Denver Employees Retirement Plan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

THE PLAN

DENVER EMPLOYEES RETIREMENT PLAN

777 PEARL STREET
DENVER, CO 80203

Fiscal Year Ended December 31, 2014

A Component Unit of the City and County of Denver, Colorado

Denver Employees Retirement Plan

(A Component Unit of the City and County of Denver, Colorado)

Comprehensive Annual Financial Report

Fiscal Year Ended December 31, 2014

Eric S. Rothaus
Retirement Board Chair

Steven E. Hutt
Executive Director

Prepared by the Plan Staff

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Introductory Section

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Primary Plan Sponsor
City and County of Denver, Colorado

Elected Officials
Mayor
Honorable Michael B. Hancock

Auditor
Honorable Dennis J. Gallagher

City Council

District 1	Honorable Susan K. Shepherd
District 2	Honorable Jeanne Faatz
District 3	Honorable Paul D. López
District 4	Honorable Peggy Lehmann
District 5	Honorable Mary Beth Susman
District 6	Honorable Charlie Brown
District 7	Honorable Chris Nevitt
District 8	Honorable Albus Brooks
District 9	Honorable Judy H. Montero
District 10	Honorable Jeanne Robb
District 11	Honorable Christopher Herndon
Council at-Large	Honorable Robin Kniech
Council at-Large	Honorable Deborah Ortega

Clerk and Recorder
Honorable Debra Johnson

THE PLAN
DENVER EMPLOYEES RETIREMENT PLAN
Steven E. Hutt
Executive Director
777 Pearl Street
Denver, CO 80203
Ph. 303.839.5419
Fax 303.839.9525
www.derp.org

June 1, 2015

Dear Members of the Denver Employees Retirement Plan:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Denver Employees Retirement Plan (the Plan) of the City and County of Denver (the City) for the fiscal year ended December 31, 2014.

Comprehensive Annual Financial Report This report is an overview intended to give the reader reliable and useful information which describes the financial position of the Plan and provides assurance that the Plan is in compliance with applicable legal provisions. The Plan's management is responsible for the accuracy of the data contained in this report, and we believe the information included presents fairly the fiduciary net position of the Plan as of December 31, 2014, as well as the changes in fiduciary net position for the year.

Internal Control The Plan's management has designed and implemented internal and accounting controls to provide reasonable assurance of the accuracy and reliability of all the financial records and the safekeeping of the Plan assets. There are inherent limitations in the effectiveness of any system of internal controls. The cost of internal control should not exceed anticipated benefits; therefore the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

Independent Audit The Revised Municipal Code of the City requires an annual audit of the trust fund, with the results being furnished to the Mayor, the City Council, and the Auditor of the City. The Retirement Board selected the accounting firm CliftonLarsonAllen, LLP to render an opinion as to the fairness of the Plan's 2014 financial statements. The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The Independent Accountants' Report is included in the Financial Section of this report.

Management's Discussion and Analysis Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Plan's MD&A can be found immediately following the report of the independent accountants in the Financial Section of this report.

Plan Profile The Plan was established on January 1, 1963, as a defined benefit plan. Most employees of the City, certain employees of the Denver Health and Hospital Authority (DHHA), and all of the Plan staff are covered by the Plan. Excluded from membership are the uniformed employees of the City's police and fire departments and the employees of the Denver Water Board. All active Plan members are required to contribute to Social Security while employed. As of December 31, 2014, there were 8,489 active and 8,815 retired members of the Plan.

The Plan is governed by a five member Board, the members of which are appointed for staggered six-year terms by the Mayor of the City. Additionally, three members of the Advisory Committee are elected by the Plan membership for staggered three-year terms and one member is appointed by the City's Career Service Board.

All Plan-related benefit and administrative provisions are detailed in Sections 18-401 through 18-430.7 of the Revised Municipal Code of the City. Any amendments to the Plan must be enacted into ordinance by the Denver City Council and approved by the Mayor of the City.

The Plan provides retirement benefit options based upon the member's date of hire. At the time of retirement, a member may elect to receive a reduced benefit in order to provide a lifetime benefit to a spouse or an eligible beneficiary upon the member's death. The Plan also provides disability and death benefits. With respect to other post-retirement benefits, the Plan offers retired members and their beneficiaries the option of purchasing health, dental, and vision insurance coverage. Based on a formula incorporating a member's years of service, the Plan pays a portion of the monthly insurance premium(s). A more detailed explanation of benefits is outlined in the Summary of Principal Plan Provisions in the Actuarial Section of this report. The Plan's Membership Services representatives provide ongoing pre-retirement counseling to the active members and assist retired members and their beneficiaries throughout the year.

Investment Performance The Plan follows a strategic asset allocation policy so that investments are diversified. The goal of the asset allocation is to provide the highest level of return at an acceptable level of risk. During 2014, the Plan's investment portfolio returned 5.89% gross of fees. These investment results exceeded the overall strategic benchmark return for the Plan of 5.66%, but lagged the median peer return of 6.64%.

Funded Status The Plan's pension benefit fund continues to be in a healthy financial position compared to our peer group of other public pension funds nationally. The Retirement Board, the Executive Director, and the Plan staff remain committed to managing the Plan's assets and liabilities to maintain the long-term financial soundness of the Plan and to have the funds needed to pay every dollar of benefits promised to every current and future retiree. The funded status of the pension benefit fund for the year beginning January 1, 2014 was 76.4%. The Plan continues to work successfully with the City to annually receive the full amount of the actuarially required contribution necessary to achieve the Plan's funding goals. Additional information regarding the Plan's funding is included in the Actuarial Section of the report.

Awards The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Denver Employees Retirement Plan for its CAFR for the fiscal year ended December 31, 2013. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. To be awarded the Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized report, the contents of which meet or exceed program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year. The Plan has received a Certificate of Achievement for 25 years in a row. We believe this current report continues to meet the Certificate of Achievement program requirements and will submit it to the GFOA for consideration again this year.

Conclusion We express our appreciation to the Plan staff who served the membership throughout 2014 and who prepared this report. We hope readers find it easy to read and understand, and will recognize the contributions that the Retirement Board, Advisory Committee, and Plan staff make toward the continued successful operation of the Plan.

Sincerely,

Eric Rothaus	Steven Hutt
Retirement Board Chair	Executive Director

Retirement Board

Each member is appointed by the Mayor of Denver

Cheryl Cohen-Vader
Term expires January 1, 2020

Guadalupe Gutierrez-Vasquez
Term expires January 1, 2021

John J. Hanley
Term expires January 1, 2017

Eric S. Rothaus
Term expires January 1, 2016

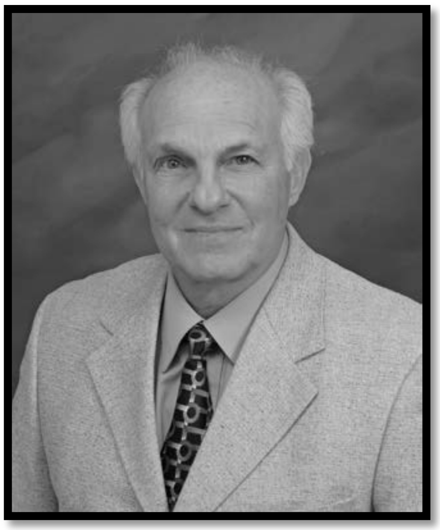
Thomas Williams
Term expires January 1, 2019

Advisory Committee

Three members are elected by the Plan membership and one member is appointed by the Denver Career Service Board

Michael F. Aleksick
Term expires June, 2018 on the date of annual meeting

Heather L. Britton
Term expires June, 2017 on the date of annual meeting



Robert Press
Term expires June, 2017 on the date of annual meeting

Erma D. Zamora
Term expires June, 2016 on the date of annual meeting

Professional Services

Actuary
- Gabriel Roeder Smith & Co.

Independent Auditor
- CliftonLarsonAllen, LLP

Custodian Bank
- Bank of New York Mellon Corporation

Investment Consulting
- Summit Strategies Group

Investment Managers

Domestic Equity Managers
- Mellon Capital Management
- Brown Advisory
- Eagle Capital Management
- Franklin Templeton
- Neuberger Berman, LLC

Real Estate Managers
- Contrarian Capital Management, LLC
- Long Wharf Real Estate Partners, LLC
- JP Morgan Asset Management
- Prudential Real Estate Investors
- UBS Global Asset Management
- Walton Street Capital

International Equity Managers
- Mellon Capital Management
- Dimensional Fund Advisors
- LSV Asset Management
- Pyramis Global Advisors
- Franklin Templeton

Alternative Investments Managers
- Adams Street Partners, LLC
- EIG Global Energy Partners
- Hancock Timber Resource Group
- INVESCO Private Capital
- Lime Rock Resources
- JP Morgan Private Equity Group
- Tortoise Capital Advisors

Fixed Income Managers
- Mellon Capital Management
- Athyrium
- GSO Capital Partners, LP
- Golub Capital
- Pictet Asset Management Limited
- Sankaty Advisors
- Smith Graham & Company

Absolute Return Funds
- KKR Prisma

Investment commissions and fees can be found on pages 53-54 in the Investment Section.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Denver Employees Retirement Plan

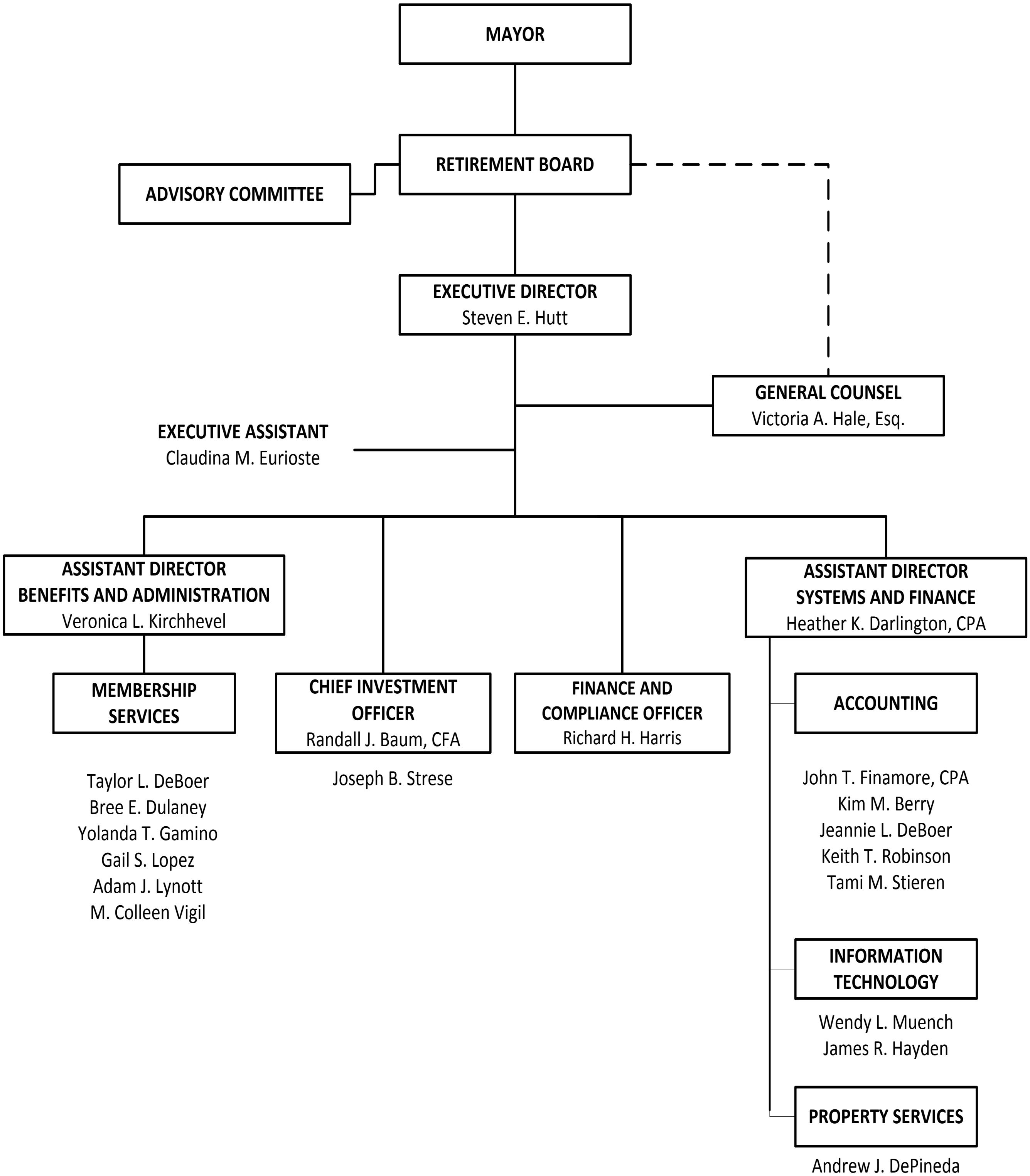
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Organizational Structure



Financial Section

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Retirement Board of Directors
Denver Employees Retirement Plan
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the Denver Employees Retirement Plan (the Plan), a component unit of the City and County of Denver, as of and for the years ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Plan as of December 31, 2014, and the changes in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Plan's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 15, 2014 In our opinion, the summarized comparative information presented herein as of and for December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, schedule of employer contributions, and schedule of investment returns for pensions and the schedule of funding progress and schedule of employer contributions for other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, investment, actuarial and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2015, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
May 11, 2015

Management's Discussion and Analysis

This is an analysis and overview of the financial activities of the Denver Employees Retirement Plan (the Plan) for the year ended December 31, 2014. For additional information, please refer to the basic financial statements, notes to the financial statements, required supplementary information, and supporting schedules.

Financial Highlights

As of December 31, 2014, $2,133,128,481 (net) was restricted for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries.

For 2014, the Plan's total net position restricted for benefits increased by $22,712,616, a 1.1% increase from the amount of net position restricted for benefits reported at the end of 2013. The net increase for 2014 is primarily the result of favorable financial markets for the year that contributed to a net investment profit of $105,562,567.

Additions to the Plan's net position included contributions of $57,336,647 from the City and County of Denver (the City) and $6,936,770 from the Denver Health and Hospital Authority (DHHA). Active members of the Plan contributed $42,246,767. The Plan had net securities lending transaction income of $700,695.

Deductions from the Plan's net position during 2014 totaled $189,370,135. This amount is 7.8% higher than the total 2013 deductions. Increasing retired member benefits, due to an increase in the retired member population, and marginally higher operating costs, are responsible for the higher deduction amount.

The Plan's funding objective is to meet its long-term benefit obligations through employer and employee contributions and investment returns. As of January 1, 2014, the date of the last actuarial valuation, the funded ratio for the pension and health benefits funds was 76.4% and 55.2%, respectively.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the Plan's financial statements which follow. The financial statements include:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position
- Notes to Financial Statements
- Required Supplementary Information

The Statement of Fiduciary Net Position presents the Plan's assets, liabilities, and net position as of December 31, 2014, with summarized comparative totals for 2013. This statement reflects the Plan's net position available for benefits in each the retirement and the health benefits funds as of December 31, 2014, and in the aggregate as of December 31, 2013.

The Statement of Changes in Fiduciary Net Position shows the additions to and deductions from the Plan's net position during 2014, with summarized comparative totals for 2013.

The Governmental Accounting Standards Board (GASB) promulgates the requirements for financial statement presentation and certain disclosures for state and local governmental entities. The financial statements, notes to financial statements, and required supplementary information presented in this report were prepared in compliance with applicable GASB pronouncements.

Management's Discussion and Analysis

The financial statements provide a snapshot of the Plan's assets and liabilities as of December 31, 2014 and the financial activities which occurred during the year. The financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Investment activities have been reported based on trade dates and were valued pursuant to independent outside sources. All capital assets, exclusive of land, are depreciated over their useful lives. Refer to the financial statements and notes to the financial statements for additional information.

Notes to the Financial Statements provide additional information which is essential for a full understanding of the basic financial statements.

Required Supplementary Information provides additional information and details about the Plan's progress in funding its future obligations and the history of employer and employee contributions.

Financial Analysis

There are several ways to measure the Plan's financial status. One means is to determine the Plan's net position available to pay benefits. This is the difference between total assets and total liabilities. Another way is to refer to the funded ratio which takes into account the actuarial assets and actuarial liabilities of the Plan. As of January 1, 2014, the date of the last actuarial valuation, the pension benefits fund had a funded ratio of 76.4%, or for every dollar of pension benefits due participants, the Plan had approximately $0.76 in actuarial assets available for payment. The health benefits account had a funded ratio of 55.2%, meaning the Plan had approximately $0.55 in actuarial assets available for payment for every dollar of health benefits due.

On December 31, 2014, the Plan's net position totaled $2,133,128,481. Of this amount, $110,128,986 represented funds reserved in the Deferred Retirement Option Plan (DROP) and the Amended Deferred Retirement Option Plan (DROP II) accounts.

The Plan's Board has an investment allocation strategy in place and, with the help of an outside consultant, continually monitors the Plan's investments. The Plan's total assets increased in 2014 due to favorable market conditions impacting investments. As of December 31, the Plan's fiduciary net position was:

	2014	2013	Amount of Change	Percentage Change
Assets				
Cash, short-term investments, and receivables and prepaid items	$ 47,101,571	$ 43,571,687	$ 3,529,884	8.1%
Securities lending collateral	261,154,085	230,030,240	31,123,845	13.5%
Investments, at fair value	2,084,995,411	2,067,034,957	17,960,454	0.9%
Capital assets, net	4,991,625	5,406,372	(414,747)	(7.7%)
Total assets	2,398,242,692	2,346,043,256	52,199,436	2.2%
Liabilities				
Accounts payable and unsettled securities purchased	3,960,126	5,597,151	(1,637,025)	(29.2%)
Securities lending obligations	261,154,085	230,030,240	31,123,845	13.5%
Total liablilities	265,114,211	235,627,391	29,486,820	12.5%
Fiduciary net position	$ 2,133,128,481	$ 2,110,415,865	$ 22,712,616	1.1%

Reserves

The Plan has established a reserve account for accumulated DROP benefits of $110,128,986 as of December 31, 2014. These funds are restricted for individuals who elected to participate in one of the DROP programs. Upon retirement, the member could elect to receive distributions or keep the accumulated monies with the Plan. The remaining Plan net position is available to pay retirement and health benefits.

Plan Activities

As a result of favorable market conditions, net investment activity ended the year with a significant gain. Contributions were higher due mostly to an increase in the contribution rates for employers and employees. Net additions were higher than Plan deductions, resulting in an overall 1.1% increase in Plan net position for the year. Benefit payments increased due mostly to a larger retiree population. For the years ended December 31, the Plan's activities were:

	2014	2013	Amount of Change	Percentage Change
Additions				
Contributions	$ 106,520,184	$ 100,244,258	$ 6,275,926	6.26%
Net investment earnings	105,562,567	331,186,114	(225,623,547)	(68.1%)
Total additions, net	212,082,751	431,430,372	(219,347,621)	(50.8%)
Deductions				
Benefits	185,591,129	171,962,323	13,628,806	7.93%
Administrative expenses	3,779,006	3,742,772	36,234	0.97%
Total deductions	189,370,135	175,705,095	13,665,040	7.78%
Change in net position	22,712,616	255,725,277	(233,012,661)	(91.1%)
Beginning of year net position	2,110,415,865	1,854,690,588	255,725,277	13.79%
End of year Fiduciary net position	$ 2,133,128,481	$ 2,110,415,865	$ 22,712,616	1.08%

Additions to Fiduciary Net Position

The monies needed to pay benefits are accumulated from the contributions made from employers and employees, and income generated from the Plan's investments. Income or losses on investments are reported net of investment management expenses. Employer contributions for 2014 totaled $64,273,417, which is 6.1% higher than the amounts contributed in 2013, due primarily to an increase in the contribution rate in January, 2014. During 2014, employees contributed a total of $42,246,767, which is an increase of 6.5% over the 2013 amount due to increases in the contribution rate and service buybacks. The Plan's net investment return was approximately 5.3% in 2014 compared to 18.2% in 2013.

	2014	2013	Amount of Change	Percentage Change
Employer contributions	$ 64,273,417	$ 60,562,372	$ 3,711,045	6.1%
Employee contributions	42,246,767	39,681,886	2,564,881	6.5%
Net appreciation (depreciation) in fair value of investments	73,633,051	301,827,494	(228,194,443)	(75.6%)
Interest, dividends, real estate/alternative investments, and absolute return income	46,130,412	41,519,314	4,611,098	11.1%
Securities lending transactions income, net	700,695	1,008,340	(307,645)	(30.5%)
Investment expenses	(14,901,591)	(13,169,034)	(1,732,557)	13.2%
Total additions, net	$ 212,082,751	$ 431,430,372	$ (219,347,621)	(50.8%)

Management's Discussion and Analysis

Deductions from Fiduciary Net Position

The Plan provides a lifetime pension benefit to its retired members, as well as survivor, disability, and retiree health, dental, and vision benefits. Annual expenses of the Plan include retirement benefits, DROP distributions, refunds of employee contributions, and administrative expenses. For the year ended December 31, 2014, deductions totaled $189,370,135, an increase of 7.8% over the amount of 2013 total deductions. The increase is attributed to higher benefit payments resulting from an increasing retired member population and relatively higher benefits per retiree. Refunds of contributions to non-vested members were higher due to larger refunds per member. Administrative expenses were higher than those of the previous year due to an increase in personnel merit increases.

	2014	2013	Amount of Change	Percentage Change
Benefits	$ 184,025,261	$ 170,868,520	$ 13,156,741	7.7%
Employee refunds	1,565,868	1,093,803	472,065	43.2%
Administrative expenses	3,779,006	3,742,772	36,234	1.0%
Total deductions	$ 189,370,135	$ 175,705,095	$ 13,665,040	7.8%

Capital Assets

Capital assets, net of accumulated depreciation, had a net decrease of $414,747 for the year ended December 31, 2014, which is comprised primarily of depreciation expense of $424,801. See Note 9 *Capital Assets* for additional information.

New Standard

In June 2012, the Governmental Accounting Standards Board approved a new accounting and reporting standard for pensions provided by state and local governments. The new statement is GASB 67, Financial Reporting for Pension Plans. GASB 67 applies to the Plan and other state and local pension plans established as trusts, to be implemented in fiscal years beginning after June 15, 2013. The new accounting and reporting standard breaks the link between accounting and funding. While this change will affect the accounting measures, they do not have an effect on the actuarial methods and assumptions used by the Plan to determine the contributions needed to fund the plan. The new standard will, however, impact the financial statement presentation for pension accounting and related disclosures for the Plan. The Plan implemented GASB 67 for the year ended December 31, 2014.

Requests for Information

This management's discussion and analysis is intended to provide the Plan's Board, participating employers, and the membership with an overview of the Plan's financial position as of December 31, 2014, and a summary of the Plan's activities for the year then ended.

Questions about any of the information presented or requests for additional information should be directed to:

Denver Employees Retirement Plan
777 Pearl Street
Denver, CO 80203
Phone: 303-839-5419
Fax: 303-839-9525
Website: www.derp.org
Email: mbrsvs@derp.org

Statement of Fiduciary Net Position

December 31, 2014

(with Summarized Comparative Totals for December 31, 2013)

	Pension Benefits	Health Benefits	December 31, 2014	December 31, 2013
Assets				
Cash and short-term investments	$ 42,084,429	$ 1,594,203	$ 43,678,632	$ 41,501,091
Securities lending collateral	251,622,360	9,531,725	261,154,085	230,030,240
Receivables				
Unsettled securities sold	1,723,039	65,271	1,788,310	328,006
Interest and dividends	1,574,967	59,662	1,634,629	1,742,590
Total receivables	3,298,006	124,933	3,422,939	2,070,596
Investments, at fair value				
U.S. Government obligations	153,802,966	5,826,222	159,629,188	61,939,739
Domestic corporate bonds and other fixed income	219,630,577	8,319,842	227,950,419	291,665,454
Domestic stocks	520,572,322	19,719,839	540,292,161	549,715,975
International stocks	504,345,956	19,105,167	523,451,123	567,091,902
Real estate	155,950,822	5,907,585	161,858,407	167,167,540
Alternative investments	349,709,718	13,247,379	362,957,097	325,945,299
Absolute return	104,883,901	3,973,115	108,857,016	103,509,048
Total investments	2,008,896,262	76,099,149	2,084,995,411	2,067,034,957
Capital assets				
Land	414,345	15,696	430,041	430,041
Building and equipment, net of accumulated depreciation	4,395,093	166,491	4,561,584	4,976,331
Total assets	2,310,710,495	87,532,197	2,398,242,692	2,346,043,256
Liabilities				
Unsettled securities purchased	1,243,611	47,109	1,290,720	3,089,586
Securities lending obligations	251,622,360	9,531,725	261,154,085	230,030,240
Accounts payable	2,571,976	97,430	2,669,406	2,507,565
Total liabilities	255,437,947	9,676,264	265,114,211	235,627,391
Net position restricted for benefits	$ 2,055,272,548	$ 77,855,933	$ 2,133,128,481	$ 2,110,415,865
Net position restricted for pension and health benefits	$ 1,945,143,562	$ 77,855,933	$ 2,022,999,495	$ 2,003,219,084
Net position restricted for DROP and DROP II benefits	110,128,986	-	110,128,986	107,196,781
Net position restricted for benefits	$ 2,055,272,548	$ 77,855,933	$ 2,133,128,481	$ 2,110,415,865

See Notes to Financial Statements

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2014
(with Summarized Comparative Totals for the Year Ended December 31, 2013)

			Year ended December 31,	
	Pension Benefits	Health Benefits	2014	2013
Additions				
Contributions				
City and County of Denver, Colorado	$ 53,471,847	$ 3,864,800	$ 57,336,647	$ 53,424,064
Denver Health and Hospital Authority	6,469,194	467,576	6,936,770	7,138,308
Plan members	39,521,451	2,725,316	42,246,767	39,681,886
Total contributions	99,462,492	7,057,692	106,520,184	100,244,258
Investment earnings				
Net appreciation in fair value of investments	70,856,209	2,776,842	73,633,051	301,827,494
Interest	15,869,959	612,194	16,482,153	9,075,903
Dividends	11,591,020	449,762	12,040,782	15,689,312
Real estate/alternative investments, and absolute return income	16,953,698	653,779	17,607,477	16,754,099
	115,270,886	4,492,577	119,763,463	343,346,808
Investment expenses	(14,349,764)	(551,827)	(14,901,591)	(13,169,034)
	100,921,122	3,940,750	104,861,872	330,177,774
Securities lending transactions income	538,720	20,827	559,547	442,304
Securities lending transactions expenses				
Borrower rebates	360,574	13,986	374,560	902,056
Agent fees	(224,713)	(8,699)	(233,412)	(336,020)
	674,581	26,114	700,695	1,008,340
Net investment earnings	101,595,703	3,966,864	105,562,567	331,186,114
Total additions, net	201,058,195	11,024,556	212,082,751	431,430,372
Deductions				
Retired member benefits	165,459,232	12,846,786	178,306,018	166,058,662
DROP and DROP II benefits paid	5,719,243	-	5,719,243	4,809,858
Refunds of contributions	1,507,554	58,314	1,565,868	1,093,803
Administrative expenses	3,638,296	140,710	3,779,006	3,742,772
Total deductions	176,324,325	13,045,810	189,370,135	175,705,095
Change in net position	24,733,870	(2,021,254)	22,712,616	255,725,277
Net position held in trust for benefits				
Beginning of year	2,030,538,678	79,877,187	2,110,415,865	1,854,690,588
End of year	$ 2,055,272,548	$ 77,855,933	$ 2,133,128,481	$ 2,110,415,865

See Notes to Financial Statements

Notes to Financial Statements

Note 1 PLAN DESCRIPTION

The Denver Employees Retirement Plan (the Plan) administers a cost-sharing multiple-employer defined benefit plan providing pension and post employment health benefits to eligible members. The Plan was established in 1963 by the City and County of Denver, Colorado. During 1996, the Denver Health and Hospital Authority (DHHA) was created and joined the Plan as a contractual entity. In 2001, the Plan became closed to new entrants from DHHA. All risks and costs are shared by the City and County of Denver (the City) and DHHA. There is a single actuarial evaluation performed annually that covers both the pension and post employment health benefits. All assets of the Plan are funds held in trust by the Plan for its members for the exclusive purpose of paying pension and post employment health benefits.

Substantially all of the general employees of the City, certain employees of DHHA, and all employees of the Plan are covered under the Plan. The classified service employees of the Denver Police and Denver Fire Departments, and the employees of the Denver Water Board, are covered by separate retirement systems. At December 31, 2014, the Plan membership consisted of the following:

	Pension Benefits	Health Benefits
Retirees and beneficiaries currently receiving benefits	8,815	6,107
Retirees and beneficiaries entitled to health benefits but not receiving any	-	2,708
Terminated employees entitled to benefts but not yet receiving them	3,466	3,466
Current employees:		
Vested	5,584	5,584
Non-vested	2,905	2,905
Total	20,770	20,770

The following brief description of the Plan is provided for general information purposes only. Sections 18-401 through 18-430.7 of the City's Revised Municipal Code should be referred to for complete details of the Plan.

The Plan provides retirement, death and disability benefits for its members and their beneficiaries. Members who were hired before July 1, 2011, and retire at or after age 65 (or at age 55 if the sum of their age and credited service is at least 75) are entitled to an annual retirement benefit, in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with 5 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired after July 1, 2011, they must be age 60 and have combined credited service of at least 85 in order to receive a normal retirement prior to age 65. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments are granted on an ad hoc basis. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by the Plan's Board, and enacted into ordinance by the Denver City Council.

Notes to Financial Statements

The health benefits account was established by City Ordinance in 1991 to provide, beginning January 1, 1992, post-employment health care benefits in the form of a premium reduction to retired members, their spouses and dependents, spouses and dependents of deceased active and retired members, and members of the Plan awaiting approval of retirement applications. During 2014, the monthly health insurance premium reduction was $12.50 per year of service for retired participants not yet eligible for Medicare, and $6.25 per year of service for retirees eligible for Medicare. The health insurance premium reduction can be applied to the payment of medical, dental, and/or vision insurance premiums. The benefit recipient pays any remaining portion of the premiums.

Note 2 Summary of Significant Accounting Policies

Reporting Entity

The Plan has separate legal standing and is fiscally independent of the City. However, based upon the criterion of financial accountability as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended, the Plan is reported as a component unit of the City's financial reporting entity.

Basis of Accounting and Presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Plan is accounted for using the economic resources measurement focus and the accrual basis of accounting. Employer/employee contributions and investment earnings are recognized in the period in which they are due and earned, respectively. Expenses are recognized when incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan Expenses

The Plan's Board acts as the trustee of the Plan's assets. The operating and other administrative expenses incurred by the Board, or its employees, in the performance of its duties as the Plan's trustee are paid from the assets of the Plan accumulated from contributions and investment earnings. Such expenses totaled $3,779,006 in 2014, and are reported as administrative expenses in the accompanying statement of changes in plan net position.

Investments

The Plan's investments are reported at fair value. The fair value of domestic stocks is based on prices reported by national exchanges. The fair value of international stocks and fixed income securities are based on prices obtained from an approved independent pricing service. Fair values of real estate and alternative investments are determined by independent periodic appraisals of properties owned and valuation of assets in the various investment funds. The absolute return fund of funds' investment fair value is based upon net asset values provided by the fund's third-party administrator. Short-term investments, with the exception of international funds, are recorded at amortized cost which approximates fair value. Investment earnings are recognized as earned. Gains and losses on sales and exchanges of securities are recognized on the trade date.

For 2014, the Plan realized net gain on the disposition of investments of $113,987,345. The calculation of realized gains and losses is independent of the calculation of the net appreciation in the fair value of the Plan's investments and is determined using the weighted average cost method. Unrealized gains and losses on investments held for more than one year and sold in the current year were included in the net appreciation in the fair value of investments reported for 2014.

Notes to Financial Statements

Investments of the Plan shall be in accordance with all applicable laws of the State of Colorado and the City, specifically:

- Investments shall be solely in the interest of the participants and their beneficiaries and for the exclusive purpose of providing benefits to the participants and their beneficiaries.
- Investments shall be made with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- Investments shall be diversified so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.

Capital Assets

Capital assets, which include land, building, furniture, and equipment, are recorded at historical cost. The Plan's capitalization threshold for capital assets is $500 of cost and a useful life in excess of one year. The costs of routine maintenance and repairs that do not add to the value of capital assets or materially extend assets' lives are not capitalized. Depreciation on capital assets, excluding land, is calculated using the straight-line method over the following estimated useful lives:

Building	30 years
General office equipment and furniture	10 years
Internally generated computer software	15 years
Computer equipment	5 years

Income Taxes

The Plan's current determination letter issued by the Internal Revenue Service, dated February 27, 2014, qualifies the Plan as a tax-exempt entity pursuant to Section 401(a) of the Internal Revenue Code. Earnings on the trust funds are exempt from federal income tax under Section 501(a) of the Internal Revenue Code.

Estimates Made by Management

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Prior-Year Summarized Totals

The basic financial statements include certain prior year summarized comparative information in total, but do not present detail for the pension or health benefits accounts. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's audited financial statements for the year ended December 31, 2013, from which the summarized information was derived.

Notes to Financial Statements

Current Economic Conditions

The current economic environment continues to present public employee benefit plans such as the Plan with challenges which have resulted in substantial volatility in the fair value of investments. The accompanying financial statements have been prepared using values and information available to the Plan as of the date of the financial statements. Due to the volatility of economic conditions, the values of assets recorded in the financial statements could change materially in the future.

Accounting Pronouncements

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25*. This statement replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2013 and are reflected on the Plan's financial statements for the year ending December 31, 2014.

Note 3 Contributions

The Plan's funding policy provides for annual contributions at rates determined by an independent actuary recommended by the Plan's Board and enacted by City ordinance which, when expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. During 2014, the actuarially determined contribution rates, expressed as a percentage of annual covered payroll, for the pension and health benefits were 17.16% and 1.24%, respectively, for a combined total of 18.40%. The City enacted Ordinance No. 701 in 2014 to re-set the combined total contribution rate to 19.50% effective January, 2015. In 2014, employers contributed a total of 11.20% of covered payroll and employees made a pre-tax contribution of 7.30% in accordance with Section 18-407 of the City's Revised Municipal Code. The employees' contribution was handled as a payroll deduction and was forwarded to the Plan with the employers' contribution. During 2014, the employers contributed $59,941,041 for pension benefits and $4,332,376 for health benefits while the employees contributed a total of $39,521,451 for pension benefits and $2,725,316 for health benefits.

An actuarial valuation is performed annually by an independent actuarial consultant to determine that contributions are sufficient to provide funds for future benefits and to evaluate the funded status of the Plan. For 2014, in accordance with the January 1, 2014, actuarially determined contribution requirements, the total required contribution was $99,378,277 ($54,272,967of normal cost and $38,416,164 amortization of the unfunded actuarial accrued liability for pension benefits; $2,642,417 of normal cost and $4,046,729 amortization of the unfunded actuarial accrued liability for health benefits) based on a rate of 18.40% of projected payroll. The actual contribution was $104,705,136 using a rate of 18.50% of covered payroll, which when combined with the members' repayments of $1,815,048, discussed below, resulted in total contributions of $106,520,184. In accordance with a separate agreement between DHHA and the Plan, DHHA made a supplemental contribution in the amount of $2,142,512, which is included in the total contributions amount.

During 2014, employee contributions totaled $42,246,767 and were allocated to pension and health benefits in the same manner as the employers' contributions. Regular employee contributions were not required or allowed between January 1, 1979, and September 30, 2003. City ordinance currently allows members to repay refunded contributions plus interest to reinstate service credits for periods prior to January 1, 1979. Any employee who made contributions after September 30, 2003, and was not vested upon leaving covered service could request a refund of those contributions. Eligible active members may also purchase permissive service credits in accordance with the Internal Revenue Code, which includes a maximum of five years of nonqualified service credits. Members paid $1,815,048 under these provisions during 2014.

Notes to Financial Statements

Note 4 Deferred Retirement Option Plan (DROP)

Between January 1, 2001, and April 30, 2003, active members of the Plan who were eligible for a normal or rule-of-75 retirement could choose to enter the Deferred Retirement Option Plan (DROP) for a maximum of four years. After April 30, 2003, no active member with an actual and effective date of retirement after May 1, 2003, could enter or participate in DROP. Under DROP, the member's monthly retirement benefit was calculated as of the date of DROP entry. While participating in DROP, the member continued to work for the employer, earning a regular salary. The monthly retirement benefits were deposited into a DROP account maintained by the Plan. The balance in each member's DROP account earns interest at a rate equal to the actuarial assumed rate of return, currently 8% per annum. Sections 18-422 through 18-429 of the City's Revised Municipal Code should be referred to for more complete information on DROP. Upon retirement, members have access to the funds accumulated during their participation in DROP. During 2014, a total of $8,350,800 in interest was credited to members' DROP accounts. During 2014, a total of $5,569,161 was distributed from the DROP accounts to members who had retired and exited DROP. As of December 31, 2014, the reserve for DROP payments was $105,622,033.

Note 5 Amended Deferred Retirement Option Plan (DROP II)

Between May 1, 2003, and August 31, 2003, active members of the Plan who were eligible for a normal or rule-of-75 retirement could choose to enter the Amended Deferred Retirement Option Plan (DROP II) for a maximum of five years. While participating in DROP II, the member continued to work for the employer, earning a regular salary. The member's monthly retirement benefits were deposited into a DROP II account maintained by the Plan. The balance in each member's DROP II account earns interest equal to the Plan's investment earnings rate provided it is not less than 3% per annum and not more than the Plan's annual actuarial assumed rate of return, currently 8% per annum. Sections 18-430 through 18-430.7 of the City's Revised Municipal Code should be referred to for more complete information on DROP II. Upon exiting DROP II, members have access to the funds accumulated during their participation in DROP II. A total of $301,069 in interest was credited to members' DROP II accounts during 2014. Also during 2014, a total of $150,348 was distributed to members who had exited DROP II. As of December 31, 2014, the reserve for DROP II payments was $4,506,953.

Note 6 Funded Status and Funding Progress of Health Benefits

The funded status of the Plan's Health Benefits as of January 1, 2014, was as follows:

	Health Benefits
Actuarial accrued liability (AAL)	$149,782,074
Actuarial value of Plan assets	82,736,993
Unfunded AAL	67,045,081
Funded ratio (actuarial value of Plan assets/AAL)	55.2%
Covered payroll (active Plan members)	$540,229,189
Unfunded AAL as a percentage of covered payroll	12.4%

The actuarial valuation of the Plan's health benefits involve estimates of the value of reported amounts and assumptions about the probability of certain events well into the future. Actuarially determined amounts are subject to revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements, presents multi-year trend information showing whether the actuarial value of the Plan's assets is increasing or decreasing over time.

Notes to Financial Statements

The value of projected benefits for financial reporting purposes is based upon the substantive plan in effect at the time of each actuarial valuation, and the pattern of sharing costs between the employers and plan members to that point. Consistent with the long-term perspective of the actuarial calculations, the actuarial methods and assumptions used include techniques intended to reduce short-term volatility in the actuarial accrued liabilities and the actuarial value of assets.

For the January 1, 2014, actuarial valuation, the projected unit credit valuation method was used. The Actuarial Value of Assets recognizes 20% of the difference between the projected actuarial value and the market value at the valuation date. This method has the effect of smoothing volatility in investment returns. The actuarial assumptions included an 8.0% investment rate of return (net of administrative expenses), projected salary increases of 3.25% – 7.25%, including inflation of 2.75%, and no cost of living increases. Healthcare cost trend rate is not applicable for health benefits as the benefit is based upon the member's age and years of service. The amortization period at December 31, 2014, was 30 years using a level percent of pay, closed basis, amortization method.

Note 7 Deposits and Investments

It is the objective of the Plan in managing the trust as a whole to provide a net realized real rate of return meeting or exceeding the actuarial assumption of 8.0% annualized, over a full market/economic cycle of three to seven years. The relative investment objective of the Plan is to exceed the rate of return that would have been achieved by a statically allocated and passively managed portfolio, at the same risk, in accordance with a long-term asset allocation strategy of the following approximate percentages: equity 46.0%, fixed income 20.5%, real estate 8.0%, alternative investments 20.5%, and absolute return 5.0%. At December 31, 2014, the Plan's deposit and investment balances were as follows:

	Fair Value
U.S. Treasury securities	$ 95,152,771
U.S. Agency securities	64,476,417
Corporate and mortgage bonds	227,950,419
Domestic stocks	540,292,161
International stocks	523,451,123
Real estate	161,858,407
Alternative Investments	362,957,097
Absolute return	108,857,016
Cash and short-term investments	43,678,632
Total	$ 2,128,674,043

A portion of the Plan's assets are exposed to risks, including credit risk, concentration of credit risk, interest rate risk, and foreign currency risk, that have the potential to result in losses.

Credit Risk

To mitigate the risk that issuers or other counterparties to an investment will not fulfill their obligations, the Plan manages credit risk through the constraints on investments specified in each manager's investment guidelines included in the Plan's Investment Policy. Securities implicitly guaranteed by the U.S. Government are included.

The following table provides information regarding Standard & Poor's (S&P) and Moody's credit ratings associated with the Plan's investment in debt securities as of December 31, 2014:

Notes to Financial Statements

Note 7 DEPOSITS AND INVESTMENTS (continued)

S&P	Moody's	Asset Backed	Corporate Bonds	Non-U.S. Government Bonds	Mortgage Backed	Implicit U.S. Government Agencies	Total
AAA	Aaa	$ 389,160	$ 22,197,095	$ -	$ 23,445,305	$ -	$ 46,031,560
AAA	NR	-	-	-	1,166,700	-	1,166,700
AA+ to AA-	Aa3 to A1	24,010	1,774,043	-	1,423,525	64,278,408	67,499,986
A+ to A-	A1 to Baa2	64,317	9,017,752	-	3,813,244	-	12,895,313
BBB+ to BBB-	A3 to Baa3	65,567	13,859,081	-	3,887,319	-	17,811,967
BB+ to BB-	Ba3 to B1	163	20,617,807	-	9,662	-	20,627,632
B+ to B-	B1 to Caa1	-	16,029,349	-	-	-	16,029,349
CCC+ to CCC-	B3 to Caa2	95,607	2,597,138	-	-	-	2,692,745
NR	Aaa to Baa2	-	-	46,939,447	60,697	-	47,000,144
NR	NR	-	58,387,112	2,086,319	-	-	60,473,431
		$ 638,824	$ 144,479,377	$ 49,025,766	$ 33,806,452	$ 64,278,408	$ 292,228,827

U.S. Government	95,152,771
Explicit U.S. Government Agencies	198,009
Total	$ 387,579,607

NR - no rating available.

Concentration of Credit Risk

The Plan’s Investment Policy mandates that no managed account may invest more than 5% of managed assets in the securities of a single issuer. As of December 31, 2014, the Plan was in compliance with this policy.

Custodial Credit Risk

In the event of a failure of a financial institution or counterparty, custodial credit risk is the risk that the Plan would not be able to recover its deposits, investments, or collateral securities in the possession of an outside party. The Plan has no formal policy for custodial credit risk for deposits and investments. At December 31, 2014, the Plan did not have any deposits, investments, or collateral securities subject to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in financial market rates of interest will adversely affect the value of an investment. The Plan manages interest rate risk through the constraints on duration specified in each manager’s investment guidelines included in the Plan’s Investment Policy. At December 31, 2014, the Plan’s fixed income investments had the following maturities by investment type:

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury securities	$ 95,152,771	$ 2,493,897	$ 58,839,635	$ 20,058,090	$ 13,761,149
U.S. agency securities	64,476,417	4,162	48,333,981	11,013,485	5,124,789
Asset backed	638,824	652	242,275	221,741	174,156
Corporate bonds	144,479,376	1,421,991	92,300,414	43,464,775	7,292,196
Non-U.S. Government bonds	49,025,766	(46,386)	16,334,290	10,034,444	22,703,418
Mortgage backed	33,806,453	38,648	14,364,079	13,146,675	6,257,051
Total	$ 387,579,607	$ 3,912,964	$ 230,414,674	$ 97,939,210	$ 55,312,759

Notes to Financial Statements

Note 7 DEPOSITS AND INVESTMENTS (continued)

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Plan's Investment Policy allows 18.5% to 30.0% of total investments to be invested in international equities. The Plan's Investment Policy allows 1.5% to 3.5% of total investments to be invested in international fixed income. The following positions represent the Plan's total exposure to foreign currency risk (in U.S. Dollars) as of December 31, 2014:

Foreign Currency	U.S. Dollars	Fixed Income	Total
Euro	$ 104,636,137	$ -	$ 104,636,137
British Pound Sterling	74,124,805	-	74,124,805
Japanese Yen	67,285,308	-	67,285,308
South Korea Won	32,358,275	-	32,358,275
Chinese Yuan	26,494,973	531,016	27,025,989
Swiss Franc	26,347,831	-	26,347,831
Brazilian Real	18,219,684	4,989,370	23,209,054
Taiwan Dollar	21,144,919	-	21,144,919
Hong Kong Dollar	18,247,306	-	18,247,306
Australian Dollar	17,838,238	-	17,838,238
South Africa Rand	12,569,259	4,741,088	17,310,347
Indian Rupee	16,060,379	319,089	16,379,468
Mexican Peso	7,676,289	4,928,662	12,604,951
Canadian Dollar	11,571,949	-	11,571,949
Russia Ruble	9,045,853	2,139,053	11,184,906
Thai Baht	7,499,008	3,300,503	10,799,511
Malaysia Ringgit	5,548,911	5,219,862	10,768,773
Swedish Krona	9,421,185	-	9,421,185
Turkish Lira	4,254,756	4,761,579	9,016,335
Indonesian Rupiah	3,315,164	4,230,684	7,545,848
Singapore Dollar	7,519,993	-	7,519,993
Polish Zloty	2,286,931	4,892,738	7,179,669
Danish Krone	4,681,072	-	4,681,072
Columbian Peso	709,126	3,671,447	4,380,573
Hungarian Forint	1,294,155	2,561,428	3,855,583
Norwegian Krone	3,592,966	-	3,592,966
New Israeli Shekel	2,987,070	-	2,987,070
Chilean Peso	1,329,611	54,419	1,384,030
Czech Koruna	1,347,339	-	1,347,339
Romanian Leu	-	1,299,677	1,299,677
Philippine Peso	744,582	240,901	985,483
New Zealand Dollar	926,898	-	926,898
Peru Sole	-	884,168	884,168
Egyptian Pound	265,922	-	265,922
Nigeria Naira	-	260,082	260,082
Other	208,317	-	208,317
Total	$ 521,554,211	$ 49,025,766	$ 570,579,977

Notes to Financial Statements

Note 8 Securities Lending Transactions

Board policy permits the Plan to participate in a securities lending program to augment income. The program is administered by the Plan's custodial agent bank, which lends certain securities for a predetermined period of time, to an independent broker/dealer (borrower) in exchange for collateral. Collateral may be cash, U.S. government securities, defined letters of credit, or other collateral approved by the Plan. Loans of domestic securities are initially collateralized at 102% of the fair value of securities lent. Loans of international securities are initially collateralized at 105% of the fair value of securities lent. The custodial agent bank determines daily that required collateral meets a minimum of 100% of the market value of securities on loan for domestic securities lent and 105% for international securities lent. The Plan continues to receive interest and dividends during the loan period as well as a fee from the borrower. There are no restrictions on the amount of securities that can be lent at one time. The duration of securities lending loans generally matches the maturation of the investments made with cash collateral. At December 31, 2014, the fair value of underlying securities lent was $344,387,664. The fair value of associated collateral was $357,707,713; of this amount, $261,154,085 represents the fair value of cash collateral as reported on the financial statements and $96,553,628 is the fair value of non-cash collateral not reported on the financial statements. The Plan has no credit risk exposure at December 31, 2014, since the collateral held exceeds the value of securities lent.

The Plan reports securities loaned as assets on the Statement of Plan Net Position. Cash received as collateral on securities lending transactions and investments made with that cash are recorded as an asset and liability. Investments purchased with cash collateral are recorded as Securities Lending Collateral with a corresponding liability as Securities Lending Obligations.

Note 9 Capital Assets

The Plan's capital assets activity for the year ended December 31, 2014, was as follows:

	January 1	Additions	Deletions	December 31
Capital assets, not being depreciated				
Land	$ 430,041	$ -	$ -	$ 430,041
Capital assets, being depreciated				
Building	1,136,013	-	-	1,136,013
Furniture and equipment	6,128,669	10,054	(214)	6,138,509
Total capital assets, being depreciated	7,264,682	10,054	(214)	7,274,522
Accumulated depreciation				
Building	(835,840)	(37,522)	-	(873,362)
Furniture and equipment	(1,452,511)	(387,279)	214	(1,839,576)
Total accumulated depreciation	(2,288,351)	(424,801)	214	(2,712,938)
Total capital assets being depreciated, net	4,976,331	(414,747)	-	4,561,584
Capital assets, net	$ 5,406,372	$ (414,747)	$ -	$ 4,991,625

The 2014 depreciation expense for the pension and health benefit accounts was $396,169 and $28,632 respectively.

Note 10 Commitments and Contingencies

As of December 31, 2014, the Plan had commitments for the future purchase of investments in private debt of $95,303,833, real estate of $8,128,815, and alternative investments of $178,521,376. The purpose of such commitments is to assist the Plan in maintaining the designated level of exposure to these asset classes. The anticipated pace of funding the commitments coincides with the expected distribution rate of invested assets.

Notes to Financial Statements

Note 11 Net Pension Liability of Employers

The components of the net pension liability of the employers at December 31, 2014, were as follows:

Total pension liability	$2,931,127,365
Plan fiduciary net position	2,055,272,548
Net pension liability	$875,854,817
Plan fiduciary net position as a percentage of the total pension liability	70.12%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2014 with a measurement date of December 31, 2014, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25% to 7.25%
Investment Rate of Return	8.0%

The mortality tables were based on the RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA. The Disabled mortality tables were based on the RP-2000 Disabled Life Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study as of January 1, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. For each major asset class that is included in the pension plan's target asset allocation as of December 31, 2014 these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equities	22.50%	4.90%
Non-US Developed Markets	15.50%	7.00%
Emerging Markets	8.00%	9.80%
Total Public Equity	**46.00%**	
Core Fixed Income	11.50%	1.30%
Debt	2.50%	5.80%
Private Debt	6.50%	8.40%
Total Fixed Income	**20.50%**	
Real Estate	8.00%	6.50%
Absolute Return	5.00%	3.90%
Energy MLP's	7.00%	7.30%
Private Equity/Other	13.50%	8.40%
Cash	0.00%	0.80%
Total	100.00%	

Notes to Financial Statements

Note 11 Net Pension Liability of Employers (continued)

A single discount rate of 8.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 8.00%. The projection of cash flows used to determine this single rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a single discount rate of 8.00%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher:

	1% Decrease 7.00%	Current Single Discount Rate Assumption 8.00%	1% Increase 9.00%
Net Pension Liability	$1,211,259,159	$875,854,817	$591,694,183

Note 12 Other Post Employment Benefit Plan – Implicit Rate Subsidy

Employees of the Plan, along with a portion of the employees of DHHA (those employed prior to 2001 who have elected to remain members of the Plan), and a majority of the employees of the City (certain fire and police personnel are excluded), are participants in the City's health care plan. For active employees participating in the City's health care plan, the employers pay a certain percentage of monthly premiums and the employees pay the remainder of the premium. Vested retired employees participating in the City's health care plan pay 100% of the premium and are eligible for an insurance premium reduction payment from the Plan, see Note 1. In establishing premiums, the active and retired employees from the three employers are grouped together without age-adjustment or differentiation between employers. The premiums are the same for both active and retired employees creating an implicit rate subsidy for the retirees.

The City is acting in a cost-sharing multiple-employer capacity for this other post employment benefit plan. The City's Revised Municipal Code, Section 18-412, authorizes the Plan retirees to participate in the health insurance programs offered to the active employees. To be eligible, a retiree must be a minimum of 55 years of age if hired prior to July 1, 2011, and a minimum of 60 years of age if hired after July 1, 2011, with 5 years of service and have begun receiving their pension benefit. Coverage ceases when one reaches Medicare eligibility age. For purposes of calculating the implicit rate subsidy, it was estimated there were 1,470 retirees not yet covered by Medicare who were covered by the health insurance programs. There is no stand-alone report for this plan and it is not included in the City's financial statements. The City's required contribution toward the implicit rate subsidy is based on pay-as-you-go financing. Contributions made by DERP toward the implicit rate subsidy were $15,445, 16,274 and $15,905 for the years ended December 31, 2014, 2013 and 2012, respectively, which is 105.1%, 85.4% and 85.6%% of the required contribution for each year ended, based upon pay-as-you-go financing.

A Schedule of Funding Progress and Schedule of Employer Contributions are presented as Required Supplementary Information following the notes to the financial statements. The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Both the Schedule of Funding Progress and the Schedule of Employer Contributions present information related to the cost-sharing plan as a whole, of which the

Note 12 Other Post Employment Benefit Plan – Implicit Rate Subsidy (continued)

Plan is one participant, and should provide information helpful for understanding the scale of the information presented relative to the Plan.

Projections and benefits for financial reporting purposes are based on the substantive plan as understood by the plan and the members and included in the types of benefits provided at the time of each valuation and the historic pattern of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective calculations.

For the December 31, 2014, actuarial valuation of the implicit rate subsidy, the entry age normal, level percent of pay, valuation method was used. The actuarial assumptions included a 3.0% general inflation rate, 4.0% investment rate of return, a 3.25% salary increase, and health care cost trend grading from 6.0% decreasing by 0.5% per year to 5.0% thereafter. The amortization period was 30 years, open basis, using a level percentage of pay amortization method. The actuarial valuation of the implicit rate subsidy is performed every two years.

Required Supplementary Information
(Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios
(Ultimately 10 Fiscal Years will be displayed)

Fiscal year ending December 31,	2014
Total Pension Liability	
Service Cost (Entry-Age Normal)	$ 42,793,142
Interest on the Total Pension Liability	221,367,921
Benefit Changes	-
Difference between Expected and Actual Experience	-
Transition to Entry-Age Normal [1]	140,652,205
Benefit Payments	(171,178,475)
Refunds	(1,507,554)
Net Change in Total Pension Liability	232,127,239
Total Pension Liability - Beginning	2,699,000,126
Total Pension Liability - Ending (a)	$ 2,931,127,365
Plan Fiduciary Net Position	
Employer Contributions	$ 59,941,041
Employee Contributions	39,521,451
Pension Plan Net Investment Income	101,595,704
Benefit Payments	(171,178,475)
Refunds	(1,507,554)
Pension Plan Admisitrative Expense	(3,638,296)
Other Income	-
Net Change in Plan Fiduciary Net Position	24,733,871
Total Fiduciary Net Position - Beginning	2,030,538,677
Total Fiduciary Net Position - Ending (b)	$ 2,055,272,548
Net Pension Liability - Ending (a)-(b)	$ 875,854,817
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	70.12%
Covered Employee Payroll	$540,229,189
Net Pension Liability as a Percentage of Covered Employee Payroll	162.13%

[1] Transition liability is the additional liability due to the transition from the Projected Unit Credit

Required Supplementary Information
(Unaudited)

Schedule of the Net Pension Liability
(Ultimately 10 Fiscal Years will be displayed)

Fiscal Year Ending December 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2014	$2,931,127,365	$2,055,272,548	$875,854,817	70.12%	$540,229,189	162.13%

Required Supplementary Information
(Unaudited)

Schedule of Employer Contributions

Fiscal Year Ending December 31,	Actuarially Detrmined Contributions (a)	Actual Contributions (b)	Contribution Deficiency (Excess) (a)-(b)	Covered Payroll (c)	Actual Contribution as a % of Covered Payroll (b)/(c)
2005	$38,039,016	$37,347,133	$691,883	$495,174,860	7.54%
2006	42,277,006	37,809,048	4,467,958	495,285,185	7.63%
2007	39,623,830	40,955,026	(1,331,196)	499,462,875	8.20%
2008	41,699,683	44,362,545	(2,662,862)	545,835,393	8.13%
2009	54,392,610	43,127,064	11,265,546	564,986,660	7.63%
2010	48,995,846	42,228,203	6,767,643	506,045,186	8.34%
2011	52,000,472	45,703,351	6,297,121	517,398,105	8.83%
2012	56,054,792	49,756,639	6,298,153	517,396,257	9.62%
2013	55,397,564	56,427,308	(1,029,744)	531,559,017	10.62%
2014	55,871,677	59,941,041	(4,069,364)	540,229,189	11.10%

Notes to Schedule of Contributions

Valuation Date:	January 1, 2014
Notes	Actuarially determined contribution rates are calculated as of December 31 of each year and are applicable for the following calendar (fiscal) year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll, Annually Established 30-Year Closed Bases
Remaining Amortization Period	Approximately 29 Years
Asset Valuation Method	Smoothed market
Inflation	2.75%
Salary Increases	3.25% to 7.25%
Investment Rate of Return	8.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2013 valuation pursuant to an experience study of the period 2008-2012.
Mortality	RP-2000 Combined Mortality Table Projected Via Scale AA to 2020, with Multipliers Specific to Gender and Payment Status of Employee.

Other Information:

Notes	There were no benefit changes during the year. The latest experience study was conducted in 2013 covering the 5-year period of January 1, 2008 to December 31, 2012. At the time, the recommended mortality table was expected to produce a margin of 8% on the retired male mortality experience and 7% on the retired female experience (Source: Denver Employees Retirement Plan 2013 Actuarial Experience Study for the period ending December 31, 2012, Page 24, 25).

Required Supplementary Information
(Unaudited)

Schedule of Investment Returns
Last 10 Fiscal Years

Fiscal Year Ending December 31,	Annual Return [1]
2005	9.28%
2006	13.72%
2007	10.57%
2008	(26.17%)
2009	13.74%
2010	13.89%
2011	(0.31%)
2012	12.54%
2013	17.99%
2014	4.91%

[1] Annual money-weighted rate of return, net of Investment expenses

Required Supplementary Information
(Unaudited)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL (Funding Excess) as a Percentage of Covered Payroll (b-a)/(c)
			Health Benefits			
1/1/09	$92,682,144	$134,000,558	$41,318,414	69.2%	$564,986,660	7.3%
1/1/10	90,414,800	141,642,522	51,227,722	63.8	506,045,186	10.1
1/1/11	87,609,491	143,112,474	55,502,983	61.2	517,398,105	10.7
1/1/12	84,679,890	142,966,927	58,287,037	59.2	517,396,257	11.3
1/1/13	82,992,647	148,886,318	65,893,671	55.7	531,559,017	12.4
1/1/14	82,736,993	149,782,074	67,045,081	55.2	540,229,189	12.4
			Implicit Rate Subsidy			
12/31/12	$0	$88,704,000	$88,704,000	0.0%	$446,182,000	19.9%
12/31/13	0	89,879,000	89,879,000	0.0	464,092,000	19.4
12/31/14	0	73,738,477	73,738,477	0.0	487,407,934	15.1

Required Supplementary Information
(Unaudited)

Schedule of Employer Contributions

Year beginning January 1	Annual actuarially required contribution	Percentage contributed
	Health Benefits [1] [2]	
2009	$5,156,984	88.3%
2010 [3]	4,290,712	68.2
2011 [4]	4,965,060	84.6
2012 [5]	5,153,185	82.3
2013 [6]	4,721,761	87.6
2014 [7]	4,093,763	105.8
	Implicit Rate Subsidy	
2012	$6,261,000	85.6%
2013	6,421,000	85.4
2014	4,987,182	105.1

(1) Employers made contributions based on the legally required rates.
(2) Excludes DHHA supplemental.
(3) Beginning on January 1, 2010, the employers and employees contributed 8.5% and 4.5%, respectively.
(4) Beginning on January 1, 2011, the employers and employees contributed 9.5% and 5.5%, respectively.
(5) Beginning on January 1, 2012, the employers and employees contributed 10.25% and 6.25%, respectively.
(6) Beginning on January 1, 2013, the employers and employees contributed 11.00% and 7.00%, respectively and amortization method changed from level dollar 30-year open to level percent of pay 30-year closed.
(7) Beginning on January 1, 2014, the employers and employees contributed 11.20% and 7.30%, respectively.

Supporting Schedules

Schedule of Administrative Expenses
Year ended December 31, 2014

Personnel services:	
Salaries	$ 1,564,849
Employee benefits	586,974
Total personnel services	2,151,823
Professional services:	
Actuarial	70,800
Legal	-
Retirement board	28,116
Audit	41,950
Consultation	6,752
Total professional services	147,618
Office operations:	
Plan insurance	94,412
Postage	85,758
Office forms and printing	24,071
Office equipment	29,487
Employee travel and conferences	13,380
Telephone	12,931
Membership education	3,791
Miscellaneous operating	7,067
Employee education	11,678
Office supplies	9,884
Publications	2,692
Automobile	7,259
Total office operations	302,410
Computer operations:	
Hardware and software maintenance	396,392
Software licenses and hosting fees	138,259
Supplies and other expenses	16,166
Total computer operations	550,817
Miscellaneous administrative expenses:	
Building operations	201,537
Depreciation expense	424,801
Total miscellaneous administrative expenses	626,338
Total	$ 3,779,006

Supporting Schedules

Schedule of Investment Expenses
Year ended December 31, 2014

Alternative investment portfolio management	$ 4,233,438
International equity portfolio management	2,766,992
Domestic equity portfolio management	2,660,241
Fixed income portfolio management	1,741,767
Real estate portfolio management	1,609,223
Absolute return investment portfolio management	1,063,428
Other investment related expenses	727,261
Custody	99,241
Total	$ 14,901,591

Investment Section

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Summit Strategies Group

May 22, 2015

Steven E. Hutt
Executive Director
Denver Employees Retirement Plan
777 Pearl Street
Denver, Colorado 80203

Dear Mr. Hutt:

This letter reviews the performance for the Denver Employees Retirement Plan (DERP) through December 31, 2014.

The DERP investment portfolio posted a positive return in the fiscal year ended December 31, 2014, returning 5.89% gross of fees. Performance exceeded DERP's strategic policy benchmark return of 5.66%, but fell short of the 6.64% median return of the BNY Mellon Public Fund Universe. As a result, DERP's one-year performance ranked in the 69th percentile of the Public Fund Universe. The best performing asset classes in the DERP investment portfolio were private equity (up 20.33%), energy-related master limited partnerships (up 15.93%), and real estate (up 14.36%). Energy investments and international equity were the only asset classes posting losses during the year, of -8.33% and -3.12%, respectively.

Over the trailing 3 years ended 12/31/14, DERP achieved an annualized return of 12.69%, outperforming the strategic policy benchmark return of 11.61% and ranking in the 34th percentile of the Public Fund Universe, outperforming 66% of other public funds. The trailing 5-year return currently stands at 10.44%, outperforming the strategic policy benchmark return of 9.84% and ranking in the 31st percentile of the Public Fund Universe. DERP's trailing 10-year annualized return is 6.98%, better than the 6.33% strategic policy benchmark return and ranking in the 28th percentile of the BNY Mellon Public Fund Universe.

As DERP's investment consultant, Summit Strategies Group calculates performance statistics utilizing market values obtained from custodial records or other statements. Performance is determined using a time-weighted calculation methodology. Summit makes comparisons with other public pension plans, evaluates specific portfolio sector performance, and compares portfolio returns to a strategic policy benchmark. The strategic policy benchmark is comprised of a weighted average of the various passive indexes in the same proportions as the DERP investment allocation policy.

It is DERP's goal to seek appropriate returns by the prudent investment of assets. Such investment activities are in accordance with applicable law, modern portfolio theory, and prevailing industry practice, and seek to minimize risk while generating the growth that will assist in paying promised benefits to members and beneficiaries. A study of assets and liabilities is conducted periodically to ensure the mix of investments remains appropriate, and adjustments to the portfolio are made when changes in plan circumstances and/or current capital markets conditions dictate. It is the responsibility of the Retirement Board, with the assistance of Summit Strategies and DERP internal investment staff, to approve a target asset allocation policy, which reflects an appropriate balance between risk and return. A comprehensive study of assets and liabilities was conducted by Summit Strategies most recently in early 2014, and annual asset allocation targets are established in March/April of each year.

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Steven E. Hutt
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May 22, 2015

The target asset allocation at year-end was comprised of the following indices in the percentages as indicated: Russell 1000 (19.00%), Russell 2000 (3.50%), MSCI EAFE (10.00%), MSCI World ex US Small Cap (5.50%), MSCI Emerging Markets (8.00%), Barclays Capital Aggregate Bond (11.50%), Barclays Capital US High Yield Ba/B 2% Issuer Cap (6.50%), JPMorgan Government Bond Index – Emerging Markets (2.50%), NCREIF Fund Index – Open End Diversified Core Equity (8.00%), HFRI FOF Conservative Index (5.00%), Alerian MLP Index (7.00%) and Alternative Investments (13.50%).

In fiscal year 2014, Brown Advisory was added as US large cap growth equity manager, replacing two existing managers which were terminated. In addition, commitments were made to a private equity fund managed by Adams Street Partners and to private debt funds of GSO and Athyrium.

The results for the past year, while falling short of the fund's actuarial assumption for long-term investment results, continued a trend of positive returns. The results for the last three and five year periods exceeded the return assumption, the strategic policy benchmark, and the return of the median public pension fund. This reflects the hard work of the Board and Staff during an evolving market environment to position the DERP investment portfolio to benefit the Plan and its members. The future holds many challenges, including slow global economic growth, volatile energy prices, high asset valuations, and demographic headwinds. The recent and longer-term results are positive, and we believe the portfolio is in a good position to capture consistent, quality results in the years to come.

Sincerely,

Timothy S. Sant, CFA
Senior Vice President

Mission Statement

The Denver Employees Retirement Plan (the Plan) was established on January 1, 1963, as a defined benefit pension plan. The Plan Board assumes full and absolute responsibility for establishing, implementing, and monitoring adherence to the pension fund policy. The mission of any fiduciary acting with regard to the management, investment, receipt, or expenditure of the trust assets is to act solely in the interest of the members and their beneficiaries, and to:

(a) Provide benefits to participants and their beneficiaries;

(b) Pay reasonable expenses associated with the administration of the plan;

(c) Invest with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent investor acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims; and

(d) Diversify the investments so as to minimize the risk of loss and to maximize rate of return.

Investment Responsibilities

The Plan Board is responsible for formulating investment strategies, allocation of assets, and contracting with investment management firms. To assist the Plan Board in overseeing these responsibilities, on February 8, 1989, they formally adopted a written investment manual. The investment manual includes a Statement of Investment Policy and Guidelines, establishes an asset allocation plan, and incorporates individual investment manager guidelines. Changes to the investment manual are formally adopted by the Plan Board.

The investment managers are each responsible for implementing investment strategies in accordance with the stated investment policies, guidelines, and objectives of the Plan. Each manager is responsible for optimizing investment return within their guideline constraints and in the sole interest of the Plan's members and beneficiaries. The Board has directed all investment managers to vote proxies, to vote them with vigor, to vote in the interest of the Plan's members and beneficiaries, and to report annually as to how proxies were voted.

Investment Objectives

As outlined in the Investment Manual, the investment objectives include:

(a) Providing a net realized real rate of return meeting or exceeding the actuarial assumption of eight percent, annualized, over a full market/economic cycle of three to seven years;

(b) Maintaining an efficient portfolio determined by the risk and return concepts of Modern Portfolio Theory; and

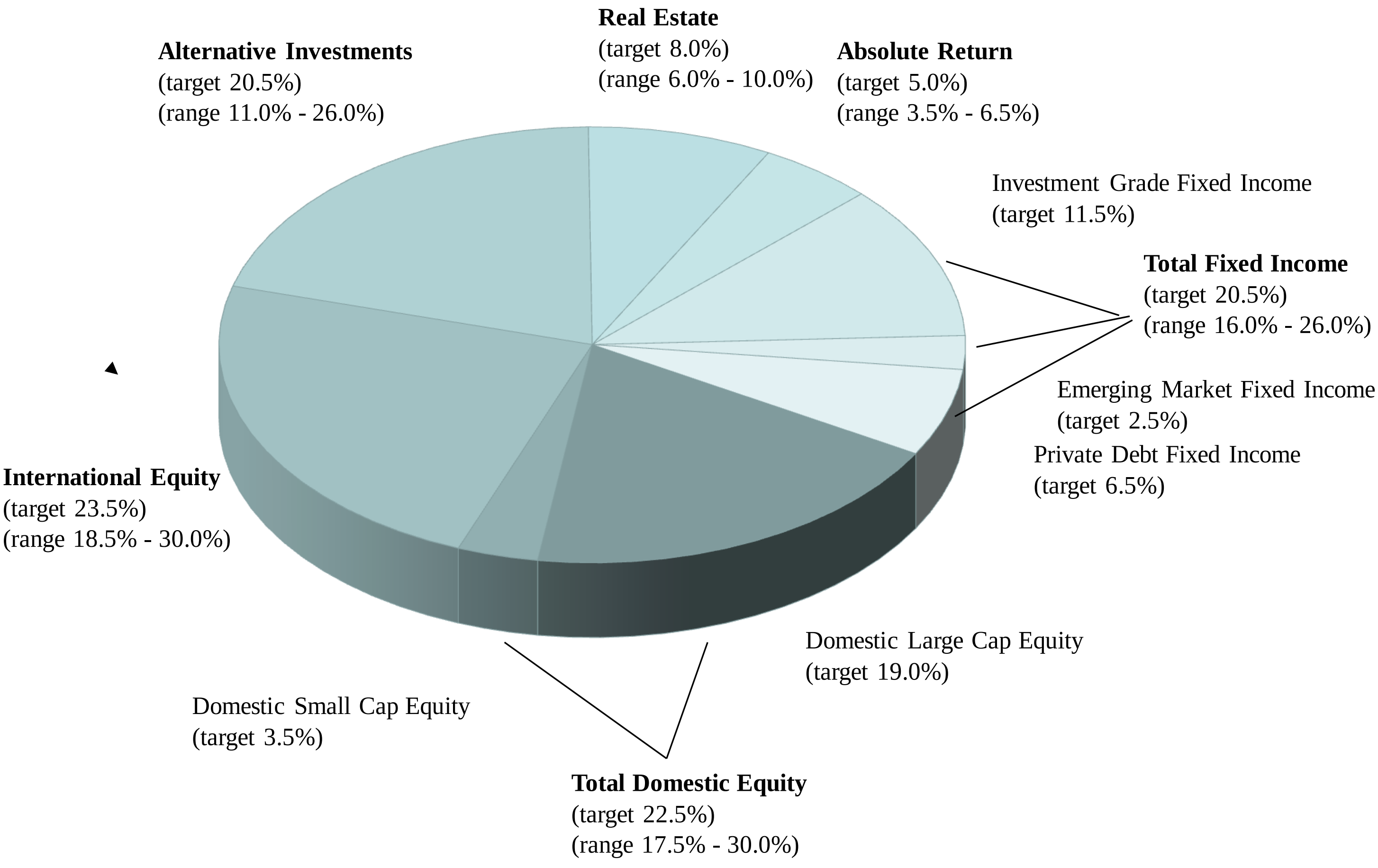
(c) Exceeding the rate of return of that achieved by a passively managed portfolio weighted in the same proportion and at the same risk.

Asset Allocation Target

The Plan Board recognizes that strict adherence to an asset allocation plan has the greatest impact on long-term performance results and is, therefore, the most important decision in the investment process. The risk return profile is maintained by identifying a long-term target strategic asset allocation. Temporary deviations from the targets are held within ranges.

The first formal asset allocation plan was adopted by the Plan Board on April 7, 1989. There have been subsequent asset allocation plans adopted with the most recent being on April 17, 2014. The Plan's investment advisors assisted the Plan Board in developing the latest asset allocation.

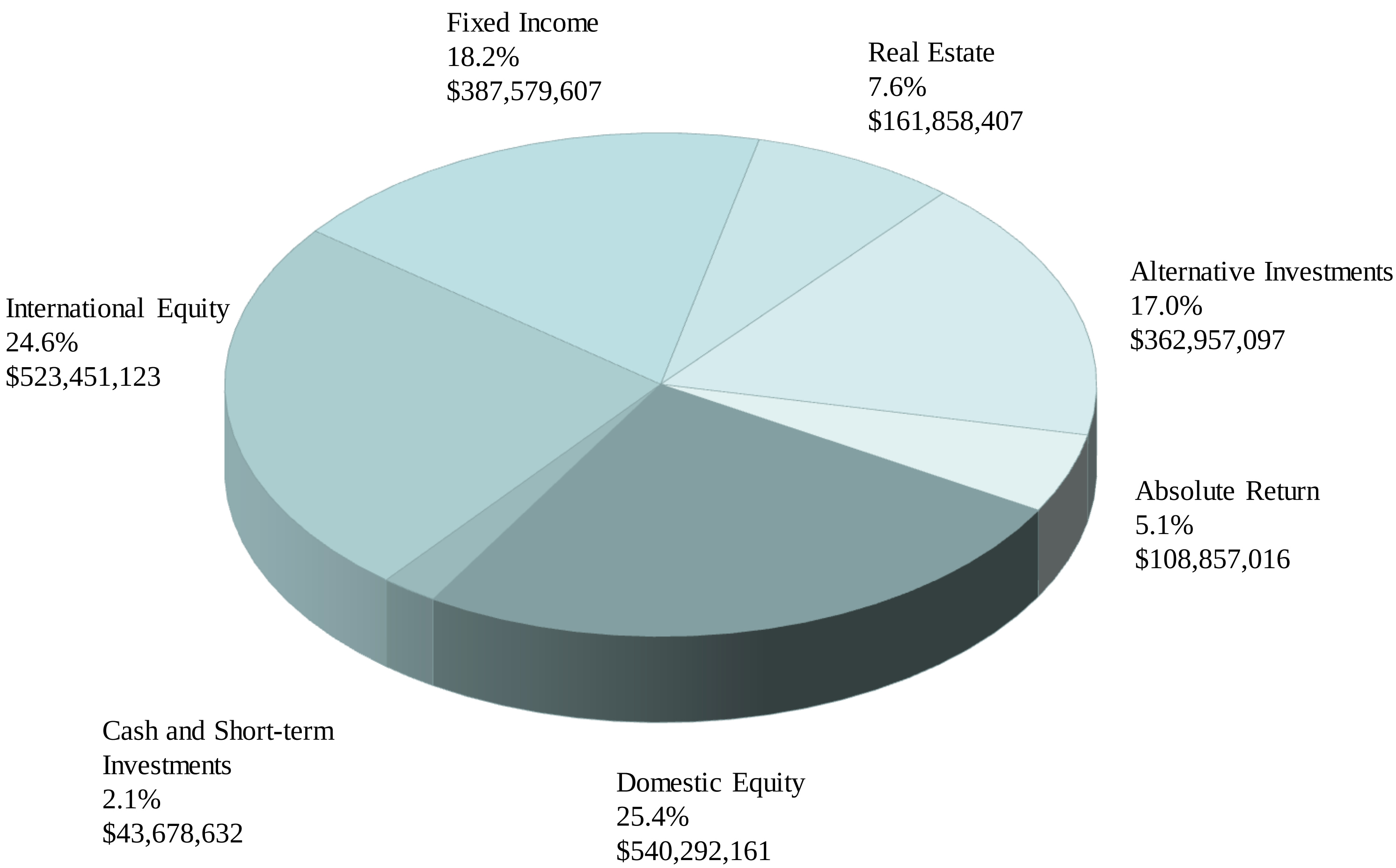
The asset allocation strategy as of December 31, 2014 is depicted in the chart below:



At target, a portfolio so allocated would be expected to achieve a 7.8% return with a standard deviation (risk) of 12.3%.

Asset Allocation by Asset Class

The total market value of the Plan on December 31, 2014, was $2,133,128,481 including cash and investments of $2,128,674,043. At December 31, 2014, the Plan's investment assets were allocated as shown in the following chart:



Asset Target Allocation by Managed Account

A list of investment managers appears in the introductory section of this report. The Plan's Investment Manual identifies the target allocation by managed account and asset style group as follows:

Managed Account	Target Allocation	Asset Style Group	Target Allocation Range
Mellon Capital Management	5.00%	S&P 500 Index	3.00% to 9.00%
Brown Advisory	7.00%	Large Cap Equity (Growth)	5.00% to 9.00%
Eagle Assets Management	7.00%	Large Cap Equity (Value)	5.00% to 9.00%
Franklin Global Advisors	1.25%	Small Cap Equity (Growth)	1.00% to 2.00%
Neuberger Berman, LLC	2.25%	Small Cap Equity (Value)	1.80% to 3.50%
Mellon Capital Management	2.00%	EAFE Index	1.50% to 5.00%
Pyramis Global Advisors	4.00%	International Equity (Growth)	3.00% to 5.00%
Templeton Investment Counsel, LLC	4.00%	International Equity (Value)	3.00% to 5.00%
Dimensional Fund Advisors	5.50%	International Equity (Small Cap)	4.50% to 7.00%
LSV Asset Management	8.00%	International Equity (Emerging Markets)	6.00% to 10.00%
Plan Staff	5.00%	Fixed Income Government	4.50% to 7.00%
Mellon Capital Management	5.00%	Barclays Aggregate	4.50% to 7.00%
Smith Graham & Company	1.50%	Fixed Income Gov't./Credit	1.00% to 2.50%
Golub Capital	2.00%	Fixed Income-Senior Loans	1.00% to 5.00%
Athyrium	1.00%	Fixed Income-Private Debt	0.00% to 2.00%
GSO Capital	1.00%	Fixed Income-Private Debt	0.00% to 2.00%
Sankaty Advisors	2.50%	Fixed Income-Distressed Debt	0.50% to 3.50%
Pictet Asset Management	2.50%	Fixed Income Emerging Market Debt	1.50% to 3.50%
Prisma Capital Partners	5.00%	Absolute Return	3.50% to 6.50%
Real Estate	8.00%	Real Estate	6.00% to 10.00%
Alternative Investments	20.50%	Energy, Timber, MLP, and Private Equity	11.00% to 26.00%

The Plan staff actively monitors each investment manager for compliance with guidelines. There is no allocation to cash. Each manager is asked to prudently remain fully invested in their asset style group. All allocated but uninvested cash is commingled and actively managed by the Plan staff. Investment manager, custodian, and consultant fees are aggressively negotiated and reviewed periodically. The Plan participates in a commission recapture program with all proceeds deposited in the trust.

The top ten stock and bond holdings as of December 31, 2014, are shown in the following tables:

Top Ten Stock Holdings
December 31, 2014

Shares	Stocks	Market Value
280,600	Oracle Corporation	$12,618,582
23,730	Google, Inc.	12,542,017
104,110	Ecolab, Inc.	10,881,577
65,375	Berkshire Hathaway, Inc.	9,816,056
186,160	Liberty Global, Inc.	8,993,390
165,100	Citigroup, Inc.	8,933,561
91,973	AON Corporation	8,721,800
170,258	Microsoft Corporation	7,908,484
88,870	Express Scripts Holding Co.	7,524,623
201,952	Twenty-First Century Fox	7,450,009

Top Ten Bond Holdings
December 31, 2014

Par	Bonds			Market Value
9,500,000	FHLMC Bond	2.375%	due 1/13/2022	$9,597,755
6,700,000	U.S. Treasury Bond	8.125	due 8/15/2019	8,663,971
5,000,000	U.S. Treasury Note	2.625	due 11/15/2020	5,219,150
4,750,000	FHLMC Bond	3.750	due 3/27/2019	5,169,663
5,000,000	FNMA Bond	1.875	due 9/18/2018	5,081,400
5,000,000	FNMA Bond	1.625	due 11/27/2018	5,024,050
5,000,000	FFCBC Bond	1.070	due 9/1/2017	4,987,750
5,000,000	FHLMC Bond	0.750	due 1/12/2018	4,928,250
5,000,000	FNMA Bond	0.875	due 5/21/2018	4,916,850
4,500,000	FHLBC Bond	1.625	due 6/14/2019	4,489,965

Complete listings of stock and bond holdings are available at the Plan's office.

Investment Performance

The Plan contracts with Summit Strategies Group to measure investment results on a quarterly basis. Returns are calculated using a time-weighted rate of return based on the market value of assets. Returns are reported gross of fees unless otherwise stated. The estimated annualized return from the inception of the Plan on January 1, 1963 to December 31, 2014 is 9.31%. Annualized investment results compared with benchmarks for the year ending December 31, 2014, are as follows:

	Last Year	Last 3 Years	Last 5 Years
Domestic Equity	9.31%	19.35%	14.82%
Russell 3000 Index	12.56	20.51	15.63
International Equity	-3.12	11.44	6.12
International Equity Policy Index	-3.96	9.06	4.55
Fixed Income	3.77	3.02	4.99
Fixed Income Policy Index	3.66	2.81	4.84
Real Estate	14.36	13.84	15.54
NCREIF Index	12.49	12.45	13.93
Total Portfolio	5.89	12.69	10.44
Total Fund Policy Index	5.66	11.62	9.84
Total Portfolio (net of fees)	5.33	12.08	9.90
Change in Consumer Price Index (CPI-U)	1.62	1.75	2.07

Schedule of Investment Commissions

December 31, 2014

BROKER	QUANTITY (UNITS)	BROKER COMMISSION	COMMISSION PER/SHARE
MELLON FINANCIAL	2,796,389	$55,941	$0.020
ITG	672,810	17,487	0.026
BNY CONVERGEX	382,350	11,766	0.031
INVESTMENT TECHNOLOGY	1,131,634	11,026	0.010
BARCLAYS	326,744	7,143	0.022
MORGAN STANLEY	303,503	6,432	0.021
GOLDMAN SACHS	351,476	6,253	0.018
JP MORGAN SECURITIES	320,910	5,415	0.017
UBS SECURITIES	1,101,292	5,360	0.005
LIQUIDNET	245,327	4,846	0.020
MERRILL LYNCH	440,414	4,617	0.010
CREDIT SUISSE	343,846	4,612	0.013
ISI GROUP	129,599	4,148	0.032
CITIGROUP	577,922	3,846	0.007
BAIRD, ROBERT W & COMPANY	129,213	3,572	0.028
BERNSTEIN	133,509	3,547	0.027
INSTINET CORPORATION	380,045	3,146	0.008
STIFEL NICOLAUS	96,053	3,041	0.032
PERSHING SECURITIES	70,170	2,581	0.037
WELLS FARGO SECURITIES	144,177	2,470	0.017
LEERINK SWANN	62,043	1,956	0.032
JONES TRADING	73,222	1,841	0.025
JEFFERIES & COMPANY	39,588	1,620	0.041
BLOOMBERG TRADEBOOK	76,166	1,492	0.020
STRAREGAS SECURITIES	36,900	1,476	0.040
OPPENHEIMER	39,167	1,260	0.032
MACQUARIE CAPITAL	286,300	1,149	0.004
RBC CAPITAL MARKETS	101,812	1,102	0.011
WEEDEN	79,131	1,081	0.014
All other brokers (each at $1,000 or less)	635,460	12,902	0.002
TOTAL	11,507,172	$193,130	$0.017

Total recaptured commissions for 2014 were $7,891.

Schedule of Investment Fees

December 31, 2014

Externally Managed Portfolios	**Assets Under Management**	**Fees**
U.S. Equities:		
Actively Managed :		
Large Cap	$ 308,655,523	$ 1,834,348
Small Cap	83,154,902	780,384
Passively Managed	148,481,736	45,509
International Equities:		
Actively Managed	449,147,047	2,737,459
Passively Managed	74,304,077	29,533
Fixed Income:		
Actively Managed	283,114,943	1,722,740
Passively Managed	104,464,664	19,027
Real Estate:		
Fees netted with earnings	56,450,203	666,064
Fees paid separately	105,408,203	943,159
Absolute Return:		
Fees netted with earnings	108,857,016	1,063,428
Alternative Investments:		
Fees netted with earnings	185,674,966	2,917,384
Fees paid separately	177,282,131	1,316,054
	$ 2,084,995,411	$ 14,075,089

Other Investment Services	
Custody Fees	$ 99,241
Other investment related expenses (net of commission recapture)	727,261

Actuarial Section

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April 13, 2015

The Board of Trustees
Denver Employees Retirement Plan
777 Pearl St
Denver, CO 80203

Re: Denver Employees Retirement Plan

Dear Board Members:

This report provides information required by the Retirement System in connection with the Governmental Accounting Standards Board (GASB) Statement No. 67 "Financial Reporting for Pension Plans."

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB No. 67. These calculations have been made on a basis that is consistent with our understanding of these accounting standards.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB No. 67. The calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB No. 67 produces significantly different results. This report may be provided to other parties only in its entirety and only with the permission of the Board.

This report is based upon information, furnished to us by the Denver Employees Retirement Plan ("DERP"), concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not otherwise audited.

To the best of our knowledge, the information contained with this report is accurate and fairly represents the actuarial position of DERP. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board. The actuaries below are members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Leslie L. Thompson, FSA, FCA, EA, MAAA
Senior Consultant

Diane L. Hunt, FSA, FCA, EA, MAAA
Consultant

Gabriel Roeder Smith & Company

Valuation Methods-Determination of Actuarially Determined Contribution

***Actuarial Cost Method* - The Projected Unit Credit (PUC) Cost Method** was used in the valuation.

The Projected Unit Credit Cost Method develops a normal cost and an accrued liability based on the benefit accrued as of the valuation date.

The normal cost is the present value of the benefits that accrue during the year. The benefit accrued during the year is the retirement benefit based on pay projected to a member's retirement date, based on service accrued as of the valuation date. The actuarial accrued liability is the present value of benefits allocated to service prior to the valuation date.

Finally, for all funding methods, the total present value of benefits is equal to the accrued liability plus the present value of future normal costs.

Valuation Methods-GASB

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section. Both the economic and demographic assumptions were based on an Experience Study performed as of January 1, 2013, and adopted for the January 1, 2013 valuation report.

A. Demographic Assumptions

Mortality rates were adjusted to include margin for future longevity improvement as described below.

1. Post-Retirement and Beneficiary Mortality Table: *This table shows the probability of dying after leaving employment either as a vested terminated member, a retiree or a beneficiary of a deceased member.*

   a. Male: RP-2000 Combined Mortality Table for males projected with Scale AA to 2020

   b. Female: RP-2000 Combined Mortality Table for females projected with Scale AA to 2020 with a multiplier of 90%

	% Dying Within Next Year Non-Disabled	
Ages	**Men**	**Women**
50	0.15%	0.11%
55	0.25%	0.21%
60	0.49%	0.41%
65	0.96%	0.79%
70	1.64%	1.36%
75	2.85%	2.15%
80	5.26%	3.59%

	% Dying Within Next Year Disabled	
Ages	**Men**	**Women**
50	2.01%	0.82%
55	2.41%	1.41%
60	3.05%	1.98%
65	3.78%	2.54%
70	4.63%	3.40%
75	6.19%	4.45%
80	8.95%	6.28%

2. Disabled Mortality Table: *This table shows the probability of dying at sample attained ages.*

   a. Male: RP-2000 Disabled Life Mortality Table for males projected with Scale AA to 2020

   b. Female: RP-2000 Disabled Life Mortality Table for females projected with Scale AA to 2020

3. Active Mortality: *This table for active members shows the probability of dying before retirement or termination of employment. 15% of the deaths are assumed to be duty-related and 85% are assumed to be non-duty related.*

   a. Male: RP-2000 Combined Mortality Table for males projected with Scale AA to 2020 with a multiplier of 85%

   b. Female: RP-2000 Combined Mortality Table for females projected with Scale AA to 2020 with a multiplier of 85%

	% Dying Within Next Year Non-Disabled	
Ages	Men	Women
20	0.02%	0.01%
25	0.03%	0.01%
30	0.03%	0.02%
35	0.06%	0.03%
40	0.08%	0.04%
45	0.10%	0.07%
50	0.13%	0.10%

4. Rates of Disability: *15% of the disabilities are assumed to be duty-related and 85% are assumed to be non-duty related.*

	% Becoming Disabled Within Next Year	
Ages	Duty	Non-Duty
20	0.00%	0.02%
25	0.00%	0.02%
30	0.00%	0.02%
35	0.00%	0.03%
40	0.01%	0.06%
45	0.02%	0.11%
50	0.04%	0.23%
55	0.07%	0.37%
60	0.10%	0.57%
65	0.15%	0.85%

5. Rates of Separation from Active Membership: *Rates do not apply to members eligible to retire and do not include separation on account of death or disability. Inactive members are assumed to retire at the earliest eligible age. If an inactive member is not vested, the liability valued is equal to their employee contributions plus interest. Rates are not applied after the member is eligible for reduced or unreduced retirement benefits.*

Non Hospital		
	Select Period	
Years of Service	% of Active Members Separating Within Next Year	
	Men	Women
1	15.97%	19.84%
2	13.73%	17.11%
3	11.81%	14.76%
4	10.15%	12.72%
5	8.73%	10.97%
6	7.51%	9.46%
7	6.46%	8.16%
8	5.55%	7.04%
9	4.77%	6.07%

Non Hospital		
	Ultimate Rates	
	% of Active Members Separating Within Next Year*	
Ages	Men	Women
25	6.25%	9.00%
30	5.50%	7.75%
35	4.75%	6.50%
40	4.00%	5.50%
45	3.25%	4.50%
50	2.50%	3.50%
55	1.90%	2.70%
60	1.90%	2.70%
64	1.90%	2.70%

*Members with 10 or more years of service

Hospital		
	% of Active Members Separating Within Next	
Ages	Men	Women
30	14.84%	15.41%
35	12.92%	11.91%
40	10.72%	8.40%
45	7.97%	5.60%
50	4.40%	5.60%
55	1.10%	5.60%
60	1.10%	5.60%
64	1.10%	5.60%

6. Rates of Retirement: *This table for active members shows the probability of eligible members retiring during the next year.*

Non Hospital		
	Percent of Eligible Active Members Retiring Within Next Year	
Ages	Early Retirement	Normal Retirement
55	2.50%	N/A
56	2.75%	N/A
57	3.00%	N/A
58	3.25%	N/A
59	3.50%	N/A
60	3.75%	N/A
61	4.00%	N/A
62	10.00%	N/A
63	10.00%	N/A
64	10.00%	N/A
65	N/A	20.00%
66	N/A	18.00%
67	N/A	18.00%
68	N/A	18.00%
69	N/A	18.00%
70	N/A	100.00%

Hospital		
	Percent of Eligible Active Members Retiring Within Next Year	
Ages	Early Retirement	Normal Retirement
55	2.50%	N/A
56	2.75%	N/A
57	3.00%	N/A
58	3.25%	N/A
59	3.50%	N/A
60	3.75%	N/A
61	4.00%	N/A
62	10.00%	N/A
63	10.00%	N/A
64	10.00%	N/A
65	N/A	20.00%
66	N/A	18.00%
67	N/A	18.00%
68	N/A	18.00%
69	N/A	18.00%
70	N/A	18.00%
71	N/A	18.00%
72	N/A	18.00%
73	N/A	18.00%
74	N/A	18.00%
75	N/A	100.00%

	Percent of Eligible Active Members Retiring Within Next Year
Ages	Rule of 75 Retirement
NAR*	22.00%
NAR+1	14.00%
NAR+2	14.00%
NAR+3	14.00%
NAR+4	14.00%
NAR+5	14.00%
NAR+6	18.00%
NAR+7	22.00%
NAR+8	26.00%
NAR+9	30.00%
NAR+10	30.00%

*NAR, Normal Age at Retirement, is defined as the first age at which a member is eligible to retire under the Rule of 75 with a minimum age of 55 (or Rule of 85 with a minimum age of 60 if hired after July 1, 2011) (Refer to Section G). After attainment of age 70 (age 75 for the Hospital group), or NAR +11, the retirement rate assumption is 100.00%.

B.Economic Assumptions

1. Investment Return Rate: 8.00% per annum, compounded annually, net of investment and administrative expenses.
2. Cost of Living Increases: 0.00% per annum
3. Inflation Rate: 2.75% per annum
4. Real Rate of Return: 5.25% per annum
5. The Rates of Salary Increase: *Assumed salary increases for active members are in accordance with the following table. This assumption is used to project a member's current salary to the salaries upon which benefits will be based.*

Non Hospital			
	% Increase in Salary for the Year		
Sample Ages	Merit and Seniority	Base (Economic)*	Increase for the Year
20	4.00%	3.25%	7.25%
25	3.50%	3.25%	6.75%
30	2.50%	3.25%	5.75%
35	2.00%	3.25%	5.25%
40	1.25%	3.25%	4.50%
45	0.50%	3.25%	3.75%
50	0.00%	3.25%	3.25%
55	0.00%	3.25%	3.25%
60	0.00%	3.25%	3.25%
65	0.00%	3.25%	3.25%

Hospital			
	% Increase in Salary for the Year		
Sample Ages	Merit and Seniority	Base (Economic)*	Increase for the Year
30	0.00%	3.25%	3.25%
35	0.00%	3.25%	3.25%
40	0.00%	3.25%	3.25%
45	0.00%	3.25%	3.25%
50	0.00%	3.25%	3.25%
55	0.00%	3.25%	3.25%
60	0.00%	3.25%	3.25%
65	0.00%	3.25%	3.25%

**Salary increases shown include wage inflation of 3.25% per annum.*

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment and administrative expenses.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
COLA	None assumed.
Covered Payroll	Annual payroll projected forward with one year's salary increase.
Death after termination but before Retirement (or Continuation)	A load of 0.7% (1.3% for members hired after January 1, 2010) is added to the vested terminated benefit to account for the benefit paid to the spouse if the participant dies before retirement.
Decrement Operation	All decrements other than withdrawal are in force during retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur mid-year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Incidence of Contributions	Contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption	75% of males and 60% of females are assumed to be married for purposes of death-in-service benefits and 75% of males and 60% of females are assumed to be married for purposes of retiree medical benefits. Male spouses are assumed to be the same age as female spouses for active member valuation purposes.
Normal Form of Benefit	A straight life annuity is the normal form of benefit.
Pay Increase Timing	Beginning of year. This is equivalent to assuming that reported pays represent annualized rates of pay on the valuation date.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.
Split of Member and Employer Contributions	For the Schedule of Employer Contributions the member and employer contributions are split between the pension and medical funds based on their respective ratios to the Total Computed Contribution Rate developed in the previous year's actuarial valuation.

Terminal Pay

For members hired prior to January 1, 2010, unused sick and vacation hours are converted into pay at retirement, death, disability or termination. That converted amount is included in the Final Average Compensation (FAC). The valuation accounts for this by assuming the FAC will be increased by 5.00% for active retirement benefits and increased by 2.25% for active ordinary death and termination benefits for members hired prior to January 1, 2010.

Analysis of Financial Experience

Composite Gain (Loss) for the Years Ending December 31, 2009 through 2013

Retirement Benefits

Type of Activity:	**2013**	**2012**	**2011**	**2010**	**2009**
1. Retirement, Disability, Death, Withdrawal, Pay Increases, etc.	$ (1,477,800)	$ (2,989,900)	$ (5,824,600)	$ (24,786,800)	$ (6,092,100)
2. New Entrants	(2,101,900)	(1,564,900)	(1,165,700)	(1,065,700)	(1,349,200)
3. Investment Income	(9,038,647)	(49,642,700)	(77,418,800)	(56,387,300)	(86,709,900)
Gain (Loss)	(12,618,347)	(54,197,500)	(84,409,100)	(82,239,800)	(94,151,200)
Non-recurring Items:					
Changes in Actuarial Assumptions and Methods	-	(114,153,600)	(7,044,100)	-	25,945,200
Changes in Plan Provisions	(2,622,800)	(87,200)	(72,500)	-	-
Total Non-recurring Items	(2,622,800)	(114,240,800)	(7,116,600)	-	25,945,200
Composite Gain (Loss) During Year	$ (15,241,147)	$ (168,438,300)	$ (91,525,700)	$ (82,239,800)	$ (68,206,000)

Health Benefits

Type of Activity:	**2013**	**2012**	**2011**	**2010**	**2009**
1. Retirement, Disability, Death, Withdrawal, Pay Increases, etc.	$ 781,300	$ 693,700	$ 1,324,000	$ 223,200	$ (5,842,600)
2. New Entrants	(106,800)	(57,600)	(59,200)	(91,200)	(40,900)
3. Investment Income	(759,107)	(2,432,700)	(3,670,600)	(2,858,300)	(4,252,500)
Gain (Loss)	(84,607)	(1,796,600)	(2,405,800)	(2,726,300)	(10,136,000)
Non-recurring Items:					
Changes in Actuarial Assumptions and Methods	-	(5,489,000)	-	-	138,600
Changes in Plan Provisions	-	-	-	-	-
Total Non-recurring Items	-	(5,489,000)	-	-	138,600
Composite Gain (Loss) During Year	$ (84,607)	$ (7,285,600)	$ (2,405,800)	$ (2,726,300)	$ (9,997,400)

Schedule of Retirees and Beneficiaries [1]

Valuation Date	Number Added Since Last Valuation Date	Allowances for Additional Retirees and Beneficiaries	Number Removed Since Last Valuation Date	Allowances for Retirees and Beneficiaries Removed	Number	Pension Benefit Amount	Average Annual Benefit	Percent Increase in Average Benefit
1/1/08	477	9,023,888	259	4,376,599	6,614	101,802,055	15,392	1.4
1/1/09	474	9,536,489	215	2,245,574	6,873	109,243,231	15,895	3.3
1/1/10	733	17,229,892	183	1,847,244	7,423	124,695,435	16,799	5.7
1/1/11	410	7,484,590	227	2,827,899	7,606	130,319,793	17,134	2.0
1/1/12	457	9,392,512	287	2,922,903	7,776	138,317,723	17,788	3.8
1/1/13	540	11,227,434	271	2,973,325	8,045	146,837,873	18,252	2.6
1/1/14	658	15,872,322	221	3,126,984	8,482	159,503,726	18,805	3.0

(1) Includes DROP retirees.

Schedule of Active Members [2]

Valuation Date	Number	Annual Payroll	Average Annual Earnings	Percent Increase in Average Earnings
1/1/08	9,304	543,728,238	58,440	7.3
1/1/09	9,323	564,986,660	60,601	3.7
1/1/10	8,604	506,045,186	58,815	-2.9
1/1/11	8,403	517,398,105	61,573	4.7
1/1/12	8,149	517,396,257	63,492	3.1
1/1/13	8,175	531,559,017	65,023	2.4
1/1/14	8,304	540,229,189	65,057	0.1

(2) This schedule does not include participants in DROP and DROP II.

Solvency Test

Pension Benefits

Valuation Date	Actuarial Accrued Liabilities (1) Retirees and Beneficiaries	(2) Terminated Vested Members	(3) Active Members		Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets (1)	(2)	(3)
1/1/09	1,135,549,357	120,295,849	840,041,890	**(a)**	1,924,991,121	100	100	80
1/1/10	1,290,661,062	123,892,229	761,689,445	**(b)**	1,923,560,713	100	100	67
1/1/11	1,341,928,443	129,821,083	813,006,592	**(c)**	1,942,871,295	100	100	58
1/1/12	1,412,766,986	154,615,776	819,147,309	**(d)**	1,946,844,159	100	100	46
1/1/13	1,520,343,891	156,404,385	916,442,060	**(e)**	1,980,204,173	100	100	33
1/1/14	1,639,107,535	154,017,183	905,875,408	**(f)**	2,062,322,953	100	100	30

(a) Includes DROP accounts of $96,801,380.
(b) Includes DROP accounts of $98,422,814.
(c) Includes DROP accounts of $98,884,382.
(d) Includes DROP accounts of $101,400,591.
(e) Includes DROP accounts of $105,677,036.
(f) Includes DROP accounts of $107,943,569.

A short-term solvency test is one means of checking a plan's progress under its funding program. In a short-term solvency test, a plan's assets are compared with the accrued liabilities of the plan. The liabilities are ranked, with (1) representing the liabilities of present retired lives, (2) terminated vested members liabilities, and (3), the liabilities for service already rendered by active members. For DERP pension benefits, the liabilities for the retired members and the terminated vested members are fully covered by the valuation assets, and the liabilities for service already rendered by active members is partially covered by the remainder of the valuation assets.

Health Benefits*

Valuation Date	Actuarial Accrued Liabilities (1) Retirees and Beneficiaries	(2) Terminated Vested Members	(3) Active Members	Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets (1)	(2)	(3)
1/1/09	87,168,030	6,706,283	40,126,245	92,682,144	100	82	0
1/1/10	98,068,689	6,768,999	36,804,834	90,414,800	92	0	0
1/1/11	94,937,728	7,310,323	40,864,423	87,609,491	92	0	0
1/1/12	94,007,699	8,530,269	40,428,959	84,679,890	90	0	0
1/1/13	95,955,842	8,393,768	44,536,708	82,992,647	86	0	0
1/1/14	98,236,724	8,277,021	43,268,329	82,736,993	84	0	0

* These liabilities represent solely the value of the explicit benefit, without regard to the implicit rate subsidy and therefore are not compliant with GASB #45.

A short-term solvency test is one means of checking a plan's progress under its funding program. In a short-term solvency test, a plan's assets are compared with the accrued liabilities of the plan. The liabilities are ranked, with (1) representing the liabilities of present retired lives, (2) terminated vested members liabilities, and (3), the liabilities for service already rendered by active members. For DERP health benefits, the liabilities for the retired members is partially covered by the valuation assets, and the liabilities for terminated vested members and for service already rendered by active members is not covered by any valuation assets.

Summary of Principal Plan Provisions [1]

Retirement Program

The Plan is a defined benefit pension plan that was established on January 1, 1963. The purpose of the Plan is to provide benefits for its members and beneficiaries upon retirement, disability, or death. The Plan was designed to be supplemented by a member's Social Security benefits and/or other retirement investments.

Contributions

In 2014, the City, the Plan for its staff, and DHHA contributed 11.20% of the employee's total gross salary to the trust fund, and the employee contributed 7.30% of his or her total gross salary, on a pretax basis through a payroll deduction. The employer and employee contributions, plus income from investments, fund the retirement benefits for employees and their beneficiaries. Effective January 1, 2015, the employer contribution rate increased to 11.50%, and the employee contribution rate increased to 8.00% of gross salary.

Retirement Benefits

Calculation of Retirement Benefits

For active members employed by the City, the Plan, and DHHA prior to September 1, 2004, the retirement benefit calculation is 2.0% of the member's average monthly salary (AMS) (based upon the highest 36 consecutive months' salary with an agency covered by this retirement plan) times years of credited service. For members who were originally hired or re-hired on or after September 1, 2004, the retirement benefit is based on 1.5% of the average monthly salary times years of credited service. For members hired on or after July 1, 2011, the benefit calculation is 1.5% of the average monthly salary based on the highest 60 consecutive months' salary. The vesting requirement is five years of credited service. In accordance with certain restrictions, active, vested members may purchase additional service. Retirement benefits from the Plan are payable in the form of a life annuity.

Normal Retirement

Normal retirement becomes effective the first day of any month after the vested member reaches age 65 and terminates employment with the City, the Plan, or DHHA.

Normal Retirement - Rule-of-75

For members hired *prior to* July 1, 2011, the Rule-of-75 enables a member to retire as early as age 55, without a benefit reduction, provided the combined credited service and age at termination equals or exceeds the sum of 75.

Normal Retirement - Rule-of-85

For members hired *on or after* July 1, 2011, the Rule-of-85 enables a member to retire as early as age 60, without a benefit reduction, provided the combined years and months of credited service and age at termination equals or exceeds the sum of 85.

Early Retirement

A member may retire early upon reaching age 55 or 60, depending on the date of hire, and with a minimum of five years credited service. Benefits are determined in accordance with the above calculation based on credited service to the early retirement date and reduced for each year under age 65.

[1] This summary is provided for general information purposes only and does not constitute legal advice. For detailed information about the Plan, refer to the Plan's Retirement Handbook.

Summary of Principal Plan Provisions [1]

Deferred Retirement

Following the month of application, a member with a minimum of five years credited service who has terminated employment with the City, the Plan, or DHHA may elect to receive a benefit as early as age 55 or 60, depending on the date of hire. Calculation of a deferred benefit is based on the member's age at the time of application for retirement benefits, AMS and credited service earned as a City, Plan, or DHHA employee. If a member should die prior to receiving a monthly deferred retirement benefit, a spouse, or children under age 21, may be eligible for a benefit.

Maximum Lifetime Benefit

This option provides a maximum lifetime benefit to the member and ceases upon the member's death. If the member is married and chooses the maximum lifetime benefit, the spouse must formally forfeit all rights to any lifetime monthly benefit from the Plan.

Joint and Survivor Options

The Plan also provides a joint and survivor benefit option. Under this benefit option the member will receive a reduced lifetime monthly benefit in order to provide a lifetime monthly benefit for a beneficiary. If the member is married, the spouse must be the designated beneficiary unless the spouse formally forfeits these rights and consents to the designation of another beneficiary.

Disability Retirement - On-the-Job

If a member should become permanently disabled in connection with the member's employment, the member may be eligible for an On-the-Job Disability retirement benefit. This benefit would be based on the higher of 20 years credited service or actual service plus 10 years. In either case, the credited service cannot exceed the service that the member would have earned at age 65. There are no minimum years of service requirements for this benefit. The member must meet all Ordinance requirements to qualify for an On-the-Job Disability.

Disability Retirement - Off-the-Job

A permanent disability not directly connected to the job will be classified as an Off-the-Job Disability. The Off-the-Job Disability benefit is 75% of the benefit calculated for an On-the-Job Disability. The member must be vested and meet all Ordinance requirements.

Death Benefit before Retirement

If an active member should die while employed with the City, the Plan or DHHA, there are death benefits available for the member's beneficiary. If the member is married, the member's spouse will receive a lifetime benefit unless the spouse had formally waived this right and consented to another designated beneficiary. If there is no spouse, any children under the age of 21 will receive a benefit until they reach age 21. If the member is not married and has no children under 21, the designated beneficiary will receive the lifetime monthly benefit.

On-the-Job Death

If a death is classified as On-the-Job, the member's beneficiary will receive a lifetime monthly benefit calculated at the higher of 15 years service or actual service plus 5 years. In either case, the credits may not exceed service which would have been earned by the member at age 65.

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[1] This summary is provided for general information purposes only and does not constitute legal advice. For detailed information about the Plan, refer to the Plan's Retirement Handbook.

Summary of Principal Plan Provisions [1]

Off-the-Job Death

If a death is classified as Off-the-Job, the member's beneficiary will receive a lifetime monthly benefit that is 75% of the On-the-Job Death benefit. There are no minimum service requirements for this benefit.

Death Benefit after Retirement

Lump-Sum Death Benefit

A lump-sum death benefit is available to members who retire directly from active service. This single payment will be paid to the member's beneficiary or to the member's estate if the designated beneficiary is no longer living. The death benefit for Normal Retirement, Rule-of-75, Rule-of-85, or Disability (after age 65) is $5,000.

Health Insurance after Retirement

The Plan offers health, dental and vision insurance options for retired members and the member's family. The Plan contributes a portion of the monthly health, dental and vision insurance premiums, based on the member's years of credited service and age. For members who are not Medicare-eligible, the monthly benefit is $12.50 per year of credited service, and for members who are Medicare-eligible, the monthly benefit is $6.25 per year of credited service.

[1] This summary is provided for general information purposes only and does not constitute legal advice. For detailed information about the Plan, refer to the Plan's Retirement Handbook.

Statistical Section

This section of the Plan's comprehensive annual financial report presents detailed information to assist the reader in understanding what the information in the financial statements, note disclosures, and required supplementary information indicate about the Plan's overall financial status.

Changes in Fiduciary Net Position

Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Pension Benefits					
Additions:					
Member contributions[1]	$ 11,248,020 [2]	$ 11,436,362	$ 11,979,390	$ 12,804,873	$ 12,849,520
Employer contributions[1]	37,347,133	37,809,048	40,955,026	44,362,545	43,127,064
Investment earnings (net of expenses)	149,237,500	234,113,308	199,977,322	(523,370,681)	198,018,642
Total additions to fiduciary net assets	197,832,653	283,358,718	252,911,738	(466,203,263)	253,995,226
Deductions:					
Benefit payments	86,053,631	95,436,244	104,926,801	115,090,867	121,191,856
Refunds	159,000	209,412	390,158	492,692	430,252
Administrative expenses	2,464,874	2,618,710	2,469,185	2,839,820	2,558,311
Total deductions from fiduciary net assets	88,677,505	98,264,366	107,786,144	118,423,379	124,180,419
Change in fiduciary net assets	$ 109,155,148	$ 185,094,352	$ 145,125,594	$ (584,626,642)	$ 129,814,807
Health Benefits					
Additions:					
Member contributions[1]	$ 1,038,456	$ 1,187,939	$ 1,297,609	$ 1,183,354	$ 1,291,670
Employer contributions[1]	3,530,326	4,075,768	4,504,640	4,253,783	4,551,097
Investment earnings (net of expenses)	7,812,975	11,955,835	10,012,367	(25,408,688)	9,252,242
Total additions to fiduciary net assets	12,381,757	17,219,542	15,814,616	(19,971,551)	15,095,009
Deductions:					
Benefit payments	9,201,577	9,933,174	10,612,929	10,822,553	11,003,408
Refunds	8,352	10,705	19,489	24,005	20,304
Administrative expenses	129,711	133,977	123,382	138,364	120,955
Total deductions from fiduciary net assets	9,339,640	10,077,856	10,755,800	10,984,922	11,144,667
Change in fiduciary net assets	$ 3,042,117	$ 7,141,686	$ 5,058,816	$ (30,956,473)	$ 3,950,342

[1] Employer and employee contributions are made in accordance with rates set by City ordinance. The contribution rate has been actuarially determined by an independent acturary to be sufficient to accumulate assets necessary to pay the actuarial liability when due.

[2] Effective January 1, 2005, the employer and employee contributions increased to 8.5% and 2.5%, respectively.

[3] Effective January 1, 2010, the employee contribution increased to 4.5%.

[4] Effective January 1, 2011, the employer and employee contributions increased to 9.5% and 5.5%, respectively.

[5] Effective January 1, 2012, the employer and employee contributions increased to 10.25% and 6.25%, respectively.

[6] Effective January 1, 2013, the employer and employee contributions increased to 11.00% and 7.00%, respectively.

[7] Effective January 1, 2014, the employer and employee contributions increased to 11.20% and 7.30%, respectively.

2010	2011	2012	2013	2014
$ 21,139,754 [3]	$ 26,110,772 [4]	$ 30,663,247 [5]	$ 37,138,512 [6]	$ 39,521,451 [7]
42,228,203	45,703,351	49,756,639	56,427,308	59,941,041
217,566,113	(2,396,020)	205,809,820	318,274,197	101,595,703
280,934,070	69,418,103	286,229,706	411,840,017	201,058,195
137,392,322	142,108,250	149,470,854	158,285,769	171,178,475
666,009	948,969	947,756	1,051,298	1,507,554
2,555,677	2,883,909	3,334,741	3,597,603	3,638,296
140,614,008	145,941,128	153,753,351	162,934,670	176,324,325
$ 140,320,062	$ (76,523,025)	$ 132,476,355	$ 248,905,347	$ 24,733,870
$ 1,950,508	$ 2,329,357	$ 2,492,678	$ 2,543,374	$ 2,725,316
2,924,858	4,202,033	4,241,292	4,135,064	4,332,376
9,714,426	(42,792)	8,635,748	12,911,917	3,966,864
14,589,792	6,488,598	15,369,718	19,590,355	11,024,556
11,708,006	12,471,835	12,446,444	12,582,751	12,846,786
30,120	41,255	39,653	42,505	58,314
115,362	125,390	139,510	145,169	140,710
11,853,488	12,638,480	12,625,607	12,770,425	13,045,810
$ 2,736,304	$ (6,149,882)	$ 2,744,111	$ 6,819,930	$ (2,021,254)

Schedule of Benefit Expenses by Type

Last Ten Fiscal Years

	2005	2006	2007	2008	2009
Age and Service Benefits:					
Retirees	$69,452,844	$77,386,468	$85,768,809	$94,138,108	$ 100,395,696
Survivor	3,723,260	4,057,908	4,342,907	4,772,142	5,050,283
Death in Service Benefits	2,766,450	2,802,956	2,905,886	3,118,334	3,347,207
Disability Benefits:					
Retirees:					
On-the-Job	571,189	581,664	607,662	695,022	646,932
Off-the-Job	2,871,960	2,986,632	3,115,834	3,257,205	3,377,520
Survivors	797,577	874,519	927,141	1,012,571	1,071,358
Lump Sum Death Benefits	1,275,203	996,348	1,199,236	1,055,949	1,310,065
Pension Benefits' Contribution Refunds	159,000	209,412	390,158	492,692	430,252
Health Benefits' Contribution Refunds	8,352	10,705	19,489	24,005	20,304
DROP Benefits	4,595,148	5,749,749	6,059,326	7,041,536	5,992,795
Pension Benefits	81,458,483	89,686,495	98,867,475	108,049,331	115,199,061
Health Benefits	9,201,577	9,933,174	10,612,929	10,822,553	11,003,408

2010	2011	2012	2013	2014
$ 114,044,816	$ 119,878,934	$ 127,091,564	$ 135,648,423	$ 146,505,901
5,415,206	5,879,654	6,126,099	6,619,661	7,274,571
3,636,127	3,659,245	3,736,130	3,781,917	3,965,980
769,792	818,527	869,781	826,071	844,509
3,712,434	3,888,218	3,854,524	3,940,566	4,018,848
1,124,708	1,122,643	1,238,793	1,309,114	1,433,661
1,376,342	1,508,915	1,315,428	1,350,159	1,415,762
666,009	948,969	947,756	1,051,298	1,507,554
30,120	41,255	39,653	42,505	58,314
7,312,897	5,352,114	5,238,535	4,809,858	5,719,243
130,079,425	136,756,136	144,232,319	153,475,911	165,459,232
11,708,006	12,471,835	12,446,444	12,582,751	12,846,786

Schedule of Retired Members by Type of Benefit - Pension

December 31, 2014

Amount of Monthly Benefit	Number of Retirees	Type of Retirement*							Option Selected**			
		1	2	3	4	5	6	7	1	2	3	4
$1- 50	95	92	3						94		1	
51- 100	120	75	21			9	15		81	29	4	6
101- 150	221	164	28	1	1	7	20		133	70	6	12
151- 200	235	165	38			6	23	3	130	74	11	20
201- 250	266	189	49			12	15	1	154	84	9	19
251- 300	247	151	43		3	22	26	2	145	79	3	20
301- 350	268	166	43		3	23	27	6	158	76	14	20
351- 400	218	137	35	1	10	17	15	3	135	54	7	22
401- 450	210	131	36		6	14	18	5	115	55	9	31
451- 500	218	120	37	1	13	17	27	3	118	66	12	22
501- 600	425	219	89	3	26	27	46	15	243	112	22	48
601- 700	351	204	53	1	26	20	36	11	207	80	24	40
701- 800	325	182	51	3	22	14	40	13	168	94	27	36
801- 900	300	182	39	3	15	20	36	5	158	79	22	41
901- 1,000	273	183	18	3	19	12	30	8	149	72	19	33
1,001-1,100	313	209	28	2	17	13	34	10	165	83	24	41
1,101-1,200	284	194	22	1	17	13	25	12	146	94	17	27
1,201-1,300	283	204	14	3	12	11	34	5	141	76	21	45
1,301-1,400	257	203	10	3	12	3	19	7	136	60	21	40
1,401-1,500	263	204	10	1	13	15	18	2	144	58	19	42
1,501-1,600	239	196	9	3	8	8	15		138	52	27	22
1,601-1,700	217	181	5	1	8	9	10	3	115	46	24	32
1,701-1,800	207	174	2		9	11	10	1	115	42	21	29
1,801-1,900	200	179	2		7	4	8		110	34	21	35
1,901-2,000	173	155	1		5	3	8	1	81	45	17	30
2,001-2,500	790	705	6	5	17	16	34	7	393	201	77	119
2,501-3,000	584	546	3	5	9	5	15	1	292	138	47	107
3,001-3,500	434	406		4	6	5	12	1	197	121	46	70
3,501-4,000	261	250	2		3	2	4		121	73	20	47
4,001-4,500	171	161			2	4	2	2	69	41	12	49
$4,501- over	367	349	1	2	4	3	7	1	143	102	44	78
Totals	8,815	6,676	698	46	293	345	629	128	4,694	2,290	648	1,183

* Type of Retirement:
1. Normal Retirement for Age and Service
2. Early Retirement
3. Disability – On-the-Job
4. Disability – Off-the-Job
5. Survivor Payment – Death in Service
6. Survivor Payment – Normal or Early Retirement
7. Survivor Payment – Disability Retirement

**Option Selected:
1. Life
2. 100% Joint and Survivor
3. 75% Joint and Survivor
4. 50% Joint and Survivor

Schedule of Retired Members by Type of Benefit - Health Insurance Reduction

December 31, 2014

(1) Non Medicare-eligible		(2) Medicare-eligible	
Amount of Reduction Eligible to Receive	Number of Retirees	Amount of Reduction Eligible to Receive	Number of Retirees
$12.50 - 50.00	79	$6.25 - 50.00	441
51.00 - 100.00	283	51.00 - 100.00	976
101.00 - 150.00	258	101.00 - 150.00	1057
151.00 - 200.00	194	151.00 - 200.00	928
201.00 - 250.00	259	201.00 - 250.00	337
251.00 - 300.00	270	251.00 - 300.00	64
301.00 - 350.00	285	301.00 - 350.00	38
351.00 - 400.00	273	351.00 - 400.00	35
401.00 - 450.00	220	401.00 - 450.00	13
451.00 - 500.00	58	451.00 - 500.00	1
501.00 - 550.00	12	501.00 - 550.00	3
551.00 - 600.00	7	551.00 - 600.00	3
601.00 - 650.00	3	601.00 - 650.00	1
651.00 - 700.00	4	651.00 - 700.00	1
701.00 - 750.00	1	701.00 - 750.00	2
751.00 - 800.00	0	751.00 - 800.00	0
$801.00 - over	0	$801.00 - over	1
Total	2,206	Total	3,901

Type of Benefit:

(1) Participants who are not Medicare-eligible are eligible for health/dental insurance premium reduction equal to $12.50 per month for each year of service.

(2) Participants who are Medicare-eligible are eligible for health/dental insurance premium reduction equal to $6.25 per month for each year of service.

Note: In some instances, the years of service of spouses may have been combined when determining the amount of benefit.

Schedule of Retired Members by Attained Age and Type of Pension Benefit

December 31, 2014

		Type of Retirement*						
Age	Number of Retirees/ Beneficiary	1	2	3	4	5	6	7
01-24	41				10	20	6	5
25-29	4					3		1
30-34	15					9	4	2
35-39	17					9	3	5
40-44	27				5	10	7	5
45-49	43	4			12	18	7	2
50-54	75	4		2	19	30	15	5
55-59	1,049	876	31	6	59	44	22	11
60-64	1,851	1,544	101	18	64	57	51	16
65-69	2,018	1,659	163	5	57	48	67	19
70-74	1,303	1006	120	2	33	27	91	24
75-79	924	661	100	6	15	28	96	18
80-84	668	465	59	4	11	17	104	8
85-89	444	293	39	3	6	13	87	3
90-94	268	123	75		2	10	54	4
95 and up	68	41	10			2	15	
Totals	8,815	6,676	698	46	293	345	629	128

*Type of Retirement:

1. Normal Retirement for Age and Service
2. Early Retirement
3. Disability – On-the-Job
4. Disability – Off-the-Job
5. Survivor Payment – Death in Service
6. Survivor Payment – Normal or Early Retirement
7. Survivor Payment – Disability Retirement

Average Monthly Benefit Payment – Pension

Last Ten Fiscal Years

Retirement Effective Date for the Years Ended December 31:	Years of Credited Service 0-5	6-10	11-15	16-20	21-25	26-30	31+	Total
2005								
Average Monthly Benefit	$157.05	$413.42	$723.78	$1,299.63	$1,531.58	$2,327.17	$3,307.38	$1,367.83
Mean Final Average Monthly Salary	$2,787.43	$3,991.64	$3,993.72	$4,294.89	$4,161.50	$4,599.48	$5,446.68	$4,305.44
Number of Retirees	7	81	52	48	40	36	42	306
2006								
Average Monthly Benefit	$241.12	$380.82	$798.58	$1,640.94	$2,061.07	$2,498.79	$3,358.99	$1,612.03
Mean Final Average Monthly Salary	$1,116.33	$3,672.48	$4,061.86	$5,301.29	$5,103.43	$7,480.71	$5,453.33	$4,562.89
Number of Retirees	7	86	71	59	50	44	63	380
2007								
Average Monthly Benefit	$52.26	$406.89	$668.51	$1,306.00	$1,802.38	$2,500.82	$3,146.99	$1,525.70
Mean Final Average Monthly Salary	$2,936.27	$3,784.99	$3,637.37	$4,493.97	$4,707.83	$4,897.62	$5,052.79	$4,372.90
Number of Retirees	1	88	56	68	55	50	61	379
2008								
Average Monthly Benefit	$758.53	$444.21	$844.40	$1,584.03	$2,316.39	$2,603.67	$3,369.03	$1,621.69
Mean Final Average Monthly Salary	$2,053.60	$3,781.87	$4,450.86	$4,998.35	$5,568.83	$5,209.11	$5,532.95	$4,742.67
Number of Retirees	3	94	63	72	44	55	46	377
2009								
Average Monthly Benefit	$170.48	$371.43	$861.17	$1,646.28	$2,171.89	$2,631.60	$3,380.10	$1,960.51
Mean Final Average Monthly Salary	$3,651.81	$3,179.39	$4,348.20	$5,337.72	$5,432.91	$5,123.81	$5,359.29	$4,883.90
Number of Retirees	5	93	77	114	126	73	142	630
2010								
Average Monthly Benefit	$211.53	$369.70	$979.86	$1,527.63	$2,163.74	$2,606.62	$3,138.77	$1,569.19
Mean Final Average Monthly Salary	$3,293.07	$3,738.27	$5,649.60	$5,459.85	$5,761.51	$5,114.12	$5,862.78	$5,152.88
Number of Retirees	5	72	63	74	40	33	48	335
2011								
Average Monthly Benefit	$296.19	$500.13	$1,078.70	$1,848.95	$2,506.49	$3,229.10	$3,896.81	$1,908.05
Mean Final Average Monthly Salary	$4,168.30	$4,069.33	$5,078.96	$5,671.69	$6,024.76	$5,987.34	$5,877.89	$5,268.32
Number of Retirees	40	74	66	90	44	43	55	412
2012								
Average Monthly Benefit	$547.95	$447.11	$1,083.12	$1,871.72	$2,482.05	$3,215.24	$4,361.42	$2,001.66
Mean Final Average Monthly Salary	$6,647.48	$3,884.74	$5,068.86	$5,761.95	$5,797.04	$6,102.37	$6,753.19	$5,716.52
Number of Retirees	34	101	104	78	61	37	52	467
2013								
Average Monthly Benefit	$291.11	$407.63	$1,091.12	$1,943.89	$2,882.70	$3,867.46	$4,470.81	$2,136.39
Mean Final Average Monthly Salary	$4,208.28	$3,809.74	$4,983.96	$5,834.63	$6,815.54	$7,356.09	$6,845.95	$5,693.45
Number of Retirees	29	91	87	103	85	55	63	513
2014								
Average Monthly Benefit	$236.76	$457.19	$1,130.46	$2,076.25	$3,135.95	$3,815.05	$4,512.90	$2,194.94
Mean Final Average Monthly Salary	$3,461.08	$4,024.75	$5,225.31	$6,393.35	$6,795.95	$7,206.76	$6,749.41	$5,693.80
Number of Retirees	36	126	79	92	72	54	55	514

Average Monthly Benefit Payment – Health Benefits Reduction

Last Eight Fiscal Years

	Years of Credited Service							
As of December 31:	**1-5**	**6-10**	**11-15**	**16-20**	**21-25**	**26-30**	**31+**	**Total**
2006								
Total Eligible Reduction Amount	$3,531	$30,738	$68,931	$125,975	$183,056	$230,344	$296,069	$938,644
Average Monthly Benefit Paid	$36.36	$62.47	$95.70	$145.35	$191.33	$245.71	$292.40	$186.00
Number of Retirees	89	423	608	780	876	872	897	4,545
2007								
Total Eligible Reduction Amount	$3,775	$30,788	$66,525	$127,688	$189,438	$239,006	$317,100	$974,320
Average Monthly Benefit Paid	$37.58	$62.76	$97.04	$145.41	$191.21	$246.67	$303.49	$190.26
Number of Retirees	96	432	599	794	915	910	957	4,703
2008								
Total Eligible Reduction Amount	$3,263	$33,463	$69,656	$139,150	$191,944	$245,413	$330,750	$1,013,639
Average Monthly Benefit Paid	$36.25	$71.05	$190.18	$161.05	$201.83	$256.98	$326.83	$190.26
Number of Retirees	90	471	638	864	951	955	1,012	4,981
2009								
Total Eligible Reduction Amount	$3,313	$35,381	$75,444	$154,194	$213,188	$256,800	$375,813	$1,114,133
Average Monthly Benefit Paid	$36.40	$72.50	$110.78	$165.44	$209.01	$260.18	$336.15	$209.54
Number of Retirees	91	488	681	932	1,020	987	1,118	5,317
2010								
Total Eligible Reduction Amount	$3,506	$34,006	$75,925	$157,556	$209,787	$252,344	$377,131	$1,110,255
Average Monthly Benefit Paid	$36.91	$69.97	$110.20	$164.12	$206.48	$255.41	$336.12	$207.29
Number of Retirees	95	486	689	960	1,016	988	1,122	5,356
2011								
Total Eligible Reduction Amount	$4,666	$31,748	$72,015	$157,243	$200,803	$262,652	$313,342	$1,042,469
Average Monthly Benefit Paid	$36.45	$62.25	$93.77	$151.05	$192.34	$246.39	$313.97	$187.66
Number of Retirees	128	510	768	1,041	1,044	1,066	998	5,555
2012								
Total Eligible Reduction Amount	$4,844	$32,767	$76,100	$161,844	$209,974	$266,394	$328,562	$1,080,485
Average Monthly Benefit Paid	$36.97	$61.36	$92.24	$147.27	$188.32	$241.08	$309.96	$184.10
Number of Retirees	131	534	825	1,099	1,115	1,105	1,060	5,869
2013								
Total Eligible Reduction Amount	$5,087	$33,201	$78,183	$165,711	$215,607	$267,749	$336,423	$1,101,961
Average Monthly Benefit Paid	$37.40	$60.70	$91.98	$144.60	$184.44	$235.90	$305.01	$181.06
Number of Retirees	136	547	850	1,146	1,169	1,135	1,103	6,086
2014								
Total Eligible Reduction Amount	$5,480	$34,538	$79,741	$166,663	$214,240	$267,382	$341,055	$1,109,099
Average Monthly Benefit Paid	$38.05	$60.17	$90.31	$139.35	$177.79	$229.12	$300.22	$175.91
Number of Retirees	144	574	883	1,196	1,205	1,167	1,136	6,305

Note: Only nine years of data are available because 2006 is the first year the information was captured.

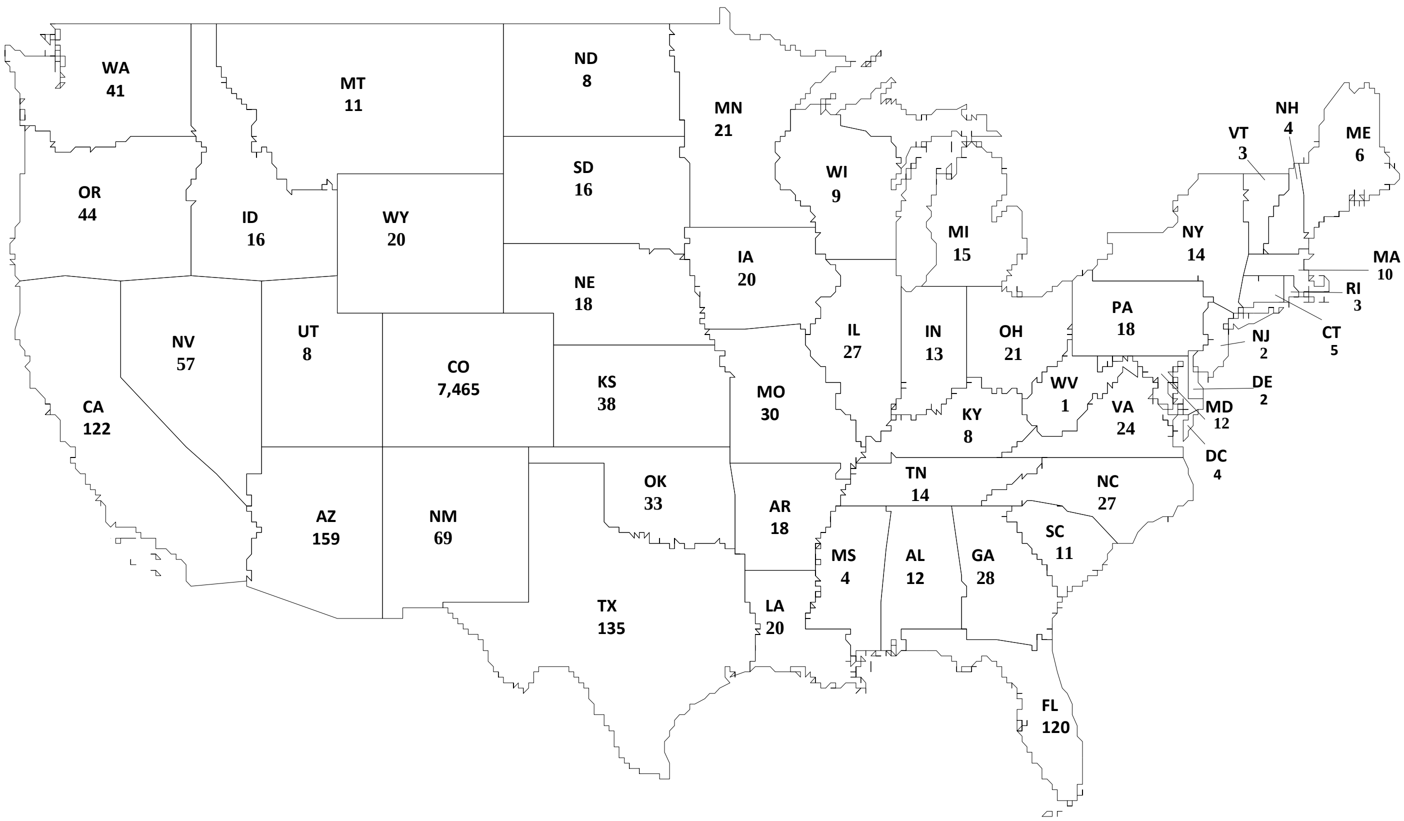
Principal Participating Employers

Current Year and Nine Years Ago

	2014			2005		
	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
Pension Benefits						
Participating Government:						
City and County of Denver	22,117	1	94.0%	16,497	1	90.7%
Denver Health and Hospital Authority	1,409	2	6.0%	1,695	2	9.3%
Total	23,526		100.0%	18,192		100.0%
Health Benefits						
Participating Government:						
City and County of Denver	22,117	1	94.0%	16,497	1	90.7%
Denver Health and Hospital Authority	1,409	2	6.0%	1,695	2	9.3%
Total	23,526		100.0%	18,192		100.0%

Location of Plan Retirees

Total Number of Retirees – 8,815



Other Countries and Territories

Argentina	1
Australia	1
Bulgaria	1
Costa Rica	3
Finland	1
Israel	3
Italy	1
Mexico	5
New Zealand	2
United Kingdom	2

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