

Key:

DO: Deferred Outflow of Resources
DI: Deferred Inflow of Resources
Input required by client or by CLA based on PERA's Schedule of Employer Allocations and Schedule of Collective Pension Amounts. See *Support & Entries* tab.

Entries Tab

Entry #1 *To record cumulative effect of change in accounting principal as of July 1, 2014 (booked in FY 15) based on the PERA-provided Schedule of Employee Allocations for 2013 (Prior Period Adjustment)*

Entry is recording the Net Pension Liability as of June 30, 2014 based on the December 31, 2013 measurement date. This is due to the retroactive application of GASB Stmt. No. 68. Balance is calculated by taking the total Net Pension Liability as of the December 31, 2013 measurement date, multiplied by the entity's allocation percentage.

Entry #2 *To reclass contributions made to PERA for the period January 1, 2014 to June 30, 2014*

Balance is a client provided amount based on estimated actual contributions made subsequent to the December 31, 2013 measurement date. The sum of debit entry to *Unrestricted Net Position* in entry #1 and credit entry to *Unrestricted Net Position* in entry #2 is the net effect of adopting new accounting standard.

Entry #3a *To record Deferred Outflow for Employer Contributions after measurement date - January 1, 2015 - June 30, 2015, and reverse out prior year Deferred Outflow.*

Balance is a client provided amount based on estimated actual contributions made subsequent to the December 31, 2014 measurement date and are reported as a Deferred Outflow of Resources. Entry also reverses out prior year Deferred Outflow against NPL being that these contributions are now considered as part of the Net Pension Assets, which reduce the Net Pension Liability.

Entry #3b *To apply remaining contributions to PERA as a reduction of NPL vs a pension expense. 1/1 to December 31, 2014*

This amount represents contributions made during the period of 7/1/2014 through 12/31/14. Please note, this entry is a reduction to the Net Pension Liability. This is due to: 1) Contributions made by entity's during a fiscal year, increases the *Plan Fiduciary Net Position (FNP)*; and 2) the calculation of *Net Pension Liability* is calculated as *Total Pension Liability, less Plan Fiduciary Net Position (FNP)*. (Note that contributions from 1/1/15 - 6/30/15 were reversed out of Pension expense in entry 3 a. As such, prior to the entries below, pension expense should be \$0 at this point.)

Entry #4 *To record year-end GASB 68 entries for Collective Deferrals from Schedule of Pension Amounts prepared by PERA (true-up pension expense)*

Entry is recording the pension expense to be utilized in the Net Pension Liability rollforward as shown on the *Support* tab. Components of the entry include: 1) *Net Difference Between Projected and Actual Investment Earnings*, which is shown as a Deferred Outflow of Resources; 2) *Difference Between Expected and Actual Experience*, which is shown as a Deferred Inflow of Resources; and 3) *Net Pension Liability*. Items #1 and #2 are shown on the support tab and can be found on the December 31, 2014 *Schedule of Employer Allocations and Schedule of Collective Pension Amounts* prepared by PERA. *Net Pension Liability* balance consists of three components: 1) Increase (decrease) in the entity's proportionate share of the total *Net Pension Liability* from the December 31, 2013 measurement date to the December 31, 2014 measurement date; 2) January 1, 2014 - June 30, 2014 contributions (Entry #3a); and 3) July 1, 2014 - December 31, 2014 contributions (Entry #3b).

Entry #5a *Assuming DECREASE in proportionate Share*

Entry #5b *Assuming INCREASE in proportionate Share*

Entry to be recorded is based on the change in proportionate share as shown on the "Support" tab. For example, if the current year proportionate share percentage increases from the prior year, *Entry #5b* will be utilized. If the proportionate share increases, the resulting effect is an increase to Net Pension Liability and a debit to Deferred Outflow of Resources and Pension expense resulting from the increases. If the proportionate share decreases from the prior year, *Entry #5a* will be used. The effect is a decrease to Net Pension Liability and a credit to Deferred Inflow of Resources and Pension Expense. An entities current year and prior year proportionate share can be found on the *Schedule of Employer Allocations and Schedule of Collective Pension Amounts* provided by PERA for years ended December 31, 2013 and December 31, 2014.

Journal Entries

FY15 - Year of Implementation

		DR	CR
Entry # 1			
Debit	Unrestricted Net Position (PY restatement)	\$ 1,496,419,823.44	
Credit	Net Pension Liability		\$ 1,496,419,823.44
Entry # 2			
Debit	Deferred Outflow - Contributions Made After 12/31/13	\$ 38,871,510.23	
Credit	Unrestricted Net Position (PY restatement)		\$ 38,871,510.23
<i>Net effect of adoption of new accounting standard</i>		<u>\$ 1,457,548,313.21</u>	
Entry # 3a			
Debit	DO-Contributions subsequent to measurement date	41,591,286.08	
Credit	Employer Contribution Expense		\$ 41,591,286.08
Debit	Employer Contribution Expense	\$ 38,871,510.23	
Credit	DO-Contributions subsequent to measurement date		\$ 38,871,510.23
Entry # 3b			
Debit	Net Pension Liability	\$ 77,999,319.68	
Credit	Employer Contribution Expense		\$ 77,999,319.68
Entry # 4			
Debit	Pension Expense	\$ 133,268,077.00	
Debit	DO – Experience Loss	\$ -	
Debit	DO – Change of Assumptions Loss	\$ -	
Debit	DO – Investment Earnings less than Expected	\$ 35,320,488.70	
Credit	DI – Experience Gain		\$ 114,681.69
Credit	DI – Change of Assumptions Gain		\$ -
Credit	DI – Investment Earnings more than Expected		\$ -
Credit	Net Pension Liability		\$ 168,473,884.20
		<u>\$ 168,588,565.70</u>	<u>\$ 168,588,565.89</u>
Entry #5a			
Debit	Net Pension Liability	\$ 51,002,910.35	
Credit	DI – Proportionate Share Decrease (service life minus 1 yr)		\$ 37,218,339.98
Credit	Pension Expense (first year amortization)		\$ 13,784,570.36
		<u>\$ 51,002,910.35</u>	<u>\$ 51,002,910.35</u>
Entry #5b			
Debit	DO – Proportionate Share Increase (service life minus 1 yr)	\$ -	
Debit	Pension Expense (first year amortization)	\$ -	
Credit	Net Pension Liability		\$ -
		<u>\$ -</u>	<u>\$ -</u>

Support for Calculation

**Jeffco Public Schools
Colorado PERA
Schedule of Employer Allocations &
Schedule of Collective Pension Amounts**

Select: School District Trust

NOTE: CLA tied the allocation percentages back to wp 2400.15 and 2400.20, the information pulled from the report from COPERA is at tab CLA and pulled directly from the report.

12/31/2013

Jeffco Public Schools Allocation %	11.7320501066% (1)
Total Net Pension Liability	\$ 12,754,973,000 (2)
Jeffco Public Schools Proportionate Share of NPL	\$ 1,496,419,823

12/31/2014

Jeffco Public Schools Allocation %	11.3321832441% (3)
	CO PERA Jeffco Public Schools Share
Total Net Pension Liability	\$ 13,553,359,000 (4) \$ 1,535,891,478
Increase (decrease) in NPL	\$ 39,471,654
DO - Experience	\$ - \$ -
DO - Investment Earnings	\$ 311,683,000 (5) \$ 35,320,489
DI - Experience	\$ (1,012,000) (6) \$ (114,682)
DI - Assumptions	\$ - \$ -
DI - Investment Earnings	\$ - \$ -
Pension Expense	\$ 1,174,038,000 (7) \$ 133,044,138

PERA CAFR Contribution	\$ 686,323,000 (8)
District Proportion Share	77,775,360
Allocation Contributions	77,999,320 (9)
Difference	223,940
Pen Expense Difference	(223,939)
	0.19 Check Figure
Pension expense calculated	119,483,507
Change in proportionate share	13,784,570
Change from how calculated	(223,939)
	\$ 133,044,138
	(0.19) Check Figure

		Average Expected			
		Remaining Service Life	CY Pension Expense		CY DO (D)
Change in proportionate share:					
CY %	11.3321832441% (3)				
PY %	11.7320501066% (2)				
Increase (decrease) in %	-0.3998668625%				
Apply to beginning Total NPL	\$ 12,754,973,000				
Increase (decrease) in NPL due to change in proportionate share	\$ (51,002,910)	\$ 3.70	\$ (13,784,570)	\$	(37,218,340)

Rollforward of NPL:

Beginning NPL	\$ 1,496,419,823
Change in Investments	\$ 35,320,489
Change in experience	\$ (114,682)
Employer Contribution	\$ (77,999,320)
Pension expense	\$ 133,268,077
Change in proportionate share	\$ (51,002,910)
Ending NPL (calculated)	\$ 1,535,891,477
Ending NPL (per PERA)	\$ 1,535,891,478

Difference 0.19

Footnote on Deferrals

	Change in proportionate share	Earnings	Experience	Totals
2016	\$ (13,784,570)	\$ 8,830,122	\$ (42,475)	\$ (4,996,923)
2017	\$ (13,784,570)	\$ 8,830,122	\$ (42,475)	\$ (4,996,923)
2018	\$ (9,649,200)	\$ 8,830,122	\$ (29,732)	\$ (848,810)
2019	\$ -	\$ 8,830,122	\$ -	\$ 8,830,122
2020	\$ -		\$ -	
2021	\$ -		\$ -	
2022	\$ -		\$ -	
2023	\$ -			
2024	\$ -			
	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (37,218,340)	\$ 35,320,489	\$ (114,682)	\$ (2,012,533)

PERA SUPPORT SCHEDULES

**Colorado Public Employees' Retirement Association
School Division Trust Fund
Schedule of Employer Allocations
As of and for the year ended December 31, 2013
(In Actual Dollars)**

Affiliated Employer Number	Affiliated Employer Name	2013 Employer Pension Contributions (Annualized)	Employer Allocation Percentage
490	Jefferson County School District	73,450,112.96	11.7320501066%
500	Kiowa RE-1 School District	169,529.04	0.0270785585%
501	Plainview School District	86,226.14	0.0137727411%
512	Hi Plains School District R-23	139,927.29	0.0223503263%
513	Stratton School District R-4	167,332.13	0.0267276508%
514	Bethune Public Schools	159,652.40	0.0255009817%
515	Burlington School District	459,593.98	0.0734100923%
517	Arriba-Flagler School District	167,450.60	0.0267465730%
520	Lake County School District	898,645.77	0.1435390193%
528	Mountain Middle School	97,864.11	0.0156316526%
529	Animas High School	188,271.87	0.0300723167%
530	Durango School District	3,952,384.18	0.6313069838%
531	Bayfield School District	1,086,502.68	0.1735450552%
532	Ignacio School District	777,278.53	0.1241532561%
533	San Juan Board of Cooperative Services	589,660.99	0.0941854539%
538	Global Village Academy - Fort Collins	55,614.46	0.0088831942%
539	Colorado Early Colleges Fort Collins	99,888.80	0.0159550527%
540	Poudre School District RE-1	21,551,059.51	3.4423107035%
541	Thompson School District	11,506,682.09	1.8379409554%
542	Estes Park School District R-3	1,041,186.41	0.1663067715%
544	New Vision Charter School	219,268.64	0.0350233720%
545	Loveland Classical Schools	286,625.95	0.0457822304%
546	Mountain Sage Community School	66,165.29	0.0105684583%
548	Liberty Charter School	543,068.09	0.0867432575%
549	Ridgeview Classical Schools	428,841.72	0.0684980918%
550	Trinidad School District	844,181.73	0.1348395789%
551	Primero School District	257,345.60	0.0411053344%
552	Hoehne School District	239,334.80	0.0382285037%
553	Agullar School District	139,839.15	0.0223362481%
554	Branson School District	260,538.61	0.0416153484%
555	Kim School District	66,663.98	0.0106481129%
560	Limon School District	299,138.29	0.0477808040%
561	Genoa-Hugo School District	176,734.10	0.0282294088%
563	Karval School District	125,269.40	0.0200090484%
566	East Central Board of Cooperative Educational Services	393,398.54	0.0628368173%
571	Valley School District	1,661,544.26	0.2653953776%
572	Frenchman School District RE-3	192,907.75	0.0308127964%
573	Buffalo School District	252,726.79	0.0403675812%
574	Peetz Plateau School District	216,766.29	0.0346236769%
580	De Beque School District	180,684.29	0.0288603661%
581	Plateau Valley School District	375,059.51	0.0599075586%
582	Mesa Valley School District	15,797,509.02	2.5233067719%
583	Grand Valley Board of Cooperative Educational Services	74,115.16	0.0118382762%
584	Independence Academy	112,862.37	0.0180272965%
585	Caprock Academy	339,996.36	0.0543069872%
587	Juniper Ridge Community School	78,048.51	0.0124665440%
590	Creede School District	139,263.50	0.0222442998%
600	Moffat Public Schools	1,861,851.12	0.2973900208%
610	Montezuma-Cortez School District	1,975,547.27	0.3155504952%
611	Dolores School District	526,055.66	0.0840258930%
612	Mancos School District	333,286.18	0.0532351817%

Colorado Public Employees' Retirement Association
School Division Trust Fund
Schedule of Collective Pension Amounts
As of December, 31 2013
(\$ in Thousands)

	Net Pension Liability (NPL) at 7.50%
Total	<u>\$ 12,754,973</u> 2

The accompanying notes are an integral part of the Schedule of Collective Pension Amounts.

Colorado Public Employees' Retirement Association
School Division Trust Fund
Schedule of Employer Allocations
As of and for the year ended December 31, 2014
(In Actual Dollars)

Affiliated Employer Number	Affiliated Employer Name	2014 Employer Pension Contributions (Annualized)	Employer Allocation Percentage
481	Prospect Ridge Academy	546,770.22	0.0794378771%
482	Stargate Charter School	487,500.75	0.0708268725%
483	Westgate Community School	244,663.75	0.0355461357%
484	Rocky Mountain Charter Collaborative	359,458.08	0.0522241079%
490	Jefferson County School District	77,999,319.69	11.3321832441%
500	Kiowa RE-1 School District	182,350.37	0.0264928948%
501	Plainview School District	87,551.59	0.0127199914%
512	Hi Plains School District R-23	150,384.59	0.0218487262%
513	Stratton School District R-4	188,274.62	0.0273536036%
514	Bethune Public Schools	164,852.35	0.0239506838%
515	Burlington School District	502,885.83	0.0730621038%
517	Arriba-Flagler School District	177,505.98	0.0257890749%
520	Lake County School District	993,817.47	0.1443874344%
527	Children's Kiva Montessori School	29,919.99	0.0043469455%
528	Mountain Middle School	104,168.43	0.0151341804%
529	Animas High School	233,668.79	0.0339487260%
530	Durango School District	4,342,028.74	0.6308345451%
531	Bayfield School District	1,243,991.01	0.1807340644%
532	Ignacio School District	830,359.38	0.1206393170%
533	San Juan Board of Cooperative Services	602,739.76	0.0875694484%
537	Fort Collins Montessori School	35,467.16	0.0051528706%
538	Global Village Academy - Fort Collins	62,719.59	0.0091122581%
539	Colorado Early Colleges Fort Collins	143,409.84	0.0208353937%
540	Poudre School District RE-1	24,095,758.42	3.5007683519%
541	Thompson School District	12,852,671.94	1.8673090248%
542	Estes Park School District R-3	1,040,741.25	0.1512047873%
544	New Vision Charter School	226,128.01	0.0328531585%
545	Loveland Classical Schools	321,077.51	0.0466479602%
546	Mountain Sage Community School	92,163.47	0.0133900310%
548	Liberty Charter School	604,240.33	0.0877874598%
549	Ridgeview Classical Schools	470,286.05	0.0683258233%
550	Trinidad School District	846,453.73	0.1229775951%
551	Primero School District	279,570.43	0.0406175770%
552	Hoehne School District	254,187.56	0.0369298092%
553	Aguilar School District	145,809.03	0.0211839630%
554	Branson School District	281,950.85	0.0409634171%
555	Kim School District	73,874.22	0.0107328656%
560	Limon School District	332,662.09	0.0483310340%
561	Genoa-Hugo School District	191,458.55	0.0278161837%
563	Karval School District	112,915.38	0.0164049861%
566	East Central Board of Cooperative Educational Services	411,950.73	0.0598505374%
571	Valley School District	1,809,738.13	0.2629290127%
572	Frenchman School District RE-3	211,329.60	0.0307031620%
573	Buffalo School District	272,059.68	0.0395263725%
574	Peetz Plateau School District	229,698.31	0.0333718722%
580	De Beque School District	195,238.19	0.0283653111%
581	Plateau Valley School District	407,249.55	0.0591675226%
582	Mesa Valley School District	18,441,610.51	2.6793016971%
583	Grand Valley Board of Cooperative Educational Services	71,499.74	0.0103878868%
584	Independence Academy	126,564.03	0.0183879399%
585	Caprock Academy	382,529.84	0.0555761026%
587	Juniper Ridge Community School	95,978.81	0.0139443452%
588	Mesa Valley Community School	120,825.51	0.0175542147%

Colorado Public Employees' Retirement Association
 School Division Trust Fund
 Schedule of Collective Pension Amounts
 As of and For the Year Ended December 31, 2014
 (\$ in Thousands)

	Net Pension Liability (NPL) at 7.50%	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense	
		Difference Between Expected and Actual Experience	Changes of Assumptions or Other Inputs	Net Difference Between Projected and Actual Investment Earnings	Total Deferred Outflows of Resources Excluding Employer Specific Amounts ¹	Difference Between Expected and Actual Experience	Changes of Assumptions or Other Inputs	Total Deferred Inflows of Resources Excluding Employer Specific Amounts ¹	Pension Expense
Total	\$ 13,553,359	\$ -	\$ -	\$ 311,683	\$ 311,683	\$ (1,012)	\$ -	\$ (1,012)	\$ 1,174,038

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¹ Employer specific amounts that are excluded from this schedule are the changes in proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date as defined in paragraphs 54 through 57 of GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

The accompanying notes are an integral part of the Schedule of Collective Pension Amounts.

Colorado Public Employees' Retirement Association
School Division Trust Fund
Notes to the Schedule of Employer Allocations and Schedule of Collective Pension Amounts
December 31, 2014
(In Thousands of Dollars)

Note 5 – Employer Allocation Percentages

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the SCHDTF to recognize their proportionate share of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense in their financial statements. The Schedule of Employer Allocations is prepared to provide employers with their calculated proportion. The proportions presented in this schedule are based on employer contributions as a percentage of total employer contributions during the measurement period or reporting months January 1, 2014 through December 31, 2014. This schedule reports contributions and allocations for each reporting agency affiliated with PERA in the SCHDTF. Employer contributions are recognized in the period in which the compensation becomes payable to the member and the employer is statutorily committed to pay the contributions to the SCHDTF. Contributions are reduced by the allocation to the Health Care Trust Fund for all reporting agencies; and if applicable, for refunds of contributions. In limited instances, adjustments were made to contributions of employers due to mergers or spin-offs of reporting agencies within the SCHDTF. Also, contributions have been annualized for employers who did not participate in the SCHDTF for the twelve month period.

As reported in the SCHDTF's Statement of Changes in Fiduciary Net Position in the December 31, 2014 PERA CAFR, employer contributions were \$686,323 compared to the total employer contributions of \$688,299 on the Schedule of Employer Allocations. The difference is due to the annualization of contributions and other adjustments to better represent the long-term contribution effort of the employers in the SCHDTF.

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Note 6 – Actuarial Valuation Date

The collective total pension liability is based upon the December 31, 2013 actuarial valuation. An expected total pension liability is determined as of December 31, 2014 using standard roll-forward techniques. The roll forward calculation includes actual benefits, refunds and disability premiums paid for the plan year, interest on the total pension liability, the annual normal cost (also called service cost), changes of benefit terms, differences between expected and actual experience at the end of year, and changes of assumptions or other inputs.

Sample RSI Schedules

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years

	<u>2014</u>	<u>2013</u>
District's proportion (percentage) of the collective net pension liability	11.3321832441%	11.7320501066%
District's proportionate share of the collective pension liability	11 1,451,023,165 3 B	10 1,420,871,997 1
Covered-employee payroll	448,446,768 A	449,164,037
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	A/B 30.91%	31.61%
Plan fiduciary net pension as a percentage of the total pension liability	62.80%	64.06%

The amounts presented for each fiscal year were determined as of December 31.

JEFFERSON COUNTY SCHOOL DISTRICT, NO. R-1
Schedule of Contributions and Related Ratios
Last 10 Fiscal Years

As of June 30,	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contributions	\$ 76,073,368	\$ 71,324,403	\$ 67,961,016
Contributions in relation to the statutorily required contribution	<u>76,073,368</u>	<u>71,324,403</u>	<u>67,961,016</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	450,960,315	445,953,649	450,325,361
Contribution as a percentage of covered-employee payroll	16.87%	15.99%	15.09%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 64,279,955	\$ 63,755,788	\$ 60,831,453	\$ 55,276,166	\$ 48,382,559	\$ 48,667,926	\$ 44,465,782
<u>64,279,955</u>	<u>63,755,788</u>	<u>60,831,453</u>	<u>55,276,166</u>	<u>48,382,559</u>	<u>48,667,926</u>	<u>44,465,782</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
452,971,847	478,394,132	489,243,753	479,339,659	465,259,023	446,675,410	425,354,626
14.19%	13.33%	12.43%	11.53%	10.40%	10.90%	10.45%

Sample Footnote

14. Pension plan

Plan description - Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits - PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions - Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2015
Employer Contribution Rate ¹	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	3.80%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	3.50%	4.00%
Total Employer Contribution Rate to the SCHDTF ¹	16.43%	17.33%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$76,073,368 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$1,451,023,165 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2014. The District proportion of the net pension liability was based on contributions to the SCHDTF for the calendar year 2014 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2014, the District's proportion was 94.47percent, which was a decrease of .48 percent from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$110,951,670. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	-	\$108,345
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	\$33,368,795	-

Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	40,371,618
Contributions subsequent to the measurement date	39,293,088	-
Total	\$72,661,883	\$40,479,963

\$39,293,088 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$(6,650,380)
2017	(6,650,380)
2018	(2,152,606)
2019	8,342,198

Actuarial assumptions - The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were 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 then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

Discount rate - The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current 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. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$1,913,306,601	\$1,451,023,165	\$1,064,084,090

Pension plan fiduciary net position - Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports

15. Other post-employment benefits

Plan Description – The District contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The District is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended. For the years ending June 30, 2013, 2014 and 2015, the contributions to the HCTF were \$4,779,500, \$4,743,503 and \$4,834,960, respectively, equal to their required contributions for each year.