

**Oklahoma Municipal
Retirement Fund—
Defined Benefit Pension Plan**

*Schedule of Changes in
Fiduciary Net Position by Employer*

Year Ended June 30, 2016
(With Independent Auditors' Report Thereon)



**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Oklahoma Municipal Retirement Fund

Report on the Schedule of Changes in Fiduciary Net Position by Employer

We have audited the fiduciary net position as of June 30, 2016, and the changes in fiduciary net position for the year then ended, included in the accompanying Schedule of Changes in Fiduciary Net Position by Employer (the "Schedule") of the Oklahoma Municipal Retirement Fund—Defined Benefit Pension Plan, and the related notes. We have also audited the fiduciary net position of each individual employer for the year then ended, included in the accompanying Schedule, and the related notes.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the fiduciary net position and the changes in fiduciary net position in total and of each individual employer included in the Schedule 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 fiduciary net position and the changes in fiduciary net position included in the Schedule are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the fiduciary net position and the changes in fiduciary net position included in the Schedule, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the fiduciary net position and the changes in fiduciary net position included in the Schedule 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 entity'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 fiduciary net position and the changes in fiduciary net position included in the Schedule.

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

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Opinions

In our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of the Oklahoma Municipal Retirement Fund—Defined Benefit Pension Plan as of June 30, 2016, and the changes in fiduciary net position included in the Schedule for the year then ended, in accordance with accounting principles generally accepted in the United States. Also, in our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2016, and the changes in fiduciary net position included in the Schedule of each individual employer for the year then ended, 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 Oklahoma Municipal Retirement Fund—Defined Benefit Pension Plan as of and for the year ended June 30, 2016, and our report thereon, dated December 16, 2016, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Oklahoma Municipal Retirement Fund—Defined Benefit Pension Plan's management and Board of Trustees and the Oklahoma Municipal Retirement Fund—Defined Benefit Pension Plan's participating 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 "Finley + Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
May 25, 2017

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Town of Adair	City of Altus	City of Alva	City of Antlers	City of Ardmore	City of Bartlesville
Additions:						
Contributions:						
Employer	\$ 9,013	694,586	99,582	41,191	847,375	1,098,186
Plan Members	4,794	200,692	-	21,566	497,968	311,247
Investment income, net of investment expense	1,953	152,627	30,424	9,442	239,592	142,576
Total additions	<u>15,760</u>	<u>1,047,905</u>	<u>130,006</u>	<u>72,199</u>	<u>1,584,935</u>	<u>1,552,009</u>
Deductions:						
Benefit payments, including refunds	15,172	1,735,260	146,527	58,054	666,062	1,040,526
Administrative expenses	435	37,277	6,743	2,024	48,765	29,565
Total deductions	<u>15,607</u>	<u>1,772,537</u>	<u>153,270</u>	<u>60,078</u>	<u>714,827</u>	<u>1,070,091</u>
Net increase (decrease)	153	(724,632)	(23,264)	12,121	870,108	481,918
Fiduciary net position restricted for pension benefits:						
Beginning of year	<u>220,981</u>	<u>19,139,884</u>	<u>3,403,595</u>	<u>1,019,484</u>	<u>24,339,083</u>	<u>14,816,750</u>
End of year	<u>\$ 221,134</u>	<u>18,415,252</u>	<u>3,380,331</u>	<u>1,031,605</u>	<u>25,209,191</u>	<u>15,298,668</u>

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Bethany	Bethany/ Warr Acres PWA	Town of Billings	City of Blackwell	Town of Bokchito	Town of Braman
Additions:						
Contributions:						
Employer	536,856	56,810	10,238	294,674	14,940	8,260
Plan Members	157,696	18,121	5,453	93,251	7,908	3,276
Investment income, net of investment expense	203,962	19,401	2,305	49,355	1,464	1,522
Total additions	898,514	94,332	17,996	437,280	24,312	13,058
Deductions:						
Benefit payments, including refunds	1,054,351	118,787	4,295	263,699	12,972	41,284
Administrative expenses	45,845	4,465	444	10,154	234	481
Total deductions	1,100,196	123,252	4,739	273,853	13,206	41,765
Net increase (decrease)	(201,682)	(28,920)	13,257	163,427	11,106	(28,707)
Fiduciary net position restricted for pension benefits:						
Beginning of year	23,191,055	2,272,151	220,542	5,104,801	111,634	257,163
End of year	22,989,373	2,243,231	233,799	5,268,228	122,740	228,456

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Town of Buffalo	Central Oklahoma MCD	City of Chandler	City of Cherokee	City of Claremore	City of Cleveland
Additions:						
Contributions:						
Employer	13,037	117,934	88,335	28,221	262,743	123,236
Plan Members	7,605	14,953	45,325	10,143	236,875	37,394
Investment income, net of investment expense	7,677	13,452	19,416	3,014	140,981	21,074
Total additions	28,319	146,339	153,076	41,378	640,599	181,704
Deductions:						
Benefit payments, including refunds	70,618	76,338	60,993	18,540	734,641	181,734
Administrative expenses	1,899	2,684	4,232	480	31,565	4,586
Total deductions	72,517	79,022	65,225	19,020	766,206	186,320
Net increase (decrease)	(44,198)	67,317	87,851	22,358	(125,607)	(4,616)
Fiduciary net position restricted for pension benefits:						
Beginning of year	980,665	1,340,821	2,103,115	239,560	15,982,984	2,333,518
End of year	936,467	1,408,138	2,190,966	261,918	15,857,377	2,328,902

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Clinton	Town of Copan	City of Cordell	City of Cushing	City of Dewey	City of Drumright
Additions:						
Contributions:						
Employer	238,073	11,326	131,546	322,017	62,828	77,098
Plan Members	123,819	2,459	-	-	20,942	37,427
Investment income, net of investment expense	100,472	488	38,240	158,049	13,335	19,081
Total additions	462,364	14,273	169,786	480,066	97,105	133,606
Deductions:						
Benefit payments, including refunds	523,446	10,076	190,399	1,037,683	80,391	210,625
Administrative expenses	22,729	83	8,753	38,042	2,887	4,657
Total deductions	546,175	10,159	199,152	1,075,725	83,278	215,282
Net increase (decrease)	(83,811)	4,114	(29,366)	(595,659)	13,827	(81,676)
Fiduciary net position restricted for pension benefits:						
Beginning of year	11,542,079	41,832	4,454,899	19,497,787	1,462,494	2,392,371
End of year	11,458,268	45,946	4,425,533	18,902,128	1,476,321	2,310,695

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Durant	City of El Reno	Foss Reservoir Public Works	City of Geary	Town of Gore and Gore PWA	City of Guthrie
Additions:						
Contributions:						
Employer	442,455	268,569	48,027	46,232	35,714	144,170
Plan Members	179,833	139,395	11,413	19,823	19,608	71,220
Investment income, net of investment expense	176,438	33,605	8,566	11,280	5,511	51,381
Total additions	798,726	441,569	68,006	77,335	60,833	266,771
Deductions:						
Benefit payments, including refunds	719,024	210,870	46,228	30,178	7,824	181,241
Administrative expenses	38,554	6,531	1,703	2,277	970	10,824
Total deductions	757,578	217,401	47,931	32,455	8,794	192,065
Net increase (decrease)	41,148	224,168	20,075	44,880	52,039	74,706
Fiduciary net position restricted for pension benefits:						
Beginning of year	19,482,688	3,232,694	849,222	1,137,184	475,247	5,442,840
End of year	19,523,836	3,456,862	869,297	1,182,064	527,286	5,517,546

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Guymon	City of Harrah	City of Hulbert	Town of Kansas	Town of Kingston	City of Lindsay
Additions:						
Contributions:						
Employer	207,834	106,005	34,569	4,910	46,485	165,204
Plan Members	-	39,752	12,507	2,652	20,952	61,951
Investment income, net of investment expense	31,018	19,007	3,896	972	5,416	29,177
Total additions	238,852	164,764	50,972	8,534	72,853	256,332
Deductions:						
Benefit payments, including refunds	1,443,634	67,071	55,505	3,906	52,238	323,715
Administrative expenses	13,228	3,746	1,060	193	1,076	7,933
Total deductions	1,456,862	70,817	56,565	4,099	53,314	331,648
Net increase (decrease)	(1,218,010)	93,947	(5,593)	4,435	19,539	(75,316)
Fiduciary net position restricted for pension benefits:						
Beginning of year	6,915,763	1,863,483	538,079	97,008	543,082	4,028,906
End of year	5,697,753	1,957,430	532,486	101,443	562,621	3,953,590

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Town of Mannford	City of McCloud	City of Medford	City of Miami	Town of Mooreland	Mountain Park MCD
Additions:						
Contributions:						
Employer	158,065	34,428	123,726	640,172	56,779	58,707
Plan Members	52,167	14,569	18,330	181,046	21,325	11,613
Investment income, net of investment expense	23,378	5,624	24,086	83,267	10,362	7,000
Total additions	233,610	54,621	166,142	904,485	88,466	77,320
Deductions:						
Benefit payments, including refunds	205,277	21,944	50,983	964,663	127,117	67,644
Administrative expenses	5,162	1,061	4,792	18,698	2,536	1,534
Total deductions	210,439	23,005	55,775	983,361	129,653	69,178
Net increase (decrease)	23,171	31,616	110,367	(78,876)	(41,187)	8,142
Fiduciary net position restricted for pension benefits:						
Beginning of year	2,608,231	530,066	2,383,578	9,549,376	1,306,705	781,408
End of year	2,631,402	561,682	2,493,945	9,470,500	1,265,518	789,550

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Town of Muldrow	City of Mustang	City of Nichols Hills	City of Oilton	Town of Okeene	City of Okmulgee
Additions:						
Contributions:						
Employer	94,888	270,267	160,198	11,333	27,541	302,846
Plan Members	37,940	120,347	220,118	9,127	10,159	-
Investment income, net of investment expense	16,465	57,401	80,015	3,317	8,423	124,993
Total additions	149,293	448,015	460,331	23,777	46,123	427,839
Deductions:						
Benefit payments, including refunds	105,145	246,981	394,524	12,519	29,243	542,224
Administrative expenses	3,442	11,915	17,813	670	1,801	28,504
Total deductions	108,587	258,896	412,337	13,189	31,044	570,728
Net increase (decrease)	40,706	189,119	47,994	10,588	15,079	(142,889)
Fiduciary net position restricted for pension benefits:						
Beginning of year	1,738,565	5,980,579	9,001,536	333,912	907,013	14,471,648
End of year	1,779,271	6,169,698	9,049,530	344,500	922,092	14,328,759

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	OkMRF	City of Owasso	City of Pawnee	City of Perkins	City of Perry	City of Piedmont
Additions:						
Contributions:						
Employer	68,813	450,846	87,771	26,757	170,255	41,898
Plan Members	26,687	270,890	54,459	17,055	79,090	25,253
Investment income, net of investment expense	9,231	126,963	21,847	8,562	32,942	2,896
Total additions	104,731	848,699	164,077	52,374	282,287	70,047
Deductions:						
Benefit payments, including refunds	6,712	381,350	96,380	55,016	299,774	3,942
Administrative expenses	1,546	26,092	4,548	1,939	6,988	299
Total deductions	8,258	407,442	100,928	56,955	306,762	4,241
Net increase (decrease)	96,473	441,257	63,149	(4,581)	(24,475)	65,806
Fiduciary net position restricted for pension benefits:						
Beginning of year	747,641	13,026,043	2,288,492	984,529	3,546,304	131,560
End of year	844,114	13,467,300	2,351,641	979,948	3,521,829	197,366

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Town of Porum	City of Poteau	Town of Roland	City of Sallisaw	Town of Seiling	City of Shawnee
Additions:						
Contributions:						
Employer	27,370	174,310	42,547	640,405	10,565	591,793
Plan Members	8,797	73,663	27,912	251,139	14,962	150,336
Investment income, net of investment expense	2,767	52,541	8,441	116,710	7,088	280,077
Total additions	38,934	300,514	78,900	1,008,254	32,615	1,022,206
Deductions:						
Benefit payments, including refunds	9,247	290,350	33,419	956,975	34,440	2,171,033
Administrative expenses	461	11,702	1,652	25,775	1,589	68,578
Total deductions	9,708	302,052	35,071	982,750	36,029	2,239,611
Net increase (decrease)	29,226	(1,538)	43,829	25,504	(3,414)	(1,217,405)
Fiduciary net position restricted for pension benefits:						
Beginning of year	224,445	5,944,357	818,123	13,081,785	806,646	35,165,803
End of year	253,671	5,942,819	861,952	13,107,289	803,232	33,948,398

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Stilwell	City of Stroud	City of Sulphur	City of Tonkawa	City of Vinita	Town of Wakita
Additions:						
Contributions:						
Employer	224,090	177,894	161,063	67,695	307,800	1,185
Plan Members	100,845	66,710	50,332	27,908	78,981	966
Investment income, net of investment expense	63,420	26,467	38,440	20,220	67,183	1,625
Total additions	388,355	271,071	249,835	115,823	453,964	3,776
Deductions:						
Benefit payments, including refunds	463,052	227,020	193,924	201,547	524,808	18,160
Administrative expenses	14,751	5,785	8,282	4,924	15,279	436
Total deductions	477,803	232,805	202,206	206,471	540,087	18,596
Net increase (decrease)	(89,448)	38,266	47,629	(90,648)	(86,123)	(14,820)
Fiduciary net position restricted for pension benefits:						
Beginning of year	7,516,009	2,926,509	4,165,723	2,529,182	7,773,186	227,133
End of year	7,426,561	2,964,775	4,213,352	2,438,534	7,687,063	212,313

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	City of Waurika	Town of Webbers Falls	Westville Utility Authority	City of Wetumka	City of Yale	City of Yukon
Additions:						
Contributions:						
Employer	18,998	14,612	17,324	90,560	41,078	1,569,940
Plan Members	11,932	3,579	16,874	19,017	25,277	189,531
Investment income, net of investment expense	8,188	1,210	5,079	12,053	10,590	207,657
Total additions	39,118	19,401	39,277	121,630	76,945	1,967,128
Deductions:						
Benefit payments, including refunds	56,786	8,965	8,889	94,398	109,922	1,279,360
Administrative expenses	1,905	223	936	2,560	2,609	42,069
Total deductions	58,691	9,188	9,825	96,958	112,531	1,321,429
Net increase (decrease)	(19,573)	10,213	29,452	24,672	(35,586)	645,699
Fiduciary net position restricted for pension benefits:						
Beginning of year	981,279	111,608	463,135	1,298,960	1,335,072	21,084,103
End of year	961,706	121,821	492,587	1,323,632	1,299,486	21,729,802

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Defined Benefit Plans with Retirees Only				
	City of Muskogee	City of Norman	City of Stillwater	Stillwater Medical Center	City of Tecumseh
Additions:					
Contributions:					
Employer	-	35,000	-	-	4,200
Plan Members	-	-	-	-	-
Investment income, net of investment expense	313	2,430	71,097	6,059	972
Total additions	313	37,430	71,097	6,059	5,172
Deductions:					
Benefit payments, including refunds	2,205	87,019	5,934	15,852	17,149
Administrative expenses	79	689	15,531	1,402	288
Total deductions	2,284	87,708	21,465	17,254	17,437
Net increase (decrease)	(1,971)	(50,278)	49,632	(11,195)	(12,265)
Fiduciary net position restricted for pension benefits:					
Beginning of year	41,056	362,588	7,810,054	711,814	152,274
End of year	39,085	312,310	7,859,686	700,619	140,009

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

Year Ended June 30, 2016

	Accrual City/Town Totals	Nonaccrual City/Town Totals	Total
Additions:			
Contributions:			
Employer	13,741,998	4,213,897	17,955,895
Plan Members	4,726,956	1,539,400	6,266,356
Investment income, net of investment expense	3,423,568	916,014	4,339,582
Total additions	<u>21,892,522</u>	<u>6,669,311</u>	<u>28,561,833</u>
Deductions:			
Benefit payments, including refunds	21,915,799	5,962,371	27,878,170
Administrative expenses	763,969	200,716	964,685
Total deductions	<u>22,679,768</u>	<u>6,163,087</u>	<u>28,842,855</u>
Net increase (decrease)	(787,246)	506,224	(281,022)
Fiduciary net position restricted for pension benefits:			
Beginning of year	<u>386,923,474</u>	<u>101,604,918</u>	<u>488,528,392</u>
End of year	<u><u>386,136,228</u></u>	<u><u>102,111,142</u></u>	<u><u>488,247,370</u></u>

See Independent Auditors' Report.

See accompanying notes to the Schedule of Changes in Fiduciary Net Position by Employer.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**NOTES TO SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER**

June 30, 2016

(1) FUND STRUCTURE AND OPERATIONS

The Oklahoma Municipal Retirement Fund (the “Fund”) was established July 1, 1966, for the purpose of providing a trust instrument for the administration of retirement allowances and other specified benefits for employees of city or town governments and municipally owned agencies in Oklahoma. These municipalities may elect to participate in the Fund in order to provide for the retirement of their employees who are not covered by another retirement plan. There are two programs available to each participating municipality, one being a defined contribution plan and the other a defined benefit plan. Each plan has various available options. The defined benefit plan is an agent multiple-employer type plan.

The overall operations of the Fund are supervised by a nine-member Board of Trustees elected by the participating municipalities. JPMorgan Chase Bank (“JPMorgan”) acts as securities custodian. The Fund utilizes mutual funds, collective trust funds of banks and trust companies, or separate accounts specifically tailored for the Fund by investment advisors, greatly expanding the universe of managers to choose from. In each case, rigorous standards for selection and monitoring are applied. The usage of vehicles other than mutual funds may enable the Fund to reduce expenses or utilize the talent of an investment manager that might not be available via a mutual fund.

There were 217 member municipalities in the Fund at June 30, 2016. The members use a defined benefit plan, a defined contribution plan, or a combination of plans. As of June 30, 2016, there was a total of 336 plans administered by the Fund, which included 133 defined benefit plans and 203 defined contribution plans.

See Independent Auditors’ Report.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**NOTES TO SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER, CONTINUED**

(1) FUND STRUCTURE AND OPERATIONS, CONTINUED

During 2016, employee membership data related to the defined benefit plans is as follows:

	Plans with Actuarial Information at <u>July 1, 2016</u>
Retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them	<u>2,361</u>
Active participants:	
Vested	1,731
Nonvested	<u>2,180</u>
	<u>3,911</u>

Employee membership data related to defined benefit plans with retirees only of municipalities which no longer participate in the Fund is as follows:

	Plans with Actuarial Information at <u>July 1, 2016</u>
Retirees and beneficiaries currently receiving benefits, and terminated employees entitled to benefits but not yet receiving them	<u>76</u>

The municipalities involved are still responsible for maintaining the funded status of the plans. Included in the schedule of changes in fiduciary net position by employer are the following cities/entities with retirees only:

<u>Accrual</u>	<u>Nonaccrual</u>
<ul style="list-style-type: none"> • City of Muskogee • City of Norman • City of Stillwater • Stillwater Medical Center • City of Tecumseh 	<ul style="list-style-type: none"> • City of Chouteau • City of Comanche • City of Fairfax • City of Newkirk

See Independent Auditors' Report.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**NOTES TO SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER, CONTINUED**

(1) FUND STRUCTURE AND OPERATIONS, CONTINUED

The report was prepared to provide participating employers with additional information needed to comply with the financial reporting requirements promulgated under Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27* (GASB 68). The Funds annual financial statements located at www.okmrf.org, contain additional information not included within the scope of this report. Participating employers should reference this report, other information to be supplied by the Fund, and the Funds financial statements to fully comply with the disclosure requirements of GASB 68.

The report provides specific detailed information and should be utilized by the Fund'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 related to the Fund or its participating employers.

(2) INDIVIDUAL EMPLOYERS LISTED IN THE SCHEDULE

The Schedule includes all employers participating in the Fund's Defined Benefit Pension Plan. However, only those employers which Fund management has identified as preparing their financial statements on an accrual basis are separately listed in the Schedule. Those employers which management was not able to identify as preparing their financial statements on the accrual basis are included in the "Nonaccrual City/Town Totals" column of the Schedule.

**(3) PRESENTATION, ESTIMATES, RISKS AND UNCERTAINTIES, AND
BASIS OF ACCOUNTING**

Presentation

The Schedule presents amounts that are considered elements of the financial statements of the Fund. Accordingly, they do not purport to be a complete presentation of the financial position or changes in the financial position of the Fund. The amounts presented in the Schedule were prepared in accordance with generally accepted accounting principles accepted in the United States. Such preparation requires management of the Fund to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from these estimates.

See Independent Auditors' Report.

**OKLAHOMA MUNICIPAL RETIREMENT FUND—
DEFINED BENEFIT PENSION PLAN**

**NOTES TO SCHEDULE OF CHANGES IN
FIDUCIARY NET POSITION BY EMPLOYER, CONTINUED**

**(3) PRESENTATION, ESTIMATES, RISKS AND UNCERTAINTIES, AND
BASIS OF ACCOUNTING, CONTINUED**

Estimates

The Schedule is derived from the financial statements of the Fund, which included estimates of fair value for investments, as well as other estimates. Fair value estimates of investments are subject to volatility, which can and will impact the Schedule, as well as certain employer information used for the preparation of their individual financial statements.

Risks and Uncertainties

Contributions to the Fund are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements of the Fund and the Schedule.

Basis of Accounting

The financial statements of the Fund are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade date. As such, the Schedule is prepared on the accrual basis as well.

(4) DATE OF MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

The Fund has evaluated subsequent events through May 25, 2017, the date which the Schedule was available to be issued, and determined that no subsequent events have occurred that require adjustment or disclosure in the Schedule.

See Independent Auditors' Report.