



Oklahoma Police Pension and Retirement System
A Component Unit of the State of Oklahoma

Report on Employer Allocations and Pension Amounts by Employer
June 30, 2019



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Ginger Sigler

Executive Director

Deric Berousek

Chief Financial Officer

Ann Burrows

Comptroller

1001 NW 63rd Street, Suite 305

Oklahoma City, OK 73116-7335

(Phone) 405-840-3555

(Fax) 405-840-8465

(Toll Free) 1-800-347-6552

<http://www.opprs.ok.gov>

Oklahoma Police Pension and Retirement System
2019 Report on Employer Allocations and Pension Amounts by Employer

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
the Oklahoma Police Pension and Retirement System

Report on the Schedules of Employer Allocations and Pension Amounts by Employer

We have audited the individual columns labeled "Employer Allocations" included in the accompanying Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (the "Schedules") of the Oklahoma Police Pension and Retirement Plan (the "Plan"), administered by the Oklahoma Police Pension and Retirement System, which is a part of the State of Oklahoma financial reporting entity, as of and for the year ended June 30, 2019. We have also audited the total for all entities of the columns titled "Net Pension Liability (Asset)," "Total Deferred Outflows of Resources," "Total Deferred Inflows of Resources," and "Total Employer Proportionate Share of Pension Plan Expense, Excluding That Attributable to Employer-Paid Member Contributions and Employer Specific Amounts" (specified column totals) included in the accompanying Schedules of the Plan as of and for the year ended June 30, 2019, and the related notes to the Schedules.

Management's Responsibility for the Schedules

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

Auditors' Responsibility

Our responsibility is to express opinions on the individual columns labeled "Employer Allocations" in the Schedules and the specified column totals included in the Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the individual columns labeled "Employer Allocations" and specified column totals included in the Schedules are free from material misstatement.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Auditors' Responsibility, Continued

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the individual columns labeled "Employer Allocations" and specified column totals included in the Schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the individual columns labeled "Employer Allocations" and specified column totals included in the Schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Plan's preparation and fair presentation of the individual columns labeled "Employer Allocations" and specified column totals included in the Schedules 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 Plan'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 individual columns labeled "Employer Allocations" and specified column totals included in the Schedules.

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 presents fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer proportionate share of pension plan expense, excluding that attributable to employer-paid member contributions and employer specific amounts, for the total of all participating entities for the Plan as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the Plan as of and for the year ended June 30, 2019, and our report thereon, dated September 18, 2019, expressed an unmodified opinion on those financial statements.

Restriction on Use

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

Finley + Cook, PLLC

Shawnee, Oklahoma
March 10, 2020

Oklahoma Police Pension and Retirement System
 Schedule of Employer Allocations
 June 30, 2019

Participating Employer	2018 Employer Allocations		2019 Employer Allocations		2019 Percentage Change In Proportion	Employers Change in Proportion of June 30, 2018 Net Pension Liability (Asset)	Employers Change in Proportion of June 30, 2018 Deferred Inflows	Employers Change in Proportion of June 30, 2018 Deferred Outflows	Total Change in Proportionate Share of June 30, 2018 Net Pension Liability, Deferred Inflows and Deferred Outflows	Amount to Amortize as Pension Expense for 06/30/2019 ONLY** Due to Proportion Changes	June 30, 2019 ONLY** Amount Recorded as Deferred Due to Changes in Proportion	June 30, 2019 ONLY** Amount Recorded as Deferred Due to Changes in Proportion
	Employer Contributions	Employer Allocation Percentage	Employer Contributions	Employer Allocation Percentage								
AMOUNTS TO BE ALLOCATED	39,653,868.41	100.00%	42,274,565.72	100.00%	0.00%	(47,635,000)	113,853,267	(115,109,894)			899,973	899,987
ABLE COMMISSION (State Agency)	8,162.48	0.000206	9,880.62	0.000234	0.000028	(1,328)	3,174	(3,209)	(1,363)	(233)	-	1,130
ADA	214,818.89	0.005417	209,835.85	0.004964	(0.000454)	21,612	(51,656)	52,226	22,182	3,798	18,384	-
ALTUS	246,697.39	0.006221	245,842.46	0.005815	(0.000406)	19,335	(46,212)	46,722	19,845	3,398	16,447	-
ALVA	52,876.88	0.001333	55,655.59	0.001317	(0.000017)	807	(1,928)	1,949	828	142	686	-
ANADARKO	134,131.62	0.003383	133,179.40	0.003150	(0.000232)	11,062	(26,439)	26,731	11,354	1,944	9,410	-
ARAPAHO	4,964.04	0.000125	5,011.92	0.000119	(0.000007)	316	(755)	763	324	55	269	-
ARDMORE	368,108.57	0.009283	369,059.41	0.008730	(0.000553)	26,341	(62,959)	63,654	27,036	4,629	22,407	-
ATOKA	64,276.55	0.001621	65,593.45	0.001552	(0.000069)	3,303	(7,894)	7,981	3,390	580	2,810	-
BARTLESVILLE	380,944.53	0.009607	386,424.02	0.009141	(0.000466)	22,194	(53,047)	53,633	22,780	3,901	18,879	-
BETHANY	232,740.13	0.005869	235,727.50	0.005576	(0.000293)	13,966	(33,380)	33,748	14,334	2,454	11,880	-
BIXBY	201,212.96	0.005074	215,079.75	0.005088	0.000013	(641)	1,532	(1,549)	(658)	(113)	-	545
BLACKWELL	95,642.10	0.002412	89,764.46	0.002123	(0.000289)	13,745	(32,853)	33,216	14,108	2,416	11,692	-
BLAIR	-	-	-	-	-	-	-	-	-	-	-	-
BLANCHARD	31,371.10	0.000791	44,785.03	0.001059	0.000268	(12,779)	30,542	(30,880)	(13,117)	(2,246)	-	10,871
BOYNTON	-	-	-	-	-	-	-	-	-	-	-	-
BRISTOW	54,094.97	0.001364	56,015.29	0.001325	(0.000039)	1,865	(4,457)	4,506	1,914	328	1,586	-
BROKEN ARROW	1,373,842.38	0.034646	1,482,803.87	0.035076	0.000430	(20,469)	48,922	(49,462)	(21,009)	(3,597)	-	17,412
BUREAU OF NARCOTICS (State Agency)	41,985.17	0.001059	53,627.97	0.001269	0.000210	(9,992)	23,883	(24,147)	(10,256)	(1,756)	-	8,500
CALUMET	-	-	-	-	-	-	-	-	-	-	-	-
CATOOSA	84,470.10	0.002130	87,827.13	0.002078	(0.000053)	2,508	(5,994)	6,060	2,574	441	2,133	-
CHANDLER	36,172.89	0.000912	34,691.20	0.000821	(0.000092)	4,363	(10,429)	10,544	4,478	767	3,711	-
CHECOTAH	41,301.35	0.001042	44,130.06	0.001044	0.000002	(112)	267	(270)	(115)	(20)	-	95
CHICKASHA	182,018.72	0.004590	176,707.55	0.004180	(0.000410)	19,539	(46,702)	47,217	20,054	3,434	16,620	-
CHOCTAW	88,758.44	0.002238	98,800.53	0.002337	0.000099	(4,706)	11,247	(11,371)	(4,830)	(827)	-	4,003
CHOTEAU	27,221.96	0.000686	32,226.25	0.000762	0.000076	(3,612)	8,632	(8,728)	(3,708)	(635)	-	3,073
CLAREMORE	257,568.20	0.006495	263,357.42	0.006230	(0.000266)	12,658	(30,253)	30,587	12,992	2,225	10,767	-
CLEVELAND	32,079.38	0.000809	39,266.24	0.000929	0.000120	(5,709)	13,646	(13,796)	(5,859)	(1,003)	-	4,856
CLINTON	71,262.18	0.001797	78,896.21	0.001866	0.000069	(3,295)	7,876	(7,963)	(3,382)	(579)	-	2,803
COLLINSVILLE	59,554.70	0.001502	68,193.31	0.001613	0.000111	(5,299)	12,665	(12,805)	(5,439)	(931)	-	4,508
COMAMCHE	14,446.02	0.000364	21,631.56	0.000512	0.000147	(7,021)	16,781	(16,966)	(7,206)	(1,234)	-	5,972
COMMERCE	16,348.41	0.000412	23,634.09	0.000559	0.000147	(6,992)	16,712	(16,896)	(7,176)	(1,229)	-	5,947
COWETA	92,279.44	0.002327	103,966.61	0.002459	0.000132	(6,297)	15,051	(15,217)	(6,463)	(1,107)	-	5,356
CRESCENT	-	-	20,430.90	0.000483	0.000483	(23,022)	55,024	(55,632)	(23,630)	(4,046)	-	19,584
CROMWELL	-	-	-	-	-	-	-	-	-	-	-	-
CUSHING	83,020.30	0.002094	92,730.35	0.002194	0.000100	(4,759)	11,374	(11,500)	(4,885)	(836)	-	4,049
DAVIS	41,602.26	0.001049	43,774.09	0.001035	(0.000014)	651	(1,556)	1,573	668	114	554	-
DEL CITY	204,023.84	0.005145	230,739.01	0.005458	0.000313	(14,909)	35,635	(36,028)	(15,302)	(2,620)	-	12,682
DEWEY	37,813.15	0.000954	38,073.39	0.000901	(0.000053)	2,523	(6,030)	6,096	2,589	443	2,146	-
DISNEY	-	-	-	-	-	-	-	-	-	-	-	-
DRUMMOND	-	-	-	-	-	-	-	-	-	-	-	-
DRUMRIGHT	24,423.97	0.000616	26,529.33	0.000628	0.000012	(553)	1,323	(1,337)	(567)	(97)	-	470
DUNCAN	305,288.09	0.007699	336,725.33	0.007965	0.000266	(12,689)	30,328	(30,663)	(13,024)	(2,230)	-	10,794
DURANT	315,480.32	0.007956	316,419.01	0.007485	(0.000471)	22,436	(53,625)	54,216	23,027	3,943	19,084	-
EDMOND	1,396,152.66	0.035208	1,521,004.69	0.035979	0.000771	(36,713)	87,747	(88,716)	(37,682)	(6,452)	-	31,230
EL RENO	244,355.25	0.006162	282,057.58	0.006672	0.000510	(24,286)	58,046	(58,687)	(24,927)	(4,268)	-	20,659
ELK CITY	160,198.51	0.004040	171,693.25	0.004061	0.000021	(1,022)	2,444	(2,471)	(1,049)	(180)	-	869
ENID	663,573.72	0.016734	672,079.07	0.015898	(0.000836)	39,832	(95,204)	96,254	40,882	7,000	33,882	-
EUFULA	26,908.55	0.000679	30,208.42	0.000715	0.000036	(1,714)	4,098	(4,143)	(1,759)	(301)	-	1,458
FOREST PARK	4,926.74	0.000124	5,305.72	0.000126	0.000001	(60)	144	(145)	(61)	(10)	-	51

** - Employer specific allocations due to changes in proportion are for the June 30, 2019 period only. Prior year amortizations due to changes in proportion have not been included. Due to the effects of rounding the Employer Allocation Percentage for presentation, certain allocated columns and direct calculations of allocation amounts will result in immaterial differences.

See Independent Auditors' Report.

See Accompanying Notes to Schedules of Employer Allocations and Pension Amounts by Employer.

Continued on the following page

(1) SYSTEM STRUCTURE AND OPERATIONS

The Oklahoma Police Pension and Retirement System is administrator of the Oklahoma Police Pension and Retirement Plan, a multi-employer, cost sharing defined benefit pension plan established by Oklahoma Statutes. The System is a component unit of the State of Oklahoma, and is part of the State's reporting entity. The system covers substantially all police officers employed by its 146 participating employers and state agencies.

This report was prepared to provide participating employers with additional information needed to comply with the financial reporting requirements promulgated under *GASB Statement 68 – Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The System's annual financial statements, located at <http://www.ok.gov/OPPRS/Financials/index.html>, contain additional information not included within the scope of this report. Participating employers will need to reference this report, the System's financial statements and its actuarial valuations to fully comply with the disclosure requirements of GASB Statement 68.

As interpreted through GASB Statement 68, the State of Oklahoma is considered a non-employer contributing entity. The State contributes a portion of the Insurance Premium Tax collected through its taxing authority. This contribution is 14% of Insurance Premium Tax collected by the State. For the fiscal year ended June 30, 2019, the State's contribution to the System totaled \$39,559,000. As a non-employer contributing entity, no portion of the Net Pension Liability has been allocated to the State as a result of this contribution. The state agencies listed on the schedule with participating employees in the Plan have been allocated their proportionate share of the net pension liability and other related pension amounts.

This report provides specific detailed information and should be utilized by the System's participating employers to assist with the preparation of their financial statements. Data provided in this report is limited in time, nature and scope, and does not provide complete financial information relative to the System or its participating employers.

(2) ESTIMATES, CONSIDERATION OF VOLATILITY AND KEY DATES

The Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer include the use of significant estimates where required. Due to the long term nature of defined-benefit pension plans, certain amounts, including the Net Pension Liability (Asset), are based on actuarial mathematical models and estimates that project future expectations. These schedules provide results for a specific point in time, and changes in estimates, investment performance and future cost expectations can have a material impact on the information presented from one year to the next.

Where calculations have been made to provide a proportionate share for all employers, proportion calculations are presented to 6 significant digits. Consequently, certain column totals and amounts derived from an employer's proportion, as well as any manual calculations using the determined proportion and a collective amount will produce results that may immaterially differ from the presented totals.

Measurement Date and Valuation Date – The System has an annual actuarial valuation that coincides with its fiscal year end. The measurement date and valuation date covered by this valuation is for the period ended June 30, 2019. The System's actuarial report is dated July 1, 2019.

Expected Remaining Service Life of Members – Certain deferred inflow and deferred outflow calculations require amortization over the remaining service life of the System's members, including retirees, as determined at the beginning of the measurement period. For the measurement period beginning July 1, 2018, the membership's remaining service life was 5.84 years.

Oklahoma Police Pension and Retirement System
Notes to Schedules of Employer Allocations and Schedule of Pension Amounts by Employer
June 30, 2019

(3) BASIS FOR DETERMINING COMPONENTS OF THE SCHEDULES

GASB Statement No. 68 requires participating employers in the Plan to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense, excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Schedules are based on the ratio of the contributions as an individual employer to total contributions to the Plan during the years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedules may result in immaterial differences.

Employer Contributions represent each participating employers actual contributions to the Plan for the fiscal year. Contributions are calculated on a cash basis and only include actual payments received by the Plan between July 1, 2018 and June 30, 2019.

Employer Allocation Percentage represents the portion of each individual employer's actual cash basis contributions received for the fiscal year divided by the total of all employer cash basis contributions for the fiscal year. This percentage represents each employer's proportionate share of the pension amounts presented in this schedule.

2019 Percentage Change in Proportion shows the difference between each employer's proportion determined for fiscal 2019 and that of fiscal 2018.

Employers Change in Proportion of June 30, 2018 Net Pension Liability (Asset) represents each employers increase or decrease in proportionate share of the Net Pension Liability (Asset) calculated for fiscal year 2018.

Employers Change in Proportion of June 30, 2018 Deferred Inflows represents each employers increase or decrease in proportionate share of the deferred inflows determined in fiscal year 2018.

Employers Change in Proportion of June 30, 2018 Deferred Outflows represents each employers increase or decrease in proportionate share of deferred outflows determined in fiscal year 2018.

Total Change in Proportionate Share of June 30, 2018 Net Pension Liability, Deferred Inflows and Deferred Outflows shows the combined total of proportionate share changes for each employer for fiscal 2018. This change in proportion is then amortized over the remaining service life of the systems members, with the remaining unamortized balance presented as either a deferred inflow or deferred outflow due to changes in proportion. This schedule presents proportionate change totals only for the year ended June 30, 2018. ***Prior year proportion changes are not included in these totals.***

Net Pension Liability (Asset) (NPL/(A)) was calculated using a discount rate of 7.5%. For the fiscal year ended June 30, 2019, the System had a net pension asset (NPL/(A)) of \$(6,384,000) to be allocated proportionately among participating employers. The System's net pension asset (NPL/(A)) was calculated as follows:

<u>Net Pension Liability (Asset)</u>	<u>NPL/(A) at June 30, 2019</u>
Total Pension Liability (TPL)	\$ 2,612,473,000
Plans Fiduciary Net Position	(2,618,857,000)
Employers Net Pension Liability (Asset)	<u>\$ (6,384,000)</u>
Plans fiduciary net position as a % of TPL	100.24%

A net pension liability (asset) sensitivity comparison shows how a 1 percent change (both lower and higher) in the discount rate will affect the net pension liability (asset). The following table presents the System's net pension liability for the current discount rate of 7.5% as well as what if would be using a discount rate 1 percent lower (6.5%) and 1 percent higher (8.5%).

Oklahoma Police Pension and Retirement System
Notes to Schedules of Employer Allocations and Schedule of Pension Amounts by Employer
June 30, 2019

(3) BASIS FOR DETERMINING COMPONENTS OF THE SCHEDULES, CONTINUED

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Total Net Pension Liability (Asset)	\$271,956,000	(\$6,384,000)	(\$241,724,000)

The Schedule of Pension Amounts by Employer presents the collective amounts in the sensitivity comparison multiplied by each employer's allocation percentage, thus determining each participating employer's specific sensitivity to net pension liability changes at June 30, 2019.

Deferred Inflow and Outflow of Resources

Certain differences that occur from year to year in the calculation of the net pension liability (asset) and net pension expense require deferral and recognition in future years. The following types of differences can result in a deferred outflow or deferred inflow of resources. Due to the variability of results that will affect the plan, deferred inflows and outflows may vary significantly between years. Additionally, certain deferrals may have both inflow and outflow components that are amortized separately over future years.

Differences between Expected and Actual Plan Experience – This difference occurs when the system's actuarial estimate of the plan's experience costs for a given period differ from the actual experience costs. This is usually the result of differences in demographic factors of the membership. The most recent actuarial experience study for the System was for the 5 year period July 1, 2012 to June 30, 2017. Actuarial experience studies are performed every 5 years. For the fiscal year ended June 30, 2019, the system experienced a loss against expected experience, resulting in a system-wide deferred outflow for plan experience of \$4,410,000. System-wide deferred inflows and outflows that result from plan experience differences are divided by the beginning expected remaining service life of its members, which was calculated to be 5.84 years, and amortized over that period, with the current year amount included in the calculation of pension expense.

Net Difference between Projected and Actual Plan Investment Earnings - Each annual actuarial valuation estimates the expected return for the plan. Net differences between this estimate and the actual investment earnings for a given year are included as either a deferred inflow when actual investment earnings exceed the estimate or a deferred outflow when actual investment earnings are less than the estimate. This difference is then amortized over a fixed 5 year period for each unique fiscal year. For fiscal 2019, the System's projected earnings were \$190,403,288. Actual investment earnings for fiscal 2019 were \$104,882,000 or \$85,521,288 less than projected earnings.

Changes in Assumptions – On occasion, as the result of an experience study or other actuarial considerations, certain assumptions used for estimates may need to be changed. When this occurs, the plan will generally experience an increase or decrease in either deferred inflows or deferred outflows. For the fiscal year ended June 30, 2019, there were no changes in assumption regarding the determination of the plan's liabilities.

Changes in Benefit Terms – During the fiscal year ended June 30, 2019, there were no changes in benefit terms that affected the determination of the plan's liabilities.

Changes in Proportion – A change in proportion can occur due to changes in the membership of participating employers, new employers joining the system, or other factors affecting the contributions of a participating employer in relation to all participating employers. When a change in proportion occurs, the participating employer will experience an increase or decrease in either deferred inflows or deferred outflows during the period the change occurs, with an offsetting effect on pension expense. The Schedule of Employer Allocations presents this change in proportion between the periods ended June 30, 2018 and June 30, 2019. Proportionate changes are then multiplied by the June 30, 2018 Net Pension Liability (Asset), Deferred Inflows and Deferred Outflows to determine the net effect of a change in proportion on each employer's pension expense for the current year. **This schedule presents each employer's proportional changes for the current year only.**

Oklahoma Police Pension and Retirement System
Notes to Schedules of Employer Allocations and Schedule of Pension Amounts by Employer
June 30, 2019

(3) BASIS FOR DETERMINING COMPONENTS OF THE SCHEDULES, CONTINUED

The following table (excluding any employer-specific amounts) presents the fiscal amounts determined and their effect on pension expense, deferred inflows and deferred outflows respectively, as well as remaining unamortized deferral balances at June 30, 2019.

	Total Fiscal (Gains)/Losses	Amount included in 2019 Pension Expense Calculation	Deferred Inflows Balance for 2019	Deferred Outflows Balance for 2019	Amortization Period
Differences between Expected and Actual Experience					
2014	\$ (18,258,185)	(2,599,365)	-	-	5.83 years
2015	(12,764,056)	(2,212,141)	(1,703,351)	-	5.77 years
2016	596,254	104,974	-	176,358	5.68 years
2017	(41,985,000)	(7,340,035)	(19,964,895)	-	5.72 years
2018	(13,155,000)	(2,340,747)	(8,473,506)	-	5.62 years
2019	4,410,000	755,137	-	3,654,863	5.84 years
Changes in Assumptions					
2018	25,307,000	4,503,025	-	16,300,950	5.62 years
Differences between Projected and Actual Earnings					
2015	91,332,115	18,266,423	-	-	5 years
2016	189,395,413	37,879,083	-	37,879,081	5 years
2017	(79,116,113)	(15,823,223)	(31,646,444)	-	5 years
2018	(27,186,950)	(5,437,390)	(16,312,170)	-	5 years
2019	85,521,288	17,104,258	-	68,417,030	5 years
			<u>\$ (78,100,366)</u>	<u>\$ 126,428,282</u>	

Amounts reported as deferred inflows of resources and deferred outflows of resources (excluding any employer-specific amounts) related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Inflows	Deferred Outflows
2020	\$ (32,644,746)	60,346,475
2021	(30,941,393)	22,433,804
2022	(13,062,962)	22,362,420
2023	(1,451,265)	20,651,268
2024	-	634,315
	<u>\$ (78,100,366)</u>	<u>126,428,282</u>

(3) BASIS FOR DETERMINING COMPONENTS OF THE SCHEDULES, CONTINUED

Proportionate Share of Net Pension Expense - Under GASB Statement 68, participating employers in cost-sharing defined benefit pension plans no longer expense actual contributions made to the Plan. GAAP requires that the pension expense recognized by participating employers in a given year consider their proportionate share of all Plan cost components, not just contributions to the Plan. For the fiscal year ended June 30, 2019, the Plan's collective pension expense allocated to all participating employers (not including employer-specific amounts) was \$75,892,711. This amount was calculated as follows:

See Independent Auditors' Report.

Oklahoma Police Pension and Retirement System
Notes to Schedules of Employer Allocations and Schedule of Pension Amounts by Employer
June 30, 2019

<u>Components of (Collective) Plan Pension Expense</u>	<u>June 30, 2019</u>
Service cost	\$ 64,777,000
Interest on total pension liability	182,961,000
Changes of benefit terms	-
Changes of assumptions	4,503,025
Differences between expected and actual experience	(13,632,177)
Employee contributions	(26,173,000)
Projected earnings on pension plan investments	(190,403,288)
Differences between projected and actual earnings on plan investments	51,989,151
Pension plan administrative expense	1,871,000
Total Plan (Collective) Pension Expense	<u>\$ 75,892,711</u>

The collective pension expense is then allocated based on each employer's unique proportion. The Differences between expected and actual experience and the Differences between projected and actual earnings on Plan investments represent only the current year's portion of amortization to pension expense. The remaining unamortized balances of these differences are presented in their respective columns in the Schedule of Pension Amounts.

Oklahoma Police Pension and Retirement System
Notes to Schedules of Employer Allocations and Schedule of Pension Amounts by Employer
June 30, 2019

(4) CHANGES IN NET PENSION LIABILITY

A summary of the changes in net pension liability for the year ended June 30, 2019, is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at June 30, 2018	<u>\$ 2,515,811,000</u>	<u>2,563,446,000</u>	<u>(47,635,000)</u>
Changes for the year:			
Service cost	64,777,000	-	64,777,000
Interest	182,961,000	-	182,961,000
Benefit term changes	-	-	-
Differences between expected and actual experience	4,410,000	-	4,410,000
Assumption changes	-	-	-
Contributions - employer (participating cities)	-	42,154,000	(42,154,000)
Contributions - employee	-	26,173,000	(26,173,000)
Contributions - State of Oklahoma (a non-employer contributing entity)	-	39,559,000	(39,559,000)
Net investment income	-	104,882,000	(104,882,000)
Benefit payments, including refunds	(155,486,000)	(155,486,000)	-
Administrative Expense	-	(1,871,000)	1,871,000
Other changes	-	-	-
Net changes	<u>96,662,000</u>	<u>55,411,000</u>	<u>41,251,000</u>
Balances at June 30, 2019	<u><u>\$ 2,612,473,000</u></u>	<u><u>2,618,857,000</u></u>	<u><u>(6,384,000)</u></u>

(5) EMPLOYER-PAID MEMBER CONTRIBUTIONS

Due to the nature of the Plan, plan management is not aware of employer-paid member contributions. As such, each employer should determine the effect, if applicable, such employer-paid contributions will have on its pension expense and deferred inflows/outflows.