

**BISHOP INTERNATIONAL AIRPORT AUTHORITY
MERS RETIREMENT SYSTEM SUMMARY ANNUAL REPORT
DECEMBER 31, 2016**

Requirement

Sec. 13. (3)(i) from **P.A. 530 of 2016**

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|------------|---|--|
| (i) | Name of the System | Bishop International Airport Authority |
| (ii) | Name of the Investment Fiduciaries | MERS of Michigan |
| (iii) | Systems service provider | MERS of Michigan, CBIZ Retirement Plan Services (Actuary) |
| (iv) & (v) | System's assets and liabilities/changes & Funding Ratio | |

	Actuarial		% Funded	Unfunded
	Accrued Liability	Valuation Assets		(Overfunded) Accrued Liabilities
Balance as of January 1, 2016	\$ 9,698,274	\$ 7,621,114	78.6%	\$ 2,077,160
Balance as of December 31, 2016	10,456,187	8,181,831	78.2%	2,274,356
Change in Plan Assets/Liabilities & Funded Ratio	\$ 757,913	\$ 560,717	-0.4%	\$ 197,196

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|------|-------------------------|----------------------|
| (vi) | Investment performance: | % Net of Fees |
| | | 1-year 10.85% |
| | | 3-year 5.32% |
| | | 5-year 8.30% |
| | | 7-year 8.18% |
| | | 10-year 5.11% |

(vii) System administration & investment expenses **At December 31, 2016 the cost of the Defined Benefit Plan was 0.39% (0.21% for Administration & 0.18% for investments)**

(viii) System's Budget **Not applicable to Bishop International Airport Authority**

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|------|---|---|
| (ix) | (A) Number of Active Members at December 31, 2016 | 32 |
| | (B) Number of Retirees/Beneficiaries at December 31, 2016 | 14 |
| | (C) The Average Annual Retirement Allowance | \$ 18,912 |
| | (D) Total Annual Retirement Allowances Being Paid | \$ 264,772 |
| | (E) Valuation Payroll | \$ 1,923,775 |
| | (F) Computed Normal Cost -% of Valuation Payroll | 10.27% |
| | (G) Total Contribution Rate as % of Valuation Payroll | 17.85% |
| | (H) Weighted Average of Member Contributions | 5.00% |
| | (I) Actuarial Assumed Investment Rate of Return | 7.75% |
| | (J) Actuarial long term inflation rate | 3.75% |
| | (K) Smoothing method | 5 Year |
| | (L) Amortization Method | 22 Years |
| | (M) Actuarial Cost Method | Entry Age Normal Method |
| | (N) Open or Closed membership | Open |
| | (O) Health Care Inflation | Not applicable to Bishop International Airport Authority |
| (x) | Travel Report | Not applicable to Bishop International Airport Authority |

For information related to P.A. 530 of 2016 please refer to:
<http://www.legislature.mi.gov/documents/2015-2016/publicact/pdf/2016-PA-0530.pdf>