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Indiana Public Retirement System

State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan

Actuarial Valuation as of June 30, 2014

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December 8, 2014

Board of Trustees
Indiana Public Retirement System
1 North Capitol, Suite 001
Indianapolis, IN 46204

Re: Certification of the Actuarial Valuations of the Indiana Public Retirement System as of June 30, 2014

Dear Board of Trustees:

Actuarial valuations are performed annually for the Indiana Public Retirement System ("INPRS") defined benefit pension plans ("Plans"). The results of the latest actuarial valuations for all plans other than the Teachers' Retirement Fund were prepared as of June 30, 2014 and are presented in individual valuation reports pursuant to the engagement letter between INPRS and PricewaterhouseCoopers LLP ("PwC"), dated June 7, 2010. The reports are intended to provide the Board of Trustees ("Board") with information on the funded status of the Plans, development of the contribution rates, and certain financial statement disclosure information.

Under Indiana statutes, employer contribution rates and amounts, as applicable, are adopted annually for each Plan by the Board. The contributions are actuarially determined based on the funding policy, actuarial assumptions, and actuarial methods adopted by the Board. Contributions determined by the actuarial valuation become effective either twelve or eighteen months after the valuation date, depending on the applicable employer. Therefore, contribution rates and amounts determined by the June 30, 2014 actuarial valuation and adopted by the Board will become effective on either July 1, 2015 or January 1, 2016. If new legislation is enacted between the valuation date and the date the contributions become effective, the Board may adjust the recommended contributions before adopting them, in order to reflect this new legislation. Such adjustments are based on information supplied by the actuary.

Financing Objectives and Funding Policy

In setting contribution levels, the Board's principal objectives have been:

- To set contributions such that the unfunded actuarial accrued liability ("UAAL") will be amortized over a period not greater than 30 years.
- To set contributions such that they remain relatively level over time.

To accomplish this, the Board's funding policy requires that employer contributions be equal to the sum of the employer normal cost (which pays the current year cost of benefits accruing) and an amortization of the UAAL in equal installments.

Progress Toward Realization of Financing Objectives

The funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) is a standard measure of a Plan's funded status. In the absence of benefit improvements, it should increase over time, until it reaches 100%. The combined funded ratio for all Plans (excluding the Teachers' Retirement Fund) increased by 3.6% from the preceding year to 87.0%, primarily due to asset returns exceeding the 6.75% assumption and cost-of-living adjustments being less than assumed.

Benefit Provisions

The benefit provisions reflected in the valuation reports are those which were in effect at June 30, 2014, as set forth in the related Indiana statutes. There were no material changes in benefit provisions since the 2013 valuations.

Assets and Member Data

The valuations were based on asset values of the trust funds as of June 30, 2014 and member census data as of June 30, 2013, adjusted for certain activity during fiscal year 2014. All asset information and member data were provided by INPRS. While certain checks for reasonableness were performed, the data was used unaudited. The accuracy of the results presented in the reports is dependent upon the accuracy and completeness of the underlying asset and census information.

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Actuarial Assumptions and Methods

The majority of the actuarial assumptions used in the June 30, 2014 valuations were adopted by the Board pursuant to the experience studies completed in September 2011, which reflected the experience period from July 1, 2005 through June 30, 2010, and were first used in the June 30, 2011 valuation. The actuarial assumptions for interest rate and mortality were updated for the June 30, 2012 valuation. Minor assumptions were updated for the June 30, 2013 valuation including the interest rate on member account balances and certain demographic assumptions for Prosecuting Attorneys' Retirement Fund due to plan changes. There were no updates to the actuarial assumptions for the June 30, 2014 valuation. However, the June 30, 2014 valuations are the first valuations that incorporate member census data as of a date one year prior to the valuation date. Standard actuarial techniques were used to roll forward valuation results from June 30, 2013 to June 30, 2014.

The actuarial assumptions and methods are summarized in the Actuarial Assumptions and Methods section of each valuation report. We believe the actuarial assumptions and methods are reasonable for the purposes of the valuation reports and comply with the parameters set forth in Statements No. 27, No. 50, No. 67 and No. 68 of the Governmental Accounting Standards Board ("GASB"). Different assumptions and methods may be reasonable for other purposes. As such, the results presented in the valuation reports should only be relied upon for the intended purpose.

Certification

We certify that the information presented herein is accurate and fairly portrays the actuarial position of each Plan administered by INPRS (other than the Teachers' Retirement Fund) as of June 30, 2014 based on the underlying census data, asset information and selected assumptions and methods. This information is presented in several schedules and exhibits in this report, including the following:

- Schedule of Funding Progress (Included in the Historical Summary)
- Summary of Actuarial Assumptions & Methods
- Analysis of Financial Experience (Unfunded Actuarial Accrued Liability Reconciliation)
- Solvency Test (Included in the Historical Summary)
- Schedule of Active Member Valuation Data
- Schedule of Retirants and Beneficiaries

This report contains certain accounting information required to be included in the System's Comprehensive Annual Financial Report. This information for the system has been prepared in accordance with our understanding of GASB No.67. This report also contains employer accounting information prepared in accordance with our understanding of GASB No. 27 and 50, as well as the new requirements under GASB No. 68.

To the best of our knowledge this actuarial statement is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice and with the Actuarial Standards of Practice issued by the Actuarial Standards Board. In our opinion, our calculations also comply with our understanding of the requirements of Indiana state law. The undersigned actuaries are members of the Society of Actuaries and other professional organizations, including the American Academy of Actuaries, and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States relating to pension plans. There is no relationship between the PwC practitioners involved in this engagement and INPRS that may impair our objectivity.

This document has been prepared pursuant to an engagement letter between INPRS and PwC, and is intended solely for the use and benefits of INPRS and not for reliance by any other person.

Respectfully submitted,

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HIGHLIGHTS OF THE ACTUARY'S REPORT

This report presents the results of the actuarial valuation of the State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan ("EG&C Fund") and has been prepared to present the current funded status of the Plan, contribution requirements for calendar year 2016 (January 1, 2016 through December 31, 2016), and certain financial statement disclosure information. The valuation was performed using census data for plan members as of June 30, 2013, adjusted for certain activity during fiscal year 2014, as provided by INPRS and summarized in Section IV, asset information as of June 30, 2014 provided by INPRS, the actuarial assumptions and methods approved by the Board and summarized in Section V, and the plan provisions effective June 30, 2014 summarized in Section VI.

Contribution Rate

The Board sets, at its discretion, the applicable contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The Board has approved an employer contribution rate of 20.75% for calendar year 2016, the same as for 2015. The contribution rate becomes effective on January 1, 2016. Therefore, the actual dollar amount of employer cost will depend on the actual payroll during calendar year 2016. The approved rate exceeds the actuarially determined contribution rate for calendar year 2016 of 15.48%.

Members of the EG&C Fund contribute 4% of their compensation to the Plan. If a member terminates employment with less than 15 years of service, the accumulated contributions with interest can be withdrawn as a lump sum or the member may direct the EG&C Fund to make a direct rollover of the distribution amount. When a member becomes vested with at least 15 years of service, the member's account balance may not be refunded and is instead combined with the employer contributions in order to fund the member's future retirement annuity benefit.

Funded Status

The funded status of the EG&C Fund is measured by the funded ratio, which is the ratio of the assets available for benefits to a benefit liability measure for the EG&C Fund. While there are several such measures that could be appropriately used, the benefit liability measure that ties most closely to INPRS's funding strategy is the Actuarial Accrued Liability (“AAL”).

Using the Actuarial Value of Assets ("AVA"), an asset value that smoothes the market gains and losses over four (4) years, the EG&C Fund AAL funded ratio increased from 83.5% at June 30, 2013 to 87.0% at June 30, 2014. The increase is primarily due to the recognition of an investment gain for 2013 in the AVA development.

Investment Experience

For the fiscal year ending June 30, 2014, the INPRS actual time-weighted return net of fees was 13.7%. Based on the value of assets allocated to the EG&C Fund as of the prior valuation date and contribution and benefit payment activity during the year, the allocation of returns to the EG&C Fund represent a return of approximately 13.6% on market value and 8.6% on actuarial value. The return on actuarial value is different due to the smoothing of returns greater or less than expected returns over four years.

HIGHLIGHTS OF THE ACTUARY'S REPORT (CONTINUED)

Cost-of-Living Adjustment

Cost-of-living increases for retired members have historically been granted on an "ad hoc" basis. No increase in monthly benefits was approved for retired members, disabled members, or beneficiaries at January 1, 2015. Instead a "13th check" will be paid to each member (or survivor or beneficiary) in pay status by October 2014. The amount of the 13th check varied based on the years of creditable service the member earned prior to retirement.

Changes in Actuarial Assumptions

There were no assumption changes for the June 30, 2014 valuation.

Changes in Plan Provisions

It is our understanding that there were no changes to the Plan that impacted the pension benefits during the fiscal year.

Changes in Actuarial Methods

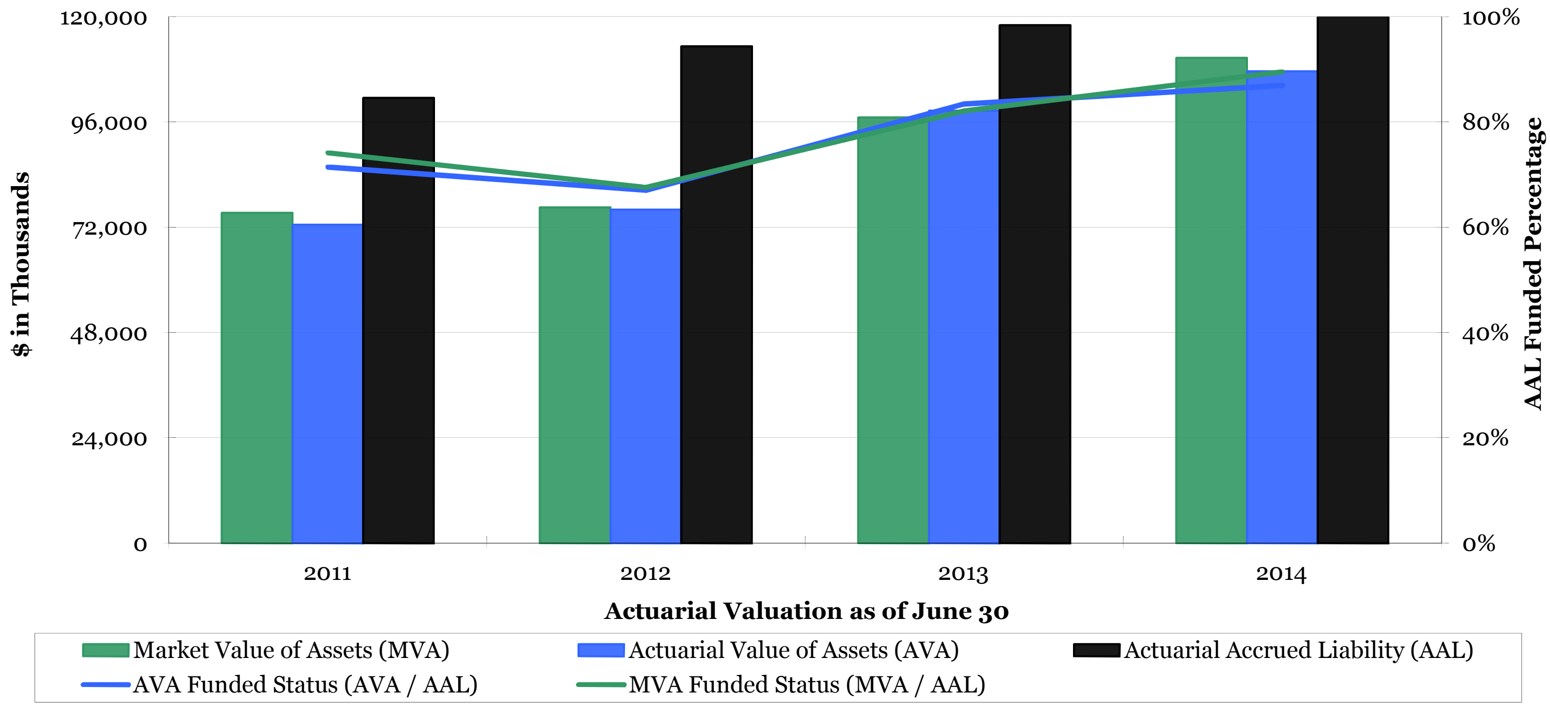
Member census data as of June 30, 2013 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2013 and June 30, 2014. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2013 to the June 30, 2014 measurement date.

Governmental Accounting Standards

This report contains certain financial statement information, including notes and required supplemental information, prepared in accordance with our undertanding of Governmental Accounting Standards No. 67 and No. 68 ("GASB 67" and "GASB 68") to assist INPRS with the implementation of the new standards. GASB 67 is effective for fiscal years beginning after June 15, 2013. GASB 68 is effective for employers sponsoring and/or participating in public pension plans for fiscal years beginning after June 15, 2014.

HISTORICAL SUMMARY

EG&C Fund – 4 Year History of Funded Status



Actuarial Valuation as of June 30:	**2011**	**2012**	**2013**	**2014**
Actuarial Accrued Liability (AAL)	$101,533.8	$113,282.6	$118,097.2	$123,600.7
Actuarial Value of Assets (AVA)	72,599.4	76,007.0	98,608.5	107,563.3
Market Value of Assets (MVA)	75,305.7	76,543.3	97,018.8	110,656.5
Unfunded Liability (AAL - AVA)	28,934.4	37,275.6	19,488.7	16,037.4
AVA Funded Status (AVA / AAL)	71.5%	67.1%	83.5%	87.0%
MVA Funded Status (MVA / AAL)	74.2%	67.6%	82.2%	89.5%

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results [1]

Valuation Date	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Development of Actuarially Determined Contribution Rate:				
1. Anticipated Payroll	$ 24,028,462	$ 25,752,100	$ 26,200,542	$ 26,663,926
2. Normal Cost (Beginning of Year)				
a. Amount	$ 3,377,658	$ 3,810,650	$ 3,841,382	$ 3,904,932
b. Percentage of Payroll	14.06%	14.80%	14.66%	14.64%
3. Unfunded Actuarial Accrued Liability Annual Amortizations				
a. Amount	$ 2,260,987	$ 2,857,333	$ 1,522,377	$ 1,291,138
b. Percentage of Payroll	9.41%	11.09%	5.81%	4.84%
4. Expected Employee Contributions				
a. Amount	$ 961,138	$ 1,030,084	$ 1,048,022	$ 1,066,557
b. Percentage of Payroll	4.00%	4.00%	4.00%	4.00%
5. Actuarially Determined Contribution Rate:				
a. Percentage of Payroll: (2)(b) + (3)(b) - 4(b)	**19.47%**	**21.89%**	**16.47%**	**15.48%**
b. Effective Date	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2016

Calendar Year	2013	2014	2015	2016
Approved Funding Rate	**20.75%**	**20.75%**	**20.75%**	**20.75%**

[1] The contribution rates shown were developed on a funding basis only and do not reflect accounting requirements.

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results (Continued)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014[1]
Census Information				
Active				
Number	440	468	473	473
Average Age	41.5	40.9	41.0	41.0
Average Years of Service	10.9	10.2	10.4	10.4
Anticipated Payroll of Actives [2]	$ 24,028,462	$ 25,752,100	$ 26,200,542	$ 26,663,926
Inactive- Vested				
Number	5	4	4	4
Average Age	48.2	50.0	50.8	50.8
Average Years of Service	20.5	19.9	19.6	19.6
Inactive - Non-Vested [3]				
Number	59	61	87	87
Retiree/Beneficiary/Disabled				
Number	176	187	193	193
Average Age	68.4	68.2	68.3	68.3
Annual Benefits Payable [4]	$ 3,978,369	$ 4,452,452	$ 4,666,134	$ 4,666,134

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census date, adjusted for certain activity during fiscal year 2014.

[2] Figures shown are the anticipated pay for the one-year period following the valuation date.

[3] As of June 30, 2013, inactive non-vested members entitled to a refund of their member contribution had balances totaling $252,767.

[4] Figures shown reflect cost-of-living increases effective January 1 following the date of the census data, if provided, but do not reflect one-time 13th check amounts provided.

HISTORICAL SUMMARY (CONTINUED)

Summary of Valuation Results (Continued)

	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Actuarial Accrued Liability (AAL)				
Member Contribution Balance	$ 6,270,943	$ 6,531,863	$ 7,494,370	$ 8,041,582
Retiree/Beneficiary/Disabled	46,695,123	53,928,711	56,027,923	54,625,687
Active and Inactive	48,567,782	52,822,070	54,574,934	60,933,435
Total	$ 101,533,848	$ 113,282,644	$ 118,097,227	$ 123,600,704
Actuarial Value of Assets (AVA)				
Member Contribution Balance	$ 6,270,943	$ 6,531,863	$ 7,494,370	$ 8,041,582
Retiree/Beneficiary/Disabled	46,695,123	53,928,711	56,027,923	54,625,687
Active and Inactive	19,633,383	15,546,429	35,086,227	44,896,045
Total	$ 72,599,449	$ 76,007,003	$ 98,608,520	$ 107,563,314
Market Value of Assets (MVA)				
Member Contribution Balance	$ 6,270,943	$ 6,531,863	$ 7,494,370	$ 8,041,582
Retiree/Beneficiary/Disabled	46,695,123	53,928,711	56,027,923	54,625,687
Active and Inactive	22,339,674	16,082,686	33,496,499	47,989,233
Total	75,305,740	76,543,260	97,018,792	110,656,502
Unfunded Actuarial Accrued Liability: AAL - AVA				
Member Contribution Balance	$ -	$ -	$ -	$ -
Retiree/Beneficiary/Disabled	-	-	-	-
Active and Inactive	28,934,399	37,275,641	19,488,707	16,037,390
Total	$ 28,934,399	$ 37,275,641	$ 19,488,707	$ 16,037,390
Funded Percentage: AVA / AAL [1]				
Member Contribution Balance	100.0%	100.0%	100.0%	100.0%
Retiree/Beneficiary/Disabled	100.0%	100.0%	100.0%	100.0%
Active and Inactive	40.4%	29.4%	64.3%	73.7%
Total	71.5%	67.1%	83.5%	87.0%
Summary of Assumptions				
Valuation Interest Rate	7.0%	6.8%	6.75%	6.75%
Salary Scale	3.25%	3.25%	3.25%	3.25%
Cost-of-Living Assumption	1.0%	1.0%	1.0%	1.0%

1 In determining the funded percentage, the assets are allocated first to member contribution balances, then to the retiree/beneficiary/disabled liability, and then to the active/inactive liability.

FUNDING

A. Development of Funded Status

		June 30, 2013	June 30, 2014
1.	Actuarial Accrued Liability		
a.	Member Contribution Account	$ 7,494,370	$ 8,041,582
b.	Retirees, Beneficiaries, and Disableds	56,027,923	54,625,687
c.	Actives and Inactives	54,574,934	60,933,435
d.	Total: (1)(a) + (1)(b) + (1)(c)	$ 118,097,227	$ 123,600,704
2.	Actuarial Value of Assets [1]		
a.	Member Contribution Account	$ 7,494,370	$ 8,041,582
b.	Retirees, Beneficiaries, and Disableds	56,027,923	54,625,687
c.	Actives and Inactives	35,086,227	44,896,045
d.	Total: (2)(a) + (2)(b) + (2)(c)	$ 98,608,520	$ 107,563,314
3.	Unfunded Actuarial Accrued Liability [1]		
a.	Member Contribution Account: (1)(a) - (2)(a)	$ -	$ -
b.	Retirees, Beneficiaries, and Disableds: (1)(b) - (2)(b)	-	-
c.	Actives and Inactives: (1)(c) - (2)(c)	19,488,707	16,037,390
d.	Total: (1)(d) - (2)(d)	$ 19,488,707	$ 16,037,390
4.	Funded Percentage [1]		
a.	Member Contribution Account: (2)(a) / (1)(a)	100.0%	100.0%
b.	Retirees, Beneficiaries, and Disableds: (2)(b) / (1)(b)	100.0%	100.0%
c.	Actives and Inactives: (2)(c) / (1)(c)	64.3%	73.7%
d.	Total: (2)(d) / (1)(d)	83.5%	87.0%

[1] In determining the funded percentage, the assets are allocated first to member contribution balances, then to the retiree/beneficiary/disabled liability, and then to the active/inactive liability.

B. Unfunded Actuarial Accrued Liability Reconciliation

		June 30, 2013	June 30, 2014
1.	Unfunded Actuarial Accrued Liability, Prior Year	$ 37,275,641	$ 19,488,707
2.	Unfunded Actuarial Accrued Liability (Gain) / Loss		
	a. Actuarial Value of Assets Experience	$ 239,329	$ (2,712,041)
	b. Actuarial Accrued Liability Experience	(1,343,393)	-
	c. Additional Liability Due to Cost-of-Living Adjustments	(501,916) [1]	(429,626) [2]
	d. Additional Liability Due to Changes in Actuarial Assumptions	(40,954) [3]	-
	e. Additional Liability Due to Changes in Plan Provisions	-	-
	f. Total New Amortization Bases: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e)	$ (1,646,934)	$ (3,141,667)
	g. Reduction in Existing Bases Due to Prior Year Contributions, Net of Interest	(16,140,000) [4]	(309,650)
	h. Change in Unfunded Actuarial Accrued Liability: (2)(f) + (2)(g)	$ (17,786,934)	$ (3,451,317)
3.	Unfunded Actuarial Accrued Liability, Current Year: (1) + (2)(h)	$ 19,488,707	$ 16,037,390

[1] Retired members were provided a 13th check by October 1, 2013, rather than the assumed 1.0% COLA on January 1, 2014.
[2] Retired members will be provided a 13th check by October 1, 2014, rather than the assumed 1.0% COLA on January 1, 2015.
[3] The interest crediting rate assumption on member contribution balances was decreased from 6.75% to 3.5%.
[4] Includes a contribution of $14,619,112 made to the Plan pursuant to 2012 HB 1376.

C. Actuarial Accrued Liability Reconciliation

1.	June 30, 2013 Actuarial Accrued Liability	$	118,097,227	
2.	Normal Cost		3,841,382	
3.	Actual Benefit Payments [1]		5,938,704	
4.	Interest of 6.75% on (1) + (2) - (3)/2		8,030,425	
5.	Expected June 30, 2014 Actuarial Accrued Liability: (1) + (2) - (3) + (4)	$	124,030,330	
			Dollar Change in Liability	Percent Change in Liability
6.	(Gain)/Loss Components			
a.	Census	$	-	0.0%
b.	13th Check vs. COLA [2]		(429,626)	(0.3%)
c.	Assumption Changes		-	0.0%
d.	Total: (6)(a) + (6)(b) + (6)(c)	$	(429,626)	(0.3%)
7.	Actual June 30, 2014 Actuarial Accrued Liability: (5) + (6)(d)	**$**	**123,600,704**	

[1] Includes refunds of accumulated member contributions and net interfund transfers.
[2] Retired members will be provided a 13th check by October 1, 2014 rather than a 1.0% COLA on January 1, 2015.

D. Reconciliation of Market Value of Assets

			June 30, 2013		June 30, 2014
1.	Market Value of Assets, Prior June 30	$	76,543,260	$	97,018,792
2.	Receipts				
	a. Employer Contributions	$	19,740,031	$	5,358,617
	b. Member Contributions		1,005,564		1,019,371
	c. Investment Income and Dividends Net of Fees		4,679,653		13,323,046
	d. Security Lending Income Net of Fees		21,335		15,734
	e. Transfers In		-		-
	f. Miscellaneous Income		-		-
	g. Total Receipts: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e) + (2)(f)	$	25,446,583	$	19,716,768
3.	Disbursements				
	a. Benefits Paid During the Year	$	4,798,582	$	5,838,289
	b. Refund of Contributions and Interest		36,766		100,415
	c. Administrative and Project Expenses		121,134		140,354
	d. Transfers Out		14,569		-
	e. Miscellaneous Disbursements		-		-
	f. Total Disbursements: (3)(a) + (3)(b) + (3)(c) + (3)(d) + (3)(e)	$	4,971,051	$	6,079,058
4.	Market Value of Assets, Current June 30: (1) + (2)(g) - (3)(f)	**$**	**97,018,792**	**$**	**110,656,502**
5.	Market Value of Assets Approximate Annual Rate of Return [1]		5.4%		13.6%

[1] Based on individual fund experience. Net of expenses and assuming cash flows occur at mid-year.

E. Reconciliation of Actuarial Value of Assets

1.	Market Value of Assets, June 30, 2013				$	97,018,792
2.	Market Value of Assets, June 30, 2014					110,656,502
3.	Expected Earnings/Expenses					
	a. Expected Investment Earnings at 6.75% on June 30, 2013 Market Value					6,548,768
	b. Receipts with Expected Investment Earnings at 6.75%[1]					6,593,245
	c. Disbursements with Expected Investment Earnings at 6.75%[1]					6,139,135
4.	Expected Assets, June 30, 2014: (1) + (3)(a) + (3)(b) - (3)(c)				$	104,021,670
5.	2013-2014 Gain/(Loss): (2) - (4)					6,634,832
6.	Smoothing of Gain/(Loss)					
		Year	Gain/(Loss)	% Unrecognized		
	a.	2013-2014	$ 6,634,832	75%		4,976,124
	b.	2012-2013	$ (1,123,295)	50%		(561,648)
	c.	2011-2012	$ (5,285,153)	25%		(1,321,288)
7.	Preliminary Actuarial Value of Assets, June 30, 2013: (2) - (6)(a) - (6)(b) - (6)(c)				$	107,563,314
8.	Corridor					
	a. 120% of Market Value: 1.2 x (2)					132,787,802
	b. 80% of Market Value: 0.8 x (2)					88,525,202
9.	Actuarial Value of Assets, June 30, 2014: (7), but not greater than (8)(a) or less than (8)(b)				**$**	**107,563,314**
10.	Actuarial Value of Assets as a Percent of Market Value: (9) / (2)					97.2%
11.	Actuarial Value of Assets Approximate Annual Rate of Investment Return[1]					8.6%

[1] Assumes cash flows occur at mid-year.

F. Contribution Rate

	June 30, 2013	June 30, 2014
Development of Actuarially Determined Contribution Rate:		
1. Anticipated Payroll	$ 26,200,542	$ 26,663,926
2. Normal Cost (Beginning of Year)		
a. Amount	$ 3,841,382	$ 3,904,932
b. Percentage of Payroll	14.66%	14.64%
3. Unfunded Actuarial Accrued Liability (UAAL) Annual Amortizations		
a. Amount	$ 1,522,377	$ 1,291,138
b. Percentage of Payroll	5.81%	4.84%
4. Expected Employee Contributions		
a. Amount	$ 1,048,022	$ 1,066,557
b. Percentage of Payroll	4.00%	4.00%
5. Actuarially Determined Contribution Rate		
a. Percentage of Payroll: (2)(b) + (3)(b) - (4)(b)	**16.47%**	**15.48%**
b. Effective Date	January 1, 2015	January 1, 2016
Approved Funding Rate:	**20.75%**	**20.75%**
Expected Percentage of Actuarially Determined Contribution Contributed:		
6. Fiscal Year Beginning	July 1, 2014	July 1, 2015
7. Actuarially Determined Contribution Rates for:		
a. July 1 - December 31	21.89%	16.47%
b. January 1 - June 30	16.47%	15.48%
8. Approved Funding Rates for:		
a. July 1 - December 31	20.75%	20.75%
b. January 1 - June 30	20.75%	20.75%
9. Expected Percentage of Actuarially Determined Contribution Contributed: {[(8)(a) + (8)(b)] / 2} / {[(7)(a) + (7)(b)] / 2}	108.19%	129.89%

G. Unfunded Actuarial Accrued Liability Amortization Schedule [1]

	Date Base Established	Reason	Remaining Unfunded	Remaining Period	Amortization Amount
1.	6/30/2009	Actuarial Experience	$ 11,261,436	23	$ 915,986
2.	6/30/2010	Actuarial Experience and Changes in Actuarial Assumptions	3,651,243	26	282,586
3.	6/30/2011	Actuarial Experience and Changes in Actuarial Assumptions	973,292	27	74,276
4.	6/30/2012	Actuarial Experience and Changes in Actuarial Assumptions	4,921,785	28	370,750
5.	6/30/2013	Actuarial Experience and Changes in Actuarial Assumptions	(1,628,699)	29	(121,221)
6.	6/30/2014	Actuarial Experience	(3,141,667)	30	(231,239)
	Total		$ 16,037,390		$ 1,291,138

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

H. History of Employer Contribution Rates [1, 2]

Valuation Date	Effective Date	Contribution Rate
June 30, 2001	January 1, 2003	16.00%
June 30, 2002	January 1, 2004	16.00%
June 30, 2003	January 1, 2005	16.00%
June 30, 2004	January 1, 2006	16.00%
June 30, 2005	January 1, 2007	16.00%
June 30, 2006	January 1, 2008	20.50%
June 30, 2007	January 1, 2009	20.75%
June 30, 2008	January 1, 2010	20.75%
June 30, 2009	January 1, 2011	20.75%
June 30, 2010	January 1, 2012	20.75%
June 30, 2011	January 1, 2013	20.75%
June 30, 2012	January 1, 2014	20.75%
June 30, 2013	January 1, 2015	20.75%
June 30, 2014	January 1, 2016	20.75%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] Prior to the June 30, 2011 valuation date, rates shown reflect application of contribution rate smoothing rules.

I. Approximate Annual Rate of Return for Year Ending June 30, 2014 [1]

		Market Value of Assets	Actuarial Value of Assets
1.	Balance, beginning of year	$ 97,018,792	$ 98,608,520
2.	Balance, end of year	110,656,502	107,563,314
3.	Total increase: (2) - (1)	13,637,710	8,954,794
4.	Contributions	6,377,988	6,377,988
5.	Benefit payments [2]	5,938,704	5,938,704
6.	Net additions: (4) - (5)	439,284	439,284
7.	Net investment increase: (3) - (6)	13,198,426	8,515,510
8.	Average assets: [(1) + (2) - (7)] / 2	97,238,434	98,828,162
9.	Approximate rate of return: (7) / (8) [1]	13.6%	8.6%

J. Historical Investment Experience

	Actual Rate of Investment Return		Actuarial Assumed
Year Ending June 30	Market Basis [3]	Actuarial Basis [1]	Interest Rate
2005	9.8%	6.7%	7.25%
2006	10.7%	15.2%	7.25%
2007	18.2%	15.9%	7.25%
2008	(7.6%)	8.2%	7.25%
2009	(20.6%)	(0.9%)	7.25%
2010	13.9%	(1.3%)	7.25%
2011	20.1%	0.1%	7.0%
2012	0.7%	3.0%	7.0%
2013	6.0%	8.0%	6.75%
2014	13.7%	8.6%	6.75%

[1] Based on individual fund experience. Net of expenses and assuming cash flows occur at mid-year.

[2] Includes refunds of accumulated member contributions and net interfund transfers.

[3] INPRS actual time-weighted rate of return net of fees for 2012-2014. PERF CRIF time-weighted rate of return reported as gross of fees for 2005-2011.

K. Interest Rate Sensitivity

The investment return assumption (discount rate) should be based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments. Management and the Board continually monitor the investment rate of return assumption and the Board formally reviews the assumption and makes changes as appropriate. The Board last changed the assumption for the June 30, 2012 valuation from 7.0% to 6.75%.

To illustrate the importance of the investment rate of return, which is used to discount the actuarial liabilities of the Plan, the Funded Ratio and Actuarially Determined Contribution Rate (for the calendar year beginning January 1, 2016) are shown below at 6.75% (the current assumption), 6.0% (a three-fourths of a percent decrease), 6.5% (a one-fourth of a percent decrease), 7.5% (a three-fourths of a percent increase), and 8.0% (a one and one-fourth of a percent increase).

	0.75% Decrease: (6.0%)	0.25% Decrease: (6.5%)	Current Assumption: (6.75%)	0.75% Increase: (7.5%)	1.25% Increase: (8.0%)
Funded Status					
Actuarial Accrued Liability	$ 135,793,238	$ 127,469,196	$ 123,600,704	$ 113,039,757	$ 106,775,016
Actuarial Value of Assets	107,563,314	107,563,314	107,563,314	107,563,314	107,563,314
Unfunded Actuarial Accrued Liability	$ 28,229,924	$ 19,905,882	$ 16,037,390	$ 5,476,443	$ (788,298)
Funded Ratio	79.2%	84.4%	87.0%	95.2%	100.7%
Actuarially Determined Contribution Rate					
Normal Cost Rate	17.32%	15.48%	14.64%	12.46%	11.23%
UAAL Amortization Rate	7.69%	5.79%	4.84%	2.01%	0.13%
Expected Employee Contribution Rate	4.00%	4.00%	4.00%	4.00%	4.00%
Actuarially Determined Contribution Rate	21.01%	17.27%	15.48%	10.47%	7.36%

ACCOUNTING

SECTION III - ACCOUNTING

PLAN FINANCIAL STATEMENTS UNDER GASB #67

A. Statement of Fiduciary Net Position under GASB #67 as of June 30, 2014

1.	Assets				
	a.	Cash		$	7,898
	b.	Receivables			
		i.	Contributions Receivable	$	-
		ii.	Miscellaneous Receivables		-
		iii.	Investments Receivable		1,922,137
		iv.	Foreign Exchange Contract Receivable		17,835,960
		v.	Interest and Dividends		317,544
		vi.	Due From Other Funds		-
		vii.	Total Receivables	$	20,075,641
	c.	Total Investments			
		i.	Short-Term Investments	$	-
		ii.	Pooled Short-Term Investments		5,303,792
		iii.	Pooled Fixed Income		39,180,357
		iv.	Pooled Equity		25,984,089
		v.	Pooled Alternative Investments		41,219,278
		vi.	Pooled Derivatives		117,789
		vii.	Securities Lending Collateral		9,770,921
		viii.	Total Investments	$	121,576,226
	d.	Net Capital Assets			10,498
	e.	Prepaid Expenses			-
	f.	Total Assets: (1)(a) + (1)(b)(vii) + (1)(c)(viii) + (1)(d) + (1)(e)		$	141,670,263
2.	Liabilities				
	a.	Accounts Payable		$	1,383
	b.	Retirement Benefits Payable			175,708
	c.	Salaries and Benefits Payable			-
	d.	Investments Payable			2,104,257
	e.	Foreign Exchange Contracts Payable			17,921,669
	f.	Securities Lending Obligations			9,770,921
	g.	Securities Sold Under Agreement to Repurchase			1,018,232
	h.	Due To Other Funds			21,591
	i.	Total Liabilities: (2)(a) + (2)(b) + (2)(c) + (2)(d) + (2)(e) + (2)(f) + (2)(g) + (2)(h)		$	31,013,761
3.	Fiduciary Net Position Restricted for Pensions: (1)(f) - (2)(i)			**$**	**110,656,502**

PLAN FINANCIAL STATEMENTS UNDER GASB #67

B. Statement of Changes in Fiduciary Net Position under GASB #67 for the Year Ended June 30, 2014

1.	Fiduciary Net Position as of June 30, 2013		$	97,018,792
2.	Additions			
	a. Contributions			
		i. Member Contributions	$	1,019,371
		ii. Employer Contributions		5,358,617
		iii. Non-Employer Contributing Entity Contributions		-
		iv. Total Contributions	$	6,377,988
	b. Investment Income/(Loss)			
		i. Net Appreciation/(Depreciation) [1, 2]	$	12,582,030
		ii. Net Interest and Dividend Income		1,513,444
		iii. Securities Lending Income		18,258
		iv. Other Net Investment Income		19,061
		v. Investment Expenses		(791,489)
		vi. Securities Lending Expenses		(2,524)
		vii. Total Investment Income/(Loss)	$	13,338,780
	c. Other Additions			
		i. Interfund Transfers	$	-
		ii. Miscellaneous Receipts		-
		iii. Total Other Additions	$	-
	d. Total Revenue (Additions): (2)(a)(iv) + (2)(b)(vii) + (2)(c)(iii)		$	19,716,768
3.	Deductions			
	a. Pension and Disability Benefits		$	5,838,289
	b. Death, Survivor, and Funeral Benefits			-
	c. Distributions of Contributions and Interest			100,415
	d. Interfund Transfers			-
	e. Pensions Relief Distributions			-
	f. Local Unit Withdrawals			-
	g. Administrative and Project Expenses			140,354
	h. Total Expenses (Deductions): (3)(a) + (3)(b) + (3)(c) + (3)(d) + (3)(e) + (3)(f) + (3)(g)		$	6,079,058
4.	Net Increase (Decrease) in Fiduciary Net Position: (2)(d) - (3)(h)		$	13,637,710
5.	Fiduciary Net Position as of June 30, 2014: (1) + (4)		**$**	**110,656,502**

[1] The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of pension plan investments.

[2] Realized gains and losses on investments that had been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior period(s) and the current period.

EMPLOYER FINANCIAL STATEMENTS UNDER GASB #68

C. Net Pension Liability under GASB #68 for the Year Ended June 30, 2014

1.	Total Pension Liability					
	a.	Total Pension Liability - Beginning of year			$	118,097,227
	b.	Service cost [1]				3,841,382
	c.	Interest cost [2]				8,030,425
	d.	Experience (gains)/losses				(429,626)
	e.	Assumption changes				-
	f.	Plan amendments				-
	g.	Benefit payments [3]				(5,938,704)
	h.	Member reassignments [4]				-
	i.	Total Pension Liability - End of year			$	123,600,704
2.	Plan Fiduciary Net Position					
	a.	Plan Fiduciary Net Position - Beginning of year			$	97,018,792
	b.	Employer contributions				5,358,617
	c.	Employee contributions				1,019,371
	d.	Non-employer contributing entity contributions				-
	e.	Investment return				
		i. Expected investment return [5]	$	7,352,870		
		ii. Investment gain/(loss)		6,779,923		
		iii. Total investment return	$	14,132,793		
		iv. Investment Expenses		(794,013)		
		v. Net investment return				13,338,780
	f.	Benefit payments				(5,938,704)
	g.	Member reassignments [4]				-
	h.	Administrative and Project Expenses				(140,354)
	i.	Plan Fiduciary Net Position - End of year			$	110,656,502
3.	Net Pension Liability					
	a.	Net Pension Liability: (1)(i) - (2)(i)			**$**	**12,944,202**
	b.	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability : (2)(i) / (1)(i)				89.5%

[1] As of the beginning of the year.
[2] Includes interest of 6.75% on the beginning-of-year service cost.
[3] Includes refunds of accumulated member contributions.
[4] Includes net interfund transfers
[5] 6.75%, net of investment expenses and assuming cash flows occur at mid-year.

EMPLOYER FINANCIAL STATEMENTS UNDER GASB #68

D. Deferred Inflows and Outflows of Resources under GASB #68 for the Year Ended June 30, 2014 [1]

	Fiscal Year Established	Reason	Remaining Balance	Remaining Period	Annual Recognition
1. Liability experience gains / (losses)					
a.	2014	Experience gain	$ 429,626	8.68	$ 49,497
		Sub-Total	$ 429,626		$ 49,497
2. Assumption change gains / (losses)					
	None		$ -	8.68	$ -
		Sub-Total	$ -		$ -
3. Investment gains / (losses) [2]					
a.	2014	Investment gain	$ 5,985,910	5.00	$ 1,197,183
		Sub-Total	$ 5,985,910		$ 1,197,183
4. Total collective deferred inflows / (outflows): (1) + (2) + (3)			**$ 6,415,536**		**$ 1,246,680**

Amounts reported as collective deferred inflows / outflows of resources to be recognized in pension expense:

Year Ending June 30:	
2014	$ 1,246,680
2015	$ 1,246,680
2016	$ 1,246,680
2017	$ 1,246,680
2018	$ 1,246,675
2019	$ 49,497
Thereafter	$ 132,644

[1] The effort and cost to re-create financial statement information for 10-years was not practical. Information was prepared prospectively from June 30, 2013 for GASB #68 purposes.

[2] Net of investment expenses.

EMPLOYER FINANCIAL STATEMENTS UNDER GASB #68

E. Pension Expense under GASB #68 for the Year Ended June 30, 2014

1. Service cost			
	a. Total service cost [1]	$	3,841,382
	b. Employee contributions		(1,019,371)
	c. Administrative and Project Expenses		140,354
	d. Net employer service cost: (1)(a) + (1)(b) + (1)(c)		2,962,365
2. Interest cost [2]			8,030,425
3. Expected return on assets [3]			(7,352,870)
4. Plan amendments			-
5. Recognition of deferred (inflows) / outflows of resources related to:			
	a. Liability experience (gains) / losses		(49,497)
	b. Assumption changes (gains) / losses		-
	c. Investment (gains) / losses		(1,197,183)
	d. Total: (5)(a) + (5)(b) + (5)(c)		(1,246,680)
6. Total collective pension expense: (1)(d) + (2) + (3) +(4) + (5)(d)		**$**	**2,393,240**

[1] As of the beginning of the year.
[2] Includes interest of 6.75% on the beginning-of-year service cost.
[3] 6.75% net of investment expenses and assuming cash flows occur at mid-year. Includes a half year of interest on employee contributions and administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS UNDER GASB #67 AND #68

F. Selected Notes to the Financial Statements under GASB #67 and #68

1. EG&C Fund is a single-employer plan for GASB accounting purposes.

2. Significant actuarial assumptions and other inputs used to measure the total pension liability:

- Measurement Date: June 30, 2014

- Valuation Date
  - Assets: June 30, 2014
  - Liabilities: June 30, 2013 - Member census data as of June 30, 2013 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2013 and June 30, 2014. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2013 to the June 30, 2014 measurement date.

- Inflation: 3.0%

- Future Salary Increases: 3.25%

- Cost-of-Living Increases: 1.0% compounded annually, beginning July 1, 2015. Retired members were provided a 13th check by October 1, 2013, and will be provided a 13th check by October 1, 2014, which is reflected in the valuation.

- Mortality Assumption: 2013 IRS Static Mortality Tables projected five (5) years with Scale AA

- Experience Study: The most recent comprehensive experience study was completed in 2011 and was based on member experience between June 30, 2005 and June 30, 2010. The demographic assumptions were updated as needed for the June 30, 2011 actuarial valuation based on the results of the study. The mortality assumption was further updated for the June 30, 2012 valuation.

- Discount Rate: The discount rate used to measure the total pension liability was 6.75% as of June, 30, 2014, and is equal to the long-term expected return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated amount computed in accordance with the current funding policy adopted by the Board, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed period approach. Since the current funding policy was adopted, the state's contributions have been consistent with the amounts required by the Board utilizing this policy. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

- Discount Rate Sensitivity

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	$ 28,721,738	$ 12,944,202	$ (749,116)

SECTION III - ACCOUNTING

NOTES TO THE FINANCIAL STATEMENTS UNDER GASB #67 AND #68

F. Selected Notes to the Financial Statements under GASB #67 and #68 (Cont.)

3. Classes of plan members covered: [1]

- Retired members, beneficiaries and disabled members receiving benefits:	193
- Terminated vested plan members entitled to but not yet receiving benefits:	4
- Terminated non-vested plan members entitled to a distribution of contributions:	87
- Active Plan Members:	473
- Total membership:	757

4. Money-weighted rate of return:
The money-weighted rate of return equals investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. For the fiscal year ending June 30, 2014, the money-weighted return on the plan assets is 13.7%.

5. The components of the Net Pension Liability for the EG&C Fund plan as of June 30, 2014, are as follows:

- Total Pension Liability	$	123,600,704
- Plan Fiduciary Net Position		110,656,502
- Net Pension Liability	$	12,944,202
- Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		89.5%

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #67 AND #68

G. Schedule of Changes in the Net Pension Liability and Plan Fiduciary Net Position under GASB #67 and #68 [1]

Year Ending June 30:	2013	2014
1. Total Pension Liability		
a. Total Pension Liability - Beginning of year	$ 113,282,644	$ 118,097,227
b. Service cost [2]	3,810,650	3,841,382
c. Interest cost [3]	7,740,113	8,030,425
d. Experience (gains)/losses	(1,845,309)	(429,626)
e. Assumption changes	(40,954)	-
f. Plan amendments	-	-
g. Benefit payments [4]	(4,835,348)	(5,938,704)
h. Member reassignments	(14,569)	-
i. Total Pension Liability - End of year	$ 118,097,227	$ 123,600,704
2. Plan Fiduciary Net Position		
a. Plan Fiduciary Net Position - Beginning of year	$ 76,543,260	$ 97,018,792
b. Employer contributions	19,740,031	5,358,617
c. Employee contributions	1,005,564	1,019,371
d. Non-employer contributing entity contributions	-	-
e. Net investment return	4,700,988	13,338,780
f. Benefit payments [4]	(4,835,348)	(5,938,704)
g. Member reassignments	(14,569)	-
h. Administrative and Project Expenses	(121,134)	(140,354)
i. Plan Fiduciary Net Position - End of year	$ 97,018,792	$ 110,656,502

[1] The effort and cost to re-create financial statement information for 10-years was not practical. Information was prepared prospectively from June 30, 2012 for GASB #67 purposes and prospectively from June 30, 2013 for GASB #68 purposes.

[2] As of the beginning of the year.

[3] Includes interest of 6.75% on the beginning-of-year service cost.

[4] Includes refunds of accumulated member contributions and other interfund transfers.

SECTION III - ACCOUNTING

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #67 AND #68

H. Schedule of Net Pension Liability and Related Ratios under GASB #67 and #68 [1]

1. Year Ending	2. Total Pension Liability	3. Plan Fiduciary Net Position	4. Net Pension Liability (2) - (3)	5. Fiduciary Net Position as a Percentage of Total Pension Liability (3) / (2)	6. Actual Covered Employee Payroll	7. Net Pension Liability as a Percentage of Covered Payroll (4) / (6)
6/30/2013	$ 118,097,227	$ 97,018,792	$ 21,078,435	82.2%	$ 24,675,000	85.4%
6/30/2014	$ 123,600,704	$ 110,656,502	$ 12,944,202	89.5%	$ 25,824,626	50.1%

[1] The effort and cost to re-create financial statement information for 10-years was not practical. Information was prepared prospectively from June 30, 2012 for GASB #67 purposes and prospectively from June 30, 2013 for GASB #68 purposes.

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #67 AND #68

I. Schedule of Contributions under GASB #67 and #68 [1, 2]

1. Year Ending	2. Actuarially Determined Contribution [1]	3. Actual Employer Contributions	4. Contribution Excess / (Deficiency) (Deficiency) (3) - (2)	5. Actual Covered Employee Payroll	6. Contributions as a Percentage of Covered Payroll (3) / (5)
6/30/2013	$ 4,794,353	$ 19,740,031	$ 14,945,679	$ 24,675,000	80.0%
6/30/2014	$ 5,340,533	$ 5,358,617	$ 18,084	$ 25,824,626	20.8%

[1] The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year.

[2] The effort and cost to re-create financial statement information for 10-years was not practical. Information was prepared prospectively from June 30, 2012 for GASB #67 purposes and prospectively from June 30, 2013 for GASB #68 purposes.

REQUIRED SUPPLEMENTARY INFORMATION UNDER GASB #67 AND #68

J. Schedule of Money-Weighted Returns under GASB #67 and #68 [1]

1. Year Ending	2. Money-Weighted Rate of Return
6/30/2013	5.5%
6/30/2014	13.7%

[1] The effort and cost to re-create financial statement information for 10-years was not practical. Information was prepared prospectively from June 30, 2012 for GASB #67 purposes and prospectively from June 30, 2013 for GASB #68 purposes.

NOTES TO THE FINANCIAL STATEMENTS UNDER GASB #27 AND #50

K. Development of the Employers' Net Pension Obligation (NPO) under GASB #27 and #50

1. Year Ending	2. Annual Required Contribution (ARC)	3. Interest on NPO at Discount Rate	4. ARC Adjustment (9) / (5)	5. Amortization Factor	6. Net Pension Cost (NPC) (2) + (3) - (4)	7. Actual Employer Contribution	8. Change in NPO (6) - (7)	9. NPO at Beginning of Year	10. NPO at End of Year (8) + (9)
6/30/2012	5,532,364	(179,478)	(206,622)	12.4090	5,559,508	5,053,103	506,405	(2,563,978)	(2,057,573)
6/30/2013	5,003,303	(138,886)	(161,667)	12.7272	5,026,084	19,740,031	(14,713,947)	(2,057,573)	(16,771,520)
6/30/2014	5,340,533	(1,132,078)	(1,317,770)	12.7272	5,526,225	5,358,617	167,608	(16,771,520)	(16,603,912)

L. Three-Year Trend Information under GASB #27 and #50

1. Year Ending	2. Net Pension Cost (NPC)	3. Actual Employer Contribution	4. Percent of NPC (3) / (2)
6/30/2012	$ 5,559,508	$ 5,053,103	90.9%
6/30/2013	$ 5,026,084	$ 19,740,031	392.8%
6/30/2014	$ 5,526,225	$ 5,358,617	97.0%

CENSUS DATA

A. Reconciliation of Participant Data [1]

	Actives	Inactive Non-Vested With Member Contribution Balance	Inactive Vested	Disabled	Retired	Beneficiary	Total
Total as of June 30, 2012	468	61	4	2	144	41	720
New Entrants	46	-	-	-	-	-	46
Rehires	1	-	(1)	-	-	-	-
Non-Vested Terminations	(26)	26	-	-	-	-	-
Vested Terminations	(1)	-	1	-	-	-	-
Retirements	(7)	-	-	-	7	-	-
Disablements	(1)	-	-	1	-	-	-
Death with Beneficiary	-	-	-	-	(2)	2	-
Death without Beneficiary	-	-	-	-	-	(2)	(2)
Refunds	(7)	(1)	-	-	-	-	(8)
Data Adjustments	-	1	-	-	-	-	1
Total as of June 30, 2013	473	87	4	3	149	41	757
Data Adjustments for Activity During Fiscal Year 2014	-	-	-	-	-	-	-
Adjusted Total as of June 30, 2013	473	87	4	3	149	41	757

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

B. Census Information as of June 30, 2013 [1]

		Male	Female	Total
1.	Active			
	a. Number	427	46	473
	b. Average Age	41.3	38.9	41.0
	c. Average Years of Service	10.6	8.2	10.4
	d. Anticipated Payroll of Actives [2]	$ 24,170,064	$ 2,493,862	$ 26,663,926
2.	Inactive - Vested			
	a. Number	4	-	4
	b Average Age	50.8	-	50.8
	c. Average Years of Service	19.6	-	19.6
3.	Inactive - Non-Vested [3]			
	a. Number	71	16	87
4.	Retiree/Beneficiary/Disabled			
	a. Number	152	41	193
	b. Average Age	65.7	77.8	68.3
	c. Annual Benefits Payable [4]	$ 4,315,416	$ 350,718	$ 4,666,134

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

[2] Figures shown are the anticipated pay for the one-year period following June 30, 2014.

[3] As of June 30, 2013, inactive non-vested members entitled to a refund of their member contribution had balances totaling $252,767.

[4] Figures shown do not reflect 13th check payments made in October 2013 and October 2014. No cost-of-living increases were approved for January 1, 2014 or January 1, 2015.

C. Schedule of Active Member Valuation Data [1]

1. Valuation Date	2. Active Members	3. Anticipated Payroll ($ in Thousands) [2]	4. Average Pay (3) / (2)	5. Annual Percent Change
6/30/2005	262	$ 13,223	$ 50,469	24.1%
6/30/2006	310	14,892	48,038	(4.8%)
6/30/2007	344	17,715	51,497	7.2%
6/30/2008	410	21,333	52,033	1.0%
6/30/2009	443	25,238	56,971	9.5%
6/30/2010	471	26,709	56,707	(0.5%)
6/30/2011	440	24,028	54,609	(3.7%)
6/30/2012	468	25,752	55,026	0.8%
6/30/2013	473	26,201	55,393	0.7%
6/30/2014 [3]	473	26,664	56,372	1.8%

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] Figures shown are the anticipated pay for the one-year period following the valuation date.

[3] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

D. Schedule of Retirees, Beneficiaries, and Disabled Members [1]

1.	2.	3.	4.	5.	6.	7.	8.	9.
	Added		Removed		End of Year [2]			
Valuation Date	Number	Annual Allowances ($ in Thousands) [3]	Number	Annual Allowances ($ in Thousands) [3]	Number	Annual Allowances ($ in Thousands) [3]	% Increase in Annual Allowances [3]	Average Annual Allowances [3]
6/30/2005	4	$ 114	4	$ 65	128	$ 1,787	2.8%	$ 13,962
6/30/2006	5	127	1	26	132	1,888	5.6%	14,304
6/30/2007	13	359	5	74	140	2,176	15.2%	15,539
6/30/2008	9	302	12	119	137	2,518	15.8%	18,382
6/30/2009	59	748	39	258	157	3,056	21.3%	19,465
6/30/2010	6	136	6	49	157	3,134	2.6%	19,962
6/30/2011	22	902	3	23	176	3,978	26.9%	22,602
6/30/2012	14	495	3	14	187	4,452	11.9%	23,810
6/30/2013	8	253	2	9	193	4,666	4.8%	24,177
6/30/2014 [4]	-	-	-	-	193	4,666	0.0%	24,177

[1] Valuation results prior to June 30, 2010 were calculated by the prior actuary.

[2] End of year annual allowances are not equal to the prior end of year annual allowances plus additions and less removals because of reductions for beneficiary benefits, data changes, and cost-of-living increases.

[3] Annual allowances reflect cost-of-living increases effective January 1 following the date of the census data, if provided, but do not reflect one-time 13th check amounts.

[4] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

E. Distribution of Active Members by Age and Service [1]

Attained Age	Distribution of Active Members by Age and Service as of June 30, 2013 [1]										
	Under 1 year	1 to 4 years	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	30 to 34 years	35 to 39 years	Over 40 years	Total
<25	14	9									23
25-29	13	27	11								51
30-34	4	15	61	2							82
35-39	6	10	38	14	1						69
40-44		10	31	11	20	6					78
45-49	2	4	15	5	7	13	6				52
50-54	1	5	10	1		4	24	3			48
55-59	1	5	20		1		5	14	4		50
60-64		3	12				1	2	2		20
65-69											
70&Up											
Total	41	88	198	33	29	23	36	19	6		473

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

F. Distribution of Inactive Vested Members by Age and Service [1]

Attained Age	Distribution of Inactive Vested Members by Age and Service as of June 30, 2013 [1]					
	Under 15 years	15 to 19 years	20 to 24 years	25 to 29 years	Over 30 years	Total
<25						
25-29						
30-34						
35-39						
40-44		1				1
45-49		1				1
50-54		1				1
55-59						
60-64					1	1
65-69						
70&Up						
Total		3			1	4

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

G. Distribution of Retired Members, Beneficiaries, and Disabled Members by Age and Number of Years Retired

Attained Age	Distribution of Retired Members, Beneficiaries, and Disabled Members by Age and Number of Years Retired as of June 30, 2013 [1]							
	Under 5 years	5 to 9 years	10 to 14 years	15 to 19 years	20 to 24 years	25 to 29 years	Over 30 years	Total
<40	1							1
40-44								
45-49	1							1
50-54	8	1						9
55-59	24	2	2	1	1			30
60-64	24	13	4	1				42
65-69	4	18	7	3	5			37
70-74			12	8	5	2		27
75-79				7	2	2	1	12
80-84					4	6	6	16
85-89						5	5	10
90&Up						1	7	8
Total	62	34	25	20	17	16	19	193

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014.

H. Schedule of Benefit Recipients by Type of Benefit Option

Number of Benefit Recipients by Benefit Option as of June 30, 2013 [1]

Amount of Monthly Benefit	Retiree Single Life Annuity	Retiree 50% Joint and Survivor Annuity	Survivors	Disability	Total
$ 1 - 500	0	2	15	1	18
501 - 1,000	3	8	18	1	30
1,001 - 1,500	5	10	7	0	22
1,501 - 2,000	2	12	1	0	15
2,001 - 3,000	4	67	0	1	72
over 3,000	4	32	0	0	36
Total	18	131	41	3	193

I. Schedule of Average Benefit Payments as of June 30, 2013 [1,2]

	Years of Credited Service							
	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total
Average Monthly Defined Benefit	$ 2,141	$ -	$ -	$ 439	$ 886	$ 1,816	$ 2,571	$ 2,015
Average Final Average Salary	$ 58,827	$ -	$ -	$ 22,436	$ 36,499	$ 45,830	$ 52,650	$ 47,776
Number of Benefit Recipients	14	0	0	11	22	54	92	193

[1] The valuation results as of June 30, 2014 were calculated using June 30, 2013 census data, adjusted for certain activity during fiscal year 2014. Monthly benefits do not reflect 13th check payments made in October 2013 and October 2014. No cost-of-living increases were approved for January 1, 2014 or January 1, 2015.

[2] For some members, average salary at retirement and years of credited service was not available. The average salary for each group excluded these members.

ACTUARIAL ASSUMPTIONS AND METHODS

SECTION V - ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

The assumptions used in the valuation were selected and approved by the INPRS Board of Trustees. The demographic assumptions are reviewed every five years through a study of actual experience. In this way, the actuary provides guidance to the Board in selecting the assumptions. The actuary and other economic and investment professionals also provide advice to the Board for selecting the economic assumptions. In our opinion, the assumptions are reasonable for purposes of this valuation.

Interest Rate / Investment Return	
Funding	6.75% (net of administrative and investment expenses)
Accounting	6.75% (net of investment expenses)
Interest on Member Balances	3.5% per year
Future Salary Increases	3.25% per year
Inflation	3.0% per year
Cost of Living Increases	1.0% per year in retirement beginning January 1, 2016. 13th checks were provided to members in pay status in lieu of a permanent cost-of-living increase in fiscal 2014 and 2015. The fiscal 2015 13th check, payable to members in October 2014, is included in the liability valuation at June 30, 2014.
Mortality (Healthy and Disabled)	2013 IRS Static Mortality projected five (5) years with Scale AA
Disability	150% of 1964 OASDI Table. Illustrative rates shown below:

Age	Rate
20	0.0900%
25	0.1275%
30	0.1650%
35	0.2205%
40	0.3300%
45	0.5400%
50	0.9090%
55	1.5135%
60	2.4405%
65+	0.0000%

A. Actuarial Assumptions (continued)

Termination

Sarason T-1 Table. Illustrative rates shown below:

Age	Rate
20	5.4384%
25	4.8948%
30	3.7020%
35	2.3492%
40	1.1283%
45	0.2653%
50+	0.0000%

Retirement

Based on 2005 - 2010 experience. Illustrative rates shown below:

Age	Rate	Age	Rate
45	3%	54	4%
46 - 49	2%	55-59	15%
50	3%	60-64	20%
51 - 52	2%	65+	100%
53	3%		

Decrement Timing

Decrements are assumed to occur at the beginning of the year.

Active Members in DROP

Members who are participating in the DROP are assumed to receive an annuity benefit commencing at the end of their DROP period as well as a lump sum payment equal to the number of years they were in the DROP times their annual annuity benefit. The annuity benefit is estimated based on salary and service at the time the member entered the DROP.

Spouse/Beneficiary

100% of members are assumed to be married or to have a dependent beneficiary. Males are assumed to be five (5) years older than females.

A. Actuarial Assumptions (continued)

Data Assumptions	Actives and inactives with either no date of birth and/or no gender are assumed to be age 41 and/or male. Spouse gender is assumed to be the opposite gender of the member. Retirees and disabled members that are not married and do not have a retirement option listed are assumed to elect a single life annuity. Retirees and disabled members that are married and do not have a retirement option listed are assumed to be receiving a 50% joint and survivor annuity. Beneficiaries that do not have a retirement option listed are assumed to receive monthly payments for life.
Changes in Assumptions	There have been no changes in the actuarial assumptions since the June 30, 2013 valuation.

B. Actuarial Methods

The actuarial methods used in this valuation were selected and approved by the Board. In general, the methods provide orderly funding of all benefits being accrued, as well as unfunded past-service benefit liabilities, over a period of thirty years. However, the smoothing methods employed in determining the Actuarial Value of Assets may accelerate or lengthen the effective funding period, depending on whether gains or losses are experienced. In our opinion, the actuarial methods are reasonable for the purposes of this valuation.

1. Actuarial Cost Method

   The actuarial cost method is Entry Age Normal - Level Percent of Payroll.

   The normal cost is calculated separately for each active member and is equal to the level percentage of payroll needed as an annual contribution from entry age to retirement age to fund projected benefits. The actuarial accrued liability on any valuation date is the accumulated value of such normal costs from entry age to the valuation date.

   For funding, gains and losses occurring from census experience different than assumed, assumption changes, and benefit changes are amortized over a 30-year period with level payments each year. A new gain or loss base is established each year based on the additional gain or loss during that year and that base is amortized over a new 30-year period. The purpose of the method is to give a smooth progression of the costs from year to year and, at the same time, provide for an orderly funding of the unfunded liabilities.

   For accounting, gains and losses occurring from census experience different than assumed and assumption changes are amortized into expense over the average expected future service of all plan participants (active and inactive). Gains and losses occurring from investment experience different than assumed are amotized into expense over a 5-year period. The effect of plan changes on the plan liability are fully recognized in expense in the year in which they occur.

2. Asset Valuation Method

   Actuarial Value of Assets is equal to a four-year smoothing of gains and losses on the Market Value of Assets, subject to a 20% corridor.

3. Employer Contribution Rate

   Based on the assumptions and methods previously described, an actuarially determined contribution rate is computed. The Board considers this information, but has ultimate authority in setting the employer contribution rate.

B. Actuarial Methods (continued)

4. Anticipated Payroll

   The Anticipated Payroll of $26,663,926 for the fiscal year beginning July 1, 2014 is equal to the actual payroll during the year ending June 30, 2014, increased with one year of salary scale, but does not include amounts for members who have reached the age at which retirement is assumed to occur immediately.

5. Changes in Actuarial Methods

   Member census data as of June 30, 2013 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2013 and June 30, 2014. Standard actuarial roll forward techniques were then used to project the liabilities computed as of June 30, 2013 to the June 30, 2014 measurement date. Prior to the June 30, 2014 valuation, census data as of the valuation date was used.

SUMMARY OF PLAN PROVISIONS

SECTION VI - SUMMARY OF PLAN PROVISIONS

A. Summary of Plan Provisions

The benefit provisions for the EG&C Fund are set forth in IC 5-10-5.5. A summary of those defined pension benefit provisions is presented below:

Participation		All Indiana State Excise Police Officers, all Indiana State Conservation Enforcement officers, all Indiana Gaming Agents, and all Indiana Gaming Control Officers must become members as a condition of employment.

Eligibility for Defined Pension Benefits

a.	Normal Retirement	Earliest of: - Age 65 (mandatory retirement) - 15 or more years of creditable service for members hired on or after age 50 - Age 55 with sum of age and creditable service equal to 85 or more - Age 50 with 25 or more years of creditable service
b.	Early Retirement	Age 45 with 15 or more years of creditable service
c.	Late Retirement	Subject to continued employment after normal retirement
d.	Disability Retirement	As determined by a disability medical panel
e.	Termination	15 or more years of creditable service and no longer active (i.e. vested inactive)
f.	Pre-Retirement Death	15 or more years of creditable service

A. Summary of Plan Provisions (continued)

Amount of Benefits

a. Normal Retirement — The normal retirement benefit is a monthly annuity payable in a Joint and 50% Surviving Beneficiary form and is equal to 25% of average monthly earnings[1], plus 1-2/3% of average monthly earnings for years of creditable service more than 10 years.

b. Early Retirement — The early retirement benefit is the accrued retirement benefit determined as of the early retirement date and payable commencing at the normal retirement date. A member may elect to have the benefit commence prior to normal retirement provided the benefit is reduced by 1/4% for each month that the benefit commencement date precedes age 60.

c. Late Retirement — The late retirement benefit is calculated in the same manner as the normal retirement benefit. Creditable service and earnings earned after normal retirement are included in the computation.

d. Disability Retirement — If disability occurs in the line of duty, the disability retirement benefit is the member's monthly salary multiplied by the degree of impairment and is payable commencing the month following disability date without reduction for early commencement. The benefit shall not be less than 20% of the member's salary if the member has more than 5 years of service, or 10% if 5 or less years of service.

If disability does not occur in the line of duty, the disability retirement benefit is equal to 50% of the member's monthly salary multiplied by the degree of impairment and is payable commencing the month following disability date without reduction for early commencement. The benefit shall not be less that 10% of the member's salary if the member has more than 5 years of service, or 5% if 5 or less years of service.

[1] Average monthly earnings is the monthly average of earnings during the 5 years within the 10 years preceding retirement that produce the highest such average.

A. Summary of Plan Provisions (continued)

Amount of Benefits (continued)

e.	Termination	If termination is prior to earning 15 years of service, the member shall be entitled to a lump sum refund of employee contributions plus accumulated interest. If termination is after earning 15 years of service, the termination benefit is the accrued retirement benefit determined as of the termination date and payable commencing as of the normal retirement date. The member may elect to receive a reduced early retirement benefit beginning at age 45.
f.	Pre-Retirement Death	If death is prior to earning 15 years of service, the member's beneficiary or estate shall receive employee contributions plus accumulated interest. If death is after earning 15 years of service, the spouse or dependent beneficiary is entitled to receive the monthly survivor annuity under the assumption that the member retired on the day before the date of death.

Member Contributions — Each member is required to contribute at the rate of 4% of pay. These contributions are kept on deposit and credited with interest until such time as they are refunded or used to provide benefits at retirement.

Forms of Payment

a.	Single Life Annuity	Member will receive a monthly benefit for life, but there are no monthly payments to anyone after death.
b.	Joint with One-Half Survivor Benefits	Member will be paid a monthly benefit for life. After death, one-half (1/2) of the benefit will be paid to the spouse or parent for their lifetime or the dependent until age 18. If the spouse's age is more than 5 years younger than the member, the benefit is actuarially adjusted.

A. Summary of Plan Provisions (continued)

Withdrawal from Fund	If a member's employment is terminated prior to eligibility for a retirement annuity, the member may withdraw their contributions from the Fund.
Deferred Retirement Option Plan (DROP)	Effective July 1, 2008, a DROP is established for all plan participants.

An employee may make a DROP election as provided in this chapter only if, immediately upon termination, he/she is eligible to receive an unreduced annual retirement allowance under the provisions of the EG&C Fund on his/her entry date into the DROP.

The DROP retirement benefit will be based on average annual salary and years of creditable service on the date the member enters the DROP.

Any member who chooses the DROP shall agree to the following:

- The member shall execute an irrevocable election to retire on the DROP retirement date and shall remain in active service until that date.

- While in the DROP, the member shall continue to make contributions to the EG&C Fund under the provisions of that fund.

- The member shall elect a DROP retirement date not less than 12 months and not more than 36 months after the member's DROP entry date.

- The member may not remain in the DROP after the date the member reaches any mandatory retirement age as set forth in the EG&C Fund.

- The member may make an election to enter the DROP only once in the member's lifetime.

- A member who retires on his/her DROP retirement date may elect to receive an annual retirement allowance.

A. Summary of Plan Provisions (continued)

Deferred Retirement Option Plan (DROP) (continued)	Any member who chooses the DROP shall agree to the following (continued): - Computed as if the member had never entered the DROP; or - Consisting of the DROP frozen benefit, plus an additional amount paid as the member elects, determined by multiplying the DROP frozen benefit by the number of months the member was in DROP. No cost of living increase is applied to a DROP frozen benefit while the participant is in the DROP. After the participant’s DROP retirement date, cost of living increases determined under the EG&C Fund apply to the participant’s annual retirement allowance.
Cost-of-Living Adjustments	The monthly annuity benefits for members in pay status are increased periodically to preserve purchasing power that is diminished due to inflation. Such increases are not guaranteed by Statute and have historically been provided on an "ad hoc" basis. A "13th check" will be paid to each member (or survivor or beneficiary) in pay status during September 2013. The amount of the 13th check varied based on the years of creditable service the member earned prior to retirement.
Changes in Provisions	No changes since prior valuation.

Definitions of Technical Terms

SECTION VII - DEFINITIONS OF TECHNICAL TERMS

A. Definitions of Technical Terms

Actuarial Accrued Liability (AAL)	That portion, as determined by a particular Actuarial Cost Method, of the Present Value of Future Benefits (PVFB) and expenses which is not provided for by future Normal Costs. Generally, the portion of the PVFB attributable to past service.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
Actuarial Cost Method	A mathematical procedure for allocating the Present Value of Future Benefits to service periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
Actuarially Equivalent	Having the same Actuarial Present Value, based on a set of Actuarial Assumptions.
Actuarial Gain/(Loss)	The difference between actual Unfunded Actuarial Accrued Liability and anticipated Unfunded Actuarial Accrued Liability resulting from differences between actual and expected plan experience between two valuation dates.
Actuarial Present Value	The single amount that is equal to a payment or series of payments in the future. It is determined by discounting future payments using predetermined Actuarial Assumptions for interest and by probabilities of payment.
Actuarial Valuation	The determination, as of an Actuarial Valuation Date, of the Present Value of Future Benefits, Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values.
Actuarial Valuation Date	The date as of which an Actuarial Valuation is performed.
Actuarially Determined Contribution	The precise actuarial contribution rate (expressed as a percentage of covered payroll) or amount determined in accordance with a Funding Policy, which generally reflects the Normal Cost and amortization of any Unfunded Actuarial Accrued Liability.

A. Definitions of Technical Terms (continued)

Amortization	The payment of a present value financial obligation on an installment basis over a future period.
Annual Required Contribution of the Employer (ARC)	The employer's periodic required contributions to a defined benefit pension plan, calculated in accordance with the plan provisions, Actuarial Assumptions, Actuarial Cost Method and other requirements prescribed by Governmental Accounting Standards No. 25 and No. 27.
Creditable Service	Service credited under the system that was rendered before the date of the actuarial valuation.
Funding Policy	A set of principles, often including a prescribed Actuarial Cost Method, Actuarial Assumptions, and/or Unfunded Actuarial Accrued Liability Amortization Method, that guide the calculation of the Actuarially Determined Contribution and management decisions regarding funding.
Level Dollar Amortization	Amortization where the installments are equal dollar amounts during each period.
Level Percent Amortization	Amortization where the installments are an equal percent of employee payroll during each period.
Normal Cost (NC)	That portion of the Present Value of Future Benefits which is allocated to the year following the Actuarial Valuation Date by the Actuarial Cost Method. The normal cost is specific to the cost method used.
Plan Assets	Resources, usually in the form of stocks, bonds, and other classes of investments, that have been segregated and restricted in a trust, or equivalent arrangement, in which (a) employer contributions to the plan are irrevocable, (b) assets are dedicated to providing benefits to retirees and their beneficiaries, and (c) assets are legally protected from creditors of the employer(s) or plan administrator, for the payment of benefits in accordance with the terms of the plan.
Plan Members	The individuals covered by the terms of a pension plan. The plan membership generally includes employees in active service, terminated employees who have accumulated benefits but are not yet receiving them, and retired employees and beneficiaries currently receiving benefits.

A. Definitions of Technical Terms (continued)

Present Value of Future Benefits (PVFB)	Projected benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members upon retirement) as a result of their service through the valuation date and their expected future service. The actuarial present value of projected future benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment (taking into account mortality, turnover, probability of participating in plan retirement, etc.). Alternatively, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay the projected benefits when due.
Unfunded Actuarial Accrued Liability (UAAL)	The difference between the Actuarial Accrued Liability and Plan Assets as of a particular date. Plan assets may be market value or a smoothed value.
Unfunded Actuarial Accrued Liability Amortization Method	A predetermined process by which any Unfunded Actuarial Accrued Liability will be amortized for calculating the Actuarially Determined Contribution.