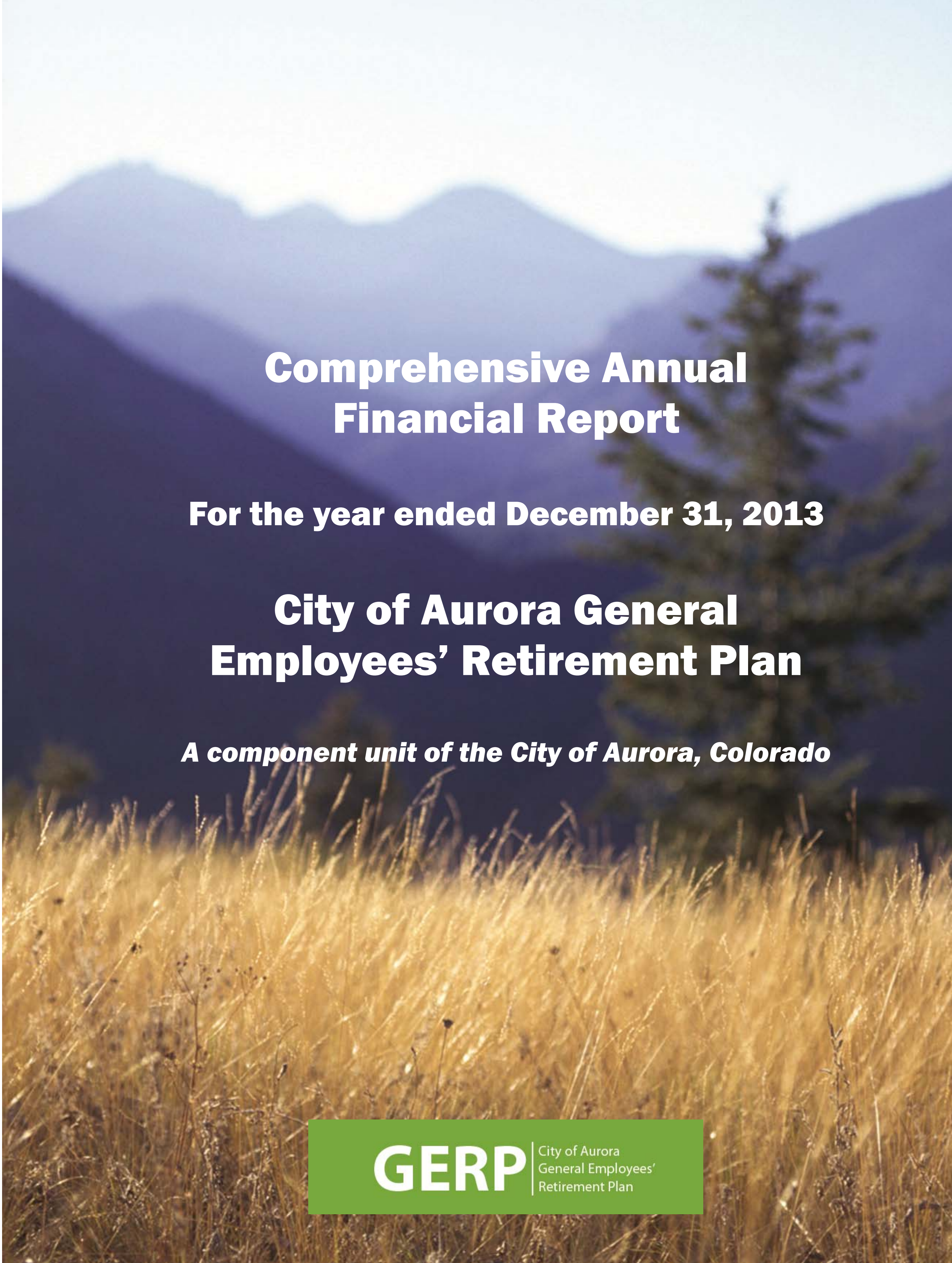


Comprehensive Annual Financial Report

For the year ended December 31, 2013

City of Aurora General Employees' Retirement Plan

A component unit of the City of Aurora, Colorado

GERP | City of Aurora General Employees' Retirement Plan

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Aurora

General Employees' Retirement Plan

Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

City of Aurora General Employees' Retirement Plan

A component unit of the City of Aurora, Colorado

Comprehensive Annual Financial Report

For the year ended December 31, 2013

Prepared by the General Employees' Retirement Board

Thomas Connell, Pension Plan Administrator

Table of Contents

GERP City of Aurora General Employees' Retirement Plan

12100 East Iliff Avenue, Suite 108
Aurora, Colorado 80014
(303) 368-9160
www.auroragerp.qwestoffice.net

June 20, 2014

To the Honorable Mayor, City Council and citizens of the City of Aurora, Colorado:

The comprehensive annual financial report of the City of Aurora General Employees' Retirement Plan ("GERP") for the year ended December 31, 2013 is hereby submitted for your information and review. The Plan is a component unit of the municipal government of the City of Aurora, Colorado.

This report is prepared under the authority of Aurora City Code section 102-145(g), which requires the Retirement Board to submit a financial report to City Council and to Plan participants each year. Responsibility for the accuracy, completeness and fairness of this presentation, including all disclosures, rests with the Retirement Plan administration. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Plan. All disclosures necessary to enable the reader to gain an understanding of the Plan's financial activities have been included.

This comprehensive annual financial report is presented in five sections:

- The **introductory** section, which is unaudited, includes this letter of transmittal, the Plan's organizational chart and a listing of trustees, staff and service providers.
- The **financial** section includes the independent auditors' report, management's discussion and analysis, the basic financial statements and notes, required supplementary information and additional information.
- The **investment, actuarial** and **statistical** sections, which are unaudited, include selected financial and demographic information presented on a multi-year basis.

Plan Background

The City of Aurora General Employees' Retirement Plan is a defined benefit pension plan created by the Aurora City Council in 1967 for the exclusive benefit of participants and their beneficiaries. Participation in the Plan is mandatory for the City's career service employees, for Council-appointed employees hired after 1997 and for the Plan's administrative staff members; the City's executive personnel have the option to participate. The Plan is intended to qualify under section 401(a) of the Internal Revenue Code and the trust created under the Plan is intended to be exempt under section 501(a).

In 2013 participating employees contributed 6% of their gross compensation to GERP. The City of Aurora contributed an equal amount, for a total contribution of 12% of pay. Under the plan changes approved by City Council in 2011, the employee contribution rate and the City's matching contribution will both increase by one-quarter percent each year until 2017, when the combined rate reaches 14% of pay. Thereafter, the contribution rate will be automatically adjusted based on the Plan's funded status.

Contributions received by GERP are held in trust, under the supervision of its Board of Trustees. The trustees have designated a custodian for Plan assets and have delegated investment authority to several registered investment advisors. A Pension Plan Administrator and support staff are employed by the Board to carry out administrative functions. The Board also contracts with consultants and advisors as needed.

Upon termination of employment, retirement, or death, a participant (or beneficiary) may qualify for a monthly pension, determined by the participant's age, final average pay and length of service. Alternatively, they may choose to receive a lump sum distribution of their contribution account balance and vested City contributions. Those who elect to retire and collect a regular pension benefit may also receive a supplemental benefit, which is an additional cash payment intended to assist retirees with health care expenses. Both the regular and supplemental benefits are subject to annual cost of living adjustments. A $6,250 lump sum death benefit is payable to the designated beneficiary upon the death of a retired employee who had been receiving a monthly pension.

Major Initiatives in 2013

The Retirement Board undertook both an actuarial experience study and an asset/liability study last year. These two projects led to significant changes to actuarial assumptions, as well as a new investment policy allocation.

The experience study examined key demographic and economic variables used to project the cost of future benefits in the actuarial valuation report. Expected outcomes were compared against the Plan's actual results for the most recent five year period. After reviewing the study's findings, the Board voted to make the following changes effective January 1, 2014:

- Lower the investment return and inflation assumptions by 0.25%, to 7.75% and 3.25% respectively,
- Decrease the projected salary increase scale and total payroll growth rate by 0.25%,
- Adjust retirement rates to reflect the trend toward delayed retirement,
- Adjust mortality and disability tables to reflect longer life-expectancies and lower rates of disablement.

Together, these changes were expected to cause a one-time $9.3 million increase in GERP's unfunded liability. Fortunately this cost was more than offset by investment gains and other liability gains that occurred in 2013. The Plan's funded ratio actually increased slightly to 92.8% as of the January 1, 2014 valuation.

The asset/liability study led the Retirement Board to make several adjustments to GERP's investment portfolio.

- The fixed income target allocation was reduced by 3% to 25%,
- Targets for U.S. stocks, private equity partnerships and real estate were each increased by 1%, to 29%, 10% and 10% respectively,
- The 5% "real assets" allocation was shifted from Treasury Inflation-Protected Securities (TIPS) to master limited partnerships (MLPs), which are companies that own and operate energy storage, processing and distribution networks within the U.S.

Financial Information

The Board of Trustees is vested with the responsibility for the general administration, management and proper operation of the Plan, including the determination of eligibility for benefits and the supervision of trust fund investments. As the Board's chief administrative officer, the Pension Plan Administrator has established an internal control structure. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements and that Plan assets are protected from loss, theft or misuse. The Pension Plan Administrator also serves as secretary and treasurer of the Board and is charged with maintaining records, compiling accounting data and preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The Plan's financial statements are audited and its internal control structure is evaluated annually by the independent auditor.

An annual expense budget is prepared by the Pension Plan Administrator and approved by the Board. The Board's authorization (through either the budget or a special appropriation) is required for the expenditure of any funds from the retirement trust. As demonstrated by the statements, schedules and report of the independent auditor included in the financial section of this report, the Board continues to meet its responsibility for sound operational and financial management.

Funded Status

GERP's funded ratio (based on the actuarial value of assets) was 92.8% on January 1, 2014, an increase from 92.2% in the previous year. The unfunded liability declined from $28.8 million at the start of 2013 to $28.5 million at year end. Due to the Plan's 3-year smoothing of investment gains and losses, the Plan has $19.3 million in deferred gains that will be recognized in future years.

Normal cost (the cost of anticipated benefits for active participants that is allocated to the current year) was 11.15% of payroll at the start of 2014. Normal cost has been trending downward in recent years and is now below the Plan's 12.5% contribution rate. The *total required contribution* (which includes normal cost and an amortized portion of the unfunded liability) was 13.15% of payroll for this year.

The changes to the benefit structure and the contribution rates adopted by Council in 2011 have put the Plan on course to eliminate its remaining unfunded liability within five years, provided all assumptions are realized.

Investment Activities

GERP's investment portfolio earned 15.21% in 2013, compared with a 15.71% median return for mid-sized U.S. public funds. The Plan's more conservative asset allocation, which has helped to dampen losses in down market years, limits gains during rising market periods such as last year. Over the past fifteen years encompassing both rising and falling markets, GERP's performance has ranked within the top half of its peer group. Callan Associates Inc. prepared the analysis of investment results which is included in Section III of this report, pages 43 to 60.

In order to keep pace with the growing fund size and allocation targets, the Retirement Board made additional commitments to its timberland and real estate investment managers in 2013.

All invested assets are held in trust by State Street Bank & Trust Company, the Plan's custodian, or in the case of commingled funds and partnerships, by other independent custodians.

Independent Audit

Section 102-145(g) of the Aurora City Code requires the Board to engage a certified public accountant to conduct an independent audit of the Plan each year. CliftonLarsonAllen LLP performed the calendar year 2013 audit in accordance with auditing standards generally accepted in the United States of America, and with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Their opinion on the Plan's financial statements is included in the financial section of this report. Plan management's discussion and analysis of the financial statements also appears in the financial section.

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 City of Aurora General Employees' Retirement Plan for its comprehensive annual financial report for the fiscal year ended December 31, 2012. This was the fourteenth consecutive year that the Plan has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgment

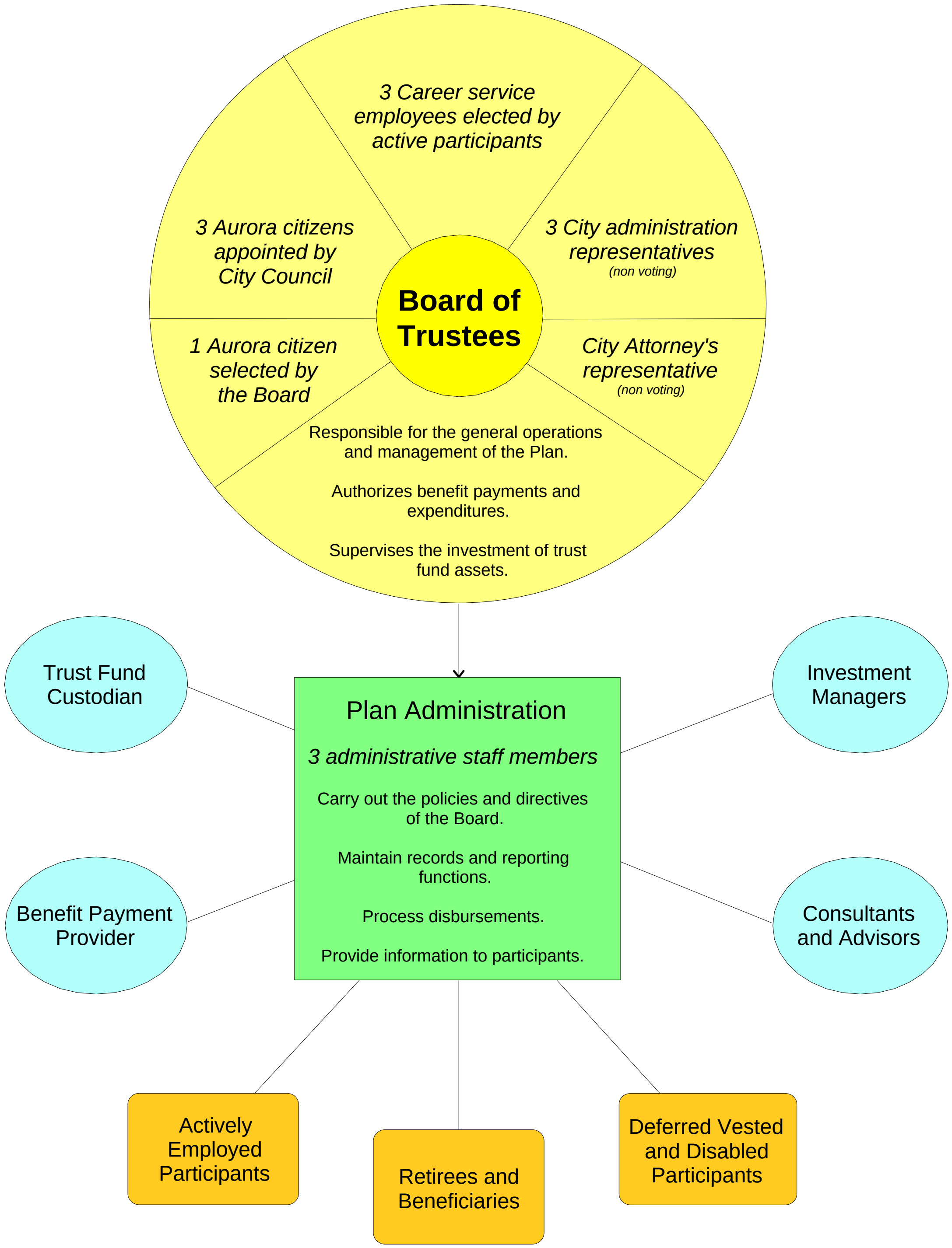
The Board wishes to thank the Mayor and the members of the Aurora City Council for their continued interest in and support of the Plan.

Respectfully submitted,

John M. Lichtner
Chairperson, Board of Trustees

Thomas Connell
Pension Plan Administrator

City of Aurora General Employees' Retirement Plan Organizational Chart



Retirement Board Trustees and Staff Members
Plan Year 2013

Voting Trustees

Rebecca Bryant-Haight	*Employee Elected*
Helen B. DiBartolomeo	*Council Appointed*
Dawn M. Jewell	*Employee Elected*
John M. Lichtner	*Employee Elected*
David L. McConico	*Council Appointed*
Michelle Reding	*Council Appointed*
Sue Sandstrom	*Board Selected*

Ex Officio Members of the Board

Jason P. Batchelor (represented by Ted Frost)	*Director of Finance*
George K. Noe (represented by Janice Napper)	*City Manager*
Daniel Quillen	*Director of Internal Services*

City Attorney's Representative

Stacie G. Evans	*Assistant City Attorney*

Administrative Staff

Thomas Connell	*Pension Plan Administrator*
Aaron D. Kahn	*Benefit Administrator*
Karen L. MacDonald	*Administrative Assistant*

Investment Managers
Plan Year 2013

Abbott Capital Management	New York, NY	*Private Equity*
BlackRock Institutional Trust Company	San Francisco, CA	*U.S. Equity*
BlackRock Realty	New York, NY	*Real Estate*
Cadence Capital Management	Boston, MA	*U.S. Equity*
Cohen & Steers Capital Management	New York, NY	*Real Estate*
Denver Investments	Denver, CO	*U.S. Fixed Income*
Dodge & Cox	San Francisco, CA	*International Equity*
HarbourVest Partners, LLC	Boston, MA	*Private Equity*
Molpus Woodlands Group	Jackson, MS	*Timberland*
PIMCO	Newport Beach, CA	*U.S. Fixed Income*
Smith, Graham & Company	New York, NY	*U.S. Equity*
State Street Global Advisors	Boston, MA	*International Equity & U.S. Fixed Income*

Other Professional Service Providers

Actuary

Gabriel, Roeder, Smith & Company	Denver, CO

Auditor

CliftonLarsonAllen LLP	Broomfield, CO

Benefit Payment Provider

State Street Bank Retiree Services	Jacksonville, FL

Custodian

State Street Bank & Trust Company	Kansas City, MO

Investment Consultant

Callan Associates, Inc.	Denver, CO

Legal Advisor

Reinhart Boerner Van Deuren SC	Englewood, CO

Participant Education Consultant

Innovest Portfolio Solutions LLC	Denver, CO

Information regarding the fees paid to the Plan's professional service providers and investment managers can be found on pages 37 and 38.

INDEPENDENT AUDITORS' REPORT

The Retirement Board
City of Aurora General Employees Retirement Plan

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Aurora General Employees Retirement Plan (the Plan) a component unit of the City of Aurora, as of and for the years ended December 31, 2013 and 2012, and the related notes to the 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 audits. We conducted our audits 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 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Plan as of December 31, 2013 and 2012, and the changes in net position for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are 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 on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 16, 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

Greenwood Village, Colorado
April 16, 2014

This section presents an overview and analysis of the financial statements of the City of Aurora General Employees' Retirement Plan (GERP or the Plan) for the years ended December 31, 2013 and 2012, and was prepared by GERP's management. It should be read in conjunction with the Plan's financial statements, the notes to the financial statements and the required supplementary information.

Financial highlights:

- The Plan's net position held in trust for pension benefits increased by $43.8 million to $385.9 million as of December 31, 2013.

- The GERP portfolio earned a return of 15.21% for the year. Performance was led by outsized gains from U.S. and international equity investments. Private equity funds and real estate also posted healthy returns. Contrasting that, fixed income securities experienced their first negative year since 1999. The Plan's latest 3, 5 and 10-year annualized rates of return were 9.93%, 11.38% and 6.86% respectively.

- As of January 1, 2013 (the date of the most recent actuarial valuation report) GERP's funded ratio[1] was 92.2%, compared with 90.6% in the January 1, 2012 report. The Plan uses a three-year smoothing method to determine the actuarial value of assets, which delays the recognition of gains or losses experienced in the most recent two years. On a market value basis, assets were $27.6 million less than the actuarial accrued liability at the start of 2013.

Overview of the financial statements:

GERP's financial presentation is composed of four parts: (1) the financial statements; (2) notes to the financial statements; (3) required supplementary information and (4) additional supplementary information. Below is a summary of the information provided in each of these sections.

Financial statements:

The *Statements of Plan Net Position* present information on the Plan's assets and liabilities and the resulting net assets held in trust for pension benefits. They indicate the fair value of GERP's investments, cash deposits and accounts payable and receivable on the last day of calendar years 2013 and 2012.

The *Statements of Changes in Plan Net Position* present the Plan's transactions under the categories of *Additions* and *Deductions*. *Additions* include contributions to GERP by the City of Aurora and by participating employees, net appreciation in the fair value of investments, dividend and interest income and other miscellaneous sources of income. Investment income is reduced by investment-related expenses such as asset management fees, custody charges and consulting fees. *Deductions* include outlays for monthly pension benefits, death benefits, refunds of contributions to employees and fees paid for professional services and administrative expenses.

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[1] The *funded ratio* is the actuarial value of assets divided by the actuarial accrued liability.

Notes to financial statements:

The *Notes to Financial Statements* provide detailed information and explanations that are essential to a more complete understanding of the Plan's financial statements.

Required supplementary information:

This section consists of two historical trend exhibits concerning the funding status of GERP, a *Schedule of Funding Progress* and a *Schedule of Employer Contributions.* These exhibits are accompanied by the *Notes to Required Supplementary Information,* and the actuarial assumptions and methods used by the Plan are summarized at Note 7 within the notes to the financial statements.

Additional supplementary information:

The information in this section is not a required part of the basic financial statements, but is provided by the Plan for purposes of additional analysis. A *Schedule of Administrative Expenses* and a *Schedule of Investment Expenses* offer a more detailed accounting of GERP expenditures.

Financial analysis:

GERP's total assets were $386.4 million as of December 31, 2013 compared with $345.2 million as of December 31, 2012 and $313.8 million at the end of 2011. Last year's return on investments was the highest in the last 10 years.

Total liabilities represent amounts owed to vendors, benefit payments due and payments for securities purchased. Liabilities were $0.5 million as of December 31, 2013.

A summary of GERP's net position for the years ended December 31, 2013, 2012 and 2011 is presented on the following page.

Financial analysis (continued):

Plan Net Position

	December 31, 2013	December 31, 2012	2012 to 2013 Percentage Change	December 31, 2011	2011 to 2012 Percentage Change
Assets					
Cash	$ 73,243	$ 157,423	(53.5%)	$ 83,993	87.4%
Receivables	1,152,371	3,036,565	(62.1%)	1,096,615	176.9%
Prepaid expenses and other	21,128	23,378	(9.6%)	27,132	(13.8%)
Investments	385,185,344	342,010,296	12.6%	312,605,660	9.4%
Furniture and equipment, net	-	-	-	-	-
Total Assets	$386,432,086	$ 345,227,662	11.9%	$313,813,400	10.0%
Liabilities					
Accounts payable	$ 375,552	$ 261,347	43.7%	$ 356,090	(26.6%)
Benefits payable	85,573	46,596	83.7%	97,301	(52.1%)
Securities purchased	88,519	2,798,814	(96.8%)	78,200	3,479.0%
Total Liabilities	549,644	3,106,757	(82.3%)	531,591	484.4%
Total Net Position	$385,882,442	$ 342,120,905	12.8%	$313,281,809	9.2%

Total assets increased by 11.9% in 2013, which is less than the Plan's reported investment return of 15.21% due to the net withdrawal of $8.3 million over the course of the year to pay benefits and expenses. Rates of investment return are calculated by an independent consultant using linked, time-weighted monthly returns. Contributions and withdrawals are taken into consideration, but fees billed directly by investment managers are not.

Below are the returns for each asset class together with their respective benchmark returns. A *benchmark* is a published market index whose characteristics and performance make it a generally accepted proxy for a particular asset class. GERP's total fund benchmark is the weighted average of its individual asset class benchmarks. The actual percentage invested in each asset class is also shown in comparison to the Plan's investment policy target range. For performance measurement, any cash equivalents held by investment managers are included within their respective allocation percentages.

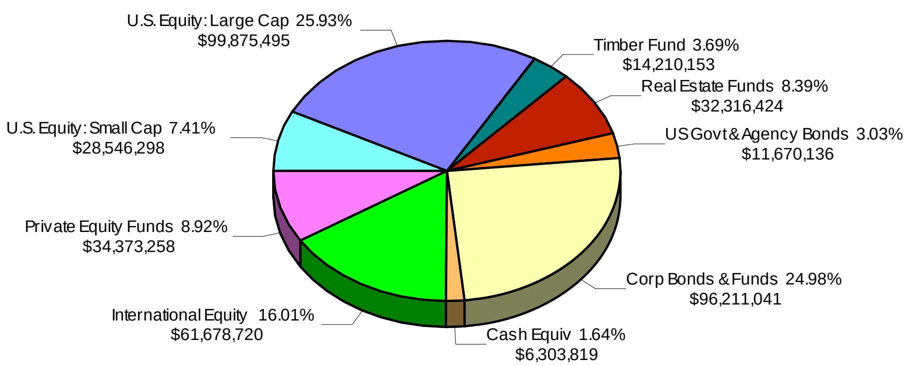
Financial analysis (continued):

	GERP's 2013 Investment Returns by Asset Class	Benchmark Returns	Actual Investment Allocation	Investment Policy Target Range
U.S. Equity: Large cap	32.43%	32.39%	26%	18% to 26%
U.S. Equity: Small cap	40.75%	38.82%	8%	4% to 8%
International Equity	23.10%	15.78%	16%	13% to 19%
Private Equity Partnerships	14.92%	9.50%	9%	6% to 12%
Fixed Income: Nominal Bonds	(1.96%)	(2.02%)	25%	24% to 32%
Fixed Income: TIPS	(8.62%)	(8.61%)	4%	3% to 7%
Real Estate	9.92%	10.62%	8%	6% to 12%
Timberland	11.89%	4.39%	4%	3% to 7%
TOTAL FUND	**15.21%**	**12.88%**	**100%**	

Each of GERP's asset classes exceeded the returns of their respective benchmarks with the exception of real estate. There, lower returns from the Plan's publicly traded global securities (REITs) offset the larger gains earned by its U.S. based private real estate funds. For the year the total fund returned 15.21%, exceeding its weighted average benchmark return as well as the Plan's 8% actuarial target. The total fund had earned 12.27% in 2012 and 2.70% in 2011.

GERP's asset allocation as of December 31, 2013 is shown below. In this pie chart, uninvested funds held in managers' accounts and in the Plan's operating account are combined and reported as "cash equivalents." Any uninvested cash is sweep into the custodian bank's short-term investment fund at the end of each day.

Figure 1



Financial analysis (continued):

The Plan continues to maintain a lower allocation to equities and a higher allocation to fixed income than most of its peers.[2] This reflects the Retirement Board's lower-risk investment policy for the fund.

A summary of the changes in net position for the years ended December 31, 2013, 2012 and 2011 is presented below.

Changes in Plan Net Position

	2013	2012	2012 to 2013 Percentage Change	2011	2011 to 2012 Percentage Change
Additions:					
Contributions					
City of Aurora	$ 5,007,530	$ 4,786,740	4.6%	$ 4,571,135	4.7%
Plan members	5,021,435	4,800,089	4.6%	4,580,527	4.8%
Net investment income	51,302,607	35,838,582	43.1%	7,721,814	364.1%
Other income	42,323	28,610	47.9%	40,734	(29.8%)
Total Additions	$ 61,373,895	$ 45,454,021	35.0%	$ 16,914,210	168.7%
Deductions:					
Benefits	$ 15,389,795	$ 13,402,392	14.8%	$ 12,028,803	11.4%
Refunds of contributions	1,633,303	2,744,970	(40.5%)	1,669,358	64.4%
Administrative expenses	589,260	467,563	26.0%	490,858	(4.7%)
Total Deductions	$ 17,612,358	$ 16,614,925	6.0%	$ 14,189,019	17.1%
Net increase (decrease)	$ 43,761,537	$ 28,839,096	51.7%	$ 2,725,191	958.2%
Net assets held in trust for pension benefits:					
Beginning of year	$342,120,905	$ 313,281,809	9.2%	$310,556,618	0.9%
End of year	$385,882,442	$ 342,120,905	12.8%	$313,281,809	9.2%

[2] GERP compares its investment program to other mid-sized public retirement plans in the U.S. with assets of $100 million to $1 billion. According to Callan Associates, an independent investment consulting firm, the median public fund allocations were 39.2% for U.S. equity, 17.0% for international equity and 26.5% for fixed income as of December 31, 2013.

Additions to Plan net position:

The Plan relies on contributions from the City of Aurora and GERP members, as well as income earned on investments to fund benefits and operating expenses. Under a funding plan adopted by the Aurora City Council in 2011, the member contribution rate (which had been fixed at 5.50% of pay from 1986 through 2011) is scheduled to increase by 0.25% annually until it reaches 7.00%. The member contribution rate in effect for 2013 was 6.00%. All regular employee contributions are matched by the City. Under certain circumstances, Plan members are permitted to purchase service credit for periods of previous City employment, or when they have taken leave for qualified military service. These special service purchases are not matched, which accounts for the small differences between City of Aurora contributions and Plan member contributions.

The Plan earned net investment income of $51.3 million in 2013, compared with $35.8 million in 2012, and $7.7 million in 2011.

Other income rose to $42,323 from $28,610 in 2012 and $40,734 in 2011 as securities litigation settlements and consent payments returned to normal levels. Approximately 7% of the other income earned in 2013 was paid to GERP by the City of Aurora's *Elected Officials' and Executive Personnel Defined Benefit Plan* for administrative services provided. The Plan also received a small amount in reimbursements for data preparation costs for fulfilling open records requests.

Deductions from Plan net position:

Deductions from Plan assets include monthly pension payments, death benefits, contribution refunds and administrative expenses. Spending for pension and death benefits grew by 14.8% between 2012 and 2013, compared with an 11.4% increase from 2011 and 2012. Contribution refunds declined by 40.5% in 2013, in contrast to a 64.4% increase in the prior year.

Pensioners received an automatic 1.5% cost of living increase on January 1, 2013, based on the consumer price index. A 2011 plan amendment created a lower tier of retirement benefits for new employees hired in 2012 and after. That change has already begun to slow the projected rate of growth in retirement benefit costs.

Administrative expenses increased by 26% in 2013 driven by the Plan's need for additional legal and actuarial consulting services for special projects.

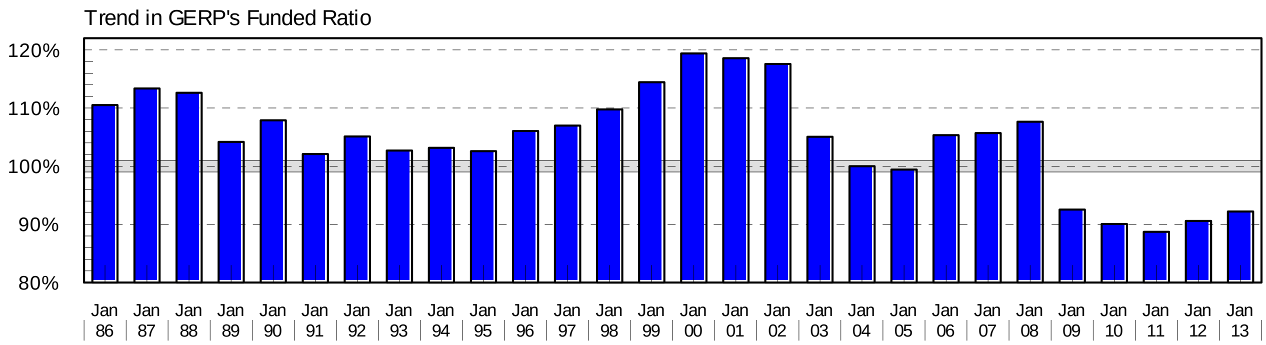
Historical trends:

The funded ratio (assets divided by liabilities) is one measure of a pension plan's ability to meet its expected benefit obligations. GERP's funded ratio increased to 92.2% according to the Plan's January 1, 2013 actuarial valuation report. By comparison, Wilshire Associates reported that the average funded ratio for the state retirement plans in its recent survey was 75%.

Historical trends (continued):

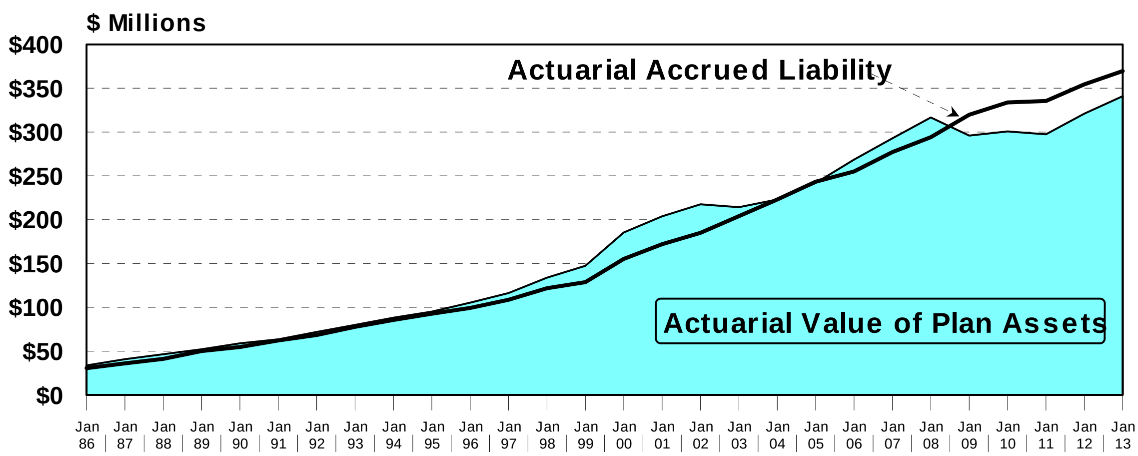
Prior to January 1, 2009, GERP's actuarial accrued liability had been fully funded in every year going back to 1986. The trend in the Plan's funded ratio for the past twenty-eight years is presented below. GERP has made steady progress in reducing the unfunded liability that developed as a result of the 2008 financial crisis.

Figure 2



The long-term trend in the growth of the Plan's assets and liabilities is illustrated in the chart below.

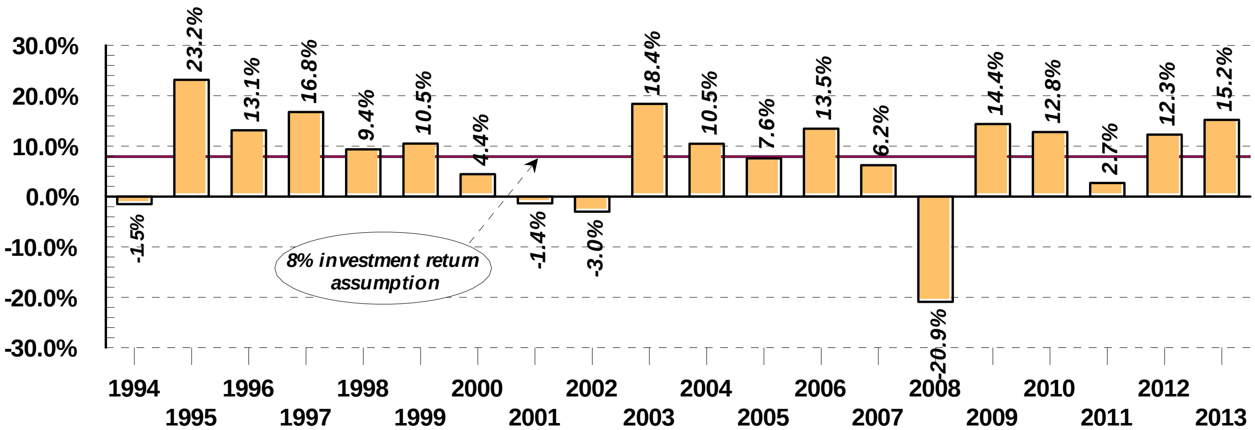
Figure 3



The Plan's funded status is most strongly influenced by its investment results. The annual returns earned by GERP since 1994 appear below. The Plan has had an actuarial investment return assumption of 8.0% since 1998, and 7.5% for prior years. GERP's annualized rate of return for the latest twenty years is 7.75%.

Historical trends (continued):

Figure 4



CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF PLAN NET POSITION
December 31, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 73,243	$ 157,423
Receivables		
Contributions	473,788	401,005
Interest and dividends	671,812	699,171
Securities sold	6,771	1,936,389
Total receivables	1,152,371	3,036,565
Prepaid expenses and other	21,128	23,378
Investments, at fair value		
Short-term cash investments	6,303,819	6,944,098
Equity securities and funds	190,100,513	150,524,769
U.S. government and U.S. government agency obligations	11,670,136	11,774,745
Corporate bonds and funds	96,211,041	99,939,541
Real estate funds	32,316,424	30,194,754
Alternative investments	48,583,411	42,632,389
Total investments	385,185,344	342,010,296
Furniture and equipment, net	-	-
Total assets	386,432,086	345,227,662
LIABILITIES		
Accounts payable and accrued expenses	375,552	261,347
Benefits and refunds payable	85,573	46,596
Securities purchased	88,519	2,798,814
Total liabilities	549,644	3,106,757
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	$ 385,882,442	$ 342,120,905

The accompanying notes are an integral part of the financial statements.

CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN PLAN NET POSITION
Years Ended December 31, 2012 and 2011

	2013	2012
ADDITIONS TO NET POSITION ATTRIBUTED TO:		
Contributions		
City of Aurora	$ 5,007,530	$ 4,786,740
Plan members	5,021,435	4,800,089
Total contributions	10,028,965	9,586,829
Investment income		
Net appreciation in fair value of investment	47,594,940	30,226,121
Interest	3,344,932	5,082,825
Dividends	1,794,131	1,879,311
	52,734,003	37,188,257
Less investment expenses	(1,431,396)	(1,349,675)
Net investment income	51,302,607	35,838,582
Other income	42,323	28,610
Total additions to net position	61,373,895	45,454,021
DEDUCTIONS FROM NET POSITION ATTRIBUTED TO:		
Benefits paid to participants	15,389,795	13,402,392
Refunds of contributions	1,633,303	2,744,970
Administrative expenses	589,260	467,563
Total deductions from net position	17,612,358	16,614,925
NET INCREASE IN NET POSITION	43,761,537	28,839,096
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AT BEGINNING OF YEAR	342,120,905	313,281,809
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AT END OF YEAR	$ 385,882,442	$ 342,120,905

The accompanying notes are an integral part of the financial statements.

NOTE 1 – PLAN DESCRIPTION

The City of Aurora General Employees' Retirement Plan (the Plan) is a single-employer, defined benefit pension plan covering substantially all full-time and part-time employees of the City of Aurora, Colorado, including the administrative staff of the Plan, but excluding certain executive and council-appointed employees, police officers, paid firefighters, elected officials, and temporary employees. The Plan is maintained for the exclusive benefit of the employees of the City of Aurora and their beneficiaries. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). However, the Plan is qualified as a tax-exempt plan under Sections 401(a) and 501(a) of the Internal Revenue Code. Employee contributions are required as a condition of employment and are matched equally by the City of Aurora.

The Plan is considered a component unit of the City of Aurora, and is included in the City of Aurora's financial reporting entity as a pension trust fund. The City of Aurora Retirement Board (the Board), established by the City of Aurora, administers the Plan.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and reporting standards applicable to governmental accounting for public employee retirement systems. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* specifies that the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans; an Amendment of GASB Statement No. 25,* 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 Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trust or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2013.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

At December 31, 2013 and 2012, the Plan's securities are in the custody of and controlled by State Street Bank and Trust Company, the master custodian. The Plan contracts with investment managers to manage all of the Plan's investments. The City of Aurora General Employees' Retirement Board has sole discretion over the investments of the Plan. Board policies allow investments consisting of government, corporate and international bonds, domestic and international equities, mutual funds, limited partnership holdings, real estate, mortgages and other investments.

Plan investments are reported at fair value. Short-term investments are carried at cost, which approximates fair value. Securities and funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate funds, not actively traded on a national or international exchange, are valued based upon periodic appraisals of the real estate underlying the investment units held by the Plan. Alternative investments represent investments in private equity partnerships in which the Plan enters under limited partnership agreements. For alternative investments where no readily ascertainable fair value exists, management reviewed information from the general partner of the partnerships, in consultation with investment advisors, and determined the fair values of the individual investments.

The Plan presents, in the statement of changes in Plan net position, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments. Purchases and sales are recorded on the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

There are certain market risks, credit risks, foreign currency exchange risks, and event risks which may subject the Plan to economic changes occurring in certain industries, sectors or geographies.

Derivatives

The Plan is permitted to own derivative investments. During the years ended December 31, 2013 and 2012, the Plan's only derivative investments were in connection with managed (mutual) funds. Because the Plan does not own any specific identifiable investment securities held by managed funds, the market risk associated with any derivative investments held in these funds is not apparent. The degree of market risk depends on the underlying portfolios of the funds, which were selected by the Plan in accordance with its investment policy guidelines including risk assessment.

Furniture and Equipment

Furniture and equipment is carried at cost. Depreciation expense is computed using the straight-line method based on the estimated five year useful lives of the related assets. Accumulated depreciation at December 31, 2013 and 2012 was $26,300. At December 31, 2013 and 2012, furniture and equipment is fully depreciated.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Administrative Expenses

The cost of administering the Plan is financed through the contributions and investment earnings that it receives.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Actuarial Valuation

The information included in the required supplementary schedules is based on the actuarial valuation performed as of January 1, 2013, which is the date of the latest available information. Significant actuarial assumptions used in the valuation are included in the notes to the required supplementary schedules.

Reclassifications

Certain reclassifications have been made to the 2012 balances to conform to the 2013 presentation.

NOTE 3 – CASH DEPOSITS

Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of bank failure, the Plan will not be able to recover the value of its deposits. The Plan does not have a formal policy for custodial credit risk. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized.

The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The fair value of the collateral must be at least equal to the aggregate uninsured deposits.

The State Commissioner for banks and financial services is required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2013 and 2012, the Plan had $73,243 and $157,423, respectively held in cash deposits. All amounts for both years were fully insured by federal depository insurance. Therefore at December 31, 2013 and 2012, the Plan had no cash deposits that were exposed to custodial credit risk.

NOTE 4 – INVESTMENTS

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the Plan. Credit risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on August 23, 2012. These guidelines are specific to three strategies (core, core plus and TIPS) within the fixed income asset class.

The *core* portfolio will include the following:

- Debt instruments issued by the U.S. Government, its Agencies and Instrumentalities.
- Debt instruments that have been issued by domestic entities rated BBB- or Baa3 or above by Standard & Poor's Rating Service or Moody's, respectively.
- Dollar denominated debt of comparable quality issued by non-domestic entities in the United States, including securities issued under U.S. Securities and Exchange Commission rule 144(A); and mortgage backed and asset backed securities of investment grade quality.
- For purposes of diversification, the exposure to any single issuer, other than securities issued by the U.S. Treasury or a Government Sponsored Enterprise, shall not exceed 5% of the market value of the portfolio. Exposure to any single issue or mortgage pool issued by a Government Sponsored Enterprise shall not exceed 5% of the market value of the portfolio.
- Securities that derive their returns from factors other than interest rates are not permitted in the fixed income portfolio. Examples of such securities are structured notes whose returns are tied to currencies or commodity prices.

The *core plus* portfolio will follow the above guidelines with the following exceptions:

- While the overall portfolio credit quality shall be maintained at investment grade, up to 25 percent of the portfolio at market value may be invested in securities rated below investment grade. Split rated securities will be governed by the lower designation.
- Up to 20 percent of the portfolio at market value may be invested in securities issued by foreign issuers and denominated in foreign currencies.
- The *core plus* manager has received authorization to use options, forwards, and futures to hedge currency exposure.
- For investment in a *core plus* commingled fund, the manager is authorized full discretion to use derivative instruments, consistent with the fund prospectus.

The TIPS portfolio will include the following:

- Debt instruments issued by the U.S. Government, its Agencies and Instrumentalities, including Treasury Inflation Protected Securities.

NOTE 4 – INVESTMENTS (CONTINUED)

At December 31, 2013 and 2012, the Plan held the following fixed income investments with respective quality ratings, excluding those obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, which are not considered to have credit risk.

	2013		
Description	**Credit Quality Rating**	**Fair Value**	**% of Total**
Corporate Bonds	Aaa/AAA	$ 3,823,412	4.0%
	Aa/AA	3,360,331	3.5%
	A	16,388,101	17.0%
	Baa/BBB	11,279,533	11.7%
Bond Fund	Aa/AA	46,632,782	48.5%
TIPS Fund	Aaa/AAA	14,726,882	15.3%
Total Corporate Bonds and Funds		$ 96,211,041	100.0%

	2012		
Description	**Credit Quality Rating**	**Fair Value**	**% of Total**
Corporate Bonds	Aaa/AAA	$ 5,515,792	5.6%
	Aa/AA	3,138,414	3.1%
	A	17,786,970	17.8%
	Baa/BBB	9,836,230	9.8%
Bond Fund	Aa/AA	47,546,598	47.6%
TIPS Fund	Aaa/AAA	16,115,537	16.1%
Total Corporate Bonds and Funds		$ 99,939,541	100.0%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk exposure is dictated by each manager's agreement. Each portfolio is managed in accordance with investment guidelines as stated in the Plan's investment policy adopted on August 23, 2012. These guidelines are specific to three strategies (core, core plus and TIPS) within the fixed income asset class.

- The *core* fixed income portfolio is to maintain duration within plus or minus 25 percent of the duration of the Barclay's Capital Aggregate.
- The *core plus* portfolio shall normally be maintained within a range of three to six years.
- The TIPS portfolio is to maintain duration within plus or minus 25 percent of the Barclay's Capital US TIPS Index

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Trustees. The Board of Trustees for the Plan has formally adopted an investment policy that allows investment maturities greater than five years.

NOTE 4 – INVESTMENTS (CONTINUED)

Using the specific identification method, the Plan had the following investments and maturities at December 31, 2013:

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**>10**
Industrial Bonds	$ 15,884,128	$ 386,676	$ 6,854,676	$ 6,663,235	$ 1,979,541
Utility Bonds	4,569,253	-	1,632,484	2,126,526	810,243
Finance Bonds	7,846,178	1,060,490	880,177	4,465,402	1,440,109
Municipal Bonds*	1,167,386	-	-	-	1,167,386
Non-U.S. Corp Bonds	1,826,071	-	1,064,949	761,122	
Asset Backed Bonds	1,421,848	-	1,190,318	-	231,530
Govt Mtg Backed	1,914,344	-	-	-	1,914,344
Coll Mtg Oblig	222,170	-	-	-	222,170
U.S. Treasury Bonds	11,670,135	-	6,880,279	2,324,605	2,465,251
Corporate Bond Fund*	46,632,782	-	46,632,782	-	-
TIPS Fund**	14,726,882	-	-	14,726,882	-
	107,881,177	1,447,166	65,135,665	31,067,772	10,230,574
Investments with Undetermined Maturity Dates					
Money Market Funds	6,303,819	6,303,819	-	-	-
Equity Securities	190,100,513	190,100,513	-	-	-
Real Estate Funds	32,316,424	32,316,424	-	-	-
Alternative Investments	48,583,411	48,583,411	-	-	-
	277,304,167	277,304,167	-	-	-
Total	$385,185,344	$278,751,333	$ 65,135,665	$ 31,067,772	$ 10,230,574

*Average maturity for the Corporate Bond Fund is 5.44 years

** Average maturity for the TIPS Fund is 7.97 years

NOTE 4 – INVESTMENTS (CONTINUED)

Using the specific identification method, the Plan had the following investments and maturities at December 31, 2012:

		Investment Maturities (in years)			
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**>10**
Industrial Bonds	$ 15,887,408	$ 371,266	$ 3,577,565	$ 9,215,812	$ 2,722,765
Utility Bonds	4,596,245	232,580	2,527,069	1,030,602	805,994
Finance Bonds	6,490,286	-	2,829,595	2,293,279	1,367,412
Municipal Bonds*	1,170,675	-	-	-	1,170,675
Non-U.S. Corp Bonds	2,547,611	-	1,429,838	1,117,773	-
Asset Backed Bonds	2,490,226	-	1,040,601	832,046	617,579
Govt Mtg Backed	2,904,912	-	-	-	2,904,912
Coll Mtg Oblig	190,044	-	151,401	-	38,643
U.S. Treasury Bonds	11,774,745	-	3,203,718	4,269,948	4,301,079
Corporate Bond Fund*	47,546,598	-	-	47,546,598	-
TIPS Fund**	16,115,536	-	-	16,115,536	-
	111,714,286	603,846	14,759,787	82,421,594	13,929,059
Investments with Undetermined Maturity Dates					
Money Market Funds	6,944,098	6,944,098	-	-	-
Equity Securities	150,524,769	150,524,769	-	-	-
Real Estate Funds	30,194,754	30,194,754	-	-	-
Alternative Investments	42,632,389	42,632,389	-	-	-
	230,296,010	230,296,010	-	-	-
Total	$342,010,296	$230,899,856	$ 14,759,787	$ 82,421,594	$ 13,929,059

*Average maturity for the Corporate Bond Fund is 6.09 years

** Average maturity for the TIPS Fund is 8.93 years

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Plan has no formal policy for custodial credit risk. At December 31, 2013 and 2012, the Plan did not identify any investments subject to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. For the fixed income investment manager, the Plan's investment policy states that for purposes of diversification, the exposure to any single issuer, other than securities guaranteed by the U.S. Treasury or issued by a Government Sponsored Enterprise, shall not exceed 5% of the fair value of the portfolio. Also, exposure to any single issue or mortgage pool issued by a Government Sponsored Enterprise, shall not exceed 5% of the fair value of the portfolio. For the domestic equity investment manager,

NOTE 4 – INVESTMENTS (CONTINUED)

the Plan's investment policy states that the fair value of any single security holding should be limited to a weight of 5% of the portfolio, or 150% of the security's weight in the benchmark, whichever is higher. There is no formal policy for concentration of credit risk for the international equity and real estate investment managers.

At December 31, 2013 and 2012, the Plan did not have investments in any one organization representing 5% or more of the Plan's assets other than the following indexed and commingled Funds:

	2013	
Investment	**Value**	**% of Investments**
BlackRock Equity Index Fund A	$ 99,875,494	26.0%
Pimco Total Return Fund	46,632,782	12.2%
Dodge & Cox International Stock Fund	31,468,827	8.2%
SSGA International Alpha Select SL Fund	25.370,213	6.6%

	2012	
Investment	**Value**	**% of Investments**
BlackRock Equity Index Fund A	$ 75,420,002	22.0%
Pimco Total Return Fund	47,546,598	13.9%
Dodge & Cox International Stock Fund	24,913,212	7.3%
SSGA International Alpha Select SL Fund	20,189,461	5.9%

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or deposit. The Plan's currency risk exposure resides within investments in international equity mutual funds and one private equity limited partnership. While the Plan does not currently have a Foreign Currency Risk policy within its formal Investment Policy, the Plan has delegated responsibility for currency management to its international equity managers.

The Plan's exposure to foreign currency risk as of December 31, 2013 and 2012 is disclosed by investment type below:

	Fund valued in	Currency Exposure	2013	2012
International equity mutual funds	US dollars	Various currencies worldwide	$ 61,678,720	$ 50,105,950
HarbourVest International Private Equity Partners VI	Euros	Euro, US dollar, British pound, Swedish krona, Japanese yen, Australian dollar	1,872,406	1,135,646
			$ 63,551,126	$ 51,241,596

NOTE 5 – CONTRIBUTIONS

Membership of the Plan consists of the following at January 1, 2013 and 2012, the dates of the most recent actuarial valuations:

	2013	2012
Retirees and beneficiaries receiving benefits	715	662
Terminated Plan members entitled to but not yet receiving benefits	210	199
Active Plan members	1,564	1,560
	2,489	2,421

The actuarial study is considered by the Plan's Board when reviewing the funding policies as established by City ordinance. Contribution percentages are established by, and may be amended by the City of Aurora.

The Plan's funding policy during 2013 and 2012 required employees to contribute 6.0% and 5.75%, respectively, of their covered compensation to the Plan, and required matching contributions by the City of Aurora. The City of Aurora's covered payroll and total payroll paid to employees during 2013 and was $82,619,797 and $179,384,474, respectively. The covered payroll and total payroll paid to employees during 2012 was $82,107,803 and $175,168,896, respectively.

Effective January 1, 2012, the Plan was amended as of October 31, 2011 through City of Aurora Ordinance 2011-29 increasing the required employee contribution to 6.0% for 2013, and increasing the contribution rate .25% each year through 2017. The City of Aurora will continue to match employee contributions.

NOTE 6 – BENEFITS

The Plan provides retirement benefits, as well as death, disability, and supplemental benefits. Plan benefits are established by, and may be amended by the City of Aurora.

Contribution refunds

Employees with less than five years of credited service at date of termination are required to receive a refund of their contributions, including interest at 4% since January 1, 2010 plus their vested City contribution. Employees with five or more years of credited service may elect to receive a refund. For participants in the Plan prior to January 1, 2012, (Tier 1) the amount of a participant's vested City contributions is a 25% match of the employee's contributions and interest for less than one year of credited service, increasing by 5% for each year of credited service completed, to a maximum 100% match. For participants who first became participants in the Plan after December 31, 2011, (Tier 2), there is no vesting in the City contributions until the participant has five years of credited service. After five years, the amount of the participant's vested City contributions shall be 50% of the participant's contribution accumulation, increasing by 5% for each whole year of credited service completed, to a maximum 100% match.

NOTE 6 – BENEFITS (CONTINUED)

Normal retirement

Normal retirement age is 65 for participants in the Plan prior to January 1, 2012 and 67 for participants who first joined the Plan after December 31, 2011. Normal retirement benefits are the greater of 1.75% of final average monthly compensation, multiplied by years of credited service, including fractional years, or the annuitized value of the contribution refund described above. Final average monthly compensation is the average pay an employee received (excluding overtime and non-regular remuneration) during his/her highest paid 36 consecutive months with the City within the employee's last 10 years of employment. Optional forms of benefit are available in lieu of the single life annuity, in order to provide survivorship benefits.

Participants in the Plan prior to January 1, 2012 automatically receive annual cost of living adjustments linked to the Consumer Price Index, and limited to 5% per year. Participants who first joined the Plan after December 31, 2011 may be granted cost of living adjustments at the discretion of the Board, at a rate not to exceed the rate of increase given to participants in the Plan prior to January 1, 2012.

A supplemental benefit is provided to all retirees who have five or more years of credited service and is prorated for service of less than 20 years. Periodic cost of living adjustments to the supplemental benefit may be approved by the Plan's Board of Trustees and are limited to 5% per year.

Early retirement

If termination occurs before normal retirement age, participants who are age 50 or older with at least ten years of credited service may elect to begin receiving early retirement benefits. Reductions for early retirement will be applied to the normal retirement benefit if the sum of a participant's years of age and credited service is less than 80 (the Rule of 80). The reduction for participants in the Plan prior to January 1, 2012 is 2% for each year a participant is short of attaining the sooner of normal retirement age or the Rule of 80, plus an additional 4% for each year the participant is below age 55. For participants who first joined the Plan after December 31, 2011 the reduction is 6% for each year a participant is short of attaining the sooner of normal retirement age or the Rule of 80.

Deferred vested benefits

Participants with at least five years of credited service who terminate before normal retirement age may leave their contribution accumulation with the Plan and opt to receive an early or normal retirement benefit at a later date.

Disability retirement benefits

Participants who meet the eligibility requirements for the City of Aurora's long-term disability insurance program continue to earn credited service during the period of time they collect disability insurance benefits. Once insurance payments have ended, the Plan's disability retirement benefit is calculated in the same manner as the normal retirement benefit, using the higher of the average highest paid 36 consecutive months of compensation or the monthly rate of compensation at the time of disability. Early retirement reductions may apply if benefits begin before normal retirement age.

NOTE 6 – BENEFITS (CONTINUED)

Death benefits

The beneficiary of a deceased active employee or deferred vested participant may be eligible to receive a contribution refund or a monthly pension benefit, depending on the age and credited service the participant had earned.

At retirement, a participant may designate a joint annuitant to receive pension benefits upon his/her death. The Plan also pays a one-time lump sum death benefit of $6,250 to the beneficiary designated by the retiree. This payment is separate from, and in addition to, any other benefits received.

NOTE 7 – ACTUARIAL FUNDING PROGRESS, ASSUMPTIONS AND METHODS

The funded status of the Plan as of January 1, 2013, the most recent actuarial valuation date, is as follows:

Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Funding Excess) Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	(Funding Excess) Unfunded Actuarial Liability as a Percentage of Covered Payroll
2013	01/01/13	$340,856,093	$369,696,290	$ 28,840,197	92.2%	$ 81,466,298	35.4%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether actuarial values of Plan assets are increasing or decreasing over time relative to the Actuarial Accrued Liability for benefits.

The assumptions and methods presented below was determined based upon the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2013	January 1, 2012
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level percent – open	Level percent – open
Remaining amortization period	30 years	30 years
Asset valuation method	3-year smoothed market	3-year smoothed market
Actuarial assumptions:		
Investment rate of return*	8.0%	8.0%
Projected salary increases*	3.5% - 7.5%	3.5% - 7.5%
*Includes inflation at	3.5%	3.5%
Payroll growth rate	3.5%	3.5%
Cost of living adjustments	3.5% on base (Tier 1) 0.0% on base (Tier 2) 0.0% on supplemental	3.5% on base (Tier 1) 0.0% on base (Tier 2) 0.0% on supplemental

NOTE 7 – ACTUARIAL FUNDING PROGRESS, ASSUMPTIONS AND METHODS (CONTINUED)

There were no changes to actuarial assumptions or methods in the valuation reports dated January 1, 2013 and 2012.

NOTE 8 – COMMITMENTS

Leases

The Plan leases office space under an operating lease that expires in February 2018. Future minimum lease payments are as follows:

Year Ending December 31,		
2014	$	36,675
2015		37,760
2016		38,843
2017		39,927
2018		6,685
Total	$	159,890

Rent expense for the years ended December 31, 2013 and 2012, was $35,741 and $34,507, respectively.

Partnership Capital Commitments

The Plan is a party to fourteen private equity and two timberland limited partnership agreements, which terminate from 2017 to 2023. The Plan is also party to a real estate trust, formed to have a perpetual existence. Under the terms of the partnership agreements, the Plan has pledged to invest $111,498,000 and $92,278,000 in portfolios of limited partnerships as of December 31, 2013 and 2012, respectively. Failure by the Plan to fund a capital call is considered a default under the agreements and various penalties, as defined, may be imposed upon the Plan for such failure. The commitment period for all partnerships extends until the Plan's capital commitment is fulfilled, or the partnership's term is reached. At December 31, 2013, the Plan had remaining unfunded capital commitments of $46,998,750 with an additional $1,306,337 subject to recall, and an unfunded capital commitment of $33,803,780 in 2012.

NOTE 9 – RISK MANAGEMENT

The Plan is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. Losses are covered by the Plan's risk management policies and agreements, including commercial insurance purchased by the Plan. The Plan has not had claims on losses in the past three years.

NOTE 10 – TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service dated June 13, 2011, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended and restated since receiving the determination letter, the Plan Administrator and the Plan's legal counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC and remains in tax exempt status. The letter relates only to the status of the Plan under the Internal Revenue Code and is not a determination regarding the effect of other federal or local statutes.

NOTE 11 – PLAN TERMINATION

Upon a complete or partial termination of the Plan, the rights of each affected participant to benefits accrued under the Plan to the date of such discontinuance, to the extent then funded, shall be non-forfeitable. Upon a partial or complete termination of the Plan or a permanent discontinuance of contributions to the Plan, the proportionate interests of each affected participant and beneficiary shall be determined by the actuary.

NOTE 12 – RELATED PARTIES

The Plan's Board of Trustees consists of seven voting members. Three voting members are employees of the City, who are elected by the employees of the City, and are participants in the Plan. Three more voting members are qualified electors of the City who have resided in the City at least one year. These members are appointed by City Council and cannot be employees or officials of the City. The last voting member is a resident of the City for at least one year and is elected by the six other members noted above. Non-voting members are the City Manager, Director of Human Resources and the Director of Finance.

The City code also names the City Attorney as the legal consultant for the Plan's Board of Trustees. The Board may retain outside legal counsel to serve under its direction.

CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Ten Years Ended December 31, 2013

Year	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	(Funding Excess) Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	(Funding Excess) Unfunded Actuarial Liability as a Percentage of Covered Payroll
2013	1/1/2013	$ 340,856,093	$ 369,696,290	$ 28,840,197	92%	$ 81,466,298	35.4%
2012	1/1/2012	$ 320,996,231	$ 354,416,941	$ 33,420,710	91%	$ 82,607,164	40.5%
2011	1/1/2011	$ 297,494,555	$ 335,310,191	$ 37,815,636	89%	$ 83,091,597	45.5%
2010	1/1/2010	$ 300,704,227	$ 333,831,950	$ 33,127,723	90%	$ 84,110,750	39.4%
2009	1/1/2009	$ 296,021,806	$ 319,750,886	$ 23,729,080	93%	$ 87,089,965	27.2%
2008	1/1/2008	$ 316,567,579	$ 294,142,225	$ (22,425,354)	108%	$ 87,742,224	(25.6)%
2007	1/1/2007	$ 292,889,736	$ 277,052,492	$ (15,837,244)	106%	$ 82,531,926	(19.2)%
2006	1/1/2006	$ 268,566,265	$ 255,005,107	$ (13,561,158)	105%	$ 75,385,673	(18.0)%
2005	1/1/2005	$ 241,818,542	$ 243,234,592	$ 1,416,050	99%	$ 72,821,091	1.9%
2004	1/1/2004	$ 223,140,793	$ 223,126,549	$ (14,244)	100%	$ 71,415,709	0.0%

CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For the Ten Years Ended December 31, 2013

	Employer Contributions		
Year	Annual Required Contributions	Actual Employer Contributions	Percentage Contributed
2013	$ 6,949,075	$ 5,007,530	72.1%
2012	$ 7,489,412	$ 4,786,740	63.9%
2011	$ 8,002,631	$ 4,571,135	57.1%
2010	$ 8,415,022	$ 4,626,990	55.0%
2009	$ 8,144,982	$ 4,790,713	58.8%
2008	$ 5,596,076	$ 4,826,337	86.2%
2007	$ 5,532,018	$ 4,539,320	82.1%
2006	$ 5,253,328	$ 4,146,212	78.9%
2005	$ 7,245,072	$ 4,005,160	55.3%
2004	$ 5,115,536	$ 3,927,864	76.8%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Description

The historical trend information about the Plan is presented as required supplementary information. This information is intended to help users assess the funding status on a going-concern basis and to assess progress made in accumulating assets to pay benefits when due.

The amount of the Annual Required Contribution (ARC) is determined at the beginning of each year by the Plan's actuary. The ARC is the amount required to cover the normal pension cost and includes a provision for amortizing the unfunded actuarial accrued liability (UAAL). The amortization period for the UAAL is 30 years.

Under the Aurora City Code, the employer contribution rate was fixed at 5.5% of regular employee compensation through 2011. Beginning January 1, 2012, the rate increased to 5.75% and will increase by .25% each year through 2017. This statutory funding policy has caused the actual employer contributions to vary from the actuarially determined ARC.

Information for the required supplementary schedules of funding progress and employer contributions is provided for ten years for the Plan.

CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
ADDITIONAL INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
Years Ended December 31, 2013 and 2012

	2013	2012
Salaries		
Professional salaries	$ 218,422	$ 206,129
Benefits, vacation and sick leave	78,951	65,871
	297,373	272,000
Professional fees		
Audit	37,100	36,400
Benefit processing	17,428	16,538
Computer consulting	638	2,803
Legal	65,521	491
	120,687	56,232
Actuary fees	68,957	33,000
Other		
Board meeting	366	442
Business travel, entertainment, education	12,100	17,514
Computer software and accessories	325	1,092
Dues, memberships, publications	1,752	820
Furniture and equipment expense	817	1,914
Insurance	29,111	28,619
Miscellaneous	437	196
Office supplies	2,963	2,633
Participant education	1,994	2,661
Photocopying	695	695
Postage	2,524	2,132
Printing	3,900	3,311
Receptions	5,776	6,021
Rent, repairs and maintenance	35,741	34,507
Telephone and communications	3,742	3,774
	102,243	106,331
TOTAL ADMINISTRATIVE EXPENSES	$ 589,260	$ 467,563

CITY OF AURORA
GENERAL EMPLOYEES' RETIREMENT PLAN
ADDITIONAL INFORMATION
SCHEDULE OF INVESTMENT EXPENSES
Years Ended December 31, 2013 and 2012

	2013	2012
Investment management fees(1)		
Denver Investments	$ 133,621	$ 137,336
Cadence Capital Management	127,589	121,974
State Street Global Advisors	75,393	132,526
Smith Graham & Company	101,598	95,539
BlackRock Institutional Trust Company	26,528	23,178
Abbott Capital Management	228,250	250,000
HarbourVest Partners	278,817	272,944
Molpus Woodlands Group	115,770	93,785
Heitman	131,055	92,665
	1,218,621	1,219,947
Investment consultant fees		
Callan Associates	157,410	72,540
Custody fees		
State Street Bank and Trust Company	55,365	57,188
TOTAL INVESTMENT EXPENSE	$ 1,431,396	$ 1,349,675

(1) Management fees for private equity investments with Abbott Capital Management and HarbourVest Partners and timberland investments with Molpus Woodlands Group are based on a percentage of committed capital. Fees for the Heitman private real estate investment are based on the fair value of that portfolio. Each of these managers deducted its fee from the Plan's investment and reported those amounts, which are shown above.

Management fees for commingled fund investments with BlackRock Realty, Cohen & Steers Capital Management, Dodge & Cox and PIMCO were deducted from net assets at the fund level and the charges allocated to the Plan were not separately reported. The fees charged by those funds are based on the expense ratios disclosed in their management agreements or prospectuses and are applied to the average portfolio balance at fair value. Expense ratios for 2013 and 2012 ranged from 0.46% to 1.06% on total average portfolios of approximately $94 million and $90 million for 2013 and 2012 respectively. The Plan estimates that the fees deducted by those managers totaled approximately $598,000 and $565,000 for 2013 and 2012 respectively.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

City of Aurora Retirement Board
City of Aurora General Employees Retirement Plan
Aurora, Colorado

We have audited, in accordance with the 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, the financial statements of Plan net position, and the related statements of changes in Plan net position of City of Aurora General Employees Retirement Plan, as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise Plan's basic financial statements, and have issued our report thereon dated April 16, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of Plan's internal control.

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
April 16, 2014

Investment Section

The introduction to this section and the exhibits detailing the largest holdings and brokerage commissions paid were compiled by the plan administrator. The investment performance analysis was prepared by Callan Associates, Inc., an independent consultant.

Investment Policy Statement

Through the investment policy statement, the Retirement Board declares its fiduciary responsibility to invest and manage Plan assets as a prudent investor would, exercising reasonable care, skill and caution. Assets are to be managed for the exclusive benefit of Plan participants, retirees and beneficiaries. Board members are prohibited from managing assets in any way that might reflect, or appear to reflect, a conflict of interest. All records of investment holdings and transactions are available for public inspection.

The objective for the total fund is to earn a rate of return over the long term that is sufficient to fulfill the Plan's 7.75% actuarial return assumption and to meet benefit obligations without exceeding the level of risk deemed appropriate. A strategic asset allocation has been derived through a portfolio optimization process, based on the Plan's time horizon, risk tolerance, performance expectations and asset class preferences. Asset diversification is intended to reduce the risk of the total fund, enabling the Plan to include a greater proportion of higher returning investments than would otherwise be the case. The policy specifies an acceptable range of variance around the target allocations for each asset class, beyond which, rebalancing is required.

The policy defines the legal, organizational and philosophical criteria governing the selection and retention of external investment managers and lists their duties and responsibilities. Both general guidelines for security selection and trading strategy, and specific limitations applicable to each asset class are provided. The standards against which manager performance is to be evaluated are explained, including benchmark indexes, peer groups and relevant measures of risk.

Portfolio Management and Analysis

Callan Associates provides performance measurement services, conducts manager searches and consults to the Board on investment matters.

GERP has historically maintained a more conservative asset allocation than its peers. Bonds comprised 28.8% of GERP's investment portfolio at the end of 2013, which was two percentage points above the median domestic fixed income allocation of other mid-sized public retirement funds tracked by Callan. U.S. equity investments were five percentage points lower than the median. The Plan's investment performance relative to the mid-sized public fund peer group is shown below.

	Latest 1 Year	Latest 3 Years (annualized)	Latest 5 Years (annualized)	Latest 10 Years (annualized)
GERP return	15.21%	9.93%	11.38%	6.86%
Median public fund	15.71%	9.65%	12.53%	6.99%

Denver Investments (hired in 1990), manages 12.6% of invested assets in a domestic core fixed income account with an emphasis on investment grade corporate securities. The remaining fixed income allocation is invested in the *PIMCO Total Return Fund (2002).* The PIMCO fund is categorized as "core plus," which differs from traditional core fixed income investing in that the manager also has the discretion to hold high yield bonds, foreign-issued debt securities (including emerging markets) and has the authority to use derivative instruments.

GERP's 34% domestic equity allocation is divided between *BlackRock Institutional Trust (formerly Barclays Global Investors, hired in 2004)* with 26.3%, *Smith, Graham & Company (formerly Ark Asset Management, hired in 1999)* with 3.9% and *Cadence Capital Management (2008)* with 3.8%. The BlackRock commingled fund replicates the Standard & Poor's 500 Index. Smith Graham and Cadence manage small cap value and small cap growth portfolios respectively.

State Street Global Advisors and *Dodge & Cox (both hired in 2007)* share responsibility for the Plan's 16.3% international equity allocation. Two SSgA commingled funds are utilized: an actively managed large cap developed countries portfolio and an emerging markets index fund. The Dodge & Cox International Stock Fund adds emerging markets and small cap exposure to its investments in developed countries.

Real estate investments comprise 8.6% of the portfolio, with roughly one-third in the *BlackRock Granite Property Fund (previously known as the MetLife Tower Fund, and owned since 1988)* and one-third in the *Heitman America Real Estate Trust (2012).* Both are actively managed open-end core real estate funds that buy, sell, develop and manage office, residential, industrial and retail properties throughout the U.S. The remainder of the Plan's real estate investment is in a global real estate securities (REIT) fund managed by *Cohen & Steers Capital Management (1997).*

Beginning in 2002, the Board authorized a series of private equity investments encompassing venture capital, buyouts, mezzanine financing and distressed debt. Thirteen "fund of funds" limited partnerships managed by *HarbourVest Partners* and *Abbott Capital Management* were selected as the investment vehicles. As of December 31, 2013 the Plan's private equity commitments totaled $66.5 million but only $39.3 million (59% of committed capital) had been drawn down by the general partners for investment. Private equity partnerships represent approximately 8.7% of invested assets.

More recently, the Board established a 10% target allocation for real return assets in order to provide protection against future inflation. One-half of that target is invested in *State Street Global Advisors U.S. TIPS Index Fund (2010)*. The remainder was committed to *Molpus Woodlands Fund III (2011)*, a timberland investment partnership. Molpus had drawn down 86% of its $15 million commitment by year-end.

Report on Investment Activity

The investment performance report appearing on pages 43 through 60 was prepared by Callan Associates and represents the Plan's investment positions and results for the periods ending December 31, 2013.

The exhibits summarizing investment holdings and brokerage commissions on pages 61 and 62 were prepared by the plan administrator from data provided by the custodian, State Street Bank & Trust Company.

Cash and short-term cash investments held for the payment of benefits and operating expenses are not included in the investment report that follows. Those accounts totaled $6,377,062 (1.7% of the Plan's net position) at December 31, 2013.

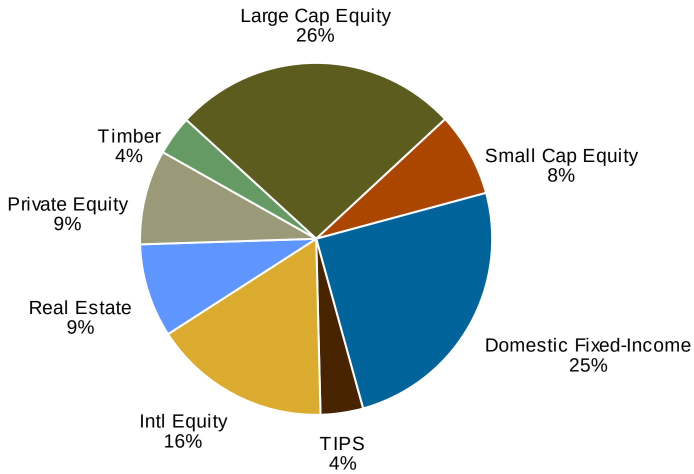
Performance measurement methodology

The rates of return calculated by Callan Associates and shown on pages 44, and 46 through 60, are linked, time-weighted monthly returns and are computed on a gross basis before deductions for fees and expenses, except in the case of mutual funds whose performance is reported net of fees. Returns are based on the fair value of securities held at the end of each month, including accrued income. Market values are recomputed whenever there are cash flows to or from investment accounts. Account valuations are adjusted to take into consideration amounts payable for purchases and receivable from sales.

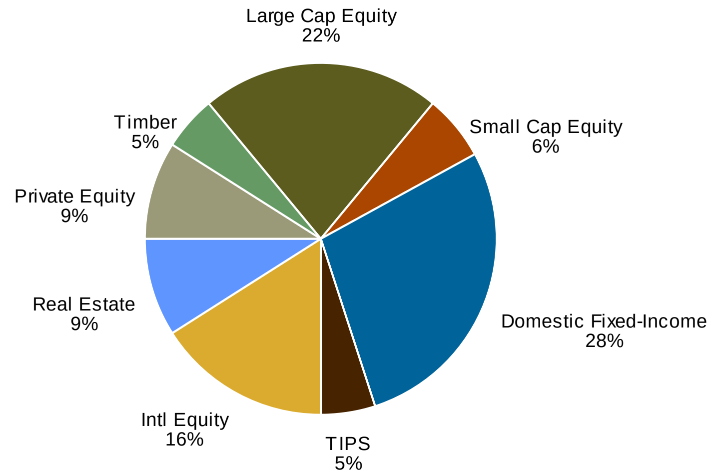
Actual vs Target Asset Allocation
As of December 31, 2013

The top left chart shows the Fund's asset allocation as of December 31, 2013. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Public Fund Sponsor Database.

Actual Asset Allocation

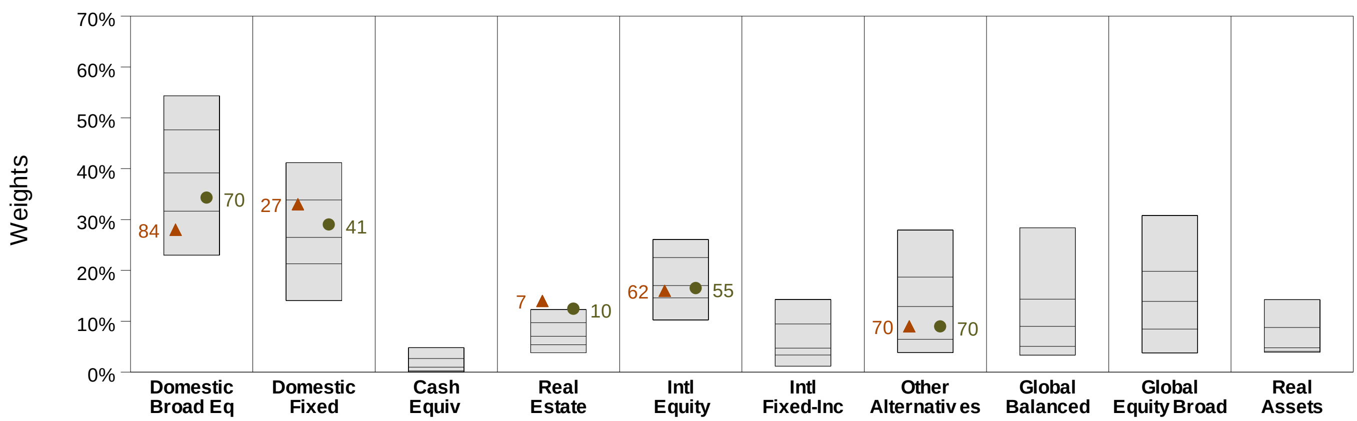


Target Asset Allocation



Asset Class	$000s Actual	Weight Actual	Target	Percent Difference	$000s Difference
Large Cap Equity	99,875	26.3%	22.0%	4.3%	16,410
Small Cap Equity	29,281	7.7%	6.0%	1.7%	6,517
Domestic Fixed-Income	94,360	24.9%	28.0%	(3.1%)	(11,869)
TIPS	14,727	3.9%	5.0%	(1.1%)	(4,243)
Intl Equity	61,679	16.3%	16.0%	0.3%	977
Real Estate	32,523	8.6%	9.0%	(0.4%)	(1,622)
Private Equity	33,137	8.7%	9.0%	(0.3%)	(1,008)
Timber	13,808	3.6%	5.0%	(1.4%)	(5,161)
Total	379,389	100.0%	100.0%		

Asset Class Weights vs Public Fund Sponsor Database



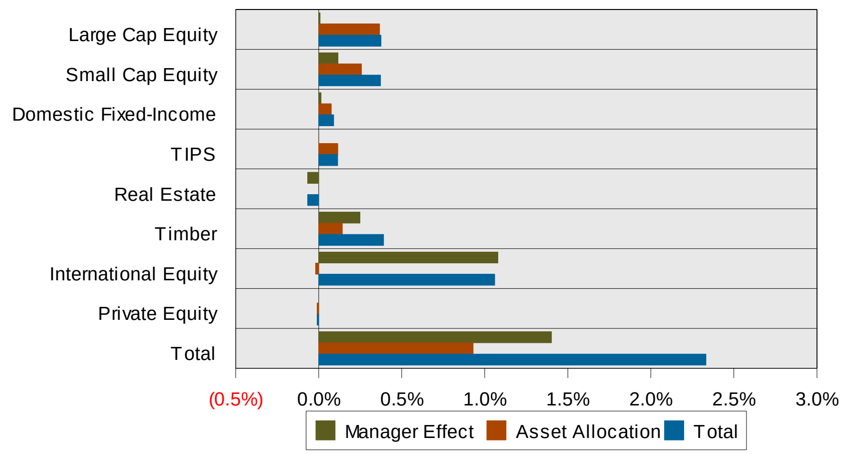
	Domestic Broad Eq	Domestic Fixed	Cash Equiv	Real Estate	Intl Equity	Intl Fixed-Inc	Other Alternatives	Global Balanced	Global Equity Broad	Real Assets
10th Percentile	54.33	41.18	4.79	12.30	26.08	14.28	27.94	28.40	30.79	14.27
25th Percentile	47.61	33.86	2.66	9.72	22.51	9.46	18.70	14.33	19.82	8.79
Median	39.17	26.48	0.95	7.04	17.01	4.73	12.90	8.98	13.87	4.78
75th Percentile	31.64	21.27	0.23	5.35	14.58	3.35	6.42	5.08	8.47	4.08
90th Percentile	23.00	14.04	0.02	3.79	10.26	1.14	3.82	3.34	3.77	3.91
Fund ●	34.04	28.75	-	12.21	16.26	-	8.73	-	-	-
Target ▲	28.00	33.00	-	14.00	16.00	-	9.00	-	-	-
% Group Invested	98.86%	98.30%	61.36%	58.52%	96.59%	16.48%	48.30%	17.05%	25.00%	2.84%

* Current Quarter Target = 28.0% Barclays Aggregate Index, 22.0% S&P 500 Index, 16.0% MSCI ACWI ex US Index, 9.0% Private Equity, 7.0% NFI-ODCE Equal Weight Net, 6.0% Russell 2000 Index, 5.0% Barclays US TIPS Index, 5.0% NCREIF Timberland Index and 2.0% EPRA/NAREIT Dev REIT Idx.

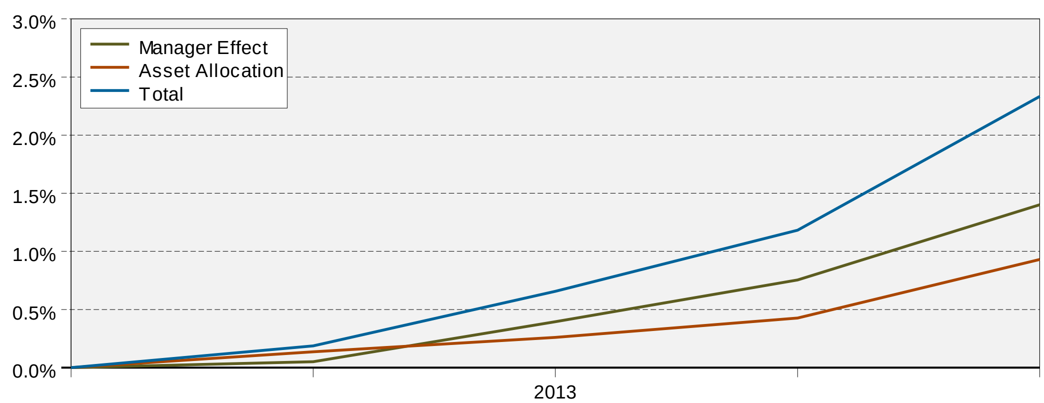
Cumulative Total Fund Relative Attribution - December 31, 2013

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	24%	22%	32.43%	32.39%	0.01%	0.37%	0.38%
Small Cap Equity	7%	6%	40.75%	38.82%	0.12%	0.26%	0.37%
Domestic Fixed-Income	28%	28%	(1.96%)	(2.02%)	0.01%	0.08%	0.09%
TIPS	5%	5%	(8.62%)	(8.61%)	(0.00%)	0.11%	0.11%
Real Estate	9%	9%	9.92%	10.64%	(0.07%)	0.00%	(0.07%)
Timber	3%	5%	11.89%	4.39%	0.25%	0.14%	0.39%
International Equity	15%	16%	23.10%	15.78%	1.08%	(0.02%)	1.06%
Private Equity	9%	9%	15.03%	15.03%	0.00%	(0.01%)	(0.01%)
Total			**15.22% =**	**12.89% +**	**1.40% +**	**0.93%**	**2.33%**

* Current Quarter Target = 28.0% Barclays Aggregate Index, 22.0% S&P 500 Index, 16.0% MSCI ACWI ex US Index, 9.0% Private Equity, 7.0% NFI-ODCE Equal Weight Net, 6.0% Russell 2000 Index, 5.0% Barclays US TIPS Index, 5.0% NCREIF Timberland Index and 2.0% EPRA/NAREIT Dev REIT Idx.

 [See page 42 for an explanation of performance measurement method]

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2013, with the distribution as of September 30, 2013. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	December 31, 2013				September 30, 2013	
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	**$129,156,053**	**34.04%**	**$0**	**$12,130,387**	**$117,025,666**	**32.57%**
Large Cap Equity	**$99,875,494**	**26.33%**	**$0**	**$9,506,560**	**$90,368,934**	**25.15%**
BlackRock	99,875,494	26.33%	0	9,506,560	90,368,934	25.15%
Small Cap Equity	**$29,280,558**	**7.72%**	**$0**	**$2,623,827**	**$26,656,732**	**7.42%**
Smith Graham & Co.	14,849,545	3.91%	0	1,587,331	13,262,214	3.69%
Cadence Capital Mgmt	14,431,013	3.80%	0	1,036,495	13,394,518	3.73%
Private Equity	**$33,136,525**	**8.73%**	**$(201,597)**	**$1,706,185**	**$31,631,937**	**8.80%**
Abbott Capital V	10,769,069	2.84%	(375,000)	614,076	10,529,992	2.93%
Abbott Capital VI	4,450,488	1.17%	450,000	154,237	3,846,251	1.07%
Harbour Vest VII-Mezzanine	1,024,096	0.27%	(71,692)	21,065	1,074,723	0.30%
Harbour Vest VII-Buyout	2,532,872	0.67%	(227,500)	131,456	2,628,916	0.73%
Harbour Vest VII-Venture	3,187,059	0.84%	(207,700)	240,508	3,154,250	0.88%
Harbour Vest VIII-Mezzanine	1,314,050	0.35%	(24,219)	52,285	1,285,983	0.36%
Harbour Vest VIII-Buyout	2,976,543	0.78%	(68,922)	104,288	2,941,177	0.82%
Harbour Vest VIII-Venture	3,703,130	0.98%	(63,910)	264,920	3,502,120	0.97%
Harbour Vest IX-Credit Opps	194,925	0.05%	15,771	5,440	173,714	0.05%
Harbour Vest IX-Buyout	516,206	0.14%	30,028	16,620	469,558	0.13%
Harbour Vest IX-Venture	561,093	0.15%	177,377	13,371	370,345	0.10%
Habbour Vest International VI	1,906,995	0.50%	164,170	87,919	1,654,907	0.46%
Timber	**$13,808,242**	**3.64%**	**$1,770,000**	**$397,425**	**$11,640,817**	**3.24%**
Molpus Woodlands Fund III	13,808,242	3.64%	1,770,000	397,425	11,640,817	3.24%
Domestic Fixed-Income	**$94,359,542**	**24.87%**	**$0**	**$(30,542)**	**$94,390,085**	**26.27%**
Denver Investments	47,726,763	12.58%	0	(14,656)	47,741,419	13.29%
PIMCO	46,632,780	12.29%	0	(15,886)	46,648,665	12.98%
TIPS	**$14,726,882**	**3.88%**	**$0**	**$(299,664)**	**$15,026,546**	**4.18%**
SSgA TIPS Index Fund	14,726,882	3.88%	0	(299,664)	15,026,546	4.18%
International Equity	**$61,678,720**	**16.26%**	**$0**	**$4,137,238**	**$57,541,483**	**16.01%**
SSGA Intl Alpha Select	25,370,213	6.69%	0	1,751,686	23,618,526	6.57%
Dodge & Cox Intl. Equity	31,468,827	8.29%	0	2,283,546	29,185,281	8.12%
SSgA Daily Emerging Markets	4,839,681	1.28%	0	102,005	4,737,675	1.32%
Real Estate	**$32,522,621**	**8.57%**	**$(216,519)**	**$647,598**	**$32,091,542**	**8.93%**
Cohen & Steers Global REIT	7,818,331	2.06%	0	(16,911)	7,835,242	2.18%
BlackRock Granite Property Fund	11,963,730	3.15%	(102,654)	289,731	11,776,653	3.28%
Heitman America	12,740,560	3.36%	(113,865)	374,778	12,479,647	3.47%
Total Fund	**$379,388,585**	**100.0%**	**$1,351,884**	**$18,688,627**	**$359,348,074**	**100.0%**

Investment Manager Returns

The rates of return reported below for investment managers are calculated by linking the time-weighted monthly returns based on the fair value of securities held at the end of each month, including accrued income. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class (printed in bold) represent the composite return for all accounts within that asset class.

Returns for Periods Ended December 31, 2013

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	**10.37%**	**34.25%**	**16.66%**	**18.39%**	**6.23%**
Domestic Equity Target**	10.13%	33.77%	16.11%	18.41%	6.39%
Large Cap Equity	**10.52%**	**32.43%**	**16.25%**	**18.07%**	**6.25%**
BlackRock	10.52%	32.43%	16.25%	18.07%	6.25%
S&P 500	10.51%	32.39%	16.18%	17.94%	6.13%
Small Cap Equity	**9.84%**	**40.75%**	**18.17%**	**19.44%**	**6.09%**
Smith Graham & Co.	11.97%	44.19%	19.70%	22.00%	8.51%
Cadence Capital Mgmt	7.74%	37.23%	16.67%	16.86%	-
Russell 2000	8.72%	38.82%	15.67%	20.08%	7.20%
Russell 2000 Value	9.30%	34.52%	14.49%	17.64%	5.40%
Russell 2000 Growth	8.17%	43.30%	16.82%	22.58%	8.94%
Private Equity	**5.37%**	**15.03%**	**12.63%**	**6.78%**	**6.12%**
Abbott Capital V	5.94%	17.12%	14.57%	7.03%	5.38%
Abbott Capital VI	3.62%	10.93%	5.22%	(5.52%)	-
Harbour Vest VII-Mezzanine	2.08%	8.15%	10.73%	7.77%	6.72%
Harbour Vest VII-Buyout	5.27%	17.59%	13.93%	8.62%	8.36%
Harbour Vest VII-Venture	7.93%	17.69%	13.87%	8.00%	7.63%
Harbour Vest VIII-Mezzanine	4.14%	14.33%	11.88%	8.01%	3.46%
Harbour Vest VIII-Buyout	3.55%	13.18%	11.35%	7.39%	5.54%
Harbour Vest VIII-Venture	7.56%	16.29%	14.30%	8.18%	3.39%
Harbour Vest IX Credit Opportunities	3.05%	21.28%	-	-	-
Harbour Vest IX - Buyout	3.48%	16.12%	-	-	-
Harbour Vest IX - Venture	2.49%	13.69%	-	-	-
Harbour Vest International VI	5.12%	6.51%	(1.43%)	-	-
Russell 3000	10.10%	33.55%	16.24%	18.71%	6.50%
Timber Composite	**3.21%**	**11.89%**	**-**	**-**	**-**
Molpus Woodlands Fund III LP	3.21%	11.89%	-	-	-
NCREIF Timberland Index	0.93%	4.39%	4.55%	1.67%	5.02%
Domestic Fixed-Income	**(0.03%)**	**(1.96%)**	**4.27%**	**6.01%**	**6.08%**
Denver Investments	(0.03%)	(2.00%)	4.39%	5.55%	5.66%
PIMCO	(0.03%)	(1.92%)	4.08%	6.91%	6.92%
Barclays Aggregate	(0.14%)	(2.02%)	3.26%	4.44%	4.91%
Barclays Gov/Credit	(0.03%)	(2.35%)	3.63%	4.40%	4.98%
TIPS	**(1.99%)**	**(8.62%)**	**3.53%**	**-**	**-**
SSgA TIPS Index Fund	(1.99%)	(8.62%)	3.53%	-	-
BC US TIPS Index	(2.00%)	(8.61%)	3.55%	5.63%	5.28%
International Equity	**7.19%**	**23.10%**	**7.37%**	**13.52%**	**1.95%**
SSGA Intl Alpha Select	7.42%	25.66%	7.95%	11.51%	-
Dodge & Cox Intl Equity	7.82%	26.31%	8.71%	16.58%	-
SSgA Daily Emerging Markets	2.15%	(3.27%)	(2.17%)	-	-
MSCI EAFE Index	5.71%	22.78%	8.17%	12.44%	1.78%
MSCI ACWI ex-US	4.81%	15.78%	5.61%	13.32%	2.62%
MSCI ACWI ex-US IMI	4.75%	15.82%	5.12%	13.46%	2.39%
MSCI Emerging Index	1.86%	(2.27%)	(1.74%)	15.15%	4.10%
Real Estate	**2.03%**	**9.92%**	**10.95%**	**6.12%**	**0.67%**
Cohen & Steers Global REIT	(0.03%)	4.86%	-	-	-
BlackRock Granite Property Fund	2.48%	9.77%	11.73%	(1.54%)	(1.97%)
Heitman America	3.30%	15.19%	-	-	-
NAREIT Equity Index	(0.17%)	2.86%	10.06%	16.90%	1.97%
NAREIT Developed Index	(0.45%)	4.43%	8.16%	16.07%	0.35%
NFI-ODCE Equal Weight Net	2.92%	12.38%	12.41%	2.36%	2.00%
Total Fund	**5.20%**	**15.22%**	**9.94%**	**11.39%**	**5.35%**
Policy Target	4.19%	12.89%	9.49%	11.12%	5.23%
CPI + 4.5%	0.53%	5.96%	6.61%	6.78%	6.68%

* Current Quarter Target = 28.0% Barclays Aggregate Index, 22.0% S&P 500 Index, 16.0% MSCI ACWI ex US Index, 9.0% Private Equity, 7.0% NFI-ODCE Equal Weight Net, 6.0% Russell 2000 Index, 5.0% Barclays US TIPS Index, 5.0% NCREIF Timberland Index and 2.0% EPRA/NAREIT Dev REIT Idx.
** Domestic Equity Target = 80% S&P 500 and 20% Russell 2000

 [See page 42 for an explanation of performance measurement method]

Investment Manager Returns

The rates of return reported below for investment managers are calculated by linking the time-weighted monthly returns based on the fair value of securities held at the end of each month, including accrued income. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class (printed in bold) represent the composite return for all accounts within that asset class.

Returns for Periods Ended December 31, 2013

	Last 10 Years	Last 15 Years	Last 20 Years	Last 25 Years	Last 25-3/4 Years
Domestic Equity	**7.70%**	**-**	**-**	**-**	**-**
Domestic Equity Target**	7.80%	5.46%	9.83%	10.76%	10.85%
Large Cap Equity	**7.40%**	**4.39%**	**7.48%**	**6.83%**	**7.07%**
S&P 500	7.41%	4.68%	9.22%	10.27%	10.37%
Small Cap Equity	**8.46%**	**-**	**-**	**-**	**-**
Smith Graham & Co.	10.14%	-	-	-	-
Russell 2000	9.07%	8.42%	9.27%	10.20%	10.10%
Russell 2000 Value	8.61%	9.82%	10.63%	11.45%	11.40%
Russell 2000 Growth	9.41%	6.48%	7.40%	8.48%	8.33%
Private Equity	**5.60%**	**-**	**-**	**-**	**-**
Harbour Vest VII-Mezzanine	4.78%	-	-	-	-
Harbour Vest VII-Buyout	9.57%	-	-	-	-
Harbour Vest VII-Venture	6.07%	-	-	-	-
Domestic Fixed-Income	**5.53%**	**5.86%**	**6.28%**	**7.04%**	**7.01%**
Denver Investments	5.25%	5.89%	6.24%	-	-
PIMCO	6.04%	-	-	-	-
Barclays Aggregate	4.55%	5.23%	5.74%	6.82%	6.78%
Barclays Gov/Credit	4.52%	5.23%	5.74%	6.85%	6.80%
International Equity	**6.75%**	**4.88%**	**-**	**-**	**-**
MSCI EAFE Index	6.91%	4.54%	5.68%	4.94%	5.23%
MSCI ACWI ex-US	8.04%	5.83%	6.34%	5.75%	6.01%
MSCI ACWI ex-US IMI	7.91%	5.89%	-	-	-
MSCI Emerging Index	11.52%	11.22%	5.70%	11.11%	11.38%
Real Estate	**6.10%**	**7.35%**	**7.73%**	**6.45%**	**6.59%**
BlackRock Granite Property Fund	2.57%	4.01%	5.15%	4.68%	4.72%
NAREIT Equity Index	8.61%	10.49%	10.32%	10.53%	10.34%
NAREIT Developed Index	8.78%	9.69%	7.93%	-	-
NFI-ODCE Equal Weight Net	5.79%	6.56%	7.39%	5.50%	5.41%
Total Fund	**6.87%**	**6.41%**	**7.75%**	**8.44%**	**8.52%**
Policy Target	6.62%	5.94%	7.98%	8.79%	8.80%
CPI + 4.5%	6.96%	6.90%	6.88%	-	-

* Current Quarter Target = 28.0% Barclays Aggregate Index, 22.0% S&P 500 Index, 16.0% MSCI ACWI ex US Index, 9.0% Private Equity, 7.0% NFI-ODCE Equal Weight Net, 6.0% Russell 2000 Index, 5.0% Barclays US TIPS Index, 5.0% NCREIF Timberland Index and 2.0% EPRA/NAREIT Dev REIT Idx.
** Domestic Equity Target = 80% S&P 500 and 20% Russell 2000

 [See page 42 for an explanation of performance measurement method]

Denver Investments
Period Ended December 31, 2013

Investment Philosophy

Denver Investment Advisors actively manages duration to take advantage of changes in the intermediate and long sections of the yield curve. Management buys higher quality, more liquid issues with strong yields.

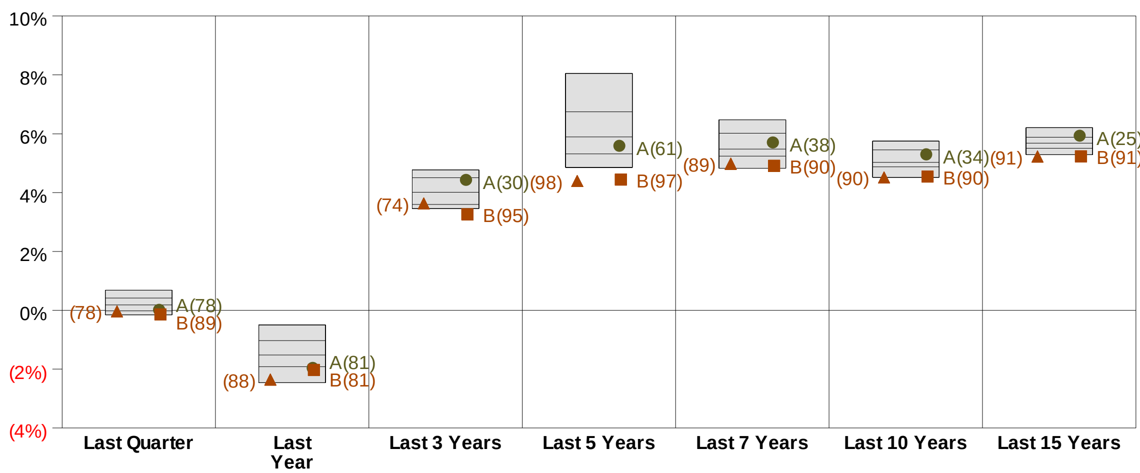
Quarterly Summary and Highlights

- Denver Investments's portfolio posted a (0.03)% return for the quarter placing it in the 78 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 81 percentile for the last year.
- Denver Investments's portfolio outperformed the Barclays Govt/Credit Bd by 0.00% for the quarter and outperformed the Barclays Govt/Credit Bd for the year by 0.35%.

Quarterly Asset Growth

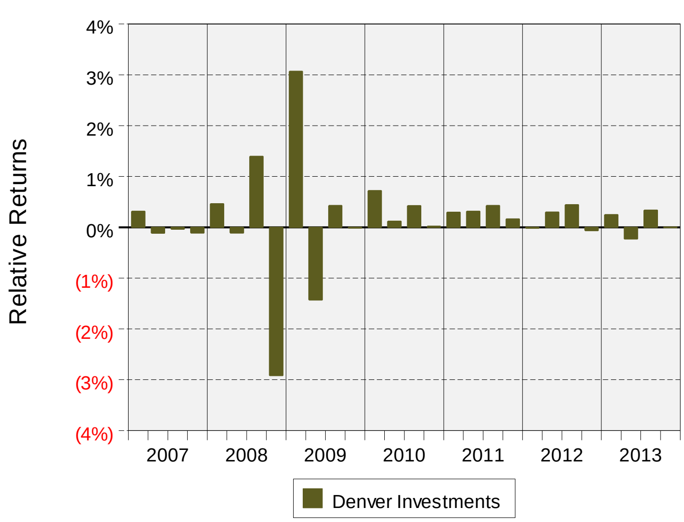
Beginning Market Value	$47,741,419
Net New Investment	$0
Investment Gains/(Losses)	$-14,656
Ending Market Value	$47,726,763

Performance vs CAI Core Bond Fixed-Inc Style (Gross)

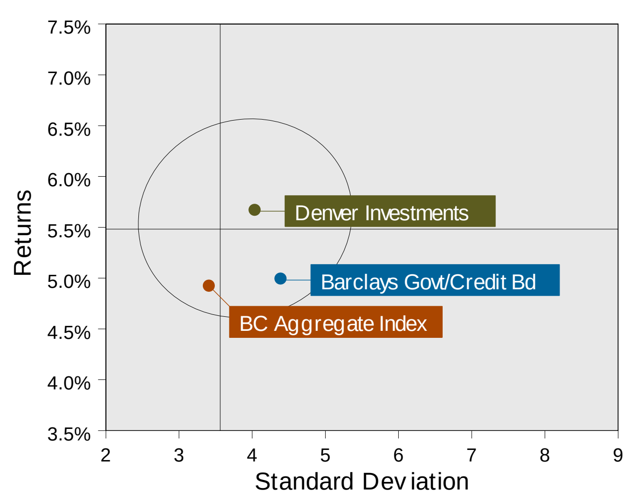


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile		0.69	(0.50)	4.77	8.05	6.48	5.75	6.21
25th Percentile		0.42	(1.03)	4.51	6.75	6.02	5.45	5.89
Median		0.18	(1.52)	4.01	5.89	5.48	5.03	5.68
75th Percentile		(0.02)	(1.92)	3.60	5.32	5.24	4.88	5.51
90th Percentile		(0.15)	(2.46)	3.45	4.85	4.82	4.52	5.29
Denver Investments	● A	(0.03)	(2.00)	4.39	5.55	5.66	5.25	5.89
BC Aggregate Index	■ B	(0.14)	(2.02)	3.26	4.44	4.91	4.55	5.23
Barclays Govt/Credit Bd	▲	(0.03)	(2.35)	3.63	4.40	4.98	4.52	5.23

Relative Return vs Barclays Govt/Credit Bd



CAI Core Bond Fixed-Inc Style (Gross)
Annualized Seven Year Risk vs Return



PIMCO
Period Ended December 31, 2013

Investment Philosophy

PIMCO emphasizes adding value by rotating through the major sectors of the domestic and international bond markets. They also seek to enhance returns through duration management. The PIMCO fund was incepted 8/02. The first full quarter of performance was 4th Quarter, 2002.

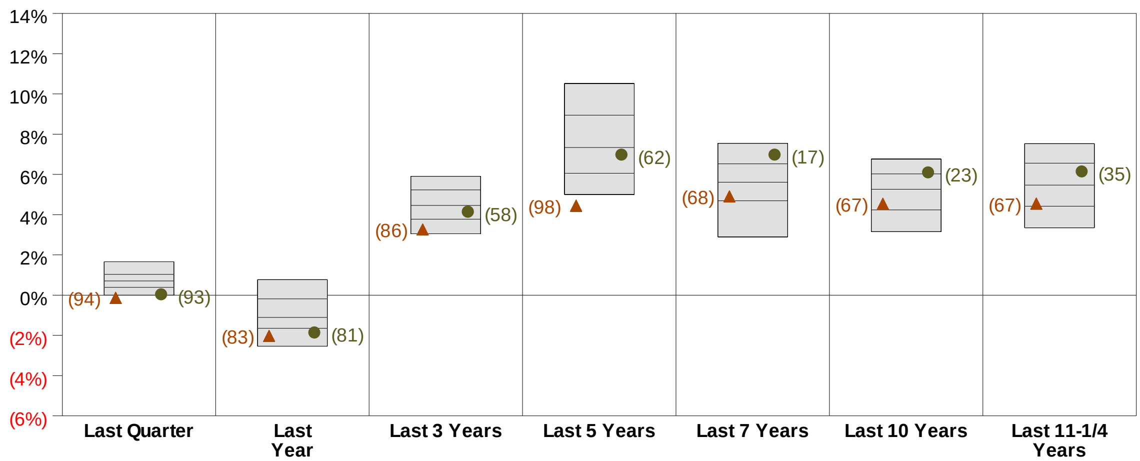
Quarterly Summary and Highlights

- PIMCO's portfolio posted a (0.03)% return for the quarter placing it in the 93 percentile of the CAI MF - Core Plus Style group for the quarter and in the 81 percentile for the last year.
- PIMCO's portfolio outperformed the Barclays Aggregate Index by 0.10% for the quarter and outperformed the Barclays Aggregate Index for the year by 0.10%.

Quarterly Asset Growth

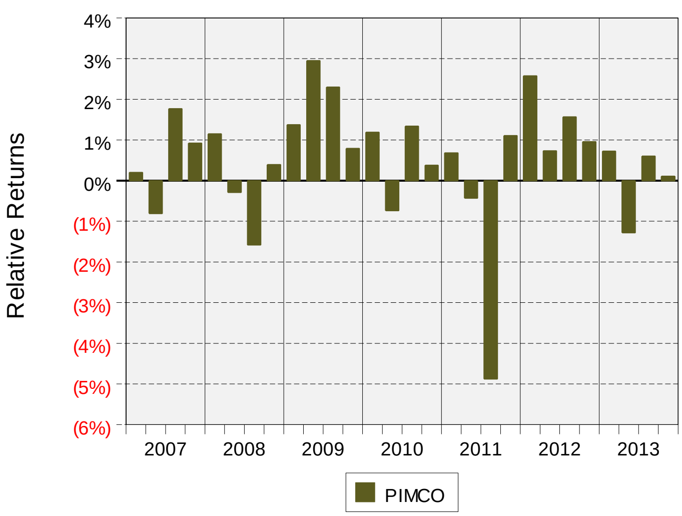
Beginning Market Value	$46,648,665
Net New Investment	$0
Investment Gains/(Losses)	$-15,886
Ending Market Value	$46,632,780

Performance vs CAI MF - Core Plus Style (Net)

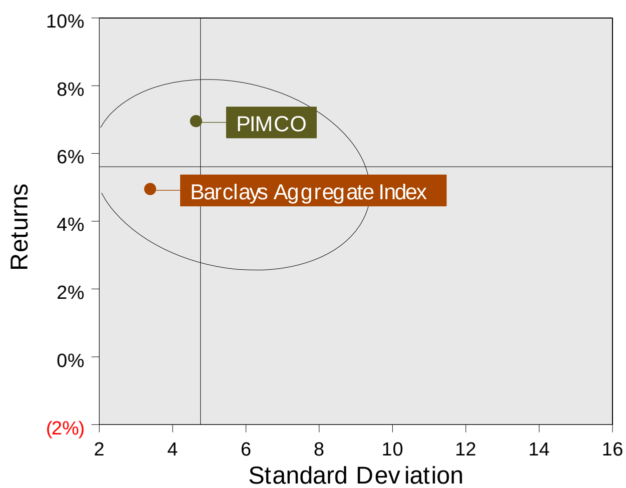


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 11-1/4 Years
10th Percentile	1.66	0.76	5.91	10.52	7.54	6.77	7.53
25th Percentile	1.02	(0.19)	5.23	8.95	6.52	6.02	6.55
Median	0.71	(1.11)	4.46	7.34	5.61	5.26	5.47
75th Percentile	0.38	(1.65)	3.77	6.06	4.68	4.23	4.42
90th Percentile	0.00	(2.55)	3.05	5.00	2.89	3.15	3.34
PIMCO ●	(0.03)	(1.92)	4.08	6.91	6.92	6.04	6.08
Barclays Aggregate Index ▲	(0.14)	(2.02)	3.26	4.44	4.91	4.55	4.55

Relative Return vs Barclays Aggregate Index



CAI MF - Core Plus Style (Net)
Annualized Seven Year Risk vs Return



[See page 42 for an explanation of performance measurement method]

BlackRock
Period Ended December 31, 2013

Investment Philosophy

The Equity Index Strategy was designed to provide the best possible tracking with minimal transaction costs. BlackRock account funded 11/4/04. First full quarter is 1st Quarter 2005.

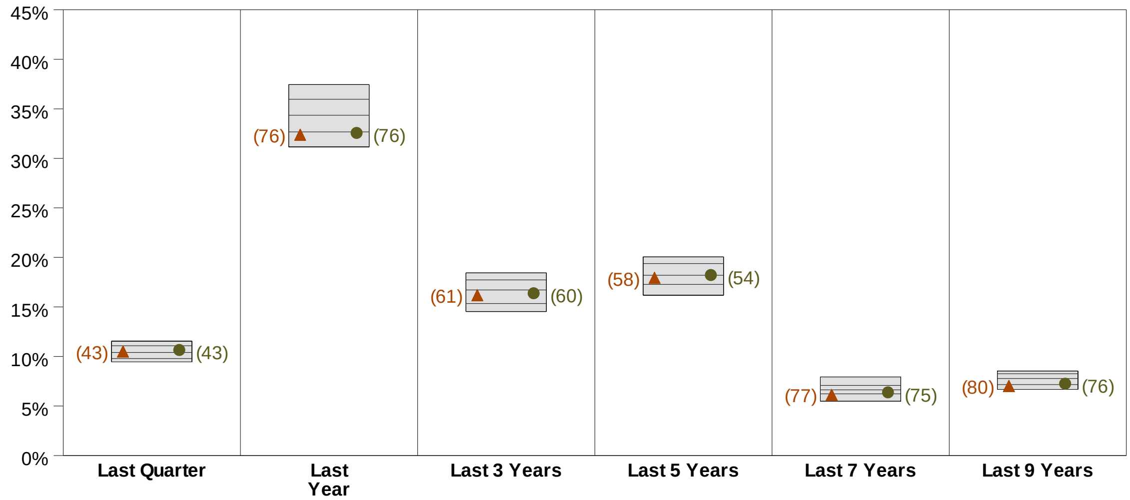
Quarterly Summary and Highlights

- BlackRock's portfolio posted a 10.52% return for the quarter placing it in the 43 percentile of the CAI Large Cap Core Style group for the quarter and in the 76 percentile for the last year.
- BlackRock's portfolio outperformed the S&P 500 Index by 0.01% for the quarter and outperformed the S&P 500 Index for the year by 0.04%.

Quarterly Asset Growth

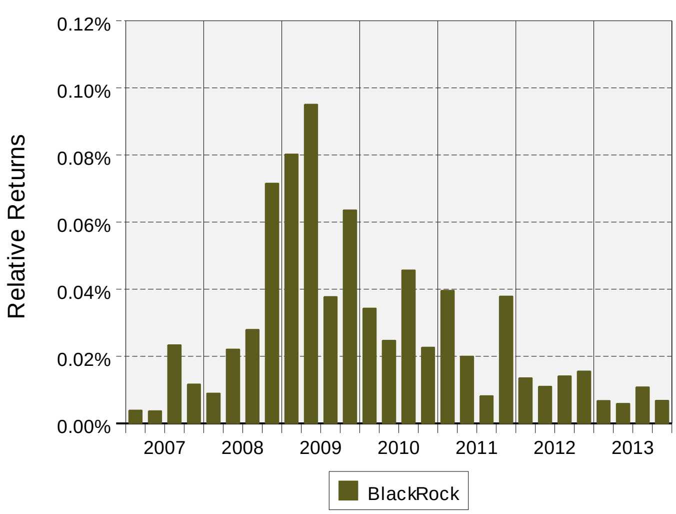
Beginning Market Value	$90,368,934
Net New Investment	$0
Investment Gains/(Losses)	$9,506,560
Ending Market Value	$99,875,494

Performance vs CAI Large Cap Core Style (Gross)

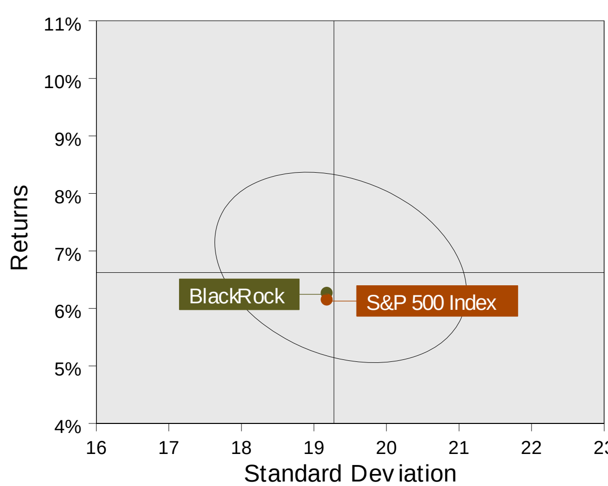


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 9 Years
10th Percentile	11.55	37.44	18.44	20.05	7.93	8.54
25th Percentile	11.09	35.96	17.74	19.37	7.09	8.25
Median	10.42	34.34	16.72	18.19	6.63	7.77
75th Percentile	9.79	32.68	15.33	17.28	6.23	7.17
90th Percentile	9.44	31.15	14.54	16.18	5.48	6.68
BlackRock ●	10.52	32.43	16.25	18.07	6.25	7.13
S&P 500 Index ▲	10.51	32.39	16.18	17.94	6.13	7.03

Relative Return vs S&P 500 Index



CAI Large Cap Core Style (Gross)
Annualized Seven Year Risk vs Return



 [See page 42 for an explanation of performance measurement method]

Smith Graham & Co.
Period Ended December 31, 2013

Investment Philosophy

Smith Graham & Co. believes that incremental returns can be achieved within the small cap universe by combining a systematic quantitative approach with a traditional fundamental analysis. The research universe consists of all companies with market capitalization between $250 and $2 billion, with a minimum trading history of 3 years. Quantitative models identify the top 20% of the universe based on value characteristics. These top candidates are subjected to fundamental analysis to construct a portfolio of 50-75 stocks.

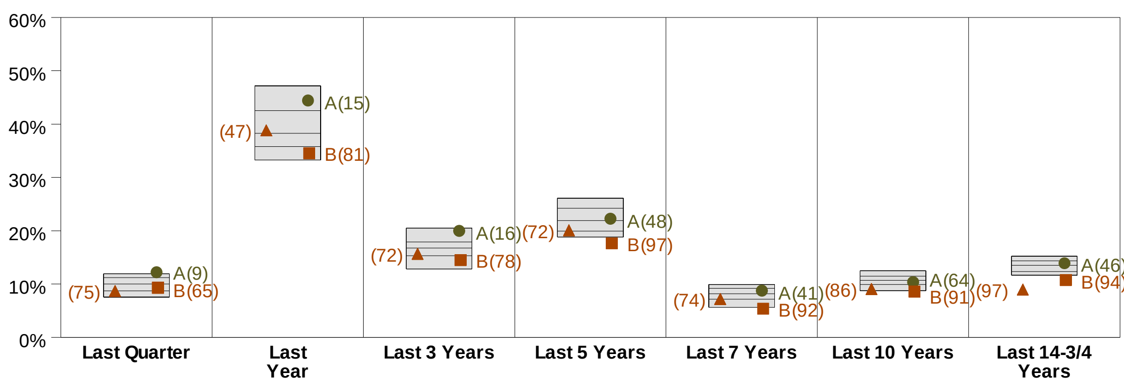
Quarterly Summary and Highlights

- Smith Graham & Co.'s portfolio posted a 11.97% return for the quarter placing it in the 9 percentile of the CAI Small Cap Value Style group for the quarter and in the 15 percentile for the last year.
- Smith Graham & Co.'s portfolio outperformed the Russell 2000 Index by 3.25% for the quarter and outperformed the Russell 2000 Index for the year by 5.37%.

Quarterly Asset Growth

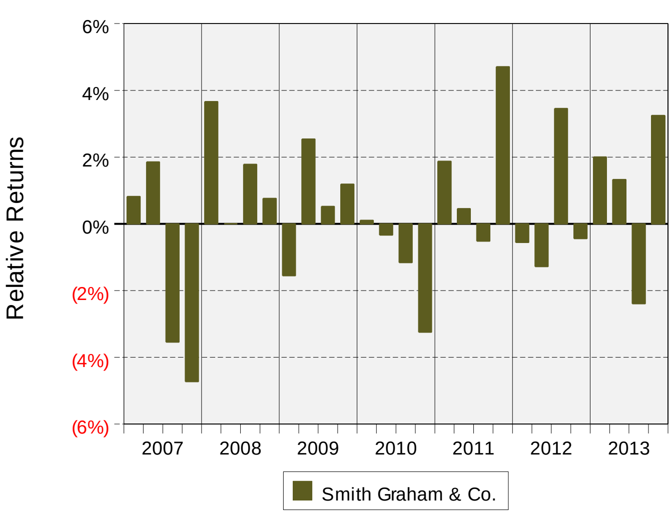
Beginning Market Value	$13,262,214
Net New Investment	$0
Investment Gains/(Losses)	$1,587,331
Ending Market Value	$14,849,545

Performance vs CAI Small Cap Value Style (Gross)

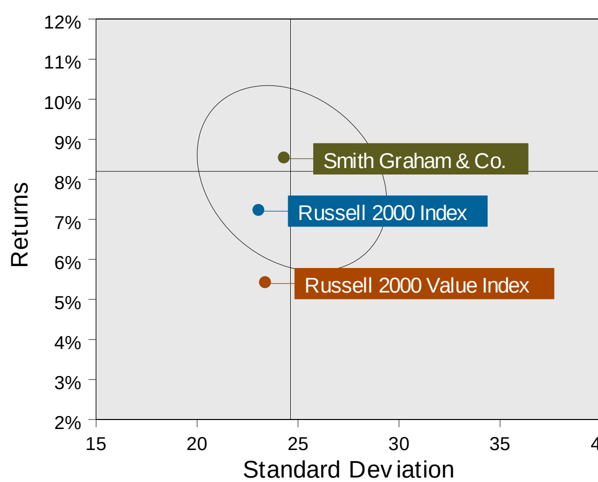


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 14-3/4 Years
10th Percentile	11.95	47.17	20.49	26.11	9.94	12.48	15.21
25th Percentile	11.23	42.51	17.89	24.22	9.18	11.48	14.37
Median	10.00	38.28	16.76	21.90	8.20	10.71	13.53
75th Percentile	8.71	35.77	15.31	19.93	7.18	9.93	12.35
90th Percentile	7.56	33.27	12.84	18.85	5.64	8.76	11.67
Smith Graham & Co. ● A	11.97	44.19	19.70	22.00	8.51	10.14	13.63
Russell 2000 Value Index ■ B	9.30	34.52	14.49	17.64	5.40	8.61	10.76
Russell 2000 Index ▲	8.72	38.82	15.67	20.08	7.20	9.07	8.98

Relative Return vs Russell 2000 Index



CAI Small Cap Value Style (Gross) Annualized Seven Year Risk vs Return



 [See page 42 for an explanation of performance measurement method]

Cadence Capital Mgmt
Period Ended December 31, 2013

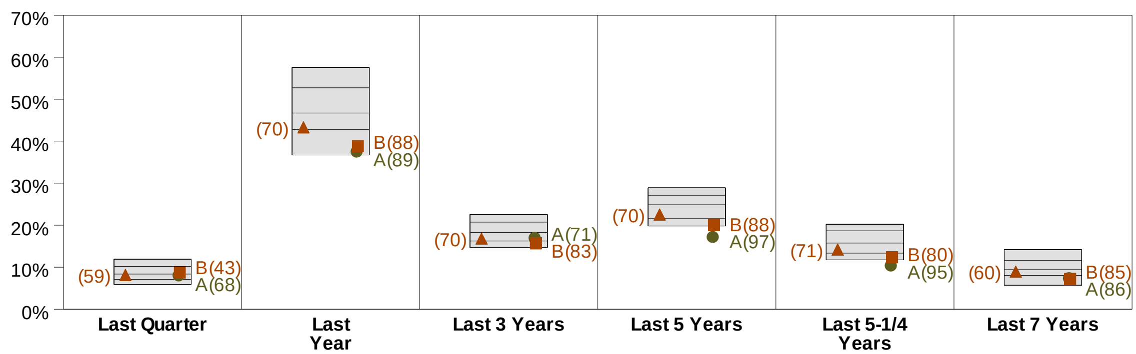
Investment Philosophy
The distinguishing feature of the Cadence investment process is the evaluation and ranking of each stock's growth oriented and complementary value attributes. In effect, the team looks for the most attractive combination of growth and value. This process levels the playing field for all stocks and eliminates the biases inherent in both pure growth and pure value approaches. Cadence Capital Mgmt was incepted 9/08. The first full quarter of performance was 4th Quarter, 2008. Historical data reflects Cadence's Small Cap Composite.

Quarterly Summary and Highlights
- Cadence Capital Mgmt's portfolio posted a 7.74% return for the quarter placing it in the 68 percentile of the CAI Small Cap Growth Style group for the quarter and in the 89 percentile for the last year.
- Cadence Capital Mgmt's portfolio underperformed the Russell 2000 Growth Index by 0.43% for the quarter and underperformed the Russell 2000 Growth Index for the year by 6.07%.

Quarterly Asset Growth

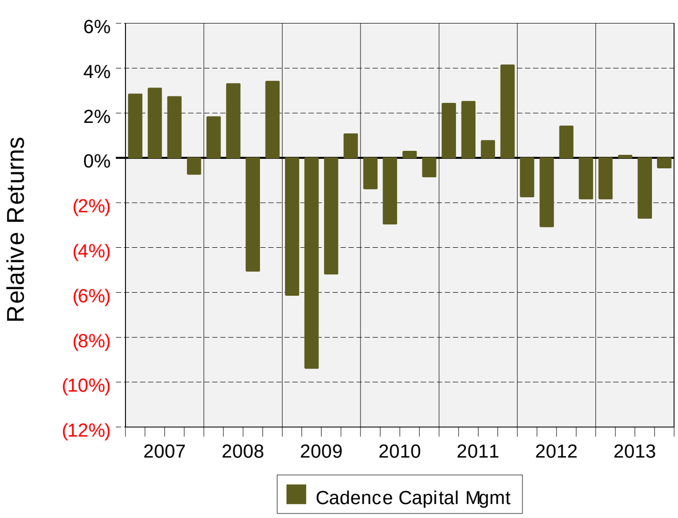
Beginning Market Value	$13,394,518
Net New Investment	$0
Investment Gains/(Losses)	$1,036,495
Ending Market Value	$14,431,013

Performance vs CAI Small Cap Growth Style (Gross)

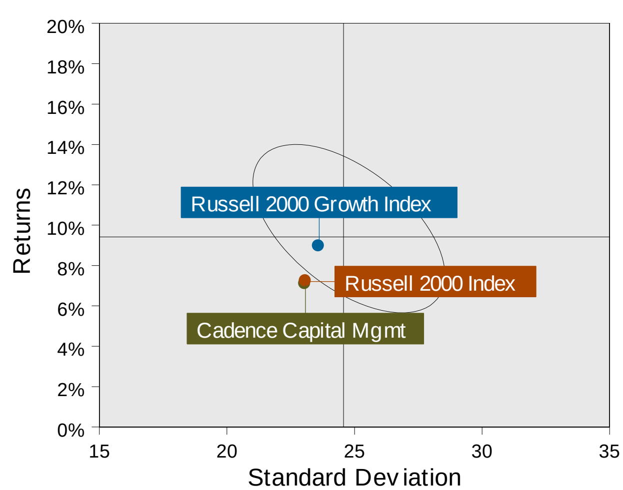


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 5-1/4 Years	Last 7 Years
10th Percentile		11.89	57.56	22.56	28.93	20.22	14.17
25th Percentile		10.19	52.73	20.73	27.11	18.67	11.62
Median		8.35	46.71	18.29	24.86	15.74	9.41
75th Percentile		7.12	42.81	16.24	21.57	13.37	8.04
90th Percentile		5.88	36.71	14.63	19.79	11.73	5.69
Cadence Capital Mgmt	● A	7.74	37.23	16.67	16.86	10.08	7.07
Russell 2000 Index	■ B	8.72	38.82	15.67	20.08	12.37	7.20
Russell 2000 Growth Index	▲	8.17	43.30	16.82	22.58	14.20	8.94

Relative Return vs Russell 2000 Growth Index



CAI Small Cap Growth Style (Gross)
Annualized Seven Year Risk vs Return



[See page 42 for an explanation of performance measurement method]

SSGA Intl Alpha Select
Period Ended December 31, 2013

Investment Philosophy

The International Alpha Select Strategy seeks to identify individual EAFE securities that are misvalued relative to their growth potential. The Strategy attempts to capitalize on global market inefficiencies by employing a disciplined investment process that combines historical market valuations and forward looking growth prospects to determine an optimal security mix. The SSGA fund was incepted 2/07. The first full quarter of performance was 2nd Quarter, 2007. Historical data reflects SSGA's Alpha Select Fund.

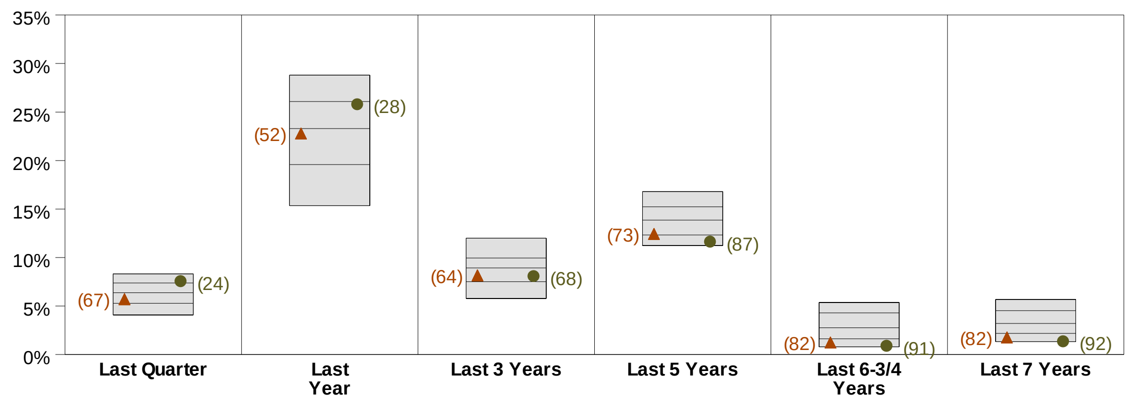
Quarterly Summary and Highlights

- SSGA Intl Alpha Select's portfolio posted a 7.42% return for the quarter placing it in the 24 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 28 percentile for the last year.
- SSGA Intl Alpha Select's portfolio outperformed the MSCI EAFE Index by 1.70% for the quarter and outperformed the MSCI EAFE Index for the year by 2.88%.

Quarterly Asset Growth

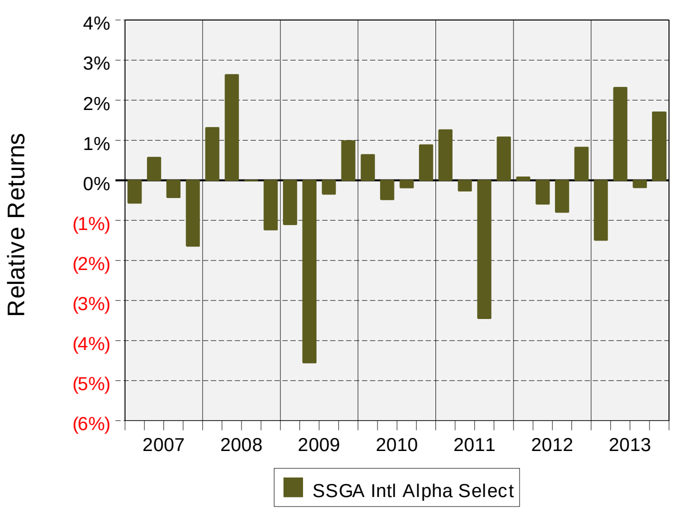
Beginning Market Value	$23,618,526
Net New Investment	$0
Investment Gains/(Losses)	$1,751,686
Ending Market Value	$25,370,213

Performance vs CAI Non-U.S. Equity Style (Gross)

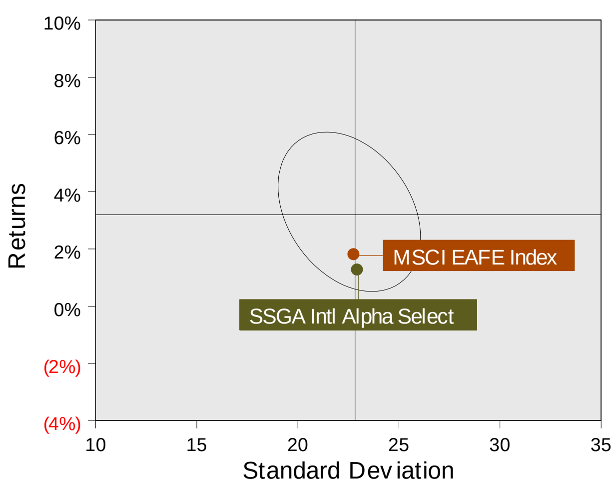


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 6-3/4 Years	Last 7 Years
10th Percentile	8.32	28.81	12.00	16.79	5.36	5.68
25th Percentile	7.38	26.08	9.95	15.23	4.30	4.53
Median	6.37	23.29	8.94	13.85	2.76	3.20
75th Percentile	5.28	19.57	7.52	12.32	1.62	2.18
90th Percentile	4.08	15.34	5.79	11.24	0.80	1.34
SSGA Intl Alpha Select ●	7.42	25.66	7.95	11.51	0.76	1.23
MSCI EAFE Index ▲	5.71	22.78	8.17	12.44	1.24	1.78

Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross)
Annualized Seven Year Risk vs Return



Dodge & Cox Intl Equity
Period Ended December 31, 2013

Investment Philosophy

Dodge & Cox believes that increased earnings are a primary factor driving increased valuations over the long term. To effect this policy, the firm relies on thorough fundamental research and a valuation discipline. The Dodge & Cox fund was incepted 2/07. The first full quarter of performance was 2nd Quarter, 2007. Historical data reflects Dodge & Cox's International Stock Fund.

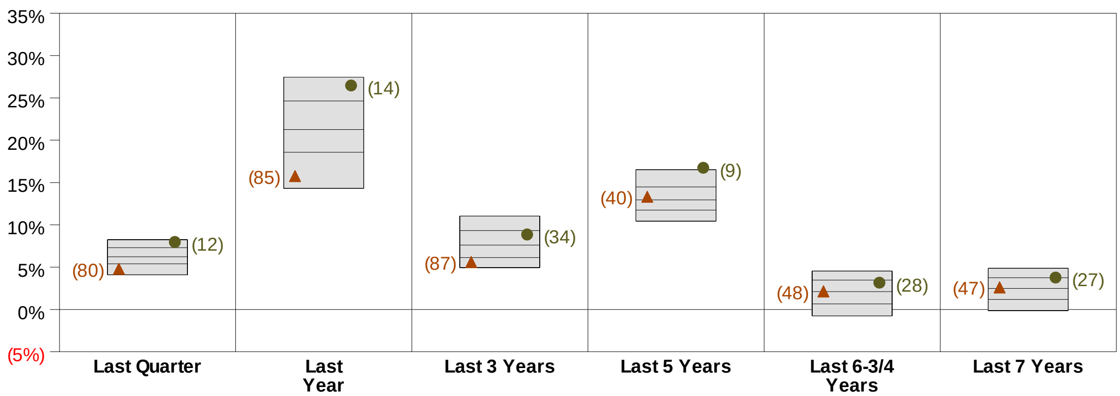
Quarterly Summary and Highlights

- Dodge & Cox Intl Equity's portfolio posted a 7.82% return for the quarter placing it in the 12 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 14 percentile for the last year.
- Dodge & Cox Intl Equity's portfolio outperformed the MSCI ACWI ex US Index by 3.01% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 10.53%.

Quarterly Asset Growth

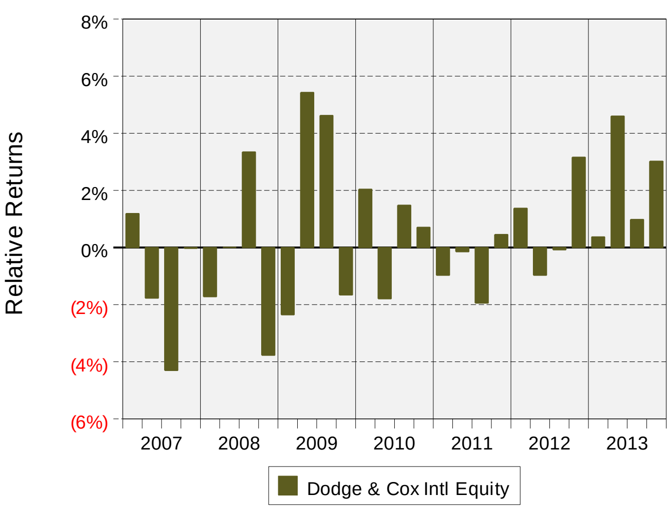
Beginning Market Value	$29,185,281
Net New Investment	$0
Investment Gains/(Losses)	$2,283,546
Ending Market Value	$31,468,827

Performance vs CAI MF - Non-US Equity Style (Net)

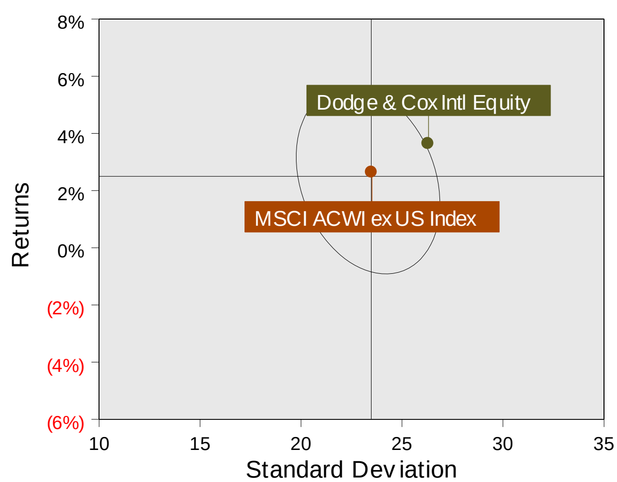


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 6-3/4 Years	Last 7 Years
10th Percentile	8.25	27.44	11.05	16.53	4.56	4.86
25th Percentile	7.31	24.64	9.32	14.48	3.46	3.76
Median	6.23	21.25	7.61	12.96	2.11	2.50
75th Percentile	5.40	18.57	6.14	11.76	0.66	1.19
90th Percentile	4.11	14.31	4.95	10.44	(0.74)	(0.15)
Dodge & Cox Intl Equity ●	7.82	26.31	8.71	16.58	3.01	3.62
MSCI ACWI ex US Index ▲	4.81	15.78	5.61	13.32	2.15	2.62

Relative Return vs MSCI ACWI ex US Index



CAI MF - Non-US Equity Style (Net)
Annualized Seven Year Risk vs Return



[See page 42 for an explanation of performance measurement method]

SSgA Daily Emerging Markets
Period Ended December 31, 2013

Investment Philosophy

This passive product seeks to replicate the composition and returns of the Emerging Markets Free Index. The SSgA fund was incepted 3/10. The first full quarter of performance was 2nd Quarter, 2010. Historical data reflects SSgA's Daily Emerging Markets Fund.

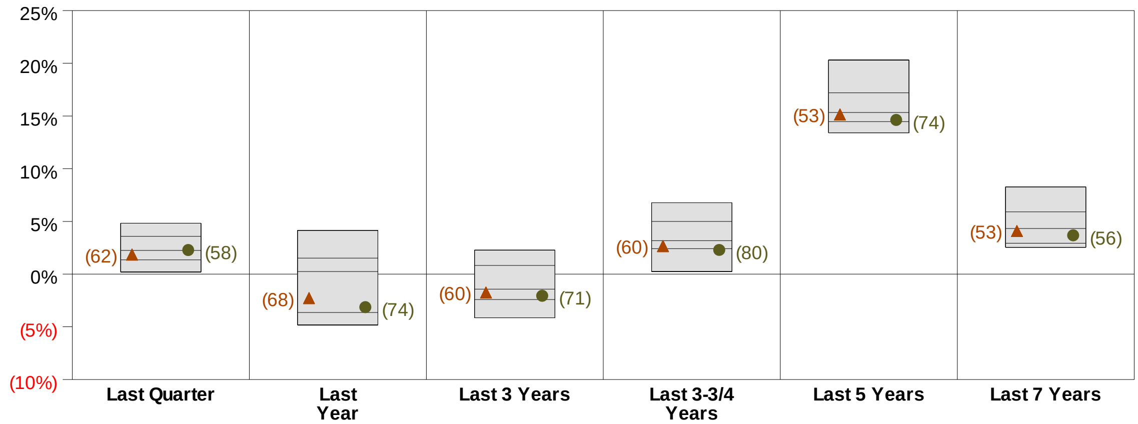
Quarterly Summary and Highlights

- SSgA Daily Emerging Markets's portfolio posted a 2.15% return for the quarter placing it in the 58 percentile of the CAI Emerging Market Broad Style group for the quarter and in the 74 percentile for the last year.
- SSgA Daily Emerging Markets's portfolio outperformed the MSCI Emerging Mkts Idx by 0.29% for the quarter and underperformed the MSCI Emerging Mkts Idx for the year by 1.00%.

Quarterly Asset Growth

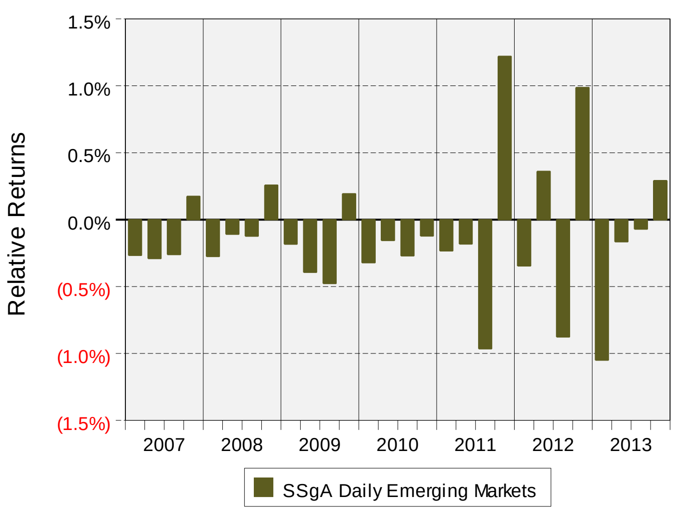
Beginning Market Value	$4,737,675
Net New Investment	$0
Investment Gains/(Losses)	$102,005
Ending Market Value	$4,839,681

Performance vs CAI Emerging Market Broad Style (Gross)

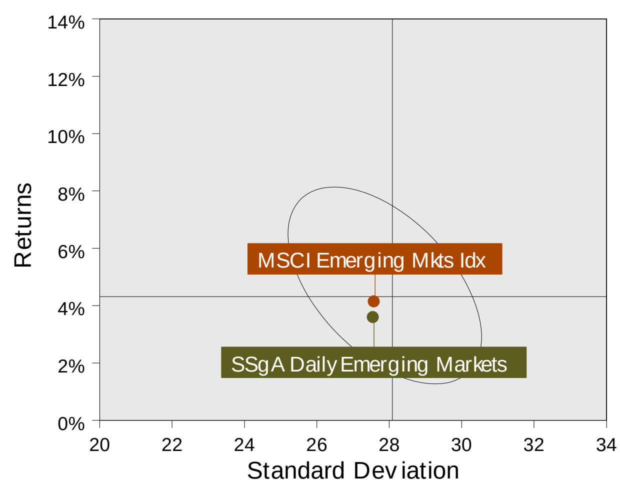


	Last Quarter	Last Year	Last 3 Years	Last 3-3/4 Years	Last 5 Years	Last 7 Years
10th Percentile	4.83	4.15	2.29	6.77	20.32	8.28
25th Percentile	3.59	1.52	0.82	4.99	17.21	5.91
Median	2.24	0.25	(1.42)	3.18	15.33	4.32
75th Percentile	1.35	(3.64)	(2.41)	2.43	14.46	2.94
90th Percentile	0.21	(4.82)	(4.14)	0.24	13.40	2.53
SSgA Daily Emerging Markets ●	2.15	(3.27)	(2.17)	2.16	14.50	3.56
MSCI Emerging Mkts Idx ▲	1.86	(2.27)	(1.74)	2.67	15.15	4.10

Relative Return vs MSCI Emerging Mkts Idx



CAI Emerging Market Broad Style (Gross) Annualized Seven Year Risk vs Return



 [See page 42 for an explanation of performance measurement method]

BlackRock Granite Property Fund
Period Ended December 31, 2013

Investment Philosophy

The Total Real Estate Funds Database consists of both open and closed-end commingled funds as well as separate accounts managed by real estate firms. The returns represent the overall performance of institutional capital invested in real estate properties.

Quarterly Summary and Highlights

- BlackRock Granite Property Fund's portfolio posted a 2.48% return for the quarter placing it in the 67 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 77 percentile for the last year.
- BlackRock Granite Property Fund's portfolio underperformed the NFI-ODCE Equal Weight Net by 0.44% for the quarter and underperformed the NFI-ODCE Equal Weight Net for the year by 2.61%.

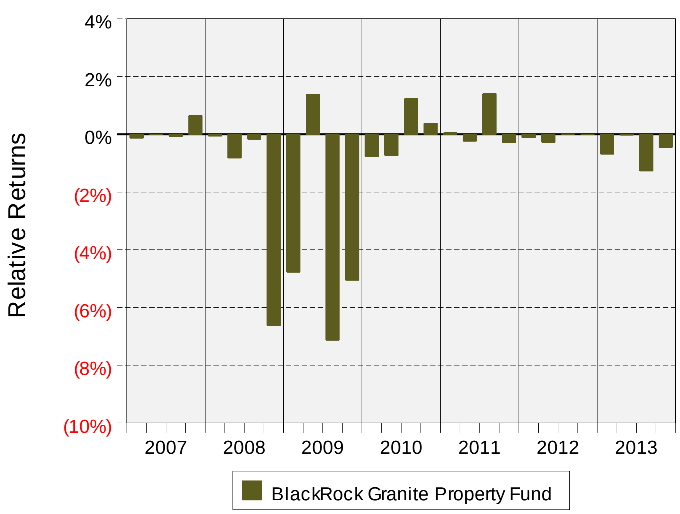
Quarterly Asset Growth

Beginning Market Value	$11,776,653
Net New Investment	$-102,654
Investment Gains/(Losses)	$289,731
Ending Market Value	$11,963,730

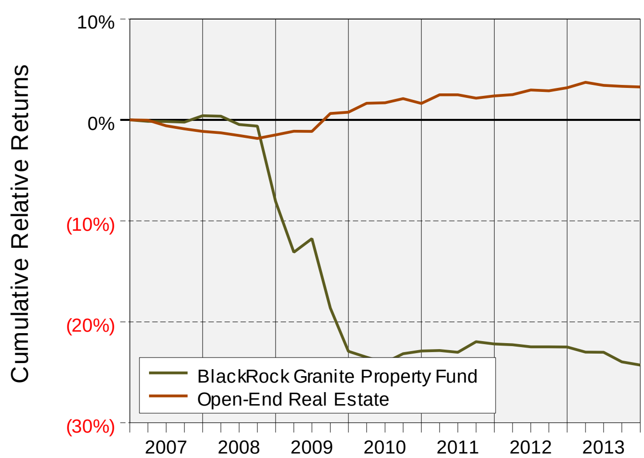
Performance vs CAI Open-End Real Estate Funds (Net)

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years
10th Percentile	3.54	14.90	14.73	5.51	4.31	7.85	8.39
25th Percentile	3.31	13.70	13.74	4.00	3.14	7.23	7.92
Median	2.84	12.67	13.08	2.93	2.26	5.74	7.56
75th Percentile	2.29	10.47	11.95	1.42	0.43	5.27	6.23
90th Percentile	2.07	8.71	10.14	(0.98)	(0.88)	3.84	4.38
BlackRock Granite Property Fund ●	2.48	9.77	11.73	(1.54)	(1.97)	2.57	4.01
NFI-ODCE Equal Weight Net ▲	2.92	12.38	12.41	2.36	2.00	5.79	6.56

Relative Returns vs NFI-ODCE Equal Weight Net



Cumulative Returns vs NFI-ODCE Equal Weight Net



[See page 42 for an explanation of performance measurement method]

Heitman America
Period Ended December 31, 2013

Investment Philosophy

Heitman America Real Estate Trust, L.P. is a Delaware limited partnership, organized as a perpetual-life, core open-ended commingled fund to invest in real estate assets. The Fund seeks to deliver to its investors a combination of current income return and moderate appreciation. In acquiring individual assets for HART, Heitman adheres to the following principles: Buy in major markets and build a portfolio that is diversified by property type, economic exposure and geography. Buy assets with strong site attributes, such as proximity to amenities, complementary land uses and transportation networks. Buy well-constructed assets with features that will continue to appeal to tenants over long periods of time. Heitman was incepted 6/12. The first full quarter of performance was 3rd Quarter, 2012. Historical data reflects Heitman America Real Estate Trust.

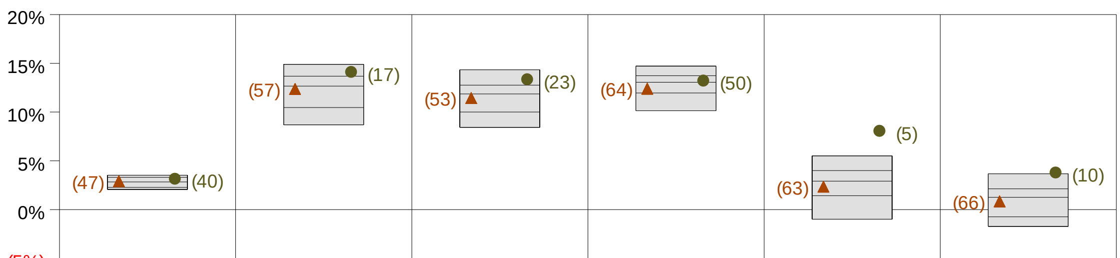
Quarterly Summary and Highlights

- Heitman America's portfolio posted a 3.03% return for the quarter placing it in the 40 percentile of the CAI Open-End Real Estate Funds group for the quarter and in the 17 percentile for the last year.
- Heitman America's portfolio outperformed the NFI-ODCE Equal Weight Net by 0.11% for the quarter and outperformed the NFI-ODCE Equal Weight Net for the year by 1.61%.

Quarterly Asset Growth

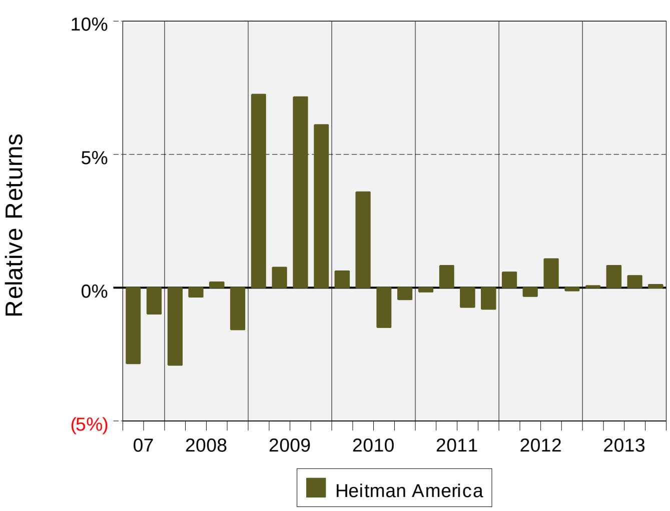
Beginning Market Value	$12,479,647
Net New Investment	$-113,865
Investment Gains/(Losses)	$374,778
Ending Market Value	$12,740,560

Performance vs CAI Open-End Real Estate Funds (Net)

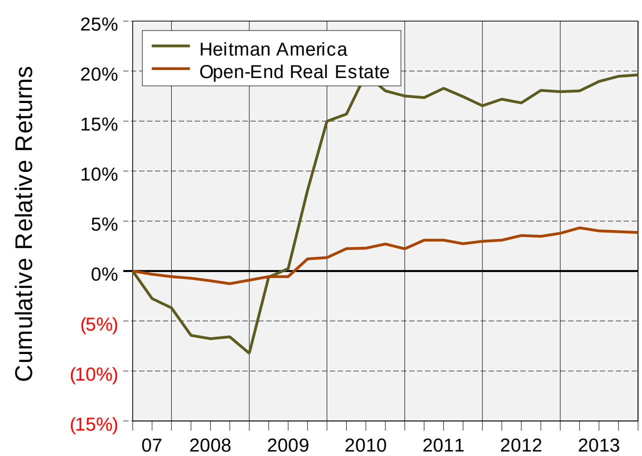


	Last Quarter	Last Year	Last 1-1/2 Years	Last 3 Years	Last 5 Years	Last 6-1/2 Years
10th Percentile	3.54	14.90	14.35	14.73	5.51	3.67
25th Percentile	3.31	13.70	12.77	13.74	4.00	2.13
Median	2.84	12.67	11.86	13.08	2.93	1.27
75th Percentile	2.29	10.47	10.00	11.95	1.42	(0.74)
90th Percentile	2.07	8.71	8.43	10.14	(0.98)	(1.73)
Heitman America ●	3.03	13.99	13.22	13.08	7.93	3.68
NFI-ODCE Equal Weight Net ▲	2.92	12.38	11.45	12.41	2.36	0.86

Relative Returns vs NFI-ODCE Equal Weight Net



Cumulative Returns vs NFI-ODCE Equal Weight Net



[See page 42 for an explanation of performance measurement method]

Cohen & Steers Global REIT Gross of Fee
Period Ended December 31, 2013

Investment Philosophy

Cohen & Steers' investment philosophy is to participate in the real estate securities market through the creation of equity portfolios that are diversified by property type and geographic region. Cohen & Steers was incepted 6/11. The first full quarter of performance was 3rd Quarter, 2011. Historical data reflects Cohen & Steers Global REIT Fund.

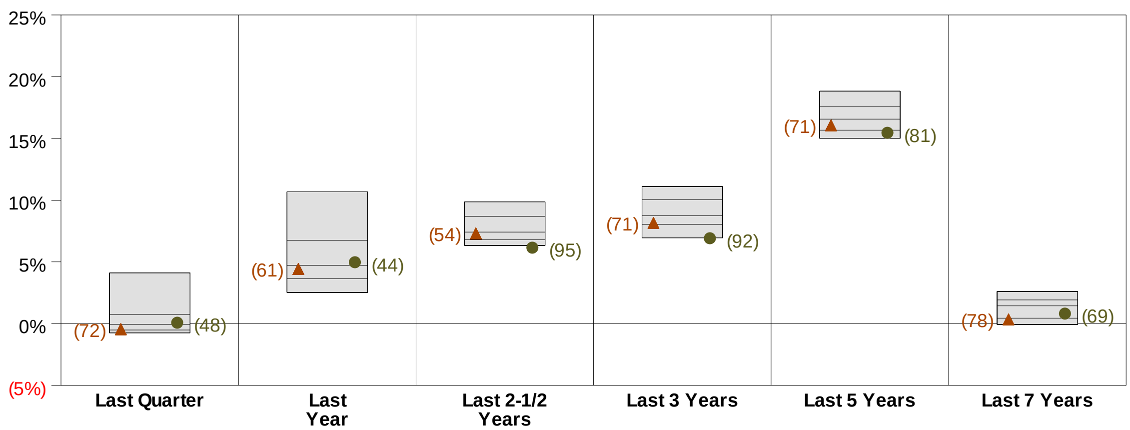
Quarterly Summary and Highlights

- Cohen & Steers Global REIT Gross of Fee's portfolio posted a (0.03)% return for the quarter placing it in the 48 percentile of the CAI Real Estate - REIT Global DB group for the quarter and in the 44 percentile for the last year.
- Cohen & Steers Global REIT Gross of Fee's portfolio outperformed the NAREIT Developed Index by 0.42% for the quarter and outperformed the NAREIT Developed Index for the year by 0.42%.

Quarterly Asset Growth

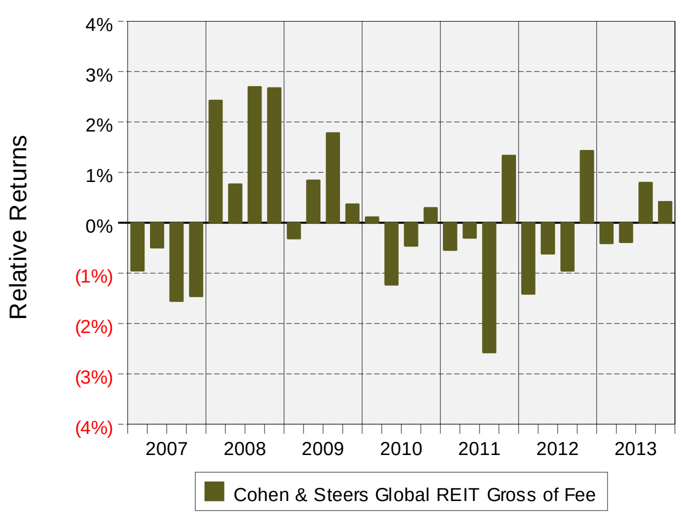
Beginning Market Value	$7,835,242
Net New Investment	$0
Investment Gains/(Losses)	$-16,911
Ending Market Value	$7,818,331

Performance vs CAI Real Estate - REIT Global DB (Gross)

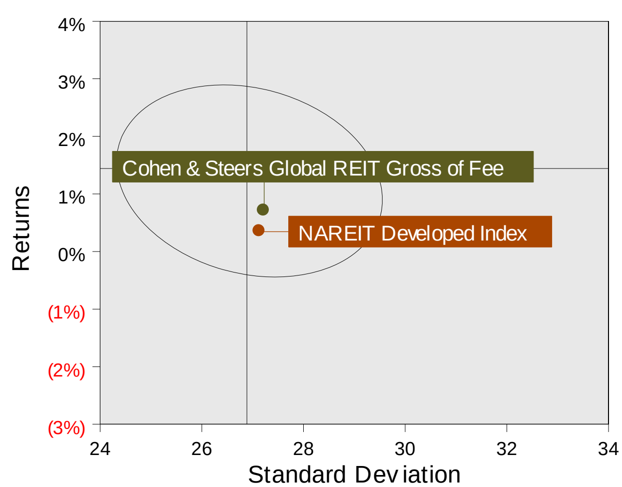


	Last Quarter	Last Year	Last 2-1/2 Years	Last 3 Years	Last 5 Years	Last 7 Years
10th Percentile	4.11	10.68	9.86	11.11	18.84	2.61
25th Percentile	0.74	6.75	8.69	10.05	17.57	1.92
Median	(0.06)	4.72	7.42	8.76	16.56	1.44
75th Percentile	(0.51)	3.64	6.80	8.03	15.68	0.44
90th Percentile	(0.74)	2.52	6.33	6.94	15.00	(0.08)
Cohen & Steers Global REIT Gross of Fee ●	(0.03)	4.86	6.05	6.81	15.34	0.71
NAREIT Developed Index ▲	(0.45)	4.43	7.31	8.16	16.07	0.35

Relative Return vs NAREIT Developed Index



CAI Real Estate - REIT Global DB (Gross) Annualized Seven Year Risk vs Return



[See page 42 for an explanation of performance measurement method]

Molpus Woodlands Fund III
Period Ended December 31, 2013

Investment Philosophy

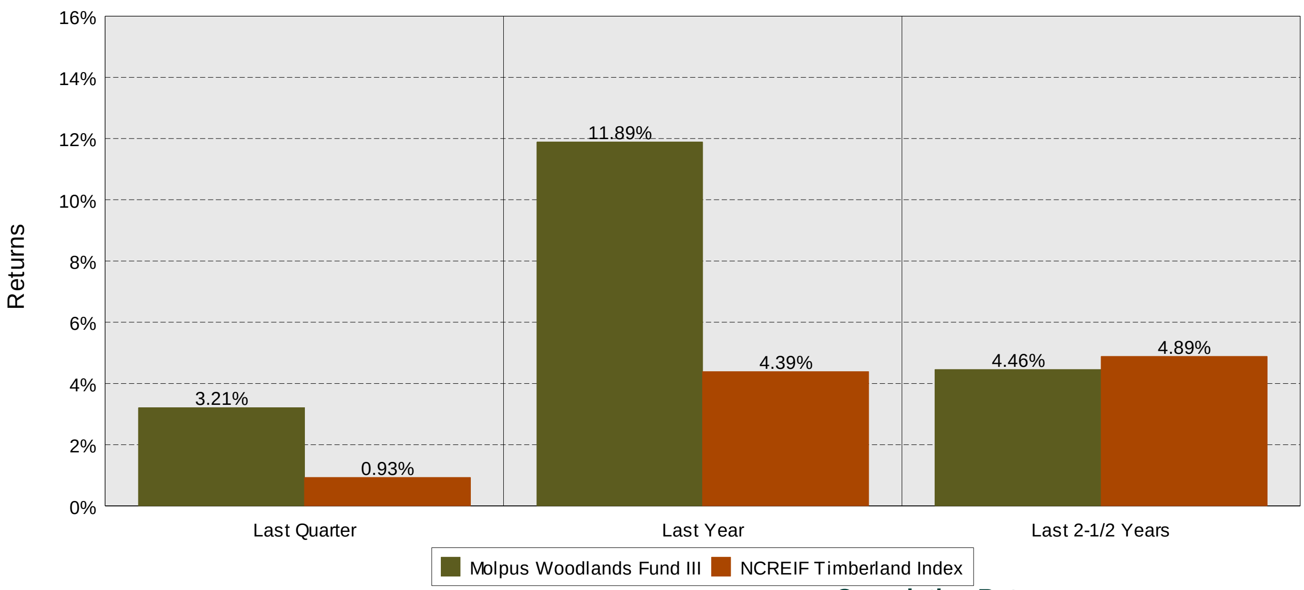
The Fund will focus its investment strategy on acquiring, managing, harvesting and divesting of timberland, and will invest in industrial timberland growing regions of North America, primarily in the United States.

Quarterly Summary and Highlights

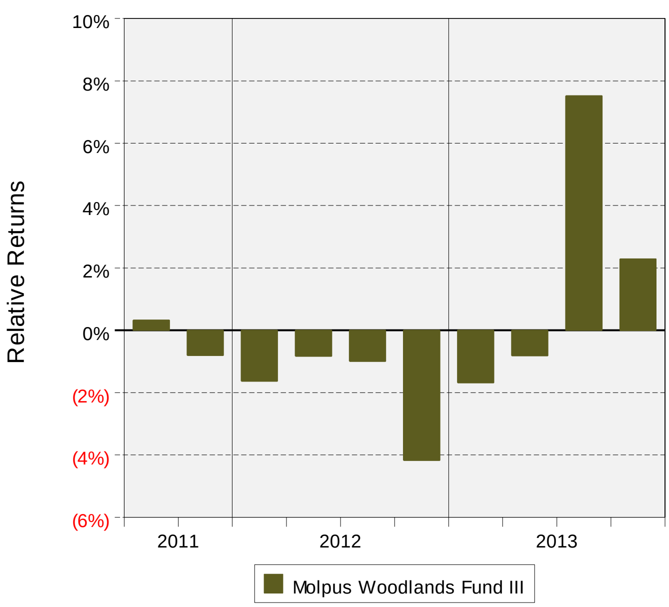
- Molpus Woodlands Fund III's portfolio posted a 3.21% return for the quarter placing it in the 13 percentile of the Real Estate Timber Group group for the quarter and in the 18 percentile for the last year.
- Molpus Woodlands Fund III's portfolio outperformed the NCREIF Timberland Index by 2.28% for the quarter and outperformed the NCREIF Timberland Index for the year by 7.50%.

Quarterly Asset Growth

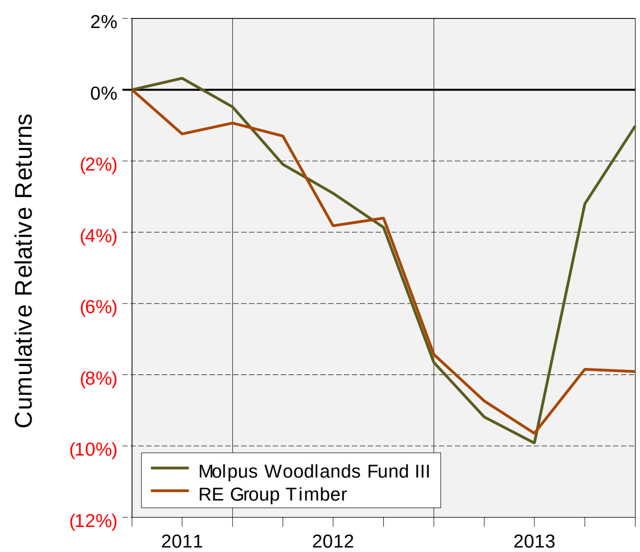
Beginning Market Value	$11,640,817
Net New Investment	$1,770,000
Investment Gains/(Losses)	$397,425
Ending Market Value	$13,808,242



Relative Return vs NCREIF Timberland Index



Cumulative Returns vs NCREIF Timberland Index



[See page 42 for an explanation of performance measurement method]

SSgA TIPS Index Fund
Period Ended December 31, 2013

Investment Philosophy

The Passive Treasury Inflation Protected Securities Strategy seeks to match the total rate of return of the BC Inflation Notes Index by investing in a portfolio of US Treasury inflation protected securities. It is managed duration neutral to the Index at all times. Overall sector and security weightings are also matched to the Index. The strategy is one of full replication, owning a market-value weight of each security in the benchmark. SSgA was incepted 3/10. The first full quarter of performance was 2nd Quarter, 2010. Historical data reflects SSgA's TIPS Index Fund.

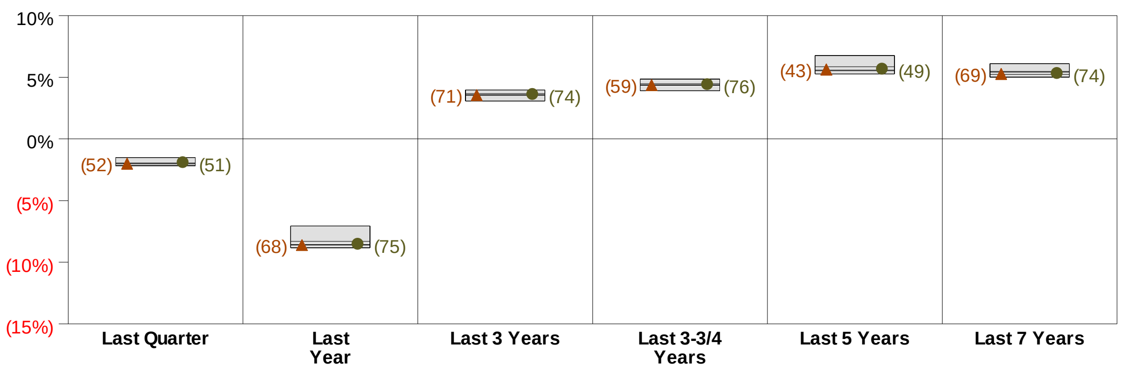
Quarterly Summary and Highlights

- SSgA TIPS Index Fund's portfolio posted a (1.99)% return for the quarter placing it in the 51 percentile of the TIPS Domestic group for the quarter and in the 75 percentile for the last year.
- SSgA TIPS Index Fund's portfolio outperformed the Barclays US TIPS Index by 0.01% for the quarter and underperformed the Barclays US TIPS Index for the year by 0.01%.

Quarterly Asset Growth

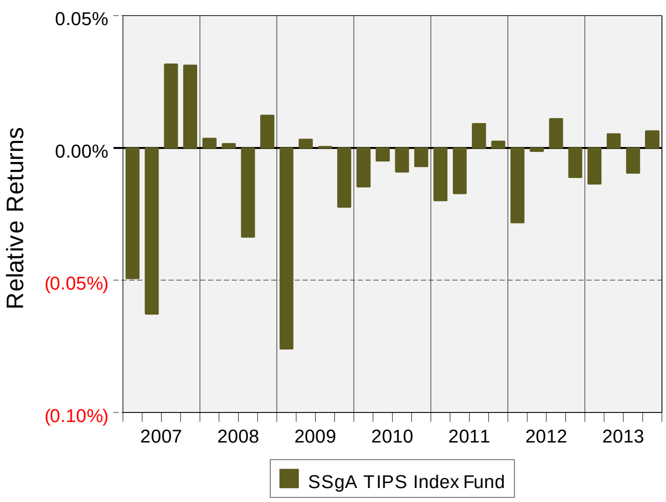
Beginning Market Value	$15,026,546
Net New Investment	$0
Investment Gains/(Losses)	$-299,664
Ending Market Value	$14,726,882

Performance vs TIPS Domestic (Gross)

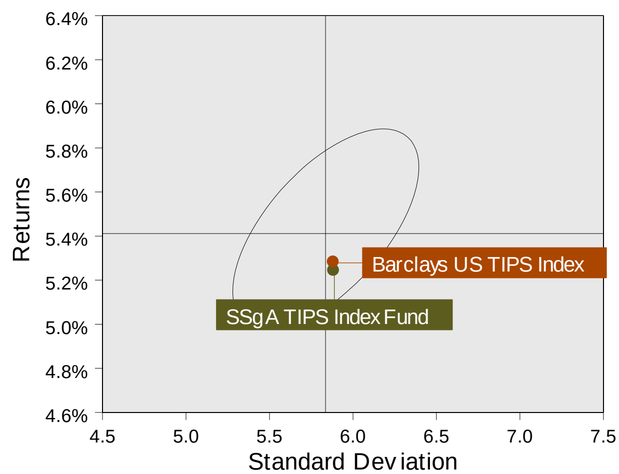


	Last Quarter	Last Year	Last 3 Years	Last 3-3/4 Years	Last 5 Years	Last 7 Years
10th Percentile	(1.52)	(7.06)	3.97	4.84	6.76	6.10
25th Percentile	(1.96)	(8.31)	3.67	4.47	5.85	5.48
Median	(1.99)	(8.57)	3.59	4.38	5.59	5.41
75th Percentile	(2.12)	(8.61)	3.52	4.35	5.52	5.23
90th Percentile	(2.20)	(8.83)	3.08	3.91	5.26	5.01
SSgA TIPS Index Fund ●	(1.99)	(8.62)	3.53	4.34	5.59	5.24
Barclays US TIPS Index ▲	(2.00)	(8.61)	3.55	4.36	5.63	5.28

Relative Return vs Barclays US TIPS Index



TIPS Domestic (Gross)
Annualized Seven Year Risk vs Return



Five Largest Holdings by Asset Type

Common Stocks	Market Value at December 31, 2013	Percentage of Net Position
Susser Holdings Corp.	$476,571	0.1%
Belden Inc.	418,121	0.1%
Tetra Tech Inc.	401,793	0.1%
Wex Inc.	393,743	0.1%
Pharmerica Corp.	381,840	0.1%

Fixed Income Securities		
US Treasury Note 1.250% 10/31/2015	$3,049,680	0.8%
US Treasury Bond 8.125% 08/15/2019	1,751,935	0.5%
US Treasury Note 2.625% 04/30/2016	1,751,930	0.5%
US Treasury Note 4.125% 05/15/2015	1,053,200	0.3%
US Treasury Bond 4.750% 02/15/2041	920,504	0.2%

Commingled Funds		
BlackRock Institutional Trust Co. Equity Index Fund A	$99,875,494	25.9%
PIMCO Total Return Fund	46,632,782	12.1%
Dodge & Cox International Stock Fund	31,468,827	8.2%
State Street Global Advisors International Alpha Select Fund	25,370,213	6.6%
State Street Global Advisors TIPS Index Fund	14,726,882	3.8%

The complete schedule of holdings at year-end is available from the plan administrator.

Brokerage Commissions

Equity trades were directed to seventy-four brokerage firms chosen at the discretion of the Plan's two U.S. equity separate account managers, Cadence Capital Management and Smith Graham & Company.

The Plan also owned units in commingled equity funds managed by BlackRock Institutional Trust Company, Cohen & Steers Capital Management, Dodge & Cox and State Street Global Advisors. Detailed information on those funds' individual security trades is not provided by the funds, and therefore those brokerage costs are not included in this report.

Commissions paid by the Plan in 2013 totaled $50,365. The twenty firms receiving the largest commission payments are listed below.

The Plan does not maintain any commission recapture, directed payment or "soft dollar" arrangements with regard to brokerage commissions.

Brokerage Firm	Number of Shares Traded	Total Commissions Paid	Average Cost per Share
Burke & Quick Partners LLC	109,033	$4,061.97	$0.037
Westminster Res Asoc/Broadcort Capt Cl	189,751	3,295.95	0.017
Lek Securities Corp.	86,842	3,019.99	0.035
Instinet	120,222	3,001.71	0.025
Weeden & Co.	61,554	2,001.16	0.033
LiquidNet Inc.	55,701	1,951.37	0.035
Cantor Fitzgerald & Co.	52,912	1,930.41	0.036
Goldman Sachs & Co.	54,756	1,847.60	0.034
CitiGroup Global Markets Inc.	44,343	1,511.66	0.034
Rafferty Capital Markets	38,670	1,510.50	0.039
Wells Fargo Securities LLC	40,519	1,336.81	0.033
Merrill Lynch Pierce Fenner & Smith Inc.	30,039	1,092.34	0.036
Morgan Stanley Co. Inc.	28,092	1,085.58	0.039
RBC Capital Markets	27,168	997.67	0.037
Stifel Nicolaus & Co. Inc.	29,409	971.19	0.033
Prebon Financial Products	23,893	948.70	0.040
Cowen & Company, LLC	25,833	931.23	0.036
Credit Suisse Securities (USA) LLC	23,050	920.03	0.040
Convergex Execution Solutions LLC	23,678	907.00	0.038
Canaccord Genuity Inc.	22,082	829.99	0.038

The complete schedule of brokerage commissions paid in 2013 is available from the plan administrator.

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June 5, 2014

Board of Trustees
City of Aurora General Employees' Retirement Plan
12100 E. Iliff Avenue, Suite 108
Aurora, Colorado 80014

Dear Members of the Board,

Subject: City of Aurora GERP -- CAFR certification per GFOA guidelines

We certify that the information contained in this report is accurate and fairly presents the actuarial position of the City of Aurora General Employees' Retirement Plan (GERP) for the plan year commencing January 1, 2014.

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. In our opinion the results presented also comply with the Plan as amended and restated, and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The undersigned are independent actuaries and are experienced in performing valuations for large public retirement systems.

Actuarial Valuation

The primary purposes of the valuation report are to determine the adequacy of the current employer contribution rate, to describe the current financial condition of the Plan, and to analyze changes in the Plan's condition. In addition, the report provides information required by the Plan in connection with Governmental Accounting Standards Board Statement Numbers 25 and 27 (GASB No. 25 and 27), and it provides various summaries of the data. The actuarial assumptions and methods used in this report comply with the parameters for disclosure that appear in GASB 25.

Valuations are prepared annually, as of January 1st, the first day of the plan year.

Financial Objectives

The combined employer and employee contribution rate is 12.50% for the current fiscal year and is expected to increase by 0.50% each year until it reaches 14.00% in fiscal year 2017. These rates are intended to be sufficient to pay the Plan's normal cost and to amortize the unfunded actuarial accrued liability (UAAL) over a period not in excess of 30 years from the valuation date by making payments that are level as a percent of covered payroll.

The total annual required contribution for 2014 is 13.15% of pay. Thus, there is an anticipated contribution rate deficiency of 0.65% for the year.

Funded Status and Annual Required Contribution (ARC)

Funded status is measured as the ratio of the assets to the liabilities. As of the valuation date of January 1, 2014 the actuarial accrued liability is $395.1 million dollars. The accrued liability grew from the 2013 amount of $369.7 million, and the accrued liability did not grow as much as expected. The actuarial value of assets increased, from $340.9 million to $366.6 million, and the assets grew a little more than expected. The unfunded accrued liability, which is the difference between the assets and the accrued liability, decreased from $28.8 million to $28.5 million. Finally, the funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability) increased from 92.2% to 92.8%.

The Annual Required Contribution (ARC) is a term used in Governmental Accounting Standards Board (GASB) Statement #25 and is defined as the contribution necessary to pay the normal cost and an amortization payment on the unfunded accrued liability. For this plan, the amortization method is defined as a 30 year, level percent of pay method to be used in determining the amortization payment for the unfunded accrued liability. The employer normal cost is 4.90% and the amortization payment is 2.00%. The current actual employer contribution rate of 6.25% is less than the 6.90% Annual Required Contribution (ARC) calculated for GASB-25 purposes.

Benefit Provisions

The actuarial valuation reflects the benefit and contribution provisions set forth in the Plan. There are two sets of benefits - one for members hired prior to January 1, 2012 (Tier 1) and another set for new employees hired after December 31, 2011 (Tier 2). A summary of those key changes for Tier 2 participants includes:

- Normal retirement age is 67 (normal retirement age remains at 65 for Tier 1 participants);
- Vesting in the City’s matching contribution begins after five years of service (Tier 1 employees start with immediate 25% vesting);
- Early retirement reduction of 6% per year the member is short of normal retirement age or the Rule of 80 (Tier 1 employees may retire early with a 2% per year reduction for early retirement between ages 55 and 65);
- Cost of living adjustments on regular pension benefits will only be granted if the GERP Board determines they are affordable (regular benefits for Tier 1 retirees are automatically adjusted each year based on the Consumer Price Index);
- The Board has voted to freeze the increases on the supplemental $176 per month benefit indefinitely for both tiers.

Assumptions and Methods

Actuarial assumptions and methods are set by the Board of Trustees, based upon recommendations made by the Plan's actuary. The current assumptions were recommended and adopted by the Board based on the results of the Experience Study completed in 2013. This is the first valuation using the new assumptions.

These assumptions are internally consistent and are reasonably based on the actual and expected experience of the Plan. The actuarial methods and assumptions used are in full compliance with the parameters established by GASB Statements No. 25 and No. 27. The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contribution rates and funding periods. The actuarial calculations presented in the report are intended to provide information for rational decision making.

The changes in the assumptions increased the accrued liability by $8.8 million and decreased the funded ratio from 94.9% (the 2014 funded ratio "before" assumption changes) to 92.8%. Similarly, the normal cost rate decreased from 12.16% to 11.15%. The total annual required contribution decreased from 13.54% to 13.15%.

Demographic Data and Asset Information

Member data for retired, active, and inactive participants as well as asset information was supplied as of the current valuation date, by the staff of the General Employees' Retirement Plan. We have not subjected either information to any auditing procedures, but have examined both for reasonableness and consistency with the prior year's information.

The enclosed exhibits provide further related information necessary to complete your filing. All other necessary information is available in the January 1, 2014 actuarial valuation report. The enclosed exhibits are as follows:

Exhibit 1: Summary of Actuarial Assumptions and Methods
2: Plan Summary
3: Schedule of Active Members
4: Schedule of Funding Progress
5: Schedule of Employer Contributions
6: GASB-25 Supplemental Information
7: Solvency Test
8: Analysis of Financial Experience
9: Schedule of Retirees and Beneficiaries

We prepared the accompanying Solvency Test and the Schedule of Retirees and Beneficiaries but the Aurora GERP staff prepared the other supporting schedules in this section and the trend tables in the financial section based on information supplied in our report.

Please contact me at 720-274-7271 or leslie.thompson@gabrielroeder.com to answer any questions you may have and to provide additional information you may need.

Respectfully submitted,
Gabriel, Roeder, Smith & Company

Leslie L. Thompson

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

Enclosures

EXHIBIT 1

Summary of Actuarial Assumptions and Methods

1. Investment Return Rate — 7.75% per annum (net of all expenses), compounded annually *(adopted effective January 1, 2014)*

2. Mortality Rates

a. Healthy Lives (post-retirement) — Society of Actuaries' RP-2000 Mortality Table *(adopted effective January 1, 2014)*

	Deaths per 1,000 Lives	
Age	Male Participants	Female Participants
45	1.52	0.90
50	2.31	1.34
55	3.96	2.09
60	6.54	3.51
65	11.09	6.48
70	18.16	11.18
75	31.17	18.77
80	53.25	30.63
85	90.76	51.71

b. Healthy Lives (pre-retirement) — Society of Actuaries' RP-2000 Mortality Table *(adopted effective January 1, 2005)*

	Deaths per 1,000 Lives	
Age	Male Participants	Female Participants
20	0.35	0.19
25	0.38	0.21
30	0.44	0.26
35	0.77	0.48
40	1.08	0.71
45	1.51	1.12
50	2.14	1.68
55	3.03	2.53
60	4.88	3.93
65	7.57	5.82
70	9.92	7.61

c. Disabled Lives (post and pre-retirement)

Society of Actuaries' RP-2000 Mortality Table
(adopted effective January 1, 2001)

	Deaths per 1,000 Lives	
Age	Male Participants	Female Participants
20	22.57	7.45
25	22.57	7.45
30	22.57	7.45
35	22.57	7.45
40	22.57	7.45
45	22.57	7.45
50	28.98	11.54
55	35.44	16.54
60	42.04	21.84
65	50.17	28.03
70	62.58	37.64
75	82.07	52.23
80	109.37	72.31
85	141.60	100.20

The post-retirement mortality tables for healthy lives were developed based on actual mortality experience included in the experience study as of December 31, 2012. As of that time, the table for male members included a 10% margin for future mortality improvements and the table for female members included an 8% margin for improvements.

3. Incidence of Disability Rates

As shown below for selected ages.
(adopted effective January 1, 2014)

Age	Disabilities per 1,000 Members
20	0.3
25	0.3
30	0.3
35	0.5
40	0.6
45	1.0
50	1.4
55	2.5
60	3.6

4. Retirement Rates

The following rates of retirement are assumed for members eligible to retire. *(adopted effective January 1, 2014)*

	Unreduced Retirements per 1,000 Members (after attainment of Rule of 80 or Normal Retirement Age)			
	Tier 1 Hired Prior to 1/1/2012		Tier 2 Hired After 12/31/2011	
Age	Males	Females	Males	Females
50	30	30	30	30
51	30	30	30	30
52-59	100	100	100	100
60	80	80	80	80
61	150	150	150	150
62	250	250	250	250
63	200	200	200	200
64	150	150	150	150
65-67	300	300	300	300
68-69	500	500	500	500
70-74	1,000	1,000	750	750
75	1,000	1,000	1,000	1,000

	Reduced Retirements per 1,000 Members			
	Tier 1 Hired Prior to 1/1/2012		Tier 2 Hired After 12/31/2011	
Age	Males	Females	Males	Females
50-54	20	20	15	15
55	30	30	25	25
56	60	60	25	25
57	60	60	25	25
58	60	60	25	25
59	60	60	25	25
60	60	60	10	60
61	60	60	125	60
62	150	150	150	150
63	60	60	150	60
64	60	60	150	60
65	n/a	n/a	300	300
66	n/a	n/a	300	300

5. Termination Rates (for causes other than death, disability or retirement)

Graduated withdrawal rates per 1,000 based on age are used for participants with five or more years of service. Rates for participants with less than five years of service are based on service only. *(adopted effective January 1, 2005)*

Years of Service	Male Participants	Female Participants
0-1	200	230
1-2	160	180
2-3	130	150
3-4	110	130
4-5	90	110

For participants with 5 or more years of service:

Age		
30	77	100
40	53	65
50	34	35
60	21	15

6. Salary Increase Rates

(adopted effective January 1, 2014)

Years of Service	Salary Increases
0-1	6.00%
2	5.50%
3	5.00%
4-7	4.50%
8	4.00%
9	3.75%
10+	3.25%

7. Total Payroll Growth Rate

3.25% per year (used in the amortization of UAAL) *(adopted effective January 1, 2014)*

8. Marriage Assumption

85% of participants are assumed to be married. Male members are assumed to be three years older than their spouse, and female members are assumed to be three years younger than their spouse.

9. Post Retirement Cost-of-Living Adjustment	3.25% per annum for Tier 1 base benefits and 0.0% for Tier 2 base benefits. 0.00% for supplemental benefits for all participants. *(adopted effective January 1, 2014 for Tier 1 base benefits and January 1, 2011 for supplemental benefits)*
10. Employee Contribution Rate	6.25% increasing by 0.25% each year up to a contribution rate of 7.00% in 2017. Rates beyond 2017 may increase or decrease by 0.25% each year depending upon the financial condition of the Plan. *(adopted effective January 1, 2012)*
11. Interest on Employee Contribution Accumulation	4.0% compounded biweekly *(adopted effective January 1, 2010)*
12. Lump Sum Elections	Terminated vested participants eligible for immediate retirement are 100% assumed to take a monthly annuity at retirement in lieu of a lump sum distribution. 12% of retirements from active service and 50% of terminations from active service are assumed to take lump sums. *(adopted effective January 1, 2009)*
13. Optional Form Election	100% of members who opt for a monthly annuity at retirement are assumed to elect the normal form of payment of a life annuity. The optional forms factors are based on an actuarial basis of 8.0% interest, RP-2000 Combined Healthy mortality, blended 50% male and 50% female, and a 3.50% cost-of-living adjustment for the base benefit for Tier 1 participants *(adopted effective January 1, 2010)*
14. Death Benefit Election	The first eligibility date after attaining the early retirement age.
15. Commencement Age for Deferred Benefits	Future inactive vested members and future disabled member are assumed to commence benefits at the first eligibility date after attaining Normal Retirement Age or Rule of 80 Retirement Date. Current inactive vested members are assumed to commence benefits at the first eligibility date after attaining early retirement age with a fraction assumed to retire at each eligibility age thereafter based on the retirement rates assumption in item 3.

Actuarial Valuation Method *(adopted effective January 1, 2003)*

The actuarial value of assets is calculated based on the following formula:

$MV – (2/3) \times G/(L)_1 – (1/3) \times G/(L)_2$

where:

MV = the market value of assets as of the valuation date

$G/(L)_i$ = the asset gain or (loss) (i.e., actual return on assets less expected return on assets) for the *i*-th year preceding the valuation date.

In no event is the actuarial value of assets less than 80% nor more than 120% of the market value of assets. Asset gains or losses prior to January 1, 2003, were spread over 5 years.

Actuarial Cost Method

1. The Entry Age Normal Method is used to determine Normal Cost, Accrued Actuarial Liability of the Plan and thereby the Annual Required Contribution. Under this method, the present value of each participant's expected benefits is determined, based on his age, service, gender and compensation. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.

2. The employer contributions required to support the benefits of the Plan are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.

3. Under the "entry age normal" method, a calculation is made to determine the average uniform and constant percentage rate of employer contribution which, if applied to the compensation of each new participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.

4. The unfunded accrued liability contributions are determined by subtracting the present value of prospective employer normal contributions and participant contributions, together with the current assets held, from the present value of expected benefits to be paid from the Plan.

EXHIBIT 2

Plan Summary

All actuarial calculations are based upon our understanding of the provisions of the City of Aurora General Employees' Retirement Plan, in effect as of the valuation date. This summary does not attempt to cover all of the detailed provisions.

1. Effective Date: March 1, 1967. Amended and restated effective January 1, 2000. The plan was subsequently amended pursuant to Ordinances No. 2001-69, 2001-81, 2002-84, 2003-63, 2005-95, 2009-05, 2009-11, 2009-41, 2011-29 and 2013-37 (the most recent amendment was effective October 28, 2013).

2. Plan Year: Twelve-month period ending December 31st.

3. Type of Plan: A qualified governmental defined benefit retirement plan.

4. Eligibility: Career service employees excluding police, firefighters and temporary employees. Executives may elect to participate. The participation starts on completion of one hour of service.

5. Plan Tier: Members in the Plan prior to January 1, 2012 are Tier 1 participants. Members who first entered the Plan after December 31, 2011 are Tier 2 participants.

6. Employee Contributions: 6.25% of compensation increasing by 0.25% each year up to a contribution rate of 7.00% in 2017. Rates beyond 2017 may increase or decrease by 0.25% each year depending upon the financial condition of the Plan. The employee's contribution account is credited with interest at the rate of 4.00% compounded biweekly.

7. Compensation: Base salary payable to the employee including acting pay, longevity pay and 414 (h) and 457 contributions and Section 125 elective pre-tax employee contributions. Overtime, accrued vacation and sick leave, and bonuses are excluded.

8. Employer Contributions: The city currently is contributing 6.25% of compensation. Contribution rates will increase based on the same schedule as employee contributions.

9. Credited Service: Credited service (for benefit calculation purposes) is granted on the elapsed time basis from employment date to termination date.

10. Vesting Schedule:

    a. For Defined Benefit: Participants are 100% vested in their accrued benefit after the completion of 5 years of credited service.

    b. For Lumps Sum and Money Purchase Benefit:

(i) Employee Contribution Accumulation: Participants are 100% vested in their contributions and interest thereon at all times.

(ii) Vested Employer Contributions: Tier 1 participants are entitled to a 25% match of their Contribution Accumulation, plus 5% for each additional year of Credited Service earned, to a maximum of 100% after 15 years. Tier 2 participants are entitled to a 50% match of their Contribution Accumulation upon completion of five years of Credited Service, plus 5% for each additional year of Credited Service earned, to a maximum of 100% after 15 years.

11. Final Average Monthly Compensation (FAMC): The FAMC is the average of the highest 36 consecutive months of compensation earned during the last 10 years of employment.

12. Normal Retirement

Base benefit:

a. Eligibility: Normal Retirement Age is 65 for Tier 1 participants and is 67 for Tier 2 participants. A member may retire on or after the first day of the month coincident with or next following the date on which the participant reaches Normal Retirement Age or attains age 50 with age plus years of Credited Service totaling at least 80 (Rule of 80 Retirement Date).

b. Amount: The greater of

(i) 1.75% of FAMC multiplied by years of Credited Service

OR

(ii) The participant's Contribution Accumulation and Vested Employer Contributions paid in an actuarially equivalent monthly pension.

Supplemental benefit:

Retired participants with five or more years of Credited Service also receive a supplemental benefit equal to $176.00 per month. This benefit is reduced if the years of Credited Service are less than 20.

13. Early Retirement

a. Eligibility: A member may retire early after reaching age 50 with credit for 10 years of service.

b. Benefit for a Tier 1 participant: 1.75% of FAMC multiplied by years of Credited Service and reduced as follows:

(i) After age 55: 2% for each year prior to the earlier of age 65 or Rule of 80 Retirement eligibility.

(ii) Before age 55 with less than 25 years of Credited Service: 2% for each year less than 25 years of Credited Service (up to a maximum of 20%) plus 6% for each year prior to age 55.

(iii) Before age 55 with at least 25 years of Credited Service: 6% for each year retirement precedes the Rule of 80 Retirement Date.

c. Benefit for a Tier 2 participant: 1.75% of FAMC multiplied by years of Credited Service and reduced by 6% for each year retirement precedes the earlier of age 67 or Rule of 80 Retirement Date.

14. Disability Retirement

a. Eligibility: Termination from employment by reason of disability prior to and receipt of long-term disability insurance benefits from the city until the Normal Retirement Date.

b. Monthly Benefit: The disability benefit is determined using the normal retirement formula with additional service and (last) compensation credited during the period of disability. Benefit payments begin at the Normal Retirement Date.

15. Termination Benefit

Vested Deferred:

a. Eligibility: All participants who terminate after completing five or more years of Credited Service or becoming eligible for Normal Retirement are 100% vested.

b. Monthly Benefit: The Normal Retirement Benefit amount with the payments beginning on the participant's Normal Retirement Date. Participants with 10 or more years of Credited Service may elect to begin receiving benefits reduced as with early retirement any time after age 50.

Non-vested:

Those participants who terminate prior to completing 5 year of service will receive a refund of their Employee Contribution Accumulation and Vested Employer Contributions.

16. Death Benefit

a. Eligibility: Prior to completing 5 years of Credited Service: Refund of Employee Contribution Accumulation and Vested Employer Contributions.

b. Benefit: After completing 5 years of Credited Service: The participant's beneficiary will receive a monthly benefit equal to the Supplemental Benefit plus the larger of 60% of the defined benefit formula or the actuarial equivalent of the Employee Contribution

Accumulation and Vested Employer Contributions. Benefit payments may begin at any time after the date the participant would have attained the earliest retirement age.

c. Lump Sum: A $ 6,250 lump sum death benefit is payable to the designated beneficiary upon the death of a retiree.

d. Cash Refund: If both the participant and the designated beneficiary (if any) die after payments commence and the total of all payments made to the participant and beneficiary are less than the sum of the participant's contribution accumulation and the participant's vested city contributions then a death benefit shall be paid to the estate of the last survivor. The amount of the payment shall be equal to the excess of the participant's contribution accumulation and the participant's vested city contributions over the payments already received by the participant and the beneficiary.

17. Normal Forms of Payment: Benefits will be payable for life. In the event the participant is married on the date of benefit commencement, the participant's pension shall be paid as an actuarially equivalent qualified joint and survivor annuity.

18. Optional Forms of Payment: Various optional forms are available and are equal to the Actuarial Equivalent of the Normal Form. Such form may be a joint & 50%, 75%, or 100% Survivor Annuity with Pop-up feature, a Ten or Fifteen Year Certain and Life Annuity, or a Partial Lump Sum up to 20%.

19. Cost-of-Living Adjustments: Retired Tier 1 members or their beneficiaries receiving benefits receive an automatic adjustment in their Base benefit and discretionary adjustment in their Supplemental benefit each January. For retired Tier 2 members or beneficiaries, adjustments to both Base and Supplemental benefits will be discretionary. All adjustments are capped at 5% per year.

EXHIBIT 3

Schedule of Active Members

DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE

	Years of Credited Service												
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	Total
Attained Age	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.	Count & Avg. Comp.
Under 25	22 $31,251	8 $ 36,211	0 $ 0	0 $ 0	1 $ 34,840	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	31 $ 32,647
25-29	47 $ 37,844	16 $ 38,635	16 $ 47,103	5 $ 39,597	2 $ 48,680	24 $ 41,519	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	110 $ 40,385
30-34	38 $ 41,686	28 $ 41,850	11 $ 45,357	11 $ 44,805	4 $ 47,434	53 $ 47,073	12 $ 49,814	0 $ 0	0 $ 0	0 $ 0	0 $ 0	0 $ 0	157 $ 44,777
35-39	27 $ 45,194	12 $ 50,088	11 $ 51,152	5 $ 45,484	5 $ 50,977	54 $ 54,628	26 $ 48,214	9 $ 48,078	0 $ 0	0 $ 0	0 $ 0	0 $ 0	149 $ 50,352
40-44	25 $ 43,765	18 $ 51,024	12 $ 56,811	11 $ 46,524	1 $ 69,383	52 $ 55,350	42 $ 54,033	14 $ 52,532	5 $ 47,309	0 $ 0	0 $ 0	0 $ 0	180 $ 52,195
45-49	20 $ 43,503	15 $ 39,646	3 $ 44,603	4 $ 54,974	5 $ 59,314	63 $ 59,077	40 $ 54,373	21 $ 55,671	10 $ 53,840	3 $ 52,904	2 $ 61,616	0 $ 0	186 $ 53,770
50-54	10 $ 48,132	12 $ 50,073	9 $ 39,722	6 $ 36,852	1 $ 50,419	66 $ 58,211	49 $ 51,543	32 $ 60,770	19 $ 57,316	20 $ 57,812	22 $ 61,167	1 $ 56,052	247 $ 55,346
55-59	10 $ 51,644	13 $ 49,660	5 $ 57,241	2 $ 46,088	6 $ 68,307	61 $ 50,688	53 $ 54,421	38 $ 57,037	28 $ 63,527	28 $ 58,038	24 $ 61,615	11 $ 64,187	279 $ 56,210
60-64	5 $ 34,779	5 $ 51,036	4 $ 29,131	2 $ 50,542	4 $ 50,316	31 $ 54,933	37 $ 54,745	28 $ 65,050	15 $ 56,337	25 $ 63,734	14 $ 64,861	14 $ 74,097	184 $ 58,596
65 & Over	4 $ 37,799	4 $ 43,773	2 $ 28,381	0 $ 0	0 $ 0	22 $ 47,414	15 $ 54,183	13 $ 46,557	3 $ 94,644	4 $ 67,691	8 $ 71,419	7 $ 88,181	82 $ 55,945
Total	208 $ 41,142	131 $ 44,814	73 $ 47,230	46 $ 44,876	29 $ 55,321	426 $ 53,336	274 $ 53,080	155 $ 57,264	80 $ 59,646	80 $ 60,052	70 $ 63,244	33 $ 73,234	1,605 $ 52,402

EXHIBIT 3 (continued)

HISTORICAL SUMMARY OF ACTIVE MEMBER DATA

Year Beginning January 1,	Active Members: Number	Active Members: Percent Increase (Decrease)	Covered Payroll: Amount in $ Millions	Covered Payroll: Percent Increase (Decrease)	Average Salary: $ Amount	Average Salary: Percent Increase	Average Age	Average Service
1998	1,403	3.7%	46.3	7.9%	32,968	3.9%	43.2	9.1
1999	1,396	(0.5%)	47.6	2.8%	34,131	3.5%	43.8	9.4
2000	1,434	2.7%	51.2	7.6%	35,691	4.6%	44.3	9.3
2001	1,493	4.1%	56.2	9.8%	37,630	5.4%	44.6	9.2
2002	1,582	6.0%	62.2	10.7%	39,304	4.4%	44.6	9.0
2003	1,580	(0.1%)	65.4	5.1%	41,387	5.3%	45.1	9.4
2004	1,614	2.2%	69.2	5.8%	42,896	3.6%	45.5	9.7
2005	1,626	0.7%	72.7	5.1%	44,737	4.3%	45.7	9.9
2006	1,604	(1.4)%	72.0	(1.0)%	44,865	0.3%	46.1	10.0
2007	1,648	2.7%	76.6	6.4%	46,493	3.6%	46.2	9.9
2008	1,751	6.3%	84.5	10.3%	48,277	3.8%	45.8	9.7
2009	1,711	(2.3)%	86.1	1.9%	50,321	4.2%	46.3	10.0
2010	1,624	(5.1)%	84.4	(2.0)%	51,973	3.3%	47.1	10.9
2011	1,601	(1.4)%	84.0	(0.5)%	52,450	0.9%	47.4	11.3
2012	1.560	(2.6)%	81.5	(3.0)%	52,241	(0.4)%	47.9	11.5
2013	1,564	0.3%	81.5	0.0%	52,088	(0.3)%	47.9	11.3
2014	1,605	2.6%	84.1	3.2%	52,402	0.6%	47.5	11.0

EXHIBIT 4

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability (UAAL) (3) - (2)	Funded Ratio (2)/(3)	Annual Covered Payroll*	UAAL as % of Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
January 1, 1998	133,687,412	121,822,628	(11,864,784)	109.7%	48,174,709	(24.6)%
January 1, 1999	147,257,777	128,684,022	(18,573,755)	114.4%	50,958,582	(36.4)%
January 1, 2000	185,264,480	155,169,044	(30,095,436)	119.4%	55,381,109	(54.3)%
January 1, 2001	203,862,059	172,005,869	(31,856,190)	118.5%	60,241,455	(52.9)%
January 1, 2002	217,476,110	184,999,951	(32,476,159)	117.6%	64,949,909	(50.0)%
January 1, 2003	214,320,251	203,999,260	(10,320,991)	105.1%	68,337,782	(15.1)%
January 1, 2004	223,140,793	223,126,549	(14,244)	100.0%	71,415,709	(0.0)%
January 1, 2005	241,818,542	243,234,592	1,416,050	99.4%	72,821,091	1.9%
January 1, 2006	268,566,265	255,005,107	(13,561,158)	105.3%	75,385,673	(18.0)%
January 1, 2007	292,889,736	277,052,492	(15,837,244)	105.7%	82,531,926	(19.2)%
January 1, 2008	316,567,579	294,142,225	(22,425,354)	107.6%	87,742,224	(25.6)%
January 1, 2009	296,021,806	319,750,886	23,729,080	92.6%	87,089,965	27.2%
January 1, 2010	300,704,227	333,831,950	33,127,723	90.1%	84,110,750	39.4%
January 1, 2011	297,494,555	335,310,191	37,815,636	88.7%	83,091,597	45.5%
January 1, 2012	320,996,231	354,416,941	33,420,710	90.6%	82,607,164	40.5%
January 1, 2013	340,856,093	369,696,290	28,840,197	92.2%	83,458,825	34.6%
January 1, 2014	366,577,369	395,063,666	28,486,297	92.8%	84,105,129	33.9%

* Annual covered payroll is estimated for 2014; actual for all other years.

EXHIBIT 5

Schedule of Employer Contributions

Plan Year Ended	Actual Employer Contribution	Annual Required Contribution	Percentage Contributed
December 31, 1995	$ 2,270,829	$ 2,168,854	104.7%
December 31, 1996	2,346,238	1,982,021	118.4%
December 31, 1997	2,484,218	2,367,762	104.9%
December 31, 1998	2,649,609	1,958,872	135.3%
December 31, 1999	2,802,722	806,473	347.5%
December 31, 2000	3,045,961	1,410,087	216.0%
December 31, 2001	3,313,280	1,671,956	198.2%
December 31, 2002	3,572,245	2,039,756	175.1%
December 31, 2003	3,758,578	3,953,744	95.1%
December 31, 2004	3,927,864	5,115,536	76.8%
December 31, 2005	4,005,160	7,245,072	55.3%
December 31, 2006	4,146,212	5,253,328	78.9%
December 31, 2007	4,539,320	5,532,018	82.1%
December 31, 2008	4,826,337	5,596,076	86.2%
December 31, 2009	4,790,713	8,144,982	58.8%
December 31, 2010	4,626,990	8,415,022	55.0%
December 31, 2011	4,571,135	8,002,631	57.1%
December 31, 2012	4,786,740	7,489,412	63.9%
December 31, 2013	5,007,530	6,949,075	72.1%

EXHIBIT 6

GASB-25 Supplementary Information

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Remaining amortization period	30 Years
Asset valuation method	3-year smoothing
Actuarial assumptions:	
Investment rate of return	7.75%
Payroll growth rate	3.25%
Projected salary increases	3.25% to 6.00%
Cost-of-living adjustments	3.25% on Base (Tier 1) 0.00% on Base (Tier 2) 0.00% on Supplemental

EXHIBIT 7

Solvency Test

	Actuarial Accrued Liabilities for:					Portion of Actuarial Accrued Liabilities Covered by Assets:			
	A	B	C	D					
Fiscal Year Ending	Active Employee Contributions	Inactives, Retirees and Beneficiaries	Active Members (Employer Financed Portion)	Total	Actuarial Value of Assets	A	B	C	D
12/31/1995	Not Available	$30,756,503	$68,554,274	$ 99,310,777	$105,252,681	N/A	100%	100%	100%
12/31/1996	Not Available	36,256,345	72,426,264	108,682,609	116,293,718	N/A	100%	100%	100%
12/31/1997	$33,939,663	41,563,444	46,319,521	121,822,628	133,687,412	100%	100%	100%	100%
12/31/1998	36,370,601	43,901,137	48,412,284	128,684,022	147,257,777	100%	100%	100%	100%
12/31/1999	38,805,144	49,290,698	67,073,202	155,169,044	185,264,480	100%	100%	100%	100%
12/31/2000	41,631,805	56,856,612	73,517,451	172,005,868	203,862,059	100%	100%	100%	100%
12/31/2001	44,768,076	60,305,096	79,926,779	184,999,951	217,476,110	100%	100%	100%	100%
12/31/2002	48,736,137	66,075,645	89,187,478	203,999,260	214,320,251	100%	100%	100%	100%
12/31/2003	53,289,266	71,919,853	97,917,430	223,126,549	223,140,793	100%	100%	100%	100%
12/31/2004	58,118,119	80,238,773	104,877,700	243,234,592	241,818,542	100%	100%	99%	99%
12/31/2005	59,491,429	96,596,749	98,916,929	255,005,107	268,566,265	100%	100%	100%	100%
12/31/2006	61,700,894	108,083,741	107,267,857	277,052,492	292,889,736	100%	100%	100%	100%
12/31/2007	65,237,335	115,157,203	113,747,687	294,142,225	316,567,579	100%	100%	100%	100%
12/31/2008	68,764,295	131,939,654	119,046,937	319,750,886	296,021,806	100%	100%	80%	93%
12/31/2009	72,311,211	138,108,376	123,412,363	333,831,950	300,704,227	100%	100%	73%	90%
12/31/2010	74,768,249	142,446,528	118,095,414	335,310,191	297,494,555	100%	100%	68%	89%
12/31/2011	74,788,283	162,428,901	117,199,757	354,416,941	320,996,231	100%	100%	71%	91%
12/31/2012	74,453,807	179,793,207	115,449,276	369,696,290	340,856,093	100%	100%	75%	92%
12/31/2013	75,409,870	205,480,329	114,173,467	395,063,666	366,577,369	100%	100%	75%	93%

EXHIBIT 8

Analysis of Financial Experience

Type of Activity	2013	2012	2011	2010	2009	2008
Gain (or Loss) During Year From Assets	$ 5,791,149	$ 1,064,320	$ 4,483,174	$ (23,485,448)	$ (16,858,345)	$ (43,670,254)
Gain (or Loss) During Year From Liability Sources	5,712,203	6,771,318	5,162,188	8,080,563	9,688,413	(572,034)
Gain (or Loss) During Year From Financial Experience	11,503,352	7,835,638	9,645,362	(15,404,885)	(7,169,932)	(44,242,288)
Non-Recurring Items	(8,841,210)	0	(975,975)	15,247,082	1,617,871	(1,748,890)
Composite Gain (or Loss) During Year	$ 2,662,142	$ 7,835,638	$ 8,669,387	$ (157,803)	$ (5,552,061)	$ (45,991,178)

EXHIBIT 9

Schedule of Retirees and Beneficiaries

	Added to Rolls		Removed from Rolls		Rolls, End of Year			
Year Ended	No.	Annual Allowances*	No.	Annual Allowances	No.	Annual Allowances	% Increase in Annual Allowance	Average Annual Benefit
12/31/1995	N/A	N/A	N/A	N/A	269	$ 2,258,877	5.8%	$ 8,397
12/31/1996	N/A	N/A	N/A	N/A	292	2,608,205	15.5	8,932
12/31/1997	N/A	N/A	N/A	N/A	317	2,898,869	11.1	9,145
12/31/1998	24	$ 336,386	10	$ 92,939	334	3,142,316	8.4	9,408
12/31/1999	26	494,602	12	86,138	348	3,550,780	13.0	10,204
12/31/2000	29	424,053	7	40,491	370	4,059,627	14.3	10,972
12/31/2001	34	522,592	19	141,937	385	4,440,282	9.4	11,533
12/31/2002	29	519,243	17	141,245	397	4,818,280	8.5	12,137
12/31/2003	16	439,456	17	114,998	396	5,142,738	6.7	12,987
12/31/2004	42	432,739	17	155,755	421	5,731,232	11.4	13,613
12/31/2005	53	1,360,120	12	148,221	462	6,943,131	21.1	15,028
12/31/2006	44	983,775	9	91,156	497	7,835,750	12.9	15,766
12/31/2007	36	797,303	19	196,227	514	8,436,826	7.7	16,414
12/31/2008	54	1,429,071	16	271,603	552	9,594,295	13.7	17,381
12/31/2009	41	604,010	19	213,688	574	9,984,617	4.1	17,395
12/31/2010	59	1,188,630	19	231,051	614	10,942,196	9.6	17,821
12/31/2011	67	1,844,967	19	255,630	662	12,531,532	14.5	18,930
12/31/2012	66	1,573,353	13	144,397	715	13,960,488	11.4	19,525
12/31/2013	55	1,246,991	13	180,841	757	15,026,638	7.6	19,850

* Includes Cost of Living adjustments

Statistical Section

In this section, financial data and Plan member information are presented graphically in order to illustrate trends over recent time periods.

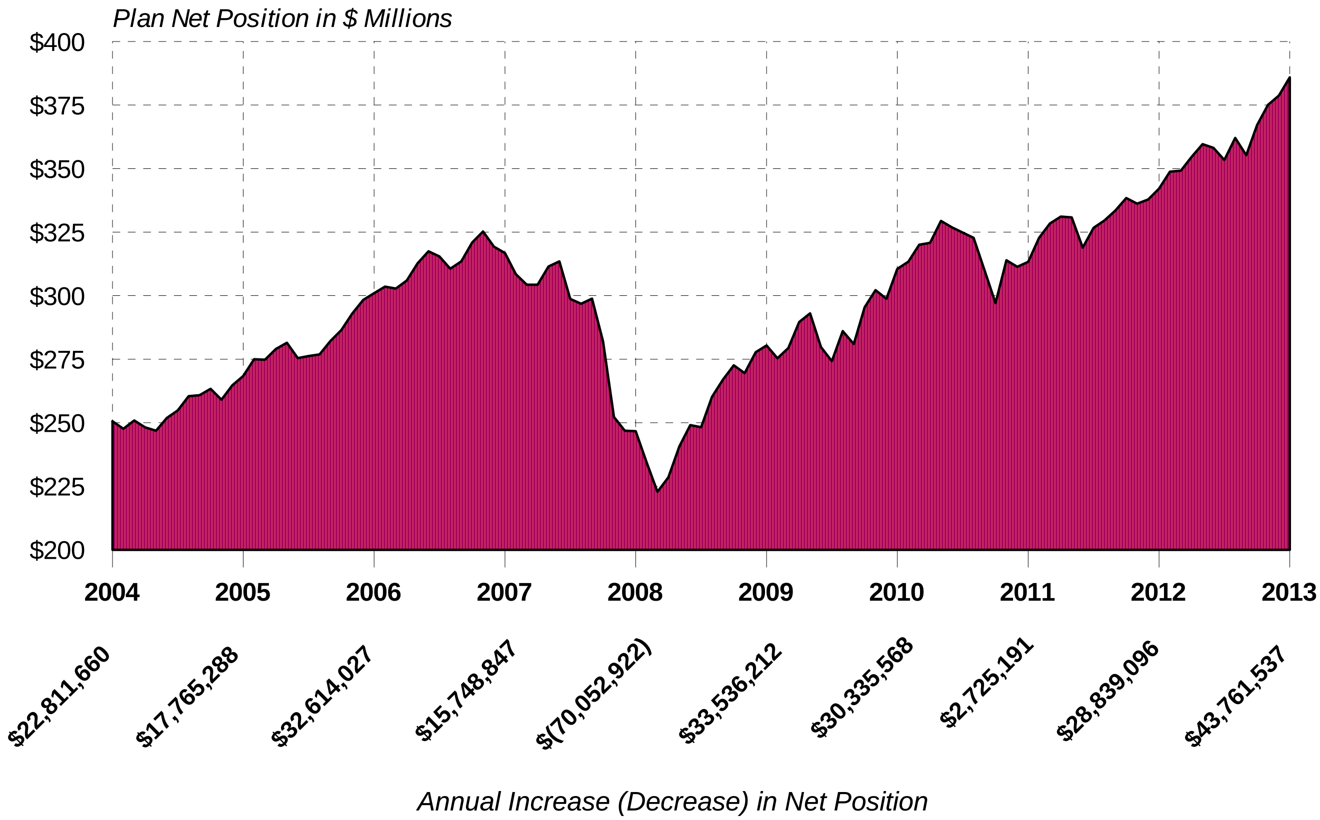
The chart below shows how the GERP's net position has changed over the last ten years. This time period encompasses the 2008 financial crisis and the subsequent recovery in Plan investments. The increase or decrease for each year is displayed at the bottom of the chart.

Pages 86 and 87 illustrate the ten-year trends in total additions to and deductions from the Plan's net position.

Benefits and contribution refunds by type are detailed at the top of page 88. Regular pension benefits and supplemental benefits paid to retired members and beneficiaries comprised 87% of the Plan's total benefit expense in 2013. The ten-year trend in average pension payments appears at the bottom of page 88.

Information on pensioners currently in payment status is provided on page 89. Data as of January 1, 2014 is used for this analysis, consistent with the timeframe of actuary's annual valuation report. Page 90 shows the final average salary earned and monthly benefit received for pensioners who were added in each of the last eight years.

TOTAL CHANGE IN PLAN NET POSITION, 2004-2013

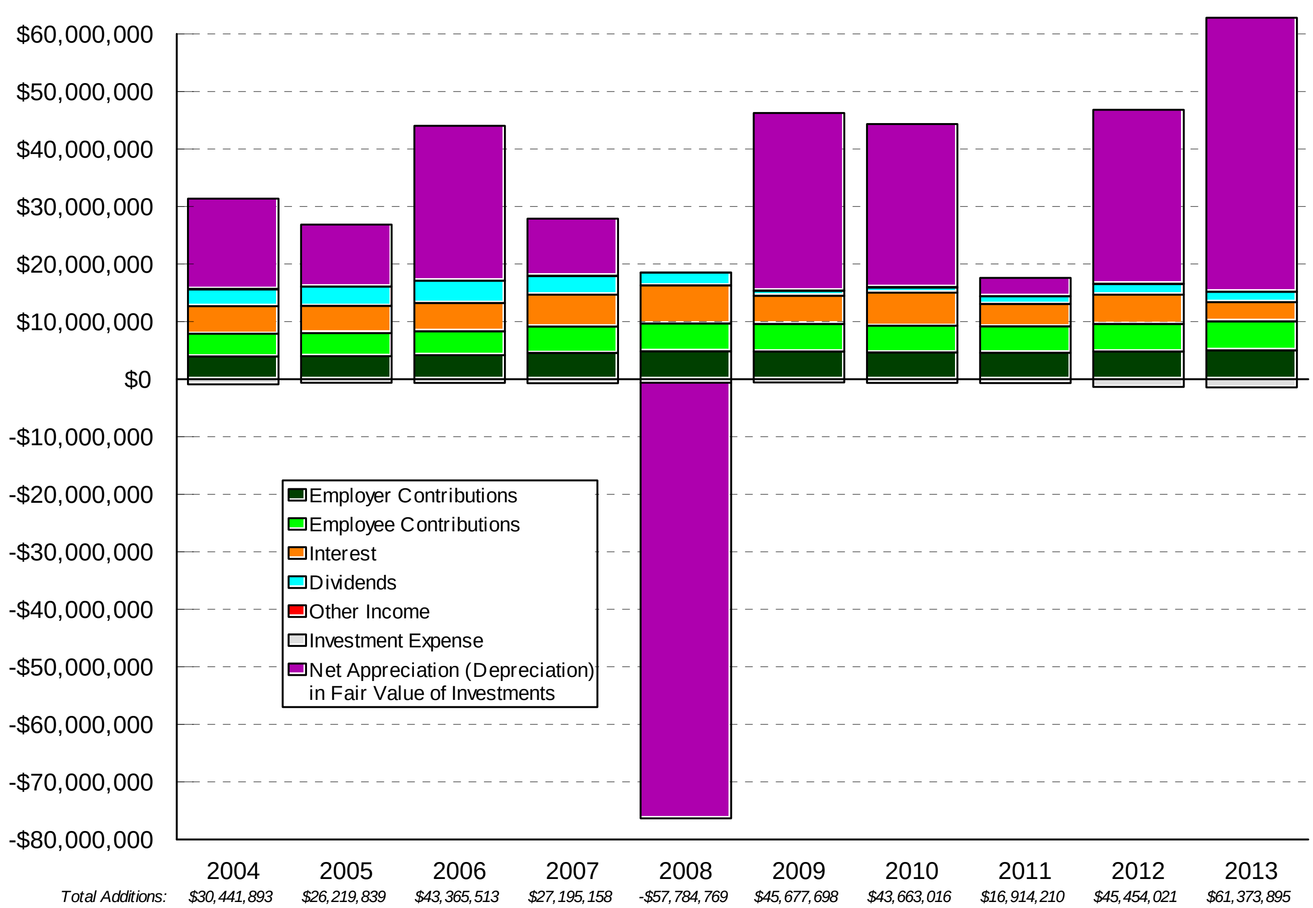


ADDITIONS TO NET POSITION BY SOURCE

Fiscal Year	Employer Contributions	Employee Contributions	Net Appreciation (Depreciation) in Fair Value of Investments	Interest	Dividends	Other Income	Less Investment Expense*	Total Additions
2004	3,927,864	3,940,988	15,688,105	4,807,235	2,937,161	54,770	(914,230)	30,441,893
2005	4,005,160	4,007,302	10,763,793	4,712,023	3,349,793	19,681	(637,913)	26,219,839
2006	4,146,212	4,153,386	26,918,568	4,942,149	3,848,349	19,045	(662,196)	43,365,513
2007	4,539,320	4,593,477	9,930,642	5,531,745	3,244,852	66,255	(711,133)	27,195,158
2008	4,826,337	4,831,706	(75,713,007)	6,643,824	2,233,940	11,621	(619,190)	(57,784,769)
2009	4,790,713	4,795,873	30,847,799	4,896,782	847,676	70,756	(571,901)	45,677,698
2010	4,626,990	4,644,062	28,316,876	5,776,859	865,710	94,440	(661,921)	43,663,016
2011	4,571,135	4,580,527	3,174,244	3,917,318	1,321,837	40,734	(691,585)	16,914,210
2012	4,786,740	4,800,089	30,226,121	5,082,825	1,879,311	28,610	(1,349,675)	45,454,021
2013	5,007,530	5,021,435	47,594,940	3,344,932	1,794,131	42,323	(1,431,396)	61,373,895

** In 2012 the Plan began to report investment expenses not directly paid in cash. Refer to page 38 for more information.*

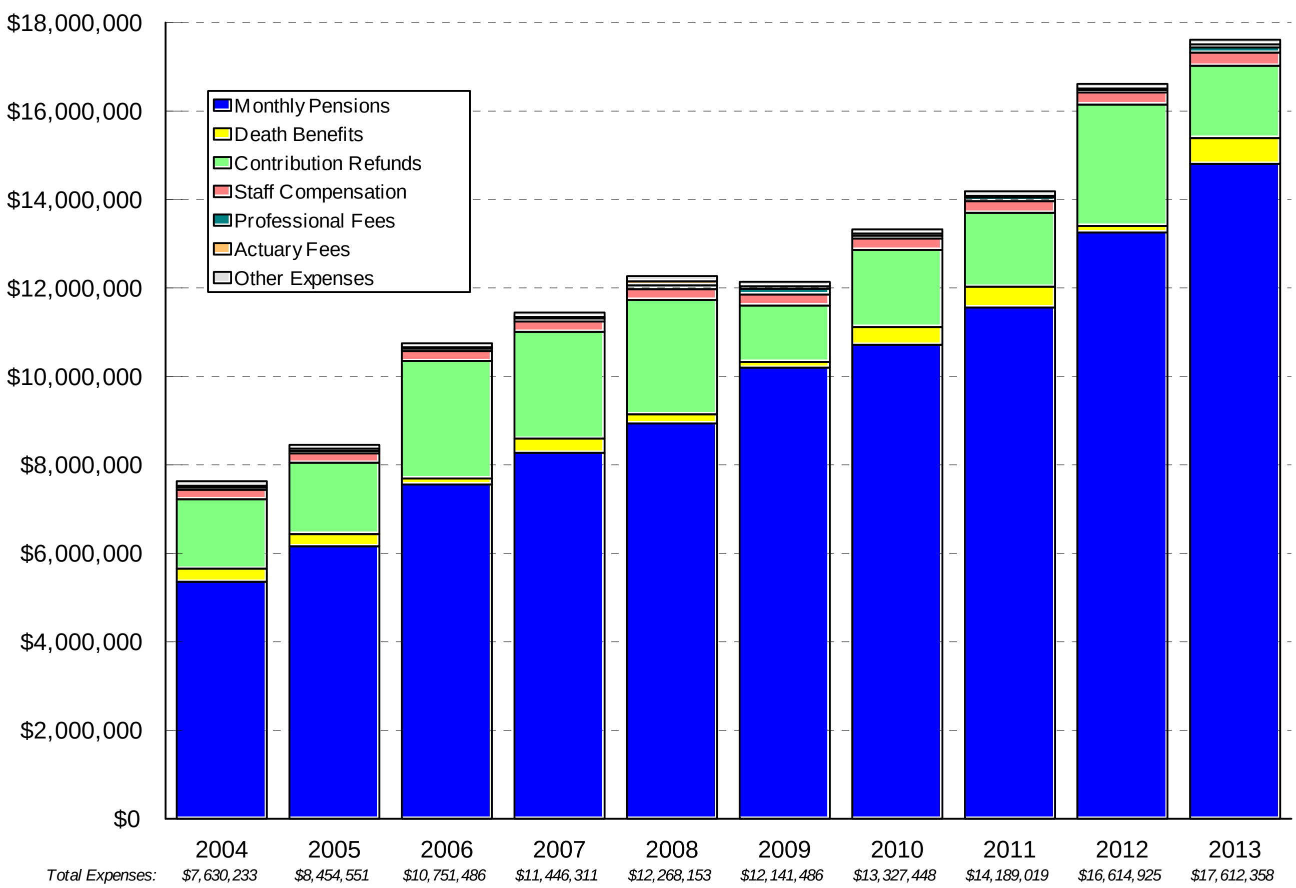
TREND IN REVENUE SOURCES, 2004-2013



DEDUCTIONS FROM NET POSITION BY EXPENSE TYPE

Fiscal Year	Benefit Expense	Staff Compensation	Professional Fees	Actuary Fees	Other Expenses	Total Deductions
2004	7,224,231	213,496	49,513	43,375	99,618	7,630,233
2005	8,048,501	214,322	54,272	47,700	89,756	8,454,551
2006	10,347,020	225,506	54,762	33,000	91,198	10,751,486
2007	11,008,848	234,432	69,618	31,000	102,413	11,446,311
2008	11,729,576	244,457	87,408	90,700	116,012	12,268,153
2009	11,600,943	247,650	132,247	56,805	103,841	12,141,486
2010	12,858,136	260,105	64,845	48,515	95,847	13,327,448
2011	13,698,161	264,314	83,774	35,700	107,070	14,189,019
2012	16,147,362	272,000	56,232	33,000	106,331	16,614,925
2013	17,023,098	297,373	120,687	68,957	102,243	17,612,358

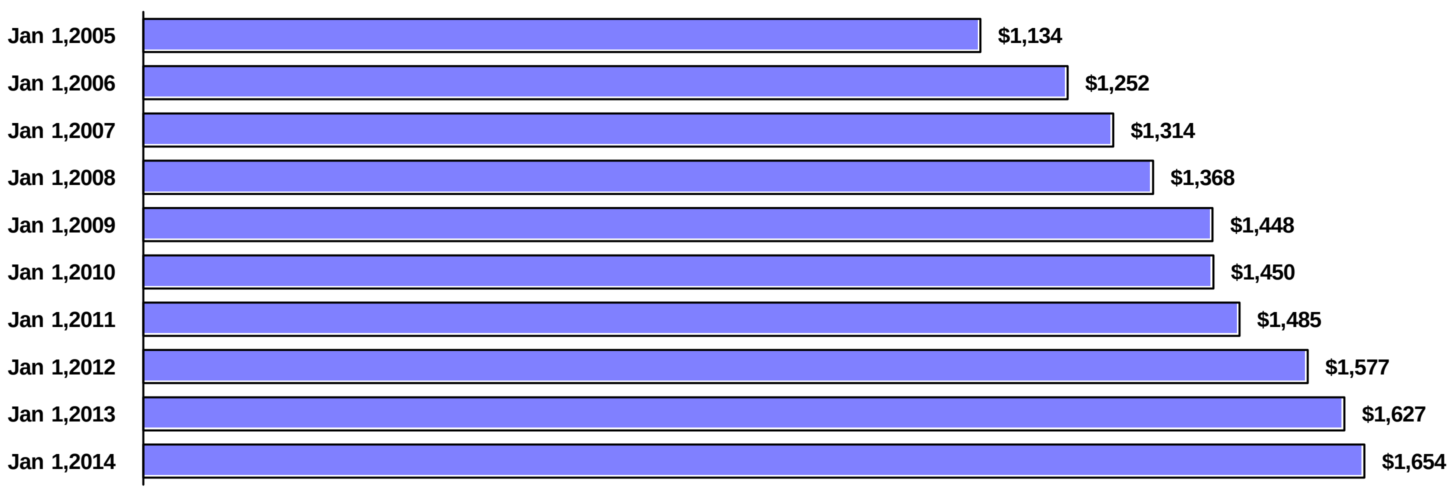
TREND IN EXPENSES, 2004-2013



BENEFIT EXPENSES BY TYPE

Year Ending	Retired Members: *Regular Pension Benefits*	Retired Members: *Supplemental Benefits*	Beneficiaries: *Survivor Pension Benefits*	Beneficiaries: *Survivor Supplemental Benefits*	Beneficiaries: *Lump Sum Death Benefits*	Terminated Members: *Contribution Refunds*	Total Benefit Expense
2004	4,478,971	479,312	341,858	55,212	298,124	1,570,754	7,224,231
2005	5,170,408	535,501	390,274	64,904	272,066	1,615,348	8,048,501
2006	6,492,239	617,345	409,722	67,883	139,961	2,619,870	10,347,020
2007	7,028,705	690,071	477,334	78,698	319,474	2,414,566	11,008,848
2008	7,549,034	756,222	546,003	87,350	206,320	2,584,647	11,729,576
2009	8,628,099	827,480	643,803	98,296	129,351	1,273,914	11,600,943
2010	9,050,109	871,506	687,111	107,202	398,500	1,743,708	12,858,136
2011	9,803,485	933,062	710,437	107,905	473,914	1,669,358	13,698,161
2012	11,340,060	1,017,613	786,894	108,352	149,473	2,744,970	16,147,362
2013	12,771,378	1,106,994	816,620	111,353	583,450	1,633,303	17,023,098

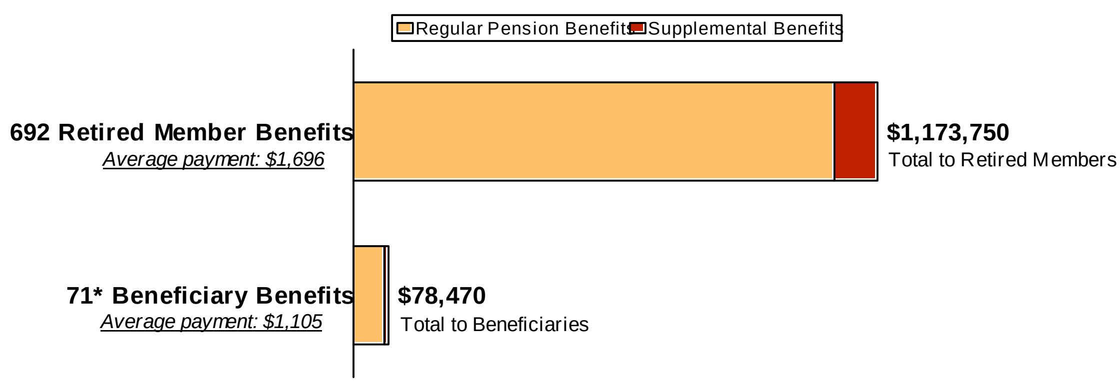
TREND IN AVERAGE MONTHLY BENEFITS FOR ALL PENSIONERS, LATEST 10 YEARS



PENSIONERS IN PAYMENT STATUS ON JANUARY 1, 2014 BY BENEFIT AMOUNT, RETIREMENT TYPE AND PAYMENT OPTION

	Total Monthly Benefit					
	$1 to $500	$501 to $1,000	$1,001 to $1,500	$1,501 to $2,000	Above $2,000	Total
Number of Pensioners	77	181	142	117	240	757
By Type of Retirement						
Reduced early retirement (beginning at ages 50 to 64)	11	109	54	27	21	222
Unreduced early retirement (beginning at ages 50 to 64)	0	1	27	56	175	259
Normal retirement (beginning at age 65 or older)	49	49	44	24	31	197
Beneficiary of a deceased Plan member	15	18	14	9	9	65
Other (6 receive benefits as both retired members and beneficiaries; 8 are DRO alternate payees)	2	4	3	1	4	14
By Payment Option Selected						
Straight Life Annuity	26	80	55	44	85	290
50%, 75% or 100% Joint & Survivor Annuity	34	66	60	54	113	327
10- or 15-Year Certain and Lifetime Annuity	2	5	6	2	2	17
Partial Lump Sum, together with one of the annuities above	15	30	21	17	40	123

MONTHLY BENEFITS PAID TO PENSIONERS ON JANUARY 1, 2014



** Six pensioners receive benefits as both retired members and beneficiaries.*

The Supplemental Benefit was added to the Plan in 1986 to assist pensioners with their health care expenses. It does not represent an obligation by the Plan or the City to pay post-employment health care costs. Participants with 20 or more years of credited service receive a maximum of $176 per month; the benefit amount is prorated for shorter service.

Average Benefit Payments by Service Increment For Pensioners (retired members and beneficiaries) Entering Payment Status in the Latest 8 Years

	Years of Credited Service							
	Less than 5	**5-10**	**10-15**	**15-20**	**20-25**	**25-30**	**Greater than 30**	**Total**
For pension benefits starting								
1/1/2006 to 12/31/2006								
Average monthly benefit	$ 125	$ 306	$ 828	$ 1,250	$ 1,678	$ 2,272	$ 3,323	**$ 1,655**
Final average monthly salary	$ 2,353	$ 2,512	$ 4,518	$ 4,132	$ 4,041	$ 4,885	$ 5,584	**$ 4,177**
Number of pensioners added	2	7	3	7	17	12	6	**54**
1/1/2007 to 12/31/2007								
Average monthly benefit	$ -	$ 472	$ 554	$ 1,056	$ 1,656	$ 2,147	$ 2,879	**$ 1,607**
Final average monthly salary	$ -	$ 4,584	$ 3,082	$ 3,096	$ 4,339	$ 4,516	$ 5,742	**$ 4,198**
Number of pensioners added	0	3	6	9	4	8	8	**38**
1/1/2008 to 12/31/2008								
Average monthly benefit	$ -	$ 570	$ 778	$ 1,310	$ 1,838	$ 2,151	$ 2,667	**$ 1,394**
Final average monthly salary	$ -	$ 4,184	$ 3,805	$ 4,090	$ 4,818	$ 4,264	$ 4,399	**$ 4,156**
Number of pensioners added	0	8	13	7	4	11	4	**47**
1/1/2009 to 12/31/2009								
Average monthly benefit	$ -	$ 750	$ 892	$ 1,354	$ 1,874	$ 2,500	$ 2,935	**$ 1,728**
Final average monthly salary	$ -	$ 4,466	$ 3,918	$ 4,090	$ 4,727	$ 5,364	$ 4,682	**$ 4,520**
Number of pensioners added	0	5	9	7	8	7	7	**43**
1/1/2010 to 12/31/2010								
Average monthly benefit	$ -	$ 747	$ 786	$ 1,498	$ 1,828	$ 1,901	$ 1,974	**$ 1,373**
Final average monthly salary	$ -	$ 4,957	$ 3,670	$ 4,925	$ 4,901	$ 4,559	$ 4,716	**$ 4,425**
Number of pensioners added	0	6	19	7	9	12	6	**59**
1/1/2011 to 12/31/2011								
Average monthly benefit	$ 62	$ 339	$ 887	$ 1,167	$ 1,795	$ 3,223	$ 3,727	**$ 1,686**
Final average monthly salary	$ 1,043	$ 2,674	$ 3,798	$ 4,476	$ 4,375	$ 6,396	$ 6,250	**$ 4,488**
Number of pensioners added	1	4	17	10	7	3	10	**52**
1/1/2012 to 12/31/2012								
Average monthly benefit	$ -	$ 520	$ 934	$ 1,360	$ 2,302	$ 2,369	$ 2,845	**$ 1,889**
Final average monthly salary	$ -	$ 3,684	$ 3,741	$ 4,247	$ 5,888	$ 5,052	$ 4,749	**$ 4,640**
Number of pensioners added	0	9	10	9	10	17	15	**70**
1/1/2013 to 12/31/2013								
Average monthly benefit	$ 200	$ 503	$ 786	$ 879	$ 1,751	$ 2,349	$ 2,727	**$ 1,567**
Final average monthly salary	$ 6,712	$ 3,709	$ 4,049	$ 3,878	$ 3,803	$ 4,659	$ 4,987	**$ 4,321**
Number of pensioners added	1	11	10	5	9	11	14	**61**