

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
Regular Board Meeting
Wednesday, April 16, 2014 – 9:00 AM
TRS Administration Board Room
2500 N. Lincoln Blvd., 5th Floor, Oklahoma City, OK

AGENDA

- 1. ROLL CALL FOR QUORUM**
- 2. DISCUSSION AND POSSIBLE ACTION ON APPROVAL OF MINUTES FOR THE MARCH 26, 2014 REGULAR BOARD MEETING**
- 3. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT CONSULTANT MONTHLY REPORT**
- 4. PRESENTATION BY INVESTMENT MANAGER(S):**
 - A. Cove Street Capital (SC)
 - B. MacKay Shields (HY)
- 5. DISCUSSION AND POSSIBLE ACTION ON MANAGER STATUS SUMMARY REPORT** - *The Board of Trustees may elect to make any changes to the status of any manager based on the information available at the Board meeting*
- 6. DISCUSSION AND POSSIBLE ACTION ON INVESTMENT COMMITTEE REPORT**
- 7. DISCUSSION AND POSSIBLE ACTION ON COMMITTEE REPORTS:**
 - a. Governance Committee
 - b. Audit Committee
 - c. Executive Director Search Committee
 - i. Possible action and vote to approve/disapprove Executive Search Firm RFP award
- 8. DISCUSSION AND POSSIBLE ACTION ON AGENCY REPORTS:**
 - a. Investments
 - b. Employer Reporting
 - c. Human Resources
 - d. Finance
 - e. Client Services
 - f. General Counsel
 - g. Interim Executive Director
- 9. QUESTIONS AND COMMENTS FROM TRUSTEES**
- 10. NEW BUSINESS**
- 11. ADJOURNMENT**

Note: The Board of Trustees may discuss, vote to approve, vote to disapprove, or decide not to discuss any item on the agenda.

MEETING MINUTES
MARCH 26, 2014
BOARD OF TRUSTEES
TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

The regularly scheduled meeting of the Board of Trustees of the Teachers' Retirement System of Oklahoma was called to order by James Dickson, Chairman, at 9:02 A .M., in the Administration Board Room, 5th Floor, Oliver Hodge Education Building, 2500 N. Lincoln Blvd., OKC, OK. The meeting notice and agenda were posted in accordance with 25 O.S. Section 311(A)(11).

TRUSTEES PRESENT:

James Dickson, *Chair*

Bill Peacher, *Vice Chair*

Beth Kerr, *Secretary*

Vernon Florence

Roger Gaddis

Jill Geiger

Stewart Meyers, Jr.

Andrew Oster

Billie Stephenson

Gary Trennepohl*

Greg Winters

TRUSTEES ABSENT:

Philip Lewis

TRS STAFF PRESENT:

Julie Ezell, *General Counsel*

Dixie Moody, *Director of Client Services*

Riley Shaull, *Comptroller*

Kim Bold, *Director of Human Resources*

Debra Plog, *Manager of Employer Reporting*

Melissa Kempkes, *Business Analyst*

Susan Yingling, *Executive Assistant*

OTHERS PRESENT:

Terry Ingmire, *OREA*

Wayne Maxwell, *RPOE*

Chancen Flick, *OEA*

Tom Spencer, *OPERS*

*Denotes late arrival or early departure.

ITEM 1 - ROLL CALL FOR QUORUM: Chairman Dickson called the Board meeting to order at 9:02 a.m. and asked for a poll to determine if a quorum was present. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 2 – MEETING MINUTES: A motion was made by Mr. Florence with a second made by Mr. Peacher to approve the February 26, 2014 Board meeting minutes as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

A motion was made by Ms. Kerr with a second made by Dr. Trennepohl to approve the minutes from the special Board meeting held on March 7, 2014. Mr. Gaddis said he would abstain because he wasn't present at the meeting. The motion carried by a poll vote. Trustees voting Aye were as follows: Mr. Florence, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Ms. Stephenson, and Dr. Trennepohl. No

Trustees voted Nay. Trustees abstaining from the vote were as follows: Mr. Gaddis, Mr. Peacher, Dr. Winters, and Chairman Dickson.

ITEM 3 - INVESTMENT CONSULTANT MONTHLY REPORT: Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave their monthly report to the Board. No action was necessary.

ITEM 4 - PRESENTATION BY INVESTMENT MANAGER(S): Investment Managers, Loomis, Sayles & Company and Lord Abbett gave their respective reports to the Board. No action was necessary.

A break was taken from 10:42 a.m. to 10:53a.m.

ITEM 5- MANAGER STATUS SUMMARY REPORT – Investment Consultants to the Board, Greg Weaver and Douglas Anderson of Gregory W. Group, gave the Board their Manager Status Summary Report. No action was necessary.

ITEM 6 - INVESTMENT COMMITTEE REPORT: Bill Peacher, Chairman of the Investment Committee, gave the Board an overview of the March 25, 2014, Investment Committee Meeting. Mr. Peacher advised the Board that the Investment Committee had one recommendation for consideration.

A motion was made by Dr. Trennepohl with a second made by Ms. Geiger to authorize the Chairman of the Board of Trustees to sign the contract with L&B once it was finalized. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 11 – EXECUTIVE SESSION CONCERNING THE APPOINTMENT AND EMPLOYMENT OF THE INTERIM EXECUTIVE DIRECTOR: A motion was made by Mr. Florence with a second made by Dr. Winters to resolve into Executive Session at 10:59 a.m. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

After a lengthy discussion, no action was taken during Executive Session.

A motion was made by Dr. Trennepohl with a second made by Mr. Florence to return to open session at 11:50 a.m. The motion carried by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

Open session reconvened at 11:51 a.m.

ITEM 12 – ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION: A motion was made by Mr. Florence with a second made by Ms. Kerr to approve the contract discussed with the person specified in Executive Session. The motion carried by a poll vote. Trustees voting Aye were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson. There were no Nay votes.

A break for lunch was taken from 12:00 p.m. – 12:18 p.m.

ITEM 7 - COMMITTEE REPORT: Gary Trennepohl, Chairman of the Governance Committee, told the Board there was no report. No action was taken.

Stewart Meyers, Chairman of the Audit Committee, told the Board there was no report. No action was taken.

Gary Trennepohl, Chairman of the Executive Director Search Committee, told the Board that the RFP for executive search firms was scheduled to close within the week. He said that no proposals had been received yet. After some discussion, a motion was made by Ms. Geiger with a second made by Dr. Winters to empower the Executive Director Search Committee to issue a new RFP if no entries or no entries meeting the criteria were received by the deadline. The motion carried by unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Trennepohl, Dr. Winters, and Chairman Dickson.

ITEM 8 – AGENCY REPORTS: Debra Plog, Manager of Employer Reporting, gave her report to the Board. No action was necessary.

Melissa Kempkes, Business Analyst, gave her report to the Board. No action was necessary.

Dr. Trennepohl left at 12:43 p.m.

Kim Bold, HR Director, gave her report to the Board. No action was necessary.

Riley Shaull, Comptroller, gave his report to the Board. No action was necessary.

Dixie Moody, Director of Client Services, presented her report to the Board. After a brief discussion, a motion was made by Mr. Oster with a second made by Ms. Geiger to approve the client services report as presented. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Winters, and Chairman Dickson.

Julie Ezell, General Counsel, told the Board there was one administrative hearing scheduled for April 16, 2014. Ms. Ezell then reviewed the job description for the General Counsel position. After a brief discussion, a motion was made by Dr. Winters with a second made by Mr. Oster to approve the job description for the position of General Counsel. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Winters, and Chairman Dickson.

ITEM 9 – CONTRIBUTION RATE FOR GRANT MATCHING FUNDS FOR FY-2015: Julie Ezell, General Counsel, gave a brief presentation to the Board on the Contribution Rate for Grant Matching Funds for FY-2015. After discussion, a motion was made by Mr. Florence with a second made by Mr. Meyers to set the Federal and State Matching Rate at 8.25%. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Winters, and Chairman Dickson.

ITEM 10 – CANCELLATION OF CONTRACT FOR LEGAL SERVICES WITH THE OFFICE OF THE ATTORNEY GENERAL DATED JULY 1, 2013: Julie Ezell, General Counsel, gave a brief presentation regarding the status of the contract for legal services between OTRS and the Office of the Attorney General. She said there were currently two contracts in place; one for 50% of full-time, and one for 25% of full-time. Ms. Ezell stated the portion that she was proposing the Board cancel was the 50% contract under which she was previously employed. After some discussion, a motion was made by Dr. Winters with a second by Mr. Meyers to cancel the 50% portion of the contract with the Office of the Attorney General dated July 1, 2013. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, Dr. Winters, and Chairman Dickson.

ITEM 14 - QUESTIONS AND COMMENTS FROM TRUSTEES: There were no questions or comments from the Trustees.

ITEM 15 - NEW BUSINESS: There was no new business from the Board.

ITEM 16 – ADJOURNMENT: There being no further business, a motion was made by Mr. Florence with a second made by Ms. Geiger to adjourn the meeting. The motion carried by a unanimous voice vote. Trustees responding were as follows: Mr. Florence, Mr. Gaddis, Ms. Geiger, Ms. Kerr, Mr. Meyers, Mr. Oster, Mr. Peacher, Ms. Stephenson, and Chairman Dickson.

BOARD OF TRUSTEES, TEACHERS’ RETIREMENT SYSTEM OF OKLAHOMA

BY: _____
James Dickson, Chairman

ATTEST:

BY: _____
Beth Kerr, Secretary

Certified correct minutes, subject to approval of the Board of Trustees of the Teachers’ Retirement System of Oklahoma, will be available at its next regularly scheduled meeting on April 16, 2014.

BY: _____
Susan Yingling, Executive Assistant to the Executive Director

April Manager Status Report

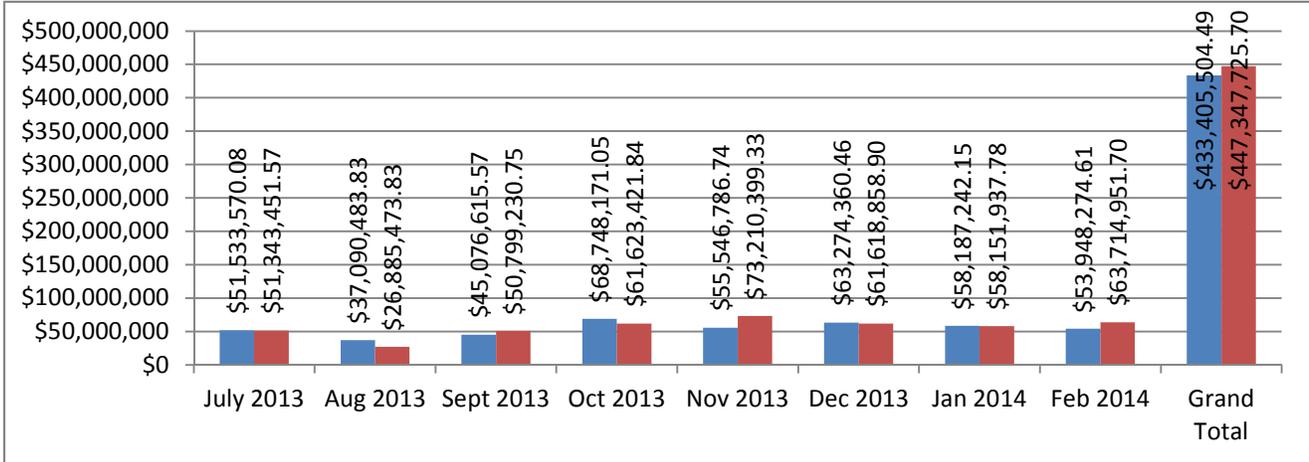
Material Status										
Manager	Mandate	Strategy	AUM	% of Portfolio	Current Status	Reason for Status Change	Status Change Effective Date	Date of Last Review	Date of Next Review	Expectations
Thornburg Investment Management	International Equity	All Cap	471,494,254	3.49%	On Alert	Performance Issues	November 2013	November 2013	June 2014	Improvement in performance compared to peers and benchmark.

All other managers currently rated In Compliance

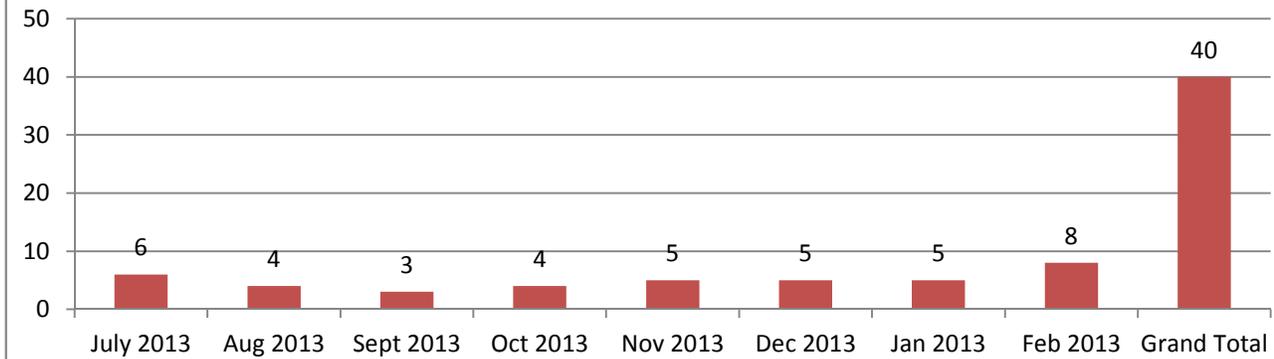
Employer Reporting

Analysis of Employee and Employer Contributions Received

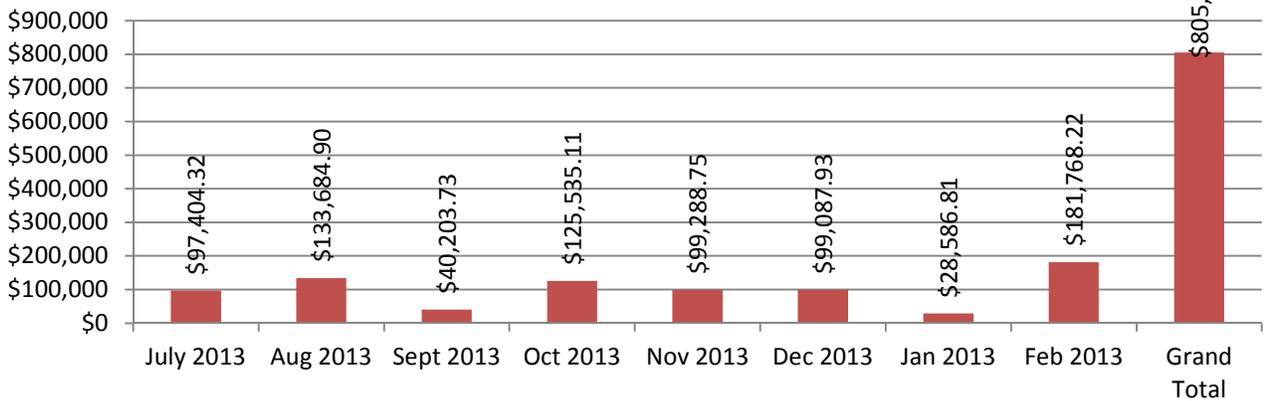
Comparison of Contributions Received for the Eight Months Ended February 28, 2013 and 2014



Estimated Number of Missing Reports FY 2014



Estimated Missing Funds FY 2014





OKLAHOMA TEACHERS
RETIREMENT SYSTEM

HR STATUS REPORT
04/16/2014

HR STATUS REPORT

• **New Hires in March 2014:**

Employee: 280519
Title: Financial Accountant
Salary: \$38,000
Effective: 03/11/2014

Employee: 152612
Title: General Counsel
Salary: \$95,000
Effective: 03/24/2014

• **Resignations/Terminations/Retirements:**

n/a

• **Other:**

n/a

• **Severance Payments:**

n/a

EMPLOYEE RECOGNITION LUNCHEON

- An Employee Recognition Luncheon was held 04/08/2014.

NEW HIRES, RESIGNATIONS OR RETIREMENTS PENDING

- Director of Investments (position has been approved by cabinet secretary but not filled)
- Secretary Treasurer (position has been approved by cabinet secretary but not filled)



**BALANCE SHEET
MARCH 31, 2014**

CURRENT ASSETS:

Cash Not Available For Investment	\$6,332,856.78
Equities (At Market Value)	10,406,494,578.89
Fixed Income (At Market Value)	2,784,968,180.52
Short-Term Investment Account	447,485,967.24
Due From/(To) Broker	(141,887,306.61)
Accounts Receivable Installment Payments	1,358,144.49
Accrued Income	<u>49,185,171.38</u>
Total Current Assets	13,553,937,592.69

CAPITAL ASSETS:

Office Furniture and Equipment	3,286,050.30
Accumulated Depreciation	<u>(1,105,815.70)</u>

TOTAL ASSETS

\$13,556,117,827.29

CURRENT LIABILITIES:

Teachers' Savings Fund	\$4,237,317,839.41
Retirement Benefit Fund	7,308,168,487.84
Interest Fund	1,942,760,332.88
Expense Fund	31,615,032.41
Suspense Fund	<u>33,616,623.89</u>
Total Current Liabilities	13,553,478,316.43

TRS Capital Investment	<u>2,639,510.86</u>
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TOTAL LIABILITIES AND CAPITAL INVESTMENT

\$13,556,117,827.29

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FOR THE NINE MONTHS ENDED MARCH 31

	<u>Year to Date</u> (FY 2014)	<u>Year to Date</u> (FY 2013)	<u>% Change</u>
Balance of Cash and Investments Net Position, Beginning of Year	\$11,817,761,245.40	\$10,120,620,220.15	
<u>RECEIPTS:</u>			
Members' Deposits	190,730,644.76	190,319,668.94	0.22%
Employer Contributions	278,196,224.20	279,031,674.11	-0.30%
State Credits	27,935,088.00	31,008,652.50	-9.91%
Reimbursed Administrative	210.00	334,477.97	-99.94%
Matching Funds from Schools	17,976,546.03	18,536,970.61	-3.02%
Lottery Revenue	2,116,350.00	2,156,877.75	-1.88%
Cigarette Sales Tax Revenue	1,204,362.08	1,269,403.10	-5.12%
Dedicated Revenue	212,353,810.80	215,443,898.66	-1.43%
Total Retirement Receipts	730,513,235.87	738,101,623.64	-1.03%
Interest Income (Fixed Income and Short-Term)	94,895,802.38	101,027,002.10	-6.07%
Dividend Income	165,836,979.86	128,793,097.81	28.76%
Net Realized Gain/(Loss)	709,986,344.05	399,448,375.62	77.74%
Net Unrealized Gain/(Loss)	965,850,513.00	1,000,542,073.64	-3.47%
Investment Operations Income:			
Class Action Lawsuit Proceeds	315,948.40	16,990.01	1759.61%
Other Income	(729.63)	77,317.13	-100.94%
Securities Lending Income	5,875,474.82	6,957,261.43	-15.55%
Total Investment Income	1,942,760,332.88	1,636,862,117.74	18.69%
TOTAL RECEIPTS	2,673,273,568.75	2,374,963,741.38	12.56%
<u>DISBURSEMENTS:</u>			
Retirement Benefits	832,446,479.95	793,838,098.96	4.86%
Insurance Premiums Paid for Retirees	22,665,136.00	22,373,822.00	1.30%
Death Benefits	11,779,074.58	12,345,661.49	-4.59%
Withdrawals of Accounts	22,393,832.97	22,878,411.98	-2.12%
Total Benefit Payments	889,284,523.50	851,435,994.43	4.45%
Administrative Expense:			
General Operations	3,793,133.42	3,514,064.65	7.94%
Investment Expense	32,400,998.06	26,551,266.00	22.03%
Total Administrative Expenses	36,194,131.48	30,065,330.65	20.38%
TOTAL DISBURSEMENTS	925,478,654.98	881,501,325.08	4.99%
NET INCREASE/(NET DECREASE)	1,747,794,913.77	1,493,462,416.30	17.03%
Balance of Cash and Investments, March 31	\$13,565,556,159.17	\$11,614,082,636.45	

SCHEDULE II
Comparison of FY2014 Budget to Actual Expenses
9 Months ended March 31, 2014 Year to Date Comparison

Object of Expenditure	9 Month FY-2014 YTD Budget	9 Month FY-2014 YTD Actual	Over (Under) Amount	Over (Under) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,547,946	1,380,020	(167,926)	-10.8%
Taxes, Benefits, and Other Expenses	850,203	676,427	(173,776)	-20.4%
Subtotal Personal Services	2,398,149	2,056,447	(341,702)	-14.2%
Professional Services				
Investment Manager Expenses	19,999,998	22,551,461	2,551,463	12.8%
Investment Consultant Expenses	526,500	526,500	0	0.0%
Investment Custodian Expenses	56,250	52,468	(3,782)	-6.7%
Pension Commission Expenses	45,000	34,445	(10,555)	-23.5%
Subtotal Investment Expenses	20,627,748	23,164,874	2,537,126	12.3%
Legal Services - Special Projects	37,503	4,693	(32,810)	-87.5%
Legal Services - Attorney General	41,247	51,406	10,159	24.6%
Administrative Hearings	747	0	(747)	-100.0%
Auditing Services	183,753	110,726	(73,027)	-39.7%
Actuarial Services	112,500	85,971	(26,529)	-23.6%
Medical Hearings	7,497	5,400	(2,097)	-28.0%
Management Consultant	52,497	39,835	(12,662)	-24.1%
Marketing Consultant	37,503	15,694	(21,809)	-58.2%
Miscellaneous Services	45,189	11,491	(33,698)	-74.6%
Subtotal Professional Services	518,436	325,216	(193,220)	-37.3%
Total Professional Services	21,146,184	23,490,090	2,343,906	11.1%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	38,700	21,210	(17,490)	-45.2%
Employee Training	29,475	10,875	(18,600)	-63.1%
Employee Travel Expenses	74,079	23,236	(50,843)	-68.6%
Subtotal Travel and Per Diem Expenses	142,254	55,321	(86,933)	-61.1%
Administrative Expenses				
Postage	191,250	140,533	(50,717)	-26.5%
Telecommunications Services	29,997	20,843	(9,154)	-30.5%
Printing and Binding Contracts	67,500	41,722	(25,778)	-38.2%
Informational Services	33,750	26,726	(7,024)	-20.8%
Rent and Maintenance	189,675	165,992	(23,683)	-12.5%
Office Supplies	27,297	12,744	(14,553)	-53.3%
Buildings and Other Structures Construction and Renovation	7,497	2,325	(5,172)	-69.0%
Miscellaneous Administrative Expenses	30,672	21,622	(9,050)	-29.5%
Subtotal Administrative Expenses	577,638	432,507	(145,131)	-25.1%
Data Processing Expenses				
Professional Services	1,166,247	651,827	(514,420)	-44.1%
Rent and Maintenance	2,997	4,470	1,473	49.1%
Office Supplies	16,866	2,552	(14,314)	-84.9%
Equipment -Telecommunications	68,076	4,689	(63,387)	-93.1%
Subtotal Data Processing Expenses	1,254,186	663,538	(590,648)	-47.1%
Total Expenses	25,518,411	26,697,903	1,179,492	4.6%
Total Investment Expenses Only	20,627,748	23,164,874	2,537,126	12.3%
Total Data Processing Expenses Only	1,254,186	663,538	(590,648)	-47.1%
Total except Investment and Data Processing Expenses	3,636,477	2,869,491	(766,986)	-21.1%



SCHEDULE I
Comparison of Actual Expenditures Fiscal Year 2013 and Fiscal Year 2014
9 Month Year to Date Comparison

Object of Expenditure	FY-2013 YTD Actual Expenditures 3/31/2013	FY-2014 YTD Actual Expenditures 3/31/2014	Increase (Decrease) Amount	Increase (Decrease) Percentage
Personal Services				
Salary and Longevity Pay Expenses	1,439,825	1,380,020	(59,805)	-4.2%
Taxes, Benefits, and Other Expenses	721,454	676,427	(45,027)	-6.2%
Subtotal Personal Services	2,161,279	2,056,447	(104,832)	-4.9%
Professional Services				
Investment Manager Expenses	17,388,157	22,551,461	5,163,304	29.7%
Investment Consultant Expenses	526,500	526,500	0	0.0%
Investment Custodian Expenses	40,503	52,468	11,965	29.5%
Pension Commission Expenses	32,478	34,445	1,967	6.1%
Subtotal Investment Expenses	17,987,638	23,164,874	5,177,236	28.8%
Legal Services - Special Projects	269	4,693	4,424	1644.6%
Legal Services - Attorney General	40,549	51,406	10,857	26.8%
Administrative Hearings	0	0	0	0.0%
Auditing Services	58,977	110,726	51,749	87.7%
Actuarial Services	98,866	85,971	(12,895)	-13.0%
Medical Hearings	6,600	5,400	(1,200)	-18.2%
Management Consultant	77,033	39,835	(37,198)	-48.3%
Marketing Consultant	24,426	15,694	(8,732)	-35.7%
Miscellaneous Services	20,992	11,491	(9,501)	-45.3%
Subtotal Professional Services	327,712	325,216	(2,496)	-0.8%
Total Professional Services	18,315,350	23,490,090	5,174,740	28.3%
Travel and Per Diem Expenses				
Non-Employee Travel Expenses	29,561	21,210	(8,351)	-28.3%
Employee Training	18,310	10,875	(7,435)	-40.6%
Employee Travel Expenses	30,928	23,236	(7,692)	-24.9%
Subtotal Travel and Per Diem Expenses	78,799	55,321	(23,478)	-29.8%
Administrative Expenses				
Postage	72,927	140,533	67,606	92.7%
Telecommunications Services	24,050	20,843	(3,207)	-13.3%
Printing and Binding Contracts	41,998	41,722	(276)	-0.7%
Informational Services	28,127	26,726	(1,401)	-5.0%
Rent and Maintenance	136,060	165,992	29,932	22.0%
Office Supplies	18,052	12,744	(5,308)	-29.4%
Buildings and Other Structures Construction and Renovation	550	2,325	1,775	0.0%
Miscellaneous Administrative Expenses	19,172	21,622	2,450	12.8%
Subtotal Administrative Expenses	340,936	432,507	91,571	26.9%
Data Processing Expenses				
Professional Services	544,613	651,827	107,214	19.7%
Rent and Maintenance	13,419	4,470	(8,949)	-66.7%
Office Supplies	3,025	2,552	(473)	-15.6%
Equipment -Telecommunications	8,462	4,689	(3,773)	-44.6%
Subtotal Data Processing Expenses	569,519	663,538	94,019	16.5%
Total Expenses	21,465,883	26,697,903	5,232,020	24.4%
Total Investment Expenses Only	17,987,638	23,164,874	5,177,236	28.8%
Total Data Processing Expenses Only	569,519	663,538	94,019	16.5%
Total except Investment & Data Processing Expenses	2,908,726	2,869,491	(39,235)	-1.3%

Miscellaneous Professional Services Expenses

	Budget	Expenses	Expenses
	<u>2014</u>	<u>2014</u>	<u>2013</u>
Background Checks	250.00	76.00	114.00
Retirement Process Consultant	10,000.00	0.00	0.00
Document Destruction	2,500.00	1,713.52	1,391.84
Office of Personnel Management	2,500.00	0.00	0.00
Security	10,000.00	4,326.00	4,509.77
Business Service Center	35,000.00	2,717.98	13,873.13
Computer Professional Services	0.00	2,150.00	1,102.99
Sign Language Interpreter	0.00	507.52	0.00
	<u><u>\$60,250.00</u></u>	<u><u>\$11,491.02</u></u>	<u><u>\$20,991.73</u></u>

Miscellaneous Administrative Expenses

	Budget	Expenses	Expenses
	<u>2014</u>	<u>2014</u>	<u>2013</u>
Bank Service Charges	10,000.00	6,412.36	5,730.39
ERP Systems -PeopleSoft	5,200.00	2,389.50	1,927.81
Licenses, Permits, Certificates and Other Rights	3,000.00	1,630.50	1,749.88
Membership in Organizations	11,700.00	6,125.00	6,805.00
Premium Surety and Other Required Bonds	2,000.00	2,571.33	2,695.07
Advertising	0.00	2,493.38	0.00
Moving Expenses General	0.00	0.00	264.00
Property and Liability Insurance	8,000.00	0.00	0.00
	<u>\$39,900.00</u>	<u>\$21,622.07</u>	<u>\$19,172.15</u>

Miscellaneous Data Processing Administrative Expenses

	Budget	Expenses	Expenses
	<u>2014</u>	<u>2014</u>	<u>2013</u>
Membership in Organizations	1,000.00	0.00	0.00
	<u>\$1,000.00</u>	<u>\$0.00</u>	<u>\$0.00</u>



**RECEIPTS AND CLAIMS FOR AUTHORIZED EXPENDITURES
MARCH 31, 2014**

Expenses of Board

Trustee	Meetings, March 7 special board meeting travel	\$	131.20
Trustee	Meetings, March 7 special board meeting travel		90.36
Trustee	Meetings, March 7 special board meeting travel		72.80
			<hr/> 294.36

Travel of Employees

General Counsel	NAPPA conference, Washington DC		889.67
Business Analyst	Pension conference, Washington DC		328.00
			<hr/> 1,217.67

Communications

Ala Carte Courier Services	Courier service		226.00
AT&T	Wireless, OneNet Charges		839.88
Cox Communications	Cable charges		43.40
FedEx Freight	Freight charges		8.69
JP Morgan Bank	Analysis charges		606.63
Journal Record Publishing Company	Legislative tracking		2,550.00
Office of Management and Enterprise Services	Telecommunications, Transaction Fees		1,982.43
Office of Management and Enterprise Services	Printing		150.66
			<hr/> 6,407.69

Contingency, Maintenance, Insurance, Rent, Etc.

Brooks Industries	Ice machine maintenance		314.75
Department of Libraries	January and February records storage		1,022.40
Evacchair North America	Emergency evacuation chair		2,325.00
First Aid Express	First aid supplies		143.65
First Choice Coffee Service	Kitchen supplies		779.93
NES McBee	Office supplies		81.43
Office of Management and Enterprise Services	Office space		13,195.27
Oklahoma Production Center	Kitchen supplies		236.88
Oklahoma State Bureau of Investigations	Background checks		38.00
Precision Document Solutions	Printer maintenance		553.11
Prism Assoc.	Membership - IT Director		150.00
SHI Corp.	Adobe software license		1,193.00
Staples	Office supplies		360.24
Vista.Com	Voice recording maintenance		445.00
Walker Stamp	Office supplies		54.40
Zios Italian Kitchen	Catering - February 26 board meeting		227.93
			<hr/> 21,120.99



**RECEIPTS AND CLAIMS FOR AUTHORIZED EXPENDITURES
MARCH 31, 2014**

Investment Expenditures

State Street Global Advisors	Investment management fees second quarter	\$ 35,522.77
Gregory W Group	March 2014 consulting fee	<u>58,500.00</u>
		94,022.77

Professional Services, Workers Comp Insurance

Attorney General	Legal services	2,687.34
Dathan D Jay MD	March 2014 medical board	300.00
George R Jay MD	March 2014 medical board	300.00
Gabriel Roeder Smith	Actuary services	9,666.00
MY Consulting Inc	February 2014 ALICE development	66,900.00
Office of Management and Enterprise Services	Server support, disk storage & network support	4,821.88
Office of Management and Enterprise Services	Interagency mail/postage	45,830.91
Office of Management and Enterprise Services	Flexible benefit administration	37.66
Stinnett & Associates	Audit services February	5,724.00
The Meadows	Document destruction	<u>225.00</u>
		136,492.79

Salaries and Fringe Benefits

Salaries	Administrative department	15,583.34
Salaries	Finance/Accounting department	21,821.58
Salaries	Client Services department	79,883.12
Salaries	Investment department	10,859.67
Salaries	Information Technology department	6,291.67
Longevity Payroll		2,326.00
Excess Benefit Allowance		3,617.83
FICA/MQFE	Social Security and Medicare	10,624.35
Oklahoma State Deferred Savings Incentive Plan	Savings incentive plan and administrative fee	831.11
Oklahoma Group Insurance	Employee health, dental life	30,323.68
Teachers' Retirement System of Oklahoma	Employees retirement contributions	30,147.64
Unemployment compensation	Unemployment for Agency payroll	<u>1,309.88</u>
		213,619.87

Grand Total		<u>\$ 473,176.14</u>
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