

Hall Actuarial Associates

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September 23, 2011

Board of Trustees
LOUISIANA STATE POLICE
RETIREMENT SYSTEM
3100 Brentwood Drive, Suite B
Baton Rouge, Louisiana 70809

Gentlemen:

This report presents the results of the actuarial valuation of assets and liabilities, as well as funding requirements, for the Louisiana State Police Retirement System as of June 30, 2011.

This report has been prepared in accordance with generally accepted actuarial principles and practices and to the best of my knowledge, fairly reflects the actuarial present value of accrued benefits of the Louisiana State Police Retirement System.

In preparing this valuation, I have relied upon the information provided regarding plan provisions, plan membership, plan assets and other matters as detailed in the exhibits of this report. In particular, I have relied upon the statement of assets as provided by the Fund's external auditors, Hientz & Macaloso LLC.

The present values shown herein have been estimated on the basis of the actuarial cost method specified in Louisiana Revised Statutes Title 11 Section 22(12). In my opinion, the Actuarial Assumptions, which have been approved by the Board of Trustees, are appropriate and reasonable for the purposes of this valuation as noted in the Exhibit 6, and represents my best estimates of the anticipated experience under the plan.

Board of Trustees
September 23, 2011

A brief summary of the more important figures developed in this valuation, with comparable results from previous valuations are as follows:

| | <u>June 30, 2011</u> | <u>-----Prior Years-----</u> | |
|---|----------------------|------------------------------|----------------------|
| | | <u>June 30, 2010</u> | <u>June 30, 2009</u> |
| I. Membership Census | | | |
| 1) Retirees | 1,207 | 1,181 | 1,175 |
| 2) Actives | 1,033 | 1,065 | 1,103 |
| 3) Terminated Vested | 31 | 29 | 25 |
| 4) DROP | 2 | 5 | 18 |
| II. Annual Benefits | \$ 36,484,176 | \$ 34,390,608 | \$ 33,536,628 |
| III. Total Payroll | 58,592,035 | 59,340,901 | 59,556,036 |
| IV. Valuation Assets | 401,146,109 | 391,669,402 | 395,905,112 |
| V. Investment Yield ¹ | | | |
| Market Value | 22.19% | 11.46% | -18.96% |
| 5 year avg. | 3.97% | 1.31% | 0.86% |
| 10 year avg. | 4.94% | 2.80% | 2.15% |
| Actuarial Value ¹ | 2.57% | 0.32% | -7.13% |
| 5 year avg. | 1.65% | 3.67% | 5.33% |
| 10 year avg. | 3.28% | 3.51% | 4.43% |
| DROP Accounts ¹ | 2.07% | 0.00% | 0.00% |
| VI. Experience Account | 0 | 0 | 0 |
| VII. Cost to Fund Annual Pension Accruals (Normal Costs) | 15,644,209 26.70% | 15,767,888 26.57% | 15,716,185 26.39% |
| VIII. Unfunded Actuarial Accrued Liability | 339,111,263 | 313,078,407 | 282,401,551 |
| IX. Funded Percentage | 54.19% | 55.58% | 58.37% |
| X. Funding Requirements (Mid Year Payment) | | | |
| 1) Employee Contribution Rate | 8.50% | 8.50% | 8.50% |
| (New Hires after 12/31/2010) | 9.50% | n/a | (Eff. 10/1/2009) |
| 2) Employer Rate, plus Premium Tax Allocation (Current Year) | 59.7% 1,500,000 | 55.5% 1,500,000 | 51.1% 1,500,000 |
| 3) Projected Employer Rate, plus Premium Tax Allocation (Next Year) | 68.6% 1,500,000 | 55.9% 1,500,000 | 50.9% 1,500,000 |

Funding Requirements measure the cost of benefits in effect on June 30, 2011.

¹Excludes Money Market DROP Accounts.

Board of Trustees
September 23, 2011

UNFUNDED LIABILITY

The Actuarial Valuation for the plan year ending June 30, 2011 discloses an increase in the value of the plan's unfunded actuarial accrued liability due in part to the actuarial smoothing of assets which partially defers investment losses from prior years. The dollar funding requirements have increased, and the funding as a percentage of payroll, has increased. It is generally appropriate for the current valuation process to disclose the source and causes of any significant changes in the plan from year to year. Changes that occur are generally the result of changes in actuarial assumptions, gains or losses resulting from actual experience which differs significantly from expected plan experience or some external force such as plan restructuring.

In accordance with Act 165 of the 1992 Legislative Session, beginning with the 1992-1993 plan year, the actuarial cost method was changed from the "Projected Unit Credit" to the "Entry Age Normal" cost method. Changes in actuarial methods, assumptions, benefit changes or plan experience are amortized as a level annuity. The amortization period is the later of the year 2029 or 30 years for changes after 6/30/2008 as provided for in Act 852 of the 2008 Legislative Session.

During the past fiscal year the actuarial accrued liability in excess of assets to pay benefits increased from 313.1 million to a 339.1 million dollar deficit.

To assist the Board of Trustees in reconciling changes in the unfunded actuarial accrued liability, the following gain/loss analysis is presented as follows:

CHANGE IN UNFUNDED LIABILITY

Unfunded Liability 6/30/2010 \$ 313,078,407

INCREASES

| | |
|--------------------------------|----------------|
| Interest on Unfunded Liability | \$ 23,480,881 |
| Experience Loss | 10,444,852 |
| Investment Loss | 17,528,629 |
| Valuation adjustment | <u>105,650</u> |
| Incurred Increases | 51,560,012 |

DECREASES

| | |
|--------------------------|-------------------|
| Employer Shortfall Gain | 348,011 |
| Net Amortization Payment | <u>25,179,145</u> |
| Incurred Decreases | 25,527,156 |

Unfunded Liability 6/30/2011 \$ 339,111,263

Board of Trustees
September 23, 2011

Funding

The projected employer contribution rate for the 2011-2012 plan year was set by PERSAC at 55.9%. The actual employer contribution rate determined by this valuation for the current plan year is 59.7%. Therefore, the current plan year should generate a contribution shortfall loss since the PERSAC approved rate understates the valuation rate by 3.8%.

Valuation Adjustment

An internal audit of the valuation system revealed a deficiency in the valuation of disability benefits. The adjustment added liability for members disabled in the line of duty prior to meeting the normal eligibility requirements for disability benefits. The adjustment added \$105,650 to the unfunded liability and .09% of pay to the annual normal cost.

Legislative Changes

Act 368 of 2011 provides that the survivor benefits payable to a mentally or physically handicapped disabled child shall not cease upon reaching the age of majority, subject to certain requirements.

Comments and Disclosures

Exhibit 3, "Pension Accounting and Financial Disclosure", contains disclosure of the accrued liabilities under the Entry Age Normal Actuarial Cost Method required by the Governmental Accounting Standards Board Statement No. 25.

The format of this report was designed with the intent of highlighting the pertinent results of the valuation's funding requirements. Should you have any questions or comments, please do not hesitate to contact me.

Sincerely,

Charles G. Hall, FCA,MAAA,ASA
Actuary

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EXHIBIT 1

DEVELOPMENT
OF
COSTS, LIABILITIES AND CONTRIBUTIONS

Normal Costs and Accrued Liabilities are calculated in accordance with the Individual entry Age Normal Actuarial Cost Method, and the Actuarial Assumptions outlined in Exhibit 6 based on the Provisions of the Plan as summarized in Exhibit 5.

| | <u>June 30, 2011</u> | | <u>June 30, 2010</u> | |
|--|----------------------|---------------|----------------------|---------------|
| | <u>Dollar</u> | <u>% of</u> | <u>Dollar</u> | <u>% of</u> |
| | <u>Amount</u> | <u>Salary</u> | <u>Amount</u> | <u>Salary</u> |
| I. Normal Costs (to fund annual pension accruals) | | | | |
| Active Members | | | | |
| a) Retirement Benefits | \$ 13,500,281 | 23.04% | \$ 13,651,433 | 23.00% |
| b) Disability Benefits | 488,189 | .83% | 440,993 | .74% |
| c) Survivor Benefits | 355,077 | .61% | 360,959 | .61% |
| d) Voluntary Termination | 743,662 | 1.27% | 757,503 | 1.28% |
| e) Expenses | <u>557,000</u> | <u>.95%</u> | <u>557,000</u> | <u>.94%</u> |
| TOTAL | 15,644,209 | 26.70% | 15,767,888 | 26.57% |
| II. Actuarial Accrued Liability | | | | |
| a) Active Members | | | | |
| 1) Retirement Benefits | \$ 274,978,788 | | \$ 261,177,410 | |
| 2) Disability Benefits | 2,345,769 | | 2,448,755 | |
| 3) Survivor Benefits | 2,516,065 | | 2,450,664 | |
| 4) Voluntary Termination | <u>4,732,714</u> | | <u>5,222,424</u> | |
| | 284,573,336 | | 271,299,253 | |
| b) Retired and Inactive Members | | | | |
| 1) Regular Retirees | 341,700,694 | | 318,449,158 | |
| 2) Disabled Retirees | 15,242,774 | | 15,763,097 | |
| 3) Survivors | 45,202,561 | | 45,080,751 | |
| 4) Vested Deferred & Transfers | 6,252,780 | | 5,009,003 | |
| 5) Contribution Refunds | 538,948 | | 605,481 | |
| 6) DROP Account Balance | 35,389,474 | | 34,567,599 | |
| 7) DROP Annuity Reserve | <u>11,356,805</u> | | <u>13,973,467</u> | |
| | 455,684,036 | | 433,448,556 | |
| c) TOTAL | 740,257,372 | | 704,747,809 | |

Exhibit 1 (Continued)**Costs, Liabilities & Contributions**

| | <u>June 30, 2011</u> | <u>--Prior Year--</u> <u>June 30, 2010</u> |
|--|----------------------|---|
| II. Actuarial Accrued Liability | \$ 740,257,372 | \$ 704,747,809 |
| III. Actuarial Assets | 401,146,109 | 391,669,402 |
| IV. Unfunded Actuarial Accrued Liabilities | 339,111,263 | 313,078,407 |
| a) Change over prior year | 26,032,856 | 30,676,856 |
| b) Funded Percentage | 54.19% | 55.58% |
| V. Employer Contributions to Fund | | |
| <u>Current Plan Year¹</u> | | |
| a) Employer Portion of Normal Cost | 10,239,938 | 10,605,158 |
| b) Amortization Payments | 31,534,059 | 29,240,999 |
| c) Prior Contribution Variance | -4,851,922 | -4,956,075 |
| GROSS Required Contribution | 36,922,075 | 34,890,082 |
| d) Insurance Premium Tax Fund (IPTF) Offset | | |
| ACT 1160 Normal Cost | 976,527 | 989,362 |
| ACT 1160 Amortization payment | 1,805,281 | 1,727,542 |
| TOTAL ITPF Allocation ² | 1,500,000 | 1,500,000 |
| TOTAL Required Contribution | 35,422,075 | 33,390,082 |
| | 59.7% | 55.5% |
| <u>PERSAC approved Rate</u> | <u>55.9%</u> | <u>50.9%</u> |
| VI. Projected Employer Contributions | | |
| <u>To Fund next fiscal Plan Year¹</u> | | |
| a) Employer Portion of Normal Cost | 10,515,901 | 10,892,455 |
| b) Amortization Payments | 31,534,059 | 29,240,999 |
| c) Prior Contribution Variance | 1,292,086 | -4,085,154 |
| d) IPTF allocation ² | -1,500,000 | -1,500,000 |
| TOTAL Projected Contribution | 41,842,544 | 34,548,300 |
| | 68.6% | 55.9% |
| VII. Current Payroll | 58,592,035 | 59,340,901 |
| Projected Payroll - Mid Year | 59,363,370 | 60,143,607 |
| Projected Payroll - Next Year | 60,963,195 | 61,772,919 |

¹Dollar Amounts reflect estimated payments due mid-year on January 1st per Act 81.

²ITPF allocation is the lesser of the normal cost plus amortization or \$1,500,000.

EXHIBIT 2

FINANCIAL SUMMARY
STATEMENT OF REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING

| | <u>June 30, 2011</u> | -----Prior Years----- <u>June 30, 2010</u> | <u>June 30, 2009</u> |
|-----------------------------------|----------------------|---|----------------------|
| <u>OPERATING REVENUES:</u> | | | |
| 1. Contribution Income | | | |
| Member | \$ 5,150,698 | \$ 5,449,494 | \$ 4,919,092 |
| MV Fees | 3,079,851 | 3,276,965 | 2,829,204 |
| Appropriations | 32,225,732 | 23,812,028 | 14,834,075 |
| Insurance Premium Tax | 1,500,000 | 1,500,000 | 1,500,000 |
| 2. Other Income | | | |
| Transfers/Purchases | 1,002,341 | 392,465 | 1,431,620 |
| Miscellaneous | 34,685 | 113,322 | 83,265 |
| TOTAL CONTRIBUTIONS | <u>42,993,307</u> | <u>34,544,274</u> | <u>25,597,256</u> |
| 3. Investment Income | | | |
| Investments | 82,351,396 | 39,536,833 | -77,875,453 |
| Less, Manager fees | <u>-1,113,856</u> | <u>-1,170,877</u> | <u>-1,066,596</u> |
| TOTAL INVESTMENT INCOME | 81,237,540 | 38,365,956 | -78,942,049 |
| 4. Total Revenues | 124,230,847 | 72,910,230 | -53,344,793 |
| <u>OPERATING EXPENSES:</u> | | | |
| 1. General Administration | 555,227 | 556,590 | 584,866 |
| Other Expenses | 2,101 | 1,818 | 2,481 |
| Disability Settlement | 3,100,000 | - | - |
| 2. Benefits Paid | | | |
| a) Pension Benefits | 39,612,793 | 39,960,755 | 36,091,478 |
| b) Transfers Out | 169,239 | 0 | 193,620 |
| c) Return of Contributions | <u>117,592</u> | <u>66,707</u> | <u>113,351</u> |
| TOTAL BENEFITS PAID | 39,899,624 | 40,027,462 | 36,204,829 |
| 3. Total Expenses | 43,556,952 | 40,585,870 | 36,985,796 |
| <u>NET INCREASE:</u> | 80,673,895 | 32,324,360 | -90,330,589 |

EXHIBIT 2 (Continued)
Financial Summary

FINANCIAL SUMMARY
STATEMENT OF ASSETS
FOR FISCAL YEAR ENDING

| <u>ASSETS</u> | <u>June 30, 2011</u> | <u>-----Prior Years-----</u> | |
|-----------------------------|----------------------|------------------------------|----------------------|
| | | <u>June 30, 2010</u> | <u>June 30, 2009</u> |
| 1. Cash Equivalents | \$ 24,649 | \$ 23,010 | \$ 26,030 |
| Short Term | 20,349,402 | 6,000,789 | 7,747,883 |
| 2. Bonds | | | |
| United States Obligations | 14,857,052 | 14,475,127 | 13,605,060 |
| Bonds - General | 89,780,795 | 81,458,875 | 80,481,818 |
| 3. Equities | | | |
| Property and Equipment | 830,732 | 6,370 | 8,188 |
| Common Stock - Domestic | 144,526,117 | 108,247,221 | 93,005,057 |
| - Foreign | 52,605,143 | 43,513,069 | 40,940,747 |
| Mutual Funds - Index | 79,948,544 | 64,348,877 | 54,170,395 |
| Real Estate | 27,624,949 | 25,688,485 | 27,836,803 |
| Alternatives | 18,603,761 | 17,526,318 | 16,970,262 |
| 4. Receivables (-) Payables | <u>-1,955,767</u> | <u>5,233,341</u> | <u>-595,119</u> |
| TOTAL ASSETS - Market Value | 447,195,377 | 366,521,482 | 334,197,124 |
| - Valued at Cost | 384,077,228 | 369,904,357 | 363,788,005 |

INVESTMENT YIELD:

| | | | |
|---------------------------------|--------|--------|---------|
| Actuarial Value | 2.57% | 0.32% | -7.13% |
| DROP Account Yield ¹ | 2.07% | 0.00% | 0.00% |
| Market Value | 22.19% | 11.46% | -18.96% |

EXPERIENCE ACCOUNT FUND:

| | | | |
|---------------------------------|----------|----------|----------|
| Prior Year End Balance | 0 | 0 | 0 |
| + Experience Account Allocation | 0 | 0 | 0 |
| - Current Year Distribution | 0 | 0 | 0 |
| + Accumulated Interest | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance - Year End | 0 | 0 | 0 |

ACTUARIAL VALUE OF ASSETS:

| | | | |
|---------------------------------|-------------------|-------------------|--------------------|
| Total Assets, less | 447,195,377 | 366,521,482 | 334,197,124 |
| Change in Unrealized (G/L) | | | |
| Plan Year - 2 (wt. 1/4) | -67,722,010 | -43,771,679 | 43,877,439 |
| Plan Year - 1 (wt. 2/4) | 26,208,006 | -67,722,010 | -43,771,679 |
| Plan Year - (wt. 3/4) | <u>66,501,024</u> | <u>26,208,006</u> | <u>-67,722,010</u> |
| Gross Actuarial Value of Assets | 401,146,109 | 391,669,402 | 395,905,112 |
| Less, Side Fund Accounts | <u>0</u> | <u>0</u> | <u>0</u> |
| Valuation Assets | 401,146,109 | 391,669,402 | 395,905,112 |

¹ Effective 7/1/2003 new DROP Accounts are credited with Money Market rates.

EXHIBIT 3

**PENSION ACCOUNTING
AND
FINANCIAL DISCLOSURE**

The Governmental Accounting Standards Board (GASB) was established as an arm of the Financial Accounting Foundation in April 1984 by amendment to the Foundation's certificate of incorporation and by-laws. GASB's objective is to promulgate standards of financial accounting and reporting relative to the activities and transactions of state and local governmental entities. The following disclosures and statistical tables are in accordance with the GASB's Statement No. 25.

SCHEDULE OF FUNDING PROGRESS

(Dollar amounts in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability(AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Payroll ((b-a)/c) |
|--------------------------------|--|---|------------------------------------|--------------------------|---------------------------|--|
| 2002 | 271,694 | 386,698 | 115,004 | 70.3 | 31,695 | 362.8 |
| 2003 | 271,062 | 447,694 | 176,631 | 60.6 | 44,148 | 400.1 |
| 2004 | 288,865 | 477,085 | 188,220 | 60.6 | 47,923 | 392.8 |
| 2005 | 322,482 | 516,427 | 193,945 | 62.4 | 49,290 | 393.5 |
| 2006 | 379,704 | 546,238 | 166,534 | 69.5 | 49,256 | 338.1 |
| 2007 | 428,880 | 587,527 | 158,646 | 73.0 | 49,763 | 318.8 |
| 2008 | 438,075 | 637,832 | 199,757 | 68.7 | 56,728 | 352.1 |
| 2009 | 395,905 | 678,307 | 282,402 | 58.4 | 59,556 | 474.2 |
| 2010 | 391,669 | 704,747 | 313,078 | 55.6 | 59,340 | 527.6 |
| 2011 | 401,146 | 740,257 | 339,111 | 54.2 | 58,592 | 578.8 |

The total actuarial accrued liability determined using the Individual Entry Age Normal cost method increased by \$35,509,563 from June 30, 2010 to June 30, 2011. From all sources, there was a net experience loss of \$29,634,367.

Fiscal year gains/losses are summarized on page 3 under "Change in Unfunded Liability".

¹ UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes the Texaco Settlement Fund Assets, which appear on page 9.

EXHIBIT 3 (Continued)**Pension Accounting & Financial Disclosure****SUPPLEMENTARY INFORMATION****SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| <u>Fiscal Year</u> | <u>Actuarial Required Contribution</u> ¹ | <u>Percent Contributed</u> | <u>Annual Pension Cost (APC)</u> ¹ | <u>Actual Contribution</u> ¹ | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> ¹ |
|--------------------|---|----------------------------|---|---|--------------------------------------|--|
| 2002 | 21,153,440 | 124.6 | 24,483,266 | 26,362,607 | 107.7 | -12,958,661 |
| 2003 | 24,411,521 | 107.2 | 28,272,466 | 26,126,060 | 92.4 | -10,812,252 |
| 2004 | 30,288,239 | 87.0 | 33,855,791 | 26,347,773 | 77.8 | -3,304,234 |
| 2005 | 33,658,907 | 87.4 | 35,886,584 | 29,432,635 | 82.0 | 3,149,715 |
| 2006 | 36,698,310 | 102.1 | 37,621,412 | 37,483,229 | 99.6 | 3,287,896 |
| 2007 | 18,482,551 | 226.8 | 18,615,913 | 41,919,040 | 225.2 | -20,015,231 |
| 2008 | 16,208,885 | 116.7 | 19,099,665 | 18,908,564 | 99.0 | -19,824,130 |
| 2009 | 20,705,663 | 96.0 | 23,854,267 | 19,868,911 | 83.3 | -15,838,774 |
| 2010 | 34,935,975 | 84.9 | 39,150,610 | 29,641,699 | 75.7 | -6,329,863 |
| 2011 | 36,257,596 | 105.3 | 40,921,425 | 38,160,841 | 93.3 | -3,569,279 |

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Louisiana State Police Retirement System.

The difference between the Actuarial Required Contribution and the APC is the amortization payment for the Net Pension Obligation (see Exhibit A).

Development of Net Pension Obligation

| | |
|---|------------|
| Actuarial Required Contribution | 36,257,596 |
| Interest on Net Pension Obligation (+) | -474,740 |
| Amortization of Net Pension obligation (-) | -5,138,569 |
| Annual Pension Cost | 40,921,425 |
| Employer Contribution ¹ | 38,160,841 |
| Increase (decrease) in Net Pension Obligation | 2,760,584 |
| Net Pension Obligation - Beginning of Year | -6,329,863 |
| Net Pension Obligation - End of Year | -3,569,279 |

¹ Actuarial Contributions, the Annual Pension Cost (APC), and the actual employer contribution made have been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 27, paragraph 21.

EXHIBIT 3 (Continued)

Pension Accounting & Financial Disclosure

STATISTICAL DATA

COMPARATIVE SUMMARY OF REVENUES BY SOURCE
AND EXPENSES BY TYPE

Revenues by Source

| <u>Fiscal</u> <u>Year End</u> | <u>Members</u> <u>Contribution</u> | <u>Employer</u> <u>Contribution</u> | <u>Investment</u> <u>Income</u> | <u>Total</u> |
|----------------------------------|---------------------------------------|--|------------------------------------|--------------|
| 2002 | 2,880,248 | 25,426,356 | -7,113,040 | 21,193,564 |
| 2003 | 4,015,207 | 25,198,210 | 12,889,340 | 42,102,757 |
| 2004 | 4,090,079 | 26,252,523 | 31,363,198 | 61,705,800 |
| 2005 | 4,182,096 | 30,177,649 | 27,796,776 | 62,156,521 |
| 2006 | 3,997,156 | 37,560,697 | 25,561,079 | 67,118,932 |
| 2007 | 4,020,197 | 41,558,739 | 63,735,798 | 109,314,734 |
| 2008 | 4,608,593 | 19,677,101 | -23,624,875 | 660,819 |
| 2009 | 4,919,092 | 20,678,164 | -78,942,049 | -53,344,793 |
| 2010 | 5,449,494 | 29,094,780 | 38,365,956 | 72,910,230 |
| 2011 | 5,150,698 | 37,842,609 | 81,237,540 | 124,230,847 |

Expenses by Type

| <u>Fiscal</u> <u>Year End</u> | <u>Benefits</u> | <u>Refunds</u> | <u>Administrative</u> <u>Expenses</u> | <u>Total</u> |
|----------------------------------|-------------------------|----------------|--|--------------|
| 2002 | 22,197,351 | 203,420 | 419,195 | 22,819,966 |
| 2003 | 22,484,503 | 193,891 | 444,651 | 23,123,045 |
| 2004 | 23,889,741 | 298,653 | 429,177 | 24,617,571 |
| 2005 | 25,216,731 | 309,370 | 416,736 | 25,942,837 |
| 2006 | 27,039,512 | 218,572 | 415,344 | 27,673,428 |
| 2007 | 30,430,391 | 162,483 | 432,781 | 31,025,655 |
| 2008 | 33,321,008 | 507,995 | 575,536 | 34,404,539 |
| 2009 | 36,091,478 | 113,351 | 587,347 | 36,985,796 |
| 2010 | 39,960,755 | 66,707 | 558,408 | 40,585,870 |
| 2011 | 42,882,032 ¹ | 117,592 | 557,328 | 43,556,952 |

¹Includes disability settlement of \$3,100,000

EXHIBIT 4

CENSUS DATA

GENERAL COMMENTS

The data contained in this valuation is summarized on the following pages with exceptions noted below. The profile depicted in the cellular graphs represents "error-free data", which serves as the basis for determining costs and liabilities. Active members are allocated to cells based upon attained age and years of service. Retirees and Survivors are allocated to cells based upon attained age and years elapsed since retirement or commencement of benefits.

The validity of the results of any actuarial valuation is dependent upon the accuracy of the database. Prior to processing, suspicious data and data containing errors were purged from the data base and processed separately based on the following error types:

- missing sex code
- missing or invalid date of birth
- missing or invalid date of employment
- missing or invalid salary
- invalid retirement dates

This year there were no records purged from the database containing errors or categorized as suspicious data, which is consistent with recent years' reporting. Suspicious data are not necessarily errors, but is data which falls outside the parameters of the editing process for further checking.

Salary data contained in the profiles and valuation report may exceed the sums reported by internal audit due to salary annualization. Retiree data reflects the benefit amount in pay status on the 1st day of the next fiscal year. In the valuation process, membership data with fractional service annualizes the salary in the first year of employment.

The following is a summary by participant status of the data submitted for valuation:

| | ----- June 30 ----- | | |
|----------------------|---------------------|---------------|---------------|
| | ---2011--- | ---2010--- | ---2009--- |
| | <u>Census</u> | <u>Census</u> | <u>Census</u> |
| Active Members | 1,033 | 1,065 | 1,103 |
| Regular Retirees | 823 | 793 | 795 |
| Disability Retirees | 54 | 56 | 56 |
| Survivors | 330 | 332 | 324 |
| Vested & Reciprocals | 31 | 29 | 25 |
| DROP Participants | <u>2</u> | <u>5</u> | <u>18</u> |
| TOTAL | 2,273 | 2,280 | 2,321 |

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
ACTIVE MEMBERS

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY

VALUATION DATE 6/30/2011

| Age | YEARS EMPLOYED | | | | | | | | | Total | |
|----------|----------------|---------|---------|----------|----------|---------|---------|---------|--------|-------|----------|
| | (0-1) | [1-5) | [5-10) | [10-15) | [15-20) | [20-25) | [25-30) | [30-35) | [35-) | | |
| [0-19) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [20-24) | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| [25-29) | 0 | 59 | 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 77 |
| [30-34) | 0 | 53 | 88 | 26 | 0 | 0 | 0 | 0 | 0 | 0 | 167 |
| [35-39) | 0 | 19 | 63 | 106 | 46 | 0 | 0 | 0 | 0 | 0 | 234 |
| [40-44) | 0 | 11 | 31 | 68 | 164 | 30 | 0 | 0 | 0 | 0 | 304 |
| [45-49) | 0 | 5 | 11 | 16 | 68 | 59 | 4 | 0 | 0 | 0 | 163 |
| [50-54) | 0 | 0 | 1 | 7 | 11 | 25 | 4 | 0 | 0 | 0 | 48 |
| [55-59) | 0 | 0 | 0 | 2 | 3 | 4 | 7 | 0 | 0 | 0 | 16 |
| [60-64) | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| [65-69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 0 | 152 | 212 | 225 | 292 | 118 | 16 | 0 | 0 | 0 | 1015 |
| salary | 0 | 6325341 | 9909908 | 12342408 | 18933054 | 8485438 | 1162270 | 0 | 0 | 0 | 57158419 |

AVERAGES --- Attained Age 39.88
Service Years 12.89
Active Salary 56,314

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
ACTIVE AFTER DROP

CELLS DEPICT - MEMBER COUNT
TOTAL SALARY
DROP BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS EMPLOYED | | | | | | | | | Total | |
|---------|----------------|--------|--------|--------|-------|--------|---------|---------|--------|-------|---------|
| | (0-1) | [1-2) | [2-3) | [3-4) | [4-5) | [5-10) | [10-15) | [15-20) | [20-) | | |
| [0-34) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [35-39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [40-44) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [45-49) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [50-54) | 1 | 5 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| : | 22518 | 384827 | 430883 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 838228 |
| : | 63252 | 279000 | 257640 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 599892 |
| [55-59) | 0 | 0 | 1 | 3 | 1 | 1 | 1 | 0 | 0 | 0 | 7 |
| : | 0 | 0 | 75622 | 240573 | 66307 | 75622 | 66307 | 0 | 0 | 0 | 524431 |
| : | 0 | 0 | 48132 | 168780 | 40284 | 32424 | 21660 | 0 | 0 | 0 | 311280 |
| [60-64) | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| : | 0 | 0 | 0 | 0 | 0 | 70957 | 0 | 0 | 0 | 0 | 70957 |
| : | 0 | 0 | 0 | 0 | 0 | 29484 | 0 | 0 | 0 | 0 | 29484 |
| [65-69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 1 | 5 | 5 | 3 | 1 | 2 | 1 | 0 | 0 | 0 | 18 |
| count | 1 | 5 | 5 | 3 | 1 | 2 | 1 | 0 | 0 | 0 | 18 |
| salary | 22518 | 384827 | 506505 | 240573 | 66307 | 146579 | 66307 | 0 | 0 | 0 | 1433616 |
| benefit | 63252 | 279000 | 305772 | 168780 | 40284 | 61908 | 21660 | 0 | 0 | 0 | 940656 |

AVERAGES --- Attained Age 55.54
Post Drop Years 3.22
Active Salary 79,645
Annual Benefit 52,259

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
REGULAR RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS RETIRED | | | | | | | | | Total | |
|---------|---------------|--------|--------|--------|---------|---------|---------|---------|---------|---------|----------|
| | (0-1) | [1-2) | [2-3) | [3-4) | [4-5) | [5-10) | [10-15) | [15-20) | [20-) | | |
| [0-39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [40-44) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [45-49) | 4 | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 7 |
| [50-54) | 16 | 3 | 10 | 10 | 15 | 18 | 5 | 0 | 0 | 0 | 77 |
| [55-59) | 6 | 1 | 4 | 4 | 6 | 81 | 15 | 25 | 13 | 13 | 155 |
| [60-64) | 1 | 0 | 0 | 0 | 1 | 17 | 63 | 84 | 60 | 60 | 226 |
| [65-69) | 1 | 0 | 0 | 0 | 1 | 4 | 9 | 52 | 82 | 82 | 149 |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 17 | 77 | 77 | 95 |
| [75-79) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 67 | 67 | 68 |
| [80-84) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 30 | 30 | 30 |
| [85-89) | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 9 | 9 | 10 |
| [90-99) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | 6 | 6 |
| TOTALS | 28 | 5 | 15 | 14 | 24 | 121 | 93 | 179 | 344 | 344 | 823 |
| benefit | 1596144 | 309408 | 952968 | 839328 | 1431276 | 7080336 | 4795884 | 5547456 | 6791508 | 6791508 | 29344308 |

AVERAGES --- Attained Age 65.10
Years Retired 18.17
Annual Benefit 35,655

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
DISABILITY RETIREES

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS RETIRED | | | | | | | | | Total |
|---------|---------------|-------|--------|-------|-------|--------|---------|---------|--------|---------|
| | (0-1) | [1-2) | [2-3) | [3-4) | [4-5) | [5-10) | [10-15) | [15-20) | [20-) | |
| [0-39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [40-44) | 0 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 4 |
| [45-49) | 0 | 0 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | 6 |
| [50-54) | 0 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 1 | 4 |
| [55-59) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 5 | 8 |
| [60-64) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 11 | 15 |
| [65-69) | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 8 | 9 |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4 |
| [75-79) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| [80-84) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| [85-89) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [90-99) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 0 | 1 | 3 | 1 | 0 | 3 | 6 | 7 | 33 | 54 |
| benefit | 0 | 38340 | 118992 | 25980 | 0 | 81612 | 164640 | 156924 | 747360 | 1333848 |

AVERAGES --- Attained Age 60.66
Years Retired 21.93
Annual Benefit 24,701

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
SURVIVOR BENEFITS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS RETIRED | | | | | | | | | Total | |
|---------|---------------|--------|-------|-------|-------|--------|---------|---------|---------|---------|---------|
| | (0-1) | [1-2) | [2-3) | [3-4) | [4-5) | [5-10) | [10-15) | [15-20) | [20-) | | |
| [0-39) | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 6 | 0 | 9 | |
| | 0 | 42972 | 0 | 0 | 0 | 16944 | 6972 | 63828 | 0 | 130716 | |
| [40-44) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| [45-49) | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 3 | |
| | 14676 | 0 | 0 | 0 | 0 | 0 | 8964 | 9600 | 0 | 33240 | |
| [50-54) | 1 | 0 | 0 | 1 | 1 | 2 | 2 | 1 | 7 | 15 | |
| | 9672 | 0 | 0 | 27792 | 13572 | 41304 | 36240 | 9084 | 82728 | 220392 | |
| [55-59) | 0 | 0 | 1 | 0 | 1 | 1 | 0 | 3 | 19 | 25 | |
| | 0 | 0 | 40680 | 0 | 27600 | 12612 | 0 | 31500 | 277368 | 389760 | |
| [60-64) | 0 | 0 | 1 | 0 | 0 | 5 | 8 | 4 | 29 | 47 | |
| | 0 | 0 | 25344 | 0 | 0 | 181032 | 177348 | 67944 | 385848 | 837516 | |
| [65-69) | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 4 | 38 | 44 | |
| | 0 | 0 | 0 | 42624 | 0 | 0 | 46128 | 54408 | 707784 | 850944 | |
| [70-74) | 2 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 48 | 51 | |
| | 77352 | 0 | 0 | 0 | 0 | 0 | 37032 | 0 | 896544 | 1010928 | |
| [75-79) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 57 | 57 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1000368 | 1000368 | |
| [80-84) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 | 42 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 728112 | 728112 | |
| [85-89) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 | 22 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 352512 | 352512 | |
| [90-99) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 15 | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 251532 | 251532 | |
| TOTALS | count | 4 | 1 | 2 | 2 | 2 | 9 | 14 | 19 | 277 | 330 |
| | benefit | 101700 | 42972 | 66024 | 70416 | 41172 | 251892 | 312684 | 236364 | 4682796 | 5806020 |

AVERAGES --- Attained Age 70.92
Years Retired 89.60
Annual Benefit 17,594

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS EMPLOYED

LOUISIANA STATE POLICE
TERM-VESTED/RECIPROCAL

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS EMPLOYED | | | | | | | | | Total |
|----------|----------------|-------|--------|---------|---------|---------|---------|---------|--------|--------|
| | (0-1) | [1-5) | [5-10) | [10-15) | [15-20) | [20-25) | [25-30) | [30-35) | [35-) | |
| [0-19) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [20-24) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [25-29) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [30-34) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [35-39) | 0 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| [40-44) | 0 | 0 | 1 | 8 | 2 | 2 | 0 | 0 | 0 | 13 |
| [45-49) | 0 | 0 | 0 | 4 | 2 | 5 | 0 | 0 | 0 | 11 |
| [50-54) | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| [55-59) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [60-64) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [65-69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| TOTALS | 0 | 0 | 1 | 18 | 4 | 7 | 0 | 0 | 1 | 31 |
| benefit | 0 | 0 | 8244 | 336084 | 111228 | 312288 | 0 | 0 | 0 | 767844 |

AVERAGES --- Attained Age 45.30
Service Years 16.57
Annual Benefit 24,769

MEMBERSHIP PROFILE
CATEGORIZED BY AGE AND YEARS RETIRED

LOUISIANA STATE POLICE
DROP PARTICIPANTS

CELLS DEPICT - MEMBER COUNT
TOTAL BENEFITS

VALUATION DATE 6/30/2011

| Age | YEARS PARTICIPATED | | | | | | | | | Total |
|---------|--------------------|-------|-------|-------|-------|--------|---------|---------|--------|-------|
| | (0-1) | [1-2) | [2-3) | [3-4) | [4-5) | [5-10) | [10-15) | [15-20) | [20-) | |
| [0-39) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [40-44) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [45-49) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [50-54) | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| : | 0 | 0 | 6318 | 0 | 0 | 0 | 0 | 0 | 0 | 6318 |
| : | : | : | : | : | : | : | : | : | : | : |
| [55-59) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [60-64) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [65-69) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [70-74) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [75-79) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [80-84) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [85-89) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| [90-99) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| : | : | : | : | : | : | : | : | : | : | : |
| TOTALS | : | : | : | : | : | : | : | : | : | : |
| count | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| benefit | 0 | 0 | 6318 | 0 | 0 | 0 | 0 | 0 | 0 | 6318 |

AVERAGES --- Attained Age 52.75
Years Retired 2.40
Annual Benefit 37,908

EXHIBIT 5

SUMMARY OF THE STATE POLICE
RETIREMENT SYSTEM'S PLAN PROVISIONS

EFFECTIVE DATE:

Legislative Act No. 293 of 1938

EMPLOYEE:

Sworn, commissioned law enforcement officers of the Division of State Police of the Department of Public Safety who have completed the State Police Training Academy Course of Instruction; those members employed on the Effective Date of the Fund, those subsequently employed who did not withdraw employee contributions; the secretary and deputy secretary of the Department of Public Safety, provided they are sworn, commissioned State Police officers as defined above.

EMPLOYER:

Division of State Police of the Department of Public Safety of the State of Louisiana

CREDITABLE SERVICE:

1. Service as defined as a member of the retirement system.
2. Police duty qualifying as having contributed to the war effort during World War II.
3. Credit for military service, not to exceed four years as follows:
 - a) Members employed prior to September 8, 1977 receive a maximum of three years free military service credit. Members may purchase eligible service credit in excess of three years.
 - b) Members employed on or after September 8, 1977 but prior to September 8, 1978 were eligible to purchase military service credit after one year of employment. Military service credit in a) and b) applied to retirement eligibility.
 - c) Members employed on or after September 8, 1978 were eligible to purchase military service credit; however, such service did not apply to retirement eligibility.
 - d) Upon retirement, all unused accumulated sick and annual leave.

EMPLOYEE CONTRIBUTIONS:

7% of earnable compensation; 8% effective July 1, 1989; Currently, 8.5% effective October 1, 2009; 9.5% if hired after 12/31/2010.

EMPLOYER CONTRIBUTIONS:

State contributions each fiscal year consists of various fees and taxes collected by the Motor Vehicle Office within the Department of Public Safety.

Effective June 29, 2001 - 1.5M from Insurance Premium Tax (see RS 22:1419(A)(3)).

EXHIBIT 5 (Continued)
Plan Provisions

EARNABLE COMPENSATION:

Full salary earned by an employee in qualified service.

AVERAGE FINAL COMPENSATION (FAC):

1. For members employed prior to September 8, 1978
Average annual earned compensation for the highest 12 successive or joined months prior to Retirement or Date of Death.
2. For members employed on or after September 8, 1978
Average annual earned compensation for the highest 36 successive or joined months prior to Retirement or Date of Death.
3. For members employed after December 31, 2010
Average annual earned compensation for the highest 60 successive or joined months prior to Retirement or Date of Death.

NORMAL RETIREMENT:

ELIGIBILITY:

1. Attained Age 50 with 10 years of creditable service
2. Employed prior to September 8, 1978, 20 years of service regardless of age
3. Employed after September 7, 1978, 25 years of service regardless of age.
4. Hired after 12/31/2010 (1)-(3) are replaced with;
 - 25 years of service regardless of age.
 - 12 years of service at age 55
 - 20 years of service at any age, with benefits actuarially reduced.

Note: Compulsory retirement at age 65
(except for the Secretary and Deputy Secretary of the Department of Public Safety).

BENEFIT:

3 1/3% of FAC for each year of service

Note: Maximum benefit accrual cannot exceed 100% of FAC.

ANNUITY FORM:

An Annuity payable for the lifetime of the member

An Initial Benefit Option is available to retirees who have not participated in DROP. Election pays up to 36 months of regular benefits in lump-sum, with monthly annuity actuarially reduced for life.

An increasing annuity option permits the member to make an irrevocable election at retirement to receive a reduced benefit which increases 2.5% annually. The increases begin on the 1st retirement anniversary date, but not before the retiree attains age 55 or would have attained age 55 in the case of a surviving spouse. This option is not available to members electing BACK-DROP

EXHIBIT 5 (Continued)
Plan Provisions

- A. If no surviving spouse, eligible children receive benefits in accordance with section 1(A) above.
 - B. If no surviving spouse and no surviving eligible children, dependent parent(s) Receive benefits in accordance with section 1(B) above.
3. Surviving spouse, who was married and living with the member at least two years prior to the date of death, eligible surviving children or the dependent parent(s) shall receive the same monthly pension which was paid to the retired member in the following order of priority: Surviving Spouse, Eligible Children, Dependent Parent(s)

Note: Under all survivor benefits, the spouse forfeits benefits upon remarriage if remarriage occurs prior to age 55. Subsequent monthly benefit payments will be made to eligible surviving children or dependent parent(s).

VESTING:

All members are entitled to a refund of employee contributions in excess of benefits received upon termination or death of the member or survivor(s).

Any member employed on or after September 8, 1978 who is vested for retirement benefits by virtue of 20 years of service but less than attained age 50, who terminates employment will be vested for disability benefits during the deferred period. This provision was deleted in accordance with Act 679 of the 1991 Legislative Session.

COST OF LIVING INCREASES:

HB 658 of 2007 establishes an Experience Account, which is credited with 50% of the excess investment experience gain and debited with 50% of the net investment experience loss. Balances in the experience account accrue interest at the actuarial yield for the System portfolio. If the balance of the Experience Account is sufficient to grant retirees a COLA, the Board may (with concurrence from the Legislature) grant such COLA not to exceed the lesser of the CPI-U or 3%. Benefits are restricted to those retirees who have attained the age of 60 and have been retired for at least one year.

DEFERRED RETIREMENT OPTION PLAN:(To be phased out & replaced with BACK-DROP eff. 10/1/2009)

Instead of terminating employees and accepting a service retirement allowance, any member who has met the following eligibility requirements may elect to participate in the Deferred Retirement Option Plan (DROP) and defer receipt of benefits.

ELIGIBILITY:

Any Active member who is eligible to receive a service retirement allowance may begin participation on the eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility.

EXHIBIT 5 (Continued)
Plan Provisions

BENEFIT:

Upon termination of employment at the end of or prior to the end of the specified period of participation, a participant will receive, at his option:

- (1) lump sum payment (equal to the payments to the account)
- (2) a true annuity based upon his account; or
- (3) any other option available to a retiree

If a participant dies during the period of participation, a lump sum payment equal to his account balance shall be paid to the beneficiary, or if none, to the estate; in addition, normal survivor benefits payable to survivors of retirees shall be payable.

If employment is not terminated after DROP participation, then:

- (1) payment into account shall cease
- (2) payment from account only upon termination of employment, and
- (3) the participant shall resume active contributing membership

Upon termination of employment, the benefit payments indicated above shall be paid. The participant shall receive a supplemental benefit based on additional service rendered since termination of participation in the fund subject to the following:

- (1) Members employed prior to September 8, 1978
 - (a) If additional service was less than 12 months, average compensation figure used to calculate original benefit.
 - (b) If additional service was 12 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.
- (2) Members employed on or after September 8, 1978
 - (a) If additional service was less than 36 months, average compensation figure used to calculate additional benefit shall be that used to calculate original benefit.
 - (b) If additional service was 36 or more months, the average compensation figure used to calculate the additional benefit shall be based on compensation during the period of additional service.

Effective 10/1/2009 active members who have not participated in the regular DROP program may elect, at retirement, to participate in BACK-DROP. The basic difference in the two plans is that BACK-DROP allows an eligible member, at retirement, to look back up to three years and make an election to have entered DROP, based on the service and final average compensation that existed at that time. Benefit adjustments are made to the benefit accruals and employee contributions that occurred during the DROP period.

NOTE: DROP Accounts shall earn interest following termination of DROP at a rate .5% below the actuarial rate of the System's investment portfolio.

Effective 7/1/2003 new DROP accounts are credited with Money Market rates or self directed accounts approved by the Board of Trustees.

EXHIBIT 6

ACTUARIAL COST METHODS AND ASSUMPTIONS

COST METHOD:

La. R.S. 11:22(B.)(12), prescribes the "Entry Age Normal" cost method to be used to calculate the funding requirements of the retirement system. Under this cost method, the actuarial present value of projected benefits of each individual included in the valuation is allocated on a level basis as percentage of payroll for each participant between entry age and assumed retirement age(s). That portion of the actuarial present value attributable to current year benefit accruals is called the Normal Cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal costs is called the actuarial accrued liability.

ASSET VALUATION:

For the Plan Year ending prior to June 30, 1999 equities are valued at a four year weighted average. The computation of the actuarial value of assets is the sum of the bonds at amortized cost, less a weighted average of unrealized losses or (gains) in the market value of equities, plus the market value of Equities.

Effective June 30, 1999 the Board of Trustees approved a change in the Asset Valuation Method. The Actuarial Value of Assets is the market value of assets adjusted for a four year weighted average in the unrealized gain or loss in the value of all assets. This value is subject to Corridor Limits of 80% to 120% of the Market Value of Assets.

ACCOUNTING DISCLOSURE:

The Governmental Accounting Standards Board Statement No. 25 requires disclosure of certain actuarial liabilities for Public Employee Retirement Systems. The disclosures illustrated in Exhibit 3 were developed using the Entry Age Normal cost method. The statement of assets provided by the independent auditors was a copy of the final draft prior to publication. Should the statement of assets received differ from the final audit report, a revised actuarial statement will be issued to the extent that any difference in reporting affects the employer's contribution rate or the yield to the Actuarial Value of Assets.

ACTUARIAL ASSUMPTIONS:

The Retirement System is required to conduct an experience study every five years, but the scope of such a study is not necessarily limited to a five year period. The five year observation period (2003-2007) was chosen to coincide with the most recent period of data reporting following the restructuring of the Deferred Retirement Option Program.

MORTALITY ASSUMPTIONS:

Pre-retirement deaths and post-retirement life expectancies were projected in accordance with the experience of the RP-2000 Sex Distinct Mortality Table.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

DISABILITY ASSUMPTION:

Rates of total and permanent disability were projected in accordance in accordance with the experience of the RP-2000 Sex Distinct Disability Mortality Table.

RETIREMENT/DROP ASSUMPTION:

Retirement rates are based on age and service eligibility requirements for normal benefits. Back-DROP is viewed as an alternative form of retirement benefit elected at the date of retirement. Retirement rates and DROP utilization probabilities are based on the most recent Experience Study.

TERMINATION ASSUMPTIONS:

Voluntary termination or withdrawal rates are based upon the most recent Experience Study. During the first five years of employment, the probability of voluntarily terminating is a multiple of the attained age rate in prior reports and a multiple of employment duration in the current valuation as follows:

| | |
|----------|-------|
| 1st year | 1.00x |
| 2nd year | 1.50x |
| 3rd year | 1.15x |
| 4th year | 1.00x |
| 5th year | 1.00x |

Furthermore, for members terminating with twenty (20) or more years of service it is assumed that 80% will not withdraw their accumulated employee contributions.

SALARY GROWTH:

The rates of annual salary growth are base upon the members years of service and are illustrated in the rate tables at the end of this exhibit.

EXHIBIT 6 (Continued)
Cost Methods & Assumptions

FAMILY STATISTICS:

The composition of the Family was based on Age-Specific Fertility Rates from the 1983 Vital Statistics of the United States. 80% of the membership was assumed to be married with the wife assumed to be three (3) years younger than the husband. Sample rates are as follows:

| <u>Age at Death</u> | <u>Number of Minor Chn.</u> | <u>Years for Youngest Child to Attain Majority</u> |
|-------------------------|---------------------------------|--|
| 25 | 1.2 | 17 |
| 30 | 1.4 | 15 |
| 35 | 1.7 | 13 |
| 40 | 1.7 | 10 |
| 45 | 1.4 | 8 |
| 50 | 1.1 | 4 |

REMARRIAGE:

Annuities payable to a spouse, which cease upon death or remarriage, were taken from A Technical Note for the Construction of Widow's Annuities." The Remarriage and Mortality rates used to develop these annuities were based on the graduated rates from Mortality and Remarriage Experience for Widow's Beneficiaries under OASDI."

ASSUMPTION FOR INCOMPLETE DATA:

Records identified as containing suspicious data or errors in data were assumed to possess the same characteristics of "good data" in the same cohort.

INVESTMENT EARNINGS:

For the 1990-1991 plan year, the Public Retirement Systems' Actuarial Committee increased the valuation rate assumption to 7.5% from the system's actuary recommended rate of 7.0%, net expenses. The appropriateness of this assumption continues to be reviewed as part of a five year experience study with the next study concluding with the July 1, 2011 - June 30, 2012 plan year.

ADMINISTRATIVE EXPENSES:

Expenses are included in Aggregate Normal Cost and are assumed to be \$557,000 per year. Investment Manager fees are not included in Normal Cost but are treated as a direct offset to investment income. The Employer portion of the Normal Cost excludes an allocation for administrative expenses.

COST OF LIVING:

The liability for cost-of-living raises already granted is included in the retiree reserve.

ACTUARIAL TABLES AND RATES
NEW RATES 6/30/2008

| Age | - Death Rates - | | Disability Rates | Termination Rates | Retirement Rates | DROP Rates | Dur | Salary Scale |
|-----|-----------------|---------|---------------------|----------------------|---------------------|---------------|-----|-----------------|
| | Male | Female | | | | | | |
| 18 | .000316 | .000188 | .0020 | .0300 | .0000 | .000 | 1 | 1.1550 |
| 19 | .000331 | .000190 | .0020 | .0300 | .0000 | .000 | 2 | 1.0600 |
| 20 | .000345 | .000191 | .0020 | .0300 | .0000 | .000 | 3 | 1.0400 |
| 21 | .000357 | .000192 | .0020 | .0300 | .0000 | .000 | 4 | 1.0400 |
| 22 | .000366 | .000194 | .0020 | .0300 | .0000 | .000 | 5 | 1.0500 |
| 23 | .000373 | .000197 | .0020 | .0300 | .0000 | .000 | 6 | 1.0500 |
| 24 | .000376 | .000201 | .0020 | .0300 | .0000 | .000 | 7 | 1.0500 |
| 25 | .000376 | .000207 | .0020 | .0300 | .0000 | .000 | 8 | 1.0500 |
| 26 | .000378 | .000214 | .0020 | .0300 | .0000 | .000 | 9 | 1.0550 |
| 27 | .000382 | .000223 | .0020 | .0300 | .0000 | .000 | 10 | 1.0600 |
| 28 | .000393 | .000235 | .0020 | .0300 | .0000 | .000 | 11 | 1.0500 |
| 29 | .000412 | .000248 | .0020 | .0300 | .0000 | .000 | 12 | 1.0500 |
| 30 | .000444 | .000264 | .0020 | .0300 | .0000 | .000 | 13 | 1.0500 |
| 31 | .000499 | .000307 | .0020 | .0250 | .0000 | .000 | 14 | 1.0500 |
| 32 | .000562 | .000350 | .0020 | .0250 | .0000 | .000 | 15 | 1.0500 |
| 33 | .000631 | .000394 | .0020 | .0250 | .0000 | .000 | 16 | 1.0500 |
| 34 | .000702 | .000435 | .0020 | .0250 | .0000 | .000 | 17 | 1.0500 |
| 35 | .000773 | .000475 | .0020 | .0250 | .0000 | .000 | 18 | 1.0500 |
| 36 | .000841 | .000514 | .0020 | .0250 | .0000 | .000 | 19 | 1.0600 |
| 37 | .000904 | .000554 | .0020 | .0200 | .0000 | .000 | 20 | 1.0600 |
| 38 | .000964 | .000598 | .0020 | .0200 | .0000 | .000 | 21 | 1.0700 |
| 39 | .001021 | .000648 | .0020 | .0200 | .0000 | .000 | 22 | 1.0600 |
| 40 | .001079 | .000706 | .0020 | .0200 | .0000 | .000 | 23 | 1.0600 |
| 41 | .001142 | .000774 | .0020 | .0200 | .0000 | .000 | 24 | 1.0650 |
| 42 | .001215 | .000852 | .0020 | .0200 | .0000 | .000 | 25 | 1.0650 |
| 43 | .001299 | .000937 | .0020 | .0100 | .0000 | .000 | 26 | 1.0650 |
| 44 | .001397 | .001029 | .0020 | .0100 | .0000 | .000 | 27 | 1.0700 |
| 45 | .001508 | .001124 | .0020 | .0100 | .0000 | .000 | 28 | 1.0700 |
| 46 | .001616 | .001223 | .0020 | .0100 | .0000 | .000 | 29 | 1.0700 |
| 47 | .001734 | .001326 | .0020 | .0100 | .1000 | .000 | 30 | 1.0700 |
| 48 | .001860 | .001434 | .0020 | .0100 | .1000 | .400 | 31 | 1.0450 |
| 49 | .001995 | .001550 | .0020 | .0100 | .1000 | .400 | 32 | 1.0450 |
| 50 | .002138 | .001676 | .0020 | .0100 | .2500 | .400 | 33 | 1.0450 |
| 51 | .002449 | .001852 | .0020 | .0100 | .2500 | .050 | 34 | 1.0450 |
| 52 | .002667 | .002018 | .0020 | .0100 | .2700 | .050 | 35 | 1.0450 |
| 53 | .002916 | .002207 | .0020 | .0100 | .2700 | .050 | 36 | 1.0450 |
| 54 | .003196 | .002424 | .0020 | .0100 | .2700 | .050 | 37 | 1.0450 |
| 55 | .003624 | .002717 | .0020 | .0100 | .2700 | .050 | 38 | 1.0450 |
| 56 | .004200 | .003090 | .0020 | .0100 | .4200 | .050 | 39 | 1.0450 |
| 57 | .004693 | .003478 | .0020 | .0100 | .5000 | .050 | 40 | 1.0450 |
| 58 | .005273 | .003923 | .0020 | .0100 | .5000 | .050 | 41 | 1.0450 |
| 59 | .005945 | .004441 | .0020 | .0100 | .5000 | .000 | 42 | 1.0450 |
| 60 | .006747 | .005055 | .0020 | .0100 | .5000 | .000 | 43 | 1.0450 |
| 61 | .007676 | .005814 | .0020 | .0000 | .5000 | .000 | 44 | 1.0450 |
| 62 | .008757 | .006657 | .0020 | .0000 | .5000 | .000 | 45 | 1.0450 |
| 63 | .010012 | .007648 | .0020 | .0000 | .9900 | .000 | 46 | 1.0450 |
| 64 | .011280 | .008619 | .0020 | .0000 | .9900 | .000 | 47 | 1.0450 |
| 65 | .012737 | .009706 | .0000 | .0000 | .9900 | .000 | 48 | 1.0450 |
| 66 | .014409 | .010954 | .0000 | .0000 | .9900 | .000 | 49 | 1.0450 |
| 67 | .016075 | .012163 | .0000 | .0000 | .9900 | .000 | 50 | 1.0450 |
| 68 | .017871 | .013445 | .0000 | .0000 | .9900 | .000 | 51 | 1.0450 |
| 69 | .019802 | .014860 | .0000 | .0000 | .9900 | .000 | 52 | 1.0450 |
| 70 | .022206 | .016742 | .0000 | .0000 | .9900 | .000 | 53 | 1.0450 |
| 71 | .024570 | .018579 | .0000 | .0000 | .9900 | .000 | 54 | 1.0450 |
| 72 | .027281 | .020665 | .0000 | .0000 | .9900 | .000 | 55 | 1.0450 |
| 73 | .030387 | .022970 | .0000 | .0000 | .9900 | .000 | 56 | 1.0450 |
| 74 | .033900 | .025458 | .0000 | .0000 | .9900 | .000 | 57 | 1.0450 |

EXHIBIT A

AMORTIZATION of UNFUNDED
ACTUARIAL ACCRUED LIABILITY
JUNE 30, 2010

| <u>DATE</u> <u>6/30</u> | <u>DESCRIPTION</u> | <u>AMTZ.</u> <u>METHOD</u> | <u>AMTZ.</u> <u>PERIOD</u> | <u>INITIAL</u> <u>LIABILITY</u> | <u>YEARS</u> <u>REMAING</u> | <u>REMAINING</u> <u>BALANCE</u> | <u>MID-YEAR</u> <u>PAYMENT</u> |
|---|-----------------------|-------------------------------|-------------------------------|------------------------------------|--------------------------------|------------------------------------|-----------------------------------|
| 1993 | Initial Liability | L | 16 | 171,274,213 | 0 | 0 | 0 ¹ |
| 1993 | Change in Liability | L | 20 | 21,465,804 | 18 | 20,437,242 | 2,030,848 |
| 1994 | Change in Liability | L | 20 | -1,381,660 | 18 | -1,315,456 | -130,717 |
| 1995 | Change in Liability | L | 20 | 20,128,380 | 18 | 19,163,903 | 1,904,316 |
| 1996 | Change in Liability | L | 20 | -9,762,782 | 18 | -9,294,986 | -923,642 |
| 1997 | Change in Liability | L | 20 | 4,409,601 | 18 | 4,198,309 | 417,186 |
| 1998 | Change in Liability | L | 20 | -2,444,207 | 18 | -2,327,090 | -231,243 |
| 1999 | Change in Liability | L | 20 | 12,418,148 | 18 | 11,823,116 | 1,174,862 |
| 2000 | Change in Liability | L | 20 | -21,262,939 | 18 | -20,244,098 | -2,011,655 |
| 2001 | Change in Liability | L | 20 | 14,218,540 | 18 | 13,537,240 | 1,345,195 |
| 2002 | Change in Liability | L | 20 | 36,882,500 | 18 | 35,115,227 | 3,489,398 |
| 2003 | Change in Assumptions | L | 24 | 14,644,647 | 22 | 14,156,923 | 1,286,042 |
| 2003 | Change in Liability | L | 20 | 60,111,382 | 18 | 57,231,067 | 5,687,048 |
| 2004 | Change in Liability | L | 20 | 16,579,889 | 18 | 15,785,442 | 1,568,599 |
| 2005 | Change in Liability | L | 20 | 14,086,441 | 18 | 13,411,471 | 1,332,697 |
| 2006 | Change in Liability | L | 20 | -11,718,142 | 18 | -11,156,652 | -1,108,636 |
| 2007 | Change in Liability | L | 20 | 13,788,779 | 18 | 13,128,072 | 1,304,536 |
| 2008 | Change in Assumptions | L | 29 | 9,487,421 | 27 | 9,280,751 | 782,349 |
| 2008 | Change in Liability | L | 20 | 29,944,312 | 18 | 28,509,491 | 2,832,987 |
| 2009 | Change in Assumptions | L | 30 | 1,032,469 | 28 | 1,011,750 | 84,316 |
| 2009 | Change in Benefits | L | 10 | 671,120 | 8 | 572,685 | 94,300 |
| 2009 | Change in Liability | L | 30 | 74,940,622 | 28 | 73,436,728 | 6,119,965 |
| 2010 | Change in Liability | L | 30 | 26,844,661 | 29 | 26,585,040 | 2,192,248 |
| 2011 | Change in Liability | L | 30 | 28,079,134 | 30 | 28,079,134 | 2,293,060 |
| TOTAL OUTSTANDING BALANCE | | | | | | 341,125,309 | 31,534,059 |
| EMPLOYER'S CREDIT BALANCE | | | | | | | |
| 2007 | Contribution Variance | L | 5 | -23,436,489 | 2 | -5,388,533 | -5,586,950 |
| 2008 | Contribution Variance | L | 5 | -2,699,680 | 3 | -1,198,119 | -643,568 |
| 2009 | Contribution Variance | L | 5 | 836,752 | 4 | 537,829 | 199,471 |
| 2010 | Contribution Variance | L | 5 | 5,294,276 | 5 | 4,382,788 | 1,262,086 |
| 2011 | Contribution Variance | L | 5 | -348,011 | 5 | -348,011 | -82,961 |
| TOTAL EMPLOYER CREDIT | | | | | | -2,014,046 | -4,851,922 |
| TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY | | | | | | 339,111,263 | |

¹ Effective 6/30/2006, the accumulated balance of \$50,084,124 in the Texaco Settlement Fund exceeds the outstanding balance of the Initial Unfunded Actuarial Liability. Therefore, the IUAL was liquidated and the corresponding amortization payment eliminated.