LOUISIANA ASSESSORS' RETIREMENT FUND

ACTUARIAL VALUATION AS OF
SEPTEMBER 30, 2011

G. S. CURRAN & COMPANY, LTD.
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January 20, 2012

Board of Trustees
Louisiana Assessors' Retirement Fund
P.O. Box 14699
Baton Rouge, LA 70898-4699

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Louisiana Assessors' Retirement Fund for the fiscal year ending September 30, 2011. 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 Louisiana Assessors' Retirement Fund. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending September 30, 2012, to recommend the net direct employer contribution rate for fiscal 2013, and to provide information for the system's financial statements. This report was prepared exclusively for the Louisiana Assessors' Retirement Fund for specific limited purposes and may not be applicable for other purposes. 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, F.C.A., M.A.A.A., A.S.A.

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

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SUMMARY OF VALUATION RESULTS
LOUISIANA ASSESSORS' RETIREMENT FUND

Valuation Date:		September 30, 2011	September 30, 2010
Census Summary:	Active Members	744	768
	Retired Members	493	460
	Terminated Due a Deferred Benefit	20	22
	Terminated Due a Refund	68	60
Payroll:		$ 36,976,826	$ 37,837,825
Benefits in Payment:		$ 13,718,479	$ 11,705,460
Frozen Unfunded Actuarial Accrued Liability:		$ 20,177,466	$ 21,590,624
Market Value of Assets:		$ 208,403,362	$ 207,336,952
Actuarial Asset Value:		$ 231,647,617	$ 222,141,802
Actuarial Accrued Liabilities (As Defined by GASB – 25)		$ 251,825,083	$ 243,732,426
Ratio of Net AVA to GASB – 25 Accrued Liability:		91.99%	91.14%

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	FISCAL 2012	FISCAL 2011
Employer Normal Cost (October 1):	$ 11,264,694	$ 10,883,290
Amortization Cost (October 1):	$ 2,919,619	$ 2,820,888
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 14,939,909	$ 14,417,599
Projected Ad Valorem Taxes and Revenue Sharing Funds	$ 11,361,586	$ 10,658,295
Net Direct Employer Actuarially Required Contributions	$ 3,578,323	$ 3,759,304
Actuarially Required Net Direct Employer Contribution Rate	9.49%	9.83%
Actual Net Direct Employer Contribution Rate:	13.50%	13.50%

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Minimum Recommended Net Employer Contribution Rate: For Fiscal 2013: 9.50% Fiscal 2012: 9.75%

Employee Contribution Rate: 8.00% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.5% (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 assets 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: None

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 a similar 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 744 active members in the system of whom 317 have vested retirement benefits; 493 former system members or their beneficiaries are receiving retirement benefits. An additional 88 members have contributions remaining on deposit with the system; of this number, 20 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 administrative staff 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 administrative staff 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 are based on information furnished by the system's auditor, the firm of Hawthorn, Waymoth & Carroll, LLP. As indicated in the system's audit report, the net market value of the system's assets was $208,403,362 as of September 30, 2011. Net investment income for fiscal 2011 measured on a market value basis amounted to a loss of $2,531,081 (including a reduction to income due to a post-closing adjustment to the prior year's audited figures of $13,920). Contributions to the system for the fiscal year totaled $19,529,339; benefits and expenses amounted to $15,931,848.

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 September 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability which was determined to be $27,874,011 as of September 30, 1989, was amortized over forty years with payments increasing at 3.5% per year. Payroll growth in excess of 3.5% per year will reduce future amortization payments as a percent of payroll; payroll growth less than 3.5% 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.

Prior to the passage of Act 296 in the 2009 legislative session, as outlined by R. S. 11:105, in any year in which the net direct employer contribution is scheduled to decrease, the board of trustees could freeze the net direct employer contribution rate and use the excess funds collected, if any, to reduce the frozen unfunded actuarial accrued liability. Also, in any year in which the board elected to increase contributions pursuant to R.S. 11:106 the excess funds, if any, were used to reduce the system's frozen unfunded actuarial accrued liability. Notwithstanding such a decrease, payments are made according to the regular amortization schedule, thereby reducing the amortization period. Such additional unfunded liability payments of $791,748; $101,831; $538,661; $1,020,879; $2,890,530; and $7,988,122 were made in fiscal 1999, fiscal 2000, fiscal 2003, fiscal 2006, fiscal 2007, and fiscal 2008 respectively. In addition, the Board of Trustees voted to maintain the net direct employer contribution rate at 13.50% for Fiscal 2009 instead of lowering the rate to the minimum recommended employer contribution rate of 4.75%. This freeze resulted in additional collections of $2,939,108 during fiscal 2009, which under the provisions of Act 296 were credited to the Funding Deposit Account. For fiscal 2010 the contribution rate was again maintained at 13.50%. The additional funds collected, amounting to $3,930,043, were also credited to the Funding Deposit Account. For fiscal 2011, the contribution rate was maintained at 13.50%. The additional funds collected, amounting to $1,619,995, were also credited to the Funding Deposit Account.

The current year actuarial assumptions utilized for the report are outlined on pages thirty-four through thirty-seven. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. 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.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2011 Regular Session of the Louisiana Legislature:

Act 377 excludes from earnable compensation for any member of a state or statewide retirement system who was elected for a term commencing July 1, 2011 or later, and who is employed in another position of public office or employment, any compensation earned from legislative service.

ASSET EXPERIENCE

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

	Market Value	Actuarial Value
2002	-4.9%	-3.4%
2003	15.3%	-0.7%
2004	10.0%	6.0%
2005	13.4%	11.7%
2006	9.1%	* 14.0%
2007	14.7%	12.1%
2008	-13.7%	1.9%
2009	6.6%	6.8%
2010	7.7%	5.1%
2011	-1.2%	2.6%

* 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 income above or below the assumed rate of return over 5 years.

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 and dividends. 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 2011, the fund earned $3,727,556 in dividends, interest, and other recurring income. In addition, the fund experienced net realized and unrealized capital losses of $5,812,362. Investment expenses totaled $446,274 (including a prior period adjustment of $13,920). The geometric mean of the market value rates of return measured over the last ten years was 5.3%. The geometric mean of the market value rates of return measured over the last twenty years was 6.3%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 7.5% 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. The difference between rates of return on an actuarial and market value basis results from the smoothing of investment income. Yields in excess of the 7.5% assumption will reduce future costs; yields below 7.5% will increase future costs. For fiscal 2011 the system experienced net actuarial investment earnings of $10,884,778 less than the assumed actuarial valuation interest rate of 7.5%. These actuarial losses increased the normal cost accrual rate by 3.4447%.

DEMOGRAPHIC AND LIABILITY EXPERIENCE

A reconciliation of the census for the system is given in Exhibit X. The average active member is 49 years old with 12.67 years of service and an annual salary of $49,700. The fund's active membership decreased over the course of the year by 24 members. The active plan population over the last five years has increased by 26 members. A review of the active census by age indicates that over the last ten years that portion of the population in the age group between thirty and fifty has significantly decreased while the portion of the active population between the age of fifty and seventy has experienced a like increase. In relation to service, the plan has seen a significant decrease in the number of members with fifteen to twenty-five years of service and an increase in the number of members with less than five or more than twenty-five years of service over the last ten years.

The average service retiree is 71 years old with a monthly benefit of $2,455. The number or retirees and beneficiaries receiving benefits from the system increased by 33 over the last fiscal year. Over the last five years the number of retirees and beneficiaries has increased by 50; during this same period, annual benefits in payment increased by $4,398,204.

Plan liability experience for fiscal 2011 was favorable. Salary increases were below expected levels. These factors tend to reduce costs. Retirements were slightly above projected levels and withdrawals were slightly below projected levels. These factors tend to increase costs. Other factors were near projected levels. As a result, an experience gain was incurred in fiscal 2011. Net plan liability experience decreased the normal cost accrual rate by 0.9936%.

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 2012 as of October 1, 2011, is $11,264,694. The amortization payment on the fund’s frozen unfunded actuarial accrued liability as of October 1, 2011, is $2,919,619. 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 2012 is $14,939,909. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2012 is $3,578,323. This is 9.49% of the projected payroll for fiscal 2012.

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 2011	30.5385%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	3.4447%
Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	0.9936%
New Members	1.0131%
Normal Cost Accrual Rate – Fiscal 2012	31.9765%

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 2012, the net effect of the change in payroll on amortization costs was to increase such costs by 0.38% of payroll. Required net direct employer contributions are also affected by the projected ad valorem taxes and revenue sharing funds which the system is expected to receive 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 2012 will increase by 2.25% of payroll. The net effect of the above changes in the cost structure of the system resulted in a minimum actuarially required net direct employer contribution rate for fiscal 2012 of 9.49%; the actual employer contribution rate for fiscal 2012 is 13.50% of payroll. Any funds collected above the actuarially required contributions for fiscal 2012 will be added to the Funding Deposit Account. 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 9.50% for fiscal 2013.

Under the provisions of R.S. 11:107 the board may set the net direct employer contribution rate at any rate between 9.50% and 13.50% of payroll. Should the net direct employer contribution rate be set at a level above 9.50% under R.S. 11:107, the resulting additional contributions paid by the employers, if they exceed any potential contribution losses, would be added to the Funding Deposit Account.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, completion of amortization payments or credit schedules, and changes in plan provisions or applicable law. Analysis of the effect of all these factors is beyond the scope of this report. We have, however, calculated the sensitivity of the valuation to a decrease in the valuation interest rate. 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 Assessors' Retirement 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 13.2% 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. In addition, we have determined that based on current assets and demographics, for each percentage earnings in a single year under (or over) the assumed rate of return on the actuarial value of assets, there will be a corresponding increase (or reduction) in the normal cost accrual rate of 0.73% for the Fund. The impact of such other changes in assumptions are not reflected in the above the results.

COST OF LIVING INCREASES

During fiscal 2011 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 3.65%. Cost of living provisions for the system are detailed in R.S.11:241, R.S. 11:246 and R.S. 11:1461. RS 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.

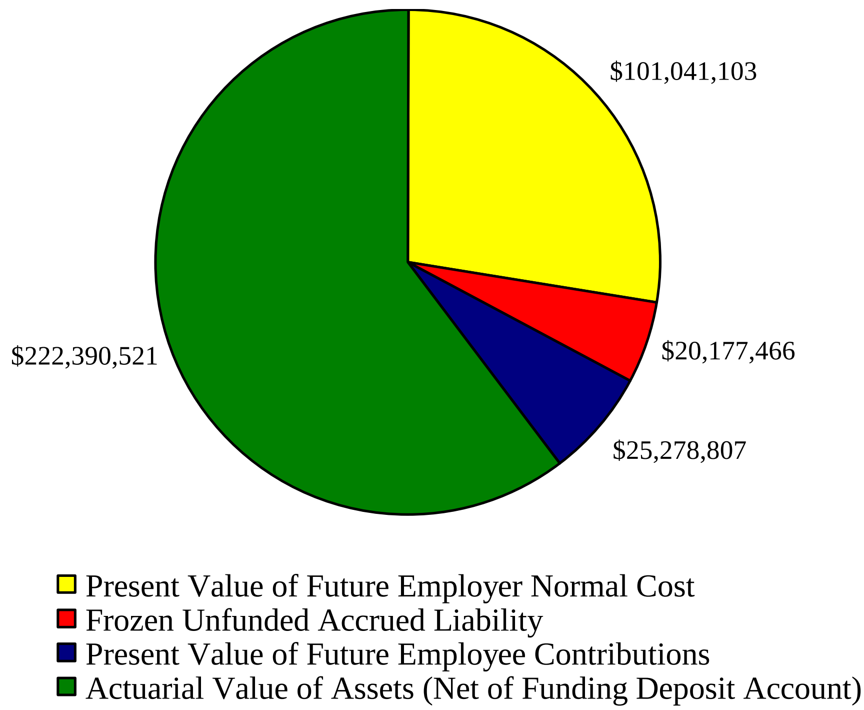
R.S. 11:1461 allows the board of trustees to provide a cost of living increase from excess interest to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 3% of the retiree's original benefit or an increase of $300 per year for each year of retirement. R.S. 11:246 allows the board of trustees to grant an additional cost of living increase from excess interest to all retirees and beneficiaries over age 65 equal to two percent of the benefit paid on October 1, 1977, (or the member's retirement date, if later).

R.S. 11:1461 and R.S. 11:246 provide that those COLA's may be paid only when the investment earnings of the system are sufficiently above the valuation interest rate to fund the benefit granted. For fiscal 2011 the fund achieved an actuarial rate of return of 2.6% and no excess interest was produced. In addition, in order to grant the above cost of living increases to retirees or survivors, the ratio of the actuarial value of assets to the Pension Benefit Obligation must equal or exceed a statutory target ratio defined in R.S. 11:242. The funded ratio of the system, as calculated under R.S. 11:242, is 80.05%. This is below the target ratio of 83.70%. Thus, for fiscal 2011, the target ratio was not met by the fund.

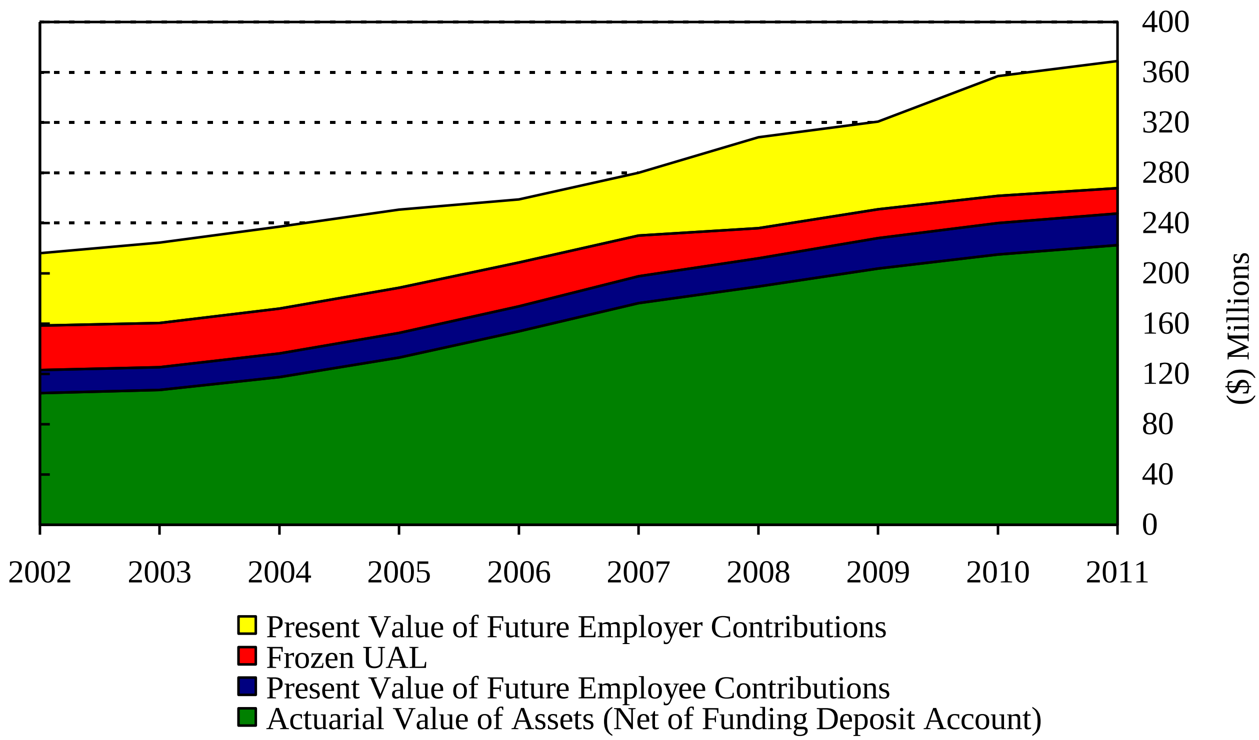
In addition, Act 113 of the 2008 Regular Legislation Session provides for a COLA of 3% of the normal monthly benefit but not less than $20 per month. Although this COLA is permanent, it may only be granted once. Below is a summary of the expected cost of this COLA:

Increase in Annual Benefits	Present Value	Expected Increase in Normal Cost Accrual Rate
$ 394,415	$ 3,697,819	1.17%

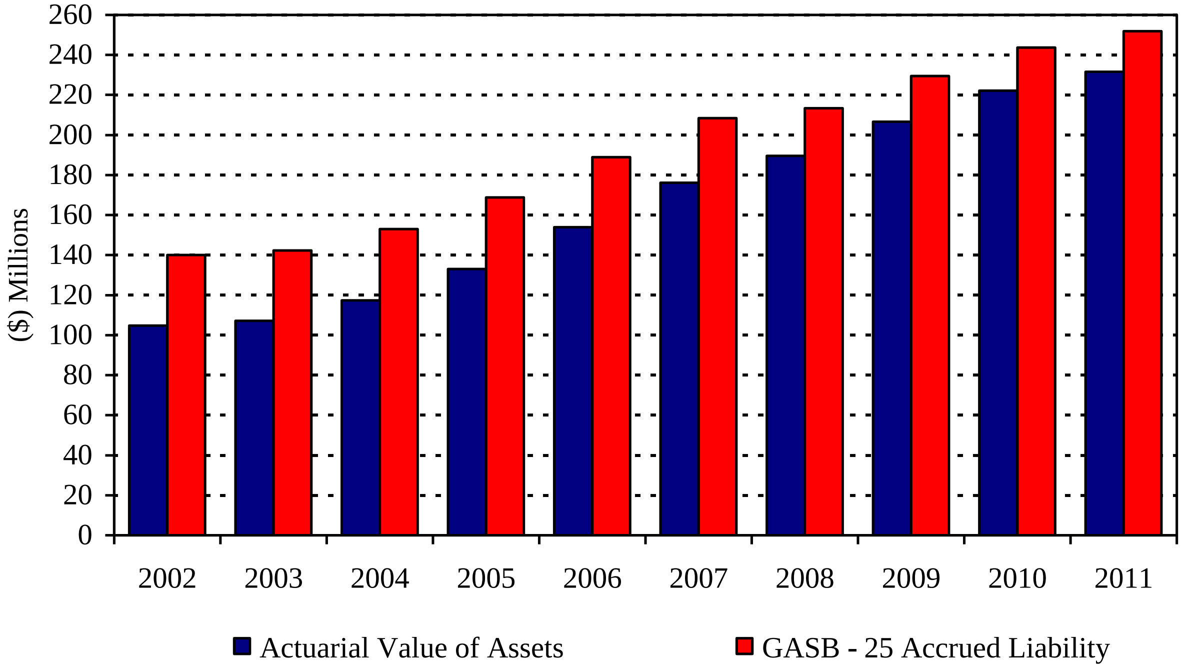
Components of Present Value of Future Benefits
September 30, 2011



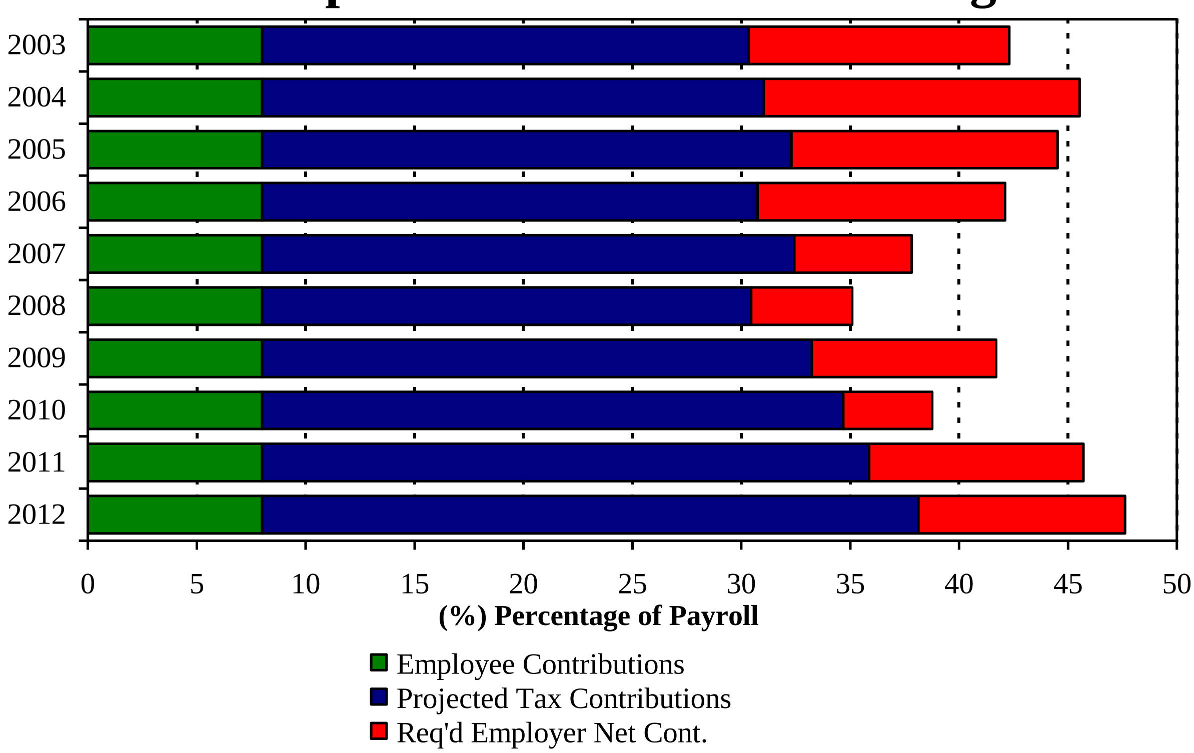
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. GASB – 25 Accrued Liability

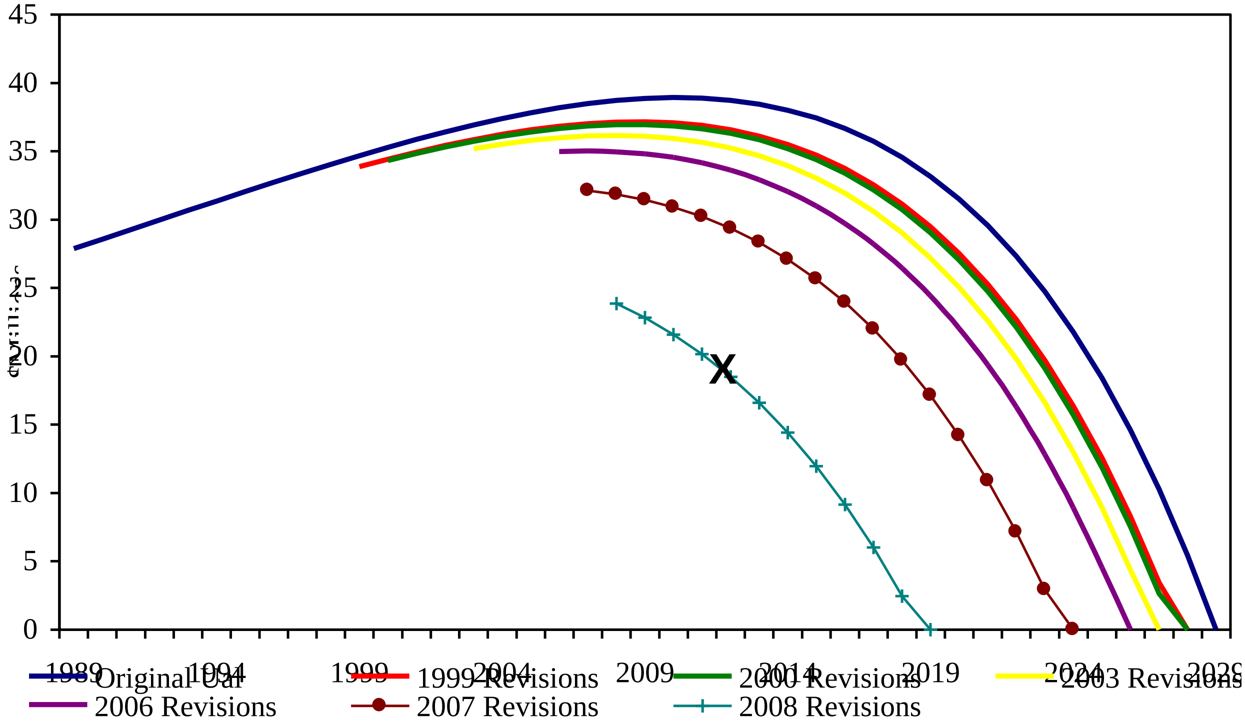


Components of Actuarial Funding

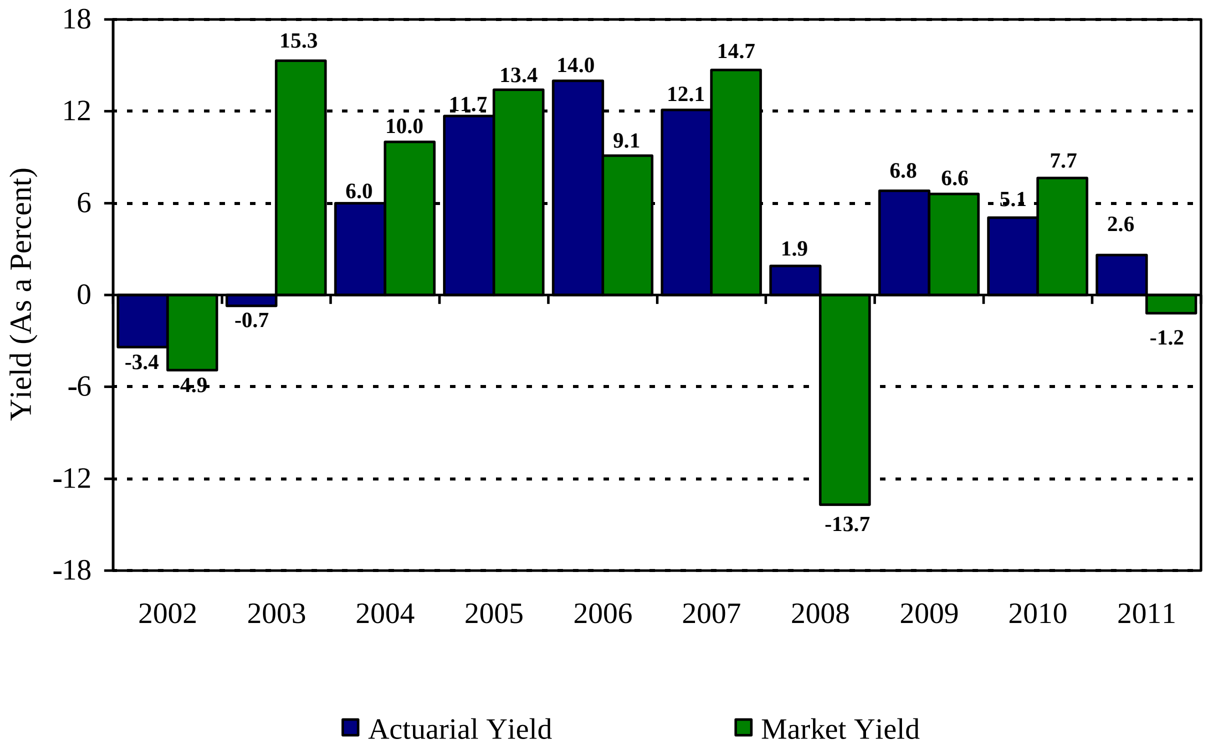


Projected Tax Contributions Consist of the lesser of Actuarially Required Contributions and amount of taxes available divided by the valuation payroll.

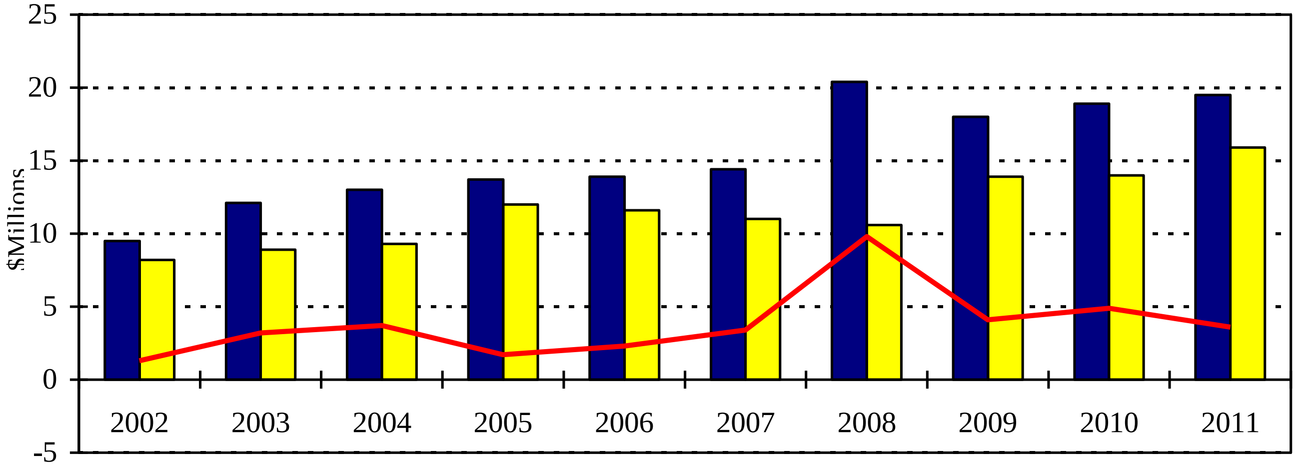
Frozen Unfunded Accrued Liability



Historical Asset Yields



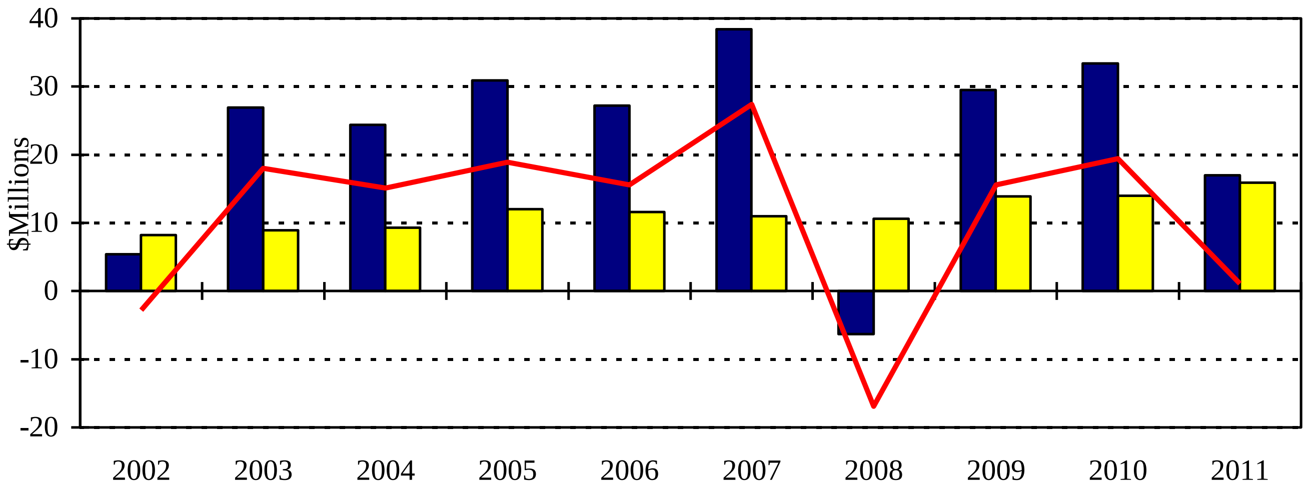
Net Non-Investment Income



		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Non-Investment Income ($Mil)		9.5	12.1	13	13.7	13.9	14.4	20.4	18.0	18.9	19.5
Benefits and Expenses ($Mil)		8.2	8.9	9.3	12.0	11.6	11.0	10.6	13.9	14.0	15.9
Net Non-Investment Income ($Mil)		1.3	3.2	3.7	1.7	2.3	3.4	9.8	4.1	4.9	3.6

Total Income vs. Expenses

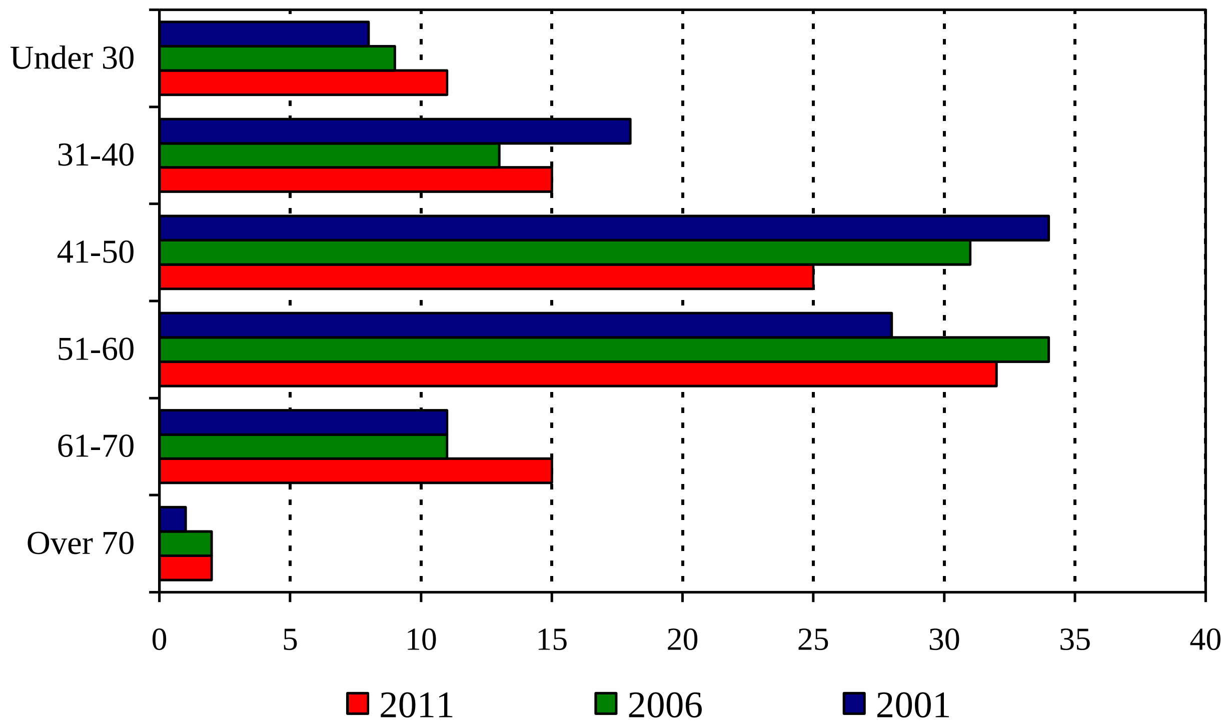
(Based on Market Value of Assets)



		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Income ($Mil)		5.4	26.9	24.4	30.9	27.2	38.4	-6.3	29.5	33.4	17.0
Benefits and Expenses ($Mil)		8.2	8.9	9.3	12.0	11.6	11.0	10.6	13.9	14.0	15.9
Net Change in MVA ($Mil)		-2.8	18.0	15.1	18.9	15.6	27.4	-16.9	15.6	19.4	1.1

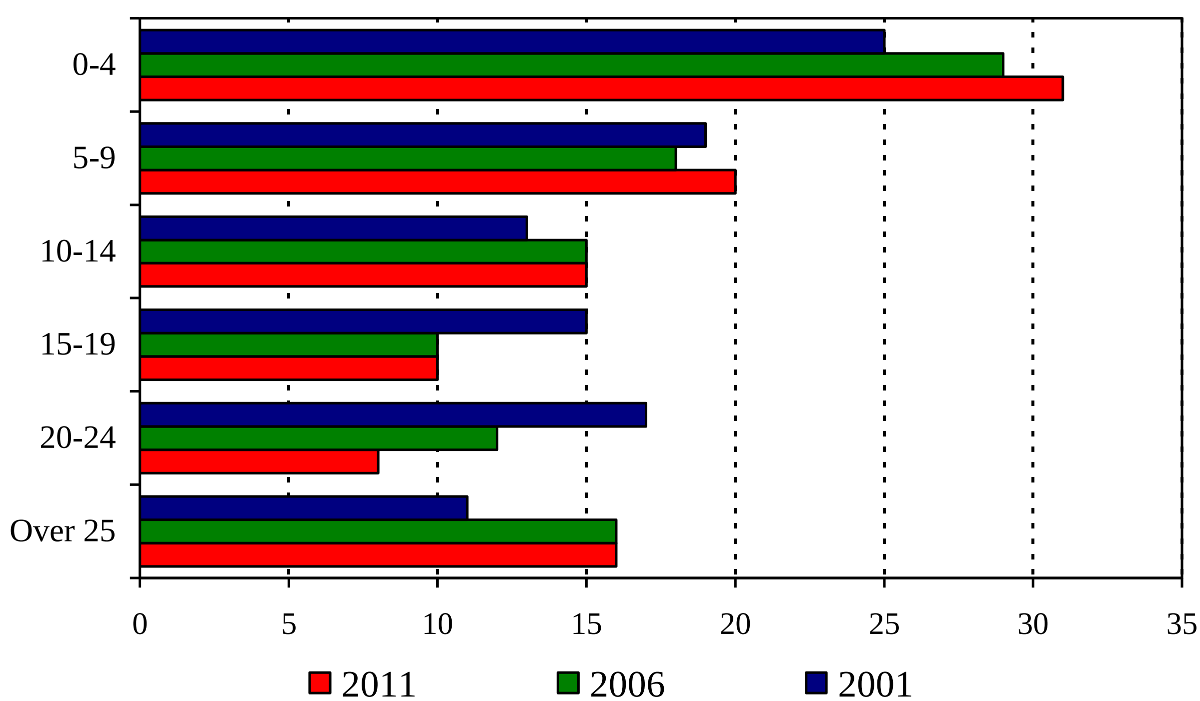
Active – Census By Age

(as a percent)



Active – Census By Service

(as a percent)



EXHIBITS

EXHIBIT I
ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 368,887,897
2.	Frozen Unfunded Actuarial Accrued Liability	$ 20,177,466
3.	Actuarial Value of Assets	$ 231,647,617
4.	Present Value of Future Employee Contributions	$ 25,278,807
5.	Funding Deposit Account Credit Balance	$ 9,257,096
6.	Present Value of Future Employer Normal Costs (1-2-3-4+5)	$ 101,041,103
7.	Present Value of Future Salaries	$ 315,985,082
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)	31.976542%
9.	Projected Fiscal 2012 Salary for Current Membership	$ 35,227,994
10.	Employer Normal Cost as of October 1, 2011 (8 x 9)	$ 11,264,694
11.	Amortization Payment on Frozen Unfunded Accrued Liability of $20,177,466 with Payments increasing at 3.50% per year	$ 2,919,619
12.	TOTAL Employer Normal Cost & Amortization Payment (10 + 11)	$ 14,184,313
13.	Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$ 14,706,609
14.	Estimated Administrative Cost for Fiscal 2012	$ 233,300
15.	TOTAL Administrative and Interest Adjusted Actuarial Costs (13 + 14)	$ 14,939,909
16.	Projected Revenue Sharing Funds for Fiscal 2012	$ 352,620
17.	Projected Ad Valorem Contributions for Fiscal 2012	$ 11,008,966
18.	Employers' Net Direct Actuarially Required Contribution for Fiscal 2012 (15-16-17)	$ 3,578,323
19.	Projected Payroll (Fiscal 2012)	$ 37,710,452
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2012 (18÷19)	9.49%
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2013 (20 Rounded to nearest .25%)	9.50%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 222,096,177	
Survivor Benefits	5,860,873	
Disability Benefits	277,207	
Vested Deferred Termination Benefits	3,772,244	
Contribution Refunds	2,118,353	
TOTAL Present Value of Future Benefits for Active Members		$ 234,124,854

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 3,379,808	
Terminated Members with Reciprocals Due Benefits at Retirement	1,902	
Terminated Members Due a Refund	468,472	
TOTAL Present Value of Future Benefits for Terminated Members		$ 3,850,182

Present Value of Future Benefits for Retirees:

Regular Retirees			
Maximum	$ 49,526,996		
Option 2	$ 51,762,464		
Option 3	$ 19,233,195		
TOTAL Regular Retirees		$ 120,522,655	
Disability Retirees		455,450	
Survivors & Widows		9,634,782	
DROP Account Balances		299,974	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 130,912,861
TOTAL Present Value of Future Benefits			$ 368,887,897

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:		
Cash in Banks	$ 11,714,520	
Contributions Receivable from Members	149,865	
Contributions Receivable from Employers	252,931	
Accrued Interest on Investments	218,677	
Notes Receivable	66,972	
TOTAL CURRENT ASSETS		$ 12,402,965
Property, Plant and Equipment (Net of accumulated depreciation)		$ 1,927
Investments:		
Stock Mutual Fund	$ 109,086,835	
Bond Mutual Fund	50,298,169	
Corporate Bonds	13,505,480	
U. S. Government Agency Securities	9,233,153	
Real Estate Fund	8,073,939	
LAMP Funds	3,143,457	
Short-term investments	2,315,572	
Foreign Government Securities	414,976	
TOTAL INVESTMENTS		$ 196,071,581
TOTAL ASSETS		$ 208,476,473
Current Liabilities:		
Accounts Payable	$ 73,111	
TOTAL CURRENT LIABILITIES		$ 73,111
NET MARKET VALUE OF ASSETS		$ 208,403,362

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2011	$	(18,213,818)
Fiscal year 2010		295,050
Fiscal year 2009		(1,514,897)
Fiscal year 2008		(41,221,359)
Fiscal year 2007		11,782,957
Total for five years	$	(48,872,067)

Deferral of excess (shortfall) of invested income:

Fiscal year 2011 (80%)	$	(14,571,055)
Fiscal year 2010 (60%)		177,030
Fiscal year 2009 (40%)		(605,959)
Fiscal year 2008 (20%)		(8,244,272)
Fiscal year 2007 (0%)		0
Total deferred for year	$	(23,244,255)

Market value of plan net assets, end of year	$	208,403,362
Preliminary actuarial value of plan assets, end of year	$	231,647,617

Actuarial value of assets corridor

85% of market value, end of year	$	177,142,858
115% of market value, end of year	$	239,663,866

Final actuarial value of plan net assets, end of year	$	231,647,617

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$ 25,278,807
Employer Normal Contributions to the Pension Accumulation Fund	101,041,103
Employer Amortization Payments to the Pension Accumulation Fund	20,177,466
Funding Deposit Account Credit Balance	(9,257,096)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$137,240,280

EXHIBIT V
CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability		$ 21,590,624
Interest on Unfunded Accrued Liability	$ 1,619,297	
Normal Cost for Prior Year	10,883,290	
Interest on the Normal Cost	816,247	
Administrative Expenses	282,104	
Interest on Administrative Expenses	10,388	
Credit to Funding Deposit Account	1,619,995	
TOTAL Increases to Frozen Unfunded Accrued Liability		$ 15,231,321
Direct Employer Contributions	$ 5,123,053	
Interest on Employer Contributions	188,641	
Ad Valorem Taxes and Revenue Sharing	10,930,307	
Interest on Ad Valorem Taxes and Revenue Sharing Funds	402,478	
Contribution Short Fall (Excess)	0	
Interest on Contribution Shortfall (Excess)	0	
TOTAL Decreases to Frozen Unfunded Accrued Liability		$ 16,644,479
Current Year Frozen Unfunded Accrued Liability		$ 20,177,466

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (September 30, 2010)		$ 222,141,802
Income:		
Member Contributions	$ 3,042,475	
Employer Contributions	5,123,053	
Ad Valorem Tax Funds	10,576,617	
Revenue Sharing Funds	353,690	
Assets transferred from other systems	432,372	
Miscellaneous	1,132	
TOTAL CONTRIBUTIONS		$ 19,529,339
Net Appreciation in Fair Value of Investments	$ (5,812,362)	
Interest and Dividends	3,727,556	
Prior Period Adjustment	(13,920)	
Investment Expenses	(432,355)	
NET INVESTMENT INCOME		$ (2,531,081)
TOTAL Income		$ 16,998,258
Expenses:		
Retirement Benefits	$ 12,873,942	
DROP Account Payments	2,622,926	
Refunds of Contributions	152,876	
Funds Transferred to Another System	0	
Administrative Expenses	282,104	
TOTAL Expenses		$ 15,931,848
Net Market Income for Fiscal 2011 (Income - Expenses)		$ 1,066,410
Adjustment for Actuarial Smoothing and Change in Valuation Interest Rate		$ 8,439,405
Actuarial Value of Assets (September 30, 2011)		$ 231,647,617

EXHIBIT VII
FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$ 26,190,687
Annuity Reserve Fund	130,612,887
Pension Accumulation Fund	40,072,516
DROP Account	2,270,176
Funding Deposit Account	9,257,096
NET MARKET VALUE OF ASSETS	$208,403,362
Adjustment for Actuarial Smoothing	23,244,255
NET ACTUARIAL VALUE OF ASSETS	$231,647,617

EXHIBIT VIII
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 155,929,699
Present Value of Benefits Payable to Terminated Employees	3,850,182
Present Value of Benefits Payable to Current Retirees and Beneficiaries	130,912,861
TOTAL PENSION BENEFIT OBLIGATION	$ 290,692,742
NET ACTUARIAL VALUE OF ASSETS	$ 231,647,617
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	79.69%

EXHIBIT IX
COST OF LIVING ADJUSTMENTS - TARGET RATIO

Actuarial Value of Assets Divided by PBO as of Fiscal 1986:			44.48%
Amortization of Unfunded Balance over 30 years:			46.27%
Adjustments in Funded Ratio Due to Changes in Assumption(s):			
	Changes for Fiscal 1988	7.69%	
	Changes for Fiscal 1989	(0.99%)	
	Changes for Fiscal 1994	0.15%	
	Changes for Fiscal 1995	(1.76%)	
	Changes for Fiscal 1996	(1.39%)	
	Changes for Fiscal 1999	(0.37%)	
	Changes for Fiscal 2000	(1.56%)	
	Changes for Fiscal 2003	0.06%	
	Changes for Fiscal 2005	(2.48%)	
	Changes for Fiscal 2006	2.36%	
	Changes for Fiscal 2010	(6.16%)	
TOTAL Adjustments			(4.45%)
Amortization of Adjustments in Funded Ratio over 30 years:			
	Changes for Fiscal 1988	(5.90%)	
	Changes for Fiscal 1989	0.73%	
	Changes for Fiscal 1994	(0.09%)	
	Changes for Fiscal 1995	0.94%	
	Changes for Fiscal 1996	0.70%	
	Changes for Fiscal 1999	0.15%	
	Changes for Fiscal 2000	0.57%	
	Changes for Fiscal 2003	(0.02%)	
	Changes for Fiscal 2005	0.50%	
	Changes for Fiscal 2006	(0.39%)	
	Changes for Fiscal 2010	0.21%	
TOTAL Amortization of Adjustments			(2.60%)
Target Ratio for Current Fiscal Year			83.70%
Actuarial Value of Assets Divided by PBO as of Fiscal 2011			79.69%

EXHIBIT X
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of September 30, 2010	762	82	6	460	1,310
Additions to Census					
Initial membership	45	2			47
Death of another member					
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(15)	15			
Actives who retired	(40)			40	
Actives entering DROP					
Term. members rehired	2	(2)			
Term. members who retire		(1)		1	
Retirees who are rehired					
Refunded who are rehired					
DROP participants retiring			(4)	4	
DROP returned to work	2		(2)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(11)	(8)			(19)
Deaths	(1)			(12)	(13)
Included in error last year					
Adjustment for multiple records					
Number of members as of September 30, 2011	744	88	0	493	1,325

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	1	1	2	26,004	52,008
21 - 25	4	14	18	29,576	532,376
26 - 30	17	46	63	33,467	2,108,408
31 - 35	22	32	54	37,477	2,023,766
36 - 40	21	38	59	42,208	2,490,265
41 - 45	21	42	63	46,093	2,903,829
46 - 50	32	89	121	48,942	5,921,923
51 - 55	48	75	123	52,069	6,404,533
56 - 60	47	68	115	57,435	6,605,075
61 - 65	43	36	79	60,055	4,744,316
66 - 70	15	20	35	63,469	2,221,426
71 - 75	4	5	9	69,725	627,529
76 - 80	2	0	2	104,723	209,446
81 - 85	0	1	1	131,926	131,926
TOTAL	277	467	744	49,700	36,976,826

THE ACTIVE CENSUS INCLUDES 317 ACTIVES WITH VESTED BENEFITS, INCLUDING 15 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	0	1	1	18,765	18,765
41 - 45	0	2	2	14,153	28,305
46 - 50	1	6	7	17,133	119,930
51 - 55	2	7	9	27,781	250,028
61 - 65	0	1	1	185	185
TOTAL	3	17	20	20,861	417,213

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	6	224
100	-	499	3	621
500	-	999	6	4,775
1000	-	1999	9	13,922
2000	-	4999	17	56,000
5000	-	9999	12	87,024
10000	-	19999	9	121,735
20000	-	99999	6	184,171
	TOTAL		68	468,472

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	1	14	15	55,169	827,533
56 - 60	11	37	48	39,461	1,894,123
61 - 65	18	52	70	36,855	2,579,867
66 - 70	30	32	62	34,121	2,115,524
71 - 75	27	37	64	25,141	1,609,036
76 - 80	33	37	70	25,509	1,785,639
81 - 85	21	32	53	18,297	969,757
86 - 90	7	20	27	15,537	419,491
91 - 99	2	6	8	10,402	83,215
TOTAL	150	267	417	29,458	12,284,185

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	41,900	41,900
91 - 99	0	1	1	5,727	5,727
TOTAL	0	2	2	23,814	47,627

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	1	1	75,461	75,461
56 - 60	0	2	2	28,810	57,619
61 - 65	1	0	1	8,042	8,042
66 - 70	0	3	3	27,367	82,101
71 - 75	1	10	11	15,453	169,986
76 - 80	2	13	15	22,603	339,043
81 - 85	2	19	21	18,044	378,925
86 - 90	2	11	13	13,557	176,241
91 - 99	1	6	7	14,178	99,249
TOTAL	9	65	74	18,739	1,386,667

ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
	Completed Years of Service											
0 - 20	2											2
21 - 25	7	2		3	4	2						18
26 - 30	11	9	10	12	9	12						63
31 - 35	2	6	8	8		26	4					54
36 - 40	4	6	3	4	6	18	7	10	1			59
41 - 45	2	2	4	7	10	13	10	8	6	1		63
46 - 50	4	5	6	5	7	20	19	14	14	24	3	121
51 - 55	2	4	7	7	5	16	25	12	16	19	10	123
56 - 60	4	2	5	7	1	21	16	15	11	14	19	115
61 - 65	3	2	2	3	3	13	21	10	5	5	12	79
66 - 70				3		5	6	8	4	1	8	35
71 & Over	2			1	1		3		1	1	3	12
Totals	43	38	45	60	46	146	111	77	58	65	55	744

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Salary
	Completed Years of Service											
0 - 20	26,004											26,004
21 - 25	28,343	26,919		27,810	31,240	35,874						29,576
26 - 30	31,959	30,815	31,677	32,860	33,238	39,107						33,467
31 - 35	29,701	33,447	34,201	32,150		41,922	35,729					37,477
36 - 40	34,263	38,714	79,065	31,506	28,926	40,249	43,417	51,096	44,790			42,208
41 - 45	36,228	30,905	32,890	36,485	49,893	41,246	56,270	53,458	52,292	43,364		46,093
46 - 50	52,657	28,099	40,368	32,292	36,615	40,476	54,598	48,234	52,068	59,778	75,016	48,942
51 - 55	40,541	64,349	59,082	43,173	42,939	39,550	55,940	49,057	47,895	61,411	58,248	52,069
56 - 60	31,867	27,431	81,113	54,668	17,183	40,939	56,894	64,686	44,778	61,973	79,833	57,435
61 - 65	29,192	33,627	38,815	36,008	43,508	49,153	55,973	65,107	44,445	93,543	93,156	60,055
66 - 70				35,386		48,575	51,729	53,973	50,300	113,750	101,911	63,469
71 & Over	94,409			46,992	48,092		39,977		68,750	146,696	116,541	80,742
Average	36,429	35,420	46,625	37,065	38,334	41,614	53,707	55,269	48,940	65,240	83,766	49,700

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								1				1
41 - 45							2					2
46 - 50						7						7
51 - 55	1	1	1	3	3							9
56 - 60												0
61 - 65	1											1
66 & Over												0
Totals	2	1	1	3	3	7	2	1	0	0	0	20

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								18,765				18,765
41 - 45							14,152					14,152
46 - 50						17,133						17,133
51 - 55	16,838	17,644	13,481	28,716	38,639							27,781
56 - 60												0
61 - 65	185											185
66 & Over												0
Average	8,512	17,644	13,481	28,716	38,639	17,133	14,152	18,765	0	0	0	20,861

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	7	5	2	1								15
56 - 60	16	6	7	7	3	9						48
61 - 65	12	3	9	2	5	36	3					70
66 - 70	7	3	8	1	3	20	18	2				62
71 - 75	3	3	2	2	2	17	13	16	6			64
76 - 80		2	5	2	1	13	21	9	13	4		70
81 - 85		1	1			2	12	12	11	12	2	53
86 - 90							3	5	6	8	5	27
91 & Over								1		3	4	8
Totals	45	23	34	15	14	97	70	45	36	27	11	417

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	67,789	46,189	34,917	52,230								55,169
56 - 60	40,089	45,275	40,337	37,126	35,280	36,996						39,461
61 - 65	44,572	27,108	51,188	35,504	49,580	30,062	33,947					36,855
66 - 70	43,384	21,919	66,528	13,955	23,968	35,425	20,202	27,930				34,121
71 - 75	74,607	23,724	43,070	24,849	30,600	30,161	20,082	14,957	17,314			25,141
76 - 80		51,574	38,363	15,026	17,308	28,571	23,984	27,350	18,028	21,931		25,509
81 - 85		17,849	83,947			20,285	25,650	18,388	14,696	9,956	8,906	18,297
86 - 90							14,091	21,955	18,031	13,542	10,183	15,537
91 & Over								8,874		9,104	11,757	10,402
Average	48,407	36,602	50,206	31,788	36,011	31,427	22,575	19,569	16,891	12,698	10,523	29,458

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 - 50												0
51 - 55			1									1
56 - 60												0
61 - 65												0
66 - 70												0
71 - 75												0
76 - 80												0
81 - 85												0
86 - 90												0
91 & Over											1	1
Totals	0	0	1	0	0	0	0	0	0	0	1	2

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 - 50												0
51 - 55			41,900									41,900
56 - 60												0
61 - 65												0
66 - 70												0
71 - 75												0
76 - 80												0
81 - 85												0
86 - 90												0
91 & Over											5,727	5,727
Average	0	0	41,900	0	0	0	0	0	0	0	5,727	23,813

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Completed Years Since Retirement

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55						1						1
56 - 60							2					2
61 - 65								1				1
66 - 70								2		1		3
71 - 75					1	3	3	1	2		1	11
76 - 80						1	4	3	3	2	2	15
81 - 85							1	7	5	5	3	21
86 - 90							1	1	1	3	7	13
91 & Over								1	1	1	4	7
Totals	0	0	0	0	1	5	11	16	12	12	17	74

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Completed Years Since Retirement

Attained Ages	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Average Benefit
0 - 50												0
51 - 55						75,461						75,461
56 - 60							28,809					28,809
61 - 65								8,042				8,042
66 - 70								23,725		34,651		27,367
71 - 75					11,817	9,723	23,114	18,820	19,798		1,242	15,453
76 - 80						13,902	38,205	22,979	13,684	18,308	12,859	22,603
81 - 85							59,637	10,702	26,536	15,598	11,234	18,044
86 - 90							14,054	40,148	13,787	12,037	10,306	13,557
91 & Over								18,233	20,360	5,894	13,690	14,178
Average	0	0	0	0	11,817	23,706	32,134	17,284	20,623	15,938	11,033	18,739

EXHIBIT XI
YEAR-TO-YEAR COMPARISON

	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
Number of Active Members	744	768	777	786
Number of Retirees & Survivors	493	460	454	437
Number Terminated Due Benefits at Retirement	20	22	23	22
Number Terminated Due Refund	68	60	58	54
Active Lives Payroll	$ 36,976,826	$ 37,837,825	$ 38,039,395	$ 36,638,923
Retiree Benefits in Payment	$ 13,718,479	$ 11,705,460	$ 11,184,513	$ 9,705,668
Market Value of Assets	$ 208,403,362	$ 207,336,952	$ 187,888,278	$ 172,306,395
Ratio of Actuarial Value of Assets to GASB-25 Accrued Liability	91.99%	91.14%	90.06%	88.82%
Actuarial Value of Assets	$ 231,647,617	$ 222,141,802	$ 206,677,106	$ 189,537,035
Frozen Unfunded Actuarial Accrued Liability	$ 20,177,466	$ 21,590,624	$ 22,817,329	$ 23,857,602
Present Value of Future Employer Normal Costs	$ 101,041,103	$ 95,265,554	$ 69,846,719	$ 72,468,052
Present Value of Future Employee Contributions	$ 25,278,807	$ 24,956,172	$ 24,352,444	$ 22,452,996
Funding Deposit Account Credit Balance	$ 9,257,096	$ 7,104,280	$ 2,939,108	N/A
Present Value of Future Benefits	$ 368,887,897	$ 356,849,872	$ 320,754,490	$ 308,315,685

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	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Employee Contribution Rate	8.00%	8.00%	8.00%	8.00%
Proj. Tax Contribution as % of Projected Payroll	30.13%	27.88%	26.69%	25.25%
Minimum Actuarially Required Net Direct Employer Contribution Rate	9.49%	9.83%	4.08%	8.45%
Actual Net Direct Employer Contribution Rate	13.50%	13.50%	13.50%	13.50%

Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
748	718	729	718	696	697
443	443	426	418	408	413
21	23	22	24	24	24
45	39	23	18	24	18
$ 33,568,909	$ 29,478,685	$ 29,277,391	$ 28,757,562	$ 26,991,176	$ 26,360,649
$ 9,618,856	$ 9,320,275	$ 8,590,184	$ 7,985,977	$ 7,574,674	$ 7,503,729
$ 189,183,894	$ 161,766,254	$ 146,141,263	$ 127,276,144	$ 112,205,374	$ 94,240,739
84.58%	81.50%	78.80%	76.78%	75.29%	74.78%
$ 176,223,629	$ 154,009,532	$ 132,989,725	$ 117,414,626	$ 107,179,684	$ 104,687,539
$ 32,124,893	$ 34,970,588	$ 35,788,138	$ 35,516,590	$ 35,184,693	$ 35,298,399
$ 50,033,632	$ 50,121,433	$ 62,093,867	$ 65,268,813	$ 64,000,521	$ 57,630,981
$ 21,608,375	$ 19,681,683	$ 19,720,674	$ 18,926,490	$ 18,207,224	$ 18,428,356
N/A	N/A	N/A	N/A	N/A	N/A
$ 279,990,529	$ 258,783,236	$ 250,592,404	$ 237,126,519	$ 224,572,122	$ 216,045,275

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Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
22.46%	24.44%	22.75%	24.30%	23.04%	22.35%
4.64%	5.39%	11.36%	12.23%	14.49%	11.95%
13.50%	13.50%	14.00%	14.50%	14.00%	14.00%

* Rate of 5.75% from October 1, 2000 – June 30, 2001; Rate of 7.25% from July 1, 2001 – September 30, 2001

SUMMARY OF PRINCIPAL PLAN PROVISIONS

The Louisiana Assessors' Retirement Fund is a defined benefit pension plan that provides retirement allowances and other benefits for the assessors and their permanent, full-time employees. The plan was established by Act 91 of the 1950 Louisiana Legislative Session. Provisions of the plan are set forth in the Louisiana Revised Statutes (R.S. 11:1401 through R.S. 11:1483). The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits.

CONTRIBUTION RATES - The fund is financed by employee contributions of 8.00% of salary and employer contributions at a rate that is determined annually based on the results of the actuarial valuation for the prior year. Each assessor has the option of electing to pay all or a portion of their employees' contribution into the retirement fund. This election remains in effect for 1 year and can be rescinded only upon written notice to the retirement system. In addition, the statutory provisions require the payment of 0.25% of the taxes to be collected as shown on the tax rolls of each parish and revenue sharing funds as appropriated each year by the legislature.

RETIREMENT BENEFITS - Members with thirty years of creditable service may retire at any age and members with at least twelve years of service may retire at age fifty-five. The benefit accrual rate is three and one-third percent for all years of service. The normal retirement benefit for individuals hired prior to October 1, 2006, will be equal to three and one-third percent of the highest monthly average final compensation received during any thirty-six consecutive months while employed in an assessor's office or other creditable employment times the number of years of the member's creditable service not to exceed one hundred percent of the member's monthly average final compensation after taking into account the reduction arising from any optional retirement selected. The normal retirement benefit for individuals hired on or after October 1, 2006, will be equal to three and one-third percent of the highest monthly average final compensation received during any sixty consecutive months while employed in an assessor's office or other creditable employment times the number of years of the member's creditable service not to exceed one hundred percent of the member's monthly average final compensation after taking into account the reduction arising from any optional retirement selected.

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 that is the actuarial equivalent of the maximum benefit. If, upon retirement, a member selects their spouse as their beneficiary under Option 2 or Option 3 or Option 4, the option reduction factor will be based on the ages of the member and his or her beneficiary as of the member's sixtieth birthday. If a participant selects an option 4 for someone other than their spouse, the option reduction factor is based on the ages of the member and beneficiary as of the later of the date of the member's retirement or the member's sixtieth birthday.

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 surviving spouse will continue to receive the same reduced benefit.

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

Option 4 - Upon retirement, the member may elect to receive a board-approved benefit that is actuarially equivalent to the maximum benefit.

EXCESS BENEFIT PLAN – Under the provisions of this excess benefit plan a member may receive a benefit equal to the amount by which the member's monthly benefit from the fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

DISABILITY BENEFITS - Disability benefits are awarded to active members who are totally disabled with twelve or more years of creditable service. In addition, any member with twenty years of service who withdraws from service prior to reaching retirement age is eligible for disability benefits. The disability benefit is equal to the lesser of three and one-third percent of the final three year average compensation multiplied by the number of years of creditable service (but not less than forty-five percent) or three and one-third percent of final compensation multiplied by years of service to earliest normal retirement age.

SURVIVOR BENEFITS - If a member dies in service with less than twelve years of service credit, his accumulated contributions are paid to the surviving spouse. If a member dies with twelve or more years of creditable service and is not eligible for retirement, the surviving spouse receives an automatic option 2 benefit that ceases on remarriage. If a member dies who is eligible for retirement, the surviving spouse receives an automatic option 2 benefit that does not terminate on remarriage. The minor children or handicapped children of a member with no spouse who dies in the line of duty or with four years of creditable service receives $50 per month for the first child and $10 per month for each additional child.

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member who becomes eligible for normal retirement may elect to participate in the Deferred Retirement Option Plan (DROP) for up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the system terminates. During participation in the plan both employer and employee contributions continue to be payable. 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. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the system has been terminated for at least one full year.

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 balance, or he may elect any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active membership in the system. If a member, who was eligible to participate in DROP prior to January 1, 2004, completes participation in the plan and does not terminate employment their account will earn interest at the actual rate of return less 1%. A member's account will cease to earn interest upon termination of employment. For individuals who become eligible to participate in DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in the plan will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest at the actual rate of return earned on the subaccount investments less one-fourth of one percent per annum, or at the option of the system, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of this plan must agree that the benefits payable to the participant are not the obligations of the state or the system, and that any returns and other rights of the plan are the sole liability and responsibility of the participant and the designated provider to which contributions have been made. Upon termination, the member receives a lump sum payment for the DROP fund equal to the payments made into 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 the additional service rendered since termination of DROP participation is calculated based on the subsequent participation compensation and service credit only. In no event can the entire monthly benefit paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies after the period of participation in the program, automatic option 2 benefits are paid to the surviving spouse with whom the member was living at the time of death on the supplemental benefits earned since DROP participation. No entries to the DROP are permitted after September 30, 2008.

Back-DROP – In lieu of receiving a service retirement allowance any member of the fund who has more than sufficient service for a regular service retirement may elect to receive a "Back-DROP" benefit. The Back-DROP benefit is based upon the Back-DROP period selected and the final average compensation prior to the period selected. The Back-DROP period is the lesser of three years or the service accrued between the time a member first becomes eligible for retirement and his actual date of retirement. At retirement the member's maximum monthly retirement benefit is based upon his service, final average compensation, and plan provisions in effect on the last day of creditable service immediately prior to the commencement of the Back-DROP period. In addition to the monthly benefit at retirement, the member receives a lump-sum payment equal to the maximum monthly benefit as calculated above multiplied by the number of months in the Back-DROP period.

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 benefits in the system. If the total of all benefits paid to a retiree and all benefits paid on the retiree's account after their death is less than the retiree's accumulated employee contributions, the remaining accumulated employee contributions shall be paid to the retiree's beneficiary or to their estate if they do not have a designated beneficiary. Upon the death of a member or former member who has not been paid any benefits from the fund and who is not survived by any person eligible for any benefits from the fund, the accumulated employee contributions of the member or former member shall be paid to their designated beneficiary or to their estate if they do not have a designated beneficiary.

COST OF LIVING INCREASES - The board of trustees may use excess interest earnings as determined by the actuary to provide a cost of living increase in benefits for retired members or their beneficiaries of three percent of their original benefit (not to exceed three hundred dollars per year). In addition, the board of trustees may grant an additional cost of living increase of two percent of their original benefit (or the benefit as of October 1, 1977 if they retired prior to that time). In order to grant either cost of living increase the ratio of the systems assets to pension benefit obligations must exceed a target ratio that is set by statute. In lieu of the above described cost of living increases, the board may provide a cost of living increase in the form of up to $1.00 per month for each year of service plus the number of years since retirement.

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 that 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: 7.5% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: 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)

ACTIVE MEMBER, ANNUITANT, AND BENEFICIARY MORTALITY: RP 2000 Combined Healthy Table set back 3 years for males and 2 years for females

RETIREE COST OF LIVING INCREASES: 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.

RETIREMENT RATES: 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 subject to IRS Section 415 limits.

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

Service	Factor	Service	Factor
<1	0.120	10	0.030
1	0.120	11	0.030
2	0.050	12	0.030
3	0.050	13	0.020
4	0.050	14	0.020
5	0.050	15	0.010
6	0.050	>15	0.010
7	0.040		
8	0.040		
9	0.030		

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

DROP PARTICIPATION: All persons who enter DROP are assumed to participate for the full three-year period and retire immediately thereafter.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS: The rate for all ages is assumed to be 33%.

DISABILITY RATES: 4% 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.

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

VESTING ELECTING PERCENTAGE: 70% of those vested elect deferred benefits in lieu of contribution refunds**.**

MARRIAGE AND OPTION SELECTION: 80% of members are assumed to be married. Wives are assumed to be 3 years younger than their husbands. Fifty-five percent of married members who retire are assumed to select a Joint and 100% Survivor Annuity form of optional benefits.

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

Back-DROP BENEFITS: Members eligible for Back-DROP benefits are assumed to elect the benefit form with the greatest present value.

ACTUARIAL TABLES AND RATES

Age	Male Mortality Rates	Female Mortality Rates	Retirement Rates	Disability Rates
18	0.00027	0.00018	0.00000	0.00006
19	0.00028	0.00019	0.00000	0.00006
20	0.00030	0.00019	0.00000	0.00006
21	0.00032	0.00019	0.00000	0.00006
22	0.00033	0.00019	0.00000	0.00006
23	0.00035	0.00019	0.00000	0.00006
24	0.00036	0.00020	0.00000	0.00006
25	0.00037	0.00020	0.00000	0.00006
26	0.00037	0.00021	0.00000	0.00006
27	0.00038	0.00021	0.00000	0.00006
28	0.00038	0.00022	0.00000	0.00006
29	0.00038	0.00024	0.00000	0.00006
30	0.00038	0.00025	0.00000	0.00006
31	0.00039	0.00026	0.00000	0.00006
32	0.00041	0.00031	0.00000	0.00006
33	0.00044	0.00035	0.00000	0.00006
34	0.00050	0.00039	0.00000	0.00006
35	0.00056	0.00044	0.00000	0.00007
36	0.00063	0.00047	0.00000	0.00008
37	0.00070	0.00051	0.00000	0.00008
38	0.00077	0.00055	0.00000	0.00010
39	0.00084	0.00060	0.00000	0.00011
40	0.00090	0.00065	0.00000	0.00012
41	0.00096	0.00071	0.00000	0.00014
42	0.00102	0.00077	0.00000	0.00016
43	0.00108	0.00085	0.00000	0.00018
44	0.00114	0.00094	0.00000	0.00020
45	0.00122	0.00103	0.00000	0.00023
46	0.00130	0.00112	0.22000	0.00026
47	0.00140	0.00122	0.22000	0.00029
48	0.00151	0.00133	0.22000	0.00033
49	0.00162	0.00143	0.22000	0.00038
50	0.00173	0.00155	0.44000	0.00043
51	0.00186	0.00168	0.44000	0.00049
52	0.00200	0.00185	0.44000	0.00055
53	0.00214	0.00202	0.44000	0.00063
54	0.00245	0.00221	0.44000	0.00071
55	0.00267	0.00242	0.04000	0.00081
56	0.00292	0.00272	0.04000	0.00092
57	0.00320	0.00309	0.04000	0.00104
58	0.00362	0.00348	0.18000	0.00118
59	0.00420	0.00392	0.18000	0.00135
60	0.00469	0.00444	0.18000	0.00195
61	0.00527	0.00506	0.18000	0.00195
62	0.00595	0.00581	0.18000	0.00195
63	0.00675	0.00666	0.28000	0.00195
64	0.00768	0.00765	0.28000	0.00195
65	0.00876	0.00862	0.28000	0.00195

GLOSSARY

Accrued Benefit – The pension benefit that an individual has earned as of a specific date 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