_________________________ County

Notes to Financial Statements

June 30, 2015

The Office of the Auditor General created these DRAFT reporting guidelines following Governmental Accounting Standards Board (GASB) Statement No. 68 based on pension plan information that is currently available. They are subject to change as new information becomes available. We are exposing this draft for comments, questions, and feedback. Please feel free to e-mail the Office's Professional Practice Group at ppg@azauditor.gov.

These reporting guidelines include only the note disclosures and required supplementary information (RSI) required by GASB related to pensions and other post-employment benefits.

These reporting guidelines are neither authoritative nor required to be followed. Instead, they provide sample displays and disclosures to help ensure consistent and accurate presentation.

Understanding these reporting guidelines:

- ***This font signifies an instruction or explanation that should not appear in the note disclosures or supplementary information.***
- **The retirement systems expect to provide the County with most of the information it will need to complete the Notes and RSI; however, this highlight signifies information that the County will need to determine from its own records.**
- **This highlight signifies information that is not currently available but will be added to the reporting guidelines once it becomes available.**

Note 1 - Summary of Significant Accounting Policies

__. Pensions

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note _ - Change in Accounting Principle

Net position as of July 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date.*

	Governmental Activities	Business-type Activities	*Major* Enterprise Fund	Nonmajor Enterprise Funds	Internal Service Fund(s)
Net Position as previously reported at June 30, 2014					
Prior period adjustment–implementation of GASB 68:					
Net pension asset (measurement date as of June 30, 2013)					
Net pension liability (measurement date as of June 30, 2013)					
Deferred outflows—county contributions made during fiscal year 2014					
Total prior period adjustment					
Net position as restated, July 1, 2014					

Note _ - Pensions and Other Postemployment Benefits

With the implementation of GASB Statement No. 68, there are differences between the disclosures required for pensions and OPEB. Accordingly, the disclosures below include some information for pensions that is not included for OPEB and vice versa.

The County contributes to the _____ plans described below. ***The County should report each PSPRS group (sheriffs and attorney investigators) and CORP group (detention, dispatchers, and Administrative Office of the Courts) as separate plans because the assets of each plan are accumulated solely for the payment of benefits to that group and may not legally be used to pay benefits of other groups.*** The plans are component units of the State of Arizona.

OR

When the County chooses not to disclose certain plans due to their insignificance to the financial statements and note disclosures, the County should include the following two sentences and eliminate any disclosures that are applicable to those plans. The County contributes to ______ plans, _______ of which are described below. The __________________________, ____________________, and ________________ Plan(s) is (are) not described because of its (their) relative insignificance to the County's financial statements. The plans are component units of the State of Arizona.

If the total (aggregate for all pensions) of the County's pension assets, pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense/expenditures for the year are not otherwise identifiable from information presented in the financial statements, include the following sentences and table: At

June 30, 2015, the County reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension assets	$	$	$
Net pension liabilities			
Deferred outflows of resources			
Deferred inflows of resources			
Pension expense			

The County reported $_________ of pension expenditures in the governmental funds related to all pension plans to which it contributes. ***Pension expenditures should not include contributions to the ASRS health benefit supplement fund and long-term disability fund; the PSPRS, CORP, and EORP Health Insurance Funds; or the Elected Officials Defined Contribution Retirement System Disability Program.***

A. Arizona State Retirement System

Plan Description—County employees not covered by the other pension plans described below participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at www.azasrs.gov.

Benefits Provided—The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	**Retirement Initial membership date: Before July 1, 2011**	**On or after July 1, 2011**
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.6 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the County was required by statute to contribute at the actuarially determined rate of 11.6 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. ***If the County also made alternative contributions for retired members who returned to work, add the following sentence:*** In addition, the County was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 percent for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the ASRS. The County's contributions to the pension plan for the year ended June 30, 2015, were $____________. The County's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

ASRS Year ended June 30	Health Benefit Supplement Fund	Long-Term Disability Fund
2015	$	$
2014		
2013		

During fiscal year 2015, the County paid for ASRS pension and OPEB contributions as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds.

Pension Liability—At June 30, 2015, the County reported a liability of $________ for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014.

The County's reported liability at June 30, 2015, (increased/decreased) by $________ from the County's prior year liability of $________ because of changes in the ASRS' net pension liability and the County's proportionate share of that liability. The ASRS' publicly available financial report provides details on the change in the net pension liability.

The County's proportion of the net pension liability was based on ___________________. The County's proportion measured as of June 30, 2014, was _________ percent, which was an (increase/decrease) of ________ from its proportion measured as of June 30, 2013.

For FY 2016 and thereafter—If there were changes of benefit terms or assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement date, the County should provide a brief description of these changes. There were no such changes during the June 30, 2014, measurement period.

If changes expected to have a significant effect on the measurement of the County's proportionate share of the collective net pension liability occurred between the measurement date and the reporting date, the County should provide a brief description of the nature of the changes and the amount of the expected resultant change in the County's proportionate share of the collective net pension liability, if known.

Pension Expense and Deferred Outflows/Inflows of Resources—For the year ended June 30, 2015, the County recognized pension expense for ASRS of $____________. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between county contributions and proportionate share of contributions		
County contributions subsequent to the measurement date		
Total	$	$

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

Year ending June 30	
2016	$
2017	
2018	
2019	
2020	
Thereafter	

Actuarial Assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 20, 2014
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	Immediate
Investment gain/loss	5 years
Assumption gain/loss	Average future service lives
Experience gain/loss	Average future service lives
Asset valuation	Fair value
Discount rate	8%
Projected salary increases	3–6.75%
Inflation	3%

Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.79 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS **Asset Class**	**Target Allocation**	**Long-Term Expected Real Rate of Return**
Equity	63%	7.03%
Fixed income	25%	3.20%
Real estate	8%	4.50%
Commodities	4%	4.75%
Total	100%	

Discount Rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

For FY 2016 and thereafter—If there was a change in the discount rate from the prior measurement date, the County should disclose information about that change. There was no change from the June 30, 2013, measurement date.

Sensitivity of the County's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate—The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	**1% Decrease (7%)**	**Current Discount Rate (8%)**	**1% Increase (9%)**
County's proportionate share of the net pension liability	$	$	$

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

B. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

If the County does not have a PSPRS Attorney Investigator or CORP Dispatcher plan, the County should delete the columns and rows related to such plan from the tables in this section and RSI. Also, references to county attorney investigators or dispatchers, as applicable, should be deleted from the following two paragraphs.

Plan Descriptions—County sheriff employees and county attorney investigators who are regularly assigned hazardous duty participate in the Public Safety Personnel Retirement System (PSPRS). The PSPRS administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan (agent plans). A seven-member board known as the Board of Trustees and the participating local boards govern the PSPRS according to the provisions of A.R.S. Title 38, Chapter 5, Article 4.

Counties that have a CORP plan for detention officers should use the following paragraph: County detention officers, county dispatchers, and Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan for county detention officers and dispatchers (agent plans), and a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for AOC officers (cost-sharing plans). The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

OR

Counties that do not have a CORP plan for detention officers should use the following paragraph: Administrative Office of the Courts (AOC) probation, surveillance, and juvenile detention officers participate in the Corrections Officer Retirement Plan (CORP). The CORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan (cost-sharing plans). The PSPRS Board of Trustees and the participating local boards govern CORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 6.

If any of the County's PSPRS or CORP plans are closed to new entrants, that fact should also be disclosed.

The PSPRS and CORP issue publicly available financial reports that include their financial statements and required supplementary information. The reports are available on the PSPRS Web site at www.psprs.com.

Benefits Provided—The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS	**Initial membership date:**	
	Before January 1, 2012	**On or after January 1, 2012**
Retirement and Disability		
Years of service and age required to receive benefit	20 years any age 15 years age 62	25 years and age 52.5
Final average salary is based on	Highest 36 months of last 20 years	Highest 60 months of last 20 years
Benefit percent		
Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	80% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job	

CORP	**Initial membership date:** **Before January 1, 2012**	**On or after January 1, 2012**
Retirement and Disability		
Years of service and age required to receive benefit	***If the County has a Dispatchers plan:*** Sum of years and age equals 80 25 years any age (dispatchers) 20 years any age (all others) 10 years age 62 ***OR*** ***If the County does not have a Dispatchers plan:*** Sum of years and age equals 80 20 years any age 10 years age 62	25 years and age 52.5 10 years age 62
Final average salary is based on	Highest 36 months of last 10 years	Highest 60 months of last 10 years
Benefit percent		
Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service or normal retirement, whichever is greater	
Survivor Benefit		
Retired Members	80% of retired member's pension benefit	
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job	

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Employees Covered by Benefit Terms—At June 30, 2015, the following employees were covered by the agent pension plans' benefit terms:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits				
Inactive employees entitled to but not yet receiving benefits				
Active employees				
Total				

Contributions and Annual OPEB Cost—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2015, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Active members—Pension	11.05%	11.05%	8.41%	7.96%	8.41%
County					
Pension					
Health insurance premium benefit					

If the County also made alternative contributions for retired members who returned to work, add the following sentence: In addition, the County was required by statute to contribute at the actuarially determined rate of 19.65 percent for the PSPRS and 7.34 percent for the CORP of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the PSPRS or CORP.

For the agent plans, the County's contributions to the pension plan and annual OPEB cost and contributions for the health insurance premium benefit for the year ended June 30, 2015, were:

Pension	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Contributions made	$	$	$	$

Health Insurance Premium Benefit
Annual OPEB cost
Contributions made

Note to preparers: In practice, the annual OPEB cost will be calculated (i.e., rate [per actuarial valuation] X covered payroll [per county records or derived by dividing amount contributed]).

Contributions to the CORP AOC pension plan for the year ended June 30, 2015, were $________. The County's contributions for the current and 2 preceding years for the CORP AOC OPEB, all of which were equal to the required contributions, were as follows:

CORP AOC Year ended June 30	Health Insurance Fund
2015	$
2014	
2013	

During fiscal year 2015, the County paid for PSPRS and CORP pension and OPEB contributions as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds.

Pension Liability (Asset)—At June 30, 2015, the County reported the following net pension liabilities (assets):

	Net Pension Liability (Asset)
PSPRS Sheriff	
PSPRS Attorney Investigators	
CORP Detention	
CORP Dispatchers	
CORP AOC (County's proportionate share)	

The net pension liabilities (assets) were measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

If there were changes of benefit terms or assumptions or other inputs that affected the measurement of the total pension liability since the June 30, 2013, measurement date, the County should provide a brief description of these changes.

If changes expected to have a significant effect on the measurement of the net pension liability (asset) or the County's proportionate share of the CORP AOC collective net pension liability occurred between the measurement date and the reporting date, the County should provide a brief description of the nature of the changes and the amount of the expected resultant change in the net pension liability (asset)/proportionate share, if known.

Pension Actuarial Assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

PSPRS and CORP—Pension	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method:	
Plan amendments	
Investment gain/loss	
Assumption gain/loss	
Experience gain/loss	
Asset valuation	
Discount rate	
Projected salary increases	
Inflation	
Permanent benefit increase	
Mortality rates	

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for ______________________.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
Total	100%	

Pension Discount Rates—The following discount rates were used to measure the total pension liabilities:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Discount rates					

If there was a change in the discount rates from the prior measurement date, the County should disclose information about that change.

If all of the County's PSPRS and CORP plans used the long-term expected rate of return as the discount rate, include the following paragraph: The projection of cash flows used to determine the PSPRS and CORP discount rates assumed ____________________. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

OR

If any of the County's PSPRS and CORP plans used the municipal bond rate along with the long-term expected rate of return to calculate the discount rate, include the following paragraph: The projection of cash flows used to determine the PSPRS and CORP discount rates assumed ____________________. Based on those assumptions, the ____________, ____________, and ______________ plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments for these plans to determine the total pension liability. However, based on the above assumptions, the _______________ plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for this plan, the long-term expected rate of return on pension plan investments of ____ was applied to periods of projected benefit payments through the year ended June 30, 20__. A municipal bond rate of ______ obtained from __________ was applied to periods of projected benefit payments after June 30, 20__.

Changes in the Net Pension Liability (Asset)

(PSPRS/CORP) ***Plan Name***	**Increase (Decrease)**		
A separate table should be included for each significant agent plan.	**Total Pension Liability (Asset) (a)**	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) – (b)**
Balances at June 30, 2014			
Changes for the year:			
Service cost			
Interest on the total pension liability			
Changes of benefit terms			
Differences between expected and actual experience in the measurement of the pension liability			
Changes of assumptions or other inputs			
Contributions—employer			
Contributions—employee			
Net investment income			
Benefit payments, including refunds of employee contributions			
Administrative expense			
Other changes			
Net changes			
Balances at June 30, 2015			

The County's reported liability for CORP AOC at June 30, 2015, of $________ (increased/decreased) by $________ from the County's prior year liability of $________ because of changes in the CORP AOC's net pension liability and the County's proportionate share of that liability. The CORP's publicly available financial report provides details on the change in the net pension liability.

The County's proportion of the CORP AOC net pension liability was based on ______________. The County's proportion measured as of June 30, 2014, was _________ percent, which was an (increase/decrease) of ________ from its proportion measured as of June 30, 2013.

Sensitivity of the County's Net Pension Liability (Asset) to Changes in the Discount Rate— The following table presents the County's net pension liabilities (assets) calculated using the discount rates noted above, as well as what the County's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
PSPRS Sheriff			
Rate	%	%	%
Net pension liability (asset)	$	$	$
PSPRS Attorney Investigators			
Rate	%	%	%
Net pension liability (asset)	$	$	$
CORP Detention			
Rate	%	%	%
Net pension liability (asset)	$	$	$
CORP Dispatchers			
Rate	%	%	%
Net pension liability (asset)	$	$	$
CORP AOC			
Rate	%	%	%
County's proportionate share of the net pension liability	$	$	$

Pension Plan Fiduciary Net Position—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

Pension Expense—For the year ended June 30, 2015, the County recognized the following pension expense:

	Pension Expense
PSPRS Sheriff	
PSPRS Attorney Investigators	
CORP Detention	
CORP Dispatchers	
CORP AOC (County's proportionate share)	

Pension Deferred Outflows/Inflows of Resources—At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(PSPRS/CORP) ***Plan Name*** ***A separate table should be included for each significant plan.***	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$	$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between county contributions and proportionate share of contributions ***For CORP AOC only***		
County contributions subsequent to the measurement date		
Total	$	$

The amounts reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS Sheriff	**PSPRS Attorney Investigators**	**CORP Detention**	**CORP Dispatchers**	**CORP AOC**
Year ending June 30					
2016	$	$	$	$	$
2017					
2018					
2019					
2020					
Thereafter					

Agent Plan OPEB Trend Information—The table below presents the annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years:

Year Ended June 30	**Annual OPEB Cost**	**Percentage of Annual Cost Contributed**	**Net OPEB Obligation**
PSPRS Sheriff			
2015	$	%	$
2014			
2013			

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Attorney Investigators			
2015			
2014			
2013			
CORP Detention			
2015			
2014			
2013			
CORP Dispatchers			
2015			
2014			
2013			

Agent Plan OPEB Actuarial Assumptions—Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plans and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as understood by the County and plans' members and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the County and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the actuarial methods and assumptions used to establish the fiscal year 2015 contribution requirements, are as follows:

PSPRS and CORP—OPEB Contribution Requirements

Actuarial valuation date	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%

Projected salary increases	4.5%–8.5% for PSPRS and 4.5%–7.75% for CORP
includes inflation at	4.5% for PSPRS and CORP

The funded status of the all the PSPRS and CORP health insurance premium benefit plans in the June 30, 2014, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

PSPRS and CORP—OPEB Funded Status	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
includes inflation at	4% for PSPRS and CORP

Agent Plan OPEB Funded Status—The following table presents the funded status of the health insurance premium benefit plans as of the most recent valuation date, June 30, 2014. ***The standards require that the <u>most recent valuation</u> date information for the funded status and funding progress of each plan be disclosed. Accordingly, if the 2015 actuarial reports are available before the completion of the audit, the information reported in the following table should be as of the June 30, 2015, actuarial valuation.***

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Actuarial value of assets (a)	$	$	$	$
Actuarial accrued liability (b)				
Unfunded actuarial accrued liability (funding excess) (b) – (a)				
Funded ratio (a)/(b)	%	%	%	%
Annual covered payroll (c)	$	$	$	$
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (b) – (a) / (c)	%	%	%	%

C. Elected Officials Retirement Plan

If the County had elected officials and judges at June 30, 2014, that participated in ASRS or the Elected Officials Defined Contribution Retirement System rather than EORP, please contact the Office of the Auditor General (ppg@azauditor.gov) for guidance on appropriate modifications to the following disclosures.

Plan Description—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP). EORP administers a cost-sharing multiple-employer defined benefit pension plan and a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan for elected officials and judges who were members of the plan on December 31, 2013. This plan was closed to new members as of January 1, 2014. The PSPRS Board of Trustees governs the EORP according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. The EORP issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on PSPRS's Web site at www.psprs.com.

Benefits Provided—The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefits terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	**Initial membership date:** **Before January 1, 2012**	**On or after January 1, 2012**
Retirement and Disability		
Years of service and age required to receive benefit	20 years any age 10 years age 62 5 years and age 65 5 years any age* any years and age if disabled	10 years age 62 5 years and age 65 any years and age if disabled
Final average salary is based on	Highest 36 months of last 10 years	Highest 60 months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning.

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates $5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended June 30, 2015, active EORP members were required by statute to contribute 13 percent of the members' annual covered payroll, and the County was required contribute a designated portion of certain court fees and 25.13 percent (23.5 percent for retirement and 1.63 percent for health insurance premium benefit) of active EORP members' annual covered payroll. ***If the County also made alternative contributions for retired EORP members who returned to work, add the following sentence:*** In addition, the County was required by statute to contribute 23.5 percent of annual covered payroll of retired members who worked for the County in positions that would typically be filled by an employee who contributes to the EORP. The County's contributions to the pension plan for the year ended

June 30, 2015, were $________. The County's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

EORP **Year ended June 30**	**Health Insurance Fund**
2015	$
2014	
2013	

During fiscal year 2015, the County paid for EORP pension and OPEB contributions as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds.

Pension Liability—At June 30, 2015, the County reported a liability for its proportionate share of the EORP's net pension liability that reflected a reduction for the County's proportionate share of the State's appropriation for EORP. The amount the County recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the County were as follows:

County's proportionate share of the EORP net pension liability	$
State's proportionate share of the EORP net pension liability associated with the County	________
Total	$________

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County's reported liability at June 30, 2015, (increased/decreased) by $________ from the County's prior year liability of $________ because of changes in the EORP's net pension liability and the County's proportionate share of that liability. The EORP's publicly available financial report provides details on the change in the net pension liability.

The County's proportion of the net pension liability was based on ________________. The County's proportion measured as of June 30, 2014, was _________ percent, which was an (increase/decrease) of ________ from its proportion measured as of June 30, 2013.

If there were changes of benefit terms or assumptions or other inputs that affected the measurement of the total pension liability since the June 30, 2013, measurement date, the County should provide a brief description of these changes.

If changes expected to have a significant effect on the measurement of the County's proportionate share of the collective net pension liability occurred between the measurement date and the reporting date, the County should provide a brief description

of the nature of the changes and the amount of the expected resultant change in the County's proportionate share of the collective net pension liability, if known.

Pension Expense and Deferred Outflows/Inflows of Resources—For the year ended June 30, 2015, the County recognized pension expense for EORP of $___________ and revenue of $_________ for the County's proportionate share of the State's appropriation to EORP. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$	$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between county contributions and proportionate share of contributions		
County contributions subsequent to the measurement date		
Total	$	$

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

Year ending June 30	
2016	$
2017	
2018	
2019	
2020	
Thereafter	

Actuarial Assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

EORP	
Actuarial valuation date	June 30, 2014
Actuarial cost method	Entry age normal
Amortization method:	

  - Plan amendments
  - Investment gain/loss
  - Assumption gain/loss
  - Experience gain/loss
- Asset valuation
- Discount rate
- Projected salary increases
- Inflation
- Permanent benefit increase
- Mortality rates

Actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for ______________________.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.85 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

EORP Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Short term investments	2%	3.25%
Absolute return	4%	6.75%
Risk parity	4%	6.04%
Fixed income	7%	4.75%
Real assets	8%	5.96%
GTAA	10%	5.73%
Private equity	11%	9.50%
Real estate	11%	6.50%
Credit opportunities	13%	8.00%
Non-U.S. equity	14%	8.63%
U.S. equity	16%	7.60%
Total	100%	

Discount Rate—The discount rate used to measure the EORP total pension liability was 5.67 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 2030. A municipal bond rate of 4.29 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 26, 2014, was applied to periods of projected benefit payments after June 30, 2030.

If there was a change in the discount rate from the prior measurement date, the County should disclose information about that change.

Sensitivity of the County's Proportionate Share of the EORP Net Pension Liability to Changes in the Discount Rate—The following table presents the County's proportionate share of the net pension liability calculated using the discount rate of 5.67 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.67 percent) or 1 percentage point higher (6.67 percent) than the current rate:

EORP	**1% Decrease (4.67%)**	**Current Discount Rate (5.67%)**	**1% Increase (6.67%)**
County's proportionate share of the net pension liability	$	$	$

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

______________________ County
Required Supplementary Information
Schedule of the County's Proportionate Share of Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2015

Covered-employee payroll amounts presented in the schedules below should be for the fiscal year ended on the measurement date of the net pension liability. For example, the covered-employee payroll reported in the fiscal year 2015 column (the County's fiscal year-end) should be the covered-employee payroll for fiscal year 2014 (the measurement date of the net pension liability). Covered-employee payroll means total compensation of employees that are provided with pensions through the pension plan. This may include compensation on which the County does not make contributions such as compensation amounts that exceed the maximum annual compensation limit the Internal Revenue Service sets.

Arizona State Retirement System

	Fiscal Year	
	2015	**2014 through 2006**
County's proportion of the net pension liability	%	Information
County's proportionate share of the net pension liability	$	not available
County's covered-employee payroll	$	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	%	
Plan fiduciary net position as a percentage of the total pension liability	%	

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Fiscal Year	
	2015	**2014 through 2006**
County's proportion of the net pension liability	%	Information
County's proportionate share of the net pension liability	$	not available
County's covered-employee payroll	$	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	%	
Plan fiduciary net position as a percentage of the total pension liability	%	

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See accompanying notes to pension plan schedules.

______________________________ County
Required Supplementary Information
Schedule of the County's Proportionate Share of Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2015

Elected Officials Retirement Plan

	Fiscal Year	
	2015	**2014 through 2006**
County's proportion of the net pension liability	%	Information not available
County's proportionate share of the net pension liability	$	
State's proportionate share of the net pension liability associated with the County		
Total	$	
County's covered-employee payroll	$	
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	%	
Plan fiduciary net position as a percentage of the total pension liability	%	

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See accompanying notes to pension plan schedules.

__________________________ County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability (Asset) and Related Ratios
Agent Pension Plans
June 30, 2015

Covered-employee payroll amounts presented in the schedules below should be for the fiscal year ended on the measurement date of the net pension liability (asset). For example, the covered-employee payroll reported in the fiscal year 2015 column (the County's fiscal year-end) should be the covered-employee payroll for fiscal year 2014 (the measurement date of the net pension liability). Covered-employee payroll means total compensation of employees that are provided with pensions through the pension plan. This may include compensation on which the County does not make contributions such as compensation amounts that exceed the maximum annual compensation limit the Internal Revenue Service sets. Because the County does not report to the pension plan compensation on which it does not make contributions, covered-employee payroll amounts provided by the plan and its actuary may not include all compensation required to be disclosed in the schedules below.

(PSPRS/CORP) *Plan Name* ***A separate table should be included for each significant agent plan.***

	Fiscal Year	
	2015	2014 through 2006
Total pension liability		
Service cost	$	Information not available
Interest on the total pension liability		
Changes of benefit terms		
Differences between expected and actual experience in the measurement of the pension liability		
Changes of assumptions or other inputs		
Benefit payments, including refunds of employee contributions		
Net change in total pension liability		
Total pension liability—beginning		
Total pension liability—ending (a)	$	
Plan fiduciary net position		
Contributions—employer	$	
Contributions—employee		
Net investment income		
Benefit payments, including refunds of employee contributions		
Administrative expense		
Other changes		
Net change in plan fiduciary net position		
Plan fiduciary net position—beginning		
Plan fiduciary net position—ending (b)	$	
County's net pension liability (asset)—ending (a) – (b)	$	

See accompanying notes to pension plan schedules.

______________________________ County
Required Supplementary Information
Schedule of Changes in the County's
Net Pension Liability (Asset) and Related Ratios
Agent Pension Plans
June 30, 2015

(PSPRS/CORP) ***Plan Name*** ***A separate table should be included for each significant agent plan.***	**Fiscal Year**	
	2015	**2014 through 2006**
Plan fiduciary net position as a percentage of the total pension liability	%	
Covered-employee payroll	$	
County's net pension liability (asset) as a percentage of covered-employee payroll	%	

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See accompanying notes to pension plan schedules.

____________________________ County

Required Supplementary Information

Schedule of County Pension Contributions

June 30, 2015

If the County has the information required below for periods prior to fiscal year 2014, the County should modify the schedules below to provide information for as many years as such information is available.

Amounts presented in the schedules below should be for the County's fiscal year-end. For cost-sharing plans, the County will need to determine the amounts from its records. For agent plans, the actuary may include a schedule of contributions up through the measurement date; however, the County will need to determine the amounts for the current fiscal year-end from its records.

Arizona State Retirement System

	Fiscal Year		
	2015	**2014**	**2013 through 2006**
Statutorily required contribution	$	$	Information not available
County's contributions in relation to the statutorily required contribution			
County's contribution deficiency (excess)	$	$	
County's covered-employee payroll	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Fiscal Year		
	2015	**2014**	**2013 through 2006**
Statutorily required contribution	$	$	Information not available
County's contributions in relation to the statutorily required contribution			
County's contribution deficiency (excess)	$	$	
County's covered-employee payroll	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	

See accompanying notes to pension plan schedules.

_____________________________ County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2015

Elected Officials Retirement Plan

	Fiscal Year		
	2015	**2014**	**2013 through 2006**
Statutory required contribution	$	$	Information not available
County's contributions in relation to the statutorily required contribution			
County's contribution deficiency (excess)	$	$	
County's covered-employee payroll	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	

A separate table should be included for each significant agent plan.

(PSPRS/CORP) *Plan Name*

	Fiscal Year		
	2015	**2014**	**2013 through 2006**
Actuarially determined contribution	$	$	Information not available
County's contributions in relation to the actuarially determined contribution			
County's contribution deficiency (excess)	$	$	
County's covered-employee payroll	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	

See accompanying notes to pension plan schedules.

______________________ County
Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2015

Note 1 – Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	23 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value (80%/120% market)
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4.5%–8.5% for PSPRS and 4.5%–7.75% for CORP
includes inflation at	4.5% for PSPRS and CORP
Retirement age	______________________________
Mortality	______________________________

If the County's contribution schedules for PSPRS and CORP present data for years prior to 2015, the above actuarial information should include information for each period presented.

Note 2 – Factors That Affect Trends

For any plan presented in the schedules disclose information about the factors that significantly affect trends in the amounts reported including, for example, changes in benefit provisions, changes in the size or composition of the population covered by the benefit terms, or the use of different assumptions.

______________________________ County
Required Supplementary Information
Schedule of Agent OPEB Plans' Funding Progress
June 30, 2015

The standards require that the schedule of funded status and funding progress present information about the funded status and funding progress for healthcare benefits of each plan for the <u>most recent valuation and the two preceding valuations</u>. Accordingly, if the 2015 actuarial reports are available before the completion of the audit, valuation years 2015, 2014, and 2013 should be reported.

Covered payroll as used in the schedule means the annual compensation paid to active employees covered by the OPEB plan on which the County makes contributions. Covered payroll amounts provided by the plan and its actuary should include all compensation required to be disclosed in the schedule.

If the County provides its own retirees' healthcare benefits, the County should also follow the required supplementary information reporting requirements of GASB Statement No. 45, or if applicable, GASB Statement No. 43.

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) – (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) – (a)/c)
PSPRS Sheriff						
6/30/14	$	$	$	%	$	%
6/30/13						
6/30/12						
PSPRS Attorney Investigators						
6/30/14	$	$	$	%	$	%
6/30/13						
6/30/12						
CORP Detention						
6/30/14	$	$	$	%	$	%
6/30/13						
6/30/12						

See accompanying notes to schedule of agent OPEB plans' funding progress.

_________________________ County

Required Supplementary Information

Schedule of Agent OPEB Plans' Funding Progress

June 30, 2015

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) – (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) – (a)/c)
CORP Dispatchers						
6/30/14	$	$	$	%	$	%
6/30/13						
6/30/12						

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See accompanying notes to schedule of agent OPEB plans' funding progress.

______________________ County
Required Supplementary Information
Notes to Schedule of Agent OPEB Plans' Funding Progress
June 30, 2015

Note 1 – Factors That Affect the Identification of Trends

For each plan, if significant and disclosed in the annual actuarial valuation reports, identify the factors that affect the identification of trends in the amounts reported including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used. See GASB Statement Nos. 45 and 50.

Beginning in fiscal year 2014, PSPRS and CORP established separate funds for pension benefits and health insurance premium benefits. Previously, the plans recorded both pension and health insurance premium contributions in the same Pension Fund. During fiscal year 2014, the plans transferred prior-year health insurance premium benefit contributions that exceeded benefit payments from each plan's Pension Fund to the new Health Insurance Fund.