STATE OF WISCONSIN PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN AND TRUST

Madison, Wisconsin

Financial Statements As of and for the Years Ended December 31, 2018 and 2017 Including Independent Auditors' Report

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COLEMAN & WILLIAMS, LTD.
A Professional Services Firm

INDEPENDENT AUDITOR'S REPORT

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Report on the Financial Statements

We have audited the accompanying financial statements of the State of Wisconsin Public Employees Deferred Compensation Plan and Trust (the "Plan") , which comprise the statements of fiduciary net assets available for benefits as of December 31, 2018 and 2017, and the related statements of changes in fiduciary net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net assets available for benefits of the plan's Employee Benefit Plan as of December 31, 2018 and 2017, and the changes in fiduciary net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion, or provide any assurance, on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Coleman & Williams, Ltd.

Milwaukee, Wisconsin
June 14, 2019

This section presents Management's Discussion and Analysis of the Wisconsin Public Employees Deferred Compensation Plan and Trust's (the Plan) financial performance, which includes an overview of the Plan's financial position and activities as of December 31, 2018, and 2017 and for the years then ended. It is presented as required supplemental information to the financial statements.

The Plan is a supplemental retirement savings plan available to all active state and university employees. Active local government and school district employees may also be eligible if their employer has elected to offer this optional benefit program. The Wisconsin Deferred Compensation (WDC) Program is governed by Section 457 of the Internal Revenue Code (IRC), Wisconsin Statute § 40.80, 40.81, & 40.82 and WI Admin. Code ETF Chapter 70.

FINANCIAL HIGHLIGHTS

- Net Position Available for Plan Benefits decreased by $241.7 million from $5.0 billion at December 31, 2017 to approximately $4.7 billion at December 31, 2018. This decrease was primarily due to a net decrease in investment income. The Net appreciation (depreciation) in fair value of investments decreased from $559.8 million as of December 31, 2017, to $(329.5) million as of December 31, 2018. This is mainly due to the decrease in the average rate of return on variable earnings investments from 21.10% as of December 31, 2017, to (4.58)% as of December 31, 2018.

- Employee contributions increased 5.26% from $155.3 million for the year ended December 31, 2017 to $163.4 million for the year ended December 31, 2018. The change from 2017 to 2018 was due to an increase in the number of plan participants from year to year. There were 63,845 and 61,686 plan participants as of December 31, 2018, and 2017, respectively, which was a 3.50% increase.

- Transfers In From Other Plans increased 91.14% from $36.8 million for the year ended December 31, 2017 to $70.4 million for the year ended December 31, 2018. Much of this increase can be attributed to the results of a targeted campaign by Empower to notify new employees that they can transfer in amounts from other qualified retirement savings plans.

- Distributions to participants increased from $220.1 million for the year ended December 31, 2017 to $274.9 million for the year ended December 31, 2018. This change was due to an increase in both the number of individuals receiving distributions from year to year and the average amount distributed. There were 9,177, and 8,373 individuals who received a distribution during the years ended December 31, 2018 and 2017, respectively, which was a 9.60% increase. The average distribution amount increased by $3,671 or 13.97% between years.

- Administrative expenses include advisory service fees paid by participants using the managed accounts service as well as administrative fees paid by all participants. Administrative fees cover the costs of the service contract with Empower Retirement as well as the costs for audits and other plan expenses. Furthermore, certain investment options provide reimbursements of fees to participants, which are netted against the administrative expenses, as shown on the following page.

Administrative Expenses

	2018	2017	$ Change	% Change
Advisory Service Fees	$ 1,928,192	$ 1,490,820	$ 437,372	29.3 %
Administrative Fees	3,296,932	3,102,102	194,830	6.3 %
Investment Option Reimbursements	(1,289,586)	(1,626,722)	(337,136)	(20.7)%
Administrative Expenses	$ 3,935,538	$ 2,966,200	$ 969,338	32.7 %

Administrative expenses increased 32.7% from $3.0 million for the year ended December 31, 2017 to $3.9 million for the year ended December 31, 2018. The increase was primarily due to more participants using the managed account service, an increase in overall program participation, and a decrease in the Investment Option Reimbursement amounts. The Investment Option Reimbursements decreased 20.7% due to a transition of the Fidelity ContraFund from a mutual fund with a reimbursement to a Collective Investment Trust with no reimbursement.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of the Statements of Fiduciary Net Position Available for Plan Benefits and the Statements of Changes in Fiduciary Net Position Available for Plan Benefits. These statements provide information about the financial position and activities of the Plan.

The following Summary of Net Position Available for Plan Benefits and the Summary of Changes in Net Position Available for Plan Benefits provides summary information about the financial position and activities of the Plan.

Summary of Fiduciary Net Position Available for Plan Benefits

	December 31, 2018	December 31, 2017	$ Change	% Change
Investments	$ 4,748,000,416	$ 4,989,604,397	$ (241,603,981)	(4.8)%
Receivable - contributions	436,182	566,451	(130,269)	(23.0)%
Total Assets	4,748,436,598	4,990,170,848	(241,734,250)	(4.8)%
Administrative expenses payable	2,157,003	2,225,536	(68,533)	(3.1)%
Net Position available for plan benefits	$ 4,746,279,595	$ 4,987,945,312	$ (241,665,717)	(4.8)%

Summary of Changes in Fiduciary Net Position Available for Plan Benefits

	2018	2017	$ Change	% Change
Additions				
Employee contributions	$ 163,413,183	$ 155,252,304	$ 8,160,879	5.3 %
Transfers-in from other plans	70,424,658	36,844,282	33,580,376	91.1 %
Investment income (loss)	(196,693,615)	719,604,173	(916,297,788)	(127.3)%
Total additions	37,144,226	911,700,759	(874,556,533)	(95.9)%
Deductions				
Distributions to participants	274,874,405	220,057,467	54,816,938	24.9 %
Administrative expenses	3,935,538	2,966,200	969,338	32.7 %
Total deductions	278,809,943	223,023,667	55,786,276	25.0 %
Net Increase (decrease)	$ (241,665,717)	$ 688,677,092	$ (930,342,809)	(135.1)%

FINANCIAL CONTACT

The Plan's financial statements are designed to present users with a general overview of the Plan's finances and to demonstrate the trustees' accountability. If you have questions about the report or need additional financial information, contact the Deferred Compensation Director for the Department of Employee Trust Funds at P.O. Box 7931, Madison, Wisconsin, 53707-7931.

FINANCIAL STATEMENTS

STATE OF WISCONSIN PUBLIC EMPLOYEES
DEFERRED COMPENSATION PLAN AND TRUST
STATEMENTS OF FIDUCIARY NET POSITION AVAILABLE FOR PLAN BENEFITS
Years Ended December 31,

ASSETS	**2018**	**2017**
Investments:		
Fixed earnings investments	$ 794,483,035	$ 762,019,875
Variable earnings investments	3,893,251,509	4,160,315,904
Self-directed option investments	60,265,872	67,268,618
Total investments	4,748,000,416	4,989,604,397
Receivable - contributions	436,182	566,451
Total assets	4,748,436,598	4,990,170,848
LIABILITIES		
Administrative expenses payable	2,157,003	2,225,536
NET POSITION AVAILABLE FOR PLAN BENEFITS	$ 4,746,279,595	$ 4,987,945,312

The accompanying notes are an integral part of the financial statements.

STATE OF WISCONSIN PUBLIC EMPLOYEES
DEFERRED COMPENSATION PLAN AND TRUST
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION AVAILABLE FOR PLAN BENEFITS
Years Ended December 31,

	2018	2017
ADDITIONS		
Employee contributions	$ 163,413,183	$ 155,252,304
Transfer-in from other plans	70,424,658	36,844,282
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	(329,511,962)	559,799,080
Interest and dividends	132,818,347	159,805,093
Total additions	37,144,226	911,700,759
DEDUCTIONS		
Distributions to participants	274,874,405	220,057,467
Administrative expenses	3,935,538	2,966,200
Total deductions	278,809,943	223,023,667
NET INCREASE (DECREASE)	(241,665,717)	688,677,092
NET POSITION AVAILABLE FOR PLAN BENEFITS, BEGINNING OF YEAR	4,987,945,312	4,299,268,220
NET POSITION AVAILABLE FOR PLAN BENEFITS, END OF YEAR	$ 4,746,279,595	$ 4,987,945,312

The accompanying notes are an integral part of the financial statements.

NOTE 1- DESCRIPTION OF PLAN

The State of Wisconsin Public Employees Deferred Compensation Plan and Trust (the Plan) was established in 1981 pursuant to Wisconsin State Statute Section 40.80.

In accordance with Section 457 of the IRC, the Plan limits the amount of an employee's annual contributions to an amount not to exceed the lesser of $18,500 or 100% of the employee's includable compensation for 2018 and $18,000 for 2017. In 2010, the federal government passed the Small Business Jobs Act of 2010, which allows 457 plans such as the WDC Program to offer a Roth contribution option effective January 1, 2011. Roth contributions are made with after-tax dollars. Participants may withdraw WDC Roth contributions and earnings income tax and penalty free once they have held the account for at least five years and severed employment. The WDC opened the Roth contribution option to participants on July 1, 2011. The Plan also provides certain catch-up contribution provisions for participants age 50 or older and for participants within three years of their normal retirement age. Amounts contributed by employees are deferred for federal and state income tax purposes until benefits are paid to the employees. The Plan allows the employer to make contributions to the Plan on behalf of employees. No such contributions were made in 2018 or 2017.

Under the Plan provisions, employees of the State of Wisconsin and public employers in Wisconsin that elect to participate are eligible to contribute to the Plan through payroll deductions. As of December 31, 2018, approximately 66% of the Plan assets were applicable to State employees and the remaining 34% represent the assets of other Wisconsin public employers participating in the Plan. This is compared to 67% State employees and 33% other Wisconsin public employers in 2017.

Under provisions of the Small Business Job Protection Act of 1996 (SBJPA), which became effective for plan years beginning after December 31, 1996, assets of IRC Section 457 plans must be held in a trust, custodial account, or annuity contract for the exclusive benefit of employees and beneficiaries. In March 2006, Wisconsin Act 150 was signed into law, creating Code Section s.40.80 (2)(g) of the Wisconsin Statutes. Section s.40.80 (2)(g) incorporates requirements of the federal tax code by establishing the WDC Program as a trust. Furthermore, it established the Deferred Compensation Board members as trustees with fiduciary responsibilities.

The Plan is governed by the Wisconsin Deferred Compensation Board (the Board) and is administered by a third party.

Employees electing to participate in the Plan may contribute to or exchange within any of the following investment options:

- Fixed earnings investment of the Stable Value option managed by Galliard Capital Management, Inc.
- Fixed earnings investment in a FDIC option managed by Nationwide Bank until December 18, 2018, when the Deferred Compensation Board approved moving from Nationwide Bank to Johnson Bank.
- Variable earnings investments options consisting of select mutual funds and collective investment trusts.
- Self-directed option - Personal Choice Retirement Accounts (PCRA) offered by Charles Schwab & Co., Inc. Participants may exchange funds accumulated in the core options of the Plan to a PCRA account, which provides approximately 3,000 investment offerings in addition to the Plan's core options.

Employees may withdraw the value of the funds contributed to the Plan upon termination of employment with the employer, retirement, death, or financial hardship. Employees, or their beneficiaries, may select various payout options which include lump sum or periodic payments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and present the net position available for plan benefits and the net change in position.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Contributions and Contributions Receivable

Employee contributions are recognized when such amounts are withheld. Receivable contributions represent amounts withheld from employees but not yet received or remitted to the investment carriers at calendar year-end.

Investment Valuation

Fixed earnings investments are valued as reported by Galliard Capital Management and Johnson Bank at fair value, which represents contributions received plus interest income earned to date less applicable charges and amounts withdrawn.

Variable earnings investments (mutual funds) and personal choice retirement accounts are presented at fair value based on published quotations. All purchases and sales are recorded on a trade-date basis.

Distributions

Distributions are recorded at the time withdrawals are made from participant accounts.

Fixed and Variable Earnings Investment Income

Fixed and Variable earnings investment income consists of dividend income and realized and unrealized gains and losses attributed to the mutual funds.

Interest Income

The Stable Value option paid interest ranging from 1.97% to 2.57% and 1.76% to 2.03% during the years ended December 31, 2018 and 2017, respectively. At December 31, 2018 and 2017, the crediting rate was 2.57% and 2.03%, respectively.

The FDIC option was managed by Nationwide Bank until December 18, 2018, when the Deferred Compensation Board approved moving from Nationwide Bank to Johnson Bank. The FDIC option paid interest ranging from 1.59% and 2.33% and .68% to 1.21% during the years ended December 31, 2018 and 2017, respectively. At December 31, 2018 and 2017, the crediting rate was 2.33% and 1.21%, respectively.

Interest income is recorded as earned on the accrual basis.

Participants' Accounts

Earnings are credited to individual participants' accounts based upon the investment performance of each specific option selected.

Transfer-In from Other Plans

Transfer-in represents the balance of assets transferred by employees from other eligible plans.

Related Party Transactions

Certain members of the Deferred Compensation Board, Wisconsin Retirement Board, Teachers Retirement Board, Group Insurance Board and Employee Trust Funds Board are participating or retired members of the Plan.

NOTE 3 - INVESTMENTS

Investments held in the name of the Plan at December 31, 2018 and 2017 can be found in a table on the following two pages. Investments marked with an asterisk (*) represent individual investment options which exceed 5% of the Net Position Available For Plan Benefits as of December 31, 2018, and 2017. Investments marked with two asterisks (**) represent international mutual funds.

	Fair and Carrying Value 2018		2017	
Fixed earning investments:				
Stable Value	$ 665,617,520	*	$ 649,846,386	*
FDIC Bank Option	128,865,515		112,173,489	
Total fixed earnings investments	794,483,035		762,019,875	
Variable earnings investments:				
International equity funds				
American Funds Europacific Fund - Class R6	146,615,656	**	191,389,703	**
BlackRock EAFE Equity Index Fund - Class T	153,093,008	**	143,545,171	**
Total International Equity Funds	299,708,664		334,934,874	
Mid-Cap Funds				
T. Rowe Price Instl Mid Cap Equity Growth	465,863,329	*	524,150,206	*
BlackRock Mid Cap Equity Index Fund - Collective F	181,217,181		203,858,740	
Total Mid-Cap Funds	647,080,510		728,008,946	
Target Date Funds				
Vanguard Target Retirement 2015/Vanguard Instl Trgt Retire 2015	109,893,018		116,979,664	
Vanguard Target Retirement 2025/Vanguard Instl Trgt Retire 2025	228,779,693		226,781,873	
Vanguard Target Retirement 2035/Vanguard Instl Trgt Retire 2035	155,243,866		152,210,958	
Vanguard Target Retirement 2045/Vanguard Instl Trgt Retire 2045	89,508,089		86,387,159	
Vanguard Target Retirement 2055/Vanguard Instl Trgt Retire 2055	25,088,946		21,350,223	
Vanguard Target Retirement Inc Trust/Vanguard Instl Trgt Inc	47,748,271		45,645,562	
Total Target Date Funds	656,261,883		649,355,439	
Large-Cap Funds				
Calvert US Large Cap Core Resp Index R6/Calvert Social Investment Fund - Equity Portfolio - Class I	50,456,401		54,639,817	
American Beacon Bridgeway Large Cap	22,047,485		3,450,660	
Fidelity Contrafund Commingled Pool/Fidelity Contrafund	637,538,417	*	684,772,047	*
Vanguard Institutional 500 Index Trust/Vanguard Institutional Index Fund Plus Shares	486,161,275	*	518,893,209	*
Vanguard Wellington Fund Admiral Share	440,285,565	*	494,212,832	*
Total Large-Cap Funds	1,636,489,143		1,755,968,565	
Bonds				
BlackRock U.S. Debt Index Fund - Class W	183,089,746		149,965,300	
Federated U. S. Government Securities Fund - 2-5 Institutional Shares	31,640,511		32,500,156	
Vanguard Long-Term Investment Grad Fund Admiral Shares	129,377,539		150,717,672	
Total Bonds	344,107,796		333,183,128	

	Fair and Carrying Value			
	2018		2017	
Small-Cap				
BlackRock Russell 2000 Index Collective T	68,346,092		80,840,888	
DFA US Micro Cap Fund	208,008,339	*	251,443,459	*
Total Small-Cap Funds	276,354,431		332,284,347	
Money Market				
Vanguard Admiral Treasury Money Market Fund - Admiral Shares	33,249,082		26,580,605	
Total Money Market	33,249,082		26,580,605	
Total variable earnings investments	3,893,251,509		4,160,315,904	
Self-directed option				
Personal Choice Retirement Accounts - Charles Schwab	60,265,872		67,268,618	
Total Self-Directed	60,265,872		67,268,618	
Total investments	$ 4,748,000,416		$ 4,989,604,397	

* Represent individual investment options that exceed 5% of the Net Position Available for Plan Benefits.
** Represent International funds.

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan would not be able to recover the value of its deposits, investments, or collateral securities that were in the possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured or not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent, but not in the Plan's name.

The fixed earning investments with Johnson Bank are insured by the Federal Deposit Insurance Corporation up to $250,000 per participant. At December 31, 2018 and 2017, 77 and 43 individual participant accounts held more than $250,000, respectively.

The Stable Value option, the Variable earning mutual funds, and the Self-directed option, which is limited to mutual funds, do not have securities that are used as evidence of the investments and therefore are not exposed to custodial credit risk. The Plan does not have a formal policy for custodial credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. Duration is the measure of a debt investment's exposure to fair value changes arising from changing interest rates based upon the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The weighted average effective duration in years for investments held in 2018 and 2017 are on the following page.

Weighted Average Maturity for the Years ended December 31,

	2018		2017	
	Fair Value	Weighted Average Maturity	Fair Value	Weighted Average Maturity
Fixed earnings investment:				
Stable Value	$ 665,617,520	3.81	$ 649,846,386	3.56
Variable earnings investments:				
Vanguard Wellington Fund Admiral Shares	440,285,565	9.2	494,212,832	9.6
Vanguard Long-Term Investment Grade Fund Admiral Shares	129,377,539	22.1	150,717,672	22.7
BlackRock U. S. Debt Index Fund-Class W	183,089,746	8.06	149,965,300	8.04
Federated U.S.. Government Securities Fund 2-5 Instl Shares	31,640,511	3.8	32,500,156	3.5
Vanguard Target Retirement Inc Trust/Vanguard Instl Trgt Inc	47,748,271	7.33	45,645,562	7.16
Vanguard Target Retirement 2015/Vanguard Instl Trgt Retire 2015	109,893,018	7.54	116,979,664	7.13
Vanguard Target Retirement 2025/Vanguard Instl Trgt Retire 2025	228,779,693	8.74	226,781,873	8.57
Vanguard Target Retirement 2035/Vanguard Instl Trgt Retire 2035	155,243,866	8.74	152,210,958	8.56
Vanguard Target Retirement 2045/Vanguard Instl Trgt Retire 2045	89,508,089	8.74	86,387,159	8.57
Vanguard Target Retirement 2055/Vanguard Instl Trgt Retire 2055	25,088,946	8.74	21,350,223	8.57

Credit risk is the risk that the Plan will lose money because of the default of the security of the issuer or investment counterparty. The stable value option and the variable earnings mutual funds are unrated.

Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan's investments are managed by several fund managers. The concentrations of investments are determined by the participants' elections to invest in the available investment options as selected by the Board. Investments that exceed 5% of net position are identified on page 12 and 13.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of the investment. The Plan allows the option of investments in mutual funds of countries other than the U.S. that invest in securities and are not required to disclose the individual assets within the fund. The fair value of these investments was $299,708,664 and $334,934,874 as of December 31, 2018, and 2017, respectively. The individual funds are identified on page 12.

Fair Value Measurement: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and other market corroborated inputs.
- Level 3: Significant unobservable inputs.

Assets measured at fair value on a recurring basis are summarized as follows:

	Level 1	Level 2	Level 3	Fair Value
December 31, 2018				
Bond Funds	$ 0	$ 344,107,796	$ 0	$ 344,107,796
Fixed Earnings	0	794,483,035	0	794,483,035
Money Market	33,249,082	0	0	33,249,082
Large-Cap equity funds	1,636,489,143	0	0	1,636,489,143
Mid-Cap equity funds	647,080,510	0	0	647,080,510
Small-Cap equity funds	276,354,431	0	0	276,354,431
International equity funds	299,708,664	0	0	299,708,664
Target date funds	656,261,883	0	0	656,261,883
Self-directed brokerage mutual funds	60,265,872	0	0	60,265,872
Totals	$ 3,609,409,585	$ 1,138,590,831	$ 0	$ 4,748,000,416

	Level 1	Level 2	Level 3	Fair Value
December 31, 2017				
Bond Funds	$ 0	$ 333,183,127	$ 0	$ 333,183,127
Fixed Earnings	0	762,019,875	0	762,019,875
Money Market	26,580,605	0	0	26,580,605
Large-Cap equity funds	1,755,968,565	0	0	1,755,968,565
Mid-Cap equity funds	728,008,946	0	0	728,008,946
Small-Cap equity funds	332,284,348	0	0	332,284,348
International equity funds	334,934,874	0	0	334,934,874
Target date funds	649,355,439	0	0	649,355,439
Self-directed brokerage mutual funds	67,268,618	0	0	67,268,618
Totals	$ 3,894,401,395	$ 1,095,203,002	$ 0	$ 4,989,604,397

An agreement was reached between the Board and Great-West Life on April 27, 1994, whereby the Plan purchased a single premium group annuity policy on May 1, 1994 for $12,946,917 (the balance in the annuity payout reserve at the time of purchase). Under the terms of the policy, Great-West Life assumed the contractual liability for the remaining annuity terms and amounts and assumed all risk related to market fluctuation. The actuarial value of the group annuity contracts, as determined by Great-West Life was $1,070,084 and $1,209,291 at December 31, 2018 and 2017, respectively.

NOTE 4 - PLAN ADMINISTRATION

The cost of the Plan is paid for primarily with participant administrative fees. Each participant in the Plan is charged a fee based upon their account balance and a tiered dollar charge. The following fees were unchanged from 2017 to 2018:

Participant Account Balance	Monthly/Annual Participant Fee
$1 - $5,000	$0/$0
$5,001 - $25,000	$1/$12
$25,001 - $50,000	$3/$36
$50,001 - $100,000	$6/$72
$100,001 - $150,000	$8/$96
$150,001 - $250,000	$11/$132
More than $250,000	$16.50/$198

Fees assessed in excess of the Plan administrative expenses as of December 31, 2018, and 2017, were $2,157,003 and $2,225,536, respectively. The amounts are reported on the Statements of Fiduciary Net Position Available for Plan Benefits as Administrative expenses payable. At the Board's discretion, these excess fees are invested and available to defray future administrative expenses and participant fee increases.

NOTE 5 - TAX STATUS

The Plan is reviewed by legal counsel to ensure conformity with Section 457 of the IRC. Accordingly, any amount of compensation deferred under the Plan and any income attributable to the amounts deferred shall be included in the gross income of the participant only for the taxable year in which such compensation or other income is paid or otherwise made available to the participant or beneficiary.

NOTE 6 - CONTINGENCIES

The Plan is subject to various threatened and pending claims. It is the opinion of management that the ultimate liability arising from such threatened and pending claims will not have a material effect on the financial position of the Plan. The Plan is exposed to various other liabilities and risks related to the fiduciary responsibility of directors and officers.

NOTE 7 - RISK AND UNCERTAINTIES

The Plan, as directed by participants, may invest in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks.

Due to the level of risk associated with certain investment securities, it is possible that changes in the values of investment securities may occur in the near term and that such changes could materially affect the amounts reported in the Statements of Fiduciary Net Position Available for Plan Benefits.

NOTE 8 - PLAN TERMINATION

The State may terminate the Plan at any time, although no intent to terminate the Plan has been expressed. In the event of termination, all participants will remain fully vested.

NOTE 9 – SUBSEQUENT EVENTS

The Plan evaluated subsequent events through June 14, 2019, the date the financial statements were available to be issued, for events requiring reporting or disclosure in the Plan’s financial statements. Management believes no material events have occurred.