

**MONROE COUNTY
EMPLOYEES' RETIREMENT
SYSTEM**

Financial Statements

**For the Years Ended
December 31, 2009 and 2008**

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

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INDEPENDENT AUDITORS' REPORT

May 20, 2010

To the Board of Trustees
Monroe County Employees' Retirement System
Monroe, Michigan

We have audited the accompanying statements of plan net assets of the *Monroe County Employees' Retirement System* (the "System") as of December 31, 2009 and 2008, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Employees' Retirement System pension trust fund and do not purport to, and do not present fairly the financial position and the changes in financial position of Monroe County as of and for the years ended December 31, 2009 and 2008, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the System's net assets held in trust for benefits at December 31, 2009 and 2008, and changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplemental information listed in the table of contents is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



FINANCIAL STATEMENTS

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Statements of Plan Net Assets

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Investments, at fair value:		
U.S. treasuries	\$ 11,609,792	\$ 14,994,924
U.S. agencies	16,001,801	20,830,933
Foreign government bonds	9,775,253	9,345,657
Corporate bonds	37,172,699	27,847,442
Bond mutual fund	7,905,054	6,780,186
Domestic equities	28,535,112	26,615,504
International equities	9,108,075	5,018,456
American depository receipts	27,582,141	22,012,567
Domestic real estate investment trusts	1,663,585	585,816
International real estate investment trusts	2,291,568	1,095,000
Collateralized mortgage obligations	3,964,426	3,238,451
Money market	9,375,921	9,864,022
Total investments	<u>164,985,427</u>	<u>148,228,958</u>
Contributions receivable	-	33,866
Accounts receivable	322,684	63,369
Foreign currency forward contracts receivable	33,333	139,447
Accrued interest and dividends receivable	<u>945,912</u>	<u>859,852</u>
Total assets	166,287,356	149,325,492
Liabilities		
Accounts payable and accrued expenses	<u>641,110</u>	<u>562,374</u>
Net assets held in trust for pension benefits (a schedule of funding progress is presented on Page 13)	<u><u>\$ 165,646,246</u></u>	<u><u>\$ 148,763,118</u></u>

The accompanying notes are an integral part of these financial statements.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Statements of Changes in Plan Net Assets For the Years Ended December 31, 2009 and 2008

	2009	2008
Additions		
Investment income (loss):		
<i>From investing activities:</i>		
Net appreciation (depreciation) in fair value of investments	\$ 16,491,181	\$ (41,414,636)
Interest and dividends	5,549,415	6,403,755
Total investment gain (loss)	22,040,596	(35,010,881)
Investment management fees	(901,329)	(1,151,662)
Net gain (loss) from investing activities	21,139,267	(36,162,543)
<i>From securities lending activities:</i>		
Gross earnings	118,620	820,633
Borrower rebates	(15,710)	(472,738)
Securities lending fees	(25,897)	(130,428)
Net income from securities lending activities	77,013	217,467
Total net investment gain (loss)	21,216,280	(35,945,076)
Contributions:		
Employer	5,547,369	5,391,367
Participants:		
Regular	175,157	176,431
Time purchase	20,956	41,607
Total contributions	5,743,482	5,609,405
Total additions (investment losses in excess of contributions)	26,959,762	(30,335,671)
Deductions		
Participant benefits	9,136,990	8,116,816
Participant refunds	740,392	346,783
Administrative expenses	199,252	228,286
Total deductions	10,076,634	8,691,885
Net additions (deductions) to net assets held in trust for benefits	16,883,128	(39,027,556)
Net assets held in trust for benefits, beginning of year	148,763,118	187,790,674
Net assets held in trust for benefits, end of year	\$ 165,646,246	\$ 148,763,118

The accompanying notes are an integral part of these financial statements.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

1. PLAN DESCRIPTION

The Monroe County Employees' Retirement System (the "System") is a single-employer defined benefit contributory pension plan administered by the Monroe County Employees' Retirement System Board of Trustees (the "Board"). The System primarily provides pension, disability and death benefits, covering substantially all full-time employees of Monroe County and its component units, including:

- Monroe County Library System
- Monroe County Road Commission
- Monroe County Drain Commissioner
- Monroe County Agency
- Monroe County Community Mental Health Authority

The System was adopted by Monroe County pursuant to Michigan Compiled Laws, Section 46.12a. Benefit provisions are established by and may be amended by the Board as permitted by County Ordinances. The System is reported as a pension trust fund in the County's financial statements.

System membership was determined as part of an actuarial valuation of the System as of December 31, 2008 and 2007, respectively consisted of the following at December 31:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits	505	497
Terminated employees entitled to but not yet receiving benefits	142	139
Active participants	955	961

Central Dispatch supervisors and Sheriff Department employees (consisting of deputies and command, jail and corrections officers) are required to contribute 3.0% of the first \$7,800 in earnings and 5.0% of earnings thereafter to the System. Road Commission employees are required to contribute 3.1% of their annual earnings. All other County employees, along with employees of the Library System, Drain Commissioner, County Agency and Community Mental Health Authority, are not required to contribute.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

The employer contributes such additional amounts, as necessary based on an actuarial determination, to provide assets sufficient to pay for member benefits. Employer contributions for the year ended December 31, 2009 totaled \$5,547,369 (including \$173,678 from the County for Central Dispatch employees, \$666,529 from the Road Commission, \$310,040 from the Community Mental Health Authority, \$228,027 from the Library and \$240,208 from the County Agency).

Employer contributions for the year ended December 31, 2008 totaled \$5,391,367 (including \$198,836 from the County for Central Dispatch employees, \$725,551 from the Road Commission, \$371,447 from the Community Mental Health Authority, \$185,432 from the Library and \$208,426 from the County Agency).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The System's financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide them. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Valuation of Investments and Income Recognition - The System's investments are stated at fair value which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably approximates fair value.

Administration - Administrative costs are paid through the System's investment earnings.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

3. INVESTMENTS AND SECURITY LENDING

The System's investments are primarily held in a bank-administered trust fund. Following is a summary of the System's investments as of December 31:

	<u>2009</u>	<u>2008</u>
Investments at fair value, as determined by quoted market price:		
U.S. treasuries	\$ 11,609,792	\$ 14,994,924
U.S. agencies:		
Not on securities loan	10,593,648	8,811,592
On securities loan	5,408,153	12,019,341
Foreign government bonds	9,775,253	9,345,657
Corporate bonds:		
Not on securities loan	36,243,736	27,236,894
On securities loan	928,963	610,548
Bond mutual fund	7,905,054	6,780,186
Domestic equities:		
Not on securities loan	21,154,230	19,489,481
On securities loan	7,380,882	7,126,023
International equities	9,108,075	5,018,456
American depository receipts	27,582,141	22,012,567
Domestic real estate investment trusts	1,663,585	585,816
International real estate investment trusts	2,291,568	1,095,000
Collateralized mortgage obligations	3,964,426	3,238,451
Money market	9,375,921	9,864,022
Total investments	<u>\$ 164,985,427</u>	<u>\$ 148,228,958</u>

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate and various other investment instruments, subject to certain limitations.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

As of December 31, 2009, the System's investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. agencies</u>	<u>Foreign government bonds</u>	<u>Corporate bonds</u>	<u>Collateralized mortgage obligations</u>
AAA	\$ 16,001,801	\$ 6,658,086	\$ 2,461,997	\$ 2,226,039
AA+	-	177,884	2,540,784	34,974
AA	-	-	1,895,205	236,449
AA-	-	227,801	3,788,034	-
A+	-	309,045	5,501,512	215,864
A	-	1,260,517	13,412,826	-
A-	-	-	2,145,954	-
BBB+	-	-	3,720,980	-
BBB	-	-	1,225,677	-
BBB-	-	-	299,764	-
BB-	-	-	-	86,888
B-	-	-	-	219,294
CCC	-	-	167,368	-
Not rated	-	1,141,920	12,598	944,918
	<u><u>\$ 16,001,801</u></u>	<u><u>\$ 9,775,253</u></u>	<u><u>\$ 37,172,699</u></u>	<u><u>\$ 3,964,426</u></u>

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

As of December 31, 2008, the System's investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. agencies</u>	<u>Foreign government bonds</u>	<u>Corporate bonds</u>	<u>Collateralized mortgage obligations</u>
AAA	\$ 20,830,933	\$ 5,864,476	\$ 5,191,138	\$ 2,317,361
AA+	-	348,310	-	-
AA	-	188,530	1,416,558	-
AA-	-	284,170	1,172,577	-
A+	-	471,460	6,274,080	-
A	-	840,886	9,894,916	52,052
A-	-	72,036	1,055,668	-
BBB+	-	-	2,214,117	-
BBB	-	213,908	532,922	-
BBB-	-	-	95,466	-
Not rated	-	1,061,881	-	869,038
	<u><u>\$ 20,830,933</u></u>	<u><u>\$ 9,345,657</u></u>	<u><u>\$ 27,847,442</u></u>	<u><u>\$ 3,238,451</u></u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The System's investments in bond mutual and money market funds are not rated.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that securities be held in trust by a third-party institution in the System's name or its nominee custodian's name or in bearer form.

Although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the System's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2008 and 2009 the System's investment portfolio was not concentrated.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

Maturities of the System's debt securities were as follows as of December 31:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
2009					
U.S. treasuries	\$ 11,609,792	\$ 751,494	\$ 6,378,149	\$ 2,872,383	\$ 1,607,766
U.S. agencies	16,001,801	468,050	10,902,236	1,379,927	3,251,588
Foreign governments	9,775,253	260,879	2,835,420	4,367,654	2,311,300
Corporate bonds	37,172,699	980,994	20,587,535	11,936,774	3,667,396
CMO	3,964,426	-	-	-	3,964,426
	\$ 78,523,971	\$ 2,461,417	\$ 40,703,340	\$ 20,556,738	\$ 14,802,476
2008					
U.S. treasuries	\$ 14,994,924	\$ 1,167,718	\$ 4,765,160	\$ 8,900,002	\$ 162,044
U.S. agencies	20,830,933	617,812	8,276,503	3,214,915	8,721,703
Foreign governments	9,345,657	558,293	2,663,406	4,241,856	1,882,102
Corporate bonds	27,847,442	4,317,371	13,622,318	6,748,050	3,159,703
CMO	3,238,451	-	-	-	3,238,451
	\$ 76,257,407	\$ 6,661,194	\$ 29,327,387	\$ 23,104,823	\$ 17,164,003

CMO – Collateralized mortgage obligations

Of the above balances as of December 31, 2009 and 2008, none of the corporate securities were callable.

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows:

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

<u>Investment / Country</u>	<u>Currency</u>	<u>Fair Value (in U.S. Dollars)</u>	
		<u>2009</u>	<u>2008</u>
Foreign government bonds			
Australia	Australian dollar	\$ 2,524,034	\$ 2,011,883
Bermuda	Bermudian dollar	-	285,944
Canada	Canadian dollar	1,022,895	856,727
France	European euro	1,222,230	1,220,543
Germany	European euro	134,440	-
Korea	South Korean won	165,960	-
Malaysia	Malaysian ringgit	1,141,920	1,061,881
New Zealand	New Zealand dollar	137,408	448,774
Norway	Norwegian krone	-	203,218
Poland	Polish zloty	1,094,557	840,886
South Africa	South African rand	309,045	471,460
Sweden	Swedish krona	769,402	558,293
United Kingdom	British pound	1,253,362	1,386,048
		<u>9,775,253</u>	<u>9,345,657</u>
International equities			
Australia	Australian dollar	36,496	45,164
Bermuda	Bermudian dollar	1,235,942	822,417
Brazil	Brazilian real	-	176,842
Canada	Canadian dollar	2,571,883	1,519,854
Cayman Islands	Cayman Islands dollar	-	88,600
China	Chinese renminbi	358,653	151,171
France	European euro	114,800	116,760
Germany	European euro	762,630	322,770
Greece	European euro	-	93,487
Israel	Israeli new shekel	503,606	215,616
Italy	European euro	-	24,855
Japan	Japanese yen	27,194	73,810
Luxembourg	European euro	309,859	265,030
Netherlands	European euro	764,126	42,182
Peru	Peruvian sol	-	144,135
Portugal	European euro	43,532	27,609
Puerto Rico	U.S. dollar	-	40,570
Singapore	Singapore dollar	272,258	103,035
Spain	European euro	178,061	-
Sweden	Swedish krona	52,961	68,848
Switzerland	Swiss franc	823,760	191,362
United Kingdom	British pound	1,052,314	484,339
		<u>9,108,075</u>	<u>5,018,456</u>
Total		<u>\$ 18,883,328</u>	<u>\$ 14,364,113</u>

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

In addition, as part of a foreign currency overlay plan in conjunction with the foreign government bonds, the System has entered into certain forward contracts (derivatives) to reduce overall portfolio volatility caused by foreign currency risk.

Following is a summary of these forward contracts, for which an asset in the amount of \$33,333 as of December 31, 2009 and an asset in the amount of \$139,447 as of December 31, 2008, representing the fair value of those contracts, has been reported in the accompanying statements of plan net assets:

<u>Investment / Currency</u>	<u>Current Maturity Date</u>	<u>Receivable (Payable)</u> <i>[in U.S. Dollars]</i>	
		<u>2009</u>	<u>2008</u>
Australian dollar receivable		\$ -	\$ 186,655
Australian dollar payable	02/08/10	(698,674)	-
Canadian dollar receivable	02/02/10	204,136	549,768
European euros payable	03/03/10	(1,324,149)	(366,119)
European euros receivable		-	956,901
European euros receivable		-	1,266,160
New Zealand dollars payable	02/10/10	(235,757)	-
New Zealand dollars receivable		-	188,259
Norwegian krone receivable	01/15/10	569,826	181,341
Norwegian krone receivable	01/15/10	565,328	-
South Korea won receivable	01/07/10	646,810	-
South Korea won receivable	01/07/10	163,926	-
South Korea won receivable	01/07/10	96,915	-
Swedish krona receivable	01/25/10	513,649	-
United Kingdom pounds payable		-	(938,252)
United Kingdom pounds receivable	03/03/10	1,882,202	938,252
United Kingdom pounds receivable		-	351,711
United Kingdom pounds receivable		-	351,711
United States dollars payable	01/07/10	(597,431)	(186,598)
United States dollars payable	01/07/10	(151,325)	(1,040,882)
United States dollars payable	01/07/10	(91,032)	(544,620)
United States dollars payable	01/15/10	(582,999)	(183,896)
United States dollars payable	01/15/10	(588,602)	(1,245,332)
United States dollars payable	01/25/10	(534,946)	(915,851)
United States dollars payable	02/02/10	(198,061)	(366,944)
United States dollars payable	03/03/10	(1,936,260)	(381,682)
United States dollars payable		-	(186,106)
United States dollars receivable	02/08/10	703,892	1,159,859
United States dollars receivable	02/10/10	234,000	365,112
United States dollars receivable	03/03/10	1,391,885	-
Net contracts payable		\$ 33,333	\$ 139,447

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

Securities Lending. A contract approved by the System's Board of Directors permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

At year end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

4. ANNUAL REQUIRED CONTRIBUTION

The annual pension cost and net pension obligation for the year ended December 31 were as follows:

	<u>2009</u>	<u>2008</u>
Annual required contribution/ pension cost	\$ 5,547,369	\$ 5,391,367
Contribution made	<u>5,547,369</u>	<u>5,391,367</u>
Increase (decrease) in net pension obligation	-	-
Net pension asset, beginning of year	<u>-</u>	<u>-</u>
Net pension asset, end of year	<u>\$ -</u>	<u>\$ -</u>

The annual required contribution for 2009 and 2008 was determined as part of an actuarial valuation of the System as of December 31, 2007 and 2006, respectively, using the entry age normal cost method and is designed to accumulate sufficient assets to pay benefits when due. Normal cost is funded on a current basis. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 20 years. Significant actuarial assumptions used include: (a) a rate of return on investments of 7.0% per year compounded annually; (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 1.0% to 8.0% per year, depending on age and service, attributable to seniority/merit; and (d) the assumption that pension benefits will not increase after retirement.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. Liabilities created by plan, assumption or method changes are amortized as a level percentage of payroll over a 12-year closed period. Liabilities created by plan experience and all other liabilities or over-funding are amortized as a level percentage of payroll over a 9-year open period.

5. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the System as of December 31, 2008, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	(1)	\$ 199,860,437	
Actuarial value of assets	(2)	<u>184,967,843</u>	
Unfunded AAL (UAAL)	(3)	<u>\$ 14,892,594</u>	(1) - (2)
Funded ratio	(4)	<u>92.5%</u>	(2) / (1)
Covered payroll	(5)	<u>\$ 43,961,798</u>	
UAAL as % of covered payroll	(6)	<u>33.9%</u>	(2) / (5)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial values of trust assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For purposes of the schedule of funding progress, the actuarial accrued liability value as shown is determined using the entry age actuarial cost method.

The accompanying schedule of employer contributions presents trend information about the amounts contributed to the System by the employer in comparison to the ARC (annual required contribution), an amount that is actuarially determined in accordance with the parameters of GASB Statement 25. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Additional information as of the latest actuarial valuation includes:

Valuation date	December 31, 2008
Actuarial cost method	Individual Entry Age Normal Cost
Amortization method	General Division liabilities were amortized using a 20 year level dollar method. Library liabilities were amortized using 10 year level dollar method. Mental Health liabilities were amortized using a 10 year level dollar method.
Asset valuation method	7-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	4.5% to 11.0%
Cost-of-living adjustments	4.5%, certain Road Commission members only

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Notes To Financial Statements

Three-Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$ 4,910,784	100%	\$ -
12/31/08	5,391,367	100%	-
12/31/09	5,547,369	100%	-

GASB Statement 25 required supplementary information is presented after the notes to the financial statements section of this report.

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**REQUIRED SUPPLEMENTARY
INFORMATION**

MONROE COUNTY EMPLOYEES' RETIREMENT SYSTEM

Required Supplementary Information

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL (Overfunded) (UAAL) (2-1)	(4) Funded Ratio (1/2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3/5)
1999	\$ 132,836,927	\$ 97,650,685	\$ (35,186,242)	136.0%	\$ 31,064,894	-113.3%
2000	143,765,352	105,824,598	(37,940,754)	135.9%	32,749,688	-115.9%
2001	150,304,504	116,359,159	(33,945,345)	129.2%	35,250,392	-96.3%
2002	148,404,995	125,652,447	(22,752,548)	118.1%	35,895,185	-63.4%
2003	162,683,115	139,141,015	(23,542,100)	116.9%	37,862,618	-62.2%
2004	162,725,639	150,510,011	(12,215,628)	108.1%	38,712,508	-31.6%
2005	163,151,579	163,641,875	490,296	99.7%	41,047,874	1.2%
2006	169,283,765	174,001,978	4,718,213	97.3%	41,821,305	11.3%
2007	181,320,182	186,841,313	5,521,131	97.0%	43,152,156	12.8%
2008	184,967,843	199,860,437	14,892,594	92.5%	43,961,798	33.9%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Annual Required Contribution	Annual Actual Contribution	Percentage Contributed
2000	\$ 197,395	\$ 197,395	100.00%
2001	133,907	133,907	100.00%
2002	155,524	155,524	100.00%
2003	191,979	191,979	100.00%
2004	1,411,037	1,411,037	100.00%
2005	2,034,222	2,034,222	100.00%
2006	3,170,195	3,170,195	100.00%
2007	4,910,784	4,910,784	100.00%
2008	5,391,367	5,391,367	100.00%
2009	5,547,369	5,547,369	100.00%