

September 10, 2002

The Fund Manager
Arizona Public Safety Personnel Retirement System
Phoenix, Arizona

Re: Arizona Elected Officials' Retirement Plan

This report contains the consolidated results of the June 30, 2002 actuarial valuation of the Arizona Elected Officials' Retirement Plan. The valuation determines the 2003-2004 Fiscal Year employer contribution requirements and the June 30, 2002 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, 2002 information submitted by your Administrator.

The valuation was made in accordance with generally accepted actuarial principles and practices. The valuation assumptions are the same as those used for the June 30, 2001 valuation. The actuarial assumptions used in the valuation are reasonably related to the past experience of the Plan and represent reasonable expectations of long-term future experience under the Plan.

Respectfully submitted,



Sandra W. Rodwan



Joseph A. Nichols

Members, American Academy of Actuaries

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

Actuarial Valuation as of June 30, 2002

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Enrolled Actuaries and Consultants



Section One:
Valuation Summary



Enrolled Actuaries and Consultants

Purpose of Valuation

The purpose of the annual actuarial valuation of the Arizona Elected Officials' Retirement Plan as of June 30, 2002 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, 2003. 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, 2002, were computed to be \$279,947,036. The funding value of accrued assets was \$351,348,778. The ratio of the funding value of accrued assets to accrued liabilities was 125.5%.

Funding Value of Assets

A smoothed market value of assets was used for the June 30, 2002 valuation. This method, which spreads the difference between actual and expected investment return over four years, is unchanged from prior years.

Computed Contribution Rate

The normal cost contribution rate was computed to be 29.65% of member payroll. Deducting member contributions of 7.00% of payroll resulted in an aggregate employer normal cost of 22.65% of payroll.

The excess of accrued assets over accrued liabilities produced a temporary 20-year amortization credit of (9.16)% of payroll. The aggregate net employer contribution for FY 2003/2004 was therefore computed to be 13.49% of payroll.

Retirement Plan Experience

Experience of the Retirement Plan during the year ended June 30, 2002 was significantly less favorable than assumed. Investment income was the primary source of unfavorable experience.

Benefit Provision Changes

The following benefit provision changes were effective for this valuation pursuant to legislation enacted in 2002.

- ❖ The surviving spouse’s pensions were increased to 80% of the member’s pension from 75%.
- ❖ A permanent 2% tax equity increase was granted for members employed before September 15, 1989 who retire on or after November 1, 2001.

Assumption and Method Changes

There were no changes in assumptions or methods used for the valuation.

Participant Data

	<u>6/30/2002</u>	<u>6/30/2001</u>
Active Members	738	737
Active Member Payroll	\$48,729,191	\$48,669,464
Retirees and Beneficiaries	659	647
Annual Pensions	\$19,606,416	\$17,729,482

Financial Data

	<u>6/30/2002</u>	<u>6/30/2001</u>
Smoothed Valuation Assets	\$ 374,748,866 *	\$390,203,914*
Market Value of Assets	\$265,566,711	\$326,159,456

**The net smoothed value of assets used for the valuation after deducting the Future Benefit Increase Reserve was \$ 351,348,778 in 2002 and \$355,767,752 in 2001.*

Comments, Recommendations and Conclusion

Comment 1: Overall experience of the Retirement Plan was less favorable than expected based on long-term assumptions. Investment income was the primary source of unfavorable experience.

Comment 2: The increase in the computed contribution rate and the decrease in the funded ratio are attributable primarily to recognized investment income, which was significantly less than assumed, and benefit provision changes during the year.

Comment 3: The funding of the Arizona Elected Officials' Retirement Plan continues to be ahead of schedule, largely as a result of favorable investment returns from prior years. It is important to note that the funding credits are not expected to continue indefinitely and are likely to decrease further over the next several years. **For long-term budgeting, the employer normal cost should be viewed as the minimum annual cost.** In the aggregate, the employer normal cost has been computed to be 22.65% of payroll.

Conclusion: The accrued actuarial condition of the Retirement Plan continues to be excellent.



Section Two:

***Actuarial Calculations –
Funding***



Enrolled Actuaries and Consultants

Contribution Requirements – 2003/2004 Fiscal Year

Member: 7.00% of covered compensation

Employer: The computed contribution rate was 13.49% of covered compensation, consisting of 22.65% for normal cost, (9.16)% for amortization of unfunded actuarial accrued liability*.

Components of Computed Normal Cost

	Percents of Covered Compensation
Normal cost requirement	
Service pensions	24.44%
Disability pensions	1.29
Survivors of active members	1.60
Refunds of members' accumulated contributions	0.60
Health insurance	<u>1.72</u>
Total normal cost requirement	29.65%
Less member contribution	<u>7.00</u>
Employer normal cost requirement	22.65%

**Actuarial accrued liability, \$279,947,036, was exceeded by the funding value of accrued assets, \$351,348,778. The excess was amortized over 20 years and applied as a credit to the computed employer normal cost.*

In past years, the experience of the Retirement Plan was significantly more favorable than assumed based on the long-term assumptions. This resulted in the credit which partially offsets the normal cost which otherwise would be payable. The normal cost should be viewed as the long-term ongoing cost, and should be seen as the minimum contribution requirement over the long term.

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

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 20 years.

The valuation assets exceed the actuarial accrued liability by \$71,401,742 as of June 30, 2002.

	June 30, 2002
Actuarial Accrued Liability	
Retired members and survivors	\$174,580,021
Former members with vested benefits	3,878,277
Active members	<u>101,488,738</u>
Total	\$279,947,036
 Valuation Assets*	 \$351,348,778
 Unfunded Actuarial Accrued Liability	 \$(71,401,742)

** This amount excludes the \$23,400,088 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

Dollar amounts in \$000.

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

Aggregate Gain/Loss

	<u>Year Ended June 30, 2002</u>
(1) UAAL ^a at start of year	\$(104,780,547)
(2) Normal cost	13,627,450
(3) Funding method contributions	7,252,336
(4) Interest accrual	(9,143,369)
(5) Expected UAAL before changes	(107,548,802)
(6) Change from amendments	3,153,000
(7) Change from assumption revision	None
(8) Expected UAAL after changes	(104,395,802)
(9) Actual UAAL	(71,401,742)
(10) Gain(Loss)	(32,994,060)
(11) Percent of AAL ^b	13.1%

^a Unfunded Actuarial Accrued Liability

^b Actuarial Accrued Liability at beginning of year.

Elected Officials’ Retirement Plan

Aggregate Actuarial Balance Sheet June 30, 2002

Actuarial Assets

Accrued Assets		
Member accumulated contributions	\$	25,853,543
Employer and benefit payment reserves		285,923,544
Funding value adjustment		62,971,779
Total accrued assets*	\$	374,748,866
Prospective assets (computed value)		
Member contributions		24,797,370
Employer normal costs		71,026,014
Employer unfunded actuarial accrued liability		(71,401,742)
Total prospective assets		24,421,642
Total Actuarial Assets	\$	399,170,508

* Includes \$23,400,088 reserve for payment of ad-hoc pension increases. The net funding value of assets is \$351,348,778.

Actuarial Present Values (Liability)

Pensions in payment status		
Service pensions	\$	132,335,855
Disability pensions		8,234,335
Survivor pensions		24,099,960
Health insurance		9,909,871
Total benefit values		174,580,021
Prospective pension payments (future retirements)		193,559,464
Prospective health insurance payments (future retirements)		6,861,483
Prospective refunds of member contributions		769,452
Reserve for future pension increases		23,400,088
Total Actuarial Present Values (Liability)	\$	399,170,508



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, but a three-year average salary will be used in calculating benefits if none of the other regular retirement eligibility conditions are met.

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 80% 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 20 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***



Enrolled Actuaries and Consultants

Summary of Valuation Assumptions

Economic Assumptions

Interest Rate: 9.0% (net of expenses)

Salary Increases: 7.0% (5.5% inflation and 1.5% for other across-the-board increases).

Demographic Assumptions

Non-Disability Mortality rates: 1971 Group Annuity Mortality Table Projected to 2000 (Male), female ages set back six years (first used for June 30, 1999 valuation).

Disability Mortality Rates: 1971 Group Annuity Mortality Table Projected to 1984 (Male), female ages set back six years.

Sample Ages	Single Life Retirement Values							
	Non-Disability Table		Disability Table		Non-Disability Table		Disability Table	
	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					56.86	62.72	55.98	61.84
25					51.98	57.83	51.12	56.96
30					47.12	52.95	46.27	52.09
35					42.29	48.09	41.46	47.24
40	\$12,930	\$13,272	\$12,861	\$13,225	37.51	43.25	36.69	42.42
45	12,522	12,997	12,430	12,933	32.80	38.46	32.01	37.64
50	11,997	12,613	11,879	12,526	28.28	33.73	27.53	32.93
55	11,342	12,112	11,199	11,999	23.98	29.17	23.28	28.40
60	10,513	11,485	10,346	11,347	19.90	24.82	19.27	24.11
65	9,490	10,694	9,308	10,532	16.09	20.70	15.55	20.05
70	8,326	9,710	8,145	9,530	12.69	16.82	12.25	16.27
75	7,124	8,564	6,963	8,382	9.82	13.32	9.49	12.87
80	5,879	7,371	5,748	7,206	7.39	10.36	7.17	10.02
85	4,791	6,120	4,696	5,983	5.57	7.83	5.43	7.59
90	3,864	4,994	3,796	4,893	4.19	5.89	4.10	5.74

Termination of Employment: Service-related rates for first five years of employment and age-related rates after first five years of employment. 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	8.0%	(all years of service)
	1	8.0	
	2	8.0	
	3	8.0	
	4	8.0	
25	5 and over	6.0	0.04%
30		6.0	0.04
35		6.0	0.04
40		6.0	0.10
45		6.0	0.13
50		6.0	0.25
55		6.0	0.45
60	6.0	6.0	0.71

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

**Percent of Active Members Retiring within Year
Following Attainment of Indicated Retirement Age**

Age	Percent of Active Members Retiring During Next Year
45	8%
46	8
47	8
48	8
49	8
50	8
51	8
52	8
53	8
54	8
55	5
56	5
57	5
58	5
59	5
60	15
61	10
62	25
63	15
64	10
65	20
66	20
67	20
69	20
69	20
70	100

Active members with at least 40 years of service are assumed to retire within the year. Members who do not acquire 20 years of service prior to age 62 are assumed to retire upon first eligibility following attainment of age 62.

These rates adopted by the Fund Manager, as recommended by the Plan's actuary, were first used for the June 30, 1999 valuation.

Actuarial Method Used for the Valuation

Normal Cost. Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

- ❖ The annual normal costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;
- ❖ Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

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 an open period of 20 years. If accrued valuation assets exceed the actuarial accrued liability, the excess is amortized over an open period of 20 years and applied as a credit to reduce the normal cost which otherwise would be payable.

Active member payroll was assumed to increase 6.5% annually for the purpose of computing the amortization payment (credit) as a level percent of payroll.



Section Five:
Valuation Data



Enrolled Actuaries and Consultants

Derivation of Funding Value of Pension Fund Assets

		Values as of June 30				
		<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Beginning of Year						
(1)	Book Value	\$258,049,796	\$285,234,761	\$293,478,357	288,376,999	
(2)	Market Value	359,492,061	402,244,021	326,159,456	351,348,778	
(3)	Funding Value	323,818,901	376,685,296	390,203,914	374,748,866	
End of Year						
(4)	Market Value	402,244,021	326,159,456	265,566,711		
(5)	Net Addition to Assets, Exc. Inv. Income	(4,155,300)	(9,024,757)	(12,370,568)		
(6)	Total Net Investment Income = (4) - (2) - (5)	46,907,260	(67,059,808)	(48,222,177)		
(7)	Projected Net Rate of Return	9.00%	9.00%	9.00%		
(8)	Projected Investment Income = (7) x [(3) + .5 x (5)]	28,956,713	33,495,563	34,561,677		
(9)	Investment Income in Excess of Proj.	17,950,547	(100,555,371)	(82,783,854)		
(9a)	Allocation to Future Benefit Increase Reserve (Actual)	5,216,866	-	-		
(9b)	Allocation to Funding Value of Assets ((9) - (9a))	12,733,681	(100,555,371)	(82,783,854)		
(10)	Excess Investment Income Recognized (4 Yr. Recog.)					
(10a)	From Current Year = .25 x (9b)	3,183,420	(25,138,843)	(20,695,964)		
(10b)	From One Year Prior	5,005,230	3,183,420	(25,138,843)	(20,695,964)	
(10c)	From Two Years Prior	5,998,005	5,005,230	3,183,420	(25,138,843)	(20,695,964)
(10d)	From Three Years Prior	8,661,461	5,998,005	5,005,230	3,183,420	(25,138,843)
(11)	Change in Funding Value =(5) + (8) + (9a) + (10) [a..d]	52,866,395	13,518,618	(15,455,048)		
End of Year Values						
(12)	Book Value	285,234,761	293,478,357	288,376,999		
(4)	Market Value	402,244,021	326,159,456	265,566,711		
(13)	Preliminary Funding Value (3) + (11)	376,685,296	390,203,914	374,748,866		
(14)	Future Benefit Increase Reserve	46,908,586	34,436,162	23,400,088		
(15)	Funding Value (13) - (14)	329,776,710	355,767,752	351,348,778		
(16)	Funding Value Adjustment (15) - (12)	44,541,949	62,289,395	62,971,779		

Participant Summary

**Summary of Retired Members and Survivors
June 30, 2002**

<u>Pensions Being Paid</u>	<u>Number</u>	<u>Annual Pensions</u>	<u>Average Pensions</u>
Retired Members			
Service Pensions	500	\$ 15,460,464	\$30,921
Disability Pensions	<u>18</u>	<u>958,728</u>	53,263
Totals	518	16,419,192	31,697
Survivors			
Spouses	140	3,157,884	22,556
Children with Guardians*	<u>1</u>	<u>29,340</u>	29,340
Totals	141	3,187,224	22,604
Total Pensions Being Paid	659	\$ 19,606,416	\$29,752

* Does not include pensions payable to children whose parent is being paid a survivor pension.

Averages

	<u>Average Age</u>	<u>Average Service</u>	<u>Average Retirement Age</u>
	(Years)	(Years)	(Years)
Service Retired Members	70.9	15.8	62.9
Disability Retired Members	63.2	12.7	56.2
Spouse Beneficiaries	73.8	14.1	59.3

**Summaries of Retired Members and Survivors
June 30, 2002
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	\$ 29,340	1	\$ 29,340
40-44	1	22,560					1	22,560
45-49	4	56,328			2	78,852	6	135,180
50-54	25	698,028	2	142,788	6	154,404	33	995,220
55-59	39	1,517,724	1	17,568	11	282,648	51	1,817,940
60-64	61	2,473,452	3	168,804	12	336,780	76	2,979,036
65-69	109	3,678,288	7	405,960	20	442,716	136	4,526,964
70-74	97	3,047,304	3	130,800	17	496,824	117	3,674,928
75-79	95	2,402,328	2	92,808	27	614,484	124	3,109,620
80 and Over	69	1,564,452			45	751,176	114	2,315,628
Total	500	\$ 15,460,464	18	\$ 958,728	141	\$ 3,187,224	659	\$ 19,606,416

Pensions Being Paid

Valuation Date June 30	No.	Annual Pensions	% Incr. in Annual Pensions	Average Pension	<u>Present Value of Pensions</u>	
					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

Active Members Included in Valuation

Historical Schedule

Valuation Date	Active Members	Valuation Payroll (+000)	Age (Yrs.)	Service (Yrs.)	Average	
					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	7.8	66,029	-

Active Members - June 30, 2002

Age and Service Distribution

Attained Age	Service							No.	Payroll
	0-4	5-9	10-14	15-19	20-24	25-29	Over 30		
20-24	1							1	\$ 47,900
25-29	4	1						5	51,600
30-34	10	5						15	456,697
35-39	18	5	3					26	1,611,466
40-44	36	22	6	2				66	4,278,212
45-49	66	52	19	4	2			143	10,307,049
50-54	64	53	27	26	6	1	1	178	13,670,162
55-59	43	43	37	10	5	1		139	9,881,412
60-64	28	27	11	13	9	4		92	5,211,150
65-69	16	12	8	4	6	1		47	2,448,719
70-74	3	4	4	2	1	2		16	613,492
75-79	3	1	2	1				7	137,750
80-84	2					1		3	13,580
Totals	294	225	117	62	29	10	1	738	\$ 48,729,191

Group Averages:

Age: 52.9 years

Service: 7.8 years

Annual Pay: \$66,029

Inactive Members - June 30, 2002
Age and Service Distribution

Attained Age	Service					No.	
	0-4	5-9	10-14	15-19	20-24		25-29
30-34	2	1					3
35-39	5	5					10
40-44	14	11					25
45-49	10	12	3				25
50-54	10	17	7	3			37
55-59	9	15	8	4			36
60-64	6	10	3	1		1	21
65-69	2	3					5
70-74	2						2
75-79			1				1
Totals	60	74	22	8		1	165



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, 2002
Actuarial Cost Method:	Individual Entry Age
Amortization method:	Level percent open
Remaining amortization period:	20 years
Asset valuation method:	Smoothed market value
Actuarial assumptions:	
Investment rate of return	9.00%
Projected salary increases*	7.00%
* Includes inflation at	5.50%

Membership data as of June 30, 2002, is indicated in Section Five of this report.

Analysis of Funding Progress

Valuation Date	(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
June 30						
1997	\$214,035,359	\$169,592,781	126.2%	\$(44,442,577)	\$33,895,676	-%
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	-

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	3,679,054	

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