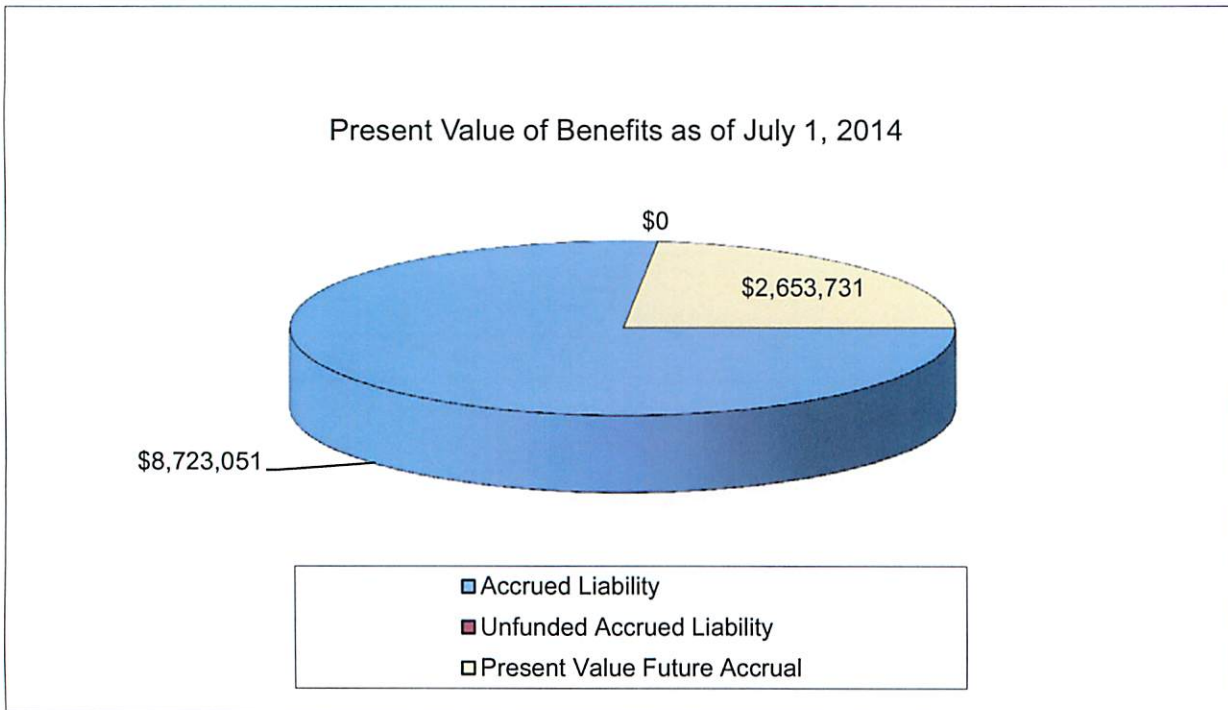


Town of Jamestown, Rhode Island Police Department Pension Plan

Current Plan Funded Status



<u>Valuation Results as of July 1, 2014</u>	<u>Share of AAL (\$)</u>	<u>Share of AAL (%)</u>
Market Value of Assets (MVA)	\$9,826,616	112.7%
Unfunded Actuarial Accrued Liability (UAAL)	(\$1,103,565)	-12.7%
Actuarial Accrued Liability (AAL)	\$8,723,051	100.0%

<u>Valuation Results as of July 1, 2014</u>	<u>Share of PVB (\$)</u>	<u>Share of PVB (%)</u>
Actuarial Accrued Liability (AAL)	\$8,723,051	76.7%
Present Value of Future Accruals	\$2,653,731	23.3%
Present Value of Future Benefits (PVB)	\$11,376,782	100.0%

As of July 1, 2014, the Plan is 112.7% funded

Valuation results are based on the closed census data as of July 1, 2014, a 7.00% discount rate and the provisions of the July 1, 2014 actuarial valuation.

Town of Jamestown, Rhode Island Police Department Pension Plan

Current Plan Funded Status

The July 1, 2014 valuation results can also be presented on a basis of funded status for (a) current retirees and (b) current active participants. In reality, the Plan's assets for all participants are commingled and the funded status of the Plan is valued as a whole, not per individual or group. The following illustration is strictly for illustration purposes:

<u>Valuation Results as of July 1, 2014</u>	<u>Total Plan</u>	<u>Retirees & Beneficiaries Share</u>	<u>Vested Term Share</u>	<u>Actives Share</u>
1. Actuarial Accrued Liability (AAL)	\$8,723,051	\$5,721,535	\$194,770	\$2,806,746
2. Plan Assets*	<u>\$9,826,616</u>	<u>\$6,445,374</u>	<u>\$219,411</u>	<u>\$3,161,831</u>
3. Unfunded AAL (UAAL)	\$0	\$0	\$0	\$0
4. Funded Ratio	112.7%	112.7%	112.7%	112.7%
5. July 1, 2014 Annual Required Contribution (ARC)				
a. Normal Cost	\$241,378	\$0	\$0	\$241,378
b. Amortization of UAAL	\$0	\$0	\$0	\$0
c. Interest (through June 30, 2015)	<u>\$16,897</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,897</u>
d. ARC - 15 Year Open	\$258,275	\$0	\$0	\$258,275
6. Proj. Employee Contributions	\$69,177	\$0	\$0	\$69,177
7. Net Employer Contribution (5.d-6)	\$189,098	\$0	\$0	\$189,098
8. Expected Benefit Payments	\$424,155	\$424,155	\$0	\$0
9. Covered Compensation	\$740,976	\$0	\$0	\$740,976

*Assets are equally allocated to all participants.

Town of Jamestown, Rhode Island Police Department Pension Plan

Historical Plan Funded Status



The chart above illustrates the Plan's spread between Accrued Liability and Plan Assets as determined in actuarial valuation reports since 2001. The current well funded condition can be attributed to many factors. The following items highlight a few, but not all, of the general events that have attributed to the Plan's funding status.

Market gains from 2002 through 2013: The Plan experienced gains in assets during the years between 2002 and 2013. Below is a history of the Plan's asset rate of return.

<u>Plan Years</u>	<u>Rate of Return</u>	<u>Plan Years</u>	<u>Rate of Return</u>
2002	-0.28%	2009	11.67%
2003	14.85%	2010	14.87%
2004	4.46%	2011	1.50%
2006	12.19%	2012	7.71%
2008	7.64%	2013	11.26%

The 2005 and 2007 asset rates of return were not able to be determined since the asset statements that we gather were not completed.

Actual Contributions More Than Recommended: It is a general recommendation (a required recommendation for single employer plans) to make contributions to a plan equal to the anticipated benefit accrual for the coming year (Normal Cost), and an amortized amount of the underfunding. It has been the Plan's practice to value the annual recommended contribution (commonly referred to as ARC) using a 15-year open amortization schedule. The Town has historically made contributions to the Plan in amounts more than the ARC. The last several years, the Plan has been more than 100% funded and the actual contributions have not exceeded the ARC, but have generally paid over 50% of the ARC.

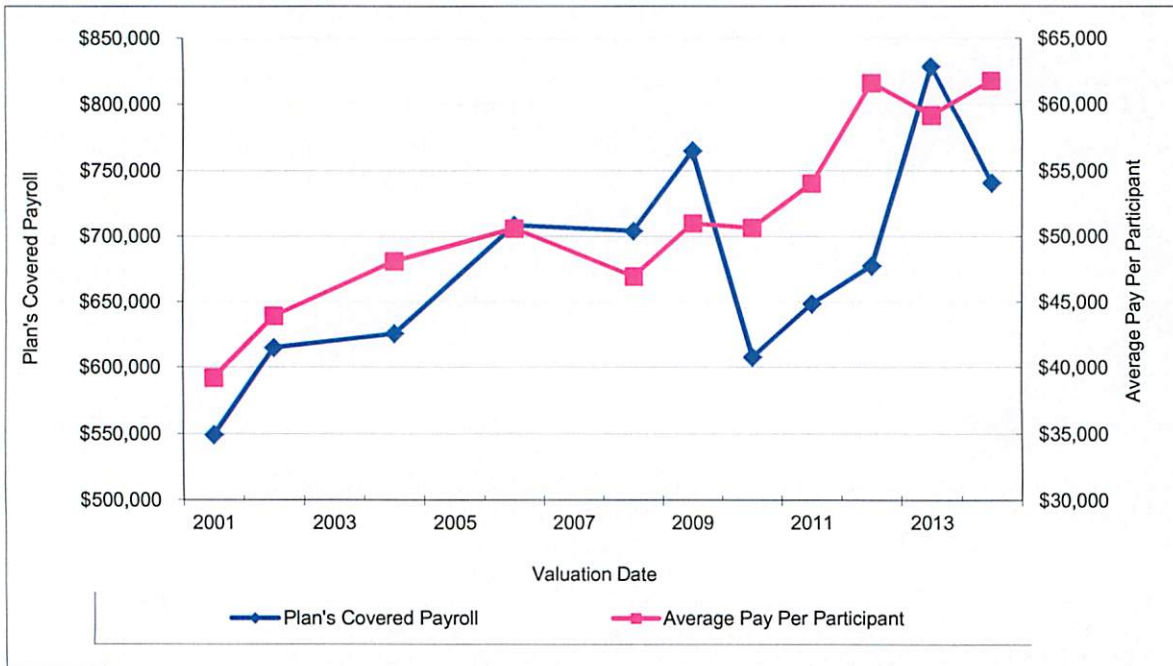
Town of Jamestown, Rhode Island Police Department Pension Plan

ACTUARIAL EXPERIENCE RESULTS

Salary Scale Assumption

As of July 1, 2014, the salary scale assumption used in the Plan's actuarial valuation is 4.00% per year.

The chart below illustrates the Plan's covered payroll as a whole, over the span of the actuarial valuations completed between March 1, 2001 and July 1, 2014. The geometric average increase over this 13-year time period is 2.33%. The chart also illustrates the average covered payroll per active participant in the Plan over the same period. The average salary increase on a per active participant basis is 3.55%.



Considering only the participants active as of July 1, 2014, the average increase in salary from July 1, 2009 through July 1, 2014 is 19.8%.

Actuarial experience results of salary scale review: Based on the relatively smaller sample size (number of participants) in this Plan, the Plan's covered payroll on a whole, is a general indicator of the salary increases budgeted for the active participants based on wage inflation alone. Because numerous participants also experience wage increases from promotions, step-rate increases or other job changes to higher paying positions during their career it is reasonable to assume that the valuation salary rate assumption would be somewhat higher than the wage inflation observed since the salary scale assumption is intended to reflect salary increases for all reasons from the participant's current age to retirement. The 4.00% assumption appears to be reasonable when considering these principles. It is also consistent with the recent per participant salary increases observed. It is understood that the salary scale assumption should be re-evaluated in the future.

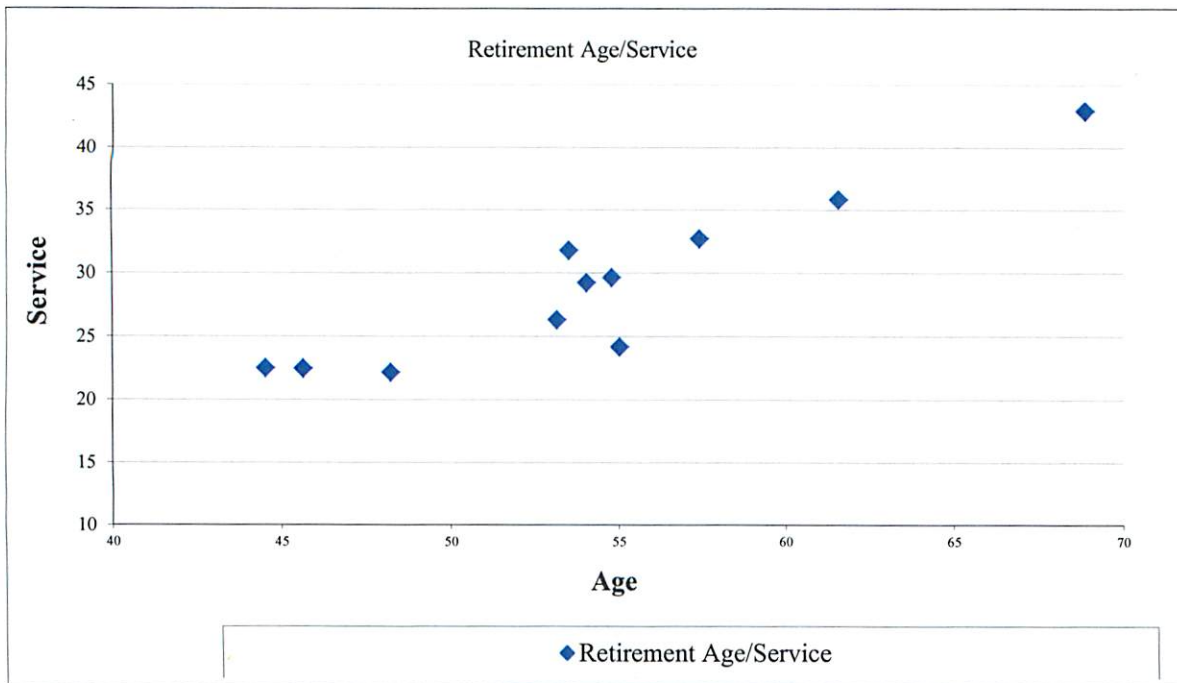
Town of Jamestown, Rhode Island Police Department Pension Plan

ACTUARIAL EXPERIENCE RESULTS

Retirement Age Assumption

As of July 1, 2014, the retirement assumption used in the Plan's actuarial valuation is 100% retirement at the time a participant attains the later of age 55 or 25 years of vesting service. At the time a participant attains age 55 or 25 years of service, he/she is assumed to retire at earliest moment and he/she is eligible for immediate retirement with an unreduced benefit and a COLA.

The chart below illustrates the age and service of actual retirements for retirees that were covered under the Plan between March 1, 2001 and July 1, 2014.



The chart above shows that a large portion of retirees (5 of the 11 shown) retired between the ages of 53 and 55, with between 24 and 33 years of service. Not shown on the chart above is a group of 12 active participants between the ages of 26 and 53 with between 1 and 24 years of service, still actively employed. Of all active participants, the current retirement assumption results in retirement ages from 48 to 55 with 25 years of service. Participants have fully accrued their benefits after 32.5 years of service.

Town of Jamestown, Rhode Island Police Department Pension Plan

ACTUARIAL EXPERIENCE RESULTS

Actuarial experience results of retirement age review: The current assumption assumes a participant retires at the earliest date possible at the time that they are fully eligible for an unreduced benefit. If the retirement age is shifted to shorter service, a portion of participants would be assumed to retire without fully accruing their benefit. If the retirement age is shifted to longer service, there will be a period where the participant's benefit does not increase other than for salary increases; the current Cost of Living Adjustments (COLAs) will generally increase benefits in a similar fashion to the increase to salary rates. Therefore, the immediate retirement assumption at 25 years of service is a reasonable and generally conservative assumption in the actuarial valuations at this time.

Mortality Assumption

The current table being used in the July 1, 2014 actuarial valuation is the gender specific IRS 2014 P.V. Optional Combined Table. This table was updated from the July 1, 2012 valuation which used the RP-2000 Combined Healthy mortality table.

The Plan has experienced only 2 deaths (ages 61 and 64) since March 1, 2001. The Plan's current and historical population does not provide a significant sample size of members (alive or deceased) to prepare an analysis of the mortality table currently being used in the actuarial valuation.

The State of Rhode Island currently uses a version of the RP-2000 Combined Healthy mortality table for the State Police valuation, with white collar adjustments projected with Scale AA from 2000. Further, the pre-retirement rates are 75% of the typical rates, and post-termination rates are 115% of the rates for males (95% for females).

Analysis of the mortality assumption used by the State of Rhode Island resulted in a slightly lower liability than the assumption currently used by the Plan, but only lower by less than 0.5%. Changing the current RP-2000 Combined Healthy mortality table would result in an immaterial difference under the Plan's valuation at this time, however it is understood that the ongoing mortality improvement will increase this variance in the future and should be re-evaluated in the future.

The Society of Actuaries finalized Mortality Improvement Scale MP-2014 to be used in conjunction with the mortality tables on October 27, 2014. It was not final as of the April 1 valuation date and, therefore, was not used. When the April 1, 2015 valuation is prepared, a mortality assumption update reflecting Scale MP-2014 will be considered.

Termination Rates

Currently, there is no termination assumption being used in the valuation.

Since March 1, 2001, there has been 7 terminations prior to becoming eligible for retirement. This results in an average turnover of 5.2% per year. Therefore, given the small population of this plan, it is reasonable to assume no termination rate.

Disability Assumption

The current table being used in the July 1, 2014 actuarial valuation to assume a disability retirement occurs is the a table equal to 3 times the 1974 Railroad Retirement Board Incidence.

There are no disabled participants receiving pension benefits. No disability retirements have occurred since 2001.

Town of Jamestown, Rhode Island Police Department Pension Plan

ACTUARIAL EXPERIENCE RESULTS

Investment Rate of Return / Discount Rate

The current investment rate of return (also commonly referred to as the discount rate) used in the July 1, 2014 actuarial valuation is 7.00%.

The average observed rate of return (in valuation reports) on Plan assets from March 1, 2001 through July 1, 2014 exceeded 8.50%.

As of June 30, 2014, the Plan asset allocation was as follows:

Equities:	\$1,890,461	19.2%
Fixed Income:	3,446,991	35.1%
Accrued Income:	41,059	0.4%
Mutual Fund	4,166,364	42.4%
Cash & Equivalents:	281,741	2.9%
Total:	\$9,826,616	100.0%

Prior to the current economic uncertainty, the asset allocation above would have typically justified using a long term rate of return assumption of 7.50%, as most assets are invested in equities. Under the current environment, a long term rate of return of 7.50% may be an optimistic assumption until the markets become more stable. For comparison purposes, the State of Rhode Island values the State Police pension plan using a 7.50% discount rate, comprised of 3.00% inflation rate and a 4.50% net real rate of return.

Cost of Living Adjustments

Any member eligible to retire is entitled to 1.00% compounded cost of living adjustment (COLA) annually from retirement age to age 55. The COLA is increased to 2% per year from age 55 to age 65. Payments after after 65 will remain the same as the age 65 benefit.

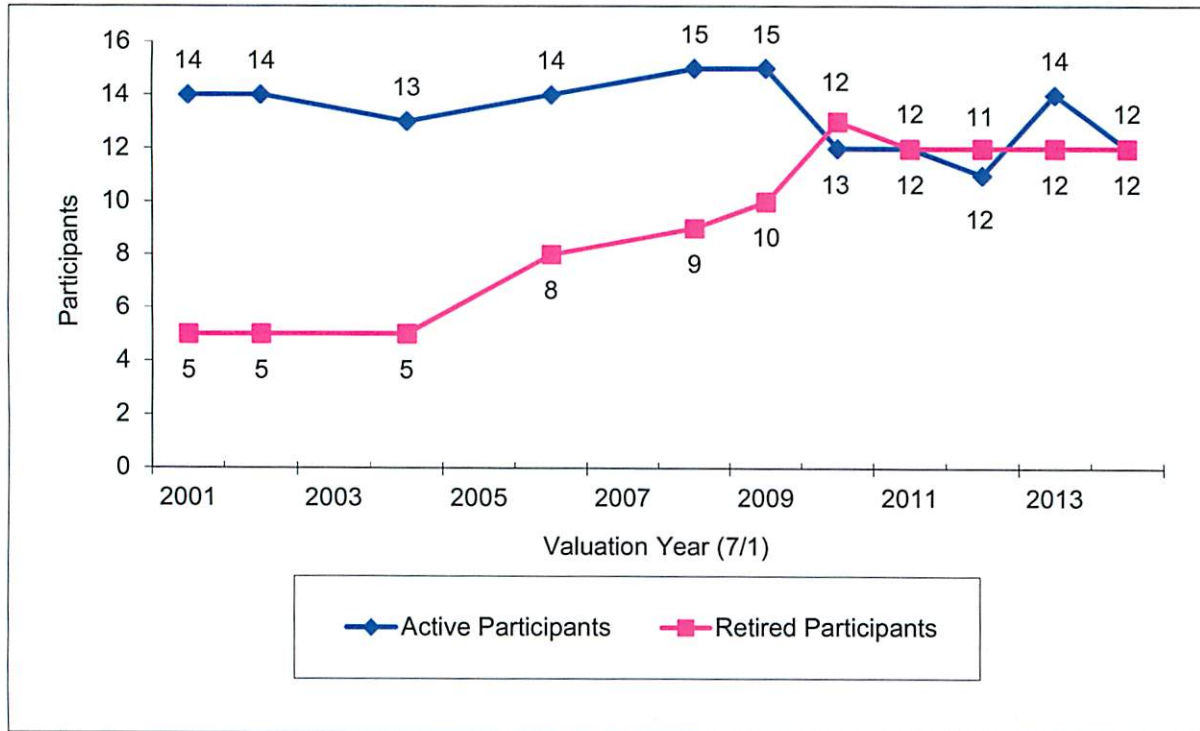
Effective July 1, 2007, for members retiring on July 1, 2007 or later, the COLA formula changed and is based on years of service. For members retiring with at least 20 year of service, the base benefit is increased by 1% annual COLA from date of retirement to the date of attainment of 25 years of service (as if the participant had remained in the active employment). From the date of attainment of 25 years of service, the annual COLA is 3%.

The July 1, 2014 actuarial valuation assumed a 3.00% annual COLA for all eligible participants.

Although the Plan's COLA is not determined based on actual CPI increases, for reference purposes the annual increase in the Consumer Price Index (CPI) for urban consumers was 2.29% from April 1, 2003 through April 1, 2014.

Town of Jamestown, Rhode Island Police Department Pension Plan

Plan Participant Counts

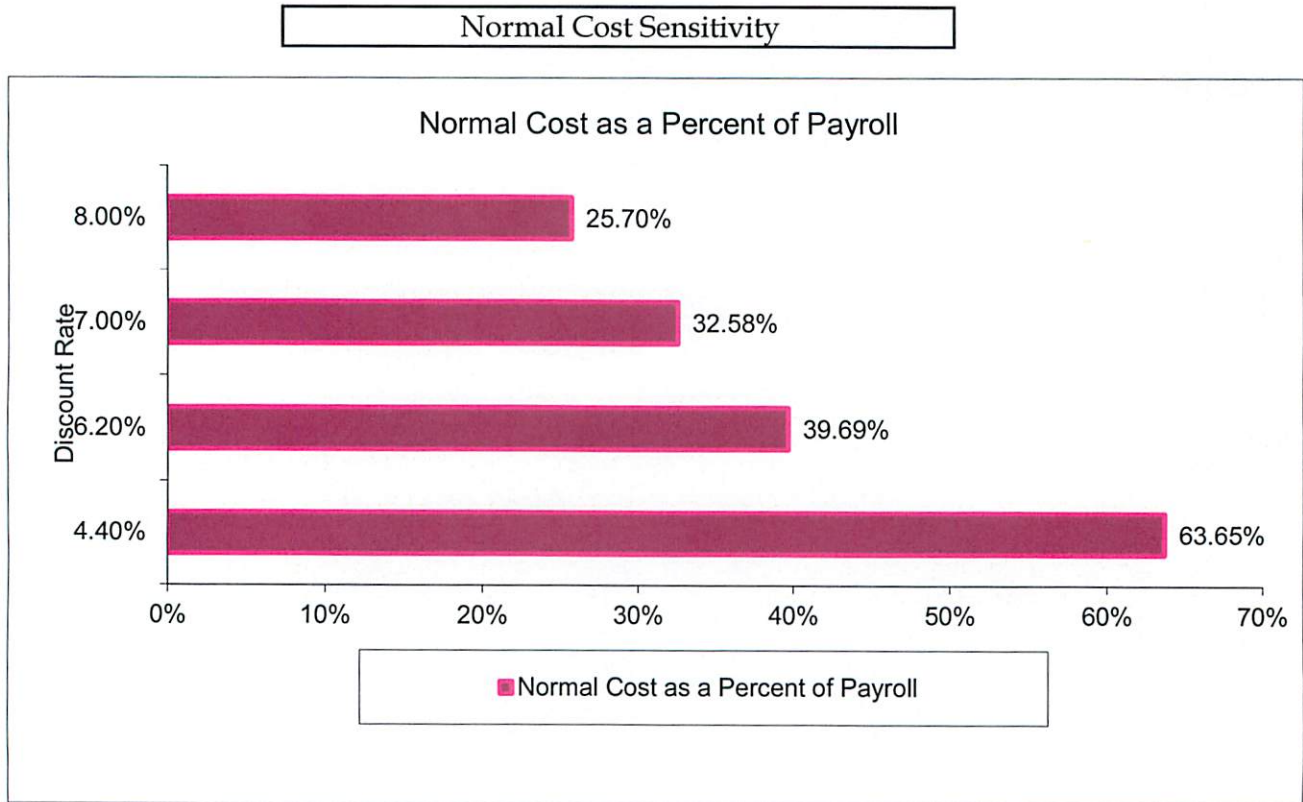


Participant Statistics

	<u>07/01/2014</u>	<u>07/01/2013</u>	<u>07/01/2011</u>
Active Participant Count	12	14	12
Average Age of Actives	38.85	37.21	37.44
Average Service of Actives	10.02	8.49	8.61
Retiree Participant Count*	12	12	12
Average Age of Retiree	65.70	64.70	62.50
Average Age at Retirement	54.30	54.30	53.16
Average Service at Retirement	28.82	28.82	26.04

* Includes 2 surviving beneficiaries

Town of Jamestown, Rhode Island Police Department Pension Plan



The Plan's Actuarial Cost Method has been determined under the Entry Age Normal cost method.

The Plan's normal cost is the sum of the normal costs for all participant. For a current participant, the individual normal cost is the participant's normal cost accrual rate multiplied by the participant's current compensation. The normal cost accrual rate equals (a) the present value of future benefits as of the participant's entry age divided by (b) the present value of future compensation as of the participant's entry age. For other than a current participant, the normal cost equals \$0.

The Normal Retirement Benefit for participants, under the Plan's provisions, is:

A monthly benefit equal to the sum of (a) plus (b), subject to a maximum of (c):

- (a) 2.5% of average compensation multiplied by years of service up to 20
- (b) 2.0% of average compensation multiplied by years of service in excess of 20 years
- (c) 75% of average compensation

The normal form of benefit is a life annuity for participant's lifetime, and 67.5% of monthly benefit paid to the spouse after the death of the participant.

Town of Jamestown, Rhode Island Police Department Pension Plan

Summary of Actuarial Assumptions as of July 1, 2014

Assumption		Entity Who Selects Assumption	Basis for Assumption Selection	Change in Assumption
Discount Rate	7.00%	Town of Jamestown, Rhode Island	The discount rate is assumed to be equal to the Plan's Long-Term Rate of Return on Assets.	None
Long-Term Rate of Return on Assets	7.00%	Town of Jamestown, Rhode Island	The assumed long-term rate of return on assets is developed based on the allocation of the Plan's assets by investment class and the capital market outlook for each investment class. This information is provided by the Plan's investment advisor.	None
Salary Scale	4.00%	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
IRC 415 and 401(a)(17) Limit Projection	N/A	Town of Jamestown, Rhode Island	Plan participants all earn well below the current limits.	None
Pre-Retirement Mortality	IRS 2014 P.V. Optional Combined Table with static projection (M/F)	Town of Jamestown, Rhode Island	The Society of Actuaries finalized Mortality Improvement Scale MP-2014 to be used in conjunction with the mortality tables on October 27, 2014. It was not final as of the April 1 valuation date and, therefore, was not used. When the April 1, 2015 valuation is prepared, a mortality assumption update reflecting Scale MP-2014 will be considered.	IRS 2013 P.V. Optional Combined Table (M/F)
Post-Retirement Mortality	IRS 2014 P.V. Optional Combined Table with static projection (M/F)	Town of Jamestown, Rhode Island	The Society of Actuaries finalized Mortality Improvement Scale MP-2014 to be used in conjunction with the mortality tables on October 27, 2014. It was not final as of the April 1 valuation date and, therefore, was not used. When the April 1, 2015 valuation is prepared, a mortality assumption update reflecting Scale MP-2014 will be considered.	IRS 2013 P.V. Optional Combined Table (M/F)
Form of Payment	67.5% Joint & Survivor Annuity	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
Actuarial Equivalence Lump Sum Mortality	GAM83 Male	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
Lump Sum Interest Rates	7.50%	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
Withdrawal Rates	None	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
Disability Rates	3 times the rates specified by the 1974 Railroad Retirement Board Valuation.	Town of Jamestown, Rhode Island	The plan sponsor reviewed the experience under the Plan.	None
Retirement Rates	100% retirement at the time a participant attains the later of age 55 or 25 years of vesting service.	Town of Jamestown, Rhode Island	The Plan sponsor reviewed the experience under the Plan.	None
Cost of Living Adjustment (COLA)	3% compounded annually	Town of Jamestown, Rhode Island	The Plan sponsor reviewed the experience under the Plan.	None