



Schedule of Employer Allocations and Schedule of
Collective Pension Amounts
June 30, 2017

Oklahoma Public Employees Retirement System

Oklahoma Public Employees Retirement System

Table of Contents

June 30, 2017

Independent Auditor's Report.....	1
Schedule of Employer Allocations.....	3
Schedule of Collective Pension Amounts.....	11
Notes to Schedule of Employer Allocations and Collective Pension Amounts.....	12



Independent Auditor's Report

Board of Trustees
Oklahoma Public Employees Retirement Plan
Oklahoma City, Oklahoma

Report on Schedule of Allocations and Net Pension Amounts by Employer

We have audited the accompanying schedule of employer allocations of the Oklahoma Public Employees Retirement System (the System) as of and for the year ended June 30, 2017 and related notes. We have also audited the totals for the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources and plan pension expense (specified column totals) included in the accompanying schedule of collective pension amounts (collectively the Schedules) of the System as of and for the year ended June 30, 2017, and related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of the Schedules in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedules that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column totals included in the schedule of collective pension amounts.

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

Opinions

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and plan pension expense for the total of all participating entities for the System as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principles

As discussed in Note 2, in 2017, the System adopted Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (GASB 74). With the implementation GASB 74, management identified that other postemployment benefits were incorrectly included in the net pension liability thus required the System to adjust its net pension liability as of July 1, 2016. Our opinion is not modified with respect to this matter.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended June 30, 2017, and our report thereon, dated October 13, 2017, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the System’s management, the Board of Trustees, System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Oklahoma City, Oklahoma
February 2, 2018

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

AGENCY NUMBER	AGENCY NAME	Employer Contributions	Employer Allocation Percentage
20	OKLAHOMA ACCOUNTANCY BOARD	\$ 91,524	0.03402417%
22	ABSTRACTORS BOARD	15,459	0.00574698%
25	OKLAHOMA MILITARY DEPARTMENT	1,876,473	0.69758140%
30	ALCOHOLIC BEVERAGE LAWS ENFORCEMT	141,888	0.05274708%
39	BOLL WEEVIL ERADICATION ORG	31,016	0.01153016%
40	DEPARTMENT OF AGRICULTURE	1,966,222	0.73094585%
45	OK BOARD OF ARCHITECTS	30,780	0.01144237%
47	INDIGENT DEFENSE SYSTEM	1,017,078	0.37810009%
49	ATTORNEY GENERAL	2,033,768	0.75605630%
55	STATE ARTS COUNCIL	107,566	0.03998788%
60	OK AERONAUTICS COMMISSION	82,004	0.03048495%
65	STATE BANKING DEPARTMENT	652,192	0.24245314%
90	MGMT AND ENTERPRISE SERVICES	10,339,939	3.84388743%
92	TOBACCO BOARD OF DIRECTORS	227,058	0.08440929%
125	DEPARTMENT OF MINES	228,247	0.08485130%
127	COMMISSION ON CHILDREN AND YOUTH	188,262	0.06998650%
131	DEPARTMENT OF CORRECTIONS	24,254,146	9.01651434%
145	STATE BOARD OF CHIROPRACTIC EXAM	22,382	0.00832058%
148	BOARD OF CHIROPRACTIC EXAMINERS	25,098	0.00933038%
160	DEPARTMENT OF COMMERCE	851,489	0.31654233%
170	CONSTRUCTION INDUSTRIES BOARD	225,280	0.08374810%
185	CORPORATION COMMISSION	3,678,941	1.36765160%
190	COSMETOLOGY BOARD	72,666	0.02701374%
199	COURT OF CRIMINAL APPEALS	284,110	0.10561832%
204	JM DAVIS ARMS & HISTORY MUSEUM	17,539	0.00652022%
215	BOARD OF DENTISTRY	47,886	0.01780157%
219	DISTRICT COURTS	2,148,797	0.79881827%
220	DISTRICT ATTORNEYS COUNCIL	7,897,110	2.93576223%
266	OK EDUCATION TELEVISION AUTHORITY	280,965	0.10444925%
270	STATE ELECTION BOARD	146,548	0.05447938%
275	EDUC QUALITY & ACCOUNTABILITY	20,710	0.00769913%
285	EMBALMERS & FUNERAL DIRECTORS BOARD	22,812	0.00848029%
290	EMPLOYMENT SECURITY COMMISSION	3,618,023	1.34500543%
292	DEPT OF ENVIRONMENTAL QUALITY	4,557,663	1.69431777%
296	ETHICS COMMISSION	75,849	0.02819686%
298	MERIT PROTECTION COMMISSION	28,410	0.01056134%
300	STATE AUDITOR AND INSPECTOR	919,997	0.34201032%
305	GOVERNOR	187,344	0.06964553%
306	PARDON AND PAROLE BOARD	192,613	0.07160428%
307	INTERSTATE OIL COMPACT COMMISSION	56,399	0.02096646%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

AGENCY NUMBER	AGENCY NAME	Employer Contributions	Employer Allocation Percentage
308	STATE BUREAU OF INVESTIGATION	875,172	0.32534641%
309	DEPT OF EMERGENCY MGMT	243,865	0.09065710%
310	STATE FIRE MARSHAL	174,519	0.06487780%
315	FIREFIGHTERS PENSION & RET SYSTEM	125,389	0.04661355%
326	OFFICE OF DISABILITY CONCERNS	28,429	0.01056864%
340	STATE DEPARTMENT OF HEALTH	14,959,134	5.56107997%
342	BOARD OF MEDICOLEGAL INVESTIGATIONS	865,007	0.32156763%
345	STATE DEPT OF TRANSPORTATION	16,500,554	6.13410516%
346	OK SPACE INDUSTRY DEVELOP AUTHORITY	46,524	0.01729533%
350	HISTORICAL SOCIETY	729,943	0.27135738%
353	OK HORSE RACING COMMISSION	214,680	0.07980758%
369	WORKERS COMPENSATION COURT	170,740	0.06347268%
370	OK INDUSTRIAL FINANCE AUTHORITY	68,785	0.02557100%
385	INSURANCE DEPARTMENT	1,001,315	0.37224018%
390	COMPSOURCE OKLAHOMA	2,327,389	0.86521041%
391	MULTIPLE INJURY TRUST FUND	83,298	0.03096604%
400	OFFICE OF JUVENILE AFFAIRS	3,667,948	1.36356493%
405	DEPARTMENT OF LABOR	510,848	0.18990835%
410	COMMISSION OF THE LAND OFFICE	569,886	0.21185595%
415	COUNCIL ON LAW ENFC & TRAINING	247,421	0.09197919%
416	OK LAW ENFORCEMENT RET SYSTEM	51,060	0.01898151%
421	OK STATE SENATE	1,239,162	0.46066018%
422	OK HOUSE OF REPRESENTATIVES	1,399,059	0.52010238%
423	LEGISLATIVE SERVICE BUREAU	54,573	0.02028745%
430	DEPARTMENT OF LIBRARIES	240,263	0.08931806%
435	OK LOTTERY COMMISSION	238,808	0.08877707%
440	LIEUTENANT GOVERNOR	44,627	0.01659030%
445	LIQUEFIED PETROLEUM GAS BOARD	47,435	0.01763403%
448	LIC ALCOHOL & DRUG COUNSELORS	10,813	0.00401970%
450	BD OF MED LICENSURE & SUPV	180,723	0.06718399%
452	MENTAL HEALTH & SUBSTANCE ABUSE	9,342,016	3.47290812%
475	OK MOTOR VEHICLE COMMISSION	39,590	0.01471758%
477	BUREAU OF NARC & DANGEROUS DRUGS	359,243	0.13354895%
509	LONG TERM CARE ADMIN BOARD	23,633	0.00878550%
510	OK BOARD OF NURSING	266,555	0.09909231%
520	OPTOMETRY BOARD	20,278	0.00753844%
525	STATE BD OF OSTEOPATHIC EXAM	57,966	0.02154886%
557	POLICE PENSION & RET SYSTEM	125,798	0.04676541%
560	STATE PHARMACY BOARD	101,995	0.03791674%
566	DEPT OF TOURISM & RECREATION	1,909,485	0.70985384%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

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568	SCENIC RIVERS COMMISSION	229	0.00008512%
570	PROF ENGINEER & LAND SURVEYORS	82,303	0.03059621%
575	BD OF PSYCHOLOGISTS EXAMINERS	9,622	0.00357717%
582	STATE BOND ADVISOR	34,635	0.01287550%
585	DEPT OF PUBLIC SAFETY	3,265,161	1.21382822%
588	OK REAL ESTATE COMMISSION	98,594	0.03665252%
619	PHYSICIAN MANPOWER TRNG COMM	57,942	0.02153992%
620	QUARTZ MOUNTAIN CENTER & PARK	16,821	0.00625338%
622	OK ST BD OF LICENSED SOCIAL WORKERS	11,936	0.00443707%
625	SECRETARY OF STATE	210,865	0.07838935%
628	CTR FOR ADVANCE OF SCIENCE/TECH	165,947	0.06169120%
630	DEPARTMENT OF SECURITIES	428,228	0.15919429%
632	SPEECH-LANG PATHOLOGY & AUDIO	9,836	0.00365643%
635	DEPT OF CONSUMER CREDIT	359,634	0.13369435%
645	OK CONSERVATION COMMISSION	903,629	0.33592529%
650	DEPT OF VETERAN AFFAIRS	9,794,213	3.64101307%
670	JD MCCARTY CENTER	1,157,169	0.43017934%
677	SUPREME COURT	1,695,764	0.63040256%
678	COUNCIL ON JUDICIAL COMPLAINTS	21,912	0.00814564%
695	OK TAX COMMISSION	4,478,549	1.66490707%
740	STATE TREASURER	325,315	0.12093642%
753	UNIFORM BUILDING CODE COMMISSION	27,627	0.01027022%
755	USED MOTOR VEHICLE & PARTS	59,872	0.02225742%
770	UNIVERSITY OF OKLAHOMA HSC	26,736	0.00993910%
772	BD OF CHEM TEST ALCOHOL/DRUG	38,928	0.01447156%
790	BD OF VETERINARY MED EXAM	28,236	0.01049680%
805	DEPT OF REHABILITATION SERVICES	6,589,072	2.44949707%
807	HEALTH CARE AUTHORITY	5,011,941	1.86319636%
825	UNIVERSITY HOSPITALS AUTHORITY	16,860	0.00626779%
826	UNIVERSITY HOSPITALS TRUST	206,320	0.07669975%
830	DEPT OF HUMAN SERVICES	38,426,422	14.28507863%
835	WATER RESOURCES BOARD	889,848	0.33080244%
865	WORKERS COMPENSATION COMMISSION	380,673	0.14151574%
875	WHEAT COMMISSION	30,907	0.01148961%
880	WILL ROGERS MEMORIAL COMMISSION	9,748	0.00362399%
978	OK TURNPIKE AUTHORITY	3,029,516	1.12622718%
TOTALS FOR OMES AGENCIES		<u>205,727,188</u>	<u>76.47938217%</u>

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

AGENCY NUMBER	AGENCY NAME	Employer Contributions	Employer Allocation Percentage
901	ADAIR COUNTY	310,815	0.11554609%
902	ALFALFA COUNTY	546,809	0.20327695%
903	ATOKA COUNTY	407,364	0.15143821%
904	BEAVER COUNTY	477,194	0.17739754%
905	BECKHAM COUNTY	639,307	0.23766326%
906	BLAINE COUNTY	457,713	0.17015529%
907	BRYAN COUNTY	613,324	0.22800398%
908	CADDO COUNTY	623,224	0.23168447%
909	CANADIAN COUNTY	1,835,662	0.68240988%
910	CARTER COUNTY	1,092,244	0.40604320%
911	CHEROKEE COUNTY	902,096	0.33535534%
912	CHOCTAW COUNTY	321,246	0.11942353%
913	CIMARRON COUNTY	223,713	0.08316556%
914	CLEVELAND COUNTY	2,413,729	0.89730730%
915	COAL COUNTY	294,793	0.10958960%
916	COMANCHE COUNTY	1,128,005	0.41933769%
917	COTTON COUNTY	205,428	0.07636826%
918	CRAIG COUNTY	450,146	0.16734242%
919	CREEK COUNTY	1,140,705	0.42405875%
920	CUSTER COUNTY	691,144	0.25693367%
921	DELAWARE COUNTY	626,797	0.23301279%
922	DEWEY COUNTY	490,415	0.18231241%
923	ELLIS COUNTY	517,566	0.19240590%
924	GARFIELD COUNTY	763,753	0.28392630%
925	GARVIN COUNTY	637,519	0.23699860%
926	GRADY COUNTY	946,083	0.35170779%
927	GRANT COUNTY	292,766	0.10883636%
928	GREER COUNTY	184,842	0.06871532%
929	HARMON COUNTY	101,136	0.03759759%
930	HARPER COUNTY	248,830	0.09250307%
931	HASKELL COUNTY	360,971	0.13419134%
932	HUGHES COUNTY	328,276	0.12203715%
933	JACKSON COUNTY	448,067	0.16656941%
934	JEFFERSON COUNTY	172,042	0.06395671%
935	JOHNSTON COUNTY	267,978	0.09962130%
936	KAY COUNTY	829,746	0.30845927%
937	KINGFISHER COUNTY	489,324	0.18190677%
938	KIOWA COUNTY	306,520	0.11394932%
939	LATIMER COUNTY	318,321	0.11833636%
940	LEFLORE COUNTY	866,199	0.32201060%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

AGENCY NUMBER	AGENCY NAME	Employer Contributions	Employer Allocation Percentage
941	LINCOLN COUNTY	650,435	0.24180010%
942	LOGAN COUNTY	728,314	0.27075172%
943	LOVE COUNTY	407,142	0.15135578%
944	MCCLAIN COUNTY	559,922	0.20815181%
945	MCCURTAIN COUNTY	858,095	0.31899789%
946	MCINTOSH COUNTY	459,358	0.17076711%
947	MAJOR COUNTY	331,213	0.12312902%
948	MARSHALL COUNTY	314,990	0.11709795%
949	MAYES COUNTY	858,814	0.31926551%
950	MURRAY COUNTY	350,301	0.13022504%
951	MUSKOGEE COUNTY	951,758	0.35381728%
952	NOBLE COUNTY	429,383	0.15962361%
953	NOWATA COUNTY	234,390	0.08713474%
954	OKFUSKEE COUNTY	237,723	0.08837396%
956	OKMULGEE COUNTY	559,050	0.20782755%
957	OSAGE COUNTY	1,049,649	0.39020850%
958	OTTAWA COUNTY	469,286	0.17445773%
959	PAWNEE COUNTY	297,248	0.11050247%
960	PAYNE COUNTY	1,293,278	0.48077788%
961	PITTSBURG COUNTY	1,092,583	0.40616947%
962	PONTOTOC COUNTY	649,024	0.24127551%
963	POTTAWATOMIE COUNTY	719,747	0.26756686%
964	PUSHMATAHA COUNTY	242,941	0.09031362%
965	ROGER MILLS COUNTY	569,645	0.21176624%
966	ROGERS COUNTY	1,375,330	0.51128089%
967	SEMINOLE COUNTY	538,985	0.20036850%
968	SEQUOYAH COUNTY	672,934	0.25016409%
969	STEPHENS COUNTY	942,925	0.35053368%
970	TEXAS COUNTY	809,754	0.30102740%
971	TILLMAN COUNTY	285,911	0.10628785%
973	WAGONER COUNTY	905,229	0.33652005%
974	WASHINGTON COUNTY	787,841	0.29288108%
975	WASHITA COUNTY	548,991	0.20408806%
976	WOODS COUNTY	490,505	0.18234593%
977	WOODWARD COUNTY	598,495	0.22249123%
979	OK ORDNANCE WORKS AUTHORITY	330,988	0.12304536%
980	GRAND RIVER DAM AUTHORITY	6,218,254	2.31164508%
981	MUNICIPAL POWER AUTHORITY	857,632	0.31882600%
982	OKLA HOUSING FINANCY AGENCY	741,664	0.27571479%
1030	ANADARKO HOUSING AUTHORITY	18,244	0.00678227%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

AGENCY NUMBER	AGENCY NAME	Employer Contributions	Employer Allocation Percentage
1043	TOWN OF ARNETT	17,270	0.00642027%
1067	TOWN OF BEAVER	62,033	0.02306089%
1085	CITY OF BIXBY	203,631	0.07570021%
1086	BIXBY PUBLIC WORKS AUTHORITY	191,898	0.07133840%
1179	TOWN OF CHEYENNE	40,680	0.01512292%
1210	CITY OF COMMERCE	35,387	0.01315531%
1311	CITY OF FAIRFAX	24,547	0.00912548%
1353	TOWN OF FORT SUPPLY	15,307	0.00569033%
1381	CITY OF GRANDFIELD	21,328	0.00792876%
1389	CITY OF GROVE	389,671	0.14486068%
1392	GROVE MUN AIRPORT MAN AUTHORITY	9,141	0.00339813%
1413	CITY OF HEAVENER	59,817	0.02223700%
1414	HEAVENER UTILITY AUTHORITY	30,220	0.01123446%
1425	TOWN OF HINTON	66,164	0.02459656%
1430	CITY OF HOLDENVILLE	150,295	0.05587237%
1432	HOUSING AUTHORITY CITY OF HOLDENVILLE	5,725	0.00212833%
1443	CITY OF HUGO	227,499	0.08457291%
1451	IDABEL HOUSING AUTHORITY	36,163	0.01344351%
1480	CITY OF KETCHUM	4,441	0.00165100%
1481	KETCHUM PUBLIC WORKS	65,483	0.02434343%
1486	CITY OF KINGFISHER	183,492	0.06821331%
1549	CITY OF MANGUM	114,241	0.04246931%
1605	TOWN OF MOUNTAIN VIEW	29,308	0.01089545%
1642	TOWN OF OKARCHE	55,131	0.02049507%
1758	TOWN OF RUSH SPRINGS	54,634	0.02031037%
1760	TOWN OF RYAN	16,122	0.00599350%
1778	TOWN OF SENTINEL	23,154	0.00860749%
1784	CITY OF SHATTUCK	68,553	0.02548461%
1808	TOWN OF SPORTSMEN ACRES	10,432	0.00387806%
1818	CITY OF STIGLER	143,806	0.05346009%
1841	CITY OF TAHLEQUAH	439,548	0.16340273%
1893	TOWN OF VICI	201,017	0.07472853%
1915	HOUSING AUTHORITY OF WATONGA	2,159	0.00080257%
1918	THE WATTS PUBLIC WORKS	8,673	0.00322426%
1933	CITY OF WEWOKA	97,047	0.03607723%
1942	CITY OF WILSON	56,012	0.02082249%
2004	BEAVER COUNTY HOSPITAL AUTHORITY	357,491	0.13289790%
2030	CRAIG GENERAL HOSPITAL	1,087,441	0.40425769%
3012	CHOCTAW COUNTY AMBULANCE AUTH	16,161	0.00600804%
3026	GRADY EMS DISTRICT	7,067	0.00262735%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

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3028	GREER COUNTY AMBULANCE SERVICE	18,637	0.00692825%
3040	LEFLORE COUNTY EMS	146,751	0.05455488%
3044	MCCLAIN GRADY CO EMRG MED SER DIST	46,722	0.01736899%
3045	MCCURTAIN COUNTY EMS AUTHORITY	45,460	0.01689975%
3047	MAJOR COUNTY EMS SERVICE DISTRICT	9,157	0.00340419%
3049	MAYES CO EMG SER TRUST AUTHORITY	237,734	0.08837794%
3051	EASTERN OK DISTRICT LIBRARY SYSTEM	306,169	0.11381894%
3841	LINCOLN COUNTY E-911 TRUST AUTHORITY	36,217	0.01346376%
3851	MUSKOGEE CITY-CO 911 TRUST AUTHORITY	120,821	0.04491547%
3858	OTTAWA COUNTY E-911 AUTHORITY	6,800	0.00252794%
3866	NORTHEAST OKLA 911 TRUST AUTH	58,824	0.02186807%
3921	DELAWARE 911	12,605	0.00468595%
3929	SW OKLA AMBULANCE SERVICE	8,378	0.00311445%
3951	MUSKOGEE COUNTY EMS	428,998	0.15948062%
3968	SEQUOYAH COUNTY 911 TRUST AUTHORITY	21,813	0.00810884%
3971	TILLMAN COUNTY EMS DISTRICT	19,360	0.00719729%
4001	SW OK DEVELOPMENT AUTHORITY	172,013	0.06394615%
4002	ASSOCIATION OF S. CENTRAL OK GOVTS.	155,527	0.05781754%
4003	MIDWESTERN OK DEVELOP. AUTHORITY	22,999	0.00854978%
4004	KEDDO GOVERNMENT TRUST AUTHORITY	61,937	0.02302516%
4005	GRAND GATEWAY ECON DEVELOP ASSOC	215,844	0.08024044%
4006	NORTHERN OK DEVELOPMENT AUTHORITY	63,818	0.02372450%
4024	GARFIELD COUNTY FAIRGROUNDS	20,293	0.00754381%
4803	ATOKA COUNTY RWD #2	5,602	0.00208252%
4840	LEFLORE COUNTY RWD #3	4,556	0.00169374%
4861	INDIANOLA RWD #18 (PITTSBURG COUNTY)	4,682	0.00174052%
4902	ALFALFA COUNTY RURAL WATER DISTRICT	4,982	0.00185216%
4903	ATOKA COUNTY RWD # 4	16,099	0.00598476%
4909	OK ENVIRONMENTAL MGMT AUTHORITY	180,919	0.06725691%
4919	CREEK COUNTY RWD #5	17,887	0.00664965%
4921	DELAWARE COUNTY SOLID WASTE TRUST	81,239	0.03020070%
4935	JOHNSTON COUNTY RWD #3	27,259	0.01013368%
4940	POTEAU VALLEY IMPROVEMENT AUTHORITY	51,270	0.01905982%
4941	LEFLORE COUNTY RWD #5	14,461	0.00537579%
4949	MAYES COUNTY RWD#3	19,668	0.00731165%
4953	CONSOLIDATED RWD #1	14,341	0.00533117%
4961	PITTSBURG COUNTY RWD #7	12,690	0.00471740%
4963	TRI-COUNTY RURAL WATER DISTRICT	28,920	0.01075095%
4968	SEQUOYAH COUNTY RWD #7	30,425	0.01131038%
4971	TILLMAN COUNTY RWD #1	22,185	0.00824745%

Oklahoma Public Employees Retirement System
Schedule of Employer Allocations
June 30, 2017

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4977	NORTHWESTER OK SOLID WASTE DISP AUTH	45,052	0.01674818%
4989	CREEK COUNTY RWD #3	12,514	0.00465200%
5916	COMANCHE COUNTY DETENTION CENTER	297,675	0.11066126%
5926	GRADY COUNTY CRIMINAL JUSTICE	400,151	0.14875653%
5956	OKMULGEE COUNTY CRIMINAL JUSTICE	209,872	0.07802021%
5963	POTTAWATOMIE COUNTY PUBLIC SAFETY	190,797	0.07092916%
6926	OK CIRCUIT ENGINEERING DIST #6	9,766	0.00363068%
6951	EASTERN OK CIRCUIT ENGINEERING DIST #2	95,303	0.03542904%
6963	CIRCUIT ENGINEERING DISTRICT #4	84,134	0.03127695%
6964	SOUTHEAST CIRCUIT ENGINEERING DIST #3	112,440	0.04179990%
TOTALS FOR NON OMES AGENCIES		<u>63,269,739</u>	<u>23.52061783%</u>
TOTAL FISCAL YEAR CONTRIBUTIONS		<u><u>\$ 268,996,927</u></u>	<u><u>100.00000000%</u></u>

Oklahoma Public Employees Retirement System
Schedule of Collective Pension Amounts
June 30, 2017

	Deferred Outflows of Resources			Deferred Inflows of Resources			Plan Pension Expense	
	June 30, 2017 Net Pension Liability	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Total Deferred Outflows of Resources Excluding Employer Specific Amounts*	Changes of Assumptions	Differences Between Expected and Actual Experience		Total Deferred Inflows of Resources Excluding Employer Specific Amounts*
TOTALS	<u>\$ 540,663,181</u>	<u>\$ 24,152,474</u>	<u>\$ 240,022,786</u>	<u>\$ 264,175,260</u>	<u>\$ -</u>	<u>\$ 96,685,917</u>	<u>\$ 96,685,917</u>	<u>\$ 220,557,922</u>

* Employer specific amounts that are excluded from this schedule include changes in proportion, differences between employer contributions and proportionate share of contributions, and employer contributions subsequent to the measurement date.

Note 1 - Summary of Significant Accounting Policies

The Schedule of Employer Allocations and the Schedule of Collective Pension Amounts (the Schedules) for the Plan were prepared in accordance with the following significant accounting policies.

Basis of the Allocation

In determining the proportionate share of the net pension liability and corresponding employer pension amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions are made to the Plan, excluding those to separately finance specific liabilities of an individual employer. The Plan has determined that the actual contributions made to the Plan during fiscal year 2017 are appropriate as the allocation basis because they are representative of future contributions. Contributions are reported using the accrual basis of accounting.

Nature of the Schedules

The purpose of these Schedules is to provide employers information necessary to disclose the appropriate information related to the net pension liability for their financial statements. The Schedules provide employers with the basis to determine their proportionate share of the net pension liability, deferred outflows and inflows of resources, and pension expense as of and for the year ended June 30, 2017.

The Schedule of Collective Pension Amounts represents collective amounts for the Plan. This schedule excludes employer-specific deferral amounts that may need to be recognized to comply with GASB reporting standards. Specifically, this schedule excludes deferral amounts arising from the changes in employer proportion and employer contributions subsequent to the measurement date.

Use of Estimates

The preparation of the Schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and changes therein, and disclosures. Actual results could differ from those estimates and differences could be material.

Oklahoma Public Employees Retirement System
Notes to Schedule of Employer Allocations and Collective Pension Amounts
June 30, 2017

The fiscal year 2017 actual employer contribution total used as the denominator for the allocation calculation in the Schedule of Employer Allocations can be reconciled to the Plan's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017 as follows:

Contributions from state and local agencies per CAFR	\$ 269,510,941
Employer contributions from the plan	<u>(514,014)</u>
 Total contributions - schedule of employer allocations	 <u><u>\$ 268,996,927</u></u>

Note 2 - Restatement

On July 1, 2016, the System implemented Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions* (GASB 74). GASB 74 presents improved information about postemployment benefit plans other than pensions (OPEB). The System administers a health insurance subsidy plan (HISP), which is considered OPEB in accordance with the provisions of GASB 74. This OPEB liability was incorrectly included in the net pension liability as of June 30, 2016. As a result of the implementation of GASB 74, a beginning balance restatement occurred as follows:

Net Pension Liability - June 30, 2016	\$ 992,230,716
Removal of OPEB liability - June 30, 2016	<u>(40,416,343)</u>
 Net Pension Liability - June 30, 2016 (Restated)	 <u><u>\$ 951,814,373</u></u>

Note 3 - Net Pension Liability

The net pension liability (NPL) is the portion of the actuarial present value of projected benefit payments related to past periods. The NPL for the employers is based on the allocation percentages from the Schedule of Employer Allocations.

The net pension liability for fiscal year 2017 is calculated as set forth below in the following table:

Net pension liability - Beginning July 1, 2016 (Restated)	\$ 951,814,373
Total pension expense	221,071,936
Change in deferred outflow of resources	(309,629,020)
Change in deferred inflow of resources	(53,083,169)
Defined benefit plan employer contributions - CAFR total	<u>(269,510,939)</u>
 Net pension liability - Ending June 30, 2017	 <u><u>\$ 540,663,181</u></u>

Oklahoma Public Employees Retirement System
Notes to Schedule of Employer Allocations and Collective Pension Amounts
June 30, 2017

The components of the net pension liability at June 30, 2017 were as follows:

Total pension liability	\$ 9,454,641,808
Plan fiduciary net position	<u>8,913,978,627</u>
Net pension liability	<u><u>\$ 540,663,181</u></u>
Plan fiduciary net position as a percentage of total pension liability	<u><u>94.28%</u></u>

The total pension liability was determined based on actuarial valuations prepared as of July 1, 2017, using the following actuarial assumptions:

- Investment return – 7.00% compounded annually net of investment expense and including inflation
- Salary increases – 3.5% to 9.5% per year including inflation
- Mortality rates – active participants and nondisabled pensioners – RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years)
- No annual post-retirement benefit increases
- Assumed inflation rate – 2.75%
- Payroll growth – 3.5%
- Actuarial cost method – Entry age
- Select period for the termination of employment assumptions – 10 years

The actuarial assumptions used in the July 1, 2017 valuation are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected 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 asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	38.0%	5.3%
U.S. Small Cap Equity	6.0%	5.6%
U.S. Fixed Income	25.0%	0.7%
International Stock	18.0%	5.6%
Emerging Market Stock	6.0%	6.4%
TIPS	3.5%	0.7%
Rate Anticipation	<u>3.5%</u>	1.5%
Total	<u>100.0%</u>	

The discount rate used to measure the total pension liability was 7.00% for 2017. The projection of cash flows used to determine the discount rate assumed that contributions from System members and the employers will be made at the current contribution rate as set out in state statute. Based on those assumptions, the pension plan's fiduciary net position was projected through 2114 to be available to make all projected future benefit payments of current System members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determined does not use a municipal bond rate.

Sensitivity of the net pension liability (asset) to changes in the discount rate – The following presents the net pension liability of the System's employers calculated using the discount rate of 7.00% as well as what the employers' liability 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's net pension liability (asset)	\$ 1,597,952,521	\$ 540,663,181	\$ (354,612,797)

Note 4 - Average Expected Remaining Service Life

The average expected remaining service life of the Plan is determined by taking the calculated total future service years of the plan divided by the number of people in the plan including retirees. The total future service years of the plan are determined using the mortality, termination, retirement and disability assumptions associated with the plan.

	Years
June 30, 2017	2.97

Note 5 - Types of Deferred Outflows and Inflows of Resources

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Deferred inflows of resources are the acquisition of net position that is applicable to future reporting periods.

Difference Between Expected and Actual Experience

The actuary uses assumptions such as future salary increases and inflation to develop what they expect to be the experience of the Plan. Each year the difference between the expected experience and the actual experience is amortized over the average expected remaining service life of the Plan.

Net Difference Between Projected and Actual Investment Earnings

The actuary uses the Plan's long term rate of return to project investment earnings net of investment expenses. The difference between the expected and the actual investment earnings is deferred and amortized over five years.

Changes in Assumptions

The impact of changes in assumptions used by the actuary is amortized over the average expected remaining service life of the Plan in place during the year of the change in assumptions were effective.

Amortization

The amortization of deferred outflows and inflows at June 30, 2017 is as follows:

2018	\$ 58,464,141
2019	156,901,918
2020	38,461,667
2021	<u>(86,338,383)</u>
	<u>\$ 167,489,343</u>

Note 6 - Pension Expense

Pension Expense includes amounts for service cost (the Normal Cost under Entry Age Normal for the year), interest on the total pension liability, changes in the benefit structure, recognition of increases/decreases in liability due to actual versus expected experience, actuarial assumption changes, and investment gains/losses on the market value of assets. The actual experience and assumption change impacts are recognized over the average expected remaining service life of the Plan membership as of the measurement date. The collective pension expense for fiscal year 2017 is calculated as set forth below in the following table:

Service cost	\$ 177,081,650
Interest on total pension liability	639,266,464
Expensed portion of current period difference between expected and actual experience in the total pension liability	(39,489,344)
Expensed portion of current period changes of assumptions	80,210,609
Member contributions	(70,276,234)
Projected earnings on plan investments	(582,176,012)
Expensed portion of current period difference between actual and projected earnings on plan investments	(86,338,382)
Administrative expense	5,213,634
Recognition of beginning deferred outflows of resources as pension expense	275,656,435
Recognition of beginning deferred inflows of resources as pension expense	<u>(178,076,884)</u>
	221,071,936
Reconciling items:	
Employer contributions from the Plan	<u>(514,014)</u>
Allocated pension expense per schedule of pension amounts by employer	<u>\$ 220,557,922</u>

Note 7 - Access to the CAFR and Actuarial Valuations

Link to the OPERS June 30, 2017 CAFR

<http://www.opers.ok.gov/Websites/opers/images/pdfs/CAFR-2017-OPERS.pdf>

Link to the June 30, 2017 Actuarial Valuations

<http://www.opers.ok.gov/Websites/opers/images/pdfs/Report-2017OPERSVal.pdf>