

Jackson County, Missouri
Revised Pension Plan



Jackson County, Missouri
www.jacksongov.org

Comprehensive Annual Financial Report
A Pension Trust Fund of
Jackson County, Missouri

For the Year Ended
June 30, 2008

Jackson County, Missouri
Revised Pension Plan

Comprehensive Annual Financial Report
A Pension Trust Fund of
Jackson County, Missouri



For the Year Ended
June 30, 2008

Prepared by:

Cheryl Colter
Assistant Director of Accounting

Under the Direction of:

Troy Thomas
Director of Finance and Purchasing

Joanne Mossie
Director of Human Resources

**Jackson County, Missouri
Revised Pension Plan
Table of Contents
Year Ended June 30, 2008**

Introductory Section

Certificate of Achievement for Excellence in Financial Reporting	1
Letter of Transmittal	2
Plan Administration	7
Administration Committee Members	8
Consulting Services.....	9

Financial Section

Independent Auditor's Report on the Financial Statements	10
Management's Discussion and Analysis	12
Basic Financial Statements	
Statements of Plan Net Assets.....	17
Statements of Changes in Plan Net Assets.....	18
Notes to Financial Statements	19
Required Supplementary Information	
Schedule of Funding Progress	27
Schedule of Employer/Employee Contributions	27
Notes to Required Supplementary Information	28
Other Supplementary Information, Schedule of Expenses.....	29

Investment Section

Asset Report on Investment Activity.....	30
Summary of Investment Policies	31
Schedule of Investment Results.....	32
Asset Allocation.....	33
List of Largest Assets Held.....	34
Schedule of Brokerage Commissions Paid	35
Investment Summary	36

**Jackson County, Missouri
Revised Pension Plan
Table of Contents
Year Ended June 30, 2008**

Actuarial Section

Actuary's Certification Letter.....	37
Summary of Actuarial Assumptions	39
Schedule of Active Member Valuation Data	42
Schedule of Retirees and Beneficiaries	
Added to and Removed From Rolls	43
Short-Term Solvency Test.....	44
Analysis of Financial Experience.....	45
Summary of Plan Provisions	46
Schedule of Active Members by Attained	
Age and Service	48

Statistical Section

Schedule of Changes in Plan Net Assets.....	49
Schedule of Additions by Source and Deductions by Type	50
Schedule of Benefit Expenses by Type.....	51
Schedule of Retired Members by Type of Benefit.....	52
Schedule of Average Benefit Payments.....	53
Schedule of Benefits Payable	54

This page left blank intentionally.

Jackson County, Missouri
Revised Pension Plan

Introductory Section



Certificate of Achievement for Excellence in Financial Reporting

Presented to
Jackson County,
Missouri Revised Pension
Plan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written over the printed name.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written over the printed name.

Executive Director



FINANCE and PURCHASING DEPARTMENT

JACKSON COUNTY COURTHOUSE

415 EAST 12TH STREET, ROOM 105
KANSAS CITY, MISSOURI 64106-2706

Website: jacksongov.org

December 31, 2008

The Honorable County Executive
Members of the County Legislature
Members of the Jackson County, Missouri
Pension Plan Administration Committee

We are pleased to transmit to you the 2008 Comprehensive Annual Financial Report of the Jackson County, Missouri Revised Pension Plan for the fiscal year ended June 30, 2008. State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The objective of this report is to inform the County Executive, Legislative body, and members of the Jackson County, Missouri Revised Pension Plan of the financial condition of the Plan.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe that the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Plan as measured by the financial activity of its fund, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Plan's financial affairs have been included.

The financial statements of the Plan have been audited by the independent auditors of McGladrey & Pullen LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Plan for the fiscal year ended June 30, 2008 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Plan's financial statements for the year ended June 30, 2008 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental accounting standards require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Jackson County, Missouri Revised Pension Plan's MD&A can be found immediately following the

Email: finance@jacksongov.org
(816) 881-3126
Fax: (816) 881-3877



Email: purchasing@jacksongov.org
(816) 881-3267
Fax: (816) 881-3268

report of the independent auditors. The accuracy and completeness of the data contained in this report is the sole responsibility of the management of the Plan.

Profile of the Plan

The Plan was created and established by ordinance of the Jackson County Legislature in 1967. The purpose of the Plan is to provide for the retirement of employees who become members of the Plan, to provide benefits for totally and permanently disabled members, and death benefits for spouses and beneficiaries of deceased members, subject to Plan provisions.

At year-end (June 30, 2008), the Plan had 1,523 active members and a total of 732 members or their beneficiaries currently receiving benefits. The Plan covers those employees of Jackson County, Missouri, the Little Blue Valley Sewer District, the Jackson County Board of Election Commissioners, the Kansas City Board of Election Commissioners, the Jackson County Law Library, Inc., the Jackson County Sports Complex Authority, and the Eastern Jackson County Multi-Jurisdictional Anti-Drug Task Force.

Local Economy

Jackson County's combination of big-city business amenities and small-market ease of living have made it a magnet for investment. Jackson County has one of the fastest growing major job markets in the Midwest; lower business and lifestyle costs than most major metros; a well-educated, extremely productive workforce and the most geographically-central major metro in the country. Jackson County economic development is no longer just about business attraction. Strategies that enhance business retention, labor force development and tourism and talent recruitment also now play a big role the county's success.

Jackson County is currently experiencing an unparalleled period of growth in transportation and logistics-related investment. This is in large part being driven by a dramatic increase in products shipped into the United States from Asia that has stretched the country's busiest coastal ports to capacity. As a result, Kansas City has emerged as an "inland port" that allows companies to diversify its import flow and use alternate routes for these goods to reach its customer base across the interior of the North American continent. Jackson County's central location and physical transportation infrastructure allow it to provide excellent support to the growth of the global market.

Long-term financial planning

The investment portfolio of the Plan is normally a major source of funds to the Plan. However, net investment income from both long-term and short-term investments amounted to a loss of \$10,654,403, primarily due to a \$15,292,068 decrease in the value of corporate stocks. Investment expenses and losses exceeded investment income and contributions by \$3,352,925. The supporting schedules reflect the changes in the portfolio during the year. The total yield on investments was -7.1% down from the 2007 total yield of 12.5%. The Plan's investments are held by a bank-administered trust fund.

Employer contributions are subject to annual appropriation by Jackson County, Missouri. Annual contributions consist of the normal cost and a payment toward funding past service liability. Six year history of Employer/Employee Contributions as a percent of the actuarial recommended contribution level ranged from a high of 106.9% in fiscal year ended 2003 to a low of 73.9% in 2007. Employer/Employee contributions during this reporting period have increased to 82% of the actuarial recommended contribution level due in part to a 1.5% decrease in the Actuarial Required Contributions. The Administration is making every effort to significantly increase the Employer Contribution in future budgets.

Relevant financial policies

Jackson County is responsible for establishing and maintaining internal control designed to ensure the protection of assets from loss, theft, or misuses, also to ensure the accounting information generated is adequate to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. The design of internal control is to provide reasonable assurance, although not absolute, in achieving these objectives.

As a Pension Trust Fund of Jackson County, Missouri the Revised Pension Plan is subject to this internal control. In addition, the County and the Plan are subject to annual audits.

This report is prepared in accordance with the principles of governmental accounting and reporting pronounced by the Governmental Accounting Standards Board. The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date.

The Pension Plan Administration Committee has set out the following investment objectives and policy guidelines.

Investment Objectives:

1. To preserve the principal of funds contributed to the Plan.
2. To provide a total return sufficient to equal an actuarial assumption of 7% and to maintain purchasing power of the principal through growth in values - a total return of at least GNP Deflator plus 4 ½%.
3. To provide an equity investment performance better than the S&P 500 Index and the top one-half of a broadly recognized equity manager universe.
4. To provide a fixed income investment performance better than the Lehman Brothers Govt./Corp. Intermediate Index (currently known as the Barclays Capital Intermediate Govt/Credit Index), and in the top one-half of a broadly recognized fixed income manager universe.

Policies:

1. The composition of investments of the fund will not exceed the range of 40% to 70% in equities and 40% to 60% fixed income securities; any uninvested monies will be in cash or cash equivalents. Up to 10% of the equity portfolio can be invested in small capitalization and up to 10% can be invested in International equity issues. Small capitalization issues are defined as stocks with a market capitalization of less than \$1 billion. Any deviation from these guidelines would be otherwise noted in writing at the next regular Pension Investment Committee meeting.
2. Short term investments (cash equivalents) shall be in obligations of the Federal government, securities with a Federal government guarantee, or issues of prime quality U.S. corporations.
3. Fixed income investments, other than cash equivalents, shall be obligations of the Federal government, securities with a Federal guarantee, G.I.C. contracts of high quality insurance companies, and corporate obligations having a S&P rating of "A" or better. The maximum maturity of any fixed income obligation will not exceed 15 years.
4. No single investment, except securities of the Federal government and securities with government guarantee, shall exceed 5% of the market value of securities in that category.
5. Other forms of investment strategies may be considered by the Pension Plan Administrative Committee at its regular meetings.
6. The investment manager will report quarterly as to the accomplishment of Investment Objectives and conformance to Policies. The manager will make recommendations quarterly for any changes in the objectives or policies.

Funding:

The bottom line for a retirement plan is the level of funding. The better the level of funding, the larger the ration of assets accumulated and investment income potential. A better level of funding gives the participants a higher degree of assurance that their pension benefits are secure. The advantage of a well-funded plan is that the participants can look at assets that are irrevocably committed to the payment of benefits. Although the historical level of funding for the Plan is good, we continue to make a constant effort of improving that level, thereby assuring the participants of a financially sound retirement plan. Funded ratio of Assets as a % to liability was 78.3% in 2008. This represents a decrease of .8% in the past six years. Funded ratio increased 7.1% from the 2007 ratio of 71.2%. This was the largest increase in the past six years. One factor that has helped in the increase has been a decrease in Valuation Payroll. Payroll for the years of 2003 through 2008 has increased 12.6%. In 2008, Valuation Payroll decreased 1.6%, the second decrease in six years. Contributions have increased 35.7% in the past six years while Required Contributions have increased 76.9% Every effort is being made to increase Employer Contributions in order to more closely match and exceed the Actuarial Required Contribution.

Professional Services:

Professional consultants retained by the Plan, are essential to the effective and efficient operation of the Plan. The firm of McCloud & Nichols, Inc. provides actuarial consultation. Various professional managers at United Missouri Bank provide investment counsel relative to the fixed income investments. Investment Managers with Hotchkis & Wiley Capital Management and Enhanced Technologies provide counsel for Common Stock owned by the Plan. Trustee and Plan Administration is being provided by Marshall and Ilsley. Callan Associates, Inc. provides for the monitoring of the investment performance of the Plan.

Awards and Acknowledgments

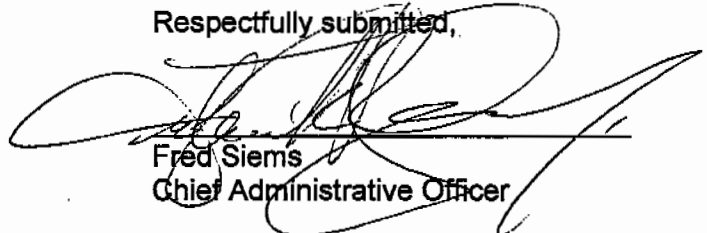
Certificate of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County, Missouri for its comprehensive annual financial report (CAFR) of the Jackson County, Missouri Revised Pension Trust Fund for the fiscal year ended June 30, 2007. This was the 15th consecutive year that Jackson County, Missouri has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate

Acknowledgements: The compilation of this report reflects the combined effort of the staff of Jackson County, Missouri, especially that of Cheryl Colter, Assistant Director of Accounting; Carmen Hayes, Benefits Specialist; and Joanne Mossie, Director of Human Resources. The intent is to provide complete and reliable information as a basis for making management decisions, to present evidence of compliance with legal provisions and demonstrate responsible stewardship for the assets contributed by the members and their employers.

On behalf of the committee, I would like to express our gratitude to the staff, the advisors, and to the many people who have worked so diligently to assure the successful operation of the Plan. I would also like to personally thank the Members of the Jackson County, Missouri Pension Plan Administration Committee, whose work has helped assure the members of the Plan can rely on future benefits.

Respectfully submitted,



Fred Siems
Chief Administrative Officer

Jackson County, Missouri
Revised Pension Plan
Plan Administration
June 30, 2008

County ordinance provides that the administration of the plan be vested in a Pension Plan Administration Committee appointed by the County Executive, subject to the disapproval of the County Legislature. The composition and membership of the Pension Plan Administration Committee shall be established as follows:

- (i) one (1) active Member of the Plan who is an employee of the Circuit Court;
- (ii) one (1) active Member of the Plan who is also a member of Local 42 bargaining unit within the Office of the Prosecuting Attorney;
- (iii) four (4) other active Members of the Plan, but not more than one member from any one department;
- (iv) four (4) independent business executives; and
- (v) one (1) labor leader or union representative affiliated with a labor organization or union with which the Employer has a current Memorandum of Understanding.
- (vi) one (1) active Member of the Plan to serve as Chair of the Committee.
- (vii) one (1) active Member of the Plan to serve as Secretary

The Investment section, Schedule of Brokerage Commissions Paid provides information on Investment professionals who provide services to the Plan.

**Jackson County, Missouri
Revised Pension Plan
Administration Committee Members
June 30, 2008**

Chairperson:
Fred Siems
Chief Administrative Officer
Ex-Officio Member

Secretary:
Joanne R. Mossie
Dir. of Human Resources
Ex-Officio Member

Forrest R. Bertsch
Circuit Court Employee

Rebecca Leavitt
Local 42 International Assoc. of Firefighters
Prosecuting Attorney Employee

Robert L. Burnett
Active Member

Gary Panethiere
Active Member

Howie Krueger
Independent Business Executive

Joseph F. Weinrich
Independent Business Executive

Louie Wright, President, IAFF Local 42
Local 42 International Assoc. of Firefighters
Union Representative

**Jackson County, Missouri
Revised Pension Plan
Consulting Services
June 30, 2008**

Actuary

McCloud & Nichols, Inc.
Joe Nichols
Liberty, Missouri

Auditors

McGladrey & Pullen, LLP
Certified Public Accountants
Beth Soukup, Partner
Kansas City, Missouri

Legal Counsel

Jackson County Counselors Office
Mark S. Jones
Kansas City, Missouri

Investment Management Consultant

Callan Associates, Inc.
Kevin Dolsen/Matt Shirilla, Consultants
Chicago, Illinois

Investment Manager

United Missouri Bank
Anne Moberg, CFA
Kansas City, Missouri

Investment Manager

Hotchkis & Wiley Capital Management
Kristin Smith
Los Angeles, California

Investment Manager

Enhanced Technologies
Jennifer Young
Palm Beach Gardens, Florida

Pension Trustee

Marshall & Ilsley
Lance Zimmerman
Kansas City, Missouri

Jackson County, Missouri
Revised Pension Plan

Financial Section



McGladrey & Pullen

Certified Public Accountants

McGladrey & Pullen, LLP
4801 Main Street, Suite 400
Kansas City, Missouri 64112
O 816.753.0030 F 816.753.3299
www.mcgladrey.com

Independent Auditor's Report

To the Members of the Jackson County, Missouri
Pension Plan Administration Committee of the
Jackson County, Missouri Revised Pension Plan
Kansas City, Missouri

We have audited the accompanying basic financial statements of the Jackson County, Missouri Revised Pension Plan (the Plan), a pension trust fund of Jackson County, Missouri, as of and for the years ended June 30, 2008 and 2007, as listed in the table of contents. 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.

As described in Note 1, the financial statements present only a pension trust fund of Jackson County, Missouri and do not purport to, and do not, present the financial position of Jackson County, Missouri as of June 30, 2008 and 2007, and the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Jackson County, Missouri Revised Pension Plan as of June 30, 2008 and 2007, 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 12 through 16 and the schedules of funding progress and employer/employee contributions on page 27 are not a required part of the basic financial statements of the Jackson County, Missouri Revised Pension Plan 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 audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, other supplementary information, investment section, actuarial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Jackson County, Missouri Revised Pension Plan. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all

McGladrey & Pullen LLP serves clients' global business needs through its membership in RSM International (an affiliation of separate and independent legal entities).

material respects in relation to the basic financial statements taken as a whole. The introductory section, investment section, actuarial section, and statistical section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Kansas City, Missouri
December 30, 2008

Management's Discussion and Analysis

As management of the Jackson County, Missouri Revised Pension Plan, we offer readers of the plan's financial statements this narrative overview and analysis of the financial activities of the plan for the fiscal years ended June 30, 2008 and 2007.

Financial Highlights (In thousands)

Plan net assets were \$150,715, reflecting a decrease of \$8,242. The change in net assets reflects a decrease of \$30,422 from the 2007 gain of \$22,180. The decrease was largely due to the decreased value of the investments in corporate stocks. (Refer to page #17) The net assets are available to meet Jackson County's ongoing obligations to Plan participants and their beneficiaries.

Revenues (additions to plan net assets) for the year were \$(3,353) which reflects a decrease of \$29,950 from the 2007 addition of \$26,597. An investment loss of \$10,655 reflects a decrease of \$30,567 from the 2007 gain of \$19,912 due primarily to the depreciation of investments in corporate stocks. (Refer to page #18).

Expenses (deductions in plan net assets) increased \$472 from \$4,417 in 2007 to \$4,889. The primary reasons for the increase were benefit payments which increased \$516. Administrative expense decreased \$44 primarily due to decreases in payments for investment performance reviews and investment consulting. (Refer to page #18). Pension benefits paid to retirees, survivors and disability claims was \$4,780, an increase of \$516. (Refer to page #18). Employer contributions to the plan were \$7,281, an increase of \$605. (Refer to page #18).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jackson County, Missouri Revised Pension Plan. The financial section of the Jackson County, Missouri Revised Pension Plan is comprised of four components: (1) Fund Financial Statements, (2) Notes to Financial Statements, (3) Required Supplementary Information, and (4) Other supplementary schedules.

Fund financial statements: (1) The Statements of Plan Net Assets is a snapshot of account balances at fair market value as of the end of the reporting period whereby Net Assets equals Assets less Liabilities at fiscal year end. It indicates the assets available for future payments to retirees. (2) The Statements of Changes in Plan Net Assets provide a view of current year additions to and deletions from the plan whereby the net change in net assets equals additions less deductions. Both statements are in compliance with all Government Accounting Standard Board Statements (GASB) pronouncements for state and local governments.

Notes to Financial Statements: Provides additional information not readily evident in the statements themselves. The notes are an integral part of the financial statements

Required Supplementary Information: Consists of a Schedule of Funding Progress and Schedule of Employer/Employee Contributions. The Schedules of Administrative Expenses, Investment Expenses and Payments to Vendors are presented immediately following the required supplementary information. These schedules provide historical and additional detailed information considered useful in evaluating the condition of the plan.

Financial Analysis

Investments

Defined Benefit Pension Trust Fund Changes in Net Assets

The investment policy is set by the Pension Plan Administration Committee. The policy states the composition of investments of the fund will not exceed the range of 40% to 60% in equities and fixed income securities. The chart below represents the composition of the plan net assets at June 30, 2008, 2007 and 2006, respectively. Total corporate stocks were 56% of the portfolio while U.S. government securities accounted for 34.4%. The remaining funds were in corporate bonds and short term investments.

SUMMARY COMPARATIVE STATEMENTS OF PLAN NET ASSETS (In Thousands)

	\$ In Thousands							
	June 30, 2008	June 30, 2007	Change	\$ Amount %	June 30, 2007	June 30, 2006	Change	\$ Amount %
US GOVERNMENT SECURITIES	\$ 50,895	\$ 47,852	\$ 3,043	6.4%	\$ 47,852	\$ 43,462	\$ 4,390	10.1%
CORPORATE STOCKS								
COMMON STOCKS	51,492	63,329	(11,837)	-18.7%	63,329	53,704	9,625	17.9%
REGIONAL STOCKS	14,401	15,678	(1,275)	-8.1%	15,678	12,900	2,778	21.5%
INTERNATIONAL STOCKS	18,287	18,109	178	1.0%	18,109	13,960	4,149	29.7%
TOTAL CORPORATE STOCKS	84,180	97,114	(12,934)	-13.3%	97,114	80,564	16,550	20.5%
CORPORATE BONDS & DEBENTURES	694	1,203	(509)	-42.3%	1,203	2,005	(802)	-40.0%
MUNICIPAL BONDS	815	794	21	2.6%	794	785	9	1.2%
MONEY MARKET FUND	13,868	12,051	1,817	15.1%	12,051	9,489	2,562	27.0%
TOTAL MANAGEMENT INVESTMENTS	150,452	159,014	(8,562)	-5.4%	159,014	138,305	22,709	16.7%
ACCRUED INTEREST AND DIVIDENDS	460	487	(27)	-5.5%	487	472	15	3.2%
TOTAL ASSETS	150,912	159,501	(8,589)	-5.4%	159,501	138,777	22,724	16.6%
ACCRUED EXPENSE	197	544	(347)	-63.8%	544	-	544	100.0%
NET ASSETS	\$ 150,715	\$ 158,957	\$ (8,242)	-5.2%	\$ 158,957	\$ 138,777	\$ 22,180	16.2%

(Continued)

Defined Benefit Pension Trust Fund Changes in Net Assets (Continued)
(In Thousands)

2008

Net assets decreased in value \$8,242. The most significant factor was the decrease in valuation of corporate stocks in the amount of \$12,934.

2007

Net assets increased in value \$22,180. The most significant factor was the increase in valuation of corporate stocks in the amount of \$16,550 and government securities which increased \$4,390. A change in investment strategy that began in 2003 focuses more funds into common stock, international stocks and government securities by reducing the amount of investments in corporate bonds and short-term money market funds.

SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET ASSETS
(In Thousands)

	<u>2008</u>	<u>2007</u>	<u>Change</u>	<u>%</u>	<u>2007</u>	<u>2006</u>	<u>Change</u>	<u>%</u>
NET APPRECIATION (DEPRECIATION) \$	(14,617)	16,231	(30,848)	-190.1%	16,231	7,070	9,161	129.6%
INTEREST AND DIVIDENDS	4,538	4,302	236	5.5%	4,302	3,624	678	18.7%
INVESTMENT EXPENSE	(576)	(621)	45	-7.3%	(621)	(240)	(381)	158.8%
NET INVESTMENT INCOME (LOSS)	(10,655)	19,912	(30,567)	-153.5%	19,912	10,454	9,458	90.5%
EMPLOYEE CONTRIBUTIONS	21	9	12	133.3%	9	43	(34)	-79.1%
EMPLOYER CONTRIBUTIONS	7,281	6,676	605	9.1%	6,676	6,604	72	1.1%
TOTAL ADDITIONS	(3,353)	26,597	(29,950)	-112.6%	26,597	17,101	9,496	55.5%
BENEFITS PAID	4,780	4,264	516	12.1%	4,264	3,712	552	14.9%
ADMINISTRATIVE EXPENSES	109	153	(44)	-28.8%	153	85	68	80.0%
TOTAL DEDUCTIONS	4,889	4,417	472	10.7%	4,417	3,797	620	16.3%
CHANGE IN NET ASSETS	\$ (8,242)	\$ 22,180	\$ (30,422)	-137.2%	\$ 22,180	\$ 13,304	\$ 8,876	66.7%
NET ASSETS HELD IN TRUST								
BEGINNING OF YEAR	158,957	136,777	22,180	16.2%	136,777	123,473	13,304	10.8%
END OF YEAR	\$ 150,715	\$ 158,957	\$ (8,242)	-5.2%	\$ 158,957	\$ 136,777	\$ 22,180	16.2%

2008

Net depreciation showed a marked increase of \$30,848 due to losses, most notably in the corporate stock market value which reflected a net depreciation of \$31,484 from 2007 to 2008. The total depreciation in corporate stocks was \$15,292, comprised of realized gains of \$629 from 2007 to 2008 and an unrealized loss of \$15,921.

The negative change of \$30,567 in net investment income is due primarily to a decrease of \$30,848 in net appreciation in fair value of investments. Corporate stocks net depreciation was \$31,484; the largest decrease by category from 2007 to 2008.

Employer contributions to the plan increased \$605 and 9.1%.

SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET ASSETS (Continued)
(In Thousands)

Benefits paid to retirees, survivors and disabilities increased \$516 and 12.1%. Part of the cost increase was due to a net increase in participants receiving benefits during the reporting period.

Administrative expenses were \$109 for 2008, a decrease of \$44 from 2007. The decrease was primarily due to decreased payments for investment performance reviews and investment consulting.

Investment expense decreased \$45 and 7.3% from 2007. Investment fees are based on asset market values which reflected a decrease in asset market value of \$8,562 and 5.4% from 2007.

2007

Net appreciation showed a marked increase of \$9,161 due to an increase in net gains, most notably in the corporate stock market value which reflected a net appreciation of \$8,105 from 2006 to 2007. The total appreciation in corporate stocks was \$16,192, comprised of realized gains of \$5,837 from 2006 to 2007 and a gain of \$10,355 in unrealized appreciation.

The positive change of \$9,458 in net investment income is due primarily to an increase of \$9,161 in net appreciation in fair value of investments. Corporate stocks net appreciation was \$8,105; the largest increase by category from 2006 to 2007.

Employer contributions to the plan increased \$72 and 1.1%.

Benefits paid to retirees, survivors and disabilities increased \$552 and 14.9%. Part of the cost increase was due to a net increase in participants receiving benefits during the reporting period.

Administrative expenses were \$153 for 2007, an increase of \$68 from 2006. The increase was primarily due to increased costs for investment consulting services and legal services.

Investment service expense increased \$381 and 158.8% from 2006. Investment fees are based on asset market values which reflected an increase in asset market value of \$22,709 and 16.7% from 2006.

Economic Factors (In thousands)

2008

Employer contributions to the Plan for the 2007-2008 fiscal year have increased 9.1%. Contributions continue to increase to support the ongoing efforts to reduce the unfunded liability of the plan and meet the annual required contribution.

SUMMARY COMPARATIVE STATEMENTS OF CHANGES IN PLAN NET ASSETS (Continued)
(In Thousands)

The assets of Jackson County exceeded its liabilities at the close of fiscal year 2007 by \$274,468 (net assets). Of this amount, \$162,943 is invested in capital assets (net of related debt), and the remainder is for park operations, capital projects, and debt service.

The total debt of Jackson County decreased by \$7,733 in the fiscal year 2007. There were no bonds issued during the fiscal year.

Real and Personal tax assessed value of \$9,833,611 in 2007 reflected an increase in the base of \$750,434 and 8.3% from 2006. Revenue for Jackson County in 2007 was \$281,602, an increase of 45.6% from 2006.

2007

Employer contributions to the Plan for the 2006-2007 fiscal year have increased 1.1%. Contributions continue to increase to support the ongoing efforts to reduce the unfunded liability of the plan and meet the annual required contribution.

The assets of Jackson County exceeded its liabilities at the close of fiscal year 2006 by \$192,546 (net assets). Of this amount \$4,514 (unrestricted net assets) may be used to meet the County's ongoing obligations to its citizens and creditors.

The total debt of Jackson County increased by \$474,662 in the fiscal year 2006. The main factor in this increase was issuance of \$498.3 million in general obligation bonds for the improvement of the Harry S. Truman Sports Complex.

Real and Personal tax assessed value of \$9,083,178 in 2006 reflected an increase in the base of \$215,855 and 2.4% from 2005. Revenue for Jackson County in 2006 was \$193,390, an increase of 10.6% from 2005.

**Jackson County, Missouri
Revised Pension Plan
Statements of Plan Net Assets
June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Assets:		
Investments		
U.S. Gov't Securities	\$ 50,895,238	\$ 47,852,085
Corporate Stocks	84,180,293	97,113,467
Corporate Bonds & Debentures	693,529	1,202,811
Municipal Bonds	814,834	794,465
Money Market	<u>13,867,571</u>	<u>12,051,454</u>
Total Investments	150,451,465	159,014,282
Accrued Interest and Dividends	<u>460,409</u>	<u>486,449</u>
Total Assets	150,911,874	159,500,731
Liabilities:		
Accrued Expense	<u>197,412</u>	<u>544,212</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 150,714,462</u>	<u>\$ 158,956,519</u>

(A schedule of funding progress for the plan is presented on page 27)

See Notes to Basic Financial Statements.

Jackson County, Missouri
Revised Pension Plan
Statements of Changes in Plan Net Assets
Years Ended June 30, 2008 and 2007

	2008	2007
Additions:		
Net Investment Income:		
Net appreciation (depreciation) in fair value of investments:		
U.S. Gov't Securities	\$ 641,690	\$ 55,609
Corporate Stocks	(15,292,068)	16,191,749
Corporate Bonds and Debentures	33,839	(15,687)
	(14,616,539)	16,231,671
Interest and Dividends	4,538,323	4,302,111
Investment Expense	(576,187)	(621,323)
Net Investment Income (Loss)	(10,654,403)	19,912,459
Employee Contributions	20,570	8,673
Employer Contributions	7,280,908	6,675,757
Total Contributions	7,301,478	6,684,430
Total Additions	(3,352,925)	26,596,889
Deductions:		
Benefits paid directly to participants	4,780,297	4,263,848
Administrative Expenses	108,835	153,243
Total Deductions	4,889,132	4,417,091
Change in Net Assets	(8,242,057)	22,179,798
Net Assets Held in Trust for Plan Benefits:		
Beginning of Year	158,956,519	136,776,721
End of Year	\$ 150,714,462	\$ 158,956,519

See Notes to Basic Financial Statements.

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(1) Description of the Plan

The Jackson County, Missouri Revised Pension Plan (the Plan) is considered a single-employer defined benefit plan providing for retirement, disability and death benefits for all eligible employees of Jackson County, the Little Blue Valley Sewer District, the Jackson County Board of Election Commissioners, the Kansas City Board of Election Commissioners, the Jackson County Sports Complex Authority, the Jackson County Law Library, Inc., and the Eastern Jackson County Multi-Jurisdictional Anti-Drug Task Force. The benefit provisions are provided under the authority of Revised Missouri section 50.337. The County, as administrator of this single-employer plan, has agreed to voluntarily contribute such amounts as are necessary to provide assets sufficient to meet benefits to be paid to Plan members. Other political subdivisions also make contributions to the Plan. The Plan is included in the County's financial reports as a Pension Trust Fund, however, these financial statements present only the pension trust fund. The County has the right under the Plan to discontinue such contributions at any time and terminate the Plan. In the event of Plan termination, the Plan's net assets are to be distributed in the following order:

1. To provide for the distribution of non refunded participants contributions.
2. To provide for the continuance of benefits to those receiving such prior to plan termination.
3. To provide benefits for those eligible, but not yet receiving benefits as of plan termination date.
4. To provide benefits to participants at normal retirement date eligible for termination benefits whether or not they have actually terminated, without reference to the order they shall reach normal retirement date.
5. To provide for subsequent normal retirement benefits for members upon reaching normal retirement date.

Normal Retirement

The Plan calls for the normal retirement benefit at age sixty-five of 1.5% of the average monthly earnings for each year of credited service (computed average monthly earnings for the highest thirty-six consecutive months, from the previous one-hundred twenty months). Effective December 15, 1997 the plan was amended to also provide a normal retirement benefit to those active employees who have reached the age of fifty-five and whose years of age and credited service total eighty years.

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(1) Description of the Plan (Continued)

Normal Retirement (Elected Officials)

Effective November 5, 2003 the plan was amended to provide a benefit schedule applicable to Elected Officials. The Plan allows for a normal retirement benefit calculation of 4.167% of the Average Monthly Earnings for each year of first twelve years of credited service plus 5% of Average Monthly Earnings times years of credited service from year 12 to 16. The elected official is required to contribute 4% of salary to the plan.

Early Retirement

Early retirement is available at age fifty-five and five years of service, subject to certain reductions from the normal benefit. No benefits are available before age fifty-five, exclusive of disability benefits.

Disability Retirement

The participant shall receive the accrued benefit, if the participant has five years of service and the disability is total and permanent as defined by the Social Security Act.

Pre-retirement Death Benefit

If any active member should die being vested in the plan, a lump sum death benefit equal to the deceased member's current benefit at the time of death shall be payable.

Eligibility

Employees become eligible for the plan on the January 1st after completion of one year of full-time service.

Vesting

The participant is 100% vested after five years of service. No partial vesting is allowed.

As of June 30, 2008 and 2007, the Jackson County, Missouri Revised Pension Plan membership consisted of:

	<u>2008</u>	<u>2007</u>
Retirees and beneficiaries currently receiving benefits	732	692
Terminated employees entitled to benefits but not yet receiving them	975	940
Current employees:		
Vested	1,154	1,170
Non Vested	369	456
Total	<u>3,230</u>	<u>3,258</u>

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(1) Description of the Plan (Continued)

Contributions

Employer contributions are subject to annual appropriation by Jackson County, Missouri, and other related political subdivisions. The only employee contributions are the 4% required to be contributed by elected officials. No other employee contributions are allowed. The Plan receives an annual actuarial valuation for the purpose of determining the recommended contribution rates.

The actuarially determined required contribution and actual contributions for the years ended June 30, 2008 and 2007 were:

	<u>2008</u>	<u>2007</u>
Annual required contribution	\$8,907,971	\$9,045,392
Interest on net pension obligation	952,504	767,768
Adjustment	<u>(607,464)</u>	<u>(489,645)</u>
Annual pension cost	\$9,253,011	\$9,323,515
Actual contributions made	7,301,478	6,684,430
Covered payroll	\$62,259,758	\$63,302,290
Percentage of covered payroll contributed	11.73%	10.56%

Administrative costs of the pension plan are financed through investment earnings when incurred.

Funded Status and Funding Progress

As of July 1, 2008, the most recent actuarial valuation date, the plan was 78.3% funded. The actuarial accrued liability for benefits was \$198,328,898, and the actuarial value of assets was \$155,208,697, resulting in an unfunded actuarial accrued liability (UAAL) of \$43,120,201. The covered payroll (annual payroll of active employees covered by the plan) was \$62,259,758, and the ratio of the UAAL to the covered payroll was 69.3%.

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(1) Description of the Plan (Continued)

Actuarial Methods and Assumptions

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The actuarial methods and assumptions used are as follows:

Valuation date:	July 1, 2008
Actuarial cost method:	Individual Entry Age Normal Method
Amortization method:	Level dollar, Closed Period
Remaining amortization period:	30 years ending December 31, 2038
Asset valuation method:	5 years smoothed averaged
Investment rate of return:	7% compounded annually, net of expenses
Projected salary increases:	5%
Inflation rate:	1.5%
Post retirement benefit increase:	1.5% for participants who both terminate and retire after July 31, 1990.

(2) Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting and Basis of Presentation

The Jackson County, Missouri Revised Pension Plan (The Plan) uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Plan's fund is classified as a Pension Trust Fund of fiduciary fund type. Pension Trust Funds account for assets held by the Plan in a trustee capacity or as an agent on behalf of others and are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Employer contributions are recognized when paid and the employer has made a formal commitment to provide the contributions. Interest and dividend income are recorded when earned. Expenses are recorded when the corresponding liabilities are incurred. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation and Income Recognition

Investments are recorded at fair value. If available, quoted market prices are used to value investments. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Where marketable securities are not listed on an exchange, quotations are obtained from brokerage firms or national pricing services. Investments that do not have an established market are reported at estimated fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(2) Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from these estimates.

Concentration of Investments

At June 30, 2008, investments in Short Term Money Market Fund represent 9.2% of the Plan's net assets held in trust for pension benefits. All other individual investments represent less than 5% of the net assets held in trust for pension benefits.

Administrative Expense

Actuarial, investment management and bank trustee fees and expenses are included in the Plan's expenses when incurred. Expenses applicable to the Plan year that have not been paid, are accrued and reflected in the total expense reported.

(3) Investments

The Plan's investments are held by a bank-administered trust fund. The bank has been granted discretionary authority concerning purchases and sales of investments in the trust fund, within the limits of the Plans' objectives and policy guidelines. Short-term investments (cash equivalents) shall be in obligations of the Federal government, securities with a Federal government guarantee or issues of prime quality U.S. corporations. Equity securities are limited to 60% of total investments. Fixed income investments, other than cash equivalents, shall be obligations of the Federal government, securities with a Federal guarantee, G.I.C. contracts of high quality, insurance companies, and corporate obligations, having a Standard & Poor's rating of "A" or better. Investment performance is reviewed quarterly by the Pension Plan Administration Committee and a professional investment performance analyst.

(A) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Plan investment policy, the Plan minimizes the market value risk of investments in the portfolio by structuring its investment portfolio so that securities mature to meet

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(3) Investments (Continued)

cash requirements for operations, thereby avoiding the need to sell securities in the open market prior to maturity. The Plan does not have a policy for Interest Rate Risk.

Information about the sensitivity of the fair values of the Plans investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plans investments by maturity:

Security Description	Current Market Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	Greater Than 10
US Agencies	\$ 49,890,158	\$ 2,252,191	\$ 2,898,859	\$ 15,590,866	\$ 29,148,242
Municipal Bonds	814,834			814,834	
Money Market	13,867,571	13,867,571			
Treasury Note	1,005,080	1,005,080			
Corporate Bonds	693,529		150,554	132,655	410,320
	<u>\$ 66,271,172</u>	<u>\$ 17,124,842</u>	<u>\$ 3,049,413</u>	<u>\$ 16,538,355</u>	<u>\$ 29,558,562</u>

(B) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan does not have a policy for Credit Risk.

As of June 30, 2008 the Plans investments were rated as follows:

Security Description	Moody's	Standard & Poor's
US Agencies:	NOT RATED	NOT RATED
Small Business Administration		
FMHA		
US Department of Agriculture		
GNMA		
Federal Home Loan Bank		
Federal National Mortgage Association		
Municipal Bonds	Aa1	AA+
Money Market	NOT RATED	NOT RATED
Treasury Note	NOT RATED	NOT RATED
Corporate Bonds		
May Dept Stores	Baa3	BBB-
En Boat LLC	NOT RATED	NOT RATED
Ensco Offshore Co	NOT RATED	NOT RATED

(C) Custodial Credit Risk

The Custodial Credit Risk for investments is the risk that in the event of the failure of the counter party (e.g. Broker-Dealer) to a transaction, a government will not be able to

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(3) Investments (Continued)

recover the value of its investment or collateral securities that are in the possession of another party. The Plan does not have a policy for Custodial Credit Risk.

At June 30, 2008 and 2007, the Plan's corporate bonds and debentures, corporate stocks, United States government securities and municipal bonds are categorized as Category 2, which is uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the name of the Plan. The Short-term money market funds are not categorized. The Plan's investments during the years ended June 30, 2008 and 2007 did not differ significantly from these at the respective year-ends in amounts or level of risk.

At June 30, 2008 and 2007, all of the Plan's investments were stated at fair value as determined by quoted market prices, with the exception of certain Notes and Mortgages, valued at estimated fair value.

(4) Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits as of the most recent information available is as follows:

	July 1,	
	2008	2007
Vested benefits		
Participants currently receiving payments	\$ 49,976,636	\$ 44,344,691
Other participants	112,963,855	108,791,074
	162,940,491	153,136,665
Nonvested benefits		
Total actuarial present value of accumulated plan benefits	3,526,698	3,698,961
	<u>\$ 166,467,189</u>	<u>\$ 156,835,626</u>
	July 1,	
	2008	2007
Vested benefits		
Participants currently receiving payments	\$ 156,835,626	\$ 138,433,845
Increase/(decrease) during the year		
Attributable to:		
Increase for interest due to the increase in discount period and benefits accumulated	14,411,860	22,665,629
Benefits paid	(4,780,297)	(4,263,848)
Net increase	9,631,563	18,401,781
Actuarial present value of accumulated plan benefits at end of year	<u>\$ 166,467,189</u>	<u>\$ 156,835,626</u>

**Jackson County, Missouri
Revised Pension Plan
Notes to Financial Statements
June 30, 2008 and 2007**

(5) New Pronouncements

The Plan implemented the following Governmental Accounting Standard Board (GASB) Statement during the year:

- GASB Statement No. 50, *Pension Disclosures*, an amendment of GASB Statements No. 25 and No. 27: This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. This Statement modified the footnote disclosures regarding the Plan.

As of June 30, 2008, the GASB has issued the following statement not yet implemented by the Plan. The statement which might impact the Plan is as follows:

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, will be effective for the Plan beginning with its year ending June 30, 2010. This Statement will improve how state and local governments report information about derivative instruments in the financial statements. The Statement specifically requires the plan to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements.

The Plan's management has not yet determined the effect this statement will have on the Plan's financial statements.

(6) Subsequent Event

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Plan's investments have likely incurred a significant decline in fair value since June 30, 2008.

Jackson County, Missouri
Revised Pension Plan
Six-Year Historical Trend Information
Required Supplementary Information

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)
Year Ended June 30	Actuarial Accrued Liabilities	Actuarial Valuation Assets	Unfunded Actuarial Liabilities (1) - (2)	Valuation Payroll	Funded Ratio Assets As a % of Liabilities (2) / (1)	Unfunded Liabilities as % of Payroll (3) / (4)
2003	\$ 135,842,944	\$ 107,386,039	\$ 28,456,905	\$ 55,285,472	79.1%	51.5%
2004	144,920,041	108,340,971	36,579,070	58,576,798	74.8%	62.4%
2005	161,870,918	111,227,800	50,643,118	64,263,870	68.7%	78.8%
2006	172,848,627	118,144,290	54,704,337	66,491,224	68.4%	82.3%
2007	188,032,491	133,844,342	54,188,149	63,302,290	71.2%	85.6%
2008	198,328,898	155,208,697	43,120,201	62,259,758	78.3%	69.3%

Note: The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

Schedule of Employer/Employee Contributions

Year Ended June 30	Employer/Employee Contributions	Annual Required Contribution (1)	Percentage Recommended vs. Actual
2003	\$ 5,379,655	\$ 5,034,468	106.9%
2004	5,687,845	6,328,397	89.9%
2005	6,821,690	6,986,310	97.6%
2006	6,646,911	8,494,265	78.3%
2007	6,684,430	9,045,392	73.9%
2008	7,301,478	8,907,971	82.0%

(1) Includes normal cost and amortization of unfunded past service liability over thirty years

See Note to Required Supplementary Information.

**Jackson County, Missouri
Revised Pension Plan
Note to Required Supplementary Information
June 30, 2008 and 2007**

Actuarial Information

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

Valuation date	July 01, 2008
Actuarial cost method	Individual Entry age
Amortization method	Level dollar, Closed Period
Remaining amortization period	30 years ending December 31, 2038.
Asset valuation method	5 years smoothed average

Actuarial Assumptions

Assumed rate of return on Investment	7% compounded annually, net of investment expenses.
Salary Increases	Salaries will increase 5% per annum, up to age 64.
Assumed inflation rate	1.5% per annum.
Post Retirement Benefit Increase	1.5% per annum increase for participants who both terminate and retire after July 31, 1990.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Expenses
Years Ended June 30, 2008 and 2007**

Schedule of Administrative Expenses

<u>Administrative Expense</u>	<u>2008</u>	<u>2007</u>
Legal Services	\$ 510	\$ 10,919
Audit/Actuarial Services	30,825	37,324
Investment Performance Review	77,500	105,000
	<u>\$ 108,835</u>	<u>\$ 153,243</u>

Schedule of Investment Expenses

<u>Investment Service</u>	<u>2008</u>	<u>2007</u>
Consulting Fees	\$ 143,428	192,829
Investment Manager Fees	432,759	428,494
	<u>\$ 576,187</u>	<u>\$ 621,323</u>

Schedule of Payments to Vendors

<u>Individual or Firm</u>	<u>Commission/Fee</u>	<u>Nature of Service</u>
Asset Consulting Group	\$ 35,000	Investment Performance Review
Callan Associates, Inc.	42,500	Investment Performance Review
Polsinelli	510	Legal Services
McGladrey & Pullen/Defined Benefits, Inc./ McCloud & Nichols	30,825	Audit/Actuarial Services
	<u>\$ 108,835</u>	

This page left blank intentionally.

Jackson County, Missouri
Revised Pension Plan

Investment Section



CALLAN ASSOCIATES^{INC.}



November 25, 2008

Jackson County, Missouri Revised Pension Plan
Kansas City, Missouri

SAN FRANCISCO

LORHAM PARK, NJ

CHICAGO

ATLANTA

DENVER

The investment performance returns as shown in the five year investment performance review are all calculated using information derived from daily from feeds established through the Fund's custodial institution. Daily domestic equity returns are calculated using a time-weighted rate of return methodology based upon beginning and end of day market values and cash flows. Daily returns are linked to provide compounded, annual, and annualized rates of return for periods of one, three, five years and beyond when available. For the international equity and fixed income portfolios, monthly returns are calculated using a time-weighted rate of return methodology based upon beginning and end of month market values and cash flows. Monthly returns are linked to provide compounded, annual, and annualized rates of return for periods of one, three, five years and beyond when available. The returns as shown in this report are gross of investment manager fees.

The investment performance of the Total Fund and its segments is compared to relevant benchmark returns and presented to the Pension Plan Administration Committee on a monthly basis. For the Total Fund, the benchmark is an index which reflects the asset mix policy established by the Pension Plan Administration Committee and is referred to as the Policy Index. Comparisons to the Policy Index and the median return of a universe of total funds with similar asset allocation are presented to the Pension Plan Administration Committee on a quarterly basis.

All of the above comparisons are included in the Statement of Investment Policy and Objectives, and are also reported to the Pension Plan Administration Committee on a quarterly basis. Investment objectives are spelled out for the Total Fund and each of the segments for on year time periods and longer (3-5 years), and include protecting the fund corpus, both nominally and in terms of inflation, by achieving a return in excess of the 7% actuarial rate, the median return of a universe of funds with similar asset mix, and that of an unmanaged index return (constructed to reflect the asset mix of the Fund's assets). In addition, investment managers are monitored for adherence to style, both on a returns-based regression analysis as well as a holdings-based characteristic analysis versus the appropriate benchmarks specified in the Statement of Investment Policy and Objectives. Current asset allocation ranges, and targets within those ranges, are measured against target ranges established in the Statement of Investment Policy and Objectives on a monthly basis. The status of each is also presented on a monthly investment performance review submitted to the Pension Plan Administration Committee.

The risk profile of the Total Fund and its segments is also measured quarterly for one, three, and five years, and includes the usual Modern Portfolio Theory statistics: alpha, beta, information ratio, sharpe ratio, and standard deviation. To further reduce risk, Fund assets are diversified by asset class, by security, and by investment manager style.

Regards,

Kevin Dolsen
Callan Associates, Inc.

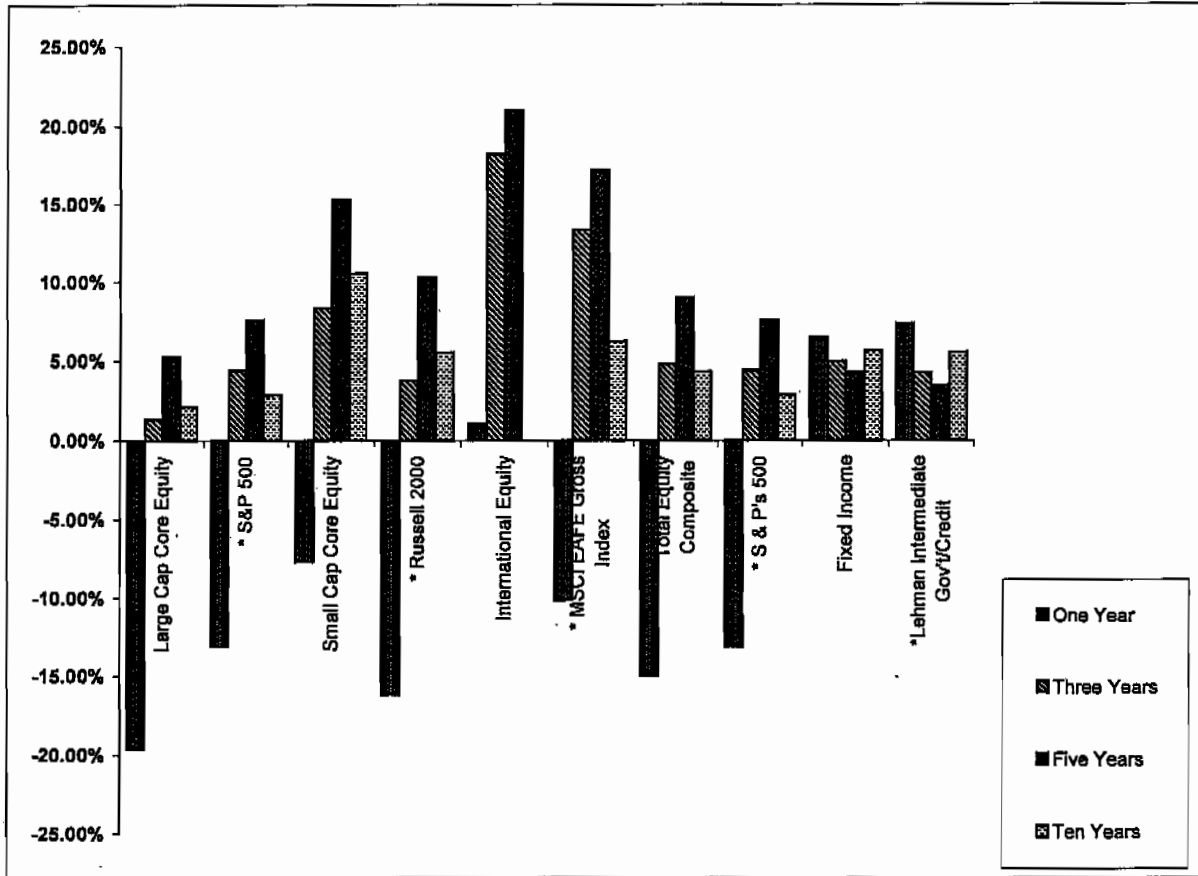
Jackson County, Missouri
Revised Pension Plan
Summary of Investment Policies
June 30, 2008

This section of the report presents the investment policies of the Plan. The Pension Plan Administration Committee has set out the following investment policy guidelines.

Investment Policies:

1. The composition of investments of the fund will not exceed the range of 40% to 70% in equities and 40% to 60% in fixed income securities, any un-invested monies will be in cash or cash equivalents. Up to 50% of the equity portfolio can be invested in Domestic Large Cap, 10% in Domestic Small Cap and 10% in International equity issues. Small capitalization issues are defined as stocks with a market capitalization of less than \$1 billion. Any deviation from these guidelines would be otherwise noted in writing at the next regular Pension Investment Committee meeting.
2. Short term investments (cash equivalents) shall be in obligations of the Federal government, securities with a Federal government guarantee, or issues of prime quality U.S. corporations.
3. Fixed income investments, other than cash equivalents, shall be obligations of the Federal government, securities with a Federal guarantee, G.I.C. contracts of high quality insurance companies, and corporate obligations having a S&P rating of "A" or better. The maximum maturity of any fixed income obligation will not exceed 15 years.
4. No single investment, except securities of the Federal government and securities with government guarantee, shall exceed 5% of the market value of securities in that category.
5. Other forms of investment strategies may be considered by the Pension Plan Administrative Committee at its regular meetings.
6. The investment manager will report quarterly as to the accomplishment of Investment Objectives and conformance to Policies. The manager will make recommendations quarterly for any changes in the objectives or policies.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Investment Results
Year Ended June 30, 2008**

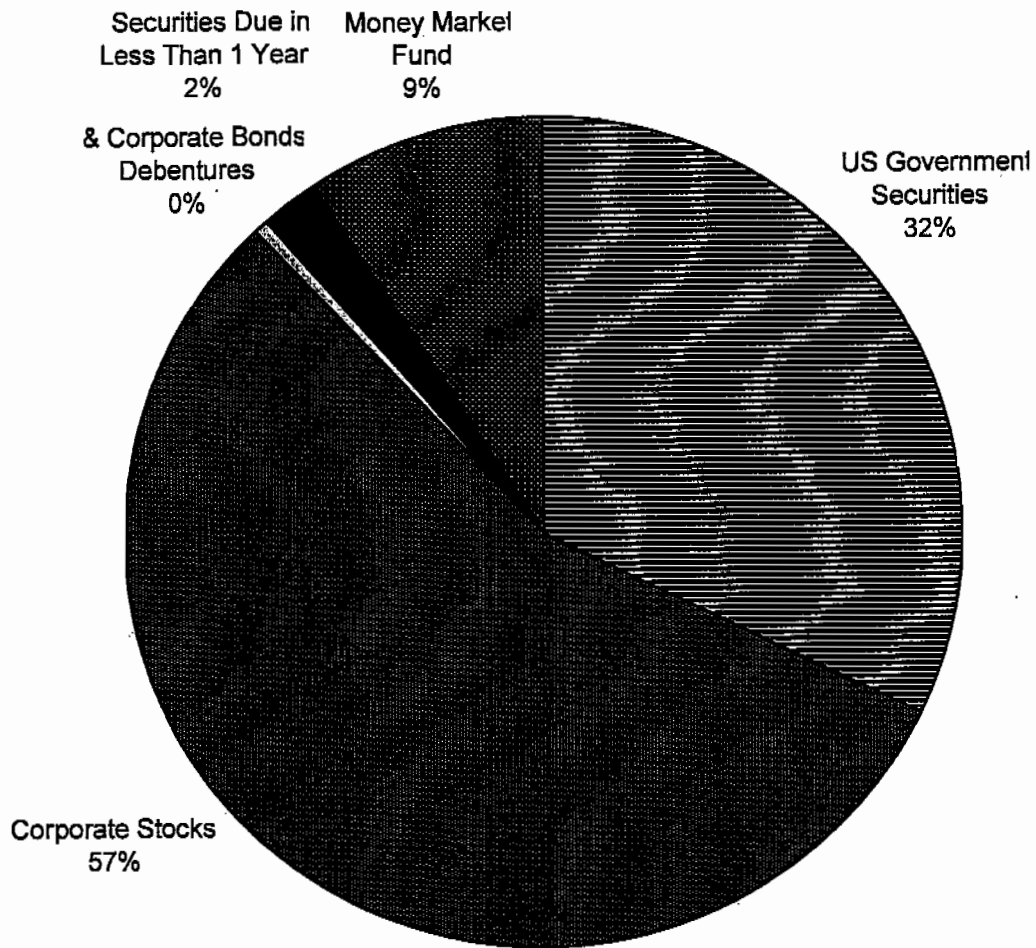


	Annualized Return			
	One Year	Three Years	Five Years	Ten Years
Large Cap Core Equity	-19.61%	1.32%	5.28%	2.11%
* S&P 500	-13.12%	4.41%	7.58%	2.88%
Small Cap Core Equity	-7.69%	8.34%	15.30%	10.55%
* Russell 2000	-16.19%	3.79%	10.29%	5.52%
International Equity	1.04%	18.21%	20.94%	N.A.
* MSCI EAFE Gross Index	-10.15%	13.34%	17.16%	6.23%
Total Equity Composite	-15.01%	4.81%	9.04%	4.33%
* S & P's 500	-13.12%	4.41%	7.58%	2.88%
Fixed Income	6.50%	4.98%	4.30%	5.67%
*Lehman Intermediate Gov't/Credit	7.37%	4.27%	3.49%	5.55%

* Benchmark

Returns provided by the Investment Consultants to Jackson County, Missouri

**Jackson County, Missouri
Revised Pension Plan
Investment Allocation
Year Ended June 30, 2008**



**Jackson County, Missouri
Revised Pension Plan
List of Largest Assets Held
Year Ended June 30, 2008**

Largest Stock Holdings (By Fair Value)

	Shares	Stock	Fair Value
1)	42,400	Microsoft Corp Com	\$1,166,424
2)	49,503	CA Inc Com	1,143,024
3)	14,000	Royal Dutch Shell PLC ADR B	1,121,540
4)	66,700	Wachovia Corp Com	1,035,851
5)	33,900	Microsoft Corp Com	932,859
6)	7,800	Schlumberger LTD Com	837,954
7)	48,200	Federal Home Ln Mtg Corp Com	790,480
8)	15,200	Coca Cola Co Com	790,096
9)	32,967	Home Depot Inc Com	772,087
10)	19,100	Merck & Co Inc Com	719,879

	Par	Bonds	Fair Value
1)	\$1,569,681	US Department of Agriculture Ln ADJ Monthly Due 05/01/2022	\$1,603,036
2)	\$1,504,061	Gnma II Passthru Ctf Pool #3697 Due 04/20/2020	1,503,324
3)	\$1,379,766	Gov't National Mortgage Assn SECS 2004-103 CL-A 3.878% Due 12/16/2019	1,374,338
4)	\$1,378,450	Gov't Natl Mtg Assn Multifamily Series 2004-108 CL-A 3.999% Due 05/16/2027	1,363,890
5)	\$1,307,054	US Department of Agriculture Ln ADJ Monthly Due 02/21/2023	1,316,857
6)	\$1,261,787	Small Business Admin Ln ADJ Fixed Due 06/01/2022	1,266,518
7)	\$1,249,823	US Department of Agriculture Ln Due 10/11/2014	1,258,259
8)	\$1,230,032	Gnma II Passthru Ctf Pool #3767 Due 10/20/2020	1,248,507
9)	\$1,168,144	US Department of Agriculture Ln ADJ Monthly Due 10/15/2014	1,166,684
10)	\$1,000,000	Federal Home Loan BKS CONS BDS 5.25% Due 03/13/2009	1,016,875

A complete list of portfolio holdings is available upon request.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Brokerage Commissions Paid
Year Ended June 30, 2008**

<u>Brokerage Firms</u>	<u>Commissions Paid</u>	<u>Trade Activity</u>	<u>Brokerage Firms</u>	<u>Commissions Paid</u>	<u>Trade Activity</u>
Abel Noser Corporation	\$ 2,496.00	7,859,309.30	Keybank Capital Markets Inc.	\$ 165.00	256,234.60
A.G. Edwards & Sons Inc.	55.50	80,060.97	King C.L. & Associates Inc.	10.00	5,092.87
ABN Amro Inc.	178.14	130,223.13	Knight Securities Broadcourt Cap	131.00	407,850.58
B. Riley and Co Inc.	75.00	22,361.72	Lazard Freres & Co.	70.00	25,435.46
BancAmerica Security LLC	500.00	237,793.72	Lehman Brothers Inc.	1,913.77	1,829,076.70
Banque Paribas	558.88	264,400.80	Longbow Securities Inc.	30.00	42,139.02
BBT	75.00	51,647.89	Loop Capital Markets LLC BCC CAP	24.00	22,068.00
Bear Stearns & Company, Inc.	743.74	518,284.38	Lynch Jones & Ryan Inc.	977.03	2,571,166.60
BNP Securities (USA) Inc.	107.76	521,370.52	Macquarie Securities (USA) Inc.	291.48	278,355.82
BNY/ITC Dealer (AG Edwards & Sons)	110.00	125,324.36	Merrill Lynch	1,897.63	1,878,102.27
BNY Convergenx	8,749.79	8,787,862.60	Merrill Lynch Pierce Fenner & Smith	1,915.19	1,976,206.37
Broadcourt Cap Corporation	455.00	297,387.05	Merrill Lynch Professional Clearing	160.00	117,642.18
Buckingham Research Group Inc.	125.00	214,238.44	Midwest Research Securities	1,025.33	3,105,567.96
Cantor Fitzgerald & Company	1,826.68	4,312,986.67	MKM Partners	46.00	101,884.27
Capital Institutional Services, Inc.	8,294.46	13,619,460.59	Monness Crespi Hardt & Co.	20.00	19,912.36
Citation Group/BCC Clearing	452.49	484,006.03	Morgan Keegan & Company	65.00	49,824.67
Citigroup Global Markets Inc.	1,587.18	1,014,320.53	Morgan Stanley & Company, Inc.	1,080.00	969,640.07
Credit Research & Trading LLC	175.00	148,267.98	Nomura Securities International	894.51	449,815.11
Credit Suisse First Boston Corp.	2,644.98	5,252,854.43	Oppenheimer & Company, Inc.	6,238.52	7,087,532.76
DA Davidson & Company	50.00	44,553.34	PCS Securities Inc.	388.50	298,240.42
Dahman Rose & Company LLC	10.00	9,718.31	Penson Financial Services	1,403.40	1,712,931.74
Davenport & Co. of Virginia Inc.	25.00	29,326.75	Pershing LLC	32.08	16,038.95
Deutsche Bank Securities Inc.	3,592.15	6,940,471.40	Raymond James & Associates	335.00	522,719.41
Direct	916.94	505,846.66	Rosenblatt Securities Inc.	5,450.95	10,901,894.49
Dowling & Partners	70.00	30,268.31	Roth Capital Partners LLC	1,902.50	1,905,530.37
Dresner Kleinwort Wasserstein Securities	465.77	374,097.66	R W Baird	2,599.00	2,940,595.57
EMP Research PTRNS LLC/Bear St	100.00	107,346.56	Sanford C Bernstein & Co	2,322.00	1,791,096.31
First Clearing Corp.	2,600.00	2,612,057.86	SBC Warburg Dillon Reed Inc.	4,159.30	7,941,819.21
FNB Brokerage Services Inc	330.00	212,702.09	Scotia McLeod Inc. USA	65.00	65,355.68
Fox Pitt Kelton	45.00	47,761.43	Sidoti & Company, LLC	6,189.71	5,536,634.97
Friedman Billings & Ramsey	150.00	94,596.12	Simmons & Company International	100.00	60,194.80
Goldman Sachs & Company	1,978.90	3,817,180.60	Soleil Securities Corp.	379.75	416,708.40
Green Street Advisors	55.00	20,187.95	Spear Leeds & Kellogg	57.50	39,283.68
Guzman & Company	5,196.83	10,393,596.69	Standford Group Company	245.00	259,581.70
Harris Nesbitt Corporation	5.00	2,911.07	Stifel Nicolaus & Company	3,046.14	3,004,444.13
Hibernia Southcoast Capital Inc.	45.00	36,037.17	The Benchmark Company LLC	60.00	15,019.20
Howard Weil Inc.	95.00	124,864.96	U S Clearing Corp.	653.50	749,675.60
HSBC Brokerage (USA) Inc.	20.00	16,993.00	UBS Securities Inc.	212.98	101,722.87
Instinet	14,176.99	21,075,089.41	UBS Warburg	494.70	424,598.70
ISI Group Inc.	135.00	125,427.35	UMB Bank NA	207.15	111,294.50
J.P. Morgan Securities Inc.	2,782.14	3,131,823.24	Wachovia securities Capital Markets	167.00	109,461.33
Janney Montgomery Scott Inc.	275.00	119,030.45	Wave Securities	94.00	332,104.25
Jefferies & Company	10,838.99	16,505,608.10	Weeden & Company	5,305.48	11,518,883.96
JMP Securities	15.00	13,267.50	William Blair & Company LLC	220.00	166,908.46
Johnson Rice & Co.	70.00	63,383.26	William O'Neil & Company	1,206.00	1,159,619.74
Jones Trading Institutional Services	672.67	2,584,460.10	Yamner & Company	503.00	1,784,178.96
Keefe Bruyette & Woods Inc.	427.50	273,576.36			
	<u>\$ 72,354.46</u>	<u>\$ 113,232,344.81</u>		<u>\$ 54,754.10</u>	<u>\$ 75,080,085.07</u>
			TOTAL	\$ 127,108.56	\$ 188,312,429.88

Commissions paid have reduced the net investment income (loss) reported on page 18.

**Investment Summary
Year Ended June 30, 2008**

	June 30, 2007		Purchases	Sales & Redemptions	June 30, 2008		% of Total Fair Value
	Cost	Fair Value (Book)			Cost	Fair Value (Book)	
1. US GOVERNMENT SECURITIES AND MUNICIPAL BONDS	\$ 48,457,673	\$ 47,946,130	\$ 10,536,816.00	\$ (10,783,182.00)	\$ 48,231,307.00	\$ 48,452,801	32.20%
CORPORATE STOCKS							
2. COMMON STOCKS	58,107,070	83,328,989	61,567,749	(59,788,514)	59,886,305.00	51,492,255	34.23%
3. REGIONAL STOCKS	13,518,477	15,675,769	32,068,308	(32,335,850)	13,280,935.00	14,401,128	9.57%
3A. INTERNATIONAL STOCKS	11,070,935	18,108,728	4,126,736	(2,650,085)	12,547,588.00	18,286,910	12.15%
4. CONVERTIBLE PREFERRED STOCKS	0	0	0	0	0.00	0	0.00%
5. CONVERTIBLE DEBENTURES	0	0	0	0	0.00	0	0.00%
TOTAL CORPORATE STOCKS	82,696,482	97,113,467	97,762,793	(94,774,449)	85,684,828.00	84,180,293	55.95%
6. CORPORATE BONDS & DEBENTURES	721,497	701,226	0	0	721,497.00	693,529	0.46%
7. SECURITIES DUE IN LESS THAN 1 YEAR	1,241,366	1,202,005	3,261,517	(1,241,366)	3,261,517.00	3,257,271	2.17%
8. MONEY MARKET FUND	12,051,454	12,051,454	51,390,208	(49,574,088)	13,867,572.00	13,957,571	9.22%
	<u>\$ 145,168,474</u>	<u>\$ 159,014,282</u>	<u>\$ 162,951,332</u>	<u>\$ (156,353,067)</u>	<u>\$ 151,786,719</u>	<u>\$ 150,451,465</u>	

Note: Due to space limitations and printing costs, a detailed listing of the investment holdings and transactions could not be provided in this annual report; however, the detailed reports are available for review as an appendix to this report at Jackson County.

Jackson County, Missouri
Revised Pension Plan

Actuarial Section



McCloud & Nichols

QUALIFIED PLAN CONSULTING AND ADMINISTRATION

November 7, 2008

Pension Plan Administrative Committee
Jackson County, Missouri Revised Pension Plan
Jackson County Courthouse
415 East 12th Street
Kansas City, Missouri 64106

Dear Committee Members:

The primary financing objective of the Jackson County, Missouri Revised Pension Plan is to establish a contribution rate which, expressed as a percent of active member payroll, will tend to decrease until any unfunded accrued liability is eliminated. The annual recommended contribution will provide for a level percent of pay normal cost plus a level dollar amortization of the unfunded accrued liability.

In order to determine the Plan's present financial position, and to determine the contribution rate, annual actuarial valuations are performed. The latest completed actuarial valuation was based upon data and assumptions as of June 30, 2008.

Assumptions made for the actuarial valuation are established by the Committee based on recommendations from the actuary. The assumptions used in the latest valuation were unchanged from last year. The assumptions include an investment return of 7.0 percent. Amortization of unfunded past service liability is calculated as a level dollar amount. The recommended contribution is based on an amortization period of 30 years. The assumptions and methods employed meet the disclosure requirements as set forth in Statement No. 25 of the Governmental Accounting Standards Board.

The asset data used in the actuarial valuation was provided by the staff of the Plan and the participant data was provided by the staff of the Plan. Neither were audited, but reviewed for reasonableness.

McCloud & Nichols, Inc. solely produced the following schedules:

Analysis of Financial Experience
Schedule of Active Members by Attained Age and Service
Short Term Solvency Test
Schedule of Funding Progress
Schedule of Employer Contributions

The County contributed 82% of its financing goals for the 2007-08 Plan Year. Investment gains have increased the funded percent to 78.3%. It is our recommendation that the County immediately start funding at least 100% of the actuarial recommended contribution.

K. Dale McCloud, JD, CPC | Joseph A. Nichols, ASA, MAAA, Enrolled Actuary

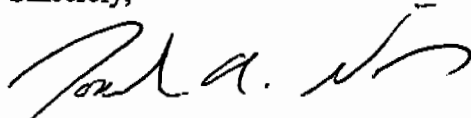
205 W. Kansas Street | Liberty, MO 64068 | P: (816) 792-3838 | F: (816) 792-8350

Page 2
Pension Plan Administrative Committee
Jackson County, Missouri Revised Pension Plan
November 2, 2008

The actuarial assumptions used in the valuations are reasonably related to the past experience of the Plan and represent reasonable expectations of long-term future experience under the Plan.

The nature of our relationship with Jackson County is to provide actuarial services. McCloud & Nichols, Inc. is entirely independent of the Jackson County, Missouri Pension Plan. The nature of our relationship does not appear to impair the objectivity of our work.

Sincerely,

A handwritten signature in black ink, appearing to read "J.A. Nichols", written in a cursive style.

Joseph A. Nichols, ASA, EA

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2008**

This section of the report presents the actuarial assumptions and methods used in the valuation, a summary of plan provisions, and participant data upon which the valuation of June 30, 2008 was based. The actuarial assumptions were selected by the Pension Plan Administration Committee.

Actuarial Assumptions

<u>Interest</u>	7% per annum for the regular valuation in determining the range of contributions and also purposes of calculating the value of vested benefits and accrued benefits under the ongoing plan approach (as required by the Financial Accounting Standards Board). (Adopted 1994)
<u>Assumed Inflation Rate</u>	1.5% per annum.
<u>Amortization Method and Period</u>	Level dollar amount, closed period ending December 31, 2038.
<u>Mortality</u>	RP 2000 Table for active and retired employees (set forward 10 years for disabled lives).
<u>Retirement Age</u>	Age 55 with "80 points" or age 65 regardless of service. (Adopted 1997)
<u>Turnover</u>	Based on termination rates from Table T-8 of the Actuary's Pension Handbook. (Adopted 1975) Sample rates are as follows:

<u>Age</u>	<u>Rate of Turnover</u>
25	11.6%
30	11.2%
35	10.6%
40	9.4%
45	7.5%
50	4.8%
55	1.7%
60	0.2%

(Continued)

Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2008
(Continued)

Actuarial Assumptions (continued)

**Rates of
Disablement**

(Adopted 1992) Sample rates of disablement are as follows:

Age	Rate of Disablement
20	0.025%
25	0.025%
30	0.050%
35	0.075%
40	0.100%
45	0.200%
50	0.300%
55	0.400%
60	0.600%

**Salary
Increases**

Salaries will increase 5% per annum up to age 64 in the regular valuation. No salary increase assumption was used in the valuation of vested benefits. (Adopted 1994)

**Incidence of
Retirement**

Normal Retirement date or valuation date, if later. (Adopted 1975)

**Spouse's
Benefit**

For deaths in service, 90% of the males are assumed married, with the spouse three years or younger. 65% of the female employees are assumed married, with the spouse three years or older. (Adopted 1979)

**Benefit
Expenses**

Prior year's expenses increased by 5%. (Adopted 1991)

Cost of Living

1.5% per annum increase for participants who both terminate and retire after July 31, 1990. (Adopted 1997)

Asset Valuation Method (Adopted 1975)

Expected assets plus the five-year average excess of market value over expected value. Valuation assets will not exceed 120% of market value nor be less than 80% of market value.

Assets at market were used in the comparison of plan assets to the actuarial value of accrued and vested accrued benefits under the ongoing plan approach.

(Continued)

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2008**

(Continued)

Actuarial Cost Method (Adopted 1975)

Normal Cost. Normal cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

The annual normal costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement;

Each annual normal cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability. The excess of accrued assets over actuarial accrued assets was amortized as a level percent-of-payroll over 15, 20 and 30 years. All three periods are recognized as reasonable.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Active Member Valuation Data
Six Years Ended June 30, 2008**

<u>Valuation Data</u>	<u>Number</u>	<u>Annual Payroll</u>	<u>Annual Average Pay</u>	<u>(Decrease) in Average Pay</u>
2003	1,562	55,285,472	35,394	16.1%
2004	1,607	58,576,798	36,451	3.0%
2005	1,642	64,263,870	39,138	7.4%
2006	1,646	66,491,224	40,396	3.2%
2007	1,626	63,302,290	38,931	-3.6%
2008	1,523	62,259,758	40,880	5.0%

* Active members include regular active members and postponed members.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Retirees and Beneficiaries
Added to and Removed from Rolls
Six Years Ended June 30, 2008**

<u>Year</u>	<u>Added to Rolls</u>		<u>Removed from Rolls</u>		<u>Roll - End of Year</u>		<u>% Increase in Annual Allowances</u>	<u>Average Annual Allowances</u>
	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>	<u>No.</u>	<u>Annual Allowances</u>		
2003	43	267,159	19	51,048	592	2,983,427	8.7%	5,040
2004	39	323,976	22	83,114	609	3,261,416	9.3%	5,355
2005	54	338,621	33	110,480	630	3,488,298	7.0%	5,537
2006	61	511,461	30	137,819	661	3,918,397	12.3%	5,928
2007	63	468,606	32	121,038	692	4,286,017	9.4%	6,194
2008	77	773,792	37	144,527	732	4,856,279	13.3%	6,634

**Jackson County, Missouri
Revised Pension Plan
Short-Term Solvency Test
Six Years Ended June 30, 2008**

Actuarial Accrued Liabilities for:

<u>Fiscal Year</u>	<u>Current Retirees and Beneficiaries</u>	<u>Active and Inactive Members, Employer Financed Portion</u>	<u>Valuation Assets</u>	<u>Percentage of Actuarial Liabilities Covered by Net Assets Available</u>	
				(1)	(2)
2003	30,159,664	105,683,280	107,386,039	100.0%	73.1%
2004	33,707,613	111,212,428	108,340,971	100.0%	67.1%
2005	34,870,630	127,000,288	111,227,800	100.0%	60.1%
2006	37,837,134	135,011,493	118,144,290	100.0%	59.5%
2007	44,344,691	143,687,800	133,844,342	100.0%	62.3%
2008	49,976,636	148,352,262	155,208,697	100.0%	70.9%

**Jackson County, Missouri
Revised Pension Plan
Analysis of Financial Experience
Five Years Ended June 30, 2008**

Gains and Losses in Accrued Liabilities during years ended 2004-2008
resulting from differences between assumed experience and actual experience.

<u>Type of Activity</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Age and Service Retirements	\$ 407,089	\$ (3,538,098)	\$ 527,106	\$ (4,683,000)	\$ 3,614,000
Disability Retirement	133,563	302,567	194,189	85,000	184,000
Death-In-Service Benefits	294,255	141,225	93,517	25,000	1,106,000
Withdrawal from Employment	1,462,756	1,284,674	920,807	527,000	1,046,000
Pay Increases	2,413,832	3,309,521	1,269,366	(3,388,000)	4,048,000
Contribution Income	(112,455)	(165,267)	(175,000)	(569,000)	(639,000)
Investment Income	10,030,561	5,668,715	(3,661,914)	(8,102,000)	(9,329,000)
Death After Retirement	(3,066,231)	(3,817,715)	(1,058,377)	388,000	(1,784,000)
Other	281,861	(1,375,552)	(1,092,329)	623,000	(6,829,000)
Subtotal	11,845,231	1,810,070	(2,982,635)	(15,094,000)	(8,583,000)
Non-Recurring Items	-	-	-	-	-
Composite Gain (Loss) During Year	<u>\$ 11,845,231</u>	<u>\$ 1,810,070</u>	<u>\$ (2,982,635)</u>	<u>\$ (15,094,000)</u>	<u>\$ (8,583,000)</u>

**Jackson County, Missouri
Revised Pension Plan
Summary of Plan Provisions**

<u>Effective Date</u>	Originally effective April 1, 1967; as amended through June 1, 1981, as restated effective August 1, 1985, and as amended July 31, 1990, February 21, 1991, August 29, 1991, December 28, 1992, September 29, 1994, November 23, 1994, January 9, 1996, March 13, 1997, December 16, 1997, November 5, 2003, July 26, 2004, March 21, 2005, October 17, 2005, July 10, 2006, August 14, 2006, April 2, 2007, July 30, 2007, and January 7, 2008.
<u>Eligibility</u>	On January 1 with 12 months Credited Service.
<u>Employee</u>	For purposes of the plan, an employee is one who has been elected or appointed to a County office, or who is regularly employed full-time by the County or other participating employers. However, certain job classifications are not covered by the plan.
<u>Service and Credited Service</u>	Service is equal to years and months of continuous employment. Credited Service is equal to Service, except that only $\frac{3}{4}$ of the years and months prior to January 1, 1967 are included in Credited Service.
<u>Average Monthly Earnings</u>	Highest 36 consecutive month average of Monthly Earnings. Monthly Earnings are defined as regular monthly cash compensation, including overtime, but excluding fees, commissions, expense reimbursements, and other forms of extraordinary compensation.
<u>Accrued Benefit</u>	The benefit the employee has earned based on average monthly earnings and credited service to date.
<u>Normal Form</u>	The normal form of payment is a lifetime annuity with five years certain. For members terminating and retiring after July 31, 1990, benefits may be adjusted by up to 1.5% per year for cost-of-living changes.
<u>Normal Retirement Non-Elected</u>	Age 65 or age 55 where the participants years of age and credited service total eighty years, The normal retirement benefit is 1.5% of the Average Monthly Earnings for each year of credited service. There is a minimum monthly benefit of \$ 50.00.
<u>Normal Retirement Elected Officials</u>	Age 65 or age 55 where the participants years of age and credited service total eighty years, Pension equals 4.167% of the Average Monthly Earnings for each year of first twelve years of credited service plus 5% of Average Monthly Earnings times years of credited service from year 12 to year 16. Employee contributes 4% of salary.

(Continued)

**Jackson County, Missouri
Revised Pension Plan
Summary of Plan Provisions**

Late
Retirement

At actual retirement, the employee receives a monthly benefit based on credited service and average monthly earnings at the late retirement date.

**Jackson County, Missouri
Revised Pension Plan
Schedule of Active Members by Attained Age and Service
Valuation as of June 30, 2008**

**Completed Years of
Service**

<u>Age</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30 ></u>	<u>Total</u>
< 20								0
20-24	22	4						26
25-29	66	28	2					96
30-34	65	57	16					138
35-39	42	64	42	7				155
40-44	41	64	32	26	20			183
45-49	46	57	52	33	47	29	4	268
50-54	36	56	41	26	30	44	22	255
55-59	30	46	35	27	18	17	40	213
60-64	17	32	24	21	14	7	23	138
65+	4	17	5	7	8	3	7	51
Totals	369	425	249	147	137	100	96	1523

Summary

	<u>Male</u>	<u>Female</u>	<u>All</u>
Average Age	47.7	46.8	47.3
Past Service Years	13.2	11.7	12.4
Number In Group	790	733	1,523

This page left blank intentionally.

Jackson County, Missouri
Revised Pension Plan

Statistical Section



**Jackson County, Missouri
Revised Pension Plan
Statistical Section**

This part of the 2008 Jackson County Revised Pension Plan Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the plan's overall financial health.

Contents	Page
Financial Trends and Revenue Capacity	49-51

These schedules contain trend information to help the reader understand how the plan's financial performance and well-being have changed over time and to assess the plan's investment income and contributions

Demographic and Economic Information	52-54
---	-------

These schedules offer demographic indicators to help the reader understand the environment in which the plan's financial activities take place.

**Jackson County, Missouri
Revised Pension Plan
Changes in Plan Net Assets
Last Five Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
(dollars in thousands)					
Additions:					
Employee Contributions	\$ 15	61	43	9	20
Employer Contributions	5,673	6,761	6,604	6,676	7,281
Investment Income (net of expenses)	11,694	7,769	10,454	19,912	(10,654)
Total additions to plan net assets	<u>17,382</u>	<u>14,591</u>	<u>17,101</u>	<u>26,597</u>	<u>(3,353)</u>
Deductions:					
Benefits paid directly to participants	\$ 3,096	3,378	3,712	4,264	4,780
Administrative Expenses	36	38	85	153	109
Total Deductions from plan net assets	<u>3,132</u>	<u>3,416</u>	<u>3,797</u>	<u>4,417</u>	<u>4,889</u>
Change in Net Assets	<u>\$ 14,250</u>	<u>11,175</u>	<u>13,304</u>	<u>22,180</u>	<u>(8,242)</u>

(Information provided for years since implementation of GASB 34 only)

**Jackson County, Missouri
Revised Pension Plan
Six Years Ended June 30, 2008**

Schedule of Additions by Source

<u>Year Ended</u>	<u>Employer/ Employee Contributions</u>	<u>Employer/Employee Contributions a Percent of Annual Covered Payroll</u>	<u>Investment Income</u>	<u>Total</u>
2003	\$ 5,379,655	9.7%	\$ 4,209,100	\$ 9,588,755
2004	5,687,845	9.7%	11,694,397	17,382,242
2005	6,821,690	10.6%	7,769,440	14,591,130
2006	6,646,911	10.0%	10,454,188	17,101,099
2007	6,684,430	10.6%	19,912,459	26,596,889
2008	7,301,478	11.7%	(10,654,403)	(3,352,925)

Schedule of Deductions by Type

<u>Year Ended</u>	<u>Aggregate Benefit Payments</u>	<u>Administrative Expenses</u>	<u>Total</u>
2003	\$ 2,914,801	\$ 46,078	\$ 2,960,879
2004	3,096,597	35,923	3,132,520
2005	3,378,565	37,750	3,416,315
2006	3,711,687	85,357	3,797,044
2007	4,263,848	153,243	4,417,091
2008	4,780,297	108,835	4,889,132

**Jackson County, Missouri
Revised Pension Plan
Schedule of Benefit Expenses by Type
Six Years Ended June 30, 2008**

<u>Year Ending</u>	<u>Age & Service Benefits</u>		<u>Death in Service Benefits</u>	<u>Disability Benefits</u>		<u>Total</u>
	<u>Retirants</u>	<u>Survivors</u>		<u>Duty</u>		
2003	\$ 2,245,725	334,151	94,524	\$ 240,401	\$	2,914,801
2004	2,450,063	348,006	32,893	265,635		3,096,597
2005	2,704,605	419,781	-	254,179		3,378,565
2006	2,920,883	460,718	46,470	283,616		3,711,687
2007	3,313,924	472,141	210,621	267,162		4,263,848
2008	3,912,305	521,902	53,271	292,819		4,780,297

Source: Data provided by the Jackson County Human Resources Department.

Jackson County, Missouri
Revised Pension Plan
Schedule of Retired Members by Type of Benefit
June 30, 2008

Schedule of Retired Members by Type of Benefit June 30, 2008								
Amount of Monthly Benefit	Number of Retirants	Type of Retirement**						
		1	2	3	4	5	6	7
\$1-250	298	77	73	69	17	2	52	8
251-500	157	63	37	28	2	0	18	9
501-750	83	28	18	15	1	0	15	6
751-1000	64	23	15	12	0	0	7	7
1001-1250	37	11	10	9	0	0	4	3
1251-1500	34	11	9	8	0	0	5	1
1501-1750	22	11	3	5	0	0	1	2
1751-2000	18	4	10	3	0	0	0	1
Over 2000	19	8	4	6	0	0	1	0
Total	732	236	179	155	20	2	103	37

****Type of Retirement**
1-Annuity for Life - 5 Year Certain
2-Annuity for Life - 10 Year Certain
3-Joint Annuity for Life - 100% Sole Survivor
4-Annuity for Life
5-Joint Annuity for Life - 50% Sole Survivor
6-Survivor
7-Disability

Jackson County, Missouri
Revised Pension Plan
Schedule of Average Benefit Payments
Six Years ended June 30, 2008

Retirement Effective Dates July 1, 2002 to June 30, 2008	Schedule of Average Benefits					
	Years Credited Service					
	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/02 to 6/30/03:						
Average Monthly Benefit	\$ 169.32	217.57	397.67	678.37	835.12	1326.74
Average Final Salary	2,068.78	1,663.74	1,893.66	2,291.02	2,329.48	2,899.28
Number of Active Retirants	155	149	131	73	47	37
Period 7/1/03 to 6/30/04:						
Average Monthly Benefit	\$ 171.54	232.14	417.74	711.00	879.69	1509.23
Average Final Salary	2,076.63	1,739.21	1,962.95	2,394.89	2,399.57	3,248.06
Number of Active Retirants	166	151	130	74	50	38
Period 7/1/04 to 6/30/05:						
Average Monthly Benefit	\$ 171.91	244.05	433.05	747.95	911.20	1549.19
Average Final Salary	2,101.39	1,837.39	2,030.29	2,454.29	2,420.40	3,306.25
Number of Active Retirants	177	157	129	75	51	41
Period 7/1/05 to 6/30/06:						
Average Monthly Benefit	\$ 174.03	256.42	454.49	752.70	984.00	1604.04
Average Final Salary	2,146.88	1,895.95	2,094.45	2,510.00	2,546.05	3,342.54
Number of Active Retirants	183	160	134	79	56	49
Period 7/1/06 to 6/30/07:						
Average Monthly Benefit	\$ 177.89	265.26	502.14	773.92	1039.43	1637.18
Average Final Salary	2,160.69	1,954.42	2,186.09	2,568.10	2,639.18	3,351.87
Number of Active Retirants	206	161	135	78	59	53
Period 7/1/07 to 6/30/08:						
Average Monthly Benefit	\$ 180.92	273.37	552.37	827.88	1178.65	1645.46
Average Final Salary	2,226.57	2,037.84	2,348.44	2,683.53	2,964.17	3,416.41
Number of Active Retirants	215	163	140	88	66	60

**Jackson County, Missouri
Revised Pension Plan
Schedule of Benefits Payable
June 30, 2008**

<u>Type of Benefit</u>	<u>Number</u>	<u>Annual Funded Benefit</u>	<u>Average Annual Benefit</u>
Service Retirement:			
5 year certain life	236	\$ 1,726,340	\$ 7,315
10 year certain life	179	1,282,467	7,165
100% joint and survivor	155	1,061,143	6,846
Normal Annuity	20	33,596	1,680
50% joint and survivor	2	3,655	1,828
Survivor beneficiary	103	521,902	5,067
	<u>695</u>	<u>4,629,103</u>	<u>6,661</u>
Total Service Retirement			
Disability Retirement	<u>37</u>	<u>292,819</u>	<u>7,914</u>
Grand Totals	<u>732</u>	<u>\$ 4,921,922</u>	<u>\$ 6,724</u>

Source: Data provided by the Jackson County Human Resources Department.