

TABLES

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Development of Employer Cost

	June 30, 2005 (1)	June 30, 2004 (2)
1. Payroll		
a. Supplied by system	\$ 3,175,161,612	\$ 3,030,749,000
b. Adjusted for one year's pay increase	3,323,397,002	3,163,354,010
c. Adjusted for one year's pay increase with pay caps	3,279,424,196	3,110,720,010
2. Present value of future pay (paid monthly, with pay caps)	\$ 25,247,432,031	\$ 23,908,170,043
3. Normal cost rate (payable monthly)		
a. Total normal cost rate	10.52%	10.91%
b. Less: member rate	<u>(7.00%)</u>	<u>(7.00%)</u>
c. Employer normal cost rate	3.52%	3.91%
4. Actuarial accrued liability for active members		
a. Present value of future benefits for active members	\$ 9,360,586,434	\$ 9,504,824,477
b. Less: present value of future employer normal costs (Item 3c * Item 2)	(888,709,607)	(934,809,449)
c. Less: present value of future member contributions	<u>(1,767,320,242)</u>	<u>(1,673,571,903)</u>
d. Actuarial accrued liability	\$ 6,704,556,585	\$ 6,896,443,125
5. Total actuarial accrued liability for:		
a. Retirees and beneficiaries	\$ 7,046,505,663	\$ 6,899,041,564
b. Inactive members	301,371,813	284,663,643
c. Active members (Item 4d)	6,704,556,585	6,896,443,125
d. Total	<u>\$ 14,052,434,061</u>	<u>\$ 14,080,148,332</u>
6. Actuarial value of assets	\$ 6,952,687,592	\$ 6,660,918,318
7. Unfunded actuarial accrued liability (UAAL) (Item 5d - Item 6)	\$ 7,099,746,469	\$ 7,419,230,014
8. Funding period	42.6 years	Infinite
9. 40-year amortization cost		
a. Employer normal cost (Item 1c * 3c)	\$ 115,435,732 *	\$ 121,629,152
b. Level 40-year amortization of UAAL (payable monthly)	574,609,607 *	600,466,631
c. Total	<u>\$ 690,045,339 *</u>	<u>\$ 722,095,783</u>
d. Contribution as percentage of payroll (9c/1c)	21.04% *	23.21%
10. 30-year amortization cost		
a. Employer normal cost (Item 1c * 3c)	\$ 115,435,732	\$ 121,629,152 *
b. Level % 30-year amortization of UAAL (payable monthly)	<u>\$ 419,792,306</u>	<u>\$ 438,682,661 *</u>
c. Total	\$ 535,228,038	\$ 560,311,813 *
d. Contributions as percentage of payroll	16.32%	18.01% *

* Not Applicable - method changed from 40-year level dollar amortization in FY2004 to 30-year level percent amortization in FY2005

Actuarial Present Value of Future Benefits

	June 30, 2005 (1)	June 30, 2004 (2)
1. Active members		
a. Service retirement benefits	\$ 8,155,574,579	\$ 8,362,257,164
b. Deferred termination benefits	448,226,981	393,434,985
c. Refunds	23,436,304	28,688,914
d. Death benefits	157,014,237	128,975,196
e. Disability retirement benefits	202,444,915	200,157,480
f. Supplemental medical insurance	342,098,386	361,369,777
g. \$5,000 post-retirement death benefit	31,791,032	29,940,961
h. Total	<u>\$ 9,360,586,434</u>	<u>\$ 9,504,824,477</u>
2. Retired members		
a. Service retirements	\$ 6,257,694,491	\$ 6,139,620,212
b. Disability retirements	121,757,402	113,425,831
c. Beneficiaries	195,003,598	181,223,898
d. Supplemental medical insurance	402,810,718	400,231,824
e. \$5,000 post-retirement death benefit	69,239,454	64,539,799
f. Total	<u>\$ 7,046,505,663</u>	<u>\$ 6,899,041,564</u>
3. Inactive members		
a. Vested terminations	\$ 254,209,777	\$ 241,792,395
b. Nonvested terminations	24,940,262	21,707,856
c. Suspense fund	22,221,774	21,163,392
d. Total	<u>\$ 301,371,813</u>	<u>\$ 284,663,643</u>
4. Total actuarial present value of future benefits	\$ 16,708,463,910	\$ 16,688,529,684

Analysis of Normal Cost

	<u>June 30, 2005</u> (1)	<u>June 30, 2004</u> (2)
1. Gross normal cost rate (payable monthly)		
a. Retirement benefits	7.65%	8.10%
b. Deferred termination benefits	1.33%	1.08%
c. Refunds	0.78%	0.90%
d. Supplemental medical insurance	0.28%	0.33%
e. \$5,000 Post-retirement death benefits	0.04%	0.04%
f. Death Benefits	0.14%	0.15%
g. Disability retirement benefits	0.30%	0.31%
h. Total	<u>10.52%</u>	<u>10.91%</u>
2. Less: member rate	<u>7.00%</u>	<u>7.00%</u>
3. Employer normal cost rate	3.52%	3.91%

Schedule of Funding Progress
(As required by GASB #25)

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (3) - (2)	Funded Ratio (2)/(3)	Annual Covered Payroll	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
June 30, 1994	\$2,697.2	\$6,736.0	\$4,038.8	40.0%	\$2,189.5	184.5%
June 30, 1995	\$2,869.9	\$7,480.4	\$4,610.5	38.4%	\$2,336.1	197.4%
June 30, 1996	\$3,103.0	\$7,843.2	\$4,740.2	39.6%	\$2,375.5	199.5%
June 30, 1997	\$3,544.9	\$8,257.2	\$4,712.3	42.9%	\$2,428.7	194.0%
June 30, 1998	\$4,085.0	\$8,891.3	\$4,806.3	45.9%	\$2,537.7	189.4%
June 30, 1999	\$4,708.0	\$9,458.6	\$4,750.5	49.8%	\$2,648.4	179.4%
June 30, 2000	\$5,373.5	\$10,009.2	\$4,635.7	53.7%	\$2,738.3	169.3%
June 30, 2001	\$5,959.0	\$11,591.1	\$5,632.1	51.4%	\$2,990.5	188.3%
June 30, 2002	\$6,310.9	\$12,275.9	\$5,965.0	51.4%	\$3,047.1	195.8%
June 30, 2003	\$6,436.9	\$11,925.2	\$5,488.3	54.0%	\$3,045.7	180.2%
June 30, 2004	\$6,660.9	\$14,080.1	\$7,419.2	47.3%	\$3,030.7	244.8%
June 30, 2005	\$6,952.7	\$14,052.4	\$7,099.7	49.5%	\$3,175.2	223.6%

Schedule of Employer Contributions
(As required by GASB #25)

Year Ending June 30, (1)	Annual Required Contribution (2)	Percentage Contributed (3)
1996	\$434,728,781	40.8%
1997	\$446,459,961	62.0%
1998	\$446,219,296	59.1%
1999	\$456,864,002	53.5%
2000	\$455,265,033	60.6%
2001	\$451,463,258	72.7%
2002	\$556,201,571	65.6%
2003	\$585,168,488	61.9%
2004	\$534,811,845	70.2%
2005	\$722,095,783	56.2%

Notes to Required Supplementary Information
(as required by GASB #25)

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

Valuation date	June 30, 2005
Actuarial cost method	Entry Age Normal
Amortization method	Percent of Pay, 30 year, open period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return *	8.00%
Projected salary increase *	4.25% to 6.00%
* Includes inflation at:	3.00%
Cost of living adjustment	1.00%

Membership Data

	June 30, 2005	June 30, 2004
	(1)	(2)
1. Active members		
a. Number	84,286	81,683
b. Total payroll supplied by System	\$ 3,175,161,612	\$ 3,030,749,000
c. Average salary	\$ 37,671	\$ 37,104
d. Average age	45.6	45.6
e. Average service	11.6	11.8
2. Vested inactive members		
a. Number	6,008	5,731
b. Total annual deferred benefits	\$ 43,694,160	\$ 41,353,072
c. Average annual deferred benefit	\$ 7,273	\$ 7,216
3. Nonvested inactive members		
a. Number	7,072	7,536
b. Member contributions with interest due	\$ 24,940,262	\$ 21,707,856
c. Average refund due	\$ 3,527	\$ 2,881
4. Service retirees		
a. Number	37,650	36,508
b. Total annual benefits ¹	\$ 633,232,293	\$ 587,867,333
c. Average annual benefit	\$ 16,819	\$ 16,102
5. Special service retirees		
a. Number	159	201
b. Total annual benefits ¹	\$ 356,642	\$ 433,046
c. Average annual benefit	\$ 2,243	\$ 2,154
6. Disabled retirees		
a. Number	1,378	1,327
b. Total annual benefits ¹	\$ 14,507,143	\$ 13,479,454
c. Average annual benefit	\$ 10,528	\$ 10,158
7. Beneficiaries and spouses		
a. Number	1,692	1,557
b. Total annual benefits ¹	\$ 22,954,816	\$ 20,049,437
c. Average annual benefit	\$ 13,567	\$ 12,877

¹ Benefit amounts exclude the supplemental medical insurance payment.

Historical Summary of Active Member Data

Valuation as of June 30,	Active Members		Covered Payroll		Average Salary		Average Age	Average Service
	Number	Percent Increase	Amount in \$ Millions	Percent Increase	\$ Amount	Percent Increase		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1990	69,062	2.0%	1,745	8.4%	25,265	5.0%	43.1	10.5
1991	71,936	4.2%	1,921	10.1%	26,709	5.7%	43.1	10.5
1992	73,568	2.3%	2,002	4.2%	27,218	1.9%	43.3	10.6
1993	75,599	2.8%	2,122	6.0%	28,069	3.1%	43.4	10.7
1994	76,280	0.9%	2,190	3.2%	28,704	2.3%	43.6	10.8
1995	79,044	3.6%	2,336	6.7%	29,555	3.0%	43.6	10.7
1996	78,942	(0.1%)	2,375	1.7%	30,091	1.8%	44.0	11.1
1997	79,510	0.7%	2,429	2.3%	30,546	1.5%	44.2	11.2
1998	80,578	1.3%	2,538	4.5%	31,493	3.1%	44.3	11.2
1999	81,851	1.6%	2,648	4.3%	32,356	2.7%	44.4	11.2
2000	83,024	1.4%	2,738	3.4%	32,982	1.9%	44.5	11.0
2001	84,387	1.6%	2,991	9.2%	35,438	7.4%	44.7	11.0
2002	85,366	1.2%	3,047	1.9%	35,695	0.7%	44.9	11.1
2003	83,127	(2.6%)	3,046	(0.0%)	36,639	2.6%	45.3	11.5
2004	81,683	(1.7%)	3,031	(0.5%)	37,104	1.3%	45.6	11.8
2005	84,286	3.2%	3,175	4.8%	37,671	1.5%	45.6	11.6

Plan Net Assets
(Assets at Market or Fair Value)

Item (1)	Valuation as of	
	June 30, 2005 (2)	June 30, 2004 (3)
1. Cash and cash equivalents	\$ 5,865,559	\$ 6,466,943
2. Receivables		
a. Employer and member contributions	\$ 36,439,084	\$ 33,490,888
b. State contribution	16,964,703	13,848,383
c. Net investment income and other accruals	(148,165,641)	(104,346,915)
d. Total receivables	<u>\$ (94,761,854)</u>	<u>\$ (57,007,644)</u>
3. Investments		
a. Invested cash and other	\$ 370,052,039	\$ 514,478,967
b. Domestic equities	4,027,784,349	3,605,558,746
c. International equities	1,228,377,976	1,316,719,833
d. Fixed income	2,068,431,073	1,626,234,061
e. Real estate, furniture & equipment	320,400	287,256
f. Total investments	<u>\$ 7,694,965,837</u>	<u>\$ 7,063,278,863</u>
4. Total assets	\$ 7,606,069,542	\$ 7,012,738,162
5. Liabilities		
a. Benefits payable	\$ 55,876,956	\$ 51,839,878
b. Insurance premium payable	2,515,082	2,584,929
c. Expenses	6,713,569	6,535,487
d. Total liabilities	<u>\$ 65,105,607</u>	<u>\$ 60,960,294</u>
6. Net assets available (Item 4 - Item 5)	\$ 7,540,963,935	\$ 6,951,777,868
7. Less: Teachers' Deposit Fund	(302,876,611)	(285,288,429)
8. Net assets available for OTRS benefits	\$ 7,238,087,324	\$ 6,666,489,439

**Distribution of Assets at Market Value
 (Percentage of Total Investments)**

Item (1)	Valuation as of	
	June 30, 2005 (2)	June 30, 2004 (3)
a. Invested cash and other	4.81%	7.28%
b. Domestic equities	52.34%	51.05%
c. International equities	15.96%	18.64%
d. Fixed income	26.88%	23.02%
e. Real estate, furniture & equipment	0.01%	0.01%
f. Total investments	100.00%	100.00%

Reconciliation of Plan Net Assets

	Year Ending	
	June 30, 2005	June 30, 2004
	(1)	(2)
1. Market value of assets at beginning of year, net of Teachers' Deposit Fund	\$ 6,666,489,439	\$ 5,614,063,958
2. Revenue for the year		
a. Contributions		
i. Member contributions, including state credit	\$ 235,048,239	\$ 233,121,332
ii. Federal matching funds	14,047,582	13,042,355
iii. State contribution	163,919,337	143,100,533
iv. Employer/district contributions	227,791,719	219,126,867
v. Total	<u>\$ 640,806,877</u>	<u>\$ 608,391,087</u>
b. Net investment earnings		
i. Interest, dividends and other income	\$ 186,376,250	\$ 150,983,793
ii. Net appreciation/(depreciation)	528,399,334	1,048,927,967
iii. Less: investment expenses	(22,819,283)	(21,573,692)
iv. Less: transfers to Teachers' Deposit Fund	(28,301,788)	(49,511,384)
v. Net investment earnings	<u>\$ 663,654,513</u>	<u>\$ 1,128,826,684</u>
c. Total revenue	\$ 1,304,461,390	\$ 1,737,217,771
3. Expenditures for the year		
a. Refunds	\$ 26,755,453	\$ 33,662,984
b. Benefit payments, including insurance payments	701,895,788	647,277,986
c. Administrative expenses	4,212,264	3,851,320
d. Total expenditures	<u>\$ 732,863,505</u>	<u>\$ 684,792,290</u>
4. Increase in net assets (Item 2 - Item 3)	\$ 571,597,885	\$ 1,052,425,481
5. Market value of assets at end of year, net of Teachers' Deposit Fund (Item 1 + Item 4)	\$ 7,238,087,324	\$ 6,666,489,439

Development of Actuarial Value of Assets

	<u>Year Ending June 30, 2005</u>																												
1. Market value of assets at beginning of year	\$ 6,666,489,439																												
2. Net new investments																													
a. Contributions	\$ 640,806,877																												
b. Benefits paid	(701,895,788)																												
c. Refunds	<u>(26,755,453)</u>																												
d. Subtotal	(87,844,364)																												
3. Market value of assets at end of year	\$ 7,238,087,324																												
4. Net earnings (3-1-2)	\$ 659,442,249																												
5. Assumed investment return rate	8.00%																												
6. Expected return	\$ 529,805,381																												
7. Excess return (4-6)	\$ 129,636,869																												
8. Excess return on assets for last four years :																													
	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Period End</u></th> <th style="text-align: center;"><u>Excess Return</u></th> <th style="text-align: center;"><u>Percent Deferred</u></th> <th style="text-align: right;"><u>Deferred Amount</u></th> </tr> <tr> <td></td> <th style="text-align: center;">(2)</th> <th style="text-align: center;">(3)</th> <th style="text-align: center;">(4)</th> </tr> </thead> <tbody> <tr> <td>a. June 30, 2002</td> <td style="text-align: right;">(771,138,521)</td> <td style="text-align: center;">20%</td> <td style="text-align: right;">\$ (154,227,704)</td> </tr> <tr> <td>b. June 30, 2003</td> <td style="text-align: right;">(178,333,513)</td> <td style="text-align: center;">40%</td> <td style="text-align: right;">(71,333,405)</td> </tr> <tr> <td>c. June 30, 2004</td> <td style="text-align: right;">678,752,243</td> <td style="text-align: center;">60%</td> <td style="text-align: right;">407,251,346</td> </tr> <tr> <td>d. June 30, 2005</td> <td style="text-align: right;">129,636,869</td> <td style="text-align: center;">80%</td> <td style="text-align: right;"><u>103,709,495</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">\$ 285,399,732</td> </tr> </tbody> </table>	<u>Period End</u>	<u>Excess Return</u>	<u>Percent Deferred</u>	<u>Deferred Amount</u>		(2)	(3)	(4)	a. June 30, 2002	(771,138,521)	20%	\$ (154,227,704)	b. June 30, 2003	(178,333,513)	40%	(71,333,405)	c. June 30, 2004	678,752,243	60%	407,251,346	d. June 30, 2005	129,636,869	80%	<u>103,709,495</u>				\$ 285,399,732
<u>Period End</u>	<u>Excess Return</u>	<u>Percent Deferred</u>	<u>Deferred Amount</u>																										
	(2)	(3)	(4)																										
a. June 30, 2002	(771,138,521)	20%	\$ (154,227,704)																										
b. June 30, 2003	(178,333,513)	40%	(71,333,405)																										
c. June 30, 2004	678,752,243	60%	407,251,346																										
d. June 30, 2005	129,636,869	80%	<u>103,709,495</u>																										
			\$ 285,399,732																										
9. Actuarial value of assets (Item 3 - Item 8)	\$ 6,952,687,592																												
10. Actuarial value as percentage of market value	96.1%																												

Estimation of Yields

	Year Ending	
	June 30, 2005 (1)	June 30, 2004 (2)
A. Market value yield		
1. Beginning of year market assets	\$ 6,666,489,439	\$ 5,614,063,958
2. Net investment income (including realized and unrealized gains and losses)	\$ 663,654,513	\$ 1,128,826,684
3. End of year market assets	\$ 7,238,087,324	\$ 6,666,489,439
4. Estimated dollar weighted market value yield	10.0%	20.2%
B. Actuarial value yield		
1. Beginning of year actuarial assets	\$ 6,660,918,318	\$ 6,436,852,137
2. Actuarial return	\$ 379,613,638	\$ 296,616,064
3. End of year actuarial assets	\$ 6,952,687,592	\$ 6,660,918,318
4. Estimated actuarial value yield	5.7%	4.6%

History of Investment Return Rates

<u>Year Ending June 30 of</u>	<u>Market</u>	<u>Actuarial</u>
(1)	(2)	(3)
1990	9.7%	10.4%
1991	9.7%	9.0%
1992	13.7%	12.0%
1993	13.5%	12.7%
1994	2.0%	6.5%
1995	14.9%	11.2%
1996	14.6%	11.6%
1997	20.9%	13.5%
1998	21.4%	15.8%
1999	11.9%	17.1%
2000	10.5%	15.5%
2001	-2.3%	11.4%
2002	-5.4%	5.8%
2003	4.8%	2.9%
2004	20.2%	4.6%
2005	10.0%	5.7%

History of Cash Flow

Year Ending June 30, (1)	Contributions (2)	Benefit Payments (3)	Refunds (4)	Administrative Expenses (5)	Total (6)	External Cash Flow for the Year ¹ (7)	Market Value of Assets (8)	External Cash Flow as Percent of Market Value (9)
1996	321.0	(396.1)	(18.1)	(2.2)	(416.4)	(95.4)	3,325	(2.9%)
1997	443.2	(418.0)	(20.1)	(2.4)	(440.5)	2.7	4,041	0.1%
1998	444.8	(439.2)	(23.0)	(3.3)	(465.5)	(20.7)	4,884	(0.4%)
1999	435.0	(479.6)	(24.5)	(2.7)	(506.9)	(71.8)	5,387	(1.3%)
2000	471.8	(500.3)	(29.5)	(3.0)	(532.7)	(60.9)	5,890	(1.0%)
2001	544.8	(537.3)	(31.4)	(3.5)	(572.2)	(27.4)	5,732	(0.5%)
2002	591.5	(561.2)	(26.7)	(3.9)	(591.9)	(0.4)	5,418	(0.0%)
2003	582.5	(609.0)	(30.2)	(4.0)	(643.2)	(60.7)	5,614	(1.1%)
2004	608.4	(647.3)	(33.7)	(3.9)	(684.9)	(76.5)	6,666	(1.1%)
2005	640.8	(701.9)	(26.8)	(4.2)	(732.9)	(92.1)	7,238	(1.3%)

Dollar amounts in millions

¹ Column (7) = Column (2) + Column (6).

Investment Experience Gain or Loss

Item (1)	Year Ending June 30, 2005 (2)	Year Ending June 30, 2004 (3)
1. Actuarial assets, beginning of year	\$ 6,660,918,318	\$ 6,436,852,137
2. Contributions during year	\$ 640,806,877	\$ 608,391,087
3. Benefits and refunds paid	\$ (728,651,241)	\$ (680,940,970)
4. Assumed net investment income at 8%		
a. Beginning of year assets	\$ 532,873,465	\$ 514,948,171
b. Contributions	25,632,275	24,335,643
c. Benefits and refunds paid	(29,146,050)	(27,237,639)
d. Total	\$ 529,359,690	\$ 512,046,175
5. Expected actuarial assets, end of year (Sum of items 1 through 4)	\$ 7,102,433,644	\$ 6,876,348,429
6. Actual actuarial assets, end of year	\$ 6,952,687,592	\$ 6,660,918,318
7. Asset gain (loss) for year (Item 6 - Item 5)	\$ (149,746,052)	\$ (215,430,111)

Total Experience Gain or Loss

Item (1)	Year Ending June 30, 2005 (2)	Year Ending June 30, 2004 (3)
A. Calculation of total actuarial gain or loss		
1. Unfunded actuarial accrued liability (UAAL), previous year	\$ 7,419,230,014	\$ 5,488,309,552
2. Normal cost for the year (employer and employee)	\$ 339,379,553	\$ 309,364,704
3. Less: total contributions for the year	\$ (640,806,877)	\$ (608,391,087)
4. Interest at 8 %		
a. On UAAL	\$ 593,538,401	\$ 439,064,764
b. On normal cost	13,575,182	12,374,588
c. On contributions	<u>(25,632,275)</u>	<u>(24,335,643)</u>
d. Total	\$ 581,481,308	\$ 427,103,709
5. Expected UAAL (Sum of Items 1 - 4)	\$ 7,699,283,998	\$ 5,616,386,878
6. Actual UAAL	\$ 7,099,746,469	\$ 7,419,230,014
7. Total gain (loss) for the year (Item 5 - Item 6)	\$ 599,537,529	\$ (1,802,843,136)
B. Source of gains and losses		
8. Asset gain (loss) for the year	\$ (149,746,052)	\$ (215,430,111)
9. Liability gain (loss) for the year	27,992,764	6,297,973
10. Legislation changes	-	(537,905,575)
11. Assumption changes (Experience Study)	<u>721,290,817</u>	<u>(1,055,805,423)</u>
13. Total	\$ 599,537,529	\$ (1,802,843,136)

Analysis of Change in Unfunded Actuarial Accrued Liability (UAAL)

Basis	June 30, 2005 UAAL (in \$ Millions)	June 30, 2004 UAAL (in \$ Millions)
1. From prior valuation	\$ 7,419.2	\$ 5,488.3
2. Impact of changes, gains and losses		
a. Expected increase based on statutory contributions and passage of time	321.8	147.2
b. Liability (gain)/loss	(28.0)	(6.3)
c. Asset (gain)/loss	149.7	215.4
d. Impact of actual ctrb greater than expected under schedule	(41.7)	(19.1)
e. Legislative changes	0.0	537.9
f. Assumption changes (Change due to revised actuarial assumptions from 2005 experience study)	(721.3)	1,055.8
g. Total	(319.5)	1,930.9
3. Current UAAL (1+2h)	\$ 7,099.7	\$ 7,419.2

Analysis of Change in GASB ARC

Basis	June 30, 2005 GASB ARC (Percent of Pay)
1. Prior Valuation GASB 25 Contribution as a percentage of payroll	23.21%
2. Increases/(Decreases) due to:	
a. Expected increase based on statutory contributions and passage of time	0.84%
b. Impact of increased payroll	-1.14%
c. Assumption changes (Change due to revised actuarial assumptions from 2005 experience study)	-2.17%
d. New GASB Methodology (30 year, level percent)	-4.64%
e. Liability (gain)/loss	-0.05%
g. Asset (gain)/loss	0.27%
h. Impact of Legislative Changes	<u>0.00%</u>
i. Total	-6.89%
3. Current GASB 25 Contribution as a percentage of payroll	16.32%

Projection of UAAL

	<u>Valuation Date</u> (1)	<u>UAAL</u> <u>(Millions)</u> (2)	
A. Actual	June 30, 1993	\$ 3,887.7	
	June 30, 1994	4,038.8	
	June 30, 1995	4,610.5	
	June 30, 1996	4,740.2	
	June 30, 1997	4,712.3	
	June 30, 1998	4,806.2	
	June 30, 1999	4,750.5	
	June 30, 2000	4,635.7	
	June 30, 2001	5,632.1	
	June 30, 2002	5,965.0	
	June 30, 2003	5,488.3	
	June 30, 2004	7,419.2	
	June 30, 2005	7,099.7	
	B. Projected	June 30, 2006	\$ 7,340.3
		June 30, 2007	7,556.8
June 30, 2008		7,748.1	
June 30, 2009		7,940.1	
June 30, 2010		8,132.6	
June 30, 2011		8,325.0	
June 30, 2012		8,516.8	
June 30, 2013		8,707.2	
June 30, 2014		8,895.8	
June 30, 2015		9,081.6	
June 30, 2016		9,263.9	
June 30, 2017		9,441.8	
June 30, 2018		9,614.1	
June 30, 2019		9,779.9	
June 30, 2020		9,937.8	
June 30, 2021	10,086.4		
June 30, 2022	10,224.3		
June 30, 2023	10,349.9		
June 30, 2024	10,461.2		
June 30, 2025	10,556.4		

Projection of UAAL (cont.)

<u>Valuation Date</u> (1)	<u>UAAL</u> <u>(Millions)</u> (2)
June 30, 2026	\$ 10,633.2
June 30, 2027	10,689.3
June 30, 2028	10,722.1
June 30, 2029	10,728.7
June 30, 2030	10,706.1
June 30, 2031	10,650.8
June 30, 2032	10,559.2
June 30, 2033	10,427.3
June 30, 2034	10,250.5
June 30, 2035	10,024.3
June 30, 2036	9,743.4
June 30, 2037	9,402.1
June 30, 2038	8,994.2
June 30, 2039	8,513.1
June 30, 2040	7,951.5
June 30, 2041	7,301.5
June 30, 2042	6,554.5
June 30, 2043	5,701.1
June 30, 2044	4,731.2
June 30, 2045	3,633.9
June 30, 2046	2,397.0
June 30, 2047	1,007.8
June 30, 2048	(547.9)

Solvency Test

Actuarial Accrued Liability and Percent of Active Member Payroll for:

June 30,	Accumulated Member Contributions Including Interest		Retirees and Beneficiaries Currently Receiving Benefits		Terminated Employees Not Yet Receiving Benefits		Employer Financed Portion of Vested and Nonvested Benefits		Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Assets			
	(1)	% of Payroll	(2)	% of Payroll	(3)	% of Payroll	(4)	% of Payroll		(1)	(2)	(3)	(4)
1994	1,467.9	67%	3,187.5	146%	102.5	5%	1,978.1	90%	2,697.2	100%	39%	0%	0%
1995	1,628.4	70%	3,409.3	146%	96.7	4%	2,346.0	100%	2,869.9	100%	36%	0%	0%
1996	1,799.1	76%	3,586.3	151%	106.7	4%	2,351.1	99%	3,103.0	100%	36%	0%	0%
1997	1,967.9	81%	3,797.8	156%	114.4	5%	2,377.1	98%	3,544.9	100%	42%	0%	0%
1998	2,143.4	84%	4,195.9	165%	125.7	5%	2,426.3	96%	4,085.0	100%	46%	0%	0%
1999	2,330.6	88%	4,415.0	167%	136.4	5%	2,576.5	97%	4,708.0	100%	54%	0%	0%
2000	2,518.2	92%	4,803.8	175%	151.1	6%	2,536.1	93%	5,373.5	100%	59%	0%	0%
2001	2,728.4	91%	5,459.6	183%	173.1	6%	3,230.0	108%	5,959.0	100%	59%	0%	0%
2002	2,934.3	96%	5,959.9	196%	184.9	6%	3,196.8	105%	6,310.9	100%	57%	0%	0%
2003	3,072.8	101%	5,894.0	194%	191.0	6%	2,767.4	91%	6,436.9	100%	57%	0%	0%
2004	3,212.9	106%	6,899.0	228%	284.7	9%	3,683.6	122%	6,660.9	100%	50%	0%	0%
2005	3,381.7	107%	7,046.5	222%	301.4	9%	3,322.9	105%	6,952.7	100%	51%	0%	0%

**Distribution of Active Members by Age and by Years of Service
As of 06/30/2005**

Attained Age	Years of Credited Service												Total
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	
Under 25	268 \$20,246	713 \$27,302	160 \$25,805	34 \$19,856	15 \$19,662	9 \$23,271	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	1,199 \$25,188
25-29	371 \$19,929	1,666 \$29,113	1,025 \$31,326	946 \$31,841	880 \$31,722	990 \$32,331	2 \$15,114	0 \$0	0 \$0	0 \$0	0 \$0	0 \$0	5,880 \$30,286
30-34	344 \$17,472	1,060 \$28,791	704 \$33,544	706 \$33,943	830 \$34,733	3,992 \$34,657	718 \$37,108	2 \$31,878	0 \$0	0 \$0	0 \$0	0 \$0	8,356 \$33,269
35-39	354 \$15,729	971 \$28,679	605 \$32,268	656 \$35,104	725 \$35,229	2,938 \$36,501	2,715 \$38,602	738 \$38,670	6 \$35,472	0 \$0	0 \$0	0 \$0	9,708 \$35,260
40-44	356 \$15,282	880 \$27,194	597 \$30,663	602 \$31,198	745 \$34,443	2,998 \$35,897	2,172 \$39,366	2,258 \$41,613	797 \$43,300	10 \$53,047	0 \$0	0 \$0	11,415 \$36,289
45-49	305 \$15,138	778 \$27,393	510 \$29,166	503 \$32,593	644 \$32,471	2,904 \$34,924	2,469 \$37,950	2,004 \$42,774	2,372 \$44,820	1,196 \$45,947	8 \$57,542	0 \$0	13,693 \$38,025
50-54	230 \$16,828	628 \$29,952	384 \$32,083	390 \$33,966	532 \$36,486	2,440 \$35,443	2,370 \$38,078	2,436 \$40,359	2,013 \$46,389	2,696 \$48,042	834 \$50,512	0 \$0	14,953 \$40,642
55-59	174 \$15,600	423 \$28,207	287 \$30,460	253 \$32,912	399 \$35,220	1,607 \$37,854	1,708 \$37,515	2,162 \$40,336	1,847 \$44,268	1,417 \$51,904	1,428 \$53,027	396 \$53,752	12,101 \$42,162
60-64	70 \$14,318	158 \$26,543	119 \$30,304	108 \$27,750	146 \$31,191	692 \$34,144	790 \$37,911	994 \$38,505	741 \$42,612	537 \$50,721	428 \$60,962	447 \$64,564	5,230 \$42,442
65 & Over	52 \$12,029	69 \$24,905	41 \$20,773	62 \$22,965	6600.0% \$25,102	234 \$28,362	285 \$30,848	281 \$39,471	192 \$39,087	142 \$46,296	111 \$60,652	216 \$84,077	1,751 \$40,987
Total	2,524 \$16,905	7,346 \$28,346	4,432 \$31,154	4,260 \$32,619	4,982 \$33,887	18,804 \$35,334	13,229 \$38,079	10,875 \$40,751	7,968 \$44,586	5,998 \$48,743	2,809 \$53,804	1,059 \$64,501	84,286 \$37,671