STATE OF WYOMING
RETIREMENT SYSTEM

REPORT ON ACTUARIAL VALUATION
AS OF JANUARY 1, 2007

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I. INTRODUCTION

This report summarizes the results of our actuarial valuation of the State of Wyoming Retirement System (the Retirement System) as of January 1, 2007. The contribution requirements presented in Section VI of the report are based on the following:

1. The benefit provisions of the Retirement System as of January 1, 2007.
2. The characteristics of covered active employees, inactive nonretired members, and pensioners and beneficiaries as of January 1, 2007.
3. The assets of the System as of December 31, 2006.
4. Economic actuarial assumptions regarding future salary increases and investment earnings.
5. Other actuarial assumptions regarding employee termination, retirement disability, death, etc.

One purpose of the actuarial valuation is to determine the contribution sufficient to meet the long-term obligations to the members covered by the System in accordance with the benefit provisions of the Wyoming Retirement Act.

If each of the actuarial assumptions were to be exactly fulfilled, the true actuarial cost of the System would equal the cost projected by the actuarial calculations. However, because of the length of time for which projections are made, and because of the great number of variables which can affect the emerging costs, the actual experience of the System will not match the assumptions. The annual required contribution under the maximum COLA scenario will increase if the System experiences net actuarial losses and will decrease if the System experiences net actuarial gains during the year.

II. SUMMARY OF VALUATION RESULTS

This section summarizes financial results for the System based upon actuarial valuations as of January 1, 2007 and January 1, 2006.

Results of the 2007 actuarial valuation are presented in three ways. The first set of results assumes that no future COLA will be granted, the second set assumes only the currently affordable break-even COLA will be granted in each future year, while the third set is calculated assuming the maximum COLA of 3.00% compounded annually is granted in each future year.

	January 1, 2007 No COLA	**January 1, 2007 Break-even 0.99% COLA**	**January 1, 2007 Maximum 3.0% COLA**	**January 1, 2006 Maximum 3.0% COLA**
Contribution Requirements (as % of pay)				
Total Normal Cost	9.17%	9.73%	10.99%	11.10%
Employee Contributions	5.57%	5.57%	5.57%	5.57%
Employer Share	3.60%	4.16%	5.42%	5.53%
Amortization of Unfunded Liability	(0.39%)	1.36%	5.39%	5.26%
Administrative Expenses	0.16%	0.16%	0.16%	0.17%
Total Employer Cost	3.37%	5.68%	10.97%	10.96%
Total Cost (Employee + Employer)	8.94%	11.25%	16.54%	16.53%
Funded Status				
Actuarial Value of Assets (AV)	$ 5,160,602,000	$ 5,160,602,000	$ 5,160,602,000	$ 4,843,861,000
Actuarial Accrued Liability (AAL)	5,071,903,000	5,468,229,000	6,379,263,000	5,914,682,000
Unfunded Actuarial Accrued Liability (UAAL)	(88,699,000)	307,627,000	1,218,661,000	1,070,821,000
AAL Funded Percentage (AV ÷ AAL)	101.7%	94.4%	80.9%	81.9%
Market Value of Assets (MV)	$ 5,467,100,000	$ 5,467,100,000	$ 5,467,100,000	$ 4,961,207,000
AAL Funded Percentage on MV Basis (MV ÷ AAL)	107.8%	100.0%	85.7%	83.9%

III. MEMBERSHIP CHARACTERISTICS

As of January 1, 2007, there were 34,189 employees in active service covered under the provisions of the System. The significant age, service, salary and accumulated contribution information for these employees is summarized below, along with comparative figures from the last actuarial valuation one year earlier.

	January 1, 2007	January 1, 2006
Number of active employees	34,189	32,919
Average age	46.4	46.3
Average years of service	10.4	10.5
Total annual valuation salary*	$1,285,096,152	$1,156,399,714
Average annual salary	$ 37,588	$ 35,129
Total accumulated contributions	$ 941,572,447	$ 888,543,704
Average accumulated contributions	$ 27,540	$ 26,992

*Includes assumed salary increase for one-half year during the valuation years, respectively.

The number of active employees increased by 3.9% from the previous valuation. The average age of the active employees increased by 0.1 years, and the average service decreased by 0.1 years. The total covered payroll increased by 11.1%. The average salary increased by 7.0% from the previous valuation.

Distributions of active employees by age, gender, service, and salary are given in Tables 1 through 4 on pages 5 through 8.

For Table 4 on page 8, the salaries shown for active employees are the actual annualized 2006 salaries reported. For calculating active employee liabilities, the actual 2006 salaries reported were increased by 2.50% (one-half of the 5.0% salary scale) to approximate a pay rate as of January 1, 2007.

III. MEMBERSHIP CHARACTERISTICS (continued)

In addition to the active members, there were 4,950 inactive vested nonretired members who did not elect to receive their accumulated contributions when they left covered employment. The significant age, service (on date of termination) and accumulated contribution information for these inactive members is summarized below with comparative figures from the last actuarial valuation one year earlier.

	January 1, 2007	January 1, 2006
Number of inactive members	4,950	4,975
Average age	51.4	51.1
Average years of service	9.1	9.2
Total accumulated contributions	$ 125,128,270	$ 124,979,555
Average accumulated contributions	$ 25,278	$ 25,122

The number of inactive vested members decreased by 0.5% from the previous valuation. The average age of the inactive vested members increased by 0.3 years, and the average service decreased by 0.1 years. The total accumulated contributions for these members increased by 0.1% from the previous valuation.

Distributions of inactive members by age, gender, and service are given in Tables 5 through 7 on page 9 through 11.

There were 17,238 inactive nonvested nonretired members who are due a refund of their accumulated contributions with interest of $19,691,288.

EMPLOYEES IN ACTIVE SERVICE ON JANUARY 1, 2007

MALES

Age Last Birthday	Years of Service								
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19	18								**18**
20-24	331	4							**335**
25-29	707	109	1						**817**
30-34	638	324	49						**1,011**
35-39	523	375	266	67	2				**1,233**
40-44	505	299	257	258	100	17			**1,436**
45-49	508	340	260	285	303	161	5		**1,862**
50-54	512	306	224	271	332	403	115		**2,163**
55-59	428	263	199	268	292	343	192	44	**2,029**
60-64	222	142	102	130	121	99	78	52	**946**
Over 64	125	85	50	29	30	22	17	11	**369**
Total	**4,517**	**2,247**	**1,408**	**1,308**	**1,180**	**1,045**	**407**	**107**	**12,219**

Average Age = 47.0 Average Service = 11.2

EMPLOYEES IN ACTIVE SERVICE ON JANUARY 1, 2007

FEMALES

Age Last Birthday	Years of Service								
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19	63								**63**
20-24	647	5							**652**
25-29	1,441	172	1						**1,614**
30-34	1,205	552	87	3					**1,847**
35-39	1,186	632	345	78	3				**2,244**
40-44	1,160	755	401	281	111	15			**2,723**
45-49	1,126	875	620	430	424	230	8		**3,713**
50-54	931	739	660	593	488	569	142		**4,122**
55-59	614	456	457	493	502	456	204	41	**3,223**
60-64	252	217	163	206	246	191	86	35	**1,396**
Over 64	109	71	41	50	36	40	19	7	**373**
Total	**8,734**	**4,474**	**2,775**	**2,134**	**1,810**	**1,501**	**459**	**83**	**21,970**

Average Age = 46.0 Average Service = 10.0

EMPLOYEES IN ACTIVE SERVICE ON JANUARY 1, 2007

MALES AND FEMALES COMBINED

Age Last Birthday	Years of Service								
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19	81								**81**
20-24	978	9							**987**
25-29	2,148	281	2						**2,431**
30-34	1,843	876	136	3					**2,858**
35-39	1,709	1,007	611	145	5				**3,477**
40-44	1,665	1,054	658	539	211	32			**4,159**
45-49	1,634	1,215	880	715	727	391	13		**5,575**
50-54	1,443	1,045	884	864	820	972	257		**6,285**
55-59	1,042	719	656	761	794	799	396	85	**5,252**
60-64	474	359	265	336	367	290	164	87	**2,342**
Over 64	234	156	91	79	66	62	36	18	**742**
Total	**13,251**	**6,721**	**4,183**	**3,442**	**2,990**	**2,546**	**866**	**190**	**34,189**

Average Age = 46.4 Average Service = 10.4

SALARY OF EMPLOYEES IN ACTIVE SERVICE ON JANUARY 1, 2007

ALL MEMBERS

Age Last Birthday		Years of Service 0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19	Number	81								**81**
	Tot Salary	$1,024,396								**$1,024,396**
	Avg. Salary	$12,647								**$12,647**
20-24	Number	978	9							**987**
	Tot. Salary	$22,225,030	$240,802							**$22,465,832**
	Avg. Salary	$22,725	$26,756							**$22,762**
25-29	Number	2,148	281	2						**2,431**
	Tot. Salary	$60,976,032	$9,713,224	$58,817						**$70,748,073**
	Avg. Salary	$28,387	$34,567	$29,408						**$29,102**
30-34	Number	1,843	876	136	3					**2,858**
	Tot. Salary	$53,017,404	$34,298,686	$5,577,227	$87,315					**$92,980,632**
	Avg. Salary	$28,767	$39,154	$41,009	$29,105					**$32,533**
35-39	Number	1,709	1,007	611	145	5				**3,477**
	Tot. Salary	$47,982,846	$38,629,922	$28,948,834	$6,892,427	$213,595				**$122,667,624**
	Avg. Salary	$28,077	$38,361	$47,379	$47,534	$42,719				**$35,280**
40-44	Number	1,665	1,054	658	539	211	32			**4,159**
	Tot. Salary	$46,431,586	$35,583,180	$28,141,183	$26,651,703	$10,008,547	$1,534,065			**$148,350,264**
	Avg. Salary	$27,887	$33,760	$42,768	$49,447	$47,434	$47,940			**$35,670**
45-49	Number	1,634	1,215	880	715	727	391	13		**5,575**
	Tot. Salary	$45,374,659	$39,048,971	$34,947,564	$32,434,336	$37,367,720	$19,868,151	$597,081		**$209,638,482**
	Avg. Salary	$27,769	$32,139	$39,713	$45,363	$51,400	$50,814	$45,929		**$37,603**
50-54	Number	1,443	1,045	884	864	820	972	257		**6,285**
	Tot. Salary	$42,444,266	$33,323,278	$33,030,191	$36,868,022	$41,504,557	$53,767,297	$13,827,298		**$254,764,909**
	Avg. Salary	$29,414	$31,888	$37,364	$42,671	$50,615	$55,316	$53,803		**$40,535**
55-59	Number	1,042	719	656	761	794	799	396	85	**5,252**
	Tot. Salary	$30,388,284	$23,205,709	$24,389,085	$32,110,994	$36,757,773	$42,163,587	$22,901,903	$4,915,805	**$216,833,140**
	Avg. Salary	$29,163	$32,275	$37,178	$42,196	$46,294	$52,770	$57,833	$57,833	**$41,286**
60-64	Number	474	359	265	336	367	290	164	87	**2,342**
	Tot. Salary	$12,351,433	$12,072,188	$9,316,330	$13,387,353	$16,578,734	$13,967,570	$9,086,239	$5,230,188	**$91,990,035**
	Avg. Salary	$26,058	$33,627	$35,156	$39,843	$45,174	$48,164	$55,404	$60,117	**$39,278**
Over 64	Number	234	156	91	79	66	62	36	18	**742**
	Tot. Salary	$4,411,408	$3,946,533	$3,065,508	$2,699,780	$2,694,867	$2,458,752	$1,883,855	$1,128,254	**$22,288,957**
	Avg. Salary	$18,852	$25,298	$33,687	$34,174	$40,831	$39,657	$52,329	$62,681	**$30,039**
Total	**Number**	**13,251**	**6,721**	**4,183**	**3,442**	**2,990**	**2,546**	**866**	**190**	**34,189**
	Tot. Salary	**$366,627,344**	**$230,062,493**	**$167,474,739**	**$151,131,930**	**$145,125,793**	**$133,759,422**	**$48,296,376**	**$11,274,247**	**$1,253,752,344**
	Avg. Salary	**$27,668**	**$34,230**	**$40,037**	**$43,908**	**$48,537**	**$52,537**	**$55,769**	**$59,338**	**$36,671**

Average Age = 46.4 Average Service = 10.4

DEFERRED VESTED MEMBERS ON JANUARY 1, 2007

MALES

Age Last Birthday	Years of Service								
	0-4	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**Over 34**	**Total**
15-19									
20-24									
25-29	3	9							**12**
30-34	16	32	1						**49**
35-39	30	52	19	2					**103**
40-44	37	86	38	8	1				**170**
45-49	39	129	65	51	12	1			**297**
50-54	41	153	106	71	34	11			**416**
55-59	61	162	96	55	18	9	1		**402**
60-64	19	63	21	9	7	3			**122**
Over 64	20	35	11	3	1				**70**
Total	**266**	**721**	**357**	**199**	**73**	**24**	**1**		**1,641**

Average Age = 51.3 Average Service = 9.6

DEFERRED VESTED MEMBERS ON JANUARY 1, 2007

FEMALES

Age Last Birthday	Years of Service								
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19									
20-24		1							**1**
25-29	13	12							**25**
30-34	44	64	2						**110**
35-39	45	119	19		1				**184**
40-44	77	169	66	15	1				**328**
45-49	98	280	147	41	14	4			**584**
50-54	108	370	211	83	47	12	1		**832**
55-59	107	335	206	109	58	12	1		**828**
60-64	48	123	53	20	3	1			**248**
Over 64	45	88	22	9	3	2			**169**
Total	**585**	**1,561**	**726**	**277**	**127**	**31**	**2**		**3,309**

Average Age = 51.5 Average Service = 8.9

DEFERRED VESTED MEMBERS ON JANUARY 1, 2007

MALES AND FEMALES COMBINED

Age Last Birthday	Years of Service								
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
15-19									
20-24		1							**1**
25-29	16	21							**37**
30-34	60	96	3						**159**
35-39	75	171	38	2	1				**287**
40-44	114	255	104	23	2				**498**
45-49	137	409	212	92	26	5			**881**
50-54	149	523	317	154	81	23	1		**1,248**
55-59	168	497	302	164	76	21	2		**1,230**
60-64	67	186	74	29	10	4			**370**
Over 64	65	123	33	12	4	2			**239**
Total	**851**	**2,282**	**1,083**	**476**	**200**	**55**	**3**		**4,950**

Average Age = 51.4 Average Service = 9.1

IV. BENEFIT EXPERIENCE

During the year ending December 31, 2006, the Board approved 877 pension awards. Of that total, approximately 18% commenced before becoming eligible for unreduced benefits. 40% of new retirees have unreduced benefits due solely to reaching age 60 while 17% of new retirees have attained the rule of 85 without reaching age 60. The remaining 25% of new retirees have reached both age 60 and rule of 85.

On January 1, 2007, a total of 15,324 pensioners were receiving retirement benefits from the System compared to 14,861 receiving benefits one year earlier. The average monthly benefit for the pensioners was $1,141 compared to $1,101 one year earlier. In addition, 1,686 beneficiaries were receiving monthly payments at January 1, 2007.

Tables 8 through 16 on pages 13 through 21 show distributions of all retirement benefits in pay status as of January 1, 2007, by monthly benefit, age, gender, and optional form. The information presented may be summarized as follows:

- Total annual benefits in force as of January 1, 2007 for the 17,010 pensioners and beneficiaries were $228.0 million.
- Of the 17,010 pensioners and beneficiaries, approximately 29% are under age 65, 39% are 65 through 74 and 32% are 75 or older.
- Approximately 46% of the 15,324 pensioners are receiving benefits in either a 50% or 100% joint and survivor annuity, including those with a pop-up feature (options 2, 3, 6 or 7).
- Approximately 38% of the 17,010 pensioners and beneficiaries were receiving monthly benefits of less than $600 and 42% were receiving at least $1,000 per month.
- For members retiring from active service during 2006, the average age of early and normal retirements was 61.8.
- Benefit payments from Plan assets in 2006 totaled $232,944,164, including refund payments of $10,759,984. In 2005, benefit payments were $217,308,520, including refund payments of $9,695,334.

The actuarial accrued liability for pension benefits to the 17,010 pensioners and beneficiaries amounted to $2,672 million as of January 1, 2007. This liability is the actuarially estimated amount necessary to pay benefits to the pensioners and beneficiaries assuming that the amounts set aside would earn 8.0% interest per year until they are distributed in benefit payments. This amount includes the 3.0% annual cost-of-living increases.

RETIREES AS OF JANUARY 1, 2007

	NUMBER			MONTHLY AMOUNT		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**
Pensioners						
Option 1	1,624	4,577	**6,201**	$2,021,331	$4,172,217	**$6,193,548**
Option 2	3,047	1,545	**4,592**	4,406,476	1,408,393	**5,814,869**
Option 3	502	306	**808**	934,952	356,409	**1,291,361**
Option 4	291	441	**732**	342,895	366,399	**709,294**
Option 5	316	1,047	**1,363**	380,987	874,145	**1,255,132**
Option 6	627	614	**1,241**	872,935	691,455	**1,564,390**
Option 7	169	218	**387**	331,987	321,626	**653,613**
Total	6,576	8,748	**15,324**	$9,291,563	$8,190,644	**$17,482,207**
Beneficiaries	275	1,411	**1,686**	209,983	1,311,719	**1,521,702**
Grand Total	**6,851**	**10,159**	**17,010**	**$9,501,546**	**$9,502,363**	**$19,003,909**

RETIREE BENEFITS IN FORCE BY AMOUNT AND OPTION TYPE

	PENSION OPTION							
	1	2	3	4	5	6	7	Total
Males								
Under $200	130	184	9	33	47	41	2	**446**
$200-$399	236	362	32	32	41	76	11	**790**
$400-$599	229	325	40	43	43	71	8	**759**
$600-$799	174	290	41	35	35	63	14	**652**
$800-$999	155	245	39	25	21	51	10	**546**
$1,000-$1,499	256	463	100	53	44	81	20	**1,017**
$1,500-$1,999	174	407	73	31	31	58	21	**795**
$2,000-$2,499	129	376	70	20	29	97	28	**749**
$2,500 & Over	214	526	138	31	40	93	55	**1,097**
Total	**1,697**	**3,178**	**542**	**303**	**331**	**631**	**169**	**6,851**
Females								
Under $200	524	266	15	63	187	53	4	**1,112**
$200-$399	867	446	63	92	210	93	12	**1,783**
$400-$599	787	384	60	78	160	85	26	**1,580**
$600-$799	655	297	64	59	119	66	22	**1,282**
$800-$999	409	213	48	45	77	59	23	**874**
$1,000-$1,499	691	412	92	55	135	93	42	**1,520**
$1,500-$1,999	392	209	49	18	71	63	34	**836**
$2,000-$2,499	241	159	35	31	53	63	26	**608**
$2,500 & Over	261	114	19	21	61	54	34	**564**
Total	**4,827**	**2,500**	**445**	**462**	**1,073**	**629**	**223**	**10,159**
Males & Females								
Under $200	654	450	24	96	234	94	6	**1,558**
$200-$399	1,103	808	95	124	251	169	23	**2,573**
$400-$599	1,016	709	100	121	203	156	34	**2,339**
$600-$799	829	587	105	94	154	129	36	**1,934**
$800-$999	564	458	87	70	98	110	33	**1,420**
$1,000-$1,499	947	875	192	108	179	174	62	**2,537**
$1,500-$1,999	566	616	122	49	102	121	55	**1,631**
$2,000-$2,499	370	535	105	51	82	160	54	**1,357**
$2,500 & Over	475	640	157	52	101	147	89	**1,661**
Total	**6,524**	**5,678**	**987**	**765**	**1,404**	**1,260**	**392**	**17,010**

PENSIONS IN FORCE ON JANUARY 1, 2007
BY OPTION AND NEAREST AGE

MALES

Age Last Birthday	Pension Option							
	1	2	3	4	5	6	7	Total
0-49	4	11	2	3				**20**
50-54	39	49	6	9	5	13	2	**123**
55-59	126	242	29	32	24	82	18	**553**
60-64	293	589	69	61	66	217	55	**1,350**
65-69	354	723	99	58	85	176	51	**1,546**
70-74	294	626	122	52	52	100	26	**1,272**
75-79	273	461	103	43	49	33	15	**977**
80-84	184	299	78	29	31	9	2	**632**
Over 84	130	178	34	16	19	1		**378**
Total	**1,697**	**3,178**	**542**	**303**	**331**	**631**	**169**	**6,851**

PENSIONS IN FORCE ON JANUARY 1, 2007
BY OPTION AND NEAREST AGE

FEMALES

Age Last Birthday	Pension Option							
	1	2	3	4	5	6	7	Total
0-49	12	25	3	6	1	1	1	**49**
50-54	86	77	4	15	8	32	5	**227**
55-59	338	188	30	57	61	129	29	**832**
60-64	731	434	66	105	164	240	85	**1,825**
65-69	962	441	101	98	220	138	55	**2,015**
70-74	841	414	74	79	217	68	36	**1,729**
75-79	787	364	70	56	183	20	10	**1,490**
80-84	515	308	60	31	121		2	**1,037**
Over 84	555	249	37	15	98	1		**955**
Total	**4,827**	**2,500**	**445**	**462**	**1,073**	**629**	**223**	**10,159**

PENSIONS IN FORCE ON JANUARY 1, 2007
BY OPTION AND NEAREST AGE

MALES & FEMALES COMBINED

Age Last Birthday	Pension Option							
	1	2	3	4	5	6	7	Total
0-49	16	36	5	9	1	1	1	**69**
50-54	125	126	10	24	13	45	7	**350**
55-59	464	430	59	89	85	211	47	**1,385**
60-64	1,024	1,023	135	166	230	457	140	**3,175**
65-69	1,316	1,164	200	156	305	314	106	**3,561**
70-74	1,135	1,040	196	131	269	168	62	**3,001**
75-79	1,060	825	173	99	232	53	25	**2,467**
80-84	699	607	138	60	152	9	4	**1,669**
Over 84	685	427	71	31	117	2		**1,333**
Total	**6,524**	**5,678**	**987**	**765**	**1,404**	**1,260**	**392**	**17,010**

PENSIONS AWARDED IN 2006 BY OPTION AND MONTHLY AMOUNT

MALES & FEMALES COMBINED

Monthly Amount	Pension Option							
	1	2	3	4	5	6	7	Total
Under $200	23	15	1	3	9	4	1	**56**
$200-$399	26	31	4	2	14	10	3	**90**
$400-$599	29	30	4	10	6	14	2	**95**
$600-$799	20	30	4	5	8	19	2	**88**
$800-$999	21	20	1	1	5	8	2	**58**
$1,000-$1,499	42	39	7	4	11	24	3	**130**
$1,500-$1,999	25	27	3	2	8	13	5	**83**
$2,000-$2,499	24	27	3	6	5	17	7	**89**
Over $2,499	48	59	16	10	11	27	17	**188**
Total	**258**	**278**	**43**	**43**	**77**	**136**	**42**	**877**

PENSIONS AWARDED IN 2006
BY OPTION AND NEAREST AGE

MALES & FEMALES COMBINED

Age Last Birthday	Pension Option							
	1	2	3	4	5	6	7	Total
0-49		3						**3**
50-54	23	24	4	4	3	16	3	**77**
55-59	66	75	12	13	12	44	13	**235**
60-64	111	114	16	19	44	60	19	**383**
65-69	48	49	6	4	14	12	5	**138**
70-74	6	9	5	3	2		2	**27**
75-79	4	3			2	3		**12**
80-84		1				1		**2**
Over 84								
Total	**258**	**278**	**43**	**43**	**77**	**136**	**42**	**877**

AVERAGE MONTHLY BENEFIT OF RETIREES AS OF JANUARY 1, 2007, BY YEARS ELAPSED SINCE RETIREMENT AND BY YEARS OF SERVICE AT RETIREMENT

Service at Retirement		Years Elapsed Since Retirement								
		0-4	5-9	10-14	15-19	20-24	25-29	30-34	Over 34	Total
0-4	Number	186	175	162	195	120	73	17	1	**929**
	Avg. Benefit	$190.15	$212.16	$184.56	$181.99	$158.63	$195.73	$218.92	$105.20	**$188.41**
5-9	Number	650	502	559	581	368	226	100	26	**3,012**
	Avg. Benefit	$373.20	$347.18	$313.87	$334.86	$304.29	$274.31	$280.52	$265.72	**$330.61**
10-14	Number	633	650	684	615	273	199	70	18	**3,142**
	Avg. Benefit	$653.50	$608.82	$597.04	$571.53	$517.43	$450.18	$413.91	$394.59	**$584.40**
15-19	Number	640	712	691	444	271	119	64	12	**2,953**
	Avg. Benefit	$987.51	$935.54	$899.13	$914.37	$752.98	$649.05	$607.94	$542.21	**$898.10**
20-24	Number	704	540	506	359	202	106	49	2	**2,468**
	Avg. Benefit	$1,415.65	$1,327.49	$1,270.09	$1,254.87	$1,100.73	$854.15	$799.75	$670.72	**$1,280.41**
25-29	Number	748	551	416	269	191	72	13	3	**2,263**
	Avg. Benefit	$2,114.05	$1,940.42	$1,862.90	$1,654.66	$1,458.05	$995.12	$964.44	$883.39	**$1,871.80**
30-34	Number	579	407	432	212	125	11	3		**1,769**
	Avg. Benefit	$2,769.79	$2,545.21	$2,587.91	$2,273.40	$1,891.72	$1,188.53	$984.30		**$2,539.31**
35-39	Number	128	74	136	50	20	2	5	2	**417**
	Avg. Benefit	$3,310.33	$3,112.29	$3,082.67	$2,884.71	$2,263.17	$1,201.09	$1,199.66	$1,238.99	**$3,054.32**
40 and over	Number	23	9	13	5	2	3	2		**57**
	Avg. Benefit	$3,833	$3,277	$3,253	$2,573	$1,895	$1,488	$1,357		**$3,224.26**
Total	**Number**	**4,291**	**3,620**	**3,599**	**2,730**	**1,572**	**811**	**323**	**64**	**17,010**
	Avg. Benefit	**$1,402.27**	**$1,203.03**	**$1,175.93**	**$923.87**	**$803.23**	**$524.33**	**$504.79**	**$423.32**	**$1,117.26**

Average Service at Retirement = 17.7 Average Years Since Retirement = 11.8

DISTRIBUTION OF RETIRED MEMBERS BY DATE OF RETIREMENT
BASED ON CALENDAR YEARS

Year of Retirement	Counts	Year of Retirement	Counts
1956	1	1982	210
1957	0	1983	228
1958	0	1984	324
1959	0	1985	376
1960	0	1986	434
1961	0	1987	678
1962	0	1988	542
1963	1	1989	496
1964	1	1990	493
1965	0	1991	521
1966	0	1992	653
1967	3	1993	603
1968	0	1994	645
1969	1	1995	1,031
1970	6	1996	667
1971	51	1997	694
1972	31	1998	701
1973	54	1999	729
1974	72	2000	709
1975	69	2001	787
1976	97	2002	775
1977	129	2003	870
1978	139	2004	928
1979	158	2005	855
1980	167	2006	863
1981	218		

Total: 17,010

V. ASSETS

As shown in the auditor's report as of December 31, 2006, net assets totaled $5,467,099,987 at market value, compared to a value of $4,961,206,643 as of December 31, 2005. However, a different asset value is used for the actuarial valuation. Effective January 1, 2001, we are using a method that adjusts to market value gradually as follows:

> *Appreciation and depreciation in excess of the expected appreciation, whether realized or unrealized, is spread over five years beginning with the year of occurrence. Interest, dividends, and other income are recognized immediately. The procedure results in recognition of all changes in market value after five years.*

The procedure is applied to all investments. The determination of the actuarial value of investments is shown in Table 17 on page 24. Table 18 on page 25 develops the actuarial value of all System assets, including receivables and payables. The asset value on this basis is $5,160,601,533, which represents a 8.5% return on the value of $4,843,861,114 as of December 31, 2005. There is $306 million of deferred appreciation that will be recognized in future years.

The amount of write-up or write-down (which reflects changing market values) is considered part of the investment income for the year. This procedure treats realized and unrealized capital gains or losses equally. In other words, the sale of a security – either at a gain or loss – has no effect on the value of assets for actuarial purposes. If the market value has gone up, the increase is gradually reflected in the value of the fund's assets; it does not have to be sold for the appreciation to be "realized". This "automatic" reflection of market value appreciation or depreciation should eliminate any need for making investment decisions for the explicit purpose of meeting the investment return assumption.

Chart 1 on page 26 is a graph showing the historical asset values on both actuarial and market value bases. This graph illustrates that the growth of the market value of assets has also been reflected in the actuarial value of assets with less volatility.

The investment portfolio is summarized in Table 19 on page 27. On December 31, 2006, about 60.6% of the assets at market value consisted of equities.

Income and disbursements for 2006 and 2005 on the actuarial value basis are given in Table 20 on page 28. The progress of the fund for the last twenty-one years is provided in Table 21 on page 29. It shows that assets have increased consistently from year to year, although the amount of the increase has varied with fluctuations in investment income. Benefit payments have consistently increased, confirming the growth in assets needed to finance lifetime benefits for current pensioners and those members who will retire in the future.

Table 22 on page 30 shows the components of investment earnings over the last twenty-one years. Over the full period, the earnings of $4,993,575,000 on an actuarial value basis represent an average annual return of 9.8% or $584,097,000 more than anticipated by the assumptions.

These investment results are used to determine whether investment experience is meeting the System's actuarially assumed return.

Market Value Results

The estimated investment returns for the last seventeen years on a *market value basis* as reported by your investment advisors are as follows:

Year	Rate of Return	Year	Rate of Return
1990	5.30%	1999	13.88%
1991	20.30%	2000	(0.99%)
1992	8.57%	2001	(4.47%)
1993	10.24%	2002	(9.29%)
1994	(2.78%)	2003	21.00%
1995	25.90%	2004	11.54%
1996	11.73%	2005	8.22%
1997	20.92%	2006	12.63%
1998	19.02%		

Chart 2 on page 31 provides an illustration of investment returns for the last twenty years based on actuarial value and market value versus the expected return. This chart illustrates the smoothing effect that results from using an actuarial value of assets. By using an actuarial value that reduces the year-to-year variations in return, the year-to-year fluctuations in cost are reduced.

The difference between the investment return rates at market value, when compared to similar return rates on the actuarial valuation basis, stems from the inclusion in the market value figures of all capital appreciation or depreciation whereas the results based on the actuarial valuation basis reflect only the write-up/down in accordance with the adopted valuation procedure.

The rates of return, based on full market value changes as presented herein, should not be taken as a truly adequate measure of the System's investment performance. There are many reasons for differences among portfolios in return rates based on market value and among managers during a given time period. While a manager's investment choices are an important factor, consideration must also be given to the effects of established policy guidelines and any special characteristics of the plan that influence investment decisions. Those other factors, commonly dealt with in an investment performance study, are beyond the scope of this report.

DETERMINATION OF WRITE-UP (DOWN) AMOUNT AND ACTUARIAL VALUE OF INVESTMENTS AS OF DECEMBER 31, 2006 AND 2005

				PORTION OF TOTAL APPRECIATION/(DEPRECIATION)			
				December 31, 2006		December 31, 2005	
Year Ending	Total Appreciation (Depreciation)	Expected Appreciation	Difference From Expected	% Deferred	$ Deferred	% Deferred	$ Deferred
12/31/2002	$(494,704,675)	$212,650,620	$(707,355,295)	0%	$ -	20%	$ (141,471,059)
12/31/2003	634,778,699	178,991,767	455,786,932	20%	91,157,386	40%	182,314,773
12/31/2004	377,711,695	243,214,738	134,496,957	40%	53,798,783	60%	80,698,174
12/31/2005	261,304,998	266,550,447	(5,245,449)	60%	(3,147,269)	80%	(4,196,359)
12/31/2006	474,959,242	269,097,299	205,861,943	80%	164,689,554	0%	-

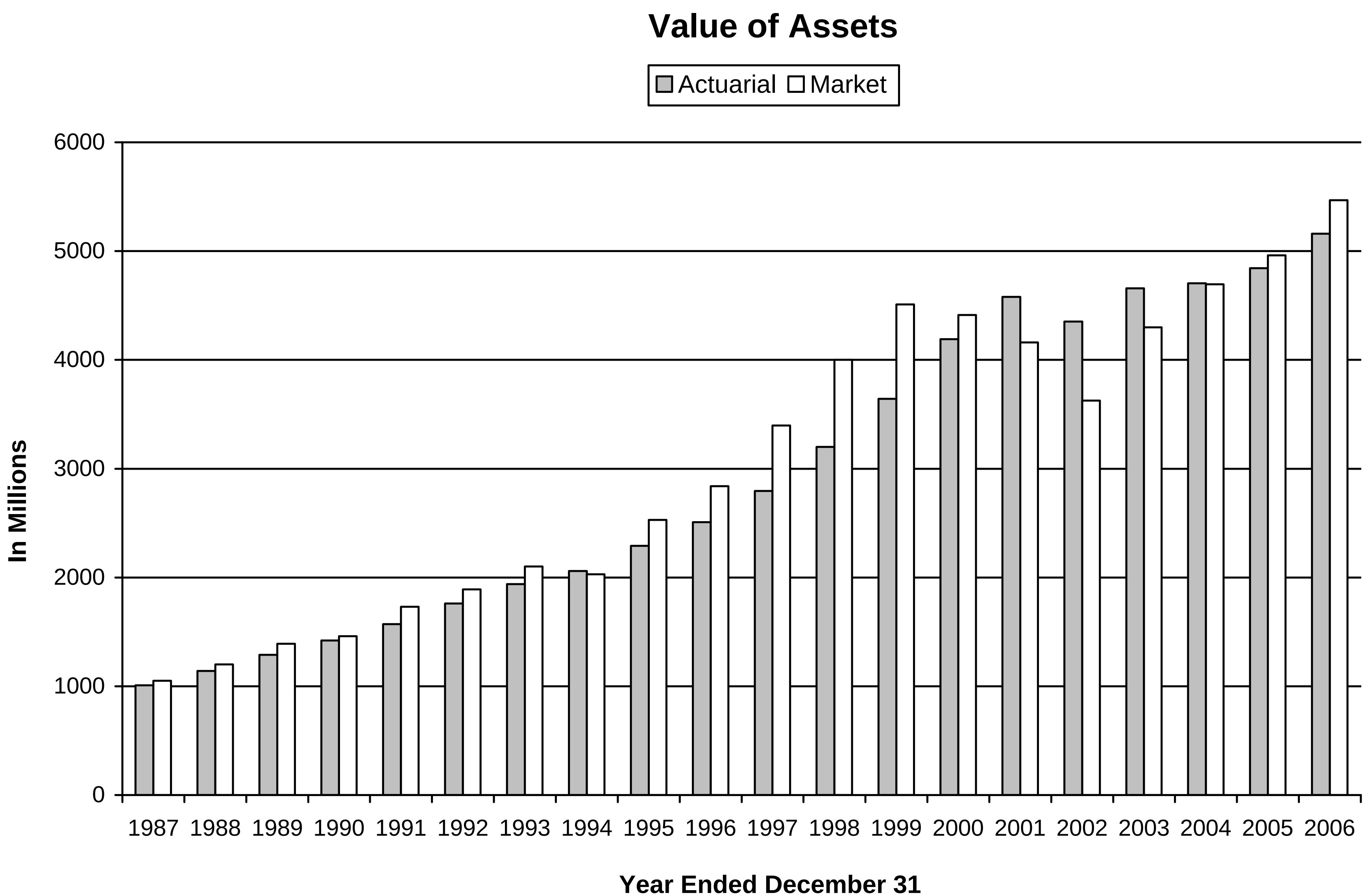
	December 31, 2006	December 31, 2005
(a) Total Deferred as of Valuation Date	$ 306,498,454	$ 117,345,529
(b) Sum of Difference From Expected for Last Five Plan Years	83,545,088	(665,331,420)
(c) Write-Up/(Down) Amount for the Year--Equals 20% of (b) Plus Rounding Adjustment	16,709,018	(133,066,284)

	January 1, 2007	January 1, 2006
Market Value of Investments	$ 5,690,374,364	$ 5,296,812,771
Less: Deferred Appreciation/(Depreciation)	306,498,454	117,345,529
Preliminary Actuarial Value of Investments	$ 5,383,875,910	$5,179,467,242
Adjustment for 20% Corridor	0	0
Actuarial Value of Investments*	$ 5,383,875,910	$5,179,467,242

*See Table 18 for actuarial value of assets.

ASSETS OF THE FUND AS OF DECEMBER 31, 2006 AND 2005
(ACTUARIAL VALUE BASIS)

	2006	2005
Net Accounts Receivable/(Payable)	$ (223,274,377)	$ (335,606,128)
Preliminary Actuarial Value of Investments	5,383,875,910	5,179,467,242
Net Assets	$ 5,160,601,533	$ 4,843,861,114
Market Value of Assets	5,467,099,987	4,961,206,643
80% Minimum Actuarial Value	4,373,679,990	3,968,965,315
120% Maximum Actuarial Value	6,560,519,984	5,953,447,971
Adjustment for 20% Corridor	0	0
Actuarial Value of Assets	$ 5,160,601,533	$ 4,843,861,114


Value of Assets
Actuarial
Market
In Millions
6000
5000
4000
3000
2000
1000
0
1987 1988 1989 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006
Year Ended December 31

INVESTMENT PORTFOLIO

Type of Investment	December 31, 2006 Market Value			December 31, 2005 Market Value**		
		Amount	Percentage Distribution		Amount	Percentage Distribution
Cash Investments	$	239,504,720	4.2%	$	205,931,451	3.9%
Fixed Income Investments		1,700,901,207	29.9%		1,798,746,924	34.0%
Equity Investments		3,445,955,894	60.6%		3,064,793,681	57.9%
Real Estate Investment		304,012,543	5.3%		227,340,715	4.2%
Total Investments*	$	5,690,374,364	100.0%	$	5,296,812,771	100.0%

* Total market value of assets (after adjusting for accruals) is $5,467,099,987 and $4,961,206,643 as of December 31, 2006 and December 31, 2005, respectively.

** Includes $8,655,176 transferred to the Law Enforcement Retirement Fund.

SUMMARY STATEMENT OF INCOME AND DISBURSEMENTS FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005 (ACTUARIAL VALUE BASIS)

	December 31, 2006		December 31, 2005	
Contribution Income:				
Employer Contributions	$ 70,144,155		$ 64,495,245	
Employee Contributions	69,020,297		63,381,309	
Other Contributions	2,520,248		696,425	
Total Contribution Income	$ 141,684,700		$ 128,572,979	
Less: Administrative Expenses	(1,949,051)		(1,930,267)	
Net Contribution Income		$ 139,735,649		$ 126,642,712
Investment Income:				
Interest and Dividends	$ 135,465,186		$ 115,752,025	
Less: Investment Expenses	(12,642,365)		(11,359,097)	
Net Interest and Dividends	$ 122,822,821		$ 104,392,928	
Write-Up of Assets	16,709,018		(133,066,284)	
Expected Increase in Asset Value	269,097,299		266,550,447	
Adjustment for 20% Corridor	0		0	
Net Investment Income Before Securities Lending		$ 408,629,138		$ 237,877,091
Gross Income from Securities Lending	$ 22,169,502		$ 12,318,241	
Securities Lending Deductions	(20,849,706)		(11,312,558)	
Net Income from Securities Lending		$ 1,319,796		$ 1,005,683
Total Income Available for Benefit Payments and Reserves		$ 549,684,583		$ 365,525,486
Benefit Payments:				
Pension Benefits	$(222,184,180)		$(207,613,186)	
Refunds	(10,759,984)		(9,695,334)	
Total Benefit Payments		$ (232,944,164)		$ (217,308,520)
Addition to Reserve for Future Benefit Payments		$ 316,740,419		$ 148,216,966
Actuarial Value of Assets, Beginning of Year		4,843,861,114		4,704,299,324
Transfers from the State, End of Year		0		(8,655,176)
Actuarial Value of Assets, End of Year		$ 5,160,601,533		$ 4,843,861,114

STATE OF WYOMING RETIREMENT SYSTEM — TABLE 21

PROGRESS OF THE FUND THROUGH DECEMBER 31, 2006
(ACTUARIAL VALUE BASIS)

Plan Year	Employer Contributions*	Employee Contributions	Administrative Expenses	Net Investment Income**	Benefit Payments	Transfers Out	Fund at Year End
21 Years Through December 31, 2006	$ 1,005,395,537	$ 1,000,053,524	$ (22,867,923)	$ 4,993,575,815	$ (2,466,135,522)	$ (115,653,895)	$ 5,160,601,533
As of							
12/31/1986	$ --	$ --	$ --	$ --	$ --	$	$ 766,233,997***
12/31/1987	41,364,465	36,365,804	(782,000)	98,998,090	(42,082,765)		900,097,591
12/31/1987	39,901,834	36,039,418	(808,023)	91,374,783	(50,604,364)		1,016,001,239
12/31/1988	38,414,939	33,222,264	(444,343)	103,025,282	(48,627,479)		1,141,591,902
12/31/1989	36,139,394	36,231,108	(424,136)	128,370,680	(55,459,353)		1,286,449,595
12/31/1990	38,668,634	38,960,372	(850,148)	114,218,588	(61,154,261)		1,416,292,780
12/31/1991	38,903,350	39,288,267	(863,301)	148,064,188	(69,348,501)		1,572,336,783
12/31/1992	42,354,843	42,883,874	(909,653)	175,246,400	(75,211,430)		1,756,700,817
12/31/1993	41,596,571	42,266,219	(801,026)	189,281,426	(82,480,713)		1,946,563,294
12/31/1994	42,791,243	43,415,880	(888,518)	136,210,578	(89,707,717)		2,078,384,760
12/31/1995	43,714,263	44,435,762	(937,480)	230,731,781	(99,689,985)		2,296,639,101
12/31/1996	43,495,146	44,761,611	(1,028,163)	233,212,720	(108,536,621)		2,508,543,794
12/31/1997	44,958,544	46,152,691	(1,147,818)	314,340,179	(117,126,096)		2,795,721,294
12/31/1998	46,183,091	47,366,181	(1,074,562)	436,098,461	(123,858,991)		3,200,435,474
12/31/1999	48,681,209	50,106,535	(1,182,899)	475,758,627	(132,428,572)		3,641,370,374
12/31/2000	50,539,675	51,868,059	(1,096,747)	592,379,739	(144,620,949)		4,190,440,151
12/31/2001	56,517,377	53,792,429	(1,387,930)	439,286,379	(156,189,100)		4,582,462,306
12/31/2002	57,377,428	58,234,324	(1,281,554)	(66,209,697)	(171,160,286)	(106,978,719)	4,352,423,802
12/31/2003	55,363,788	60,848,296	(1,435,922)	376,524,142	(185,826,481)		4,657,897,625
12/31/2004	60,573,670	61,412,824	(1,644,382)	127,831,761	(201,772,174)		4,704,299,324
12/31/2005	65,191,670	63,381,309	(1,930,627)	238,882,774	(217,308,520)	(8,655,176)	4,843,861,114
12/31/2006	72,664,403	69,020,297	(1,949,051)	409,948,934	(232,944,164)		5,160,601,533

* Includes other State funding sources.
** Net of Investment Expenses.
*** Includes contributions and investment income net of expenses and benefit payments through December 31, 1985.

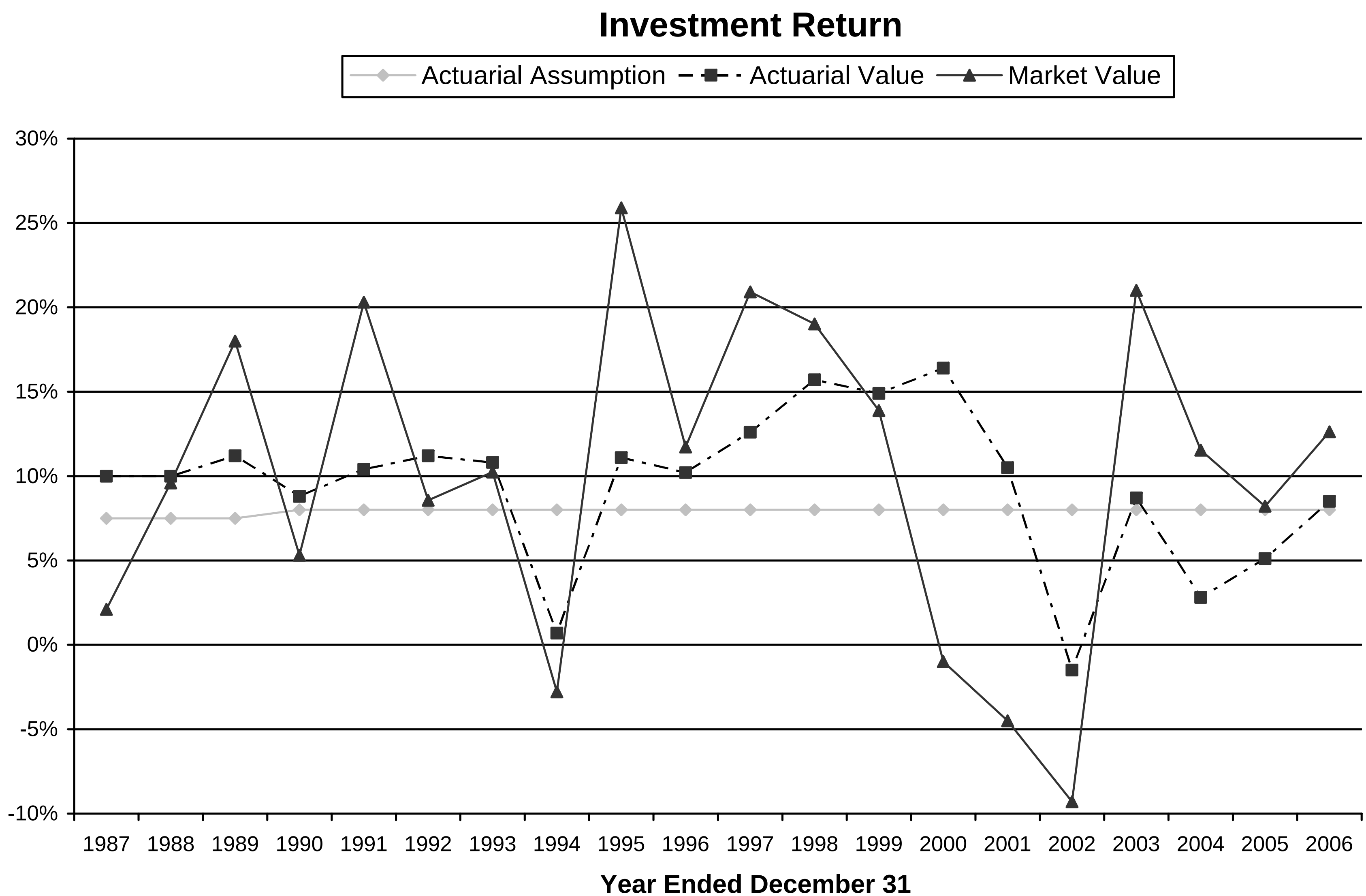
SUMMARY OF INVESTMENT RESULTS
(ACTUARIAL VALUE BASIS)

Plan Year	Average Amount of Assets in Fund	Assumed Investment Income Amount	Assumed Investment Income %	Net Dividends & Interest Income*	Appreciation Recognized**	Total Investment Income Amount	Total Investment Income %	Investment Gain (Loss)
1986	$ 783,667,000	$ 58,775,000	7.50%	$ 75,380,000	$ 23,618,000	$ 98,998,000	12.6%	$ 40,223,000
1987	912,362,000	68,427,000	7.50	76,183,000	15,192,000	91,375,000	10.0	22,948,000
1988	1,027,284,000	77,046,000	7.50	86,933,000	16,092,000	103,025,000	10.0	25,979,000
1989	1,149,835,000	86,238,000	7.50	88,865,000	39,506,000	128,371,000	11.7	42,133,000
1990	1,294,112,000	103,529,000	8.00	94,715,000	19,504,000	114,219,000	8.9	10,690,000
1991	1,420,283,000	113,623,000	8.00	99,550,000	48,514,000	148,064,000	10.4	34,441,000
1992	1,576,896,000	126,152,000	8.00	104,559,000	70,687,000	175,246,000	11.2	49,094,000
1993	1,757,392,000	140,591,000	8.00	106,022,000	83,259,000	189,281,000	10.8	48,690,000
1994	1,944,813,000	155,585,000	8.00	110,883,000	25,327,000	136,210,000	7.0	(19,375,000)
1995	2,072,615,000	165,809,000	8.00	117,721,000	113,011,000	230,732,000	11.1	64,923,000
1996	2,286,238,000	182,899,000	8.00	125,022,000	108,191,000	233,213,000	10.2	50,314,000
1997	2,495,225,000	199,618,000	8.00	123,671,000	190,669,000	314,340,000	12.6	114,722,000
1998	2,780,566,000	222,445,000	8.00	98,831,000	337,268,000	436,098,000	15.7	213,654,000
1999	3,183,615,000	254,689,000	8.00	133,493,000	342,266,000	475,759,000	14.9	221,070,000
2000	3,620,264,000	289,621,000	8.00	124,283,000	468,097,000	592,380,000	16.4	302,759,000***
2001	4,167,502,000	333,400,000	8.00	123,241,000	316,045,000	439,286,000	10.5	105,886,000
2002	4,501,189,000	360,095,000	8.00	112,650,000	(178,860,000)	(66,210,000)	(1.5)	(426,305,000)
2003	4,317,617,000	345,409,000	8.00	109,207,000	267,317,000	376,524,000	8.7	31,115,000
2004	4,617,183,000	369,375,000	8.00	97,587,000	30,245,000	127,832,000	2.8	(241,543,000)
2005	4,654,639,000	372,371,000	8.00	105,399,000	133,484,000	238,883,000	5.1	(133,488,000)
2006	4,797,257,000	383,781,000	8.00	124,143,000	285,806,000	409,949,000	8.5	26,168,000
Total Amount		$ 4,409,478,000		$ 2,238,338,000	$ 2,755,237,000	$ 4,993,575,000		$ 584,097,000
Average Rate of Investment Income Over Period							9.8%	

* Includes securities lending income and net of rebates, fees, and investment expenses.

** Recognizes write-up of assets on an actuarial value basis and any adjustments necessary to bring the actuarial value within the 80% to 120% of market value corridor.

*** Includes effect of change in actuarial asset method


Investment Return
Actuarial Assumption
Actuarial Value
Market Value
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
Year Ended December 31

VI. CONTRIBUTION REQUIREMENTS

We have utilized the Individual Entry Age Normal Actuarial Cost Method for funding all benefits. This method is used in situations where a cost is desired that will relatively remain level as a percentage of the participating payroll.

Under the Individual Entry Age Normal Actuarial Cost Method, the total contribution requirement has three components: an annual normal cost, an administrative expense requirement and a payment with respect to the unfunded actuarial accrued liability over a scheduled period of years.

The annual normal cost is calculated as the level percentage of pay required over each employee's period of covered employment to fund the total expected benefits. If the average entry age remains stable, the total normal cost rate should remain a level percentage of payroll.

The normal cost payments are not sufficient to finance the benefit program when there is an unfunded actuarial liability. An unfunded actuarial liability may be created by changes in the benefits, actuarial assumptions, or funding method and by experience which differs from that projected by the actuarial assumptions. When plan assets exceed the actuarial liability, there is a negative unfunded liability indicating that past changes and experience have been favorable.

We have calculated the cost of funding (or amortizing) the unfunded actuarial accrued liability (UAAL) over an open period of 30 years. This methodology was adopted by the Retirement Board effective January 1, 2005. The amortization method uses payments that are assumed to increase at 4.0% per annum, the rate at which the covered payroll is assumed to grow. This amortization is added to the normal cost with administrative expenses to determine the total cost.

VI. CONTRIBUTION REQUIREMENTS (continued)

The contribution requirements are shown below.

Contribution Requirements

	Maximum 3.0% COLA	2007 Cost as a % of Salaries	2007 Dollar Cost*	2006 Cost as a % of Salaries
1.	Entry Age Normal Cost			
	a. Total employee and employer	10.99%	$ 141,228,000	11.10%
	b. Employee share	5.57%	71,580,000	5.57%
	c. Employer share equals (a) - (b)	5.42%	$ 69,648,000	5.53%
2.	Cost to Amortize Unfunded Actuarial Accrued Liability	5.39%	69,216,000	5.26%
3.	Administrative Expenses	0.16%	2,087,000	0.17%
4.	Total Employer Cost	10.97%	$ 140,951,000	10.96%
5.	Total Cost (Employee + Employer)	16.54%	$ 212,531,000	16.53%

	Break-even 0.99% COLA	2007 Cost as a % of Salaries	2007 Dollar Cost*
1.	Entry Age Normal Cost		
	a. Total employee and employer	9.73%	$ 125,056,000
	b. Employee share	5.57%	71,580,000
	c. Employer share equals (a) - (b)	4.16%	$ 53,476,000
2.	Cost to Amortize Unfunded Actuarial Accrued Liability	1.36%	17,472,000
3.	Administrative Expenses	0.16%	2,087,000
4.	Total Employer Cost	5.68%	$ 73,035,000
5.	Total Cost (Employee + Employer)	11.25%	$ 144,615,000

* Dollar costs based on 2007 estimated payroll of $1,285,096,000.

The detailed results of our valuation are shown in Exhibit 1.

The total employer cost based on the maximum COLA is $140,951,000, or 10.97% of payroll. This is more than the statutory contribution rate of 5.68% of covered payroll. Hence, the current contribution rate does not meet the contribution requirements based upon the actuarial assumptions, actuarial method and financing objectives accepted by the Board.

The cost-of-living adjustment has been set to less than the maximum since the statutory contribution rate is less than the employer cost for the maximum COLA.

VI. CONTRIBUTION REQUIREMENTS (continued)

The employer cost requirement of 10.97% as of January 1, 2007, represents an increase from 10.96% calculated one year ago. An explanation of the change since the previous actuarial valuation is as follows:

Employer Cost Rate as of January 1, 2006	10.96%
Change from Aggregate Entry Age to Individual Entry Age	(0.11%)
Actual investment return higher than assumed	(0.11%)
Contributions below the actuarially determined rate	0.22%
Change due to teacher salary increase*	0.19%
Other experience factors	(0.18%)
Employer Cost Rate as of January 1, 2007	10.97%

*The increase in the unfunded liability due to the large salary increases for the teachers was $80,637,000. This valuation only realized half of the large increase in salary for teachers. We expect another loss for the 2008 valuation due to the teacher salary increases.

These costs are based on the maximum allowable COLA of 3.0%.

VII. FUNDING STATUS

One measure of the progress of funding a retirement plan is by comparing benefit security ratios on a historic basis. The benefit security ratio is the ratio of plan assets to plan liabilities. The greater the ratio, the better funded the retirement plan. This ratio can be calculated using different measures of the retirement plan's liabilities.

Chart 3 on page 35 shows the funded status of the Plan graphically.

Funding Basis – Actuarial Accrued Liability

This measure of liabilities is used in calculating pension costs. It uses the Individual Entry Age Normal Actuarial Cost Method that spreads costs as a level percentage of payroll over a member's working career.

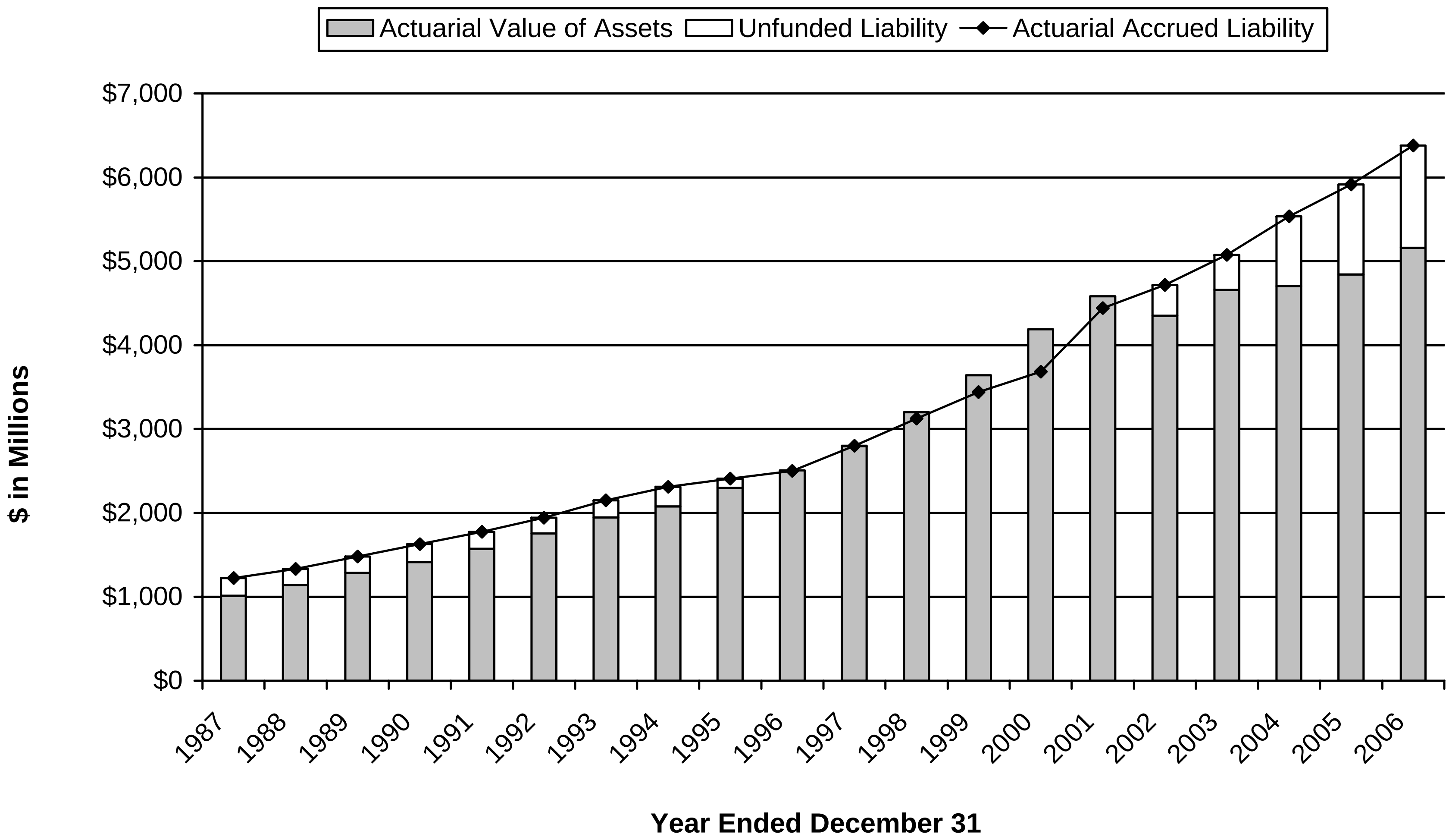
For determining Plan costs, a smoothed value of assets (called actuarial value) is used. Hence, for the benefit security ratio, the actuarial value of assets was used.

Historical Results

The benefit security ratio for the last twenty-one actuarial valuations are developed in Table 23 on page 36. The graph shows that on a funding basis, the benefit security ratio has steadily improved until 2001. The benefit ratio has decreased since then due to benefit improvements and investment return lower than expected in 2001 and 2002.

Funding ratios change over time due to several factors. These factors include the level of contributions, actual experience (including investment returns), Plan amendments and changes in assumptions.

Funded Status



BENEFIT SECURITY RATIOS

As of Jan. 1	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Benefit Security Ratio	Covered Payroll	UAAL as % of Covered Payroll
1987	$ 1,119,666,000	$ 1,900,098,000	$ 219,568,000	80.4%	$ 700,527,000	31.3%
1988	1,225,515,000	1,016,001,000	209,514,000	82.9	679,401,000	30.8
1989	1,334,110,000	1,141,592,000	192,518,000	85.6	681,101,000	28.3
1990	1,482,235,000	1,286,450,000	195,785,000	86.8	712,693,000	27.5
1991	1,627,934,000	1,416,293,000	211,641,000	87.0	712,860,000	29.7
1992	1,777,417,000	1,572,337,000	205,080,000	88.5	743,632,000	27.6
1993	1,944,477,000	1,756,701,000	187,776,000	90.3	756,248,000	24.8
1994	2,151,784,000	1,946,563,000	205,221,000	90.5	760,859,000	27.0
1995	2,310,624,000	2,078,385,000	232,239,000	90.0	793,782,000	29.3
1996	2,408,980,000	2,296,639,000	112,341,000	95.3	789,639,000	14.2
1997	2,500,667,000	2,508,544,000	(7,877,000)	100.3	803,239,000	(1.0)
1998	2,799,891,000	2,795,721,000	4,170,000	99.9	827,991,000	0.5
1999	3,125,121,000	3,200,435,000	(75,314,000)	102.4	873,530,000	(8.6)
2000	3,440,152,000	3,641,370,000	(201,218,000)	105.8	862,512,000	(23.3)
2001	3,683,174,000	4,190,440,000	(507,266,000)	113.8	897,641,000	(56.5)
2002	4,442,033,000	4,582,462,000	(140,429,000)	103.2	964,121,000	(14.6)
2003	4,718,618,000	4,352,424,000	366,194,000	92.2	988,135,000	37.1
2004	5,077,443,000	4,657,898,000	419,545,000	91.7	1,032,259,000	40.6
2005*	4,902,322,000	4,704,299,000	198,023,000	96.0	1,086,736,000	18.2
2006*	5,091,763,000	4,843,861,000	247,902,000	95.1	1,156,400,000	21.4
2007*	5,468,229,000	5,160,602,000	307,627,000	94.4	1,285,096,000	23.9

* Beginning in 2005, results are based on the actuarially sound COLA benefit determined by the Board in accordance with a change in State statutes.

VIII. ACTUARIAL ASSUMPTIONS AND METHODS

The actuarial assumptions and methods applied in this actuarial valuation are the same as used in the previous valuation with one exception.

- The Entry Age Normal Actuarial Cost Method was modified to Individual Entry Age Normal Actuarial Cost Method from the Aggregate Entry Age Normal Actuarial Cost Method. Under the new method, the allocation of costs between actuarial accrued liability and future normal costs is done on an individual basis, rather than done aggregately.

The assumptions and methods applied within the valuation are described below.

Investment Return

The actuarial calculations are based on the assumption that the effective return on the assets of the System will be 8.0% per year net of investment expenses. This includes 3.0% for inflation and 5.0% real rate of return.

Salary Increases and Inflation

A salary scale is used in an actuarial valuation to estimate the salary progression of employees in the future. The long-term salary increase assumption in this valuation is 5.0% per year. It includes 3.0% for inflation, as assumed in the investment yield. There is an allowance for 1.0% for standard-of-living growth per year and 1.0% annually for merit, promotion and longevity.

The salary scale used in this actuarial valuation does not necessarily take full account of general across-the-board increases in salaries resulting from inflation and other factors under short-term current conditions. This is because actuarial assumptions are meant to be reasonable over the long-term and should not be unduly influenced by short-term economic conditions.

The following is a summary of the long-term economic assumptions applied in this valuation:

Investment yield	8.00%
Salary increases	5.00%
Inflation	3.00%

Demographic Assumptions

Assumptions as to retirement incidence, withdrawal, disability and mortality are specified in Exhibit III of the actuarial certification.

VIII. ACTUARIAL ASSUMPTIONS AND METHODS (continued)

Actuarial Cost Method

For purposes of determining pension costs, we have applied the actuarial cost method known as the Individual Entry Age Normal Actuarial Cost Method. It is used in situations where a cost is desired that will remain relatively level as a percentage of the participating payroll.

Under the Individual Entry Age Normal Actuarial Cost Method, the total contribution requirement has three components: an annual normal cost, an administrative expense requirement and a payment with respect to the unfunded actuarial accrued liability.

The annual normal cost is calculated for each individual employee as the level percentage of pay required over the employee's period of covered employment to pay the total expected benefits. If the actuarial assumptions remain unchanged and actual experience matches the actuarial assumptions, the normal cost rate for each employee will remain a level percentage of payroll.

Unfunded actuarial accrued liability amounts are created by Plan implementation with prior benefit credit, actuarial losses, changes in the actuarial assumptions, actuarial cost method and improvements in the benefit provisions. To determine the amount necessary to provide for the unfunded liability, we applied an open amortization period of 30 years as of the valuation date. This methodology was adopted by the Retirement Board effective January 1, 2005. We assumed future unfunded liability payments would increase in dollar amount but remain a level percentage of aggregate covered salaries. It has been assumed that the aggregate covered payroll will increase at the combined assumed long-term inflation rate and the "standard-of-living" improvement rate of 4.0%.

Asset Valuation Method

The assets are valued on a moving market-related basis for actuarial purposes. The actuarial value includes the difference between expected appreciation and actual appreciation or depreciation, whether realized or not, spread over five years beginning with the year of occurrence. Interest, dividends, and other income are recognized immediately. This procedure results in recognition of all changes in market value after five years. If the actuarial asset value is less than 80% or more than 120% of market value, an adjustment will be made to bring it within that range.

buckconsultants
an ACS company

April 12, 2007

STATE OF WYOMING RETIREMENT SYSTEM

Actuarial Valuation Certificate

This is to certify that we have prepared an Actuarial Valuation of the Plan as of January 1, 2007, in accordance with generally accepted actuarial principles and practices.

The certificate contains the following attached exhibits:

I. Actuarial Valuation Results

II. Changes in Actuarial Assumptions and Methods

III. Actuarial Assumptions and Methods

IV. Changes in Plan Provisions

V. Summary of Plan Provisions

The valuation is based on information supplied by the Retirement Office (as of January 1, 2007) with respect to members and financial data. We have not verified, and customarily would not verify, such information, but we have had no reason to doubt its substantial accuracy.

In our opinion, the assumptions used in the aggregate: (a) are reasonably related to the experience of the Plan and to reasonable expectations; and (b) represent our best estimate of anticipated experience under the Plan.

Michelle Reding DeLange, FSA, EA, MAAA
Director, Consulting Actuary

David H. Slishinsky, ASA, EA, MAAA
Principal, Consulting Actuary

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ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the data for 73,387 members as of January 1, 2007:

a. 34,189 active members
b. 15,324 retired members and 1,686 beneficiaries
c. 4,950 inactive vested members and 17,238 inactive nonvested members

	Maximum 3.0% COLA	Break-even 0.99% COLA
1. Actuarial Accrued Liability on January 1, 2007:		
a. Active members	$ 3,444,013,000	$ 2,979,725,000
b. Retired members and beneficiaries	2,671,559,000	2,255,172,000
c. Inactive nonretired members	263,691,000	233,332,000
d. Total	$ 6,379,263,000	$ 5,468,229,000
2. Assets at actuarial value on December 31, 2006*	$ 5,160,602,000	$ 5,160,602,000
3. Unfunded actuarial accrued liability equals (1) - (2)	$ 1,218,661,000	$ 307,627,000
4. Employee and employer normal cost for ensuing year	$ 141,228,000	$ 125,056,000
5. Estimated annual salaries of covered employees	$ 1,285,096,000	$ 1,285,096,000
6. Employee contributions equals 5.57% of (5)	$ 71,580,000	$ 71,580,000
7. Employer normal cost for ensuing year equals (4) - (6)	$ 69,648,000	$ 53,476,000
8. Amortization payment equals 30-year amortization of item (3) as a level percentage of payroll	$ 69,216,000	$ 17,472,000
9. Administrative expenses	$ 2,087,000	$ 2,087,000
10. Total employer cost for ensuing year equals (7) + (8) + (9)	$ 140,951,000	$ 73,035,000
11. Total employer cost as percentage of payroll equals (10) ÷ (5)	10.97%	5.68%

* $5,467,099,987 at market value, adjusted for net accounts payable.

The current statutory contribution rate is sufficient to fund an annual cost-of-living adjustment (COLA) of 0.99% per year on an actuarially sound basis. When liabilities are measured with a COLA of 0.99%, the funded ratio on an Actuarial Value of Assets basis is 94.4%, while on a Market Value of Assets basis it is 100.0%.

CHANGES IN ACTUARIAL ASSUMPTIONS AND METHODS

The cost method changed from Aggregate Entry Age Normal Cost to Individual Entry Age Normal Cost.

ACTUARIAL ASSUMPTIONS AND METHODS

Mortality Rates:

Healthy Lives: 1994 Group Annuity Mortality Table (with margins)

Disabled Lives: 1979 PBGC Disabled Lives Receiving Social Security

Termination Rates before retirement (sample rates):

	RATE				
	Death		Disability	Withdrawal	
Age	Male	Female		Male	Female
25	.07%	.03%	--	31.91%	36.56%
30	.08%	.04%	.01%	18.38%	22.50%
35	.09%	.05%	.01%	10.03%	13.10%
40	.11%	.07%	.01%	7.61%	10.72%
45	.16%	.10%	.06%	7.29%	10.32%
50	.26%	.14%	.16%	6.32%	8.43%
55	.44%	.23%	.40%	4.62%	6.20%
60	.80%	.44%	--	--	--

Retirement Rates (sample rates):

Age	Rate
50	2%
55	6%
60	15%
62	25%
65	35%
70	100%

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

Interest Rate:	8.0% per annum, net of investment expenses
Salary Scale:	5.0% per annum
Payroll Growth:	4.0% per annum
Inflation:	3.0% per annum
Increase in Section 415 Maximum Pension and Section 401(a)(17) Limit on Compensation:	3.0% per annum
Spouse Assumptions:	85% of members were married at time of death. It is assumed that males are, on average, three years older than their spouse.
Interest on Member Contributions:	5.5% per annum
Cost Method:	Individual Entry Age Normal Actuarial Cost Method

Liability for Vested Inactive Non Retired Members:

No data is available for members entitled to deferred benefits. The present value of benefits expected to be paid to vested inactive nonretired members is approximated as (a) 195% of accumulated member contribution balances for benefits valued with a 3% COLA, and (b) 160% of accumulated member contribution balances for benefits valued with no (0%) COLA.

Actuarial Value of Assets:

Adjusted market value that immediately recognizes interest and dividends. The procedure recognizes 20% of each plan year's total appreciation (depreciation) in excess of the expected return on a market value basis beginning with the year of occurrence. After five years, the appreciation (depreciation) is fully recognized. If the adjusted market value is less than 80% of market value, or more than 120%, an adjustment will be made to bring it within that range.

Administrative Expenses:

Annual administrative expenses are assumed to increase 5% per year. Expenses for the valuation year are projected at this rate based on the prior two years' average adjusted expenses.

ACTUARIAL ASSUMPTIONS AND METHODS (continued)

Cost-of-Living Adjustments:

It is assumed that the maximum 3.0% COLA will be awarded every year. In addition, results are presented assuming no future COLAs are granted. Whenever the maximum COLA cannot be provided, we include the COLA level that can be provided on an actuarially sound basis.

Benefit Commencement Age:

It is assumed that members who terminate with a vested deferred benefit will commence payment at age 60.

CHANGE IN PLAN PROVISIONS

There have been no change to Plan provisions since the previous valuation.

SUMMARY OF PLAN PROVISIONS

Following are the major benefit provisions of the State of Wyoming Retirement System. This summary is not intended to be a complete statement of all provisions of the Retirement System.

1. Service Retirement

Eligibility Members may retire from active service at age 60 with at least four years of service or a combined age plus service of 85 or more points and receive full benefits. Members may take early retirement at age 50 with at least four years of service, or any age with at least 25 years of service, with benefits reduced by 5.0% per year for retirement prior to 60.

Benefit Calculated in two parts, (A) plus (B)

A. ***Pre-1975 Benefits.*** The larger of the monthly benefits calculated under the following two formulas (1) and (2):

1. The amount of employee and matching employer contributions, with interest (currently 5.5%), is used to *purchase* an annuity based upon a unisex actuarial factor. The monthly benefit thus obtained is increased as approved by the 1967, 1973 and 1975 legislature as follows:

- 1967 increase -- 25% (but not more than $25 per month)
- 1973 increase -- 40%
- 1975 increase -- 20%

2. Calculate pre-1975 benefits as 2.125% of the average earnings for the three highest years of service, times years of service prior to July 1, 1975, for the first 15 years of service credit, plus 2.25% of the average earnings for the three highest years of service for any years of service credit exceeding 15 years. This amount is reduced by 5.0% per year for retirement prior to age 60. However, members retiring with a combined age and service of 85 receive an unreduced benefit prior to age 60.

B. ***Post-1975 Benefits.*** The larger of the monthly benefits calculated under the following two formulas (1) and (2):

1. The same formula as for 1953-1975 benefits, except that the 20% increase does not apply.

2. 2.125% of the average earnings for the three highest years of service, times years of service after July 1, 1975, for the first 15 years of service credit, plus 2.25% of the average earnings for the three highest years of service for any years of service credit exceeding 15 years. This amount is reduced by 5.0% per year for retirement prior to age 60. However, members retiring with a combined age and service of 85 receive an unreduced benefit prior to age 60.

NOTE: Employees hired on and after July 1, 1981 will only be entitled to the benefit described under B.2. above.

2. Options

Option 1 Monthly benefit for life, with a lump-sum death benefit equal to the excess (if any) of the employee contributions with interest over the total monthly benefits received. A choice of any option other than Option 1 changes the monthly benefit payable.

Option 2 Monthly benefit for life, with 100% of the benefit continuing for the life of the beneficiary.

Option 3 Monthly benefit for life, with 50% of the benefit continuing for the life of the beneficiary.

Option 4 Monthly benefit for life, with a guarantee of 120 monthly payments.

Option 5 Monthly benefit for life, with no death benefit. The choice of this option increases the monthly benefit slightly.

Option 6 Monthly benefit for life, with 100% of the benefit continuing for the life of the beneficiary. Benefit reverts to Option 1 amount but without cash refund feature at beneficiary's death.

Option 7 Monthly benefit for life, with 50% of the benefit continuing for the life of the beneficiary. Benefit reverts to Option 1 amount but without cash refund feature at beneficiary's death.

3. Disability Retirement

Eligibility Disability prior to age 60, after 10 or more years of service.

Benefit 100% of the service retirement benefit, calculated using Option 1 as if the employee were 60 years of age and service as of date of disability.

4. Vesting

An employee who terminates after at least 48 months of service can elect either to leave his contributions in the Retirement System and receive a service retirement benefit as described above, or to receive a lump-sum return of his contributions (including employer subsidies) with interest. An employee who terminates with less than 48 months of service is eligible only for the lump-sum benefit.

5. Preretirement Death Benefit

The beneficiary of a vested employee can elect either to receive a monthly benefit based on the beneficiary's age and the calculation method described above for service retirement, or to receive a lump-sum payment of two times the employee contributions, with interest. The beneficiary of an employee who dies prior to achieving vested status is eligible for the lump-sum benefit only.

6. Contributions

Currently 5.57% of salary by employee and 5.68% of salary by employer. The employer may subsidize all or part of the employee contributions. Interest is currently being credited at the rate of 5.50% on accumulated contributions.

7. Ad Hoc Benefit Increases to Retirees

Ad hoc adjustments have been made to benefit payments. The most recent one was effective July 2001, for all retirees and beneficiaries. This increased pensions by $3 monthly per year of service.

8. Cost-of-Living Improvements

Benefits will increase by the lesser of 3.0% per year, or the increase in the Consumer Price Index. The Board may elect not to grant the full cost-of-living increase in any given year if the System's actuary determines such increases would not be actuarially sound. If the increase in the CPI exceeds the actual COLA granted in any year, the excess increase will be set aside and applied toward any future year in which the CPI increase is less than 3.0%. The first increase for a retiree is on the July 1 following two years of retirement. The first adjustments occurred in 1991.

The following table shows the historical values since they have been calculated on a break-even basis beginning in 2004.

Year	Break-even COLA
2004	2.16%
2005	1.40%
2006	1.05%
2007	1.00% (recommended)

9. Benefits Reflected in Valuation

All benefits were valued, including expected future cost-of-living increase.