

**MUNICIPAL EMPLOYEES'
RETIREMENT SYSTEM**

ACTUARIAL VALUATION AS OF
JUNE 30, 2002

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

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Consulting Actuary

October 25, 2002

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, 2002. 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, 2003, and to provide information required for the system's financial statements. In addition, this report recommends employer contribution rates for fiscal 2004.

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.

Sincerely,

G. S. CURRAN & COMPANY, LTD.

By:

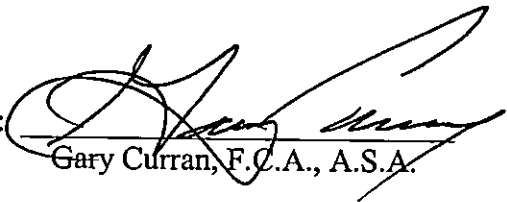

Gary Curran, F.C.A., A.S.A.

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

Valuation Date:	June 30, 2002	June 30, 2001
Census Summary:		
Active Members	5,481	5,455
Retirees and Beneficiaries	2,316	2,255
Terminated Due a Deferred Benefit	193	189
Terminated Due a Refund	2,158	2,122
Payroll:	\$ 130,191,230	\$ 125,304,827
Benefits in Payment:	\$ 26,145,224	\$ 24,838,273
Frozen Unfunded Actuarial Accrued Liability:	\$ 67,650,205	\$ 66,303,626
Market Value of Assets:	\$ 432,669,352	\$ 447,796,046
Actuarial Asset Value:	\$ 463,477,324	\$ 465,259,344
Actuarial Accrued Liability (as defined by GASB-25)	\$ 531,127,529	\$ 531,562,970
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:	87.26%	87.53%

	FISCAL 2003	FISCAL 2002
Net Employer Normal Cost (July 1):	\$ 12,048,989	\$ 8,057,287
Amortization Cost (July 1):	\$ 3,820,291	\$ 3,664,548
Total Employer Actuarially Required Contribution (Including Estimated Administrative Costs):	\$ 17,490,652	\$ 13,041,549
Net Direct Employer Actuarially Required Contribution as a Percentage of Projected Payroll:	10.78%	7.89%

Recommended Net Direct Employer Contribution Rate: For Fiscal 2004: 11.00% For Fiscal 2003: 8.00%

Employee Contribution Rate: 9.25% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

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

Exclusions from Census: None

Basis of Actuarial Asset Value: Fixed income securities are valued at amortized cost; common stock is valued at market value adjusted to reflect a three year smoothing of realized and unrealized capital gains. Expense fund assets were allocated to each plan in proportion to reported payroll.

Changes in Valuation Methods, Assumptions, and Amortization Periods: None

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

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

Valuation Date:	June 30, 2002	June 30, 2001
Census Summary: Active Members	2,066	2,069
Retirees and Beneficiaries	705	700
Terminated Due a Deferred Benefit	60	53
Terminated Due a Refund	761	713
 Payroll:	 \$ 43,560,002	 \$ 42,572,472
Benefits in Payment:	\$ 5,039,462	\$ 4,855,154
Frozen Unfunded Actuarial Accrued Liability:	\$ 6,683,817	\$ 6,919,636
Market Value of Assets:	\$ 81,767,131	\$ 85,702,933
Actuarial Asset Value:	\$ 88,697,416	\$ 89,937,940
Actuarial Accrued Liability (as defined by GASB-25)	\$ 95,381,233	\$ 96,857,576
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability:	92.99%	92.86%

	FISCAL 2003	FISCAL 2002
Net Employer Normal Cost (July 1):	\$ 3,202,523	\$ 2,512,850
Amortization Cost (July 1):	\$ 716,299	\$ 730,917
Total Employer Actuarially Required Contribution (Including Estimated Administrative Costs):	\$ 4,406,746	\$ 3,663,161
Net Direct Employer Actuarially Required Contribution as a Percentage of Projected Payroll:	7.53%	6.16%

Minimum Recommended Net Direct Employer Contribution Rate: Fiscal 2004: 7.75% Fiscal 2003: 6.25%

Employee Contribution Rate: 5.00% of Payroll

Actuarial Cost Method: Frozen Attained Age Normal Actuarial Cost Method

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

Exclusions from Census: None

Basis of Actuarial Asset Value: Fixed income securities are valued at amortized cost; common stock is valued at market value adjusted to reflect a three year smoothing of realized and unrealized capital gains. Expense fund assets were allocated to each plan in proportion to reported payroll.

Changes in Valuation Methods, Assumptions, and Amortization Periods: None

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

COMMENTS ON DATA

For the valuation, the administrative director of the system furnished a census on magnetic diskette derived from the system's master data processing file indicating each active covered employee's sex, date of birth, service credit, annual salary, and accumulated contributions. Information on retirees detailing dates of birth of retirees and beneficiaries, as well as option categories and benefit amounts, was provided in 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 5,481 active members in Plan A of whom 2263 have vested retirement benefits including 217 participants in the Deferred Retirement Option Plan (DROP); 2,316 former Plan A members or their beneficiaries are receiving retirement benefits. An additional 2,351 Plan A members have contributions remaining on deposit with the system; of this number, 193 have vested rights for future retirement benefits. Census data on Plan B members may be found in Exhibit XXI. There are 2,066 active members in Plan B of whom 797 have vested retirement benefits including 53 participants in the Deferred Retirement Option Plan (DROP); 705 former Plan B members or their beneficiaries are receiving retirement benefits. An additional 821 Plan B members have contributions remaining on deposit with the system; of this number, 60 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. 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, L.L.P. As indicated in the system's audit report, the net market value of Plan A's assets was \$432,669,352 as of June 30, 2002. Net investment income for fiscal 2002 measured on a market value basis for Plan A amounted to a net loss of \$8,175,865. The net market value of Plan B's assets was \$81,767,131 as of June 30, 2002. Net investment income for fiscal 2002 measured on a market value basis for Plan B amounted to a net loss of \$2,353,768.

Notwithstanding our efforts to review both census and financial data for apparent errors, we must rely upon the system's administrative staff and accountants to provide accurate information. Our review of submitted information is limited to validation of reasonableness and consistency. Verification of submitted data to source information is beyond the scope of our efforts.

COMMENTS ON ACTUARIAL METHODS AND ASSUMPTIONS

This valuation is based on the Frozen Attained Age Normal actuarial cost method with the unfunded accrued liability frozen as of 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 any year in which the net direct employer contribution is scheduled to decrease, the board of trustees may freeze the net direct employer contribution rate and use the excess funds collected, if any, to reduce the frozen unfunded actuarial accrued liability. In Plan A, payroll growth in excess of 4.25% per year will reduce 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.

The actuarial assumptions utilized for the report are outlined on pages sixty-one through sixty-four. Assumptions for Plan A and Plan B are the same as those used for the prior fiscal year. In the aggregate the assumptions represent our "best estimate" of future long-term experience for the fund. All calculations, recommendations, and conclusions are based on the assumptions specified. To the extent that prospective experience differs from that assumed, adjustments will be required to contribution levels. Such differences will be revealed in future actuarial valuations.

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.

		<u>Actuarial Value</u>	<u>Market Value</u>
PLAN A	1993	11.0%	10.7%
	1994	5.6%	1.0%
	1995	10.0%	13.2%
	1996	12.0%	10.6%
	1997	9.1% *	14.1%
	1998	10.0% **	16.4%

1999	12.1%	8.2%
2000	11.0%	9.1%
2001	4.5%	-4.2%
2002	1.1%	-1.8%

		<u>Actuarial Value</u>	<u>Market Value</u>
PLAN B	1993	10.8%	10.8%
	1994	5.7%	-0.3%
	1995	9.8%	13.6%
	1996	11.6%	10.5%
	1997	9.2% *	14.7%
	1998	9.7% **	16.2%
	1999	11.7%	7.9%
	2000	10.8%	8.4%
	2001	4.2%	-4.2%
	2002	0.3%	-2.8%

* Includes the effect of a change in methodology for determining actuarial value of assets. Prior to 1997 the values were based on market values for stocks and amortized cost for fixed income securities. In 1997, values for common stock were based on two-year smoothing of realized and unrealized capital gains.

** Includes the effect of a change from two-year smoothing of realized and unrealized capital gains on common stock to a three-year smoothing method.

The actuarial rate of return is presented for comparison to the assumed long-term rate of return of 8% used for the valuation. This rate is calculated based on the actuarial value of assets and all interest, dividends, bond amortization, and recognized capital gains as given in Exhibit VI for Plan A and Exhibit XVII for Plan B. For Fiscal 2002, it includes one-third of all realized and unrealized capital gains or losses on common stock accrued during the fiscal year and one-third of those gains or losses accrued in the prior two fiscal years. It excludes unrealized gains or losses on fixed income securities. Prior to fiscal 1998, various other methods were used to calculate the actuarial value of assets. Yields in excess of the 8% assumption will reduce future costs; yields below 8% will increase future costs. The geometric mean rate of return on an actuarial basis over the past ten years has been 8.6% for Plan A and 8.3% for Plan B. For fiscal 2002, Plan A experienced net actuarial investment earnings of \$32,055,239 less than the actuarial assumed earnings rate of 8%. For Plan B, the shortfall in earnings amounted to \$6,882,319. These actuarial losses increased the normal cost accrual rate by 3.1018% and 1.8740% respectively for Plan A and B.

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. The deferral of realized and unrealized capital gains and/or losses on common stocks was the main reason for the difference between the actuarial and market rates of return. Since the actuarial value of assets uses amortized cost for fixed income securities, this measure excludes the effect of unrealized capital gains (losses) on the fixed income investments. Also, the allocation of expense fund assets and income to both Plan A and Plan B produces an additional very small difference between the actuarial and market

rates of return. During 2002, the fund earned \$17,739,452 of dividends and interest for Plan A and \$3,259,255 for Plan B. This income was offset by realized and unrealized capital losses of \$24,467,075 for Plan A and \$5,305,866 for Plan B and investment expenses of \$1,448,242 for Plan A and \$307,157 for Plan B. The geometric mean of the market value rates of return measured over the last ten years was 7.5% for Plan A and 7.2% for Plan B.

At the end of fiscal 2001, an exchange of assets and liabilities was made between the Plan A and Plan B trust funds in accordance with provisions of R.S. 11: 1862(F). For fiscal 2002, we identified nineteen additional members, including sixteen from the Town of Ball, who had changed plans. Three individuals changed plans as a result of a change in employment, while the Town of Ball left membership in Plan B to become members of Plan A. In order to properly assign liabilities to the plan in which they are currently contributing we recommend a transfer of assets of \$366,860 for these individuals from Plan B to Plan A (adjusted with 8% interest from June 30, 2002 to the date of the transfer). The actuarial and market value of assets for Plan A and Plan B reflect the receivables and payables related to the transfer of these assets.

PLAN A – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the Plan is given in Exhibit X. The Plan's active membership increased slightly during the fiscal year with a population increase of 26 members. This is a modest deviation from the recent past. The plan had experienced a decline in the active plan population of 399 members between 1997 and 2002. Should the five year trend in plan population continue, a change in the structure of the amortization of the frozen unfunded actuarial accrued liability will be required to prevent continual increases in contributions as a percentage of payroll.

A review of the active census by age indicates that over the last ten years the population in the under-forty age group has decreased while the proportion of active members over-forty increased. Over the same ten-year period the plan showed a slight decrease in the percentage of members with service less than ten years; the percentage of members with service over fifteen years has increased. These trends are indicative of a maturing population. The number of retirees and beneficiaries receiving benefits from the system increased by 61 during the fiscal year and by 271 over the last five years.

Plan liability experience for fiscal 2002 was slightly favorable. There was no one significant factor affecting liability experience. Salary increases and disability retirements were slightly less than projections. Both of these elements reduced costs. An excess of actual retiree deaths over projections further reduced costs. Retirements and DROP entries were above projected levels, partially offsetting the cost reduction. Withdrawals from service were at projected levels. Plan liability gains reduced the normal cost accrual rate by 0.1558%.

PLAN B – DEMOGRAPHICS AND LIABILITY EXPERIENCE

A reconciliation of the census for the Plan is given in Exhibit XXI. The Plan's active membership decreased during the fiscal year with a population decrease of three members over the last year. Over the last five years the active population increased by ten members. The number of retirees and

beneficiaries receiving benefits from the system increased by five. Over the last five years this group increased by 54.

A review of the active census by age indicates that over the last ten years the population in the under-forty age group has decreased while the proportion of active members over-forty increased. Over the same ten-year period the system showed a slight decrease in the percentage of members with service less than ten years and the corresponding increase in the percentage of members with service over ten years. These trends are indicative of a maturing population.

Plan liability experience for fiscal 2002 was favorable. The most significant factors reducing costs were related to salary increases below projections, withdrawals above projected levels, and retiree deaths above projections. In addition, rates of retirement and disability below projections further reduced costs. The number of DROP entries were at projected levels. Plan liability gains reduced the normal cost accrual rate by 0.3725%.

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 2003 as of July 1, 2002, is \$12,048,989. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2002, is \$3,820,291. 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 14 of Exhibit I, the total actuarially required contribution for fiscal 2003 is

\$17,490,652. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2003 is \$14,438,244. This is 10.78% of the projected Plan A payroll for fiscal 2003.

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 2002	6.7243%
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	3.1018%
Contribution Shortfall	0.0741%
New Members	0.0109%
Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	-0.1558%
Normal Cost Accrual Rate – Fiscal 2003	9.7553%

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 2003 as of July 1, 2002, is \$3,202,523. The amortization payment on the plan's frozen unfunded actuarial accrued liability as of July 1, 2002, is \$716,299. 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 14 of Exhibit XII, the total actuarially required contribution for fiscal 2003 is \$4,406,746. When this amount is reduced by projected tax contributions and revenue sharing funds, the resulting employers' net direct actuarially required contribution for fiscal 2003 is \$3,385,457. This is 7.53% of the projected Plan B payroll for fiscal 2003.

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

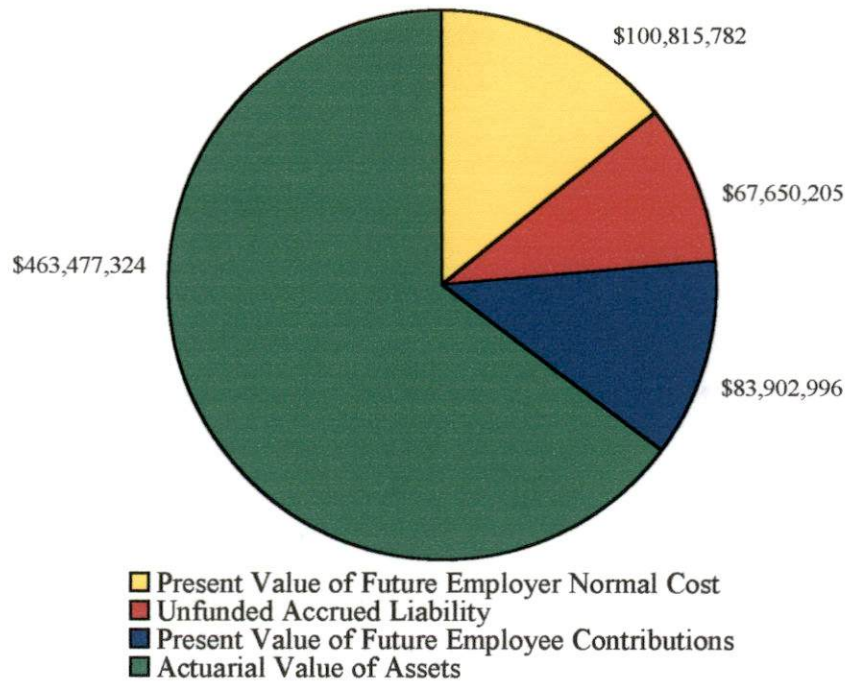
Normal Cost Accrual Rate – Fiscal 2002	6.2336 %
Factors Increasing the Normal Cost Accrual Rate:	
Asset Experience	1.8740%
Contribution Shortfall	0.1555%
Factors Decreasing the Normal Cost Accrual Rate:	
Liability Experience	-0.3725%
New Members	-0.1214%
Normal Cost Accrual Rate – Fiscal 2003	7.7692%

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 2003, the net effect of the change in payroll on amortization costs was to increase such costs by 0.02% of payroll for Plan A and reduce costs 0.07% of payroll 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 for Plan A these funds collected in fiscal 2003 will increase by 0.11% of payroll; in Plan B the corresponding increase is 0.09%. Although the actuarially required net direct employer contribution rate for Plan A for fiscal 2003 is 10.78%, the actual employer contribution rate for fiscal 2003 is 8.00% of payroll. After giving consideration to the expected shortfall in contributions collected in fiscal 2003, as detailed in Exhibit I, we recommend a net direct employer contribution of 11.00% of payroll for Plan A during fiscal 2004. Although the actuarially required net direct employer contribution rate in Plan B is 7.53%, the actual employer contribution rate for fiscal 2003 is 6.25% of payroll. After giving consideration to the expected contribution shortfall in fiscal 2003, as detailed in Exhibit XII, we recommend a net direct employer contribution of 7.75% of payroll for Plan B during fiscal 2004.

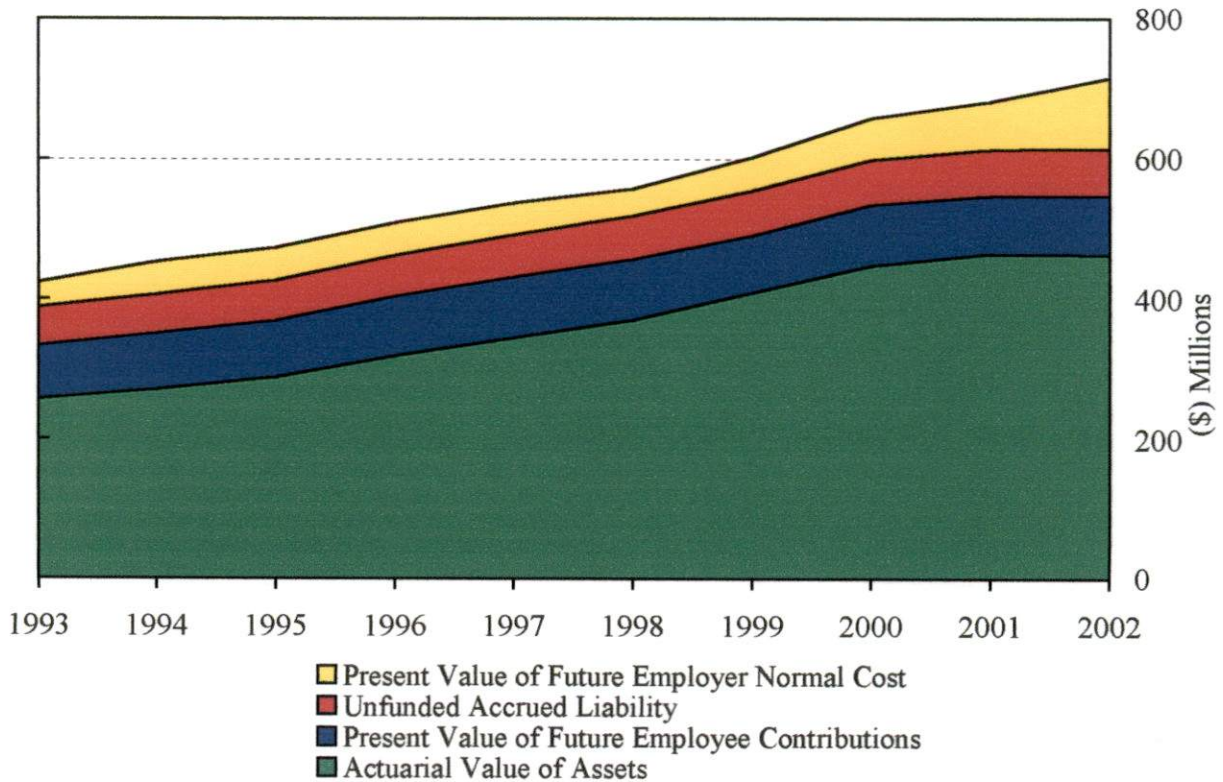
COST OF LIVING INCREASES

During fiscal 2002 the actual cost of living (as measured by the US Department of Labor CPI-U) increased by 1.07%. 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 2002 both Plan A and Plan B have met the necessary target ratio, but plan investment experience was below assumptions. Since COLAs can only be paid out of investment income in excess of the 8% assumption, the plan is unable to fund any cost of living increase for the fiscal year.

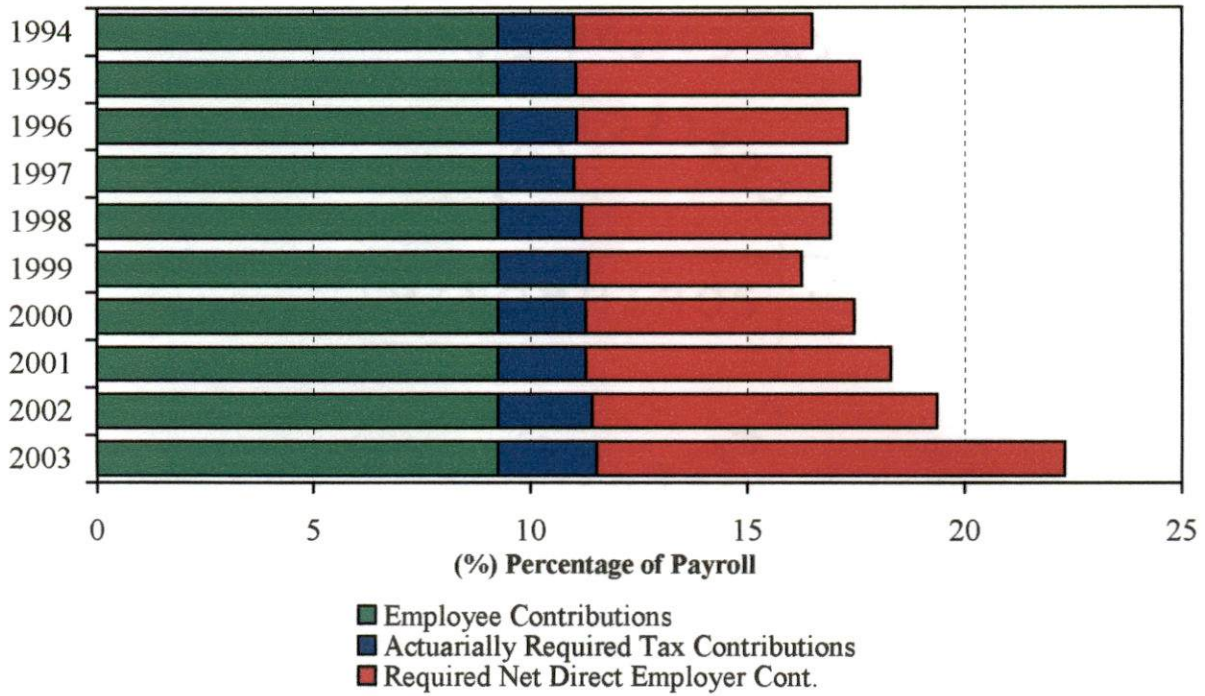
Plan A - Components of Present Value of Future Benefits June 30, 2002



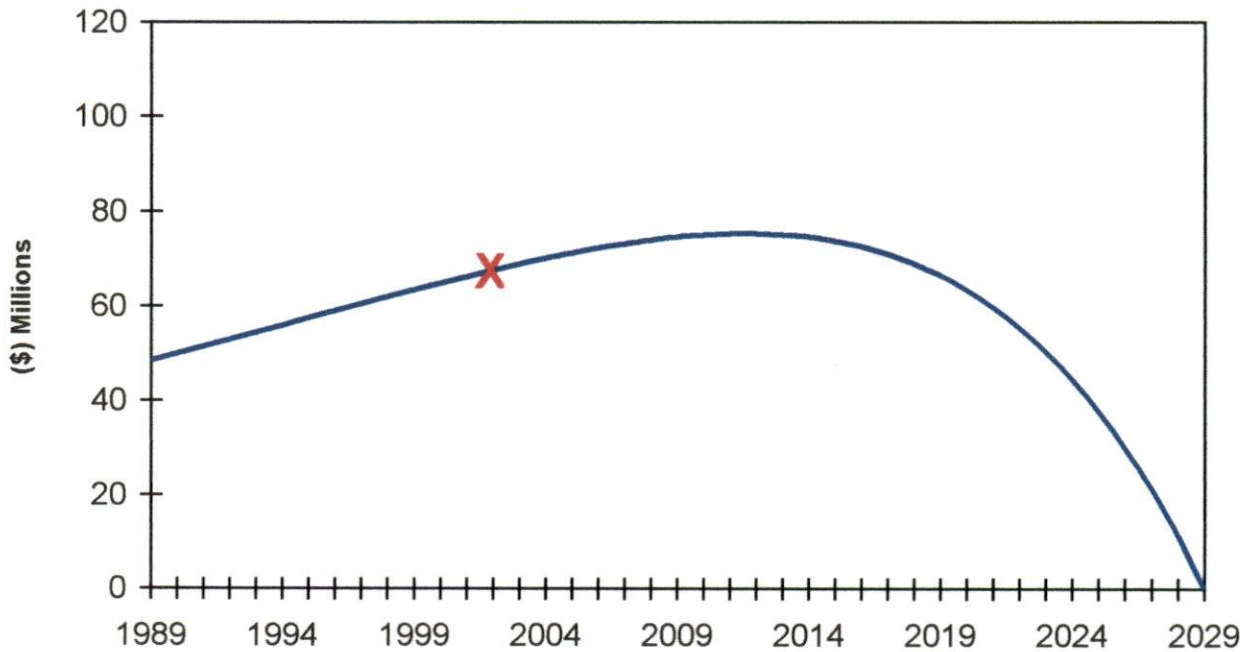
Plan A - Components of Present Value of Future Benefits



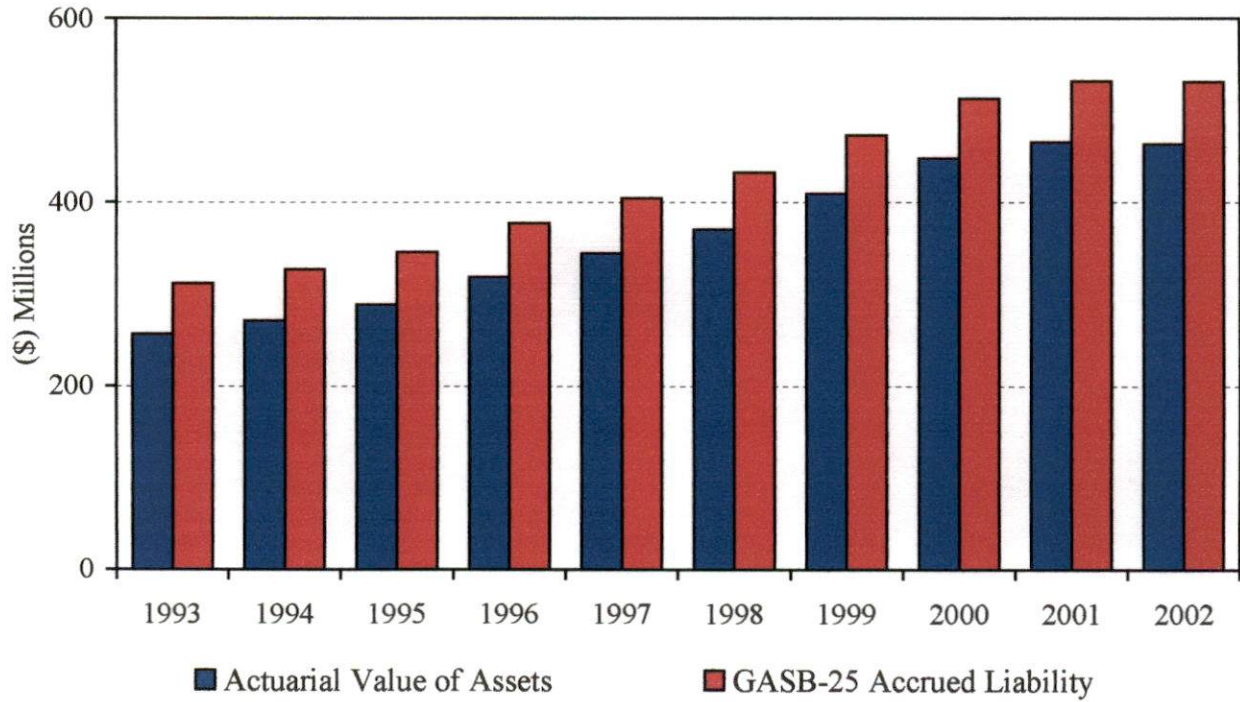
Plan A - Components of Actuarial Funding



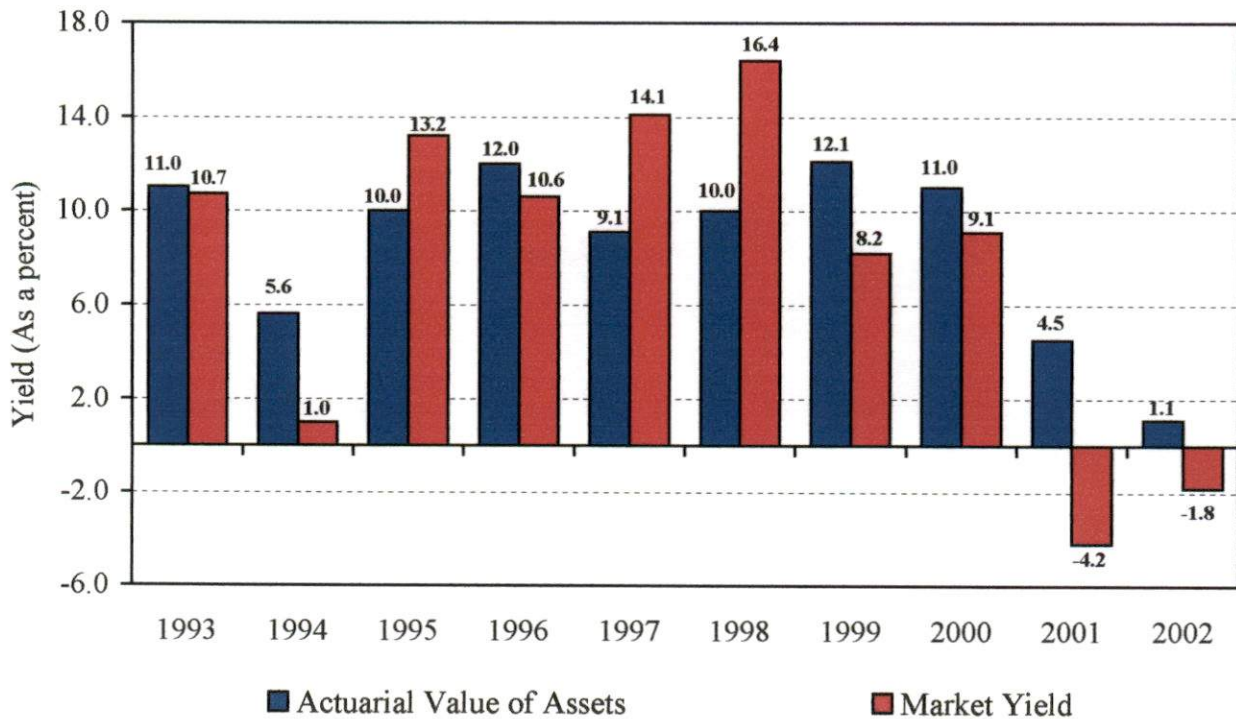
Plan A – Frozen Unfunded Accrued Liability



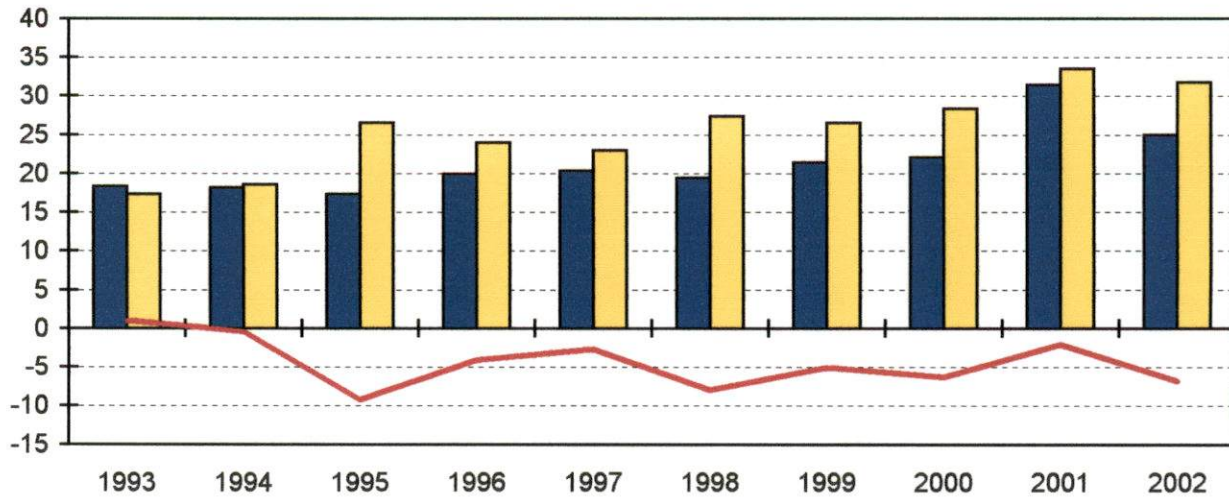
Plan A Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan A – Historical Asset Yield

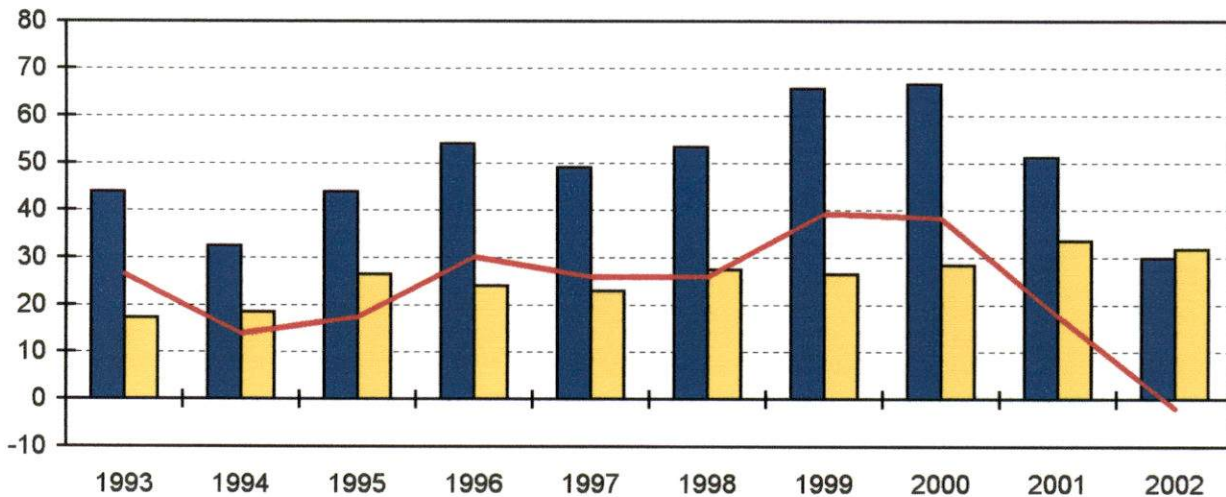


Plan A - Net Non-Investment Income



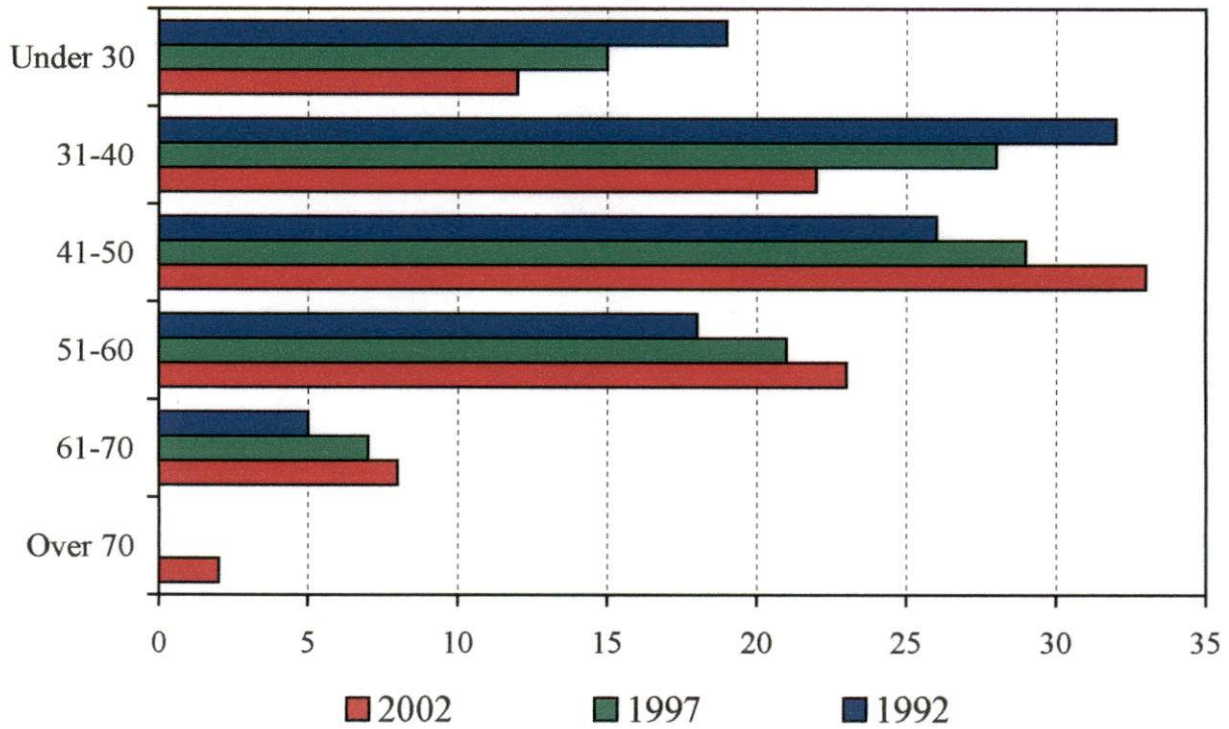
		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Non-Investment Income (\$Mil)		18.3	18.2	17.3	19.9	20.3	19.4	21.4	22.1	31.4	25.0
Benefits and Expenses (\$Mil)		17.3	18.6	26.5	24.0	23.0	27.4	26.5	28.4	33.5	31.8
Net Non-Investment Income (\$Mil)		1.0	-0.4	-9.2	-4.1	-2.7	-8	-5.1	-6.3	-2.1	-6.8

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

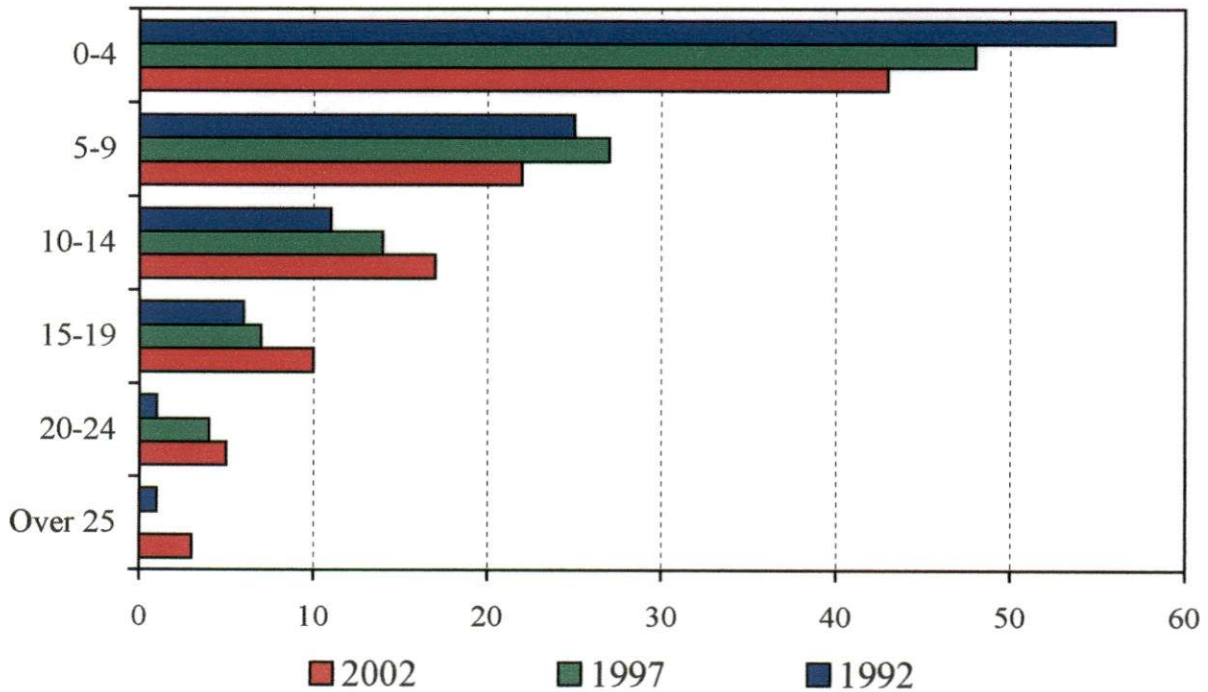


		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Income (\$Mil)		43.8	32.4	43.9	54.1	49.0	53.3	65.7	66.7	51.2	29.9
Benefits and Expenses (\$Mil)		17.3	18.5	26.5	24.0	23.0	27.4	26.5	28.4	33.5	31.8
Net Change in AVA (\$Mil)		26.5	13.9	17.4	30.1	26.0	25.9	39.2	38.3	17.7	-1.9

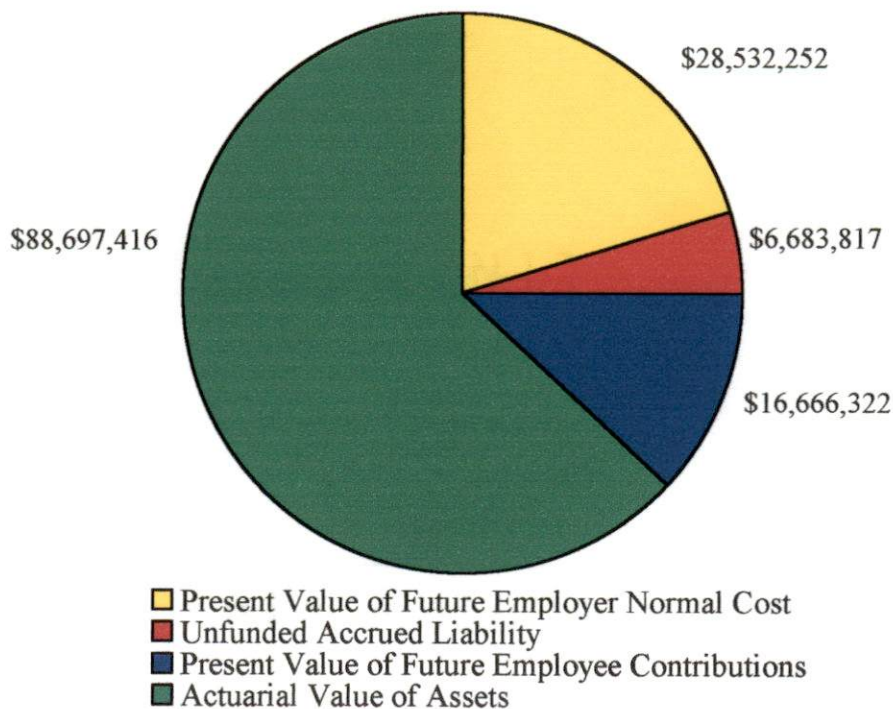
Plan A - Active – Census By Age (as a percent)



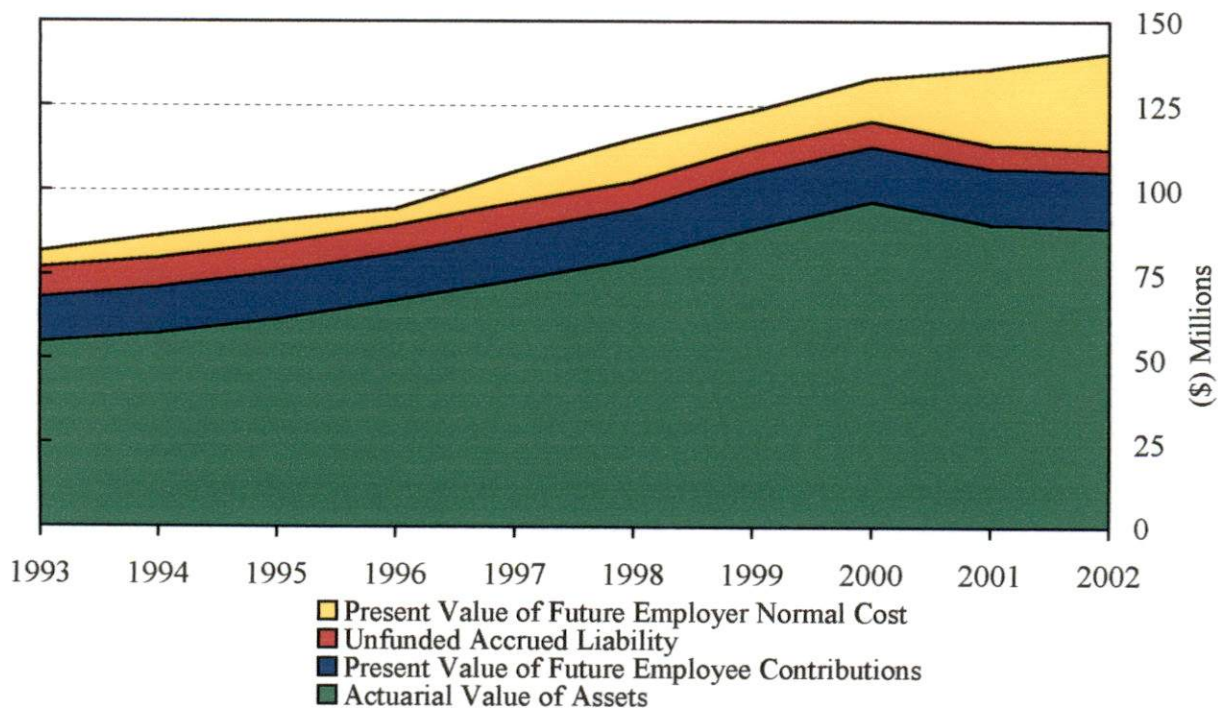
Plan A - Active – Census By Service (as a percent)



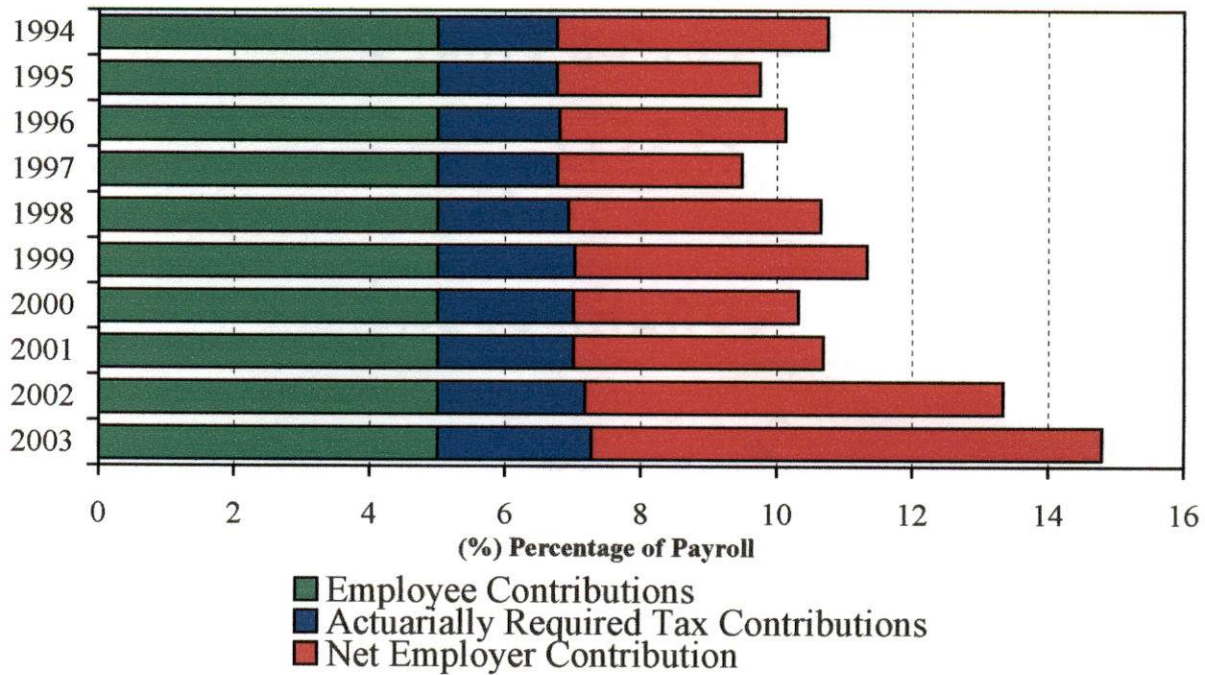
Plan B - Components of Present Value of Future Benefits June 30, 2002



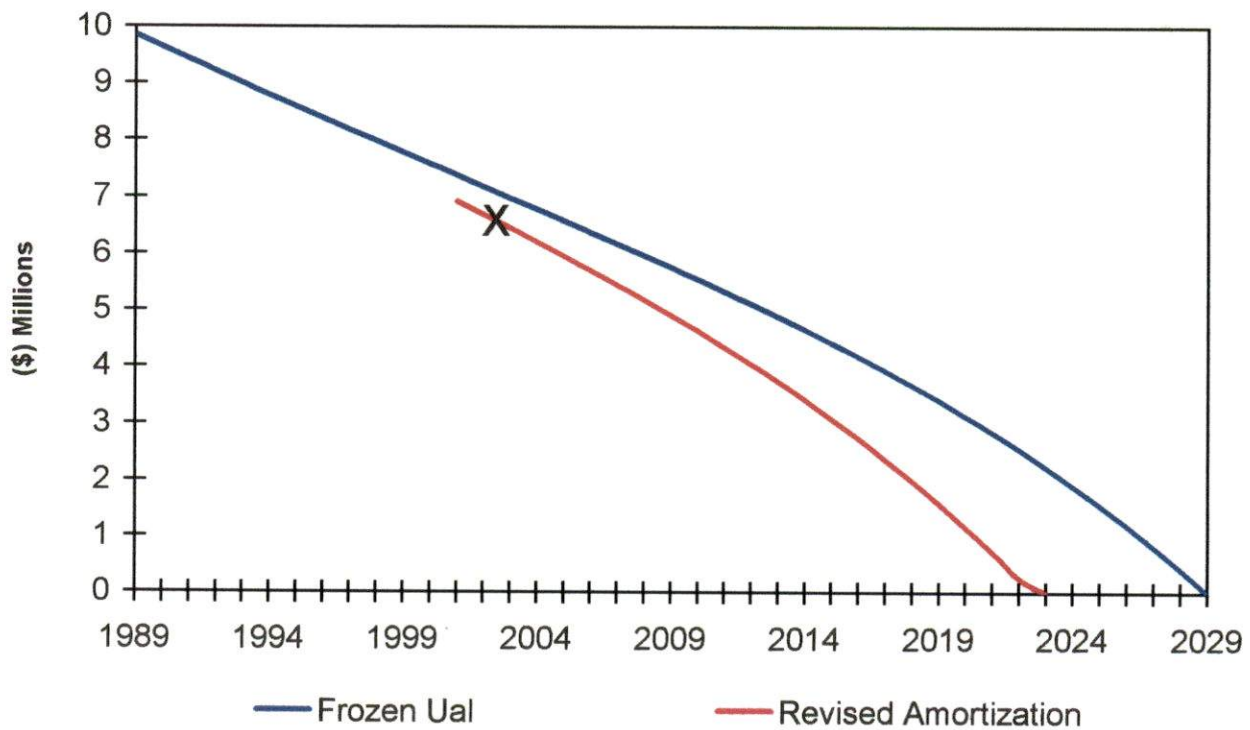
Plan B - Components of Present Value of Future Benefits



Plan B - Components of Actuarial Funding

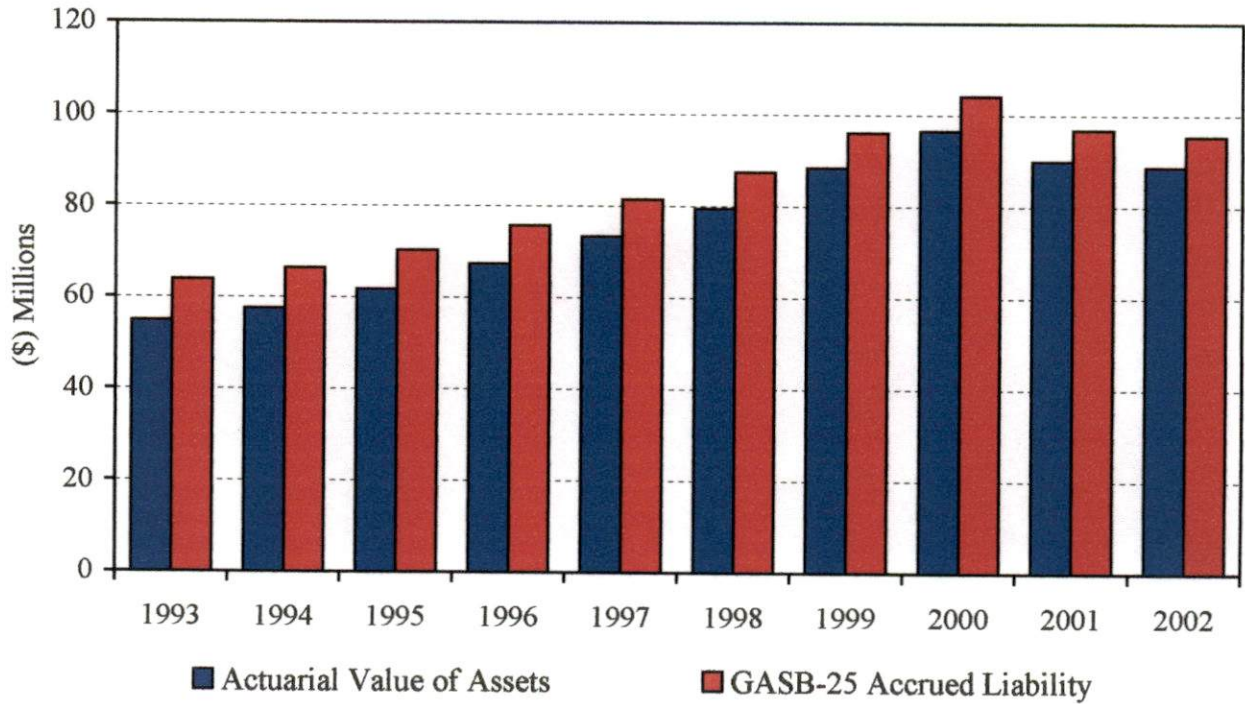


Plan B – Frozen Unfunded Accrued Liability

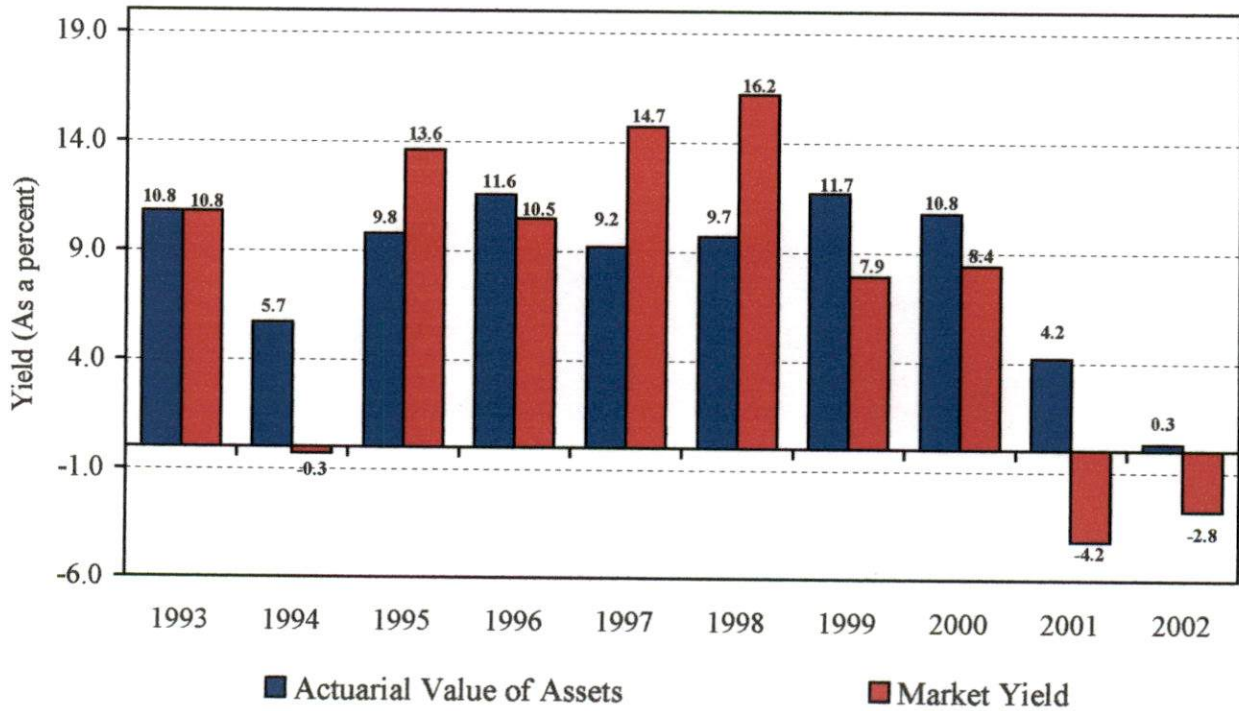


Plan B

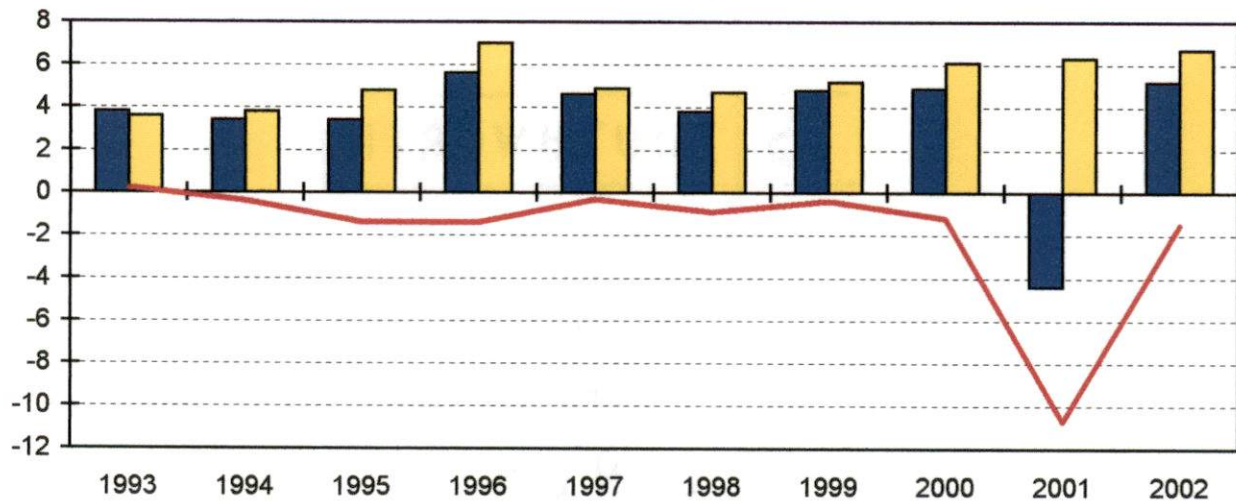
Actuarial Value of Assets vs. GASB-25 Accrued Liability



Plan B – Historical Asset Yield

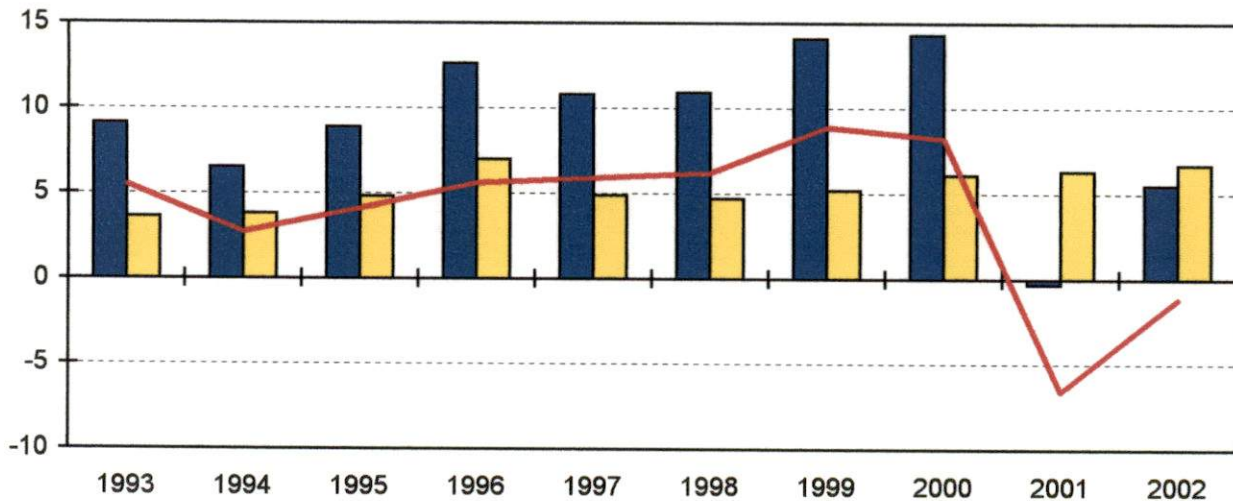


Plan B - Net Non-Investment Income



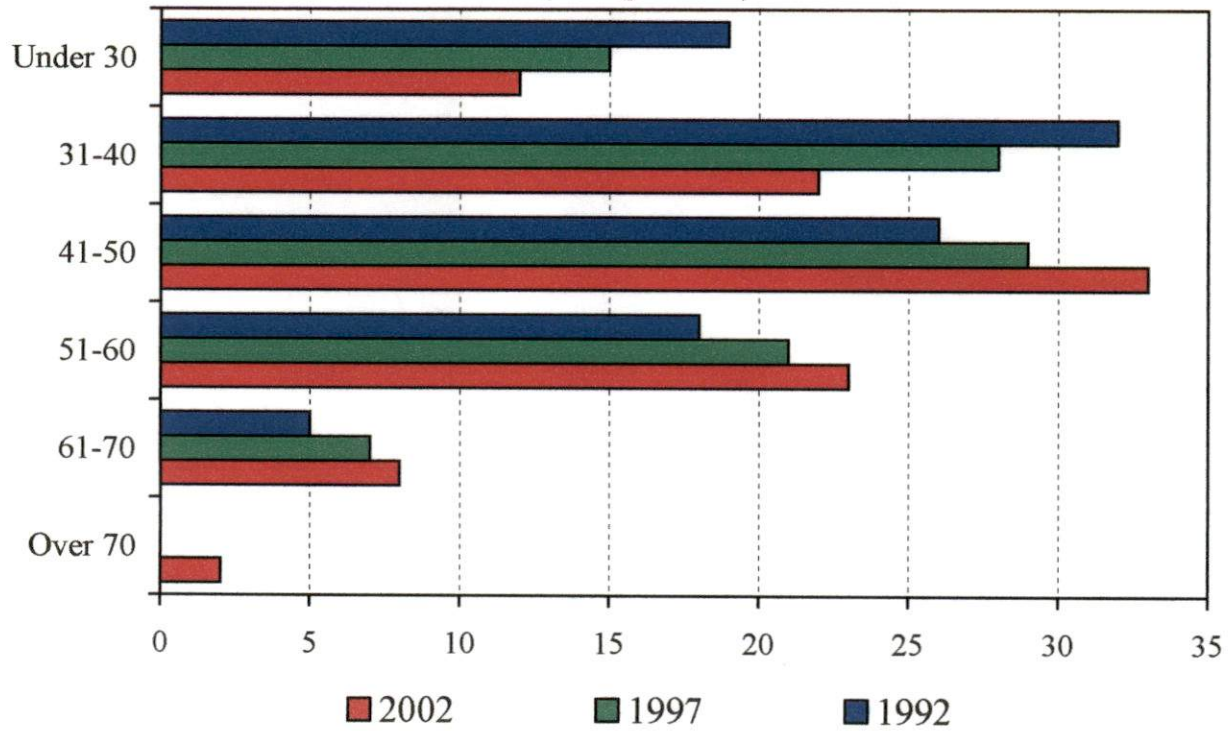
		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Non-Investment Income (\$Mil)		3.8	3.4	3.4	5.6	4.6	3.8	4.8	4.9	-4.4	5.2
Benefits and Expenses (\$Mil)		3.6	3.8	4.8	7.0	4.9	4.7	5.2	6.1	6.3	6.7
Net Non-Investment Income (\$Mil)		0.2	-0.4	-1.4	-1.4	-0.3	-0.9	-0.4	-1.2	-10.7	-1.5

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

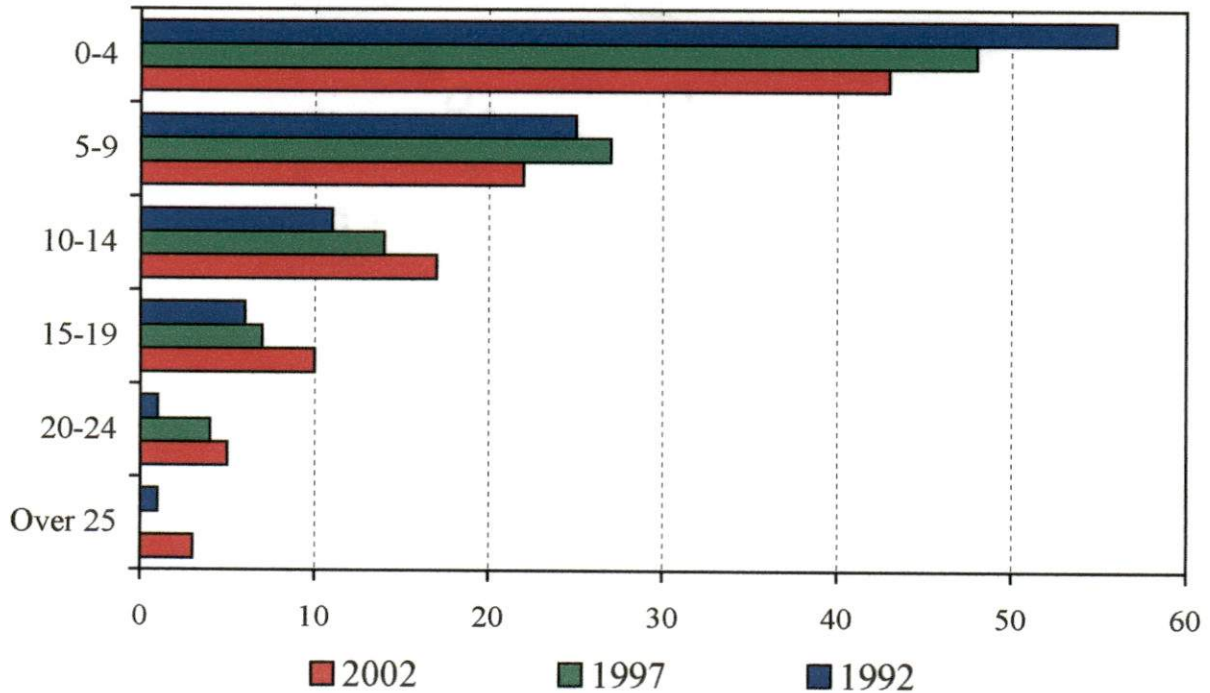


		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Income (\$Mil)		9.1	6.5	8.9	12.6	10.8	10.9	14.1	14.3	-0.3	5.5
Benefits and Expenses (\$Mil)		3.6	3.8	4.8	7.0	4.9	4.7	5.2	6.1	6.3	6.7
Net Change in AVA (\$Mil)		5.5	2.7	4.1	5.6	5.9	6.2	8.9	8.2	-6.6	-1.2

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



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



Plan A Exhibits

EXHIBIT I

PLAN A: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1. Present Value of Future Benefits.....	\$ 715,846,307
2. Frozen Unfunded Actuarial Accrued Liability.....	\$ 67,650,205
3. Actuarial Value of Assets.....	\$ 463,477,324
4. Present Value of Future Employee Contributions.....	\$ 83,902,996
5. Present Value of Future Employer Normal Costs (1-2-3-4).....	\$ 100,815,782
6. Present Value of Future Salaries	\$1,033,448,988
7. Employer Normal Cost Accrual Rate (5 ÷ 6).....	9.755274%
8. Projected Fiscal 2003 Salary for Current Membership.....	\$ 123,512,563
9. Employer Normal Cost as of July 1, 2002 (7 x 8).....	\$ 12,048,989
10. Amortization Payment on Frozen Unfunded Accrued Liability of \$67,650,205 over 27 remaining years with Payments increasing at 4.25% per year.....	\$ 3,820,291
11. Total Employer Normal Cost & Amortization Payment (9 + 10).....	\$ 15,869,280
12. Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment.....	\$ 16,491,839
13. Estimated Administrative Cost for Fiscal 2003.....	\$ 998,813
14. Gross Employer Actuarially Required Contribution for Fiscal 2003 (12 + 13).....	\$ 17,490,652
15. Projected Tax Contributions for Fiscal 2003.....	\$ 2,930,739
16. Projected Revenue Sharing Funds for Fiscal 2003.....	\$ 121,669
17. Net Direct Employer Actuarially Required Contribution for Fiscal 2003 (14 - 15 - 16).....	\$ 14,438,244
18. Projected Payroll (July 1, 2002 through June 30, 2003)	\$ 133,964,826
19. Net Direct Employer Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2003 (17 ÷ 18).....	10.78%
20. Actual Employer Contribution Rate for Fiscal 2003.....	8.00%
21. Contribution Gain (Loss) as a Percentage of Payroll (20 - 19).....	(2.78%)
22. Adjustment to Following Year Payment for Contribution Gain (Loss).....	(0.33%)
23. Recommended Net Direct Employer Contribution Rate for 2004 (19 - 22) (Rounded to nearest .25%)	11.00%

EXHIBIT II
PLAN A: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	\$ 425,379,049
Survivor Benefits	14,058,106
Disability Benefits	16,243,850
Vested Deferred Termination Benefits	17,460,546
Contribution Refunds.....	12,810,344

TOTAL Present Value of Future Benefits for Active Members \$ 485,951,895

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement..	\$ 6,763,755
Terminated Members with Reciprocal Due Benefits at Retirement	1,181,829
Terminated Members Due a Refund	1,047,885

TOTAL Present Value of Future Benefits for Terminated Members..... \$ 8,993,469

Present Value of Future Benefits for Retirees:

Regular Retirees	\$ 171,128,783
Disability Retirees	16,111,573
Survivors & Widows.....	31,027,815
Reserve for Accrued Retiree DROP Account Balances.....	2,632,772

TOTAL Present Value of Future Benefits for Retirees & Survivors..... \$ 220,900,943

TOTAL Present Value of Future Benefits \$ 715,846,307

EXHIBIT III
PLAN A: ACTUARIAL VALUE OF ASSETS

Current Assets:

Cash	\$ 2,589,981
Contributions Receivable from Members.....	2,861,426
Contributions Receivable from Employers	2,281,976
Accrued Interest and Dividends on Investments	3,166,898
Investment Receivable	1,214,740
Due From Other Funds	751,513
Due From Plan B	5,517

TOTAL CURRENT ASSETS \$ 12,872,051

Allocated Share of the Expense Fund \$ 2,030,689

Property Plant & Equipment \$ 576,717

Investments:

Common Stock	\$ 146,573,357
Corporate Bonds	102,945,890
Federal National Mortgage Corporation.....	84,766,240
International Equities.....	32,045,810
Federal Home Loan Mortgage Corporation	20,635,866
Government National Mortgage Association	10,173,665
U.S. Treasury Notes, Bonds and Bills	11,044,115
Cash Equivalents	5,835,311
Deferred Capital Losses on Common stock	35,497,784

TOTAL INVESTMENTS \$ 449,518,038

TOTAL ASSETS..... \$ 464,997,495

Current Liabilities:

Investment Payable.....	\$ 1,074,911
Accounts Payable	197,000
Refunds Payable	248,260

TOTAL CURRENT LIABILITIES..... \$ 1,520,171

ACTUARIAL VALUE OF ASSETS \$ 463,477,324

EXHIBIT IV
PLAN A: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund.....	\$ 83,902,996
Employer Normal Contributions to the Pension Accumulation Fund	100,815,782
Employer Amortization Payments to the Pension Accumulation Fund.....	67,650,205
 TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	 \$252,368,983

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

Prior Year Frozen Unfunded Accrued Liability.....	\$ 66,303,626
Interest on Frozen Unfunded Accrued Liability	\$ 5,304,290
Employer Normal Cost for Prior Year	8,057,287
Interest on the Normal Cost	644,583
Administrative Expenses	612,373
Interest on Expenses.....	24,024
 TOTAL Increases to Frozen Unfunded Accrued Liability	 \$ 14,642,557
 Gross Regular Employer Contributions	 \$ 12,016,257
Interest on Employer Contributions	471,404
Contribution Shortfall (Excess).....	777,804
Interest on Contribution Shortfall (Excess).....	30,513
 TOTAL Decreases to Frozen Unfunded Accrued Liability	 \$ 13,295,978
 CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	 \$ 67,650,205

EXHIBIT VI
PLAN A: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2001).....	\$	465,259,344
Income:		
Member Contributions.....	\$	11,578,113
Employer Contributions.....		9,286,279
Ad Valorem Taxes.....		2,619,951
Revenue Sharing Funds.....		110,027
Irregular Contributions.....		1,081,743
Transfer of Funds From Plan B.....		366,860
Total Contribution Income.....	\$	25,042,973
Interest and Dividend Income.....	\$	17,805,311
Recognized Realized Capital Gains (Losses).....		6,520,580
Recognized Unrealized Capital Gains (Losses).....		(21,392,454)
Realized Gains (Losses) on Fixed Income Securities ..		3,533,945
Bond Amortization Income (Expense).....		(108,405)
Investment Expense.....		(1,455,735)
Net Investment Income.....	\$	4,903,242
TOTAL Income.....	\$	29,946,215
Expenses:		
Retirement Benefits.....	\$	25,578,771
Funds Transferred to Another System.....		175,855
Refunds of Contributions.....		3,146,463
DROP Disbursements.....		2,255,945
Administrative Expenses.....		612,373
TOTAL Expenses.....	\$	31,769,407
Net Income for Fiscal 2002 (Income - Expenses).....	\$	(1,823,192)
Unadjusted Fund Balance as of June 30, 2002.....	\$	463,436,152
Adjustment for Change in Allocated Expense Fund Balance.....	\$	41,172
Actuarial Value of Assets (June 30, 2002).....	\$	463,477,324

**EXHIBIT VII
PLAN A: FUND BALANCE**

Present Assets of the System Creditable to:

Annuity Savings Fund.....	\$ 86,626,377
Annuity Reserve Fund.....	218,268,171
Pension Accumulation Fund	116,016,525
Deferred Retirement Option Plan Account.....	11,758,279
NET MARKET VALUE OF ASSETS	\$ 432,669,352
ADJUSTMENT FOR DEFERRAL OF REALIZED AND UNREALIZED CAPITAL GAINS ON COMMON STOCK	35,497,784
ADJUSTMENT FOR UNRECOGNIZED CHANGE IN VALUE OF FIXED INCOME SECURITIES	(6,720,501)
ALLOCATED SHARE OF THE EXPENSE FUND	2,030,689
ACTUARIAL VALUE OF ASSETS.....	\$ 463,477,324

**EXHIBIT VIII
PLAN A: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees ...	\$ 312,327,484
Present Value of Benefits Payable to Terminated Employees.....	8,993,469
Present Value of Benefits Payable to Current Retirees and Beneficiaries.....	220,900,943
TOTAL PENSION BENEFIT OBLIGATION	542,221,896

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:.....	18.64%

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)%	
 3. TOTAL Adjustments		 (6.81%)

Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988	(2.32)%	
Changes for Fiscal 1989	0.86%	
Changes for Fiscal 1995	0.32%	
Changes for Fiscal 1997	0.57%	
Changes for Fiscal 1998	0.48%	
Changes for Fiscal 2000	0.09%	
 4. TOTAL Amortization of Adjustments		 0.00%

5. Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%).....	76.88%
 6. Actuarial Value of Assets Divided by PBO as of June 30, 2002	 85.48%

EXHIBIT X
PLAN A: CENSUS DATA

	Active	Terminated with Funds on Deposit	DROP	Retired	Total
Number of members as of June 30, 2001	5,234	2,311	221	2,255	10,021
Additions to Census					
Initial membership	592	35			627
Death of another member	(5)		(2)	7	
Omitted in error last year		1		4	5
Change in Status during Year					
Actives terminating service	(121)	121			
Actives who retired	(78)			78	
Actives entering DROP	(73)		73		
Term. members rehired	31	(31)			
Term. members who retire		(7)		7	
Retirees who are rehired					
Refunded who are rehired	30	29			59
DROP participants retiring			(50)	50	
DROP returned to work	25		(25)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(363)	(108)			(471)
Deaths	(8)	(1)		(83)	(92)
Included in error last year					
Adjustment for multiple records		1		(2)	(1)
Number of members as of June 30, 2002	5,264	2,351	217	2,316	10,148

PLAN A - ACTIVES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	36	4	40	12,963	518,507
21 - 25	202	64	266	15,869	4,221,156
26 - 30	230	106	336	19,444	6,533,217
31 - 35	369	162	531	22,153	11,763,247
36 - 40	461	235	696	23,009	16,014,157
41 - 45	553	330	883	25,220	22,269,180
46 - 50	620	298	918	26,142	23,998,121
51 - 55	483	221	704	26,037	18,330,342
56 - 60	398	171	569	24,377	13,870,414
61 - 65	244	94	338	24,601	8,315,295
66 - 70	89	36	125	22,749	2,843,626
71 - 75	39	9	48	20,426	980,456
76 - 80	18	3	21	19,642	412,489
81 - 85	4	0	4	24,423	97,692
86 - 90	2	0	2	11,666	23,331
TOTAL	3,748	1,733	5,481	23,753	130,191,230

THE ACTIVE CENSUS INCLUDES 2,263 ACTIVES WITH VESTED BENEFITS, INCLUDING 217 DROP PARTICIPANTS AND 83 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	2	3	4,970	14,911
36 - 40	5	12	17	8,563	145,571
41 - 45	12	18	30	8,664	259,906
46 - 50	17	7	24	12,576	301,824
51 - 55	36	10	46	9,553	439,419
56 - 60	38	14	52	7,637	397,137
61 - 65	15	2	17	3,251	55,269
66 - 70	2	2	4	5,444	21,774
TOTAL	126	67	193	8,476	1,635,811

PLAN A - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	1,536	38,320
100	- 499	352	78,526
500	- 999	71	48,540
1000	- 1999	69	96,978
2000	- 4999	61	193,642
5000	- 9999	38	260,581
10000	- 19999	27	359,904
20000	- 99999	4	128,241
TOTAL		2,158	1,204,732

PLAN A - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
36 - 40	2	0	2	14,215	28,430
41 - 45	5	3	8	12,319	98,553
46 - 50	9	5	14	17,336	242,702
51 - 55	44	11	55	20,247	1,113,580
56 - 60	74	16	90	20,336	1,830,241
61 - 65	218	63	281	15,119	4,248,497
66 - 70	279	65	344	13,718	4,719,008
71 - 75	244	69	313	12,045	3,770,058
76 - 80	190	59	249	10,483	2,610,150
81 - 85	108	37	145	9,307	1,349,479
86 - 90	56	10	66	7,063	466,185
91 - 99	13	5	18	5,309	95,553
TOTAL	1,242	343	1,585	12,979	20,572,436

PLAN A - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	1	0	1	8,208	8,208
31 - 35	1	0	1	12,062	12,062
36 - 40	7	2	9	8,329	74,957
41 - 45	11	3	14	8,741	122,372
46 - 50	29	5	34	9,074	308,521
51 - 55	35	4	39	10,303	401,828
56 - 60	24	12	36	9,142	329,099
61 - 65	21	2	23	7,806	179,546
66 - 70	12	2	14	7,337	102,719
71 - 75	11	3	14	4,737	66,316
76 - 80	10	1	11	5,074	55,817
81 - 85	2	0	2	8,411	16,822
91 - 99	0	1	1	1,437	1,437
TOTAL	164	35	199	8,441	1,679,704

PLAN A - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
0 - 25	0	5	5	7,821	39,103
26 - 30	0	1	1	7,042	7,042
31 - 35	1	1	2	2,676	5,351
36 - 40	3	8	11	7,470	82,168
41 - 45	0	12	12	7,774	93,288
46 - 50	4	19	23	8,408	193,384
51 - 55	0	25	25	5,830	145,754
56 - 60	2	35	37	9,615	355,772
61 - 65	3	56	59	8,483	500,504
66 - 70	1	66	67	6,880	460,978
71 - 75	5	83	88	8,968	789,158
76 - 80	6	61	67	7,893	528,846
81 - 85	3	75	78	5,718	446,022
86 - 90	0	40	40	4,415	176,619
91 - 99	2	15	17	4,064	69,094
TOTAL	30	502	532	7,318	3,893,083

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	33	6	1										40
21 - 25	114	82	30	25	8	7							266
26 - 30	76	54	48	35	31	86	6						336
31 - 35	79	69	47	39	41	158	94	4					531
36 - 40	63	65	62	46	28	175	150	82	25				696
41 - 45	70	59	50	48	42	196	148	116	141	13			883
46 - 50	72	49	41	52	34	179	163	115	144	62	7		918
51 - 55	48	41	35	34	19	142	131	91	93	55	15		704
56 - 60	30	35	28	26	20	128	97	89	62	38	16		569
61 - 65	12	14	10	12	12	72	75	58	35	20	18		338
66 - 70	5	4	9	5	2	37	22	15	8	11	7		125
71 & Over	1	4	4	3	1	26	6	9	6	10	5		75
Totals	603	482	365	325	238	1206	892	579	514	209	68		5481

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	12,706	13,629	17,426										12,963
21 - 25	14,371	16,103	17,511	17,509	18,958	21,096							15,869
26 - 30	15,942	19,500	19,281	18,920	19,838	22,062	28,108						19,444
31 - 35	16,889	20,449	20,941	20,185	21,631	23,804	26,646	23,496					22,153
36 - 40	16,933	17,781	19,805	19,377	21,144	22,039	27,609	29,202	27,508				23,009
41 - 45	17,667	20,053	19,187	21,642	20,074	24,315	25,810	30,427	31,369	36,158			25,220
46 - 50	18,775	19,148	19,293	23,789	22,090	22,737	26,731	30,532	32,644	33,134	33,649		26,142
51 - 55	16,433	20,003	19,800	23,035	23,137	22,859	26,512	28,733	32,560	35,455	32,927		26,037
56 - 60	17,919	21,041	21,617	20,674	19,853	21,962	23,022	28,028	29,707	30,917	31,320		24,377
61 - 65	15,525	19,308	21,577	21,452	26,110	21,428	23,255	26,592	28,428	35,451	29,935		24,601
66 - 70	22,574	18,768	19,209	36,659	15,618	20,314	20,764	22,210	24,393	28,583	31,019		22,749
71 & Over	59,775	17,005	15,092	27,285	12,155	13,764	16,858	27,305	31,981	23,510	20,009		20,186
Average	16,491	18,907	19,666	21,223	21,147	22,560	25,785	28,946	31,252	33,051	30,685		23,753

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											3	3
36 - 40						1				16		17
41 - 45								29		1		30
46 - 50							23	1				24
51 - 55		1				45						46
56 - 60	8	8	13	13	9	1						52
61 - 65	17											17
66 - 70	4											4
71 & Over												0
Totals	29	9	13	13	9	47	23	30	17	3	0	193

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										4,970		4,970
36 - 40						1,480			9,006			8,563
41 - 45								8,737	6,541			8,664
46 - 50							12,380	17,095				12,576
51 - 55		18,321				9,358						9,553
56 - 60	5,218	5,079	8,084	8,875	10,185	2,626						7,637
61 - 65	3,251											3,251
66 - 70	5,443											5,443
71 & Over												0
Average	4,096	6,550	8,084	8,875	10,185	9,047	12,380	9,015	8,861	4,970	0	8,476

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	12	3	8		1							24
51 - 55	17	12	16	3	5	1	1					55
56 - 60	29	13	8	10	10	16	4					90
61 - 65	49	41	35	28	25	66	28	6	2	1		281
66 - 70	9	22	27	34	20	139	59	31	2	1		344
71 - 75	5	4	12	11	12	99	113	45	12			313
76 - 80		2	1	4	3	23	97	97	22			249
81 - 85		2	1	1		5	15	61	52	8		145
86 - 90		1		1		2	4	10	34	14		66
91 & Over							1	1	2	12	2	18
Totals	121	100	108	92	76	351	322	251	126	36	2	1585

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	14,286	15,908	18,155		5,287							15,404
51 - 55	18,188	17,265	22,653	26,352	24,966	23,754	7,109					20,247
56 - 60	18,096	23,224	22,950	17,265	27,225	20,689	11,004					20,336
61 - 65	12,344	13,342	11,893	15,771	16,536	18,047	19,321	12,026	8,383	4,374		15,119
66 - 70	12,806	8,638	9,830	10,542	12,297	12,820	19,132	19,605	10,773	3,954		13,718
71 - 75	10,167	7,313	10,694	10,436	10,821	11,183	11,541	15,370	17,839			12,045
76 - 80		7,674	3,551	5,444	10,846	8,915	11,268	10,061	11,956			10,483
81 - 85		12,875	11,398	7,126		11,486	14,501	8,434	8,658	8,195		9,307
86 - 90		3,447		23,837		3,890	9,350	7,719	7,128	5,299		7,063
91 & Over							7,343	2,233	14,671	4,521	1,193	5,309
Average	14,680	13,677	14,039	13,253	16,106	13,405	13,603	11,719	9,820	5,620	1,193	12,979

PLAN A - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 30			1									1
31 - 35						1						1
36 - 40		1		1		7						9
41 - 45	4	1	1	2		4	2					14
46 - 50	5	2	3	3	6	9	5	1				34
51 - 55	1	6	4	4	2	13	6	2	1			39
56 - 60	5	4	3	3		12	4	2	3			36
61 - 65		2	1			11	3	1	4	1		23
66 - 70					1	5	4	3	1			14
71 - 75					1	5	3	2	1	2		14
76 - 80			1	1		1	2	1	1	3	1	11
81 - 85								1	1			2
86 - 90												0
91 & Over											1	1
Totals	15	16	14	14	10	68	29	13	12	6	2	199

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 - 30			8,208										8,208
31 - 35						12,062							12,062
36 - 40		5,568		14,175		7,888							8,329
41 - 45	8,999	7,384	15,410	8,388		8,913	5,577						8,741
46 - 50	10,226	8,886	6,657	11,030	7,803	10,026	8,690	6,060					9,074
51 - 55	6,031	9,928	11,575	12,970	10,662	12,117	7,045	7,128	2,686				10,303
56 - 60	7,829	12,211	4,656	8,034		9,986	13,049	7,597	5,273				9,142
61 - 65		5,104	9,081			9,038	8,307	8,741	5,392	5,611			7,806
66 - 70					4,188	5,823	7,959	9,255	9,815				7,337
71 - 75					4,582	3,833	4,783	6,767	4,353	5,165			4,737
76 - 80			3,054	13,175		5,206	5,096	8,458	245	3,971	3,574		5,074
81 - 85								10,027	6,795				8,411
86 - 90													0
91 & Over												1,437	1,437
Average	8,820	9,334	8,285	10,943	7,691	9,168	7,944	8,003	5,107	4,643	2,505		8,441

PLAN A - SURVIVING BENEFICIARIES OF FORMER MEMBERS:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 20		1	2			2						5
21 - 25												0
26 - 30							1					1
31 - 35				1					1			2
36 - 40			1	1	1	3	2		3			11
41 - 45	2		1	1		4	2	2				12
46 - 50		1	1	2	3	9	5	2				23
51 - 55	2			1	5	5	7	5				25
56 - 60	1	1	2	2	4	18	4	4	1			37
61 - 65	2	1	1	2	4	17	18	10	3	1		59
66 - 70		3		3	3	16	20	16	4	1	1	67
71 - 75			1	3		9	36	21	16	2		88
76 - 80				2		1	12	27	13	9	3	67
81 - 85						3	3	15	41	14	2	78
86 - 90							2	4	11	19	4	40
91 & Over								1	2	10	4	17
Totals	7	7	9	18	20	87	112	107	95	56	14	532

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		7,125	4,443			11,546						7,821
21 - 25												0
26 - 30							7,042					7,042
31 - 35				4,554					797			2,675
36 - 40			20,823	7,286	15,682	6,217	7,931		1,288			7,470
41 - 45	9,224		6,859	10,702		9,938	3,199	5,564				7,774
46 - 50		7,125	20,220	13,908	8,486	7,909	4,386	9,826				8,408
51 - 55	5,276			4,554	5,782	5,611	5,760	6,672				5,830
56 - 60	27,232	8,727	7,149	14,276	13,445	9,347	5,930	5,759	8,180			9,615
61 - 65	13,502	7,439	13,176	11,065	8,811	8,144	10,163	5,191	6,150	3,767		8,483
66 - 70		5,666		6,614	13,480	7,336	6,049	8,214	2,556	3,431	257	6,880
71 - 75			8,042	6,118		11,018	9,545	11,079	5,281	1,398		8,968
76 - 80				11,732		6,800	12,288	8,167	7,163	3,854	941	7,893
81 - 85						20,875	6,362	7,289	5,064	3,089	2,061	5,718
86 - 90							5,118	9,745	6,020	3,040	858	4,415
91 & Over								9,421	6,720	4,231	982	4,064
Average	11,891	6,773	10,256	9,292	9,976	8,890	8,389	8,238	5,330	3,357	1,040	7,318

EXHIBIT XI
PLAN A: YEAR-TO-YEAR COMPARISON

	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
Number of Active Members	5,481	5,455	5,558	5,706
Number of Retirees and Survivors	2,316	2,255	2,213	2,130
Number Terminated Due Deferred Benefits	193	189	187	150
Number Terminated Due Refund	2,158	2,122	2,108	2,010
Active Lives Payroll	\$ 130,191,230	\$ 125,304,827	\$ 124,683,590	\$ 120,568,583
Retiree Benefits in Payment	\$ 26,145,224	\$ 24,838,273	\$ 23,418,404	\$ 21,553,214
Market Value of Assets	\$ 432,669,352	\$ 447,796,046	\$ 469,525,372	\$ 436,446,684
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	87.26%	87.53%	87.33%	86.57%
Actuarial Accrued Liability (As defined by GASB- 25)	\$ 531,127,529	\$ 531,562,970	\$ 512,465,288	\$ 472,653,880
Actuarial Value of Assets	\$ 463,477,324	\$ 465,259,344	\$ 447,557,888	\$ 409,182,585
Unfunded Actuarial Accrued Liability	\$ 67,650,205	\$ 66,303,626	\$ 64,907,400	\$ 63,471,295
Present Value of Future Employer Normal Cost	\$ 100,815,782	\$ 67,974,883	\$ 59,512,163	\$ 48,158,874
Present Value of Future Employee Contributions	\$ 83,902,996	\$ 82,237,210	\$ 83,646,334	\$ 81,782,562
Present Value of Future Benefits	\$ 715,846,307	\$ -681,775,063	\$ 655,623,785	\$ 602,595,316

	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
Employee Contribution Rate	9.25%	9.25%	9.25%	9.25%
Proj. Tax Contribution as % of Projected Payroll	2.28%	2.17%	2.02%	2.02%
Actuarially Req'd Net Direct Employer Cont. Rate	10.78%	7.89%	7.03%	6.20%
Actual Employer Direct Contribution Rate	8.00%	7.00%	6.25%	5.75%

Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal 1994	Fiscal 1993
5,740	5,880	5,820	5,668	5,655	5,639
2,081	2,045	2,022	1,951	1,923	1,832
152	163	158	135	124	126
1,942	1,882	1,888	1,827	1,755	1,700
\$ 116,609,501	\$ 115,687,749	\$ 112,212,880	\$ 105,755,181	\$ 102,250,546	\$ 98,361,409
\$ 20,129,226	\$ 18,865,469	\$ 17,947,961	\$ 16,540,168	\$ 15,975,744	\$ 14,436,698
\$ 408,685,269	\$ 358,812,541	\$ 317,277,291	\$ 290,829,063	\$ 265,002,413	\$ 264,500,017
85.65%	85.05%	84.36%	83.37%	82.87%	82.51%
\$ 432,158,125	\$ 404,727,303	\$ 377,279,030	\$ 345,626,503	\$ 326,696,611	\$ 311,303,558
\$ 370,154,019	\$ 344,213,563	\$ 318,271,740	\$ 288,135,401	\$ 270,725,765	\$ 256,851,992
\$ 62,004,106	\$ 60,513,740	\$ 59,007,290	\$ 57,491,102	\$ 55,970,846	\$ 54,451,566
\$ 38,443,452	\$ 45,413,959	\$ 46,384,507	\$ 46,295,326	\$ 46,572,782	\$ 35,853,896
\$ 86,763,021	\$ 87,008,081	\$ 85,308,608	\$ 80,932,808	\$ 79,722,087	\$ 76,682,342
\$ 557,364,598	\$ 537,149,343	\$ 508,972,145	\$ 472,854,637	\$ 452,991,480	\$ 423,839,796

Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal 1994
9.25%	9.25%	9.25%	9.25%	9.25%	9.25%
2.08%	1.93%	1.76%	1.81%	1.80%	1.76%
4.92%	5.73%	5.91%	6.24%	6.55%	5.49%
5.75%	5.75%	6.25%	6.75%	5.50%	6.00%

Plan B Exhibits

EXHIBIT XII
PLAN B: ANALYSIS OF ACTUARIALLY REQUIRED CONTRIBUTIONS

1. Present Value of Future Benefits.....	\$ 140,579,807
2. Frozen Unfunded Actuarial Accrued Liability.....	\$ 6,683,817
3. Actuarial Value of Assets.....	\$ 88,697,416
4. Present Value of Future Employee Contributions.....	\$ 16,666,322
5. Present Value of Future Employer Normal Costs (1 - 2 - 3 - 4).....	\$ 28,532,252
6. Present Value of Future Salaries	\$ 367,248,684
7. Employer Normal Cost Accrual Rate (5 ÷ 6).....	7.769191%
8. Projected Fiscal 2003 Salary for Current Membership.....	\$ 41,220,803
9. Employer Normal Cost as of July 1, 2002 (7 x 8).....	\$ 3,202,523
10. Amortization Payment on Frozen Unfunded Accrued Liability of \$6,683,817 with Payments decreasing at 2% per year	\$ 716,299
11. TOTAL Employer Normal Cost & Amortization Payment (9 + 10)	\$ 3,918,822
12. Employer Normal Cost and Amortization Payment Interest Adjusted for Midyear Payment.....	\$ 4,072,559
13. Estimated Administrative Cost for Fiscal 2003.....	\$ 334,187
14. TOTAL Employer Actuarially Required Contribution for Fiscal 2003 (12 + 13).....	\$ 4,406,746
15. Projected Tax Contributions for Fiscal 2003	\$ 980,580
16. Projected Revenue Sharing Funds for Fiscal 2003.....	\$ 40,709
17. Net Direct Employer Actuarially Required Contribution for Fiscal 2003 (14-15-16)	\$ 3,385,457
18. Projected Payroll (July 1, 2002 through June 30, 2003)	\$ 44,965,293
19. Net Direct Employer Actuarially Required Contribution as a % of Projected Payroll for Fiscal 2003 (17 ÷ 18).....	7.53%
20. Actual Employer Contribution Rate for Fiscal 2003.....	6.25%
21. Contribution Gain (Loss) as a Percentage of Payroll (20 - 19)	(1.28%)
22. Adjustment to Following Year Payment for Contribution Gain(Loss)	(0.14%)
23. Recommended Net Direct Employer Contribution Rate for 2004 (19 - 22) (Rounded to nearest .25%)	7.75%

EXHIBIT XIII
PLAN B: PRESENT VALUE OF FUTURE BENEFITS

Present Value of Future Benefits for Active Members:

Retirement Benefits	\$ 83,057,092
Survivor Benefits	3,878,239
Disability Benefits	4,034,017
Vested Deferred Termination Benefits	5,069,375
Contribution Refunds.....	2,578,765
 TOTAL Present Value of Future Benefits for Active Members	 \$ 98,617,488

Present Value of Future Benefits for Terminated Members:

Terminated Vested Members Due Benefits at Retirement....	\$ 1,027,543
Terminated Members with Reciprocals	
Due Benefits at Retirement	138,280
Terminated Members Due a Refund	187,668
 TOTAL Present Value of Future Benefits for Terminated Members.....	 \$ 1,353,491

Present Value of Future Benefits for Retirees:

Regular Retirees	\$ 31,307,217
Disability Retirees	2,193,841
Survivors & Widows	6,693,565
Reserve for Accrued Retiree DROP Account Balances.....	414,205
 TOTAL Present Value of Future Benefits for Retirees & Survivors.....	 \$ 40,608,828
 TOTAL Present Value of Future Benefits	 \$ 140,579,807

EXHIBIT XIV
PLAN B: ACTUARIAL VALUE OF ASSETS

Current Assets:

Cash	\$ 481,366
Contributions Receivable from Members.....	524,914
Contributions Receivable from Employers	490,400
Accrued Interest on Investments	486,600
Dividends Receivable.....	18,290
Investments Receivable.....	265,573

TOTAL CURRENT ASSETS \$ 2,267,143

Allocated Share of the Expense Fund \$ 679,437

Property, Plant & Equipment \$ 178,460

Investments:

Common Stock	\$ 36,831,845
Federal National Mortgage Corporation.....	17,904,831
Corporate Bonds	16,956,847
US Treasury Bonds and Notes.....	4,174,773
Federal Home Loan Mortgage Corporation	1,592,374
Cash Equivalents	1,159,500
Government National Mortgage Association.....	1,031,462
Deferred Capital Losses on Common Stock.....	7,425,439

TOTAL INVESTMENTS \$ 87,077,071

TOTAL ASSETS..... \$ 90,202,111

Current Liabilities:

Investments Payable	\$ 250,637
Accounts Payable.....	43,598
Refunds Payable	31,097
Funds Payable to Plan A.....	1,179,363

TOTAL CURRENT LIABILITIES..... \$ 1,504,695

ACTUARIAL VALUE OF ASSETS \$ 88,697,416

EXHIBIT XV
PLAN B: PRESENT VALUE OF FUTURE CONTRIBUTIONS

Employee Contributions to the Annuity Savings Fund.....	\$ 16,666,322
Employer Normal Contributions to the Pension Accumulation Fund	28,532,252
Employer Amortization Payments to the Pension Accumulation Fund.....	6,683,817
 TOTAL PRESENT VALUE OF FUTURE CONTRIBUTIONS	 \$ 51,882,391

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

Prior Year Frozen Unfunded Accrued Liability.....	\$ 6,919,636
 Interest on Frozen Unfunded Accrued Liability	 \$ 553,571
Employer Normal Cost for Prior Year	2,512,850
Interest on the Normal Cost	201,028
Administrative Expenses	204,467
Interest on Expenses.....	8,021
 TOTAL Increases to Frozen Unfunded Accrued Liability	 \$ 3,479,937
 Gross Employer Contributions.....	 \$ 3,067,078
Interest on Employer Contributions	120,323
Contribution Shortfall (Excess).....	508,411
Interest on Contribution Shortfall (Excess).....	19,944
 TOTAL Decreases to Frozen Unfunded Accrued Liability	 \$ 3,715,756
 CURRENT YEAR FROZEN UNFUNDED ACCRUED LIABILITY	 \$ 6,683,817

EXHIBIT XVII
PLAN B: ANALYSIS OF INCREASE IN ASSETS

Actuarial Value of Assets (June 30, 2001).....	\$ 89,937,940
Income:	
Member Contributions	\$ 2,128,739
Employer Contributions.....	1,984,801
Ad Valorem Taxes	1,035,673
Revenue Sharing Funds	46,604
Irregular Contributions.....	25,218
Total Contribution Income.....	\$ 5,221,035
Interest and Dividend Income	\$ 3,281,290
Recognized Realized Capital Gains (Losses).....	1,253,773
Recognized Unrealized Capital Gains (Losses)	(4,467,577)
Bond Amortization Expense	(25,830)
Realized Gains (Losses) on Fixed Income Securities	522,090
Investment Expense.....	(309,664)
Net Investment Income	\$ 254,082
TOTAL Income.....	\$ 5,475,117
Expenses:	
Retirement Benefits.....	\$ 4,967,190
Refunds of Contributions	590,408
Funds Transferred to Another System	476,997
DROP Disbursements	435,407
Administrative Expenses.....	204,467
TOTAL Expenses.....	\$ 6,674,469
Net Income for Fiscal 2002 (Income - Expenses).....	\$ (1,199,352)
Unadjusted Fund Balance as of June 30, 2002 (Fund Balance Previous Year + Net Income)	\$ 88,738,588
Adjustment for Change in Allocated Expense Fund Balance	\$ (41,172)
Actuarial Value of Assets (June 30, 2002).....	\$ 88,697,416

**EXHIBIT XVIII
PLAN B: FUND BALANCE**

Present Assets of the System Creditable to:

Annuity Savings Fund.....	\$ 15,028,665
Annuity Reserve Fund.....	40,194,623
Pension Accumulation Fund	24,597,250
Deferred Retirement Option Plan Account.....	1,946,593
NET MARKET VALUE OF ASSETS	\$ 81,767,131
ADJUSTMENT FOR DEFERRAL OF REALIZED AND UNREALIZED CAPITAL GAINS ON COMMON STOCK	7,425,439
ADJUSTMENT FOR UNRECOGNIZED CHANGE IN VALUE OF FIXED INCOME SECURITIES	(1,174,591)
ALLOCATION OF EXPENSE FUND.....	679,437
ACTUARIAL VALUE OF ASSETS	\$ 88,697,416

**EXHIBIT XIX
PLAN B: PENSION BENEFIT OBLIGATION**

Present Value of Credited Projected Benefits Payable to Current Employees	\$ 59,507,526
Present Value of Benefits Payable to Terminated Employees	1,353,491
Present Value of Benefits Payable to Current Retirees and Beneficiaries	40,608,828
TOTAL PENSION BENEFIT OBLIGATION	\$ 101,469,845

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:.....	19.50%

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%

3. TOTAL Adjustments	(10.39%)
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Amortization of Adjustments in Funded Ratio over 30 years:

Changes for Fiscal 1988	(1.12%)
Changes for Fiscal 1989	1.27%
Changes for Fiscal 1995	0.28%
Changes for Fiscal 1997	0.64%
Changes for Fiscal 1998	0.49%
Changes for Fiscal 2000	0.15%
Changes for Fiscal 2001	(0.04%)

4. TOTAL Amortization of Adjustments	1.67%
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5. Target Ratio for Current Fiscal Year (Lesser of 1+2+3+4 or 100%).....	74.22%
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6. Actuarial Value of Assets Divided by PBO as of June 30, 2002	87.41%
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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, 2001	2,020	766	49	700	3,535
Additions to Census					
Initial membership	264	14			278
Death of another member	(3)	(1)	(1)	5	
Omitted in error last year					
Change in Status during Year					
Actives terminating service	(64)	64			
Actives who retired	(23)			23	
Actives entering DROP	(23)		23		
Term. members rehired	2	(2)			
Term. members who retire		(1)		1	
Retirees who are rehired					
Refunded who are rehired	8	10			18
DROP participants retiring			(10)	10	
DROP returned to work	7		(7)		
Omitted in error last year					
Eliminated from Census					
Refund of contributions	(171)	(28)			(199)
Deaths	(5)	(1)	(1)	(34)	(41)
Included in error last year					
Adjustment for multiple records	1				1
Number of members as of June 30, 2002	2,013	821	53	705	3,592

PLAN B - ACTIVITIES CENSUS BY AGE:

Age	Number Male	Number Female	Total Number	Average Salary	Total Salary
16 - 20	19	5	24	12,878	309,063
21 - 25	82	26	108	14,789	1,597,204
26 - 30	90	37	127	16,305	2,070,787
31 - 35	151	57	208	18,537	3,855,787
36 - 40	154	63	217	20,600	4,470,130
41 - 45	239	122	361	21,389	7,721,524
46 - 50	236	85	321	23,011	7,386,624
51 - 55	180	73	253	22,662	5,733,421
56 - 60	149	48	197	23,236	4,577,554
61 - 65	112	32	144	23,406	3,370,439
66 - 70	52	17	69	26,456	1,825,430
71 - 75	20	4	24	19,579	469,889
76 - 80	10	1	11	12,498	137,477
81 - 85	1	1	2	17,337	34,673
TOTAL	1,495	571	2,066	21,084	43,560,002

THE ACTIVE CENSUS INCLUDES 797 ACTIVITIES WITH VESTED BENEFITS, INCLUDING 53 DROP PARTICIPANTS AND 29 ACTIVE FORMER DROP PARTICIPANTS.

PLAN B - TERMINATED MEMBERS DUE A DEFERRED RETIREMENT BENEFIT:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
21 - 25	0	1	1	729	729
26 - 30	1	0	1	5,400	5,400
31 - 35	1	1	2	5,820	11,640
36 - 40	3	0	3	5,690	17,070
41 - 45	6	3	9	5,407	48,662
46 - 50	4	3	7	5,321	37,247
51 - 55	8	6	14	5,849	81,892
56 - 60	12	2	14	3,220	45,085
61 - 65	5	1	6	773	4,640
71 - 75	0	2	2	1,184	2,367
76 - 80	0	1	1	1,812	1,812
TOTAL	40	20	60	4,276	256,544

PLAN B - TERMINATED MEMBERS DUE A REFUND OF CONTRIBUTIONS:

Contributions Ranging		Number	Total Contributions
From	To		
0	- 99	606	14,143
100	- 499	85	18,379
500	- 999	21	14,072
1000	- 1999	19	27,796
2000	- 4999	22	71,499
5000	- 9999	7	45,999
10000	- 19999	1	11,747
TOTAL		761	203,635

PLAN B - REGULAR RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
46 - 50	1	0	1	18,604	18,604
51 - 55	2	1	3	16,440	49,320
56 - 60	9	0	9	13,944	125,500
61 - 65	55	17	72	9,195	662,062
66 - 70	106	26	132	8,190	1,081,123
71 - 75	84	28	112	7,725	865,150
76 - 80	70	26	96	7,343	704,894
81 - 85	39	15	54	5,987	323,286
86 - 90	16	4	20	4,751	95,012
91 - 99	4	4	8	3,425	27,400
TOTAL	386	121	507	7,796	3,952,351

PLAN B - DISABILITY RETIREES:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
41 - 45	3	0	3	4,369	13,107
46 - 50	6	2	8	4,669	37,353
51 - 55	9	2	11	7,286	80,149
56 - 60	2	3	5	6,409	32,046
61 - 65	5	1	6	6,450	38,700
66 - 70	1	0	1	10,023	10,023
76 - 80	2	1	3	3,263	9,789
TOTAL	28	9	37	5,977	221,167

PLAN B - SURVIVORS:

Age	Number Male	Number Female	Total Number	Average Benefit	Total Benefit
26 - 30	0	1	1	4,143	4,143
41 - 45	1	0	1	5,022	5,022
46 - 50	2	3	5	3,937	19,684
51 - 55	0	4	4	5,243	20,973
56 - 60	0	8	8	6,379	51,030
61 - 65	1	20	21	6,604	138,693
66 - 70	0	23	23	6,720	154,549
71 - 75	1	23	24	6,694	160,664
76 - 80	0	34	34	4,347	147,784
81 - 85	2	24	26	4,577	119,004
86 - 90	0	11	11	3,626	39,881
91 - 99	0	3	3	1,504	4,513
TOTAL	7	154	161	5,379	865,940

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	20	4											24
21 - 25	50	27	10	6	10	5							108
26 - 30	32	23	10	22	7	30	3						127
31 - 35	42	26	24	18	20	46	28	4					208
36 - 40	35	22	25	20	16	45	31	13	10				217
41 - 45	39	31	23	28	26	63	75	35	39	2			361
46 - 50	31	23	13	18	11	56	72	31	46	18	2		321
51 - 55	23	17	12	15	6	49	56	24	21	21	9		253
56 - 60	9	12	14	7	5	44	40	22	20	16	8		197
61 - 65	4	4	6	5	7	29	38	20	13	11	7		144
66 - 70		2	4	1	8	11	14	12	8	3	6		69
71 & Over		2				16	8	6	3	2			37
Totals	285	193	141	140	116	394	365	167	160	73	32		2066

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	12,842	13,056											12,878
21 - 25	13,723	14,073	13,994	16,680	19,055	20,105							14,789
26 - 30	13,868	14,286	16,745	16,544	17,460	19,445	20,476						16,305
31 - 35	14,495	16,389	17,496	23,265	17,508	20,172	21,734	23,893					18,537
36 - 40	16,775	20,510	18,275	20,058	17,161	20,354	26,037	26,031	23,766				20,600
41 - 45	15,956	17,676	17,241	19,160	20,839	19,414	23,356	26,206	28,855	29,561			21,389
46 - 50	17,684	17,398	19,794	19,530	20,951	18,376	24,958	24,787	28,978	33,068	38,180		23,011
51 - 55	17,039	19,334	24,224	17,251	19,537	19,688	22,209	24,621	28,298	32,815	29,280		22,662
56 - 60	18,364	19,028	20,288	23,064	17,548	18,601	25,575	23,404	23,110	37,192	29,648		23,236
61 - 65	21,975	24,945	14,524	19,836	22,483	18,216	23,198	24,342	30,811	24,189	39,400		23,406
66 - 70		22,394	18,197	7,400	26,134	13,144	28,139	32,700	33,182	26,061	36,135		26,456
71 & Over		33,906				12,191	22,365	15,939	23,079	17,692			17,352
Average	15,432	17,387	18,246	19,277	19,666	18,860	23,964	25,151	28,048	31,756	33,427		21,084

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 - 20													0
21 - 25													1
26 - 30												1	1
31 - 35											2		2
36 - 40									3				3
41 - 45							2	7					9
46 - 50							7						7
51 - 55						14							14
56 - 60	3	6	3		1	1							14
61 - 65	6												6
66 - 70													0
71 - 75	2												2
76 - 80	1												1
81 & Over													0
Totals	12	6	3	0	1	15	9	7	3	2	2		60

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 - 20													0
21 - 25												729	729
26 - 30												5,400	5,400
31 - 35												5,820	5,820
36 - 40									5,690				5,690
41 - 45							4,409	5,692					5,407
46 - 50							5,321						5,321
51 - 55						5,849							5,849
56 - 60	3,816	3,018	2,130		9,128	12							3,220
61 - 65	773												773
66 - 70													0
71 - 75	1,183												1,183
76 - 80	1,812												1,812
81 & Over													0
Average	1,689	3,018	2,130	0	9,128	5,460	5,118	5,692	5,690	5,820	3,065		4,276

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	1											3
56 - 60	3	3			1	2							9
61 - 65	16	14	14	9	2	14	3						72
66 - 70	7	8	15	25	19	49	8	1					132
71 - 75		5	4	4	1	46	45	6	1				112
76 - 80	1	1	2	2		6	36	43	4	1			96
81 - 85					1	3	4	27	18	1			54
86 - 90						1		3	11	5			20
91 & Over							1		1	4	2		8
Totals	30	32	35	40	24	121	97	80	35	11	2		507

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	18,604												18,604
51 - 55	20,345	8,629											16,440
56 - 60	15,267	14,927			18,145	8,387							13,944
61 - 65	7,724	10,697	7,305	7,182	10,583	13,214	5,216						9,195
66 - 70	11,938	8,032	8,056	8,619	7,968	6,990	11,223	13,308					8,190
71 - 75		5,061	9,369	8,022	9,631	7,986	6,987	12,041	6,655				7,725
76 - 80	2,705	7,340	6,459	2,689		5,508	8,456	6,730	11,239	4,762			7,343
81 - 85					2,300	9,634	7,057	6,807	4,224	4,035			5,987
86 - 90						4,394		6,581	5,660	1,724			4,751
91 & Over							10,945		5,761	1,698	1,950		3,425
Average	10,498	9,377	7,814	7,939	8,443	8,082	7,870	7,231	5,590	2,201	1,950		7,796

PLAN B - DISABILITY RETIREES:

Attained Ages	Completed Years Since Retirement											
	0	1	2	3	4	5- 9	10-14	15-19	20-24	25-29	30&Over	Total
0 - 40												0
41 - 45						1	2					3
46 - 50	1	2	2	1	1	1						8
51 - 55	2		4	1		1	3					11
56 - 60	1			1		1	1		1			5
61 - 65				1		3	1	1				6
66 - 70							1					1
71 - 75												0
76 - 80								1	2			3
81 & Over												0
Totals	4	2	6	4	1	7	8	2	3	0	0	37

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 - 40													0
41 - 45						4,619	4,244						4,369
46 - 50	4,416	4,845	3,847	4,282	8,476	2,795							4,669
51 - 55	11,191		5,481	7,169		5,611	7,689						7,286
56 - 60	6,637			12,789		3,928	2,690		6,002				6,409
61 - 65				9,969		5,310	9,349	3,453					6,450
66 - 70							10,023						10,023
71 - 75													0
76 - 80								3,870	2,959				3,263
81 & Over													0
Average	8,359	4,845	4,936	8,552	8,476	4,697	6,702	3,661	3,974	0	0		5,977

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 - 25												0
26 - 30						1						1
31 - 35												0
36 - 40												0
41 - 45									1			1
46 - 50	1		1			1	1	1				5
51 - 55					1	2		1				4
56 - 60	2	1	1	1		2	1					8
61 - 65	1	1	1	1	1	9	5	1		1		21
66 - 70		1		1		5	8	7	1			23
71 - 75	1			1		3	11	5	3			24
76 - 80						2	8	9	13	2		34
81 - 85			1				1	7	11	4	2	26
86 - 90						1		3	2	5		11
91 & Over										1	2	3
Totals	5	3	4	4	2	26	35	35	30	13	4	161

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 - 25												0
26 - 30						4,143						4,143
31 - 35												0
36 - 40												0
41 - 45								5,022				5,022
46 - 50	2,759		3,531			3,954	6,687	2,753				3,937
51 - 55					6,965	5,095		3,818				5,243
56 - 60	9,662	3,087	4,649	3,312		8,293	4,072					6,379
61 - 65	3,731	9,894	2,980	12,992	3,840	6,514	7,655	7,402		953		6,604
66 - 70		2,877		4,809		8,177	7,974	5,585	3,093			6,720
71 - 75	1,807			8,013		7,300	8,574	2,737	6,981			6,694
76 - 80						10,684	3,702	6,533	2,633	1,883		4,347
81 - 85			2,022				5,328	7,936	4,042	2,043	1,731	4,577
86 - 90						4,552		8,901	2,113	880		3,626
91 & Over										1,645	1,434	1,504
Average	5,524	5,286	3,296	7,282	5,402	7,008	6,917	6,081	3,565	1,457	1,583	5,379

EXHIBIT XXII
PLAN B: YEAR-TO-YEAR COMPARISON

	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999
Number of Active Members	2,066	2,069	2,068	2,152
Number of Retirees and Survivors	705	700	689	664
Number Terminated Due Deferred Benefits	60	53	52	58
Number Terminated Due Refund	761	713	715	702
Active Lives Payroll	\$ 43,560,002	\$ 42,572,472	\$ 41,586,147	\$ 41,646,939
Retiree Benefits in Payment	\$ 5,039,462	\$ 4,855,154	\$ 4,579,320	\$ 4,235,936
Market Value of Assets	\$ 81,767,131	\$ 87,702,933	\$ 100,649,110	\$ 94,054,385
Ratio of Actuarial Value of Assets to Actuarial Accrued Liability	92.99%	92.86%	92.73%	91.92%
Actuarial Accrued Liability (As defined by GASB- 25)	\$ 95,381,233	\$ 96,857,576	\$ 104,176,006	\$ 96,158,035
Actuarial Value of Assets	\$ 88,697,416	\$ 89,937,940	\$ 96,602,212	\$ 88,384,208
Unfunded Actuarial Accrued Liability	\$ 6,683,817	\$ 6,919,636	\$ 7,573,794	\$ 7,773,827
Present Value of Future Employer Normal Cost	\$ 28,532,252	\$ 22,615,159	\$ 12,529,147	\$ 10,902,426
Present Value of Future Employee Contributions	\$ 16,666,322	\$ 16,496,208	\$ 16,317,771	\$ 16,469,405
Present Value of Future Benefits	\$ 140,579,807	\$ 135,968,943	\$ 133,022,924	\$ 123,529,866

	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
Employee Contribution Rate	5.00%	5.00%	5.00%	5.00%
Proj. Tax Contribution as % of Projected Payroll	2.27%	2.18%	2.01%	2.01%
Actuarially Req'd Net Direct Employer Cont. Rate	7.53%	6.16%	3.68%	3.32%
Actual Employer Direct Contribution Rate	6.25%	4.50%	4.50%	4.50%

Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal 1994	Fiscal 1993
2,102	2,056	2,012	1,998	1,984	1,979
653	651	646	628	614	604
63	61	68	80	78	73
680	664	632	701	690	700
\$ 37,963,401	\$ 36,584,814	\$ 34,234,222	\$ 33,750,064	\$ 32,721,647	\$ 32,274,879
\$ 3,926,054	\$ 3,713,381	\$ 3,502,189	\$ 3,279,414	\$ 3,129,478	\$ 2,879,766
\$ 87,582,921	\$ 76,245,708	\$ 66,737,143	\$ 61,752,808	\$ 55,524,052	\$ 56,062,732
90.88%	89.95%	88.92%	87.77%	86.73%	85.88%
\$ 87,395,782	\$ 81,392,511	\$ 75,655,433	\$ 70,206,923	\$ 66,254,195	\$ 63,722,611
\$ 79,421,207	\$ 73,216,211	\$ 67,276,177	\$ 61,623,243	\$ 57,464,395	\$ 54,724,776
\$ 7,974,575	\$ 8,176,300	\$ 8,379,256	\$ 8,583,680	\$ 8,789,800	\$ 8,997,835
\$ 12,607,109	\$ 9,440,170	\$ 4,991,127	\$ 6,659,816	\$ 6,623,442	\$ 4,621,051
\$ 15,103,116	\$ 14,674,371	\$ 13,851,727	\$ 13,965,323	\$ 13,584,705	\$ 13,342,706
\$ 115,106,007	\$ 105,507,052	\$ 94,498,287	\$ 90,832,062	\$ 86,462,342	\$ 81,686,368

Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal 1994
5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
2.03%	1.93%	1.77%	1.80%	1.76%	1.76%
4.31%	2.73%	2.72%	3.34%	3.00%	4.00%
3.75%	2.75%	3.25%	3.75%	4.00%	5.00%

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 July 1, 2002, 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. 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 elective 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 three-year 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, election Option 2, and died at that time.

PLAN B PROVISIONS:

CONTRIBUTION RATES - Employee contributions in Plan B are 5.00% of the member's earnings. 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 elective 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.

PROVISIONS APPLICABLE TO BOTH PLAN A AND B:

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.

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 an annual basis. 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. 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.

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 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: Fixed income investments are carried at amortized cost based on information provided by the system's auditors. Stocks are carried at market value adjusted to smooth all realized and unrealized capital gains or losses over a three-year period. The smoothing is accomplished by releasing into income one third of current year capital gains or losses, one third of prior year capital gains or losses, and one third of capital gains or losses from two years ago. In addition, expense fund assets were allocated to each plan in proportion to covered payroll.

VALUATION INTEREST RATE: 8% (Net of Investment Expense)

ANNUAL SALARY INCREASE RATE: 6% (3.25% Inflation / 2.75% Merit)

ANNUITANT MORTALITY: 110% of 1971 Group Annuity Mortality Table (Female rates are based on 6 year setback of male rates)

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.

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 Plan A, the tabular rate is multiplied by 2.5 in the first year of eligibility.

DROP PARTICIPATION PERIOD:

All DROP participants are assumed to participate for 3 years and retire at the end of this participation period.

RETIREMENT RATES FOR ACTIVE FORMER DROP PARTICIPANTS:

Retirement rates for active former DROP participants are as follows:

Ages	Retirement Rates
Below 81	0.30
81-89	0.90
90	1.00

DISABILITY RATES:

70% of the base disability rates listed in the table of rates included later in the report.

RATES OF WITHDRAWAL:

The table of these rates is included later in the report. In the first ten years of service, the tabular rates were multiplied by the following adjustment factors:

Service	Adjustment Factor
1	7.000
2	5.500
3	4.000
4	3.500
5	3.000
6	2.666

7	2.333
8	2.000
9	1.666
10	1.333

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

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:

Age at Death	% With Children	Number of Children	Average Age
25	55%	2.2	7
35	80%	2.7	11
45	60%	1.9	13
55	20%	1.5	14
65	2%	1.0	17

DISABLED LIVES MORTALITY: 175% of 1971 Group Annuity Table (Female rates are based on 6 year setback of male rates)

VESTING ELECTING PERCENTAGE: 65% of those vested elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TABLES AND RATES

Age	Mortality Rates	Plan A Retirement Rates	Plan B Retirement Rates	Plan A DROP Entry Rates	Plan B DROP Entry Rates	Withdrawal Rates	Base Disability Rates	Remarriage Rates
18	0.00052	0.00000	0.00000	0.00000	0.00000	0.04000	0.00105	0.05665
19	0.00053	0.00000	0.00000	0.00000	0.00000	0.04000	0.00105	0.05665
20	0.00055	0.00000	0.00000	0.00000	0.00000	0.04000	0.00105	0.05665
21	0.00057	0.00000	0.00000	0.00000	0.00000	0.03950	0.00105	0.05213
22	0.00060	0.00000	0.00000	0.00000	0.00000	0.03900	0.00105	0.04834
23	0.00062	0.00000	0.00000	0.00000	0.00000	0.03850	0.00105	0.04522
24	0.00065	0.00000	0.00000	0.00000	0.00000	0.03800	0.00105	0.04270
25	0.00068	0.00000	0.00000	0.00000	0.00000	0.03750	0.00105	0.04070
26	0.00071	0.00000	0.00000	0.00000	0.00000	0.03700	0.00105	0.03915
27	0.00075	0.00000	0.00000	0.00000	0.00000	0.03650	0.00105	0.03799
28	0.00079	0.00000	0.00000	0.00000	0.00000	0.03600	0.00109	0.03714
29	0.00084	0.00000	0.00000	0.00000	0.00000	0.03550	0.00115	0.03654
30	0.00089	0.00000	0.00000	0.00000	0.00000	0.03500	0.00123	0.03611
31	0.00095	0.00000	0.00000	0.00000	0.00000	0.03450	0.00133	0.03578
32	0.00101	0.00000	0.00000	0.00000	0.00000	0.03400	0.00145	0.03549
33	0.00108	0.00000	0.00000	0.00000	0.00000	0.03350	0.00158	0.03515
34	0.00115	0.00000	0.00000	0.00000	0.00000	0.03300	0.00173	0.03471
35	0.00123	0.00000	0.00000	0.00000	0.00000	0.03250	0.00189	0.03409
36	0.00132	0.00000	0.00000	0.00000	0.00000	0.03200	0.00206	0.03286
37	0.00142	0.00000	0.00000	0.00000	0.00000	0.03150	0.00225	0.03139
38	0.00154	0.00000	0.00000	0.00000	0.00000	0.03100	0.00244	0.02973
39	0.00166	0.00000	0.00000	0.00000	0.00000	0.03050	0.00264	0.02787
40	0.00180	0.00000	0.00000	0.00000	0.00000	0.03000	0.00284	0.02585
41	0.00197	0.15000	0.00000	0.17000	0.00000	0.02950	0.00304	0.02352
42	0.00220	0.15000	0.00000	0.17000	0.00000	0.02900	0.00325	0.02111
43	0.00249	0.15000	0.00000	0.17000	0.00000	0.02850	0.00344	0.01868
44	0.00283	0.15000	0.00000	0.17000	0.00000	0.02800	0.00363	0.01629
45	0.00321	0.15000	0.00000	0.17000	0.00000	0.02750	0.00383	0.01400
46	0.00365	0.15000	0.18000	0.17000	0.25000	0.02700	0.00403	0.01208
47	0.00413	0.15000	0.18000	0.17000	0.25000	0.02650	0.00425	0.01034
48	0.00465	0.15000	0.18000	0.17000	0.25000	0.02600	0.00614	0.00879
49	0.00521	0.15000	0.18000	0.17000	0.25000	0.02550	0.00803	0.00744
50	0.00581	0.15000	0.18000	0.17000	0.25000	0.02500	0.00992	0.00629
51	0.00645	0.15000	0.18000	0.17000	0.25000	0.02450	0.01052	0.00551
52	0.00713	0.15000	0.18000	0.17000	0.25000	0.02400	0.01120	0.00493
53	0.00784	0.15000	0.18000	0.17000	0.25000	0.02350	0.01192	0.00451
54	0.00859	0.15000	0.18000	0.17000	0.25000	0.02300	0.01276	0.00423
55	0.00937	0.15000	0.15000	0.17000	0.20000	0.02250	0.01123	0.00406
56	0.01019	0.15000	0.15000	0.17000	0.20000	0.02200	0.00970	0.00000
57	0.01104	0.15000	0.15000	0.17000	0.20000	0.02150	0.00815	0.00000
58	0.01198	0.15000	0.15000	0.17000	0.20000	0.02100	0.00896	0.00000
59	0.01312	0.15000	0.15000	0.17000	0.20000	0.02050	0.00991	0.00000
60	0.01443	0.15000	0.20000	0.17000	0.30000	0.02000	0.01100	0.00000
61	0.01588	0.15000	0.15000	0.17000	0.20000	0.02000	0.01226	0.00000
62	0.01745	0.15000	0.15000	0.17000	0.20000	0.02000	0.01370	0.00000
63	0.01915	0.15000	0.15000	0.17000	0.20000	0.02000	0.01482	0.00000
64	0.02110	0.15000	0.15000	0.17000	0.20000	0.02000	0.01596	0.00000
65	0.02339	0.15000	0.15000	0.17000	0.20000	0.02000	0.01710	0.00000

GLOSSARY

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 an allocation of pension costs to each fiscal year. Although all proper cost methods will accumulate sufficient assets to provide for members pensions, some accumulate assets more or less rapidly than others by producing higher or lower costs in the earlier years with corresponding decreasing or increasing costs in future years.

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 possibility 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.

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.

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.

Net Direct Employer Contribution Rate - Contribution rate applied to the employers' active payroll. This does not include contributions made to the plan by revenue sharing or ad valorem taxes.

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 member's expected final average compensation at retirement. For current retirees or terminated members this is equivalent to the actuarial present value of their accrued benefit.

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.