August 28, 2014

CONFIDENTIAL

Mr. David K. Auxier
Executive Director, Finance and Administration
Tri-County Metropolitan
Transportation District of Oregon
4012 S.E. 17th Avenue
Portland, OR 97202

RE: TriMet Retirement Plan for Management & Staff Employees

Dear Dave:

We respectfully present in this report the results of our actuarial valuation of the TriMet Retirement Plan for Management & Staff Employees as of June 30, 2014.

This report's principal purposes are to:

- Provide results of an actuarial valuation and information about the financial condition of the Plan;
- Provide actuarial guidance for determining Annual Required Contribution to the fund for the Plan Year ending June 30, 2014;
- Provide reporting and disclosure information needed by your auditors and other interested parties; and
- Review past Plan experience.

For your convenience, we have summarized the highlights and essential results of the valuation in the Summary of Results found in Section 1. The Table of Contents following this letter outlines the text and tables included in this report.

Respectfully submitted,

Dennis M. Monaghan

Dennis M. Monaghan, FSA, EA, MAAA
Consulting Actuary

DM/rb

Enclosure

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RETIREMENT PLAN
AUGUST 28, 2014

Actuarial Report for Funding and Accounting Information

Valuation Date as of June 30, 2014
for Plan Year Ending June 30, 2014

TRI MET

Management & Staff Employees

SilverStone
HEINTZBERGER GROUP

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Wisdom at Work.

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Section 1 – Summary of Results

Funding Levels

	6/30/2014	6/30/2013	6/30/2012
(1) Actuarially Determined Contribution [1]	$4,956,663 [2]	$5,134,958 [2]	$4,834,121 [2]
As % of Payroll	37.56%	36.16%	32.51%
(2) Normal Cost	$971,609 [2]	$1,204,034 [2]	$1,290,204 [2]
As % of Payroll	7.39%	8.48%	8.68%
(3) Contribution Received for [3] the Fiscal Year	$5,367,005	$5,134,958	$4,875,840
(4) Market Value of Assets	$107,118,273	$91,569,664	$74,978,184
(5) Actuarial Value of Assets	$98,596,166	$87,319,606	$76,727,834
(6) Total Pension Liability	$123,739,146	$121,918,092	$113,749,891
(7) Actuarial Funded Ratio (5) ÷ (6)	79.7%	71.6%	67.5%
(8) Net Pension Liability (NPL)	$16,620,873	$30,583,386	$38,771,707
(9) NPL as a % of Payroll	126.5%	215.4%	260.8%

\1 The contribution amounts shown are as of the end of the year (the valuation date) and include no additional interest. To calculate the ADC, the Unfunded Actuarial Accrued Liability was amortized over a closed 20-year period that began on June 30, 2009. Effective with the 2013/14 Plan year, the Unfunded Actuarial Accrued Liability is amortized over a 10-year closed amortization period to determine the ADC.

\2 The Actuarially Determined Contribution and Normal Cost include a provision for expenses equal to 0.5% ($466,146 for 2014) of the actuarial value of plan assets.

\3 Contributions are allocated to fiscal years as reported by TriMet, and may include receivable contributions. See page 45 for an allocation of contributions to fiscal years for disclosure purposes.

Benefit Security

		6/30/2014	6/30/2013	6/30/2012	6/30/2011
(1)	Market Value of Assets	$107,118,273	$91,569,664	$74,978,184	$73,745,229
(2)	Present Value of Accrued Benefits	$111,495,108	$105,618,908	$97,464,683	$88,734,750
(3)	Excess of (1) over (2)	($4,376,835)	($14,049,244)	($22,486,499)	($14,989,521)
(4)	Ratio of (1) to (2)	96.07%	86.70%	76.93%	83.11%
(5)	Present Value of Vested Accrued Benefits	$111,495,108	$105,618,908	$97,464,683	$88,734,750
(6)	Excess of (1) over (5)	($4,376,835)	($14,049,244)	($22,486,499)	($14,989,521)
(7)	Ratio of (1) to (5)	96.07%	86.70%	76.93%	83.11%
(8)	Assumed Discount Rate Used in (2) and (5)	6.5%	7.0%	7.0%	7.0%

Valuation Data

	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010	Page
(1) Active Employees Submitted	424	429	407	407	390	
(a) Not Eligible	271	265	227	222	200	
(2) Number of Employees Valued						
(a) Active Employees						
(i) Participants Accruing Credited Services	137	147	163	168	173	
(ii) Frozen Credited Service	16	17	17	17	17	
(iii) Total	153	164	180	185	190	10
(b) Retirees and Beneficiaries						
(i) Receiving Pension	223	203	180	156	151	
(ii) Deferring Pension	3	2	3	3	4	
(iii) Total	226	205	183	159	155	
(c) Deferred Retirement Benefits						
(i) Terminated Employees	92	102	109	112	114	
(ii) Surviving Spouses	3	3	5	5	4	
(iii) Total	95	105	114	117	118	
(d) Transfers to Union	29	31	34	33	36	
(e) Leave of Absence	0	0	0	0	0	
(f) Disability	3	4	4	3	3	
(g) Total Participants Valued	506	509	515	497	502	10
(3) Payroll of Active Participants	$13,141,852	$14,199,937	$14,868,526	$15,390,172	$15,626,270	
Percent Increase (Decrease)	(14.61%)	(7.73%)	(3.39%)	(1.51%)	(8.78%)	
(4) Average Annual Earnings Active Participants	$85,894	$86,585	$82,603	$83,190	$82,244	10
Percent Increase	(0.80%)	4.08%	(0.71%)	1.15%	0.83%	

Reconciliation of Participant Data

	Active Participants	Long Term Disability	Union with Management Service	Deferred Retirement Benefits	Retirees and Beneficiaries
From 6/30/2013 Valuation Report	164	4	31	105	205
Adjustments/Reclassifications	1	0	0	0	2
6/30/2013 [/1]	165	4	31	105	207
Transfer to Union	0	0	0	0	0
Transfer to Management	0	0	0	0	0
Reinstated	0	0	0	0	0
Terminated	-3	0	0	3	0
Retired	-9	-1	0	-1	11
Commenced Benefit	0	0	-2	-10	12
Long Term Disability	0	0	0	0	0
Lump Sum Distribution	0	0	0	0	0
Died	0	0	0	-2	-5
New Beneficiary Receiving	0	0	0	0	1
Transferred Benefit to DC Plan	0	0	0	0	0
6/30/2014 [/1]	153	3	29	95	226

[1/] *Retiree count includes 2 retirees as of June 30, 2013 and 3 retirees as of June 30, 2014 who were deferring pension benefits and receiving retiree medical benefits.*

Section 2 – Review and Analysis

Actuarially Determined Contribution

The Actuarially Determined Contribution (ADC) is comparable to the Annual Required Contribution (ARC) reported for the 2008-09 and later years; the change in terminology is due to the implementation of GASB #68. The ADC consists of two components: The Normal Cost for the year, and an amount to amortize the unfunded liabilities.

Prior to the June 30, 2009 actuarial valuation the Annual Required Contribution was determined using the Frozen Entry Age Normal method. In effect, this method amortized all Unfunded Liabilities, including actuarial gains and losses, over the working lifetime of the active participants. Because the Retirement Plan is closed to new entrants, losses prior to the June 2009 valuation were being amortized over a progressively shorter amount of time, causing the Retirement Plan's Normal Cost (and hence the ARC) to fluctuate in a manner that has little or no meaning from a long-term perspective.

Effective with the June 30, 2009 actuarial valuation, the actuarial cost method is the individual Entry Age Normal Actuarial Cost Method. Under this method, the Retirement Plan's Normal Cost is the sum of the Normal Cost for each active participant. All annual actuarial gains or losses become part of the Unfunded Actuarial Accrued Liability and are amortized over a closed period of 20 years. As of June 30, 2014 there are 15 years remaining in the amortization period.

Effective with the June 30, 2014 actuarial valuation, the amortization period used to determine the ADC was changed to a closed 10-year period. The ADC as of the end of the 2013/14 Plan Year is $4,956,663 or 37.56% of the payroll for active participants. This is a decrease of $178,295 from the comparable figure from the prior valuation of $5,134,958. The Normal Cost as of the end of the 2013/14 Plan Year is $971,609, a decrease from $1,204,034 compared to the prior year. In both years the Normal Cost includes an amount equal to 0.5% of the Actuarial Value of Plan Assets ($466,146 for 2013/14). This amount is an estimate of the annual expenses to be paid from Plan Assets as of the valuation date.

The decrease in the Normal Cost is the result of fewer employees accruing credited service, several changes made to actuarial assumptions, and the Plan's experience of lower than assumed salary increases over the past year. The smaller than assumed salary increases decrease the projected benefits at retirement age, which in turn results in a smaller Normal Cost.

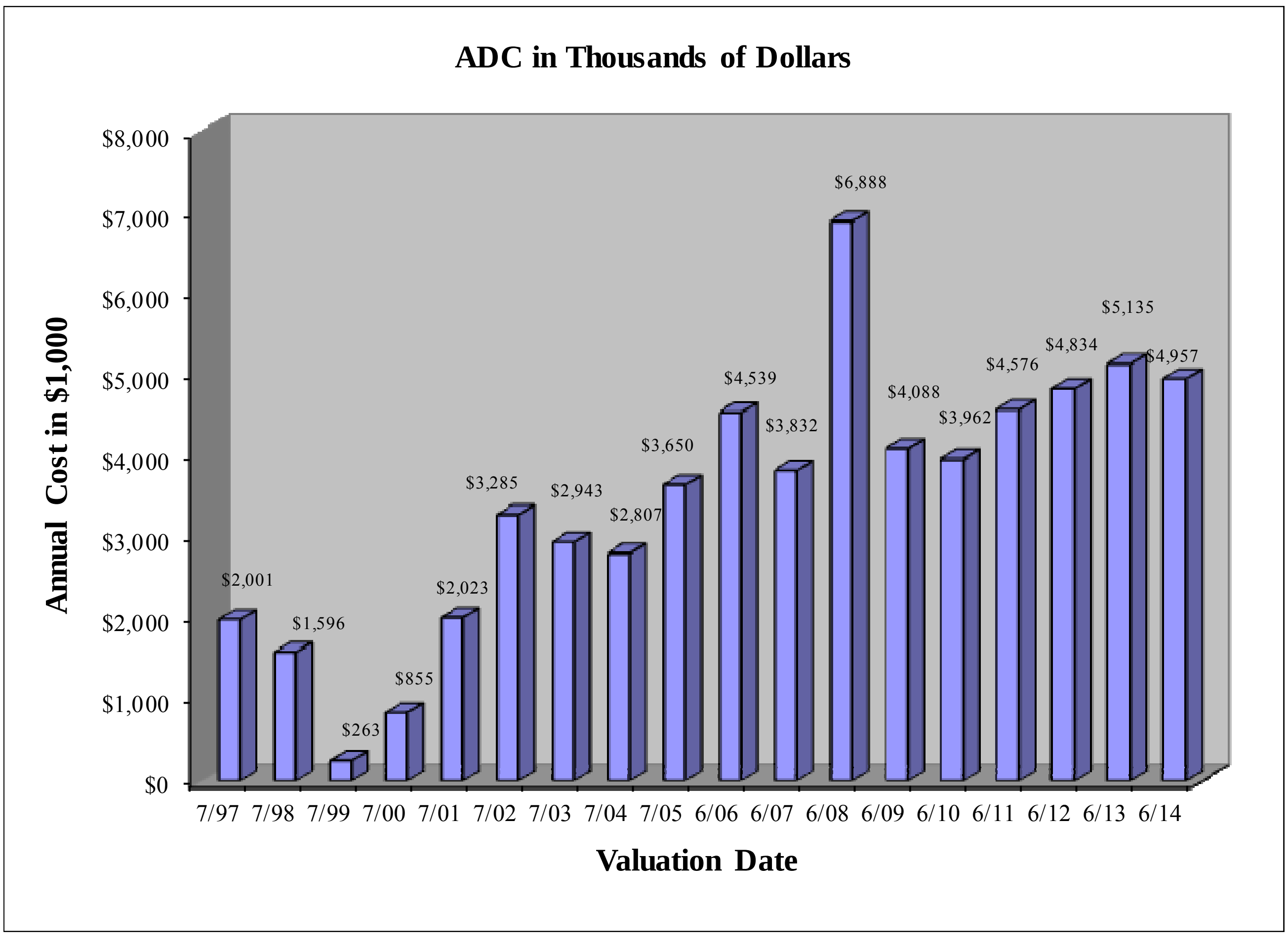
The second component of the ADC, an amount to amortize the unfunded liabilities, has also decreased relative to the prior year's amortization amount. The largest driver of this decrease is a return on plan assets that was approximately $7.7 million larger than expected. This has a direct effect on the unfunded liabilities and thus the amortization installment. Additional reductions to the Unfunded Liabilities are a result of salary increases and COLA in the past year that were less than assumed in the prior valuation. This has decreased the projected future benefits for participants, which in turn decreases the Actuarial Liabilities. Changes in assumptions made for the current valuation reduced Unfunded Liabilities to a small extent as well.

The effect of individual assumption changes on the Accrued Liability and Normal can be found on page 36.

Actuarially Determined Contribution *(continued)*

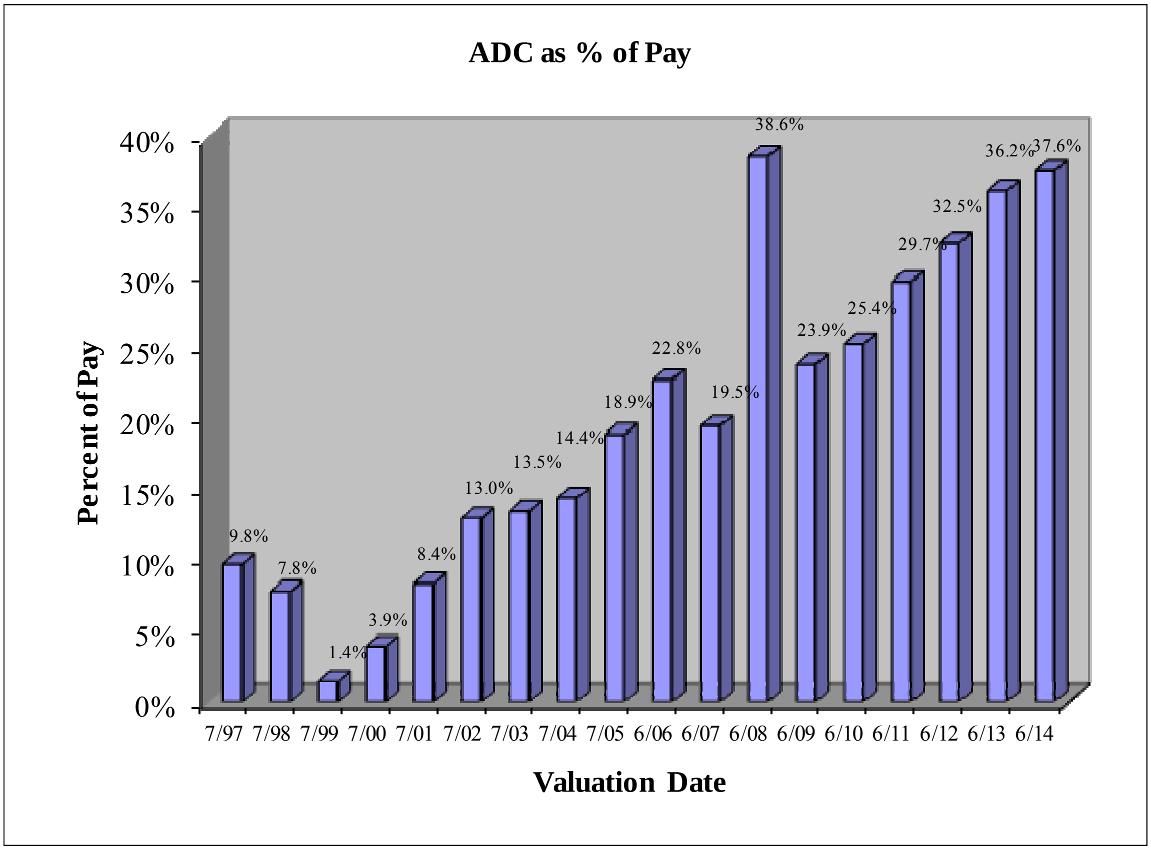
The following graph illustrates the history of the Management Plan ADC (or the Annual Required Contribution, as it's termed for years prior to 2013/14 fiscal year) over the last 16 years. Figures prior to 2005 are based on a 40-year amortization of the frozen past service liability. For 2005 through 2008, the Plan Sponsor elected to amortize the frozen past service liability over the future working lifetime of active participants. The July 1, 2005, June 30, 2006, June 30, 2007, June 30, 2008 ARCs are based on 9-year, 8-year, 8-year, and 7-year amortizations, respectively, of the frozen past service liability. Beginning with the June 30, 2009 actuarial valuation, the ARC is based on a closed 20-year amortization of the Unfunded Entry Age Normal Actuarial Accrued Liability.

Beginning with the June 30, 2014 actuarial valuation, the ADC is based on a closed 10-year amortization of the Unfunded Entry Age Normal Actuarial Accrued Liability. Beginning June 30, 2011 the ARC (and later the ADC) includes an annual provision for expenses equal to 0.5% of the Actuarial Value of Plan Assets. No expense provision was included in the ARC prior to 2011.



Actuarially Determined Contribution *(continued)*

The following graph displays the Plan's ADC as a percent of pay for active Plan participants as of the actuarial valuation date. Beginning with the July 1, 2005 actuarial valuation, the Plan sponsor elected to amortize the Unfunded Frozen Actuarial Accrued Liability over the expected working lifetime of the active Plan participants. The July 1, 2005, June 30, 2006, June 30, 2007, and June 30, 2008 ARCs are based on 9-year, 8-year, 8-year, and 7-year funding respectively; prior to those years the amortization was based on 40-year funding.



The combination of the prior actuarial cost method and the decreasing amortization period (due to the active participants comprising a closed group) caused the annual contributions to fluctuate in a manner that had little or no meaning from a long-term perspective. Effective with the June 30, 2009 actuarial valuation, the Plan sponsor is using a 20-year closed amortization period to determine the annual amount to amortize the Unfunded Actuarial Accrued Liability. Effective with the June 30, 2014 actuarial valuation, the Plan sponsor elected to use a 10-year closed amortization period. The Plan's Actuarially Determined Contribution is the sum of the annual Normal Cost, the annual amortization amount for a closed 10-year period, and 0.5% of the Actuarial Value of Plan Assets.

Plan Assets

The financial transactions for the Plan Year ending June 30, 2014 are summarized in Section 5 of this report. Throughout this report, several distinct definitions of plan assets are used for separate purposes:

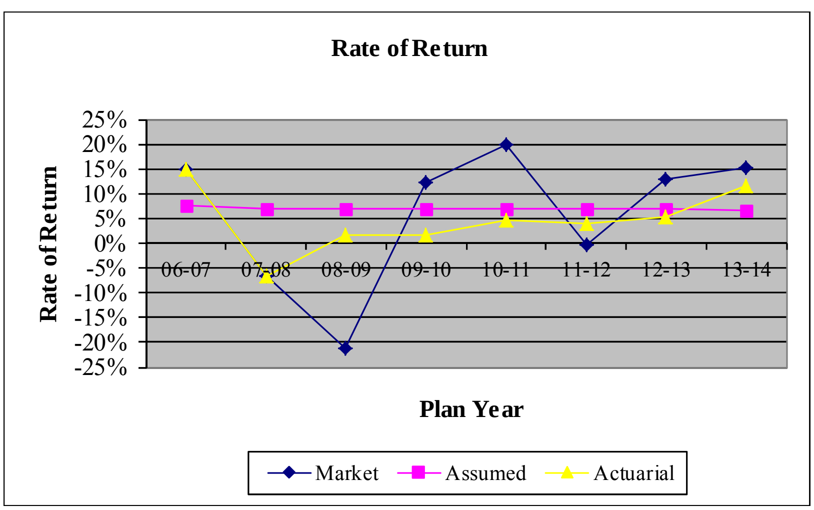
The **Fiduciary Net Position** is a defined term in GASB #68 and is equal to the Market Value on the valuation date, excluding any receivable contributions. The Fiduciary Net Position is used to develop required disclosures under GASB # 68.

The **Actuarial Value** of Assets is a smoothed value that recognizes gains and losses in the Market Value over a five year period. The Actuarial Value of Assets is used to calculate the Actuarially Determined Contribution, effective with the June 30, 2009 actuarial valuation. Using a smoothed market-related valuation technique to determine the actuarial value of Plan assets moderates the short-term volatility of the annual contribution calculations. Prior to 2009, the Market Value of Assets was used to determine the ADC.

The **Market Value** of Plan Assets includes any receivable contributions made after the valuation date and designated by TriMet as allocable to the valuation year. Market value of Plan assets is used for determination of the “benefit security” for participants. Benefit security is a snapshot measure of the Plan’s funded status and is not directly related to the long-term contribution requirements of the Retirement Plan. Market value is the best estimate of Plan assets that would be available to cover the liability for accumulated pension benefits.

Although the Plan’s investments earned a return of approximately 15.3% over the past year, delayed recognition of losses in recent years resulted in an overall rate of return on the Actuarial Value of Assets of approximately 11.58%. This is an increase from last year’s 5.18% and is greater than the assumed net rate of return, which for purposes of calculating the ADC is 6.50% in the 2013/14 fiscal year.

The following graph compares the rate of return on the Actuarial Value of Assets earned by the Plan with the Market Value of Assets and the assumed return on assets. For the 2005/06 and 2006/07 valuations, an assumed return on assets of 7.50% was used. This was decreased to a 7.00% return for the valuations covering 2007 through 2013, and an assumed 6.50% return is used in the current 2013/14 valuation for purposes of determining the ADC.



Plan Assets *(continued)*

The following chart compares investment return, Plan cost as a percent of pay, and increases in average salaries. The 5-year average is based on actual results through June 30, 2014.

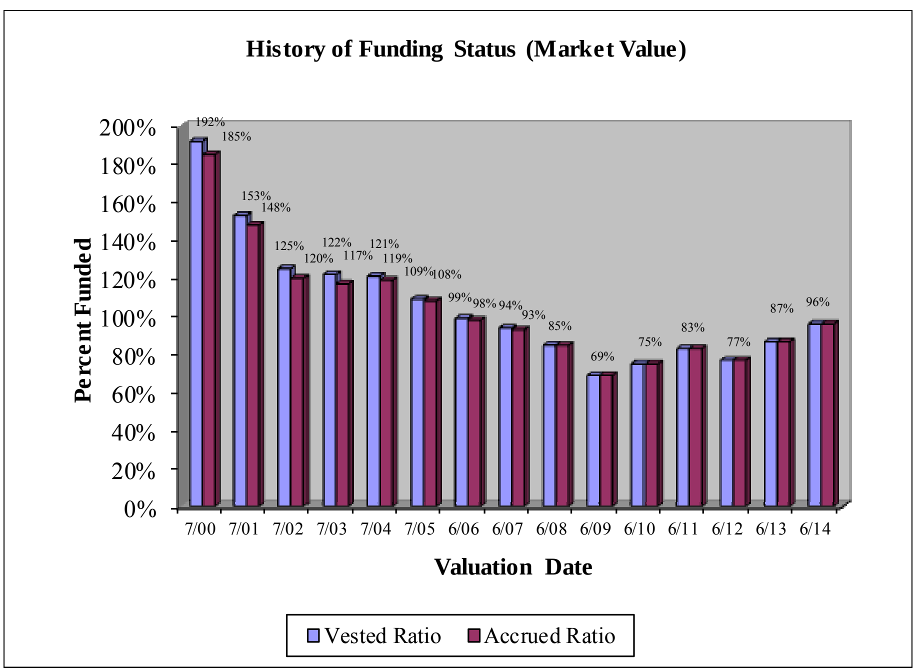
	Estimated	Actual					
	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	5-Year Average
Investment Return							
Actuarial Value Basis	6.50%	11.58%	5.18%	4.13%	4.59%	1.49%	5.39%
Market Value Basis	N/A	15.30%	12.96%	(0.32%)	19.92%	12.21%	12.02%
S&P 500 Index	N/A	22.04%	20.60%	5.45%	30.69%	14.43%	18.64%
Plan Cost as % of Pay	N/A	37.56%	36.16%	32.51%	29.74%	25.36%	32.26%
Change in Average Plan Compensation \1	3.00%	(0.80%)	4.08%	(0.71%)	1.15%	0.83%	0.91%

[1] *The change in average Plan Compensation shown above is limited to active participants, and annual compensation for each individual is limited to the applicable limitation under section 401(a)(17) of the Internal Revenue Code ($255,000 for the 2013/14 fiscal year).*

It is important to remember that the effect of the actuarial assumptions should be measured over a reasonable period of time. Deviations from the individual assumptions in any one year are expected; however, the effect on each valuation is usually small.

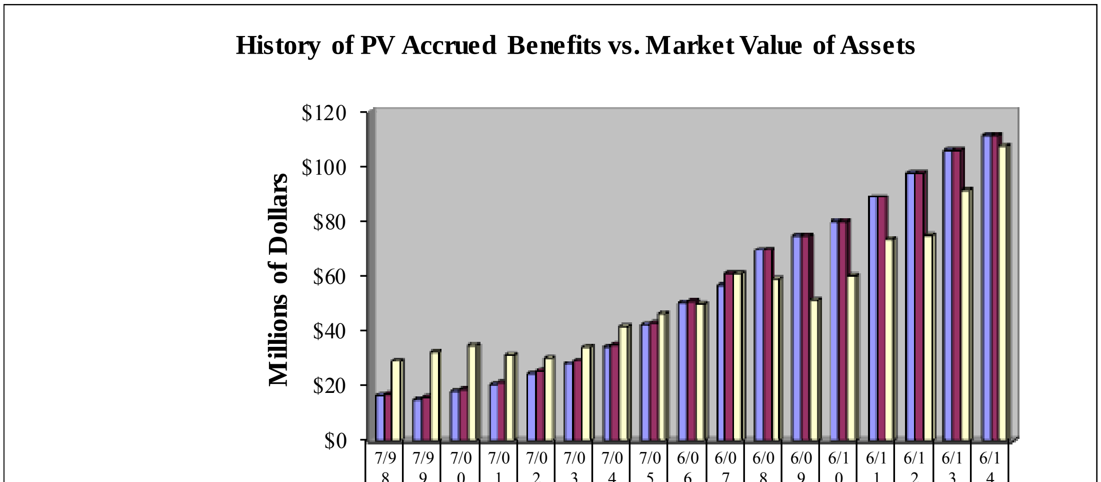
Funding Status

The next two graphs also illustrate the Retirement Plan's funding status. The first graph shows the ratio of the Plan's market value of assets to the actuarial value of benefits accrued through June 30, 2014. The actuarial value of the Plan's Accrued Benefits includes the portion of benefits expected to be paid as lump sums. A ratio of 100% or more indicates that it is likely that the Plan has sufficient assets (on a market value basis) to pay Accrued Benefits.



Funding Status *(continued)*

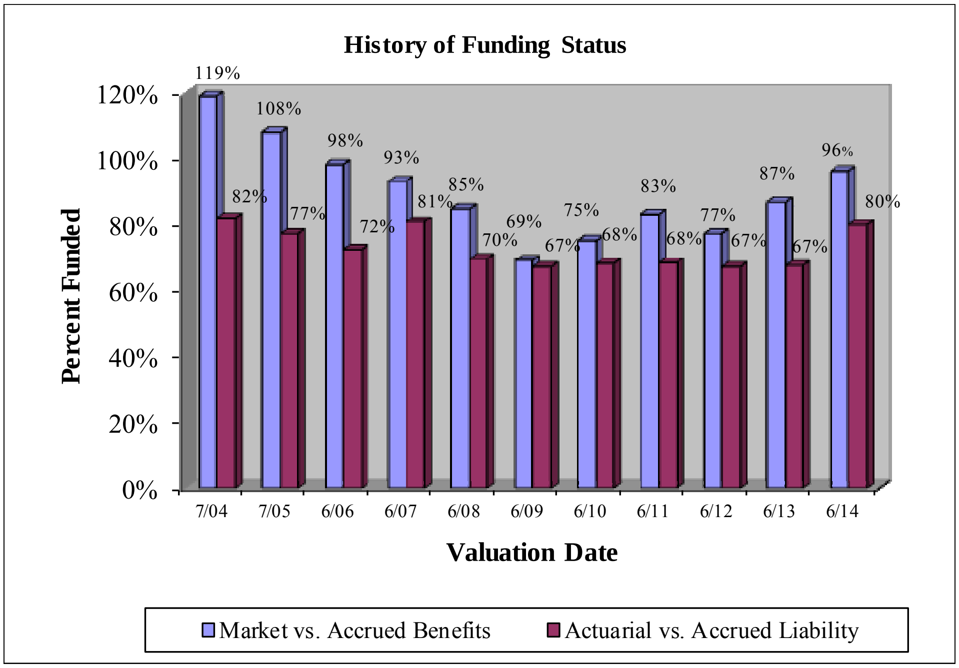
The second graph shows the historical growth of the Plan's present value of Accrued and Vested Accrued Benefits compared to the market value of Plan assets.



	7/98	7/99	7/00	7/01	7/02	7/03	7/04	7/05	6/06	6/07	6/08	6/09	6/10	6/11	6/12	6/13	6/14
Vested Liability $(million)	16.7	15.2	18.2	20.6	24.4	28.2	34.4	42.3	50.7	56.8	69.6	74.8	79.9	88.7	97.5	106	112
Accrued Liability $(million)	17.2	16.1	18.9	21.3	25.4	29.4	35.2	42.9	51.2	61.0	69.7	74.8	79.9	88.7	97.5	106	112
Assets at Market Value $(million)	29.3	32.6	35.0	31.6	30.5	34.4	41.7	46.2	50.2	61.0	59.1	51.6	60.1	73.7	75.0	91.6	107

Valuation Date

The graph below shows the Plan's funded status, calculated using two different methods. The first approach calculates the market value as a portion of the actuarial value of accrued benefits, and is the same series that is shown in the graph above. The second approach calculates the funding status as the ratio of the actuarial value of assets to the actuarial accrued liability. The actuarial accrued liability is the present value of all benefits (accrued to date plus future accruals) minus the present value of future normal costs.

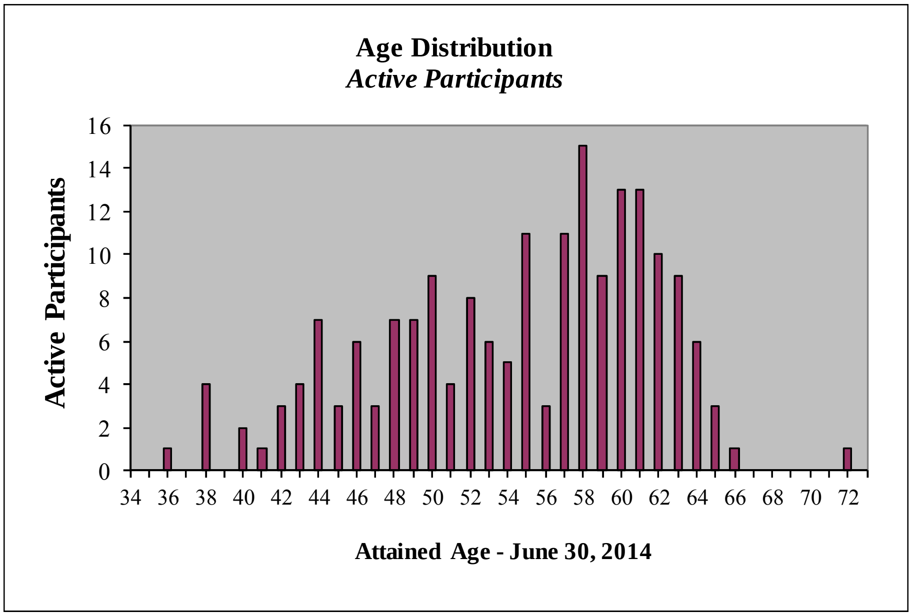


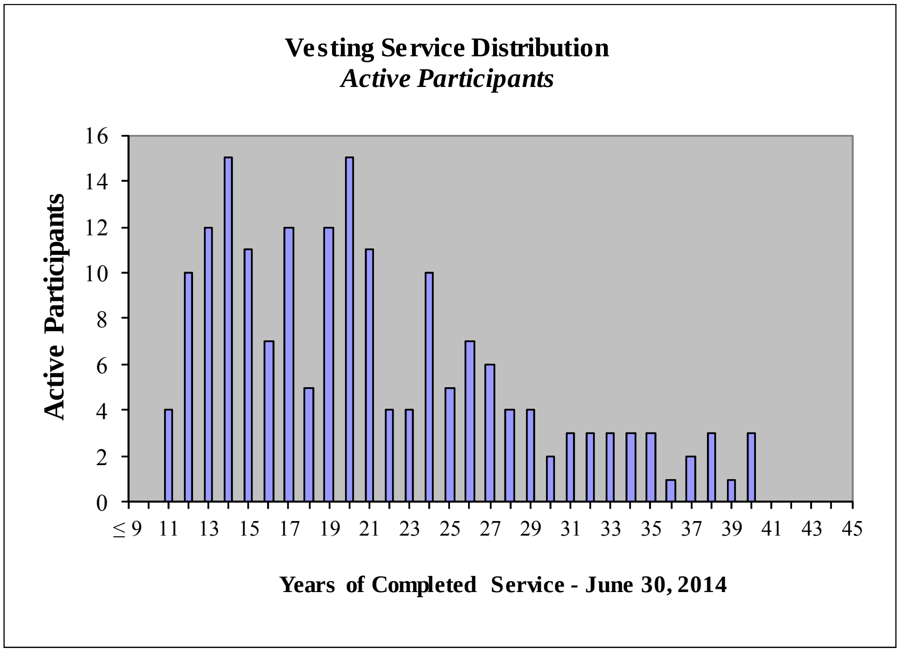
Characteristics of Population

		2014	2013	2012	2011	2010
(1)	Active Participants					
	(a) Number	153	164	180	185	190
	(b) Vested Participants	153	164	180	185	190
	(c) Average Age	54.8	54.2	53.7	53.6	52.8
	(d) Average Continuous Service	21.3	20.5	19.3	18.7	17.9
	(e) Average Annual Earnings	$85,894	$86,585	$82,603	$83,190	$82,244
(2)	Deferred Retirement Pension Benefit					
	(a) Number	98	107	117	120	122
	(b) Average Age	55.3	55.3	55.2	54.6	54.0
	(c) Average Age at Termination	41.1	41.1	41.5	37.8	41.8
	(d) Average Deferred Monthly Benefit	$824	$750	$765	$711	$741
(3)	Union Employees With Management Service					
	(a) Number	29	31	34	33	36
	(b) Average Age	55.3	54.5	54.2	55.4	54.7
	(c) Average Years of Management Service	5.6	5.5	5.6	6.6	6.6
	(d) Average Annual Earnings	$62,987	$63,290	$63,553	$61,607	$56,247
(4)	Retired Participants and Beneficiaries Receiving Pension Benefit					
	(a) Number	223	203	180	156	151
	(b) Average Age	69.5	69.5	69.3	69.5	69.0
	(c) Average Age at Retirement	61.6	61.5	61.4	61.1	61.1
	(d) Average Monthly Benefit	$1,507	$1,503	$1,483	$1,368	$1,221
(5)	Other Inactive					
	(a) Leave of Absence	0	0	0	0	0
	(b) Disability	3	4	4	3	3
(6)	Total Costed Employees	506	509	515	497	502

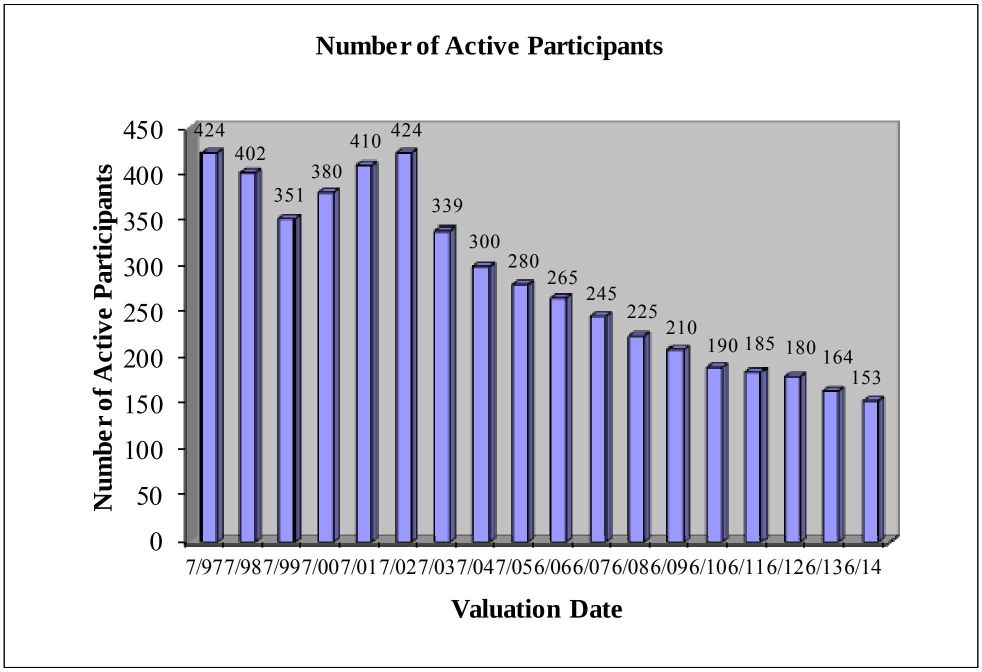
Characteristics of Population *(continued)*

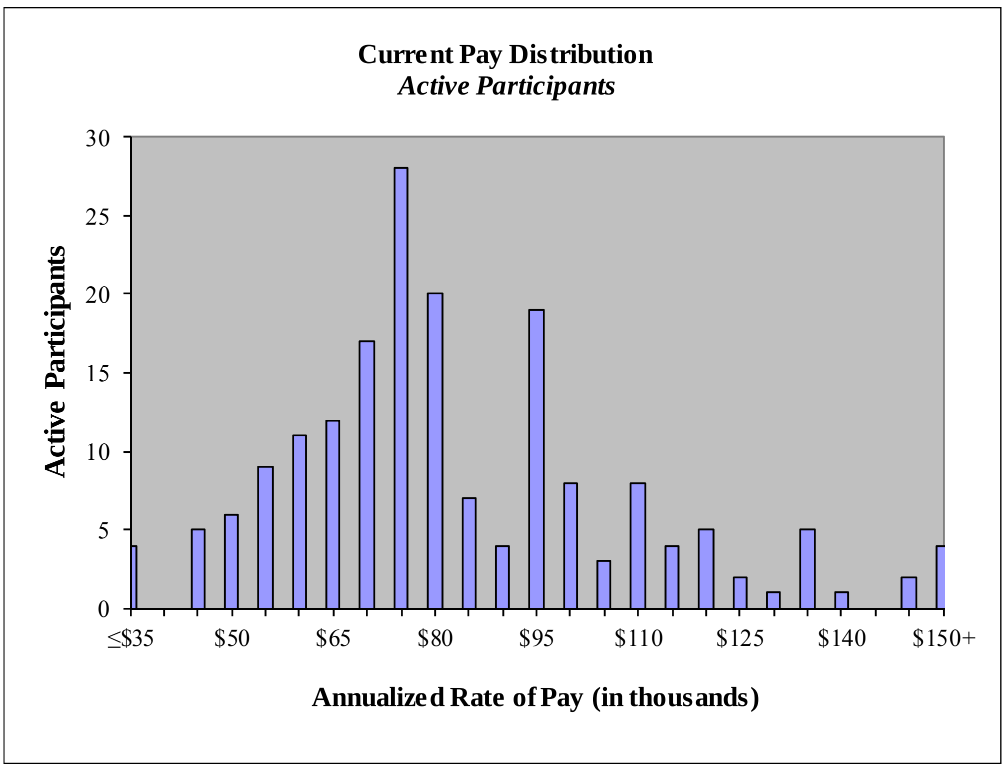
The graphs on the following three pages display demographic distributions for active and retired participants. These graphs show the distributions of age, vesting service, the history of active participants, annualized pay, and age and benefits data for current participants receiving retirement benefits.



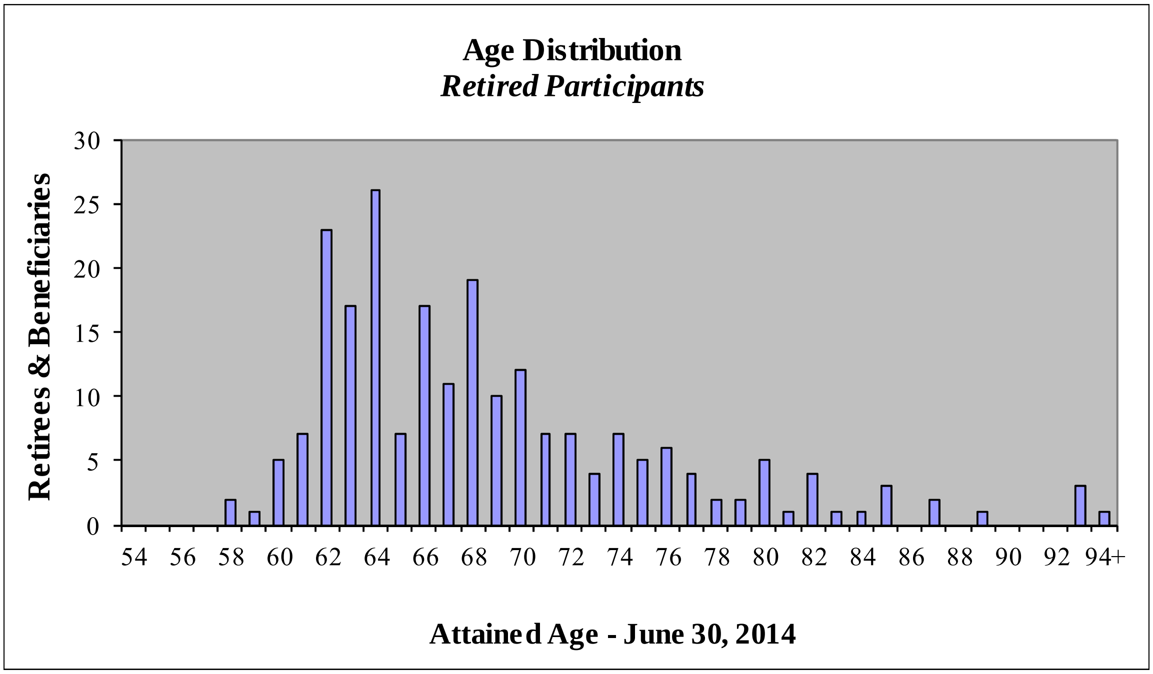


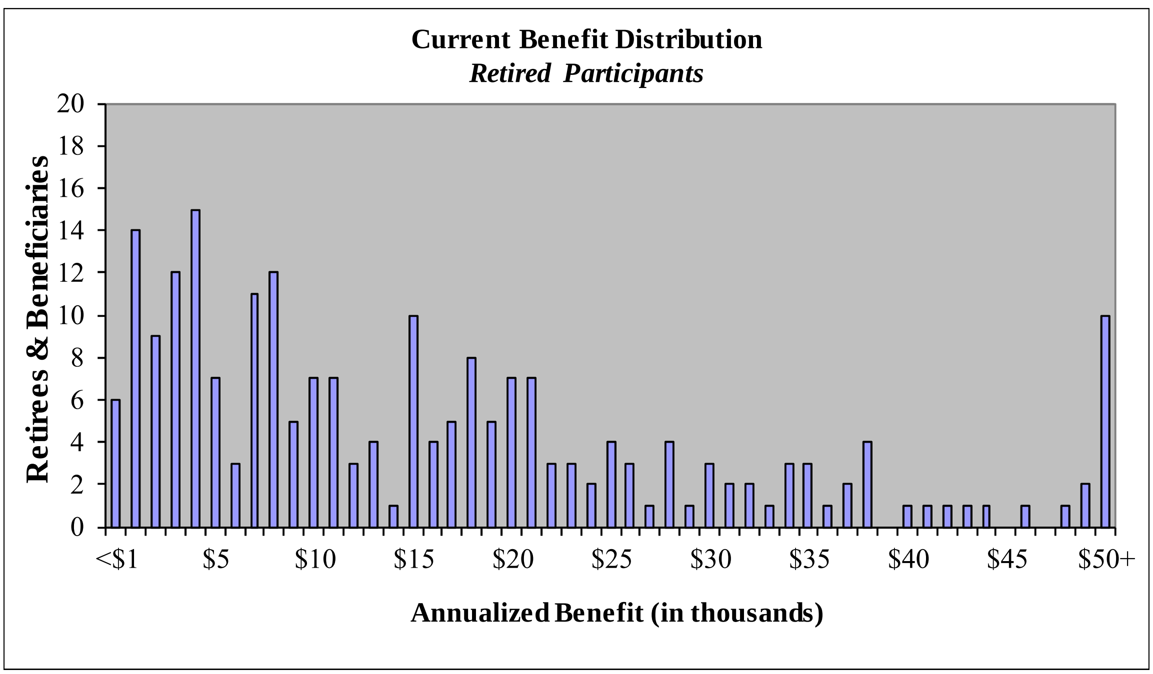
Characteristics of Population *(continued)*





Characteristics of Population *(continued)*





Regulatory Limits

	2014	2013	2012	2011
Maximum Defined Benefit Plan Annual Benefit	$210,000	$205,000	$200,000	$195,000
Maximum Annual Addition to a Defined Contribution Plan	$52,000	$51,000	$50,000	$49,000
Maximum Annual Salary Deferral to a 457 Plan	$17,500	$17,500	$17,000	$16,500
Annual 457 Catch Up Contribution	$5,500	$5,500	$5,500	$5,500
Maximum Compensation that can be Recognized in Qualified Plans	$260,000	$255,000	$250,000	$245,000
Highly Compensated Employee Definition	$115,000	$115,000	$115,000	$110,000
Social Security Taxable Wage Base	$117,000	$113,700	$110,100	$106,800

Payout Projections

Payout projections may be used to develop the liquidity requirements of your pension trust. In addition, the projections indicate the level of prefunding since any contributions in excess of the payout will be accumulated in advance for future benefit payments.

The projections shown below are estimates based on the assumption that all employees who work to retirement age will retire on their Normal Retirement Date and that 80% will elect to receive their benefits as an annuity, 20% will elect to receive their benefits as a lump sum.

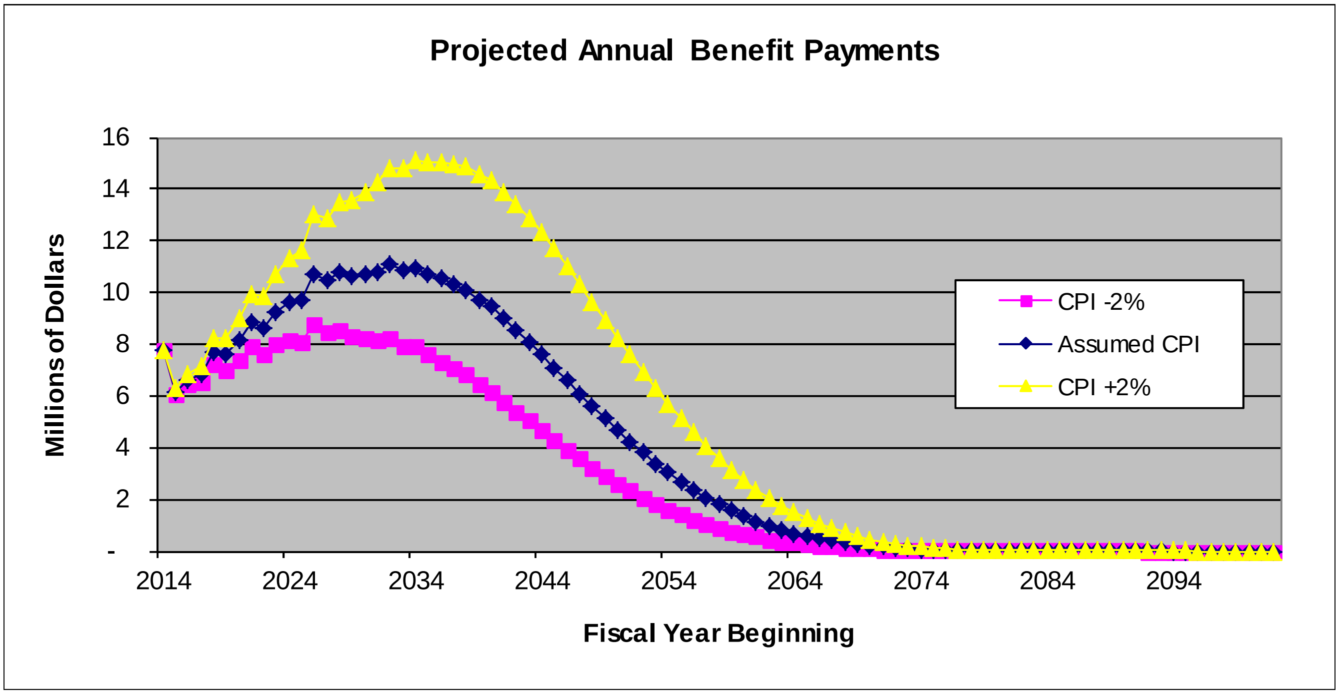
For employees who terminate prior to retirement, it's assumed that 65% elect to take a deferred annuity and 35% elect to take a lump sum. Since actual benefit payments depend on future Plan experience, these projections will be updated annually. Disabled, transferred and leave of absence employees are assumed to take the Normal Retirement Benefit. Projections include current retirees and beneficiaries receiving annuity payments.

For comparison purposes, future payout projections are shown under an assumed CPI that is 2% greater than and less than used in the valuation in addition to the CPI assumption used to calculate the Plan's liabilities. The annual pension COLA is 90% of the annual change in the CPI, but in no event greater than 7%. For these payout projections, we assumed that the difference between CPI increases and salary increases would be equal to those used in the valuation for a given year.

Valuation Year From - To	Assumed CPI - 200 b.p.	Assumed CPI	Assumed CPI + 200 b.p.
07/01/2014 – 06/30/2015	$7,781,505	$7,793,276	$7,805,046
07/01/2015 – 06/30/2016	$6,056,439	$6,163,584	$6,271,147
07//01/2016 – 06/30/2017	$6,415,699	$6,631,993	$6,852,632
07/01/2017 – 06/30/2018	$6,504,083	$6,838,482	$7,185,187
07/01/2018 – 06/30/2019	$7,190,538	$7,679,979	$8,195,696
07/01/2019 – 06/30/2020	$6,999,656	$7,600,498	$8,244,565
07/01/2020 – 06/30/2021	$7,408,314	$8,162,988	$8,985,492
07/01/2021 – 06/30/2022	$7,902,701	$8,858,555	$9,917,581
07/01/2022 – 06/30/2023	$7,575,119	$8,635,194	$9,829,815
07/01/2023 – 06/30/2024	$7,967,209	$9,225,677	$10,667,713

Cash Flow Projections

The following graph shows the projected payouts based on the assumed CPI rates used in the valuation as well as CPI rates that are 2% greater than and less than those used. Projected payouts are shown for the next 88 years.



Section 3 – Actuarial Certification

On behalf of Tri-County Metropolitan Transportation District of Oregon, we have made an actuarial valuation of this Plan as of June 30, 2014. We did not audit the employee data and financial information used in this valuation. Based on our review of the data, we believe that the information is sufficiently complete and reliable, and that it is appropriate for the purposes intended.

In our opinion, each assumption used in this valuation is reasonable taking into account the experience of the Plan and reasonable expectations, or would, in the aggregate, result in a total contribution equivalent to that which would be determined if each assumption were reasonable. The methods employed in this valuation are consistent with generally accepted actuarial principles and practices.

Therefore, the information as presented in this Actuarial Report for funding purposes fully and fairly discloses the actuarial position of the Plan.

Mr. Monaghan and Mr. Gahan are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. All of the undersigned are available to answer any questions in connection with this report.

Sincerely,

Dennis M. Monaghan

Dennis M. Monaghan, FSA, EA, MAAA
Consulting Actuary

Glen Gahan

Glen Gahan, FSA, EA
Principal

Jesse E. Lauzon

Jesse Lauzon, EA
Actuarial Analyst

August 28, 2014
Date Signed

Section 4 – Valuation Method and Assumptions

Entry Age Normal Valuation Method

Prior to the June 30, 2009 actuarial valuation, the actuarial cost method used to value the Retirement Plan's liabilities was the Frozen Entry Age Normal valuation method. Beginning with the June 30, 2009 actuarial valuation, the actuarial cost method was changed to the Entry Age Normal, Level Percent of Pay, Actuarial Cost Method.

Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percent of pay basis over the service of the active employee between entry age and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the Normal Cost for that active employee. The sum of these individual normal costs is the Plan's Normal Cost for the valuation year.

The present value of benefits for current retirees and participants with deferred retirement benefits plus the accumulated value of prior Normal Costs for active employees is the Actuarial Accrued Liability. The excess of the Actuarial Accrued Liability over Plan Assets is the Unfunded Actuarial Accrued Liability (UAAL). The total UAAL is amortized as a level dollar amount over a closed 20-year amortization period commencing with the June 30, 2009 actuarial valuation. Commencing with the June 30, 2014 actuarial valuation, the amortization period used to determine the ADC was changed to a 10-year closed period.

Under this method, the actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Valuation of Assets

Prior to the June 30, 2009 actuarial valuation, the actuarial value of assets was calculated as the market value of assets reported by U.S. Bank plus any accrued income and accrued contributions for the prior Plan year. Beginning with the June 30, 2009 actuarial valuation, the actuarial value of each year's investment gains (or losses), is recognized over a five-year period. The difference between the actual return on the market value of Plan assets and the expected return on the market value is the actuarial gain (or loss) on Plan assets for the year. Twenty percent of each such annual amount is recognized annually over the next five Plan years thereafter. The actuarial value of assets for the June 30, 2014 actuarial valuation includes contributions received and receivables for the current Plan Year except for the purposes of calculating the ADC.

Rates of return are calculated by reducing investment income by all expenses paid from Plan assets.

Employees Included in the Calculations

All active employees who have met the Plan's eligibility requirements as of the valuation date are included in the calculations. This includes union employees with past management service. Former employees or their survivors who are entitled to an immediate or deferred benefit under the provisions of the Plan are also included. Employees that elected to be cashed out of the Plan and roll their lump sum to the TriMet Defined Contribution Plan have been excluded from the valuation.

Actuarial Assumptions

1. Mortality used for determining:

a. Normal Funding:	RP 2000 Mortality Static Table updated to June 30, 2014 (IRS Notice 2013-49), – Separate Gender – Separate Annuitant and Non-Annuitant
b. Actuarial Equivalence for Lump Sums:	1994 Group Annuity Reserve Table projected to 2002 – Blended

2. Disability:	The probabilities are illustrated in the table on page 19.
3. Termination:	The probabilities are illustrated in the table on page 19.
4. Salary Progression:	3% compounded annually for the next five years, then increases of 0.25% per year until it reaches 4%.

5. Interest rate used for determining:

a. Plan Liabilities:	6.50%, applied to all projected future cash flows
b. Expected Earnings:	6.50%, net of expenses
c. Actuarial Equivalence:	7.50% compounded annually, applied both pre- and post-retirement

6. Expenses:	0.5% of actuarial value of plan assets is added to the ADC.
7. Retirement Age:	All participants are assumed to retire at age 62, or present age if greater.
8. Cost of Living:	The assumed annual CPI increase for 2014 is 2%, with increases in the rate of 0.25% per year until the CPI rate is assumed to be 4%.
9. Sick Leave Supplement:	Participants with union service during the five years prior to retirement are assumed to receive a benefit for their accumulated sick leave under the union plan.

10. Form of Payment:

    a. Retirees:
        (1) 80% of retirees are assumed to select a life annuity
        (2) 20% of retirees are assumed to elect a lump sum

    b. Vested Terminated Employees:
        (1) 65% of vested terminated employees are assumed to select a deferred life annuity
        (2) 35% of vested terminated employees are assumed to elect a lump sum

Actuarial Assumptions *(continued)*

11. The following are examples of the probability that a participant will die, become disabled, or terminate employment within the year.

	Mortality Non-Annuitant		Mortality Annuitant		Disability		Termination	
Age	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
20	0.02%	0.01%	0.02%	0.01%	0.02%	0.02%	12.00%	12.00%
25	0.03%	0.01%	0.03%	0.01%	0.05%	0.05%	11.70%	11.70%
30	0.04%	0.02%	0.04%	0.02%	0.08%	0.08%	11.31%	11.31%
35	0.07%	0.03%	0.07%	0.03%	0.13%	0.13%	10.69%	10.69%
40	0.09%	0.05%	0.09%	0.05%	0.18%	0.18%	9.60%	9.60%
45	0.10%	0.07%	0.16%	0.07%	0.32%	0.32%	7.90%	7.90%
50	0.13%	0.10%	0.37%	0.16%	0.46%	0.46%	5.48%	5.48%
55	0.17%	0.20%	0.39%	0.30%	0.90%	0.90%	2.77%	2.77%
60	0.31%	0.34%	0.58%	0.56%	1.37%	1.37%	1.72%	1.72%

Changes in Actuarial Assumptions and Methods

1. The annual discount rate decreased from 7% to 6.5%.
2. Annual salary increases are 3% for the next five years with increases of 0.25% per year until it reaches 4%. Annual salary increases were 5% for all years in the 2013 valuation.
3. The CPI increases by 2% in fiscal year 2014-15 with increases to the rate of 0.25% per year until it reaches 4%. The CPI was assumed to increase by 4% for all years in the 2013 valuation.
4. The RP 2000 Static Mortality Table was updated to June 30, 2014 as described in Internal Revenue Notice 2013-49.
5. Effective with the June 30, 2014 actuarial valuation, the TriMet Board of Directors elected to calculate the Actuarially Determined Contribution using a 10-year closed amortization period.

Other Considerations

1. Participant salaries are limited to the IRC Section 401(a)(17) limit that was in effect as of the beginning of the plan year. Projected benefits are limited to the IRC Section 415(b) limit for governmental plans that is in effect as of the Plan's actuarial valuation date.
2. For the purpose of valuing Death Benefits, 85% of the eligible employees are assumed to be married or have domestic partners. Males are assumed to have spouses or domestic partners that are female and four years younger. Females are assumed to have spouses or domestic partners that are male and four years older. The net impact on the actuarial calculations of same-gender domestic partners is minimal.
3. Employees (including part-time) are assumed to work 2080 hours per year in all future years.
4. Although we believe these to be accurate and complete, employee data supplied to us by TriMet and financial information supplied to us by the Trustee, US Bank, have not been audited by us.
5. We rely on the Employer to inform us of management service for union employees, any rehires into the Management & Staff Plan and average earnings for disabled employees.

Section 5 – Financial Statements

Statement of Income, Disbursements and Market Value of the Trust Fund for the Plan Year

(1) Market Value of Invested Assets as of June 30, 2013		$91,334,706
(2) Income		
(a) 8/23/2013 Contribution for 2012-2013 plan year	$234,958	
(b) Contributions for 2013-2014 plan year	$5,367,005	
(c) Earnings on Investments		
(i) Interest, Dividends, and Income	$1,854,385	
(ii) Realized Gains (Losses)	$2,888,152	
(iii) Unrealized Gains (Losses) and Adjustments	$9,650,766	
(iv) Investment Expense	($34,243)	
(d) Total Income		$19,961,023
(3) Disbursements		
(a) Benefits Paid Directly to Participants or their Beneficiaries		
(i) Monthly Retirement Benefits	($3,892,235)	
(ii) Lump Sum	$0	
(b) Administrative Expenses	($285,221)	
(c) Total Disbursements		($4,177,456)
(4) Fiduciary Net Position as of June 30, 2014		$107,118,273
(5) Receivable Contributions for 2013/14 plan year		$0
(4) Market Value of Plan Assets as of June 30, 2014		$107,118,273
(5) Actuarial Value of Assets as of June 30, 2014		$98,596,166
(6) Investment Income (net of Expenses)		$14,073,839

Actuarial Value of Assets

The Actuarial Value of Assets (as adjusted for current Fiscal Year contributions) is used to determine the Plan's contribution requirements. See the Valuation Methods and Assumptions section for a description of the asset valuation method.

(1)	Actuarial Value of Assets as of June 30, 2013 for ADC calculation		$82,184,648
(2)	Contributions Received for Prior Fiscal Year		$5,134,958
(3)	Benefit Payments		($3,892,235)
(4)	Expected Return on Fair Market Value of Plan Assets		$6,144,030
(5)	Recognition of Prior Years' Investment Gains/(Losses)		$2,071,798
(6)	Preliminary Actuarial Value of Plan Assets as of June 30, 2014		$91,643,199
(7)	Actual Net Return on Plan Assets as of June 30, 2014	$14,073,839	
(8)	Current Year's Actuarial Gain/(Loss) = (7) - (4)	$7,929,809	
(9)	Recognition of 20% of Current Year's Actuarial Gain/(Loss)		$1,585,962
(10)	Actuarial Value of Plan Assets for ADC calculation as of June 30, 2014 = (6) + 20%*(8)		$93,229,161
(11)	Contribution and Receivable for Current Fiscal Year		$5,367,005
(12)	Actuarial Value of Plan Assets as of June 30, 2014 to determine Funded status		$98,596,166

DEFERRED INVESTMENT GAINS/(LOSSES) FOR PREVIOUS YEARS

Date Established	Original Gain/(Loss)	Current Annual Recognition	Years Remaining	Remaining Future Recognitior
6/30/2010	$3,236,469	$647,294	0	$0
6/30/2011	$8,030,080	$1,606,016	1	$1,606,016
6/30/2012	($5,583,909)	($1,116,782)	2	($2,233,563)
6/30/2013	$4,676,349	$935,270	3	$2,805,809
Totals		**$2,071,798**		

		Market Value	Actuarial Value
(1)	Value of Assets as of June 30, 2013	$91,334,706	$82,184,648
(2)	Contributions Received for Prior Fiscal Year	$5,134,958	$5,134,958
(3)	Contributions Received for Current Fiscal Year	$5,367,005	NA
(4)	Benefit Payments	($3,892,235)	($3,892,235)
(5)	Time Weighted Average of Balance	$91,984,442	$84,613,796
(6)	Investment Income (Net of Expenses)	$9,173,839	$9,801,790
(7)	Investment Return as Adjusted	15.30%	11.58%

Dollar Weighted Rate of Return

	Benefit Payments	Expenses	Contributions	Net Cashflows
July	($305,535)	($12,218)	$400,000	$82,246
August	($311,680)	($51,407)	$634,958	$271,871
September	($311,462)	($35,467)	$399,667	$52,739
October	($313,022)	($12,336)	$399,667	$74,309
November	($317,748)	($46,362)	$569,667	$205,557
December	($321,131)	($11,954)	$399,667	$66,581
January	($323,907)	($2,728)	$399,667	$73,032
February	($335,228)	($40,059)	$399,667	$24,380
March	($334,864)	($9,408)	$399,667	$55,395
April	($340,847)	($13,946)	$399,667	$44,874
May	($336,096)	($24,740)	$399,667	$38,831
June	($340,713)	($24,596)	$800,000	$434,692

Dollar Weighted Rate of Return	15.62%

	Cashflows	Time	Calculated Earnings
Starting Balance	$91,334,706	1.00	$14,266,481
July	$82,246	0.92	$11,704
August	$271,871	0.83	$34,954
September	$52,739	0.75	$6,065
October	$74,309	0.67	$7,549
November	$205,557	0.58	$18,161
December	$66,581	0.50	$5,011
January	$73,032	0.42	$4,553
February	$24,380	0.33	$1,208
March	$55,395	0.25	$2,047
April	$44,874	0.17	$1,099
May	$38,831	0.08	$473
June	$434,692	0.00	$0
Calculated Gross Earnings			$14,359,305
Actual Gross Earnings			$14,359,060

Return on Assets by Asset Class

	Target Allocation	Long Term Expected Real Rate of Return
Fixed Income	14%	2.00%
Domestic Equity	24%	5.50%
International Equity	17%	6.00%
Tactical Asset Allocation	15%	3.20%
Absolute Return	14%	3.00%
Private Real Estate	7%	4.10%
Private Equity	2%	7.75%
Private Credit	7%	4.40%

Expected real rates of return are based on the expected Arithmetic Annual Returns reported in the May 19, 2014 Allocation Recommendations prepared by the Pension Consulting Alliance.

Distribution of Assets as of June 30, 2014

	Cost Value		Market Value	
	$	%	$	%
Cash	$2,671,498	3.08%	$2,671,498	2.49%
Domestic Equities	$0	0.00%	$0	0.00%
Foreign Equities	$0	0.00%	$0	0.00%
Mutual Funds	$34,393,226	39.70%	$43,287,143	40.41%
Bonds	$20,690,410	23.88%	$20,813,285	19.43%
Collective Investment Funds	$15,558,489	17.96%	$24,459,993	22.84%
Accrued Income	$158,891	0.18%	$158,891	0.15%
Money Markets	$0	0.00%	$0	0.00%
Partnerships / Joint Ventures	$13,165,733	15.20%	$15,727,464	14.68%
Total Invested Assets - June 30, 2014	$86,638,247	100.00%	$107,118,274	100.00%

Contributions for the Prior Plan Year

The following contributions for the prior Plan year were made on the dates indicated:

Date	Amount
3/20/2013	$1,000,000
4/19/2013	$1,000,000
5/17/2013	$1,000,000
6/18/2013	$1,900,000
8/23/2013	$234,958
Total	$5,134,958

Section 6 – Summary of Principal Plan Provisions

General Information

1.	Original Effective Date:	December 7, 1970
2.	Restatement Effective Date:	January 1, 2008
3.	Effective Date of Last Amendment:	July 1, 2008
4.	Plan Year:	July 1 to June 30
5.	Employer Fiscal Year:	July 1 to June 30

Eligibility

An employee of TriMet employed prior to April 27, 2003 became a participant upon employment or when the employee ceased to be covered by a Collective Bargaining Agreement, PERS or any other state mandated retirement program. Participants of the Plan made an irrevocable decision to stay in the Defined Benefit Plan, freeze service in the Defined Benefit Plan and participate in the Defined Contribution Plan, or rollover their Defined Benefit Plan Accrued Benefit to the Defined Contribution Plan and begin participating in the Defined Contribution Plan.

An employee hired on or after April 27, 2003 becomes a participant upon employment in the Defined Contribution Plan. Employees cannot be active members of the Retirement Plan for Management and Staff Employees and any of the aforementioned three plans simultaneously.

Vesting Service

Vesting Service shall equal total years of service with the Employer. This service includes time a participant may have participated in the Collective Bargaining Agreement. A year of Vesting Service is credited for each year in which an employee works full or part time.

Credited Service

Credited Service shall equal total years of service with the Employer as a management or staff employee. A year of service is credited for each year in which an employee works full or part time. Service is expressed in years and months. Special Credited Service rules apply to the General Manager and the Executive Directors.

A break in service occurs at the start of any Plan year in which the employee works 500 hours or less for the Employer in such year. Service will not be interrupted by:

- A leave of absence not in excess of one year granted by the Employer;
- A period of service in the Armed Forces of the United States after which re-employment rights are granted;
- A period of long-term disability during which the participant is being paid directly or indirectly by the Employer and participant is under age 62; or,
- A period of maternity or paternity leave that is not in excess of one year.

Credited Service *(continued)*

Credited Service for part-time participants is prorated.

An employee will be given credit for their pre-break service if the employee has returned to work before the earliest of (1) the third anniversary of their last day of employment, or (2) an amount of time equal to their years of Credited Service.

Normal Retirement Date

Normal Retirement Date is the first day of the month coincident with or next following the attainment age of sixty-two.

Normal Retirement Benefit

The amount of annual Normal Retirement Benefit to be paid in monthly installments for life, based on Credited Service to Normal Retirement Date, is the sum of the following two benefits:

1. Basic Normal Retirement Benefit
   A monthly Normal Retirement Benefit accrual that is one-twelfth (1/12) of 1.75% of Final Average Salary times Credited Service while a participant is under this plan.

   For certain Executives, the percent of Final Average Salary retirement benefit is determined by multiplying the Executive's days of TriMet employment after July 1, 2008 by the Daily Rate for that Executive and adding the product to the Percent of Final Average Salary as of July 1, 2008 for that Executive. However, in no case may the Executive's retirement benefit exceed 68.75% of the Executive's annual salary at employment termination.

2. Sick Leave Supplement
   For retirements that start on or after July 1, 2000, the hours of unused sick leave which have been accumulated under TriMet's sick leave policy to the date of actual retirement shall be converted to either a monthly annuity supplement or a lump sum distribution. The additional monthly amount is half of the participant's hours of unused sick leave, capped by sick leave maximum, multiplied by the final average hourly rate, divided by 101.9. The supplement can also be paid as a lump sum. The lump sum amount is 1.107 times the final average hourly rate, times one-half of unused sick time.

   The maximum number of sick leave hours that may be considered in calculating the sick leave supplement is shown in the table below:

Retirements Starting	**Maximum hours**
From July 1, 2000 through March 21, 2005	1,400
From March 22, 2005 through November 30, 2005	1,500
From December 1, 2005 through November 30, 2006	1,550
From December 1, 2006 through November 30, 2007	1,600
From December 1, 2007 through November 30, 2008	1,650
On or after December 1, 2008	1,700

Delayed Retirement

A participant may continue in the employment of the Employer after their Normal Retirement date. In such event, they will receive at actual retirement the Normal Retirement Benefit earned to the date of Delayed Retirement.

Final Average Salary

One-third of the highest 36 consecutive months' salaries, including merit awards, paid to the participant for Credited Service. Payoff of unused sick leave or vacation time is not included in this average. Unused sick leave is used for a supplemental retirement benefit described on the previous page. In no event shall compensation for any year exceed the IRC limit on annual compensation includable in a defined benefit plan ($260,000 for 2014).

Accrued Benefit

The Accrued Benefit at any time prior to a participant's date shall be the Normal Retirement Benefit based on Credited Service at that date.

Early Retirement Benefit

Upon the completion of five years of Credited Service and the attainment of age 55, a participant may elect to retire. They may receive a monthly benefit for life beginning at their Normal Retirement date equal to the benefit accrued at Early Retirement Date. Payments may begin immediately, with the benefit being reduced for each month by which the payment date precedes the Normal Retirement date. The table below displays the reduction for whole ages:

Early Retirement Age	Reduction of Benefit
61	92.75%
60	86.03%
59	79.80%
58	74.01%
57	68.65%
56	63.67%
55	59.06%

Benefit Accrual While Disabled

A participant who becomes totally and permanently disabled before their Normal Retirement Date and has five years of Credited Service is entitled to accrue Credited Service while they are disabled. The benefit will be calculated based on their Final Average Salary at time of disability and total Credited Service at their retirement date.

Pre-Retirement Death Benefit

The spouse or domestic partner of a participant who dies while employed by TriMet and who has five years of Credited Service, or an inactive participant who terminates employment after June 30, 1988 with five years of Credited Service, is eligible for a pre-retirement Death Benefit. The benefit is two-thirds of the Normal Retirement Benefit earned to the date of death, actuarially reduced by joint annuity factors. If the benefit is payable before the date the participant would have been age 62, it will be actuarially reduced for early retirement.

If the participant was an active employee over age 55 at the time of death, the benefit begins the first of the month after the participant's death and continues for the rest of the spouse's or domestic partner's life. Benefits will be adjusted for cost of living in the same manner as Normal Retirement Benefits. Alternatively, the spouse or domestic partner may elect a one-time actuarially equivalent lump sum payment.

If the participant had terminated employment after June 30, 1988 and before death, or was an active employee less than 55 years of age, then the benefit begins the first of the month following what would have been the participant's 62nd birthday. The benefit continues for the rest of the spouse's or domestic partner's life. The spouse or domestic partner may choose to begin receipt of reduced monthly payments up to 7 years before the participant's Normal Retirement Date. Alternatively, the spouse or domestic partner may elect a one-time actuarially equivalent lump sum payment. The value of the COLA is not included in the lump sum payment.

Post-Retirement Death Benefit

Only as provided for in the form of retirement annuity elected.

Cost-of-Living Increases – Retirement after May 31, 1984

Participants who retire after May 31, 1984 shall receive a percentage increase in retirement benefit of 90% of the percentage increase in the cost of living, effective each April 1 following the date on which the participant first receives retirement benefits. Cost-of-living increases shall be computed on a calendar-year index based on changes in the U.S. Urban Wage Earners and Clerical Workers Consumers Price Index. All benefit increases shall be computed on the calendar-year basis and shall be effective the next April 1 and included in the May 1 pension check. The maximum percentage increase by the Plan during a calendar year shall not exceed 7%.

Termination Benefit

Upon the termination of employment after five or more years of service, a participant shall have a vested interest in their Accrued Benefit which will be payable at Normal Retirement date. The percentage vested shall be:

Years of Service	Vested Percent
Fewer than 5	0%
5 or more	100%

In the event that the participant had met the service requirement at the date of termination, they may elect to receive their vested interest at age 55. Such benefit will be reduced as described under Early Retirement Benefit.

Optional Methods of Settlement

All optional methods of settlement are actuarially equivalent to the normal form of a life annuity. If a participant who is married or has a domestic partner does not elect the life annuity or does not elect one of the optional methods of settlement described below, then the participant's retirement benefit shall automatically be paid under option [2] below. The options are:

1. Single life annuity benefit to be paid during the participant's lifetime with no benefit to be continued to the participant's spouse (or domestic partner).

2. A reduced benefit to be paid during the participant's lifetime with two-thirds of the reduced benefit to be continued to the participant's spouse (or domestic partner) for the life after the participant's death.

3. Participants who have not started to receive monthly benefits may elect to receive a lump sum benefit in lieu of option [1] and option [2]. The election to receive a lump sum benefit must be made within 30 days of terminating employment with TriMet.

Automatic Lump Sum Settlement

A lump sum will automatically be paid if the actuarial equivalent of the Accrued Benefit is equal to or less than $1,000.

Plan Amendments Since Last Valuation

None.

Amendment or Termination of Plan

The Employer reserves the right to amend or terminate the Plan at any time.

If the Plan is terminated, the Plan assets will be distributed among the Plan participants based upon a priority allocation procedure and the Employer shall be liable for any unfunded vested benefits to the extent required by law. Any funds remaining after satisfaction of all liabilities shall be returned to the Employer.

The above description is a summary only. For additional details, reference should be made to the formal Plan document.

Section 7 – Appendices

Analysis of Actuarial Present Values as of June 30, 2014

	Accrued Benefits	Fully Projected Benefits	Total Pension Liability (EAN Accrued Liability)
Active Participants			
Normal Retirement Benefit	$39,466,651	$52,022,856	$50,099,114
Termination	$3,910,078	$5,141,586	$4,796,838
Disability	$1,484,127	$1,999,201	$1,871,896
Survivor	$159,633	$291,742	$273,726
Subtotal	$45,020,490	$59,455,386	$57,041,574
Inactive Participants			
Receiving	$53,621,046	$53,621,046	$53,621,046
Deferred	$10,614,226	$10,614,226	$10,614,226
Transfers	$1,840,866	$1,981,882	$1,981,882
Disability	$398,480	$480,418	$480,418
Leave	$0	$0	$0
Subtotal	$66,474,618	$66,697,572	$66,697,572
Totals	$111,495,108	$126,152,958	$123,739,146

Development of 2013/14 Normal Cost – Entry Age Normal Cost Method

(1)	Actuarial Present Value of Fully Projected Benefits	$126,152,958
(2)	Actuarial Accrued Liability	$123,739,146
(3)	Actuarial Value of Assets \1	($93,229,161)
(4)	Unfunded Actuarial Accrued Liability	$30,509,985
(5)	Normal Cost Before Expense Provision	$505,463
(6)	Payroll of Active Participants	$13,197,346
(7)	Normal Cost (Before Expense Provision) as a % of Pay	3.83%
(8)	Expense Provision	$466,146
(9)	Adjusted Normal Cost	$971,609
(10)	Adjusted Normal Cost as a Percent of Pay	7.36%

\1 *The Actuarial Value of Assets for determining the ADC does not include contributions and receivables for the current Plan Year.*

Range in Annual Contributions for the Plan Year Ending June 30, 2014

		% of Payroll
15 Year Funding		
Normal Cost/1	$971,609	7.36%
15-Year Funding/2 of UAAL	$3,046,781	23.09%
Total on June 30, 2014	$4,018,390	30.45%
Actuarially Determined Contribution		
Normal Cost/1	$971,609	7.36%
10-Year Funding/3 of UAAL	$3,985,054	30.20%
Total on June 30, 2014	$4,956,663	37.56%
Funding over Future Working Lifetime (5 Years)		
Normal Cost/1	$971,609	7.36%
5-Year Funding of UAAL	$6,893,668	52.24%
Total on June 30, 2014	$7,865,277	59.60%

/1 *Includes annual expense equal to 0.5% of the June 30, 2014 actuarial value of plan assets.*

/2 *20-year closed amortization period beginning with the 2008/09 Plan Year and ending June 30, 2029.*

/3 *10-year closed amortization period beginning with the 2013/14 Plan Year and ending June 30, 2024.*

History of Funding Levels

		6/30/2014		6/30/2013	6/30/2012
(1)	15-Year Funding [/1, /3]	$4,018,390		$5,134,958	$4,834,121
	As % of Payroll	30.45%		36.16%	32.51%
(2)	10-Year Funding [/3]	$4,956,663	[/2]	$6,491,089	$6,216,473
	As % of Payroll	37.56%		45.71%	41.81%
(3)	Funding Over Future [/3]				
	Working Lifetime (5 years) [/4]	$7,865,277		$10,260,686	$9,728,835
	As % of Payroll	59.60%		72.26%	65.43%
(4)	5-Year Funding	$0	[/3]	$9,110,572	$8,244,975
	As % of Expected Payroll	0.00%		59.20%	52.76%

[/1] The 6/30/2013 and 6/30/2012 Unfunded Actuarial Accrued Liability were amortized over a 20-year closed period commencing 6/30/2009. Beginning with the 2013/14 year, the amortization period was changed to a 10-year closed period

[/2] The Actuarially Determined Contribution for the 2013/14 Fiscal Year (without interest)

[/3] The Actuarially Determined Contribution and Normal Cost for the fiscal years ending 6/30/12, 6/30/13, and 6/30/14 include a provision for expenses equal to 0.5% of the actuarial value of plan assets.

[/4] The Future Working Lifetime was estimated to be 5 years on June 30, 2014, June 30, 2013, and June 30, 2012.

		6/30/2011	6/30/2010	6/30/2009
(1)	18-Year Funding [/1]	$4,576,283	$3,962,289	$4,087,974
	As % of Expected Payroll	29.74%	25.36%	23.86%
(2)	10-Year Funding	$5,924,690	$5,290,265	$5,502,709
	As % of Expected Payroll	38.50%	33.85%	32.12%
(3)	Funding Over Future			
	Working Lifetime [/2]	$9,110,572	$7,252,586	$7,490,412
	As % of Expected Payroll	59.20%	46.41%	43.73%

[/1] The 6/30/2011, 6/30/2010, and 6/30/2009 Unfunded Actuarial Accrued Liability were amortized over a 20-year closed period commencing 6/30/2009.

[/2] The Future Working Lifetime is estimated to be 5 years on June 30, 2011, 6 years on June 30, 2010, and 6 years on June 30, 2009

Plan Accounting (GASB No. 67)

Effective for financial reports issued for fiscal years beginning after June 15, 1997, the Governmental Accounting Standards Board (GASB) requires the disclosure of pension information for governmental employee retirement plans. For plan years beginning after June 15, 2014, disclosures must be in accordance with standards set forth in GASB Statement No. 67 (GASB 67), "Financial Reporting for Pension Plans". GASB 67 supersedes several previously issued statements, including GASB Statement No. 25. GASB 67's objective is to enhance the understandability, comparability, and usefulness of pension information included in the financial reports of state and local governmental pension plans.

Effective for periods beginning after June 15, 2014, GASB required additional standard information as set forth in GASB Statement No. 68 (GASB 68), "Accounting and Financial Reporting for Pensions." GASB 68 mandates the actuarial cost and amortization methods that employers participating in single-employer and agent multiple-employer defined benefit pension plans (sole and agent employers) must use to measure and disclose an annual pension expense. The annual pension expense should be equal to the sum of the following amounts:

- Service Cost, which is the Normal Cost under the Entry Age Normal, level percent of pay method, as determined in the prior valuation;
- Interest Cost, based on Total Liability as of the beginning of the fiscal year;
- Expected Return on Assets, as determined at the beginning of the fiscal year;
- Any change in liability due to changes in Plan provisions during the year;
- Recognition of experience gains and losses, amortized over the average future working lifetime of all participants; and
- Recognition of investment gains and losses relative to expected earnings, amortized over a five year period.

Unlike GASB 27, the new standard of GASB 68 does not require the calculation of an annual contribution amount. If such an annual contribution amount is calculated however, then it must be disclosed along with a comparison to actual contributions made during the fiscal year. This contribution amount is referred to as the Actuarially Determined Contribution, or the ADC. In implementing the requirements of GASB 68, we have calculated the ADC is the same manner as the Annual Required Contribution (ARC) was calculated under GASB 27 for fiscal years since the year ending June 30, 2009. As a result, the ADC contained in this report is directly comparable to the ARC contained in recent reports, except that effective with the June 30, 2014 actuarial valuation the amortization period for the Unfunded Actuarial Accrued Liability used to determine the ADC was changed to a closed 10-year period.

Deferred Outflows as of June 30, 2014

Source	Remaining Amort. Base	Remaining Amort. Period	Recognition in Current Year Annual Expense	**Deferred Outflows as of 6/30/2014**
2011-12 Earnings	$ 3,257,297	3	$ 1,085,766	$ 2,171,531
2012 Change in Assumptions	$ 36,354	0.32	$ 36,354	$ -
2012 Experience Loss	$ 331,728	0.32	$ 331,728	$ -
2013 Change in Assumptions	$ 524,773	1.07	$ 490,442	$ 34,331
2013 Experience Loss	$ 78,504	1.07	$ 73,369	$ 5,135
Totals	$ 4,228,656		$ 2,017,659	$ 2,210,997

Deferred Inflows as of June 30, 2014

Source	Remaining Amort. Base	Remaining Amort. Period	Recognition in Current Year Annual Expense	**Deferred Inflows as of 6/30/2014**
2010-11 Earnings	$ (3,246,812)	2	$ (1,623,406)	$ (1,623,406)
2012-13 Earnings	$ (3,782,662)	4	$ (945,665)	$ (2,836,997)
2013-14 Earnings	$ (7,719,697)	5	$ (1,543,939)	$ (6,175,758)
2014 Experience Gain	$ (3,002,079)	1.84	$ (1,631,565)	$ (1,370,514)
2014 Change in Assumptions	$ (531,299)	1.84	$ (288,749)	$ (242,550)
Totals	$ (18,282,550)		$ (6,033,324)	$ (12,249,226)

Fiscal Year Ending	**Recognition in Pension Expense**
2014	$ (4,015,665)
2015	$ (4,600,843)
2016	$ (1,403,839)
2017	$ (2,489,604)
2018	$ (1,543,942)
2019	$ -
All Subsequent Years	$ -

Components of Pension Expenses

		FY 2013-2014
Service Cost	$	793,111
Interest Cost	$	8,453,556
Expected Earnings	$	(6,354,141)
Change in Benefits	$	-
Recognition of Deferred Outflows	$	2,017,659
Recognition of Deferred Inflows	$	(6,033,324)
Total Pension Expense	**$**	**(1,123,139)**

Pension Expenses in Prior Years

		FY 2012-2013		FY 2011-2012		FY 2010-2011
Service Cost	$	906,565	$	1,095,477	$	1,146,132
Interest Cost	$	7,902,778	$	7,369,518	$	6,903,000
Expected Earnings	$	(5,371,616)	$	(5,188,206)	$	(4,250,397)
Change in Benefits	$	1,711,031	$	-	$	-
Recognition of Deferred Outflows	$	1,991,498	$	1,810,806	$	660,549
Recognition of Deferred Inflows	$	(1,483,305)	$	(537,640)	$	(1,623,406)
Total Pension Expense	**$**	**5,656,951**	**$**	**4,549,955**	**$**	**2,835,878**

Change in Net Pension Liability

	Total Pension Liability	Fiduciary Net Position	**Net Pension Liability**
Beginning of year, 7/1/2013	**$121,918,092**	**($91,334,706)**	**$30,583,386**
Contributions for 2012-13 year		($234,958)	($234,958)
Contributions for 2013-14 year		($5,367,005)	($5,367,005)
Expected Investment Income		($6,354,141)	($6,354,141)
Difference between Actual and Exp. Income		($7,719,697)	($7,719,697)
Benefit Payments	($3,892,235)	$3,892,235	$0
Service Cost	$793,111		$793,111
Interest on Total Pension Liability	$8,453,556		$8,453,556
Change of Benefit Terms	$0		$0
Change in Assumptions	($531,299)		($531,299)
Experience (Gain)/Loss	($3,002,079)		($3,002,079)
End of year, 6/30/2014	**$123,739,146**	**($107,118,273)**	**$16,620,873**
Total Change in Net Pension Liability			**($13,962,513)**

Increase / (Decrease) due to Assumption Changes:

Assumption Change	Total Pension Liability (Actuarial Accrued Liability)	Service Cost (Normal Cost)
Discount Rate	7,020,000	60,000
CPI	(6,481,000)	(144,000)
Salary Scale	(1,314,000)	(16,000)
Mortality	244,000	1,000
Total	(531,000)	(99,000)

Schedule of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability

Fiscal Year Ending	2014	2013	2012	2011
Total Pension Liability (TPL)				
Beginning of Year TPL	$121,918,092	$113,749,891	$105,750,399	$98,833,566
Benefit Payments	($3,892,235)	($3,519,261)	($3,134,099)	($2,730,827)
Service Cost	$793,111	$906,565	$1,095,477	$1,146,132
Interest on Total Pension Liability	$8,453,556	$7,902,778	$7,369,518	$6,903,000
Change of Benefit Terms	$0	$1,711,031	$0	$0
Change in Assumptions	($531,299)	$1,015,215	$263,570	$90,260
Experience (Gain)/Loss	($3,002,079)	$151,873	$2,405,026	$1,508,268
End of Year TPL	$123,739,146	$121,918,092	$113,749,891	$105,750,399
Fiduciary Net Position (FNP)				
Beginning of Year FNP	$91,334,706	$74,978,184	$75,345,229	$60,093,147
Contributions	$5,601,963	$9,775,840	$3,007,677	$5,615,481
Expected Investment income	$6,354,141	$5,371,616	$5,188,206	$4,250,397
Difference between Actual and Expected Income	$7,719,697	$4,728,327	($5,428,829)	$8,117,030
Benefit Payments	($3,892,235)	($3,519,261)	($3,134,099)	($2,730,827)
End of Year FNP	$107,118,273	$91,334,706	$74,978,184	$75,345,229
Net Pension Liability (NPL)				
Total Pension Liability	$123,739,146	$121,918,092	$113,749,891	$105,750,399
Fiduciary Net Position	($107,118,273)	($91,334,706)	($74,978,184)	($75,345,229)
End of Year NPL	$16,620,873	$30,583,386	$38,771,707	$30,405,170

Discount Rate Sensitivity Analysis

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Total Pension Liability	$149,580,916	$123,739,146	$110,658,681
Fiduciary Net Position	($107,118,273)	($107,118,273)	($107,118,273)
Net Pension Libaility	$42,462,643	$16,620,873	$3,540,408

Projection of Fiduciary Net Position

Assuming that both assets and liabilities grow at the valuation discount rate of 6.5%, the Plan's Fiduciary Net Position is projected to remain positive until all benefits are paid.

FIDUCIARY NET POSITION (FNP)

Plan Year Beginning	BOY FNP	Employer Contributions	Net Investment Income	Benefit Payments	Administrative Expense	EOY FNP
2014	107,118,273	4,219,471	6,966,265	(7,793,276)	(535,591)	109,975,142
2015	109,975,142	3,189,878	7,137,539	(6,163,584)	(549,876)	113,589,099
2016	113,589,099	3,039,738	7,346,876	(6,631,993)	(567,945)	116,775,775
2017	116,775,775	2,989,391	7,543,509	(6,838,482)	(583,879)	119,886,314
2018	119,886,314	2,932,014	7,714,110	(7,679,979)	(599,432)	122,253,028
2019	122,253,028	2,879,691	7,866,744	(7,600,498)	(611,265)	124,787,700
2020	124,787,700	2,803,674	8,007,864	(8,162,988)	(623,938)	126,812,312
2021	126,812,312	2,738,510	8,112,293	(8,858,555)	(634,062)	128,170,499
2022	128,170,499	2,637,940	8,201,077	(8,635,194)	(640,852)	129,733,470
2023	129,733,470	2,446,139	8,270,758	(9,225,677)	(648,667)	130,576,023
2024	130,576,023	22,219	8,154,819	(9,626,091)	(652,880)	128,474,090
2025	128,474,090	265,394	8,031,803	(9,704,194)	(642,370)	126,424,723
2026	126,424,723	356,012	7,872,775	(10,690,126)	(632,124)	123,331,260
2027	123,331,260	440,875	7,685,599	(10,447,651)	(616,656)	120,393,426
2028	120,393,426	485,774	7,488,103	(10,753,251)	(601,967)	117,012,085
2029	117,012,085	534,644	7,275,735	(10,639,643)	(585,060)	113,597,760
2030	113,597,760	570,172	7,054,430	(10,708,478)	(567,989)	109,945,896
2031	109,945,896	606,786	6,817,636	(10,782,233)	(549,729)	106,038,355
2032	106,038,355	628,410	6,556,751	(11,057,155)	(530,192)	101,636,169
2033	101,636,169	642,171	6,278,324	(10,869,296)	(508,181)	97,179,187
2034	97,179,187	643,985	5,986,196	(10,969,811)	(485,896)	92,353,661
2035	92,353,661	649,885	5,681,788	(10,721,073)	(461,768)	87,502,493
2036	87,502,493	647,372	5,373,709	(10,517,334)	(437,512)	82,568,728
2037	82,568,728	642,912	5,060,181	(10,312,557)	(412,844)	77,546,420

Projection of Fiduciary Net Position *(continued)*

FIDUCIARY NET POSITION (FNP)

Plan Year Beginning	BOY FNP	Employer Contributions	Net Investment Income	Benefit Payments	Administrative Expense	EOY FNP
2038	77,546,420	631,192	4,741,265	(10,082,409)	(387,732)	72,448,736
2039	72,448,736	617,070	4,422,339	(9,697,409)	(362,244)	67,428,492
2040	67,428,492	598,474	4,103,891	(9,443,229)	(337,142)	62,350,486
2041	62,350,486	580,717	3,788,905	(8,968,950)	(311,752)	57,439,405
2042	57,439,405	890,378	3,504,803	(8,532,263)	(287,197)	53,015,127
2043	53,015,127	762,448	3,224,658	(8,069,835)	(265,076)	48,667,322
2044	48,667,322	651,890	2,951,241	(7,587,667)	(243,337)	44,439,450
2045	44,439,450	556,340	2,686,960	(7,093,698)	(222,197)	40,366,855
2046	40,366,855	473,776	2,433,785	(6,593,746)	(201,834)	36,478,835
2047	36,478,835	402,477	2,193,284	(6,094,571)	(182,394)	32,797,630
2048	32,797,630	340,960	1,966,608	(5,602,171)	(163,988)	29,339,039
2049	29,339,039	287,947	1,754,513	(5,122,276)	(146,695)	26,112,528
2050	26,112,528	242,329	1,557,410	(4,658,857)	(130,563)	23,122,847
2051	23,122,847	203,143	1,375,440	(4,215,121)	(115,614)	20,370,694
2052	20,370,694	169,554	1,208,498	(3,794,084)	(101,853)	17,852,809
2053	17,852,809	140,831	1,056,268	(3,397,458)	(89,264)	15,563,186
2054	15,563,186	116,337	918,301	(3,025,823)	(77,816)	13,494,185
2055	13,494,185	95,521	794,013	(2,680,769)	(67,471)	11,635,479
2056	11,635,479	77,891	682,708	(2,362,176)	(58,177)	9,975,724
2057	9,975,724	63,023	583,618	(2,070,133)	(49,879)	8,502,354
2058	8,502,354	50,540	495,926	(1,804,001)	(42,512)	7,202,307
2059	7,202,307	40,112	418,801	(1,562,646)	(36,012)	6,062,563
2060	6,062,563	31,455	351,403	(1,345,325)	(30,313)	5,069,783
2061	5,069,783	24,315	292,882	(1,151,105)	(25,349)	4,210,525
2062	4,210,525	18,468	242,405	(978,318)	(21,053)	3,472,028
2063	3,472,028	13,723	199,176	(825,646)	(17,360)	2,841,922
2064	2,841,922	9,911	162,425	(691,749)	(14,210)	2,308,299
2065	2,308,299	6,882	131,428	(574,889)	(11,541)	1,860,178
2066	1,860,178	4,510	105,501	(473,878)	(9,301)	1,487,010
2067	1,487,010	2,683	83,997	(387,426)	(7,435)	1,178,829
2068	1,178,829	1,303	66,318	(313,821)	(5,894)	926,734
2069	926,734	287	51,918	(251,935)	(4,634)	722,371

Projection of Fiduciary Net Position *(continued)*

FIDUCIARY NET POSITION (FNP)

Plan Year Beginning	BOY FNP	Employer Contributions	Net Investment Income	Benefit Payments	Administrative Expense	EOY FNP
2070	722,371	-	40,326	(200,342)	(3,612)	558,743
2071	558,743	-	31,098	(157,829)	(2,794)	429,218
2072	429,218	-	23,827	(123,144)	(2,146)	327,755
2073	327,755	-	18,162	(95,046)	(1,639)	249,232
2074	249,232	-	13,800	(72,589)	(1,246)	189,197
2075	189,197	-	10,482	(54,878)	(1,000)	143,801
2076	143,801	-	7,982	(41,014)	(1,000)	109,769
2077	109,769	-	6,117	(30,323)	(1,000)	84,563
2078	84,563	-	4,743	(22,174)	(1,000)	66,132
2079	66,132	-	3,744	(16,054)	(1,000)	52,823
2080	52,823	-	3,027	(11,510)	(1,000)	43,339
2081	43,339	-	2,519	(8,182)	(1,000)	36,676
2082	36,676	-	2,164	(5,754)	(1,000)	32,086
2083	32,086	-	1,923	(4,019)	(1,000)	28,990
2084	28,990	-	1,762	(2,779)	(1,000)	26,973
2085	26,973	-	1,659	(1,901)	(1,000)	25,730
2086	25,730	-	1,598	(1,281)	(1,000)	25,048
2087	25,048	-	1,568	(853)	(1,000)	24,763
2088	24,763	-	1,559	(556)	(1,000)	24,766
2089	24,766	-	1,566	(362)	(1,000)	24,969
2090	24,969	-	1,583	(231)	(1,000)	25,321
2091	25,321	-	1,609	(143)	(1,000)	25,787
2092	25,787	-	1,641	(86)	(1,000)	26,342
2093	26,342	-	1,678	(52)	(1,000)	26,968
2094	26,968	-	1,719	(32)	(1,000)	27,655
2095	27,655	-	1,764	(19)	(1,000)	28,401
2096	28,401	-	1,813	(10)	(1,000)	29,204
2097	29,204	-	1,866	(6)	(1,000)	30,063
2098	30,063	-	1,921	(4)	(1,000)	30,981
2099	30,981	-	1,981	(2)	(1,000)	31,960
2100	31,960	-	2,045	(1)	(1,000)	33,004
2101	33,004	-	2,113	-	(1,000)	34,117

Projections for the 2014/15 Plan Year

Projected 2014/15 Actuarially Determined Contribution

Normal Cost with Expense Provision	$888,272
Amortization of Unfunded Liabilities	$3,331,199
Projected 2014/15 ADC	$4,219,471

Projected Components of Pension Expense

Service Cost	$	505,463
Interest Cost	$	7,822,618
Expected Earnings	$	(6,846,539)
Change in Benefits	$	-
Recognition of Deferred Outflows	$	1,125,232
Recognition of Deferred Inflows	$	(5,726,075)
Projected Pension Expense	**$**	**(3,119,301)**

Projected Deferred Balances

	Recognition in 2014/2015 Annual Expense	Deferred Expense as of 6/30/2015
Projected Deferred Outflows	$ 1,125,232	$ 1,085,765
Projected Deferred Inflows	$ (5,726,075)	$ (6,523,151)
Total	$ (4,600,843)	$ (5,437,386)

Total Pension Liability

	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Active Participants				
Retirement Benefits	$50,099,113	$52,254,895	$48,687,826	$49,931,167
Termination Benefits	$4,796,838	$5,177,016	$5,225,373	$5,521,660
Disability	$1,871,896	$2,060,059	$2,093,586	$2,236,841
Death Benefits	$273,726	$300,729	$312,331	$336,999
Subtotal	$57,041,573	$59,792,699	$56,319,116	$58,026,667
Inactive Participants				
Retired	$53,621,046	$49,604,438	$43,595,515	$34,387,414
Vested	$10,614,226	$9,701,734	$10,808,433	$10,103,975
Transferred	$1,981,882	$2,044,582	$2,249,897	$2,620,618
Disability	$480,418	$774,637	$776,929	$611,727
Subtotal	$66,697,572	$62,125,392	$57,430,774	$47,723,734
Totals	**$123,739,145**	**$121,918,091**	**$113,749,890**	**$105,750,401**
Actuarial Value of Assets				
Without Plan Year Contribution	$93,229,161	$76,727,834	$76,727,834	$72,169,599
Plan Year Contribution	$5,367,005	$5,134,958 \1	N/A	$1,600,000
Total	$98,596,166	$76,727,834	$76,727,834	$73,769,599

\1 *Plan year contribution includes present value of receivable as of the valuation date.*

Total Pension Liability *(continued)*

	6/30/2010	6/30/2009	6/30/2008	6/30/2007	6/30/2006
Active Participants					
Retirement Benefits	$47,180,652	$49,095,065	$41,957,791	$40,327,372	$36,752,565
Termination Benefits	$5,799,094	$6,642,803	$6,193,339	$712,984	$4,287,653
Disability	$2,133,713	$2,367,753	$2,127,896	$4,241,607	$3,137,443
Death Benefits	$350,026	$391,268	$431,267	$3,189,900	$679,256
Subtotal	$55,463,485	$58,496,889	$50,710,293	$48,471,863	$44,856,917
Inactive Participants					
Retired	$29,856,457	$25,680,705	$17,727,443	$18,015,742	$15,563,041
Vested	$10,320,661	$9,589,154	$13,598,961	$6,587,664	$6,774,373
Transferred	$2,630,654	$2,159,371	$1,794,309	$1,370,595	$1,354,347
Disability	$562,309	$822,654	$1,142,665	$1,170,188	$833,855
Subtotal	$43,370,081	$38,251,884	$34,263,378	$27,144,189	$24,525,616
Totals	**$98,833,566**	**$96,748,773**	**$84,973,671**	**$75,616,052**	**$69,382,533**
Assets Without Plan Year Contribution	$67,689,444	$65,201,818	$59,065,975	$61,015,985	$69,382,533
Plan Year Contribution	N/A	N/A	N/A	N/A	N/A
Total	$67,689,444	$65,201,818	$59,065,975	$61,015,985	$69,382,533

Schedule of Funding Progress Under GASB 27

Actuarial Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability	(C) Unfnded Actuarial Accrued Liability = (B) - (A)	(D) Funded Ratio = (A)/(B)	(E) Covered Payroll	(F) UAAL as a % of Covered Payroll = (C)/(E)
07/01/2001	$31,565	$34,995	$3,430	90.20%	$24,127	14.2%
07/01/2002	$30,502	$41,392	$10,890	73.69%	$24,694	44.1%
07/01/2003	$34,419	$44,358	$9,939	77.59%	$31,799	31.3%
07/01/2004	$41,734	$50,639	$8,905	82.41%	$19,642	45.3%
07/01/2005	$46,241	$60,325	$14,084	76.65%	$19,355	72.8%
06/30/2006	$50,212	$69,383	$19,171	72.37%	$19,920	96.2%
06/30/2007	$61,016	$75,616	$14,600	80.69%	$19,644	74.3%
06/30/2008	$59,066	$84,974	$25,908	69.51%	$17,842	145.2%
06/30/2009	$65,202	$96,749	$31,547	67.39%	$17,130	184.2%
06/30/2010	$67,689	$98,834	$31,144	68.49%	$15,626	199.3%

($ Amount in Thousands)

Schedule of Funding Progress Under GASB 68

Actuarial Valuation Date	(A) Fiduciary Net Position	(B) Total Pension Liability	(C) Net Pension Liability = (B) - (A)	(D) Funding % = (A)/(B)	(E) Covered Payroll	(F) NPL as a % of Covered Payroll = (C)/(E)
06/30/2011	$75,345	$105,750	$30,405	71.25%	$15,390	197.6%
06/30/2012	$74,978	$113,750	$38,772	65.91%	$14,869	260.8%
06/30/2013	$91,335	$121,918	$30,583	74.92%	$14,200	215.4%
06/30/2014	$107,118	$123,739	$16,621	86.57%	$13,197	125.9%

($ Amount in Thousands)

Contributions Under GASB 68

For disclosure purposes, contributions to the Plan are associated with the fiscal year during which they are made. Thus, in the table below, any receivable contributions that TriMet had designated for a fiscal year which was already ended at the time of actual contribution was re-allocated to the fiscal year during which the contribution was made.

	(A)	(B)	(C)	(D)	(E)
Plan Year ending	ADC	Contributions During Year	Difference = (B) - (A)	Covered Payroll	Contributions as a percentage of payroll = (B)/(D)
6/30/2011	$4,576,283	$5,615,481	$1,039,198	$15,390,172	36.49%
6/30/2012	$4,834,121	$3,007,677	($1,826,444)	$14,868,526	20.23%
6/30/2013	$5,134,958	$9,775,840	$4,640,882	$14,199,937	68.84%
6/30/2014	$4,956,663	$5,601,963	$645,300	$13,141,852	42.63%
Totals:	$19,502,025	$24,000,961	$4,498,936	$57,600,487	41.67%

Historic Funding Levels

	6/30/2014	6/30/2013	6/30/2012
(1) Actuarially Determined Contribution \1	$4,956,663 \2	$5,134,958 \2	$4,834,121 \2
As % of Payroll	37.56%	36.16%	32.51%
(2) Normal Cost	$971,609 \2	$1,204,034 \2	$1,290,204 \2
As % of Payroll	7.39%	8.48%	8.68%
(3) Contribution Received for \3 the Fiscal Year	$5,367,005	$5,134,958	$4,875,840
(4) Market Value of Assets	$107,118,273	$91,569,664	$74,978,184
(5) Actuarial Value of Assets	$98,596,166	$87,319,606	$76,727,834
(6) Total Pension Liability	$123,739,146	$121,918,092	$113,749,891
(7) Actuarial Funded Ratio *(5)* ÷ *(6)*	79.7%	71.6%	67.5%
(8) Net Pension Liability (NPL)	$16,620,873	$30,583,386	$38,771,707
(9) NPL as a % of Payroll	126.5%	215.4%	260.8%

\1 The contribution amounts shown are as of the end of the year (the valuation date) and include no additional interest. To calculate the ADC, the Unfunded Actuarial Accrued Liability was amortized over a closed 20-year period that began on June 30, 2009. Beginning with the 2013/14 Plan year, the amortization period for the ADC was changed to a closed 10-year period.

\2 The Actuarially Determined Contribution and Normal Cost include a provision for expenses equal to 0.5% ($466,146 for 2014) of the actuarial value of plan assets.

\3 Contributions are allocated to fiscal years as reported by TriMet, and may include receivable contributions. An allocation of contributions to fiscal years for disclosure purposes is shown at the top of this page.

Additional Historic Funding Levels

	6/30/2011	6/30/2010	6/30/2009	6/30/2008
(1) Actuarially Determined Contribution	$4,576,283	$3,962,289	$4,087,974	$4,782,710
As % of Payroll	29.74%	25.36%	23.86%	26.81%
(2) Normal Cost	$1,456,325	$1,146,132	$1,304,974	$2,602,599
As % of Payroll	9.46%	7.33%	7.62%	14.59%
(3) Contribution Received for the Fiscal Year	$4,607,677	$4,015,481	$4,142,854	$6,974,025
(4) Market Value of Assets	$73,745,229	$60,093,147	$51,621,189	$59,065,975
(5) Actuarial Value of Assets	$72,169,599	$67,689,444	$65,201,818	$59,065,975
(6) Total Pension Liability	$105,750,399	$98,833,566	$96,748,773	$84,973,671
(7) Actuarial Funded Ratio *(5)* ÷ (*6*)	68.2%	68.5%	67.4%	69.5%
(8) Net Pension Liability	$33,580,800	$31,144,122	$31,546,956	$24,712,853

Historic Benefit Security

	6/30/2014	6/30/2013	6/30/2012	6/30/2011
(1) Market Value of Assets	$107,118,273	$91,569,664	$74,978,184	$73,745,229
(2) Present Value of Accrued Benefits	$111,495,108	$105,618,908	$97,464,683	$88,734,750
(3) Excess of (1) over (2)	($4,376,835)	($14,049,244)	($22,486,499)	($14,989,521)
(4) Ratio of (1) to (2)	96.07%	86.70%	76.93%	83.11%
(5) Present Value of Vested Accrued Benefits	$111,495,108	$105,618,908	$97,464,683	$88,734,750
(6) Excess of (1) over (5)	($4,376,835)	($14,049,244)	($22,486,499)	($14,989,521)
(7) Ratio of (1) to (5)	96.07%	86.70%	76.93%	83.11%
(8) Assumed Discount Rate Used in (2) and (5)	6.5%	7.0%	7.0%	7.0%

Additional Historic Benefit Security

		6/30/2010	6/30/2009	6/30/2008	6/30/2007	6/30/2006
(1)	Market Value of Assets	$60,093,147	$51,621,189	$59,065,975	$59,065,975	$50,212,184
(2)	Present Value of Accrued Benefits	$79,947,882	$74,810,334	$69,679,995	$57,128,553	$51,197,549
(3)	Excess of (1) over (2)	($19,854,735)	($23,189,145)	($10,614,020)	$1,937,422	($985,365)
(4)	Ratio of (1) to (2)	75.17%	69.00%	84.77%	103.39%	98.08%
(5)	Present Value of Vested Accrued Benefits	$79,947,882	$74,810,334	$69,615,261	$56,762,392	$50,671,321
(6)	Excess of (1) over (5)	($19,854,735)	($23,189,145)	($10,549,286)	$2,303,583	($459,137)
(7)	Ratio of (1) to (5)	75.17%	69.00%	84.85%	104.06%	99.09%
(8)	Assumed Discount Rate Used in (2) and (5)	7.0%	7.0%	7.0%	7.5%	7.5%

Historic Valuation Data

	6/30/2014	6/30/2013	6/30/2012	6/30/2011	6/30/2010
(1) Active Employees Submitted	424	429	407	407	390
(a) Not Eligible	271	265	227	222	200
(2) Number of Employees Valued					
(a) Active Employees					
(i) Participants Accruing Credited Services	137	147	163	168	173
(ii) Frozen Credited Service	16	17	17	17	17
(iii) Total	153	164	180	185	190
(b) Retirees and Beneficiaries					
(i) Receiving Pension	223	203	180	156	151
(ii) Deferring Pension	3	2	3	3	4
(iii) Total	226	205	183	159	155
(c) Deferred Retirement Benefits					
(i) Terminated Employees	92	102	109	112	114
(ii) Surviving Spouses	3	3	5	5	4
(iii) Total	95	105	114	117	118
(d) Transfers to Union	29	31	34	33	36
(e) Leave of Absence	0	0	0	0	0
(f) Disability	3	4	4	3	3
(g) Total Participants Valued	506	509	515	497	502
(3) Payroll of Active Participants	$13,141,852	$14,199,937	$14,868,526	$15,390,172	$15,626,270
Percent Increase (Decrease)	(14.61%)	(7.73%)	(3.39%)	(1.51%)	(8.78%)
(4) Average Annual Earnings					
Active Participants	$85,894	$86,585	$82,603	$83,190	$82,244
Percent Increase	(0.80%)	4.08%	(0.71%)	1.15%	0.83%

Additional Historic Valuation Data

	6/30/2009	6/30/2008	6/30/2007*	6/30/2006*
(1) Active Employees Submitted	432	435	379	382
(a) Not Eligible	222	210	134	111
(2) Number of Employees Valued				
(a) Active Employees				
(i) Participants Accruing Credited Services	192	205	226	244
(ii) Frozen Credited Service	18	20	19	21
(iii) Total	210	225	245	265
(b) Retirees and Beneficiaries				
(i) Receiving Pension	140	123	-	-
(ii) Deferring Pension	4	3	-	-
(iii) Total	144	126	106	98
(c) Deferred Retirement Benefits				
(i) Terminated Employees	113	120	-	-
(ii) Surviving Spouses	5	4	-	-
(iii) Total	118	124	127	127
(d) Transfers to Union	35	34	35	40
(e) Leave of Absence	0	0	0	0
(f) Disability	5	6	7	6
(g) Total Participants Valued	512	515	520	536
(3) Payroll of Active Participants	$17,129,704	$17,842,177	$19,644,360	$19,919,739
Percent Increase (Decrease)	(3.99%)	(9.17%)	(1.38%)	2.92%
(4) Average Annual Earnings				
Active Participants	$81,570	$79,299	$80,181	$75,169
Percent Increase	1.73%	(1.10%)	6.67%	8.75%

*Data from valuation reports before 6/30/2008 was not prepared by SilverStone Heintzberger Group

Historic Characteristics of Population

		2014	2013	2012	2011	2010
(1)	Active Participants					
	(a) Number	153	164	180	185	190
	(b) Vested Participants	153	164	180	185	190
	(c) Average Age	54.8	54.2	53.7	53.6	52.8
	(d) Average Continuous Service	21.3	20.5	19.3	18.7	17.9
	(e) Average Annual Earnings	$85,894	$86,585	$82,603	$83,190	$82,244
(2)	Deferred Retirement Pension Benefit					
	(a) Number	98	107	117	120	122
	(b) Average Age	55.3	55.3	55.2	54.6	54.0
	(c) Average Age at Termination	41.1	41.1	41.5	37.8	41.8
	(d) Average Deferred Monthly Benefit	$824	$750	$765	$711	$741
(3)	Union Employees With Management Service					
	(a) Number	29	31	34	33	36
	(b) Average Age	55.3	54.5	54.2	55.4	54.7
	(c) Average Years of Management Service	5.6	5.5	5.6	6.6	6.6
	(d) Average Annual Earnings	$62,987	$63,290	$63,553	$61,607	$56,247
(4)	Retired Participants and Beneficiaries Receiving Pension Benefit					
	(a) Number	223	203	180	156	151
	(b) Average Age	69.5	69.5	69.3	69.5	69.0
	(c) Average Age at Retirement	61.6	61.5	61.4	61.1	61.1
	(d) Average Monthly Benefit	$1,507	$1,503	$1,483	$1,368	$1,221
(5)	Other Inactive					
	(a) Leave of Absence	0	0	0	0	0
	(b) Disability	3	4	4	3	3
(6)	Total Costed Employees	506	509	515	497	502

Additional Historic Characteristics of Population

		2009	2008	2007	2006	2005	2004
(1)	Active Participants						
	(a) Number	210	225	245	265	280	300
	(b) Vested Participants	210	225	239	245	241	233
	(c) Average Age	52.0	51.3	50.9	49.7	48.5	47.2
	(d) Average Continuous Service	16.9	16.0	15.4	14.7	13.7	12.4
	(e) Average Annual Earnings	$81,570	$79,299	$80,181	$75,169	$69,124	$65,472
(2)	Deferred Retirement Pension Benefit						
	(a) Number	122	127	127	127	130	128
	(b) Average Age	53.4	53.5	52.7	52.1	51.9	51.4
	(c) Average Age at Termination	41.8	41.9	-	-	-	-
	(d) Average Deferred Monthly Benefit	$704	$662	$569	$602	$568	$552
(3)	Union Employees With Management Service						
	(a) Number	35	34	35	40	40	39
	(b) Average Age	53.9	53.5	51.8	51.9	51.3	50.2
	(c) Average Years of Management Service	5.8	5.2	-	-	-	-
	(d) Average Annual Earnings	$57,118	$55,553	-	-	-	-
(4)	Retired Participants and Beneficiaries Receiving Pension Benefit						
	(a) Number	140	123	106	98	87	81
	(b) Average Age	68.5	68.6	66.3	68.3	68.3	68.2
	(c) Average Age at Retirement	61.1	60.9	-	-	-	-
	(d) Average Monthly Benefit	$1,117	$1,114	$1,087	$1,026	$1,049	$1,021
(5)	Other Inactive						
	(a) Leave of Absence	0	0	0	0	0	0
	(b) Disability	5	6	7	6	4	4
(6)	Total Costed Employees	512	515	520	536	541	552