
Oklahoma Municipal Retirement Fund

ACTUARIAL VALUATIONS UNDER GASB STATEMENT 68

For Fiscal Years Ending on or Before July 1, 2017

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GASB Statement 68

Introduction

Discount Rate

Valuation Results

Introduction

Determines pension expense and balance sheet recognition for government entities on accrual method accounting

Effective for fiscal years beginning after June 15, 2014

Balance sheet entries determined on a measurement date no earlier than the end of the prior fiscal year

Pension expense determined over the 12-month period ending on the measurement date

Measurement date: July 1, 2016

Terminology

Funding Valuation

normal cost

actuarial liability

market value of assets

unfunded actuarial liability

Accounting Valuation

service cost

total pension liability

plan fiduciary net position

net pension liability

Funding vs Accounting

Funding Valuation

Accounting Valuation

Expected return on assets

Expected total return, net investment and administrative expenses

Expected total return, net investment expenses only

Administrative expenses

Implicit recognition through net return assumption

Explicit recognition as component of pension expense

Discount rate

Expected return on assets

Blended rate reflecting expected return on assets and 20-year investment grade municipal bond rate

Funding vs Accounting

	<i>Funding Valuation</i>	<i>Accounting Valuation</i>
Asset value	Market value, with 5-yr smoothing of investment gains and losses	Market value
Contribution/ expense	<ul style="list-style-type: none">• normal cost• plus amortization of unfunded liability, if any• minus interest on surplus, if any• minus employee contributions	<ul style="list-style-type: none">• service cost• plus interest on liability• minus expected return on assets• plus administrative expenses• minus employee contributions• plus amortization amounts• plus or minus effect of benefit changes
Floor rate	Municipal contribution not less than zero	None: expense may be negative

Funding vs Accounting

Funding Valuation

Accounting Valuation

Amortization

- Unfunded liability is amortized mortgage-style over a fixed period
 - Fixed period initially set at 30 years
 - Unfunded liability is re-determined each year and amortized over the remaining fixed period
 - No amortization of surplus
- Straight-line (no interest) amortization of gains and losses over fixed period
 - Each base maintained separately until fully amortized
 - Fixed period varies by type of base
 - investment gains and losses: 5 years
 - demographic gains and losses: the average future working lifetime of all participants (AFWL)
 - gains and losses due to assumption changes: AFWL

Funding vs Accounting

Funding Valuation

Accounting Valuation

Benefit changes due to plan amendments

Effect on unfunded liability reflected in amortization amount

Full amount included in expense on first measurement date after amendment takes effect

Valuation date/ measurement date

July 1 to determine the contribution rate to take effect the subsequent July 1

July 1 to determine expense and balance sheet recognition for fiscal year containing that July 1

Discount Rate

General Rule

General Rule Applied to Funding Policy

Possible Exceptions

General Rule

A single blended discount rate reflecting

- the expected long term rate of return to the extent assets are expected to be sufficient to meet benefit payments
- the yield on 20-year, tax exempt general obligation municipal bonds rated AA/Aa or higher on payments due after assets are depleted

Benefit payments are for all current participants, including expected future accruals

Assets include anticipated future contributions on behalf of current participants, and other contributions expected to be applied to the current unfunded liability

General Rule Applied to Funding Policy

The funding policy is designed to fund all participants' benefits over their working lifetimes

Unfunded liabilities may arise from:

- granting of past service upon joining OkMRF
- benefit improvements applied to past service
- actual experience less favorable than assumed

Unfunded liabilities funded over a fixed period not to exceed 30 years

General conclusion: member cities that faithfully contribute their actuarially determined contribution will not face a projected depletion date

Possible Exceptions

Plans with large unfunded liabilities relative to payroll

- Mountain Park MCD: 238%
- Braman: 214%

Plans with unfunded liabilities and an unusually high average employee age

- Braman: 62.2
- Billings: 58.3

Plans with unfunded liabilities and a high ratio of retirees to active employees

- Braman: 200%
- Adair: 133%

Sample projection: Braman

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Braman, Oklahoma**

Table 1: Projection of Contributions

Year	Projected Covered-Employee Pay			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d)	Employer Contributions for Current Employees (e)	Contributions Related to Payroll of Future Employees (f)	Total Contributions (g) = (d) + (e) + (f)
1	48,036	0	48,036	2,882	12,227	0	15,109
2	42,176	7,781	49,958	2,531	11,167	1,414	15,111
3	38,276	13,680	51,956	2,297	9,958	2,423	14,677
4	35,672	18,362	54,034	2,140	9,207	3,215	14,562
5	35,223	20,972	56,195	2,113	9,183	3,727	15,023
6	34,730	23,713	58,443	2,084	9,005	4,180	15,268
7	34,202	26,579	60,781	2,052	8,611	4,485	15,148
8	33,655	29,557	63,212	2,019	8,210	4,757	14,986
9	0	65,741	65,741	0	0	10,084	10,084
10	0	68,370	68,370	0	0	9,993	9,993
11	0	71,105	71,105	0	0	9,900	9,900
12	0	73,949	73,949	0	0	9,804	9,804
13	0	76,907	76,907	0	0	9,705	9,705
14	0	79,984	79,984	0	0	9,603	9,603
15	0	83,183	83,183	0	0	9,497	9,497
16	0	86,510	86,510	0	0	9,386	9,386
17	0	89,971	89,971	0	0	9,269	9,269
18	0	93,570	93,570	0	0	9,145	9,145
19	0	97,312	97,312	0	0	9,012	9,012
20	0	101,205	101,205	0	0	8,867	8,867
21	0	105,253	105,253	0	0	8,706	8,706
22	0	109,463	109,463	0	0	8,524	8,524
23	0	113,842	113,842	0	0	8,311	8,311
24	0	118,395	118,395	0	0	8,048	8,048
25	0	123,131	123,131	0	0	7,696	7,696
26	0	128,056	128,056	0	0	7,150	7,150
27	0	133,179	133,179	0	0	5,914	5,914
28	0	138,506	138,506	0	0	0	0
29	0	144,046	144,046	0	0	0	0
30	0	149,808	149,808	0	0	0	0
31	0	155,800	155,800	0	0	0	0
32	0	162,032	162,032	0	0	0	0
33	0	168,513	168,513	0	0	0	0
34	0	175,254	175,254	0	0	0	0
35	0	182,264	182,264	0	0	0	0

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Braman, Oklahoma**

Table 2: Projection of the Pension Plan's Fiduciary Net Position

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
1	228,456	15,109	44,007	535	16,586	215,609
2	215,609	15,111	42,707	505	15,641	203,150
3	203,150	14,677	40,029	476	14,762	192,084
4	192,084	14,562	38,828	450	13,947	181,315
5	181,315	15,023	34,773	429	13,285	174,421
6	174,421	15,268	32,967	414	12,829	169,137
7	169,137	15,148	31,140	403	12,485	165,227
8	165,227	14,986	29,300	395	12,246	162,764
9	162,764	10,084	36,867	373	11,582	147,189
10	147,189	9,993	35,077	337	10,440	132,209
11	132,209	9,900	33,252	301	9,347	117,902
12	117,902	9,804	31,414	268	8,305	104,330
13	104,330	9,705	29,572	236	7,321	91,548
14	91,548	9,603	26,780	207	6,434	80,598
15	80,598	9,497	24,776	182	5,658	70,795
16	70,795	9,386	22,818	160	4,970	62,172
17	62,172	9,269	20,899	141	4,371	54,773
18	54,773	9,145	19,030	125	3,864	48,627
19	48,627	9,012	17,235	111	3,452	43,744
20	43,744	8,867	15,508	101	3,134	40,136
21	40,136	8,706	13,885	94	2,910	37,773
22	37,773	8,524	12,401	90	2,777	36,583
23	36,583	8,311	11,053	88	2,728	36,481
24	36,481	8,048	9,827	89	2,756	37,369
25	37,369	7,696	8,717	92	2,854	39,110
26	39,110	7,150	7,699	97	3,006	41,470
27	41,470	5,914	6,750	103	3,178	43,710
28	43,710	0	5,868	102	3,161	40,901
29	40,901	0	5,050	96	2,974	38,729
30	38,729	0	4,281	91	2,835	37,192
31	37,192	0	3,564	89	2,743	36,283
32	36,283	0	2,902	87	2,698	35,991
33	35,991	0	2,311	87	2,698	36,292
34	36,292	0	1,802	88	2,741	37,142
35	37,142	0	1,368	91	2,823	38,506
36	38,506	0	1,007	95	2,942	40,346
37	40,346	0	723	100	3,096	42,618

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Braman, Oklahoma**

Table 2: Projection of the Pension Plan's Fiduciary Net Position

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
38	42,618	0	506	106	3,280	45,286
39	45,286	0	380	113	3,491	48,285
40	48,285	0	282	120	3,727	51,609
41	51,609	0	205	129	3,987	55,263
42	55,263	0	145	138	4,272	59,252
43	59,252	0	100	148	4,583	63,587
44	63,587	0	67	159	4,919	68,281
45	68,281	0	44	171	5,284	73,350
46	73,350	0	28	183	5,677	78,814
47	78,814	0	18	197	6,100	84,699
48	84,699	0	12	212	6,556	91,032
49	91,032	0	7	228	7,046	97,843
50	97,843	0	5	245	7,573	105,167
51	105,167	0	3	263	8,140	113,041
52	113,041	0	2	283	8,750	121,506
53	121,506	0	1	304	9,405	130,606
54	130,606	0	1	327	10,110	140,388
55	140,388	0	0	351	10,867	150,904
56	150,904	0	0	377	11,681	162,207
57	162,207	0	0	406	12,556	174,357
58	174,357	0	0	436	13,496	187,418
59	187,418	0	0	469	14,507	201,456
60	201,456	0	0	504	15,594	216,546

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Braman, Oklahoma**

Table 3: Actuarial Present Values of Projected Benefit Payments

Year (a)	Projected Beginning Fiduciary Net Position (b)	Projected Benefit Payments (c)	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments (d)	"Unfunded" Portion of Benefit Payments (e)	Present Value of "Funded" Benefit Payments (f) = (d) / (1 + 7.75%) ^ (a)	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1 + 3.30%) ^ (a)	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1 + 7.75%) ^ (a)
1	228,456	44,007	44,007	0	40,842	0	40,842
2	215,609	42,707	42,707	0	36,784	0	36,784
3	203,150	40,029	40,029	0	31,998	0	31,998
4	192,084	38,828	38,828	0	28,806	0	28,806
5	181,315	34,773	34,773	0	23,942	0	23,942
6	174,421	32,967	32,967	0	21,066	0	21,066
7	169,137	31,140	31,140	0	18,467	0	18,467
8	165,227	29,300	29,300	0	16,126	0	16,126
9	162,764	36,867	36,867	0	18,831	0	18,831
10	147,189	35,077	35,077	0	16,628	0	16,628
11	132,209	33,252	33,252	0	14,629	0	14,629
12	117,902	31,414	31,414	0	12,827	0	12,827
13	104,330	29,572	29,572	0	11,206	0	11,206
14	91,548	26,780	26,780	0	9,418	0	9,418
15	80,598	24,776	24,776	0	8,087	0	8,087
16	70,795	22,818	22,818	0	6,912	0	6,912
17	62,172	20,899	20,899	0	5,875	0	5,875
18	54,773	19,030	19,030	0	4,965	0	4,965
19	48,627	17,235	17,235	0	4,173	0	4,173
20	43,744	15,508	15,508	0	3,485	0	3,485
21	40,136	13,885	13,885	0	2,896	0	2,896
22	37,773	12,401	12,401	0	2,400	0	2,400
23	36,583	11,053	11,053	0	1,985	0	1,985
24	36,481	9,827	9,827	0	1,638	0	1,638
25	37,369	8,717	8,717	0	1,349	0	1,349
26	39,110	7,699	7,699	0	1,106	0	1,106
27	41,470	6,750	6,750	0	900	0	900
28	43,710	5,868	5,868	0	726	0	726
29	40,901	5,050	5,050	0	580	0	580
30	38,729	4,281	4,281	0	456	0	456
31	37,192	3,564	3,564	0	352	0	352
32	36,283	2,902	2,902	0	266	0	266
33	35,991	2,311	2,311	0	197	0	197
34	36,292	1,802	1,802	0	142	0	142
35	37,142	1,368	1,368	0	100	0	100
36	38,506	1,007	1,007	0	69	0	69
37	40,346	723	723	0	46	0	46
38	42,618	506	506	0	30	0	30
39	45,286	380	380	0	21	0	21

Oklahoma Municipal Retirement Fund
Employee Retirement System of Braman, Oklahoma

Table 3: Actuarial Present Values of Projected Benefit Payments

Year (a)	Projected Beginning Fiduciary Net Position (b)	Projected Benefit Payments (c)	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments (d)	"Unfunded" Portion of Benefit Payments (e)	Present Value of "Funded" Benefit Payments (f) = (d) / (1 + 7.75%) ^ (a)	Present Value of "Unfunded" Benefit Payments (g) = (e) / (1 + 3.30%) ^ (a)	Present Value of Benefit Payments Using the Single Discount Rate (h) = (c) / (1 + 7.75%) ^ (a)
40	48,285	282	282	0	14	0	14
41	51,609	205	205	0	10	0	10
42	55,263	145	145	0	6	0	6
43	59,252	100	100	0	4	0	4
44	63,587	67	67	0	3	0	3
45	68,281	44	44	0	2	0	2
46	73,350	28	28	0	1	0	1
47	78,814	18	18	0	1	0	1
48	84,699	12	12	0	0	0	0
49	91,032	7	7	0	0	0	0
50	97,843	5	5	0	0	0	0
51	105,167	3	3	0	0	0	0
52	113,041	2	2	0	0	0	0
53	121,506	1	1	0	0	0	0
54	130,606	1	1	0	0	0	0
55	140,388	0	0	0	0	0	0
56	150,904	0	0	0	0	0	0
57	162,207	0	0	0	0	0	0
58	174,357	0	0	0	0	0	0
59	187,418	0	0	0	0	0	0
60	201,456	0	0	0	0	0	0
61	216,546	0	0	0	0	0	0
62	232,767	0	0	0	0	0	0
63	250,202	0	0	0	0	0	0
64	268,943	0	0	0	0	0	0
65	289,089	0	0	0	0	0	0
66	310,743	0	0	0	0	0	0
67	334,019	0	0	0	0	0	0
68	359,039	0	0	0	0	0	0
Total					350,367 +	0 =	350,367

Valuation Results

Summary for all OkMRF plans combined

Sample Exhibits

- Roland
- Oilton

**Oklahoma Municipal Retirement Fund
All Plans Combined**

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 6/30/2015	<u>\$ 525,101,061</u>	<u>\$ 487,974,472</u>	<u>\$ 37,126,589</u>
Changes for the Year:			
Service cost	15,279,403		15,279,403
Interest cost	39,638,245		39,638,245
Difference between expected and actual experience	(6,581,799)		(6,581,799)
Contributions -- Employer		17,877,813	(17,877,813)
Contributions -- Employee		6,269,354	(6,269,354)
Net investment income		4,334,377	(4,334,377)
Benefit payments, including ee contributions refunds	(27,798,417)	(27,798,417)	0
Benefit changes due to plan amendments	158,490		158,490
Administrative expense		(963,589)	963,589
Other changes			0
Net changes	<u>20,695,922</u>	<u>(280,462)</u>	<u>20,976,384</u>
Balance at 6/30/2016	<u><u>\$ 545,796,983</u></u>	<u><u>\$ 487,694,010</u></u>	<u><u>\$ 58,102,973</u></u>

SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

	1% Decrease 6.75%	Current Disc Rate 7.75%	1% Increase 8.75%
Net Pension Liability	\$ 124,339,891	\$ 58,102,973	\$ 1,238,623

Oklahoma Municipal Retirement Fund
All Plans Combined

PENSION EXPENSE

Service Cost	\$ 15,279,403
Interest Cost	39,638,245
Expected Return on Plan Investments	(35,334,261)
Administrative Expenses	963,589
Employee Contributions	(6,269,354)
Amortization of Deferred Outflows and Inflows	
Actuarial gains and losses	(3,599,635)
Changes in assumptions	0
Investment gains and losses	3,512,010
Benefit Changes Due to Plan Amendments	<u>158,490</u>
Pension Expense for Fiscal 2017	<u><u>\$ 14,348,487</u></u>

**Oklahoma Municipal Retirement Fund
All Plans Combined**

AMORTIZATION OF DEFERRED (INFLOWS) AND OUTFLOWS

Fiscal Year Established	Deferred (Inflow)/Outflow	Amortization Years	Balance before Current Recognition	Current Recognition	Balance after Current Recognition
Actuarial (gains)/losses					
2015	\$ 0	N/A	\$ 0	\$ 0	0
2016	(4,759,419)	0.00-9.64	(3,749,260)	(1,081,598)	(2,667,662)
2017	(6,581,799)	0.00-9.19	(6,581,799)	(2,518,037)	(4,063,762)
Total current recognition				\$ (3,599,635)	
Remaining deferred (inflows)				\$	(9,966,094)
Remaining deferred outflows				\$	3,234,670
 Changes in assumptions					
		N/A			
Total current recognition				\$ 0	
Remaining deferred (inflows)				\$	0
Remaining deferred outflows				\$	0
 Investment (gains)/losses					
2015	\$ (35,763,637)	5	\$ (21,458,185)	\$ (7,152,727)	\$ (14,305,458)
2016	22,323,644	5	17,858,919	4,464,760	13,394,159
2017	30,999,884	5	30,999,884	6,199,977	24,799,907
Total current recognition				\$ 3,512,010	
Remaining deferred (inflows)				\$	(14,313,685)
Remaining deferred outflows				\$	38,202,293

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Roland, Oklahoma**

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 7/1/2015	\$ 771,475	\$ 818,123	\$ (46,648)
Changes for the Year:			
Service cost	66,383		66,383
Interest cost	58,518		58,518
Difference between expected and actual experience	(82,211)		(82,211)
Contributions -- Employer		42,547	(42,547)
Contributions -- Employee		27,912	(27,912)
Net investment income		8,441	(8,441)
Benefit payments, including refunds of employee contributions	(33,419)	(33,419)	0
Benefit changes due to plan amendments	164,348		164,348
Administrative expense		(1,652)	1,652
Other changes			0
Net changes	173,619	43,829	129,790
Balance at 7/1/2016	\$ 945,094	\$ 861,952	\$ 83,142

SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Total Pension Liability	\$ 1,098,714	\$ 945,094	\$ 819,489
Plan Fiduciary Net Position	861,952	861,952	861,952
Net Pension Liability	\$ 236,762	\$ 83,142	\$ (42,463)

The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% (see Exhibit 10), as prescribed by paragraph 26 of GASB 68 when the plan's fiduciary net position is projected to be sufficient to make projected benefit payments.

The employer has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, in accordance with paragraph 29, the evaluations required by paragraph 27 to determine the sufficiency pension plan assets can be made without a separate projection of cashflows.

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Roland, Oklahoma
PENSION EXPENSE**

Service Cost	\$ 66,383
Interest Cost	58,518
Expected Return on Plan Investments	(71,051)
Administrative Expenses	1,652
Contributions -- Employee	(27,912)
Amortization of Deferred (Inflows) and Outflows	
Actuarial (gains) and losses	(19,974)
Changes in assumptions	0
Investment (gains) and losses	12,019
Benefit Changes Due to Plan Amendments	<u>164,348</u>
Pension Expense for Fiscal 2017	<u><u>\$ 183,983</u></u>

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Roland, Oklahoma**

AMORTIZATION OF DEFERRED (INFLOWS) AND OUTFLOWS

	Fiscal Year Established	Deferred (Inflow)/Outflow	Amortization Years	Balance before Current Recognition	Current Recognition	Balance after Current Recognition
Actuarial (gains)/losses						
	2015	\$ 0	N/A	\$ 0	\$ 0	\$ 0
	2016	(55,105)	7.12	(47,366)	(7,740)	(39,626)
	2017	(82,211)	6.72	(82,211)	(12,234)	(69,977)
Total current recognition					\$ (19,974)	
Remaining deferred (inflows)						\$ (109,603)
Remaining deferred outflows						\$ 0
Changes in assumptions						
	N/A					
Total current recognition						
Remaining deferred (inflows)						\$ 0
Remaining deferred outflows						\$ 0
Investment (gains)/losses						
	2015	\$ (42,792)	5	\$ (25,676)	\$ (8,559)	\$ (17,117)
	2016	40,279	5	32,223	8,056	24,167
	2017	62,610	5	62,610	12,522	50,088
Total current recognition					\$ 12,019	
Remaining deferred (inflows)						\$ (17,117)
Remaining deferred outflows						\$ 74,255

Amounts reported as deferred (inflows) of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal 2018	\$ (7,955)
Fiscal 2019	(7,954)
Fiscal 2020	603
Fiscal 2021	(7,452)
Fiscal 2022	(19,974)
Thereafter	(9,733)

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Roland, Oklahoma**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SINCE INITIAL APPLICATION

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Total Pension Liability			
Service cost	\$ 66,383	\$ 67,234	\$ 61,962
Interest cost	58,518	56,780	55,717
Benefit changes due to plan amendments	164,348	0	0
Difference between expected and actual experience	(82,211)	(55,105)	0
Changes of assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(33,419)	(59,061)	(25,557)
Net change in total pension liability	<u>173,619</u>	<u>9,848</u>	<u>92,121</u>
Total pension liability -- beginning	<u>771,475</u>	<u>761,627</u>	<u>669,506</u>
Total pension liability -- ending	<u><u>\$ 945,094</u></u>	<u><u>\$ 771,475</u></u>	<u><u>\$ 761,627</u></u>
Plan Fiduciary Net Position			
Contributions -- Employer	\$ 42,547	\$ 45,763	\$ 51,922
Contributions -- Employee	27,912	29,912	28,843
Net investment income	8,441	22,379	104,205
Benefit payments, including refunds of employee contributions	(33,419)	(59,061)	(25,557)
Administrative expense	(1,652)	(1,643)	(1,553)
Other	0	0	0
Net change in total pension liability	<u>43,829</u>	<u>37,350</u>	<u>157,860</u>
Plan fiduciary net position -- beginning	<u>818,123</u>	<u>780,773</u>	<u>622,913</u>
Plan fiduciary net position -- ending	<u><u>\$ 861,952</u></u>	<u><u>\$ 818,123</u></u>	<u><u>\$ 780,773</u></u>
Net pension liability -- ending	<u><u>\$ 83,142</u></u>	<u><u>\$ (46,648)</u></u>	<u><u>\$ (19,146)</u></u>
Plan fiduciary net position as percentage of total pension liability	91.20%	106.05%	102.51%
Covered employee payroll	\$ 909,326	\$ 964,236	\$ 948,785
Net pension liability position as percentage of covered employee payroll	9.14%	-4.84%	-2.02%

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Oilton, Oklahoma**

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 7/1/2015	\$ 328,538	\$ 333,912	\$ (5,374)
Changes for the Year:			
Service cost	20,132		20,132
Interest cost	24,986		24,986
Difference between expected and actual experience	26,810		26,810
Contributions -- Employer		11,333	(11,333)
Contributions -- Employee		9,127	(9,127)
Net investment income		3,317	(3,317)
Benefit payments, including refunds of employee contributions	(12,519)	(12,519)	0
Benefit changes due to plan amendments	0		0
Administrative expense		(670)	670
Other changes			0
Net changes	59,409	10,588	48,821
Balance at 7/1/2016	\$ 387,947	\$ 344,500	\$ 43,447

SENSITIVITY OF NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
Total Pension Liability	\$ 449,513	\$ 387,947	\$ 337,466
Plan Fiduciary Net Position	344,500	344,500	344,500
Net Pension Liability	\$ 105,013	\$ 43,447	\$ (7,034)

The discount rate used to value benefits was the long-term expected rate of return on plan investments, 7.75% (see Exhibit 10), as prescribed by paragraph 26 of GASB 68 when the plan's fiduciary net position is projected to be sufficient to make projected benefit payments.

The employer has adopted a funding method that is designed to fund all benefits payable to participants over the course of their working careers. Any differences between actual and expected experience are funded over a fixed period to ensure all funds necessary to pay benefits have been contributed to the trust before those benefits are payable. Thus, in accordance with paragraph 29, the evaluations required by paragraph 27 to determine the sufficiency pension plan assets can be made without a separate projection of cashflows.

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Oilton, Oklahoma**

PENSION EXPENSE

Service Cost	\$	20,132
Interest Cost		24,986
Expected Return on Plan Investments		(27,035)
Administrative Expenses		670
Contributions -- Employee		(9,127)
Amortization of Deferred (Inflows) and Outflows		
Actuarial (gains) and losses		2,847
Changes in assumptions		0
Investment (gains) and losses		1,173
Benefit Changes Due to Plan Amendments		<u>0</u>
Pension Expense for Fiscal 2017	\$	<u><u>13,646</u></u>

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Oilton, Oklahoma**

AMORTIZATION OF DEFERRED (INFLOWS) AND OUTFLOWS

	Fiscal Year Established	Deferred (Inflow)/Outflow	Amortization Years	Balance before Current Recognition	Current Recognition	Balance after Current Recognition
Actuarial (gains)/losses						
	2015	\$ 0	N/A	\$ 0	\$ 0	\$ 0
	2016	(6,675)	6.50	(5,648)	(1,027)	(4,621)
	2017	26,810	6.92	26,810	3,874	22,936
Total current recognition					<u>\$ 2,847</u>	
Remaining deferred (inflows)						\$ (4,621)
Remaining deferred outflows						\$ 22,936
 Changes in assumptions						
	N/A					
Total current recognition						
Remaining deferred (inflows)						\$ 0
Remaining deferred outflows						\$ 0
 Investment (gains)/losses						
	2015	\$ (36,518)	5	\$ (21,910)	\$ (7,303)	\$ (14,607)
	2016	18,659	5	14,927	3,732	11,195
	2017	23,718	5	23,718	4,744	18,974
Total current recognition					<u>\$ 1,173</u>	
Remaining deferred (inflows)						\$ (14,607)
Remaining deferred outflows						\$ 30,169

Amounts reported as deferred (inflows) of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal 2018	\$ 4,020
Fiscal 2019	4,020
Fiscal 2020	11,321
Fiscal 2021	7,589
Fiscal 2022	3,361
Thereafter	3,566

**Oklahoma Municipal Retirement Fund
Employee Retirement System of Oilton, Oklahoma**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SINCE INITIAL APPLICATION

	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
Total Pension Liability			
Service cost	\$ 20,132	\$ 22,616	\$ 16,602
Interest cost	24,986	22,938	24,159
Benefit changes due to plan amendments	0	0	0
Difference between expected and actual experience	26,810	(6,675)	0
Changes of assumptions	0	0	0
Benefit payments, including refunds of employee contributions	(12,519)	(12,403)	(66,417)
Net change in total pension liability	<u>59,409</u>	<u>26,476</u>	<u>(25,656)</u>
Total pension liability -- beginning	<u>328,538</u>	<u>302,062</u>	<u>327,718</u>
Total pension liability -- ending	<u>\$ 387,947</u>	<u>\$ 328,538</u>	<u>\$ 302,062</u>
Plan Fiduciary Net Position			
Contributions -- Employer	\$ 11,333	\$ 19,876	\$ 19,885
Contributions -- Employee	9,127	9,489	9,624
Net investment income	3,317	8,956	48,542
Benefit payments, including refunds of employee contributions	(12,519)	(12,403)	(66,417)
Administrative expense	(670)	(655)	(726)
Other	0	0	0
Net change in total pension liability	<u>10,588</u>	<u>25,263</u>	<u>10,907</u>
Plan fiduciary net position -- beginning	<u>333,912</u>	<u>308,649</u>	<u>297,741</u>
Plan fiduciary net position -- ending	<u>\$ 344,500</u>	<u>\$ 333,912</u>	<u>\$ 308,649</u>
Net pension liability -- ending	<u>\$ 43,447</u>	<u>\$ (5,374)</u>	<u>\$ (6,587)</u>
Plan fiduciary net position as percentage of total pension liability	88.80%	101.64%	102.18%
Covered employee payroll	\$ 221,826	\$ 239,472	\$ 288,614
Net pension liability position as percentage of covered employee payroll	19.59%	-2.24%	-2.28%