

**MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM**

ACTUARIAL VALUATION AS OF
JUNE 30, 2012

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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December 8, 2012

Board of Trustees
Municipal Employees' Retirement System
7937 Office Park Blvd.
Baton Rouge, LA 70809

Ladies and Gentlemen:

We are pleased to present our report on the actuarial valuation of the Municipal Employees' Retirement System for the fiscal year ending June 30, 2012. Our report is based on the actuarial assumptions specified and relies on the data supplied by the system's administrative director and auditors. This report was prepared at the request of the Board of Trustees of the Municipal Employees' Retirement System. The primary purposes of the report are to determine the actuarially required contribution for the retirement system for the fiscal year ending June 30, 2013, to recommend the net direct employer contribution rate for fiscal 2014, and to provide information for the system's financial statements. This report was prepared exclusively for the Municipal Employees' Retirement System for a specific limited purpose. It is not for the use or benefit of any third party for any purpose.

Except as stated below, 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. This report contains a limitation with respect to the determination of asset values as a result of an exception detailed in the June 30, 2012 audit report. This limitation relates to the investments receivable given in the statement of plan net assets and is outlined in the audit report issued by Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, as well as in this report in the section titled "Comments on Data". The qualification of the audit report limits our ability to determine with certainty the actuarially required contribution and funded ratio given in this report.

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 M. Curran, F.C.A., M.A.A.A., A.S.A.

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**SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN A**

Valuation Date:	June 30, 2012	June 30, 2011
Census Summary: Active Members	5,021	5,029
Retirees and Beneficiaries	3,040	3,001
Terminated Due a Deferred Benefit	181	174
Terminated Due a Refund	2,632	2,594
Payroll:	\$ 167,511,550	\$ 164,262,655
Benefits in Payment:	\$ 46,224,138	\$ 44,218,709
Frozen Unfunded Actuarial Accrued Liability:	\$ 75,337,890	\$ 75,313,546
Market Value of Assets:	\$ 639,209,518 †	\$ 679,285,361
Actuarial Asset Value:	\$ 721,475,280 †	\$ 723,942,801
Actuarial Accrued Liability (as defined by GASB-25)	\$ 796,813,170	\$ 799,256,347
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:	90.55%	90.58%

	FISCAL 2013	FISCAL 2012
Employer Normal Cost (July 1):	\$ 29,655,906	\$ 26,605,047
Amortization Cost (July 1):	\$ 5,696,738	\$ 5,556,240
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	\$ 37,573,585	\$ 34,122,855
Projected Ad Valorem and Revenue Sharing Funds	\$ 5,388,595	\$ 5,228,362
Net Direct Employer Actuarially Required Contribution:	\$ 32,184,990	\$ 28,894,493
Actuarially Required Net Direct Employer Contribution Rate	18.67% †	17.08%
Actual Net Direct Employer Contribution Rate:	17.00%	16.75%

Minimum Recommended Net Direct Employer Contribution Rate Fiscal 2014: 19.00% † Fiscal 2013: 17.00%

Employee Contribution Rate: 9.25% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.75% (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: Valuation interest rate changed from 8.0% to 7.75%. Salary increase rate changed from 6.0% to 5.75%. DROP assumption changed from immediate retirement at DROP completion for all participants in DROP to 50% retirement and 50% participation in Post-DROP service for one year.

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

† Based upon asset values which include an unaudited "best estimate" of the value of a receivable related to the FIA Leveraged Fund.

**SUMMARY OF VALUATION RESULTS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - PLAN B**

Valuation Date:	June 30, 2012	June 30, 2011
Census Summary: Active Members	2,155	2,175
Retirees and Beneficiaries	879	865
Terminated Due a Deferred Benefit	61	62
Terminated Due a Refund	1,100	1,062
Payroll:	\$ 66,409,896	\$ 65,427,477
Benefits in Payment:	\$ 8,285,257	\$ 7,953,795
Frozen Unfunded Actuarial Accrued Liability:	\$ 4,049,257	\$ 4,346,525
Market Value of Assets:	\$ 137,164,489 †	\$ 144,028,034
Actuarial Asset Value:	\$ 154,451,871 †	\$ 152,966,837
Actuarial Accrued Liability (as defined by GASB-25)	\$ 158,501,128	\$ 157,313,362
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:	97.45%	97.24%

	FISCAL 2013	FISCAL 2012
Employer Normal Cost (July 1):	\$ 6,867,836	\$ 6,247,028
Amortization Cost (July 1):	\$ 573,126	\$ 597,212
Interest Adjusted Gross Employer Actuarially Required Contribution Including Estimated Administrative Costs:	\$ 8,071,443	\$ 7,391,507
Projected Ad Valorem and Revenue Sharing Funds	\$ 2,136,306	\$ 2,082,510
Net Direct Employer Actuarially Required Contributions:	\$ 5,935,137	\$ 5,308,997
Actuarially Required Net Direct Employer Contribution Rate	8.72% †	7.89%
Actual Net Direct Employer Contribution Rate:	8.00%	8.00%

Minimum Recommended Net Direct Employer Contribution Rate Fiscal 2014: 8.75% † Fiscal 2013: 8.00%

Employee Contribution Rate: 5.00% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

Valuation Interest Rate: 7.75% (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: Valuation interest rate changed from 8.0% to 7.75%. Salary increase rate changed from 6.0% to 5.75%. DROP assumption changed from immediate retirement at DROP completion for all participants in DROP to 50% retirement and 50% participation in Post-DROP service for one year.

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

† Based upon asset values which include an unaudited "best estimate" of the value of a receivable related to the FIA Leveraged Fund.

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on compact disk derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in like manner. In addition, data was supplied on former employees who are vested or who have contributions remaining on deposit. As illustrated in Exhibit X, there are 5,021 active members in Plan A of whom 2,066 have vested retirement benefits including 259 participants in the Deferred Retirement Option Plan (DROP); 3,040 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 2,813 Plan A members have contributions remaining on deposit with the system; of this number, 181 have vested rights for future retirement benefits. Census data on Plan B members may be found in Exhibit XXI. There are 2,155 active members in Plan B of whom 798 have vested retirement benefits including 90 participants in the Deferred Retirement Option Plan (DROP); 879 former Plan B members or their beneficiaries are receiving retirement benefits. An additional 1,161 Plan B members have contributions remaining on deposit with the system; of this number, 61 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 director furnished general information related to other aspects of the system's expenses, benefits and funding. Except as stated below, valuation asset values as well as income and expenses for the fiscal year were based on information furnished by the system's auditor, the firm of Duplantier, Hrapmann, Hogan & Maher, Certified Public Accountants. Please note that an investment receivable in the amount of \$41,540,181 as of June 30, 2012 was not audited due to the lack of current financial information. This receivable is included in the consolidated statement of plan assets and represents 5.2% of Plan A and Plan B total assets. Since an audited value of the asset was not available, the statement of assets includes management's "best estimate" of the value of this receivable. The receivable is based upon an unfulfilled redemption request tendered to the FIA Leveraged Fund. This Fund has been placed in liquidation. As of the date this report was

issued, the Court-appointed valuation experts have not yet had the opportunity to provide the Firefighters' Retirement System with audited statements. To the extent that future valuations determine that the actual value of this asset differs with the "best estimate" provided, future contribution rates will be affected.

As indicated in the system's audit report, the net market value of Plan A's assets was \$639,209,518 as of June 30, 2012. Net investment income for fiscal 2012 measured on a market value basis for Plan A amounted to loss of \$32,458,941. Contributions to the Plan for the fiscal year totaled \$48,252,525; benefits and expenses paid by Plan A amounted to \$55,869,377. The net market value of Plan B's assets was \$137,164,489 as of June 30, 2012. Net investment income for fiscal 2012 measured on a market value basis for Plan B amounted to a loss of \$6,824,468. Contributions to the Plan for the fiscal year totaled \$10,754,015; benefits and expenses paid by Plan B amounted to \$10,793,081. In addition to the two benefit trust funds the system maintains an expense fund for payment of certain investment and administrative expenses. The balance in this fund at the beginning of the year was \$298,975 and at the end of the year the balance was \$252,860.

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 actuarial accrued liability frozen as of June 30, 1989. Under the provisions of Louisiana R.S. 11:103 the unfunded accrued liability for Plan A, which was determined to be \$48,466,297 as of June 30, 1989, was amortized over forty years with payments increasing at 4.25% per year. The unfunded accrued liability for Plan B, which was determined to be \$9,853,175 as of June 30, 1989, was amortized over forty years with payments decreasing at 2% per year. In Plan A, payroll growth less than 4.25% per year will increase future amortization payments as a percent of payroll. In Plan B, any payroll growth or payroll decline less than 2% per year will reduce future amortization 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 June 30, 2009 valuation, in any year in which the net direct employer contribution was set above the actuarially required employer contribution rate, excess funds collected, if any, were used to reduce the frozen unfunded actuarial accrued liability. In Plan B, the board elected to freeze the employer contribution rate in fiscal 2001. As a result of the additional contributions generated by this freeze in rates, the unfunded accrued liability will be fully amortized by June 30, 2023. Effective with the June 30, 2009 valuation, any excess funds collected as a result of a freeze in employer contributions are credited to the Funding Deposit Account. Funds deposited into the Funding Deposit Account can be used to reduce the unfunded accrued liability, reduce future normal costs, or offset net direct employer contributions as determined by the board of trustees.

The current year actuarial assumptions utilized for the report are outlined on pages sixty-four through sixty-eight. Three changes were made to the assumptions for this valuation. First, the valuation interest rate was reduced from 8% to 7.75%, effective June 30, 2012. One component of this reduction was a reduction in the assumed rate of inflation from 3.25% to 3.00%. Second, as a consequence of this change, the salary scale was reduced from 6% per year to 5.75% per year. Finally, the valuation model was changed to assume that one-half of DROP participants will retire at the end of their DROP participation period and one-half will retire after one year of post-DROP service credit. In the prior valuation, all DROP participants were assumed to retire at the end of the specified DROP period. With the exception of these three changes, the assumptions used are the same as those used for the prior year report. All assumptions are within our “best estimate range”. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations. The net effect of all changes in assumptions was to increase the system’s normal cost accrual rate by 0.9465% in Plan A and 0.4928% in Plan B.

CHANGES IN PLAN PROVISIONS

The following changes in plan provisions were enacted during the 2012 Regular Session of the Louisiana Legislature:

Act 224 permits the chairman of the House and Senate Retirement Committees to authorize legislative staff to attend an executive session for any board or committee meeting of any state or statewide retirement system.

Act 225 provided that at such time as the system’s frozen unfunded accrued liability shall be fully amortized, the system shall be funded on the Aggregate Funding Method.

Act 478 provides for forfeiture of retirement benefits by a public employee or elected official hired or beginning service after January 1, 2013 who is convicted of a “public corruption crime” as defined in the act. The act allows the sentencing judge, in his discretion, to order forfeiture after appellate review is exhausted. The act limits forfeiture to benefits in excess of employee contributions. The act also states that the forfeiture shall not impinge on a community property interest of a current or former spouse.

Act 524 changed the final average compensation period from thirty-six to sixty months for members of Plan A and Plan B whose employment making them eligible for membership first occurred on or before June 30, 2006. The new final average compensation is phased in so that effective January 1, 2013, the period of final average compensation is thirty-six months plus the number of whole months since January 1, 2013, not to exceed sixty months. However, the actual final average compensation to be used for benefit calculations cannot be less than the highest thirty-six consecutive or joined months of compensation earned for employment prior to January 1, 2013.

Act 529 includes provisions to comply with IRS qualification requirements. It also provides additional survivor benefits in the case of a death of a member on or after January 1, 2007, while performing military service. The system will credit the member’s qualified military service as

service credit for vesting purposes and for eligibility purposes as though the member had resumed employment immediately prior to the member's death. However, the time spent by the member in qualified military service will not be used for calculation of benefit accrual purposes. The act also allows the Board to enact future changes necessary to maintain its qualified status through the Administrative Procedures Act.

Act 717 changed the employee contribution rate effective July 1, 2012. The rate for Plan A is changed from 9.25% to not less than 9.25% nor more than 10% as determined by the board of trustees. The rate for Plan B is changed from 5% to not less than 5% nor more than 6% as determined by the board of trustees.

Act 718 increases the required educational hours for trustees from two to four hours of actuarial science information and from one to two hours of education regarding the laws and rules of the system and from one to two hours of instruction on fiduciary duty and ethics.

Act 720 created a second tier of benefits for persons employed on or after January 1, 2013 in both Plan A and Plan B. Under the act, the eligibility requirements for retirement in Plan A Tier 2 and Plan B Tier 2 are as follows: seven years or more of service, at age sixty-seven; ten years or more of service, at age sixty-two; thirty years or more of service, at age fifty-five; twenty-five years of service at any age, exclusive of military service and unused annual and sick leave, actuarially reduced from the earliest age at which the member would be entitled to a vested deferred benefit under any provision if the member had continued in service to that age. The accrual rates in the new tier remain at 3% for Plan A and 2% for Plan B. Contribution rates for the new tier are set by the Board between 8% and 10% for Plan A and 4% to 6% for Plan B.

The net effect of all changes in plan benefits was to reduce the employer normal cost rate by 1.7631% in Plan A and 1.0362% in Plan B.

ASSET EXPERIENCE

The actuarial and market 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 and are based on values provided by the system's auditors.

PLAN A		<u>Market Value</u>	<u>Actuarial Value</u>
	2003	4.4%	-1.0% *
	2004	9.6%	3.5%
	2005	7.2%	9.6% *
	2006	8.6%	10.7% *
	2007	18.1% ‡	10.8% ‡
	2008	1.1%	9.0%
	2009	-13.8% ‡	0.9% ‡*
	2010	11.0%	5.9%
	2011	10.5%	4.2%
	2012	-4.8% †	0.7% †

		<u>Market Value</u>	<u>Actuarial Value</u>
PLAN B	2003	3.8%	-1.8% *
	2004	9.7%	3.1%
	2005	7.2%	6.4% *
	2006	8.5%	13.7% *
	2007	17.4% ‡	10.6% ‡
	2008	1.3%	8.8%
	2009	-13.7% ‡	0.9% ‡*
	2010	10.9%	5.8%
	2011	10.5%	4.2%
	2012	-4.7% †	1.0% †

* Includes the effect of a change in asset valuation method.

‡ Includes the impact of inclusion of the prior period adjustment for investment income as income in fiscal year.

† Based upon asset values which include an unaudited “best estimate” of the value of a receivable related to the FIA Leveraged Fund

The market rate of return gives a measure of investment return on a total return basis and includes realized and unrealized capital gains and losses as well as interest income. This rate of return gives an indication of performance for an actively managed portfolio where securities are bought and sold with the objective of producing the highest total rate of return. During 2012, the fund earned \$15,810,173 of dividends and interest and other recurring income for Plan A and \$3,311,344 for Plan B. Net income was decreased by realized and unrealized capital losses of \$45,297,722 for Plan A and \$9,452,810 for Plan B and further reduced by net investment expenses of \$2,971,392 for Plan A and \$683,002 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 4.8% for Plan A and 4.7% for Plan B. Over the last twenty years, these rates were 6.2% for Plan A and 6.0% for Plan B.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return used for the valuation. The assumed long-term rate of return is 7.75% as of June 30, 2012, which represents a change from the 8% assumption used prior to June 30, 2012. This rate is calculated based on the actuarial value of assets and all interest, dividends, other investment income, and capital gains or losses as given in Exhibit VI for Plan A and Exhibit XVII for Plan B, adjusted for any change in assets due to actuarial smoothing. Investment income used to calculate this yield is based upon a smoothing of gains or losses over a five-year period. The difference between rates of return on an actuarial and market value basis results from the smoothing of gains or losses on investments relative to the valuation interest rate. Beginning June 30, 2012, yields in excess of the 7.75% assumption will reduce future costs; yields below 7.75% will increase future costs. (For the period prior to June 30, 2012, yields in excess of the 8% assumption reduced future costs; yields below 8% increased future costs.) In addition to the smoothing of investment returns above or below the assumed rate of return, the actuarial and market rates of return differ due to the allocation of expense fund assets and income to both Plan A and Plan B. For fiscal 2012, Plan A experienced net actuarial investment earnings of \$52,432,659 less than the actuarial assumed earnings rate of 8%. Plan B experienced net actuarial investment earnings of \$10,697,584 less than the actuarial assumed earnings rate of 8%. These actuarial losses increased the normal cost accrual rate by 4.3950% and 2.1944% respectively for Plan A and Plan B.

At the end of each fiscal year, a review of the data is made to identify current members of Plan A and Plan B who have consecutive service credit in both plans that have not been addressed in previous transfers of assets and liabilities between the Plan A and Plan B trust funds pursuant to the provisions of R.S. 11: 1862(F). In the course of reviewing data for the June 30, 2012 valuation we found two members of Plan A and no members of Plan B with such service and recommend a transfer of \$1,668 be made from the Plan B trust to the Plan A trust for fiscal 2012.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for Plan A is given in Exhibit X. The average active member is 48 years old with 10.26 years of service and an annual salary of \$33,362. The Plan's active membership decreased during the fiscal year by 8 members. The plan experienced an increase in the active plan population of 56 members between 2007 and 2012. Review of the active census by age indicates that over the last ten years the population in the thirty through fifty age group has decreased while the proportion of active members over-fifty increased. The population percentage under age 30 has remained constant. Over the same ten-year period the plan showed a decrease in the percentage of members with between five and fifteen years of service; the percentage of members with service under five years and over twenty-five years has increased.

The average regular retiree is 70 years old with a monthly benefit of \$1,452. The number of retirees and beneficiaries receiving benefits from the system increased by 39 during the fiscal year. Over the last five years the number of retirees has increased by 319; during this same period, annual benefits in payment increased by \$11,245,215.

Plan liability experience for fiscal 2012 was favorable. The primary factor contributing to the experience gain was salary increases below projected levels. In addition, withdrawals and deaths were above projected levels. All of these factors tend to reduce costs. These factors were partially offset by retirements and drop entries above projected levels. The net effect of all of these elements was a decrease in costs. Plan liability experience gains decreased the normal cost accrual rate by 1.2651%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for Plan B is given in Exhibit XXI. The average active member is 48 years old with 9.72 years of service and an annual salary of \$30,817. The Plan's active membership decreased during the fiscal year by 20 members. Over the last five years the active population increased by 2 members. A review of the active census by age indicates that over the last ten years the population in the under 50 age group has decreased while the proportion of active members over age 50 has increased. Over the same ten-year period the system showed an increase in the percentage of members with service of five to ten years and a decrease in the percentage of members with service between ten and fifteen years.

The average regular retiree is 73 years old with a monthly benefit of \$882. The number of retirees and beneficiaries receiving benefits from the system increased by 14. Over the last five years this group increased by 85; during this same period, annual benefits in payment increased by \$1,597,100.

Plan liability experience for fiscal 2012 was favorable. The primary factor contributing to the liability experience gain for the year was salary increases below projected levels. In addition, retiree deaths were above projected levels. These factors tend to reduce costs. Partially offsetting these factors were DROP entries above projected levels. Retirements and disabilities were at projected levels. The net effect of all of these factors was a decrease in costs. Plan liability experience gains decreased the normal cost accrual rate by 0.4801%.

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 both plans, changes in plan experience, benefits, or assumptions do not affect the 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.

For Plan A, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit I. The normal cost for fiscal 2013 as of July 1, 2012, is \$29,655,906. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2012, is \$5,696,738. 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 2013 is \$37,573,585. When this amount is reduced by projected tax contributions and revenue sharing funds the resulting employers' net direct actuarially required contribution for fiscal 2013 is \$32,184,990. This is 18.67% of the projected Plan A payroll for fiscal 2013.

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 cost structure for Plan A are outlined below:

Normal Cost Accrual Rate – Fiscal 2012	17.3108%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience Loss	4.3950%
Change in Assumptions	0.9465%
Contribution Loss	0.1222%
Factors Decreasing the Normal Cost Accrual Rate:	
Change in Benefits	-1.7631%
Liability Experience	-1.2651%
New Members	-0.8790%
Normal Cost Accrual Rate – Fiscal 2013	18.8673%

For Plan B, the derivation of the actuarially required contribution for the current fiscal year is given in Exhibit XII. The normal cost for fiscal 2013 as of July 1, 2012, is \$6,867,837. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2012, is \$573,126. 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 XII, the total actuarially required contribution for fiscal 2013 is \$8,071,443. When this amount is reduced by projected tax contributions and revenue sharing funds the resulting employers' net direct actuarially required contribution for fiscal 2013 is \$5,935,137. This is 8.72% of the projected Plan B payroll for fiscal 2013.

The effects of various factors on the cost structure for Plan B are outlined below:

Normal Cost Accrual Rate – Fiscal 2012	10.2853%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience Loss	2.1944%
Change in Assumptions	0.4928%
Contribution Loss	0.0421%
Factors Decreasing the Normal Cost Accrual Rate:	
Changes in Benefits	-1.0362%
Liability Experience	-0.4801%
New Members	-0.3900%
Normal Cost Accrual Rate – Fiscal 2013	11.1083%

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 2013, the net effect of the change in payroll on amortization costs was an increase of 0.01% of payroll for Plan A; and a reduction of 0.05% for Plan B. Required net direct employer contributions are also affected by the available ad valorem taxes and revenue sharing funds which the system receives each year. When these funds change as a percentage of payroll, net direct employer contributions are adjusted accordingly. We estimate that these funds collected in fiscal 2013 will increase by 0.04% as a percent of payroll in Plan A and will increase by 0.04% of payroll in Plan B. Although the actuarially required net direct employer contribution rate for Plan A for fiscal 2013 is 18.67%, the actual employer contribution rate for fiscal 2013 is 17.00% of payroll. After accounting for the anticipated contribution shortfall in fiscal 2013 and rounding the result to the nearest 0.25% as required by R. S. 11:103, we recommend a minimum net direct employer contribution rate of 19.00% for fiscal 2014 for Plan A. Although the actuarially required net direct employer contribution rate for Plan B for fiscal 2013 is 8.72%, the actual employer contribution rate for fiscal 2013 is 8.00% of payroll. After accounting for the anticipated contribution shortfall in fiscal 2013 and rounding the result to the nearest 0.25% as required by R.S. 11:103, we recommend a minimum net direct employer contribution rate of 8.75% for fiscal 2014 for Plan B.

Both Plan A and Plan B have Funding Deposit Account Credit Balances. Since no contribution deposits or withdrawals were made to the accounts during fiscal 2012, the outstanding balances were credited with interest at the valuation interest rate. Funds in these accounts may be used to reduce the outstanding unfunded accrued liability, reduce the future normal costs or reduce contributions for specified fiscal years.

Due to the unavailability of an unqualified audit report for this valuation, our ability to determine with certainty the actuarially required contribution to the Fund is limited. It should be noted that any substantial reduction to the value of receivables given on the statement of assets may result in a significant increase in future contributions.

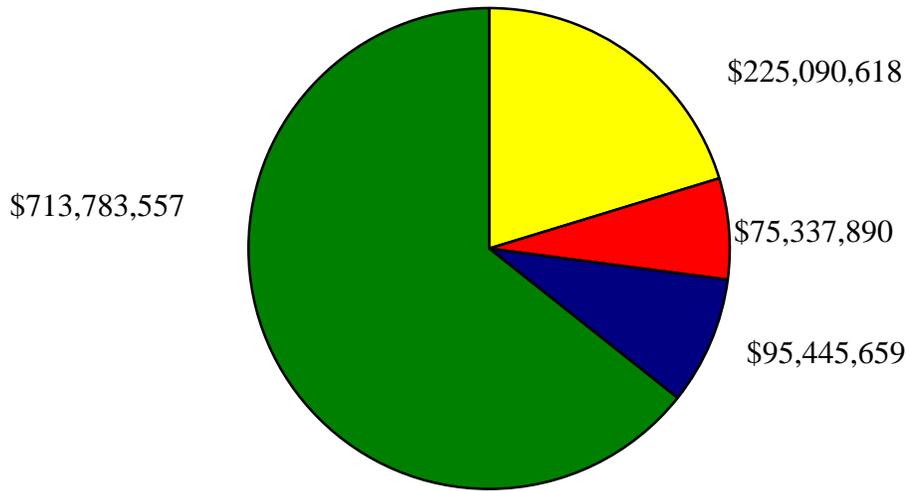
Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, completion of 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 plans' costs to two factors. First, 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 0.60% for Plan A, and 0.32% for Plan B. We have also determined that a 1% reduction in the valuation interest rate for each Plan would increase the actuarially required contribution rate for fiscal 2012 by 8.94% in Plan A and 4.92% in Plan B. 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.

Notwithstanding recent contribution increases, a significant portion of investment losses incurred in fiscal 2009 have not yet been released into the actuarial value of assets due to the current asset smoothing methodology. These losses will be released over the next year. In addition, investment losses for fiscal 2012 can also be expected to put upward pressure on costs for several years.

COST OF LIVING INCREASES

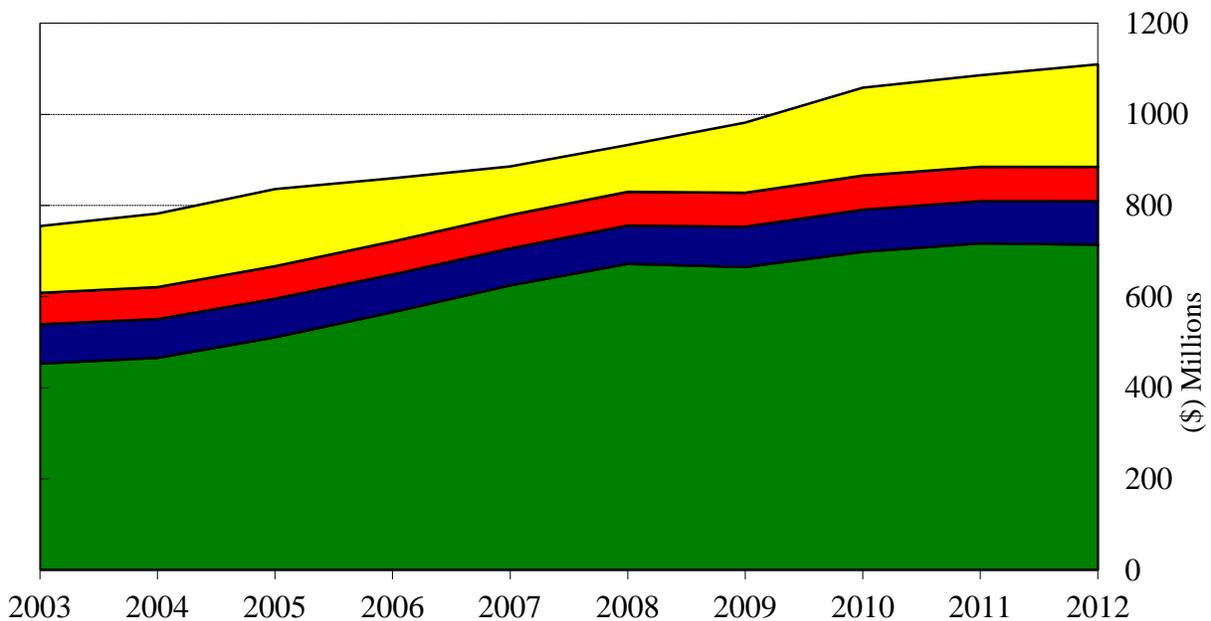
During fiscal 2012 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 1.66%. Cost of living provisions for the system are detailed in R.S. 11:1761 and R.S. 11:246. The former statute allows the board to use interest earnings in excess of the normal requirements to grant annual cost of living increases of 2% of each retiree's original benefit. R.S. 11:246 provides cost of living increases of retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. R.S. 11:241 provides that cost of living benefits shall be in the form (unless the board otherwise specifies) of $\$X \times (A+B)$ 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. All of the above provisions require that the system earn sufficient excess interest earnings to fund the increases. In addition, the ratio of the plan's assets to benefit obligations must meet the criteria established in R.S. 11:242. This section sets forth a minimum "target ratio" of the actuarial value of assets to the Pension Benefit Obligation. We have determined that for fiscal 2012, neither plan met the target ratio. In addition, neither plan had excess interest earnings; hence no cost of living increase is payable to regular retirees.

Plan A - Components of Present Value of Future Benefits June 30, 2012



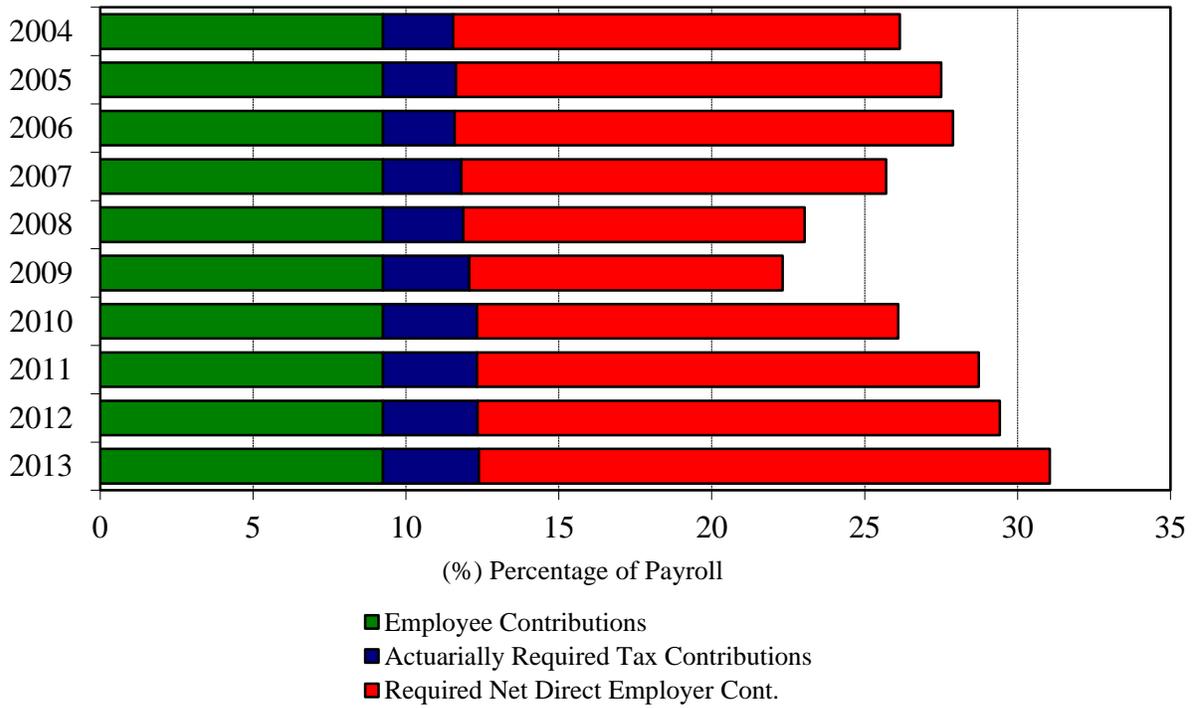
- Present Value of Future Employer Normal Cost
- Unfunded Accrued Liability
- Present Value of Future Employee Contributions
- Actuarial Value of Assets (Net of Funding Deposit Account)

Plan A - Components of Present Value of Future Benefits

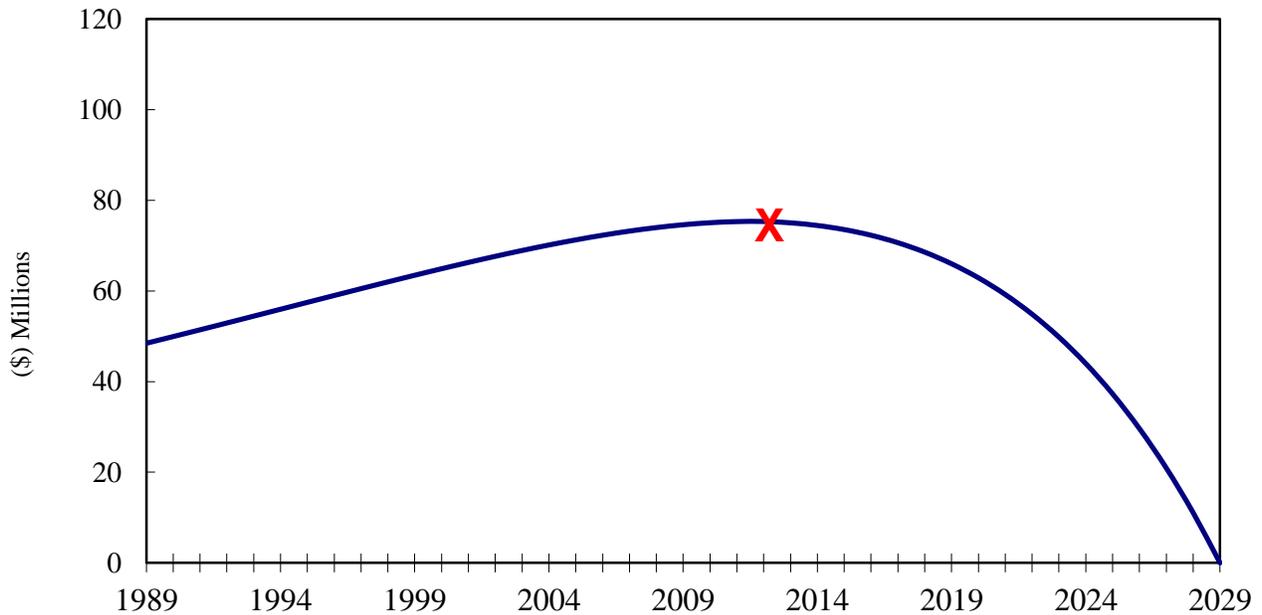


- Present Value of Future Employer Normal Cost
- Unfunded Accrued Liability
- Present Value of Future Employee Contributions
- Actuarial Value of Assets (Net of Funding Deposit Account)

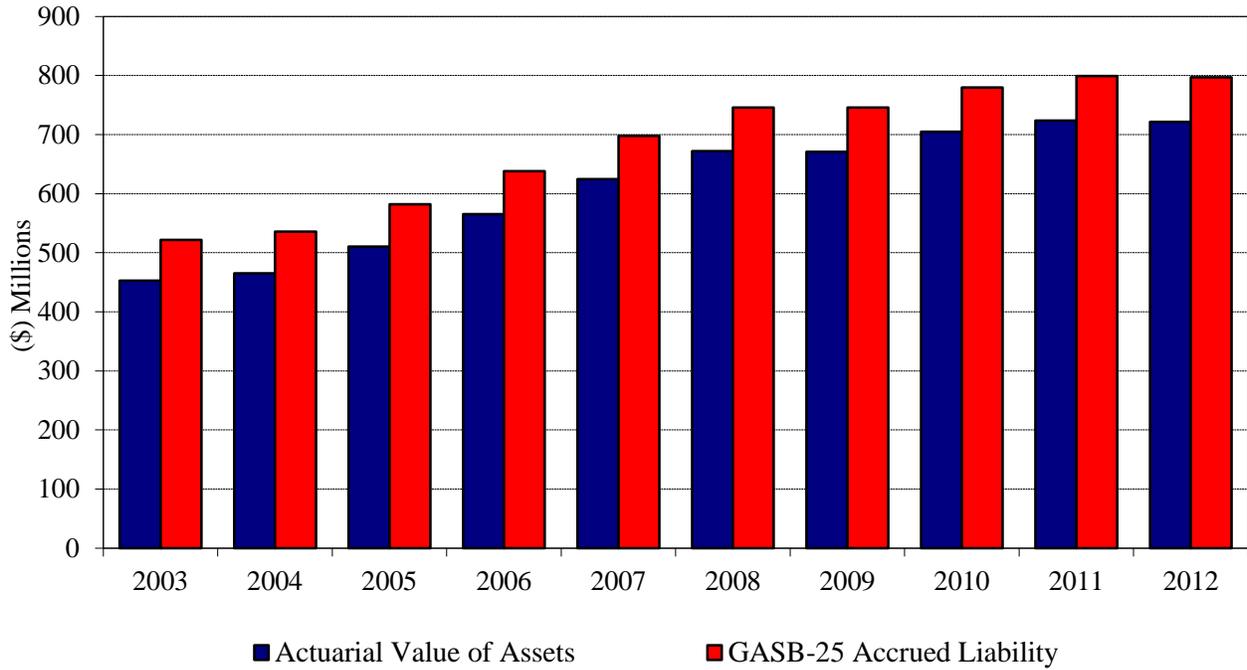
Plan A - Components of Actuarial Funding



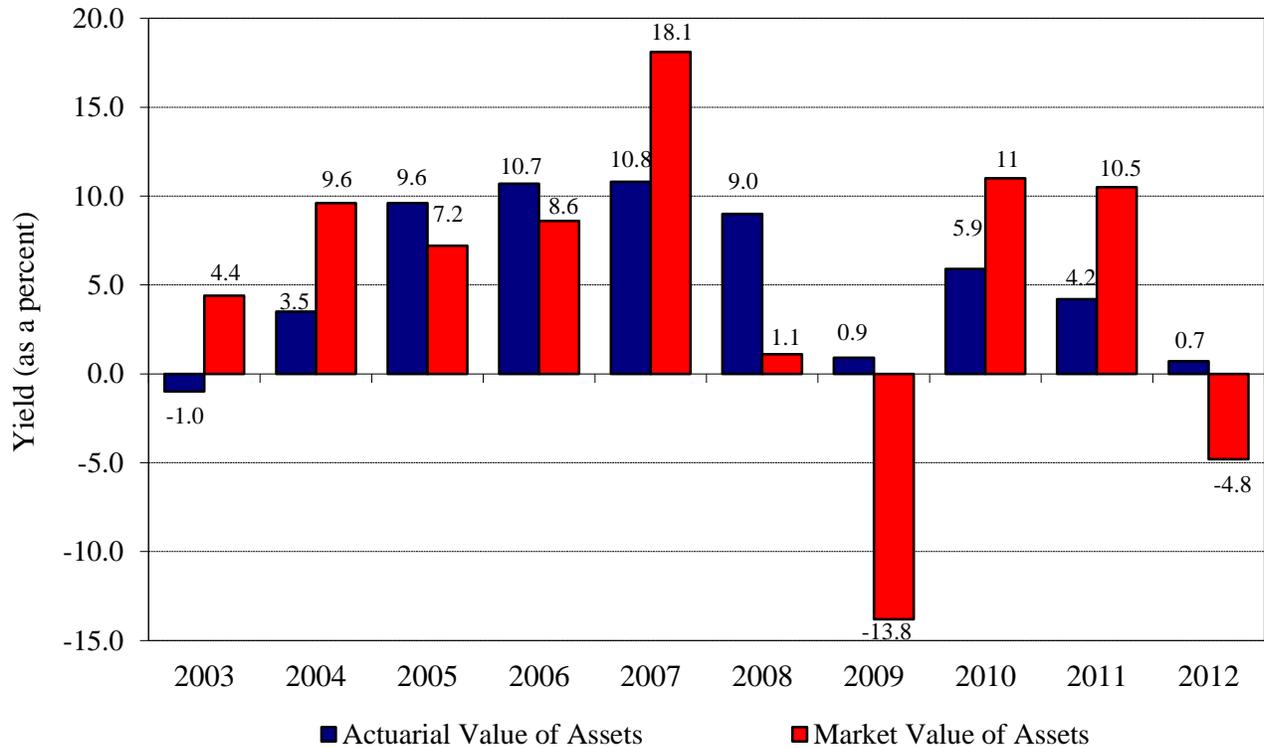
Plan A – Frozen Unfunded Accrued Liability



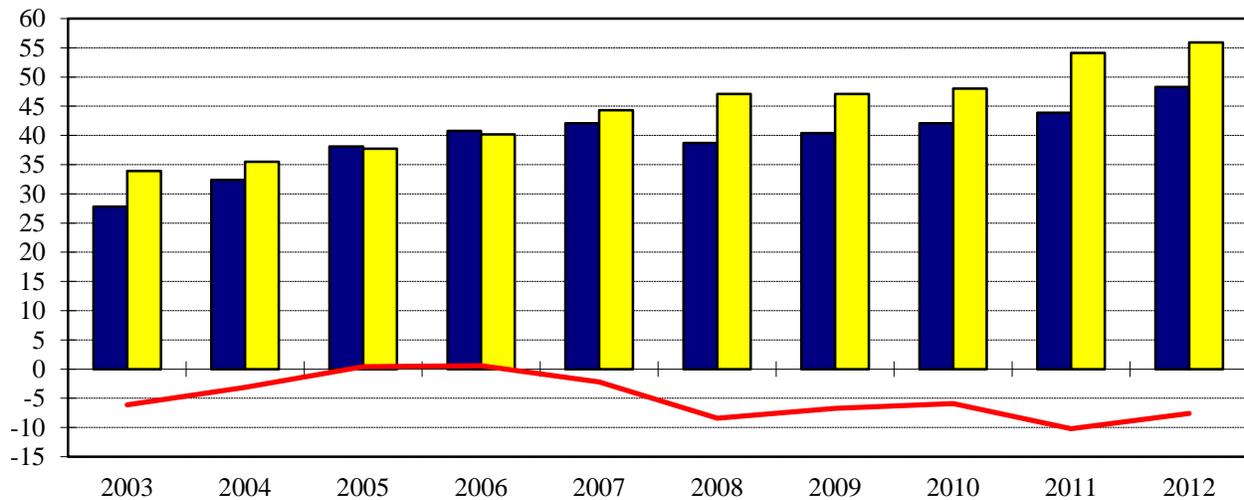
Plan A Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan A – Historical Asset Yield

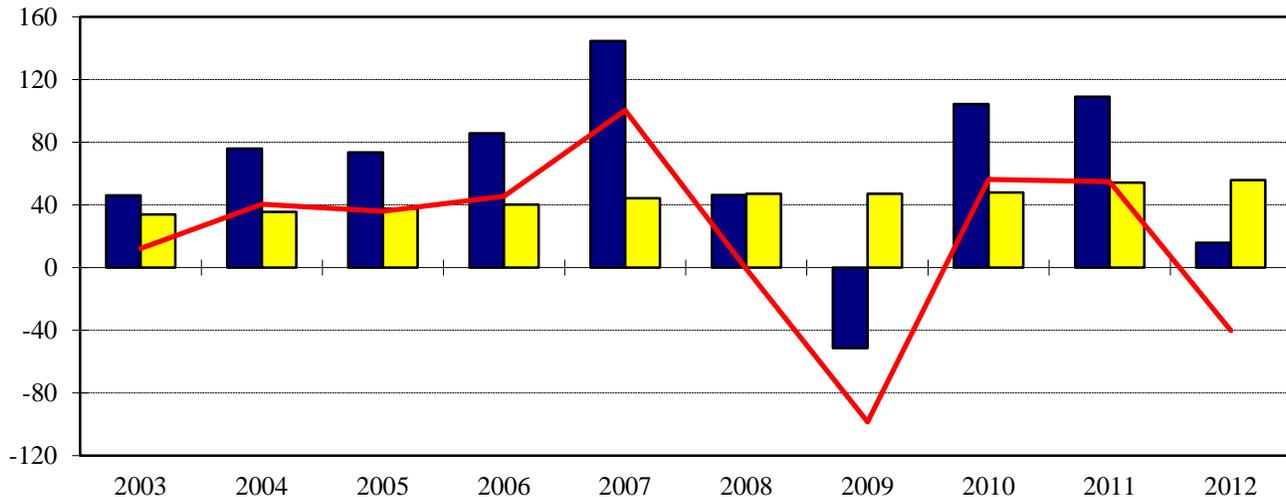


Plan A - Net Non-Investment Income



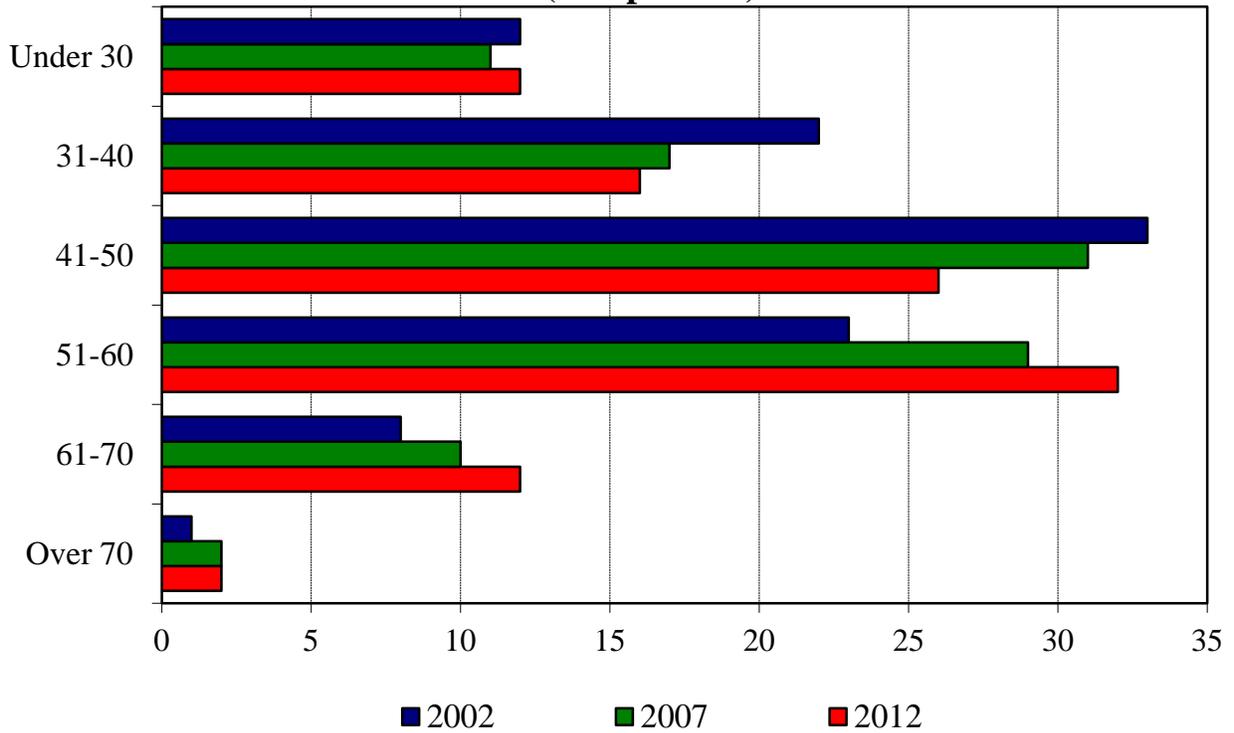
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Non-Investment Income (\$Mil)	■	27.8	32.4	38.1	40.8	42.1	38.7	40.4	42.1	43.9	48.3
Benefits and Expenses (\$Mil)	■	33.9	35.5	37.7	40.2	44.3	47.1	47.1	48.0	54.1	55.9
Net Non-Investment Income (\$Mil)	—	-6.1	-3.1	0.4	0.6	-2.2	-8.4	-6.7	-5.9	-10.2	-7.6

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

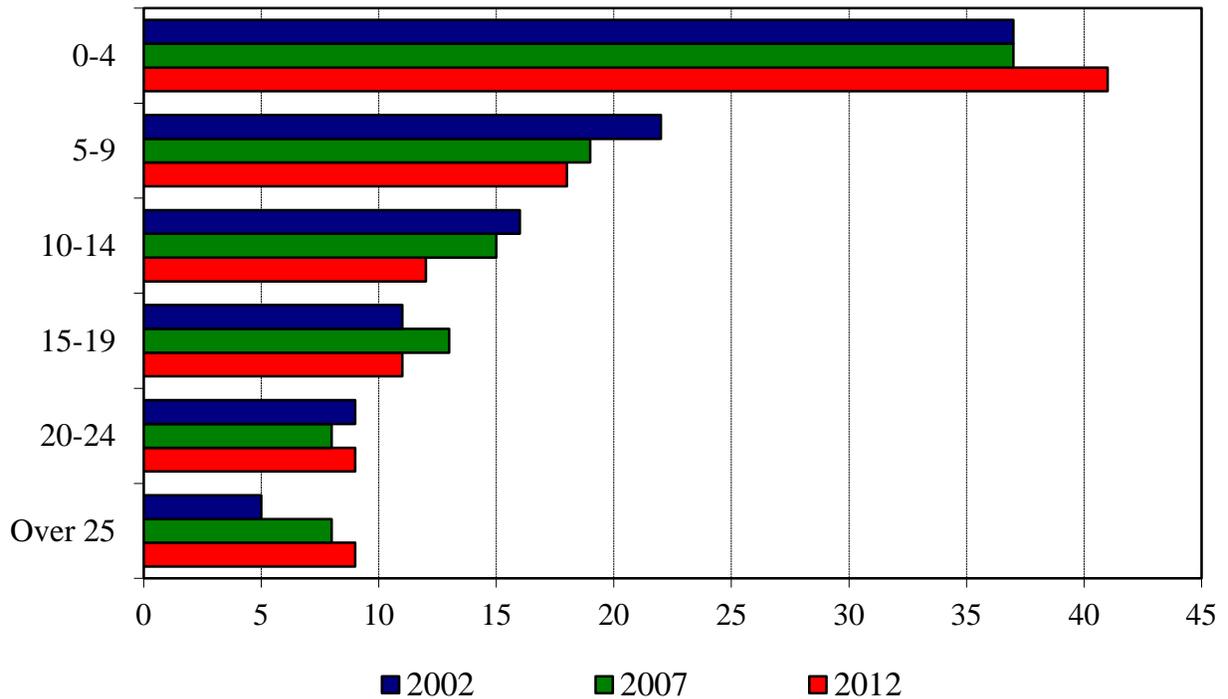


		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Income (\$Mil)	■	46.2	76.0	73.6	85.8	144.6	46.3	-51.3	104.3	108.9	15.8
Benefits and Expenses (\$Mil)	■	33.9	35.5	37.7	40.2	44.3	47.1	47.1	48.0	54.1	55.9
Net Change in MVA (\$Mil)	—	12.3	40.5	35.9	45.6	100.3	-0.8	-98.4	56.3	54.8	-40.1

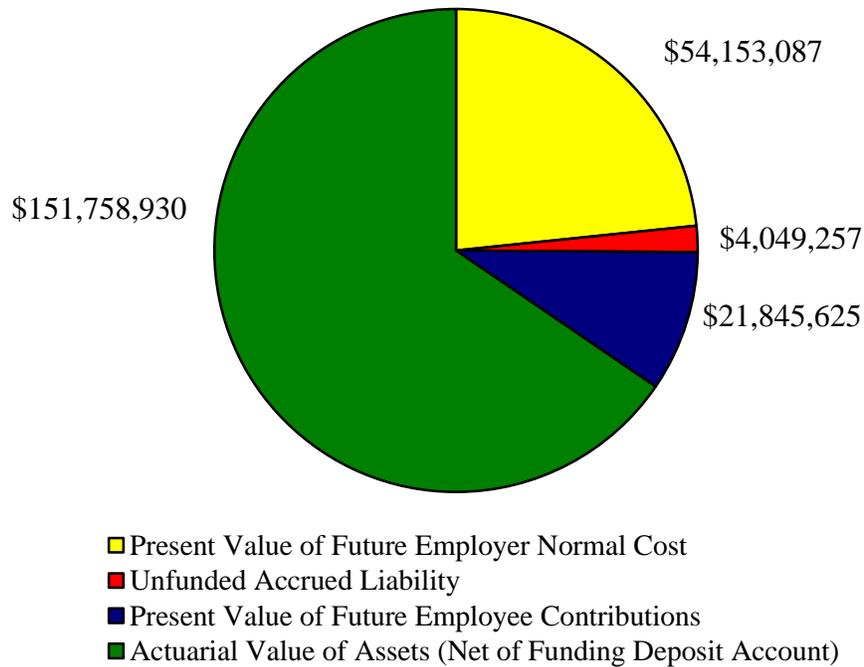
Plan A - Active – Census By Age (as a percent)



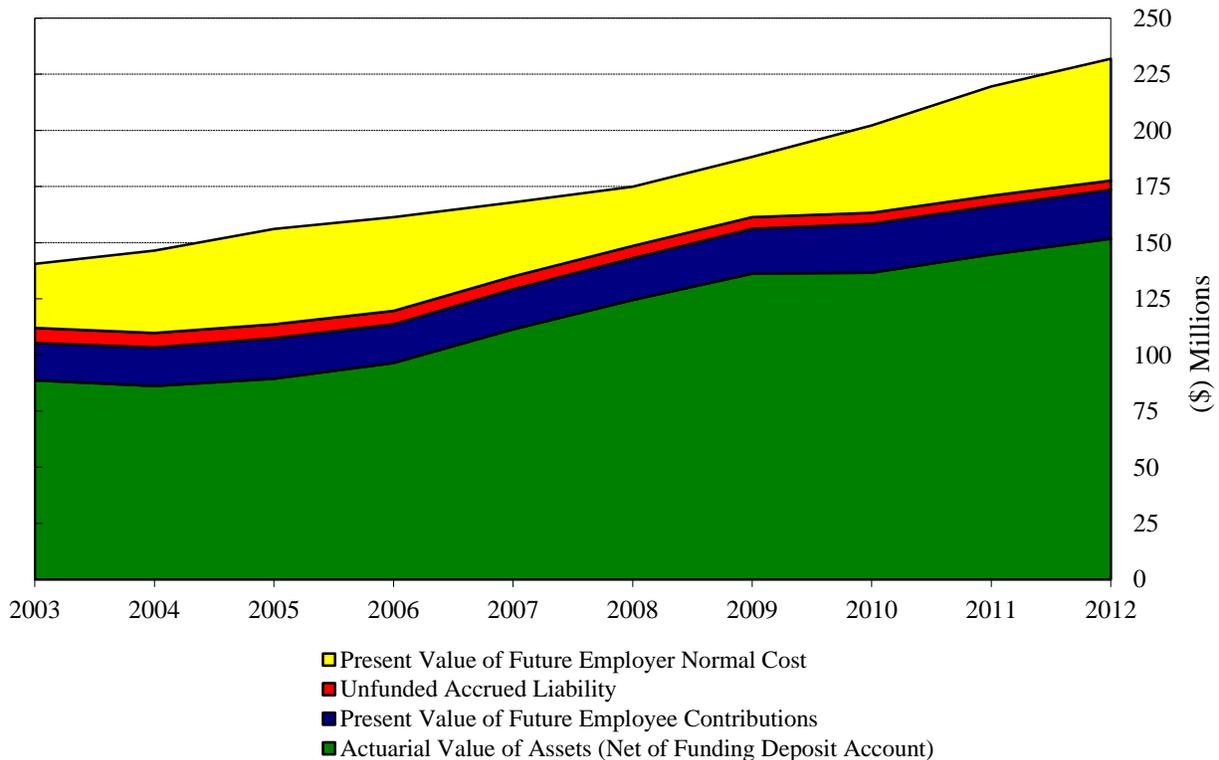
Plan A - Active – Census By Service (as a percent)



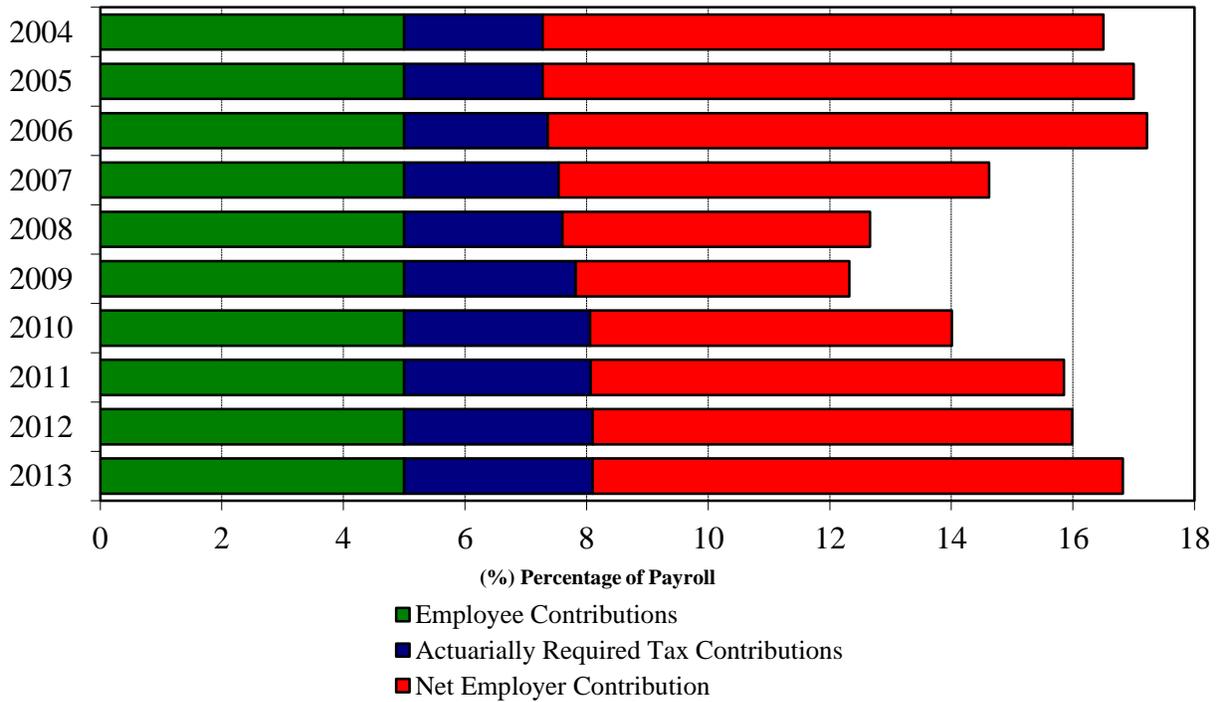
Plan B - Components of Present Value of Future Benefits June 30, 2012



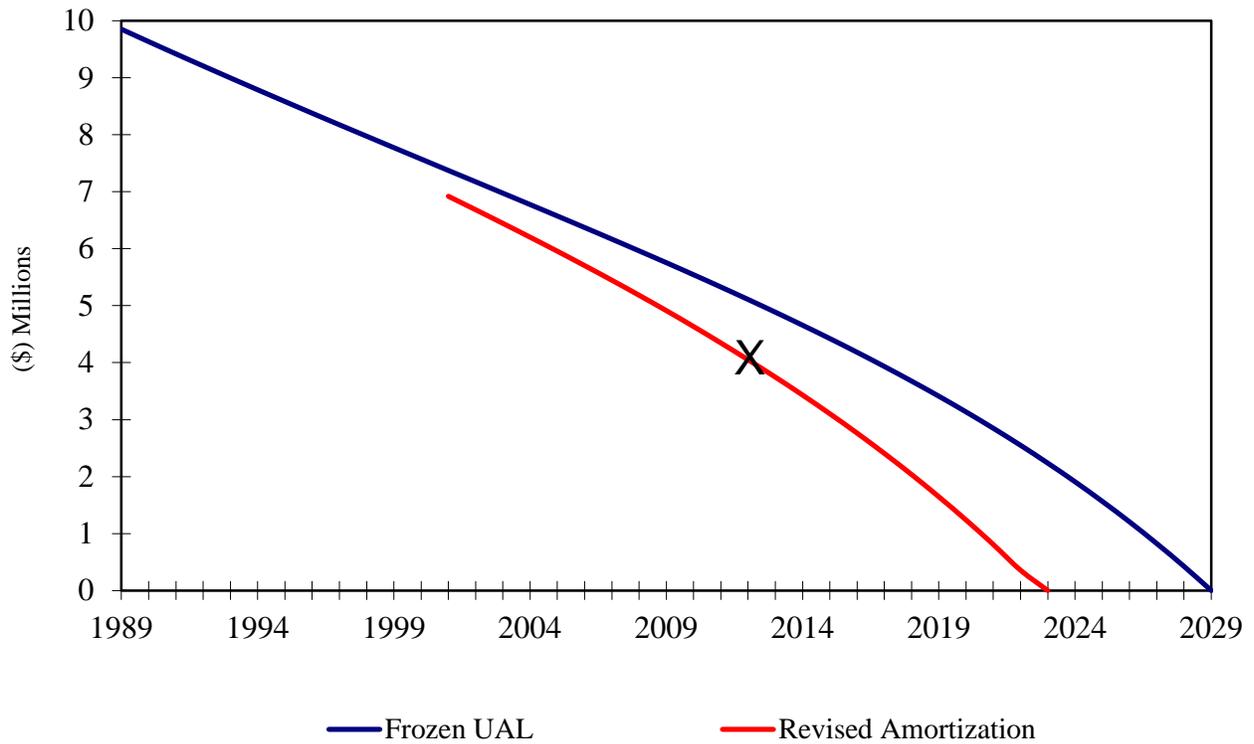
Plan B - Components of Present Value of Future Benefits



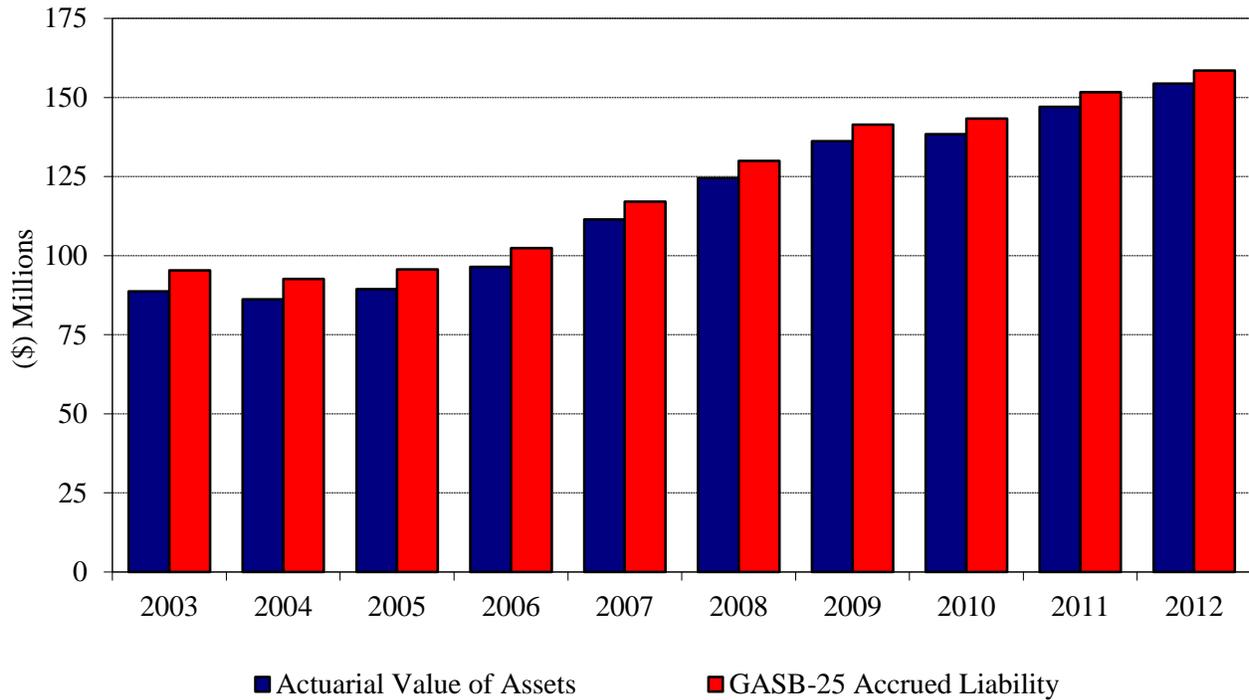
Plan B - Components of Actuarial Funding



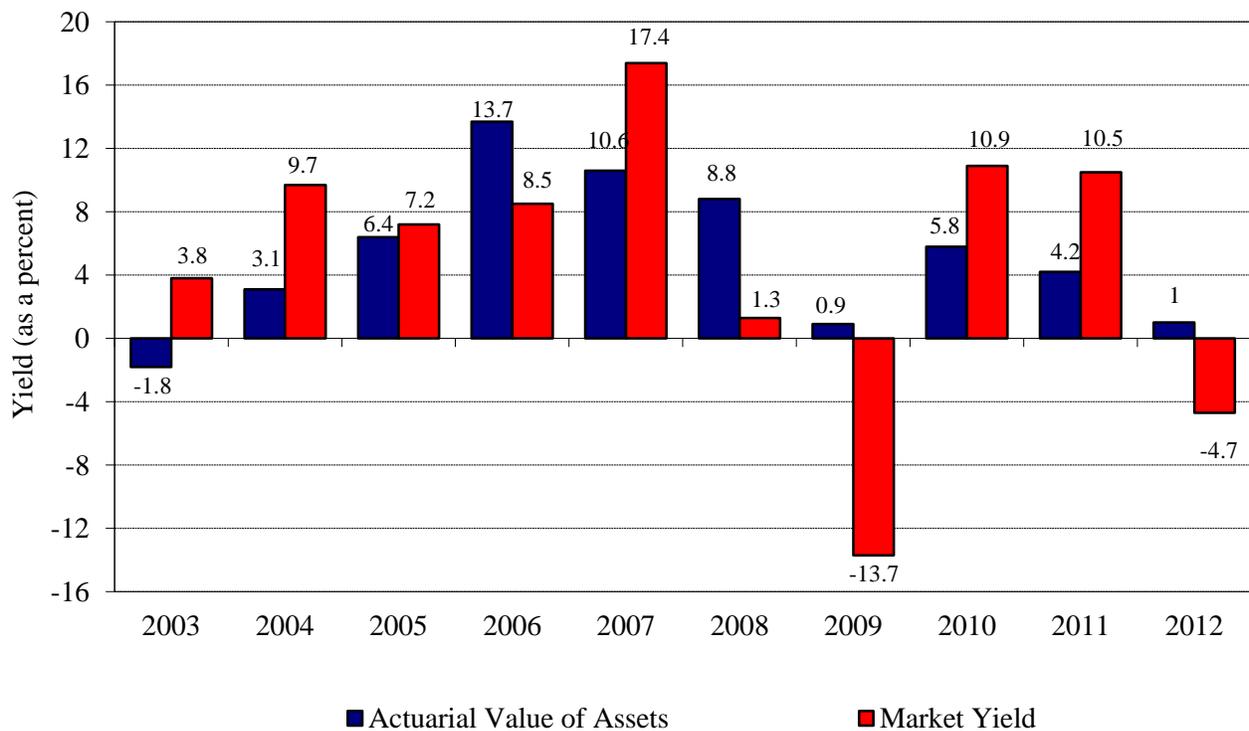
Plan B – Frozen Unfunded Accrued Liability



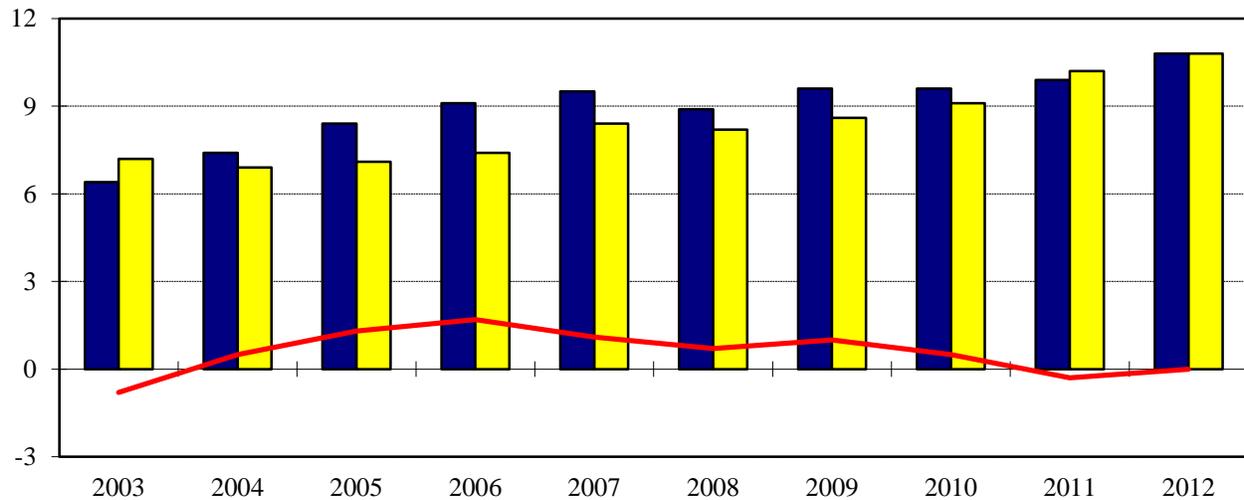
Plan B Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan B – Historical Asset Yield

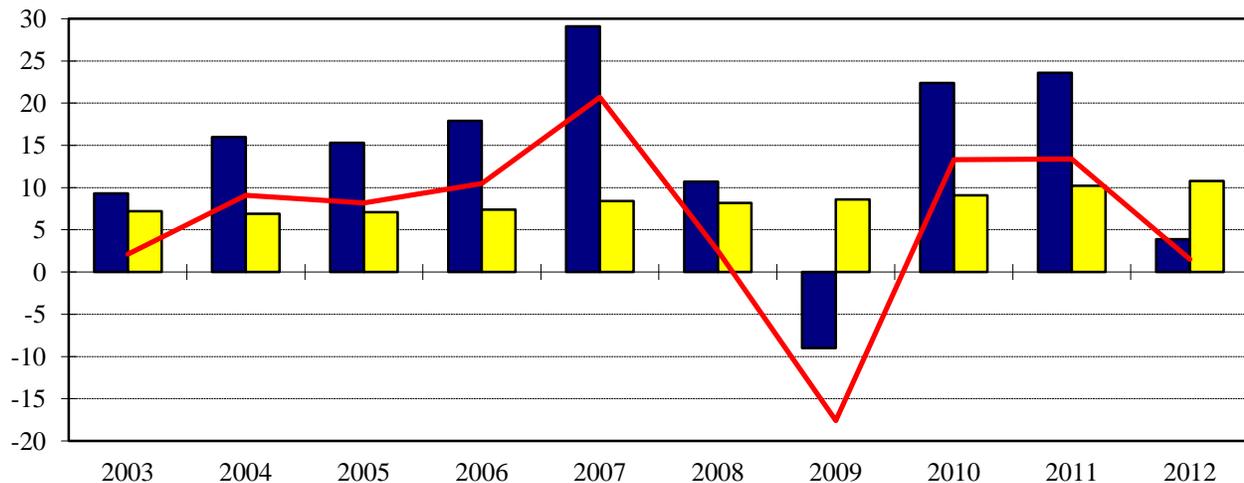


Plan B - Net Non-Investment Income



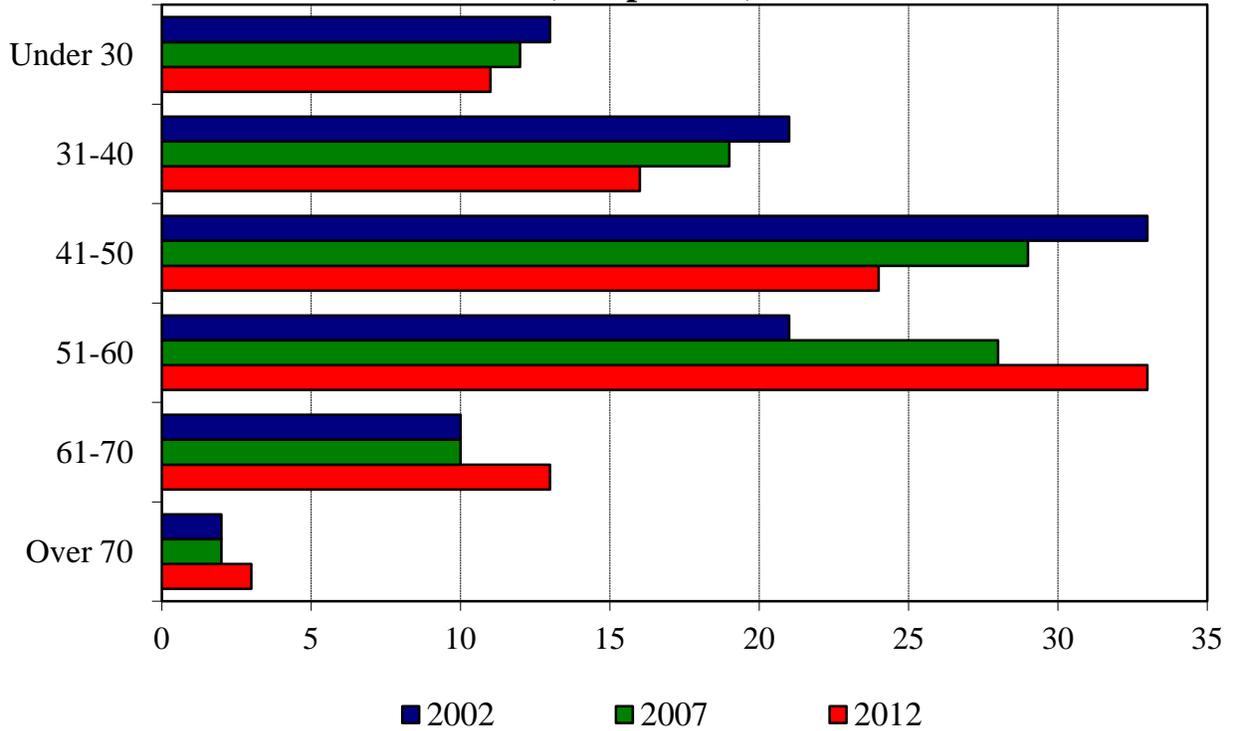
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Non-Investment Income (\$Mil)	■	6.4	7.4	8.4	9.1	9.5	8.9	9.6	9.6	9.9	10.8
Benefits and Expenses (\$Mil)	■	7.2	6.9	7.1	7.4	8.4	8.2	8.6	9.1	10.2	10.8
Net Non-Investment Income (\$Mil)	—	-0.8	0.5	1.3	1.7	1.1	0.7	1.0	0.5	-0.3	0.0

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

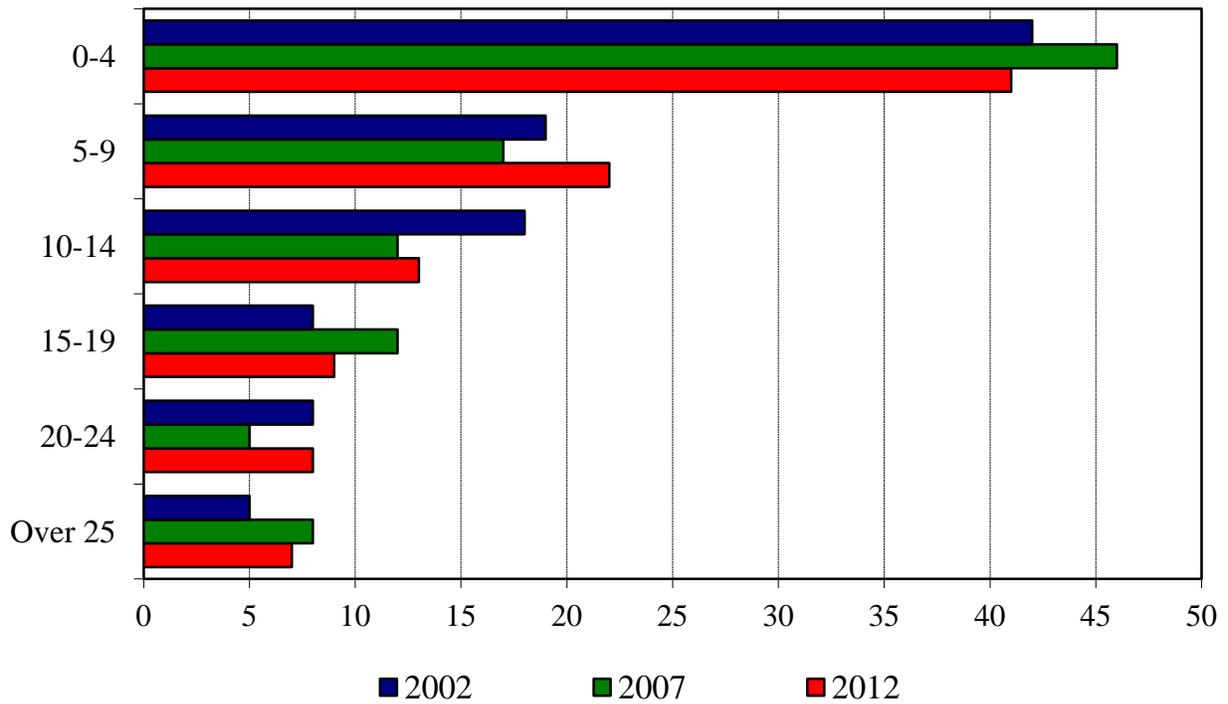


		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total Income (\$Mil)	■	9.3	16.0	15.3	17.9	29.1	10.7	-9.0	22.4	23.6	3.9
Benefits and Expenses (\$Mil)	■	7.2	6.9	7.1	7.4	8.4	8.2	8.6	9.1	10.2	10.8
Net Change in MVA (\$Mil)	—	2.1	9.1	8.2	10.5	20.7	2.5	-17.6	13.3	13.4	1.5

Plan B - Active – Census By Age (as a percent)



Plan B - Active – Census By Service (as a percent)



EXHIBITS

EXHIBIT I
PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1. Present Value of Future Benefits.....	\$ 1,109,657,724
2. Frozen Unfunded Actuarial Accrued Liability	\$ 75,337,890
3. Actuarial Value of Assets	\$ 721,475,280
4. Present Value of Future Employee Contributions.....	\$ 95,445,659
5. Funding Deposit Account Credit Balance	\$ 7,691,723
6. Present Value of Future Employer Normal Costs (1-2-3-4+5)	\$ 225,090,618
7. Present Value of Future Salaries	\$ 1,193,019,251
8. Employer Normal Cost Accrual Rate (6 ÷ 7)	18.867308%
9. Projected Fiscal 2013 Salary for Current Membership	\$ 157,181,436
10. Employer Normal Cost as of July 1, 2012 (8 x 9).....	\$ 29,655,906
11. Amortization Payment on Frozen Unfunded Accrued Liability of \$75,337,890 with Payments increasing at 4.25% per year	\$ 5,696,738
12. Total Employer Normal Cost & Amortization Payment (10 + 11).....	\$ 35,352,644
13. Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment	\$ 36,696,998
14. Estimated Administrative Cost for Fiscal 2013.....	\$ 876,587
15. Gross Employer Actuarially Required Contribution for Fiscal 2013 (13 + 14).....	\$ 37,573,585
16. Projected Ad Valorem Tax Contributions for Fiscal 2013.....	\$ 5,273,506
17. Projected Revenue Sharing Funds for Fiscal 2013.....	\$ 115,089
18. Net Direct Employer Actuarially Required Contribution for Fiscal 2013 (15 - 16 - 17).....	\$ 32,184,990
19. Projected Payroll (July 1, 2012 through June 30, 2013)	\$ 172,369,276
20. Employers Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2013 (18 ÷ 19).....	18.67%
21. Actual Employer Contribution Rate for Fiscal 2013	17.00%
22. Contribution Shortfall (Excess) as a % of Payroll (20 - 21).....	1.67%
23. Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess).....	0.22%
24. Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2014 (20 + 23, Rounded to nearest 0.25%)	19.00%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	\$ 616,139,244
Survivor Benefits	10,766,123
Disability Benefits	7,605,970
Vested Deferred Termination Benefits	12,471,612
Contribution Refunds.....	19,004,822
 TOTAL Present Value of Future Benefits for Active Members	 \$ 665,987,771

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement..	\$ 14,858,357
Terminated Members with Reciprocals	
Due Benefits at Retirement	718,068
Terminated Members Due a Refund	2,075,913
 TOTAL Present Value of Future Benefits for Terminated Members.....	 \$ 17,652,338

Present Value of Future Benefits for Retirees:

Regular Retirees	\$ 358,715,643
Disability Retirees	18,010,866
Survivors & Widows	45,537,443
Reserve for Accrued Retiree DROP Account Balances.....	3,753,663
 TOTAL Present Value of Future Benefits for Retirees & Survivors.....	 \$ 426,017,615
 TOTAL Present Value of Future Benefits	 \$ 1,109,657,724

EXHIBIT III – Schedule A
PLAN A: MARKET VALUE OF ASSETS

Current Assets:

Cash	\$ 7,977,877
Accrued Alternative Investments	5,618,851
Accrued Interest and Dividends on Investments	433,790
Contributions Receivable from Employers	2,458,313
Contributions Receivable from Members.....	1,255,775
Other Receivables.....	154,780
Due From Plan B	50,324
Due From Plan B (accrued).....	1,668
Investment Receivable	34,898,358

TOTAL CURRENT ASSETS \$ 52,849,736

Property Plant & Equipment	\$ 642,848
Mitigation Bank Capitalized Project Costs	\$ 375,030
Prepaid Expense	\$ 65,066
Other Assets	\$ 248

Investments:

Co-Mingled Funds.....	\$ 128,150,761
Common Stock	113,669,862
Limited Partnerships.....	101,275,414
Cash Equivalents	66,564,715
Mitigation Credits.....	39,320,881
Mutual Fund – Equities	38,322,069
Mutual Fund – Fixed Income	28,496,012
Limited Liability Companies.....	22,064,566
Bonds.....	20,668,407
Real Estate-Mitigation Banks and LLC.....	19,575,179
Notes Receivable	14,844,603
Line of Credit.....	13,575,020
Convertible Notes	2,391,576

TOTAL INVESTMENTS \$ 608,919,065

TOTAL ASSETS..... \$ 662,851,993

Current Liabilities:

Accounts Payable	\$ 984,158
Other Payables	561,586
Refunds Payable	435,010
Long-Term Mitigation Liability	408,408
Obligations under Securities Lending Program.....	163,120
Investment Payable.....	56,880

TOTAL CURRENT LIABILITIES..... \$ 2,609,162

OTHER CONTROLLING INTEREST..... \$ (21,033,313)

MARKET VALUE OF ASSETS..... \$ 639,209,518

EXHIBIT III – SCHEDULE B
PLAN A - ACTUARIAL VALUE OF ASSETS

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

Fiscal year 2012	\$ (86,502,955)
Fiscal year 2011	15,459,113
Fiscal year 2010	16,842,738
Fiscal year 2009	(144,474,440)
Fiscal year 2008	<u>(45,633,930)</u>
Total for five years.....	\$ (244,309,474)

Deferral of excess (shortfall) of invested income:

Fiscal year 2012 (80%)	\$ (69,202,364)
Fiscal year 2011 (60%)	9,275,468
Fiscal year 2010 (40%)	6,737,095
Fiscal year 2009 (20%)	(28,894,888)
Fiscal year 2008 (0%)	<u>0</u>
Total deferred for year	\$ (82,084,689)

Market value of plan net assets, end of year \$ 639,209,518

Preliminary actuarial value of plan assets, end of year \$ 721,294,207

Actuarial value of assets corridor

85% of market value, end of year.....	\$ 543,328,090
115% of market value, end of year.....	\$ 735,090,946

Allocated Share of the Expense Fund \$ 181,073

Final actuarial value of plan net assets plus allocated share of the expense fund..... \$ 721,475,280

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund.....	\$ 95,445,659
Employer Normal Contributions to the Pension Accumulation Fund	225,090,618
Employer Amortization Payments to the Pension Accumulation Fund.....	75,337,890
Funding Deposit Account Credit Balance.....	(7,691,723)
 TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	 \$ 388,182,444

EXHIBIT V
PLAN A: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability.....	\$ 75,313,546
Interest on Frozen Unfunded Accrued Liability	\$ 6,025,084
Employer Normal Cost for Prior Year	26,605,047
Interest on the Normal Cost	2,128,404
Administrative Expenses	1,135,746
Interest on Expenses.....	44,556
Credit to Funding Deposit Account	0
 TOTAL Increases to Frozen Unfunded Accrued Liability	 \$ 35,938,837
Gross Regular Employer Contributions	\$ 33,124,935
Interest on Employer Contributions	1,299,507
Contribution Shortfall (Excess).....	1,433,802
Interest on Contribution Shortfall (Excess).....	56,249
 TOTAL Decreases to Frozen Unfunded Accrued Liability	 \$ 35,914,493
 CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	 \$ 75,337,890

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2011).....	\$	723,942,801
Prior Period Adjustment.....	\$	(50)
Income:		
Member Contributions	\$	14,398,103
Employer Contributions		27,971,336
Ad Valorem Taxes		5,038,180
Revenue Sharing Funds		115,419
Irregular Contributions.....		727,819
Due from Plan B (accrued)		1,668
 Total Contribution Income	 \$	 48,252,525
 Net Appreciation in Fair Value of Investments.....	 \$	 (44,160,336)
Interest and Dividend Income		4,156,934
Income from Alternative Investments		11,511,317
Securities Lending.....		141,922
Investment Income Allocated from Expense Fund		526
Net appreciation attributable to non-controllable interest		(1,137,386)
Investment Expense.....		(2,971,392)
 Net Investment Income	 \$	 (32,458,415)
 TOTAL Income.....	 \$	 15,794,110
Expenses:		
Retirement Benefits	\$	45,356,979
DROP Disbursements		5,290,672
Refunds of Contributions		3,765,929
Funds Transferred to Another System		1,200,555
Transfer of Funds from Plan B.....		(844,807)
Allocated Share of Administrative Expenses.....		1,107,702
Depreciation		28,044
 TOTAL Expenses.....	 \$	 55,905,074
 Net Market Income for Fiscal 2012 (Income - Expenses)	 \$	 (40,110,964)
 Adjustment for Change in Allocated Expense Fund Balance	 \$	 2,433
 Adjustment for Actuarial Smoothing	 \$	 37,641,060
 Actuarial Value of Assets (June 30, 2012).....	 \$	 721,475,280

EXHIBIT VII
PLAN A: FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund.....	\$ 108,959,487
Annuity Reserve Fund.....	422,263,952
Pension Accumulation Fund	74,422,220
Deferred Retirement Option Plan Account	25,872,136
Funding Deposit Account	7,691,723
NET MARKET VALUE OF ASSETS	\$ 639,209,518
ADJUSTMENT FOR ACTUARIAL SMOOTHING	82,084,689
ALLOCATED SHARE OF THE EXPENSE FUND	181,073
ACTUARIAL VALUE OF ASSETS.....	\$ 721,475,280

EXHIBIT VIII
PLAN A: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees ...	\$ 467,608,259
Present Value of Benefits Payable to Terminated Employees	17,652,338
Present Value of Benefits Payable to Current Retirees and Beneficiaries	426,017,615
TOTAL PENSION BENEFIT OBLIGATION	\$ 911,278,212
TOTAL ACTUARIAL VALUE OF ASSETS	\$ 721,475,280
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	79.17%

EXHIBIT IX
PLAN A: COST OF LIVING ADJUSTMENTS - TARGET RATIO

1. Actuarial Value of Assets Divided by PBO as of Fiscal 1986:.....	65.05%
2. Amortization of Unfunded Balance over 30 years:.....	30.29%

Adjustments in Funded Ratio Due to Changes in Assumption(s):

Changes for Fiscal 1988	4.97%
Changes for Fiscal 1989	(1.98%)
Changes for Fiscal 1995	(1.38%)
Changes for Fiscal 1997	(3.44%)
Changes for Fiscal 1998	(3.63%)
Changes for Fiscal 2000	(1.35%)
Changes for Fiscal 2003	0.89%
Changes for Fiscal 2005	0.02%
Changes for Fiscal 2006	2.66%
Changes for Fiscal 2009	5.73%
Changes for Fiscal 2010	(2.81%)
Changes for Fiscal 2012	(0.57%)

3. TOTAL Adjustments	(0.89%)
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Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988	(3.98%)
Changes for Fiscal 1989	1.52%
Changes for Fiscal 1995	0.78%
Changes for Fiscal 1997	1.72%
Changes for Fiscal 1998	1.69%
Changes for Fiscal 2000	0.54%
Changes for Fiscal 2003	(0.27%)
Changes for Fiscal 2005	(0.00%)
Changes for Fiscal 2006	(0.53%)
Changes for Fiscal 2009	(0.57%)
Changes for Fiscal 2010	0.19%
Changes for Fiscal 2012	0.00%

4. TOTAL Amortization of Adjustments	1.09%
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5. Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%).....	95.54%
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6. Actuarial Value of Assets Divided by PBO as of June 30, 2012	79.17%
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EXHIBIT X
PLAN A: CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2011	4,785	2,768	244	3,001	10,798
Additions to Census					
Initial membership	634	32			666
Death of another member				44	44
Omitted in error last year				1	1
Adjustment for multiple records					
Change in Status during Year					
Actives terminating service	(124)	124			
Actives who retired	(102)			102	
Actives entering DROP	(99)		99		
Term. members rehired	27	(27)			
Term. members who retire		(9)		9	
Retirees who are rehired					
Refunded who are rehired	12				12
DROP participants retiring			(47)	47	
DROP returned to work	37		(37)		
Eliminated from Census					
Refund of contributions	(394)	(74)			(468)
Deaths	(12)	(1)		(142)	(155)
Included in error last year				(17)	(17)
Suspended Benefits					
Adjustment for multiple records	(2)			(5)	(7)
Number of members as of June 30, 2012	4,762	2,813	259	3,040	10,874

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	19	0	19	21,417	406,918
21 - 25	180	65	245	22,542	5,522,877
26 - 30	227	122	349	26,659	9,303,994
31 - 35	239	132	371	28,748	10,665,476
36 - 40	270	157	427	30,340	12,955,039
41 - 45	378	201	579	33,483	19,386,495
46 - 50	478	243	721	34,670	24,997,015
51 - 55	561	292	853	35,866	30,594,001
56 - 60	512	236	748	36,612	27,385,780
61 - 65	291	138	429	38,001	16,302,366
66 - 70	134	50	184	37,722	6,940,923
71 - 75	55	12	67	30,588	2,049,387
76 - 80	13	7	20	32,291	645,820
81 - 85	5	3	8	38,282	306,259
86 - 90	0	1	1	49,200	49,200
TOTAL	3,362	1,659	5,021	33,362	167,511,550

THE ACTIVE CENSUS INCLUDES 2,066 ACTIVES WITH VESTED BENEFITS, INCLUDING 259 DROP PARTICIPANTS AND 179 ACTIVE FORMER DROP PARTICIPANTS.

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	1	2	14,751	29,501
36 - 40	5	1	6	9,421	56,523
41 - 45	9	8	17	12,000	204,000
46 - 50	24	15	39	13,740	535,854
51 - 55	27	28	55	13,718	754,469
56 - 60	33	19	52	16,088	836,598
61 - 65	3	0	3	14,094	42,281
66 - 70	2	2	4	3,376	13,503
71 - 75	2	1	3	3,157	9,470
TOTAL	106	75	181	13,714	2,482,199

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	1,849	103,856
100	- 499	337	83,271
500	- 999	120	84,143
1000	- 1999	104	147,966
2000	- 4999	88	286,144
5000	- 9999	63	445,192
10000	- 19999	54	743,294
20000	- 99999	17	544,639
TOTAL		2,632	2,438,505

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	1	2	3	26,054	78,163
46 - 50	30	8	38	21,964	834,613
51 - 55	86	54	140	23,918	3,348,495
56 - 60	150	55	205	25,721	5,272,853
61 - 65	252	110	362	21,020	7,609,198
66 - 70	306	120	426	15,936	6,788,544
71 - 75	291	112	403	15,858	6,390,630
76 - 80	222	69	291	14,089	4,099,991
81 - 85	148	52	200	12,930	2,586,004
86 - 90	64	31	95	10,801	1,026,081
91 - 99	28	15	43	9,188	395,066
TOTAL	1,578	628	2,206	17,421	38,429,638

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	2	0	2	10,668	21,335
41 - 45	4	1	5	12,002	60,009
46 - 50	9	2	11	13,568	149,243
51 - 55	18	6	24	12,429	298,300
56 - 60	40	15	55	11,462	630,392
61 - 65	27	7	34	10,890	370,245
66 - 70	19	8	27	8,748	236,204
71 - 75	14	1	15	8,751	131,264
76 - 80	4	1	5	9,054	45,270
81 - 85	1	2	3	5,073	15,220
TOTAL	138	43	181	10,815	1,957,482

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	1	3	4	5,742	22,968
26 - 30	0	1	1	9,798	9,798
31 - 35	1	0	1	6,127	6,127
36 - 40	2	2	4	6,310	25,238
41 - 45	3	3	6	5,441	32,648
46 - 50	5	22	27	7,856	212,125
51 - 55	3	27	30	9,575	287,238
56 - 60	4	41	45	8,521	383,427
61 - 65	3	42	45	9,411	423,485
66 - 70	7	73	80	9,272	741,721
71 - 75	9	117	126	9,907	1,248,306
76 - 80	2	99	101	8,433	851,695
81 - 85	0	100	100	10,270	1,027,004
86 - 90	4	50	54	7,504	405,235
91 - 99	0	29	29	5,517	160,003
TOTAL	44	609	653	8,939	5,837,018

PLAN A - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											Total			
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over				
0 - 20	16	3													19
21 - 25	118	54	28	25	12	8									245
26 - 30	94	69	44	34	39	67	2								349
31 - 35	66	57	37	28	38	92	50	3							371
36 - 40	63	58	27	26	41	96	44								427
41 - 45	67	56	35	38	33	92	81								579
46 - 50	68	61	27	46	39	127	91	102	74						721
51 - 55	75	55	48	35	37	156	95	83	104	63	12				853
56 - 60	54	32	27	48	44	115	107	115	102	76	59				748
61 - 65	12	22	14	26	28	85	55	66	109	58	31				429
66 - 70	8	11	6	9	9	37	35	22	18	17	12				184
71 & Over	8	2	2	2	3	16	17	16	9	11	10				96
Totals	649	480	295	317	323	891	602	542	477	258	187				5021

PLAN A - 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	22,227	17,094														21,417
21 - 25	21,395	22,851	22,929	23,937	24,804	28,286										22,542
26 - 30	25,053	26,216	24,931	29,458	28,322	28,253	22,013									26,659
31 - 35	24,309	28,484	26,000	26,281	27,173	31,553	33,918	36,089								28,748
36 - 40	24,746	25,164	26,944	28,429	30,149	30,979	35,911	38,089	35,345							30,340
41 - 45	24,379	27,175	29,787	28,330	27,752	31,343	33,989	41,782	44,065							33,483
46 - 50	22,709	31,576	25,879	29,363	28,004	32,023	33,925	37,137	43,952	46,820						34,670
51 - 55	24,583	28,435	27,064	26,650	35,594	30,376	33,710	38,639	43,156	49,234	52,699					35,866
56 - 60	26,878	27,474	34,849	27,352	29,509	33,596	33,044	36,578	43,499	48,714	50,927					36,612
61 - 65	40,525	34,228	29,813	31,090	33,547	36,940	32,345	37,722	44,670	42,454	49,683					38,001
66 - 70	28,431	24,499	37,830	31,051	31,375	34,187	43,400	33,404	34,996	46,551	59,587					37,722
71 & Over	19,320	28,468	19,869	23,259	23,485	36,083	37,053	20,870	31,869	35,320	46,596					31,778
Average	24,252	27,391	27,437	28,020	29,683	32,021	34,425	37,747	43,163	46,865	51,694					33,362

PLAN A - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility										Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 30												0
31 - 35												2
36 - 40									6		2	6
41 - 45							17					17
46 - 50						39						39
51 - 55							55					55
56 - 60	8	11	15	9	9							52
61 - 65	3											3
66 - 70	4											4
71 - 75	3											3
76 & Over												0
Totals	18	11	15	9	9	55	39	17	6	2	0	181

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

Attained Ages	Years Until Retirement Eligibility										Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 30												0
31 - 35												14,750
36 - 40									9,421		14,750	9,421
41 - 45							12,000					12,000
46 - 50						13,740						13,740
51 - 55							13,718					13,718
56 - 60	20,257	15,609	17,738	14,234	12,075							16,088
61 - 65	14,094											14,094
66 - 70	3,376											3,376
71 - 75	3,157											3,157
76 & Over												0
Average	12,628	15,609	17,738	14,234	12,075	13,718	13,740	12,000	9,421	14,750	0	13,714

PLAN A - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over	
0 - 50	4	10	9	6	3	7	2					41
51 - 55	18	23	9	12	24	46	8					140
56 - 60	26	19	21	19	22	85	12		1			205
61 - 65	53	62	38	30	31	93	51	2	2			362
66 - 70	33	45	32	36	26	183	56	12	3			426
71 - 75	9	16	6	13	17	130	134	51	22	3	2	403
76 - 80	4	4	5	7	1	42	80	91	36	21		291
81 - 85	3	3	3		1	14	33	59	60	21	6	200
86 - 90		1				9	4	11	33	30	7	95
91 & Over						1	2	1	5	17	17	43
Totals	147	183	123	123	125	610	382	227	162	92	32	2206

PLAN A - 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	28,322	23,608	21,166	24,969	27,144	16,035	14,713					22,263
51 - 55	34,633	28,346	25,473	24,002	21,276	20,505	12,749					23,918
56 - 60	29,249	30,820	32,704	23,354	25,332	23,623	18,584		8,000			25,721
61 - 65	19,219	19,672	20,194	23,572	17,132	23,879	21,402	20,366	6,160			21,020
66 - 70	17,304	11,267	16,275	12,102	15,900	15,397	21,246	22,703	20,226			15,936
71 - 75	13,990	16,127	17,572	16,621	11,731	14,098	15,609	19,599	22,684	15,085	8,779	15,858
76 - 80	8,214	13,430	14,231	7,024	8,199	11,929	10,727	14,756	20,528	21,136		14,089
81 - 85		10,978	15,446		11,793	12,892	11,294	11,481	13,385	16,652	18,597	12,930
86 - 90		2,485				7,002	9,800	10,054	12,173	10,666	12,731	10,801
91 & Over						4,619	12,344	6,553	11,030	8,364	9,521	9,188
Average	22,079	19,385	21,282	18,615	18,506	17,514	15,765	15,199	15,920	14,141	11,879	17,421

PLAN A - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 35													0
36 - 40			1										2
41 - 45		1			1	2	1	1					5
46 - 50	2	2			2		2	3					11
51 - 55	2	1	1	1	1	8	6	3	1				24
56 - 60	5	2	2	1	4	15	13	9	3	1			55
61 - 65		1	2	1	2	6	10	8	2	1	1		34
66 - 70						6	7	10	2	1	1		27
71 - 75					1	1	1	6	3	1	1		15
76 - 80						2		1	1				5
81 - 85								1	2				3
86 & Over								1	2				0
Totals	9	7	6	4	11	40	40	42	14	4	4		181

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY 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 - 35													0
36 - 40			12,839										10,667
41 - 45		16,643			11,503	10,156	8,496	11,550					12,002
46 - 50	13,117	17,557			21,596		10,207	8,096					13,568
51 - 55	13,774	21,282	12,106	11,268	16,379	14,655	10,478	8,953	2,753				12,429
56 - 60	12,855	12,859	10,985	17,801	13,831	13,672	9,642	10,347	6,803	1,344			11,462
61 - 65		24,542	10,267	8,338	10,420	8,938	10,279	14,329	7,028	8,115	2,767		10,890
66 - 70						6,581	7,204	10,938	11,046	11,274	3,541		8,748
71 - 75				5,808	5,321	4,877	9,580	10,757	8,702	9,154	5,876		8,751
76 - 80						6,939		4,695	16,440	10,257			9,054
81 - 85								5,992	4,614				5,073
86 & Over													0
Average	13,118	17,614	11,241	10,804	13,869	11,362	9,498	10,835	7,934	7,472	5,610		10,815

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Total			
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over				
0 - 20	1				1	1	1								4
21 - 25															0
26 - 30						1									1
31 - 35			1												1
36 - 40	1					2		1							4
41 - 45		1	1			2		1						1	6
46 - 50			1		1	10	7	3	2					2	27
51 - 55	1	3	1		2	8	5	4	4	2				1	30
56 - 60			2		1	14	11	8	6	1					45
61 - 65	2	1	1	2	1	12	12	4	8	4					45
66 - 70		2	2	4	3	18	18	19	9	7					80
71 - 75		1	1		3	23	28	30	23	9				4	126
76 - 80					1	3	19	25	25	19				8	101
81 - 85	1				1	10	3	13	33	29				11	100
86 - 90							1		12	25				14	54
91 & Over							1		7					22	29
Totals	6	9	7	11	14	104	106	108	122	104	62				653

PLAN A - AVERAGE ANNUAL BENEFITS PAYABLE TO SURVIVORS OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Average Benefit			
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over				
0 - 20	6,027				5,620	6,898	4,422								5,742
21 - 25															0
26 - 30															9,798
31 - 35			6,127			9,798									6,127
36 - 40	11,084					3,449		7,255							6,309
41 - 45		5,202	6,127			8,135	4,227							821	5,441
46 - 50			13,486			10,256	8,191	5,955	2,337						7,857
51 - 55	20,884	14,162	11,807		9,715	12,931	8,593	6,210	3,666	5,734					9,575
56 - 60			9,840		4,665	11,010	9,406	6,499	4,534	4,925					8,521
61 - 65	15,698	25,698		8,679	4,667	8,911	13,521	7,503	4,432	3,350					9,411
66 - 70		11,109		9,492	7,604	10,986	11,264	8,213	5,419	5,958					9,272
71 - 75		8,510	9,167	7,709	9,278	11,188	10,276	10,541	9,908	6,443				5,809	9,907
76 - 80				5,547	6,360	4,194	8,596	8,727	9,611	8,944				4,435	8,433
81 - 85		4,046				15,553	9,114	10,401	10,208	10,275				6,366	10,270
86 - 90	8,523						3,637	8,169	8,093	9,034				4,424	7,504
91 & Over										7,218				4,976	5,517
Average	12,986	12,018	9,485	9,562	7,832	10,866	9,995	8,943	8,467	8,450	4,881				8,939

EXHIBIT XI
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Number of Active Members	5,021	5,029	5,068	5,052
Number of Retirees and Survivors	3,040	3,001	2,907	2,861
Number Terminated Due Deferred Benefits	181	174	183	172
Number Terminated Due Refund	2,632	2,594	2,590	2,596
Active Lives Payroll	\$ 167,511,550	\$ 164,262,655	\$ 162,546,523	\$ 157,082,727
Retiree Benefits in Payment	\$ 46,224,138	\$ 44,218,709	\$ 41,527,971	\$ 39,834,118
Market Value of Assets	\$ 639,209,518	\$ 679,285,361	\$ 624,427,505	\$ 568,167,813
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	90.55%	90.58%	90.37%	89.99%
Actuarial Accrued Liability (As defined by GASB- 25)	\$ 796,813,170	\$ 799,256,347	\$ 779,800,094	\$ 745,526,637
Actuarial Value of Assets	\$ 721,475,280	\$ 723,942,801	\$ 704,735,602	\$ 670,910,030
Unfunded Actuarial Accrued Liability	\$ 75,337,890	\$ 75,313,546	\$ 75,064,492	\$ 74,616,607
Present Value of Future Employer Normal Cost	\$ 225,090,618	\$ 201,003,138	\$ 192,786,430	\$ 154,002,240
Present Value of Future Employee Contributions	\$ 95,445,659	\$ 92,535,571	\$ 92,383,724	\$ 88,362,181
Funding Deposit Account Credit Balance	\$ 7,691,723	\$ 7,121,966	\$ 6,594,413	\$ 6,105,938
Present Value of Future Benefits	\$1,109,657,724	\$1,085,673,090	\$1,058,375,835	\$ 981,785,120

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Employee Contribution Rate	9.25%	9.25%	9.25%	9.25%
Proj. Tax Contribution as % of Projected Payroll	3.13%	3.09%	3.07%	3.07%
Actuarially Req'd Net Direct Employer Cont. Rate	18.67%	17.08%	16.41%	13.78%
Actual Employer Direct Contribution Rate	17.00%	16.75%	14.25%	13.50%

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
5,030	4,965	5,109	5,289	5,325	5,533
2,794	2,721	2,588	2,512	2,448	2,372
184	209	179	186	193	192
2,561	2,553	2,148	2,263	2,266	2,185
\$ 148,644,512	\$ 141,232,448	\$ 140,773,796	\$ 140,020,164	\$ 135,925,550	\$ 135,876,426
\$ 37,650,335	\$ 34,978,923	\$ 32,315,373	\$ 30,555,460	\$ 29,043,640	\$ 27,431,127
\$ 666,534,551	\$ 667,345,480	\$ 567,015,013	\$ 521,411,279	\$ 485,539,046	\$ 444,996,698
90.08%	89.51%	88.67%	87.75%	86.90%	86.79%
\$ 745,714,562	\$ 697,658,641	\$ 637,909,978	\$ 581,801,281	\$ 535,579,287	\$ 521,766,411
\$ 671,721,084	\$ 624,442,059	\$ 565,604,518	\$ 510,523,409	\$ 465,429,341	\$ 452,830,104
\$ 73,993,478	\$ 73,216,582	\$ 72,305,460	\$ 71,277,872	\$ 70,149,946	\$ 68,936,307
\$ 102,751,307	\$ 106,821,650	\$ 138,753,419	\$ 169,264,548	\$ 161,387,026	\$ 146,656,618
\$ 84,164,497	\$ 81,084,751	\$ 82,859,110	\$ 84,762,421	\$ 85,111,124	\$ 86,226,350
N/A	N/A	N/A	N/A	N/A	N/A
\$ 932,630,366	\$ 885,565,042	\$ 859,522,507	\$ 835,828,250	\$ 782,077,437	\$ 754,649,379

Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
2.82%	2.62%	2.56%	2.34%	2.38%	2.29%
10.25%	11.17%	13.89%	16.30%	15.87%	14.61%
13.50%	13.50%	16.25%	16.00%	15.00%	11.00%

EXHIBIT XII
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1.	Present Value of Future Benefits.....	\$	231,806,899
2.	Frozen Unfunded Actuarial Accrued Liability	\$	4,049,257
3.	Actuarial Value of Assets	\$	154,451,871
4.	Present Value of Future Employee Contributions.....	\$	21,845,625
5.	Funding Deposit Account Credit Balance	\$	2,692,941
6.	Present Value of Future Employer Normal Costs (1 – 2 – 3 – 4 + 5)	\$	54,153,087
7.	Present Value of Future Salaries	\$	487,499,298
8.	Employer Normal Cost Accrual Rate (6 ÷ 7)		11.108342%
9.	Projected Fiscal 2013 Salary for Current Membership	\$	61,825,939
10.	Employer Normal Cost as of July 1, 2012 (8 x 9).....	\$	6,867,837
11.	Amortization Payment on Frozen Unfunded Accrued Liability of \$4,049,257 with Payments decreasing at 2% per year	\$	573,126
12.	TOTAL Employer Normal Cost & Amortization Payment (10 + 11)	\$	7,440,963
13.	Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment.....	\$	7,723,920
14.	Estimated Administrative Cost for Fiscal 2013.....	\$	347,523
15.	TOTAL Employer Actuarially Required Contribution for Fiscal 2013 (13 + 14).....	\$	8,071,443
16.	Projected Ad Valorem Tax Contributions for Fiscal 2013	\$	2,090,679
17.	Projected Revenue Sharing Funds for Fiscal 2013.....	\$	45,627
18.	Net Direct Employer Actuarially Required Contribution for Fiscal 2013 (15-16-17)	\$	5,935,137
19.	Projected Payroll (July 1, 2012 through June 30, 2013)	\$	68,024,505
20.	Employers' Minimum Net Direct Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2013 (18 ÷ 19).....		8.72%
21.	Actual Employer Contribution Rate for Fiscal 2013		8.00%
22.	Contribution Shortfall (Excess) as a % of Payroll (20 - 21).....		0.72%
23.	Increase (Reduction) to Following Year Payment for Contribution Shortfall (Excess).....		0.09%
21.	Minimum Recommended Net Direct Employer Contribution Rate for Fiscal 2014 (20 + 23, Rounded to nearest 0.25%)		8.75%

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	\$ 138,804,415
Survivor Benefits	3,108,054
Disability Benefits	2,178,384
Vested Deferred Termination Benefits	6,643,812
Contribution Refunds.....	5,239,638
 TOTAL Present Value of Future Benefits for Active Members	 \$ 155,974,303

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement....	\$ 2,792,557
Terminated Members with Reciprocals	
Due Benefits at Retirement	283,897
Terminated Members Due a Refund	501,857
 TOTAL Present Value of Future Benefits for Terminated Members.....	 \$ 3,578,311

Present Value of Future Benefits for Retirees:

Regular Retirees	\$ 55,100,127
Disability Retirees	5,584,203
Survivors & Widows	10,838,195
Reserve for Accrued Retiree DROP Account Balances.....	731,760
 TOTAL Present Value of Future Benefits for Retirees & Survivors.....	 \$ 72,254,285
 TOTAL Present Value of Future Benefits	 \$ 231,806,899

EXHIBIT XIV – Schedule A
PLAN B: MARKET VALUE OF ASSETS

Current Assets:

Cash	\$ 4,032,832	
Accrued Alternative Investments	1,143,472	
Accrued Interest on Investments	79,541	
Contributions Receivable from Employers	483,455	
Contributions Receivable from Members.....	283,988	
Dividends Receivable	14,414	
Other	46,168	
Due to Plan A (accrued)	(1,668)	
Due To Other Funds	(50,324)	
Investments Receivable	7,277,920	
TOTAL CURRENT ASSETS.....		\$ 13,309,798

Property, Plant & Equipment	\$ 214,519
Mitigation Bank Capitalized Project Costs	\$ 78,288
Prepaid Expense	\$ 13,437
Other Assets	\$ 52

Investments:

Co-Mingled Funds	\$ 27,002,319	
Common Stock	24,125,932	
Limited Partnerships	21,293,982	
Cash Equivalents	14,461,090	
Mitigation Credits.....	8,208,287	
Mutual Fund – Equities	8,057,494	
Mutual Fund – Fixed Income	5,964,345	
Limited Liability Companies.....	4,660,852	
Bonds	4,335,700	
Real Estate-Mitigation Banks and LLC.....	4,062,895	
Notes Receivable	3,109,063	
Line of Credit.....	2,863,877	
Convertible Notes	501,286	
TOTAL INVESTMENTS		\$ 128,647,122
TOTAL ASSETS		\$ 142,263,216

Current Liabilities:

Accounts Payable.....	\$ 320,700	
Refunds Payable	120,657	
Other Payables	117,708	
Long-Term Mitigation Liability	85,256	
Obligations under Securities Lending Program.....	34,051	
Investments Payable	11,484	

TOTAL CURRENT LIABILITIES.....	\$ 689,856
OTHER CONTROLLING INTEREST	\$ (4,408,871)

MARKET VALUE OF ASSETS.....	\$ 137,164,489
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**EXHIBIT XIV – SCHEDULE B
PLAN B - ACTUARIAL VALUE OF ASSETS**

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

Fiscal year 2012	(18,345,178)
Fiscal year 2011	\$ 3,285,686
Fiscal year 2010	3,382,611
Fiscal year 2009	(29,319,546)
Fiscal year 2008	(8,919,684)
Total for five years.....	\$ (49,916,111)

Deferral of excess (shortfall) of invested income:

Fiscal year 2012 (80%)	\$ (14,676,141)
Fiscal year 2011 (60%)	1,971,411
Fiscal year 2010 (40%)	1,353,044
Fiscal year 2009 (20%)	(5,863,909)
Fiscal year 2008 (0%)	<u>0</u>
Total deferred for year	\$ (17,215,595)

Market value of plan net assets, end of year \$ 137,164,489

Preliminary actuarial value of plan assets, end of year \$ 154,380,084

Actuarial value of assets corridor

85% of market value, end of year.....	\$ 116,589,816
115% of market value, end of year.....	\$ 157,739,162

Allocated Share of the Expense Fund \$ 71,787

Final actuarial value of plan net assets plus allocated share of the expense fund..... \$ 154,451,871

EXHIBIT XV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund.....	\$ 21,845,625
Employer Normal Contributions to the Pension Accumulation Fund	54,153,087
Employer Amortization Payments to the Pension Accumulation Fund.....	4,049,257
Funding Deposit Credit Account.....	(2,692,941)
TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	\$ 77,355,028

EXHIBIT XVI
PLAN B: CHANGE IN FROZEN UNFUNDED ACTUARIAL ACCRUED LIABILITY

Prior Year Frozen Unfunded Accrued Liability.....	\$ 4,346,525
Interest on Frozen Unfunded Accrued Liability	\$ 347,722
Employer Normal Cost for Prior Year	6,247,028
Interest on the Normal Cost	499,762
Administrative Expenses	449,040
Interest on Expenses.....	17,616
Credit to Funding Deposit Account	0
TOTAL Increases to Frozen Unfunded Accrued Liability	\$ 7,561,168
Gross Employer Contributions.....	\$ 7,356,698
Interest on Employer Contributions	288,607
Contribution Shortfall (Excess).....	205,085
Interest on Contribution Shortfall (Excess).....	8,046
TOTAL Decreases to Frozen Unfunded Accrued Liability	\$ 7,858,436
CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	\$ 4,049,257

EXHIBIT XVII
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2011).....		\$ 152,966,837
Prior Period Adjustment.....		(11)
Income:		
Member Contributions	\$ 3,132,800	
Employer Contributions.....	5,303,594	
Ad Valorem Taxes	2,007,123	
Irregular Contributions.....	266,185	
Revenue Sharing Funds	45,981	
Transfer to Plan A (accrued).....	(1,668)	
 Total Contribution Income.....		 \$ 10,754,015
Net Depreciation in Fair Value of Investments.....	\$ (9,215,182)	
Income from Alternative Investments.....	2,397,845	
Interest and Dividend Income	884,755	
Securities Lending.....	28,744	
Investment Income Allocated from Expense Fund	209	
Net appreciation attributable to non-controllable interest..	(237,628)	
Investment Expense.....	(683,002)	
Net Investment Income		\$ (6,824,259)
 TOTAL Income.....		 \$ 3,929,756
Expenses:		
Retirement Benefits.....	\$ 8,007,904	
Refunds of Contributions	908,418	
Transfer to Plan A	844,807	
DROP Disbursements	532,267	
Funds Transferred to Another System	61,798	
Allocated Share of Administrative Expenses.....	439,148	
Depreciation	9,892	
 TOTAL Expenses.....		 \$ 10,804,234
Net Market Income for Fiscal 2012 (Income - Expenses)		\$ (6,874,478)
Adjustment for Change in Allocated Expense Fund Balance		\$ (2,433)
Adjustment for Actuarial Smoothing		\$ 8,361,956
Actuarial Value of Assets (June 30, 2012).....		\$ 154,451,871

EXHIBIT XVIII
PLAN B: FUND BALANCE

Present Assets of the System Creditable to:

Annuity Savings Fund.....	\$ 22,773,659
Annuity Reserve Fund.....	71,522,525
Pension Accumulation Fund	34,294,013
Deferred Retirement Option Plan Account.....	5,881,351
Funding Deposit Account	2,692,941
NET MARKET VALUE OF ASSETS.....	\$ 137,164,489
ADJUSTMENT FOR ACTUARIAL SMOOTHING	17,215,595
ALLOCATION OF EXPENSE FUND	71,787
ACTUARIAL VALUE OF ASSETS	\$ 154,451,871

EXHIBIT XIX
PLAN B: PENSION BENEFIT OBLIGATION

Present Value of Credited Projected Benefits Payable to Current Employees	\$ 103,994,242
Present Value of Benefits Payable to Terminated Employees	3,578,311
Present Value of Benefits Payable to Current Retirees and Beneficiaries	72,254,285
TOTAL PENSION BENEFIT OBLIGATION	\$ 179,826,838
NET ACTUARIAL VALUE OF ASSETS	\$ 154,451,871
Ratio of Net Actuarial Value of Assets to Pension Benefit Obligation	85.89%

EXHIBIT XX
PLAN B: COST OF LIVING ADJUSTMENTS - TARGET RATIO

1.	Actuarial Value of Assets Divided by PBO as of Fiscal 1986:.....	63.44%
2.	Amortization of Unfunded Balance over 30 years:.....	31.69%

Adjustments in Funded Ratio Due to Changes in Assumption(s):

Changes for Fiscal 1988.....	2.40%
Changes for Fiscal 1989.....	(2.94%)
Changes for Fiscal 1995.....	(1.22%)
Changes for Fiscal 1997.....	(3.84%)
Changes for Fiscal 1998.....	(3.71%)
Changes for Fiscal 2000.....	(2.29%)
Changes for Fiscal 2001.....	1.21%
Changes for Fiscal 2003.....	0.53%
Changes for Fiscal 2005.....	(1.12%)
Changes for Fiscal 2006.....	5.18%
Changes for Fiscal 2009.....	6.13%
Changes for Fiscal 2010.....	(3.99%)
Changes for Fiscal 2012.....	(0.67%)

3.	TOTAL Adjustments.....	(4.33%)
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Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988.....	(1.92%)
Changes for Fiscal 1989.....	2.25%
Changes for Fiscal 1995.....	0.69%
Changes for Fiscal 1997.....	1.92%
Changes for Fiscal 1998.....	1.73%
Changes for Fiscal 2000.....	0.92%
Changes for Fiscal 2001.....	(0.44%)
Changes for Fiscal 2003.....	(0.16%)
Changes for Fiscal 2005.....	0.26%
Changes for Fiscal 2006.....	(1.04%)
Changes for Fiscal 2009.....	(0.61%)
Changes for Fiscal 2010.....	0.27%
Changes for Fiscal 2012.....	0.00%

4.	TOTAL Amortization of Adjustments.....	3.87%
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5.	Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%).....	94.67%
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6.	Actuarial Value of Assets Divided by PBO as of June 30, 2012.....	85.89%
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EXHIBIT XXI
PLAN B - CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2011	2,096	1,124	79	865	4,164
Additions to Census					
Initial membership	257	35			292
Death of another member				12	12
Omitted in error last year					
Adjustment for multiple records					
Change in Status during Year					
Actives terminating service	(63)	63			
Actives who retired	(23)			23	
Actives entering DROP	(41)		41		
Term. members rehired	9	(9)			
Term. members who retire		(8)		8	
Retirees who are rehired					
Refunded who are rehired	6				6
DROP participants retiring			(13)	13	
DROP returned to work	17		(17)		
Eliminated from Census					
Refund of contributions	(181)	(43)			(224)
Deaths	(12)	(1)		(40)	(53)
Included in error last year				(1)	(1)
Adjustment for multiple records				(1)	(1)
Moved to Plan A					
Number of members as of June 30, 2012	2,065	1,161	90	879	4,195

PLAN B - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	5	1	6	18,617	111,699
21 - 25	79	20	99	21,222	2,100,962
26 - 30	88	34	122	24,400	2,976,824
31 - 35	117	58	175	27,732	4,853,117
36 - 40	110	51	161	29,297	4,716,815
41 - 45	156	81	237	29,846	7,073,479
46 - 50	196	88	284	31,996	9,086,988
51 - 55	261	147	408	32,051	13,076,731
56 - 60	204	107	311	33,352	10,372,583
61 - 65	154	66	220	35,265	7,758,309
66 - 70	54	19	73	32,816	2,395,595
71 - 75	33	7	40	30,538	1,221,515
76 - 80	11	2	13	41,369	537,796
81 - 85	6	0	6	21,247	127,483
TOTAL	1,474	681	2,155	30,817	66,409,896

THE ACTIVE CENSUS INCLUDES 798 ACTIVES WITH VESTED BENEFITS, INCLUDING 90 DROP PARTICIPANTS AND 70 ACTIVE FORMER DROP PARTICIPANTS.

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	0	1	1	4,732	4,732
41 - 45	4	2	6	8,415	50,487
46 - 50	5	3	8	9,376	75,011
51 - 55	12	8	20	8,488	169,769
56 - 60	17	6	23	7,585	174,456
61 - 65	1	1	2	4,265	8,530
66 - 70	1	0	1	494	494
TOTAL	40	21	61	7,926	483,479

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	733	21,313
100	- 499	197	44,045
500	- 999	47	32,640
1000	- 1999	39	56,593
2000	- 4999	49	165,996
5000	- 9999	27	192,803
10000	- 19999	8	106,087
TOTAL		1,100	619,477

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	0	1	19,858	19,858
51 - 55	8	3	11	19,835	218,187
56 - 60	23	4	27	19,839	535,655
61 - 65	52	30	82	12,419	1,018,319
66 - 70	93	25	118	11,918	1,406,285
71 - 75	90	35	125	9,467	1,183,384
76 - 80	85	30	115	9,065	1,042,491
81 - 85	43	24	67	8,491	568,887
86 - 90	30	6	36	6,967	250,816
91 - 99	10	7	17	5,768	98,061
TOTAL	435	164	599	10,588	6,341,943

PLAN B - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	1	0	1	6,324	6,324
41 - 45	1	0	1	6,872	6,872
46 - 50	3	0	3	8,362	25,086
51 - 55	8	3	11	11,004	121,047
56 - 60	19	3	22	11,278	248,123
61 - 65	9	2	11	8,839	97,229
66 - 70	3	1	4	5,593	22,373
71 - 75	3	0	3	7,975	23,925
76 - 80	1	0	1	10,484	10,484
86 - 90	0	1	1	4,033	4,033
TOTAL	48	10	58	9,750	565,496

PLAN B - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
31 - 35	1	0	1	10,042	10,042
36 - 40	0	1	1	4,280	4,280
46 - 50	2	4	6	3,552	21,312
51 - 55	1	9	10	7,753	77,532
56 - 60	2	16	18	7,297	131,348
61 - 65	1	15	16	7,168	114,690
66 - 70	0	26	26	6,178	160,620
71 - 75	2	37	39	5,948	231,964
76 - 80	0	39	39	6,932	270,340
81 - 85	1	28	29	6,726	195,068
86 - 90	2	26	28	5,084	142,349
91 - 99	0	9	9	2,030	18,273
TOTAL	12	210	222	6,206	1,377,818

PLAN B - ACTIVE MEMBERS:

Attained Ages	Completed Years of Service											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over	
0 - 20	6											6
21 - 25	45	30	7	11	4	2						99
26 - 30	34	13	16	12	22	21	4					122
31 - 35	30	25	12	24	13	43	26	2				175
36 - 40	18	18	8	11	14	54	22	14				161
41 - 45	18	25	15	17	12	60	42	29	2			237
46 - 50	37	21	21	23	17	67	39	23	19	2		284
51 - 55	35	33	19	27	24	77	57	32	55	9	8	408
56 - 60	24	20	12	17	18	57	44	34	39	15	31	311
61 - 65	3	12	12	12	11	66	18	29	30	10	17	220
66 - 70	1	2	3	5	5	19	13	11	6	4	4	73
71 & Over		2	1	3	1	10	5	10	11	6	10	59
Totals	251	201	126	162	141	476	270	184	179	71	94	2155

PLAN B - 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	18,617											18,617
21 - 25	20,178	21,254	19,374	25,928	20,126	27,005						21,222
26 - 30	21,993	21,141	25,346	30,267	23,283	25,790						24,400
31 - 35	21,155	27,941	22,463	26,997	29,918	31,127	31,940	29,495				27,732
36 - 40	20,951	25,441	25,520	23,444	31,242	31,208	33,166	35,360				29,297
41 - 45	21,484	25,520	25,724	26,198	28,611	28,904	33,848	34,379	36,215			29,297
46 - 50	21,997	25,093	25,495	33,868	28,143	34,869	32,068	33,233	37,775	39,591		29,846
51 - 55	22,885	24,943	24,084	27,167	24,894	34,665	31,979	33,128	44,976	47,898	39,557	31,996
56 - 60	23,897	25,402	29,293	22,415	29,241	31,061	33,569	32,340	36,953	40,506	44,454	32,051
61 - 65	20,247	23,578	34,692	25,562	31,893	34,221	36,915	36,256	42,004	38,874	47,219	33,352
66 - 70	18,493	34,470	47,139	22,773	25,914	36,773	34,448	31,956	25,757	27,289	40,400	32,816
71 & Over		26,621	16,416	19,373	33,743	36,102	35,202	20,258	37,308	22,159	44,234	31,980
Average	21,648	24,727	26,344	26,898	27,509	32,453	33,156	33,047	38,922	38,923	45,101	30,817

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Attained Ages	Years Until Retirement Eligibility										Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 35												0
36 - 40									1			1
41 - 45								6				6
46 - 50							8					8
51 - 55						20						20
56 - 60	4	1	8	7	3							23
61 - 65	2											2
66 - 70	1											1
71 & Over												0
Totals	7	1	8	7	3	20	8	6	1	0	0	61

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

Attained Ages	Years Until Retirement Eligibility										Average Benefit	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29		30&Over
0 - 35												0
36 - 40									4,732			4,732
41 - 45								8,415				8,415
46 - 50							9,376					9,376
51 - 55						8,488						8,488
56 - 60	6,875	9,202	10,190	4,408	8,459							7,585
61 - 65	4,265											4,265
66 - 70	494											494
71 & Over												0
Average	5,218	9,202	10,190	4,408	8,459	8,488	9,376	8,415	4,732	0	0	7,926

PLAN B - SERVICE RETIREES:

Attained Ages	Completed Years Since Retirement											Total			
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over				
0 - 50	1														1
51 - 55	2	6	1	1		1									11
56 - 60	7	8	3	1	1	6	1								27
61 - 65	15	18	8	18	8	10	5								82
66 - 70	8	15	7	19	10	50	7	2							118
71 - 75	3	4	6	7	7	53	39	9	1						125
76 - 80		3	3	3	3	17	52	32	3	1					115
81 - 85		1	1	2		4	7	30	18	2	1				67
86 - 90	1				1	3	2	2	15	14	1				36
91 & Over						1		2		9	5				17
Totals	37	55	27	47	30	145	111	77	37	26	7				599

PLAN B - 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	19,858														19,858
51 - 55	24,591	21,325	18,036	13,978		9,042									19,835
56 - 60	19,715	18,763	22,541	20,695	28,820	18,526	19,256								19,839
61 - 65	11,226	14,292	11,449	8,890	7,524	20,925	14,322								12,419
66 - 70	12,113	11,396	10,388	12,901	11,388	11,451	16,646	8,821							11,918
71 - 75	6,720	4,886	11,133	10,020	6,814	10,005	8,494	15,240	457						9,467
76 - 80		12,176	13,156	4,222	5,965	11,429	8,805	8,128	12,034	13,908					9,065
81 - 85		5,824	3,167	3,071	6,812	7,090	7,937	9,810	7,305	15,156	6,941				8,491
86 - 90	5,364					3,975		6,407	8,330	5,622	17,048				6,967
91 & Over						3,699		10,318		6,764	2,570				5,768
Average	13,456	13,966	12,337	10,398	9,177	11,521	9,478	9,645	7,919	7,070	5,263				10,588

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over	
0 - 35												0
36 - 40		1										1
41 - 45						1						1
46 - 50	1					2						3
51 - 55		1				4		1	1			11
56 - 60	4	4	1	2	2	5	4	1	1			22
61 - 65			1	4	3	1	3	1	2			11
66 - 70					3	1	1	1			1	4
71 - 75						1		1	1			3
76 - 80								1	1			1
81 - 85												0
86 - 90										1		1
91 & Over												0
Totals	5	6	2	6	5	14	9	3	5	2	1	58

PLAN B - AVERAGE ANNUAL BENEFITS PAYABLE TO DISABILITY 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 - 35												0
36 - 40		6,324										6,324
41 - 45												6,872
46 - 50	6,138					6,872						8,362
51 - 55		10,680		20,917	11,008	9,474		4,766	5,071			11,004
56 - 60	11,055	16,737	11,631	12,067	13,382	11,025	5,483	5,784	8,407			11,278
61 - 65			9,564			6,074	6,282	4,056				8,839
66 - 70						5,132	7,002			6,183		5,593
71 - 75							10,507		9,802	3,616		7,975
76 - 80									10,484			10,484
81 - 85										4,033		0
86 - 90												0
91 & Over												0
Average	10,071	13,992	10,598	15,017	12,433	9,202	6,476	4,869	8,434	3,825	6,183	9,750

PLAN B - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											Total	
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30&Over		
0 - 30													0
31 - 35	1												1
36 - 40								1					1
41 - 45													0
46 - 50													6
51 - 55	2		1			2	1	1	2				10
56 - 60		1			1	2	2	4	1				18
61 - 65	1				1	3	4	1	2				16
66 - 70	1					11	8	5	1				26
71 - 75						7	15	10	7				39
76 - 80			1			7	7	5	10				39
81 - 85		1				1	4	4	13				29
86 - 90						2	1	1	7				28
91 & Over							1	1					9
Totals	5	2	2	5	3	39	47	33	43	24	19		222

PLAN B - 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 - 30													0
31 - 35	10,042												10,042
36 - 40								4,280					4,280
41 - 45													0
46 - 50													3,552
51 - 55	7,209		1,520			7,555	2,242	1,677	1,142				7,753
56 - 60		22,180			3,823	9,839	6,488	17,595	6,888		5,159		7,297
61 - 65	18,149				8,078	3,785	10,309	5,024	5,544		3,933		7,168
66 - 70	8,962					5,440	7,296	5,851	4,196				6,178
71 - 75						7,594	5,357	4,659	7,409				5,948
76 - 80			1,176			5,828	6,713	6,223	8,284				6,932
81 - 85		4,586				507	6,230	7,530	7,372				6,726
86 - 90						12,358	2,415	2,725	5,363				5,084
91 & Over							2,131		2,086				2,030
Average	10,314	13,383	1,348	6,518	7,860	6,796	6,321	5,580	6,803	5,542	3,620		6,206

EXHIBIT XXII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Number of Active Members	2,155	2,175	2,197	2,269
Number of Retirees and Survivors	879	865	836	833
Number Terminated Due Deferred Benefits	61	62	72	67
Number Terminated Due Refund	1,100	1,062	1,062	1,022
Active Lives Payroll	\$ 66,409,896	\$ 65,427,477	\$ 65,241,810	\$ 64,816,945
Retiree Benefits in Payment	\$ 8,285,257	\$ 7,953,795	\$ 7,339,269	\$ 7,149,177
Market Value of Assets	\$ 137,164,489	\$ 144,028,034	\$ 130,596,777	\$ 117,258,410
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	97.45%	97.24%	96.94%	96.57%
Actuarial Accrued Liability (As defined by GASB- 25)	\$ 158,501,128	\$ 157,313,362	\$ 151,680,103	\$ 143,353,668
Actuarial Value of Assets	\$ 154,451,871	\$ 152,966,837	\$ 147,046,143	\$ 138,441,127
Unfunded Actuarial Accrued Liability	\$ 4,049,257	\$ 4,346,525	\$ 4,633,960	\$ 4,912,541
Present Value of Future Employer Normal Cost	\$ 54,153,087	\$ 49,451,626	\$ 48,645,557	\$ 38,895,181
Present Value of Future Employee Contributions	\$ 21,845,625	\$ 21,582,459	\$ 21,546,957	\$ 21,769,886
Funding Deposit Account Credit Balance	\$ 2,692,941	\$ 2,493,464	\$ 2,308,763	\$ 1,806,555
Present Value of Future Benefits	\$ 231,806,899	\$ 225,853,983	\$ 219,563,854	\$ 202,212,180

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Proj. Tax Contribution as % of Projected Payroll	3.14%	3.10%	3.07%	3.06%
Actuarially Req'd Net Direct Employer Cont. Rate	8.72%	7.89%	7.78%	5.95%
Actual Employer Direct Contribution Rate	8.00%	8.00%	6.75%	6.75%

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
2,191	2,153	2,060	2,038	2,052	2,064
793	794	763	745	734	720
68	74	77	79	74	63
998	928	777	806	820	790
\$ 59,233,705	\$ 54,572,935	\$ 51,055,201	\$ 48,690,316	\$ 47,676,817	\$ 45,260,679
\$ 6,625,934	\$ 6,328,157	\$ 5,872,330	\$ 5,649,984	\$ 5,476,263	\$ 5,216,962
\$ 134,832,148	\$ 132,326,073	\$ 111,581,452	\$ 101,109,899	\$ 92,904,743	\$ 83,836,074
96.33%	95.81%	95.13%	94.18%	93.51%	93.04%
\$ 141,390,296	\$ 129,930,047	\$ 117,108,583	\$ 102,373,290	\$ 95,618,087	\$ 92,615,633
\$ 136,207,119	\$ 124,483,332	\$ 111,404,638	\$ 96,417,685	\$ 89,415,704	\$ 86,170,714
\$ 5,183,177	\$ 5,446,715	\$ 5,703,945	\$ 5,955,605	\$ 6,202,383	\$ 6,444,919
\$ 26,827,388	\$ 26,365,299	\$ 32,959,966	\$ 41,742,178	\$ 42,458,765	\$ 36,670,550
\$ 19,992,613	\$ 18,627,179	\$ 17,883,419	\$ 17,253,376	\$ 18,040,618	\$ 17,184,709
N/A	N/A	N/A	N/A	N/A	N/A
\$ 188,210,297	\$ 174,922,525	\$ 167,951,968	\$ 161,368,844	\$ 156,117,470	\$ 146,470,892

Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2.82%	2.60%	2.54%	2.36%	2.37%	2.28%
4.50%	5.06%	7.08%	9.86%	9.72%	9.22%
6.75%	6.75%	9.75%	9.75%	9.50%	7.75%

SUMMARY OF PRINCIPAL PLAN PROVISIONS

All members of the Municipal Employees' Retirement System are participants in either Plan A or B according to the provisions of the agreement entered into by their employer. All employees of a participating employer must participate in the same plan. The principal provisions of each plan are given below. The following summary of plan provisions as of June 30, 2012, is for general informational purposes only and does not constitute a guarantee of benefits.

MEMBERSHIP - All persons who are actively employed by a participating employer on a permanent, regularly scheduled basis of at least an average of thirty-five hours per week are members of this system. Excluded from membership are members of city councils, alderman, town councilmen, and constables; the exclusion does not apply to persons serving in excluded positions on January 1, 1997.

PLAN A PROVISIONS:

CONTRIBUTION RATES - Employee contributions in Plan A are 9.25% of the member's earnings. Effective July 1, 2012, the Board of Trustees may set this rate not less than 9.25% nor more than 10.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire regardless of age. The monthly retirement allowance is equal to three percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service. However, the accrued retirement benefits for those employees who were members of only the supplemental plan prior to October 1, 1978, are based on one percent of final compensation plus two dollars per month for each year of service credited prior to October 1, 1978. The retirement allowance may not exceed the greater of final annual salary or one hundred percent of the member's final average compensation. Members with twenty years of service credit, not otherwise eligible for normal retirement, are eligible for a modified actuarially reduced early retirement.

DISABILITY BENEFITS - Five years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement, he receives a disability benefit equal to the lesser of:

- 1) Forty-five percent of his final average compensation or three percent of his final average compensation multiplied by his years of creditable service, whichever is greater; or
- 2) Three percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - Five years of creditable service are required in order to be eligible for survivor benefits. If the member is eligible for normal retirement at the time of death, the surviving spouse receives an automatic option two benefit. If the member is not eligible for a normal retirement, the surviving spouse with minor children receives sixty percent of final compensation payable until no child in her care satisfies the definition of minor child. The surviving spouse with no minor children receives forty percent of final compensation payable upon attainment of age sixty by the spouse, or the actuarial equivalent of this amount payable immediately (such equivalent not to be less than 20% of final compensation). Minor children with no surviving unmarried parent receive thirty percent of final compensation each not to exceed a total of sixty percent of final compensation. Survivor benefits are also payable to the surviving spouse's of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

TIER 2 PROVISIONS: Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 will become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 65 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 3% accrual rate. Employee contributions are set by the Board of Trustees within a range of 8% to 10%.

PLAN B PROVISIONS:

CONTRIBUTION RATES - Employee contributions in Plan B are 5.00% of the member's earnings. Effective July 1, 2012, the Board of Trustees may set this rate not less than 5.00% nor more than 6.00%. In addition, each sheriff and ex officio tax collector deducts one-fourth of one percent of the aggregate amount of the tax shown to be collected by the tax roll of each respective parish, excepting Orleans Parish, and remits the money to the system on an annual basis. Taxes are apportioned between Plan A and Plan B in proportion to salaries of plan participants. Taxes received from East Baton Rouge Parish are apportioned between the Municipal Employees' Retirement System and the Employees' Retirement System of the City of Baton Rouge. The system also receives revenue sharing funds each year as appropriated by the legislature. The remaining employer contributions are determined according to actuarial requirements and are set annually.

RETIREMENT BENEFITS - Members with ten years of creditable service may retire at age sixty; members with thirty years of service may retire at any age. The monthly retirement allowance is

equal to two percent of the member's final compensation multiplied by his years of creditable service; elected officials receive an additional one-half percent of final compensation for each year of such elected service.

DISABILITY BENEFITS - Ten years of creditable service are required in order to be eligible for disability benefits. Twenty years of creditable service are required in order for a member to have a vested disability benefit. A disabled member receives a normal retirement allowance if eligible under regular retirement provisions; if he is not eligible for a normal retirement allowance, he receives a disability benefit equal to the lesser of:

- 1) Thirty percent of his final average compensation or two percent of his final average compensation multiplied by his years of creditable service, whichever is greater; and
- 2) Two percent of his final average compensation multiplied by his years of creditable service projected to his earliest normal retirement age.

SURVIVOR BENEFITS - The surviving spouse of a member who was eligible for normal retirement at the time of death receives an automatic option two benefit. The surviving spouse of a member with five or more years of creditable service and not eligible for normal retirement at the time of death receives either 30% of the member's final compensation payable to the spouse when they attain age 60 or an actuarial equivalent of 30% of the deceased member's final compensation, but not less than 15% of such final compensation. Survivor benefits are also payable to the surviving spouse's of former members who have not withdrawn their accumulated contributions and who have at least twenty years of creditable service. The benefits payable are the actuarial equivalent of the Option 2 benefits that would have become payable to the surviving spouse at the time the former member would have begun receiving deferred normal retirement benefits, had the member survived until that date, elected Option 2, and died at that time.

TIER 2 PROVISIONS: Employees whose first employment making them eligible for membership occurs on or after January 1, 2013 will become members of Tier 2. Normal retirement eligibility in Tier 2 is at age 65 with seven years of service credit, at age 62 with ten years of service credit, or age 55 with thirty years of service credit. Members are eligible for an actuarially reduced early retirement at twenty-five years of service credit. Retirement benefits are based on a 2% accrual rate. Employee contributions are set by the Board of Trustees within a range of 4% to 6%.

PROVISIONS APPLICABLE TO BOTH PLAN A AND B:

FINAL AVERAGE COMPENSATION – For a member whose first employment making him eligible for membership in the system began on or before June 30, 2006, final average compensation is based on the average monthly earnings during the highest thirty-six consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve month period within the thirty-six month period may not exceed 115% of the preceding twelve month period. Effective January 1, 2013, final average compensation for members of the system is redefined to be thirty-six months plus the number of whole months since January 1, 2013 not to exceed sixty months. However, the actual monthly final average compensation used to determine the member's benefit cannot be less than the thirty-six month final average compensation as of January 1, 2013.

For a member whose first employment making him eligible for membership in the system began after June 30, 2006, final average compensation is based on the average monthly earnings during the highest sixty consecutive months or joined months if service was interrupted. The earnings to be considered for each twelve month period within the sixty month period may not exceed 115% of the preceding twelve month period.

UNUSED SICK & ANNUAL LEAVE – All unused sick and annual leave is credited at the time of retirement to the member if the employer so elects for his employees. The actuarial cost of providing this conversion is borne solely by the employer and must be paid to the board within thirty days of the member's retirement date.

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

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

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

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

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

DEFERRED RETIREMENT OPTION PLAN - In lieu of terminating employment and accepting a service retirement allowance, any member of Plan A or B who is eligible for a 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, membership in the system terminates. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. After a member terminates his participation in DROP his account will earn interest at the actual rate of return earned on the funds left on deposit as certified by the custodian of the system's assets. This interest will be credited to the individual member's account balance on a daily basis beginning July 1, 2006. 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 prior to, or at the end of, the specified period of participation, a participant in the plan may receive, at his option, a lump sum payment from the account equal to

the payments into the account, a true annuity based upon his account balance in that fund, or any other method of payment if approved by the board of trustees. The monthly benefits that were being paid into the DROP account will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund shall be paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the system. For any member hired prior to July 1, 2006, additional accrued benefits are based on final average compensation used to calculate the member's original benefit unless the additional period of service is at least thirty-six months. For any member hired on or after July 1, 2006, whose period of additional service after their DROP participation period ends is less than sixty months, the final compensation figure used to calculate the additional benefit will be that used to calculate the original benefit. If their period of additional service is sixty months or more, the final compensation figure used to calculate the additional benefit will be based on their compensation during the period of additional service.

COST OF LIVING INCREASES - The board of trustees is authorized to grant retired members, and widows of members, who have been retired for at least one full year an annual cost of living increase of two percent of their original benefit and all retired members and widows who are sixty-five years of age and older a two percent increase in their original benefit (or their benefit as of October 1, 1977, if they retired prior to that time). In order for the board to grant either of these increases the system must meet certain criteria detailed in the statute related to funding status and interest earnings on investments. In lieu of other cost of living increases the board may grant an increase to retirees in the form " $X \times (A \& B)$ " where "A" is equal to the number of years of credited service accrued as retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00.

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 effect of emerging experience on the fund is illustrated by the following chart.

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 Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the projected unit credit cost method.

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

VALUATION INTEREST RATE: 7.75% (Net of Investment Expense)

ANNUAL SALARY INCREASE RATE: 5.75% (3.00% Inflation / 2.75% Merit)

ACTIVE MEMBER MORTALITY: RP 2000 Employee Table for males and females

ANNUITANT, AND BENEFICIARY MORTALITY: RP 2000 Healthy Annuitant Table for 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.

RATES OF RETIREMENT:

The table of these rates is included later in the report. These rates apply only to those individuals eligible to retire. Members are assumed to retire no earlier than normal retirement age. In the first year of eligibility the tabular rates are multiplied by 1.5.

RETIREMENT LIMITATIONS:

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

DROP ENTRY RATES:

The table of these rates is included later in the report. These rates apply only to those individuals eligible to participate in DROP. In the first year of eligibility the tabular rates are multiplied by 1.5.

DROP PARTICIPATION PERIOD:

DROP participants are assumed to participate for 3 years. At the end of the DROP participation period, one half of participants are assumed to retire; the other half are assumed to work one additional year.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS:

Retirement rates for active former DROP participants are as follows:

Ages	Retirement Rates
Below 89	0.19
90	1.00

RATES OF WITHDRAWAL:

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

<u>Service</u>	<u>Plan A</u>	<u>Plan B</u>
0	0.24	0.26
1	0.19	0.20
2	0.16	0.15
3	0.12	0.15
4	0.10	0.10
5	0.08	0.10
6	0.08	0.09
7	0.08	0.09
8	0.06	0.06

9	0.06	0.05
10	0.06	0.05
11	0.05	0.05
12	0.05	0.05
13	0.05	0.05
14	0.03	0.05
15	0.03	0.05
16	0.03	0.03
17	0.01	0.03
18	0.01	0.03
19	0.01	0.03
20	0.01	0.02
over 20	0.01	0.02

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

RATES OF DISABILITY: 20% of the disability rates used for the 21st valuation of the Railroad Retirement System for individuals with 10 – 19 years of service.

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

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

Member's <u>Age</u>	% With <u>Children</u>	Number of <u>Children</u>	Avg. <u>Age</u>
25	62%	1.7	6
35	82%	2.1	10
45	66%	1.8	13
55	19%	1.4	15
65	2%	1.4	15

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

VESTING ELECTING PERCENTAGE: 30% of those members under age 40 who are terminated vested elect deferred benefits in lieu of contribution refunds. 45% of those who are between the ages of 40 - 49 who are terminated vested elect deferred benefits in lieu of contribution refunds. 60% of those who are at least age 50 who are terminated vested elect deferred benefits in lieu of contribution refunds.

PLAN A ACTUARIAL TABLES AND RATES

Age	Retired Male Mortality	Retired Female Mortality	Active Male Mortality	Active Female Mortality	Retirement Rates	DROP Entry Rates	Disability Rates	Remarriage Rates
18	0.00032	0.00019	0.00032	0.00019	0.00000	0.00000	0.00030	0.05665
19	0.00033	0.00019	0.00033	0.00019	0.00000	0.00000	0.00030	0.05665
20	0.00035	0.00019	0.00035	0.00019	0.00000	0.00000	0.00030	0.05665
21	0.00036	0.00019	0.00036	0.00019	0.00000	0.00000	0.00030	0.05213
22	0.00037	0.00019	0.00037	0.00019	0.00000	0.00000	0.00030	0.04834
23	0.00037	0.00020	0.00037	0.00020	0.00000	0.00000	0.00030	0.04522
24	0.00038	0.00020	0.00038	0.00020	0.00000	0.00000	0.00030	0.04270
25	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.04070
26	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.03915
27	0.00038	0.00022	0.00038	0.00022	0.00000	0.00000	0.00030	0.03799
28	0.00039	0.00024	0.00039	0.00024	0.00000	0.00000	0.00030	0.03714
29	0.00041	0.00025	0.00041	0.00025	0.00000	0.00000	0.00030	0.03654
30	0.00044	0.00026	0.00044	0.00026	0.00000	0.00000	0.00030	0.03611
31	0.00050	0.00031	0.00050	0.00031	0.00000	0.00000	0.00030	0.03578
32	0.00056	0.00035	0.00056	0.00035	0.00000	0.00000	0.00030	0.03549
33	0.00063	0.00039	0.00063	0.00039	0.00000	0.00000	0.00030	0.03515
34	0.00070	0.00044	0.00070	0.00044	0.00000	0.00000	0.00030	0.03471
35	0.00077	0.00047	0.00077	0.00047	0.00000	0.00000	0.00034	0.03409
36	0.00084	0.00051	0.00084	0.00051	0.00000	0.00000	0.00038	0.03286
37	0.00090	0.00055	0.00090	0.00055	0.00000	0.00000	0.00042	0.03139
38	0.00096	0.00060	0.00096	0.00060	0.00000	0.00000	0.00048	0.02973
39	0.00102	0.00065	0.00102	0.00065	0.00000	0.00000	0.00054	0.02787
40	0.00108	0.00071	0.00108	0.00071	0.00000	0.00000	0.00062	0.02585
41	0.00114	0.00077	0.00114	0.00077	0.06000	0.27000	0.00070	0.02352
42	0.00122	0.00085	0.00122	0.00085	0.06000	0.27000	0.00078	0.02111
43	0.00130	0.00094	0.00130	0.00094	0.06000	0.27000	0.00088	0.01868
44	0.00140	0.00103	0.00140	0.00103	0.06000	0.27000	0.00100	0.01629
45	0.00151	0.00112	0.00151	0.00112	0.06000	0.27000	0.00114	0.01400
46	0.00162	0.00122	0.00162	0.00122	0.06000	0.27000	0.00130	0.01208
47	0.00173	0.00133	0.00173	0.00133	0.06000	0.27000	0.00146	0.01034
48	0.00186	0.00143	0.00186	0.00143	0.06000	0.27000	0.00166	0.00879
49	0.00200	0.00155	0.00200	0.00155	0.06000	0.27000	0.00188	0.00744
50	0.00535	0.00234	0.00214	0.00168	0.06000	0.27000	0.00214	0.00629
51	0.00553	0.00246	0.00229	0.00181	0.06000	0.27000	0.00244	0.00551
52	0.00564	0.00265	0.00245	0.00197	0.06000	0.27000	0.00276	0.00493
53	0.00572	0.00290	0.00262	0.00213	0.06000	0.27000	0.00314	0.00451
54	0.00580	0.00319	0.00281	0.00232	0.06000	0.27000	0.00356	0.00423
55	0.00590	0.00353	0.00303	0.00253	0.06000	0.27000	0.00404	0.00406
56	0.00612	0.00393	0.00331	0.00276	0.06000	0.27000	0.00460	0.00000
57	0.00644	0.00438	0.00363	0.00301	0.06000	0.27000	0.00522	0.00000
58	0.00690	0.00492	0.00400	0.00329	0.06000	0.27000	0.00592	0.00000
59	0.00749	0.00553	0.00441	0.00360	0.06000	0.27000	0.00674	0.00000
60	0.00820	0.00620	0.00488	0.00393	0.14000	0.27000	0.00976	0.00000
61	0.00900	0.00692	0.00538	0.00429	0.14000	0.12000	0.01060	0.00000
62	0.00991	0.00769	0.00592	0.00466	0.14000	0.12000	0.01156	0.00000
63	0.01095	0.00851	0.00647	0.00504	0.14000	0.12000	0.01110	0.00000
64	0.01212	0.00939	0.00703	0.00543	0.14000	0.12000	0.00702	0.00000
65	0.01342	0.01036	0.00757	0.00582	0.14000	0.12000	0.00126	0.00000

PLAN B ACTUARIAL TABLES AND RATES

Age	Retired Male Mortality	Retired Female Mortality	Active Male Mortality	Active Female Mortality	Retirement Rates	DROP Entry Rates	Disability Rates	Remarriage Rates
18	0.00032	0.00019	0.00032	0.00019	0.00000	0.00000	0.00030	0.05665
19	0.00033	0.00019	0.00033	0.00019	0.00000	0.00000	0.00030	0.05665
20	0.00035	0.00019	0.00035	0.00019	0.00000	0.00000	0.00030	0.05665
21	0.00036	0.00019	0.00036	0.00019	0.00000	0.00000	0.00030	0.05213
22	0.00037	0.00019	0.00037	0.00019	0.00000	0.00000	0.00030	0.04834
23	0.00037	0.00020	0.00037	0.00020	0.00000	0.00000	0.00030	0.04522
24	0.00038	0.00020	0.00038	0.00020	0.00000	0.00000	0.00030	0.04270
25	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.04070
26	0.00038	0.00021	0.00038	0.00021	0.00000	0.00000	0.00030	0.03915
27	0.00038	0.00022	0.00038	0.00022	0.00000	0.00000	0.00030	0.03799
28	0.00039	0.00024	0.00039	0.00024	0.00000	0.00000	0.00030	0.03714
29	0.00041	0.00025	0.00041	0.00025	0.00000	0.00000	0.00030	0.03654
30	0.00044	0.00026	0.00044	0.00026	0.00000	0.00000	0.00030	0.03611
31	0.00050	0.00031	0.00050	0.00031	0.00000	0.00000	0.00030	0.03578
32	0.00056	0.00035	0.00056	0.00035	0.00000	0.00000	0.00030	0.03549
33	0.00063	0.00039	0.00063	0.00039	0.00000	0.00000	0.00030	0.03515
34	0.00070	0.00044	0.00070	0.00044	0.00000	0.00000	0.00030	0.03471
35	0.00077	0.00047	0.00077	0.00047	0.00000	0.00000	0.00034	0.03409
36	0.00084	0.00051	0.00084	0.00051	0.00000	0.00000	0.00038	0.03286
37	0.00090	0.00055	0.00090	0.00055	0.00000	0.00000	0.00042	0.03139
38	0.00096	0.00060	0.00096	0.00060	0.00000	0.00000	0.00048	0.02973
39	0.00102	0.00065	0.00102	0.00065	0.00000	0.00000	0.00054	0.02787
40	0.00108	0.00071	0.00108	0.00071	0.00000	0.00000	0.00062	0.02585
41	0.00114	0.00077	0.00114	0.00077	0.00000	0.00000	0.00070	0.02352
42	0.00122	0.00085	0.00122	0.00085	0.00000	0.00000	0.00078	0.02111
43	0.00130	0.00094	0.00130	0.00094	0.00000	0.00000	0.00088	0.01868
44	0.00140	0.00103	0.00140	0.00103	0.00000	0.00000	0.00100	0.01629
45	0.00151	0.00112	0.00151	0.00112	0.00000	0.00000	0.00114	0.01400
46	0.00162	0.00122	0.00162	0.00122	0.06000	0.24000	0.00130	0.01208
47	0.00173	0.00133	0.00173	0.00133	0.06000	0.24000	0.00146	0.01034
48	0.00186	0.00143	0.00186	0.00143	0.06000	0.24000	0.00166	0.00879
49	0.00200	0.00155	0.00200	0.00155	0.06000	0.24000	0.00188	0.00744
50	0.00535	0.00234	0.00214	0.00168	0.06000	0.24000	0.00214	0.00629
51	0.00553	0.00246	0.00229	0.00181	0.06000	0.24000	0.00244	0.00551
52	0.00564	0.00265	0.00245	0.00197	0.06000	0.24000	0.00276	0.00493
53	0.00572	0.00290	0.00262	0.00213	0.06000	0.24000	0.00314	0.00451
54	0.00580	0.00319	0.00281	0.00232	0.06000	0.24000	0.00356	0.00423
55	0.00590	0.00353	0.00303	0.00253	0.36000	0.38000	0.00404	0.00406
56	0.00612	0.00393	0.00331	0.00276	0.22000	0.38000	0.00460	0.00000
57	0.00644	0.00438	0.00363	0.00301	0.22000	0.38000	0.00522	0.00000
58	0.00690	0.00492	0.00400	0.00329	0.22000	0.38000	0.00592	0.00000
59	0.00749	0.00553	0.00441	0.00360	0.22000	0.16000	0.00674	0.00000
60	0.00820	0.00620	0.00488	0.00393	0.12000	0.16000	0.00976	0.00000
61	0.00900	0.00692	0.00538	0.00429	0.12000	0.16000	0.01060	0.00000
62	0.00991	0.00769	0.00592	0.00466	0.12000	0.16000	0.01156	0.00000
63	0.01095	0.00851	0.00647	0.00504	0.12000	0.16000	0.01110	0.00000
64	0.01212	0.00939	0.00703	0.00543	0.12000	0.16000	0.00702	0.00000
65	0.01342	0.01036	0.00757	0.00582	0.12000	0.12000	0.00126	0.00000

PRIOR YEAR ACTUARIAL ASSUMPTIONS

VALUATION INTEREST RATE:	8.00% (Net of Investment Expense)
ANNUAL SALARY INCREASE RATE:	6.00% (3.25% Inflation / 2.75% Merit)
DROP PARTICIPATION PERIOD:	DROP participants are assumed to participate for 3 years and retire at the end of the participation period.

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.