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, 2013

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, 2013

John J. Hanley
Retirement Board Chair

Steven E. Hutt
Executive Director

Prepared by the Plan Staff

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Investment Section

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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, 2014

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, 2013.

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 net position of the Plan as of December 31, 2013, and the changes in net position for the year then ended.

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 2013 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, 2013, there were 8,304 active and 8,481 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 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 2013, the Plan's investment portfolio experienced strong gains, returning 18.83% gross of fees. These investment results exceeded both the overall strategic benchmark return for the Plan, as well as the median peer return, surpassing the annual return earned by 75% of other public pension funds nationally.

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 Plan's funded status for the year beginning January 1, 2013 was 76.4%. The Plan continues to work successfully with the Plan Sponsor to annually receive the full amount of the actuarially required contribution necessary to achieve the Plan's funding goals. A history of the Plan's funded status through January 1, 2013 is presented in the required supplementary information in the Financial Section of this CAFR. Additional information 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, 2012. 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 24 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 2013 and who prepared this report. We hope readers find this report 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,

John J. Hanley
Retirement Board Chair

Steven E. Hutt
Executive Director

Retirement Board

Each member is appointed by the Mayor of Denver

Cheryl Cohen-Vader
Term expires January 1, 2020

John J. Hanley
Term expires January 1, 2017

Thomas J. Migaki
Term expires January 1, 2015

Eric S. Rothaus
Term expires January 1, 2016

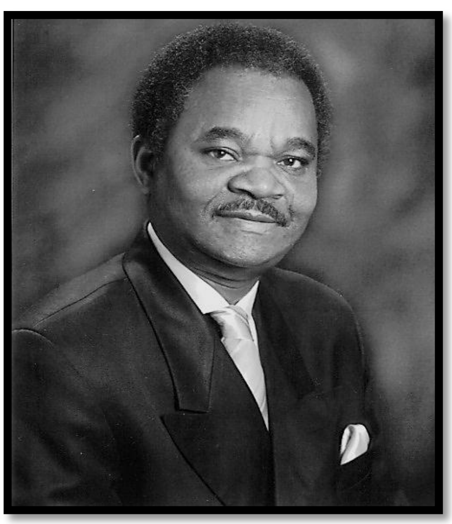
Thomas Williams
Term expires January 1, 2019

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 May 31, 2015

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



Adeniyi M. Kelani, Ph.D.
Term expires May 31, 2014

Erma D. Zamora
Term expires May 31, 2016

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
- Bank of New York Mellon Corporation
- Cadence Capital Management
- Eagle Capital Management
- Franklin Global Advisors
- Neuberger Berman, LLC
- Sit Investment Associates, Inc.

Real Estate Managers
- Contrarian Capital Management, LLC
- Fidelity Real Estate Group
- JP Morgan Asset Management
- Prudential Real Estate Investors
- UBS Global Asset Management
- Walton Street Capital

International Equity Managers
- Bank of New York Mellon Corporation
- Dimensional Fund Advisors
- LSV Asset Management
- Pyramis Global Advisors
- Templeton Investment Counsel, LLC

Alternative Investments Managers
- Adams Street Partners, LLC
- EIG Global Energy Partners
- Hancock Timber Resource Group
- INVESCO Private Capital
- JP Morgan Asset Management
- Tortoise Capital Advisors

Domestic Fixed Income Managers
- Bank of New York Mellon Corporation
- Golub Capital
- Pictet Asset Management Limited
- Sankaty Advisors
- Smith Graham & Company

Absolute Return Funds
- Prisma Capital Partners

Investment commissions and fees can be found on pages 47-49 in the Investment Section.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Denver Employees Retirement Plan

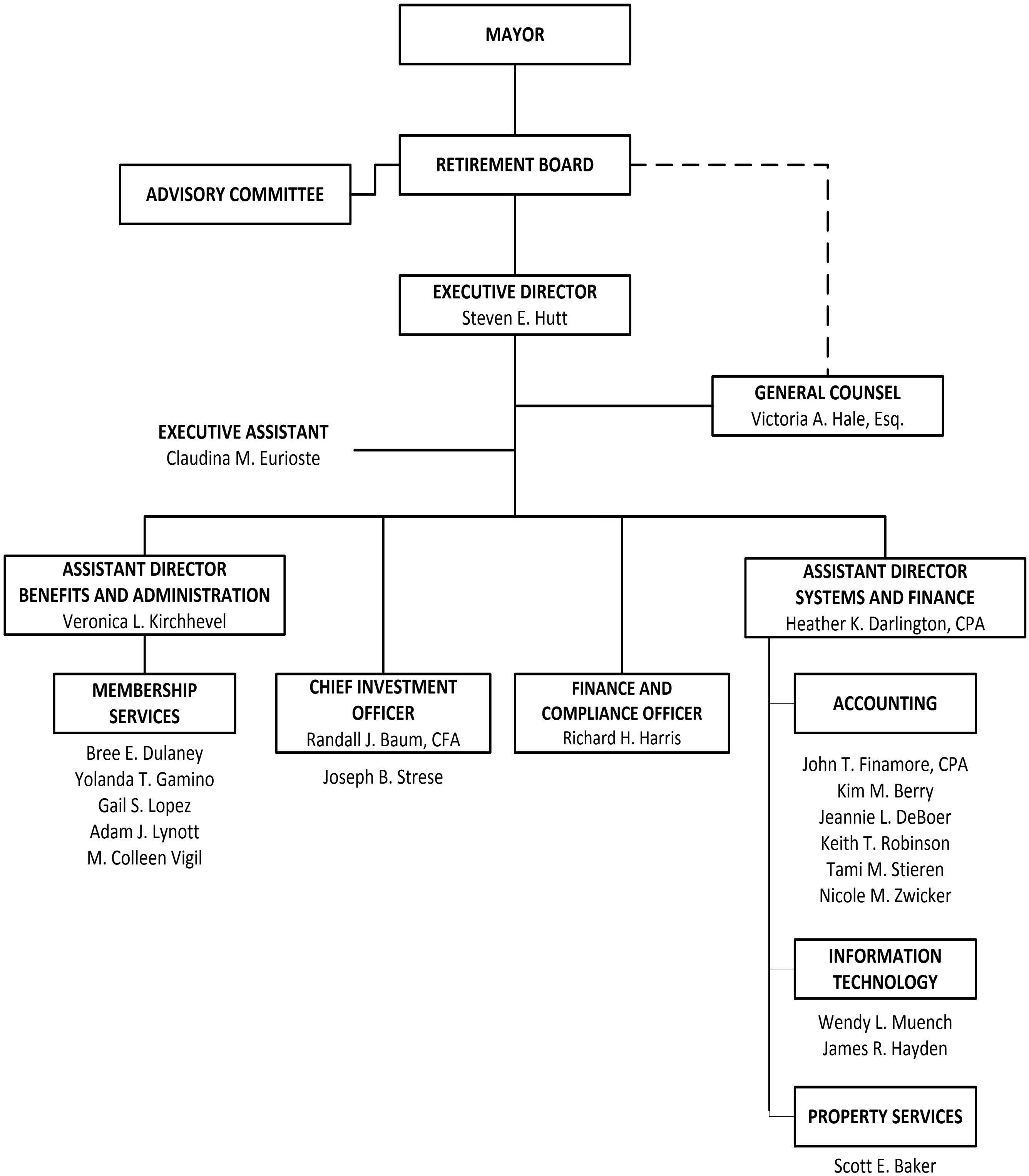
Colorado

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

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 year ended December 31, 2013, 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.

NEXIA INTERNATIONAL An independent member of Nexia International

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, 2013, and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from the Plan's 2012 financial statements, which were audited by other auditors, and whose report dated May 30, 2013 expressed an unmodified audit opinion on those audited financial statements.

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 funding progress and schedule of employer contributions 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 audit was 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 April 15, 2014, 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

Denver, Colorado
April 15, 2014

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, 2013. 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, 2013, $2,110,415,865 (net) was restricted for the payment of benefits and to meet the Plan's future obligations to its members and their beneficiaries.

For 2013, the Plan's total net position restricted for benefits increased by $255,725,277 a 13.8% increase from the amount of net position restricted for benefits reported at the end of 2012. The net increase for 2013 is primarily the result of favorable financial markets for the year that contributed to a net investment profit of $331,186,114.

Additions to the Plan's net position included contributions of $53,424,064 from the City and County of Denver (the City) and $7,138,308 from the Denver Health and Hospital Authority (DHHA). Active members of the Plan contributed $39,681,886. The Plan had net securities lending transaction income of $1,008,340.

Deductions from the Plan's net position during 2013 totaled $175,705,095. This amount is 5.6% higher than the total 2012 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, 2013, the date of the last actuarial valuation, the funded ratio for the pension and health benefits funds was 76.4% and 55.7%, 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 Plan Net Position
- Statement of Changes in Plan Net Position
- Notes to Financial Statements
- Required Supplementary Information

The Statement of Plan Net Position presents the Plan's assets, liabilities and net position as of December 31, 2013, with summarized comparative totals for 2012. This statement reflects the Plan's net position available for benefits in each the retirement and the health benefits funds as of December 31, 2013, and in the aggregate as of December 31, 2012.

The Statement of Changes in Plan Net Position shows the additions to and deductions from the Plan's net position during 2013, with summarized comparative totals for 2012.

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, 2013 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, 2013, 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 55.7%, meaning the Plan had approximately $0.56 in actuarial assets available for payment for every dollar of health benefits due.

On December 31, 2013, the Plan's net position totaled $2,110,415,865. Of this amount, $107,196,781 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 2013 due to favorable market conditions impacting investments. As of December 31, the Plan's net position was:

	2013	2012	Amount of Change	Percentage Change
Assets				
Cash, short-term investments, and receivables and prepaid items	$ 43,571,687	$ 34,797,815	$ 8,773,872	25.2%
Securities lending collateral	230,030,240	185,735,650	44,294,590	23.8%
Investments, at fair value	2,067,034,957	1,818,884,214	248,150,743	13.6%
Capital assets, net	5,406,372	5,803,286	(396,914)	-6.8%
Total assets	2,346,043,256	2,045,220,965	300,822,291	14.7%
Liabilities				
Accounts payable and unsettled securities purchased	5,597,151	4,794,727	802,424	16.7%
Securities lending obligations	230,030,240	185,735,650	44,294,590	23.8%
Total liablilities	235,627,391	190,530,377	45,097,014	23.7%
Plan net position	$ 2,110,415,865	$ 1,854,690,588	$ 255,725,277	13.8%

Management's Discussion and Analysis

Reserves

The Plan has established a reserve account for accumulated DROP benefits of $107,196,781 as of December 31, 2013. 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 considerable 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 13.8% 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:

	2013	2012	Amount of Change	Percentage Change
Additions				
Contributions	$ 100,244,258	$ 87,153,856	$ 13,090,402	15.0%
Net investment earnings	331,186,114	214,445,568	116,740,546	54.4%
Total additions, net	431,430,372	301,599,424	129,830,948	43.0%
Deductions				
Benefits	171,962,323	162,904,707	9,057,616	5.6%
Administrative expenses	3,742,772	3,474,251	268,521	7.7%
Total deductions	175,705,095	166,378,958	9,326,137	5.6%
Change in net position	255,725,277	135,220,466	120,504,811	89.1%
Beginning of year net position	1,854,690,588	1,719,470,122	135,220,466	7.9%
End of year net position	$ 2,110,415,865	$ 1,854,690,588	$ 255,725,277	13.8%

Additions to Plan 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 2013 totaled $60,562,372, which is 12.2% higher than the amounts contributed in 2012, due primarily to an increase in the contribution rate in January, 2013. During 2013, employees contributed a total of $39,681,886, which is an increase of 19.7% over the 2012 amount due to increases in the contribution rate and service buybacks. The Plan's net investment return was approximately 18.2% in 2013 compared to 13.1% in 2012.

	2013	2012	Amount of Change	Percentage Change
Employer contributions	$ 60,562,372	$ 53,997,931	$ 6,564,441	12.2%
Employee contributions	39,681,886	33,155,925	6,525,961	19.7%
Net appreciation (depreciation) in fair value of investments	301,827,494	188,100,285	113,727,209	60.5%
Interest, dividends, real estate/alternative investments, and absolute return income	41,519,314	36,035,898	5,483,416	15.2%
Securities lending transactions income, net	1,008,340	894,735	113,605	12.7%
Investment expenses	(13,169,034)	(10,585,350)	(2,583,684)	24.4%
Total additions, net	$ 431,430,372	$ 301,599,424	$ 129,830,948	43.0%

Management's Discussion and Analysis

Deductions from Plan 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, 2013, deductions totaled $175,705,095, an increase of 5.6% over the amount of 2012 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 depreciation expense and operating costs associated with the Plan's new computer system for administering benefits.

	2013	2012	Amount of Change	Percentage Change
Benefits	$ 170,868,520	$ 161,917,298	$ 8,951,222	5.5%
Employee refunds	1,093,803	987,409	106,394	10.8%
Administrative expenses	3,742,772	3,474,251	268,521	7.7%
Total deductions	$ 175,705,095	$ 166,378,958	$ 9,326,137	5.6%

Capital Assets

Capital assets, net of accumulated depreciation, had a net decrease of $396,914 for the year ended December 31, 2013, which is comprised primarily of depreciation expense of $425,511. See Note 9 *Capital Assets* for additional information.

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, 2013, 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 Plan Net Position

December 31, 2013

(with Summarized Comparative Totals for December 31, 2012)

	Pension Benefits	Health Benefits	December 31, 2013	December 31, 2012
Assets				
Cash and short-term investments	$ 39,930,315	$ 1,570,776	$ 41,501,091	$ 32,874,849
Securities lending collateral	221,323,819	8,706,421	230,030,240	185,735,650
Receivables				
Unsettled securities sold	315,591	12,415	328,006	514,092
Interest and dividends	1,676,635	65,955	1,742,590	1,408,874
Total receivables	1,992,226	78,370	2,070,596	1,922,966
Investments, at fair value				
U.S. Government obligations	59,595,380	2,344,359	61,939,739	74,884,691
Domestic corporate bonds and other fixed income	280,626,201	11,039,253	291,665,454	244,865,215
Domestic stocks	528,909,760	20,806,215	549,715,975	481,923,398
International stocks	545,628,025	21,463,877	567,091,902	486,373,584
Real estate	160,840,411	6,327,129	167,167,540	152,917,812
Alternative investments	313,608,587	12,336,712	325,945,299	283,818,432
Absolute return	99,591,331	3,917,717	103,509,048	94,101,082
Total investments	1,988,799,695	78,235,262	2,067,034,957	1,818,884,214
Capital assets				
Land	413,765	16,276	430,041	430,041
Building and equipment, net of accumulated depreciation	4,787,982	188,349	4,976,331	5,373,245
Total assets	2,257,247,802	88,795,454	2,346,043,256	2,045,220,965
Liabilities				
Unsettled securities purchased	2,972,649	116,937	3,089,586	2,503,839
Securities lending obligations	221,323,819	8,706,421	230,030,240	185,735,650
Accounts payable	2,412,656	94,909	2,507,565	2,290,888
Total liabilities	226,709,124	8,918,267	235,627,391	190,530,377
Net position restricted for benefits	**$ 2,030,538,678**	**$ 79,877,187**	**$ 2,110,415,865**	**$ 1,854,690,588**
Net position restricted for pension and health benefits	$ 1,923,341,897	$ 79,877,187	$ 2,003,219,084	$ 1,751,076,674
Net position restricted for DROP and DROP II benefits	107,196,781	-	107,196,781	103,613,914
Net position restricted for benefits	**$ 2,030,538,678**	**$ 79,877,187**	**$ 2,110,415,865**	**$ 1,854,690,588**

See Notes to Financial Statements

Statement of Changes in Plan Net Position

Year Ended December 31, 2013

(with Summarized Comparative Totals for the Year Ended December 31, 2012)

	Pension Benefits	Health Benefits	Year ended December 31, 2013	Year ended December 31, 2012
Additions				
Contributions				
City and County of Denver, Colorado	$ 49,776,388	$ 3,647,676	$ 53,424,064	$ 47,175,823
Denver Health and Hospital Authority	6,650,920	487,388	7,138,308	6,822,108
Plan members	37,138,512	2,543,374	39,681,886	33,155,925
Total contributions	93,565,820	6,678,438	100,244,258	87,153,856
Investment earnings				
Net appreciation (depreciation) in fair value of investments	290,055,642	11,771,852	301,827,494	188,100,285
Interest	8,723,665	352,238	9,075,903	8,153,301
Dividends	15,082,012	607,300	15,689,312	15,581,504
Real estate/alternative investments, and absolute return income	16,105,648	648,451	16,754,099	12,301,093
	329,966,967	13,379,841	343,346,808	224,136,183
Investment expenses	(12,662,025)	(507,009)	(13,169,034)	(10,585,350)
	317,304,942	12,872,832	330,177,774	213,550,833
Securities lending transactions income	425,109	17,195	442,304	582,191
Securities lending transactions expenses				
Borrower rebates	867,141	34,915	902,056	612,430
Agent fees	(322,995)	(13,025)	(336,020)	(299,886)
	969,255	39,085	1,008,340	894,735
Net investment earnings	318,274,197	12,911,917	331,186,114	214,445,568
Total additions, net	411,840,017	19,590,355	431,430,372	301,599,424
Deductions				
Retired member benefits	153,475,911	12,582,751	166,058,662	156,678,763
DROP and DROP II benefits paid	4,809,858	-	4,809,858	5,238,535
Refunds of contributions	1,051,298	42,505	1,093,803	987,409
Administrative expenses	3,597,603	145,169	3,742,772	3,474,251
Total deductions	162,934,670	12,770,425	175,705,095	166,378,958
Change in net position	248,905,347	6,819,930	255,725,277	135,220,466
Net position held in trust for benefits				
Beginning of year	1,781,633,331	73,057,257	1,854,690,588	1,719,470,122
End of year	$ 2,030,538,678	$ 79,877,187	$ 2,110,415,865	$ 1,854,690,588

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, 2013, the Plan membership consisted of the following:

	Pension Benefits	Health Benefits
Retirees and beneficiaries currently receiving benefits	8,481	5,901
Retirees and beneficiaries entitled to health benefits but not receiving any	-	2,580
Terminated employees entitled to benefts but not yet receiving them	3,414	3,414
Current employees:		
Vested	5,977	5,977
Non-vested	2,327	2,327
Total	20,199	20,199

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 2013, 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 $3,742,772 in 2013, 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 2013, the Plan realized net gain on the disposition of investments of $78,209,388. 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 2013.

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, 2012, 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.

Upcoming 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 will be 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 2013, the actuarially determined contribution rates, expressed as a percentage of annual covered payroll, for the pension and health benefits were 17.06% and 1.25%, respectively, for a combined total of 18.31%. The City enacted Ordinance No. 568 in 2013 to re-set the combined total contribution rate to 18.50% effective January, 2014. In 2013, employers contributed a total of 11.00% of covered payroll and employees made a pre-tax contribution of 7.00% 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 2013, the employers contributed $56,427,308 for pension benefits and $4,135,064 for health benefits while the employees contributed a total of $37,138,512 for pension benefits and $2,543,374 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 2013, in accordance with the January 1, 2013, actuarially determined contribution requirements, the total required contribution was $97,295,645 ($54,255,692 of normal cost and $36,403,533 amortization of the unfunded actuarial accrued liability for pension benefits; $2,723,179 of normal cost and $3,913,241 amortization of the unfunded actuarial accrued liability for health benefits) based on a rate of 18.31% of projected payroll. The actual contribution was $97,696,776 using a rate of 18.00% of covered payroll, which when combined with the members' repayments of $2,547,482, discussed below, resulted in total contributions of $100,244,258. In accordance with a separate agreement between DHHA and the Plan, DHHA made a supplemental contribution in the amount of $1,935,500, which is included in the total contributions amount.

During 2013, employee contributions totaled $39,681,886 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 $2,547,482 under these provisions during 2013.

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 2013, a total of $8,101,233 in interest was credited to members' DROP accounts. During 2013, a total of $4,577,752 was distributed from the DROP accounts to members who had retired and exited DROP. As of December 31, 2013, the reserve for DROP payments was $102,840,548.

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 $291,492 in interest was credited to members' DROP II accounts during 2013. Also during 2013, a total of $232,107 was distributed to members who had exited DROP II. As of December 31, 2013, the reserve for DROP II payments was $4,356,233.

Note 6 Funded Status and Funding Progress

The funded status of the Plan as of January 1, 2013, was as follows:

	Pension Benefits	Health Benefits
Actuarial accrued liability (AAL)	$2,593,190,336	$148,886,318
Actuarial value of Plan assets	1,980,204,173	82,992,647
Unfunded AAL	612,986,163	65,893,671
Funded ratio (actuarial value of Plan assets/AAL)	76.4%	55.7%
Covered payroll (active Plan members)	$531,559,017	$531,559,017
Unfunded AAL as a percentage of covered payroll	115.3%	12.4%

The actuarial valuation of the Plan's pension and 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, 2013, 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, 2013, was 30 years using a level percent of pay, closed basis, amortization method.

The January 1, 2013, actuarial valuation incorporated various actuarial methodology and assumption changes adopted by the DERP Board on June 14, 2013. These changes included changing the methodology for amortization of the unfunded actuarial accrued liability to a level percent of pay 30-year closed methodology from a level dollar 30-year open methodology. Mortality tables were updated for non-disabled participants to the RP-2000 Combined Mortality Table, which increased the assumed life expectancy and provides a margin for future improvements in life expectancy. The disabled mortality table was updated to the RP-2000 Disabled Life Mortality Table in order to reflect the longer life expectancy of the disabled members. Other assumption changes were the result of normal actuarial adjustments. The net result of these changes was an approximate 3.0% reduction in the funded status of the Plan.

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 51%, fixed income 18%, real estate 8%, alternative investments 18%, and absolute return 5%. At December 31, 2013, the Plan's deposit and investment balances were as follows:

	Fair Value
U.S. Treasury securities	$ 57,010,580
U.S. Agency securities	4,929,159
Corporate and mortgage bonds	291,665,454
Domestic stocks	549,715,975
International stocks	567,091,902
Real estate	167,167,540
Alternative Investments	325,945,299
Absolute return	103,509,048
Cash and short-term investments	41,501,091
Total	$ 2,108,536,048

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.

Notes to Financial Statements

Note 7 DEPOSITS AND INVESTMENTS (continued)

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, 2013:

S&P	Moody's	Asset Backed	Corporate Bonds	Government Bonds	Mortgage Backed	Total
AAA	Aaa	$ 272,325	$ 20,646,671	$ -	$ 23,505,697	$ 44,424,693
AAA	NR	-	-	-	1,197,220	1,197,220
AA+ to AA-	Aa3 to A1	16,794	1,786,514	87,551,431	1,519,615	90,874,354
A+ to A-	A1 to Baa2	39,586	7,868,585	-	3,581,950	11,490,121
BBB+ to BBB-	A3 to Baa3	40,997	14,301,668	-	3,709,648	18,052,313
BB+ to BB-	Ba3 to B1	-	22,310,395	-	-	22,310,395
B+ to B-	B1 to Caa1	-	23,768,733	-	-	23,768,733
CCC+ to CCC-	B3 to Caa2	100,406	3,466,273	-	-	3,566,679
NR	Aaa to Baa2	-	24,832,539	-	56,647	24,889,186
NR	NR	-	51,091,760	-	-	51,091,760
		$ 470,108	$ 170,073,138	$ 87,551,431	$ 33,570,777	$ 291,665,454

NR - no rating available.

Government bonds are comprised of the following with the nationally recognized statistical rating organizations (NRSRO) rating disclosed:

	2013 Securities		
	Exempt from Disclosure	Custodian Portfolio Percentage	NRSRO Rating
U.S. Treasuries or obligations explicitly guaranteed by the U.S. Government	X	41.43%	
Government agencies		58.57%	AA
Total		100.00%	

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, 2013, 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, 2013, 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, 2013, the Plan's fixed income investments had the following maturities by investment type:

Notes to Financial Statements

Note 7 DEPOSITS AND INVESTMENTS (continued)

Investment Type	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury securities	$ 57,010,580	$ 2,547,105	$ 23,519,637	$ 16,959,316	$ 13,984,522
U.S. agency securities	4,929,159	1,694	1,849,736	1,884,463	1,193,266
Asset backed	470,108	141	171,032	138,656	160,279
Corporate bonds	170,073,138	19,008,623	78,346,213	55,867,310	16,850,992
Government bonds	87,551,431	6,265,349	56,600,528	18,045,007	6,640,547
Mortgage backed	33,570,777	12,770	13,947,894	12,546,401	7,063,712
Total	$ 353,605,193	$ 27,835,682	$ 174,435,040	$ 105,441,153	$ 45,893,318

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 21.0% to 31.0% of total investments to be invested in international equities. The Plan's Investment Policy allows 0.0% 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, 2013:

Foreign Currency	U.S. Dollars	Fixed Income	Total
Euro	$ 117,235,816	$ -	$ 117,235,816
British Pound Sterling	88,693,114	-	88,693,114
Japanese Yen	78,608,688	-	78,608,688
South Korea Won	31,367,857	-	31,367,857
Swiss Franc	30,042,831	-	30,042,831
Chinese Yuan	23,626,968	268,613	23,895,581
Australian Dollar	21,576,601	-	21,576,601
Hong Kong Dollar	21,446,864	2,045	21,448,909
Brazilian Real	19,678,948	1,635,214	21,314,162
Taiwan Dollar	20,381,795	-	20,381,795
South Africa Rand	12,824,582	2,419,531	15,244,113
Russia Ruble	12,925,962	2,263,655	15,189,617
Canadian Dollar	12,906,694	-	12,906,694
Swedish Krona	11,550,834	-	11,550,834
Indian Rupee	9,951,597	-	9,951,597
Mexican Peso	6,049,012	2,907,157	8,956,169
Singapore Dollar	8,387,746	-	8,387,746
Thai Baht	5,508,318	2,218,008	7,726,326
Malaysia Ringgit	4,545,207	2,633,971	7,179,178
Turkish Lira	4,257,964	2,288,020	6,545,984
Norwegian Krone	5,545,200	-	5,545,200
Indonesian Rupiah	2,990,713	1,801,478	4,792,191
Danish Krone	4,517,688	-	4,517,688
Polish Zloty	1,824,842	2,442,035	4,266,877
Hungarian Forint	1,774,152	1,677,092	3,451,244
New Israeli Shekel	2,503,554	-	2,503,554
Chilean Peso	1,706,565	25,830	1,732,395
Czech Koruna	1,638,978	-	1,638,978
Columbian Peso	557,591	956,983	1,514,574
Philippine Peso	304,140	515,323	819,463
Nigeria Naira	-	685,860	685,860
New Zealand Dollar	591,565	-	591,565
Peru Sole	-	486,226	486,226
Romanian Leu	-	417,772	417,772
Egyptian Pound	287,244	-	287,244
Other	234,678	-	234,678
Total	$ 566,044,308	$ 25,644,813	$ 591,689,121

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, 2013, the fair value of underlying securities lent was $282,902,668. The fair value of associated collateral was $293,193,985; of this amount, $230,030,240 represents the fair value of cash collateral and $63,163,745 is the fair value of non-cash collateral. The Plan does not have the ability to pledge or sell non-cash collateral unless the borrower defaults, therefore it is not reported on the financial statements. The Plan has no credit risk exposure at December 31, 2013, 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, 2013, 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	6,103,724	28,927	(3,982)	6,128,669
Total capital assets, being depreciated	7,239,737	28,927	(3,982)	7,264,682
Accumulated depreciation				
Building	(798,318)	(37,522)	-	(835,840)
Furniture and equipment	(1,068,174)	(387,989)	3,652	(1,452,511)
Total accumulated depreciation	(1,866,492)	(425,511)	3,652	(2,288,351)
Total capital assets being depreciated, net	5,373,245	(396,584)	(330)	4,976,331
Capital assets, net	$ 5,803,286	$ (396,584)	$ (330)	$ 5,406,372

The 2013 depreciation expense for the pension and health benefit accounts was $396,449 and $29,062, respectively.

Notes to Financial Statements

Note 10 Commitments and Contingencies

As of December 31, 2013, the Plan had commitments for the future purchase of investments in private debt of $40,652,292, real estate of $8,750,557, and alternative investments of $128,237,167. 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.

Note 11 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 1,324 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 $16,274, $15,905 and $20,200 for the years ended December 31, 2013, 2012 and 2011, respectively, which is 85.4%, 85.6%, and 77.9 % 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 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, 2012, 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 4.0% salary increase, and health care cost trend grading from 9.0% 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

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)
Pension Benefits						
1/1/08	$1,950,010,815	$1,985,651,482	$35,640,667	98.2%	$545,835,393	6.5%
1/1/09	1,924,991,121	2,095,887,096	170,895,975	91.8	564,986,660	30.2
1/1/10	1,923,560,713	2,176,242,736	252,682,023	88.4	506,045,186	49.9
1/1/11	1,942,871,295	2,284,756,118	341,884,823	85.0	517,398,105	66.1
1/1/12	1,946,844,159	2,386,530,071	439,685,912	81.6	517,396,257	85.0
1/1/13	1,980,204,173	2,593,190,336	612,986,163	76.4	531,559,017	115.3
Health Benefits						
1/1/08	$96,457,419	$128,607,079	$32,149,660	75.0%	$545,835,393	5.9%
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
Implicit Rate Subsidy						
12/31/11	$0	$115,813,000	$115,813,000	0.0%	$425,186,000	27.2%
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

Required Supplementary Information

Schedule of Employer Contributions

Year beginning January 1	Annual actuarially required contribution [1] [2]	Percentage contributed
	Pension Benefits	
2008	$41,699,683	100.0%
2009	54,392,610	79.3
2010 [3]	48,995,846	86.2
2011 [4]	52,000,472	87.9
2012 [5]	56,054,792	88.8
2013 [6]	55,397,564	101.9
	Health Benefits	
2008	$4,532,574	93.9%
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
	Implicit Rate Subsidy	
2011	$8,280,000	77.9%
2012	6,261,000	85.6
2013	6,421,000	85.4

(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.

Supporting Schedules

Schedule of Administrative Expenses
Year ended December 31, 2013

Personnel services:	
Salaries	$ 1,514,276
Employee benefits	523,380
Total personnel services	2,037,656
Professional services:	
Actuarial	148,045
Legal	3,330
Retirement board	27,845
Audit	68,275
Consultation	136,916
Total professional services	384,411
Office operations:	
Plan insurance	88,744
Postage	81,299
Office forms and printing	18,058
Office equipment	35,385
Employee travel and conferences	10,890
Telephone	11,481
Membership education	4,735
Miscellaneous operating	6,752
Employee education	12,524
Office supplies	9,401
Publications	4,288
Automobile	5,776
Total office operations	289,333
Computer operations:	
Hardware and Software maintenance	137,113
Software licenses and hosting fees	316,154
Supplies and other expenses	8,435
Total computer operations	461,702
Miscellaneous administrative expenses:	
Building operations	144,177
Depreciation expense	425,493
Total miscellaneous administrative expenses	569,670
Total	$ 3,742,772

Supporting Schedules

Schedule of Investment Expenses
Year ended December 31, 2013

Alternative investment portfolio management	$ 3,746,439
Domestic equity portfolio management	2,635,189
International equity portfolio management	2,527,820
Real estate portfolio management	1,794,641
Absolute return investment portfolio management	977,122
Fixed income portfolio management	654,017
Other investment related expenses	732,844
Custody	100,962
Total	$ 13,169,034

Investment Section

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Summit *Strategies Group*

May 5, 2014

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, 2013.

The DERP investment portfolio experienced strong gains in the fiscal year ended December 31, 2013, returning 18.83% gross of fees. Performance exceeded DERP's strategic policy benchmark return of 16.57% and the 16.97% median return of the BNY Mellon Public Fund Universe. DERP ranked in the 25th percentile of the Public Fund Universe, thus outperforming 75% of other public pension funds. The best performing asset classes in the DERP investment portfolio were energy-related master limited partnerships (up 37.98%), US equity (up 35.39%), and international equity (up 18.43%). Fixed income was the only asset class posting a loss during the year, and that loss was minimal (down 1.55%).

Over the trailing 3 years ended 12/31/13, DERP achieved an annualized return of 10.58%, once again outperforming the strategic policy benchmark and ranking in the 27th percentile of the Public Fund Universe. The trailing 5-year return currently stands at 12.11%, reflecting the portfolio's strong rebound from the 2008 market downturn. DERP's trailing 10-year annualized return is 7.57%, better than the 6.86% strategic policy benchmark return and ranking in the 18th 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 in 2009, and annual asset allocation targets are established in March/April of each year.

8182 Maryland Avenue, 6th Floor • St. Louis, Missouri 63105 • 314.727.7211, fax 314.727.6068 • summitstrategies.com

Steven E. Hutt
Page 2
May 5, 2014

The target asset allocation at year-end was comprised of the following indices in the percentages as indicated: Russell 1000 (21.25%), Russell 2000 (3.75%), MSCI EAFE (12.00%), MSCI EAFE Small Cap (6.00%), MSCI Emerging Markets (8.00%), Barclays Capital Aggregate Bond (9.50%), Barclays Capital Ba to B US High Yield (4.00%), Barclays Capital US TIPS (2.00%), 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 (11.00%).

In fiscal year 2013, Pictet Asset Management was added as emerging market debt manager, Sankaty Advisors was added as distressed debt manager, a commitment was made to a private energy fund managed by EIG Global Energy Partners, a commitment was made to a private equity fund managed by Adams Street Partners, and a commitment was made to a private energy fund managed by Lime Rock Resources.

The results for the past year significantly exceeded the fund's actuarial assumption for long-term investment results, the return of the strategic policy benchmark, and the return of the median public pension fund. The results for the last five years have also exceeded the return assumption and the policy benchmark, reflecting the hard work of the Board and Staff during a difficult market environment to position the DERP investment portfolio to benefit the Plan and its members. The headwinds facing the economy continue to be many: high unemployment, significant federal debt, uncertain global economic growth, and continued and increasing global conflicts. 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

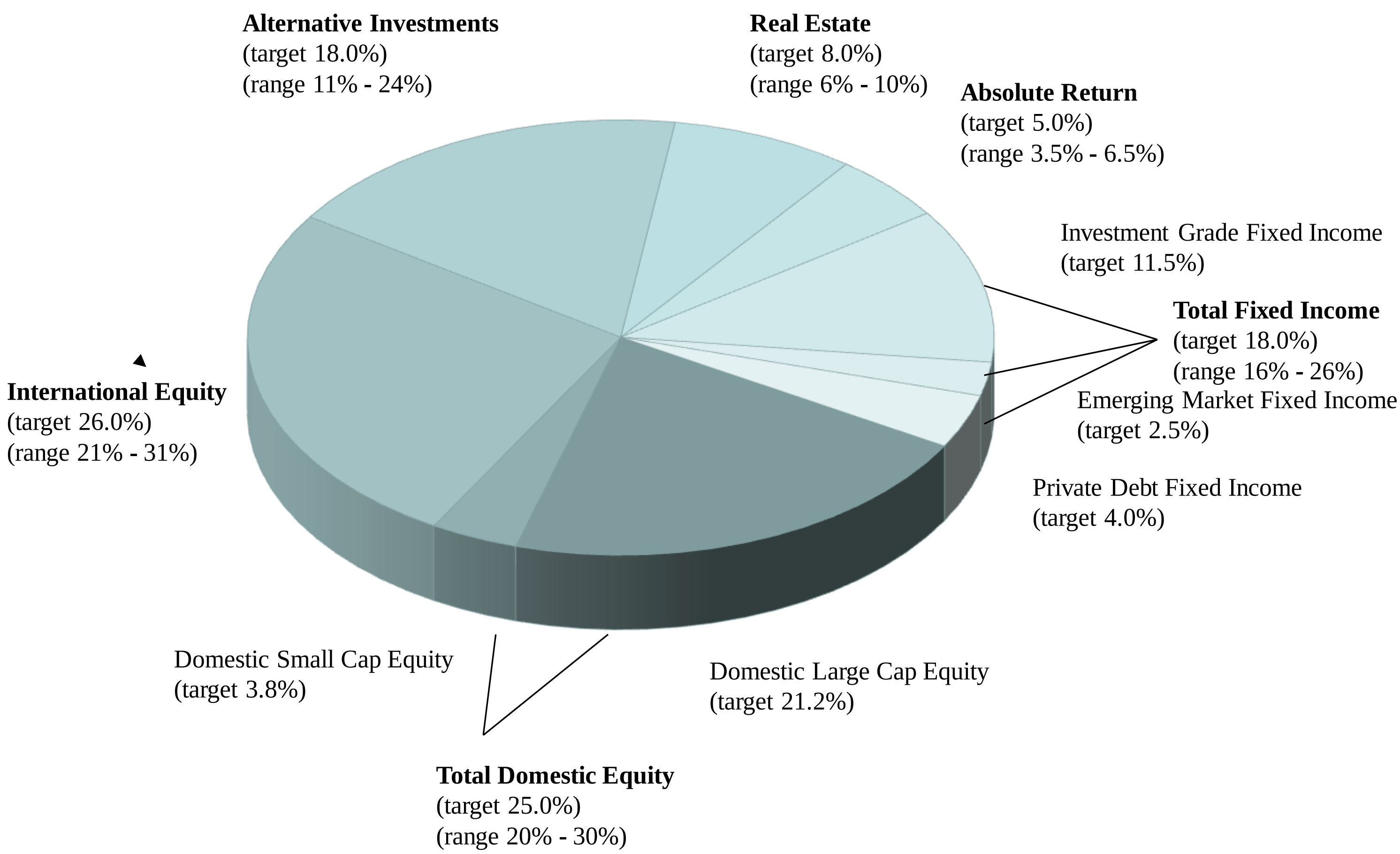
(c) Exceeding the rate of return of that achieved by a passively managed portfolio weighted in the same proportion and at the same risk.

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 March 15, 2013. The Plan's investment advisors assisted the Plan Board in developing the latest asset allocation.

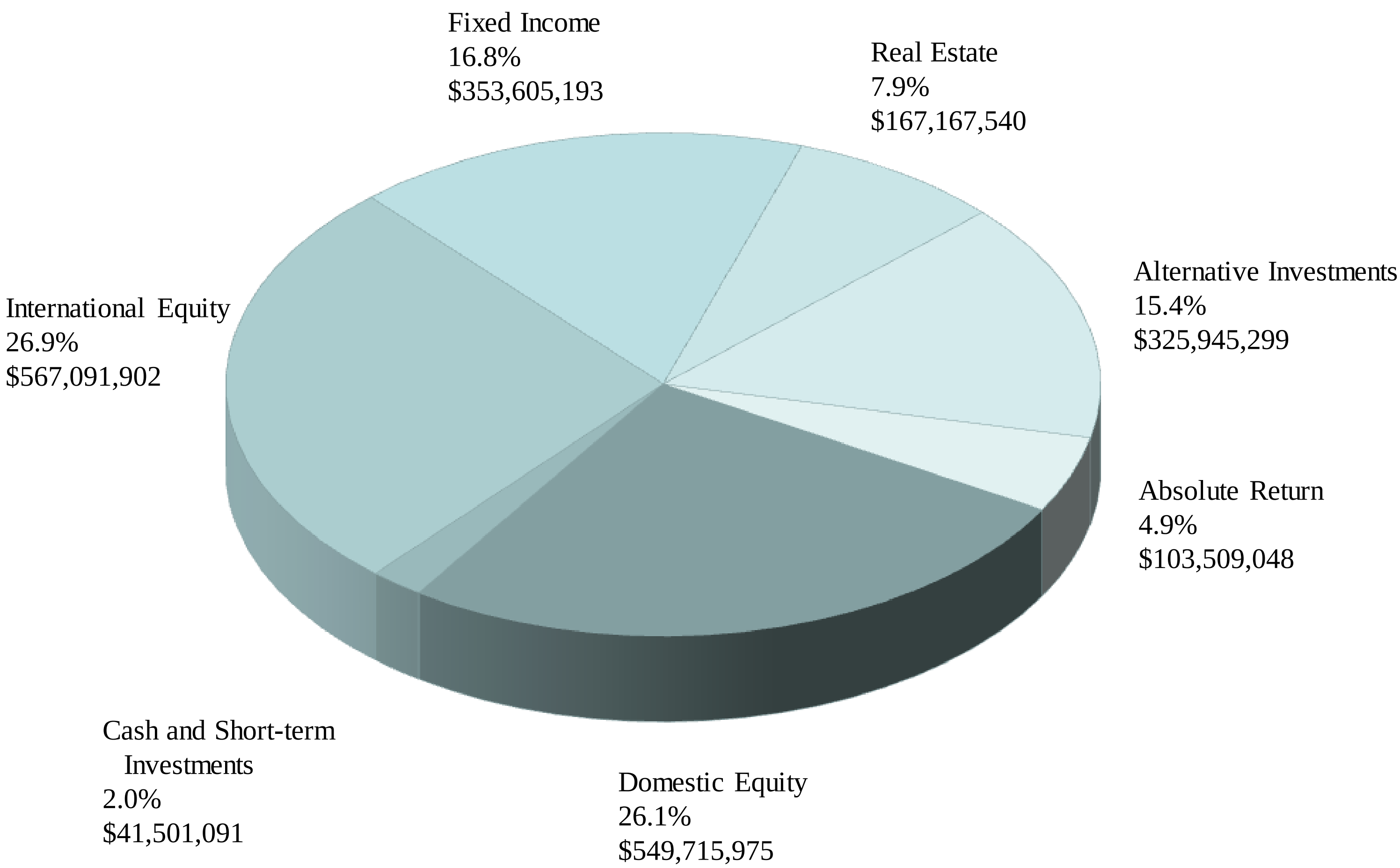
The asset allocation strategy as of December 31, 2013 is depicted in the chart below:



At target, a portfolio so allocated would be expected to achieve a 8.00% return with a standard deviation (risk) of 12.40%.

Asset Allocation by Asset Class

The total market value of the Plan on December 31, 2013, was $2,110,415,865 including cash and investments of $2,108,536,048. At December 31, 2013, 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
Cadence Capital Management	3.53%	Large Cap Equity (Growth)	2.50% to 5.00%
Mellon Capital Management	7.15%	S&P 500 Index	5.00% to 9.00%
Eagle Assets Management	7.05%	Large Cap Equity (Value)	5.00% to 9.00%
Sit Investment Associates, Inc.	3.52%	Large Cap Equity (Growth)	2.50% to 5.00%
Franklin Global Advisors	1.25%	Small Cap Equity (Growth)	1.00% to 2.00%
Neuberger Berman, LLC	2.50%	Small Cap Equity (Value)	2.00% to 4.00%
Mellon Capital Management	4.00%	EAFE Index	3.00% to 5.00%
Templeton Investment Counsel, LLC	4.00%	Intl. Equity (Value)	3.00% to 5.00%
Pyramis Global Advisors	4.00%	Intl. Equity (Growth)	3.00% to 5.00%
Dimensional Fund Advisors	6.00%	Intl. Equity (Small Cap)	5.00% to 7.00%
LSV Asset Management	8.00%	Intl. Equity (Emerging Markets)	6.00% to 10.00%
Plan Staff	5.00%	Fixed Income Government	4.50% to 7.00%
Smith Graham & Company	1.50%	Fixed Income Gov't./Credit	1.00% to 2.50%
Golub Capital	2.70%	Fixed Income-Senior Loans	0.00% to 5.00%
Sankaty Advisors	1.30%	Fixed Income-Distressed Debt	0.00% to 3.00%
Pictet Asset Management	2.50%	Fixed Income Emerging Market Debt	0.00% to 3.50%
Mellon Capital Management	5.00%	Barclays Aggregate	4.50% to 7.00%
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	18.00%	Energy, Timber, MLP, and Private Equity	11.00% to 24.00%

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. Income is removed monthly from each actively managed domestic account and reallocated to underweighted accounts using the asset allocation targets established in the allocation plan. Investment manager, custodian, and consultant fees are aggressively negotiated and reviewed annually. 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, 2013, are shown in the following tables:

Top Ten Stock Holdings
December 31 2013

Shares	Stocks	Market Value
12,378	Google, Inc.	$13,872,148
359,820	Oracle Corporation	13,766,713
334,436	Microsoft Corporation	12,511,251
92,675	Berkshire Hathaway, Inc.	10,987,548
227,907	Coca-Cola, Inc.	9,414,838
94,273	AON Corporation	7,908,562
73,710	Ecolab, Inc.	7,685,742
90,530	Liberty Global, Inc.	7,633,490
94,681	UnitedHealth Group, Inc.	7,129,479
97,764	Noble Energy, Inc.	6,658,706

Top Ten Bond Holdings
December 31 2013

Par	Bonds			Market Value
9,500,000	FHLMC Bond	2.375%	due 1/13/2022	$9,081,620
6,700,000	U.S. Treasury Bond	8.125	due 8/15/2019	8,926,209
5,500,000	U.S. Treasury Bond	7.500	due 11/15/2016	6,553,580
4,750,000	FHLMC Bond	3.750	due 3/27/2019	5,177,358
5,000,000	FNMA Bond	2.625	due 11/20/2014	5,109,350
5,000,000	U.S. Treasury Note	2.625	due 11/15/2020	5,081,250
5,000,000	FNMA Bond	1.875	due 9/18/2018	5,032,900
5,000,000	FNMA Bond	1.625	due 11/27/2018	4,958,300
5,000,000	FNMA Bond	0.875	due 5/21/2018	4,836,550
3,717,300	U.S. Treasury CPI Index	2.375	due 1/15/2025	4,272,850

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, 2013 is 9.44%. Annualized investment results compared with benchmarks for the year ending December 31, 2013, are as follows:

	Last Year	Last 3 Years	Last 5 Years
Domestic Equity	35.39%	15.81%	18.12%
Russell 3000 Index	33.55	16.24	18.71
International Equity	18.43	7.38	12.65
International Equity Policy Index	15.83	5.40	12.21
Fixed Income	-1.55	4.32	7.04
Fixed Income Policy Index	-1.96	4.25	6.54
Real Estate	14.46	14.62	2.49
NCREIF Index	13.99	13.57	3.67
Total Portfolio	18.83	10.58	12.11
Total Fund Policy Index	16.57	9.82	11.79
Total Portfolio (net of fees)	18.21	10.00	11.59
Change in Consumer Price Index (CPI-U)	1.46	6.83	8.20

Schedule of Investment Commissions

December 31, 2013

BROKER	QUANTITY (UNITS)	BROKER COMMISSION	COMMISSION PER/SHARE
MELLON FINANCIAL	5,536,200	$113,384	$0.020
BNY CONVERGEX	1,188,950	33,261	0.028
INVESTMENT TECHNOLOGY	1,924,931	32,593	0.017
LIQUIDNET	682,493	15,061	0.022
CITATION GROUP	330,087	11,068	0.034
BARCLAYS	747,709	10,372	0.014
ITG	615,772	9,580	0.016
LEK SECURITIES	250,240	9,479	0.038
MERRILL LYNCH	420,785	9,360	0.022
MORGAN STANLEY	701,275	9,253	0.013
CREDIT SUISSE	486,545	8,509	0.017
CITIGROUP	432,675	8,397	0.019
BURKE & QUICK	163,187	6,497	0.040
UBS SECURITIES	385,211	6,415	0.017
STEPHENS	176,647	6,037	0.034
BERNSTEIN	280,259	5,548	0.020
ISI GROUP	197,464	5,506	0.028
GOLDMAN SACHS	586,776	5,478	0.009
OPPENHEIMER	147,664	4,307	0.029
NEEDHAM & COMPANY	110,407	4,114	0.037
STRAREGAS SECURITIES	96,000	4,004	0.042
WELLS FARGO SECURITIES	258,373	3,831	0.015
JP MORGAN SECURITIES	179,202	3,627	0.020
PIPER JAFFRAY	128,183	3,624	0.028
WILLIAM BLAIR	75,760	3,030	0.040
RAFFERTY CAPITAL	87,078	3,021	0.035
CRAIG HALLUM	83,089	2,848	0.034
PICKERING ENERGY PARTNERS	52,473	2,624	0.050
BAIRD, ROBERT W & COMPANY	102,200	2,445	0.024
CANTOR FITZGERALD	73,290	2,344	0.032
RAYMOND JAMES	57,800	2,282	0.039
LEERINK SWANN	59,556	2,243	0.038
PIEBON FINANCIAL	54,125	2,144	0.040
JEFFERIES & COMPANY	59,115	2,133	0.036
RBC CAPITAL MARKETS	96,439	2,085	0.022
RBC CAPITAL MARKETS	51,734	2,068	0.040
LOOP CAPITAL	67,675	2,063	0.030
DA DAVIDSON	50,533	1,924	0.038
WEEDEN	64,972	1,824	0.028
BERENBERG GOSSLER & CIE	12,980	1,656	0.128
KEEFE BRUYETTE & WOODS	44,256	1,612	0.036
PERSHING SECURITIES	79,900	1,586	0.020
JONES TRADING	65,197	1,505	0.023

Schedule of Investment Commissions (continued)

December 31, 2013

BROKER	QUANTITY (UNITS)	BROKER COMMISSION	COMMISSION PER/SHARE
CANACCORD GENUITY	37,060	$1,460	$0.039
COWEN & COMPANY	35,120	1,405	0.040
MILLER TABAK & COMPANY	31,700	1,268	0.040
DEUTSCHE BANK	75,423	1,255	0.017
AVONDALE PARTNERS	30,640	1,226	0.040
HSBC SECURITIES	1,400	1,224	0.875
KNIGHT CLEARING SERVICE	72,652	1,214	0.017
WEDBUSH MORGAN SECURITIES	29,424	1,177	0.040
SCOTIA CAPITAL	22,400	1,120	0.050
INSTINET CORPORATION	37,449	1,019	0.027
All other brokers (each at $1,000 or less)	1,053,417	19,622	0.019
TOTAL	18,691,892	$402,730	$0.022

Total recaptured commissions for 2013 were $27,269.

Schedule of Investment Fees
December 31, 2013

Externally Managed Portfolios	Assets Under Management	Fees
U.S. Equities:		
Actively Managed :		
Large Cap	$ 308,696,566	$ 1,807,087
Small Cap	86,292,140	784,499
Passively Managed	154,727,269	43,603
International Equities:		
Actively Managed	479,339,607	2,498,501
Passively Managed	87,752,295	29,319
Fixed Income:		
Actively Managed	252,801,015	177,659
Passively Managed	100,804,178	476,358
Real Estate:		
Fees netted with earnings	55,938,027	1,099,122
Fees paid separately	111,229,513	695,519
Absolute Return:		
Fees netted with earnings	103,509,048	977,122
Alternative Investments:		
Fees netted with earnings	156,474,908	2,569,149
Fees paid separately	169,470,391	1,177,290
	$ 2,067,034,957	$ 12,335,228

Other Investment Services	
Custody Fees	$ 100,962
Other investment related expenses (net of commission recapture)	732,844

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Actuarial Section

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GRS
Gabriel Roeder Smith & Company
Consultants & Actuaries
7900 East Union Avenue
Suite 1100
Denver, CO 80237-2746
303.217.7600 phone
303.217.7609 fax
www.gabrielroeder.com

April 30, 2014

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

Re: Denver Employees Retirement Plan Actuarial Valuation as of January 1, 2013

Dear Board Members:

The results of the January 1, 2013 Annual Actuarial Valuation of the Denver Employees Retirement Plan (DERP) are presented in this report. The purpose of the valuation was to measure the Plan's funding progress and to determine the employer contribution rate, for the next fiscal year.

Regarding the contribution rate for the next fiscal year (2013), there is an increase in the Total Computed Contribution Rate for the Pension and Medical Plans, as shown on pages 9 and 10 of the valuation report. This is primarily due to assumption changes as well as recognition of past asset losses. The Total Computed Contribution Rate (Pension and Medical) has increased from 18.08% for 2012 to 18.31% for 2013. The Total Contribution Amount (Pension and Medical) has increased from $93.5M for 2012 to $97.3M for 2013. Receiving this contribution is actuarially necessary to help improve and stabilize the funded status of the Pension and Retiree Medical Plans.

The valuation was based upon information, furnished by DERP, concerning Plan benefits, financial transactions, active members, terminated members, retirees and beneficiaries. We checked for internal and year-to-year consistency, but did not otherwise audit the data. These calculations may be subject to certain provisions of the agreement between DHHA and DERP. This letter and these calculations are not intended as legal or accounting advice, and we would recommend review by legal counsel for the compliance of these calculations with all relevant agreements.

The actuarial methods and assumptions used are in full compliance with all the parameters established by GASB Statements No. 25 & No. 27 and meet the parameters set for the disclosures presented in the financial section by GASB Statement No. 25. For the retiree medical benefits, the schedules illustrate the value of the explicit benefit as described in the Plan Summary, and that explicit benefit is valued in compliance with all the parameters established by GASB Statements No. 43 and 45. The value of any implicit rate subsidy in the City-sponsored health plans will be illustrated in the disclosures related to those plans. The supporting schedules in the Actuarial Section and the Funding Progress and Schedule of Employer Contributions in the Financial Section were prepared by DERP from information in GRS' actuarial reports. We have reviewed these schedules for their accuracy. To the best of our knowledge, the supporting schedules fully and fairly disclose the actuarial condition of the plan.

Gabriel Roeder Smith & Company

Board of Trustees
April 30, 2014
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The valuation results summarized in this report involve actuarial calculations that require assumptions about future events for the Pension Plan, Retiree Medical Plan, and Denver Health and Hospital Authority (DHHA). We believe that the assumptions and methods used in this report are reasonable and appropriate for the purpose for which they have been used. However, other assumptions and methods could also be reasonable and could result in materially different results. In addition, because it is not possible or practical to consider every possible contingency, we may use summary information, estimates or simplifications of calculations to facilitate the modeling of future events. We may also exclude factors or data that are deemed to be immaterial.

The following schedules were prepared by GRS for inclusion in the 2013 DERP CAFR:

1. Valuation Methods and Assumptions
2. Analysis of Financial Experience
3. Demographic History
4. Solvency Test
5. Plan Provisions
6. Schedule of Funding Progress
7. Schedule of Employer Contributions

If there is other information that you need in order to make an informed decision regarding the matters discussed in this report, please contact us.

We certify that the information contained in this report is accurate and fairly presents the actuarial position of DERP as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The actuaries submitting this statement are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report. Both are experienced in performing valuations for public retirement systems.

Respectfully submitted,

Leslie L. Thompson

Diane L. Hunt

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

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

Gabriel Roeder Smith & Company

Valuation Methods and Assumptions

Valuation Methods

***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 present value of benefits is equal to the accrued liability plus the present value of future normal costs.

Financing of Unfunded Actuarial Accrued Liabilities **-** Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) were amortized by level (principal & interest combined) dollar contributions over a reasonable period of future years.

Deferred Retirement Option Plan (DROP) and DROP II – The DROPs are closed and no new members are assumed to enter either of the two DROPs. For members who were in DROP and remain employed upon their exit of the DROP program, their accrued liability is calculated as the value of their deferred benefit based on compensation and service earned before their DROP participation plus the value of their additional benefit earned based on compensation and service accrued after their DROP participation ended, as well as their accrued DROP balance. Further detail describing the DROPs can be found in the Plan Provisions section of this report.

Benefits Limited to Maximums Specified in Internal Revenue Code (IRC) – Benefits in pay status are limited to the maximum specified by Section 415 of the IRC, as adjusted annually. The benefits in pay status are limited to the maximum compensation permitted by Section 401(a)(17) of the IRC.

Actuarial Value of Assets **–** The Actuarial Value of Assets recognizes 20% of the difference between the projected actuarial value and the market value at the valuation date. Effective January 1, 2009, this value is no longer constrained to a range of 80% to 120% of the market value of assets as of the valuation date. This method has the effect of smoothing volatility in investment returns. Returns are measured net of all administrative and investment expenses.

Actuarial Standards of Practice Statement #44 provides some guidance in the selection of a method for determining the actuarial value of assets. In particular, when considering utilizing an asset method other than the market value of assets, the method should be selected that is designed to produce actuarial values of assets that bear a reasonable relationship to the corresponding market values. The qualities of the DERP asset value method should include:

The actuarial value of assets should sometimes be greater than, and sometimes lesser than, the market value of assets. The method employed in the DERP valuation does produce asset values which are sometimes greater than, and sometimes less than the market value of assets.

The asset values fall within a sufficiently narrow range around the corresponding market values.

Development of Amortization Payment

Determination of UAAL Contribution Rate

The unfunded accrued liability as of January 1, 2013 is calculated as of the beginning of the fiscal year for which employer contributions are being calculated.

The unfunded accrued liability is amortized over the appropriate period to determine the amortization payment. This payment is divided by the projected fiscal year payroll to determine the amortization payment as a percentage of active member payroll.

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.

Changes to Actuarial Assumptions

The assumptions and methods have been updated since the prior valuation based on an experience study as of January 1, 2013. This experience study was for the period from January 1, 2008 through December 31, 2012. Revised methods include a change from a level dollar amortization payment to a level percent of pay amortization in order to match more closely with the anticipated growth in payroll. Assumptions that were revised are indicated on the following pages.

Demographic Assumptions

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

Post-Retirement and Beneficiary Mortality Table (Revised January 1, 2013): *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%

Disabled Mortality Table (Revised January 1, 2013): *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

	% 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%

Active Mortality (Revised January 1, 2013): *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%

Rates of Disability (Revised January 1, 2013): *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%

Rates of Separation from Active Membership (Revised January 1, 2013 for Non-Hospital only): *Rates do not apply to members eligible to retire and do not include separation on account of death or disability. For inactive members, the assumed age at retirement is 65. 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	
	% of Active Members Separating Within Next Year	
Years of Service	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%

GRS

Denver Employees Retirement Plan

Rates of Retirement (Revised January 1, 2013): 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%

GRS

Denver Employees Retirement Plan

Ages	Percent of Eligible Active Members Retiring Within Next Year 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). After attainment of age 70 (age 75 for the Hospital group) the retirement rate assumption is 100.00%.

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 (Revised January 1, 2013)
4. Real Rate of Return: 5.25% per annum (Revised January 1, 2013)
5. The Rates of Salary Increase (Revised January 1, 2013): *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%

GRS

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
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 Contribution	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 increase by 2.25% for active ordinary death and termination benefits for members hired prior to January 1, 2010.
Retiree Medical Election Percentage	It is assumed that 85% of members who retire elect medical benefits, 30% of members who terminate elect medical benefits, 80% of beneficiaries elect medical benefits, and 80% of members who leave as disabled members elect retire medical benefits.

Analysis of Financial Experience

Composite Gain (Loss) for the Years Ending December 31, 2008 through 2012

Retirement Benefits

Type of Activity:	**2012**	**2011**	**2010**	**2009**	**2008**
1. Retirement, Disability, Death, Withdrawal, Pay Increases, etc.	$ (2,989,900)	$ (5,824,600)	$ (24,786,800)	$ (6,092,100)	$ (13,721,100)
2. New Entrants	(1,564,900)	(1,165,700)	(1,065,700)	(1,349,200)	(2,320,600)
3. Investment Income	(49,642,700)	(77,418,800)	(56,387,300)	(86,709,900)	(119,838,500)
Gain (Loss)	(54,197,500)	(84,409,100)	(82,239,800)	(94,151,200)	(135,880,200)
Non-recurring Items:					
Changes in Actuarial Assumptions and Methods	(114,153,600)	(7,044,100)	-	25,945,200	-
Changes in Plan Provisions	(87,200)	(72,500)	-	-	-
Total Non-recurring Items	(114,240,800)	(7,116,600)	-	25,945,200	-
Composite Gain (Loss) During Year	$ (168,438,300)	$ (91,525,700)	$ (82,239,800)	$ (68,206,000)	$ (135,880,200)

Health Benefits

Type of Activity:	**2012**	**2011**	**2010**	**2009**	**2008**
1. Retirement, Disability, Death, Withdrawal, Pay Increases, etc.	$ 693,700	$ 1,324,000	$ 223,200	$ (5,842,600)	$ (3,660,100)
2. New Entrants	(57,600)	(59,200)	(91,200)	(40,900)	(93,400)
3. Investment Income	(2,432,700)	(3,670,600)	(2,858,300)	(4,252,500)	(5,825,700)
Gain (Loss)	(1,796,600)	(2,405,800)	(2,726,300)	(10,136,000)	(9,579,200)
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	$ (7,285,600)	$ (2,405,800)	$ (2,726,300)	$ (9,997,400)	$ (9,579,200)

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
1/1/07	404	$8,143,129	313	$4,219,485	6,396	$97,109,973	$15,183	2.6%
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) Includes DROP retirees.

Schedule of Active Members [2]

Valuation Date	Number	Annual Payroll	Average Annual Earnings	Percent Increase in Average Earnings
1/1/07	8,988	$489,447,759	$54,456	0.0%
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

(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)
1/1/08	$1,068,882,528	$112,973,265	$803,795,689	(a)	$1,950,010,815	100%	100%	96%
1/1/09	1,135,549,357	120,295,849	840,041,890	(b)	1,924,991,121	100	100	80
1/1/10	1,290,661,062	123,892,229	761,689,445	(c)	1,923,560,713	100	100	67
1/1/11	1,341,928,443	129,821,083	813,006,592	(d)	1,942,871,295	100	100	58
1/1/12	1,412,766,986	154,615,776	819,147,309	(e)	1,946,844,159	100	100	46
1/1/13	1,520,343,891	156,404,385	916,442,060	(f)	1,980,204,173	100	100	33

(a) Includes DROP accounts of $96,066,783.
(b) Includes DROP accounts of $96,801,380.
(c) Includes DROP accounts of $98,422,814.
(d) Includes DROP accounts of $98,884,382.
(e) Includes DROP accounts of $101,400,591.
(f) Includes DROP accounts of $105,677,036.

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)
1/1/08	$82,271,298	$6,596,538	$39,739,243	$96,457,419	100%	100%	19%
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

* 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 2013, the City, the Plan for its staff, and DHHA contributed 11.00% of the employee's total gross salary to the trust fund, and the employee contributed 7.00% 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, 2014, the employer contribution rate increased to 11.20%, and the employee contribution rate increased to 7.30% 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.

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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]

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.

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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 Plan Net Position

Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Pension Benefits					
Additions:					
Member contributions[1]	$ 9,197,797	$ 11,248,020 [2]	$ 11,436,362	$ 11,979,390	$ 12,804,873
Employer contributions[1]	35,666,583	37,347,133	37,809,048	40,955,026	44,362,545
Investment earnings (net of expenses)	163,674,788	149,237,500	234,113,308	199,977,322	(523,370,681)
Total additions to Plan net assets	208,539,168	197,832,653	283,358,718	252,911,738	(466,203,263)
Deductions:					
Benefit payments	76,355,138	86,053,631	95,436,244	104,926,801	115,090,867
Refunds	81,937	159,000	209,412	390,158	492,692
Administrative expenses	2,211,322	2,464,874	2,618,710	2,469,185	2,839,820
Total deductions from Plan net assets	78,648,397	88,677,505	98,264,366	107,786,144	118,423,379
Change in net assets	$ 129,890,771	$ 109,155,148	$ 185,094,352	$ 145,125,594	$ (584,626,642)
Health Benefits					
Additions:					
Member contributions[1]	$ 784,899	$ 1,038,456	$ 1,187,939	$ 1,297,609	$ 1,183,354
Employer contributions[1]	3,143,627	3,530,326	4,075,768	4,504,640	4,253,783
Investment earnings (net of expenses)	8,832,033	7,812,975	11,955,835	10,012,367	(25,408,688)
Total additions to Plan net assets	12,760,559	12,381,757	17,219,542	15,814,616	(19,971,551)
Deductions:					
Benefit payments	8,415,219	9,201,577	9,933,174	10,612,929	10,822,553
Refunds	4,428	8,352	10,705	19,489	24,005
Administrative expenses	120,277	129,711	133,977	123,382	138,364
Total deductions from Plan net assets	8,539,924	9,339,640	10,077,856	10,755,800	10,984,922
Change in net assets	$ 4,220,635	$ 3,042,117	$ 7,141,686	$ 5,058,816	$ (30,956,473)

[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.

2009	2010	2011	2012	2013
$ 12,849,520	$ 21,139,754 (3)	$ 26,110,772 (4)	$ 30,663,247 (5)	$ 37,138,512 (6)
43,127,064	42,228,203	45,703,351	49,756,639	56,427,308
198,018,642	217,566,113	(2,396,020)	205,809,820	318,274,197
253,995,226	280,934,070	69,418,103	286,229,706	411,840,017
121,191,856	137,392,322	142,108,250	149,470,854	158,285,769
430,252	666,009	948,969	947,756	1,051,298
2,558,311	2,555,677	2,883,909	3,334,741	3,597,603
124,180,419	140,614,008	145,941,128	153,753,351	162,934,670
$ 129,814,807	$ 140,320,062	$ (76,523,025)	$ 132,476,355	$ 248,905,347
$ 1,291,670	$ 1,950,508	$ 2,329,357	$ 2,492,678	$ 2,543,374
4,551,097	2,924,858	4,202,033	4,241,292	4,135,064
9,252,242	9,714,426	(42,792)	8,635,748	12,911,917
15,095,009	14,589,792	6,488,598	15,369,718	19,590,355
11,003,408	11,708,006	12,471,835	12,446,444	12,582,751
20,304	30,120	41,255	39,653	42,505
120,955	115,362	125,390	139,510	145,169
11,144,667	11,853,488	12,638,480	12,625,607	12,770,425
$ 3,950,342	$ 2,736,304	$ (6,149,882)	$ 2,744,111	$ 6,819,930

Schedule of Benefit Expenses by Type

Last Ten Fiscal Years

	2004	2005	2006	2007	2008
Age and Service Benefits:					
Retirees	$62,377,101	$69,452,844	$77,386,468	$85,768,809	$94,138,108
Survivor	3,487,000	3,723,260	4,057,908	4,342,907	4,772,142
Death in Service Benefits	2,504,738	2,766,450	2,802,956	2,905,886	3,118,334
Disability Benefits:					
Retirees:					
On-the-Job	604,324	571,189	581,664	607,662	695,022
Off-the-Job	2,868,523	2,871,960	2,986,632	3,115,834	3,257,205
Survivors	653,459	797,577	874,519	927,141	1,012,571
Lump Sum Death Benefits	1,555,635	1,275,203	996,348	1,199,236	1,055,949
Pension Benefits' Refunds	81,937	159,000	209,412	390,158	492,692
Health Benefits' Refunds	4,428	8,352	10,705	19,489	24,005
DROP Benefits	2,304,358	4,595,148	5,749,749	6,059,326	7,041,536
Pension Benefits	74,050,780	81,458,483	89,686,495	98,867,475	108,049,331
Health Benefits	8,415,219	9,201,577	9,933,174	10,612,929	10,822,553

2009	2010	2011	2012	2013
$ 100,395,696	$ 114,044,816	$ 119,878,934	$ 127,091,564	$ 135,648,423
5,050,283	5,415,206	5,879,654	6,126,099	6,619,661
3,347,207	3,636,127	3,659,245	3,736,130	3,781,917
646,932	769,792	818,527	869,781	826,071
3,377,520	3,712,434	3,888,218	3,854,524	3,940,566
1,071,358	1,124,708	1,122,643	1,238,793	1,309,114
1,310,065	1,376,342	1,508,915	1,315,428	1,350,159
430,252	666,009	948,969	947,756	1,051,298
20,304	30,120	41,255	39,653	42,505
5,992,795	7,312,897	5,352,114	5,238,535	4,809,858
115,199,061	130,079,425	136,756,136	144,232,319	153,475,911
11,003,408	11,708,006	12,471,835	12,446,444	12,582,751

Schedule of Retired Members by Type of Benefit - Pension

December 31, 2013

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	99	96	3						99			
51- 100	121	76	22			9	14		82	29	5	5
101- 150	210	155	30	1	1	6	17		130	63	5	12
151- 200	233	162	39			6	24	2	135	68	8	22
201- 250	254	175	49			11	17	2	149	78	7	20
251- 300	249	152	40		5	22	28	2	153	73	4	19
301- 350	252	157	37		3	22	26	7	150	70	13	19
351- 400	206	127	34	1	10	15	16	3	129	50	5	22
401- 450	200	117	40		6	14	19	4	116	47	10	27
451- 500	226	125	37	1	14	18	27	4	132	60	11	23
501- 600	408	209	90	3	24	24	44	14	231	104	24	49
601- 700	352	205	53	2	26	22	34	10	206	79	25	42
701- 800	320	171	53	3	24	14	42	13	166	91	25	38
801- 900	297	186	36	3	15	20	32	5	165	72	20	40
901- 1,000	260	172	18	3	19	13	28	7	137	73	20	30
1,001-1,100	306	208	26	2	17	12	31	10	161	80	25	40
1,101-1,200	273	190	21	1	18	12	22	9	144	85	17	27
1,201-1,300	277	194	13	3	14	14	34	5	131	81	21	44
1,301-1,400	249	193	9	3	13	4	20	7	132	58	19	40
1,401-1,500	253	200	9	1	11	13	16	3	136	57	20	40
1,501-1,600	224	184	8	4	8	8	12		127	50	25	22
1,601-1,700	215	183	5	1	7	7	9	3	115	43	25	32
1,701-1,800	196	164	2	1	9	10	9	1	108	38	22	28
1,801-1,900	196	176	2		7	4	7		107	36	20	33
1,901-2,000	172	157	1		3	4	6	1	79	43	16	34
2,001-2,500	763	679	6	4	17	16	34	7	373	194	79	117
2,501-3,000	547	512	3	6	6	6	13	1	272	123	44	108
3,001-3,500	411	386		4	4	7	9	1	184	113	44	70
3,501-4,000	248	239	2		2	2	3		120	68	17	43
4,001-4,500	151	144			2	4	1		61	34	12	44
$4,501- over	313	300	2		4	2	4	1	124	90	39	60
Totals	8,481	6,394	690	47	289	341	598	122	4,554	2,150	627	1,150

* 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, 2013

(1) Non Medicare-eligible Amount of Reduction Eligible to Receive	Number of Retirees	(2) Medicare-eligible Amount of Reduction Eligible to Receive	Number of Retirees
$12.50 - 50.00	85	$6.25 - 50.00	398
51.00 - 100.00	263	51.00 - 100.00	888
101.00 - 150.00	249	101.00 - 150.00	983
151.00 - 200.00	208	151.00 - 200.00	852
201.00 - 250.00	299	201.00 - 250.00	301
251.00 - 300.00	317	251.00 - 300.00	74
301.00 - 350.00	277	301.00 - 350.00	38
351.00 - 400.00	285	351.00 - 400.00	32
401.00 - 450.00	244	401.00 - 450.00	15
451.00 - 500.00	55	451.00 - 500.00	1
501.00 - 550.00	15	501.00 - 550.00	3
551.00 - 600.00	3	551.00 - 600.00	2
601.00 - 650.00	4	601.00 - 650.00	2
651.00 - 700.00	4	651.00 - 700.00	1
701.00 - 750.00	1	701.00 - 750.00	1
751.00 - 800.00	0	751.00 - 800.00	0
$801.00 - over	0	$801.00 - over	1
Total	2,309	Total	3,592

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, 2013

Age	Number of Retirees/ Beneficiary	Type of Retirement* 1	2	3	4	5	6	7
01-24	35				12	17	3	3
25-29	3					2		1
30-34	14					7	3	4
35-39	15					8	3	4
40-44	26				3	14	6	3
45-49	45	2			12	21	6	4
50-54	69	3		2	21	26	13	4
55-59	1,054	870	34	6	58	49	27	10
60-64	1,839	1,538	93	19	70	54	46	19
65-69	1,866	1,517	162	4	50	47	68	18
70-74	1,223	929	122	4	35	25	84	24
75-79	872	620	95	6	14	29	93	15
80-84	663	483	51	3	9	13	99	5
85-89	459	281	60	3	4	15	90	6
90-94	240	117	64		1	12	44	2
95 and up	58	34	9			2	13	
Totals	8,481	6,394	690	47	289	341	598	122

*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
2004								
Average Monthly Benefit	$235.47	$408.91	$809.39	$1,274.68	$2,083.56	$2,325.80	$3,084.75	$1,487.81
Mean Final Average Monthly Salary	$2,883.01	$3,821.80	$4,337.81	$4,537.74	$4,952.69	$4,511.64	$5,025.66	$4,434.07
Number of Retirees	1	75	39	43	41	39	38	276
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

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

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

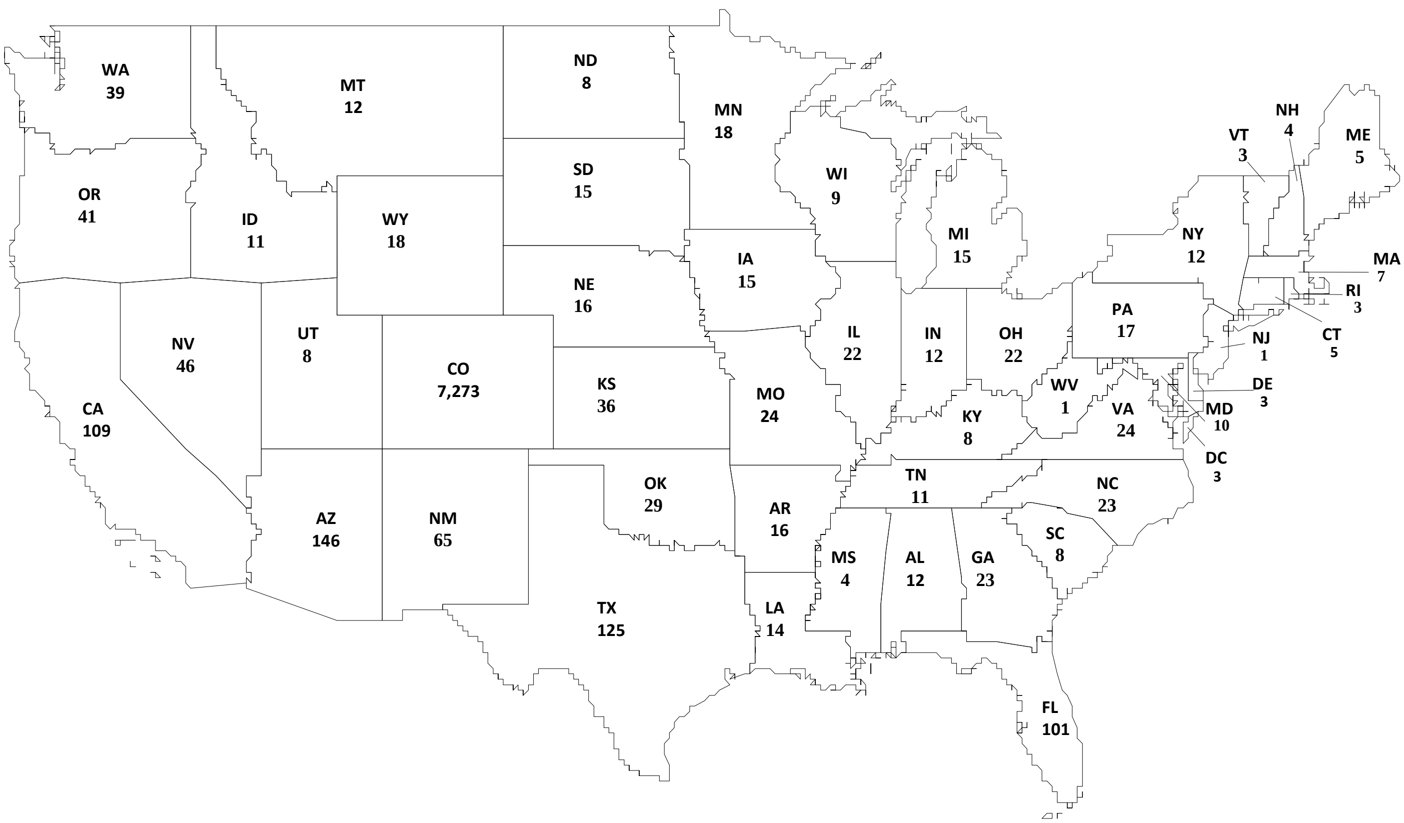
Principal Participating Employers

Current Year and Nine Years Ago

	2013			2004		
	Covered Employees	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**
Pension Benefits						
Participating Government:						
City and County of Denver	21,276	1	93.5%	16,065	1	89.8%
Denver Health and Hospital Authority	1,470	2	6.5%	1,824	2	10.2%
Total	22,746		100.0%	17,889		100.0%
Health Benefits						
Participating Government:						
City and County of Denver	21,276	1	93.5%	16,065	1	89.8%
Denver Health and Hospital Authority	1,470	2	6.5%	1,824	2	10.2%
Total	22,746		100.0%	17,889		100.0%

Location of Plan Retirees

Total Number of Retirees – 8,481



Other Countries and Territories

Argentina	1
Australia	1
Bulgaria	1
Costa Rica	1
Finland	1
Israel	3
Italy	1
Mexico	4
New Zealand	2
Puerto Rico	1
United Kingdom	2

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Denver Employees Retirement Plan
777 Pearl Street
Denver, CO 80203-3717
303-839-5419
www.derp.org
mbrsvs@derp.org