SUMMARY ANNUAL REPORT 2013

CHARTER TOWNSHIP OF BLOOMFIELD DEFINED BENEFIT PENSION PLAN

The Charter Township of Bloomfield Defined Benefit Pension Plan has been in place since 1961 with CIGNA which was then taken over by Prudential Insurance Company in 2005. Gregory J. Schwartz and Company has been advising the Township on the proper investments in the Defined Benefit Pension Plan since 2005. The Defined Benefit Pension Plan was closed to new hires in 2005 when the Township created a Defined Contribution Pension Plan to be used for the purposes of readily forecasting, containing and controlling Township employee pension costs, and to provide an adequate pension benefit for retired employees. The Township Board of Trustees authorized the sale of Pension Obligation Bonds in 2013 for the purpose of funding the Defined Benefit Pension Plan by infusing $80,300,000 into the Defined Benefit Pension Plan assets.

Public Act 347 of 2012 of the State of Michigan requires a Summary Annual Report of the Defined Benefit Pension Plan as follows:

The name of the system: The Charter Township of Bloomfield Defined Benefit Pension Plan

The names of the system's investment fiduciaries:

1. The Bloomfield Township Board of Trustees
2. Prudential Retirement Insurance and Annuity Company, including Prudential Financial and Prudential Retirement
3. Gregory J. Schwartz and Company

The names of the system's service providers:

1. Prudential Retirement Insurance and Annuity Company, including Prudential Financial and Prudential Retirement for the fixed asset portfolio
2. Gregory J. Schwartz and Company for the equities portfolio
3. RBC Correspondent Services for the equities portfolio

The system's assets and liabilities and changes in net plan assets on a plan-year basis:

The balance invested in the Defined Benefit Pension Plan as of 12/31/12:

Prudential: $116,043,471

Schwartz: $13,158,783

Total Plan Assets: $129,202,254

The balance invested in the Defined Benefit Pension Plan as of 12/31/13:

Prudential: $128,363,201

Schwartz: $84,750,177

Total Plan Assets: $213,113,378

The system's funded ratio based upon the ratio of valuation assets to actuarial accrued liabilities on a plan-year basis:

116.1%,

See attached document entitled "Township of Bloomfield Retirement Income Plan Data for GASB Statement No. 25" for more detail.

The system's investment performance net of fees on a rolling calendar basis for the previous 1, 3, 5, 7 and 10 year periods:

See attached documents entitled:

"GDA Net Returns" for the fixed asset portfolio

"Bloomfield Township Defined Benefit Equities Portfolio Historical Performance Summary" for the equities portfolio

The system's administrative and investment expenditures:

See the attached documents entitled:

"Information for Completion of Form 5500 Schedule C: Service Provider Information" for the fixed asset portfolio expense of $103,452.73 along with the .60% management fee of $725,449.20 as noted in the "GDA Net Returns" document referenced above

"Bloomfield Township Pension Equity Assets Investment Performance Analysis" for the equities portfolio expense per each holding's net expense ratio for total average net ratio of .84% which includes any 12(b)1 fees paid to the advisors on the equities portfolio

"Bloomfield Township Defined Benefit Pension Equities Portfolio Compensation Analysis" for the compensation of $508,576.00 to the advisors on the equities portfolio consisting primarily of concessions provided by the fund managers (not plan assets) due to the infusion of $80,300,000.00 in new money into the equities portfolio from the Pension Obligation Bonds sale.

The system's itemized budget:

Not applicable here

Information provided in the system's most recent actuarial valuation report:

See attached Actuarial Valuation Reports for the plan year from January 1, 2013 to December 31, 2013 and for the plan year from January 1, 2014 to December 31, 2014 for complete detail

The system's actuarial cost method:

Projected Unit Credit Level Dollar Funding Method

Whether the system is open or closed to specific groups:

The system is closed to new hires as of April 1, 2005.

TOWNSHIP OF BLOOMFIELD RETIREMENT INCOME PLAN

DATA FOR GASB STATEMENT NO. 25

§1 Census Data

	01.01.2013	01.01.2014
Retirees and beneficiaries receiving benefits	250	255
Terminated plan members entitled to, but not yet receiving benefits	9	12
Inactive plan members	1	1
Active plan members	213	199
Total	473	467

§2 Employee Contributions

Year Ending 12.31.2010	$372,711.10
Year Ending 12.31.2011	$384,129.21
Year Ending 12.31.2012	$395,061.37
Year Ending 12.31.2013	$331,768.00

§3 Schedule of Funding Process

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability* (AAL) (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a ÷ b)	Covered Payroll (c)	UAAL as a .Percentage of Covered Payroll [(b – a) ÷ c]
01.01.2005	93,667,303	107,126,384	13,459,081	87.4%	15,376,426	87.5%
01.01.2006	97,918,915	114,805,518	16,886,603	85.3%	15,605,926	108.2%
01.01.2007	102,369,075	124,874,093	22,505,018	82.0%	15,641,216	143.9%
01.01.2008	108,776,953	132,510,574	23,733,621	82.1%	15,858,763	149.7%
01.01.2009	112,100,502	141,617,453	29,516,951	79.2%	16,136,224	182.9%
01.01.2010	115,269,769	152,012,730	36,742,961	75.8%	15,562,765	236.1%
01.01.2011	119,693,077	148,403,066	28,709,989	80.7%	15,522,940	185.0%
01.01.2012	123,454,716	152,669,192	29,214,476	80.9%	15,338,979	190.5%
01.01.2013	127,620,304	207,921,175	80,300,871	61.4%	14,862,788	540.3%
01.01.2014	218,093,625	187,794,369	-30,299,256	116.1%	14,159,863	-214.0%

*Effective 1/1/2011 the Actuarial Accrued Liability has been determined using the Projected Unit Credit Funding Method. Previously, the Entry Age Normal Funding Method was the basis for this liability measurement.

TOWNSHIP OF BLOOMFIELD RETIREMENT INCOME PLAN
GROUP ANNUITY CONTRACT IN-17109
DATA FOR GASB STATEMENT NO. 25

§4 Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
2004	3,381,768	100.0%	0
2005	3,830,704	100.0%	0
2006	4,005,320	100.0%	0
2007	4,538,477	100.0%	0
2008	4,738,081	100.0%	0
2009	5,228,482	100.0%	0
2010	5,894,595	100.0%	0
2011	5,152,066	100.0%	0
2012	5,179,678	100.0%	0
2013	10,357,678	875.3%	(80,300,000)

§5 Calculation of Net Pension Obligation GASB Statement No. 27

ARC	$10,357,678
Interest on NPO	0
ARC Adjustment	0
Annual Pension Cost	10,357,678
Actual Deposit	(90,657,678)
Change in NPO	(80,300,000)
NPO Beginning of Year	0
NPO End of Year	($80,300,000)

§6 Actuarial Method / Assumptions

The following information is as of the most recent actuarial valuation (01.01.2014)

Actuarial Cost Method	Projected Unit Credit Level Dollar Funding Method
Amortization Method / Period	20-Year Amortization
Asset Valuation Method	All funds at the deferred recognition method where gains and losses are spread over a five-year period.
Actuarial Assumptions	
Investment rate of return	6.25%
Projected salary increases	3.00%
Cost of Living Adjustment	1.00%

GDA Net Returns

	Cumulative			Annualized				
As of Date	1 Month	QTD	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
12/31/2013	0.39%	1.15%	4.65%	4.65%	5.09%	5.13%	5.19%	5.31%

Performance returns are based on old money rates.
Net Return includes a current management fee of 60 bps and is gross of contract expense charges.

The Guaranteed Deposit Fund (GDF) is a group annuity product issued by Prudential **Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. Contract form # GR9733 or state variation thereof.

Prudential Retirement Insurance and Annuity Company is a Prudential Financial company. Prudential Retirement and Prudential Financial are registered service marks of The Prudential Insurance Company of America, Newark, NJ and its affiliates. Prudential Retirement is a Prudential Financial business.

Bloomfield Township

Defined Benefit Equities Portfolio

Historical Performance Summary

	10 Yr.	7 Yr.	5 Yr.	3 Yr.	1 Yr.
Defined Benefit Pension Equities	n/a	6.2%	17.7%	14.8%	31.5%
Investment Policy Benchmark	8.4%	5.9%	18.5%	14.6%	31.3%
S&P 500 Index	7.4%	6.1%	17.9%	16.2%	32.4%
MSCI EAFE	6.9%	1.8%	12.4%	8.2%	22.8%

NOTE #1: Performance information is as of December 31, 2013.

NOTE #2: Benchmark consists of 45% S&P 500 Index, 20% Russell Mid Cap Index, 16% Russell 2000 Index, 13% MSCI EAFE Index, 3% Morningstar Basic Materials, and 3% Dow Jones U.S. Real Estate Index.

Information for Completion of Form 5500 Schedule C: Service Provider Information

Plan Name:	Contract Number:	Plan Year Start Date:	Plan Year End Date:
Township of Bloomfield	[redacted]	**January 01, 2013**	**December 31, 2013**

Service Provider and Fee Information

Information on Service Providers Receiving Direct or Indirect Compensation, Other Than Eligible Indirect Compensation

Direct Compensation Paid by the Plan - Not Inclusive of Payments Directed by the Plan to Third Party Service Providers

Name of service provider/payee	EIN or address of service provider/payee	Nature of service	Amount of fee
Prudential Retirement Insurance and Annuity Co.	06-1050034	Contract Expense Charge	$36,333.45
Prudential Retirement Insurance and Annuity Co.	06-1050034	Elective Service Charge	$67,119.28

Direct Compensation Paid by the Plan - Payments Directed by the Plan to Third Party Service Providers

Name of service provider/payee	Amount of fee

Notes:

The compensation described in this section is reported on a cash basis for your plan year and does not include fees that we billed to you directly, because we cannot identify whether such payments were made from assets of the plan or by the employer or another non-reportable payment source. Please refer to the bills that you received to obtain information that may be necessary to complete your Schedule C.

To assist you with your reporting obligations, this report includes, if applicable, the information in our records for any payments that we made to other service providers at your direction. For those payments, please refer to the plan's records to obtain additional information that may be necessary to complete your Schedule C. The information reported in this section for such payments is limited to amounts that were coded as payments of plan expenses on our recordkeeping system and the name of the service provider payee. When payment is made by check, the name of the service provider is reported. However, when payment is made by wire, the bank name is reported as the service provider payee, because that is the only payee information we maintain in the reporting system. The payments in this section are reported on an aggregate basis for each payee. For details on individual payments and their respective dates, please refer to the Transaction Details section in this 5500 Information Package.

Bloomfield Township

Pension Equity Assets

Investment Performance Analysis

Fund	Objective	Net Returns (Annualized Averages) [1] 10 yr.	5 yr.	3 yr.	1 yr.	YTD	2014- Q2	Net Expense Ratio
Invesco Diversified Dividend	Large Cap Value	8.4%	18.0%	15.3%	20.9%	7.7%	3.8%	0.88%
Columbia Dividend Income	Large Cap Value	8.8%	16.8%	15.0%	18.4%	6.1%	4.1%	1.04%
Fundamental Investors	Large Cap Value	9.4%	17.3%	14.5%	23.1%	5.3%	5.0%	0.63%
Vanguard 500 Index	Large Cap Blend	7.8%	18.8%	16.5%	24.6%	7.1%	5.2%	0.05%
Invesco Equally Weighted S&P 500	Large Cap Blend	9.4%	21.6%	16.5%	26.5%	8.3%	5.4%	0.57%
Sentinel Common Stock	Large Cap Blend	8.2%	17.0%	14.3%	20.3%	5.0%	3.7%	1.03%
Growth Fund of America	Large Cap Growth	8.5%	17.0%	15.8%	26.6%	5.9%	5.0%	0.70%
MFS Growth	Large Cap Growth	9.4%	18.5%	16.0%	25.8%	2.6%	2.9%	1.01%
Fidelity Advisor New Insights	Large Cap Growth	10.1%	18.0%	15.7%	26.3%	6.3%	3.6%	0.94%
JP Morgan Mid Cap Value	Mid Cap Value	10.1%	21.5%	17.4%	23.3%	7.9%	4.7%	1.25%
John Hancock Disciplined Value Mid Cap	Mid Cap Value	12.0%	22.5%	17.2%	27.7%	6.9%	3.2%	1.18%
Vanguard Mid Cap Growth Index	Mid Cap Growth	NA	20.9%	13.0%	24.0%	6.8%	4.0%	0.09%
Alliance Bernstein Discovery Growth	Mid Cap Growth	8.8%	23.9%	13.8%	23.3%	2.0%	1.3%	1.12%
JP Morgan Small Cap Value	Small Cap Value	8.7%	21.0%	15.7%	21.2%	3.5%	2.7%	1.30%
American Century Small Company	Small Cap Value	6.9%	21.4%	16.4%	26.5%	4.6%	3.1%	1.13%
Vanguard Small Cap Growth Index	Small Cap Growth	10.4%	22.2%	14.9%	24.5%	4.2%	2.6%	0.09%
Capital World Growth & Income	World Stock	9.3%	14.2%	11.5%	23.4%	6.1%	4.4%	0.80%
Templeton Foreign	Foreign Large Value	7.9%	13.5%	8.4%	27.8%	4.0%	3.5%	1.19%
MFS International Value	Foreign Large Value	9.9%	14.8%	12.7%	19.5%	5.5%	4.5%	1.14%
EuroPacific Growth	Foreign Large Blend	8.8%	11.6%	7.0%	21.9%	3.5%	2.9%	0.84%
Oppenheimer International Growth	Foreign Large Growth	9.8%	15.1%	10.2%	20.6%	2.2%	1.3%	1.15%
Vanguard REIT Index	Real Estate	9.8%	23.8%	11.8%	13.4%	17.7%	7.0%	0.10%
Fidelity Advisor Materials	Natural Resources	13.3%	20.2%	10.6%	26.3%	6.8%	3.8%	1.10%

Relative Index	Objective	Net Returns (Annualized Averages) [1] 10 yr.	5 yr.	3 yr.	1 yr.	YTD	2014- Q2
S&P 500 Index	Large Cap Domestic	7.8%	18.8%	16.6%	24.6%	7.1%	5.2%
Russell Mid Cap Index	Mid Cap Domestic	10.4%	22.1%	16.1%	26.9%	8.7%	5.0%
Russell 2000 Index	Small Cap Domestic	8.7%	20.2%	14.6%	23.6%	3.2%	2.1%
MSCI EAFE [2]	Large Cap Foreign	4.0%	8.6%	4.9%	20.3%	3.0%	3.0%

1 Return information provided by Morningstar as of June 30, 2014.
2 Morgan Stanley Capital International.

Bloomfield Township

Defined Benefit Pension Equities Portfolio

Compensation Analysis

Year	Total Compensation Paid to Schwartz & Co.	Estimated Total Compensation Paid (%)	Beginning Portfolio Value	Ending Portfolio Value	Estimated Total Gross Expense Ratio	Estimated Total Investment Expense	Portfolio Net Return
2013	$508,576 *	0.60%	$13,158,784	$84,750,178	0.83%	$703,426	31.5%

* Includes $491,153 in concessions paid to Schwartz & Co. This amount was paid directly from the resources of the respective investment management firms, not from the expense ratios of the respective mutual funds, nor from plan assets, in accordance with the respective mutual fund prospectuses.

Township of Bloomfield Retirement Income Plan
Group Annuity Contract Number.

Recommended Employer Contribution, based on the Actuarial Valuation Report for the plan year from January 1, 2013 to December 31, 2013:

Normal Cost	**$3,814,978**
Amortization Payment	**6,391,923**
Interest to the end of the Plan Year	**535,862**
Recommended Contribution	**$10,742,763**

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PRINCIPAL RESULTS OF THE VALUATION

This report summarizes valuation results for the Township of Bloomfield Retirement Income Plan based upon actuarial valuations as of January 1, 2012 and January 1, 2013.

	January 1, 2012	January 1, 2013
Contributions		
• Recommended Employer Contribution	$5,542,255	$10,742,763
Expressed as a percentage of payroll	*36.13%*	*72.28%*
• Estimated Employee Contribution	$371,498	$363,360
Pension Plan Asset Information		
• Market Value of Assets	$122,504,951	$128,978,134
• Actuarial Value of Assets	$123,454,716	$127,620,304
Liability Information		
• Present Value of Projected Benefits	$181,082,022	$251,374,095
• Present Value of Accrued Benefits	$143,716,585	$194,070,380
• Projected Unit Credit Liability	$152,669,192	$207,921,175
Participant Information		
• Active Participant Lifecount	221	213
• Total Participant Lifecount	474	473
• Total Covered Payroll	$15,338,979	$14,862,788

Pension Plan

Effective January 1, 2013, Division 001 is closed to new entrants. Due to this change, the entire plan is now closed to new entrants.

Actuarial Assumptions

Effective January 1, 2013, the assumed investment return was changed from 7.00% to 5.25%.
Also effective January 1, 2013, the applicable mortality table was changed from the RP-2000 Mortality Table projected to 2010 to the RP-2000 Generational Mortality Table projected with Scale BB.

Gain/Loss

Actuarial gains and losses are recognized with each valuation by routine application of the Actuarial Cost Method. Under your cost method, actuarial gains and losses are recognized with each valuation and amortized over 20 years.

Funding Method

There are no changes to the funding method with this valuation.

Demographics

Total participant lifecount decreased .2% when compared with last year. Within the total group, active lifecount decreased 3.6%.

This report relies on the census data submitted to us by the plan sponsor, as summarized in "Participant Data", and the retirement plan as outlined in "Plan Provisions". It also relies on the plan asset information as described in "Statement of Net Assets Available for Benefits". Appropriate tests for consistency and reasonableness have been completed on the information relied on.

The liabilities and costs were determined using the method summarized in "Actuarial Cost Method" and the actuarial assumptions described in "Plan Assumptions". In our opinion, the actuarial assumptions used in this report are reasonable and reflect our best estimate of the anticipated future experience under the plan.

I am the Enrolled Actuary for this plan, and have no other relationship with the plan or the plan sponsor, which may impair or appear to impair the objectivity of my work.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. The undersigned credentialed actuary meets the qualification standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

David V. Pappalardo

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1. Market Value of Assets:

Description	January 1, 2012	January 1, 2013
George J. Schwartz & Co., Inc.	7,499,869	13,158,784
Total Market Value	**$ 7,499,869**	**$ 13,158,784**

2. Guaranteed Account (GA)

	January 1, 2012	January 1, 2013
a. Value as of Valuation Date	$115,005,082	$115,819,350
b. Receivables		
i. Investment Income	0	0
ii. Employer Contributions	0	0
c. Payables	0	0
d. Total Guaranteed Account 3(a) + 3(b) + 3(c)	**$115,005,082**	**$115,819,350**

4.	Total Market Value of Assets	**$122,504,951**	**$128,978,134**
5.	Total Actuarial Value of Assets	**$123,454,716**	**$127,620,304**
6.	Rate of Return on Market Value of Assets during the preceding twelve month period	**5.77%**	**7.68%**

Contributions for the Preceding Plan Year

Date	Employee Contributions	Employer Contributions
June, 2010	$0.00	$124,934.00
November, 2010	0.00	599,472.00
June, 2011	0.00	4,000,000.00
December, 2011	0.00	284,131.00
January, 2012	27,485.70	0.00
February, 2012	54,893.75	0.00
March, 2012	27,310.57	0.00
April, 2012	27,371.85	171,141.00
June, 2012	40,972.40	0.00
July, 2012	54,235.54	0.00
August, 2012	26,952.36	0.00
September, 2012	26,923.60	0.00
November, 2012	40,238.22	0.00
December, 2012	68,677.38	0.00
Totals	**$395,061.37**	**$5,179,678.00**

Lifecount and Data Reconciliation:

Description	Actives	Vested Terms	Inactives	Disableds	Retireds	Total
Participants on January 1, 2012	221	9	1	0	243	474
New Beneficiaries	0	0	0	0	2	2
Transfers in Status	0	0	0	0	0	0
Vested Term	(1)	1	0	0	N/A	0
Non-vested Term	0	0	0	0	N/A	0
Inactive	0	0	0	0	0	0
Disabled	0	0	0	0	0	0
Retired	(7)	(1)	0	0	8	0
Cash Out	0	0	0	0	0	0
Death	0	0	0	0	(3)	(3)
Expired Payments	N/A	N/A	N/A	0	0	0
Data Correction	0	0	0	0	0	0
Participants on January 1, 2013	213	9	1	0	250	473

	January 1, 2012	January 1, 2013
AVERAGE AGES for active eligible lives		
Average attained age	44.00	44.65
Average service	14.80	15.57
PAYROLL for active eligible lives	$15,338,979	$14,862,788
Average annual earnings	$69,407	$69,778
RETIRED PARTICIPANTS		
Average attained age	68.60	69.07
Average annual benefit	$33,415	$34,170

Present Value of Projected Plan Benefits: (at 7.0% for the prior year and 5.25% for the current year)

Actives	January 1, 2012	January 1, 2013
Retirement Benefits	81,847,923	122,281,033
Withdrawal	933,614	1,524,766
Pre-retirement Spouse	1,323,723	2,041,075
Disability	3,097,086	4,358,605
Other	24,616	0
Subtotal for Actives	$87,226,962	$130,205,479
Inactives		
Retired Lives	$92,567,220	$119,784,309
Vested Terminated Participants	1,287,840	1,384,307
Disabled	0	0
Inactive Lives	0	0
Subtotal for Inactives	$93,855,060	$121,168,616
Total Present Value of Benefits	**$181,082,022**	**$251,374,095**

Present Value of Actuarial Accrued Liabilities: (at 7.0% for the prior year and 5.25% for the current year)

Actives	January 1, 2012	January 1, 2013
Retirement Benefits	54,387,962	80,254,419
Withdrawal	644,291	1,079,390
Pre-retirement Spouse	882,404	1,373,866
Disability	2,879,913	4,044,883
Other	19,562	0
Subtotal for Actives	$58,814,132	$86,752,558
Inactives		
Retired Lives	$92,567,220	$119,784,309
Vested Terminated Participants	1,287,840	1,384,308
Disabled	0	0
Inactive Lives	0	0
Subtotal for Inactives	$93,855,060	$121,168,617
Total Present Value of Benefits	**$152,669,192**	**$207,921,175**

Pension Contribution

	January 1, 2012	January 1, 2013
1. Employer Normal Cost Net of Employee Contributions	$2,505,838	$3,784,978
2. Amortization of Unfunded Actuarially Accrued Liability	2,643,840	6,391,923
3 Expenses	30,000	30,000
4. Recommended Employer Contribution at beginning of year (1+2+3)	$5,179,678	$10,206,901
5. Interest to the end of Plan Year	362,577	535,862
6. Total Recommended Employer Contribution at end of year (4 + 5)	$5,542,255	$10,742,763

Determination of Actuarial (Gain)/Loss for the plan year beginning January 1, 2013

1. Projected Unit Credit Liability as of January 1, 2012	$152,669,192
2. Actuarial Value of Pension Fund Assets as of January 1, 2012	123,454,716
3. Projected Unit Credit Liability minus Actuarial Value of Assets (1-2)	29,214,476
4. Employer Normal Cost with Expenses As of January 1, 2012	2,535,838
5. Interest at 7% (on 3 + 4)	2,222,522
6. Employer Contribution for the 2012 Plan Year with interest	5,538,263
7. Expected Unfunded Actuarial Accrued Liability as of January 1, 2013 (3 + 4 + 5 - 6)	$28,434,573
8. Projected Unit Credit Liability as of January 1, 2013 Before Assumption Changes	$157,732,226
9. Actuarial Value of Pension Fund Assets as of January 1, 2013	127,620,304
10. Actual Unfunded Actuarial Accrued Liability as of January 1, 2013	$30,111,922
11. Actuarial (Gain)/Loss as of January 1, 2013 (10 - 7)	$1,677,349

Description	Effective Date	Initial Amount	Remaining Balance	Years Remaining	Annual Payment
Initial Amount	1/1/2011	$28,709,989	$27,260,325	18	$2,259,178
Actuarial Loss - 2012	1/1/2012	1,259,512	1,174,248	19	94,207
Actuarial Loss - 2013	1/1/2013	1,677,349	1,677,349	20	130,606
Asmp. Change - 2013	1/1/2013	50,188,949	50,188,949	20	3,907,932
Total		$81,835,799	$80,300,871		$6,391,923

DIVISIONAL ALLOCATION OF CONTRIBUTIONS

The following percentages may be used to allocate contributions to each division. These percentages are based on the ratio of the liabilities for employees of each division to the liabilities for all divisions.

	Division	Percentage
000	Administration & Miscellaneous	33.57%
001	Library	3.04%
002	Fire Department – Bargaining Unit Members	14.69%
003	Police Department – Civilian	7.88%
004	Police Department – Command Officer	11.23%
005	Police Department – Bargaining Unit	17.00%
006	Village Police	0.18%
007	Fire Department – Command Officers	12.41%

I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Projected Unit Credit Level Dollar Funding Method using a 20-year amortization period and reflect the actuarial assumptions described in "Plan Assumptions" of this report.

NORMAL COST

The Normal Cost is the cost of benefits expected to accrue during the coming year for all Participants who are eligible for funding as of the valuation date.

ACTUARIAL ACCRUED LIABILITY

As of January 1, 2011, an Actuarial Accrued Liability is established which represents the value of accrued benefits. This Actuarial Accrued Liability is offset by assets, if any, and the remainder, the Unfunded Actuarial Accrued Liability, is amortized over a fixed number of years from the effective date.

Subsequent changes due to plan amendment or revised actuarial assumptions create increments of Actuarial Accrued Liability which will be amortized over a similar fixed period of years from their effective dates. Actuarial gains and losses will be recognized with each valuation and amortized over a 20-year period.

II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

Definitions

i	assumed growth rate, set equal to the expected return on assets
C(t)	sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t
W(t)	sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t
AV(t)	Actuarial Value of Assets as of Plan Year t
MV(t)	Market Value of Assets as of Plan Year t
EV(t)	Expected Value of Assets as of Plan Year t
G/L(t)	Gain or Loss for Plan Year t

Method

Deferred Recognition Method, with no gain or loss recognition prior to January 1, 2002.
On January 1, 2002, let AV(t) = MV(t). For subsequent years, AV(t) is determined as follows:

$$EV(t) = MV(t-1) * (1+i) + [\ C(t-1) - W(t-1)\ ] * (1+i*m)$$

where m represents a proportionate yield consistent with the portion of the year for which C and W are invested.

$$G/L(t-1) = EV(t) - MV(t)$$

$$AV(t) = MV(t) + 4/5 * G/L(t-1) + 3/5 * G/L(t-2) + 2/5 * G/L(t-3) + 1/5 * G/L(t-4)$$

Corridor Limits

The resulting Actuarial Value of Assets may not be less than 80% or more than 120% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 1.412(c)(2)(1)].

Determination of Actuarial Value

Market Value of Assets on 01/01/2013: $ 128,978,134

Plan Year	(Gain)/Loss	% Deferred	Deferred Recognition
2012	$ (670,812)	80.00%	$ (536,650)
2011	$ 1,591,426	60.00%	$ 954,856
2010	$ (3,934,275)	40.00%	$ (1,573,710)
2009	$ (1,011,631)	20.00%	$ (202,326)
			$ (1,357,830)

Market Value plus Deferred Recognition: $ 127,620,304

Corridor for Actuarial Value

80% of Market Value:	$ 103,182,507
120% of Market Value:	$ 154,773,761

Actuarial Value after Corridor: $ 127,620,304

Assumptions have been chosen to anticipate the long-range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

The actuarial assumptions used to compute Plan costs are:

Mortality: RP-2000 Generational Mortality Table projected with Scale BB

Termination: 50% of Prudential Scale 1/2A

The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

Age	Male	Female
20	28.5%	35.8%
25	22.4%	29.7%
30	15.0%	20.9%
35	8.6%	13.2%
40	4.0%	6.5%
45	1.1%	1.9%
50 & Over	0.0%	0.0%

Retirement Age: Age 55 with 25 years of Service or Age 62. Participants at or beyond this age are assumed to retire immediately. Non-active, non-retired participants are assumed to retire at Normal Retirement Age.

Investment Return: 5.25% per annum.

Estimated Expenses: $30,000 per annum.

Annual Cost of Living Adjustment: All retirees and participants eligible to retire immediately receive a 1% annual cost of living adjustment for life.

Salary Scale:

Salaries are assumed to increase at an annual rate of 3.0%.

The salary at age 55 bears the following relationship to the current earnings of a Participant at the indicated age, except that for Participants with a later normal or assumed retirement date, salaries are assumed to increase to that date.

Age	Ratio
20 & under	2.81
25	2.43
30	2.09
35	1.81
40	1.56
45	1.34
50	1.16
55	1.00

Spouse's Benefit:

It is assumed that husbands are 3 years older than wives and that 80% of Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible spouse.

Disability:

Table C-4 of the Society of Actuaries Transactions Volume XXXIX, 100% of the 6-month rates. The probabilities the Participants at the ages indicated will terminate within the next year are:

Age	Male	Female
20	0.080%	0.100%
25	0.085%	0.110%
30	0.099%	0.140%
35	0.124%	0.201%
40	0.176 %	0.276%
45	0.294%	0.400%
50	0.540%	0.622%
55	0.977%	0.932%
60	1.477%	1.179%
62	1.671%	1.253%

Maximum Benefit and Maximum Compensation Limits:

Assumed to increase 3% per year.

Rate of Earnings:	Basic compensation including longevity adjustments but excluding overtime, commissions, bonuses and any other additional compensation.
Final Earnings:	Divisions 000, 003 and 004: Average Rate of Earnings as of the highest three consecutive May 1's during the last 10 years before Retirement Date. If Service ceases more than three years before Retirement Date, Final Earnings is average Rate of Earnings as of the last three May 1's before Service ceases. Divisions 002, 005 and 007: Average Rate of Earnings as of the highest three May 1's. Divisions 001 and 006: Average Rate of Earnings as of the highest five consecutive May 1's during the last 10 years before Retirement Date. If Service ceases more than five years before Retirement Date, Final Earnings is the average Rate of Earnings as of the last five May 1's before Service ceases.
Service:	All years of Service with the Employer from date of employment to the earlier of retirement, termination of employment or death (without regard to hours worked).
Credited Service:	All years of Service with the Employer from date of employment to the earlier of retirement, termination of employment or death, counted in whole years and full months. Service prior to August 1, 1961 is excluded if the Employee was not a plan Participant at that time. Service while the Participant was eligible to make contributions but did not is also excluded. Service while the Participant is disabled is excluded.
Form of Annuity:	Modified Cash Refund with a 50% Spouse Continuation. Participants who are not married receive an actuarially increased benefit.
Normal Retirement Date:	Divisions 000 and 003: The first day of the month coinciding with or next following the Participant's 52nd birthday and the completion of 8 years of Service, or the completion of 30 years of Service. Division 001: The first day of the month coinciding with or next following the Participant's 55th birthday and the completion of 8 Years of Service.

Division 002 and 007:

The first day of the month coinciding with or next following the Participant's 52nd birthday and the completion of 8 Years of Service.

Division 004 and 005:

The first day of the month coinciding with or next following the Participant's 50th birthday and the completion of 25 years of service or the Participant's 52nd birthday and the completion of 10 years of Service, if later.

Division 006:

The first day of the month coinciding with or next following the earlier of (a) the Participant's 55th birthday and the completion of 10 years of Service or (b) the Participant's 60th birthday and the completion of 8 years of Service.

A Participant who continues in employment after reaching Normal Retirement is considered to be in postponed Retirement status.

PENSION BENEFIT:

Normal Retirement:

Benefit Formula:

Divisions 001 and 006:

2.1% of Final Earnings multiplied by years of Credited Service.

Divisions 002 and 007:

2.75% of Final Earnings multiplied by years of Credited Service.

Divisions 000, 003:

2.85% of Final Earnings multiplied by years of Credited Service.

Divisions 004, 005:

3.00% of Final Earnings multiplied by years of Credited Service.

Divisions 000 and 003:

On and after June 1, 2005, the maximum benefit at retirement shall not exceed 90% of Final Earnings for any Participant with 36 or fewer Years of Credited Service on April 1, 1996.

Division 002:

On and after July 8, 1996, the maximum benefit at retirement shall not exceed 80% of Final Earnings.

Division 004:

On and after April 27, 2000, the maximum benefit at retirement shall not exceed 90% of Final Earnings.

Division 005:

On and after April 1, 1999, the maximum benefit at retirement shall not exceed 85% of Final Earnings.

Division 007:

On and after December 18, 1996, the maximum benefit at retirement shall not
exceed 80% of Final Earnings.

Cost of Living:	1% increase each January 1.
	Division 000 - Retirement Date on or before March 31, 2009 Division 001 - Retirement Date on or before March 31, 2009 Division 002 - Retirement Date on or before December 31, 2007 Division 003 - Retirement Date on or before March 31, 2009 Division 004 - Retirement Date on or before March 31, 2009 Division 005 - Retirement Date on or before March 31, 2009 Division 006 - Retirement Date on or before March 31, 2009 Division 007 - Retirement Date on or before December 31, 2007

Early Retirement :

Eligibility:	Age 50 with a Vesting Percentage of 100%
Benefit Formula:	Normal retirement benefit accrued to early retirement, reduced by .5% for each month Annuity Commencement Date precedes Normal Retirement Date.

Vesting:

Eligibility:	Divisions 000, 001, 002, 003, 006 and 007 Eight years of Service or attainment of Normal Retirement Date equals 100% vesting. Divisions 004 and 005: Ten years of Service or attainment of Normal Retirement Age equals 100% vesting.
Benefit Formula:	Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

SUPPLEMENTAL BENEFITS:

Preretirement Death Benefit:	Divisions 000, 002, 003, 004, 005 and 007:
Eligibility:	Active Employee who is eligible for vesting
Benefit Formula:	50% of the pension benefit accrued to date of death. If eligible for early retirement at time of death, 100% of the pension benefit accrued to date of death.
Preretirement Spouse Benefit:	Divisions 001 and 006
Eligibility:	Active employee eligible for early retirement and married
Benefit Formula:	50% of the pension benefit accrued to date of death. If eligible for early retirement at time of death, 100% of the pension benefit accrued to date of death.
Disability Benefit:	Only applies to Divisions 002, 004, 005 and 007.
Eligibility:	Participants are eligible immediately.
Benefit Formula:	

- Duty Disability

  2.75% (3.0% for Divisions 004 & 005) of Final Earnings equal to the rate of earnings immediately prior to disablement adjusted by increases negotiated for job classification between date of disablement and the earlier of the date the Participant is no longer disabled, or the Normal Retirement Date, multiplied by years of Credited Service. Credited Service is defined from employment date to the earlier of the date the Participant is no longer considered disabled or Normal Retirement Date. Final Earnings equals the Rate of Earnings immediately prior to disablement adjusted by increases negotiated for that job classification between the date of disablement and the earlier of the date the Participant is no longer disabled or Normal Retirement Date.

- Non-Duty Disability

  2.75% (3.0% for Divisions 004 & 005) of Final Earnings multiplied by years of Credited Service. Final Earnings and Credited Service are as of date of disablement.

EMPLOYEE CONTRIBUTIONS

Amount:	Divisions 002 and 007: 1% of earnings Divisions 004 and 005: 3.5% of earnings Divisions 000 and 003: 2% of earnings Divisions 001 and 006: 5% of earnings
Interest Credits:	5% per annum
Death or Termination Refund:	
Preretirement:	Refund of Employee Contributions with interest to date of termination or date of death
Postretirement:	Refund of Employee Contributions with interest over annuity payments made, unless the form of annuity elected is other than the normal form of annuity.

Township of Bloomfield Retirement Income Plan
Group Annuity Contract Number.

Recommended Employer Contribution, based on the Actuarial Valuation Report for the plan year from January 1, 2014 to December 31, 2014:

Normal Cost	**$3,040,464**
Amortization Payment	**0**
Interest to the end of the Plan Year	**190,029**
Initial Contribution	**3,230,493**
Full Funding Limitation	**0**
Final Recommended Contribution	**$0**

Table of Contents

This report summarizes valuation results for the Township of Bloomfield Retirement Income Plan based upon actuarial valuations as of January 1, 2013 and January 1, 2014.

	January 1, 2013	January 1, 2014
Contributions		
• Recommended Employer Contribution	$10,742,763	$0
Expressed as a percentage of payroll	*72.28%*	*0%*
• Estimated Employee Contribution	$363,360	$343,001
Pension Plan Asset Information		
• Market Value of Assets	$128,978,134	$219,061,216
• Actuarial Value of Assets	$127,620,304	$218,093,625
Liability Information		
• Present Value of Projected Benefits	$251,374,095	$219,464,612
• Present Value of Accrued Benefits	$194,070,380	$176,300,221
• Projected Unit Credit Liability	$207,921,175	$187,794,369
Participant Information		
• Active Participant Lifecount	213	199
• Total Participant Lifecount	473	467
• Total Covered Payroll	$14,862,788	$14,159,863

Pension Plan

There are no changes to the plan provisions with this valuation.

Actuarial Assumptions

Effective January 1, 2014, the assumed investment return was changed from 5.25% to 6.25%.
Also effective January 1, 2014, estimated expenses were updated from $30,000 to $45,000.

Gain/Loss

Actuarial gains and losses are recognized with each valuation by routine application of the Actuarial Cost Method. Under your cost method, actuarial gains and losses are recognized with each valuation and amortized over 20 years.

Funding Method

There are no changes to the funding method with this valuation.

Demographics

Total participant lifecount decreased 1.3% when compared with last year. Within the total group, active lifecount decreased 6.6%.

This report relies on the census data submitted to us by the plan sponsor, as summarized in "Participant Data", and the retirement plan as outlined in "Plan Provisions". It also relies on the plan asset information as described in "Statement of Net Assets Available for Benefits". Appropriate tests for consistency and reasonableness have been completed on the information relied on.

The liabilities and costs were determined using the method summarized in "Actuarial Cost Method" and the actuarial assumptions described in "Plan Assumptions". In our opinion, the actuarial assumptions used in this report are reasonable and reflect our best estimate of the anticipated future experience under the plan.

I am the Enrolled Actuary for this plan, and have no other relationship with the plan or the plan sponsor, which may impair or appear to impair the objectivity of my work.

This report was completed in accordance with generally accepted actuarial standards and procedures, and conforms to the Guidelines for Professional Conduct of the American Academy of Actuaries. The undersigned credentialed actuary meets the qualification standards of the American Academy of Actuaries necessary to render the actuarial opinion contained herein.

David V. Pappalardo

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1. Market Value of Assets:

Description	January 1, 2013	January 1, 2014
Gregory J. Schwartz & Co., Inc.	13,158,784	84,750,178
Total Market Value	**$ 13,158,784**	**$ 84,750,178**

2. Guaranteed Account (GA)

	January 1, 2013	January 1, 2014
a. Value as of Valuation Date	$115,819,350	$134,311,038
b. Receivables		
i. Investment Income	0	0
ii. Employer Contributions	0	0
c. Payables	0	0
d. Total Guaranteed Account 3(a) + 3(b) + 3(c)	**$115,819,350**	**$134,311,038**

4.	Total Market Value of Assets	**$128,978,134**	**$219,061,216**
5.	Total Actuarial Value of Assets	**$127,620,304**	**$218,093,625**
6.	Rate of Return on Market Value of Assets during the preceding twelve month period	**7.68%**	**4.66%**

Contributions for the Preceding Plan Year

Date	Employee Contributions	Employer Contributions
July, 2012	$0.00	$4,850,626.00
October, 2012	0.00	3,018,254.00
December, 2012	0.00	1,578,470.00
January, 2013	26,787.54	0.00
February, 2013	26,758.50	0.00
March, 2013	26,608.83	910,328.00
April, 2013	26,761.57	0.00
June, 2013	39,869.71	0.00
July, 2013	53,099.98	0.00
August, 2013	26,351.78	0.00
September, 2013	25,934.66	0.00
November, 2013	38,643.13	80,300,000.00
December, 2013	40,952.39	0.00
Totals	**$331,768.09**	**$90,657,678.00**

Lifecount and Data Reconciliation:

Description	Actives	Vested Terms	Inactives	Disableds	Retireds	Total
Participants on January 1, 2013	213	9	1	0	250	473
New Beneficiaries	0	0	0	0	4	4
Transfers in Status	0	0	0	0	0	0
Vested Term	(3)	3	0	0	N/A	0
Non-vested Term	(1)	0	0	0	N/A	(1)
Inactive	0	0	0	0	0	0
Disabled	(1)	0	0	1	0	0
Retired	(9)	0	0	0	9	0
Cash Out	0	0	0	0	0	0
Death	0	0	0	0	(9)	(9)
Expired Payments	N/A	N/A	N/A	0	0	0
Data Correction	0	0	0	0	0	0
Participants on January 1, 2014	199	12	1	1	254	467

	January 1, 2013	January 1, 2014
AVERAGE AGES for active eligible lives		
Average attained age	44.65	45.24
Average service	15.57	16.18
PAYROLL for active eligible lives	$14,862,788	$14,159,863
Average annual earnings	$69,778	$71,155
RETIRED PARTICIPANTS		
Average attained age	69.07	69.23
Average annual benefit	$34,170	$35,585

Present Value of Projected Plan Benefits: (at 5.25% for the prior year and 6.25% for the current year)

	January 1, 2013	January 1, 2014
Actives		
Retirement Benefits	122,281,033	95,967,180
Withdrawal	1,524,766	1,065,398
Pre-retirement Spouse	2,041,075	1,623,414
Disability	4,358,605	3,488,777
Other	0	0
Subtotal for Actives	$130,205,479	$102,144,769
Inactives		
Retired Lives	$119,784,309	$114,329,734
Vested Terminated Participants	1,384,307	2,130,026
Disabled	0	860,083
Inactive Lives	0	0
Subtotal for Inactives	$121,168,616	$117,319,843
Total Present Value of Benefits	**$251,374,095**	**$219,464,612**

Present Value of Actuarial Accrued Liabilities: (at 5.25% for the prior year and 6.25% for the current year)

	January 1, 2013	January 1, 2014
Actives		
Retirement Benefits	80,254,419	65,289,768
Withdrawal	1,079,390	783,867
Pre-retirement Spouse	1,373,866	1,141,908
Disability	4,044,883	3,258,983
Other	0	0
Subtotal for Actives	$86,752,558	$70,474,526
Inactives		
Retired Lives	$119,784,309	$114,329,734
Vested Terminated Participants	1,384,308	2,130,026
Disabled	0	860,083
Inactive Lives	0	0
Subtotal for Inactives	$121,168,617	$117,319,843
Total Present Value of Benefits	**$207,921,175**	**$187,794,369**

Pension Contribution

		January 1, 2013	January 1, 2014
1	a. Employer Normal Cost Net of Employee Contributions	$3,784,978	$2,995,464
	b. Amortization of Unfunded Actuarially Accrued Liability	6,391,923	0
	c. Expenses	30,000	45,000
	d. Initial Employer Contribution at beginning of year (1a + 1b + 1c)	$10,206,901	$3,040,464
	e. Interest to the end of Plan Year (5.25% for 2013; 6.25% for 2014)	535,862	190,029
	f. Initial Employer Contribution at end of year (1d + 1e)	$10,742,763	$3,230,493
2	a. Actuarial Accrued Liability at beginning of the year	$207,921,175	$187,794,369
	b. Normal Cost	3,784,978	2,995,464
	c. Expected Disbursements	(8,682,538)	(9,345,765)
	d. Interest (6.25% for 2014)	10,867,663	11,607,971
	e. Expected Liability at end of plan year (2a + 2b + 2c + 2d)	213,891,278	$193,052,039
3	a. Assets at beginning of year	$127,620,304	$218,093,625
	b. Expected Disbursements	(8,682,538)	(9,345,765)
	c. Interest (6.25% for 2014)	6,453,156	13,314,458
	d. Expected Assets at end of plan year (3a + 3b + 3c)	125,390,922	$222,062,318
4	a. Expected Liability (2e)	213,891,278	$193,052,039
	b. Expected Assets (3d)	125,390,922	222,062,318
	c. Full Funding Limitation (4a - 4b, not less than zero)	88,500,356	$0
	d. Final Recommended Contribution (Minimum of 1f and 4c)	10,742,763	$0

Determination of Actuarial (Gain)/Loss for the plan year beginning January 1, 2014

1. Projected Unit Credit Liability as of January 1, 2013	$207,921,175
2. Actuarial Value of Pension Fund Assets as of January 1, 2013	127,620,304
3. Projected Unit Credit Liability minus Actuarial Value of Assets (1-2)	80,300,871
4. Employer Normal Cost with Expenses As of January 1, 2013	3,814,978
5. Interest at 5.25% (on 3 + 4)	4,416,082
6. Employer Contribution for the 2013 Plan Year with interest	91,540,821
7. Expected (Overfunded)/Unfunded Actuarial Accrued Liability as of January 1, 2013 (3 + 4 + 5 - 6)	$(3,008,889)
8. Projected Unit Credit Liability as of January 1, 2014 Before Assumption Changes	$215,164,942
9. Actuarial Value of Pension Fund Assets as of January 1, 2014	218,093,625
10. Actual (Overfunded)/Unfunded Actuarial Accrued Liability as of January 1, 2014	$(2,928,683)
11. Actuarial (Gain)/Loss as of January 1, 2014 (10 - 7)	$80,207*

**No amortization needed because liability is less than assets*

UNFUNDED ACTUARIALLY ACCRUED LIABILITY

Description	Effective Date	Initial Amount	Remaining Balance	Years Remaining	Annual Payment
None*					
Total		$0	$0		$0

**Since assets exceed liabilities as of January 1, 2014, all existing bases are considered fully amortized. No new bases will be created until liabilities exceed assets.*

The following percentages may be used to allocate contributions to each department. These percentages are based on the ratio of the liabilities for employees of each department to the liabilities for all departments.

Contribution % Breakdown	Active	Deferred	Receiving	Total
Accounting	0.24%	0.05%	1.08%	1.37%
Assessing	0.95%	0.00%	1.29%	2.24%
Building Inspection	0.50%	0.08%	1.53%	2.11%
Buildings & Grounds	0.40%	0.00%	0.99%	1.39%
Cable Studio	0.39%	0.04%	0.46%	0.89%
Clerk	0.17%	0.08%	0.36%	0.61%
Dispatch	0.79%	0.07%	1.31%	2.17%
Elections	0.17%	0.08%	0.36%	0.61%
Fire	13.24%	0.25%	17.82%	31.31%
Information Technology	0.78%	0.00%	0.44%	1.22%
Library	1.59%	0.00%	1.91%	3.50%
Motor Pool	0.91%	0.00%	1.26%	2.17%
Ordinance	0.15%	0.00%	0.53%	0.68%
Planning	0.40%	0.00%	0.00%	0.40%
Police	12.90%	0.25%	22.19%	35.34%
Road	1.32%	0.03%	3.23%	4.58%
Safety Path	0.09%	0.00%	0.00%	0.09%
Senior Services	0.15%	0.00%	0.19%	0.34%
Supervisor	0.17%	0.00%	1.60%	1.77%
Treasurer	0.33%	0.03%	1.01%	1.37%
Village Police	0.00%	0.00%	0.20%	0.20%
Water & Sewer	1.88%	0.18%	3.58%	5.64%
Total	37.52%	1.14%	61.34%	100.00%

I. ACTUARIAL COST METHOD

Costs have been computed in accordance with the Projected Unit Credit Level Dollar Funding Method using a 20-year amortization period and reflect the actuarial assumptions described in "Plan Assumptions" of this report.

NORMAL COST

The Normal Cost is the cost of benefits expected to accrue during the coming year for all Participants who are eligible for funding as of the valuation date.

ACTUARIAL ACCRUED LIABILITY

As of January 1, 2011, an Actuarial Accrued Liability is established which represents the value of accrued benefits. This Actuarial Accrued Liability is offset by assets, if any, and the remainder, the Unfunded Actuarial Accrued Liability, is amortized over a fixed number of years from the effective date.

Subsequent changes due to plan amendment or revised actuarial assumptions create increments of Actuarial Accrued Liability which will be amortized over a similar fixed period of years from their effective dates. Actuarial gains and losses will be recognized with each valuation and amortized over a 20-year period.

II. ASSET VALUATION METHOD

Assets have been valued in accordance with generally accepted procedures as described below.

All funds invested are valued in the following manner:

Definitions

i	assumed growth rate, set equal to the expected return on assets
C(t)	sum of contributions and other additions to the fund from all sources other than investment transactions in Plan Year t
W(t)	sum of all withdrawals and other decreases to the fund from all sources other than investment transactions in Plan Year t
AV(t)	Actuarial Value of Assets as of Plan Year t
MV(t)	Market Value of Assets as of Plan Year t
EV(t)	Expected Value of Assets as of Plan Year t
G/L(t)	Gain or Loss for Plan Year t

Method

Deferred Recognition Method, with no gain or loss recognition prior to January 1, 2002.
On January 1, 2002, let AV(t) = MV(t). For subsequent years, AV(t) is determined as follows:

$$EV(t) = MV(t-1) * (1+i) + [C(t-1) - W(t-1)] * (1+i*m)$$

where m represents a proportionate yield consistent with the portion of the year for which C and W are invested.

$$G/L(t-1) = EV(t) - MV(t)$$

$$AV(t) = MV(t) + 4/5 * G/L(t-1) + 3/5 * G/L(t-2) + 2/5 * G/L(t-3) + 1/5 * G/L(t-4)$$

Corridor Limits

The resulting Actuarial Value of Assets may not be less than 80% or more than 120% of the current market value of plan assets as of the applicable valuation date [as required by IRC Section 1.412(c)(2)(1)].

Determination of Actuarial Value

Market Value of Assets on 01/01/2014: $ 219,061,216

Plan Year	(Gain)/Loss	% Deferred	Deferred Recognition
2013	$ (518,525)	80.00%	$ (414,820)
2012	$ (670,812)	60.00%	$ (402,487)
2011	$ 1,591,426	40.00%	$ 636,571
2010	$ (3,934,275)	20.00%	$ (786,855)
			$ (967,591)

Market Value plus Deferred Recognition: $ 218,093,625

Corridor for Actuarial Value
80% of Market Value: $ 175,248,973
120% of Market Value: $ 262,873,459

Actuarial Value after Corridor: $ 218,093,625

Assumptions have been chosen to anticipate the long-range experience of the Plan. Consistency among assumptions is important as each interacts with the others; equally important is the recognition of inflationary trends in the economy.

The actuarial assumptions used to compute Plan costs are:

Mortality: RP-2000 Generational Mortality Table projected with Scale BB

Termination: 50% of Prudential Scale 1/2A

The probabilities that Participants at the ages indicated will terminate before reaching the assumed retirement age are:

Age	Male	Female
20	28.5%	35.8%
25	22.4%	29.7%
30	15.0%	20.9%
35	8.6%	13.2%
40	4.0%	6.5%
45	1.1%	1.9%
50 & Over	0.0%	0.0%

Retirement Age: Age 55 with 25 years of Service or Age 62. Participants at or beyond this age are assumed to retire immediately. Non-active, non-retired participants are assumed to retire at Normal Retirement Age.

Investment Return: 6.25% per annum.

Estimated Expenses: $45,000 per annum.

Annual Cost of Living Adjustment: All retirees and participants eligible to retire immediately receive a 1% annual cost of living adjustment for life.

Salary Scale:

Salaries are assumed to increase at an annual rate of 3.0%.

The salary at age 55 bears the following relationship to the current earnings of a Participant at the indicated age, except that for Participants with a later normal or assumed retirement date, salaries are assumed to increase to that date.

Age	Ratio
20 & under	2.81
25	2.43
30	2.09
35	1.81
40	1.56
45	1.34
50	1.16
55	1.00

Spouse's Benefit:

It is assumed that husbands are 3 years older than wives and that 80% of Participants who are or will become eligible for coverage under the Spouse's Benefit will be survived by an eligible spouse.

Disability:

Table C-4 of the Society of Actuaries Transactions Volume XXXIX, 100% of the 6-month rates. The probabilities the Participants at the ages indicated will terminate within the next year are:

Age	Male	Female
20	0.080%	0.100%
25	0.085%	0.110%
30	0.099%	0.140%
35	0.124%	0.201%
40	0.176 %	0.276%
45	0.294%	0.400%
50	0.540%	0.622%
55	0.977%	0.932%
60	1.477%	1.179%
62	1.671%	1.253%

Maximum Benefit and Maximum Compensation Limits:

Assumed to increase 3% per year.

Rate of Earnings:	Basic compensation including longevity adjustments but excluding overtime, commissions, bonuses and any other additional compensation.
Final Earnings:	Divisions 000, 003 and 004: Average Rate of Earnings as of the highest three consecutive May 1's during the last 10 years before Retirement Date. If Service ceases more than three years before Retirement Date, Final Earnings is average Rate of Earnings as of the last three May 1's before Service ceases. Divisions 002, 005 and 007: Average Rate of Earnings as of the highest three May 1's. Divisions 001 and 006: Average Rate of Earnings as of the highest five consecutive May 1's during the last 10 years before Retirement Date. If Service ceases more than five years before Retirement Date, Final Earnings is the average Rate of Earnings as of the last five May 1's before Service ceases.
Service:	All years of Service with the Employer from date of employment to the earlier of retirement, termination of employment or death (without regard to hours worked).
Credited Service:	All years of Service with the Employer from date of employment to the earlier of retirement, termination of employment or death, counted in whole years and full months. Service prior to August 1, 1961 is excluded if the Employee was not a plan Participant at that time. Service while the Participant was eligible to make contributions but did not is also excluded. Service while the Participant is disabled is excluded.
Form of Annuity:	Modified Cash Refund with a 50% Spouse Continuation. Participants who are not married receive an actuarially increased benefit.
Normal Retirement Date:	Divisions 000 and 003: The first day of the month coinciding with or next following the Participant's 52nd birthday and the completion of 8 years of Service, or the completion of 30 years of Service. Division 001: The first day of the month coinciding with or next following the Participant's 55th birthday and the completion of 8 Years of Service.

Division 002 and 007:

The first day of the month coinciding with or next following the Participant's 52nd birthday and the completion of 8 Years of Service.

Division 004 and 005:

The first day of the month coinciding with or next following the Participant's 50th birthday and the completion of 25 years of service or the Participant's 52nd birthday and the completion of 10 years of Service, if later.

Division 006:

The first day of the month coinciding with or next following the earlier of (a) the Participant's 55th birthday and the completion of 10 years of Service or (b) the Participant's 60th birthday and the completion of 8 years of Service.

A Participant who continues in employment after reaching Normal Retirement is considered to be in postponed Retirement status.

PENSION BENEFIT:

Normal Retirement:

Benefit Formula:

Divisions 001 and 006:

2.1% of Final Earnings multiplied by years of Credited Service.

Divisions 002 and 007:

2.75% of Final Earnings multiplied by years of Credited Service.

Divisions 000, 003:

2.85% of Final Earnings multiplied by years of Credited Service.

Divisions 004, 005:

3.00% of Final Earnings multiplied by years of Credited Service.

Divisions 000 and 003:

On and after June 1, 2005, the maximum benefit at retirement shall not exceed 90% of Final Earnings for any Participant with 36 or fewer Years of Credited Service on April 1, 1996.

Division 002:

On and after July 8, 1996, the maximum benefit at retirement shall not exceed 80% of Final Earnings.

Division 004:

On and after April 27, 2000, the maximum benefit at retirement shall not exceed 90% of Final Earnings.

Division 005:

On and after April 1, 1999, the maximum benefit at retirement shall not exceed 85% of Final Earnings.

Division 007:

On and after December 18, 1996, the maximum benefit at retirement shall not
exceed 80% of Final Earnings.

Cost of Living: 1% increase each January 1.

Division 000 - Retirement Date on or before March 31, 2009
Division 001 - Retirement Date on or before March 31, 2009
Division 002 - Retirement Date on or before December 31, 2007
Division 003 - Retirement Date on or before March 31, 2009
Division 004 - Retirement Date on or before March 31, 2009
Division 005 - Retirement Date on or before March 31, 2009
Division 006 - Retirement Date on or before March 31, 2009
Division 007 - Retirement Date on or before December 31, 2007

Early Retirement :

Eligibility: Age 50 with a Vesting Percentage of 100%

Benefit Formula: Normal retirement benefit accrued to early retirement, reduced by .5% for each month Annuity Commencement Date precedes Normal Retirement Date.

Vesting:

Eligibility: Divisions 000, 001, 002, 003, 006 and 007

Eight years of Service or attainment of Normal Retirement Date equals 100% vesting.

Divisions 004 and 005:

Ten years of Service or attainment of Normal Retirement Age equals 100% vesting.

Benefit Formula: Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

SUPPLEMENTAL BENEFITS:

Preretirement Death Benefit:	Divisions 000, 002, 003, 004, 005 and 007:
Eligibility:	Active Employee who is eligible for vesting
Benefit Formula:	50% of the pension benefit accrued to date of death. If eligible for early retirement at time of death, 100% of the pension benefit accrued to date of death.
Preretirement Spouse Benefit:	Divisions 001 and 006
Eligibility:	Active employee eligible for early retirement and married
Benefit Formula:	50% of the pension benefit accrued to date of death. If eligible for early retirement at time of death, 100% of the pension benefit accrued to date of death.
Disability Benefit:	Only applies to Divisions 002, 004, 005 and 007.
Eligibility:	Participants are eligible immediately.
Benefit Formula:	• Duty Disability

2.75% (3.0% for Divisions 004 & 005) of Final Earnings equal to the rate of earnings immediately prior to disablement adjusted by increases negotiated for job classification between date of disablement and the earlier of the date the Participant is no longer disabled, or the Normal Retirement Date, multiplied by years of Credited Service. Credited Service is defined from employment date to the earlier of the date the Participant is no longer considered disabled or Normal Retirement Date. Final Earnings equals the Rate of Earnings immediately prior to disablement adjusted by increases negotiated for that job classification between the date of disablement and the earlier of the date the Participant is no longer disabled or Normal Retirement Date.

• Non-Duty Disability

2.75% (3.0% for Divisions 004 & 005) of Final Earnings multiplied by years of Credited Service. Final Earnings and Credited Service are as of date of disablement.

EMPLOYEE CONTRIBUTIONS

Amount:	Divisions 002 and 007: 1% of earnings Divisions 004 and 005: 3.5% of earnings Divisions 000 and 003: 2% of earnings Divisions 001 and 006: 5% of earnings
Interest Credits:	5% per annum
Death or Termination Refund:	
Preretirement:	Refund of Employee Contributions with interest to date of termination or date of death
Postretirement:	Refund of Employee Contributions with interest over annuity payments made, unless the form of annuity elected is other than the normal form of annuity.