61 - 65		1					1					2
66 - 70						1						1
71 & Over												0
Totals	3	2	1	3	1	5	2	0	0	0	0	17

AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement: 0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 40												0
41 - 45			12,725	4,224	6,685							7,878
46 - 50						12,374						12,374
51 - 55	11,111	34,876		8,372		16,680	7,440					13,972
56 - 60												0
61 - 65		11,317					7,219					9,268
66 - 70						8,907						8,907
71 & Over												0
Average	11,111	23,096	12,725	6,989	6,685	13,403	7,329	0	0	0	0	11,858

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20				1			1					2
21 - 25				2								2
26 - 30												0
31 - 35		1										1
36 - 40												0
41 - 45						2						2
46 - 50	1					1						2
51 - 55						1	1					2
56 - 60			1	1	1	1	1	1				6
61 - 65	1					3	1	2				7
66 - 70	1			1		2	5		2		1	12
71 - 75	1		1			5	2	2	2		1	14
76 - 80					1	2	3	2	5	3		16
81 - 85					1	1	1	2	7	6	2	20
86 - 90									5	1	3	9
91 & Over								1			2	3
Totals	4	1	2	5	3	18	15	10	.21	10	9	98

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 20				3,767			2,249					3,008
21 - 25				10,858								10,858
26 - 30												0
31 - 35		9,834										9,834
36 - 40												0
41 - 45						4,543						4,543
46 - 50	23,860					2,781						13,320
51 - 55						6,169	3,971					5,070
56 - 60			42,454	6,471	25,352	38,967	31,028	3,156				24,572
61 - 65	46,211					14,909	18,629	11,141				18,836
66 - 70	13,259			12,675		11,910	22,788		21,989		1,975	17,471
71 - 75	76,605		37,182			13,610	22,942	4,661	12,972		6,192	19,227
76 - 80					10,392	44,052	16,910	22,904	15,202	12,107		19,211
81 - 85					2,589	11,334	23,335	10,484	14,962	10,603	10,896	12,418
86 - 90									20,816	13,570	12,648	17,288
91 & Over								19,673			2,828	8,443
Average	39,984	9,834	39,818	8,926	12,778	16,280	19,318	12,121	16,893	11,351	8,173	16,104

EXHIBIT XI
YEAR-TO-YEAR COMPARISON

	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Number of Active Members		2,371	2,408	2,364
Number of Retirees & Survivors		894	849	825
Number of Terminated Due Deferred Benefits		101	101	102
Number Terminated Due Refund		338	303	266
Active Lives Payroll		$ 85,840,893	$ 83,637,009	$ 78,384,249
Retiree Benefits in Payment		$ 17,431,083	$ 15,861,293	$ 15,032,502
Market Value of Assets		$ 271,624,094	$ 331,865,504	$ 348,448,803
Ratio of Actuarial Value of Assets to GASB-25 Accrual Liability		79.72%	80.71%	79.46%
Actuarial Value of Assets		$ 338,755,452	$ 356,502,864	$ 325,278,452
Frozen Unfunded Actuarial Accrued Liability		$ 86,185,073	$ 85,215,896	$ 84,072,966
Present Value of Future Employer Normal Cost		$ 141,512,187	$ 93,305,942	$ 85,994,867
Present Value of Future Employee Contributions		$ 51,983,870	$ 50,730,673	$ 51,293,939
Funding Deposit Account Balance		$ 517,540	$ 0	$ 0
Present Value of Future Benefits		$ 617,919,042	$ 585,755,375	$ 546,640,224

****

	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Employee Contribution Rate		8.25%	8.25%	8.25%
Proj. Tax Contribution as % of Projected Payroll		8.99%	8.12%	7.62%
Minimum Actuarially Req'd Net Direct Employer		17.05%	11.80%	11.41%
Actual Net Direct Employer Contribution Rate		14.75%	11.75%	11.75%

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
	2,227	2,386	2,356	2,333	2,272	2,233
	817	776	743	716	694	672
	100	92	83	74	75	78
	274	204	221	181	172	173
	$ 70,935,731	$ 73,542,403	$ 70,699,191	$ 67,515,714	$ 64,135,719	$ 61,034,631
	$ 14,133,920	$ 12,936,610	$ 11,863,330	$ 11,391,676	$ 10,694,711	$ 10,212,193
	$ 298,451,085	$ 261,821,679	$ 234,052,785	$ 203,267,112	$ 193,897,318	$ 196,439,189
	77.71%	74.80%	73.10%	72.30%	72.45%	72.29%
	$ 288,606,478	$ 241,537,822	$ 218,345,837	$ 206,768,548	$ 204,897,570	$ 202,157,690
	$ 82,780,287	$ 81,359,582	$ 80,357,648	$ 79,202,081	$ 77,914,593	$ 77,480,423
	$ 86,249,033	$ 119,947,430	$ 100,729,458	$ 88,389,983	$ 66,233,967	$ 47,649,687
	$ 48,105,080	$ 50,894,701	$ 46,759,949	$ 45,462,833	$ 43,996,636	$ 42,624,535
	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
	$ 505,740,878	$ 493,739,535	$ 446,192,892	$ 419,823,445	$ 393,042,766	$ 369,912,235

****

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%
	7.92%	7.00%	7.10%	7.01%	7.10%	6.90%
	12.22%	16.57%	15.73%	14.32%	11.36%	8.68%
	16.75%	15.75%	14.50%	11.50%	10.00%	10.00%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Clerks' of Court Retirement and Relief Fund is a defined benefit pension plan which provides retirement allowances and other benefits. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - Members include the clerk of the supreme court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand, and the employees of such clerks, who work an average of more than twenty hours per week, and the employees of the Louisiana Clerks of Court Association, the Louisiana Clerks' of Court Retirement and Relief Fund, and the Louisiana Clerks of Court Insurance Fund.

CONTRIBUTION RATES - The fund is financed by employee contributions of 8.25% of salary and employer contributions as determined annually by the Public Retirement System's Actuarial Committee. The board of trustees is authorized to require a net direct contribution rate of up to three percent more than the rate determined under R.S. 11:103. In any fiscal year during which the net direct employer contribution rates would otherwise be decreased, the board of trustees is authorized to set the employer contribution rate at any point between the previous year’s employer contribution rate and the decreased rate that would otherwise occur. Any excess funds resulting from the additional contributions will be applied as provided in R.S. 11:105(C). In addition, the fund is due 0.25% of ad valorem taxes shown to be collected by the tax rolls of each parish (0.50 % for Orleans Parish) and revenue sharing funds as appropriated each year by the legislature.

CONTRIBUTION REFUNDS - Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

RETIREMENT BENEFITS - Members with twelve or more years of creditable service may retire at age fifty-five. The retirement allowance is equal to three percent of the member's monthly average final compensation multiplied by the number of years of creditable service, not to exceed one hundred percent of monthly average final compensation. The retirement benefit accrual rate is increased to 3 1/3% for all service credit accrued after June 30, 1999. For members whose first employment making them eligible for system membership began before July 1, 2006, monthly average final compensation is based on the highest thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For members whose first employment making them eligible for system membership began on or after July 1, 2006, monthly average final compensation is based on the highest compensated sixty consecutive months or successive joined months if service was interrupted, with a limit increase of 10% in each of the last five years of measurement.

OPTIONAL ALLOWANCES - Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 - If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

Option 3 - Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 - Upon retirement, the member elected to receive a board approved benefit which is actuarially equivalent to the maximum benefit.

Option 5 - Upon retirement, the member receives 90% of the maximum benefit. Upon the death of the member, the spouse receives one-half of the reduced benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

DISABILITY BENEFITS - Disability benefits are awarded to active members who are totally and permanently disabled as a result of injuries sustained in the line of duty or to active members with ten or more years of creditable service who are totally disabled due to any cause. A member who is officially certified as totally and permanently disabled by the State Medical Disability Board will be paid monthly disability retirement benefits equal to the greater of forty percent of their monthly average final compensation or seventy-five percent of their monthly regular retirement benefit computed as per R.S. 11:1521(C).

SURVIVOR BENEFITS - Upon the death of any active contributing member with less than five years of creditable service, his accumulated contributions are paid to his designated beneficiary. Upon the death of any active contributing member with five or more years of service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced one-quarter of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under eighteen or disabled children are paid one-half of the member's accrued retirement benefit in equal shares. Upon the death of any former member with less than twelve years of service, the designated beneficiary may receive his accumulated contributions. Upon the death of any former member with twelve or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member of the system who is eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the system terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account (subject to approval by the Board of Trustees); in addition, the member receives the monthly benefits that were paid into the fund during the period of participation. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the system. Interest is paid on DROP account balances for members who complete their DROP participation but do not terminate employment. The interest earnings are based on the actual rate of return on funds in such accounts. These interest accruals cease upon termination of employment. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members and widows of members who have been retired for at least one full calendar year an annual cost of living increase of 2.50% of their benefit (not to exceed forty dollars per month), and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order to grant the 2.50% COLA the increase in the Consumer Price Index must have exceeded 3% since the last COLA granted. In order for the board to grant either of these increases, the system must meet certain other criteria detailed in the statute related to funding status. In lieu of granting the above cost of living increases, the board of trustees may grant a cost of living increase in the form of $X×(A+B). In this formula, X is any amount up to one dollar per month. “A” represents the number of years of credited service at retirement or death, and “B” is equal to the number of years since retirement or since death of the member or retiree through June 30th of the initial year of such increase.

ACTUARIAL ASSUMPTIONS

In determining actuarial costs, certain assumptions must be made regarding future experience under the plan. These assumptions include the rate of investment return, mortality of plan members, rates of salary increase, rates of retirement, rates of termination, rates of disability, and various other factors which have an impact on the cost of the plan. To the extent that future experience varies from the assumptions selected for valuation, future costs will be either higher or lower than anticipated. The following chart illustrates the effect of emerging experience on the plan.

Factor	Increase in Factor Results in
Investment Earnings Rate	Decrease in Cost
Annual Rate of Salary Increase	Increase in Cost
Rates of Retirement	Increase in Cost
Rates of Termination	Decrease in Cost
Rates of Disability	Increase in Cost
Rates of Mortality	Decrease in Cost

ACTUARIAL COST METHOD: Frozen Attained Age Normal Actuarial Method with allocation based on earnings. The actuarial accrued liabilities utilized to calculate the frozen unfunded accrued liability were calculated on the Projected Unit Credit Cost Method. Changes in assumptions and plan benefits are funded through adjustments to future normal costs.

VALUATION INTEREST RATE: 8% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

ANNUAL SALARY INCREASE RATE: 6% (3.25% inflation / 2.75% merit)

ANNUITANT MORTALITY: 1994 Uninsured Pensioner Mortality Table (1-year setback for both Males and Females)

RETIREE COST OF LIVING INCREASE: The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

RATES OF RETIREMENT: The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. DROP participants are assumed to retire at the end of the DROP participation period.

RETIREMENT LIMITATIONS: Projected retirement benefits are not subjected to IRS Section 415 limits.

RATES OF WITHDRAWAL: The rates of withdrawal are applied based upon completed years of service according to the following table:

Service	Factor	Service	Factor
<1	0.180	10	0.030
1	0.140	11	0.030
2	0.110	12	0.030
3	0.090	13	0.030
4	0.080	14	0.030
5	0.060	15	0.030
6	0.060	16	0.030
7	0.050	17	0.030
8	0.030	18	0.015
9	0.030	>18	0.015

Note: Withdrawal rates for members eligible to retire are assumed to be zero.

RATES OF DROP ENTRY: The table of these rates is included later in the report. These rates apply only to those individuals eligible to enter the DROP plan.

DROP PARTICIPATION: All persons who enter the DROP are assumed to participate for the full 3 year period.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS: The rate for all ages is assumed to be 21%.

MARRIAGE STATISTICS: 80% of the members are assumed to be married; husbands are assumed to be three years older than wives.

FAMILY STATISTICS: Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2000 U. S. Census:

Member's Age	% With Children	Number of Children	Average Age
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

DISABLED LIVES MORTALITY: RP-2000 Disabled Lives Mortality Tables for Males and Females

DISABILITY RATES: 25% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in the report. 10% of total disabilities are assumed to be in the line of duty.

SERVICE RELATED DISABILITIES: 10% of total disabilities

VESTING ELECTING PERCENTAGE: 80% of those vested elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	DROP Entry Rates	Disability Rates
18	0.00046	0.00028	0.00000	0.00000	0.00038
19	0.00050	0.00029	0.00000	0.00000	0.00038
20	0.00052	0.00030	0.00000	0.00000	0.00038
21	0.00054	0.00031	0.00000	0.00000	0.00038
22	0.00057	0.00031	0.00000	0.00000	0.00038
23	0.00060	0.00031	0.00000	0.00000	0.00038
24	0.00063	0.00031	0.00000	0.00000	0.00038
25	0.00067	0.00031	0.00000	0.00000	0.00038
26	0.00071	0.00031	0.00000	0.00000	0.00038
27	0.00075	0.00032	0.00000	0.00000	0.00038
28	0.00078	0.00032	0.00000	0.00000	0.00038
29	0.00081	0.00034	0.00000	0.00000	0.00038
30	0.00084	0.00036	0.00000	0.00000	0.00038
31	0.00086	0.00038	0.00000	0.00000	0.00038
32	0.00088	0.00040	0.00000	0.00000	0.00038
33	0.00090	0.00043	0.00000	0.00000	0.00038
34	0.00091	0.00045	0.00000	0.00000	0.00038
35	0.00091	0.00048	0.00000	0.00000	0.00043
36	0.00091	0.00051	0.00000	0.00000	0.00048
37	0.00093	0.00055	0.00000	0.00000	0.00053
38	0.00096	0.00059	0.00000	0.00000	0.00060
39	0.00101	0.00064	0.00000	0.00000	0.00068
40	0.00107	0.00070	0.00000	0.00000	0.00078
41	0.00115	0.00076	0.00000	0.00000	0.00088
42	0.00124	0.00083	0.00000	0.00000	0.00098
43	0.00135	0.00089	0.00000	0.00000	0.00110
44	0.00145	0.00094	0.00000	0.00000	0.00125
45	0.00157	0.00099	0.00000	0.00000	0.00143
46	0.00170	0.00105	0.00000	0.00000	0.00163
47	0.00185	0.00111	0.00000	0.00000	0.00183
48	0.00204	0.00120	0.00000	0.00000	0.00208
49	0.00226	0.00130	0.00000	0.00000	0.00235
50	0.00250	0.00141	0.00000	0.00000	0.00268
51	0.00277	0.00154	0.00000	0.00000	0.00305
52	0.00309	0.00169	0.00000	0.00000	0.00345
53	0.00345	0.00186	0.00000	0.00000	0.00392
54	0.00385	0.00205	0.00000	0.00000	0.00445
55	0.00428	0.00224	0.17000	0.34000	0.00505
56	0.00476	0.00247	0.05500	0.17000	0.00575
57	0.00532	0.00276	0.05500	0.17000	0.00653
58	0.00600	0.00314	0.05500	0.17000	0.00740
59	0.00677	0.00361	0.05500	0.17000	0.00843
60	0.00762	0.00415	0.05500	0.17000	0.01220
61	0.00858	0.00477	0.05500	0.24000	0.01220
62	0.00966	0.00548	0.05500	0.24000	0.01220
63	0.01091	0.00627	0.05500	0.24000	0.01220
64	0.01233	0.00718	0.12500	0.34000	0.01220
65	0.01391	0.00819	0.12500	0.34000	0.01220

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific dated based on the provisions of the plan and the individual's age, service, and salary as of that date.

Actuarial Accrued Liability – The actuarial present value of benefits payable to members of the fund less the present value of future normal costs attributable to the members.

Actuarial Assumptions - Assumptions as to the occurrence of future events affecting pension costs. These assumptions include rates of mortality, withdrawal, disablement, and retirement. Also included are rates of investment earnings, changes in compensation, as well as statistics related to marriage and family composition.

Actuarial Cost Method – A procedure for determining the portion of the cost of a pension plan to be allocated to each year. Each cost method allocates a certain portion of the actuarial present value of benefits between the actuarial accrued liability and future normal costs. Once this allocation is made, a determination of the normal cost attributable to a specific year can be made along with the payment to amortize any unfunded actuarial accrued liability. To the extent that a particular funding method allocates a greater (lesser) portion of the actual present value of benefits to the actuarial accrued liability it will allocate less (more) to future normal costs.

Actuarial Equivalence – Payments or receipts with equal actuarial value on a given date when valued using the same set of actuarial assumptions.

Actuarial Gain (Loss) – The financial effect on the fund of the difference between the expected and actual experience of the fund. The experience may be related to investment earnings above (or below) those expected or changes in the liability structure due to fewer (or greater) than the expected numbers of retirements, deaths, disabilities, or withdrawals. In addition, other factors such as pay increases above (or below) those forecast can result in actuarial gains or losses. The effect of such gains (or losses) is to decrease (or increase) future costs.

Actuarial Present Value - The value, as of a specified date, of an amount or series of amounts payable or receivable thereafter, with each amount adjusted to reflect the time value of money (through accrual of interest) and the probability of payments. For example: if $600 invested today will be worth $1,000 in 10 years and there is a 50% probability that a person will live 10 years, then the actuarial present value of $1,000 payable to that person if he should survive 10 years is $300.

Actuarial Value of Assets - The value of cash, investments, and other property belonging to the pension plan as used by the actuary for the purpose of the actuarial valuation. This may correspond to the book value, market value, or some modification involving either or both book and market value. Adjustments to market values are often made to reduce the volatility of asset values.

Asset Gain (Loss) - That portion of the actuarial gain attributable to investment performance above (below) the expected rate of return in the actuarial assumptions.

Amortization Payment - That portion of the pension plan contribution designated to pay interest and reduce the outstanding principal balance of unfunded actuarial accrued liability. If the amortization payment is less than the accrued interest on the unfunded actuarial accrued liability the outstanding principal balance will increase.

Contribution Shortfall (Excess) - The difference between contributions recommended in the prior valuation and the actual amount received.

Decrements – Events which result in the termination of membership in the system such as retirement, disability, withdrawal, or death.

Employer Normal Cost - That portion of the normal cost not attributable to employee contributions. It includes both direct contributions made by the employer and contributions from other non-employee sources such as revenue sharing and revenues related to taxes.

Funded Ratio – A measure of the ratio of assets to liabilities of the system according to a specific definition of those two values. Typically the assets used in the measure are the actuarial value of assets; the liabilities are defined by reference to some recognized actuarial funding method. Thus the funded ratio of a plan depends not only on the financial strength of the plan but also on the funding method used to determine the liabilities and the asset valuation method used to determine the assets in the ratio.

Normal Cost - That portion of the actuarial present value of pension plan benefits and expenses allocated to a valuation year by the actuarial cost method. This is analogous to one year's insurance premium.

Pension Benefit Obligation - The actuarial present value of benefits earned or credited to date based on the members expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

Projected Benefits – The benefits expected to be paid in the future based on the provisions of the plan and the actuarial assumptions. The projected values are based on anticipated future advancement in age and accrual of service as well as increases in salary paid to the participant.

Unfunded Actuarial Accrued Liability - The excess of the actuarial accrued liability over the actuarial value of assets.

Vested Benefits - Benefits that the members are entitled to even if they withdraw from service.

NOTES