



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

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KPMG LLP
Suite 600
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Independent Auditors' Report

The Division of Retirement and Benefits and
Members of the Alaska Retirement Management Board
State of Alaska Public Employees' Retirement System:

We have audited the accompanying Schedule of employer allocations of the State of Alaska Public Employees' Retirement System Retiree Medical Plan (the Plan) as of and for the year ended June 30, 2018, and the related notes. We have also audited the total for all employers of the columns titled net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the Plan as of and for the year ended June 30, 2018, and related notes.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles; 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 schedule of employer allocations and the specified column totals included in the schedule of OPEB amounts by employer 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 OPEB amounts by employer 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 OPEB amounts by employer. The procedures selected depend on the auditors' 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 OPEB amounts by employer, 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 OPEB amounts by employer 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 schedule of employer allocations and specified column totals included in the schedule of OPEB amounts by employer.

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 the net OPEB liability, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense for the total of all participating entities for the Plan as of and for the year ended June 30, 2018, in accordance with U.S. generally accepted accounting principles.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State of Alaska Public Employees' Retirement System, which includes the Retiree Medical Plan, as of and for the year ended June 30, 2018, and our report thereon, dated November 21, 2018, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Public Employees' Retirement System management, the members of the Alaska Retirement Management Board, State of Alaska Public Employees' Retirement System Retiree Medical Plan employers, and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Anchorage, Alaska
April 26, 2019

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2018

Employer	Employer number	Employer contributions	Allocation percentage
State of Alaska	101	\$ 5,699,436	49.59439 %
Southwest Region School District	102	16,056	0.13773
Annette Island School District	103	12,659	0.10859
Bering Strait School District	104	42,200	0.36200
Chatham School District	105	4,141	0.03552
City of Valdez	107	59,063	0.50665
Juneau Borough School District	108	77,422	0.66414
Matanuska-Susitna Borough	109	135,734	1.16434
Matanuska-Susitna Borough School District	110	196,328	1.68413
Anchorage School District	111	554,292	4.75479
Copper River School District	112	7,681	0.06589
University of Alaska	113	366,808	3.14653
City of Kenai	115	44,678	0.38325
Fairbanks North Star Borough	116	143,574	1.23160
Fairbanks North Star Borough School District	117	201,745	1.73060
Denali Borough School District	118	11,945	0.10247
City and Borough of Sitka	120	63,777	0.54709
Chugach School District	121	3,650	0.03131
Ketchikan Gateway Borough	122	26,641	0.22853
City of Soldotna	123	25,847	0.22172
Iditarod Area School District	124	5,886	0.05049
Kuspuk School District	125	9,419	0.08080
City and Borough of Juneau	126	191,050	1.63885
City of Kodiak	128	47,546	0.40786
City of Fairbanks	129	35,479	0.30434
City of Wasilla	131	47,095	0.40399
Sitka Borough School District	133	18,902	0.16214
City of Palmer	134	26,523	0.22752
City and Borough of Wrangell	135	12,409	0.10645
City of Bethel	136	40,507	0.34747
Valdez City School District	137	13,453	0.11540
Hoonah City School District	138	2,029	0.01741
City of Nome	139	24,964	0.21414
City of Kotzebue	140	32,897	0.28219
Galena City School District	141	27,211	0.23342
City of Petersburg	143	29,123	0.24982
Bristol Bay Borough	144	14,915	0.12794
North Slope Borough	145	482,016	4.13480
Wrangell Public School District	146	4,868	0.04176
City of Cordova	148	22,317	0.19144
Nome City School District	149	8,888	0.07624
City of King Cove	151	5,826	0.04998

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

As of and for the year ended June 30, 2018

<u>Employer</u>	<u>Employer number</u>	<u>Employer contributions</u>	<u>Allocation percentage</u>
Alaska Housing Finance Corporation	152	\$ 82,879	0.00710 %
Lower Yukon School District	153	38,533	0.33054
Northwest Arctic Borough School District	154	50,433	0.43262
Southeast Island School District	155	6,974	0.05982
Pribilof School District	156	880	0.00755
Lower Kuskokwim School District	157	97,649	0.83765
Kodiak Island Borough School District	158	46,865	0.40201
Yukon Flats School District	159	7,152	0.06135
Yukon/Koyukuk School District	160	16,534	0.14183
North Slope Borough School District	161	84,502	0.72487
Aleutian Region School District	162	—	—
Cordova Community Medical Center	163	10,946	0.09390
Lake and Peninsula Borough School District	164	11,586	0.09939
Sitka Community Hospital	165	85,612	0.73439
Tanana School District	166	1,396	0.01198
Southeast Regional Resource Center	167	9,622	0.08254
Hydaburg City School District	168	2,112	0.01812
North Pacific Fishery Management Council	170	6,196	0.05315
City of Barrow	171	10,713	0.09190
City of Saint Paul	172	7,487	0.06422
Municipality of Anchorage	173	985,898	8.45716
Kodiak Island Borough	174	19,210	0.16479
Nome Joint Utility System	175	1,630	0.01398
City of Sand Point	176	8,318	0.07135
Ketchikan Gateway Borough School District	177	48,824	0.41882
City of Dillingham	178	22,136	0.18989
City of Unalaska	179	77,079	0.66119
Kenai Peninsula Borough	180	110,961	0.95184
City of Ketchikan	181	47,887	0.41078
City of Seward	182	26,323	0.22580
City of Fort Yukon	183	4,205	0.03607
Bristol Bay Borough School District	184	3,064	0.02628
Cordova City School District	185	5,526	0.04740
City of Craig	186	11,612	0.09961
Petersburg Medical Center	187	47,319	0.40591
Haines Borough	189	18,876	0.16192
Kenai Peninsula Borough School District	190	112,666	0.96646
City of North Pole	191	17,284	0.14826
City of Galena	192	4,895	0.04199
City of Nenana	193	1,053	0.00903
Yupiit School District	195	7,944	0.06814
Nenana City School District	196	12,830	0.11006

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
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Schedule of Employer Allocations

As of and for the year ended June 30, 2018

Employer	Employer number	Employer contributions	Allocation percentage
City of Saxman	198	\$ 572	0.00491 %
City of Hoonah	199	10,435	0.08951
City of Pelican	200	728	0.00624
City of Whittier	202	7,656	0.06567
Anchorage Community Development Authority	203	15,337	0.13156
Craig City School District	204	7,550	0.06476
Dillingham City School District	205	8,641	0.07412
City of Thorne Bay	206	3,666	0.03145
City of Akutan	208	5,700	0.04890
Unalaska City School District	209	5,375	0.04611
Kashunamiut School District	211	7,634	0.06549
City of Homer	215	36,137	0.30999
Special Education Service Agency	218	1,875	0.01608
Bartlett Regional Hospital	219	246,756	2.11671
Northwest Arctic Borough	220	16,449	0.14110
Saint Mary's School District	221	3,776	0.03239
Bristol Bay Regional Housing Authority	223	7,019	0.06021
Copper River Basin Regional Housing Authority	224	3,429	0.02941
Skagway City School District	225	1,630	0.01398
City of Klawock	227	4,277	0.03669
Petersburg City School District	228	7,606	0.06525
Aleutians East Borough	230	3,852	0.03304
City of Huslia	235	1,348	0.01156
City of Kaltag	237	202	0.00173
Haines Borough School District	240	4,358	0.03738
City of Atka	243	523	0.00449
Aleutians East Borough School District	244	4,979	0.04271
Delta/Greely School District	246	7,580	0.06502
Lake and Peninsula Borough	247	2,432	0.02086
City and Borough of Yakutat	248	4,132	0.03544
City of Unalakleet	249	3,826	0.03282
Klawock City School District	251	2,722	0.02335
Alaska Gateway School District	255	16,146	0.13850
Denali Borough	258	3,799	0.03259
Cook Inlet Housing Authority	262	57,608	0.49417
Interior Regional Housing Authority	263	6,774	0.05811
Yakutat School District	264	1,303	0.01118
Kake City School District	265	2,786	0.02390
Aleutian Housing Authority	267	5,901	0.05062
Bering Straits Regional Housing Authority	270	7,030	0.06030
City of Egegik	271	1,041	0.00893
Ilisagvik College	275	47,229	0.40514

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of Employer Allocations

For the year ended June 30, 2018

Employer	Employer number	Employer contributions	Allocation percentage
North Pacific Rim Housing Authority	276	\$ 4,012	0.03442 %
Saxman Seaport	278	562	0.00482
Tlingit-Haida Regional Housing Authority	279	19,287	0.16545
Baranof Island Housing Authority	281	3,675	0.03152
City of Delta Junction	282	2,321	0.01991
City of Anderson	283	189	0.00162
Inter-Island Ferry Authority	284	6,404	0.05493
City of Seldovia	286	963	0.00826
Northwest Inupiat Housing Authority	288	3,975	0.03410
City of Upper Kalskag	290	114	0.00098
City of Shaktoolik	291	331	0.00284
Tagiugmiullu Nunamiullu Housing Authority	293	4,605	0.03950
Municipality of Skagway	296	25,903	0.22220
City of Nulato	297	1,385	0.01188
City of Aniak	298	1,793	0.01538
Alaska Gasline Development Corporation	299	23,600	0.20244
Total contributions		\$ <u>11,657,549</u>	<u>100.00000 %</u>

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer

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**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
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Schedule of OPEB Amounts by Employer
As of and for the year ended June 30, 2018

	Deferred outflows of resources					
	Employer number	Net OPEB liability	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Employers:						
State of Alaska	101	\$ 6,221,318	—	2,882,193	—	2,882,193
Southwest Region School District	102	17,526	—	8,119	1,329	9,448
Annette Island School District	103	13,818	—	6,402	1,358	7,760
Bering Strait School District	104	46,064	—	21,341	379	21,720
Chatham School District	105	4,520	—	2,094	357	2,451
City of Valdez	107	64,472	—	29,868	3,933	33,801
Juneau Borough School District	108	84,511	—	39,152	2,710	41,862
Matanuska-Susitna Borough	109	148,162	—	68,640	2,469	71,109
Matanuska-Susitna Borough School District	110	214,306	—	99,283	6,031	105,314
Anchorage School District	111	605,047	—	280,304	13,121	293,425
Copper River School District	112	8,384	—	3,884	602	4,486
University of Alaska	113	400,395	—	185,494	83,295	268,789
City of Kenai	115	48,769	—	22,593	693	23,286
Fairbanks North Star Borough	116	156,721	—	72,605	8,281	80,886
Fairbanks North Star Borough School District	117	220,218	—	102,022	5,086	107,108
Denali Borough School District	118	13,038	—	6,040	569	6,609
City And Borough of Sitka	120	69,517	—	32,252	86	32,338
Chugach School District	121	3,984	—	1,846	—	1,846
Ketchikan Gateway Borough	122	29,081	—	13,473	—	13,473
City of Soldotna	123	28,213	—	13,071	—	13,071
Iditarod Area School District	124	6,425	—	2,976	1,395	4,371
Kuspuk School District	125	10,282	—	4,783	1,445	6,208
City And Borough of Juneau	126	208,544	—	96,614	5,995	102,609
City of Kodiak	128	51,899	—	24,044	2,811	26,855
City of Fairbanks	129	38,727	—	17,942	2,750	20,692
City of Wasilla	131	51,408	—	23,816	3,412	27,228
Sitka Borough School District	133	20,633	—	9,559	—	9,559
City of Palmer	134	28,951	—	13,413	2,142	15,555
City And Borough of Wrangell	135	13,546	—	6,275	255	6,530
City of Bethel	136	44,216	—	20,484	—	20,484
Valdez City School District	137	14,685	—	6,803	810	7,613
Hoonah City School District	138	2,215	—	1,026	—	1,026
City of Nome	139	27,249	—	12,624	856	13,480
City of Kotzebue	140	35,909	—	16,636	970	17,606
Galena City School District	141	29,703	—	13,761	4	13,765
City of Petersburg	143	31,789	—	14,727	1,166	15,893
Bristol Bay Borough	144	16,281	—	7,543	609	8,152
North Slope Borough	145	526,153	—	243,755	3,523	247,278
Wrangell Public School District	146	5,313	—	2,462	246	2,708
City of Cordova	148	24,361	—	11,286	309	11,595
Nome City School District	149	9,702	—	4,495	—	4,495
City of King Cove	151	6,360	—	2,946	360	3,306
Alaska Housing Finance Corporation	152	90,468	—	41,912	3,460	45,372
Lower Yukon School District	153	42,062	—	19,486	2,775	22,261
Northwest Arctic Borough School District	154	55,051	—	25,504	52	25,556
Southeast Island School District	155	7,612	—	3,527	439	3,966
Pribilof School District	156	960	—	445	66	511
Lower Kuskokwim School District	157	106,591	—	49,381	4,536	53,917
Kodiak Island Borough School District	158	51,156	—	23,700	546	24,246
Yukon Flats School District	159	7,807	—	3,617	549	4,166
Yukon / Koyukuk School District	160	18,048	—	8,361	703	9,064
North Slope Borough School District	161	92,240	—	42,733	4,626	47,359
Aleutian Region School District	162	—	—	—	—	—
Cordova Community Medical Center	163	11,949	—	5,535	7,513	13,048
Lake And Peninsula Borough School District	164	12,647	—	5,859	274	6,133
Sitka Community Hospital	165	93,451	—	43,294	806	44,100
Tanana School District	166	1,524	—	706	346	1,052
Southeast Regional Resource Center	167	10,502	—	4,866	16	4,882
Hydaburg City School District	168	2,306	—	1,068	293	1,361
North Pacific Fishery Management Council	170	6,763	—	3,133	545	3,678
City of Barrow	171	11,694	—	5,417	1,671	7,088
City of Saint Paul	172	8,173	—	3,786	470	4,256
Municipality of Anchorage	173	1,076,174	—	498,567	75,623	574,190
Kodiak Island Borough	174	20,969	—	9,714	2,554	12,268
Nome Joint Utility System	175	1,779	—	824	750	1,574
City of Sand Point	176	9,079	—	4,206	—	4,206
Ketchikan Gateway Borough School District	177	53,295	—	24,690	1,981	26,671
City of Dillingham	178	24,162	—	11,194	—	11,194

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer
As of and for the year ended June 30, 2018

	Deferred inflows of resources				OPEB expense			
	Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net Amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total employer OPEB expense
Employers:								
State of Alaska	907,408	332,617	—	214,087	1,454,112	6,470,067	(29,255)	6,440,812
Southwest Region School District	2,556	937	—	—	3,493	18,226	170	18,396
Annette Island School District	2,015	739	—	—	2,754	14,370	182	14,552
Bering Strait School District	6,719	2,463	—	3,074	12,256	47,906	(326)	47,580
Chatham School District	659	242	—	—	901	4,700	47	4,747
City of Valdez	9,403	3,447	—	—	12,850	67,049	518	67,567
Juneau Borough School District	12,326	4,518	—	—	16,844	87,890	368	88,258
Matanuska-Susitna Borough	21,610	7,921	—	—	29,531	154,086	332	154,418
Matanuska-Susitna Borough School District	31,257	11,458	—	4,407	47,122	222,874	305	223,179
Anchorage School District	88,249	32,348	—	10,346	130,943	629,238	571	629,809
Copper River School District	1,223	448	—	—	1,671	8,720	76	8,796
University of Alaska	58,400	21,407	—	—	79,807	416,405	11,070	427,475
City of Kenai	7,113	2,607	—	361	10,081	50,719	53	50,772
Fairbanks North Star Borough	22,858	8,379	—	—	31,237	162,987	1,076	164,063
Fairbanks North Star Borough School District	32,120	11,774	—	—	43,894	229,023	666	229,689
Denali Borough School District	1,902	697	—	96	2,695	13,560	57	13,617
City And Borough of Sitka	10,154	3,722	—	604	14,480	72,400	(74)	72,326
Chugach School District	581	213	—	588	1,382	4,144	(80)	4,064
Ketchikan Gateway Borough	4,242	1,555	—	2,104	7,901	30,244	(290)	29,954
City of Soldotna	4,115	1,508	—	1,549	7,172	29,341	(212)	29,129
Iditarod Area School District	937	343	—	588	1,868	6,681	124	6,805
Kuspuk School District	1,500	550	—	—	2,050	10,693	202	10,895
City And Borough of Juneau	30,417	11,150	—	3,802	45,369	216,882	375	217,257
City of Kodiak	7,570	2,775	—	—	10,345	53,974	375	54,349
City of Fairbanks	5,649	2,071	—	—	7,720	40,276	345	40,621
City of Wasilla	7,498	2,748	—	—	10,246	53,463	435	53,898
Sitka Borough School District	3,009	1,103	—	1,351	5,463	21,458	(183)	21,275
City of Palmer	4,223	1,548	—	1,391	7,162	30,109	130	30,239
City And Borough of Wrangell	1,976	724	—	847	3,547	14,087	(88)	13,999
City of Bethel	6,449	2,364	—	1,95	9,008	45,984	(26)	45,958
Valdez City School District	2,142	785	—	1,034	3,961	15,272	(14)	15,258
Hoonah City School District	323	118	—	1,454	1,895	2,304	(196)	2,108
City of Nome	3,974	1,457	—	370	5,801	28,339	54	28,393
City of Kotzebue	5,237	1,920	—	1,142	8,299	37,344	(4)	37,340
Galena City School District	4,332	1,588	—	135	6,055	30,890	(18)	30,872
City of Petersburg	4,637	1,700	—	859	7,196	33,060	23	33,083
Bristol Bay Borough	2,375	870	—	—	3,245	16,932	84	17,016
North Slope Borough	76,742	28,130	—	—	104,872	547,191	453	547,644
Wrangell Public School District	775	284	—	—	1,059	5,526	35	5,561
City of Cordova	3,553	1,302	—	1,623	6,478	25,335	(157)	25,178
Nome City School District	1,415	519	—	2,203	4,137	10,090	(294)	9,796
City of King Cove	928	340	—	—	1,268	6,614	45	6,659
Alaska Housing Finance Corporation	13,195	4,837	—	—	18,032	94,085	478	94,563
Lower Yukon School District	6,135	2,249	—	—	8,384	43,743	374	44,117
Northwest Arctic Borough School District	8,029	2,943	—	3,297	14,269	57,252	(400)	56,852
Southeast Island School District	1,110	407	—	22	1,539	7,917	51	7,968
Pribilof School District	140	51	—	282	473	998	(26)	972
Lower Kuskokwim School District	15,547	5,699	—	—	21,246	110,853	569	111,422
Kodiak Island Borough School District	7,461	2,735	—	4,253	14,449	53,202	(448)	52,754
Yukon Flats School District	1,139	417	—	272	1,828	8,119	29	8,148
Yukon / Koyukuk School District	2,632	965	—	—	3,597	18,770	98	18,868
North Slope Borough School District	13,454	4,932	—	—	18,386	95,928	626	96,554
Aleutian Region School District	—	—	—	422	422	—	(60)	(60)
Cordova Community Medical Center	1,743	639	—	14,151	16,533	12,426	(689)	11,737
Lake And Peninsula Borough School District	1,845	676	—	1,315	3,836	13,153	(124)	13,029
Sitka Community Hospital	13,630	4,996	—	3,109	21,735	97,188	(270)	96,918
Tanana School District	222	80	—	215	517	1,585	13	1,598
Southeast Regional Resource Center	1,532	562	—	307	2,401	10,922	(36)	10,886
Hydaburg City School District	336	123	—	25	484	2,398	38	2,436
North Pacific Fishery Management Council	986	362	—	73	1,421	7,033	57	7,090
City of Barrow	1,706	625	—	14	2,345	12,161	204	12,365
City of Saint Paul	1,192	437	—	2,097	3,726	8,500	(237)	8,263
Municipality of Anchorage	156,965	57,537	—	—	214,502	1,119,203	10,013	1,129,216
Kodiak Island Borough	3,058	1,121	—	—	4,179	21,807	334	22,141
Nome Joint Utility System	259	95	—	—	354	1,850	104	1,954
City of Sand Point	1,324	485	—	583	2,392	9,442	(82)	9,360
Ketchikan Gateway Borough School District	7,773	2,849	—	—	10,622	55,426	265	55,691
City of Dillingham	3,524	1,292	—	1,386	6,202	25,129	(176)	24,953

(Continued)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer
As of and for the year ended June 30, 2018

	Deferred outflows of resources					
	Employer number	Net OPEB liability	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
City of Unalaska	179	\$ 84,137	—	38,979	821	39,800
Kenai Peninsula Borough	180	121,122	—	56,113	349	56,462
City of Ketchikan	181	52,272	—	24,216	1,403	25,619
City of Seward	182	28,734	—	13,312	493	13,805
City of Fort Yukon	183	4,590	—	2,126	1,499	3,625
Bristol Bay Borough School District	184	3,344	—	1,549	956	2,505
Cordova City School District	185	6,032	—	2,794	322	3,116
City of Craig	186	12,675	—	5,872	—	5,872
Petersburg Medical Center	187	51,652	—	23,929	2,029	25,958
Haines Borough	189	20,605	—	9,546	1,449	10,995
Kenai Peninsula Borough School District	190	122,982	—	56,975	907	57,882
City of North Pole	191	18,867	—	8,741	433	9,174
City of Galena	192	5,343	—	2,475	482	2,957
City of Nenana	193	1,149	—	532	476	1,008
Yupik School District	195	8,672	—	4,017	1,588	5,605
Nemana City School District	196	14,005	—	6,488	1,015	7,503
City of Saxman	198	524	—	289	—	289
City of Hoonah	199	11,391	—	5,277	517	5,794
City of Pelican	200	794	—	368	157	525
City of Whittier	202	8,357	—	3,872	604	4,476
Anchorage Community Development Authority	203	16,741	—	7,756	—	7,756
Craig City School District	204	8,241	—	3,818	138	3,956
Dillingham City School District	205	9,432	—	4,370	1,107	5,477
City of Thorne Bay	206	4,002	—	1,854	158	2,012
City of Akutan	208	6,222	—	2,883	3,135	6,018
Unalaska City School District	209	5,868	—	2,718	373	3,091
Kashunamiut School District	211	8,333	—	3,860	—	3,860
City of Homer	215	39,446	—	18,274	277	18,551
Special Education Service Agency	218	2,047	—	948	—	948
Bartlett Regional Hospital	219	269,351	—	124,784	16,567	141,351
Northwest Arctic Borough	220	17,955	—	8,318	1,804	10,122
Saint Mary's School District	221	4,122	—	1,910	—	1,910
Bristol Bay Regional Housing Authority	223	7,662	—	3,550	—	3,550
Copper River Basin Regional Housing Authority	224	3,743	—	1,734	—	1,734
Skagway City School District	225	1,779	—	824	393	1,217
City of Klawock	227	4,668	—	2,163	—	2,163
Petersburg City School District	228	8,303	—	3,847	286	4,133
Aleutians East Borough	230	4,205	—	1,948	281	2,229
City of Huslia	235	1,472	—	682	444	1,126
City of Kaltag	237	220	—	102	78	180
Haines Borough School District	240	4,757	—	2,204	—	2,204
City of Atka	243	571	—	265	—	265
Aleutians East Borough School District	244	5,434	—	2,518	69	2,587
Delta/Greely School District	246	8,274	—	3,833	—	3,833
Lake And Peninsula Borough	247	2,655	—	1,230	—	1,230
City And Borough of Yakutat	248	4,510	—	2,090	837	2,927
City of Unalakleet	249	4,177	—	1,935	688	2,623
Klawock City School District	251	2,971	—	1,376	—	1,376
Alaska Gateway School District	255	17,625	—	8,165	1,700	9,865
Pelican City School District	257	—	—	—	—	—
Denali Borough	258	4,147	—	1,921	166	2,087
Cook Inlet Housing Authority	262	62,883	—	29,132	—	29,132
Interior Regional Housing Authority	263	7,394	—	3,426	382	3,808
Yakutat School District	264	1,423	—	659	111	770
Take City School District	265	3,042	—	1,409	199	1,608
Aleutian Housing Authority	267	6,442	—	2,984	—	2,984
Bering Straits Regional Housing Authority	270	7,673	—	3,555	476	4,031
City of Egegik	271	1,136	—	526	622	1,148
Ilisagvik College	275	51,553	—	23,883	581	24,464
North Pacific Rim Housing Authority	276	4,380	—	2,029	92	2,121
Saxman Seaport	278	614	—	284	213	497
Tlingit-Haida Regional Housing Authority	279	21,053	—	9,754	758	10,512
Baranof Island Housing Authority	281	4,011	—	1,858	67	1,925
City of Delta Junction	282	2,534	—	1,174	—	1,174
City of Anderson	283	206	—	95	—	95
Inter-Island Ferry Authority	284	6,990	—	3,238	31	3,269
City of Seldovia	286	1,051	—	487	215	702
Northwest Inupiat Housing Authority	288	4,339	—	2,010	303	2,313
City of Upper Kalskag	290	125	—	58	12	70
City of Shaktoolik	291	361	—	167	—	167
Tagiugmiullu Nunamiullu Housing Authority	293	5,027	—	2,329	—	2,329
Municipality of Skagway	296	28,275	—	13,099	1,381	14,480
City of Nulato	297	1,512	—	700	79	779
City of Aniak	298	1,958	—	907	506	1,413
Alaska Gasline Development Corporation	299	25,761	—	11,934	5,039	16,973
Total for employers		\$ 12,725,000	—	5,895,196	325,019	6,220,217

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Schedule of OPEB Amounts by Employer
As of and for the year ended June 30, 2018

	Deferred inflows of resources				OPEB expense			
	Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net Amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total employer OPEB expense
City of Unalaska	12,272	4,498	—	319	17,089	87,501	76	87,577
Kenai Peninsula Borough	17,666	6,476	—	751	24,893	125,964	(44)	125,920
City of Ketchikan	7,624	2,795	—	854	11,273	54,362	53	54,415
City of Seward	4,191	1,536	—	154	5,881	29,882	51	29,933
City of Fort Yukon	669	245	—	—	914	4,773	208	4,981
Bristol Bay Borough School District	488	179	—	—	667	3,478	126	3,604
Cordova City School District	880	322	—	83	1,285	6,273	35	6,308
City of Craig	1,849	678	—	675	3,202	13,182	(93)	13,089
Petersburg Medical Center	7,534	2,762	—	—	10,296	53,717	273	53,990
Haines Borough	3,005	1,102	—	211	4,318	21,429	178	21,607
Kenai Peninsula Borough School District	17,938	6,575	—	3,737	28,250	127,900	(334)	127,566
City of North Pole	2,752	1,009	—	—	3,761	19,621	54	19,675
City of Galena	779	286	—	181	1,246	5,557	46	5,603
City of Nenana	168	61	—	—	229	1,195	59	1,254
Yupik School District	1,265	464	—	575	2,304	9,018	153	9,171
Nemana City School District	2,043	749	—	—	2,792	14,565	131	14,696
City of Saxman	91	33	—	578	702	649	(79)	620
City of Hoonah	1,661	609	—	338	2,608	11,846	31	11,877
City of Pelican	116	42	—	191	349	826	(1)	825
City of Whittier	1,219	447	—	89	1,755	8,691	74	8,765
Anchorage Community Development Authority	2,442	895	—	1,754	5,091	17,411	(232)	17,179
Craig City School District	1,202	441	—	313	1,956	8,571	(19)	8,552
Dillingham City School District	1,376	504	—	1,575	3,455	9,810	(85)	9,725
City of Thorne Bay	584	214	—	272	1,070	4,162	(11)	4,151
City of Akutan	908	333	—	3,078	4,319	6,471	62	6,533
Unalaska City School District	856	314	—	147	1,317	6,102	34	6,136
Kashunamiut School District	1,215	445	—	1,062	2,722	8,666	(148)	8,518
City of Homer	5,753	2,109	—	497	8,359	41,023	(36)	40,987
Special Education Service Agency	299	109	—	451	859	2,129	(56)	2,073
Bartlett Regional Hospital	39,286	14,401	—	—	53,687	280,120	2,240	282,360
Northwest Arctic Borough	2,619	960	—	2,111	5,690	18,673	(75)	18,598
Saint Mary's School District	601	220	—	734	1,555	4,287	(91)	4,196
Bristol Bay Regional Housing Authority	1,118	410	—	1,382	2,910	7,969	(175)	7,794
Copper River Basin Regional Housing Authority	546	200	—	688	1,434	3,893	(89)	3,804
Skagway City School District	260	95	—	30	385	1,851	44	1,895
City of Klawock	681	250	—	659	1,590	4,855	(84)	4,771
Petersburg City School District	1,211	444	—	—	1,655	8,635	36	8,671
Aleutians East Borough	613	225	—	—	838	4,373	40	4,413
City of Huslia	215	79	—	16	310	1,531	53	1,584
City of Kaltag	32	12	—	71	115	229	—	229
Haines Borough School District	694	254	—	802	1,750	4,947	(108)	4,839
City of Atka	83	31	—	692	806	594	(95)	499
Aleutians East Borough School District	793	291	—	1,041	2,125	5,652	(138)	5,514
Delta/Greely School District	1,207	442	—	775	2,424	8,605	(103)	8,502
Lake And Peninsula Borough	387	142	—	416	945	2,761	(57)	2,704
City And Borough of Yakutat	658	241	—	1,025	1,924	4,691	(9)	4,682
City of Unalakleet	609	223	—	—	832	4,344	93	4,437
Klawock City School District	433	159	—	304	896	3,090	(40)	3,050
Alaska Gateway School District	2,571	942	—	—	3,513	18,330	223	18,553
Pelican City School District	—	—	—	99	99	—	—	—
Denali Borough	605	222	—	127	954	4,313	3	4,316
Cook Inlet Housing Authority	9,172	3,362	—	1,408	13,942	65,397	(181)	65,216
Interior Regional Housing Authority	1,078	395	—	—	1,473	7,690	51	7,741
Yakutat School District	207	76	—	115	398	1,479	1	1,480
Kake City School District	444	163	—	124	731	3,163	13	3,176
Aleutian Housing Authority	940	344	—	520	1,804	6,699	(69)	6,630
Bering Straits Regional Housing Authority	1,119	410	—	1,406	2,935	7,980	(139)	7,841
City of Egegik	166	61	—	—	227	1,182	78	1,260
Ilisagvik College	7,519	2,756	—	530	10,805	53,615	(3)	53,612
North Pacific Rim Housing Authority	639	234	—	81	954	4,555	—	4,555
Saxman Seaport	90	33	—	188	311	638	7	645
Tlingit-Haida Regional Housing Authority	3,071	1,126	—	1,639	5,896	21,895	(144)	21,751
Baranof Island Housing Authority	585	214	—	342	1,141	4,172	(33)	4,139
City of Delta Junction	370	135	—	895	1,400	2,635	(120)	2,515
City of Anderson	30	11	—	84	125	214	(11)	203
Inter-Island Ferry Authority	1,019	374	—	117	1,510	7,269	(10)	7,259
City of Seldovia	153	56	—	191	400	1,093	7	1,100
Northwest Inupiat Housing Authority	633	232	—	—	865	4,512	40	4,552
City of Upper Kalsag	18	7	—	5	30	130	1	131
City of Shaktoolik	53	19	—	33	105	376	(4)	372
Tagiugmiullu Nunamiullu Housing Authority	733	269	—	954	1,956	5,228	(123)	5,105
Municipality of Skagway	4,124	1,512	—	286	5,922	29,406	159	29,565
City of Nulato	220	81	—	232	533	1,572	(17)	1,555
City of Aniak	285	105	—	—	390	2,036	69	2,105
Alaska Gasline Development Corporation	3,757	1,377	—	929	6,063	26,791	595	27,386
Total for employers	1,856,000	680,330	—	325,019	2,861,349	13,233,787	—	13,233,787

See accompanying notes to schedule of employer allocations and schedule of OPEB amounts by employer.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(1) Plan Description

The State of Alaska Public Employees' Retirement System (System) Retiree Medical Plan (Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefits (OPEB) plan that provides health benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35, which establishes benefit and contribution provisions and may be amended only by the State of Alaska (State) legislature. The self-insured Plan provides major medical coverage to eligible employees who participate in the System's Defined Contribution Retirement (DCR) Plan. Members are not eligible to use this Plan until they have at least 10 years of service, and are Medicare age eligible.

The medical benefits available to eligible persons means that an eligible person may not be denied medical coverage except for failure to pay the required premium. Major medical insurance coverage takes effect on the first day of the month following the date of the Plan administrator's approval of the election and stops when the person who elects coverage dies or fails to make the required premium payment. The coverage for persons 65 years of age or older is the same as that available for persons under 65 years of age. The benefits payable to those persons 65 years of age or older supplement any benefits provided under the federal old age, survivors and disability insurance program. The medical and optional insurance premiums owed by the person who elects coverage may be deducted from the health reimbursement arrangement until the balance becomes insufficient to pay the premiums, at which point the person who elects coverage shall pay the premiums directly.

The cost of premiums for retiree major medical insurance coverage for an eligible member or surviving spouse who is:

- (1) not eligible for Medicare is an amount equal to the full monthly group premium for retiree major medical insurance coverage,
- (2) eligible for Medicare is the following percentage of the premium amounts established for retirees who are eligible for Medicare:
 - (a) 30 percent if the member had 10 or more, but less than 15, years of service;
 - (b) 25 percent if the member had 15 or more, but less than 20, years of service;
 - (c) 20 percent if the member had 20 or more, but less than 25, years of service;
 - (d) 15 percent if the member had 25 or more, but less than 30, years of service; and
 - (e) 10 percent if the member had 30 or more years of service.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(2) Basis of Presentation

The schedule of employer allocations and the schedule of OPEB amounts by employer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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 those estimates.

(3) Allocation Methodology

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The employer allocation percentages presented in the Schedule of employer allocations and applied to amounts presented in the Schedule of OPEB amounts by employer are based on the ratio of contributions made for each employer to total contributions made to the Plan during the year ended June 30, 2018. Employer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of OPEB amounts by employer may result in immaterial differences.

(4) Contributions

Employer contribution rates are actuarially determined and adopted by the Alaska Retirement Management Board (Board). The 2018 employer effective contribution rate is 1.03% of annual payroll.

(5) Collective Net OPEB Liability

(a) Components of the Collective Net OPEB Liability

The components of the collective net OPEB liability of the Plan are as follows as of June 30, 2018:

Total OPEB liability	\$	112,740,000
Plan fiduciary net position		<u>(100,015,000)</u>
Net OPEB liability	\$	<u><u>12,725,000</u></u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial valuations used the following actuarial assumptions as of June 30, 2018 measurement dates:

Inflation rate	3.12%
Salary increases	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter Graded by age and service, from 8.55% to 4.34% for All Others
Investment rate of return	8.00%, net of retiree medical plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Trend rates	Pre-65 medical: 8.0% grading down to 4.0% Post-65 medical: 5.5% grading down to 4.0% Prescription drugs: 9.0% grading down to 4.0% Retiree Drug Subsidy/Employer Group Waiver Plans: 6.5% grading down to 4.0%
Mortality	Pretermination mortality rates were based upon the 2010-2013 actual mortality experience, 60% of male and 65% of female post-retirement rates. Post termination mortality rates were based on 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

Participation rates reflect the expected plan election rate that varies by reason for decrement, duration that a member may pay full cost prior to Medicare eligibility, and availability of alternative and/or lower cost options, particularly in the Medicare market. This assumption is based on observed trends in participation from a range of other plans. The following participation rates were used to measure the collective net OPEB liability of the Plan as of June 30, 2018:

Decrement due to disability		Decrement due to retirement	
Age	Percent participation	Age	Percent participation
<56	73.00 %	55	40.00 %
56	77.50	56	50.00
57	79.75	57	55.00
58	82.00	58	60.00
59	84.25	59	65.00
60	86.50	60	70.00
61	88.75	61	75.00
62	91.00	62	80.00
63	93.25	63	85.00
64	95.50	64	90.00
65+	94.40	65+	
		Years of service	
		<15	70.50 %
		15-19	75.20
		20-24	79.90
		25-29	89.30
		30+	94.00

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation are the same as those used in the June 30, 2016 valuation with the following exceptions:

1. The medical trend rate assumption was updated to reflect anticipated increases in costs based on recent survey data.
2. Per capita claims costs were updated reflecting recent experience.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(b) Long-term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset class	Long-term expected real rate of return
Domestic equity	8.90 %
Global ex-U.S. equity	7.85
Fixed income	1.25
Opportunistic	4.76
Real assets	6.20
Absolute return	4.76
Private equity	12.08
Cash equivalents	0.66

(c) Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018 was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability in accordance with the method prescribed by GASB Statement No. 74.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(d) Sensitivity of the Collective Net OPEB Liability to Changes in the Discount Rate

The following presents the collective net OPEB liability of the Plan as of June 30, 2018, calculated using the discount rate of 8.0%, as well as what the Plan's collective net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease (7%)	Current discount rate (8%)	1% Increase (9%)
\$ 38,000,000	12,725,000	(6,989,000)

(e) Sensitivity of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the collective net OPEB liability (asset) of the Plan as of June 30, 2018, calculated using the healthcare cost trend rates and using trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

1% Decrease	Current healthcare cost trend rate	1% Increase
\$ (10,819,000)	12,725,000	44,234,000

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows and inflows of resources (excluding employer specific amounts) for the year ending June 30, 2018:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows resources:						
Change in assumptions	2018	9.1 years	\$ —	6,623,000	727,802	5,895,198
Total deferred outflows of resources			<u>\$ —</u>	<u>6,623,000</u>	<u>727,802</u>	<u>5,895,198</u>
Deferred inflows of resources:						
Difference between projected and actual earnings on OPEB plan investments	2017 2018	5 years 5 years	\$ 2,534,400 —	— (56,000)	633,600 (11,200)	1,900,800 (44,800)
			<u>2,534,400</u>	<u>(56,000)</u>	<u>622,400</u>	<u>1,856,000</u>
Difference between expected and actual experience	2017 2018	9.1 years 9.1 years	40,945 —	— 724,000	5,055 79,560	35,890 644,440
			<u>40,945</u>	<u>724,000</u>	<u>84,615</u>	<u>680,330</u>
Total deferred inflows of resources			<u>\$ 2,575,345</u>	<u>668,000</u>	<u>707,015</u>	<u>2,536,330</u>

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

Year ending June 30:	
2019	\$ 20,787
2020	20,787
2021	20,787
2022	654,387
2023	643,187
Thereafter	<u>1,998,933</u>
Total	<u>\$ 3,358,868</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREE MEDICAL PLAN**

Notes to Schedule of Employer Allocations and
Schedule of OPEB Amounts by Employer

June 30, 2018

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2018 are as follows:

Service cost	\$ 12,269,000
Interest on total OPEB liability	7,916,000
Administrative expense	4,000
Expected investment return net of investment expenses	(6,974,000)
Other	(2,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between projected and actual investment earnings on OPEB plan investments	(622,400)
Difference between expected and actual experience	(84,615)
Change in assumptions	<u>727,802</u>
Total OPEB expense	<u>\$ 13,233,787</u>