LOUISIANA ASSESSORS' RETIREMENT FUND

ACTUARIAL VALUATION AS OF
SEPTEMBER 30, 2009

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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January 18, 2010

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, 2009. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrators and accountants. This report was prepared at the request of the Board of Trustees of the 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, 2010, to recommend the net direct employer contribution rate for fiscal 2011, and to provide information for the system's financial statements. This report was prepared exclusively for the 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, 2009	September 30, 2008
Census Summary:	Active Members	777	786
	Retired Members	454	437
	Terminated Due a Deferred Benefit	23	22
	Terminated Due a Refund	58	54
Payroll:		$ 38,030,395	$ 36,638,923
Benefits in Payment:		$ 11,184,513	$ 9,705,668
Frozen Unfunded Actuarial Accrued Liability:		$ 22,817,329	$ 23,857,602
Market Value of Assets:		$ 187,888,278	$ 172,306,395
Actuarial Asset Value:		$ 206,677,106	$ 189,537,035
Actuarial Accrued Liabilities (As Defined by GASB – 25)		$ 229,494,435	$ 213,394,637
Ratio of Net AVA to GASB – 25 Accrued Liability:		90.06%	88.82%

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	FISCAL 2010	FISCAL 2009
Employer Normal Cost (October 1):	$ 8,257,989	$ 8,706,840
Amortization Cost (October 1):	$ 2,826,011	$ 2,730,445
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	$ 11,785,763	$ 12,147,157
Projected Ad Valorem Taxes and Revenue Sharing Funds	$10,221,556	$ 9,100,689
Net Direct Employer Actuarially Required Contributions	$ 1,564,207	$ 3,046,468
Actuarially Required Net Direct Employer Contribution Rate	4.08%	8.45%
Actual Net Direct Employer Contribution Rate:	13.50%	13.50%

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Minimum Recommended Net Employer Contribution Rate: For Fiscal 2011: 4.00% Fiscal 2010: 8.50%

Employee Contribution Rate: 8.00% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

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

Exclusions from Census: None

Basis of Actuarial Asset Value: The actuarial value of assets is based on the market value of assets adjusted to average in asset earnings above or below the assumed rate of return over a five-year period, subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets.

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 777 active members in the system of whom 349 have vested retirement benefits including 16 participants in the Deferred Retirement Option Plan (DROP); 454 former system members or their beneficiaries are receiving retirement benefits. An additional 81 members have contributions remaining on deposit with the system; of this number, 23 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 $187,888,278 as of September 30, 2009. Net investment income for fiscal 2009 measured on a market value basis amounted to $11,556,312. Contributions to the system for the fiscal year totaled $17,974,926; benefits and expenses amounted to $13,949,353.

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.

The current actuarial assumptions utilized for the report are outlined on pages thirty-seven through forty. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. The assumptions are the same as those used for the prior year. 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 2009 Regular Session of the Louisiana Legislature:

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

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

Act 504 retains the present law but eliminates the cap on amounts of revenue sharing funds the board may seek if an entity is delinquent in remitting the required percentage of taxes to LARF.

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
2000	7.7%	8.2%
2001	-10.1%	-0.3%
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%

* 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 2009, the fund earned $2,957,532 in dividends, interest, and other recurring income. In addition, the fund earned realized and unrealized capital gains of $8,892,690. Investment expenses totaled $293,910. The geometric mean of the market value rates of return measured over the last ten years was 4.3%.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% 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. Prior to fiscal 2006 the actuarial value of assets was based on a three-year smoothing of all realized and unrealized capital gains. Effective with the fiscal 2006 valuation, investment income used to calculate this yield was based upon a smoothing of investment income above or below the assumed rate of return over a five year period, subject to a minimum of 90% of the market value of assets and a maximum of 110% of the market value of assets. 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 8.0% assumption will reduce future costs; yields below 8.0% will increase future costs. For fiscal 2009 the system experienced net actuarial investment earnings of $2,206,390 less than the actuarial assumed earnings rate of 8.0%. These actuarial losses increased the normal cost accrual rate by 0.7248%.

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 12.66 years of service and an annual salary of $48,945. The fund's active membership decreased over the course of the year by 9 members. The active plan population over the last five years has increased by 59 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 sixty has experienced a like increase. Other age groupings have remained relatively stable. In relation to service, the plan has seen a significant decrease in the number of members with five 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 72 years old with a monthly benefit of $2,143. The number or retirees and beneficiaries receiving benefits from the system increased by 17 over the last fiscal year. Over the last five years the number of retirees and beneficiaries has increased by 36; during this same period, annual benefits in payment increased by $3,198,536.

Plan liability experience for fiscal 2009 was favorable. Retirements were below expected levels, deaths were above expected levels, and withdrawals were above projected levels. These factors tend to reduce costs. Other factors were near projected levels. The most significant factor contributing to the plan liability gain for 2009 was the reduction in reported salaries for a number of members who received pay increases accrued during fiscal 2007 but paid and reported in fiscal 2008. The effect of this reporting was to overstate liabilities in the fiscal 2008 valuation. As a result, an experience gain was incurred in fiscal 2009. Net plan liability experience decreased the normal cost accrual rate by 2.0418%.

FUNDING ANALYSIS AND RECOMMENDATIONS

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

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

The derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2010 as of October 1, 2009, is $8,257,989. The amortization payment on the fund's frozen unfunded actuarial accrued liability as of October 1, 2009, is $2,826,011. The total actuarially required contribution is determined by adjusting these two values for interest (since payments are made throughout the fiscal year) and adding estimated administrative expenses. As given on line 15 of Exhibit I the total actuarially required contribution for fiscal 2010 is $11,785,763. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2010 is $1,564,207. This is 4.08% of the projected payroll for fiscal 2010.

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

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

Normal Cost Accrual Rate – Fiscal 2009	25.8204%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	0.7248%

Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	2.0418%
New Members	1.5581%
Normal Cost Accrual Rate – Fiscal 2010	22.9453%

In addition to the above factors, payroll growth affects plan costs to the extent that payments on the system's unfunded liability are on a schedule that varies from actual trends in payroll growth or decline. If payroll changes at rates not consistent with the amortization schedule, the result will be costs that change as a percentage of payroll. For fiscal 2010, the net effect of the change in payroll on amortization costs was to decrease such costs by 0.20% 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 2010 will increase by 1.44% 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 2010 of 4.08%; the actual employer contribution rate for fiscal 2010 is 13.50% of payroll. Any funds collected above the actuarially required contributions for fiscal 2010 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 4.00% for fiscal 2011.

Under the provisions of R.S. 11:107 the board may set the net direct employer contribution rate at any rate between 4.00% and 13.50% of payroll. Should the net direct employer contribution rate be set at a level above 4.00% 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 10.46% of payroll. Please note that the above results are only intended to serve as an illustration of the impact of a change in the valuation interest rate. Any actual change in the valuation interest rate should only be effected with a review of all other plan assumptions. The impact of such other changes in assumptions are not reflected in the above the results.

COST OF LIVING INCREASES

During fiscal 2009 the actual cost of living (as measured by the U.S. Department of Labor CPI-U) decreased by 1.29%. 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.

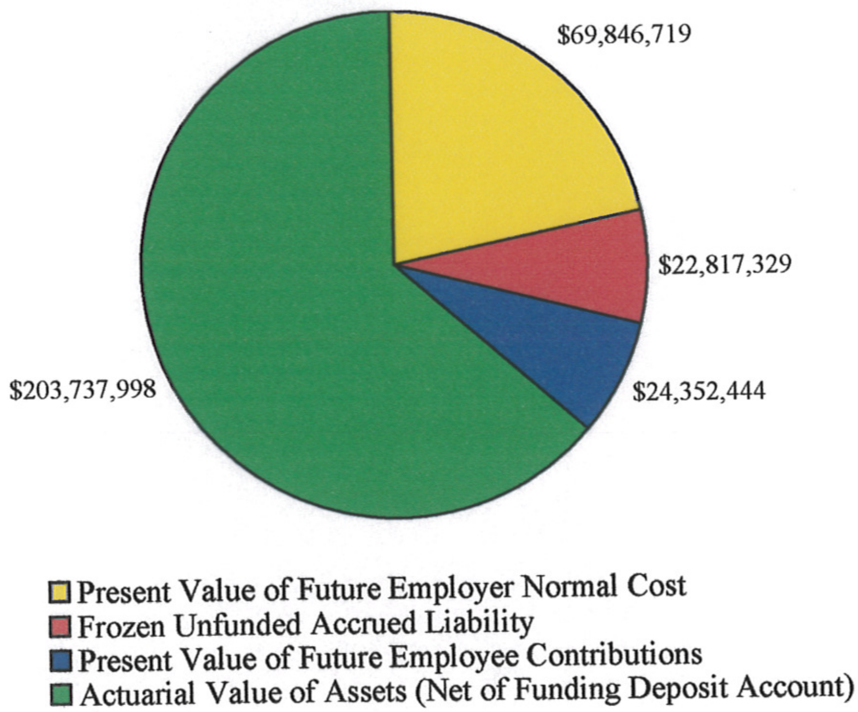
R.S. 11:1461 allows the board of trustees to provide a cost of living increase from excess interest to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 3% of the retiree's original benefit or an increase of $300 per year for each year of retirement. 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 2009 the fund achieved an actuarial rate of return of 6.8% 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 82.02%. This is below the target ratio of 86.05%. Thus, for fiscal 2009, the target ratio was not met by the fund.

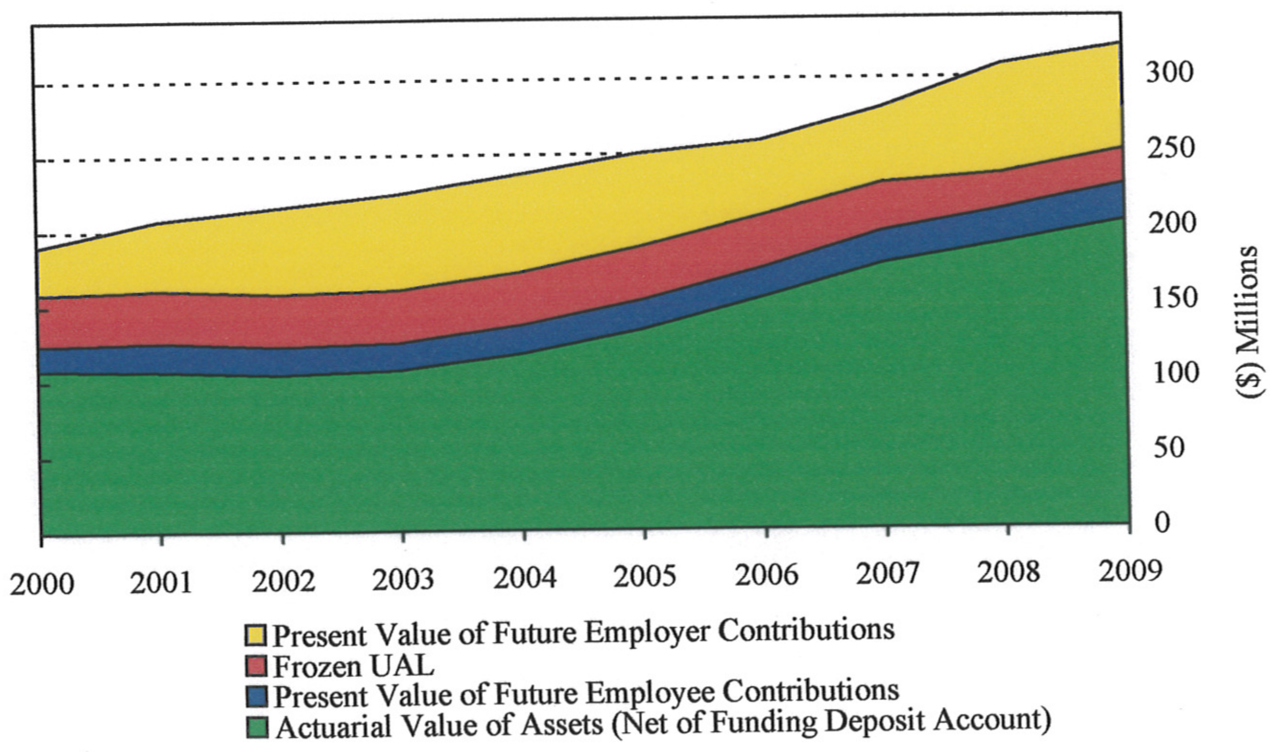
In addition, Act 113 of the 2008 Regular Legislation Session provides for a COLA of 3% of the normal monthly benefit but not less than $20 per month. Although this COLA is permanent, it may only be granted once.

Components of Present Value of Future Benefits

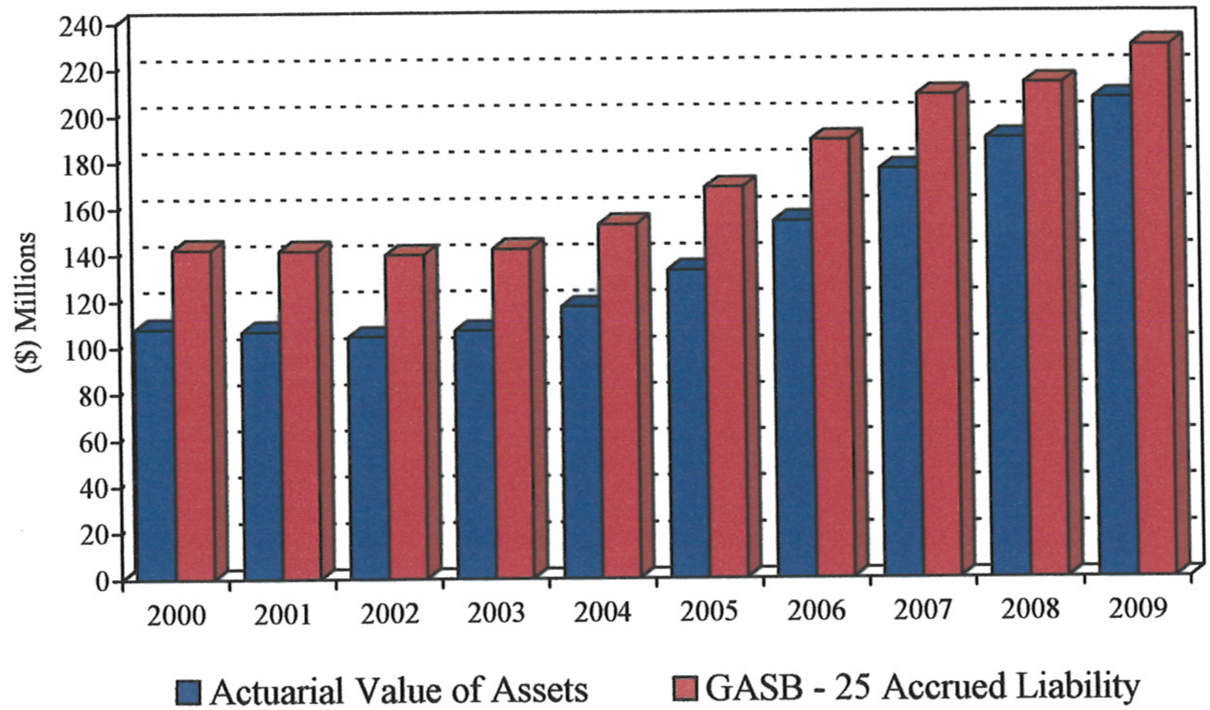
September 30, 2009



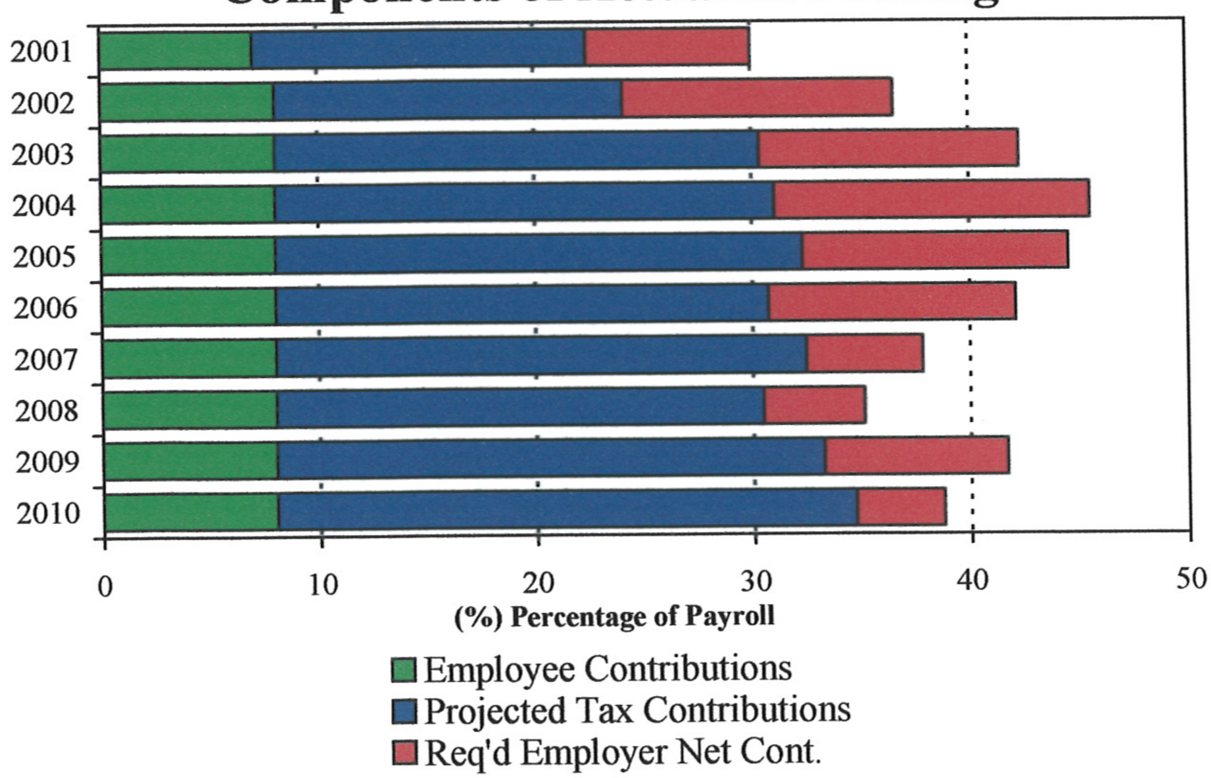
Components of Present Value of Future Benefits



Actuarial Value of Assets vs. GASB – 25 Accrued Liability

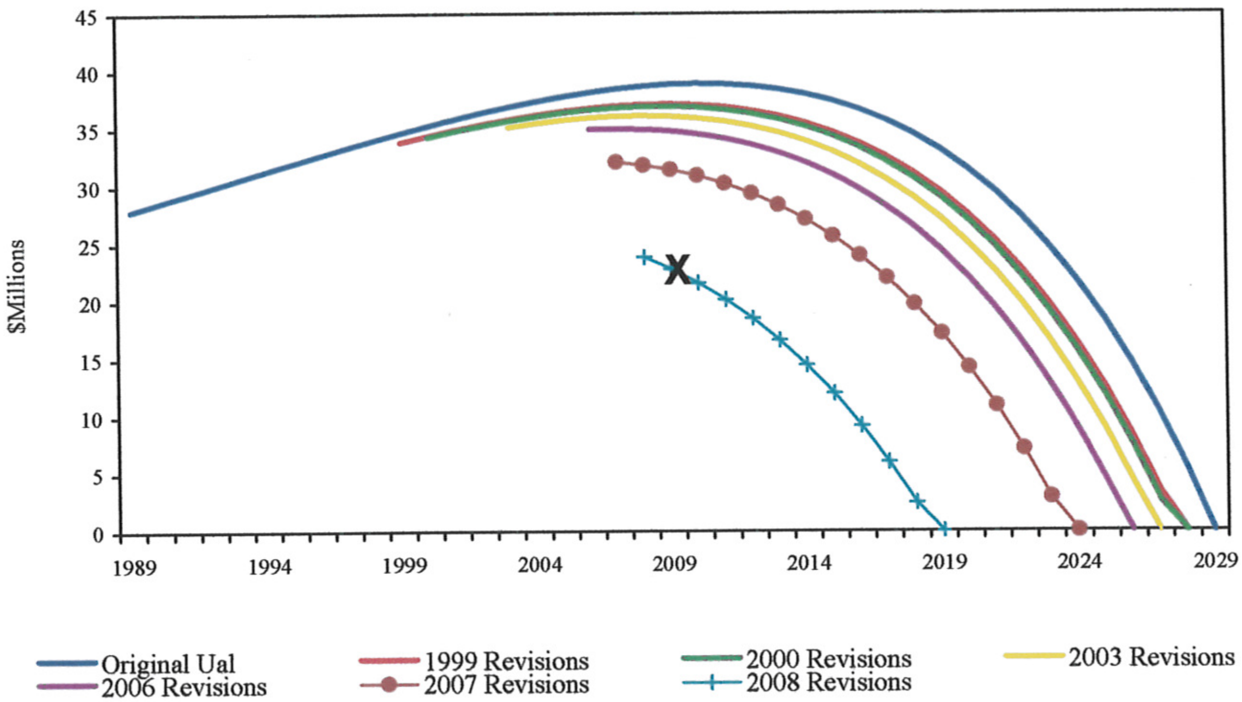


Components of Actuarial Funding

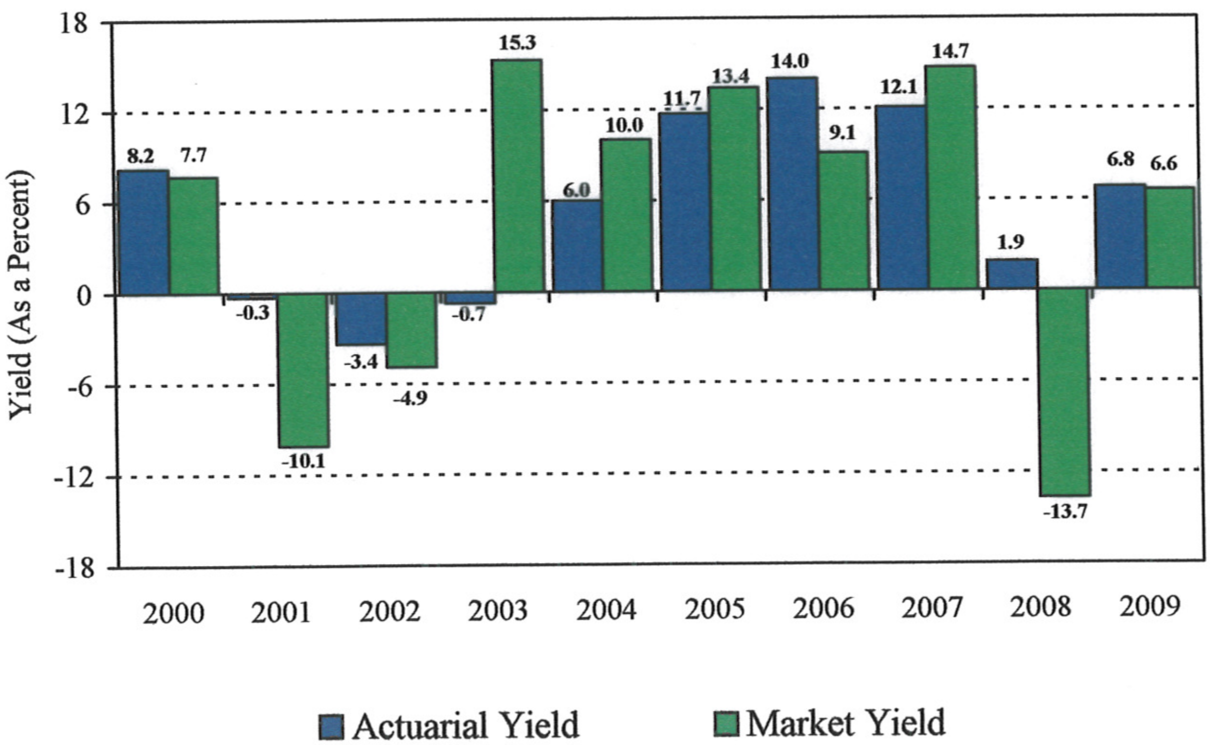


Projected Tax Contributions Consist of the lesser of Actuarially Required Contributions and amount of taxes available divided by the valuation payroll.

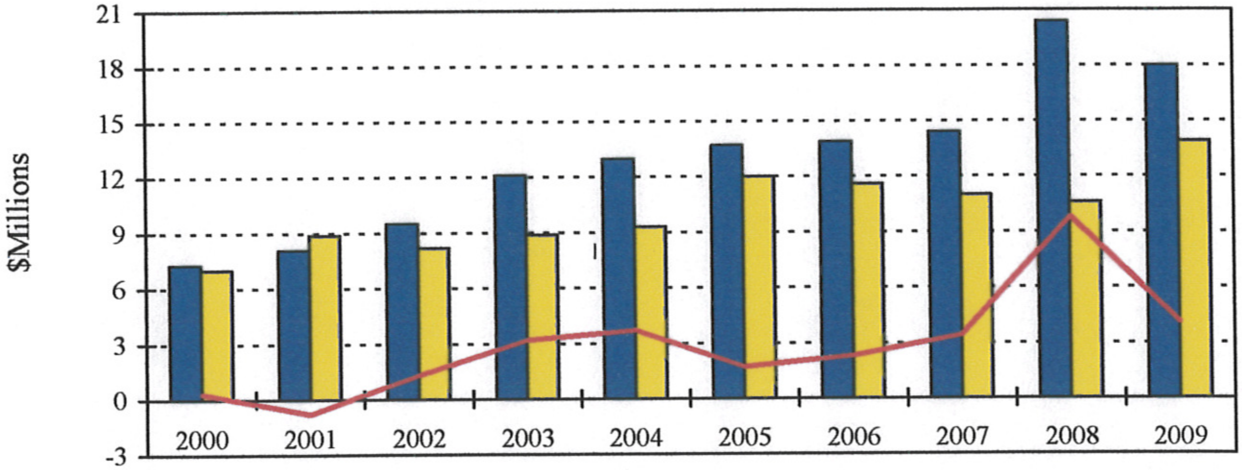
Frozen Unfunded Accrued Liability



Historical Asset Yields



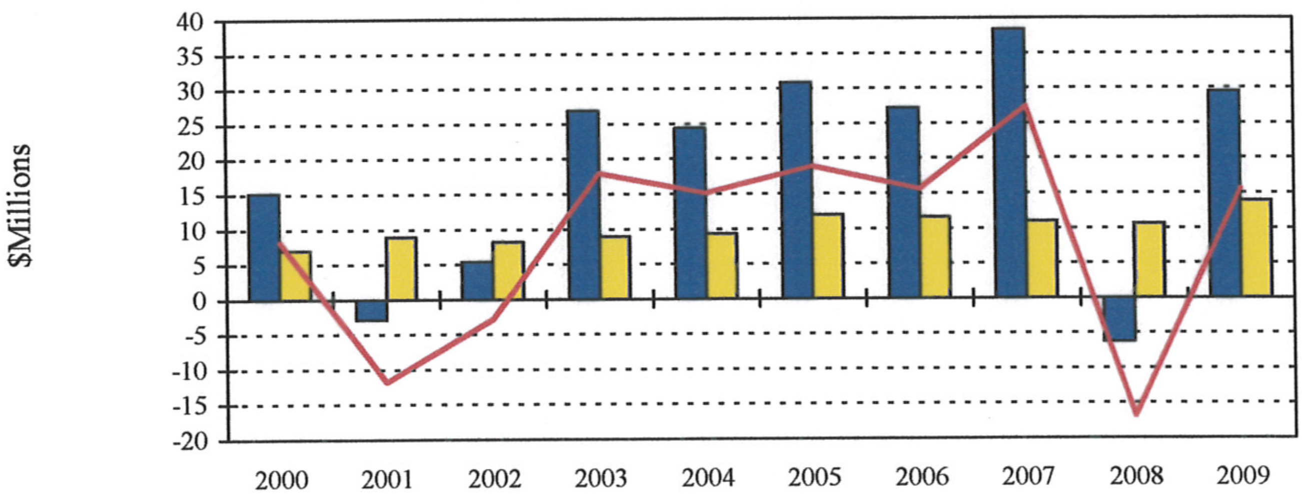
Net Non-Investment Income



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Non-Investment Income ($Mil)	7.3	8.1	9.5	12.1	13	13.7	13.9	14.4	20.4	18.0
Benefits and Expenses ($Mil)	7.0	8.9	8.2	8.9	9.3	12.0	11.6	11.0	10.6	13.9
Net Non-Investment Income ($Mil)	0.3	-0.8	1.3	3.2	3.7	1.7	2.3	3.4	9.8	4.1

Total Income vs. Expenses

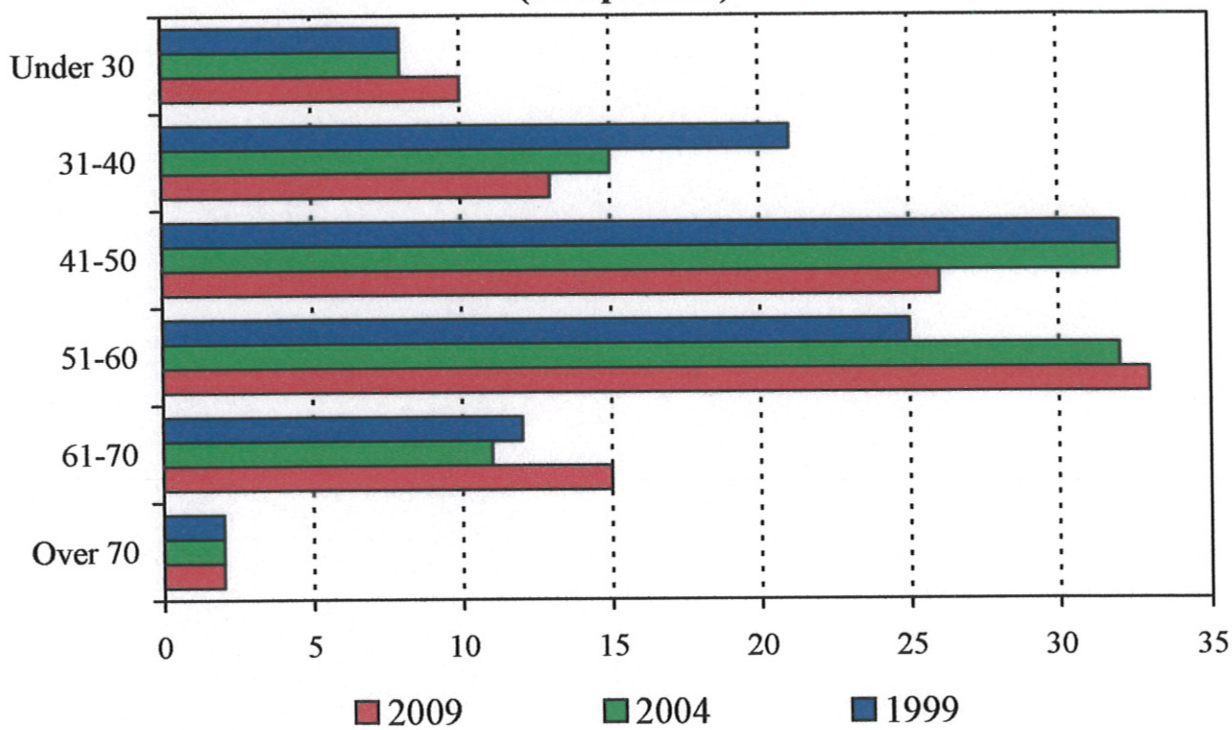
(Based on Market Value of Assets)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Income ($Mil)	15.2	-2.9	5.4	26.9	24.4	30.9	27.2	38.4	-6.3	29.5
Benefits and Expenses ($Mil)	7.0	8.9	8.2	8.9	9.3	12.0	11.6	11.0	10.6	13.9
Net Change in MVA ($Mil)	8.2	-11.8	-2.8	18.0	15.1	18.9	15.6	27.4	-16.9	15.6

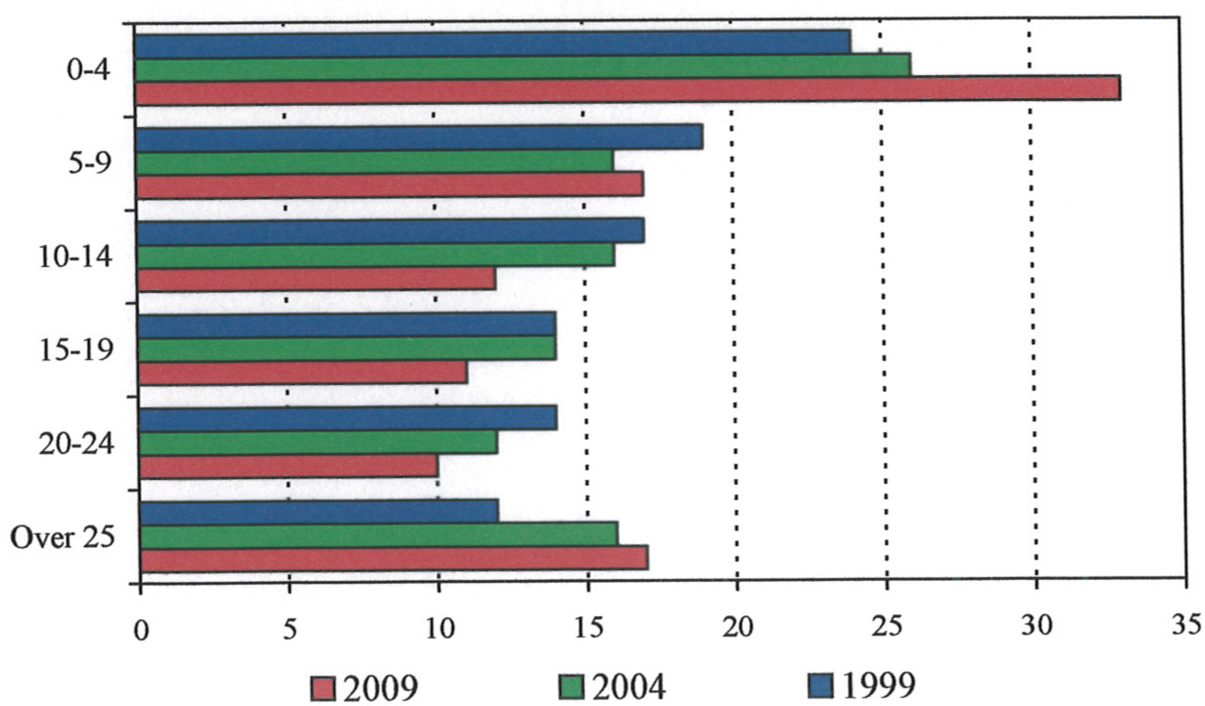
Active – Census By Age

(as a percent)



Active – Census By Service

(as a percent)



EXHIBITS

EXHIBIT I

ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits	$ 320,754,490
2.	Frozen Unfunded Actuarial Accrued Liability	$ 22,817,329
3.	Actuarial Value of Assets	$ 206,677,106
4.	Present Value of Future Employee Contributions	$ 24,352,444
5.	Funding Deposit Account Credit Balance	$ 2,939,108
6.	Present Value of Future Employer Normal Costs (1-2-3-4+5)	$ 69,846,719
7.	Present Value of Future Salaries	$ 304,405,551
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)	22.945284%
9.	Projected Fiscal 2010 Salary for Current Membership	$ 35,989,918
10.	Employer Normal Cost as of October 1, 2009 (8 x 9)	$ 8,257,989
11.	Amortization Payment on Frozen Unfunded Accrued Liability of $22,817,329 with Payments increasing at 3.50% per year	$ 2,826,011
12.	TOTAL Employer Normal Cost & Amortization Payment (10 + 11)	$ 11,084,000
13.	Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	$ 11,518,831
14.	Estimated Administrative Cost for Fiscal 2010	$ 266,932
15.	TOTAL Administrative and Interest Adjusted Actuarial Costs (13 + 14)	$ 11,785,763
16.	Projected Revenue Sharing Funds for Fiscal 2010	$ 353,421
17.	Projected Ad Valorem Contributions for Fiscal 2010	$ 9,868,135
18.	Employers' Net Direct Actuarially Required Contribution for Fiscal 2010 (15-16-17)	$ 1,564,207
19.	Projected Payroll (Fiscal 2010)	$ 38,296,838
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2010 (18÷19)	4.08%
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2011 (20 Rounded to nearest .25%)	4.00%

EXHIBIT II
PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	$ 204,552,979	
Survivor Benefits	6,593,073	
Disability Benefits	251,789	
Vested Deferred Termination Benefits	3,198,568	
Contribution Refunds	2,084,386	
TOTAL Present Value of Future Benefits for Active Members		$ 216,680,795

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement	$ 3,341,509	
Terminated Members with Reciprocals Due Benefits at Retirement	1,915	
Terminated Members Due a Refund	420,613	
TOTAL Present Value of Future Benefits for Terminated Members		$ 3,764,037

Present Value of Future Benefits for Retirees:

Regular Retirees			
Maximum	$ 35,903,812		
Option 2	$ 36,924,436		
Option 3	$ 16,844,980		
TOTAL Regular Retirees		$ 89,673,228	
Disability Retirees		496,960	
Survivors & Widows		10,018,215	
DROP Account Balances		121,255	
TOTAL Present Value of Future Benefits for Retirees & Survivors			$ 100,309,658
TOTAL Present Value of Future Benefits			$ 320,754,490

EXHIBIT III – Schedule A
MARKET VALUE OF ASSETS

Current Assets:				
Cash in Banks	$	3,497,851		
Contributions Receivable from Members		171,316		
Contributions Receivable from Employers		289,097		
Accrued Interest on Investments		163,963		
Notes Receivable		76,535		
TOTAL CURRENT ASSETS			$	4,198,762
Property, Plant and Equipment (Net of accumulated depreciation)			$	7,605
Investments:				
Stock Mutual Fund	$	91,912,478		
Bond Mutual Fund		41,154,746		
Cash Equivalents		17,669,814		
Real Estate Fund		13,052,167		
Corporate Bonds		10,508,556		
U. S. Government Agency Securities		9,153,153		
Foreign Government Securities		450,908		
TOTAL INVESTMENTS			$	183,901,822
TOTAL ASSETS			$	188,108,189
Current Liabilities:				
Accounts Payable	$	219,911		
TOTAL CURRENT LIABILITIES			$	219,911
NET MARKET VALUE OF ASSETS			$	187,888,278

EXHIBIT III – SCHEDULE B
ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2009	$	(2,386,125)
Fiscal year 2008		(42,190,867)
Fiscal year 2007		10,965,991
Fiscal year 2006		1,585,529
Fiscal year 2005		6,935,549
Total for five years	$	(25,089,923)

Deferral of excess (shortfall) of invested income:

Fiscal year 2009 (80%)	$	(1,908,900)
Fiscal year 2008 (60%)		(25,314,520)
Fiscal year 2007 (40%)		4,386,396
Fiscal year 2006 (20%)		317,106
Fiscal year 2005 (0%)		0
Total deferred for year	$	(22,519,918)

Market value of plan net assets, end of year	$	187,888,278
Preliminary actuarial value of plan assets, end of year	$	210,408,196

Actuarial value of assets corridor

90% of market value, end of year	$	169,099,450
110% of market value, end of year	$	206,677,106

Final actuarial value of plan net assets, end of year	$	206,677,106

EXHIBIT IV
PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund	$ 24,352,444
Employer Normal Contributions to the Pension Accumulation Fund	69,846,719
Employer Amortization Payments to the Pension Accumulation Fund	22,817,329
Funding Deposit Account Credit Balance	(2,939,108)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	$114,077,384

EXHIBIT V
CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability		$ 23,857,602
Interest on Unfunded Accrued Liability	$ 1,908,608	
Normal Cost for Prior Year	8,706,840	
Interest on the Normal Cost	696,547	
Administrative Expenses	248,474	
Interest on Administrative Expenses	9,748	
TOTAL Increases to Frozen Unfunded Accrued Liability		$ 11,570,217
Direct Employer Contributions	$ 5,061,835	
Interest on Employer Contributions	198,578	
Ad Valorem Taxes and Revenue Sharing	9,900,773	
Interest on Ad Valorem Taxes and Revenue Sharing Funds	388,412	
Contribution Short Fall (Excess)	(2,939,108)	
TOTAL Decreases to Frozen Unfunded Accrued Liability		$ 12,610,490
Current Year Frozen Unfunded Accrued Liability		$ 22,817,329

EXHIBIT VI
ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (September 30, 2008)			$	189,537,035
Income:				
Member Contributions	$	3,008,014		
Employer Contributions		5,061,835		
Ad Valorem Tax Funds		9,542,851		
Revenue Sharing Funds		357,922		
Contributions Related to Purchases and Transfers		3,729		
Miscellaneous		575		
TOTAL CONTRIBUTIONS			$	17,974,926
Net Appreciation in Fair Value of Investments	$	8,892,690		
Interest and Dividends		2,957,532		
Investment Expenses		(293,910)		
NET INVESTMENT INCOME			$	11,556,312
TOTAL Income			$	29,531,238
Expenses:				
Retirement Benefits	$	10,751,790		
DROP Account Payments		2,620,360		
Refunds of Contributions		214,125		
Administrative Expenses		248,474		
Funds Transferred to Another System		114,604		
TOTAL Expenses			$	13,949,353
Net Market Income for Fiscal 2009 (Income - Expenses)			$	15,581,885
Adjustment for Actuarial Smoothing			$	1,558,186
Actuarial Value of Assets (September 30, 2009)			$	206,677,106

EXHIBIT VII
FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund	$ 24,438,760
Annuity Reserve Fund	100,188,403
Pension Accumulation Fund	56,922,707
DROP Account	3,399,300
Funding Deposit Account	2,939,108
NET MARKET VALUE OF ASSETS	$187,888,278
Adjustment for Actuarial Smoothing	18,788,828
NET ACTUARIAL VALUE OF ASSETS	$206,677,106

EXHIBIT VIII
PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	$ 147,909,268
Present Value of Benefits Payable to Terminated Employees	3,764,037
Present Value of Benefits Payable to Current Retirees and Beneficiaries	100,309,658
TOTAL PENSION BENEFIT OBLIGATION	$ 251,982,963
NET ACTUARIAL VALUE OF ASSETS	$ 206,677,106
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	82.02%

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:		42.57%
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%	
TOTAL Adjustments		1.71%
Amortization of Adjustments in Funded Ratio over 30 years:		
Changes for Fiscal 1988	(5.38%)	
Changes for Fiscal 1989	0.66%	
Changes for Fiscal 1994	(0.08%)	
Changes for Fiscal 1995	0.82%	
Changes for Fiscal 1996	0.60%	
Changes for Fiscal 1999	0.12%	
Changes for Fiscal 2000	0.47%	
Changes for Fiscal 2003	(0.01%)	
Changes for Fiscal 2005	0.33%	
Changes for Fiscal 2006	(0.24%)	
TOTAL Amortization of Adjustments		(2.71%)
Target Ratio for Current Fiscal Year		86.05%
Actuarial Value of Assets Divided by PBO as of Fiscal 2009		82.02%

EXHIBIT X
CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of September 30, 2008	731	76	55	437	1299
Additions to Census					
Initial membership	59				59
Death of another member				4	4
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(17)	17			
Actives who retired	(21)			21	
Actives entering DROP					
Term. members rehired	1	(1)			
Term. members who retire		(3)		3	
Retirees who are rehired					
Refunded who are rehired		1			1
DROP participants retiring			(11)	11	
DROP returned to work	28		(28)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(20)	(9)			(29)
Deaths				(22)	(22)
Included in error last year					
Adjustment for multiple records					
Number of members as of September 30, 2009	761	81	16	454	1,312

ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	0	2	2	22,754	45,507
21 - 25	3	19	22	27,898	613,760
26 - 30	18	37	55	33,241	1,828,261
31 - 35	19	32	51	32,393	1,652,031
36 - 40	17	33	50	39,724	1,986,208
41 - 45	25	59	84	44,371	3,727,169
46 - 50	39	81	120	47,959	5,755,033
51 - 55	47	104	151	54,115	8,171,390
56 - 60	41	67	108	58,036	6,267,847
61 - 65	42	42	84	56,525	4,748,121
66 - 70	18	15	33	58,160	1,919,286
71 - 75	6	5	11	70,341	773,747
76 - 80	4	0	4	94,877	379,507
81 - 85	1	1	2	81,264	162,528
TOTAL	280	497	777	48,945	38,030,395

THE ACTIVE CENSUS INCLUDES 349 ACTIVES WITH VESTED BENEFITS, INCLUDING 16 DROP PARTICIPANTS AND 12 ACTIVE FORMER DROP PARTICIPANTS.

TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	0	1	12,540	12,540
36 - 40	0	2	2	14,129	28,257
41 - 45	0	4	4	16,724	66,896
46 - 50	2	8	10	27,816	278,163
51 - 55	0	4	4	15,023	60,091
56 - 60	1	0	1	41,622	41,622
61 - 65	0	1	1	185	185
TOTAL	4	19	23	21,207	487,754

TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging From		To	Number	Total Contributions
0	-	99	5	222
100	-	499	3	608
500	-	999	6	4,436
1000	-	1999	9	13,152
2000	-	4999	13	46,757
5000	-	9999	7	48,629
10000	-	19999	12	178,052
20000	-	99999	3	128,757
	TOTAL		58	420,613

REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	0	1	1	52,230	52,230
51 - 55	1	8	9	38,228	344,050
56 - 60	13	25	38	37,273	1,416,377
61 - 65	22	36	58	35,418	2,054,252
66 - 70	17	38	55	27,209	1,496,473
71 - 75	34	39	73	22,871	1,669,605
76 - 80	27	28	55	25,224	1,387,303
81 - 85	18	44	62	14,585	904,297
86 - 90	8	13	21	15,681	329,311
91 - 99	0	6	6	11,250	67,501
TOTAL	140	238	378	25,718	9,721,399

DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	0	1	1	41,900	41,900
61 - 65	0	1	1	5,770	5,770
86 - 90	0	1	1	5,727	5,727
TOTAL	0	3	3	17,799	53,397

SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
51 - 55	0	2	2	57,271	114,541
56 - 60	1	0	1	8,042	8,042
61 - 65	0	1	1	22,688	22,688
66 - 70	0	5	5	25,461	127,304
71 - 75	3	9	12	18,504	222,044
76 - 80	0	15	15	21,264	318,959
81 - 85	3	19	22	19,021	418,457
86 - 90	1	9	10	11,000	109,998
91 - 99	1	4	5	13,537	67,684
TOTAL	9	64	73	19,311	1,409,717

ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20		2										2
21 - 25	8	4	7	2	1							22
26 - 30	7	12	8	6	10	11	1					55
31 - 35	6	7	5	3	8	17	4	1				51
36 - 40	5	6	9	5		11	5	9				50
41 - 45	6	6	9	4	1	21	13	13	9	2		84
46 - 50	7	10	9	3	1	23	13	13	21	19	1	120
51 - 55	14	9	4	8	8	18	17	10	24	22	17	151
56 - 60	2	6	2	6	5	18	9	15	7	18	20	108
61 - 65	2	1	4	2	2	14	19	12	10	5	13	84
66 - 70	1	4			1	1	9	7	2	4	4	33
71 & Over			1			1	4	3	4	1	3	17
Totals	58	67	58	39	37	135	94	83	77	71	58	777

AVERAGE ANNUAL SALARY OF ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											Average Salary
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 20		22,754										22,754
21 - 25	27,337	29,658	24,811	39,874	23,007							27,898
26 - 30	37,931	25,997	28,242	37,796	36,285	37,420	23,590					33,241
31 - 35	32,472	30,100	23,144	27,498	32,502	36,696	30,683	41,700				32,393
36 - 40	54,500	26,021	30,345	26,885		42,604	34,756	56,404				39,724
41 - 45	26,529	31,991	41,268	32,317	30,480	49,378	45,171	50,920	41,337	93,363		44,371
46 - 50	53,533	32,443	36,277	35,606	63,400	45,135	57,780	46,796	52,679	53,211	44,310	47,959
51 - 55	122,793	43,313	42,627	29,139	39,817	41,481	45,386	49,594	54,369	57,195	44,883	54,115
56 - 60	31,078	26,730	30,019	60,678	35,473	52,633	64,809	45,274	61,394	70,936	76,372	58,036
61 - 65	29,405	30,250	37,206	29,225	84,559	37,473	45,350	56,597	72,287	73,633	86,631	56,525
66 - 70	30,000	30,251			100,000	34,476	44,830	53,282	53,871	90,311	97,096	58,160
71 & Over			39,650			25,000	71,590	43,798	69,518	151,946	134,454	77,399
Average	57,854	30,758	32,851	36,286	40,670	43,387	48,562	50,340	56,125	64,989	73,323	48,945

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 - 30												0
31 - 35									1			1
36 - 40								2				2
41 - 45							4					4
46 - 50						10						10
51 - 55		1	1	1	1							4
56 - 60	1											1
61 - 65	1											1
66 & Over												0
Totals	2	1	1	1	1	10	4	2	1	0	0	23

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 - 30												0
31 - 35									12,540			12,540
36 - 40								14,128				14,128
41 - 45							16,724					16,724
46 - 50						27,816						27,816
51 - 55		12,128	16,838	17,644	13,481							15,023
56 - 60	41,622											41,622
61 - 65	185											185
66 & Over												0
Average	20,903	12,128	16,838	17,644	13,481	27,816	16,724	14,128	12,540	0	0	21,207

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		1										1
51 - 55	4	1		3	1							9
56 - 60	9	8	5	5	8	3						38
61 - 65	11		5	11	5	24	2					58
66 - 70	3	1	2	2	7	16	22	2				55
71 - 75	3	3	2	5	3	17	12	19	9			73
76 - 80	4	1		2	3	10	10	14	10	1		55
81 - 85				2		5	11	12	15	14	3	62
86 - 90						1	3	1	7	5	4	21
91 & Over										2	4	6
Totals	34	15	14	30	27	76	60	48	41	22	11	378

AVERAGE ANNUAL BENEFITS PAYABLE TO SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 50		52,230										52,230
51 - 55	33,404	36,910		50,419	22,267							38,228
56 - 60	52,474	36,748	37,422	30,258	28,741	27,267						37,273
61 - 65	54,461		43,698	31,165	33,260	27,639	32,117					35,418
66 - 70	67,593	13,955	27,805	23,488	47,583	23,909	19,585	15,325				27,209
71 - 75	39,221	21,354	21,469	30,182	46,039	20,268	24,037	17,931	20,247			22,871
76 - 80	45,349	15,688		35,240	38,355	36,698	18,178	21,680	12,389	28,500		25,224
81 - 85				19,998		32,848	15,235	16,033	12,868	7,997	11,703	14,585
86 - 90						21,600	25,076	8,874	14,918	15,564	10,341	15,682
91 & Over										14,830	9,460	11,250
Average	50,200	31,788	36,011	31,791	37,213	26,646	20,136	18,253	14,721	11,270	10,392	25,718

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 - 45												0
46 - 50	1											1
51 - 55												0
56 - 60												0
61 - 65											1	1
66 - 70												0
71 - 75												0
76 - 80												0
81 - 85												0
86 - 90											1	1
91 & Over												0
Totals	1	0	0	0	0	0	0	0	0	0	2	3

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 - 45												0
46 - 50	41,900											41,900
51 - 55												0
56 - 60												0
61 - 65											5,770	5,770
66 - 70												0
71 - 75												0
76 - 80												0
81 - 85												0
86 - 90											5,727	5,727
91 & Over												0
Average	41,900	0	0	0	0	0	0	0	0	0	5,748	17,799

SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement										
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 50												0
51 - 55						2						2
56 - 60							1					1
61 - 65							1					1
66 - 70			1			2			2			5
71 - 75		1			1	4	1	2	2	1		12
76 - 80		1					6	2	1	3	2	15
81 - 85		1				1		6	7	5	2	22
86 - 90							1			5	4	10
91 & Over								1	1		3	5
Totals	0	3	1	0	1	9	10	11	13	14	11	73

AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	
0 - 50												0
51 - 55						57,270						57,270
56 - 60							8,042					8,042
61 - 65							22,688					22,688
66 - 70			11,817			29,257			28,486			25,461
71 - 75		6,461			11,251	16,342	63,851	14,557	22,378	1,242		18,504
76 - 80		13,379					25,463	31,565	26,421	11,265	14,727	21,264
81 - 85		38,158				59,637		15,847	21,498	10,720	10,746	19,021
86 - 90							14,054			12,417	8,465	11,000
91 & Over								18,233	20,360		9,697	13,537
Average	0	19,333	11,817	0	11,251	33,118	26,142	18,687	23,000	10,766	10,354	19,311

EXHIBIT XI
YEAR-TO-YEAR COMPARISON

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Number of Active Members	777	786	748	718
Number of Retirees & Survivors	454	437	443	443
Number Terminated Due Benefits at Retirement	23	22	21	23
Number Terminated Due Refund	58	54	45	39
Active Lives Payroll	$ 38,039,395	$ 36,638,923	$ 33,568,909	$ 29,478,685
Retiree Benefits in Payment	$ 11,184,513	$ 9,705,668	$ 9,618,856	$ 9,320,275
Market Value of Assets	$ 187,888,278	$ 172,306,395	$ 189,183,894	$ 161,766,254
Ratio of Actuarial Value of Assets to GASB-25 Accrued Liability	90.06%	88.82%	84.58%	81.50%
Actuarial Value of Assets	$ 206,677,106	$ 189,537,035	$ 176,223,629	$ 154,009,532
Frozen Unfunded Actuarial Accrued Liability	$ 22,817,329	$ 23,857,602	$ 32,124,893	$ 34,970,588
Present Value of Future Employer Normal Costs	$ 69,846,719	$ 72,468,052	$ 50,033,632	$ 50,121,433
Present Value of Future Employee Contributions	$ 24,352,444	$ 22,452,996	$ 21,608,375	$ 19,681,683
Funding Deposit Account Credit Balance	$ 2,939,108	N/A	N/A	N/A
Present Value of Future Benefits	$ 320,754,490	$ 308,315,685	$ 279,990,529	$ 258,783,236

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	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
Employee Contribution Rate	8.00%	8.00%	8.00%	8.00%
Proj. Tax Contribution as % of Projected Payroll	26.69%	25.25%	22.46%	24.44%
Minimum Actuarially Required Net Direct Employer Contribution Rate	4.08%	8.45%	4.64%	5.39%
Actual Net Direct Employer Contribution Rate	13.50%	13.50%	13.50%	13.50%

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
729	718	696	697	696	705
426	418	408	413	409	383
22	24	24	24	24	23
23	18	24	18	22	24
$ 29,277,391	$ 28,757,562	$ 26,991,176	$ 26,360,649	$ 26,101,442	$ 25,658,208
$ 8,590,184	$ 7,985,977	$ 7,574,674	$ 7,503,729	$ 7,115,880	$ 6,125,503
$ 146,141,263	$ 127,276,144	$ 112,205,374	$ 94,240,739	$ 97,786,434	$ 109,622,919
78.80%	76.78%	75.29%	74.78%	75.45%	75.90%
$ 132,989,725	$ 117,414,626	$ 107,179,684	$ 104,687,539	$ 107,017,014	$ 108,118,518
$ 35,788,138	$ 35,516,590	$ 35,184,693	$ 35,298,399	$ 34,829,808	$ 34,323,354
$ 62,093,867	$ 65,268,813	$ 64,000,521	$ 57,630,981	$ 46,307,002	$ 31,526,197
$ 19,720,674	$ 18,926,490	$ 18,207,224	$ 18,428,356	$ 19,136,611	$ 16,233,196
N/A	N/A	N/A	N/A	N/A	N/A
$ 250,592,404	$ 237,126,519	$ 224,572,122	$ 216,045,275	$ 207,290,435	$ 190,201,265

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Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001
8.00%	8.00%	8.00%	8.00%	8.00%	7.00%
22.75%	24.30%	23.04%	22.35%	16.09%	15.42%
11.36%	12.23%	14.49%	11.95%	12.46%	7.58%
14.00%	14.50%	14.00%	14.00%	10.75%	5.75%/7.25%*

* 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: 8% (Net of Investment Expense)

ACTUARIAL ASSET VALUES: Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The actuarial value of assets is also subjected to minimum and maximum values such that it will not be less than 90% or more than 110% of the market value of assets.

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

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

RETIREE COST OF LIVING 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.

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

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

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	0.00046	0.00028	0.00000	0.00006
19	0.00050	0.00029	0.00000	0.00006
20	0.00052	0.00030	0.00000	0.00006
21	0.00054	0.00031	0.00000	0.00006
22	0.00057	0.00031	0.00000	0.00006
23	0.00060	0.00031	0.00000	0.00006
24	0.00063	0.00031	0.00000	0.00006
25	0.00067	0.00031	0.00000	0.00006
26	0.00071	0.00031	0.00000	0.00006
27	0.00075	0.00032	0.00000	0.00006
28	0.00078	0.00032	0.00000	0.00006
29	0.00081	0.00034	0.00000	0.00006
30	0.00084	0.00036	0.00000	0.00006
31	0.00086	0.00038	0.00000	0.00006
32	0.00088	0.00040	0.00000	0.00006
33	0.00090	0.00043	0.00000	0.00006
34	0.00091	0.00045	0.00000	0.00006
35	0.00091	0.00048	0.00000	0.00007
36	0.00091	0.00051	0.00000	0.00008
37	0.00093	0.00055	0.00000	0.00008
38	0.00096	0.00059	0.00000	0.00010
39	0.00101	0.00064	0.00000	0.00011
40	0.00107	0.00070	0.00000	0.00012
41	0.00115	0.00076	0.00000	0.00014
42	0.00124	0.00083	0.00000	0.00016
43	0.00135	0.00089	0.00000	0.00018
44	0.00145	0.00094	0.00000	0.00020
45	0.00157	0.00099	0.00000	0.00023
46	0.00170	0.00105	0.22000	0.00026
47	0.00185	0.00111	0.22000	0.00029
48	0.00204	0.00120	0.22000	0.00033
49	0.00226	0.00130	0.22000	0.00038
50	0.00250	0.00141	0.44000	0.00043
51	0.00277	0.00154	0.44000	0.00049
52	0.00309	0.00169	0.44000	0.00055
53	0.00345	0.00186	0.44000	0.00063
54	0.00385	0.00205	0.44000	0.00071
55	0.00428	0.00224	0.04000	0.00081
56	0.00476	0.00247	0.04000	0.00092
57	0.00532	0.00276	0.04000	0.00104
58	0.00600	0.00314	0.18000	0.00118
59	0.00677	0.00361	0.18000	0.00135
60	0.00762	0.00415	0.18000	0.00195
61	0.00858	0.00477	0.18000	0.00195
62	0.00966	0.00548	0.18000	0.00195
63	0.01091	0.00627	0.28000	0.00195
64	0.01233	0.00718	0.28000	0.00195
65	0.01391	0.00819	0.28000	0.00195

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES