

December 5, 2007

The Fund Manager
Arizona Elected Officials' Retirement Plan
Phoenix, Arizona

Re: Arizona Elected Officials' Retirement Plan

This report contains the consolidated results of the June 30, 2007 actuarial valuation of the Arizona Elected Officials' Retirement Plan. The valuation determines the 2008/2009 Fiscal Year employer contribution requirements and the June 30, 2007 actuarial present values associated with the Plan.

Participant data was provided by your Administrator. This data has been reviewed for reasonableness, but no attempt has been made to audit such information. Financial information was taken from the June 30, 2007 information submitted by your Administrator.

The valuation was made in accordance with generally accepted actuarial principles and practices. The valuations were based on the provisions of the Arizona Elected Officials' Retirement Plan as amended through June 30, 2007. The actuarial assumptions used in the valuation produce results that we believe are reasonable.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sandra W. Rodwan".

Sandra W. Rodwan
Member, American Academy of Actuaries

***Arizona Elected Officials'
Retirement Plan***

Actuarial Valuation as of June 30, 2007

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Section One:
Valuation Summary



Purpose of Valuation

The purpose of the annual actuarial valuation of the Arizona Elected Officials' Retirement Plan as of June 30, 2007 is to:

- ❖ Compute the liabilities associated with benefits likely to be paid on behalf of current retired and active members. This information is contained on page 9.
- ❖ Compare accrued assets with accrued liabilities to assess the funded condition. This information is contained on pages 6 and 7.
- ❖ Compute the employers' recommended contribution rate for the Fiscal Year beginning July 1, 2008. This information is contained on page 4.

This objective is stated in Article 4, Chapter 5, Title 38, Sections 843B and 848N of the Arizona Revised Statutes.

Liabilities and Funded Condition of Retirement Plan

Accrued liabilities of the Retirement Plan as of June 30, 2007, were computed to be \$451,299,201. The funding value of accrued assets was \$336,716,618. The ratio of the funding value of accrued assets to accrued liabilities was 74.6%.

Funding Value of Assets

A smoothed market value of assets was used for the June 30, 2007 valuation. This method spreads the difference between actual and expected investment return over seven years. Prior to the June 30, 2003 valuation, the difference was spread over four years.

Computed Contribution Rate

The normal cost contribution rate was computed to be 25.46% of member payroll. Deducting member contributions of 7.00% of payroll resulted in an aggregate employer normal cost of 18.46% of payroll.

The excess of accrued liabilities over accrued assets produced a 29-year level percent of payroll amortization payment of 9.54% of payroll. The aggregate net employer contribution for FY 2008/2009 was therefore computed to be 28.00% of payroll.

Retirement Plan Experience

Experience of the Retirement Plan during the year ended June 30, 2007 was less favorable than assumed. The primary source of unfavorable experience was the recognized rate of investment return (based on the smoothed market value of assets) which was less than assumed and salary increases which were greater than assumed.

Benefit Provision Changes

There were no legislated benefit provision changes in this valuation. This valuation assumes pensions are based on a 1 year average yearly salary for future retirements of members hired before July 17, 1994, rather than a 3 year average, pursuant to a court decision.

Assumption and Method Changes

Rates of mortality, retirement, withdrawal and disability were adjusted pursuant to the Experience Study of the 5 year period ending June 30, 2006 and the actuarial audit of the Experience Study. The valuation also includes technical changes in methodology recommended in the actuarial audit of the June 30, 2006 actuarial valuation.

Participant Data

	<u>6/30/2007</u>	<u>6/30/2006</u>
Active Members	813	800
Active Member Payroll	\$61,307,852	\$54,696,109
Retirees and Beneficiaries	826	797
Annual Pensions	\$30,380,250	\$28,044,340

Financial Data

	<u>6/30/2007</u>	<u>6/30/2006</u>
Smoothed Valuation Assets	\$367,544,499*	\$368,223,993*
Market Value of Assets	\$369,840,645	\$327,151,921

**The net smoothed value of assets used for the valuation after deducting the Future Benefit Increase Reserve was \$336,716,618 in 2007 and \$351,700,873 in 2006.*

Comments, Recommendations and Conclusion

Comment 1: The experience of the Retirement Plan during the year ended June 30, 2007 was less favorable than expected based on the long-term assumptions. Although the actual rate of return during the year was favorable, the recognized rate of return based on the smoothed market value includes carry-forwards of less than assumed return in prior years. This was the primary source of unfavorable experience. In addition, salary increases were greater than assumed, resulting in greater liabilities than expected.

Comment 2: The smoothed market value used for the valuation spreads differences between the assumed and actual investment return over 7 years. This method is unchanged from last year.

Comment 3: This annual actuarial valuation includes assumption and methodology changes pursuant to the experience study covering the 5-year period ending June 30, 2006 and the actuarial audits of the 5 year experience study and the annual actuarial valuation as of June 30, 2006.

The changes in assumptions include the rates of mortality, retirement, withdrawal and disability. The assumptions are summarized beginning on page 12.

Comment 4: Pursuant to a court decision, the pensions of future retirements of members hired prior to July 17, 1994 were assumed to be based on a 1 year average yearly salary rather than a 3 year average yearly salary.

Conclusion: The increase in the computed contribution rate and the decrease in the funded ratio are primarily attributable to the experience during the year, the assumption changes, benefit change and methodology changes. These changes are expected to reduce demographic experience losses in the future. However, in the absence of investment return in excess of the assumed rate or favorable experience in other areas such as rates of salary increase, it is likely that the employer contribution rates may increase over the short term.



Section Two:
***Actuarial Calculations –
Funding***



Contribution Requirements – 2008/2009 Fiscal Year

Member: 7.00% of covered compensation

Employer: The computed contribution rate was 28.00% of covered compensation, consisting of 18.46% for normal cost, 9.54% for amortization of unfunded actuarial accrued liability*.

Components of Computed Normal Cost

	<u>Percents of Covered Compensation</u>
Normal cost requirement	
Service pensions	23.25%
Disability pensions	0.00
Survivors of active members	1.06
Refunds of members' accumulated contributions	0.24
Health insurance	<u>0.91</u>
Total normal cost requirement	25.46%
Less member contribution	<u>7.00</u>
Employer normal cost requirement	18.46%

**Actuarial accrued liability, \$451,299,201, exceeded the funding value of accrued assets, \$336,716,618. The unfunded actuarial accrued liability was amortized as a level percent of payroll over 29 years, producing an amortization payment of 9.54% of payroll.*

Computed Employer Contribution Requirements

Valuation Date: <u>June 30</u>	<u>Normal Cost</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Total</u>
1985	11.64%	(0.52)%	11.12%
1990	15.54	1.29	14.25
1995	16.22	(1.46)	14.76
1996	16.33	(3.69)	12.64
1997	16.48	(7.58)	8.90
1998	16.26	(6.04)	10.22
1999	16.49	(7.55)	8.94
2000	16.69	(9.72)	6.97
2001	21.00	(13.45)	7.55
2002	22.65	(9.16)	13.49
2003	21.12	(6.58)	14.54
2004	22.17	(1.63)	20.54
2005	22.57	1.70	24.27
2005#	15.87	2.68	18.55
2006	16.59	3.62	20.21
2007	18.46	9.54	28.00

Revised pursuant to changes in assumptions and methods enacted by the 2006 Legislature and the EORP Fund Manager.

Actuarial Accrued Liability

The total contribution is made up of two parts, the normal cost and the amortization of the unfunded actuarial accrued liability. The Legislature has established a policy of amortizing, or funding, the unfunded actuarial accrued liability over an open period of 30 years, 29 years remaining as of June 30, 2007.

The actuarial accrued liability exceeded valuation assets by \$114,582,583 as of June 30, 2007.

	<u>June 30, 2007</u>
Actuarial Accrued Liability	
Retired members and survivors	\$277,278,034
Former members with vested benefits	4,678,525
Active members	<u>169,342,642</u>
Total	\$451,299,201
 Valuation Assets*	 \$336,716,618
 Unfunded Actuarial Accrued Liability	 \$114,582,583

** This amount excludes the \$30,827,881 in investment income reserve held for future pension increases pursuant to state statute.*

History of Assets and Accrued Liabilities

Valuation Date <u>June 30</u>	Valuation <u>Assets</u>	Actuarial Accrued <u>Liabilities</u>	Funded <u>Ratio</u>	Unfunded Actuarial Accrued <u>Liabilities</u>	Financing <u>Period</u>
1985	\$ 49,900	\$ 48,969	101.9%	\$ (931)	37
1990	92,421	100,433	92.0	8,012	32
1995	159,111	149,366	106.5	(9,745)	27
1996	181,754	158,126	114.9	(23,628)	26
1997	214,035	169,593	126.2	(44,442)	20
1998	241,884	199,662	121.1	(42,222)	20
1999	283,337	227,100	124.8	(56,237)	20
2000	329,777	253,478	130.1	(76,299)	20
2001	355,768	250,987	141.7	(104,781)	20
2002	351,349	279,947	125.5	(71,402)	20
2003	353,463	297,892	118.7	(55,572)	20
2004	343,376	328,921	104.4	(14,455)	20
2005	344,604	360,758	95.5	16,154	20
2005#	344,604	373,340	92.3	28,736	30
2006	351,701	391,403	89.9	39,702	30
2007	336,717	451,299	74.6	114,582	29

Dollar amounts in \$000.

Results shown throughout this report for years prior to 2001 were prepared by the previous actuarial firm.

Revised pursuant to changes in assumptions and methods enacted by the 2006 Legislature and the EORP Fund Manager.

Aggregate Gain/Loss

	<u>Year Ended June 30, 2007</u>
(1) UAAL ^a at start of year	\$39,702,483
(2) Normal cost	13,546,764
(3) Funding method contributions	16,955,955
(4) Interest accrual	3,354,932
(5) Expected UAAL before changes	39,648,224
(6) Change from amendments	None
(7) Change from assumption and method revisions	27,734,802
(8) Expected UAAL after changes	67,383,026
(9) Actual UAAL	114,582,583
(10) Gain(Loss)	(47,199,557)
(11) Percent of AAL ^b	12.1%

^a Unfunded Actuarial Accrued Liability

^b Actuarial Accrued Liability at beginning of year.

In the aggregate, the experience during the year produced a net loss of \$47,199,557. The following are estimates of some of the gains and losses by source. It is important to note that these are estimates only. The absence of individual identifiers (e.g. social security numbers) in last year's data precluded tracking the actual experience by individual during the year.

Sources of gains/(losses):

Investment Return	\$(26,729,266)
Salary Increases	(7,067,026)
Other	(13,403,265)
Total	\$(47,199,557)

Elected Officials’ Retirement Plan

Aggregate Actuarial Balance Sheet June 30, 2007

Actuarial Assets

Accrued Assets		
Member accumulated contributions	\$39,760,373	
Employer and benefit payment reserves	259,461,344	
Funding value adjustment	<u>68,322,782</u>	
Total accrued assets*		\$367,544,499
Prospective assets (computed value)		
Member contributions	32,142,890	
Employer normal costs	78,263,781	
Employer unfunded actuarial accrued liability	<u>114,582,583</u>	
Total prospective assets		<u>224,989,254</u>
Total Actuarial Assets		<u><u>\$592,533,753</u></u>

* Includes \$30,827,881 reserve for payment of ad-hoc pension increases. The net funding value of assets is \$336,716,618.

Actuarial Present Values (Liability)

Pensions in payment status		
Service pensions	\$228,044,885	
Disability pensions	9,472,689	
Survivor pensions	31,773,258	
Health insurance	<u>7,987,202</u>	
Total benefit values		277,278,034
Prospective pension payments (future retirements)		275,831,056
Prospective health insurance payments (future retirements)		8,026,839
Prospective refunds of member contributions		569,943
Reserve for future pension increases		<u>30,827,881</u>
Total Actuarial Present Values (Liability)		<u><u>\$592,533,753</u></u>



Section Three:

***Retirement Plan
Benefit Provisions***



Summary of Plan Provisions Valued and/or Considered

Normal Retirement (no reduction for age). An elected official may retire upon meeting one of the following age and service requirements:

- ❖ Age 60 years with 25 or more years of credited service;
- ❖ Age 62 years with 10 or more years of credited service;
- ❖ Age 65 years with 5 or more years of credited service;

The amount of a normal retirement pension is four percent of average yearly salary multiplied by years of credited service. Maximum is 80 percent of average yearly salary. Effective July 17, 1994, average yearly salary is the elected official's highest average salary during a three-consecutive year period within the final 10 years of service. For elected officials whose membership commenced before July 17, 1994, average yearly salary will generally be final salary at termination of service.

Effective August 6, 1999, a member may retire at any age with 20 or more years of credited service.

Early Retirement (reduction for age). An elected official who is at least 50 years and has 10 or more years of credited service may retire before meeting an age and service requirement for normal retirement. The amount of an early retirement pension is computed by determining the amount of accrued normal retirement pension and then reducing the amount determined by three-twelfths of one percent for each month early retirement precedes the member's normal retirement age.

Effective August 6, 1999, a member with at least five years of credited service may retire early at any age. For those members who retire under this August 6, 1999 provision, their benefits are calculated using a three-year average salary, and the reduction for early retirement is capped at 30%.

Vested Termination (deferred retirement). An elected official with five or more years of credited service retains entitlement to a deferred pension upon ceasing to be an elected official if the official's accumulated contributions are left on deposit in the Retirement Plan. The amount of pension is determined in the same manner as a normal or early pension, whichever is applicable.

Disability Retirement. An elected official who becomes incapacitated for the duties of office may be retired by the Fund Manager. The amount of pension is 80 percent of three-year average salary if the elected official has at least 10 years of credited service, 40 percent of three-year average salary if the elected official has five but less than 10 years of credited service, and 20 percent of three-year average salary if the elected official has less than five years of credited service.

Survivor Pensions. Payable to the eligible beneficiary of a retired elected official or an active and inactive elected official. An eligible beneficiary is a surviving spouse who was married to the retired active or inactive elected official for at least two years; or, if there is no eligible spouse, a minor child. A surviving spouse’s pension terminates upon death. A surviving child’s pension terminates upon attainment of age 18 years, marriage, adoption or death, unless the child is a full time student under the age of 23 or was disabled prior to age 18. The amount of a surviving spouse’s pension is 75% of the pension being paid the deceased retired elected official or the disability pension accrued by the deceased active elected official. The amount of a surviving child’s pension is an equal share of the amount of a surviving spouse’s pension.

Other Terminations. The elected official is paid a refund of accumulated member contributions, plus an additional amount if the member has at least five years of service credit. The amount is a percent of the member contribution amount, ranging from 25% to 100% (with at least 10 years of service credit).

Post-Retirement Health Insurance Subsidy: Payable on behalf of retired members and survivors who elect coverage provided by the state or participating employer. The amounts cannot exceed:

Member Only		With Dependents		
Not Medicare Eligible	Medicare Eligible	All Not Medicare Eligible	All Medicare Eligible	One With Medicare
\$150	\$100	\$260	\$170	\$215

Retired members or survivors who have between five and eight years of credited service are eligible for a proportionate share of the full subsidy.

Elected Officials Contributions. Seven percent of compensation.

Employer Contributions. A designated portion of court docket fees. Municipal employers contribute the computed normal cost rate plus a payment to amortize their unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years (a lump sum payment for UAAL is required for municipal employers entering after September 15, 1989). Pursuant to 1989 legislation, state and county employers contribute the difference between the actuarially determined contribution requirement and designated docket fees.



Section Four:

***Actuarial Assumptions
And Methods***



Summary of Valuation Assumptions

Economic Assumptions

Interest Rate: 8.50% (net of expenses)

Salary Increases: 5.00% for inflation.

Demographic Assumptions

Retiree Non-Disability Mortality rates: RP 2000 Healthy Annuitant Mortality Table, male ages set back 2 years and female ages set back 1 year (first used for June 30, 2007 valuation).

Active Member Non-Disability Mortality Rates: RP 2000 Healthy Annuitant Mortality Table, male ages set back 2 years and female ages set back 1 year (first used for June 30, 2007 valuation).

Sample Ages	Single Life Retirement Values							
	Retirees		Active Members		Retirees		Active Members	
	Present Value of \$100 Monthly For Life		Present Value of \$100 Monthly For Life		Future Life Expectancy (Years)		Future Life Expectancy (Years)	
	Men	Women	Men	Women	Men	Women	Men	Women
20	\$14,536	\$14,589	\$14,569	\$14,610	61.00	63.51	63.97	67.07
25	14,450	14,516	14,500	14,548	56.10	58.57	59.08	62.13
30	14,324	14,408	14,399	14,457	51.21	53.63	54.12	57.20
35	14,140	14,254	14,253	14,328	46.32	48.71	49.31	52.28
40	13,890	14,039	14,060	14,150	41.49	43.83	44.49	47.41
45	13,537	13,738	13,795	13,906	36.70	38.99	39.71	42.59
50	13,040	13,320	13,430	13,575	31.96	34.22	34.99	37.83
55	12,474	12,778	12,929	13,122	27.55	29.59	30.34	33.15
60	11,765	12,077	12,239	12,510	23.31	25.14	25.77	28.58
65	10,823	11,213	11,316	11,689	19.19	20.93	21.35	24.15
70	9,681	10,170	10,072	10,560	15.35	17.02	17.07	19.82
75	8,355	8,949	8,569	9,332	11.88	13.44	13.25	16.18
80	6,913	7,602	7,303	8,277	8.86	10.30	10.52	13.50
85	5,457	6,176	6,280	7,496	6.36	7.61	8.70	11.78
90	4,152	4,847	6,084	7,403	4.48	5.52	8.30	11.30

Disability Retiree Mortality Rates: Non-disability rates set forward 5 years.

Termination of Employment: Service-related rates.

Disability Rates: There were no disability rates assumed.

The sample rates are as follows.

Sample Ages	Years of Service	Percent of Active Members	
		Separating Within the Year	Disabled Within the Year
All	0	6.0%	(all years of service)
	1	6.0	
	2	6.0	
	3	6.0	
	4	6.0	
	5	6.0	
	6	6.0	
	7	6.0	
	8	6.0	
	9	2.0	
	10 and over	2.0	
25	All years		0.00%
30			0.00
35			0.00
40			0.00
45			0.00
50			0.00
55			0.00
60			0.00

Married assumption: 90%

Health subsidy utilization assumption: 80%

Retirement Rates: Service-related rates based on the following schedule:

**Percent of Active Members Retiring Within Year
Following Attainment of Indicated Years of Service**

Years of Service	Percent of Active Members Retiring During Next Year
5	4%
6	4
7	4
8	8
9	8
10	8
11	8
12	15
13	5
14	5
15	5
16	15
17	5
18	6
19	7
20	40
21	30
22	20
23	15
24	15
25	45
26	45
27	15
28	15
29	15
30	100

Active members are eligible to retire early at any age with 5 years of service, or normally at any age with 20 years of service, at 62 with 10 years of service, or age 65 with 5 years of service. Pensions were assumed to be decreased 3/12 of 1% for each month the age at early retirement precedes normal retirement age, with a maximum reduction of 30%.

These rates adopted by the Fund Manager, as recommended by the Plan's actuary, were first used for the June 30, 2007 valuation.

Actuarial Method Used for the Valuation

Normal Cost. Normal cost and the actuarial present values between service rendered before and after the valuation date were determined using the projected unit credit actuarial cost method.

Actuarial Accrued Liability. The actuarial accrued liability allocated to service rendered prior to the valuation date, including experience gains and losses, was computed using the assumptions summarized in this report. Accrued valuation assets were subtracted from the computed actuarial accrued liability. Any unfunded amount was amortized as level percent of payroll over a closed period of 29 years.

Active member payroll was assumed to increase 5.00% annually for the purpose of computing the amortization payment as a level percent of payroll.



Section Five:
Valuation Data



Derivation of Funding Value of Pension Fund Assets

Arizona Elected Officials' Retirement Plan

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June 30, 2007 Valuation

	Values as of June 30				
	2003	2004	2005	2006	2007
Beginning of Year					
(1) Book Value	\$288,376,999	\$247,792,779	\$246,307,539	\$253,022,997	\$275,729,455
(2) Market Value	265,566,711	269,610,597	295,932,093	311,203,373	327,151,921
(3) Funding Value*	374,748,866	372,055,070	371,093,890	368,215,634	368,223,993
End of Year					
(4) Market Value	269,610,597	295,932,093	311,203,373	327,151,921	369,840,645
(5) Net Addition to Assets, Excluding Investment Income	(14,036,874)	(13,028,846)	(13,481,265)	(8,750,551)	(11,909,799)
(6) Total Net Investment Income = (4) - (2) - (5)	18,080,760	39,350,342	28,752,545	24,699,099	54,598,523
(7) Projected Net Rate of Return	9.00%	9.00%	8.75%	8.50%	8.50%
(8) Projected Investment Income = (7) x[(3) + .5 x (5)]	33,095,739	32,898,658	31,880,910	30,926,430	30,792,873
(9) Investment Income in Excess of Proj.	(15,014,979)	6,451,684	(3,128,365)	(6,227,331)	23,805,650
(10) Excess Investment Income Recognized*					
(10a) From Current Year =(9b)/7 in 2003 and after	(2,144,997)	921,669	(446,909)	(889,619)	3,400,807
(10b) From One Year Prior	(10,347,982)	(2,144,997)	921,669	(446,909)	(889,619)
(10c) From Two Years Prior	(10,055,537)	(10,347,982)	(2,144,997)	921,669	(446,909)
(10d) From Three Years Prior	795,855	(10,055,537)	(10,347,982)	(2,144,997)	921,669
(10e) From Four Years Prior		795,855	(10,055,537)	(10,347,982)	(2,144,997)
(10f) From Five Years Prior			795,855	(10,055,537)	(10,347,982)
(10g) From Six Years Prior				795,855	(10,055,537)
(11) Change in Funding Value=(5) + (8) + (10) [a..g]	(2,693,796)	(961,180)	(2,878,256)	8,359	(679,494)
End of Year Values					
(12) Book Value	\$247,792,779	\$246,307,539	\$253,022,997	\$275,729,455	\$299,221,717
(4) Market Value	269,610,597	295,932,093	311,203,373	327,151,921	369,840,645
(13) Preliminary Funding Value (3) + (11)	372,055,070	371,093,890	368,215,634	368,223,993	367,544,499
(14) Future Benefit Increase Reserve	18,591,900	27,718,251	23,611,516	16,523,120	30,827,881
(15) Funding Value (13) - (14)	353,463,170	343,375,639	344,604,118	351,700,873	336,716,618
(16) Funding Value Adjustment (15) - (12)	105,670,391	97,068,100	91,581,121	75,971,418	37,494,901

**Four year recognition through June 30, 2002. Beginning with the June 30, 2003 valuation, seven year recognition was used for the current year. The remaining amount from the prior year is recognized over 6 years, from the second prior year over 5 years, from the third prior year over 4 years, from the fourth prior year over 3 years, from the fifth prior year over 2 years, and from the sixth prior year over 1 year.*

Section Five: Valuation Data

Participant Summary

Summary of Retired Members and Survivors
June 30, 2007

<u>Pensions Being Paid</u>	<u>Number</u>	<u>Annual Pensions</u>	<u>Average Pensions</u>
Retired Members			
Service Pensions	651	\$25,015,293	\$38,426
Disability Pensions	<u>20</u>	<u>1,123,915</u>	56,196
Totals	671	26,139,208	38,956
Survivors			
Spouses	154	4,206,712	27,316
Children with Guardians*	<u>1</u>	<u>34,330</u>	34,330
Totals	155	4,241,042	27,362
Total Pensions Being Paid	826	\$30,380,250	\$36,780

Averages

	<u>Average Age</u>	<u>Average Service (Years)</u>	<u>Average Retirement Age</u>
Service	70.0	14.4	61.0
Disability	68.8	11.2	57.9
Spouse Beneficiary	75.1	11.1	58.0

**Summaries of Retired Members and Survivors
June 30, 2007
Tabulated by Attained Age of Recipient**

Attained Age	Service		Disability		Survivors		Totals	
	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions	No.	Annual Pensions
Children w/ Guardians		\$ -		\$ -	1	\$ 35,703	1	\$ 35,703
35-39	2	9,501			1	6,325	3	15,826
40-44	4	24,763	1	16,979	0	-	5	41,742
45-49	9	162,234			1	1,098	10	163,332
50-54	26	772,556	1	17,089	4	136,433	31	926,078
55-59	70	3,176,647	2	173,719	12	446,238	84	3,796,604
60-64	84	3,361,411	2	53,245	12	425,902	98	3,840,558
65-69	123	5,264,644	2	112,579	15	498,848	140	5,876,071
70-74	128	5,324,022	8	603,919	24	570,210	160	6,498,151
75-79	99	3,752,651	2	52,074	22	737,601	123	4,542,326
80 and Over	106	3,166,864	2	94,311	63	1,382,684	171	4,643,859
Total	651	\$ 25,015,293	20	\$ 1,123,915	155	\$ 4,241,042	826	\$ 30,380,250

Pensions Being Paid

Valuation Date June 30	No.	Annual Pensions	% Incr. in Annual Pensions	Average Pension	Present Value of Pensions	
					Total	Average
1985	247	\$ 2,142,900		\$ 8,676	\$ 16,396,272	\$ 66,382
1990	343	4,830,529	14.0%	14,083	38,245,692	111,503
1995	466	9,005,617	13.5	19,325	73,796,676	155,224
1996	472	9,567,636	6.2	20,270	77,021,628	163,181
1997	496	10,442,249	9.1	21,053	84,334,344	170,029
1998	513	11,143,500	6.7	21,722	88,885,866	173,267
1999	547	13,122,722	17.8	23,990	107,153,382	195,893
2000	589	15,096,774	15.0	25,631	124,211,110	210,885
2001	647	17,729,482	17.4	27,403	147,901,899	228,596
2002	659	19,606,416	10.6	29,752	164,670,150	249,879
2003	709	22,308,359	13.8	31,465	183,882,540	259,355
2004	730	23,854,186	6.9	32,677	204,302,428	279,866
2005	769	26,112,301	9.5	33,956	228,886,601	297,642
2006	797	28,044,340	7.4	35,187	248,357,037	311,615
2007	826	30,380,250	8.3	36,780	277,278,034	335,688

Active Members Included in Valuation

Historical Schedule

Valuation Date	Active Members	Valuation Payroll (+000)	Average			
			Age (Yrs.)	Service (Yrs.)	Pay	% Increase in Avg. Pay
6-30-85	525	\$ 17,691	51.0	7.5	\$ 33,698	
6-30-90	624	25,776	52.0	8.0	41,307	0.1
6-30-95	725	30,324	51.7	7.5	41,826	0.2
6-30-96	684	29,967	52.0	7.8	43,913	5.0
6-30-97	726	33,896	52.0	7.5	46,688	6.3
6-30-98	713	40,441	52.4	7.9	56,719	21.5
6-30-99	709	43,087	52.6	7.7	60,771	7.1
6-30-00	720	45,382	53.0	8.0	63,030	3.7
6-30-01	737	48,669	52.4	7.2	66,037	4.8
6-30-02	738	48,729	52.9	7.0	66,029	0.0
6-30-03	751	49,351	53.0	7.6	65,714	(0.5)
6-30-04	767	50,624	53.5	8.0	66,003	0.4
6-30-05	781	53,450	53.8	7.8	68,436	3.7
6-30-06	800	54,696	54.3	8.3	68,370	(0.1)
6-30-07	813	61,308	54.4	8.3	75,409	10.3

**Active Members - June 30, 2007
Age and Service Distribution**

Attained Age	Service							No.	Payroll
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30		
25-29	4	1						5	\$ 263,091
30-34	13	2	1					16	524,644
35-39	26	8	1					35	1,625,549
40-44	39	16	7	1				63	4,963,432
45-49	55	37	21	5	1			119	9,531,557
50-54	55	54	43	13	3	1		169	14,584,073
55-59	56	49	41	27	12	2	1	188	15,800,008
60-64	33	37	29	29	6	2	1	137	10,391,882
65-69	15	18	12	2	3	3		53	2,506,695
70-74	4	8	2	2		2	1	19	663,338
75-79		1	3	1	1		1	7	344,646
80-84			1	1				2	108,937
Totals	300	231	161	81	26	10	4	813	\$61,307,852

Group Averages:

Age: 54.4 years
Service: 8.3 years
Annual Pay: \$75,409

Inactive Members - June 30, 2007
Age and Service Distribution

Attained Age	Service					No.
	0-4	5-9	10-14	15-19	20-24	
25-29	1					1
30-34	3					3
35-39	8	2				10
40-44	6	3	1			10
45-49	16	10	2			28
50-54	9	12	6	2		29
55-59	15	13	7	4		39
60-64	6	11	4	2		23
65-69	4	1		1		6
70-74	2	3				5
75-79		1				1
80-84		1				1
Totals	70	57	20	9		156

Section Six:
Accounting Disclosures



GASB Statement No. 25 Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	June 30, 2007
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Projected Unit Credit
Remaining amortization period:	29 years for unfunded actuarial accrued liability
Asset valuation method:	Smoothed market value
Actuarial assumptions:	
Investment rate of return	8.50%
Projected salary increases*	5.00%
* Includes inflation at	5.00%

Membership data as of June 30, 2007, is indicated in Section Five of this report.

Analysis of Funding Progress

Valuation Date June 30	(1) Valuation Value of Assets	(2) Actuarial Accrued Liability	(3) Percent Funded (1)/(2)	(4) Unfunded AAL (2)-(1)	(5) Annual Covered Payroll	(6) UAAL As a % Of Covered Payroll
1998	\$241,884,563	\$199,662,358	121.1%	\$(42,222,205)	\$40,440,812	-%
1999	283,336,906	227,100,114	124.8	(56,236,792)	43,086,578	-
2000	329,776,710	253,477,602	130.1	(76,299,108)	45,381,799	-
2001	355,767,752	250,987,205	141.7	(104,780,547)	48,669,464	-
2002	351,348,778	279,947,036	125.5	(71,401,742)	48,729,191	-
2003	353,463,170	297,891,264	118.7	(55,571,906)	49,350,925	-
2004	343,375,639	328,920,980	104.4	(14,454,659)	50,624,413	-
2005	344,604,118	360,757,867	95.5	16,153,749	53,448,803	30.2
2006	351,700,873	391,403,356	89.9	39,702,483	54,696,109	72.6
2007	336,716,618	451,299,201	74.6	114,582,583	61,307,852	186.9

Required Supplementary Information
Schedule of Employer Contributions

Fiscal Year Ended June 30	Annual Required Contribution	Percent Contributed
1992	\$4,941,470	100.0%
1993	5,555,890	100.0
1994	5,224,545	100.0
1995	4,886,479	100.0
1996	4,934,939	100.0
1997	3,668,144	100.0
1998	3,941,018	100.0
1999	4,126,694	100.0
2000	3,851,940	100.0
2001	3,163,111	100.0
2002	3,656,604	100.0
2003	3,755,629	100.0
2004	6,976,772	100.0
2005	6,809,136	100.0
2006	11,479,967	100.0
2007	10,908,830	100.0
2008	12,980,251	

Actual required contribution dollar amount will be based on the recommended contribution rate and the actual pensionable payroll for the period.

Trend Information

Fiscal Year Ended June 30	Annual Pension Cost	Percent Contributed	Net Pension Obligation
1995	\$4,886,479	100.0%	\$0
1996	4,934,939	100.0	0
1997	3,668,144	100.0	0
1998	3,941,018	100.0	0
1999	4,126,694	100.0	0
2000	3,851,940	100.0	0
2001	3,163,111	100.0	0
2002	3,656,604	100.0	0
2003	3,755,629	100.0	0
2004	6,976,772	100.0	0
2005	6,809,136	100.0	0
2006	11,479,967	100.0	0
2007	10,908,830	100.0	