__________________________ County

Notes to Financial Statements

June 30, 2016

The Office of the Auditor General has updated these DRAFT reporting guidelines for 2016 following Governmental Accounting Standards Board (GASB) Statements No. 68 and 73 based on pension plan information that is currently available. We have included text boxes to explain changes that may not be self-explanatory. We have also included additional "Source" instructions to indicate where entities should obtain information to complete the required disclosures.

These reporting guidelines 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 pensions and other post-employment benefits note disclosure and required supplementary information (RSI). Other pension related disclosures are required in the Summary of Significant Accounting Policies and Long-term Liabilities notes as shown in our 2015 reporting guidelines available on our Web site at www.azauditor.gov.

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.***
- **This highlight signifies information that has changed from the final 2015 reporting guidelines.**

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.

If the County provides its own retirees' healthcare benefits, the County should also follow the accounting and disclosure requirements of GASB Statement No. 45 or, if applicable, GASB Statement No. 43. For additional disclosure guidance for county-provided retiree healthcare benefits, see end of note.

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.

At June 30, 2016, 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's accrued payroll and employee benefits includes $_________ of outstanding pension contribution amounts payable to all pension plans for the year ended June 30, 2016. ***If the County reported other payables to the pension plans as of June 30, 2016, the County should disclose the payable amount, significant terms related to the payable, and a description of what gave rise to the payable.*** Also, the County reported $_________ of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes. ***Pension contributions payable and 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 benefit 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 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months

ASRS	**Retirement Initial membership date: Before July 1, 2011**	**On or after July 1, 2011**
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, 2016, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 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 11.47 percent (10.85 percent for retirement, 0.50 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 9.36 percent (9.17 percent for retirement, 0.13 percent for health insurance premium benefit, 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, 2016, were $___________ ***Source: county records***. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows: ***Source: county records***

ASRS Year ended June 30	**Health Benefit Supplement Fund**	**Long-Term Disability Fund**
2016	$	$
2015		
2014		

During fiscal year 2016, 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, 2016, the County reported a liability of $________ ***Source: ASRS Schedule of Pension Amounts By Employer*** for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2015. 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, 2014, to the measurement date of June 30, 2015. The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was _________ percent ***Source: ASRS Schedule of Employer Allocations***, which was an (increase/decrease) of ________ ***Source: Calculation of difference between percentage from ASRS Schedules of Employer Allocations for current and prior measurement date*** from its proportion measured as of June 30, 2014.

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, 2016, the County recognized pension expense for ASRS of $___________ ***Source: ASRS Schedule of Pension Amounts By Employer***. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: ***Source: ASRS Schedule of Pension Amounts By Employer***

ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$
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 ***Source: county records***		
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 ending June 30, 2017. 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: ***Source: ASRS Schedule of Net Deferred Outflows and Inflows of Resources by Employer to be Recognized in Pension Expense, Five Years and in Aggregate Thereafter, which is by measurement date. The schedule below should be by the County's reporting fiscal year. For example, in the schedule below, report the June 30, 2016 (measurement date), ASRS Schedule amount for the County's June 30, 2017 (reporting date).***

Year ending June 30	
2017	$ ***ASRS FY2016 amount***
2018	***ASRS FY2017 amount***
2019	***ASRS FY2018 amount***
2020	***ASRS FY2019 amount***

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

ASRS	
Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	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, 2014, 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 Arithmetic Real Rate of Return**
Equity	58%	6.79%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.93%
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.

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: ***Source: ASRS Schedule of Pension Amounts By Employer***

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 issues a publicly available financial report that includes financial statements and required supplementary information for the PSPRS and CORP plans. The report is 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 benefit 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 age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive 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	

PSPRS	**Initial membership date:** **Before January 1, 2012**	**On or after January 1, 2012**
Survivor Benefit		
Retired Members	80% to 100% of retired member's pension benefit	
Active Members	80% to 100% 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 age 52.5 10 years age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive 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	

Removed reference to normal retirement because it is not applicable to this benefit.

CORP	**Initial membership date:** **Before January 1, 2012**	**On or after January 1, 2012**
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. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.	

Statutory change

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. 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, 2016, the following employees were covered by the agent pension plans' benefit terms: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Executive Summary***

	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, 2016, are indicated below. Rates are a percentage of active members' annual covered payroll. ***Source: County's individual agent plan June 30, 2014, funding actuarial report, Contribution Requirements.***

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Active members—Pension					8.41%
County					
Pension					19.10%
Health insurance premium benefit					0.85%

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 28.62 percent for the PSPRS and 11.33 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, 2016, were:

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers
Pension				
Contributions made ***Source: county records***	$	$	$	$
Health Insurance Premium Benefit				
Annual OPEB cost				
Contributions made ***Source: county records***				

Source: 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, 2016, 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: ***Source: county records***

CORP AOC Year ended June 30	Health Insurance Fund
2016	$
2015	
2014	

During fiscal year 2016, 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, 2016, the County reported the following net pension liabilities (and asset): ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Executive Summary and CORP AOC Schedule of Pension Amounts By Employer.***

Removed description of the June 30, 2014, changes of benefit terms and actuarial assumptions and added disclosure requirement of GASB Statement No. 68, paragraphs 45.c & d and 80.d & e.

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

The net pension liabilities (and asset) were measured as of June 30, 2015, 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, 2014, measurement date, 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, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.0%–8.0% for PSPRS and 4.0%–7.25% for CORP
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table (adjusted by 105% for both males and females)

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

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 Geometric Real Rate of Return**
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100%	

In the discount rate disclosure below, we added an alternative presentation if all plans use a 7.85% discount rate. We also added options to disclose changes in the discount rate between years as required by GASB Statement No. 68, paragraphs 42.a and 72.a.

Discount rate information source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Executive Summary

If all of the County's PSPRS and CORP plans used the long-term expected rate of return of 7.85 percent as the discount rate for the years ended June 30, 2015 and 2016, include the following paragraph: **Pension discount rates—**The discount rate used to measure the PSPRS and CORP total pension liabilities was 7.85 percent. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. 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 for the year ended June 30, 2015, but all of the County's PSPRS and CORP plans used the long-term expected rate of return of 7.85 percent as the discount rate for the year ended June 30, 2016, include the following paragraph: **Pension discount rates—**The discount rate used to measure the PSPRS and CORP total pension liabilities was 7.85 percent, which was an increase of ____ for the ________________ plan from the discount rate used as of June 30, 2014. The discount rate for the ____________, ____________, and CORP AOC plans did not change from the prior year. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. 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 for the year ended June 30, 2016, include the following table and paragraph: **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					7.85%
Change from prior year					0.00

The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the ____________, ____________, and CORP AOC 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 7.85 percent was applied to periods of projected benefit payments through the year ended June 30, 20__. A municipal bond rate of 3.80 percent obtained from the Federal Reserve as of June 25, 2015, was applied to periods of projected benefit payments after June 30, 20__.

Changes in the Net Pension Liability (Asset) ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Statement of Changes in Net***

Pension Liability and Related Ratios and audited Schedule of Changes in Fiduciary Net Position by individual employer.

(PSPRS/CORP) ***Plan Name***

A separate table should be included for each agent plan.

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) – (b)**
Balances at June 30, 2015			
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, 2016			

GASB Statement No. 68, paragraph 80.b.

The County's proportion of the CORP AOC net pension liability was based on the County's actual contributions to the plan relative to the total of all participating counties' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was _________ ***Source: CORP AOC Schedule of Employer Allocations*** percent, which was an (increase/decrease) of ________ ***Source: Calculation of difference between percentage from CORP AOC Schedule of Employer Allocations for current and prior measurement date*** from its proportion measured as of June 30, 2014.

If all of the County's PSPRS and CORP plans used the long-term expected rate of return of 7.85 percent for the year ended June 30, 2016, include the following paragraph and table: **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 rate of 7.85 percent, 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 (6.85 percent) or 1 percentage point higher (8.85 percent) than the current rate: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption and CORP AOC Schedule of Employer Allocations.***

Added alternative sensitivity presentation if all plans use a 7.85% discount rate.

	1% Decrease (6.85%)	Current Discount Rate (7.85%)	1% Increase (8.85%)
PSPRS Sheriff			
Net pension liability (asset)	$	$	$
PSPRS Attorney Investigators			
Net pension liability (asset)	$	$	$
CORP Detention			
Net pension liability (asset)	$	$	$
CORP Dispatchers			
Net pension liability (asset)	$	$	$
CORP AOC			
County's proportionate share of the net 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 for the year ended June 30, 2016, include the following paragraph and table: **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: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption, and CORP AOC Schedule of Employer Allocations.***

	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	6.85%	7.85%	8.85%
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, 2016, the County recognized the following pension expense: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Pension Expense/(Income) Under GASB Statement No. 68, and CORP AOC Schedule of Pension Amounts by Employer.***

	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, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Statement of Outflows and Inflows arising from Current and Prior Reporting Periods, and CORP AOC Schedule of Pension Amounts by Employer.***

(PSPRS/CORP) ***Plan Name*** ***A separate table should be included for each 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 ***Source: county records***		
Total	$	$

GASB Statement No. 68, paragraph 80.h(4).

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 ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows: ***Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Statement of Outflows and Inflows arising from***

Current and Prior Reporting Periods, and CORP AOC Schedule of Net Deferred Outflows/Inflows of Resources by Employer to be Recognized in Pension Expense—Five Years and in Aggregate Thereafter, which are by reporting date. The schedule below should also be by the County's reporting fiscal year. For example, in the schedule below, report the 2017 amount in the actuarial report and CORP AOC Schedule for the year ending June 30, 2017.

	PSPRS Sheriff	PSPRS Attorney Investigators	CORP Detention	CORP Dispatchers	CORP AOC
Year ending June 30					
2017	$	$	$	$	$
2018					
2019					
2020					
2021					
Thereafter					

Agent plan OPEB actuarial assumptions—The health insurance premium benefit contribution requirements for the year ended June 30, 2016, were established by the June 30, 2014, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status 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 the County and plans' members understand them 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 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 following actuarial methods and assumptions were used to establish the fiscal year 2016 contribution requirements:

PSPRS and CORP—OPEB Contribution Requirements

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; 20% corridor

PSPRS and CORP—OPEB Contribution Requirements

Actuarial assumptions:

Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

Agent plan OPEB trend information—Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans: ***Source: county records***

Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS Sheriff			
2016	$	%	$
2015			
2014			
PSPRS Attorney Investigators			
2016			
2015			
2014			
CORP Detention			
2016			
2015			
2014			
CORP Dispatchers			
2016			
2015			
2014			

Agent plan OPEB funded status—The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2015, along with the actuarial assumptions and methods used in those valuations follow. ***The standards require that the most recent valuation date information for the funded status and funding progress of each plan be disclosed. Accordingly, if the 2016 funding actuarial reports are available before the completion of the audit, the information reported in the following table and the actuarial assumptions and methods below should be as of the June 30, 2016, funding actuarial valuation. Source: County's individual agent plan funding actuarial report, Schedule of Funding Progress***

	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)	%	%	%	%

The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS and CORP—OPEB Funded Status	
Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.85%
Projected salary increases	4%–8% for PSPRS and 4%–7.25% for CORP
Wage growth	4% for PSPRS and CORP

C. Elected Officials Retirement Plan

We made changes throughout this section to address plans that elected officials and judges who are not in the EORP defined benefit plan participate in.

Plan description—Elected officials and judges participate in the Elected Officials Retirement Plan (EORP), ASRS, or the Elected Officials Defined Contribution Retirement System (EODCRS). ***Delete any plans from the previous sentence that the County's elected officials and judges are not members of.*** 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 PSPRS issues a publicly available financial report that includes financial statements and required supplementary information for the EORP plans. 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 benefit 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 age 65 5 years any age* any years and age if disabled	10 years age 62 5 years age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive 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%.

Statutory change

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, from and after December 31, 2015, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

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 and designates a portion of certain court fees for the EORP. For the year ended June 30, 2016, active EORP members were required by statute to contribute 13 percent of the members' annual covered payroll, and the County was required to contribute 23.5 percent of active EORP members' annual covered payroll. Also, the County was required by statute to contribute 12.15 percent to EORP of the annual covered payroll of elected officials and judges who were ASRS members and 17.50 percent to EORP of the annual covered payroll of elected officials and judges who were EODCRS members, in addition to the County's required contributions to ASRS and EODCRS for these elected officials and judges. ***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, 2016, were $________ ***Source: county records***. No OPEB contributions were required or made for the years ended June 30, 2015 and 2016. The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows: ***Source: county records***

EORP **Year ended June 30**	**Health Insurance Fund**
2016	$ 0
2015	0
2014	

During fiscal year 2016, the County paid for EORP pension contributions as follows: ___ percent from the General Fund, ___ percent from major funds, and ___ percent from other funds.

Pension liability—At June 30, 2016, 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: ***Source: EORP Schedule of Pension Amounts By Employer***

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, 2015, and the total pension liability used to calculate the net pension liability 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, 2014, measurement date, provide a brief description of these changes.***

The County's proportion of the net pension liability was based on the County's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2015. The County's proportion measured as of June 30, 2015, was _________ ***Source: EORP Schedule of Employer Allocations*** percent, which was an (increase/decrease) of ________ ***Source: Calculation of***

difference between percentage from EORP Schedule of Employer Allocations for current and prior measurement date from its proportion measured as of June 30, 2014.

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, 2016, the County recognized pension expense for EORP of $___________ ***Source: EORP Schedule of Pension Amounts By Employer, Total Employer Pension Expense*** and revenue of $_________ ***Source: EORP Schedule of Pension Amounts By Employer, Proportionate Share of Non Employer Contributing Entity Pension Expense plus Proportionate Share of Court Fees*** for the County's proportionate share of the State's appropriation to EORP and the designated court fees. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: ***Source: EORP Schedule of Pension Amounts By Employer.***

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 ***Source: county records***		
Total	$	$

GASB Statement No. 68, paragraph 80.h(4).

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 ending June 30, 2017. 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: ***Source: EORP Schedule of Net Deferred Outflows/Inflows of Resources by Employer to be Recognized in Pension Expense—Five Years and in Aggregate Thereafter, which are by reporting date. The schedule below should also be by the County's reporting fiscal year. For example, in the schedule below, report the 2017 amount in the actuarial report and CORP AOC Schedule for the year ending June 30, 2017.***

Year ending June 30	
2017	$
2018	
2019	
2020	

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

EORP

Actuarial valuation date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	7.85%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Included
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

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 Geometric Real Rate of Return**
Short term investments	2%	0.75%
Absolute return	5%	4.11%
Risk parity	4%	5.13%
Fixed income	7%	2.92%
Real assets	8%	4.77%
GTAA	10%	4.38%
Private equity	11%	9.50%
Real estate	10%	4.48%
Credit opportunities	13%	7.08%
Non-U.S. equity	14%	8.25%
U.S. equity	16%	6.23%
Total	100%	

Discount rate—At June 30, 2015, the discount rate used to measure the EORP total pension liability was 4.86 percent, which was a decrease of 0.81 from the discount rate used as of June 30, 2014. 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, 2028. A municipal bond rate of 3.80 percent obtained from the 20-year Bond Buyer Index, as published by the Federal Reserve as of June 25, 2015, was applied to periods of projected benefit payments after June 30, 2028.

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 4.86 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 (3.86 percent) or 1 percentage point higher (5.86 percent) than the current rate:

EORP	**1% Decrease (3.86%)**	**Current Discount Rate (4.86%)**	**1% Increase (5.86%)**
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.

EODCRS Plan—Elected officials and judges that are not members of EORP or ASRS participate in the EODCRS and the Elected Officials Defined Contribution Retirement System Disability Program (EODCDP). The EODCRS is a defined contribution pension plan. The EODCDP is a cost-sharing multiple-employer defined benefit disability (OPEB) plan for EODCRS members. The PSPRS Board of Trustees governs the EODCRS and EODCDP according to the provisions of A.R.S. Title 38, Chapter 5, Articles 3.1 and 3.2. Benefit terms, including contribution requirements, are established by state statute.

For the year ended June 30, 2016, active EODCRS members were required by statute to contribute 8 percent of the members' annual covered payroll and the County was required by statute to contribute 6 percent of active members' annual covered payroll to an individual employee account. Employees are immediately vested in their own contributions and the County's contributions to the individual employee account and the earnings on those contributions. In addition, statute required active EODCRS members and the County to each contribute at the actuarially determined rate of 0.125 percent of the members' annual covered payroll to the EODCDP plan. For the year ended June 30, 2016, the County recognized pension expense of $________ ***Source: county records***. ***If the County had an outstanding liability to the EODCRS plan at year-end, disclose the liability amount.*** The County's OPEB contributions for the current and 2 preceding years, all of which were equal to the required contributions, were as follows: ***Source: county records***

EODCDP Year ended June 30		Disability Fund
2016	$	
2015		
2014		

County Provided OPEB Benefit Disclosures:

If the County also participates in other healthcare retirement plans or allows its retirees to participate in its employees' healthcare plans (i.e., implicit rate subsidy), it needs to add the following disclosures for those other plan(s):

a. Plan description;
b. Funding policy;
c. Annual OPEB cost and the dollar amount of contributions made;
d. For the current year and each of the 2 preceding years, annual OPEB cost, percentage of annual OPEB cost contributed during that year, and net OPEB obligation at the end of the year;
e. Information about the plan's funded status as of the most recent actuarial valuation date; and
f. Disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plan(s) are based.

Also, the County will need to add a required supplementary information section for the most recent actuarial valuation and the two preceding valuations.

See GASB Statement No. 45, paragraphs 24-26, for a more complete explanation of the disclosure requirements. See GASB Statement No. 45, paragraphs 11-21, for an explanation of how to account for the implicit rate subsidy.

_________________________ County
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Cost-Sharing Pension Plans
June 30, 2016

GASB Statement No. 68 requires that covered-employee payroll be disclosed in the pension RSI schedules. In December 2015, GASB issued an exposure draft of a proposed statement that would amend GASB Statement No. 68 to require the payroll amounts disclosed in the pension RSI schedules to be covered payroll rather than covered-employee payroll. Covered payroll means the portion of compensation on which contributions to a pension plan are based. Covered-employee payroll means total compensation of employees that are provided with pensions through the pension plan. Covered-employee payroll may include compensation on which the County does not make contributions.

The proposed amendment to GASB Statement No. 68 would not be effective until the fiscal year ending June 30, 2017; however, the standard would encourage earlier application. Accordingly, if the amendment is issued as a final standard, which GASB is scheduled to do in March 2016, the County may report covered payroll rather than covered-employee payroll in the pension RSI schedules for the year ended June 30, 2016. If the County chooses to early implement the new standard, it should disclose that fact in Note 1 to the financial statements, change "covered-employee payroll" to "covered payroll" in the pension RSI schedules, and restate the payroll amounts for all years presented.

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 payroll reported in the fiscal year 2016 column (the County's fiscal year-end) should be the payroll for fiscal year 2015 (the measurement date of the net pension liability).

Arizona State Retirement System	**Reporting Fiscal Year (Measurement Date)**		
	2016 (2015)	**2015 (2014)**	**2014 through 2007**
County's proportion of the net pension liability ***Source: ASRS Schedule of Employer Allocations***	%	%	Information not available
County's proportionate share of the net pension liability ***Source: ASRS Schedule of Pension Amounts By Employer***	$	$	
County's covered-employee payroll ***Source: county records***	$	$	
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	68.35%	69.49%	

See accompanying notes to pension plan schedules.

_____________________________ County

Required Supplementary Information

Schedule of the County's Proportionate Share of the Net Pension Liability

Cost-Sharing Pension Plans

June 30, 2016

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	**2015 (2014)**	**2014 through 2007**
County's proportion of the net pension liability ***Source: CORP AOC Schedule of Employer Allocations***	%	%	Information not available
County's proportionate share of the net pension liability ***Source: CORP AOC Schedule of Pension Amounts By Employer***	$	$	
County's covered-employee payroll ***Source: county records***	$	$	
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	57.89%	58.59%	

Elected Officials Retirement Plan

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	**2015 (2014)**	**2014 through 2007**
County's proportion of the net pension liability ***Source: EORP Schedule of Employer Allocations***	%	%	Information not available
County's proportionate share of the net pension liability ***Source: EORP Schedule of Pension Amounts By Employer***	$	$	
State's proportionate share of the net pension liability associated with the County ***Source: EORP Schedule of Pension Amounts By Employer***			
Total	$	$	
County's covered-employee payroll ***Source: county records***	$	$	
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	28.32%	31.91%	

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, 2016

See instructions on the* Schedule of the County's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plans *regarding using covered payroll vs. covered-employee payroll in the pension RSI schedules.

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 payroll reported in the fiscal year 2016 column (the County's fiscal year-end) should be the payroll for fiscal year 2015 (the measurement date of the net pension liability). Because the County does not report employee payroll to the pension plan, covered valuation payroll amounts the plan actuary provides are not the same as the payroll the County is required to disclose in the schedules below.

Source: County's individual agent plan GASB Statement No. 68 Employer Reporting Accounting Schedules—Actuarial Report, Statement of Changes in Net Pension Liability and Related Ratios and audited Schedule of Changes in Fiduciary Net Position by individual employer, except as noted.

(PSPRS/CORP) ***Plan Name A separate table should be included for each agent plan.***	**Reporting Fiscal Year (Measurement Date)**		
	2016 (2015)	**2015 (2014)**	**2014 through 2007**
Total pension liability			Information not available
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			
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			

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, 2016

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

	Reporting Fiscal Year (Measurement Date)		
	2016 (2015)	**2015 (2014)**	**2014 through 2007**
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)	$	$	
Plan fiduciary net position as a percentage of the total pension liability	%	%	
Covered-employee payroll ***Source: county records***	$	$	
County's net pension liability (asset) as a percentage of covered-employee payroll ***Source: calculated using payroll amount from county records***	%	%	

See accompanying notes to pension plan schedules.

______________________ County
Required Supplementary Information
Schedule of County Pension Contributions
June 30, 2016

See instructions on the Schedule of the County's Proportionate Share of the Net Pension Liability Cost-Sharing Pension Plans *regarding using covered payroll vs. covered-employee payroll in the pension RSI schedules.*

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. The County will need to determine the amounts from its records. For agent plans, the actuarial report includes a Multiyear Schedule of Contributions; however, the County should not rely on that schedule to complete the schedules below. The actuarial report schedule does not include amounts for the current fiscal year-end. Also, because the County does not report employee payroll to the pension plan, covered valuation payroll amounts the plan actuary provides are not the same as the payroll the County is required to disclose in the schedules below.

Statutorily required and actuarially determined contributions presented below should exclude amounts, if any, associated with payables to the pension plan that arose in a prior fiscal year and those associated with separately financed specific liabilities of the County to the pension plan. (GASB Statement No. 73, paragraph 119)

Arizona State Retirement System	Reporting Fiscal Year			
	2016	2015	2014	2013 through 2007
Statutorily required contribution ***Source: The sum of the following—*** • ***For active members: actual covered payroll from county records multiplied by the pension portion of the employer contribution rate*** • ***For retired members: actual covered payroll from county records multiplied by the pension portion of the alternative contribution rate***	$	$	$	Information not available
County's contributions in relation to the statutorily required contribution ***Source: county records***				
County's contribution deficiency (excess)	$	$	$	
County's covered-employee payroll ***Source: county records***	$	$	$	
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, 2016

Corrections Officer Retirement Plan—Administrative Office of the Courts

	Reporting Fiscal Year			
	2016	**2015**	**2014**	**2013 through 2006**
Statutorily required contribution ***Source: The sum of the following—*** • ***For active members: actual covered payroll from county records multiplied by the pension portion of the employer contribution rate*** • ***For retired members: actual covered payroll from county records multiplied by the pension portion of the alternative contribution rate***	$	$	$	Information not available
County's contributions in relation to the statutorily required contribution ***Source: county records***				
County's contribution deficiency (excess)	$	$	$	
County's covered-employee payroll ***Source: county records***	$	$	$	
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, 2016

Elected Officials Retirement Plan

	Reporting Fiscal Year			
	2016	2015	2014	2013 through 2006
Statutorily required contribution ***Source: The sum of the following—*** • ***For active EORP members: actual covered payroll from county records multiplied by the pension portion of the EORP employer contribution rate*** • ***For retired EORP members: actual covered payroll from county records multiplied by the pension portion of the alternative contribution rate*** • ***For elected officials and judges who are active ASRS members: actual covered payroll from county records multiplied by (the pension portion of the EORP employer contribution rate less the pension and health insurance premium benefit portions of the ASRS employer contribution rate)*** • ***For active EODCRS members: actual covered payroll from county records multiplied by (the pension portion of the EORP employer contribution rate less the EODCRS employer contribution rate)***	$	$	$	Information not available
County's contributions in relation to the statutorily required contribution ***Source: county records***				
County's contribution deficiency (excess)	$	$	$	
County's covered-employee payroll ***Source: county records***	$	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	%	

See accompanying notes to pension plan schedules.

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Required Supplementary Information

Schedule of County Pension Contributions

June 30, 2016

A separate table should be included for each agent plan. For 2016, if the County elected the 3-year phase in period for the effects of the Fields decision, the actuarially determined contribution amount should be calculated as actual pensionable payroll multiplied by the before phase-in pension contribution rate. The County's contributions in relation to the actuarially determined contribution should be the County's actual contributions at the after phase-in pension contribution rate. Accordingly, the table should present a contribution deficiency, and the County should consider including a note explaining the deficiency under Factors That Affect Trends.

(PSPRS/CORP) *Plan Name*

	Reporting Fiscal Year			
	2016	2015	2014	2013 through 2006
Actuarially determined contribution ***Source: The sum of the following—*** • ***For active members: actual covered payroll from county records multiplied by the pension portion of the employer contribution rate (for 2016, see additional instructions above)*** • ***For retired members: actual covered payroll from county records multiplied by the pension portion of the alternative contribution rate***	$	$	$	Information not available
County's contributions in relation to the actuarially determined contribution ***Source: county records***				
County's contribution deficiency (excess)	$	$	$	
County's covered-employee payroll ***Source: county records***	$	$	$	
County's contributions as a percentage of covered-employee payroll	%	%	%	

See accompanying notes to pension plan schedules.

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Required Supplementary Information
Notes to Pension Plan Schedules
June 30, 2016

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 as of the 2014 actuarial valuation	22 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0%for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP.
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

If the County's contribution schedules for PSPRS and CORP present data for years prior to 2016, 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. Information about investment-related factors that significantly affect trends in the amounts reported should be limited to those factors over which the pension plan or the County have influence, for example, changes in investment policies. Information about external, economic factors,

for example, changes in market prices, should not be presented. (GASB Statement No. 73, paragraph 117)

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Required Supplementary Information
Schedule of Agent OPEB Plans' Funding Progress
June 30, 2016

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 most recent valuation and the two preceding valuations. Accordingly, if the 2016 actuarial reports are available before the audit's completion, valuation years 2016, 2015, and 2014 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						
6/30/15	$	$	$	%	$	%
6/30/14						
6/30/13						
PSPRS Attorney Investigators						
6/30/15	$	$	$	%	$	%
6/30/14						
6/30/13						
CORP Detention						
6/30/15	$	$	$	%	$	%
6/30/14						
6/30/13						
CORP Dispatchers						
6/30/15	$	$	$	%	$	%
6/30/14						
6/30/13						

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, 2016

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.

Include the following paragraph only if the Schedule of Agent OPEB Plan's Funding Progress includes valuation year 2013 information: 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.