

***OBRA 1990 Retirement System of the
County of Milwaukee***

Actuarial Valuation Report

January 1, 2014

June, 2014

June 16, 2014

The Retirement Board
Employees' Retirement System of the
County of Milwaukee
901 N. 9th St.
Milwaukee, WI 53233

Ladies and Gentlemen:

This report presents the results of the annual actuarial valuation of the OBRA 1990 Retirement System of the County of Milwaukee as of January 1, 2014. The valuation takes into account all of the promised benefits to which members are entitled as of January 1, 2014; and as required by the Retirement Code is the basis for the Budget Contribution for fiscal year 2014.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, changes expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions, applicable law or regulations. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the Plan and reasonable long-term expectations, and represent our best estimate of the anticipated long-term experience under the Plan. The valuation was based on the actuarial assumptions and methods as adopted by the Board of Trustees, including a valuation interest rate of 8% per annum compounded annually. The actuary performs an analysis of Plan experience periodically and recommends changes if, in the opinion of the actuary, assumption changes are needed to more accurately reflect expected future experience. The recommendations of the last review were implemented with the January 1, 2013 valuation and are to remain in place until the next Experience Review. The next Experience Study will be based on the period from January 1, 2012 to December 31, 2016 and upon approval by the Board will be the basis of valuations performed from January 1, 2018 through January 1, 2022. A summary of the actuarial assumptions and methods used in this actuarial valuation are shown in Table 14.

Assets and Membership Data

The Retirement System reported the individual data for members of the System as of the valuation date to the actuary. In reviewing the data, it appears that significant changes were made in correcting previous data elements from past years. This had the end result of drastically decreasing the active population and increasing the deferred vested inactive population. The accuracy and validity of the valuation results is dependent on the accuracy of the membership data.

For 2014 we received the data in multiple files. Missing information was updated with either supplemental information sent or by using assumptions based on the current and prior year's data.

While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the Retirement System.

Funding Adequacy

The 2013 valuation performed last year resulted in an Actual Funding Contribution of \$388,625 against which \$360,000 was actually contributed.

The Actual Funding Contribution for 2014, based on the results of this valuation, is \$373,500. It is expected that \$440,000 will be contributed during 2015 on behalf of the 2014 plan year. The surplus of \$66,500 will be amortized over five years.

Budget Contribution

The 2015 Budget Contribution, expected to be contributed in 2016, is \$402,000.

Financial Results and Membership Data

Detailed summaries of the financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report. The actuary prepared supporting schedules and required supplementary information included in the County of Milwaukee Annual Report of the Pension Board.

Qualifications

Qualified actuaries completed the valuation in accordance with accepted actuarial procedures as prescribed by the Actuarial Standards Board. The qualified actuaries are members of the American Academy of Actuaries and are experienced in performing actuarial valuations of public employee retirement systems. To the best of our knowledge, this report is complete and accurate and has been prepared in accordance with generally accepted actuarial principles and practice. The undersigned with actuarial designations are qualified to render the opinions contained in this report.

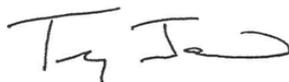
Respectfully submitted,



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EMPLOYEES' RETIREMENT SYSTEM OF THE COUNTY OF MILWAUKEE
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Executive Summary

This report presents the actuarial valuation as of January 1, 2014 for the OBRA 1990 Retirement System of the County of Milwaukee. The principal valuation results include:

- The Actual Funding Contribution for fiscal year 2014, which is \$373,500.
- The Actuarially Required Contribution for fiscal year 2014 in accordance with GASB requirements, which is \$373,500.
- The Budget Contribution for fiscal year 2015, which is \$402,000.
- The total funded ratio of the plan determined as of January 1, 2014, which is 47.0% based on the accrued liability and the actuarial value of assets.
- The determination of the actuarial gain or loss as of January 1, 2014, which is a loss of \$192,997.
- Annual disclosure as of January 1, 2014 as required by Statement No. 25 of the Governmental Accounting Standards Board – only to be used for comparison of relevant Statement No. 27 and 67 information.

The valuation was based on membership and financial data submitted by the Retirement System.

Changes Since Last Year

Legislative and Administrative Changes

There were no legislative or administrative changes since the prior valuation.

The benefit provisions and contribution provisions are summarized in Table 15.

Actuarial Assumptions and Methods

No actuarial assumptions or methods have changed.

The actuarial assumptions and methods are outlined in Table 14.

Contribution Amounts

The results of the valuation as of January 1, 2014 determine the Actual Funding Contribution and Actuarially Required Contribution for fiscal year 2014 and the Budget Contribution for fiscal year 2015. The Actual Funding Contribution and the Actuarially Required Contribution for GASB 25 disclosure for fiscal year 2014 are both \$373,500. The Budget Contribution for fiscal year 2015 is \$402,000.

Reasons for Change in Budget Contribution Calculated by the Actuary

The Budget Contribution calculated by the actuary decreased from \$440,000 for fiscal year 2014 to \$402,000 for fiscal year 2015. A reconciliation of the decrease of \$38,000 is shown in the following table:

Item	Amount
1. 2014 Budget Contribution	\$ 440,000
2. Increase / (Decrease) during 2013 due to	
a. Unanticipated liability loss (gain)	\$ (69,000)
b. Asset loss (gain) other than expected	(6,000)
c. 2013 reimbursable expenses other than assumed	9,000
d. 2013 contribution variance other than assumed	-
e. Full recognition of bases other than assumed	-
f. Increase due to assumption changes	-
g. Total	<u>(66,000)</u>
3. 2014 Actual Contribution (1 + 2)	\$ 374,000
4. Expected Increase / (Decrease) during 2014 due to	
a. Normal cost and existing amortization schedule	\$ 7,000
b. Phase-in of deferred asset (gains) losses	-
c. Amortization of 2014 reimbursable expenses	73,000
d. Expected contribution variance for 2014	(17,000)
e. Full recognition of certain amortization bases	(35,000)
f. Increase due to assumption changes	-
g. Total	<u>28,000</u>
5. 2015 Budget Contribution (3 + 4)	\$ 402,000

Summary of Principal Results

Summarized below are the principal financial results for the OBRA 1990 Retirement System of the County of Milwaukee based upon the actuarial valuation as of January 1, 2014. Comparable results from the January 1, 2013 valuation are also shown.

Item	January 1, 2014	January 1, 2013
Demographics		
<u>Active Members</u>		
• Number	326	1,297
• Average Annual Pay	\$ 10,669	\$ 5,964
<u>Inactive Members</u>		
• Members Receiving Benefits		
• Number	39	38
• Average Annual Benefit Payment	\$ 1,704	\$ 1,614
• Members With Deferred Benefits		
• Number	4,434	1,945
• Average Annual Benefit Payment	\$ 315	\$ 361
Actual Funding Contribution		
	(Fiscal Year 2014)	(Fiscal Year 2013)
• Normal Cost with Interest	\$ 88,705	\$ 163,337
• Net Amortization Payments	<u>284,795</u>	<u>225,288</u>
• Total Contribution	\$ 373,500	\$ 388,625
Actuarial Funded Status		
• Accrued Liability	\$ 3,410,663	\$ 2,868,585
• Actuarial Value of Assets	<u>1,602,994</u>	<u>1,661,607</u>
• Unfunded Accrued Liability	\$ 1,807,669	\$ 1,206,978
• Funded Ratio	47.0 %	57.9 %

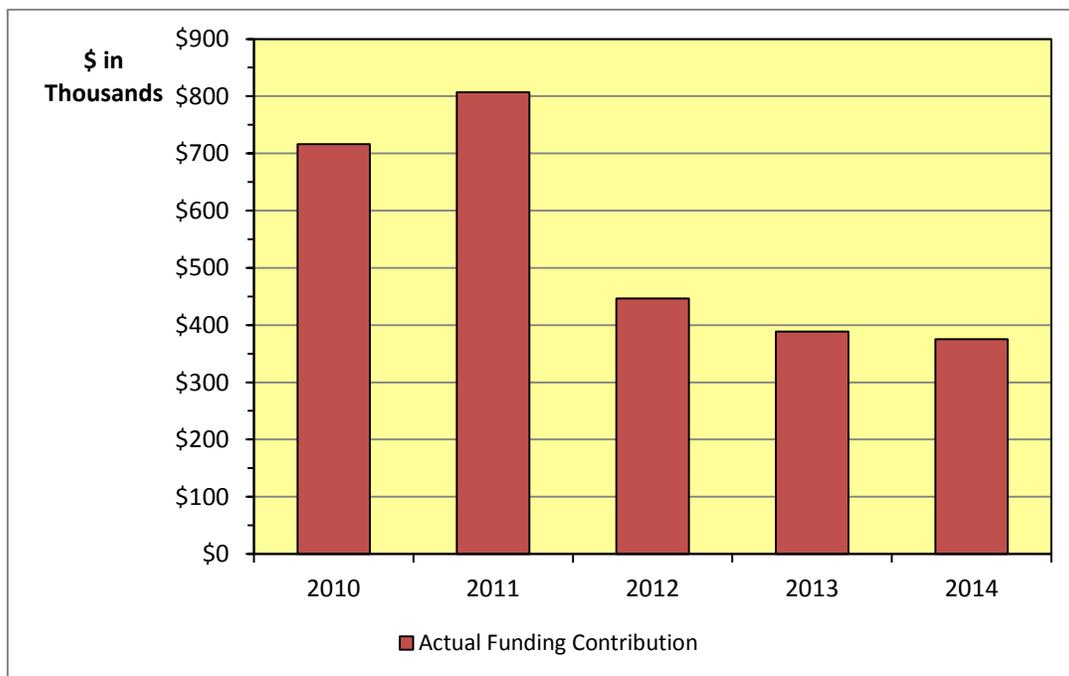
Five-Year History of Principal Financial Results

Five-Year History of Contribution Amounts

Valuation as of January 1	Actual Funding Contributions		
	Normal Cost with Interest	Net Amortization Payments	Total
2014	\$ 88,705	\$ 284,795	\$ 373,500
2013	163,337	225,288	388,625
2012	183,014	263,438	446,452
2011	189,829	617,199	807,028
2010	135,517	580,922	716,439

The following chart shows a five-year history of employer contribution amounts:

Five-Year History of Actual Funding Contributions



Funded Ratio

The financing objective of the System is to:

- Fully fund all current costs based on the normal contribution rate determined under the funding method; and
- Liquidate the unfunded accrued liability based on the amortization schedules as required by the retirement code, i.e., a schedule of 5, 10, or 30 years for each change in the unfunded accrued liability according to Section 3.1.

The total Actual Funding Contribution of \$373,500 when taken together with any contributions payable by members and asset returns, is the amount sufficient to achieve the financing objective for 2014.

The System's total funded ratio on the funding basis is measured by comparing the actuarial value of assets (same as market value) with the accrued liability. The accrued liability for pensions is the present value of benefits accumulated to date under the System's funding method.

On this basis, the System's funded ratio is 47.0% as of January 1, 2014. This funded ratio is based on an actuarial value of assets of \$1,602,994 and an accrued liability of \$3,410,663.

Reasons for Change in the Total Funded Ratio

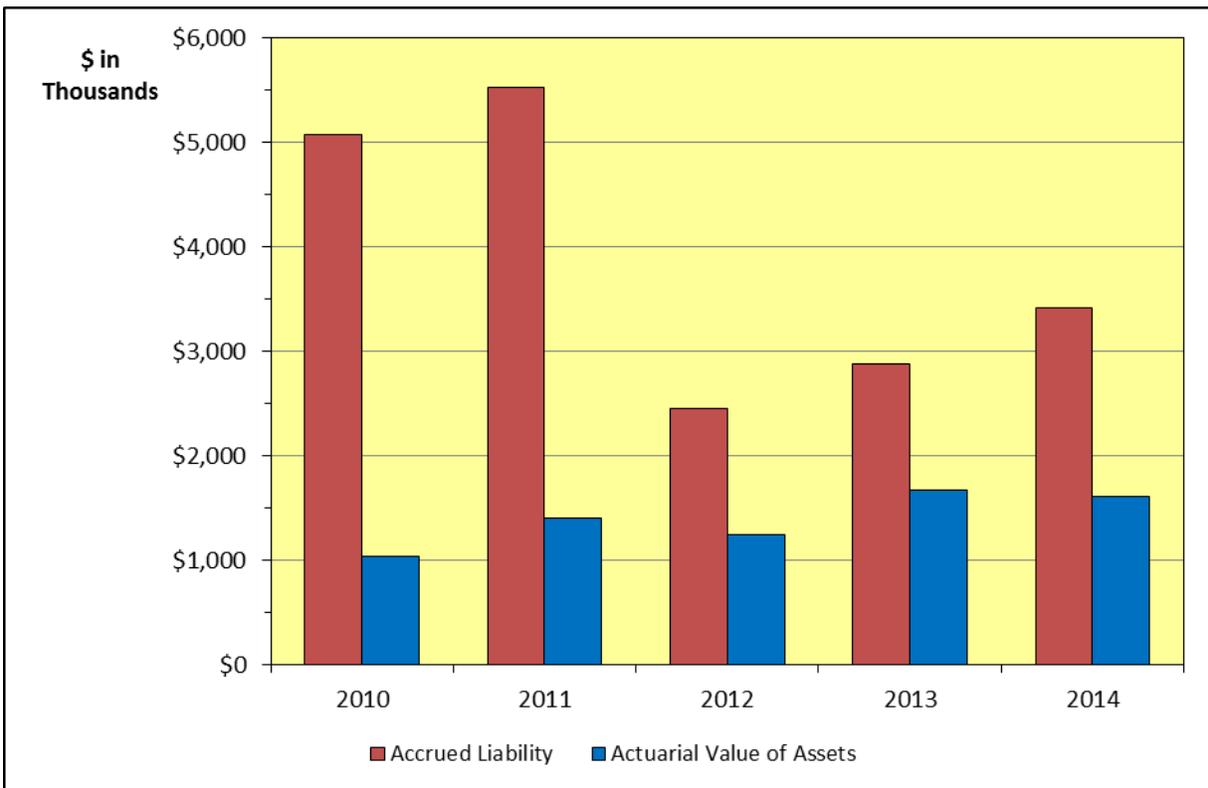
The total funded ratio decreased from 57.9% as of January 1, 2013 to 47.0% as of January 1, 2014. The decrease is primarily due to the data corrections that were made for the year that resulted in large changes in membership data. Other factors contributing to the decrease are the experience gains and losses, offset by favorable asset gains.

Five-Year History of Total Funded Ratio

Valuation as of January 1	Accrued Liability	Actuarial Value of Assets	Unfunded Accrued Liability	Funded Ratio
2014	\$ 3,410,663	\$ 1,602,994	\$ 1,807,669	47.0%
2013	2,868,585	1,661,607	1,206,978	57.9
2012	2,444,436	1,235,525	1,208,911	50.5
2011	5,519,524	1,402,225	3,617,299	25.4
2010	5,068,513	1,038,607	4,029,906	20.5

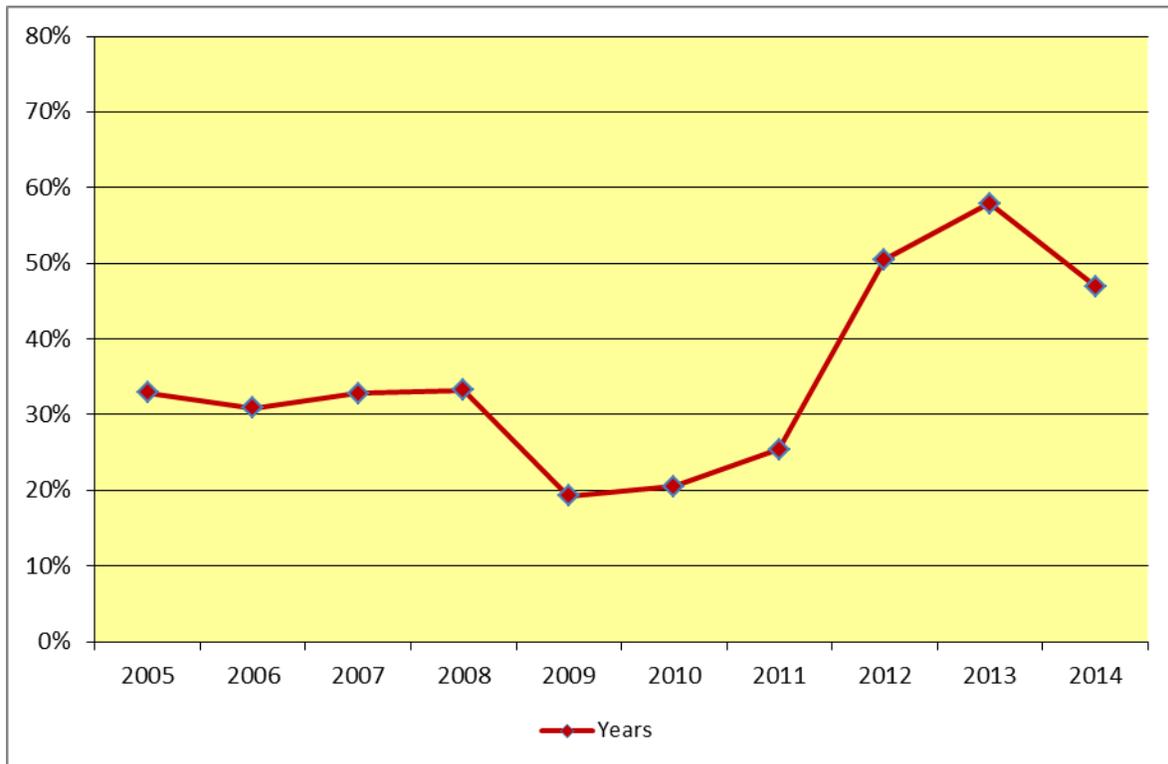
The following chart shows a five-year history of the accrued liability and the actuarial value of assets:

Five-Year History of Accrued Liability and Actuarial Value of Assets



The following chart shows a ten-year history of the total funded ratio:

**Ten-Year History of Total Funded Ratio
(2005 - 2014)**



GASB No. 25 Disclosure

Statement No. 25 of the Governmental Accounting Standards Board established reporting standards for the annual financial reports of defined benefit pension plans. The System complied with Statement No. 25 beginning with the January 1, 1997 valuation. The statement requires disclosure of the “schedule of funding progress” and the “schedule of employer contributions” in the System’s financial statements. Statement No. 25 is no longer applicable beginning with the January 1, 2014 valuation and will be replaced by Statement No. 67. Any results displayed throughout this report with reference to Statement No. 25 are strictly for comparison purposes for any relevant Statement No. 27 or Statement No. 67 results.

The “schedule of funding progress” shows historical trend information about the System’s actuarial value of assets, the actuarial accrued liability and the unfunded actuarial accrued liability. The actuarial funded ratio is measured by comparing the actuarial value of assets (based on market value) with the accrued liability. The accrued liability is the present value of benefits accumulated to date under the System’s funding method and reflects future pay increases for active employees. On this basis, the System’s funded ratio is 47.0% as of January 1, 2014. This funded ratio is based on an actuarial value of assets of \$1,602,994 and an accrued liability of \$3,410,663.

The “schedule of employer contributions” shows historical trend information about the annual required contribution (ARC) for pensions of the employer and the percentage of the ARC contributed to the System. The ARC is equal to the normal cost for pensions plus amortization of the unfunded actuarial accrued liability for pensions. The maximum period of amortizing the unfunded actuarial accrued liability permitted by GASB No. 25 is 30 years. The maximum amortization period decreased from 40 years to 30 years in 2007. The employer contributions to the System are equal to the normal cost plus a payment towards each change in the unfunded accrued liability, which are amortized over 5, 10 or 30-year periods. The ARC and the actual employer percentage contributed for the five fiscal years ending December 31, 2014 are shown in Table 13.

Rate of Return

The estimated investment return of the fund (i.e. total return including both realized and unrealized gains and losses) for fiscal years 2009 through 2013 is shown in the table below. The return based on the actuarial value of assets used for determining annual contribution rates is also shown.

The rate of return on market value reflects the investment earnings on the market value of assets from the beginning of the fiscal year to the end of the fiscal year. The actuarial assets are the assets recognized for valuation purposes. Actuarial assets are the same as market value for purposes of this valuation. The rates of return shown below have been developed by the actuary for illustrative purposes only. They are based on simplifying assumptions and as such, likely will not exactly match the returns presented by your investment consultants. The reader is encouraged to use the returns developed by the investment consultants.

Five Year History of Assets and Returns

As of 12/31	Asset Values		Rates of Return		
	Market	Actuarial	Market	Actuarial	Assumed
2013	\$ 1,602,994	\$ 1,602,994	14.0%	14.0%	8.0%
2012	1,661,607	1,661,607	12.6%	12.6%	8.0%
2011	1,235,525	1,235,525	(8.2%)	(8.2%)	8.0%
2010	1,402,225	1,402,225	9.7%	9.7%	8.0%
2009	1,038,607	1,038,607	20.5%	20.5%	8.0%

Compound Rate of Return (five years): 9.3% 9.3%

TABLE 1**SUMMARY OF RESULTS OF ACTUARIAL VALUATION**

Item	January 1, 2014	January 1, 2013
Participant Data		
1. Number of Participants		
a) Active Participants	326	1,297
b) Participants with Deferred Benefits	4,434	1,945
c) Participants Receiving Benefits	39	38
d) Total	4,799	3,280
2. Total Compensation	\$ 3,477,968	\$ 7,735,644
3. Annual Annuities	\$ 66,446	\$ 61,316
Valuation Results		
4. Actuarial Accrued Liability		
a) Active Participants	\$ 596,708	\$ 929,472
b) Participants with Deferred Benefits	2,215,590	1,382,614
c) Participants Receiving Benefits	598,365	556,499
d) Total	\$ 3,410,663	\$ 2,868,585
5. Actuarial Value of Assets	\$ 1,602,994	\$ 1,661,607
6. Funded Status: (5 / 4)	47.0 %	57.9 %
7. Unfunded Actuarial Accrued Liability: (4 - 5)	\$ 1,807,669	\$ 1,206,978
8. Normal Cost for the Plan Year	\$ 82,134	\$ 151,238
Employer Actual Funding Contribution and Annual Required Contribution for Fiscal 2014		
9. Actual Funding Contribution Calculated by Actuary		
a) Normal Cost with Interest	\$ 88,705	\$ 163,337
b) Net Annual Amortization Payments	284,795	225,288
c) Total Contribution: ((a + b), not less than zero)	\$ 373,500	\$ 388,625

TABLE 2
SECURITY OF PROMISED BENEFITS
UNFUNDED ACTUARIAL ACCRUED LIABILITY
FUNDED STATUS

Item	January 1, 2014	January 1, 2013
1. Actuarial Accrued Liability		
a. Active Participants		
Retirement Benefits	\$ 519,415	\$ 778,347
Withdrawal Benefits	<u>77,293</u>	<u>151,125</u>
Total Active	596,708	929,472
b. Participants with Deferred Benefits	2,215,590	1,382,614
c. Participants Receiving Benefits	<u>598,365</u>	<u>556,499</u>
d. Total All Participants	\$ 3,410,663	\$ 2,868,585
2. Actuarial Value of Assets	<u>1,602,994</u>	<u>1,661,607</u>
3. Unfunded Actuarial Accrued Liability (1d - 2)	\$ 1,807,669	\$ 1,206,978
4. Funded Status: (2 / 1d)	47.0%	57.9%

Both valuations were based on the same methods and plan provisions. The mortality and salary increase assumptions were updated in 2013.

The interest rate used as of January 1, 2014 and January 1, 2013 was 8.00%

TABLE 3
ACTUARIAL GAIN/(LOSS) FOR PLAN YEAR ENDING

Item	December 31, 2013	December 31, 2012
1. Actuarial Accrued Liability at the Beginning of the Year	\$ 2,868,585	\$ 2,444,436
2. Increases/(Decreases) During the Year		
a. Normal Cost for the Year	151,238	169,457
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(133,976)	(99,116)
d. Assumed Interest to End of Year*	236,330	205,223
e. Plan and Assumption Changes	-	163,746
f. Total: (a + b + c + d + e)	253,592	439,310
3. Expected Liability at the End of the Year: (1 + 2)	3,122,177	2,883,746
4. Actuarial Accrued Liability at the End of the Year	3,410,663	2,868,585
5. Liability Gain/(Loss): (3 - 4)	\$ (288,486)	\$ 15,161
6. Actuarial Value of Assets at the Beginning of the Year	\$ 1,661,607	\$ 1,235,525
7. Increases/(Decreases) During the Year		
a. County Contributions	360,000	880,000
b. Member Contributions	-	-
c. Benefit Payments and Refunds	(133,976)	(99,116)
d. Administrative Expenses	(507,799)	(504,824)
e. Assumed Interest to End of Year*	127,673	94,954
f. Total: (a + b + c + d + e)	(154,102)	371,014
8. Expected Actuarial Assets at the End of the Year (6 + 7)	1,507,505	1,606,539
9. Actuarial Value of Assets at the End of the Year	1,602,994	1,661,607
10. Actuarial Asset Gain/(Loss): (9 - 8)	\$ 95,489	\$ 55,068
11. Total Gain/(Loss): (5 + 10)	\$ (192,997)	\$ 70,229

* 8.00% per annum interest rate assumed for 2013 and 2012 plan years

TABLE 4**AMORTIZATION SCHEDULE FOR ACTUAL FUNDING CONTRIBUTION
FOR 2014 PLAN YEAR**

Type of Payment	Amortization Period				Balances		Payment	
	Date Created	Initial Years	Remaining Years	Last Payment	Initial	Outstanding		
1. Charges								
Reestablished unfunded	1/1/2004	30	20	2033	\$ 1,009,474	\$ 1,142,182	\$ 93,240	
Expense	1/1/2005	10	1	2014	238,648	32,984	35,623	
Loss	1/1/2005	30	21	2034	19,357	21,570	1,711	
Expense	1/1/2006	10	2	2015	276,403	73,459	41,192	
Assumption Change	1/1/2006	30	22	2035	318,945	349,327	26,974	
Expense	1/1/2007	10	3	2016	307,150	117,969	45,774	
Assumption Change	1/1/2007	30	23	2036	67,011	72,105	5,431	
Expense	1/1/2008	10	4	2017	449,781	222,011	67,031	
Expense	1/1/2009	10	5	2018	590,678	351,474	88,028	
Loss	1/1/2009	30	25	2038	406,803	431,502	31,075	
Expense	1/1/2010	10	6	2019	627,953	432,622	93,584	
Loss	1/1/2010	30	26	2039	16,048	16,864	1,191	
Expense	1/1/2011	10	7	2020	519,351	402,964	77,399	
Expense	1/1/2012	10	8	2021	732,297	627,153	109,134	
Expense	1/1/2013	10	9	2022	504,824	469,976	75,234	
Assumption Change	1/1/2013	30	29	2042	163,746	166,056	11,114	
Expense	1/1/2014	10	10	2023	507,799	507,799	75,677	
Variance	1/1/2014	5	5	2018	28,625	28,625	7,169	
Loss	1/1/2014	30	30	2043	192,997	192,997	12,718	
Total Charges						\$ 5,659,639	\$ 899,299	
2. Credits								
Gain	1/1/2006	30	22	2035	16,036	17,565	1,355	
Gain	1/1/2007	30	23	2036	134,681	144,919	10,916	
Gain	1/1/2008	30	24	2037	129,979	138,966	10,227	
Variance	1/1/2011	5	2	2015	69,561	31,068	17,422	
Gain	1/1/2011	30	27	2040	103,867	107,986	7,479	
Variance	1/1/2012	5	3	2016	1,214,972	784,204	304,298	
Gain	1/1/2012	30	28	2041	2,137,898	2,196,396	149,455	
Variance	1/1/2013	5	4	2017	433,548	359,647	108,585	
Gain	1/1/2013	30	29	2042	70,229	71,219	4,767	
Total						\$ 3,851,970	\$ 614,504	
3. Net Amount								
(1 - 2)							1,807,669	284,795

Annual amortization payments of the reestablished unfunded actuarial accrued liability (UAAL), and changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll, assuming payroll growth of 3% per year over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

TABLE 5

**STATEMENT OF NORMAL COST
FOR CURRENT AND PRIOR PLAN YEAR ACTUAL FUNDING CALCULATIONS**

Item	January 1, 2014	January 1, 2013
1. Unit Credit Normal Cost		
a. Active Participants		
Retirement Benefits	\$ 61,130	\$ 105,269
Withdrawal Benefits	<u>21,004</u>	<u>45,969</u>
Total	82,134	151,238
2. Interest to the End of the Plan Year	6,571	12,099
3. Normal Cost for the Plan Year: (1 + 2)	88,705	163,337

TABLE 6

**CONTRIBUTION REQUIREMENTS – END-OF-YEAR BASIS
ACTUAL AND BUDGET AMOUNTS FOR CURRENT PLAN YEAR
BUDGET AMOUNT FOR NEXT PLAN YEAR**

Item	2015 Budget	2014	
		Actual	Budget
1. Normal Cost with Interest	\$ 97,000	\$ 88,705	\$ 177,000
2. Net Annual Amortizations	<u>305,000</u>	<u>284,795</u>	<u>263,000</u>
3. Total Contribution ((1 + 2), not less than zero)	\$ 402,000	\$ 373,500	\$ 440,000

The budgeted contributions shown above for the 2015 and 2014 plan years were estimated based on participant data as of January 1, 2014, and January 1, 2013, respectively.

The actual contribution for the 2014 plan year was determined based on participant data as of January 1, 2014.

TABLE 7**SUMMARY STATEMENT OF MARKET VALUE OF PLAN ASSETS**

Asset Category	December 31, 2013	December 31, 2012
1. Cash and Cash Equivalents	\$ 2,622	\$ 682
2. Investments at Fair Value	1,232,289	1,660,925
3. Contributions Receivable	<u>368,083</u>	<u>-</u>
4. Net Assets Available for Benefits (1 + 2 + 3)	\$ 1,602,994	\$ 1,661,607

TABLE 8**SUMMARY RECONCILIATION OF MARKET VALUE OF PLAN ASSETS**

Item	For Year Ending December 31, 2013	For Year Ending December 31, 2012
1. Market Value of Assets at the Beginning of the Year	\$ 1,661,607	\$ 1,235,525
2. Contributions for Plan Year		
a. County	\$ 360,000	\$ 880,000
b. Member	-	-
c. Total	<u>360,000</u>	<u>880,000</u>
3. Disbursements for Plan Year		
a. Benefit payments and refunds	\$ 133,976	\$ 99,116
b. Administrative expenses payable to County	<u>507,799</u>	<u>504,824</u>
c. Total	641,775	603,940
4. Market Value of Assets at the End of the Year	1,602,994	1,661,607
5. Net Investment Income* (4 - 1 - 2c + 3c)	223,162	150,022
6. Expected Net Investment Income (8.00% per annum)	127,673	94,954
7. Gain (Loss) on Market Value of Assets (5 - 6)	95,489	55,068
8. Estimated Rate of Return	14.0%	12.6%

*Net Investment Income is the change in the value of assets for reasons other than contributions and disbursements.

TABLE 9**ACTUARIAL VALUE OF PLAN ASSETS**

Item	January 1, 2014	January 1, 2013
1. Actuarial Value of Assets	\$ 1,602,994	\$ 1,661,607

The actuarial value of plan assets is equal to the market value of plan assets.

TABLE 10

**EMPLOYER CONTRIBUTIONS FOR 2013 PLAN YEAR
AND VARIANCE FROM THE FUNDING CALCULATION CONTRIBUTION**

Item					Amount
1.	Total Funding Calculation, End-of-Year Basis, for 2013 Plan Year (from January 1, 2013 actuarial valuation report)				\$ 388,625
2.	Total Employer Contributions Made, End-of-Year Basis				
	Contribution Made	Fraction of a Year Invested	Contribution Amount	Interest to Year End*	End of Year Amount
	Bi-weekly	50.0%	\$ -	\$ -	\$ -
	3/15/2014	0.0%	360,000	-	360,000
	4/15/2014	0.0%	-	-	-
	5/15/2014	0.0%	-	-	-
	6/15/2014	0.0%	-	-	-
	Total		\$ 360,000	\$ -	\$ 360,000
3.	Variance from Funding Calculation Amount** (2 - 1)				\$ (28,625)

* Interest to 12/31/2013 at 8.00% per annum

** Variance will be amortized on a level dollar basis over five years.

TABLE 11**GASB NOS. 25 AND 27 DISCLOSURE INFORMATION
FOR CURRENT AND PRIOR PLAN YEAR****Equivalent Single Amortization Period**

Item	January 1, 2014	January 1, 2013
1. Covered Payroll	\$ 3,477,968	\$ 7,735,644
2. Unfunded Amount	1,807,669	1,206,978
3. Amortization Payment	284,795	225,288
4. Payment as a Level Percentage of Payroll (3 / 1)	8.19%	2.91%
5. Weighted Average Amortization Period (2 / 3)	6.35	5.36
6. Equivalent Single Amortization Period (Nearest Whole Year)	8	7

Net Pension Obligation

Item	January 1, 2014	January 1, 2013
1. Annual Required Contribution (ARC)	\$ 373,500	\$ 388,625
2. Interest on Net Pension Obligation	(95,522)	(117,910)
3. Adjustment to ARC	<u>299,051</u>	<u>369,143</u>
4. Annual Pension Cost (APC)	577,029	639,858
5. Contributions made*	<u>(440,000)</u>	<u>(360,000)</u>
6. Increase (Decrease) in Net Pension Obligation	137,029	279,858
7. Net Pension Obligation at Beginning of Year	<u>(1,194,022)</u>	<u>(1,473,880)</u>
8. Net Pension Obligation at End of Year**	(1,056,993)	(1,194,022)
9. Percent of APC Contributed	76.25%	56.26%

* Contributions for 2014 are estimated based on the County budget

** NPO at December 31, 2014 is estimated based on expected contributions to be made for the year

TABLE 12

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**
(\$ Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Funded Ratio (a / b)	Unfunded Actuarial Accrued Liability (b - a)	Covered Payroll (c)	Unfunded as a Percentage of Covered Payroll [(b - a) / c]
12/31/2013	\$ 1,603	\$ 3,411	47.0%	\$ 1,808	\$ 3,478	52.0%
12/31/2012	1,662	2,869	57.9%	1,207	7,736	15.6%
12/31/2011	1,236	2,444	50.5%	1,209	8,939	13.5%
12/31/2010	1,402	5,520	25.4%	4,117	8,936	46.1%
12/31/2009	1,039	5,069	20.5%	4,030	6,901	58.4%

TABLE 13

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
GASB STATEMENT NO. 25 DISCLOSURE**

Fiscal Year Ended December 31	Annual Required Contribution	Percentage Contributed
2014	\$ 373,500	117.8 %*
2013	388,625	92.6
2012	446,452	197.1
2011	807,028	250.5
2010	716,439	109.7

* Contributions for 2014 are estimated based on the County budget.

The information presented above was determined as part of the actuarial valuation as of the dates indicated.

Additional information as of the latest actuarial valuation follows:

Valuation Date:	January 1, 2014
Actuarial Cost Method:	Unit Credit
Amortization Method:	
- Administrative Expense	Level dollar closed
- Contribution Variance	Level dollar closed
- All other	Level percent of payroll closed
Remaining Amortization Period:	
- Administrative Expense	10 years
- Contribution Variance	5 years
- All other	30 years
Asset Valuation Method:	Market
Actuarial Assumptions:	
- Investment Rate of Return	8.00%
- Payroll Growth	3.00%

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS****ASSUMPTIONS**

Interest Rate: 8.0% per annum, compounded annually. The components are 3.0% for inflation and 5.0% for the real rate of return.

Salary Increase: 4.50% per annum, compounded annually.

Payroll Growth: 3% per annum.

Separation From Service: Retirement age is assumed to be age 65. Illustrative rates of assumed separation from service (mortality and turnover) are shown in the following tables.

Annual Rates per 100 Participants

Attained Age	Mortality	
	Males	Females
45	0.13	0.11
50	0.19	0.19
55	0.31	0.38
60	0.59	0.76
65	1.11	1.26
70	1.86	1.96
75	2.87	3.40
80	5.03	5.86
85	8.61	10.72

Healthy pensioners:

The sex-distinct UP-1994 Mortality Table with Projection scale AA to 2012 and then fully generational thereafter using scale AA.

Active members:

70% of the rates applicable to healthy pensioners.

TABLE 14

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS
(Continued)

Annual Rates per 100 Participants

Withdrawal						
Attained Age	Select Rates by Year of Employment + Ultimate					
	0	1	2	3	4	Ult.
20	33.75	31.50	28.50	24.00	19.05	15.00
25	31.35	29.46	26.88	22.86	18.54	14.25
30	27.30	25.47	22.92	18.99	15.36	12.00
35	22.35	20.64	18.03	14.01	10.17	6.00
40	17.85	16.26	13.80	10.26	7.23	3.90
45	17.25	14.85	11.94	8.43	5.37	2.52
50	16.50	13.38	10.98	7.89	4.47	1.07
55	14.85	12.45	9.78	6.93	3.63	0.23

TABLE 14**DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS**

(Continued)

METHODS

Calculations: The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system, and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Actuarial Cost Method: Liabilities and contributions shown in this report are computed using the Unit Credit Cost Method. The outstanding balance of the unfunded actuarial accrued liability (UAAL) as of January 1, 2004 and any changes to the UAAL arising from plan changes, assumption changes, and actuarial gains/losses are amortized as a level percentage of payroll over a 30-year period.

Administrative expenses incurred by the County related to the System are payable by the System to the County. The County then reimburses the System for this payment on a level dollar basis over 10 years.

The variance between the amount contributed to the System for a plan year, and the actual contribution requirement for that year is amortized on a level dollar basis over 5 years.

Asset Valuation Method: The actuarial asset value is the market value of assets plus any receivable contributions.

DATA

Census and Assets: The valuation was based on members of the System as of January 1, 2014 and does not take into account future members. All census data was supplied by the System and was subject to reasonable consistency checks. Asset data was supplied by the System. An assumption was made for deferred vested inactive members for which no salary or benefit info was provided. For these members, it is assumed that their benefit amount is equal to the average benefit amount of the deferred vested population for which benefit information is available.

TABLE 15**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS****MEMBERSHIP**

Any person employed by the County for whom the County is not obligated to collect and withhold FICA taxes. However, such persons shall not include: 1) an employee hired to relieve him from unemployment; 2) an employee of a hospital, home, or institution where he is an inmate; 3) an employees who is a temporary employee to handle fire, storm, snow, earthquake or similar emergencies; 4) an employee paid on a fee basis as self-employed; or 5) an employee who is a member of a collective bargaining unit covered by an agreement which does not provide for his inclusion.

VESTING SERVICE

One year of service is credited on and after January 1, 1992 for each plan year during which the employee is employed at any time. However, the employee shall not receive credit for any plan year in which the County is obligated to collect and withhold FICA taxes. If, during such plan year, FICA taxes are withheld for only a portion of the year, the employee shall receive a pro rata credit for the portion of the year worked when no FICA taxes were withheld.

BENEFIT SERVICE

Same as vesting service.

EARNINGS

Earnable compensation shall include the compensation earned during the period for which no FICA tax was withheld, exclusive of any amounts reimbursed for moving expenses. However, such compensation shall be limited to the Social Security taxable wage base for the plan year.

Average compensation is the average of the total earnings accumulated during the plan years of employment with the County, with the exception of years prior to January 1, 1992.

TABLE 15**SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS**
(Continued)**BENEFITS**Normal Retirement

Eligibility	Age 65.
Amount	2% of the member's average compensation multiplied by years of service (not in excess of 30).

Deferred Vested Benefit

Upon termination of employment, a member is eligible for a deferred vested pension commencing at age 65. Such benefit shall be calculated the same as for normal retirement, considering average compensation and service at termination.

TABLE 16**SUMMARY OF MEMBERSHIP DATA
AS OF JANUARY 1, 2014****Active Participants**

Item	Total
Number of Participants	326
Average Annual Salaries *	\$ 10,669
Average Age	33.0
Average Service	4.2

* The salaries shown in the table above represent total annual pay increased by the salary assumption.

Inactive Participants

Item	Number	Annual Annuities	Average Annuities
Participants with Deferred Benefits	4,434	\$ 1,395,542	\$ 315
Participants receiving benefits	<u>39</u>	<u>66,446</u>	<u>1,704</u>
Total	4,473	\$ 1,461,988	\$ 327

EXHIBIT I**ACTIVE MEMBERSHIP DATA****NUMBER AND AVERAGE ANNUAL SALARY*
AS OF JANUARY 1, 2014**

Age	Years of Service									Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	113 \$6,599	34 \$10,728								147 \$7,554
25-29	28 \$13,694	22 \$17,325	8 -							58 \$15,198
30-34	7 -	5 -	7 -	3 -						22 \$18,905
35-39	12 -	2 -	4 -	1 -						19 -
40-44	2 -	4 -				1 -				7 -
45-49	9 -	3 -		2 -						14 -
50-54	9 -	4 -		2 -	1 -					16 -
55-59	6 -	2 -								8 -
60-64	3 -	4 -	2 -							9 -
Over 64	25 \$ 6,394			1 -						26 \$ 6,784
Total	214 \$8,451	80 \$14,252	21 \$13,633	9 -	2 -					326 \$10,669

* Compensation in cells with fewer than 20 records has been suppressed.

EXHIBIT II**5-YEAR HISTORY OF MEMBERSHIP DATA****Active Participants**

Valuation as of January 1	Number of Active Participants	Percentage Change in Membership	Total Annual Payroll	Percentage Change in Payroll
2014	326	(74.87%)	\$ 3,477,968	(55.04%)
2013	1,297	(15.23%)	7,735,644	(13.46%)
2012	1,530	(0.65%)	8,939,076	0.03%
2011	1,540	31.29%	8,936,147	29.49%
2010	1,173	(32.04%)	6,901,021	(18.80%)

Retired Participants

Valuation as of January 1	Number on roll	Additions	Deletions	Percentage Change in Membership	Annual Annuities	Percentage Change in Annuities
2014	39	1	-	2.63%	\$ 66,446	8.37%
2013	38	10	-	35.71%	61,316	65.45%
2012	28	26	-	1300.00%	37,061	863.62%
2011	2	-	-	0.00%	3,846	0.00%
2010	2	-	-	0.00%	3,846	0.00%

EXHIBIT III

DETAILED TABULATIONS OF THE DATA

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2014**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
17	5		4	
18	9		10	
19	12		8	
20	11		9	
21	7		10	
22	13		9	
23	13		14	
24	4		9	
25	7		8	
26	7		2	
27	7		6	
28	7		8	
29	3		3	
30	4		4	
31	4		2	
32			3	
33	1		1	
34	1		2	
35	1		5	
36	2			
37	2		2	
38	2		1	
39	3		1	
40	2		2	
42	1			
44	1		1	
45	1		2	
47	3			
48	2		2	
49	2		2	
50	2			
51	2			
52	2		1	
53	4		2	
54	1		2	
56			1	

TABLE III-A

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
AGE AS OF JANUARY 1, 2014**

(Compensation in cells with fewer than 20 records has been suppressed)

Age	Men		Women	
	Number	Compensation	Number	Compensation
57			1	
58	3		1	
59	1		1	
60	2			
61	1		1	
62	2			
63	1			
64	2			
66	1		1	
67	1		1	
68			1	
70	1			
71	5		2	
72	3			
73	3		1	
74	2			
78	1		1	
83	1			
85	1			
Total	179	\$ 1,999,634	147	\$ 1,478,334

TABLE III-B

**THE NUMBER AND ANNUAL SALARIES
OF MEMBERS IN ACTIVE SERVICE DISTRIBUTED BY
YEARS OF CREDITED SERVICE AS OF JANUARY 1, 2014**
(Compensation in cells with fewer than 20 records has been suppressed)

Years of Service	Men		Women	
	Number	Compensation	Number	Compensation
0	6		5	
1	47	\$ 272,304	49	\$ 325,967
2	31	314,488	24	209,970
3	18		19	
4	10		5	
5	15		5	
6	10		9	
7	9		11	
8	5		5	
9	9		2	
10	6			
11	2		3	
12	3			
13	2		2	
14	1		2	
15	3		1	
16	1		1	
17	1			
18			1	
19			1	
20			1	
21				
22			1	
Total	179	\$ 1,999,634	147	\$ 1,478,334

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
PARTICIPANTS WITH DEFERRED BENEFITS
AS OF JANUARY 1, 2014**

Age	Men		Women	
	Number	Annuity	Number	Annuity
15	1	\$ 196		
16	1	26		
17	46	1,997	32	\$ 1,232
18	78	5,621	57	3,488
19	112	13,029	101	11,676
20	122	17,479	118	16,734
21	173	35,206	150	31,229
22	234	41,663	189	28,971
23	236	47,130	179	30,303
24	199	40,884	161	28,964
25	182	41,505	147	32,719
26	130	31,171	114	27,807
27	130	46,632	72	22,958
28	88	40,336	65	22,201
29	64	26,786	50	25,088
30	49	24,606	48	33,159
31	52	25,740	39	16,041
32	43	29,813	28	11,399
33	36	29,588	35	25,631
34	32	25,633	21	16,220
35	26	13,571	17	8,183
36	20	16,919	14	7,310
37	17	11,151	18	8,630
38	22	13,744	12	9,333
39	25	14,150	9	3,323
40	18	17,241	13	6,194
41	13	9,295	9	2,420
42	10	3,165	5	3,037
43	20	14,341	11	5,138
44	18	7,031	6	3,745
45	24	7,916	6	2,114
46	19	11,552	10	3,057
47	11	6,855	10	3,560
48	17	10,746	7	4,289
49	15	8,186	6	6,231
50	16	9,742	11	4,183
51	18	22,851	10	4,925
52	16	12,861	11	6,076
53	14	4,529	9	4,008
54	20	10,099	9	7,657
55	22	17,433	11	5,553

TABLE III-C

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
PARTICIPANTS WITH DEFERRED BENEFITS
AS OF JANUARY 1, 2014**

Age	Men		Women	
	Number	Annuity	Number	Annuity
56	13	\$ 6,296	4	\$ 697
57	18	9,748	9	10,456
58	13	10,363	9	4,316
59	20	11,903	9	5,544
60	13	9,399	7	3,798
61	14	10,404	8	2,764
62	16	10,359	8	3,140
63	7	3,148	7	3,278
64	17	6,244	3	822
65	9	3,966	3	7,715
66	4	4,066	3	2,142
67	1	459		
70	3	293		
71	1	25		
72	1	317		
73	1	280	1	133
74	1	206		
80	1	52		
83			1	4
Total	2,542	\$ 855,947	1,892	\$ 539,595

TABLE III-D

**THE NUMBER AND ANNUAL BENEFITS PAYABLE TO
PARTICIPANTS RECEIVING BENEFITS
AS OF JANUARY 1, 2014**

Age	Men		Women	
	Number	Annuity	Number	Annuity
65	3	\$ 5,724		
66	4	9,910	1	\$ 1,301
67	7	14,151	3	4,821
68	4	5,765	2	3,273
69	4	6,447	2	3,468
70	2	2,046	1	690
71			1	1,620
72	2	3,703	1	967
73	1	1,585		
74	1	975		
Total	28	\$ 50,305	11	\$ 16,141

EXHIBIT IV**GLOSSARY**

Accrued Liability	The difference between (a) the present value of future plan benefits, and (b) the present value of future normal cost. It is the portion of the present value of future plan benefits attributable to service accrued as of the valuation date. Sometimes referred to as “actuarial accrued liability.”
Accrued Service	The service credited under the plan which was rendered before the date of the actuarial valuation.
Actual Funding Contribution	The Actual Funding Contribution for a plan year is calculated using census and asset information as of the first day of the plan year, and includes Normal Cost, with interest to the end of the plan year, and a net amortization payment.
Actuarial Assumptions	Estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (salary increases and investment income) consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the “present value of future plan benefits” between the present value of future normal cost and the accrued liability. Sometimes referred to as the “actuarial funding method.”
Actuarial Equivalent	A series of payments is called an actuarial equivalent of another series of payments if the two series have the same actuarial present value.
Actuarial Value of Assets	The value of current plan assets recognized for valuation purposes. Based on market value.
Amortization	Paying off an interest-bearing liability by means of periodic payments of interest and principal, as opposed to paying it off with a lump sum payment.

EXHIBIT IV**GLOSSARY**

(Continued)

Annual Required Contribution	The Annual Required Contribution, or ARC, is the amount determined in accordance with Governmental Accounting Standards Board Statements Nos. 25 and 27.
Budget Contribution	The Budget Contribution for a year is based on census and asset information as of the first day of the PRIOR plan year, rolled forward to the next plan year based on all actuarial assumptions being met. For example, the Budget Contribution for 2015 is based on census and asset information as of January 1, 2014, rolled forward to January 1, 2015.
Contribution Variance	The difference between the Actual Contribution and the Budget Contribution for a plan year is referred to as the Contribution Variance. A Contribution Variance resulting from an overpayment is amortized over 5 years as a level dollar credit. A Contribution Variance resulting from an underpayment is amortized over 5 years as a level dollar charge.
Experience Gain (Loss)	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, in accordance with the actuarial cost method being used.
Normal Cost	The annual cost assumed, under the actuarial funding method, for current and subsequent plan years. Sometimes referred to as “current service cost.”
Present Value	The amount of funds presently required to provide a payment or series of payments in the future. The present value is determined by discounting the future payments at a predetermined rate of interest, taking into account the probability of payment.
Unfunded Accrued Liability	The difference between the actuarial accrued liability and valuation assets.