

**EL PASO COUNTY RETIREMENT PLAN**

**Management's Discussion and Analysis  
and Financial Statements**

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

**Supplementary Information**

**And**

**Independent Auditors' Report**

# EL PASO COUNTY RETIREMENT PLAN

## TABLE OF CONTENTS

---

|   | Page |
|---|------|
| <b>INDEPENDENT AUDITORS' REPORT</b>   | 1    |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>   | 2    |
| <b>FINANCIAL STATEMENTS</b>   |      |
| Statements of Plan Net Assets, December 31, 2009 and 2008                                   | 6    |
| Statements of Changes in Plan Net Assets, for the Years Ended<br>December 31, 2009 and 2008 | 7    |
| Notes to Financial Statements   | 8    |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>   |      |
| Schedule of Funding Progress  | 17   |
| Schedule of Employer Contributions  | 18   |
| Notes to Required Supplementary Information   | 19   |
| <b>SUPPORTING SCHEDULES</b>   |      |
| Schedules of Administrative Expenses  | 21   |
| Schedules of Investment Expenses  | 22   |
| Schedules of Consultant Expenses  | 23   |

## INDEPENDENT AUDITORS' REPORT



Board of Retirement  
El Paso County Retirement Plan  
Colorado Springs, Colorado

We have audited the accompanying statements of plan net assets of the El Paso County Retirement Plan (the Plan) 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 Plan'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 audit 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.

In our opinion, such financial statements present fairly, in all material respects, the plan net assets of the El Paso County Retirement Plan at December 31, 2009 and 2008, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 5 and the supplementary information on pages 17 through 19 are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supporting schedules of administrative expenses, investment expenses and consultant expenses on pages 21 through 23 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Stockman Kast Ryan + Co., LLP*

April 26, 2010

# **EL PASO COUNTY RETIREMENT PLAN**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

Management is pleased to provide this overview and analysis of the financial activities of the El Paso County Retirement Plan (the Plan). Please read it in conjunction with the Plan's financial statements and accompanying notes.

The Plan was established in 1967 consisting of one employer and has subsequently expanded to include El Paso County, El Paso County Department of Health and Environment, Pikes Peak Library District, 4<sup>th</sup> Judicial District Attorney and El Paso County Board of Retirement. The Plan is a cost-sharing multiple employer-defined benefit plan covering all permanent, full-time and job-share employees of the five participating employers upon their date of employment.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The *Statement of Plan Net Assets* provides a statement of account balances at the end of the year. This statement reports the assets available for future payments to retirees and any current liabilities that are owed at the end of the year. These assets, less liabilities, represent the net amount of funds that are available for future payments. The *Statement of Changes in Plan Net Assets* reports additions and deductions in plan net assets during the current year.

The financial statements report the resources available to pay benefits to retirees and other beneficiaries as of the end of the year, as well as the changes in resources during the year. These statements include all assets and liabilities, using an economic resources measurement focus and the accrual basis of accounting. The notes to the financial statements are an integral part of the financial statements. The notes communicate information that is not displayed on the face of the financial statements that is essential for the fair presentation of the financial statements. These financial statements should be reviewed along with the *Schedule of Funding Progress* and *Schedule of Employer Contributions* to determine whether the Plan is financially strong and to understand changes over time in the financial status of the Plan.

### **FINANCIAL HIGHLIGHTS**

#### **Plan Net Assets**

Plan net assets held in trust for pension benefits increased during 2009 by \$27.6 million to \$235.7 million. The major reason for the 2009 increase in Plan net assets was investment income of \$33.1 million, along with contributions of \$12.7 million. Deductions from plan net assets consisted primarily of benefit payments of \$17.8 million.

**Condensed Statements of Plan Net Assets**  
(in thousands)

|  | 2009              | 2008              | Change           |
|--|-------------------|-------------------|------------------|
| <b>ASSETS</b>  |                   |                   |                  |
| Cash and cash equivalents                                | \$ 3,795          | \$ 4,178          | \$ (383)         |
| Investments  | 232,598           | 205,544           | 27,054           |
| Securities lending collateral                            | 6,160             | 10,199            | (4,039)          |
| Receivables  | 424               | 878               | (454)            |
| Capital assets, net                                      | <u>179</u>        | <u>215</u>        | <u>(36)</u>      |
| Total assets   | <u>243,156</u>    | <u>221,014</u>    | <u>22,142</u>    |
| <b>LIABILITIES</b>                                       |                   |                   |                  |
| Securities lending obligation                            | 7,147             | 12,082            | (4,935)          |
| Other liabilities  | <u>308</u>        | <u>785</u>        | <u>(477)</u>     |
| Total liabilities  | <u>7,455</u>      | <u>12,867</u>     | <u>(5,412)</u>   |
| <b>NET ASSETS HELD IN TRUST FOR<br/>PENSION BENEFITS</b> | <u>\$ 235,701</u> | <u>\$ 208,147</u> | <u>\$ 27,554</u> |

**Additions To Plan Net Assets**

The collection of member and employer contributions, as well as income from investments, provides the reserves needed to finance retirement benefits. Additions to plan net assets (net of investment losses in 2008) are summarized below (in thousands):

|                          | 2009             | 2008               | Change            |
|--------------------------|------------------|--------------------|-------------------|
| Investment income (loss) | \$ 33,135        | \$ (81,841)        | \$ 114,976        |
| Employer contributions   | 6,133            | 6,348              | (215)             |
| Employee contributions   | 6,589            | 7,159              | (570)             |
| Other income             | <u>9</u>         | <u>5</u>           | <u>4</u>          |
| Total additions          | <u>\$ 45,866</u> | <u>\$ (68,329)</u> | <u>\$ 114,195</u> |

The \$33.1 million of investment income in 2009 consisted primarily of the net appreciation in fair value of investments of \$28.8 million. The appreciation in fair value was mainly the result of the recovery of the domestic and international equity markets during 2009.

The \$81.8 million of investment losses in 2008 consisted primarily of the net depreciation in fair value of investments of \$84.5 million. The 2008 net depreciation in fair value of investments is consistent with the results of the domestic and international equity markets, the real estate market and the fixed income market during 2008. Employer and employee contributions decreased due to a decrease in the number of employees. Employee contributions also decreased due to a decrease in service credit purchases.

## Deductions From Plan Net Assets

The principal purpose for which the Plan was created was to provide retirement annuities and survivor benefits to qualified members and their beneficiaries. The cost of such programs includes recurring benefit payments, as designated by the Plan, refunds of contributions to terminated employees, and the cost of administering the Plan. These costs resulted in deductions from Plan net assets of \$18.3 million during 2009. Deductions from plan net assets are summarized below (in thousands):

|                         | 2009             | 2008             | Change          |
|-------------------------|------------------|------------------|-----------------|
| Pension benefits        | \$ 15,247        | \$ 13,825        | \$ 1,422        |
| Termination refunds     | 1,912            | 1,997            | (85)            |
| Death benefits          | 637              | 566              | 71              |
| Administrative expenses | <u>516</u>       | <u>460</u>       | <u>56</u>       |
| Total deductions        | <u>\$ 18,312</u> | <u>\$ 16,848</u> | <u>\$ 1,464</u> |

Deductions from plan net assets for 2009 increased by 9% primarily due to increased benefit payments. The increase in ongoing benefit payments is mainly the result of an increase in the number of retirees.

## FUNDED STATUS OF THE PLAN

The Plan's fundamental financial objective is to meet long-term benefit obligations through employer and employee contributions and investment income. Actuarial valuations, using various assumptions, examine the Plan's assets as compared to liabilities and determine annual contribution rates necessary to pay current and future benefit obligations.

The funded ratio is determined by dividing the actuarial value of assets by the actuarial accrued liability. The actuarial value of assets is not the current market value but a market-related value which smoothes changes in the market value over five years. The funded ratio of the Plan was as follows as of January 1, 2008, 2009 and 2010:

|                 |       |
|-----------------|-------|
| January 1, 2008 | 91.4% |
| January 1, 2009 | 75.4% |
| January 1, 2010 | 79.8% |

The decrease in the funded level from January 1, 2008 to January 1, 2009 is primarily due to the decrease in the actuarial value of assets from \$285.7 million as of January 1, 2008 to \$249.8 million as of January 1, 2009. This decrease in the actuarial value of assets is mainly the result of the significant investment losses incurred in 2008. The increase in the funded level from January 1, 2009 to January 1, 2010 is due to an increase in the actuarial value of assets from \$249.8 million as of January 1, 2009 to \$282.8 million as of January 1, 2010. The actuarial accrued liability has increased from \$312.6 million as of January 1, 2008 to \$331.3 million as of January 1, 2009 and \$354.4 million as of January 1, 2010.

Current actuarial required contribution levels necessary to meet the Plan's future obligations exceeded the Plan's actual contributions for each of the past 5 years. As of January 1, 2010, the total actuarially required contribution rate for 2010 is 16.0%. The Plan was amended during 2009 to increase the participant contribution rate to 6.5% effective January 1, 2010, 7% effective January 1, 2011 and 7.5% effective January 1, 2012. Such increases will be matched by the employer, resulting in a total contribution rate of 15%

in 2012. The Retirement Board also made significant benefit changes which, coupled with the investment gains in 2009, resulted in a decrease in the unfunded liability of \$10 million. The changes included: no double payment of death benefits for non-vested members, a minimum requirement of 60 months of service for those hired after December 31, 2009 to attain rights to a lifetime benefit, and lowering of the benefit levels for all hires after December 31, 2009.

In an effort to get the Plan on par with paying the annual required contribution rate as determined under established guidelines and to be able to fund the current liabilities over the Plan's established 30 year amortization period the Board studied many proposed plan changes in 2009. Plan changes studied, but not acted on include: increasing the member retirement eligibility criteria, setting a minimum payout age, eliminating the supplemental death benefit, and decreasing the benefit level further. All of these options will be re-evaluated in 2010 along with Plan proposals that would limit the Board's ability to authorized adhoc cost of living adjustments based on the Plan's prior year funded status.

For more detail on the Plan's funded status and required contribution levels, see the Required Supplementary Information – Schedule of Funding Progress on page 17 and Schedule of Employer Contributions on page 18.

#### **CONTACTING THE PLAN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Plan's finances. If you have any questions about this report or need additional financial information, contact the Plan Administrator, 105 East Vermijo, Suite 200, Colorado Springs, CO 80903.

# EL PASO COUNTY RETIREMENT PLAN

## STATEMENTS OF PLAN NET ASSETS DECEMBER 31, 2009 AND 2008

---

|  | 2009                  | 2008                  |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>                                    |                       |                       |
| CASH AND CASH EQUIVALENTS                        | \$ <u>3,795,140</u>   | \$ <u>4,178,632</u>   |
| INVESTMENTS                                      |                       |                       |
| Equities:  |                       |                       |
| Domestic stocks and equity funds                 | 98,678,256            | 71,018,305            |
| International equity funds                       | 52,162,255            | 40,942,814            |
| Fixed income:                                    |                       |                       |
| Fixed income funds                               | 46,984,216            | 49,374,400            |
| Corporate securities                             | 14,838,472            | 13,216,316            |
| U.S. Government and agency securities            | 6,020,278             | 6,985,903             |
| Real estate funds                                | <u>13,914,189</u>     | <u>24,006,283</u>     |
| Total investments                                | <u>232,597,666</u>    | <u>205,544,021</u>    |
| SECURITIES LENDING COLLATERAL                    | <u>6,159,820</u>      | <u>10,198,914</u>     |
| RECEIVABLES                                      |                       |                       |
| Securities sold                                  | 121,869               | 326,189               |
| Interest and dividends                           | 242,213               | 443,438               |
| Other  | <u>60,513</u>         | <u>108,112</u>        |
| Total receivables                                | <u>424,595</u>        | <u>877,739</u>        |
| CAPITAL ASSETS, NET                              | <u>179,003</u>        | <u>215,156</u>        |
| TOTAL ASSETS                                     | <u>243,156,224</u>    | <u>221,014,462</u>    |
| <b>LIABILITIES</b>                               |                       |                       |
| SECURITIES LENDING OBLIGATION                    | 7,146,834             | 12,081,574            |
| PAYABLE FOR SECURITIES PURCHASED                 | 70,264                | 556,232               |
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES         | <u>237,620</u>        | <u>229,360</u>        |
| TOTAL LIABILITIES                                | <u>7,454,718</u>      | <u>12,867,166</u>     |
| NET ASSETS HELD IN TRUST FOR PENSION<br>BENEFITS | <u>\$ 235,701,506</u> | <u>\$ 208,147,296</u> |

See notes to financial statements.

---

# EL PASO COUNTY RETIREMENT PLAN

## STATEMENTS OF CHANGES IN PLAN NET ASSETS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

---

|   | 2009                  | 2008                  |
|---|-----------------------|-----------------------|
| <b>ADDITIONS</b>  |                       |                       |
| INVESTMENT INCOME (LOSS)  |                       |                       |
| Net appreciation (depreciation) in fair value of investments      | \$ 28,775,810         | \$ (84,455,274)       |
| Interest and dividends  | 4,537,889             | 5,713,861             |
| Investment expenses   | <u>(1,128,385)</u>    | <u>(1,314,618)</u>    |
| Net investment income (loss) before securities lending activities | 32,185,314            | (80,056,031)          |
| Securities lending income, net of borrower rebates and agent fees | 53,989                | 98,013                |
| Securities lending unrealized gain (loss)                         | <u>895,646</u>        | <u>(1,882,660)</u>    |
| Net investment income (loss)                                      | <u>33,134,949</u>     | <u>(81,840,678)</u>   |
| CONTRIBUTIONS   |                       |                       |
| Employers   | 6,133,398             | 6,348,554             |
| Employees   | <u>6,588,930</u>      | <u>7,158,864</u>      |
| Total contributions   | <u>12,722,328</u>     | <u>13,507,418</u>     |
| OTHER INCOME  | <u>8,703</u>          | <u>4,633</u>          |
| TOTAL ADDITIONS   | <u>45,865,980</u>     | <u>(68,328,627)</u>   |
| DEDUCTIONS  |                       |                       |
| BENEFITS PAID TO PARTICIPANTS                                     |                       |                       |
| Pension   | 15,247,023            | 13,824,826            |
| Termination refunds   | 1,912,000             | 1,997,056             |
| Death   | <u>637,219</u>        | <u>566,423</u>        |
| Total   | 17,796,242            | 16,388,305            |
| ADMINISTRATIVE EXPENSES   | <u>515,528</u>        | <u>460,156</u>        |
| TOTAL DEDUCTIONS  | <u>18,311,770</u>     | <u>16,848,461</u>     |
| NET INCREASE (DECREASE) IN PLAN NET ASSETS                        | 27,554,210            | (85,177,088)          |
| NET ASSETS HELD IN TRUST FOR<br>PENSION BENEFITS:                 |                       |                       |
| Beginning of year   | <u>208,147,296</u>    | <u>293,324,384</u>    |
| End of year   | <u>\$ 235,701,506</u> | <u>\$ 208,147,296</u> |

See notes to financial statements.

---

# EL PASO COUNTY RETIREMENT PLAN

## NOTES TO FINANCIAL STATEMENTS

---

### 1. DESCRIPTION OF THE PLAN

The following brief description of the El Paso County Retirement Plan (the Plan) is provided for informational purposes only. Participants should refer to the plan document for more complete information.

**General** — The Plan is a cost-sharing multiple employer defined benefit plan covering all permanent, full-time and job-share employees of the five participating employers upon their date of employment. All employees hired after September 1, 1967 are required to participate. Employees hired from 1974 through 1981 who were age 60 or older at their date of employment could elect to become a member as of January 1, 1982.

The participants of the Plan consist of the following as of December 31, 2009 and 2008:

|  | 2009                | 2008                |
|--|---------------------|---------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 1,346               | 1,276               |
| Terminated employees receiving refunds in early 2010 and 2009, respectively  | 47                  | 97                  |
| Current employees:   |                     |                     |
| Vested   | 1,211               | 1,193               |
| Nonvested  | <u>1,053</u>        | <u>1,101</u>        |
| Total  | <u><u>3,657</u></u> | <u><u>3,667</u></u> |

The El Paso County Board of Retirement (the Board) manages and administers the Plan. The Board consists of five members, one of whom is the El Paso County Treasurer, two of whom are appointed by the El Paso County Board of Commissioners (the Board of Commissioners) and two of whom are employees of the participating employers elected by participants.

**Contributions** — Through December 31, 2009, participants contributed 6% of their monthly compensation to the Plan. The Plan was amended during 2009 to increase the participant monthly contribution rate to 6.5% effective January 1, 2010, 7.0% effective January 1, 2011 and 7.5% effective January 1, 2012. The participating employers make monthly contributions at least equal to the contributions made by the participants. Interest is credited on employee contributions at the rate of 3% per annum, compounded monthly. Employee and employer basic contributions amounted to 12% of covered payroll for 2009 and 2008.

Effective January 1, 1984, contributions are tax-deferred to the participants for federal income tax purposes. If participants have at least five years of credited service, they are eligible to receive a future monthly retirement benefit. Any refund of contributions paid waives all future rights to any benefits. However, eligible participants who return to employment with a participating employer within 48 months and were previously refunded their contributions may reinstate withdrawn service if they repay the Plan the amount received when employment was terminated, plus interest, within twelve months of rehire.

Active participants who have completed five years of service may purchase up to five years of service credit for any period of full-time, nonvested previous employment with any public or private employer. One month of service credit may be purchased for each full month of full-time, nonvested, noncovered employment. The cost to purchase one month of service credit for noncovered employment is the “actuarial equivalent cost”, as determined by the actuary for the Plan.

Participants may elect to pay for purchases of service credit in a lump sum or on an installment basis. Payments may be made on a monthly, quarterly or annual basis with interest due at the actuarial equivalent interest rate for periodic benefits. The period over which installment payments may be made cannot exceed a period equal to the total amount of credited service to be purchased. Purchased service is recognized when paid.

**Administrative Costs** — The Plan’s administrative and investment costs are financed through investment earnings on the general assets of the Plan.

**Termination Benefits** — Participants vest in accumulated contributions as follows:

- (a) If Credited with Less than Five Years of Service: Refund of the participant’s accumulated contributions.
- (b) If Credited with Five or More Years of Service:
  - (i) The participant may elect to receive a deferred retirement benefit which shall be equal to the participant’s accrued benefit as of the date of termination and payable on the participant’s normal retirement date. The participant may elect to receive a reduced retirement benefit beginning on the first day of any month subsequent to the participant’s attainment of age 55. The reduction shall be 3% for each year by which payments commence prior to the first of the month following the participant’s normal retirement date.
  - (ii) In lieu of (i), a participant may elect a current refund of accumulated contributions made by the participant.

**Retirement Benefits** — Participants hired before January 1, 2010 are eligible for normal retirement on the first of the month coincident with attainment of age 62. Participants hired after December 31, 2009 are eligible for normal retirement after attainment of age 62, but not before the completion of 60 months of continuous service. If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service. If hired after December 31, 2009, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times the first 10 years of credited service, plus 2.11% times final average monthly compensation times the member’s 11<sup>th</sup> through 20<sup>th</sup> years of credited service, plus 2.22% times final average monthly compensation times credited service in excess of 20 years. Such benefit will not be greater than 75% of the participant’s final average monthly compensation and not less than \$25.00 per year of credited service. Final average compensation is the highest monthly average of considered compensation during the 36 consecutive calendar months of credited service out of the last 120 calendar months of credited service.

A participant is eligible for an early retirement benefit at age 55, provided the member has completed five years of credited service. The monthly pension is based on the vested portion of the normal retirement benefit, reduced by 3% for each year the early retirement date precedes the normal retirement date.

A participant is eligible for special early retirement benefits if the sum of the participant's age and credited service equals 75 or more. The monthly benefit is equal to the normal retirement benefit and is not reduced for early commencement.

The annuity for delayed retirement is computed by the normal retirement formula considering credited service and compensation to actual retirement.

**Disability Benefits** — A participant is eligible for disability benefits if the participant's employment is terminated due to total and permanent disability as determined by eligibility for and receipt of disability benefits continuously until the normal retirement date under (1) the employer's long-term disability plan, or (2) Title II of the Federal Social Security Act. The annuity, payable at age 62, shall be calculated as for normal retirement considering the credited service that would have accrued had the participant been employed until the normal retirement date and the final average compensation during the calendar year preceding the year of the member's Disability Retirement.

**Payment of Benefits** — The monthly benefit, computed as set forth above, shall be paid in equal monthly payments commencing one month after the actual retirement date continuing at monthly intervals for the retired participant's lifetime thereafter. If the retired participant's death occurs prior to the payment of 120 monthly payments, the remainder of the 120 payments shall be paid to the participant's beneficiary.

**Death Benefits Prior to Retirement** — Death benefits prior to retirement are as follows:

Single — Two times the active single participant's or vested single participant's accumulated contributions will be paid in a lump sum to the participant's beneficiary or estate.

Married — In the event that an active married participant or vested married participant dies prior to their normal retirement date, the participant's surviving spouse will be entitled to either two times the participant's accumulated contributions payable immediately or a monthly benefit equal to 60% of the monthly retirement benefit earned by the member prior to the date of death. Payment of the monthly benefit to the spouse will begin on the first of the month following the death or the date the member would have attained age 55, if later.

Between normal and delayed retirement — In the event that a participant dies after their normal retirement date but prior to their actual retirement, their beneficiary will be entitled to a monthly benefit. Under these circumstances, the participant will be deemed to have retired on the first day of the month of their death. If no optional benefit form had been elected prior to death, the participant shall be deemed to have elected the full joint and survivor benefit form and such benefit shall be payable for the life of the participant's designated beneficiary, if living, following the participant's death.

**Death Benefits After Retirement** — Death benefits after retirement consist of a lump-sum benefit of \$3,000 payable upon the death of a retired participant.

**Plan Termination** — Although not presently contemplated, the Board has the right to terminate the Plan at any time, subject to limitations. In the event of termination, after payment of expenses, accumulated contributions would be returned to the participants, and the remaining assets distributed on a pro rata method to the participants based on accrued benefits. Participating employers would not receive any Plan assets.

**Subsequent Events** — The Plan has evaluated subsequent events for recognition or disclosure through April 26, 2010, the date the financial statements were available for issuance.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** — The Plan is considered a multi-employer cost sharing pension trust fund. As such, the Plan is included in the participating employers' Comprehensive Annual Financial Reports as a pension trust fund.

**Basis of Accounting** — The accompanying financial statements are presented using the economic resources measurement focus and the accrual basis of accounting in accordance with generally accepted accounting principles that apply to governmental accounting for fiduciary funds. Employee and employer contributions are recognized in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the plan provisions.

**Investments** — Investments are stated at fair value. Securities and mutual funds that are actively traded are valued based on quoted market prices. Fixed income securities that are not actively traded are valued primarily based on equivalent values of comparable securities. Collective equity and fixed income funds are valued based on the fair values of the underlying investments, which are primarily based on quoted market prices. Collective real estate fund fair values are valued by the respective fund managers based on capital account balances as of the balance sheet date.

**Securities Lending** — Cash received as collateral on securities lending transactions is reported as an asset and the related securities lending obligation is reported as a liability on the Statement of Plan Net Assets. Securities lending transactions collateralized by letters of credit or by securities that the Plan does not have the ability to pledge or sell unless the borrower defaults are not reported as assets and liabilities.

**Capital Assets** — Capital assets are recorded at cost. Depreciation is calculated using the straight-line method over useful lives of 3 to 7 years.

**Tax Status** — The Plan is a governmental plan within the meaning of the Internal Revenue Code (the Code). The Internal Revenue Service has determined and informed the Plan by a letter dated April 2, 2002, that the Plan is designed in accordance with the applicable sections of the Code. Accordingly, no provision for income taxes has been included in the accompanying financial statements.

## 3. FUNDED STATUS AND FUNDING PROGRESS

The funded status of the Plan as of January 1, 2010, the most recent actuarial valuation date, is as follows:

|   |    |         |
|---|----|---------|
| Actuarial Value of Assets (a)                               | \$ | 282,842 |
| Actuarial Accrued Liability – Entry Age (b)                 | \$ | 354,377 |
| Total Unfunded Actuarial Accrued Liability (UAAL) (b) – (a) | \$ | 71,535  |
| Funded Ratio (a)/(b)  |    | 79.8%   |
| Covered Payroll (c)   | \$ | 106,957 |
| Unfunded UAAL as Percentage of Covered Payroll ((b-a)/c)    |    | 66.9%   |

The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information as of the latest actuarial valuation follows:

|  |                                    |
|--|------------------------------------|
| Valuation date                                   | January 1, 2010                    |
| Actuarial cost method                            | Entry Age Normal                   |
| Amortization method                              | Level Percent Open                 |
| Remaining amortization period                    | 30 years                           |
| Asset valuation method                           | 5-year smoothed market             |
| Actuarial assumptions:                           |                                    |
| Investment rate of return                        | 8%                                 |
| Projected salary increases (including inflation) | 4.5% to 11.6%                      |
| Cost of living adjustments                       | None                               |
| Inflation rate                                   | 3.5%                               |
| Mortality rate                                   | 1994 Group Annuity Mortality Table |

#### 4. DEPOSITS

The Plan has bank balances of \$1,028,555 and \$649,319 on deposit with banking institutions at December 31, 2009 and 2008, respectively. Of the bank balances, \$250,000 is insured by the Federal Deposit Insurance Corporation at December 31, 2009 and 2008. In addition, \$2,766,585 and \$3,529,313 was held by the various money managers in banking institutions at December 31, 2009 and 2008, respectively. The uninsured bank balances and money manager balances are collateralized with securities held by the banking institutions but not in the Plan's name.

#### 5. INVESTMENTS

**General Policies** — Funds of the Plan are managed in accordance with Colorado statutes and any other applicable law, and in compliance with the prudent investor rule. The investment of the Plan's assets shall be for the exclusive purpose of providing benefits for the participants and their beneficiaries, and paying the Plan's administrative expenses. The investments shall be prudently selected and properly diversified to fulfill fiduciary responsibilities.

The investment portfolio is comprised of equity securities, fixed income securities, cash equivalents and real estate. The investments are denominated in both U.S. and foreign currencies.

**Credit Risk** — Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Plan's general investment policy is to limit its investments in fixed income securities to those with an S&P/Moody's rating of investment grade BBB/Baa or better, unless expressly permitted by the Board. However, the fixed income portfolio manager is allowed to hold fixed income securities with a rating of BB or B. The manager's total foreign securities and securities with a rating of BB or B may not exceed 20% of the portfolio.

The Plan's exposure to fixed income security credit risk based on Standard & Poor's ratings is as follows as of December 31, 2009:

| <b>Fixed Income Investments</b>   | <b>Fair Value</b>    | <b>S&amp;P Rating</b> |
|-----------------------------------|----------------------|-----------------------|
| Fixed income funds                | \$ 46,984,216        | AA                    |
| U.S. Government Agency securities | 3,431,875            | AAA                   |
| U.S. Treasury securities          | 2,588,403            | AAA                   |
| Mortgage-backed securities        | 581,230              | AAA                   |
| Mortgage-backed securities        | 95,204               | AA-                   |
| Mortgage-backed securities        | 110,485              | A+                    |
| Mortgage-backed securities        | 154,620              | A                     |
| Mortgage-backed securities        | 228,196              | A-                    |
| Mortgage-backed securities        | 442,342              | BBB+                  |
| Mortgage-backed securities        | 35,056               | BBB                   |
| Mortgage-backed securities        | 1,035,622            | Unrated               |
| Corporate securities              | 23,396               | AAA                   |
| Corporate securities              | 164,711              | AA+                   |
| Corporate securities              | 312,079              | AA-                   |
| Corporate securities              | 120,631              | AA                    |
| Corporate securities              | 2,070,434            | A                     |
| Corporate securities              | 1,591,860            | A-                    |
| Corporate securities              | 2,430,289            | BBB+                  |
| Corporate securities              | 1,912,365            | BBB                   |
| Corporate securities              | 1,283,725            | BBB-                  |
| Corporate securities              | 137,689              | BB+                   |
| Corporate securities              | 1,358,543            | BB                    |
| Corporate securities              | 207,750              | B+                    |
| Corporate securities              | 275,013              | B-                    |
| Corporate securities              | 239,172              | Unrated               |
| Other fixed income securities     | <u>28,060</u>        | A                     |
| Total fixed income investments    | <u>\$ 67,842,966</u> |                       |

The \$1,035,622 of mortgage-backed securities that are unrated by Standard & Poor's are rated Aaa by Moody's.

**Concentration of Credit Risk** — Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan limits its investments in any one issuer of equity securities, fixed income securities, short-term investments and commercial paper to no more than 5% of the applicable portfolio. No limitation is placed on investments in U.S. Government guaranteed obligations. No individual investments exceeded 5% of the Plan's net assets at December 31, 2009 and 2008.

**Interest Rate Risk** — Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. Unless expressly permitted by the Board, the effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the broad market benchmark included in the instructions to the portfolio manager.

As of December 31, 2009, the effective duration of Plan's fixed income instruments are as follows (duration is stated in years):

| <b>Fixed Income Investments</b>   | <b>Fair Value</b>    | <b>Effective Duration</b> |
|-----------------------------------|----------------------|---------------------------|
| Fixed income funds                | \$ 46,984,216        | 4.65                      |
| U.S. Government Agency securities | 3,431,875            | 3.55                      |
| U. S. Treasury securities         | 2,588,403            | 1.59                      |
| Corporate securities              | 12,127,657           | 6.90                      |
| Mortgage-backed securities        | 2,682,755            | 3.55                      |
| Other fixed income securities     | <u>28,060</u>        | <u>8.05</u>               |
| Total fixed income investments    | <u>\$ 67,842,966</u> |                           |
| Portfolio effective duration      |                      | <u>4.84</u>               |

**Foreign Currency Risk** — Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan's investments were distributed among the following currencies as of December 31, 2009:

|                      | <b>Corporate Fixed Income</b> | <b>Other</b>          | <b>Total Fair Value</b> |
|----------------------|-------------------------------|-----------------------|-------------------------|
| United States dollar | \$ 14,322,713                 | \$ 217,759,194        | \$ 232,081,907          |
| Canadian dollar      | 280,822                       |                       | 280,822                 |
| Mexican peso         | 195,672                       |                       | 195,672                 |
| Iceland krona        | <u>39,265</u>                 | <u></u>               | <u>39,265</u>           |
| Total investments    | <u>\$ 14,838,472</u>          | <u>\$ 217,759,194</u> | <u>\$ 232,597,666</u>   |

**Mortgage-Backed Securities** — A mortgage-backed security depends on the underlying pool of mortgage loans to provide the cash flow to make principal and interest payments on the security. A decline in interest rates can result in prepayments. Alternatively, an increase in interest rates can result in decreased prepayments. A collateralized mortgage obligation (CMO), is a mortgage-backed security that is comprised of classes of bonds created by prioritizing the cash flows of the underlying mortgage pool. This redistributes prepayment risk and/or credit risk among the various bond classes in the CMO structure.

The Plan invests in mortgage-backed securities for diversification and to enhance fixed income returns. Mortgage-backed securities are subject to credit risk, the risk that the borrower will meet its obligations. These securities are also subject to prepayment risk, which is the risk that a payment will be made in excess of the regularly scheduled principal payment. Prepayment risk is comprised of two risks: call risk, the risk that prepayments will occur when interest rates have declined, and extension risk, the risk that prepayments will not be made when interest rates have increased.

As of December 31, 2009, the fair value of non-U.S. agency mortgage-backed securities is \$2,682,755 and of U.S. agency mortgage-backed securities is \$159,870.

**Appreciation (Depreciation) in Fair Value** — During the years ended December 31, 2009 and 2008, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in value by \$28,775,810 and \$(84,455,274), respectively, as follows:

|   | <b>2009</b>          | <b>2008</b>            |
|---|----------------------|------------------------|
| Equities:                                     |                      |                        |
| Domestic stocks and equity funds              | \$ 22,052,783        | \$ (44,813,080)        |
| International equity funds                    | 10,851,891           | (32,489,996)           |
| Fixed income funds                            | 3,027,661            | 1,006,667              |
| Real estate funds                             | (10,174,236)         | (4,238,522)            |
| Corporate fixed income securities             | 2,780,763            | (4,072,986)            |
| U.S. Government and agency securities         | <u>236,948</u>       | <u>152,643</u>         |
| Net appreciation (depreciation) in fair value | <u>\$ 28,775,810</u> | <u>\$ (84,455,274)</u> |

## **6. SECURITIES LENDING**

The Board policies permit the Plan to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodian, Wells Fargo Bank (the Bank), lends securities for collateral in the form of cash, securities and letters of credit. The Plan does not have the ability to pledge or sell collateral securities.

The relationship between the maturities of the investment pool and the Plan's loans is affected by the maturities of the securities loans made by other entities, which the Plan cannot determine. The weighted average maturities to reset and to final of the securities lending collateral received as of December 31, 2009 are 15 and 118 days, respectively.

The Bank may negotiate loans directly or through a finder for a minimum of one day but with no fixed maximum term, retaining the power to terminate the loan at any time unless otherwise agreed to by the Plan. The Plan reserves the right to pre-approve new borrowers.

The Bank's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. As of December 31, 2009, the Plan had no credit risk exposure to borrowers because the amounts the Plan owes the borrowers exceed the amounts the borrowers owe the Plan. The Plan had no losses on securities lending transactions resulting from the default of a borrower or the lending agent for the years ended December 31, 2009 and 2008.

All securities loans can be terminated on demand by either the Plan or the borrower. The Plan is entitled to all cash dividends, stock dividends, stock splits, rights of distribution, conversion privileges, tender and exchange offers, and similar corporate actions with respect to any loaned securities as if the securities had not been loaned. However, during any period when securities are loaned, the Plan waives its right to vote such securities.

Each loan is required to be collateralized in the amount of 102% of the market value of the loaned security and accrued interest. Collateral is marked to market daily. The Plan assumes all risk of loss arising out of collateral investment losses and any resulting collateral deficiencies. As a result of the volatile credit markets during 2008, the fair value of the collateral pool declined to a level lower than the amount of lent securities. As of December 31, 2009, the fair value of the collateral pool remained below the value of the lent securities.

As of December 31, 2009 and 2008, lent securities and the associated collateral received are as follows:

|   | <b>2009</b>       | <b>2008</b>         |
|---|-------------------|---------------------|
| Lent securities                                   | \$ 7,146,834      | \$ 12,081,574       |
| Cash collateral received                          | <u>6,159,820</u>  | <u>10,198,914</u>   |
| Net unrealized loss at December 31, 2009 and 2008 | <u>\$ 987,014</u> | <u>\$ 1,882,660</u> |

The cash collateral of \$6,159,820 and \$10,198,914 as of December 31, 2009 and 2008, respectively, has been reported in the Statements of Plan Net Assets as an asset. As of December 31, 2009 and 2008 a liability of \$7,146,834 and \$12,081,574, respectively, has been recorded for the lent securities since such balances exceed the cash collateral.

Subsequent to December 31, 2009, the Plan terminated all of its securities loans under the securities lending program with the Bank.

## **7. CAPITAL ASSETS**

Capital assets consist of the following at December 31, 2009 and 2008:

|   | <b>2009</b>       | <b>2008</b>       |
|---|-------------------|-------------------|
| Software development costs                      | \$ 216,102        | \$ 216,102        |
| Furniture and equipment                         | 53,071            | 53,071            |
| Leasehold improvements                          | <u>10,312</u>     | <u>10,312</u>     |
| Total   | 279,485           | 279,485           |
| Less: accumulated depreciation and amortization | <u>100,482</u>    | <u>64,329</u>     |
| Fixed assets, net                               | <u>\$ 179,003</u> | <u>\$ 215,156</u> |

**EL PASO COUNTY RETIREMENT PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION**

## EL PASO COUNTY RETIREMENT PLAN

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS (Amounts in Thousands)

|  | January 1,                |                           |            |            |            |            |
|--|---------------------------|---------------------------|------------|------------|------------|------------|
|  | 2010                      | 2009                      | 2008       | 2007       | 2006       | 2005       |
| Actuarial Value of Assets (a)  | \$ 282,842 <sup>(1)</sup> | \$ 249,777 <sup>(1)</sup> | \$ 285,740 | \$ 257,214 | \$ 234,661 | \$ 219,697 |
| Actuarial Accrued Liability —<br>Entry Age (b)   | 354,377                   | 331,358                   | 312,549    | 293,358    | 270,180    | 249,694    |
| Total Unfunded Actuarial<br>Accrued Liability (b)-(a)  | 71,535                    | 81,581                    | 26,809     | 36,144     | 35,519     | 29,997     |
| Funded Ratio (a)/(b)   | 79.8%                     | 75.4%                     | 91.4%      | 87.7%      | 86.9%      | 88.0%      |
| Covered Payroll (c)  | 106,957                   | 102,703                   | 105,140    | 103,403    | 98,916     | 92,758     |
| Unfunded Actuarial Accrued<br>Liability (Surplus) as<br>Percentage of Covered<br>Payroll ((b-a)/c) | 66.9%                     | 79.4%                     | 25.5%      | 35.0%      | 35.9%      | 32.3%      |

<sup>(1)</sup> The differences between the actuarial value of assets and the net assets held in trust for pension benefits on the accompanying statements of plan net assets are due primarily to the use of a five year smoothed market asset valuation method in computing the actuarial value of assets. Such method recognizes gains and losses evenly over a five-year period rather than as incurred.

See notes to required supplementary information.

## EL PASO COUNTY RETIREMENT PLAN

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

---

| <b>Year</b> | <b>Valuation Date</b> | <b>Annual<br/>Required<br/>Contribution</b> | <b>Percentage<br/>Contributed</b> |
|-------------|-----------------------|---|-----------------------------------|
| 2010        | January 1, 2010       | \$ 9,315,427 <sup>(1)</sup>                 | N/A                               |
| 2009        | January 1, 2009       | \$ 10,945,353                               | 56%                               |
| 2008        | January 1, 2008       | \$ 7,724,074                                | 82%                               |
| 2007        | January 1, 2007       | \$ 8,158,839                                | 77%                               |
| 2006        | January 1, 2006       | \$ 7,387,051                                | 83%                               |
| 2005        | January 1, 2005       | \$ 6,551,304                                | 87%                               |

<sup>(1)</sup> The January 1, 2010 amount is an estimate based on the annual required contribution percentage and an estimate of the 2010 covered payroll. The actual required contribution will be based on the annual required contribution percentage and the actual 2010 covered payroll. Factors including investment results and changes in employer demographic data will cause fluctuations in the annual required contribution on an ongoing basis.

---

See notes to required supplementary information.

# EL PASO COUNTY RETIREMENT PLAN

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

---

### 1. DESCRIPTION

The historical trend information is presented as required supplementary information. This information is intended to help financial statement users assess the funding status on a going-concern basis, and to assess progress made in accumulating assets to pay benefits when due.

### 2. ACTUARIAL ASSUMPTIONS AND METHODS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of January 1, 2010, the latest actuarial valuation date, follows.

|  |                                       |
|--|---------------------------------------|
| Actuarial cost method                            | Entry Age Normal                      |
| Amortization method                              | Level Percent Open                    |
| Remaining amortization period                    | 30 years                              |
| Asset valuation method                           | 5-year smoothed market                |
| Actuarial assumptions:                           |                                       |
| Investment rate of return                        | 8%                                    |
| Projected salary increases (including inflation) | 4.5% to 11.6%                         |
| Cost of living adjustments                       | None                                  |
| Inflation rate                                   | 3.5%                                  |
| Mortality rate                                   | 1994 Group Annuity<br>Mortality Table |

The January 1, 2010 actuarial valuation reflects no changes in actuarial assumptions and the following changes in plan provisions:

- Effective January 1, 2010 the required monthly participant contribution increases from 6% to 6.5% of earnings. The participant monthly contribution rate increases to 7% effective January 1, 2011 and 7.5% effective January 1, 2012.
- Normal retirement date for a member hired before January 1, 2010 is the first of the month on or after attainment of age 62. Normal retirement date for a member hired after December 31, 2009 is the first of the month on or after attainment of age 62, but not before the completion of 60 months of continuous service.

If hired before January 1, 2010, the monthly benefit payable at normal retirement is equal to 2.22% times the final average monthly compensation, times years of credited service. If hired after December 31, 2009, the monthly benefit payable at normal retirement is equal to 2.00% times final average monthly compensation times the first 10 years of credited service, plus 2.11% times final average monthly compensation times the member's 11<sup>th</sup> through 20<sup>th</sup> years of credited service, plus 2.22% times final average monthly compensation times credited service in excess of 20 years. Such benefit will not be greater than 75% of the participant's final average monthly compensation and not less than \$25.00 per year of credited service.

The January 1, 2009 actuarial valuation reflects no changes in actuarial assumptions.

The January 1, 2008 actuarial valuation reflects no changes in actuarial assumptions.

The January 1, 2007 actuarial valuation reflects the following changes in actuarial assumptions:

- The mortality, withdrawal, disability and retirement rates were changed to more accurately reflect plan experience. The impact of these changes was to increase the actuarial accrued liability by \$9,311,777.

The January 1, 2006 actuarial valuation reflects no changes in actuarial assumptions.

The January 1, 2005 actuarial valuation reflects no changes in actuarial assumptions and the following change in plan provisions:

- Increase in existing retirement benefits by the higher of 2% or \$10 per month.

**EL PASO COUNTY RETIREMENT PLAN**

**SUPPORTING SCHEDULES**

# EL PASO COUNTY RETIREMENT PLAN

## SUPPORTING SCHEDULES SCHEDULES OF ADMINISTRATIVE EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

---

|                                      | 2009                     | 2008                     |
|--------------------------------------|--------------------------|--------------------------|
| <b>PERSONNEL SERVICES</b>            |                          |                          |
| Staff salaries                       | \$ 181,730               | \$ 141,010               |
| Insurance                            | 19,861                   | 11,802                   |
| Social Security                      | 13,026                   | 10,175                   |
| Retirement                           | <u>8,646</u>             | <u>8,461</u>             |
| Total personnel services             | <u>223,263</u>           | <u>171,448</u>           |
| <b>PROFESSIONAL SERVICES</b>         |                          |                          |
| Actuarial                            | 64,658                   | 43,549                   |
| Legal and accounting                 | 46,136                   | 77,754                   |
| Audit                                | 15,800                   | 17,500                   |
| Other professional                   | <u>32,310</u>            | <u>34,150</u>            |
| Total professional services          | <u>158,904</u>           | <u>172,953</u>           |
| <b>COMMUNICATION</b>                 |                          |                          |
| Conferences and travel               | 8,212                    | 11,492                   |
| Printing and copying                 | 6,184                    | 3,106                    |
| Dues and subscriptions               | 2,083                    | 1,828                    |
| Postage and delivery                 | 1,853                    | 1,244                    |
| Telephone                            | <u>1,236</u>             | <u>1,559</u>             |
| Total communication                  | <u>19,568</u>            | <u>19,229</u>            |
| <b>MISCELLANEOUS</b>                 |                          |                          |
| Software maintenance                 | 43,338                   | 40,895                   |
| Depreciation                         | 36,153                   | 19,681                   |
| Insurance                            | 30,463                   | 32,071                   |
| Office supplies                      | 3,235                    | 3,489                    |
| Other                                | <u>604</u>               | <u>390</u>               |
| Total miscellaneous                  | <u>113,793</u>           | <u>96,526</u>            |
| <b>TOTAL ADMINISTRATIVE EXPENSES</b> | <u><u>\$ 515,528</u></u> | <u><u>\$ 460,156</u></u> |

---

# EL PASO COUNTY RETIREMENT PLAN

## SUPPORTING SCHEDULES

### SCHEDULES OF INVESTMENT EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

---

|  | 2009                | 2008                |
|--|---------------------|---------------------|
| <b>Investment Management:</b>          |                     |                     |
| Lee Munder Investments, Ltd.           | \$ 235,436          | \$ 187,047          |
| ING Clarion                            | 206,219             | 346,752             |
| LSV Asset Management                   | 166,046             | 205,577             |
| Gardner Lewis Asset Management         | 135,918             | 157,180             |
| Eaton Vance Management                 | 88,937              | 97,862              |
| Loomis Sayles & Co.                    | 83,612              | 78,726              |
| Roxbury Capital Management, LLC        | 63,627              | 81,344              |
| State Street Global Advisors           | 31,687              | 32,919              |
| <b>Investment Consultant:</b>          |                     |                     |
| Watershed Investment Consultants, Inc. | 67,665              | 67,665              |
| <b>Master Custodian:</b>               |                     |                     |
| Wells Fargo Bank                       | 48,925              | 57,468              |
| Other                                  | <u>313</u>          | <u>2,078</u>        |
| TOTAL INVESTMENT EXPENSES              | <u>\$ 1,128,385</u> | <u>\$ 1,314,618</u> |

## EL PASO COUNTY RETIREMENT PLAN

### SUPPORTING SCHEDULES

### SCHEDULES OF CONSULTANT EXPENSES <sup>(1)</sup>

### FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

---

|   | 2009                        | 2008              |
|---|-----------------------------|-------------------|
| Actuarial – Buck Consultants              | \$ 64,658                   | \$ 43,549         |
| Executive search – EFL Associates         | 32,310                      | 31,500            |
| Accounting – DMLG and Associates, LLP     | 26,400                      | 26,400            |
| Legal – Holme Roberts & Owens, LLP        | 19,736                      | 51,354            |
| Audit – Stockman Kast Ryan & Company, LLP | 15,800                      | 17,500            |
| Other                                     | <u>                    </u> | <u>2,650</u>      |
| Total consultant expenses                 | <u>\$ 158,904</u>           | <u>\$ 172,953</u> |

<sup>(1)</sup> Please see the Schedule of Investment Expenses for fees paid to investment professionals.