

Oklahoma Firefighters Pension and Retirement System

2021



**OKLAHOMA FIREFIGHTERS
PENSION & RETIREMENT SYSTEM**

**Annual Comprehensive Financial Report
for the Fiscal Years Ended June 30, 2021 and 2020
A Component Unit of the State of Oklahoma**

Oklahoma Firefighters Pension and Retirement System

MISSION STATEMENT

To be responsive in administering retirement benefits to firefighters of Oklahoma; to manage the firefighters' retirement fund prudently; and to embrace the highest ethical standards with regard to these endeavors.

VISION

To be the best State Retirement System in Oklahoma by providing our members exceptional customer service, honest & ethical behavior and financial stability

VALUES AND BEHAVIORS

The Oklahoma Firefighters Pension and Retirement System ("OFPRS") values its members, both active and retired, and the important contributions they make to the state of Oklahoma.

Expect OFPRS staff to exhibit integrity, ethical conduct, professionalism and a commitment to superior performance through teamwork, communication, mutual respect and cooperation driven to produce results.

Effectively communicate new statute and rule changes to municipalities, members and staff. Use technology, such as the OFPRS website, to provide information in a timely manner.

Use every opportunity to continually educate members, municipalities, the OFPRS board and staff.

Utilize the most current technology to manage and operate OFPRS.

Provide every member a forum for timely and fair due process regarding applications and appeals.

Strive to maintain financial stability by actively managing a broad diversified investment portfolio.

GOALS

Provide exceptional communication and education to our membership

Adopt new technology that can be effectively and efficiently utilized to manage OFPRS.

Encourage teamwork and training to provide workflow continuity as staffing evolves.

Support the Oklahoma State Legislature regarding laws impacting the OFPRS and its members.

HISTORY OF THE FIREFIGHTERS PENSION SYSTEM

Governor Haskell signed into law the first fireman's pension benefit statute May 14, 1908. The new law contained a one percent tax on insurance premiums to fund the pension benefits for both paid and volunteer firefighters. Oklahoma cities and towns administered the program until the State Legislature created the current Oklahoma Firefighter Pension and Retirement System in 1980. The Oklahoma Firefighters Pension and Retirement System was created to better fund the total system and administer the system equally. The agency is vested with the power and duties specified by statutes and such other powers as may be necessary to enable it and its officers and employees to carry out fully and effectively the intent of the law to provide pension benefits to all participating firefighters in Oklahoma.



Oklahoma Firefighters Pension and Retirement System

A Component Unit of the State of Oklahoma

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2021 and 2020

Chase Rankin

Executive Director

Prepared by the Finance Department of the Oklahoma Firefighters Pension and Retirement System

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**Oklahoma Firefighters Pension and Retirement System
2021 Annual Comprehensive Financial Report**

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Introductory Section



(4) Letter of Transmittal

(7) Board of Trustees

(8) Organizational Chart

(9) Professional Advisors and Consultants



Letter of Transmittal

Oklahoma Firefighter's Pension & Retirement System
6601 Broadway Extension, Suite #100
Oklahoma City, OK 73116

(405) 522-4600
(405) 522-4643

December 20, 2021

To the Board of Trustees and Members of the Oklahoma Firefighters' Pension and Retirement System:

State law requires that, after July 1 and before December 1 of each year, the Oklahoma Firefighter's Pension & Retirement System (the System) publish an annual report that covers the operation of the System during the past fiscal year, including income, disbursements and the financial condition at the end of the fiscal year. This report is published, in part, to fulfill that requirement for the fiscal years ended June 30, 2021 and 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Finley & Cook, PLLC, Certified Public Accountants, has issued an unmodified opinion on the Oklahoma Firefighter's Pension & Retirement Plan's statement of fiduciary net position as of June 30, 2021 and 2020, and the related statement of changes in fiduciary net position for the year then ended. The independent auditors' report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the System

The System is a multiple-employer, cost-sharing public employee retirement plan, which is a defined benefit pension plan. It covers 473 cities, 28 fire protection districts, and 132 county fire departments as of June 30, 2021. The employee and employer contribution rates are established by the Oklahoma statute and are not based on actuarial calculations.

Letter of Transmittal, continued

Members qualify for full retirement benefits as follows:

Hired Prior to November 1, 2013

Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

Hired After November 1, 2013

Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

The System is administered by a 13-member board which acts as a fiduciary for investment of funds and the application of plan interpretations. The Oklahoma Firefighters Pension and Retirement System Board of Trustees (the "Board") is responsible for the operation, administration, and management of the System. The Board also determines the general investment policy of the System's assets. The Board is comprised of 13 members. Five members shall be the Board of Trustees of the Oklahoma State Firefighters Association, a 5-year term. One member shall be the President of the Professional Firefighters of Oklahoma or his designee. One member shall be the President of the Oklahoma State Retired Firefighters Association or his designee. One member shall be appointed by the Speaker of the House of Representatives, a 4-year term. One member shall be appointed by the President Pro Tempore of the Senate, a 4-year term. Two members shall be appointed by the President of the Oklahoma Municipal League, a 4-year term. One member shall be the State Insurance Commissioner or his designee. One member shall be the Director of the Office of Management and Enterprise Services or his designee.

Each year, the System, along with other state agencies, is required to file a budget work program with the Office of Management and Enterprise Services. This work program, as approved by the Board, must include a description of all funds available for expenditure and show spending by major program category.

Additionally, in each even-numbered year, the System, along with other state agencies, must file a strategic plan covering five fiscal years beginning with the next odd-numbered fiscal year. The strategic plan includes a mission statement, the core values and behaviors inherent to operations, and a summary of goals and objectives to be achieved through specific projects outlined for the five-year period. The mission of the System's Board and staff is to be responsive in administering retirement benefits to firefighters of Oklahoma; to manage the firefighters' retirement fund prudently; and to embrace the highest ethical standards with regard to these endeavors.

The summary of goals and objectives outlined in the strategic plan are:

- Create an excellent customer experience for members
- Improve the stability, reliability and security of agency resources and data
- Empower employees and members through knowledge and resources
- Foster a culture of employee development and success
- Maintain superior rate of returns on our investment portfolio

Letter of Transmittal, continued

Investments

The standard for the System in making investments is to exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and unless under the circumstances it is clearly prudent not to do so. The System's funds are invested solely in the best interest of the members and their beneficiaries with a goal of keeping administrative expenses as low as possible. The Board has established an investment policy and guidelines that identify asset allocation as the key determinant of return and diversification, both by and within asset classes, as the primary risk control element.

The Board engages outside investment managers to manage the various asset classes where the System has exposure. At fiscal year end, the investment portfolio of the System was actively managed by nine domestic equity managers, two other equity managers, 8 international equity managers, three domestic fixed income managers, one global fixed income manager, four other fixed income managers, eight real estate managers, and five other asset managers.

Included in the Investment Section of this report are a summary of the Investment Portfolio by Type and Manager and a comparison of the above amounts to the target allocations, as shown in the Asset Comparison chart. For fiscal year 2021 investments provided a 31.79 percent rate of return. The annualized rate of return for the System has averaged 13.6 percent over the last five years.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. It must also have a revenue source sufficient to keep up with future obligations. The funding objective for the System is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, the larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is that the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets of the System as of July 1, 2021 amounted to \$4.2 billion and \$3.0 billion, respectively. The System's funded status increased to 71.7 percent at July 1, 2021. The funded status had declined from 61.8 percent at July 1, 2008 to 46.9 percent at July 1, 2010 before increasing to 63.2 percent at July 1, 2011. Since July 1, 2011, the funded status has seen an average growth of approximately one percent per fiscal year.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the System. We wish to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the financial management of the Oklahoma Firefighter's Pension & Retirement System.

Respectfully submitted,

Chase Rankin
Executive Director

Timothy Van Horn
Chief Financial Officer

Administration and Board Members

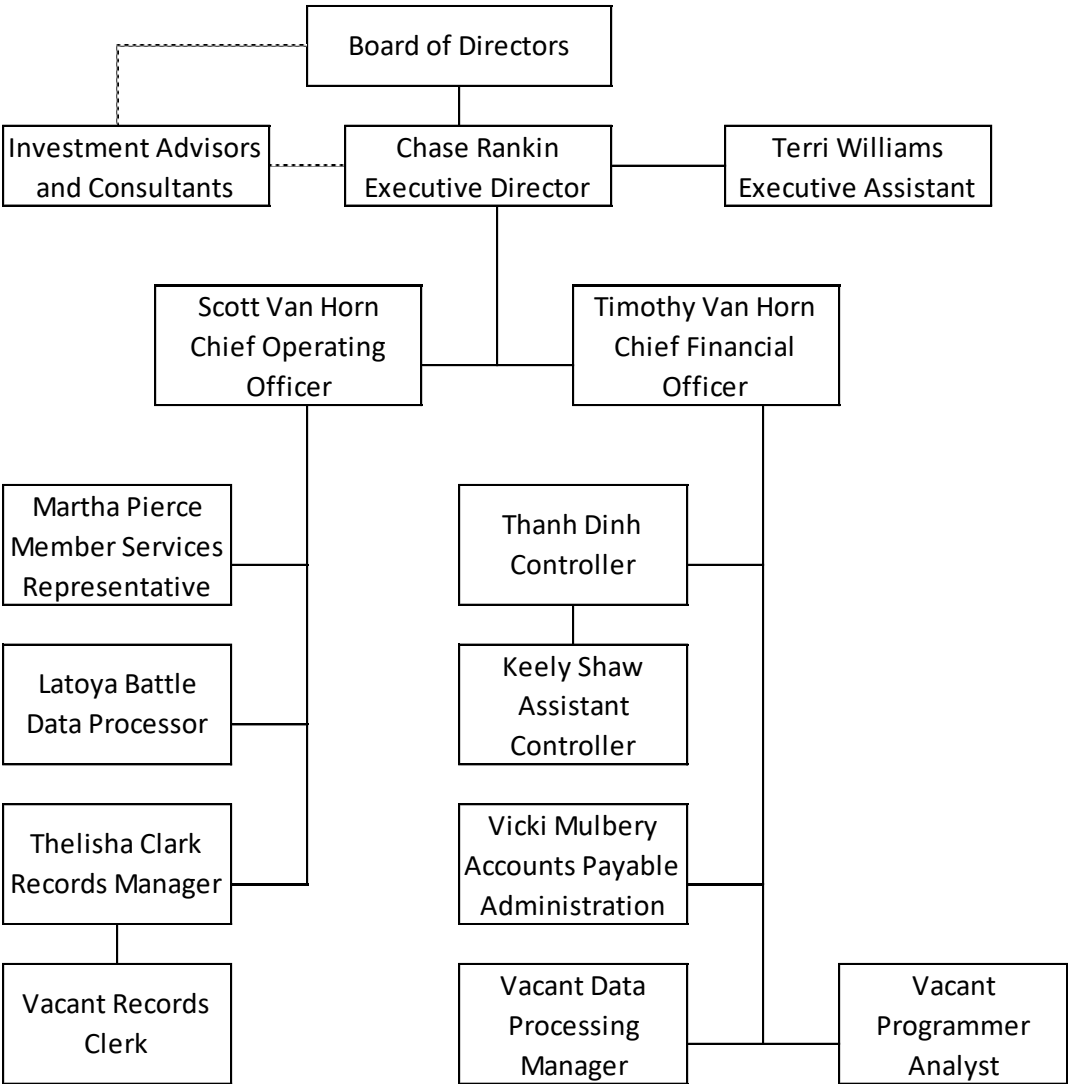
Staff

Chase Rankin, Executive Director
Scott Van Horn, Chief Operating Officer/Assistant Deputy Director
Timothy Van Horn, Chief Financial Officer/Assistant Deputy Director
Thanh Dinh, Controller
Terri Williams, Executive Secretary
Keely Shaw, Assistant Controller
Martha Pierce, Member Services Coordinator
Vicki Mulbery, Accounts Payable Administration
Thelisha Clark, Records Administrator
Latoya Battle, Data Processor

Board of Trustees

Cliff Davidson, Chairman Oklahoma State Firefighter Association	Jim Ed Nimo, 1 st Vice President Oklahoma State Firefighter Association
Anthony Lopez, 2 nd Vice President Oklahoma State Firefighter Association	Donald Bennett, Jr., 3 rd Vice President Oklahoma State Firefighter Association
Eric Harlow, Past President Oklahoma State Firefighter Association	Yogi Cole Oklahoma Retired Firefighters Association
Brent Baggett Designee of President of Professional FF Assoc.	Dana Cramer Senate President Pro Tempore Appointee
Janet Kohls Oklahoma Municipal League Appointee	Matthew Lay Speaker of the House of Rep. Appointee
Kelli Price Designee of State Ins. Commissioner	Domini Weinrich Designee of Director of OMES
Brent Bryant Oklahoma Municipal League Appointee	

Organization of the Oklahoma Firefighters Pension and Retirement System



Professional Advisors and Consultants of the Oklahoma Firefighters Pension and Retirement System

Actuary

Definiti
Dallas, TX

Internal Auditor

Crawford & Associates, PC
Oklahoma City, OK

Legal Services (Tax and Pensions)

Phillips Murrah *Davis Graham & Stubbs*
Oklahoma City, OK Denver, CO

Independent Auditor

Finley & Cook, PLLC
Shawnee, OK

Investment Consultant

AndCo Consulting
Orlando, FL

Master Trustee (Custodian)

State Street Bank & Trust
Boston, MA

* - The schedule of Investment Expenses and Professional Consultant Fees in the Other Supplementary Information Section and the Schedule of Investment Fees (pg. 87) & Broker Commissions (pg. 88) in the Investment Section contain additional information regarding professional advisors and consultants

Financial Section



- (11) Independent Auditors'
- (14) Management Discussion and Analysis
- (18) Statements of Fiduciary Net Position
- (19) Statements of Changes in Fiduciary Net Position
- (20) Notes to the Financial Statements
- (69) Schedule of Changes in Employers' Net Position Liability (Exhibit 1)
- (71) Schedule Employers' Net Pension Liability (Exhibit 2)
- (72) Schedule of Contributions from Employers and Other Contributing Entities (Exhibit 3)
- (73) Schedule of Investment Returns (Exhibit 4)
- (74) Notes to RSI
- (76) Schedule of Investment Expenses (Schedule 1)
- (76) Schedule of Administrative Expenses (Schedule 2)
- (77) Schedule of Professional/Consultant Fees (Schedule 3)



INDEPENDENT AUDITORS’ REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Oklahoma Firefighters Pension and Retirement Plan (the “Plan”), administered by the Oklahoma Firefighters Pension and Retirement System, which is a part of the State of Oklahoma financial reporting entity, which comprise the statements of fiduciary net position as of June 30, 2021 and 2020, and the related statements of changes in fiduciary net position 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; 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.

Auditors’ 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors’ 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 auditors consider internal control relevant to the entity’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 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 financial statements.

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

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of June 30, 2021 and 2020, and the changes in fiduciary net position of the Plan for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 13 through 16 and the schedule of changes in the employers' net pension (asset) liability, the schedule of employers' net pension (asset) liability, the schedule of contributions from employers and other contributing entities, the schedule of investment returns, and the notes to the required supplementary information in Exhibits I, II, III, IV, and V 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The introductory section, the investment section, the actuarial section, the statistical section, and Schedules I, II, and III are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information in Schedules I, II, and III is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information in Schedules I, II, and III is fairly stated in all material respects in relation to the financial statements as a whole.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters, Continued

Other Information, Continued

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2021, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Finlay + Cook, PLLC

Shawnee, Oklahoma
October 12, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the financial performance of the Oklahoma Firefighters Pension and Retirement Plan, administered by the Oklahoma Firefighters Pension and Retirement System (collectively referred to as the "System") provides an overview of the System's activities for the fiscal years ended June 30, 2021, 2020, and 2019. Please read it in conjunction with the System's financial statements, which begin on page 3.

Financial Highlights

	2021	2020	2019	% Change 2021 from 2020	% Change 2020 from 2019	% Change 2019 from 2018
• Fiduciary net position	\$3,520,810,306	2,871,141,949	2,835,380,588	22.60%	1.30%	4.20%
• Contributions:						
Insurance premium taxes	72,923,900	103,591,633	101,700,051	-29.60%	1.90%	1.40%
Participating municipalities	45,301,239	44,915,341	43,378,922	0.90%	3.50%	4.30%
Plan members/ employees	28,634,422	28,604,332	27,347,450	0.10%	4.60%	4.80%
• Net investment income	914,534,234	109,851,676	189,352,801	732.50%	-42.00%	-34.70%
• Benefits paid, including refunds	409,531,086	249,045,036	244,099,751	64.40%	2.00%	-0.60%
• Change in fiduciary net position	649,668,357	35,761,361	115,484,667	1716.70%	-69.00%	-45.10%
• Funded ratio of the Plan	71.70%	70.40%	70.80%	1.80%	-0.60%	4.00%
• Total Plan membership	26,236	25,940	25,749	1.10%	0.70%	0.70%

OVERVIEW OF THE FINANCIAL STATEMENTS

This following discussion and analysis is intended to serve as an introduction to the System's basic financial statements. The System's basic financial statements are comprised of 1) the statements of fiduciary net position, 2) the statements of changes in fiduciary net position, and 3) notes to the financial statements. This report also contains required supplementary information. The System is a component unit of the State of Oklahoma and together with other similar funds comprise the fiduciary pension trust funds of the State of Oklahoma. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The System's statements offer short-term and long-term financial information about the activities and operations of the System. These statements are presented in a manner similar to those of a private business.

The statements of fiduciary net position represent the fair value of the System's assets as of the end of the fiscal year. The difference between assets and liabilities, called "fiduciary net position," represents the value of assets held in trust for future benefit payments. Over time, increases and decreases in the System's fiduciary net position can serve as an indicator of whether the financial position of the System is improving or declining.

The statements of changes in fiduciary net position present financial activities that caused a change in fiduciary net position during the year. These activities primarily consist of contributions to the System, unrealized and realized gains and losses on investments, other investment income, benefits paid, and investment and administrative expenses.

CONDENSED FINANCIAL ANALYSIS

condensed financial information for the System is presented in the following tables. This information provides a summary of the System's financial activity for the years ended June 30, 2021, 2020 and 2019.

Condensed Summary of Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Changes 2021 from 2020	% Changes 2020 from 2019	% Changes 2021 from 2020
	2021	2020	2019			
Cash and cash equivalents	\$ 51,649,888	65,193,225	60,439,886	-20.8%	7.9%	-14.7%
Receivables	20,700,530	25,514,759	28,827,519	-18.9%	-11.5%	17.0%
Investments, at fair value	3,689,507,692	2,849,864,300	2,797,022,461	29.5%	1.9%	5.8%
Securities lending short-term collateral	93,241,580	90,425,232	88,123,455	3.1%	2.6%	0.0%
Capital assets, net	830,971	889,273	948,449	-6.6%	-6.2%	-5.9%
Total assets	3,855,930,661	3,031,886,789	2,975,361,770	27.2%	1.9%	5.2%
Liabilities	335,120,355	160,744,840	139,981,182	108.5%	14.8%	28.3%
Fiduciary net position	\$ 3,520,810,306	2,871,141,949	2,835,380,588	22.6%	1.3%	4.2%

Condensed Summary of Changes in Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Changes 2021 from 2020	% Changes 2020 from 2019	% Changes 2019 from 2018
	(amounts in thousands)					
	2021	2020	2019			
Contributions	\$ 146,860	177,111	172,426	-17.1%	2.7%	2.6%
Net investment	914,534	109,852	189,353	732.5%	-42.0%	-34.7%
Total additions	1,061,394	286,963	361,779	269.9%	-20.7%	-21.0%
Benefits and Administrative	409,531	249,045	244,100	64.4%	2.0%	-0.6%
Total	2,194	2,157	2,195	1.8%	-1.7%	4.6%
Total Changes in fiduciary net position	411,725	251,202	246,295	63.9%	2.0%	-0.6%
Fiduciary net position,	649,668	35,761	115,485	1716.7%	-69.0%	-45.1%
Fiduciary net position,	2,871,142	2,835,381	2,719,896	1.3%	4.2%	8.4%
Fiduciary net position,	\$ 3,520,810	2,871,142	2,835,381	22.6%	1.3%	4.2%

ANALYSIS OF THE OVERALL FIDUCIARY NET POSITION AND THE RESULTS OF OPERATIONS

Funding for the System is derived primarily from contributions to the System from the participating municipalities and the System's members, as well as funds received from the State of Oklahoma Insurance Department for the System's share of insurance premium taxes.

The System had net investment income of approximately \$915 million for 2021 compared to investment income of approximately \$110 million for 2020.

The investment income of the System increased approximately \$805 million during the year ended June 30, 2021, compared to the years ended June 30, 2020, as a result of an increase in the overall performance of the market during the fiscal year. The investment income of the System decreased approximately \$80 million and \$101 million during the years ended June 30, 2020 and 2019, respectively, compared to the years ended June 30, 2019 and 2018, respectively, as a result of a decrease in the overall performance of the market during the fiscal years.

As the System accounts for its investments at current market value, increases and decreases in the market value of stocks, bonds, and other assets have a direct effect and impact on the fiduciary net position and operating results of the System. The System's net return on its average assets for the years ended June 30 was as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
System	32%	4%	8%

During the years ended June 30, 2021, 2020, and 2019, benefit payments, including refunds, increased/decreased by approximately 64%, 2%, and (0.6)%, respectively, due to changes in the number of retirees, statutory benefit increases, and the mandatory disbursement of interest.

Administrative expenses increased approximately 1.8% from fiscal year 2020 to 2021. Administrative expenses decreased approximately (1.7)% from fiscal year 2019 to 2020, and increased approximately 5% from fiscal year 2018 to 2019. The major components of administrative expenses are professional fees, payroll and related expenses for the employees of the System, and miscellaneous office expenses.

The System has no debt or infrastructure assets.

While the System is directly impacted by overall investment market changes, investments are made based on their expected long-term performance and the best interest of the members of the System. With approximately \$3.7 billion of assets invested in a wide range of diversity of investments, the System has the financial resources to maintain its current investment strategies while continuing to review for other investment options to benefit its members.

The System received insurance premium taxes of approximately \$73 million, \$104 million, and \$102 million for the years ended June 30, 2021, 2020, and 2019, respectively. The System received 25.2% of the total taxes collected on insurance premiums during the fiscal year ended 2021, and 36% for the fiscal years ended 2020 and 2019.

Other Matters

As a matter of policy, the System attempts to stay fully invested at all times. Consequently, the System's Fiduciary Net Position could be negatively affected should global stock and bond market volatility increase, or should such markets encounter an extended period of decline.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director or Controller of the System, c/o Oklahoma Firefighters Pension and Retirement System, 6601 Broadway Extension, Suite 100, Oklahoma City, Oklahoma 73116.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

STATEMENTS OF FIDUCIARY NET POSITION

<i>June 30,</i>	<i>2021</i>	<i>2020</i>
Assets		
Cash and cash equivalents	\$ 51,649,888	65,193,225
Receivables:		
Employees' contributions	738,027	889,262
Employer's contributions	1,156,977	1,394,754
Due from the State of Oklahoma Insurance Department	15,170,675	20,146,367
Accrued interest and dividends	3,496,962	3,051,261
Net receivable from brokers for security transactions	104,774	-
Other receivable	33,115	33,115
Total receivables	<u>20,700,530</u>	<u>25,514,759</u>
Investments, at fair value:		
U.S. government securities	89,421,861	46,132,119
Domestic corporate bonds and bond funds	336,501,217	186,527,322
International corporate and government bonds	271,206,183	186,108,981
Domestic equities	1,820,832,985	1,351,688,646
International equities	524,398,415	462,700,591
Private equity—non-real estate	314,894,156	288,491,242
Long/Short hedge funds	795,012	8,078,947
Real estate—core and private equity	331,457,863	320,136,452
Total investments, at fair value	<u>3,689,507,692</u>	<u>2,849,864,300</u>
Securities lending short-term collateral	93,241,580	90,425,232
Capital assets, net of accumulated depreciation	<u>830,971</u>	<u>889,273</u>
Total assets	<u>3,855,930,661</u>	<u>3,031,886,789</u>
Liabilities		
Accounts payable and accrued expenses	241,878,775	66,926,683
Net payable to brokers for security transactions	-	3,392,925
Securities lending collateral	<u>93,241,580</u>	<u>90,425,232</u>
Total liabilities	<u>335,120,355</u>	<u>160,744,840</u>
Fiduciary net position restricted for pensions	<u>\$ 3,520,810,306</u>	<u>2,871,141,949</u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

<i>Years Ended June 30,</i>	<i>2021</i>	<i>2020</i>
Additions:		
Contributions:		
Insurance premium taxes	\$ 72,923,900	103,591,633
Participating municipalities	45,301,239	44,915,341
Plan members/employees	28,634,422	28,604,332
Total contributions	<u>146,859,561</u>	<u>177,111,306</u>
Investment income:		
From investment activities:		
Net appreciation in fair value of investments	911,665,643	93,610,424
Interest	7,237,948	11,283,213
Dividends	15,768,942	23,270,544
Total investment income	934,672,533	128,164,181
Less investment expense	<u>(20,322,351)</u>	<u>(18,750,355)</u>
Income from investment activities	<u>914,350,182</u>	<u>109,413,826</u>
From securities lending activities:		
Securities lending income	245,187	726,548
Securities lending expenses:		
Borrower rebates	-	(142,925)
Management fees	<u>(61,135)</u>	<u>(145,773)</u>
Income from securities lending activities	<u>184,052</u>	<u>437,850</u>
Net investment income	<u>914,534,234</u>	<u>109,851,676</u>
Total additions	<u>1,061,393,795</u>	<u>286,962,982</u>
Deductions:		
Pension benefit payments	407,746,737	247,155,115
Death benefit payments	1,395,000	1,140,000
Refunds to terminated participants	389,349	749,921
Total benefits and refunds	409,531,086	249,045,036
Administrative expenses	<u>2,194,352</u>	<u>2,156,585</u>
Total deductions	<u>411,725,438</u>	<u>251,201,621</u>
Changes in fiduciary net position	649,668,357	35,761,361
Fiduciary net position restricted for pensions:		
Beginning of year	<u>2,871,141,949</u>	<u>2,835,380,588</u>
End of year	<u>\$ 3,520,810,306</u>	<u>2,871,141,949</u>

See Independent Auditors' Report.
See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

(1) NATURE OF OPERATIONS AND DESCRIPTION OF THE SYSTEM

The Oklahoma Firefighters Pension and Retirement System (the “System”) was established by legislative act and became effective on January 1, 1981. The System assumed responsibility for all previous existing municipal firefighters’ pension plans in the state of Oklahoma. These municipalities transferred all existing pension assets and pension payment obligations to the System. The System recorded the investments at fair value as of the date of transfer. The System is administered by a 13-member board which acts as a fiduciary for investment of funds and the application of plan interpretations. At June 30, 2021, there were 473 cities, 28 fire protection districts, and 132 county fire departments participating in the System. For report purposes, the System is deemed to be the administrator of the Oklahoma Firefighters Pension and Retirement Plan (the “Plan”). The State of Oklahoma remits, through the Oklahoma Insurance Department, a portion of the insurance premium taxes collected by authority of the State of Oklahoma. As a result of these contributions, the State of Oklahoma is considered a non-employer contributing entity to the Plan.

The System is a part of the State of Oklahoma financial reporting entity, which is combined with other similar funds (multiple-employer, cost-sharing) to comprise the fiduciary pension trust funds of the State of Oklahoma.

The Oklahoma Firefighters Pension and Retirement System Board of Trustees (the “Board”) is responsible for the operation, administration, and management of the System. The Board also determines the general investment policy of the System’s assets. The Board is comprised of 13 members. Five members shall be the Board of Trustees of the Oklahoma State Firefighters Association, a 5-year term. One member shall be the President of the Professional Firefighters of Oklahoma or his designee. One member shall be the President of the Oklahoma State Retired Firefighters Association or his designee. One member shall be appointed by the Speaker of the House of Representatives, a 4-year term. One member shall be appointed by the President Pro Tempore of the Senate, a 4-year term. Two members shall be appointed by the President of the Oklahoma Municipal League, a 4-year term. One member shall be the State Insurance Commissioner or his designee. One member shall be the Director of the Office of Management and Enterprise Services or his designee.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) NATURE OF OPERATIONS AND DESCRIPTION OF THE SYSTEM, CONTINUED

The Plan's participants at June 30 consisted of:

	<u>2021</u>	<u>2020</u>
Active plan members	12,240	12,296
Retirees and beneficiaries currently receiving benefits	11,686	11,388
Vested members with deferred benefits	2,288	2,228
Deferred Option Plan members	<u>22</u>	<u>28</u>
	<u>26,236</u>	<u>25,940</u>

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred, revenues are recorded in the accounting period in which they are earned and become measurable, and investment purchases and sales are recorded as of their trade date. The financial statements are in conformity with provisions of Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans—an Amendment of GASB Statement No. 25* (GASB 67).

The Plan is administered by the System, a part of the State of Oklahoma financial reporting entity, which together with other similar pension and retirement funds comprise the fiduciary pension trust funds of the State of Oklahoma. Administrative expenses are paid with funds provided by operations of the Plan.

Recent Accounting Pronouncements

In June 2017, GASB issued Statement No. 87, *Leases* (GASB 87). GASB 87 provides accounting and reporting guidance for leases, effectively considering most leases, other than those for terms of less than one year, as capital leases. GASB 87 guides that lessee's will recognize a lease liability at the outset of the lease, and an intangible right-to-use lease asset. The liability will be amortized as payments are made, and the asset will

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

generally be depreciated over the shorter of the lease term or the service life of the asset. The Plan will adopt GASB 87 on July 1, 2021, for the June 30, 2022, reporting year. The Plan does not expect GASB 87 to have a significant impact on the financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests* (GASB 90), an amendment of GASB Statements No. 14 and No. 61. GASB 90 seeks to improve the consistency and comparability of financial reporting for majority equity interests, or situations where an entity would hold a majority share of equity or have a measurable right to resources of a legally separate entity. Under GASB 90 specific guidance is also provided for governments engaged in fiduciary activities when reporting equity interests. The Plan adopted GASB 90 on July 1, 2020, for the June 30, 2021, reporting year, which did not have a significant impact on the financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB 91). The objective of GASB 91 is to provide a single method of reporting for conduit debt obligations issued and eliminate diversity in practice regarding (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The Plan will adopt GASB 91 on July 1, 2021, for the June 30, 2022, reporting year. The Plan does not expect GASB 91 to have a significant impact the financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020* (GASB 92). GASB 92 is a cleanup omnibus that addresses multiple issues including; interim lease reporting, intra-entity asset transfers between the primary government and a component unit for defined benefit pension and OPEB plans, reporting of postemployment benefit plans that do not meet the definition of a trust, applicability of certain fiduciary activities to postemployment benefit arrangements, measurement of liabilities and assets related to ARO's (asset retirement obligations) in a government acquisition, reporting by public entity risk pools, references to nonrecurring fair value measurements of assets and liabilities and terminology used when referring to derivative instruments. The Plan will adopt GASB 92 on July 1, 2021, for the June 30, 2022, reporting year. The Plan does not expect GASB 92 to have a significant impact on the financial statements.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offer Rates* (GASB 93). GASB 93 addresses upcoming changes and the eventual removal of a global reference rate called LIBOR (London Interbank Offered Rate) which is often used as a reference rate for variable and derivative instruments. GASB 93 addresses allowable exceptions to existing contracts and agreements where LIBOR can be replaced with another IBOR without needed a new contract. GASB 93 also identifies the SOFR (Secured Overnight Financing Rate) and the FFR (Federal Funds Rate) as benchmarks for evaluating interest rate swaps. Finally, GASB 93 modifies lease agreements to allow for a change in the IBOR without being considered a modification to a lease. The Plan will adopt GASB 93 on July 1, 2022, for the June 30, 2023, reporting year. The Plan does not expect GASB 93 to have a significant impact the financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). GASB 94 defines and provides financial reporting requirements for Public-Private or Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA). A PPP is an arrangement between a government (transferor) and an operator (governmental or non-governmental) to provide public services by conveying the right to control or use a nonfinancial or infrastructure asset for a period of time in an exchange-like transaction. An APA is a similar arrangement where the operator may also be compensated for services that include designing, constructing, financing and maintaining a nonfinancial asset for a period of time. The Plan will adopt GASB 94 on July 1, 2022, for the June 30, 2023, reporting year. The Plan does not expect GASB 94 to have a significant impact on the financial statements.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95). GASB 95 provides temporary postponement of the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective after June 15, 2018. Most affected statements are postponed by one year while GASB Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, are postponed by 18 months. GASB 95 was effective immediately for the June 30, 2020, reporting year.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). GASB 96 provides accounting and financial reporting guidance for the governmental end users of subscription-based information technology arrangements (SBITAs). GASB 96 defines an SBITA, establishes right-to-use assets and corresponding liabilities, and provides capitalization criteria and the note disclosures required for SBITAs. The Plan will adopt GASB 96 on July 1, 2022, for the June 30, 2023, reporting year. The Plan does not expect GASB 96 to have a significant impact on the financial statements.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* (GASB 97). GASB 97 seeks to improve consistency and comparability related to fiduciary component unit reporting in circumstances where the potential component unit does not have a governing board and the primary government performs such duties. GASB 97 also seeks to mitigate reporting costs for certain defined-contribution, OPEB and other employee benefit plans as fiduciary component units and to enhance the relevance, consistency and comparability of Internal Revenue Code (IRC) Section 457 deferred compensation plans. Portions of GASB 97 were effective immediately for the June 30, 2020, reporting year. The Plan will adopt sections of GASB 97 related to IRC Section 457 plans on July 1, 2021, for the June 30, 2022, reporting year. GASB 97 will not have a significant impact on the Plan's financial statements.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States requires the management of the Plan to make significant estimates and assumptions that affect the reported amounts of fiduciary net position restricted for pensions at the date of the financial statements and the actuarial information included in Exhibits I, II, III, IV, and V, included in the required supplementary information as of the benefit information date, the changes in fiduciary net position during the reporting period, and when applicable, the disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

Contributions to the Plan and the actuarial information in Exhibits I, II, III, IV, and V, included in the required supplementary information are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee compensation and demographics. Due to the changing nature of these assumptions, it is at least reasonably possible that changes in these assumptions may occur in the near term and, due to uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Plan Contributions

Contributions to the Plan are recognized when due pursuant to formal commitments, as well as statutory or contractual requirements.

Plan Benefit Payments and Refunds

Benefit payments and refunds of the Plan are recognized when due and payable in accordance with the terms of the Plan.

Receivables

At June 30, 2021 and 2020, the Plan had no long-term receivables. All the receivables reflected in the statements of fiduciary net position are expected to be received and available for use by the Plan in its operations. Also, no allowance for any uncollectible portions is considered necessary.

Investments

Management of the Plan is authorized to invest in eligible investments as approved by the Board as set forth in the investment policy. The Board reviews and updates the plan investment policy at least annually, making changes as deemed necessary to achieve policy goals. An investment policy change can be made anytime the need should arise at the discretion of the Board.

Investment Allocation Policy—The Board's asset allocation policy will currently maintain approximately 62% of assets in equity instruments, both domestic and international; approximately 20% of assets in fixed income to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, and low volatility hedge fund strategies; and 18% of assets in real assets and other assets to include real estate, commodities, private equities, and other strategies.

Significant Investment Policy Changes Made During the Year—During the years ended June 30, 2021 and 2020, the Board made no significant investment policy changes.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Rates of Return

Money-Weighted Rate of Return—For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on the Plan’s investments as defined by GASB 67, net of pension plan investment expense, was 31.86% and 4.03%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested, and is a computation required by GASB 67.

Net Return on Average Assets—For the years ended June 30, 2021 and 2020, the net return on average assets approximated 31.79% and 4.04%, respectively. The net return on average assets represents actual returns utilized by the System.

Method Used to Value Investments—As a key part of the Plan’s activities, it holds investments that are measured and reported at fair value on a recurring basis. Accounting principles generally accepted in the United States establish a fair value hierarchy for the determination and measurement of fair value. This hierarchy is based on the type of valuation inputs needed to measure the fair value of an asset. The hierarchy generally is as follows:

Level 1—Unadjusted quoted prices in active markets for identical assets.

Level 2—Quoted prices for similar assets, or inputs that are observable or other forms of market corroborated inputs.

Level 3—Pricing based on best available information, including primarily unobservable inputs and assumptions market participants would use in pricing the asset.

In addition to the above three levels, if an investment does not have a readily determined fair value, the investment can be measured using net asset value (NAV) per share (or its equivalent). Investments valued at NAV are categorized as NAV and not listed as Level 1, 2, or 3.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments, Continued

Short-term investments include an investment fund composed of an investment in units of a commingled trust fund of the Plan's custodial agent (which is valued at amortized cost, which approximates fair value), commercial paper, treasury bills, and U.S. government agency securities. Active manager accounts holding

debt and equity securities are reported at fair value, as determined by the Plan's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices in active markets, and at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the Plan in equity index and commingled trust funds is determined by the respective fund trustee or manager based on quoted sales prices of the underlying securities. The fair value of hedge fund and private equity investments is priced by each respective manager using a combination of observable and unobservable inputs. Investments which do not have an established market are reported at estimated fair value based on primarily unobservable inputs.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, foreign currency translation gains and losses, securities lending income and expenses, and investment expenses, which include investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Interest and dividends earned in commingled funds are reflected as a component of net appreciation in the fair values of assets. The fair value of the limited partnerships is determined by managers of the partnerships based on the values of the underlying assets.

The Plan authorizes its international investment managers to enter into forward foreign exchange contracts to minimize the short-term impact of foreign currency fluctuations on the asset and liability positions of foreign investments. The gains and losses on these contracts are included in income in the period in which the exchange rates change.

The Plan may invest in various traditional financial instruments that fall under the broad definition of derivatives. The Plan's derivatives may include U.S. Treasury STRIPS, collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments are not speculative in nature and do not increase investment risk beyond allowable limits specified in the Plan's investment policy.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments, Continued

The Plan's investment policy provides for investments in any combination of stocks, bonds, fixed-income securities, and other investment securities, along with investments in commingled, mutual, and index funds. Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term, and such change could materially affect the amounts reported in the statements of fiduciary net position.

The investment policy limits the concentration of each portfolio manager. Except as noted below, no single investment exceeds 5% or more of the Plan's fiduciary net position. In addition, the Plan has no investments in loans, real estate, or leases, except through the Plan's investment in certain alternative investments as described in Note 4.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments, Continued

The following table presents the securities exceeding the 5%* threshold at June 30:

<u>Type of Security</u>	<u>Name of Security</u>	<u>Shares Held</u>	<u>Cost</u>	<u>Fair Value</u>
<u>2021</u>				
Domestic equity	S&P 500 Flagship Index Fund	251,685	\$ 71,100,275	278,192,087
Domestic equity	S&P 500 Equal Weight Index Fund	1,863,412	255,179,354	275,252,027
Domestic bond	Brandywine Global Opportunistic Fixed Income	5,056,421	242,745,415	271,206,183
<u>2020</u>				
Domestic equity	S&P 500 Equal Weight Index Fund	2,012,228	53,578,939	197,170,212
Domestic equity	S&P 500 Flagship Index Fund	286,801	81,020,368	225,163,144
International equity	Chautauqua International Growth Fund	135,127,654	135,127,654	150,638,957
International equity	Brandywine Global Opportunistic	3,925,555	182,745,415	186,108,981

*While the individual investment may exceed 5% of the Plan's fiduciary net position, each investment is comprised of numerous individual securities. As such, no individual security exceeds the 5% threshold.

Capital Assets

Capital assets, which consist of purchased software costs, furniture, fixtures, and equipment, are stated at cost less accumulated depreciation. Amortization and depreciation are calculated using the straight-line method over the estimated useful lives of the related assets (primarily 10 years).

Income Taxes

The Plan is exempt from federal and state income taxes.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Plan Termination

In the event the Plan terminates, the Oklahoma Statutes contain no provision for the order of distribution of the fiduciary net position of the Plan. Plan termination would take an act of the Oklahoma Legislature, at which time the order of distribution of the Plan's fiduciary net position would be addressed.

Administrative Items

Operating Lease—At June 30, 2020, the Plan had an operating lease expiring on October 31, 2020. The lease has been renewed for a 1-year term expiring on October 31, 2021. The present lease requires monthly payments of approximately \$3,700. Total lease expense for the years ended 2021 and 2020 was approximately \$40,000 and \$44,000, respectively.

Compensated Absences—Employees of the System earn annual vacation leave at the rate of 10 hours per month for up to 5 years of service, 12 hours per month for service of over 5 to 10 years, 13.3 hours per month for service of over 10 to 20 years, and 16.7 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 480 hours. All accrued annual leave is payable upon termination, resignation, retirement, or death. As of June 30, 2021 and 2020, approximately \$154,000 and \$140,000, respectively, was included in accrued expenses as the accruals for compensated absences. A summary of changes in compensated absences as of June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Balance at beginning of year	\$ 140,000	119,000
Additions	64,000	64,000
Deductions	<u>(50,000)</u>	<u>(43,000)</u>
Balance at end of year	<u>\$ 154,000</u>	<u>140,000</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Retirement Expense—The employees of the System are eligible to participate in the Oklahoma Public Employees Retirement Plan, which is administered by the Oklahoma Public Employees Retirement System (collectively referred to as OPERS). OPERS is a multiple-employer, cost-sharing public retirement defined benefit pension plan and a defined contribution plan. OPERS provides retirement, disability, and death benefits to its plan members and beneficiaries. OPERS issues a publicly available financial report which includes financial statements and required supplementary information for OPERS. That report may be obtained by writing to the Oklahoma Public Employees Retirement System, 5400 N. Grand Boulevard, Suite 400, Oklahoma City, OK 73112.

Defined Benefit Plan—Employees of the System are required to contribute 3.5% of their annual covered salary. The System is required to contribute at an actuarially determined rate, which was 16.5% of annual covered payroll as of June 30, 2021, 2020, and 2019. During 2021, 2020, and 2019, totals of \$112,034, \$127,666, and \$138,284, respectively, were paid to OPERS. The System has contributed 100% of required contributions to OPERS for 2021, 2020, and 2019. The System's and the employees' portions of those amounts were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
System portion	\$ 86,967	98,160	105,487
Employee portion	<u>25,067</u>	<u>29,506</u>	<u>32,797</u>
	<u>\$ 112,034</u>	<u>127,666</u>	<u>138,284</u>

The Plan adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) as of July 1, 2014, as it applies to its participation in OPERS. The effects upon the financial statements of the Plan as a result of the adoption of GASB 68 are considered immaterial.

The Plan adopted GASB 75 as of July 1, 2017, as it applies to its participation in various other postemployment benefits (OPEB). The effects on the financial statements of the Plan as a result of the adoption of GASB 75 are considered immaterial.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Defined Contribution Plan—Effective November 1, 2015, OPERS established the Pathfinder Defined Contribution Plan (“Pathfinder”), a mandatory defined contribution plan for eligible state employees who first become employed by a participating employer on or after November 1, 2015, and have no prior participation in OPERS. Under Pathfinder, members will choose a contribution rate which will be matched by their employer up to 7%. All state employers with Pathfinder participants contribute 16.5% of salary, with contributions in excess of the matched amount going into the Defined Benefit Plan, as required by statute. During the years ended June 30, 2021, 2020, and 2019, totals of \$72,902, \$46,380, and \$26,286, respectively, were paid to OPERS, representing 100% of the required contributions. The System’s and the employees’ contributions to Pathfinder for 2021, 2020, and 2019, were as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
System portion	\$ 44,996	27,789	16,613
Employee portion	<u>27,906</u>	<u>18,591</u>	<u>9,673</u>
	<u>\$ 72,902</u>	<u>46,380</u>	<u>26,286</u>

Risk Management—The Risk Management Division of the Department of Central Services (the “Division”) is empowered by the authority of Title 74 O.S. Supp. 1993, Section 85.34 et seq. The Division is responsible for the acquisition and administration of all insurance purchased by the State of Oklahoma or administration of any self-insurance plans and programs adopted for use by the State of Oklahoma for certain organizations and bodies outside of state government, at the sole expense of such organizations and bodies.

The Division is authorized to settle claims of the State of Oklahoma and shall govern the dispensation and/or settlement of claims against a political subdivision. In no event shall self-insurance coverage provided by the State of Oklahoma, an agency, or other covered entity exceed the limitations on the maximum dollar amount of liability specified by the Oklahoma Government Tort Claims Act, as provided by Title 51 O.S. Supp. 1988, Section 154. The Division oversees the collection of liability claims owed to the State of Oklahoma incurred as the result of a loss through the wrongful or negligent act of a private person or other entity.

The Division is also charged with the responsibility to immediately notify the attorney general of any claims against the State of Oklahoma presented to the Division. The Division purchases insurance policies through third-party insurance carriers that ultimately inherit the risk of loss. The Division annually assesses each state

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(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

agency, including the Plan, their pro rata share of the premiums purchased. The Plan has no obligations for any claims submitted to the Division against the Plan.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through October 12, 2021, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

(3) DESCRIPTION OF THE PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to Title 11 of the Oklahoma Statutes, Section 49–100.1 through 49–143.7, as amended, for more complete information.

General

The Plan is a multiple-employer, cost-sharing public employee retirement plan covering members who have actively participated in firefighting activities.

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(3) DESCRIPTION OF THE PLAN, CONTINUED

Contributions

Funding Policy—The contribution requirements of the Plan are at an established rate determined by Oklahoma statute and are not based on actuarial calculations.

Prior to November 1, 2013, participating paid firefighters contributed 8% of applicable earnings, while member cities contributed 13% of the members' applicable earnings. For the period beginning November 1, 2013, participating paid firefighters contributed 9% of applicable earnings, while member cities contributed 14% of the members' applicable earnings. In addition, the member cities contribute \$60 for each volunteer firefighter unless their annual income in the general fund is less than \$25,000, in which case they are exempt. Prior to November 1, 2013, the State of Oklahoma, a non-employer contributing entity, allocated 34% of insurance premium tax collected from various types of insurance policies to the Plan. For the period beginning November 1, 2013, through June 30, 2020, the State of Oklahoma, a non-employer contributing entity, allocated 36% of insurance premium tax collected from various types of insurance policies to the Plan. Effective September 1, 2020, the State of Oklahoma, a non-employer contributing entity, allocated 25.2% of insurance premium tax collected from various types of insurance policies to the Plan. The State of Oklahoma may also appropriate additional funds annually as needed to pay current costs and to amortize the unfunded actuarial present value of accumulated plan benefits. No such appropriations were received during the year ended June 30, 2021 or 2020.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits

The Plan provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

- Normal Retirement:

Hired Prior to November 1, 2013

Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.

Hired After November 1, 2013

Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

- All firefighters are eligible for immediate disability benefits. For paid firefighters, the disability in-the-line-of-duty benefit for firefighters with less than 20 years of service is equal to 50% of final average monthly compensation, based on the most recent 30 months of service. For firefighters with over 20 years of service, a disability in the line of duty is calculated based on 2.5% of final average monthly compensation, based on the most recent 30 months, per year of service, with a maximum of 30 years of service. For disabilities not in the line of duty, the benefit is limited to only those with less than 20 years of service and is 50% of final average monthly compensation, based on the most recent 60-month salary as opposed to 30 months. For volunteer firefighters, the not-in-the-line-of-duty disability is also limited to only those with less than 20 years of service and is \$7.53 per year of service. For volunteer firefighters, the in-the-line-of-duty pension is \$150.60 with less than 20 years of service or \$7.53 per year of service, with a maximum of 30 years.

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(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- A \$5,000 lump-sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The \$5,000 death benefit does not apply to members electing the vested benefit. For the years ended June 30, 2021 and 2020, total death benefits of \$1,395,000 and \$1,140,000, respectively, were paid from the Plan.
- Terminations:

Hired Prior to November 1, 2013

A member who terminates after 10 years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50 or when the member would have completed 20 years of service, whichever is later, provided the member's contribution accumulation is not withdrawn. Members terminating with less than 10 years of credited service may elect to receive a refund of their contribution accumulation without interest.

Hired After November 1, 2013

A member who terminates after 11 years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination. The benefit is payable at age 50 or when the member would have completed 22 years of service, whichever is later, provided the member's contribution accumulation is not withdrawn. Members terminating with less than 11 years of credited service may elect to receive a refund of their contribution accumulation without interest.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- Firefighters hired prior to November 1, 2013, with 20 or more years of service may elect to participate in the Oklahoma Firefighters Deferred Retirement Option Plan (the “Deferred Option Plan”). Firefighters hired after November 1, 2013, with 22 or more years or more of service may elect to participate in the Deferred Option Plan. Active participation (having benefit payments credited to the account) in the Deferred Option Plan shall not exceed 5 years. Under the Deferred Option Plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the participant are deposited into a deferred retirement account. The Deferred Option Plan accounts are credited with interest at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest rate equal to the assumed actuarial interest rate (currently 7.5%), as approved by the Board. The participant is no longer required to make contributions. Upon retirement, the firefighter receives his/her monthly retirement benefit as calculated at the time of election. A member shall receive, at the option of the member, a lump-sum payment from the account equal to the payments to the account or an annuity based upon the account of the member or may elect any other method of payment if approved by the Board. Any remaining account balance in the Deferred Option Plan account will continue to earn interest on the balance at the rate described above; however, no more benefit payments will be credited to the account. Any remaining account balance when the member reaches 72 years of age must either be distributed in regular monthly payments, based on the annuity method, or a lump-sum distribution. As of June 30, 2021 and 2020, there were 2,940 and 2,789 members, respectively, actively participating in the Deferred Option Plan.

The Deferred Option Plan was modified effective November 1, 2013, to limit post-retirement interest for new members to a rate of return on the portfolio, less a 1% administrative fee. In addition, the members participating must withdraw all money by the age of 72.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- In the 2003 Legislative Session, Senate Bill 286 and House Bill 1464 created a “Back” DROP for members of the System effective July 1, 2003. The “Back” DROP is a modified deferred retirement option plan. The “Back” DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years for those hired prior to November 1, 2013, and 22 years for those hired after November 1, 2013, the member can choose, upon retirement, to be treated as if the member had entered into the Deferred Option Plan. A member, however, cannot receive credit to the Deferred Option Plan account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the “Back” DROP and can receive a Deferred Option Plan benefit based upon up to 5 years of participation. The member’s regular retirement benefit will not take into account any years of service credited to the “Back” DROP. As of June 30, 2021 and 2020, there were 1,785 and 1,617 members, respectively, participating in the “Back” DROP.
- Firefighters with 20 years of service or who were receiving pension benefits as of May 26, 1983, are entitled to post-retirement adjustments equal to one-half the increase or decrease for top-step firefighters. Pensions will not be adjusted below the level at which the firefighter retired.

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS

At June 30, cash and cash equivalents were composed of the following:

	<u>2021</u>	<u>2020</u>
Cash on deposit with the State of Oklahoma	\$ 1,464,101	414,746
Cash on deposit with custodial agents:		
U.S. currency deposits	50,100,724	64,748,263
Foreign currency deposits	85,063	30,216
	<u>50,185,787</u>	<u>64,778,479</u>
Total cash and cash equivalents	<u>\$ 51,649,888</u>	<u>65,193,225</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Historically, the Plan's short-term investments were considered cash equivalents and consisted primarily of temporary investments in U.S. Treasury bills and a commingled trust fund of the Plan's custodial agent. The trust fund was composed of high-grade money market instruments with short maturities. Each participant in the trust fund shared the risk of loss in proportion to their respective investment in the fund. As of June 30, 2021 and 2020, the Plan no longer has short-term investments. These funds are now invested in interest-bearing cash accounts.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Plan, or are held by a counterparty or the counterparty's trust department but not in the name of the Plan. While the investment policy does not specifically address custodial credit risk of deposits, it does limit the amount of cash and short-term investments of each manager's portfolio. At June 30, 2021 and 2020, the carrying amounts of the Plan's cash and cash equivalents were \$51,649,888 and \$65,193,225, respectively, and the bank balances were \$53,547,049 and \$69,213,021, respectively. The difference in balances was primarily due to outstanding deposits and checks.

The bank balances of deposits were uninsured and uncollateralized in the amounts of approximately \$85,000 and \$30,000 as of June 30, 2021 and 2020, respectively. The policy also provides that investment collateral be held by a third-party custodian with whom the Plan has a current custodial agreement in the Plan's name.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The investment policy states that while there are no percentage limits with regard to country weightings, the investment manager should use prudent investment judgment. Investments in cash and cash equivalents, foreign equities, and debt securities are shown by monetary unit to indicate possible foreign currency risk.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Foreign Currency Risk, Continued

The Plan's exposure to foreign currency risk at June 30 was as follows:

	<u>Cash and Cash</u> <u>Equivalents</u>	<u>Equities</u>	<u>Debt</u> <u>Securities</u>	<u>Total</u>	<u>Percentage</u>
<u>2021</u>					
Australian dollar	\$ -	6,270,107	-	6,270,107	0.788%
Brazilian real	-	3,208,000	-	3,208,000	0.403%
British pound	-	5,505,710	-	5,505,710	0.692%
Canadian dollar	43	3,032	-	3,075	0.001%
Danish krone	-	7,131,103	-	7,131,103	0.896%
Euro currency	590	25,098,265	-	25,098,855	3.154%
Hong Kong dollar	-	20,894,876	-	20,894,876	2.626%
Japanese yen	-	9,747,626	-	9,747,626	1.225%
New Taiwan dollar	31,997	-	-	31,997	0.003%
Swedish krona	-	8,589,005	-	8,589,005	1.079%
Swiss franc	52,433	20,014,390	-	20,066,823	2.522%
Commingled funds:					
RBC EM Equity	-	137,204,870	-	137,204,870	17.244%
Wellington EM	-	280,731,432	-	280,731,432	35.282%
Brandywine Global	-	-	271,206,183	271,206,183	34.064%
	<u>\$ 85,063</u>	<u>524,398,416</u>	<u>271,206,183</u>	<u>795,689,662</u>	<u>100.000%</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Foreign Currency Risk, Continued

	<u>Cash and Cash</u>		<u>Debt</u>		
	<u>Equivalents</u>	<u>Equities</u>	<u>Securities</u>	<u>Total</u>	<u>Percentage</u>
<u>2020</u>					
Argentine peso	\$ -	11,060,318	-	11,060,318	1.705%
Australian dollar	-	8,889,012	-	8,889,012	1.370%
Bermudian dollar	-	3,377,968	-	3,377,968	0.521%
British pound	-	14,937,170	-	14,937,170	2.302%
Canadian dollar	-	31,816,100	-	31,816,100	4.904%
Chinese yuan	-	15,791,180	-	15,791,180	2.434%
Danish krone	-	7,332,309	-	7,332,309	1.130%
Euro currency	-	54,476,838	-	54,476,838	8.395%
Hong Kong dollar	-	5,425,450	-	5,425,450	0.836%
Indian rupee	-	4,476,901	-	4,476,901	0.690%
Israeli new shekel	-	11,033,983	-	11,033,983	1.701%
Japanese yen	-	6,344,311	-	6,344,311	0.978%
Mexican peso	-	3,271,827	-	3,271,827	0.504%
New Taiwan dollar	30,216	6,957,674	-	6,987,890	1.077%
Puerto Rico	-	1,379,991	-	1,379,991	0.213%
Swedish krona	-	5,056,889	-	5,056,889	0.779%
Swiss franc	-	22,039,465	-	22,039,465	3.397%
Commingled funds:					
RBC EM Equity	-	150,638,957	-	150,638,957	23.217%
Wellington EM	-	98,394,248	-	98,394,248	15.165%
Brandywine Global	-	-	186,108,981	186,108,981	28.683%
	<u>\$ 30,216</u>	<u>462,700,591</u>	<u>186,108,981</u>	<u>648,839,788</u>	<u>100.000%</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED**Credit Risk**

Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The investment policy for fixed-income investment managers requires the securities to be rated at least "investment grade" by at least two rating agencies. Exposure to credit risk as of June 30 was as follows:

<u>Investment Type</u> <u>2021</u>	<u>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	<u>Fair Value as a</u> <u>Percent of Total</u> <u>Fixed Maturity</u> <u>Fair Value</u>
U.S. Treasury securities	Aaa	\$ 89,421,861	100.00%
	Not Rated	<u>-</u>	<u>0.00%</u>
Total U.S. government securities		<u>\$ 89,421,861</u>	<u>100.00%</u>
Domestic corporate bonds and bond funds	Aaa	\$ -	0.00%
	Aa1	3,553,440	1.06%
	Aa3	4,725,370	1.40%
	A1	10,363,236	3.08%
	A2	51,858,964	15.41%
	A3	30,453,073	9.05%
	Baa1	24,972,537	7.42%
	Baa2	17,856,913	5.31%
	Baa3	6,087,195	1.81%
	Not Rated*	<u>186,630,489</u>	<u>55.46%</u>
Total domestic corporate bonds and bond funds		<u>\$ 336,501,217</u>	<u>100.00%</u>
International corporate and government bonds	Not Rated*	<u>\$ 271,206,183</u>	<u>100.00%</u>
Total international corporate and government bonds		<u>\$ 271,206,183</u>	<u>100.00%</u>

*Commingled funds. Management believes the underlying investments of the commingled funds meet the requirements of the investment policy.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED**Credit Risk, Continued**

<u>Investment Type</u> <u>2020</u>	<u>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	<u>Fair Value as a</u> <u>Percent of Total</u> <u>Fixed Maturity</u> <u>Fair Value</u>
U.S. Treasury securities	Aaa	\$ 39,194,298	84.96%
	Not Rated	<u>6,937,821</u>	<u>15.04%</u>
Total U.S. government securities		<u>\$ 46,132,119</u>	<u>100.00%</u>
Domestic corporate bonds and bond funds	Aaa	\$ 5,901,278	3.16%
	Aa1	7,174,457	3.85%
	Aa3	5,030,554	2.70%
	A1	4,728,489	2.54%
	A2	37,022,385	19.85%
	A3	70,715,857	37.91%
	Baa1	15,044,531	8.07%
	Baa2	7,146,440	3.83%
	Not Rated*	<u>33,763,331</u>	<u>18.10%</u>
Total domestic corporate bonds and bond funds		<u>\$ 186,527,322</u>	<u>100.00%</u>
International corporate and government bonds	Not Rated*	<u>\$ 186,108,981</u>	<u>100.00%</u>
Total international corporate and government bonds		<u>\$ 186,108,981</u>	<u>100.00%</u>

*Commingled funds. Management believes the underlying investments of the commingled funds meet the requirements of the investment policy.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While all investments are subject to market changes, securities invested in fixed-income index funds are more sensitive to market risk. The investment policy does not establish an overall duration period; however, it does establish benchmarks for each investment manager. As of June 30, the Plan had the following maturities:

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
U.S. government securities:						
U.S. Treasury	\$ 1,403,066	7,386,299	79,769,216	863,280	-	89,421,861
Total U.S. government securities	<u>1,403,066</u>	<u>7,386,299</u>	<u>79,769,216</u>	<u>863,280</u>	<u>-</u>	<u>89,421,861</u>
Domestic corporate bonds and bond funds:						
Corporate bonds	3,551,030	41,242,469	81,128,667	24,964,192	74,866,450	225,752,808
U.S. government mortgages	-	134,849	606,436	110,007,124	-	110,748,409
Total domestic corporate bonds and bond funds	<u>3,551,030</u>	<u>41,377,318</u>	<u>81,735,103</u>	<u>134,971,316</u>	<u>74,866,450</u>	<u>336,501,217</u>

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Interest Rate Risk, Continued

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
<u>2021</u>						
International corporate and government bonds:						
International debt securities—Brandywine	-	-	-	-	271,206,183	271,206,183
Total international corporate and government bonds	-	-	-	-	271,206,183	271,206,183
	<u>\$ 4,954,096</u>	<u>48,763,617</u>	<u>161,504,319</u>	<u>135,834,596</u>	<u>346,072,633</u>	<u>697,129,261</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Interest Rate Risk, Continued

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
<u>2020</u>						
U.S. government securities:						
U.S. Treasury	\$ 9,533,188	34,962,236	1,636,695	-	-	46,132,119
Total U.S. government securities	<u>9,533,188</u>	<u>34,962,236</u>	<u>1,636,695</u>	<u>-</u>	<u>-</u>	<u>46,132,119</u>
Domestic corporate bonds and bond funds:						
Corporate bonds	-	29,871,509	94,800,233	27,791,196	-	152,462,938
U.S. government mortgages	-	-	856,380	33,208,004	-	34,064,384
Total domestic corporate bonds and bond funds	<u>-</u>	<u>29,871,509</u>	<u>95,656,613</u>	<u>60,999,200</u>	<u>-</u>	<u>186,527,322</u>

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Interest Rate Risk, Continued

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
<u>2020</u>						
International corporate and government bonds:						
International debt securities—Brandywine	-	-	-	-	186,108,981	186,108,981
Total international corporate and government bonds	-	-	-	-	186,108,981	186,108,981
	<u>\$ 9,533,188</u>	<u>64,833,745</u>	<u>97,293,308</u>	<u>60,999,200</u>	<u>186,108,981</u>	<u>418,768,422</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value

<u>Investments by Fair Value Level</u> <u>2021</u>	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Debt securities:				
U.S. Treasury	\$ 89,421,861	89,421,861	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	225,752,808	-	225,752,808	-
U.S. government mortgage-backed securities	110,748,409	-	110,748,409	-
International corporate and government bonds:				
International debt securities—Brandywine	<u>271,206,183</u>	<u>271,206,183</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>697,129,261</u>	<u>360,628,044</u>	<u>336,501,217</u>	<u>-</u>
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	1,267,388,871	-	1,267,388,871	-
S&P 500 Equal Weight Index Fund	275,252,027	-	275,252,027	-
S&P 500 Flagship Index Fund	<u>278,192,087</u>	<u>-</u>	<u>278,192,087</u>	<u>-</u>
Total domestic equities	<u>1,820,832,985</u>	<u>-</u>	<u>1,820,832,985</u>	<u>-</u>
Equity securities—international:				
Intl. Developed Market	387,193,545	387,193,545	-	-
Intl. Emerging Market	<u>137,204,870</u>	<u>-</u>	<u>137,204,870</u>	<u>-</u>
Total international equities	<u>524,398,415</u>	<u>387,193,545</u>	<u>137,204,870</u>	<u>-</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<u>Investments by Fair Value Level, Continued</u>				
<u>2021</u>				
Private equity:				
Private equity—non-real estate focused	314,894,156	-	-	314,894,156
Private equity—real estate focused	<u>145,510,811</u>	-	-	<u>145,510,811</u>
Total private equity	<u>460,404,967</u>	-	-	<u>460,404,967</u>
Long/Short hedge fund:				
Long/Short hedge—OFP Permal Fund	<u>795,012</u>	-	-	<u>795,012</u>
Total long/short hedge fund	<u>795,012</u>	-	-	<u>795,012</u>
Investments measured at net asset value (NAV):				
Private Equity—Real Estate Focused—				
AG Net Lease Realty Fund III	23,884,475	-	-	-
Core Real Estate—JP Morgan				
Strategic Property Fund	100,814,012	-	-	-
Core Real Estate—JP Morgan				
Special Situation Property Fund	<u>61,248,565</u>	-	-	-
Total investments measured at NAV	<u>185,947,052</u>	-	-	-
 Total investments measured at fair value	 <u>\$ 3,689,507,692</u>	 <u>747,821,589</u>	 <u>2,294,539,072</u>	 <u>461,199,979</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

<u>Investments by Fair Value Level</u>	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<u>2020</u>				
Debt securities:				
U.S. Treasury	\$ 46,132,119	46,132,119	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	152,462,938	-	152,462,938	-
U.S. government mortgage-backed securities	34,064,384	-	34,064,384	-
International corporate and government bonds:				
International debt securities—Brandywine	<u>186,108,981</u>	<u>186,108,981</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>418,768,422</u>	<u>232,241,100</u>	<u>186,527,322</u>	<u>-</u>
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	929,355,289	-	929,355,289	-
S&P 500 Equal Weight Index Fund	197,170,212	-	197,170,212	-
S&P 500 Flagship Index Fund	<u>225,163,145</u>	<u>-</u>	<u>225,163,145</u>	<u>-</u>
Total domestic equities	<u>1,351,688,646</u>	<u>-</u>	<u>1,351,688,646</u>	<u>-</u>
Equity securities—international:				
Intl. Developed Market	364,306,344	364,306,344	-	-
Intl. Emerging Market	<u>98,394,247</u>	<u>-</u>	<u>98,394,247</u>	<u>-</u>
Total international equities	<u>462,700,591</u>	<u>364,306,344</u>	<u>98,394,247</u>	<u>-</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<u>Investments by Fair Value Level, Continued</u>				
<u>2020</u>				
Private equity:				
Private equity—non-real estate focused	288,491,242	-	-	288,491,242
Private equity—real estate focused	113,006,432	-	-	113,006,432
Total private equity	<u>401,497,674</u>	<u>-</u>	<u>-</u>	<u>401,497,674</u>
Long/Short hedge fund:				
Long/Short hedge—OFP Permal Fund	8,078,947	-	-	8,078,947
Total long/short hedge fund	<u>8,078,947</u>	<u>-</u>	<u>-</u>	<u>8,078,947</u>
Investments measured at net asset value (NAV):				
Private Equity—Real Estate Focused—				
AG Net Lease Realty Fund III	23,606,598	-	-	-
Core Real Estate—JP Morgan				
Strategic Property Fund	110,998,054	-	-	-
Core Real Estate—JP Morgan				
Special Situation Property Fund	72,525,368	-	-	-
Total investments measured at NAV	<u>207,130,020</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 2,849,864,300</u>	<u>596,547,444</u>	<u>1,636,610,215</u>	<u>409,576,621</u>

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

Fair Value of Debt Securities—The Plan holds a diversified mix of debt instruments through various domestic and international bond managers. Generally, the Plan holds a mix of U.S. Treasuries and U.S. government mortgage-backed securities, residential mortgage-backed securities, domestic corporate bonds, and various fixed-income focused bond funds. U.S. Treasury securities are classified in Level 1 of the fair value hierarchy, using quoted prices in active markets. The remaining debt securities, other than the bond funds, are classified in Level 2 of the fair value hierarchy, valued using a matrix pricing technique. This method values securities based on their relationship to benchmark quoted prices. The fixed-income focused bond funds are generally commingled funds, and are classified in Level 2 of the fair value hierarchy based the development of a total value through the aggregation of Level 1 and Level 2 quoted prices for instruments held by the funds.

The Plan also holds investments that focus primarily on international fixed income and debt type securities. Generally, the Plan holds an international mix of government treasuries and agencies, international corporate bonds, and international mortgage-backed securities.

Fair Value of Equity Securities—The Plan holds equity securities through a number of managers, both actively and passively managed. They are as follows:

DOMESTIC

Domestic Equity—Common Stock and Real Estate Investment Trusts—The Plan uses various fund managers to invest in a diversified mix of domestic common stock and real estate investment trusts. The Plan seeks to achieve the highest possible return from each of the managers using the Russell 3000 as the fund level benchmark. Investment assets in this category are classified in Level 1 of the fair value hierarchy since all securities are priced at quoted market prices in active markets for identical securities.

S&P 500 Equal Weight Index Fund—The Plan participates in an equal-weight version of the S&P 500 index. This fund includes all of the constituents as the capitalization weighted S&P 500, except each company on the index is allocated a fixed weight. The fund is rebalanced quarterly. This fund is classified in Level 2 of the fair value hierarchy, as the price of the fund is derived from securities that are all priced at quoted market prices in active markets. This fund prices and provides liquidity to its investors on a monthly basis.

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

Fair Value of Equity Securities, Continued

S&P 500 Flagship Index Fund—The Plan invests in this fund with a full S&P 500 index replication strategy. The strategy mandates that the holdings, sector weights, and industry weights match, as closely as possible, those of the S&P 500 index. This fund is classified in Level 2 of the fair value hierarchy, as the price of the fund is derived from securities that are all priced at quoted market prices in active markets. This fund prices and provides liquidity to its investors on a monthly basis.

INTERNATIONAL

International Equities—Common Stock—The Plan uses various fund managers to invest in a diversified mix of international common stock. The Plan seeks to achieve the highest possible return from each of the managers using the MSCI-ACW Index excluding the United States as the fund level benchmark. This benchmark captures large- and mid-cap representation across 22 of the 23 developed markets. This benchmark representation includes 85% of the global equity opportunities outside of the United States. Investment assets in this category are classified in Level 1 of the fair value hierarchy since all securities are priced at quoted market prices in active markets for identical securities.

RBC Emerging Markets Equity Fund—The Plan invests in a fund that is focused on investing in securities from any emerging or frontier company, industry, sector, and economy. The RBC Fund is a collective investment fund that is managed for institutional investors. The fund is classified in Level 2 of the fair value hierarchy, as the holdings of the fund are all priced at quoted market prices in active markets, allowing the fund sponsor to develop daily net asset value pricing and liquidity.

Wellington Emerging Markets Equity Fund—The Plan invests in a fund that is focused on investing in securities from any emerging or frontier company, industry, sector, and economy. The Wellington Fund is a collective investment fund that is managed for institutional investors. The fund is classified in Level 2 of the fair value hierarchy, as the holdings of the fund are all priced at quoted market prices in active markets, allowing the fund sponsor to develop daily net asset value pricing and liquidity.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

Fair Value of Private Equity and Long/Short Hedge—The Plan participates in a number of private equity partnerships (including the Plan's long/short hedge fund) as a limited partner. Private equity investments are structured to be operated by a general partner, usually highly experienced in the specific focus of the fund, who calls for investments from the limited partners when a suitable investment opportunity arises. As such, investments in private equity can generally never be redeemed, but instead participate in distributions from the fund as liquidation of the underlying assets are realized.

Several of the limited partnerships invest in equity securities outside of the United States and may enter into forward contracts to purchase or sell securities at specified dates in the future at a guaranteed price in a foreign currency to protect against fluctuations in exchange rates of foreign currency. In addition, some of the partnerships may engage in hedging transactions involving derivative instruments as a part of their investment strategy.

The Plan's private equity (PE) and long/short hedge investments have a long investment horizon of 5 to 10 years, are not liquid, and the Plan generally holds this type of investment to maturity. Depending on the type of holdings within a given partnership, the investment horizon can be extended if the general partner deems the remaining investments in the fund still hold significant future value and a majority of limited partners concur. The Plan's PE general partners typically make fair value determinations on the investments in each of their respective funds quarterly using a variety of pricing techniques including, but not limited to, observable transaction values for similar investments, third-party bids, appraisals of both properties and businesses, and public market capitalization of similar or like businesses. Each PE fund then calculates the fair value of the Plan's ownership of the partners' capital on a quarterly basis. The Plan classifies all private equity investments in Level 3 of the fair value hierarchy, as most investments of this type require unobservable inputs and other ancillary market metrics to determine fair value. Although most PE interests are marketable in a secondary market, the Plan generally does not sell its interests early at values less than its interest in the partnership. At June 30, 2021, the Plan was invested in 31 different PE partnerships (16 of which were real estate) and had a remaining commitment of approximately \$241,000,000 for the non-real estate PE partnerships and approximately \$128,000,000 for the real estate PE partnerships. At June 30, 2020, the Plan was invested in 24 different PE partnerships (12 of which were real estate) and had a remaining commitment of approximately \$143,000,000 for the non-real estate PE partnerships and approximately \$89,000,000 for the real estate PE partnerships. The Plan entered into 3 new PE partnership agreements during fiscal year 2021 (1 non-real estate PE and 2 real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of \$175,000,000 (\$75,000,000 non-real estate PE and \$100,000,000 real estate PE), which was partially funded prior to June 30, 2021. The Plan entered into 1 new PE partnership agreement during fiscal year 2020 (non-real estate), having a close-ended contract

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

Fair Value of Private Equity and Long/Short Hedge, Continued

duration. The new PE investment (1 non-real estate PE partnership) required a total commitment of \$75,000,000, which was funded prior to June 30, 2020. Since the Plan follows a rolling year PE strategy, new PE investments are made as older PE investments reach their expiration.

The Plan is invested in the following private equity strategies:

BUYOUT—This private equity strategy seeks to invest capital in mature businesses that have the potential for growth in value from efficiencies gained through structural, strategic management, and operational improvements.

DISTRESSED—Under the distressed strategy, a fund will invest in the debt of companies that are struggling, with the intent of influencing the process by which the company restructures its debt, narrows its focus, or implements a plan for a turnaround in its operations. Distressed investments of this nature can be debt, equity, or other types of lending.

VENTURE CAPITAL—The venture strategy primarily seeks to invest in early-stage, high-potential, high-growth companies. This type of investment is usually through equity ownership in the company, where the private equity general partner can lend expertise and facilitate growth. Investment returns are usually realized if the portfolio company is taken public through an IPO or the fund may sell its equity investment to another investor.

FUND OF FUNDS—Under a fund of funds private equity investment, the general partner seeks to build a combination of private equity investments that will work synergistically together to maximize returns and minimize the risk of loss.

REAL ESTATE—Private equity investment in real estate may encompass several of the above-mentioned strategies, based on the skill and experience of the general partner. Generally, real estate private equity investments seek to capitalize on distressed situations, as well as seek to identify lucrative investments that produce a high level of current income.

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Investments Measured at Fair Value, Continued

Fair Value of Investments Measured at Net Asset Value (NAV)

Private Equity—Real Estate Focused—AG Net Lease Realty Fund III—The Plan invests in a net lease real estate private equity managed by Angelo Gordon & Co. The fund strategy focuses on providing sale-leaseback financing to less-than-investment grade owner-occupiers of corporate real estate. Generally, investment income is derived from single tenant commercial real estate in the form of current lease income. The net asset value of the fund is determined on a quarterly basis by each of the fund’s personnel responsible for the management of each individual investment and reviewed in total by the general partner. The net asset value per share is determined from an income valuation approach that includes certain capitalization and discount rates unique to the fund. The rates are determine based on tenant credit, location, remaining lease term, type and nature of each property, and current and anticipated market conditions. Due to the illiquid nature of the underlying investments, the fund does not allow periodic redemptions of funds by limited partners until maturity of the partnership agreement.

Core Real Estate—JP Morgan Strategic Property and JP Morgan Special Situation Property Fund—The Plan invests in two core real property funds, the JP Morgan Strategic Property fund and the JP Morgan Special Situation Property Fund. Both of these funds invest in core real properties seeking to realize capital appreciation on its portfolio while also generating a high level of current income. These funds both make strategic property acquisitions primarily in the U.S. As part of JPMorgan’s valuation process, independent appraisers value properties on an annual basis (at a minimum). Both funds are valued at NAV monthly. Each fund allows withdrawals once per quarter subject to “available cash” as determined by a pool trustee with 45 days’ advance written notice.

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(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS, CONTINUED

Securities Lending

The Plan’s investment policy provides for its participation in a securities lending program. The program is administered by the Plan’s custodial agent. Certain securities of the Plan are loaned to participating brokers, who must provide collateral in the form of cash or U.S. Treasury or government agency securities. Under the program, the securities loaned are collateralized at a minimum of 105% of their fair values. The Plan does not have the ability to pledge or sell collateral securities without borrower default. The collateral is marked to market daily such that at the close of trading on any business day, the value of the collateral shall not be less than 100% of the fair value of the loaned securities. The Plan did not impose any restrictions regarding the amount of loans made, and the custodial agent indemnified the Plan by agreeing to purchase replacement securities or return cash collateral in the event of borrower default. There were no such failures during 2021 or 2020. The indemnification does not cover market losses associated with investing the security lending cash collateral. The loan premium paid by the borrower of the securities is apportioned between the Plan and its custodial agent in accordance with the securities lending agreement.

During the fiscal year, the Plan and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. The average duration of such investment pool was 20 days and 27 days as of June 30, 2021 and 2020, respectively. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. As of June 30, 2021 and 2020, the Plan had no credit risk exposure to borrowers. The collateral held and the fair value of securities on loan for the Plan as of June 30 were as follows:

<u>June 30</u>	<u>Collateral Held</u>	<u>Fair Value of Securities on Loan</u>	<u>% of Collateral Held to Securities on Loan</u>
2021	\$ 93,241,580	87,469,719	107%
2020	\$ 90,425,232	83,254,105	109%

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(5) DERIVATIVE AND OTHER INSTRUMENTS

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include futures contracts, swap contracts, options contracts, and forward foreign currency exchange. The Plan’s derivatives policy notes that derivatives may be used for the purpose of reducing or controlling risk, reducing transaction costs, or shifting an asset mix. The investment policy also requires investment managers to follow certain controls and documentation and risk management procedures. The Plan uses forward foreign exchange contracts primarily to hedge foreign currency exposure. The table below summarizes the various contracts in the portfolio as of June 30, 2021 and 2020. Investments in limited partnerships (alternative investments) and commingled funds may include derivatives that are not shown in the derivative totals below. The Plan’s investments in alternative investments are reflected at fair value, and any exposure is limited to its investment in the partnership and any unfunded commitment. Commingled funds have been reviewed to ensure they are in compliance with the Plan’s investment policy. The notional values associated with the warrants are generally not recorded in the financial statements. The Plan does not anticipate additional significant market risk from the derivatives.

Derivative instruments at June 30 were as follows:

<u>Foreign Currency Forward Contracts</u>	<u>Fair Value</u>	<u>Changes in Fair Value</u>	<u>Notional Amount</u>
<u>2021</u>			
*	\$ -	42,387	-
	<u> </u>	<u> </u>	<u> </u>
<u>2020</u>			
*	\$ -	(4,773,367)	-
	<u> </u>	<u> </u>	<u> </u>

*There was no net receivable or payable at June 30, 2021 or 2020.

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(5) DERIVATIVE AND OTHER INSTRUMENTS, CONTINUED

Other instruments at June 30 were as follows:

	<u>Other</u> <u>2021</u>	<u>Fair Value</u>	<u>Changes in</u> <u>Fair Value</u>	<u>Notional</u> <u>Amount</u>
	*	\$ -	(2,228)	-
	<u>2020</u>			
Common stock—rights		\$ 702	320	4,178

*There were no common stock—rights as of June 30, 2021.

Fair values of all the derivative instruments were determined from market quotes of the instruments or similar instruments.

The Plan invests in mortgage-backed securities, which are reported at fair value in the statements of fiduciary net position and are based on the cash flows from interest and principal payments of the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which are likely in declining interest rate environments, thereby reducing the values of these securities. The Plan invests in mortgage-backed securities to diversify the portfolio and increase the return while minimizing the extent of risk. Details regarding interest rate risks for these investments are included under the interest rate risk disclosures.

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(6) DEFERRED OPTION PLAN

As noted previously, the Plan has a Deferred Option Plan available to its members. A summary of the Deferred Option Plan for the years ended June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Assets at beginning of year	\$ 403,643,960	398,855,957
Employer's contributions	180,800	197,632
Retirement benefit payments	(25,519,754)	(25,792,293)
Retirement benefits transferred from pension plan	1,032,822	1,340,191
Interest on Deferred Option Plan balances	<u>116,476,247</u>	<u>29,042,473</u>
Assets at end of year	<u>\$ 495,814,075</u>	<u>403,643,960</u>

The assets shown above are included in the fiduciary net position restricted for pensions as reflected on the statements of fiduciary net position.

(7) "BACK" DROP PLAN

As noted previously, the Plan has a "Back" DROP Plan available to the members effective July 1, 2003. A summary of the "Back" DROP Plan for the years ended June 30 is as follows:

	<u>2021</u>	<u>2020</u>
Assets at beginning of year	\$ 479,681,829	428,036,908
Employer's contributions	8,080,680	8,520,125
Retirement benefit payments	(27,294,425)	(28,853,072)
Retirement benefits transferred from pension plan	27,500,072	30,182,676
Interest on "Back" DROP Plan balances	<u>163,044,602</u>	<u>41,795,192</u>
Assets at end of year	<u>\$ 651,012,758</u>	<u>479,681,829</u>

The assets shown are included in the fiduciary net position restricted for pensions as reflected on the statements of fiduciary net position.

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(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

The components of the net pension liability of the participating employers at June 30 were as follows:

	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 4,179,376,793	4,103,055,244
Fiduciary net position	<u>3,520,810,306</u>	<u>2,871,141,949</u>
Employers' net pension liability	<u>\$ 658,566,487</u>	<u>1,231,913,295</u>
Fiduciary net position as a percentage of total pension liability	<u>84.24%</u>	<u>69.98%</u>

Actuarial Assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2021 and 2020, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75% for 2021 and 2020
Salary increases:	For paid firefighters, 2.75% to 10.50% for 2021 and 2020; not applicable for volunteer firefighters
Investment rate of return:	7.5%, net of pension plan investment expense, for 2021 and 2020

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(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

Actuarial Assumptions, Continued

For 2021 and 2020, mortality rates were based on:

Active members—Pub-2010 Public Safety Table with generational mortality improvement using MP-2018.

Retired members—Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018.

Disabled members—Pub-2010 Public Safety Disabled Table set forward 2 years.

The actuarial assumptions used in the July 1, 2021 and 2020, valuations were based on the results of an actuarial experience study for the period July 1, 2013, to July 30, 2018.

The long-term expected rate of return on the Plan’s investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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. The inflation factor added back was 2.26% for 2021 and 2020. 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 (see discussion of the Plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>2021</u>	<u>2020</u>
	<i>(Includes inflation factor)</i>	
Fixed income	3.53%	4.38%
Domestic equity	5.73%	7.41%
International equity	8.50%	9.82%
Real estate	7.97%	7.70%
Other assets	4.73%	5.67%

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

Discount Rate—The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by Oklahoma statutes. Projected cash flows also assume the State of Oklahoma will continue contributing an allocation of the insurance premium, as established by Oklahoma statute. Prior to July 1, 2020, the Plan was allocated 36% of the Statewide insurance premium tax. The State of Oklahoma has passed legislation that changes the allocation percentage as follows:

- 25.2% effective September 1, 2020
- 36.0% effective July 1, 2021
- 37.8% effective July 1, 2022
- 36.0% effective July 1, 2027

The Plan will also receive \$40,625 each year from July 1, 2020, through June 30, 2027. Based on these 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 the Plan’s investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate—The following presents the net pension liability of the employers calculated using the discount rate of 7.5%, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<u>2021</u>			
Employers' net pension liability	<u>\$ 1,029,146,525</u>	<u>658,566,487</u>	<u>348,315,187</u>
<u>2020</u>			
Employers' net pension liability	<u>\$ 1,599,866,325</u>	<u>1,231,913,295</u>	<u>924,062,059</u>

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(9) CAPITAL ASSETS

The Plan has only one class of capital assets, consisting of furniture, fixtures, and equipment. A summary as of June 30 is as follows:

	<u>Balance at</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>June 30, 2021</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	<u>(314,825)</u>	<u>(58,302)</u>	<u>-</u>	<u>(373,127)</u>
Capital assets, net	<u>\$ 889,273</u>	<u>(58,302)</u>	<u>-</u>	<u>830,971</u>

	<u>Balance at</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>June 30, 2020</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	<u>(255,649)</u>	<u>(59,176)</u>	<u>-</u>	<u>(314,825)</u>
Capital assets, net	<u>\$ 948,449</u>	<u>(59,176)</u>	<u>-</u>	<u>889,273</u>

(10) PLAN TERMINATION AND STATE FUNDING

The Plan has not developed an allocation method if it were to terminate. The Oklahoma Legislature is required by statute to make such appropriation as necessary to assure that benefit payments are made.

A suggested minimum contribution from the State of Oklahoma is computed annually by an actuary hired by the Plan. However, funding by the State of Oklahoma to the Plan is based on statutorily determined amounts rather than the actuarial calculations of the amount required to fund the Plan.

(11) FEDERAL INCOME TAX STATUS

As an instrumentality of the State of Oklahoma, the Plan, as amended, is tax-exempt. It is not subject to the Employee Retirement Income Security Act of 1974, as amended. The Plan has received favorable determination from the Internal Revenue Service (IRS) regarding its tax-exempt status in a letter dated September 10, 2014.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(12) HISTORICAL INFORMATION

Historical trend information designed to provide information about the Plan's progress made in accumulating sufficient assets to pay benefits when due is presented in Exhibits I, II, III, and IV.

(13) LEGISLATIVE AMENDMENTS

The following is a summary of significant plan provision changes that were enacted by the Oklahoma Legislature during 2021 and 2020:

2021

- House Bill 2457—Amends the age at which retirees must begin receiving benefits and take required distributions. Previously, the age for taking required distributions was 70½. HB 2457 modifies this age, based on US Treasury regulations, to 72 for all retirements and distributions after December 31, 2019.
- House Bill 2499—Provides that active and retired members, as well as surviving spouses and other eligible participants due either benefits or contributions, may direct payment of such monies, at the time they decease, to a trust if such trust has been properly established and designated by the member or beneficiary.
- House Bill 2893—Amends the allocation of the insurance premium tax apportioned to the Plan each year. Effective for fiscal year 2022, the insurance premium tax apportioned will be 27% of applicable collections. This rate will increase to 39.6% for fiscal years 2023 to 2027 and return to 36% for fiscal year 2028 and beyond.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(13) LEGISLATIVE AMENDMENTS, CONTINUED

2020

- House Bill 3350—Provides a cost-of-living adjustment (COLA) to any person receiving a benefit from the System and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired 2 years or less on July 1, 2020; two percent (2%) if the person has been retired for at least 2 years but less than 5 years as of July 1, 2020; and four percent (4%) if the person has been retired for 5 years or more on July 1, 2020. This COLA is offset by any increase in benefits a person received pursuant to repealed Section 50-120 of Title 11 of the Oklahoma Statutes after June 30, 2008.
- House Bill 2742—Modifies the apportionment formula for insurance premium tax revenue to provide funding to the Education Reform Revolving Fund from September 1, 2020, through the end of FY 2022. The funding provided to education, estimated at \$39 million for FY 2021, is offset by equivalent percentage reductions of revenue dedicated to State Pension Systems, including Oklahoma Firefighters Pension and Retirement System. The affected pension systems will receive increased apportionments in FY 2023 through FY 2027 to make up for the lost revenue. This House Bill was superseded by House Bill 2893 that was approved in 2021.

(14) CONTINGENCIES

Legal

In June 2018, there was a suit filed against the System due to the System requiring participants to take (i) mandatory distribution of interest and (ii) minimum distributions based on an assumed interest rate of 7.5%. As the suit was still outstanding at June 30, 2021, the System has accrued approximately \$238,860,000 of interest that was included in accrued expenses as of June 30, 2021.

COVID-19

The novel coronavirus (“COVID-19”), which was declared a global health emergency in January 2020 and a pandemic in March 2020, has caused significant changes in political and economic conditions around the world, including disruptions and volatility in the global capital markets. In response, the State of Oklahoma and local municipalities have taken various preventative or protective actions, such as imposing restrictions on business operations and advising or requiring individuals to limit or forgo their time outside of their homes. The Plan’s management has considered the economic implications of the COVID-19 pandemic in making critical and significant accounting estimates included in the June 30, 2021, financial statements.

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(14) CONTINGENCIES, CONTINUED

COVID-19, Continued

The extent to which the COVID-19 pandemic may impact the Plan will depend on future developments which are uncertain, such as the duration of the outbreak, additional governmental mandates issued to mitigate the spread of the disease, business closures, economic disruptions, and the effectiveness of actions taken to contain and treat the virus. Accordingly, the COVID-19 pandemic may have a negative impact on the Plan's **future** operations, the size and duration of which are difficult to predict. The Plan's management will continue to actively monitor the situation and may take further actions altering operations that the Plan's management determines are in the best interests of its employees and stakeholders, or as required by federal, state, or local authorities.

REQUIRED SUPPLEMENTARY INFORMATION

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN

Administered by

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY****Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total pension liability										
Service cost	\$ 67,201,486	64,838,677	66,244,663	64,638,597	61,489,198	60,823,560	61,193,365	58,783,664	57,488,513	54,696,025
Interest	295,024,955	287,427,206	284,230,285	278,175,509	257,914,126	248,081,554	239,652,841	229,050,716	228,870,184	218,071,803
Changes of benefit terms	-	-	-	(144,096,161)	-	-	-	-	-	-
Differences between expected and actual experience	187,276,430	107,787,806	(26,456,744)	125,283,130	170,533,239	19,681,640	1,225,109	29,064,592	(37,193,696)	12,685,216
Changes in assumptions	-	-	(33,414,214)	-	-	-	-	-	115,269,271	-
Benefit payments, including refunds of member contributions	<u>(473,181,322)</u>	<u>(249,045,036)</u>	<u>(244,099,751)</u>	<u>(245,653,823)</u>	<u>(200,214,567)</u>	<u>(196,088,281)</u>	<u>(182,549,070)</u>	<u>(173,344,947)</u>	<u>(168,983,642)</u>	<u>(159,361,349)</u>
Net change in total pension liability	76,321,549	211,008,653	46,504,239	78,347,252	289,721,996	132,498,473	119,522,245	143,554,025	195,450,630	126,091,695
Total pension liability— beginning	<u>4,103,055,244</u>	<u>3,892,046,591</u>	<u>3,845,542,352</u>	<u>3,767,195,100</u>	<u>3,477,473,104</u>	<u>3,344,974,631</u>	<u>3,225,452,386</u>	<u>3,081,898,361</u>	<u>2,886,447,731</u>	<u>2,760,356,036</u>
Total pension liability— ending (a)	<u>\$ 4,179,376,793</u>	<u>4,103,055,244</u>	<u>3,892,046,591</u>	<u>3,845,542,352</u>	<u>3,767,195,100</u>	<u>3,477,473,104</u>	<u>3,344,974,631</u>	<u>3,225,452,386</u>	<u>3,081,898,361</u>	<u>2,886,447,731</u>

(Continued)

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY, CONTINUED

Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Plan fiduciary net position										
Contributions—										
employers/municipalities	\$ 45,301,239	44,915,341	43,378,922	41,590,815	40,325,760	39,173,661	38,875,835	36,103,860	34,286,563	32,816,159
Contributions—members	28,634,422	28,604,332	27,347,450	26,086,597	25,236,243	24,531,971	24,310,588	22,057,504	20,190,827	19,426,927
Contributions—										
State of Oklahoma, a										
non-employer										
contributing entity	72,923,900	103,591,633	101,700,051	100,333,324	88,133,633	92,330,270	91,235,807	79,545,329	76,310,725	68,245,816
Net investment										
income	914,534,234	109,851,676	189,352,801	290,165,929	302,619,557	14,238,895	116,617,766	335,602,149	230,064,460	5,734,519
Benefit payments,										
including refunds of										
member contributions	(409,531,086)	(249,045,036)	(244,099,751)	(245,653,823)	(200,214,567)	(196,088,281)	(182,549,070)	(173,344,947)	(168,983,642)	(159,361,349)
Administrative expense	<u>(2,194,352)</u>	<u>(2,156,585)</u>	<u>(2,194,806)</u>	<u>(2,098,370)</u>	<u>(2,387,774)</u>	<u>(1,994,301)</u>	<u>(2,029,087)</u>	<u>(1,958,101)</u>	<u>(2,005,153)</u>	<u>(1,724,781)</u>
Net change in plan										
fiduciary net position	649,668,357	35,761,361	115,484,667	210,424,472	253,712,852	(27,807,785)	86,461,839	298,005,794	189,863,780	(34,862,709)
Plan fiduciary net										
position—beginning	<u>2,871,141,949</u>	<u>2,835,380,588</u>	<u>2,719,895,921</u>	<u>2,509,471,449</u>	<u>2,255,758,597</u>	<u>2,283,566,382</u>	<u>2,197,104,543</u>	<u>1,899,098,749</u>	<u>1,709,234,969</u>	<u>1,744,097,678</u>
Plan fiduciary net										
position—ending (b)	<u>\$ 3,520,810,306</u>	<u>2,871,141,949</u>	<u>2,835,380,588</u>	<u>2,719,895,921</u>	<u>2,509,471,449</u>	<u>2,255,758,597</u>	<u>2,283,566,382</u>	<u>2,197,104,543</u>	<u>1,899,098,749</u>	<u>1,709,234,969</u>
Plan's net pension										
liability (a) - (b)	<u>\$ 658,566,487</u>	<u>1,231,913,295</u>	<u>1,056,666,003</u>	<u>1,125,646,431</u>	<u>1,257,723,651</u>	<u>1,221,714,507</u>	<u>1,061,408,249</u>	<u>1,028,347,843</u>	<u>1,182,799,612</u>	<u>1,177,212,762</u>

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY**Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total pension liability	\$ 4,179,376,793	4,103,055,244	3,892,046,591	3,845,542,352	3,767,195,100	3,477,473,104	3,344,974,631	3,225,452,386	3,081,898,361	2,886,447,731
Plan fiduciary net position	<u>3,520,810,306</u>	<u>2,871,141,949</u>	<u>2,835,380,588</u>	<u>2,719,895,921</u>	<u>2,509,471,449</u>	<u>2,255,758,597</u>	<u>2,283,566,382</u>	<u>2,197,104,543</u>	<u>1,899,098,749</u>	<u>1,709,234,969</u>
Plan net pension liability	<u>\$ 658,566,487</u>	<u>1,231,913,295</u>	<u>1,056,666,003</u>	<u>1,125,646,431</u>	<u>1,257,723,651</u>	<u>1,221,714,507</u>	<u>1,061,408,249</u>	<u>1,028,347,843</u>	<u>1,182,799,612</u>	<u>1,177,212,762</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.24%</u>	<u>69.98%</u>	<u>72.85%</u>	<u>70.73%</u>	<u>66.61%</u>	<u>64.87%</u>	<u>68.27%</u>	<u>68.12%</u>	<u>61.62%</u>	<u>59.22%</u>
Covered payroll	<u>\$ 313,345,726</u>	<u>318,472,051</u>	<u>307,734,605</u>	<u>303,090,745</u>	<u>285,073,253</u>	<u>273,621,126</u>	<u>270,535,966</u>	<u>271,572,339</u>	<u>253,955,389</u>	<u>256,250,268</u>
Plan net pension liability as a percentage of covered payroll	<u>210.17%</u>	<u>386.82%</u>	<u>343.37%</u>	<u>371.39%</u>	<u>441.19%</u>	<u>446.50%</u>	<u>392.34%</u>	<u>378.66%</u>	<u>465.75%</u>	<u>459.40%</u>

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN

Administered by

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES****Last 10 Fiscal Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 151,539,372	142,015,118	150,174,973	155,547,401	141,509,975	139,226,348	142,494,951	162,103,277	159,096,610	142,357,604
Contributions in relation to the actuarially determined contribution:										
Employers/Municipalities	37,220,559	36,395,216	37,693,595	36,015,374	34,567,211	32,670,684	29,001,438	31,518,945	29,708,674	26,110,400
State of Oklahoma, a non-employer contributing entity	<u>72,923,900</u>	<u>103,591,633</u>	<u>101,700,051</u>	<u>100,333,324</u>	<u>88,133,633</u>	<u>92,330,270</u>	<u>91,235,807</u>	<u>79,545,329</u>	<u>76,310,725</u>	<u>68,245,816</u>
	<u>110,144,459</u>	<u>139,986,849</u>	<u>139,393,646</u>	<u>136,348,698</u>	<u>122,700,844</u>	<u>125,000,954</u>	<u>120,237,245</u>	<u>111,064,274</u>	<u>106,019,399</u>	<u>94,356,216</u>
Contribution deficiency	\$ <u>41,394,913</u>	<u>2,028,269</u>	<u>10,781,327</u>	<u>19,198,703</u>	<u>18,809,131</u>	<u>14,225,394</u>	<u>22,257,706</u>	<u>51,039,003</u>	<u>53,077,211</u>	<u>48,001,388</u>
Covered payroll	\$ <u>313,345,726</u>	<u>318,472,051</u>	<u>307,734,605</u>	<u>303,090,745</u>	<u>285,073,253</u>	<u>273,621,126</u>	<u>270,535,966</u>	<u>271,572,339</u>	<u>253,955,389</u>	<u>256,250,268</u>
Contributions as a percentage of covered payroll	<u>35.15%</u>	<u>43.96%</u>	<u>45.30%</u>	<u>44.99%</u>	<u>43.04%</u>	<u>45.68%</u>	<u>44.44%</u>	<u>40.90%</u>	<u>41.75%</u>	<u>36.82%</u>

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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SCHEDULE OF INVESTMENT RETURNS

Last 9 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense, as defined by GASB 67	<u>31.86%</u>	<u>4.03%</u>	<u>7.67%</u>	<u>11.80%</u>	<u>14.36%</u>	<u>1.05%</u>	<u>5.78%</u>	<u>17.89%</u>	<u>14.28%</u>
Net return on average assets	<u>31.79%</u>	<u>4.04%</u>	<u>7.73%</u>	<u>11.76%</u>	<u>14.38%</u>	<u>1.11%</u>	<u>5.82%</u>	<u>17.89%</u>	<u>14.28%</u>

Information to present a 10-year history is not readily available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

The information presented in the required supplementary schedules was determined as part of an actuarial valuation by an independent enrolled actuary (Definiti, LLC, formerly Retirement Horizons, LLC, for 2021, 2020, and 2019, and Conduent, formerly Buck Consultants, LLC, for all prior years). Additional information as of the July 1, 2020, valuation follows:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar—closed
Remaining amortization:	23 years
Asset valuation method:	An expected funding valuation adjustment (FVA) is determined equal to the prior year’s FVA plus cash flow (excluding investment expenses and realized and unrealized gains and losses) for the year ended on the valuation date and assuming a 7.5% investment return. Any difference in the actual FVA and expected FVA is amortized over 5 years. The result is constrained to a value of 80% to 120% of the market value at the valuation date. Prior gains and losses were not restated.
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	2.75% to 10.50%
Cost-of-living adjustments (COLA)	Paid firefighters with 20 years of service prior to May 26, 1983, receive an increase of half of the dollar amount of a 2.75% assumed increase in base pay. No COLA is assumed for members not eligible for this increase.

*Includes inflation at 2.75%.

SUPPLEMENTARY INFORMATION

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
Administered by
OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

Schedule I**STATEMENTS OF INVESTMENT EXPENSES**

<i>Years Ended June 30,</i>	<i>2021</i>	<i>2020</i>
Investment management fees	\$ 19,771,504	18,335,506
Investment consultant fees	<u>550,847</u>	<u>414,849</u>
Total investment expenses	<u>\$ 20,322,351</u>	<u>18,750,355</u>

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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Schedule II**STATEMENTS OF ADMINISTRATIVE EXPENSES**

<i>Years Ended June 30,</i>	<i>2021</i>	<i>2020</i>
Staff salaries	\$ 912,182	909,200
FICA and retirement	182,945	162,517
Insurance	<u>143,395</u>	<u>141,258</u>
Total personal services	<u>1,238,522</u>	<u>1,212,975</u>
Actuarial	52,920	70,175
Audit	83,208	81,836
Legal	461,388	480,553
Other	<u>30,128</u>	<u>29,964</u>
Total professional/consultant services	<u>627,644</u>	<u>662,528</u>
Office space and equipment	<u>40,195</u>	<u>43,849</u>
Total rental	<u>40,195</u>	<u>43,849</u>
Travel	21,341	43,889
Maintenance	17,441	17,452
Computer/data	183,459	125,143
Other	<u>65,750</u>	<u>50,749</u>
Total miscellaneous	<u>287,991</u>	<u>237,233</u>
Total administrative expenses	<u>\$ 2,194,352</u>	<u>2,156,585</u>

Investment Section

- (79) Investment Consultant Letter
- (83) Schedule of Largest Assets Held
- (84) Investment Portfolio by Type and Manager
- (85) Net Performance Summary
- (87) Asset Allocation – Portfolio versus Policy Comparison
- (87) Schedule of Investment Fees
- (88) Schedule of Broker Commissions





Clients first.

Oklahoma Firefighters' Pension & Retirement System's (OFPRS) Board of Trustees

November 26, 2021

Report on Investment Activity

AndCo Consulting, LLC provides investment consulting services to the Oklahoma Firefighters' Pension & Retirement System's (OFPRS) Board which include asset allocation strategy, investment policy development and review, and investment manager selection and compliance monitoring. The primary objective of the Oklahoma Firefighters Pension and Retirement System is to provide eligible members and beneficiaries with retirement benefits, to be paid from the Oklahoma Firefighters Pension and Retirement Fund. Assets of the Fund will be invested in a diversified portfolio to achieve attractive real rates of return designed to meet the long-term objectives of OFPRS.

On a monthly basis, AndCo Consulting LLC conducts a formal review of investment activities, providing the Board with an overview of capital markets, cash flow summary, investment manager performance review and asset allocation rebalance direction. We provide topical educational modules to further enhance the Trustees knowledge and engagement in the oversight of the OFPRS investment program. AndCo provides review and selection of various alternative asset classes and investment managers. On a quarterly basis, we provide a comprehensive review of all investment managers and strategies comparing them to respective policy benchmarks, risk metrics and compliance requirements specific to the OFPRS Statement of Investment Policy.

The Oklahoma Firefighters' Pension and Retirement System's investment program following prudent standards has a goal to achieve the optimal rate of return consistent with the funding needs of the System and tolerance for risk as determined by the Board of Trustees of the System in its role as fiduciary. For the fiscal year ending June 30, 2021, the total market value of the Plan for the OK Firefighters' Pension and Retirement Plan increased from \$2,904,633,221 to \$3,720,503,138. The Plan experienced cash flow activity resulting in net withdrawals of -\$97,543,708 for the year. The Plan investments increased \$914,571,010 or 31.82% (gross of fees)/31.78% (net of fees) outperforming the custom benchmark return of 27.60% and the actuarial assumption of 7.50% for the period. The Plan outperformed the median fund return of 26.35% and ranked in the 7th percentile among other public funds across the U.S. in the national peer group sample.

The Plan outperformed the 7.5% actuarial assumption in 6 of the 10 prior fiscal year periods. As of June 30, 2021, for the fiscal year, 3-year, 5-year and 10-year periods, the Plan outperformed the policy benchmark, exceeded the 7.5% actuarial assumption target, and ranked in the top half of the peer group compared to other public pension funds across the US in the Public Fund Plan Sponsor Universe. The OFPRS' Fund outperformed the policy target over the three and five-year periods generating a higher Sharpe Ratio and with less volatility as measured by standard deviation producing overall improved risk-adjusted returns relative to the benchmark and the peer sample. State Street, as custodian, provides the official time-weighted performance calculations for the Fund and this information is reflected in this correspondence.

Comparative Performance and Risk Metrics as of June 30, 2021:

<u>Return % & (Rank)</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Total Fund (Net)	31.78%	13.87%	13.54%	10.57%
Total Fund (Gross)	31.82%(7)	13.92%(6)	13.57%(4)	10.61%(4)
Policy Benchmark	27.60%	12.74%	12.21%	10.21%

<u>Standard Deviation & Sharpe Ratio</u>	<u>3 Year</u>	<u>5 Year</u>
Total Fund Standard Deviation	11.63	9.42
Policy Standard Deviation	12.04	9.75
Total Fund Sharpe Ratio	1.06	1.27
Policy Sharpe Ratio	0.94	1.11

Asset Allocation as of June 30, 2021:

49.6% Domestic Equity
 14.2% International Equity
 11.6% Domestic Fixed Income
 0.7% Other Equity (Private Equity)
 7.3% Global Fixed Income
 4.5% Other Fixed Income (Non-Core Fixed)
 8.7% Real Estate
 3.4% Other Assets (Private Equity/Real Estate Secondaries)
 0.1% Cash Equivalents

The Plan is compliant with the guidelines provided for in the Statement of Investment Policy.

Domestic Equity

The domestic equity portfolio is diversified by investment style (growth and value), across capitalization (large, mid, and small cap) and maintains exposure to passive assets to lower cost and active investment management seeking alpha generation. For the fiscal year, the total domestic equity portfolio was 49.6% of the total fund and increased from \$1,407,218,827 to \$1,845,713,426. The total domestic equity return on investment was \$623,832,936 or 47.25% (gross of fees) outperforming the Russell 3000 Index return of 44.16% for the period.

For the trailing one year, the market had a dramatic positive reversal following the lows of the pandemic in first half of 2020. Domestic small cap stocks led the market higher by returning 62.0% compared to US large cap stocks which returned 43.1% over the fiscal year. Value stocks across capitalization outperformed growth stocks for the period.

International Equity

Similar to US equity markets, International developed and emerging market equity indices generated positive performance across all regions and currencies for the fiscal year. Global central monetary policy remains largely intact and accommodative. Both the Fed and the European Central Bank remained committed to their repurchase programs. Performance in the emerging market regions was led by Latin America and generally attributable to higher growth benefits of economically sensitive emerging countries with potential to recover at a faster pace. For the fiscal year, the total international equity portfolio is 14.2% of the total fund and increased from \$440,601,643 to \$528,184,764. The total international equity return on investment was \$176,105,447 or 41.02% (gross of fees) outperforming the MSCI ACWI ex US Index return of 35.72%. The developed international equity portfolio composite returned 41.78% outperforming the MSCI ACWI ex. US index return of 35.72% for the period. The emerging market equity portfolio returned 39.44% underperforming the MSCI Emerging Market Equity Index return of 40.90% for the period.

Domestic Fixed Income

US fixed income markets over the trailing one-year period were relatively muted compared to US equity performance. Despite leaving interest rates unchanged the June 2021 meeting, the Fed did modify the language in its statement suggesting that interest rates may rise sooner rather than later. Market participants remain concerned about the persistence of a higher inflationary environment. Investment grade US corporate bonds outperformed more defensive Treasury and mortgage-backed sectors. Overall, lower credit quality securities outperformed high quality during the year. For the fiscal year, the total domestic fixed income portfolio was 11.6% of the total fund and increased from \$248,976,930 to \$432,496,224. The total domestic fixed income return on investment was \$19,834 or 0.13% (gross of fees) outperforming the Bloomberg Barclays Aggregate Index return of -0.34% for the period.

Global Fixed Income

Global fixed income markets were positive in contrast to US fixed income markets for fiscal 2021. A steepening yield curve, combined with a falling US dollar, were the primary contributors to the relative outperformance of global bonds for the period. For the fiscal year, the total global fixed income portfolio was 7.3% of the total fund and increased from \$186,140,976 to \$271,239,419. The total global fixed income return on investment was \$25,098,451 or 12.94% (gross of fees) outperforming the Bloomberg Barclays Aggregate Global ex US Index return of 4.59% for the period.

Real Estate

As the pandemic shutdown circled the globe in early 2020, the uncertainty surrounding real estate debt default risk rose to historic highs. Across all property types, rent collection was projected to be meaningfully challenged contributing to wide-spread mortgage defaults. The real estate markets rebounded more rapidly than expected resulting in above average operating earnings and revenue collections for most property types excluding the hotel sector. Multi-family and industrial performed well with office followed by retail performance lagging expectations for the fiscal year. Open-end core and value added private real estate funds generated high single digit positive returns for the period. For the fiscal year, the total real estate portfolio was 8.7% of the total fund and increased from \$319,538,384 to \$322,728,732. The total real estate return on investment was \$8,808,718 or 2.79% (gross of fees) underperforming the NCREIF ODCE (Open End Diversified Core Equity - EW) Index return of 8.84% for the period.

Other Equity

For the fiscal year, the total other equity portfolio was 0.7% of the total fund and increased from \$15,979,275 to \$24,643,214. The total other equity return on investment was \$6,791,990 or 41.85% (gross of fees) underperforming the Russell 3000 Index return of 44.16% for the period.

Other Fixed Income

For the fiscal year, the total other fixed portfolio was 4.5% of the total fund and increased from \$169,637,647 to \$166,358,214. The total other fixed return on investment was \$32,010,136 or 20.76% (gross of fees) outperforming the Bloomberg Barclays Aggregate Index return of -0.34% for the period.

Other Assets

The secondary market has been an attractive place for investors to deploy capital as demonstrated by the growth in both transactions and fundraising. As this market has become increasingly mature and sophisticated, transaction structures have grown more complex. The whipsawing observed in listed markets over the course of 2020 made for some of the most eagerly anticipated year-end private markets valuations. Large, mid, and small market portfolios all provided significant positive results for the fiscal year. The December 31, 2020, secondaries valuation period was one of the best quarters for private markets in recent history and provided a significant positive impact to returns for the fiscal year. For the fiscal year, the total other asset portfolio was 3.4% of the total fund and increased from \$109,513,932 to \$126,126,335. The total other asset return on investment was \$41,253,810 or 45.25% (gross of fees) outperforming the Cambridge Associates Private Equity Index return of 23.17% for the period.

AndCo Consulting, LLC believes that OFPRS in accordance with its fiduciary responsibility has developed and adopted a Statement of Investment Policy and investment program prudently managed in accordance with the actuarial needs of the System while adhering to sound, accepted financial investment procedures. The Board has consciously diversified the Fund in an attempt to ensure that adverse or unexpected results from a security class will not have an excessively detrimental impact on the entire portfolio. Diversification is interpreted to include diversification by type, by characteristic, by number of investments as well as by the investment styles of the management organizations. The investment program is monitored and revised in accordance with the above guidelines for management of the Fund.

Sincerely,

A handwritten signature in blue ink, appearing to read "T. Nash", with a stylized flourish extending to the right.

Timothy Nash Senior
Consultant

Schedule of Largest Assets Held For the Fiscal Year Ended June 30, 2021

The Plan's ten largest stock, fixed income and partnership holdings at June 30, 2021.

Largest Stock Holdings (by Fair Value)

Security	Shares Held	Fair Value
MicroSoft Corp	134,535	\$ 32,096,503
Amazon.com Inc	7,482	25,739,277
Apple Inc.	162,641	22,275,312
Alphabet Inc.	6,806	16,991,161
Visa Inc.	48,273	11,287,193
Adobe Inc.	25,436	14,896,339
FaceBook Inc.	33,504	11,649,676
Pacific BioScience of CA	224,286	7,843,281
Omnicom Group	94,010	7,519,860
EBAY Inc.	108,760	7,636,040

Largest Fixed Income Holdings (by Fair Value)

Security	Par Value	Fair Value
FNMA Pool FM3340 FN 05/35 Fixed Var	4,943,907	8,991,372.83
FNMA Pool FM7372 04/40 3.5	3,779,678	7,164,803.48
FNMA Pool MA3988 FN 04/40 Fixed 3	3,081,611	6,852,884.29
FNMA Pool FM7459 FN 12/35 Fixed Var	2,470,000	5,985,812.99
FNMA Pool FM6989 FN 09/40 Fixed Var	2,521,547	5,787,229.86
FNMA Pool FM2741 FN 02/34 Fixed Var	2,446,413	5,747,238.13
FNMA Pool FM1646 FN 06/34 Fixed Var	2,439,458	4,989,496.72
FED HM LN PC Pool SB8070 FR 10/35 Fixed 2.5	2,150,000	4,984,240.98
FNMA Pool FM6468 FN 06/49 Fixed Var	2,060,000	4,576,982.35
FNMA Pool MA4027 FN 05/40 Fixed 3.5	2,042,015	4,315,217.90

Largest Limited Partnership Holdings (by Fair Value)

Limited Partnership	Fair Value
JPMCB Special Situa Property Fund Limited Partnership	61,248,567.21
PIMCO BRAVO FD III ONSHO Feed	52,655,844.33
PIMCO Private Income Fund Onshore Feeder LLC CLASS F B R	89,685,683.00
Dynamics Global Secondaries IV Limited Partnership	30,792,135.56
Pomona Capital IX, L.P. Limited Partnership	29,385,577.26
AESF VI LP	29,332,071.68
AG Net Lease Realty FD III LP Limited Partnership	23,423,223.49
Mesirow Financial Real Estate Value Fund, L.P.	21,525,332.38
Dune Real Estate Fund III Limited Partnership	18,728,131.28
Portfolio Advisors RE Fund VI LP	17,224,404.74

A complete list of portfolio holdings may be requested from the OFPRS Accounting Department at 6601 Broadway Ext., STE #100, Oklahoma City, OK, 73116.

Portfolio by Investment Type and Manager
For the Period Ended June 30, 2021

Investment Managers by Investment Type	Investment Class	Fair Value (000s)	% of Asset Class (boxed)	% of Total Portfolio
International Equity				
Chautauqua Capital Management	Equity	\$ 207	0.0%	0.0%
Chautauqua International Growth Requitly QP Fund, LP	Equity	172,801	32.6%	4.6%
WCM Investment Management	Equity	184,891	34.9%	4.9%
SSGA MSCI-ACWI US - NL (LIQP)	Equity	33,049	6.2%	0.9%
RBC GAM Emerging Markets	Equity	67,021	12.7%	1.8%
Wellington Emerging Markets	Equity	71,299	13.5%	1.9%
Artio Global Management LLC	Equity	33	0.0%	0.0%
Domestic Equity				
Intech	Equity	234,709	12.7%	6.3%
SSGA S&P 500 Flagship Fund	Equity	278,192	15.1%	7.4%
SSGA S&P Equal Weighted Index Fund	Equity	275,252	14.9%	7.4%
AJO	Equity	0	0.0%	0.0%
Aristotle Value Equity	Equity	117,401	6.4%	3.1%
Beutel Goodman & Company	Equity	134,159	7.3%	3.6%
Fred Alger Management, Inc.	Equity	231,972	12.6%	6.2%
SSGA S&P 500 - NL (LIQPI)	Equity	64,123	3.5%	1.7%
SSGA S&P Equal Weighted - NL (LIQP)	Equity	15,793	0.9%	0.4%
Earnest Partners	Equity	122,980	6.7%	3.3%
River Road Management	Equity	114,677	6.2%	3.1%
Jackson Square Partners	Equity	110,626	6.0%	3.0%
Lord Abbett & Co.	Equity	112,072	6.1%	3.0%
SSGA Small CAP Completeness - NI (LIQP)	Equity	33,756	1.8%	0.9%
Other Equity				
Tortoise Direct Opportunities Fund, LP	Equity	12,250	47.2%	0.3%
APE Fund IV	Equity	13,709	52.8%	0.4%
Domestic Fixed Income				
Garcia Hamilton & Associates	Fixed Income	200,653	46.4%	5.4%
Orleans Capital	Fixed Income	156,977	36.3%	4.2%
SSGA BB US Aggregate - NL (LIQP)	Fixed Income	74,866	17.3%	2.0%
Global Fixed Income				
Brandywine Global Fixed	Fixed Income	33	0.0%	0.0%
Brandywine Global Opportunistic FI CI A	Fixed Income	271,206	100.0%	7.2%
Other Fixed Income				
Medley Opportunity Fund II	Fixed Income	7,974	4.6%	0.2%
Garrison Middle Market Funding	Fixed Income	1,457	0.8%	0.0%
PIMCO COF II	Fixed Income	15,468	9.0%	0.4%
PIMCO Bravo III	Fixed Income	54,066	31.4%	1.4%
PIMCO Private Income Fund CI A & B	Fixed Income	93,216	54.1%	2.5%
Real Estate				
JP Morgan Strategic Property Fund	Real Estate	100,814	30.9%	2.7%
JP Morgan Special Situation Property Fund	Real Estate	61,249	18.8%	1.6%
Portfolio Advisors Real Estate III	Real Estate	2,006	0.6%	0.1%
Portfolio Advisors Real Estate IV	Real Estate	1,227	0.4%	0.0%
Portfolio Advisors Real Estate V	Real Estate	4,473	1.4%	0.1%
Portfolio Advisors Real Estate VI	Real Estate	17,848	5.5%	0.5%
AG Net Lease Realty III	Real Estate	23,884	7.3%	0.6%
Mesirow Financial Real Estate Fund II	Real Estate	21,851	6.7%	0.6%
Mesirow RE Value Fund IV	Real Estate	2,839	0.9%	0.1%
Dune Real Estate Fund III	Real Estate	19,783	6.1%	0.5%
Dune Real Estate Fund IV, LP	Real Estate	13,218	4.1%	0.4%
Landmark Real Estate Partners VII, LP	Real Estate	6,977	2.1%	0.2%
Hall Capital III	Real Estate	9,100	2.8%	0.2%
Hall Real Estate Fund II	Real Estate	6,144	1.9%	0.2%
TerraCap Partners V, LP	Real Estate	34,751	10.7%	0.9%
Other Assets				
Pomona Capital Fund VIII	Other Assets	5,293	3.9%	0.1%
Pomona Capital Fund IX	Other Assets	31,443	23.3%	0.8%
Ardian Secondary Fund VI	Other Assets	6,590	4.9%	0.2%
Ardian Early Secondary Fund VI	Other Assets	33,022	24.4%	0.9%
ASF VIII L.P.	Other Assets	27,133	20.1%	0.7%
Capital Dynamics Global Secondaries Funds IV	Other Assets	30,817	22.8%	0.8%
OFP Permal Fund	Other Assets	795	0.6%	0.0%
Cash and Cash Equivalents				
90 Day U.S. Treasury Bill	Cash & Cash Eq.	3,013	100.0%	0.1%
Total Investments and Cash and Cash Equivalents		\$ 3,741,158	100.0%	

Net Performance Summary By Investment Manager

For the Period Ending June 30, 2021

Investment Managers by Investment Type	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
International Equity				
Chautauqua Capital Management	5.06%	42.21%	15.49%	16.28%
Chautauqua International Growth Requity QP Fund, LP	5.06%	42.24%	N/A	N/A
WCM Investment Management	10.95%	43.43%	23.31%	20.48%
<i>MSCI AC World ex USA</i>	5.48%	35.72%	9.38%	11.08%
RBC GAM Emerging Markets	0.42%	34.02%	N/A	N/A
Wellington Emerging Markets	5.55%	44.86%	N/A	N/A
Artio Global Management LLC	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets (Net) Index</i>	5.05%	40.90%	11.27%	13.03%
Domestic Equity Managers				
Intech	7.96%	41.99%	18.66%	17.23%
SSgA S&P 500 Flagship Fund	8.53%	40.60%	18.62%	17.61%
<i>S&P Index</i>	8.55%	40.79%	18.67%	17.65%
SSgA S&P Equal Weighted Index Fund	6.93%	50.60%	16.15%	15.53%
<i>SS S&P 500 Monthly Equal Weighted Index</i>	6.95%	50.95%	16.23%	15.58%
Aristotle Value Equity	6.46%	N/A	N/A	N/A
Beutel Goodman & Company	6.42%	41.67%	18.64%	16.63%
<i>Russell 1000 Value Index</i>	5.21%	43.68%	12.42%	11.87%
Fred Alger Management, Inc.	10.98%	40.83%	25.46%	24.64%
<i>Russell 1000 Growth Index</i>	11.93%	42.50%	25.14%	23.66%
Earnest Partners	3.10%	60.83%	18.14%	18.17%
<i>Russell 2500 Value Index</i>	5.00%	63.23%	10.60%	12.29%
River Road Management	3.02%	48.20%	12.73%	14.77%
<i>Russell 2000 Value Index</i>	4.56%	73.28%	10.27%	13.62%
Jackson Square Partners	6.25%	53.31%	27.04%	25.77%
<i>Russell 2500 Growth Index</i>	6.04%	49.63%	20.15%	20.68%
Lord Abbett & Co.	3.13%	57.89%	28.41%	29.75%
<i>Russell 2000 Growth Index</i>	3.92%	51.36%	15.94%	18.76%
Other Equity				
Tortoise Direct Opportunities Fund, LP	18.81%	72.92%	-3.86%	N/A
APE Fund IV	12.70%	-1.35%	N/A	N/A
<i>Russell 3000 Index</i>	8.24%	44.16%	18.73%	17.89%
Domestic Fixed Income				
Garcia Hamilton & Associates	1.24%	-0.52%	4.65%	3.12%
Orleans Capital	2.08%	0.80%	5.70%	3.43%
<i>BloomBar US Aggregate Index</i>	1.83%	-0.34%	5.34%	3.03%
Global Fixed Income				
Brandywine Global Fixed	2.63%	12.94%	5.87%	4.37%
Brandywine Global Opportunistic FI CI A	2.71%	13.13%	N/A	N/A
<i>BloomBar Global Aggregate Ex USD</i>	0.92%	4.56%	3.12%	1.63%
Other Fixed Income				
Medley Opportunity Fund II	12.86%	-1.67%	-11.11%	-6.49%
Garrison Middle Market Funding	3.32%	44.52%	5.56%	4.49%
<i>Credit Suisse Leveraged Loan Index</i>	1.45%	11.67%	4.36%	5.04%
PIMCO COF II	1.31%	25.01%	7.53%	N/A
PIMCO Bravo III	4.16%	19.74%	7.69%	N/A
PIMCO Private Income Fund CI A & B	5.03%	23.21%	N/A	N/A
<i>BloomBar Global Credit</i>	2.45%	6.54%	6.15%	4.58%

Net Performance Summary By Investment Manager, Continued

For the Period Ending June 30, 2021

Investment Managers by Investment Type, Continued	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
Real Estate				
JP Morgan Strategic Property Fund	2.92%	6.68%	4.74%	6.00%
JP Morgan Special Situation Property Fund	4.65%	9.78%	7.37%	8.37%
Portfolio Advisors Real Estate III	-3.92%	-20.83%	-11.00%	-4.31%
Portfolio Advisors Real Estate IV	0.87%	-3.88%	1.04%	5.29%
Portfolio Advisors Real Estate V	-3.92%	-18.34%	-6.96%	-2.71%
AG Net Lease Realty III	1.63%	7.46%	6.97%	7.87%
Mesirow Financial Real Estate Fund II	0.74%	11.94%	11.68%	11.02%
Mesirow RE Value Fund IV	N/A	N/A	N/A	N/A
Dune Real Estate Fund III	3.15%	-16.22%	-2.98%	3.38%
Dune Real Estate Fund IV, LP	-23.10%	-32.52%	N/A	N/A
Landmark Real Estate Partners VII, LP	-1.59%	-5.58%	-2.50%	1.28%
Hall Capital III	12.29%	12.12%	8.34%	9.07%
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>	4.39%	8.84%	6.07%	6.98%
Portfolio Advisors Real Estate VI	3.59%	3.01%	6.89%	N/A
Hall Real Estate Fund II	15.81%	19.71%	N/A	N/A
TerraCap Partners V, LP	N/A	N/A	N/A	N/A
<i>NCREIF Fund Index-ODCE (EW) (Net)</i>	4.19%	7.99%	5.19%	6.09%
Other Assets				
Pomona Capital Fund VIII	41.89%	103.14%	23.55%	20.85%
Pomona Capital Fund IX	38.39%	68.09%	24.28%	N/A
Ardian Secondary Fund VI	9.84%	44.94%	14.45%	13.92%
Ardian Early Secondary Fund VI	9.28%	24.17%	12.37%	N/A
ASF VIII L.P.	13.26%	64.88%	N/A	N/A
Capital Dynamics Global Secondaries Funds IV	7.03%	32.78%	13.25%	14.58%
<i>Cambridge Associates Private Equity Index</i>	0.00%	23.17%	12.04%	14.36%
OFP Permal Fund	-7.12%	8.75%	-1.12%	2.23%
<i>HFRI Funds of Funds Composite Index</i>	2.80%	18.20%	6.29%	6.11%
Cash and Cash Equivalents				
90 Day U.S. Treasury Bill	0.00%	0.09%	1.34%	1.16%
Total Portfolio				
Total Portfolio Net of Fees	5.69%	31.78%	13.87%	13.54%
<i>Policy Index (1)</i>	5.57%	27.60%	12.74%	12.21%

Source: AndCo Consulting, Report June 30, 2021. All returns based on investment industry standards for return calculations.

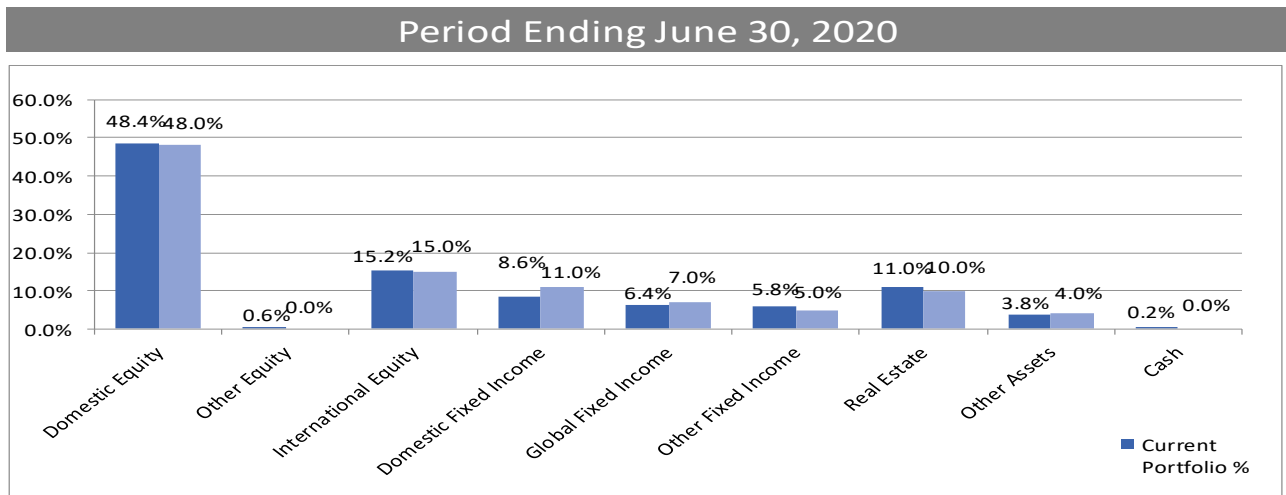
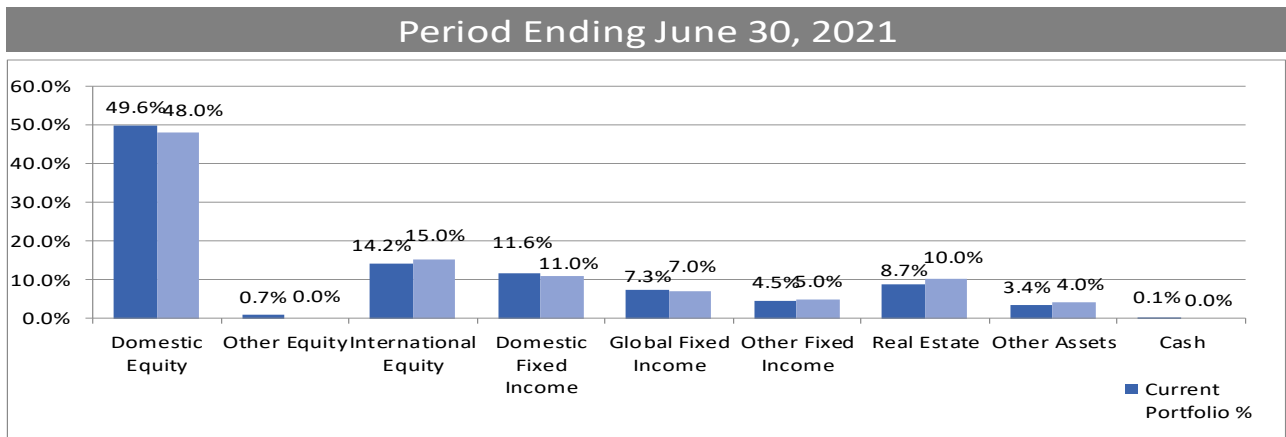
* - Returns are calculated using time-weighted return rates with trade date reporting, daily weighting of cash flows and accruals due.

(1) The Total Fund Policy Index History (by effective date of change)

04/2021 - The policy index consisted of 45.0% Russell 3000 Index, 20.0% MSCI AC World ex USA, 13% Barclays Capital Aggregate,

7% Barclays Global Aggregate ex USA, 10% NCREIF Fund Index-ODCE EW, and 5% Cambridge Associates Private Equity Index

**Current Portfolio versus Target Policy Allocation
For the Fiscal Years Ended June 30, 2021 and June 30, 2020**



**Schedule of Investment Fees
For the Fiscal Year Ended June 30, 2021 and 2020**

Investment Managers Fees	2021	2020
Domestic Equity	\$ 6,546,580	\$ 6,161,358
Other Equity	331,103	325,048
International Equity	4,015,682	3,272,699
Domestic Fixed Income	578,170	375,291
Global Fixed Income	301,113	724,899
Other Fixed Income	1,793,038	983,034
Real Estate & Other Assets	6,205,818	6,493,177
Subtotal - Investment Managers Fees	19,771,504	18,335,506
Custodian fee	255,847	193,599
Investment Consultant fee	295,000	221,250
Total Investment Management Fees	\$ 20,322,351	\$ 18,750,355

Schedule of Broker Commissions

For the Fiscal Year Ended June 30, 2021

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
ABEL NOSER, NEW YORK	571	5,338,154	15,857	0.03600
ABEL NOSER CORPORATION, NEW YORK	35,201	56,688,799	880,032	0.04000
ABG SECURITIES AS, STOCKHOLM	51	42,743	256	0.20012
ADVEST INC, NEW JERSEY	13	102,018	354	0.03599
APEX CLEARING CORP., TEXAS	2,223	2,848,759	44,460	0.05000
BANCO ITAU SA., BRAZIL	5,795	2,420,935	566,300	0.01023
BANK OF OKLAHOMA, N.A., OKLAHOMA	0	2,323,444	2,292,947	0.00000
BARCLAYS CAPITAL, UNITED KINGDOM	8,471	12,736,372	231,031	0.03667
BAY CREST PARTNERS, LLC, NEW YORK	4,749	12,392,823	131,917	0.03600
BMO CAPITAL MARKETS, CANADA	1,068	2,239,939	31,799	0.03360
BNP PARIBAS SECURITIES SERVICES, FRANCE	2,812	3,636,611	69,000	0.04075
BNY CAPITAL MARKETS, INC., NEW YORK	0	2,911,982	2,420,000	0.00000
BNY/SUNTRUST CAPITAL MARKETS, NEW YORK	0	3,407,159	2,930,000	0.00000
BANK OF AMERICA SECURITIES, INC., NEW YORK	13,042	105,758,428	74,275,282	0.00018
BRADESCO S.A.CTVM, NEW YORK	2,442	1,286,412	291,800	0.00837
BTIG LLC, NEW YORK	6,476	12,261,447	249,965	0.02591
CABRERA CAPITAL MARKETS, ILLINOIS	0	9,996,644	9,050,000	0.00000
CANACCORD GENUITY IN., CANADA	3,983	10,152,433	114,711	0.03473
CANTOR FITZGERALD & CO., NEW YORK	17,525	14,642,626	710,798	0.02466
CANTOR FITZGERALD & CO., UNITED KINGDOM	836	1,817,256	20,906	0.04000
CAPITAL INSTITUTIONAL SERVICES INC., TEXAS	1,562	1,263,363	44,641	0.03500
CARNEGIE INVESTMENT BANK, SWEDEN	3,907	3,255,598	20,555	0.19006
CASTLEOAK SECURITIES LP, NEW YORK	102	158,693	5,113	0.02000
CITIGROUP GLOBAL MARKETS INC., NEW YORK	12,131	20,893,937	358,862	0.03380
CLSA SINGAPORE PTE LTD., SINGAPORE	52	32,289	200	0.25790
COWEN AND COMPANY LLC, NEW YORK	39,694	91,391,209	1,342,105	0.02958
COWEN EXECUTION SERVICES LLC, NEW YORK	40,212	94,671,286	1,214,018	0.03312
CRAIG-HALLUM, MINNESOTA	656	1,611,103	18,229	0.03600
CREDIT LYONNAIS SECURITIES, FRANCE	1,832	1,148,182	63,696	0.02876
CREDIT SUISSE SECURITIES, SWITZERLAND	28,330	122,484,854	1,614,321	0.01755
DAIWA CAPITAL MARKETS AMERICA INC., JAPAN	1,572	7,226,351	4,996,380	0.00031
EVERCORE ISI, NEW YORK	3,530	12,487,801	124,919	0.02825
FIDELITY CLEARING CANADA ULC, CANADA	580	1,382,122	11,600	0.05000
FIRST TENNESSEE SECURITIES CORP., TENNESSEE	0	3,844,258	3,466,000	0.00000
FRANK RUSSELL SEC/BROADCORT CAP CLEARING, WASHINGTON	1,398	1,035,810	55,919	0.02500
GOLDMAN SACHS & CO. LLC, NEW YORK	28,303	95,978,215	1,302,742	0.02173
GOLDMAN SACHS DO BRAZIL, BRAZIL	12	9,603	2,200	0.00523
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$269,131	\$721,879,655	108,968,915	0.00247

Continued on the following page

Schedule of Broker Commissions (continued from previous page)
 For the Fiscal Year Ended June 30, 2021

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
GREAT PACIFIC SECURITIES, CALIFORNIA	0	871,184	865,000	0.00000
GUGGENHEIM CAPITAL MARKETS LLC, NEW YORK	1,045	4,192,459	29,654	0.03525
GUZMAN AND COMPANY, FLORIDA	4,323	14,376,572	217,034	0.01992
HILLTOP SECURITIES INC., OKLAHOMA	0	2,238,581	2,225,000	0.00000
HSBC BANK PLC, UNITED KINGDOM	1,714	1,069,751	9,880	0.17352
HSBC BROKERAGE (USE) INC., NEW YORK	7,890	19,224,559	289,932	0.02721
ICBCFS LLC, CHINA	0	12,725,827	11,973,819	0.00000
INSTINET, NEW YORK	24,952	43,320,115	934,726	0.02669
INTERNATIONAL SECURITIES CLEARING, NEW YORK	1,164	2,456,109	38,807	0.03000
INTERNATIONAL FCSTONE FINANCIAL INC., NEW YORK	0	93,887,889	90,204,667	0.00000
INVESTMENT TECHNOLOGY GROUP, NEW YORK	7,315	11,024,502	281,164	0.02602
JP MORGAN SECURITIES INC., NEW YORK	48,023	156,409,584	31,849,825	0.00151
JANE STREET EXECUTION SERVICES LLC, NEW YORK	0	3,342,973	2,885,000	0.00000
JEFFERIES HONG KONG LIMITED, HONG KONG	814	509,888	34,800	0.02338
JEFFERIES LLC, NEW YORK	26,713	49,403,857	1,953,766	0.01367
JMP SECURITIES, CALIFORNIA	352	1,433,188	9,778	0.03600
JOH. BERENBERG, GOSSLER & CO., GERMANY	3,347	2,139,119	19,288	0.17354
JONESTRADING INSTITUTIONAL SERVICES LLC, NEW YORK	6,743	7,826,633	262,701	0.02567
JP MORGAN SECURITIES (ASIA) LTD, HONG KONG	2,309	1,736,958	124,134	0.01860
KEEFE BRUYETTE & WOODS INC., NEW YORK	1,012	4,333,998	31,686	0.03194
KEPLER CHEUVREUX, FRANCE	1,487	928,229	45,171	0.03292
KEYBANC CAPITAL MARKETS INC., OHIO	6,105	16,614,589	1,686,064	0.00362
LEERINK PARTNERS LLC, MASSACHUSETTS	690	2,610,448	19,249	0.03585
LIQUIDNET INC., NEW YORK	54,457	83,802,902	1,786,216	0.03049
LOOP CAPITAL MARKETS, ILLINOIS	770	5,952,788	2,812,817	0.00027
LUMNEX TRADING AND ANALYTICS, MASSACHUSETTS	5,728	14,071,380	270,974	0.02114
MACQUARIE CAPITAL INC., AUSTRALIA	3,650	11,604,460	185,822	0.01964
MARKETAXESS CORP., NEW YORK	0	21,151,058	18,760,000	0.00000
MERRILL LYNCH INTERNATIONAL, UNITED KINGDOM	6,681	4,612,173	116,990	0.05711
MERRILL LYNCH PROFESSIONAL CLEARING CORP., NEW YORK	141	9,866,620	7,958,921	0.00002
MFR SECURITIES INC., NEW YORK	0	3,905,628	3,250,000	0.00000
MILLENNIUM ADVISORS LLC, NORTH CAROLINA	0	3,728,949	3,080,000	0.00000
MISCHLER FINANCIAL GROUP, CALIFORNIA	406	1,212,867	740,292	0.00055
MITSUBISHI UFI SECURITIES, JAPAN	438	1,395,768	9,796	0.04467
MIZUHO SECURITIES USA INC., NEW YORK	486	16,306,806	14,688,342	0.00003
MKM PARTNERS LLC, CONNECTICUT	5,412	7,553,662	251,782	0.02149
MORGAN STANLEY CO INCORPORATED, NEW YORK	40,622	138,897,192	13,334,439	0.00305
MULTI BANK SECURITIES INC., MICHIGAN	0	3,359,790	3,000,000	0.00000
NATIONAL FINANCIAL SERVICES CORP., MASSACHUSETTS	0	1,342,418	1,004,642	0.00000
NEEDHAM AND COMPANY LLC, NEW YORK	1,155	4,307,373	32,084	0.03600
OPPENHEIMER AND CO. INC., NEW YORK	1,920	5,659,090	54,050	0.03553
PENSERRA SECURITIES, NEW YORK	856	1,688,709	42,803	0.02000
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$268,719	\$793,096,646	217,371,115	0.00124

Continued on the following page

Schedule of Broker Commissions (continued from previous page)
For the Fiscal Year Ended June 30, 2021

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
PERSHING LLC, NEW JERSEY	15,202	119,047,673	86,616,561	0.00018
PIERPONT SECURITIES LLC, NEW YORK	0	6,893,507	6,255,000	0.00000
PIPER JAFFRAY & CO., MINNESOTA	42,499	86,334,673	1,572,825	0.02702
RBC DOMINION SECURITIES CORP., CANADA	6	494,210	550	0.01000
RAYMOND JAMES AND ASSOCIATES, FLORIDA	6,980	17,771,118	3,099,916	0.00225
RBC CAPITAL MARKETS LLC, CANADA	7,875	13,564,027	209,352	0.03762
ROBERT W. BAIRD INCORPORATED, WISCONSIN	4,812	16,099,546	176,640	0.02724
ROSENBLATT SECURITIES, NEW YORK	3,915	19,190,895	294,468	0.01329
SANFORD C. BERNSTEIN CO. LLC, NEW YORK	16,367	27,429,959	500,542	0.03270
SG AMERICAS SECURITIES LLC, NEW YORK	29,573	157,063,913	1,834,753	0.01612
SKANDINAVISKA ENSKILDA BANKEN, SWEDEN	649	541,142	1,674	0.38761
SMBC SECURITIES INC., NEW YORK	814	509,175	3,100	0.26244
STATE STREET BANK AND TRUST, MASSACHUSETTS	10,354	968,231,914	56,113,459	0.00018
STEPHENS INC., ARKANSAS	1,898	22,540,552	16,293,184	0.00012
STIFEL NICOLAUS AND CO. INC., MISSOURI	4,787	16,266,645	4,247,819	0.00113
STRATEGAS SECURITIES LLC, NEW YORK	1,143	2,906,086	31,761	0.03600
SUNTRUST CAPITAL MARKETS INC., GEORGIA	1,510	7,860,607	42,013	0.03593
TELSEY ADVISORY GROUP, NEW YORK	4,977	5,059,007	155,148	0.03208
TOURMALINE PARTNERS, CONNECTICUT	2,606	4,976,714	91,296	0.02855
UBS AG, SWITZERLAND	39,763	104,378,550	1,556,160	0.02555
UMB BANK INVESTMENT DIVISION, MISSOURI	0	2,877,236	2,600,000	0.00000
US BANCORP INVESTMENTS INC., MINNESOTA	0	8,085,457	7,345,000	0.00000
VIRTU AMERICAS LLC, NEW YORK	14,409	19,216,731	599,040	0.02405
WEDBUSH MORGAN SECURITIES INC., CALIFORNIA	360	2,491,750	10,289	0.03500
WELLS FARGO SECURITIES LLC, CALIFORNIA	9,065	62,366,907	33,657,516	0.00027
WILLIAM BLAIR & COMPANY LLC, ILLINOIS	7,643	15,543,097	253,343	0.03017
WILLIAMS CAPITAL GROUP, NEW YORK	964	3,224,430	58,674	0.01642
WOLFE TRAHAN SECURITIES, NEW YORK	122	424,393	3,389	0.03600
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$228,291	\$1,711,389,913	223,623,472	0.00102
GRAND TOTAL (PER SHARE IS AVERAGE)	\$766,142	\$3,226,366,214	\$549,963,502	0.00139

Actuarial Section

- (92) Actuarial Certification Letter
- (94) Summary of Actuary Valuation Results
- (95) Schedule of Active Member Data
- (95) Schedule of Funding Progress (Actuarial)
- (96) Solvency Test
- (97) Analysis of Financial Experience
- (98) Summary of Actuarial Assumptions and Methods
- (106) Summary of System Provisions





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(281) 296-1100
definiti-llc.com

November 10, 2021

Board of Trustees
Oklahoma Firefighters Pension and Retirement System
6601 Broadway Extension, Suite 100
Oklahoma City, OK 73116

Actuarial Certification

Definiti has performed an actuarial valuation of the Oklahoma Firefighters Pension and Retirement System (OFPRS) as of July 1, 2021 for the purpose of determining the actuarial contribution rate and calculating and analyzing key financial measurements. Actuarial valuations are performed annually. This valuation reflects the benefit provisions and contribution rates in effect as of July 1, 2021.

This letter represents Definiti's certification of the funding status as required for the financial report for the fiscal year ended June 30, 2021.

In preparing the valuation, we, as the actuary, relied on the data provided by the System. As part of our work, we performed a limited review of the data for consistency and reasonableness and did not find material defects in the data. The accuracy of the results of our work is dependent on the accuracy of the information provided to us.

The actuarial assumptions used for these valuations are outlined in the "Assumptions and Methods" section in the valuation report. The assumptions used to develop plan liabilities are based on an experience study reviewed on July, 1, 2013 to June 30, 2018. The OFPRS Board of Trustees adopted these assumptions on June 21, 2019. In our opinion, these assumptions generate reasonable valuation results, and the assumptions individually and in the aggregate relate reasonably to the past and anticipated experience of the OFPRS. The actuarial assumptions and methods meet the parameters set for the disclosures presented under the Financial Section by the Government Accounting Standards Board (GASB) and are suitable for use in funding the system. The economic assumptions with respect to investment yield, salary increase, and inflation have been based upon a review of the existing portfolio structure as well as recent and anticipated experience.

Future actuarial results may differ significantly from the current presented in our report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for the measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented.

The undersigned has met the "Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States" and is available to respond to questions regarding the information contained in our report or to provide further details or explanations. In addition, the undersigned is experienced in performing actuarial valuations of public employee retirement systems. Our report has been prepared in accordance with all applicable Actuarial Standards of practice, and we are available to answer questions about it.

Sincerely,

A handwritten signature in cursive script that reads "David A. Sawyer".

David A. Sawyer, FSA EA MAAA
Senior Consulting Actuary

Oklahoma Firefighter Pension & Retirement System

Actuarial Section

The Oklahoma Firefighter Pension and Retirement System is funded on a statutory basis, with contribution rates for employee, employer and the non-employer contributing entity established by statute. The Board, in conjunction with advice from the actuary, reviews the adequacy and appropriateness of the funding policy on a long-term basis. The System's actuary annually calculates an actuarially determined contribution (ADC) to assist with this determination. The actuarial section presents data primarily from a funding perspective, which can differ from the results determined for financial reporting purposes in the financial section. The actuarial assumptions used to calculate both the funding perspective and the financial perspective are materially the same. Exhibit III in the Required Supplementary Information portion of the Financial Section presents the ADC required and the contribution effort made toward the ADC by employers and the State of Oklahoma, a non-employer contributing entity.

Summary of Actuarial Valuation Results

As of July 1, 2021

	Actuarial Valuation as of		
	July 1, 2021	July 1, 2020	% Change
Summary of Costs			
Required State Contributions for Current Year	\$ 151,539,372	\$ 142,015,118	6.71 %
Actual State Contributions Received in Prior Year	110,144,459	139,986,849	(21.32)
Funded Status			
Actuarial Accrued Liability	\$ 4,179,376,793	\$ 4,103,055,244	1.86 %
Actuarial Value of Assets	2,996,605,264	2,888,458,063	3.74
Unfunded Actuarial Accrued Liability	1,182,771,529	1,214,597,181	(2.62)
Funded Ratio	71.7%	70.4%	1.85
Market Value of Assets and Additional Liabilities			
Market Value of Assets	\$ 3,520,810,306	\$ 2,871,141,949	22.63 %
Present Value of Projected System Future Benefits	4,831,474,435	4,763,979,501	1.42
Summary of Data			
Number of Members in Valuation			
Active Paid & Volunteer Members (vested and not vested)	12,240	12,296	(0.46) %
Deferred Option Plan Members	22	28	(21.43)
Terminated Vested Members	2,288	2,228	2.69
Beneficiaries	2,620	2,566	2.10
Disabled or Retired Members	9,066	8,822	2.77
Total	26,236	25,940	1.14
Active Member Statistics			
Total Projected Annual Compensation (b)	\$ 311,669,661	\$ 316,187,795	(1.43) %
Average Projected Compensation (b/a)	\$ 70,641	\$ 71,828	(1.65)
Average Age	39.1	39.0	0.26
Average Service	11.6	11.5	0.87

Schedule of Active Member Valuation Data

Valuation Date July 1,	Number of Members	Projected Annual Payroll	Projected Average Annual Payroll	Percentage Change in Average Payroll
2012	12,343	263,529,629	63,272	5.13%
2013	12,392	276,920,177	61,401	-2.96%
2014	12,436	287,105,267	63,743	3.81%
2015	12,360	293,483,501	63,370	-0.59%
2016	12,365	312,751,104	65,056	2.66%
2017	12,378	313,087,696	67,012	3.01%
2018	12,352	323,111,811	69,790	4.15%
2019	12,347	339,195,248	69,719	-0.10%
2020	12,296	351,343,791	71,828	3.03%
2021	12,240	311,669,661	70,641	-1.65%

Schedule of Funding Progress (Actuarial Basis)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2012	1,759,145,750	2,886,447,731	1,127,301,981	60.9%	256,250,268	439.9%
7/1/2013	1,811,650,751	3,081,898,361	1,270,247,610	58.8%	253,955,389	500.2%
7/1/2014	2,001,779,620	3,225,452,386	1,223,672,766	62.1%	271,572,339	450.6%
7/1/2015	2,175,729,593	3,344,974,631	1,169,245,038	65.0%	270,535,966	432.2%
7/1/2016	2,292,698,277	3,477,473,104	1,184,774,827	65.9%	273,621,126	433.0%
7/1/2017	2,464,615,244	3,767,195,100	1,302,579,856	65.4%	285,073,253	456.9%
7/1/2018	2,619,169,737	3,845,542,352	1,226,372,615	68.1%	303,090,745	404.6%
7/1/2019	2,756,362,345	3,892,046,591	1,135,684,246	70.8%	307,734,605	369.0%
7/1/2020	2,888,458,063	4,103,055,244	1,214,597,181	70.4%	318,472,051	381.4%
7/1/2021	2,996,605,264	4,179,376,793	1,182,771,529	71.7%	313,345,726	377.5%

Solvency Test

The OFPRS funding objective is to be able to pay long-term benefit promises through contributions that remain approximately level from year to year as a percent of salaries earned by members. In this way, members and employers in each year pay their fair share for retirement service accrued in that year by OFPRS members.

If the retirement system follows level contribution rate financing principles, the system will pay all promised benefits when due – the ultimate test of financial soundness.

A short-term solvency test is one means of monitoring OFPRS funding progress. In a short-term solvency test, the retirement System's present valuation assets are compared with: 1) active member contributions on deposit, 2) the liabilities for future benefits to persons who have retired and the liabilities for terminated employees with vested benefits, and 3) the liabilities for service already rendered by active members. In a system that has been following the discipline of level contribution rate financing, the liabilities for member contributions on deposit (liability 1), the liabilities for future benefits to present retirees and the liabilities for future benefits for terminated employees (liability 2) will be fully covered by present assets, except in rare circumstances.

In addition, the liabilities for service already rendered by members (liability 3) will be partially covered by the remainder of present assets. Generally, if the system has been using level contribution rate financing, the funded portion of liability 3 will increase over time; however, a decrease generally occurs in those years when substantial benefit improvements are granted by the Legislature. It is unusual for liability 3 to be fully funded. The funded ratio of the System based on total actuarial accrued liabilities (1 + 2 + 3) provides an indication of how well the System is funded.

The schedule below illustrates the progress of funding the actuarial accrued liabilities of OFPRS.

Solvency Test

Valuation Year July 1,	Aggregate Accrued Liability and Valuation Assets				Reported Assets * (in thousands)	Portion of Accrued Liabilities Covered by Assets			Funded Ratio of Total Accrued Actuarial Liability
	Active Member Contributions (Liability 1)	Retirees, Beneficiaries and Terminated Vested Members (Liability 2)	Employer Financed Portion of Active Members (Liability 3)	Total Liability (1 + 2 + 3)		(1)	(2)	(3)	
2017	\$ 224,605,219	2,567,919,494	974,670,387	3,767,195,100	2,464,615,244	100%	87.2%	-33.6%	65.4%
2018	237,137,625	2,639,224,585	969,180,142	3,845,542,352	2,619,169,737	100%	90.3%	-26.5%	68.1%
2019	250,250,738	2,720,567,814	921,228,039	3,892,046,591	2,756,362,345	100%	92.1%	-23.3%	70.8%
2020	258,522,621	2,897,414,299	947,118,324	4,103,055,244	2,888,458,063	100%	90.8%	-28.2%	70.4%
2021	267,450,989	2,981,890,761	930,035,043	4,179,376,793	2,996,605,264	100%	91.5%	-27.2%	71.7%

* - Actuarial Value of assets based on smoothing technique adopted by the Board

** - 10 years of data was not available at 6/30/2021

Analysis of Financial Experience

As of July 1, 2021

Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at July 1, 2020	\$ 4,103,055,244
b. Normal Cost and Expenses for Plan Year Ended June 30, 2021	67,201,486
c. Benefit Payments for Plan Year Ending June 30, 2021	(473,181,322)
d. Change in Actuary	2,194,352
e. Interest on (a), (b), (c) and (d)	295,217,487
f. Change in Actuarial Accrued Liability at July 1, 2021 due to changes in Actuarial Assumptions	-
g. Change in Actuarial Accrued Liability at July 1, 2021 due to changes in System Provisions (ad hoc COLA)	-
h. Expected Actuarial Accrued Liability at July 1, 2021	3,994,487,247
Actuarial Accrued Liability at July 1, 2021	4,179,376,793
Actuarial Liability Gain/(Loss) (1h. - 2)	(184,889,546)
Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at July 1, 2020	2,888,458,063
b. Contributions Made for Plan Year Ending June 30, 2021	146,859,561
c. Benefit Payments and Expenses for Plan Year Ending June 30, 2021	(411,725,438)
d. Interest on (a + b - c) to End of Year	206,701,884
e. Expected Actuarial Value of Assets at July 1, 2021	2,830,294,070
Actuarial Value of Assets at July 1, 2021	2,996,605,264
Actuarial Asset Gain/(Loss) (5 - 4e.)	166,311,194
Actuarial Gain/(Loss) (3 + 6)	(18,578,352)

The actuarial gain/(loss) is comprised of both the liability gain/(loss) and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of July 1, 2021.

Summary of Actuarial Assumptions and Methods

Actuarial Cost Method

Liabilities and contributions shown in this report are computed using the Individual Entry Age method of funding. Sometimes called the “funding method,” this is a particular technique used by actuaries for establishing the amount of the annual actuarial cost of pension benefits, or normal cost, and the related unfunded actuarial accrued liability. Ordinarily the annual contribution to the System is comprised of (1) the normal cost; and (2) an amortization payment on the unfunded actuarial accrued liability.

Under the Entry Age Actuarial Cost Method, the Normal Cost is computed as the level percentage of pay which, if paid from the earliest time each member would have been eligible to join the System had it existed (thus entry age) until his retirement or termination, would accumulate with interest at the rate assumed in the valuation to a fund sufficient to pay all benefits under the System.

The Actuarial Accrued Liability under this method, at any point in time, is the theoretical amount of the fund that would have accumulated had annual contributions equal to the normal cost been made in prior years (it does not represent the liability for benefits accrued to the valuation date). The Unfunded Actuarial Accrued Liability is the excess of the actuarial accrued liability over the actuarial value of System assets on the valuation date.

Under this method, experience gains or losses, i.e. decreases or increases in actuarial accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial value of assets is based on a five-year moving average of expected and actual market values determined as follows:

- at the beginning of each fiscal year, a preliminary expected actuarial asset value is calculated as the sum of the previous year’s actuarial value increased with a year’s interest at the System valuation rate plus net cash flow adjusted for interest (at the same rate) to the end of the previous fiscal year;
- the expected actuarial asset value is set equal to the preliminary expected actuarial value plus the unrecognized investment gains and losses as of the beginning of the previous fiscal year;
- the difference between the expected actuarial asset value and the market value is the investment gain or loss for the previous year;
- the (final) actuarial asset value is the preliminary value plus 20% of the investment gains and losses for each of the five previous fiscal years, but in no case more than 120% of the market value or less than 80% of the market value.

Amortization Method

The unfunded actuarial accrued liability is amortized as a level dollar amount over a 5-year open period. Surplus, if any, is amortized as a level dollar amount over a 30-year open period.

Valuation Procedures

The wages used in the projection of benefits and liabilities are pay for the year ending June 30, 2021 (including longevity bonuses). These amounts were projected into the valuation year using the valuation salary scale.

In computing accrued benefits, average earnings were determined using the valuation salary scale. Historical earnings for the past five years have been retained.

Retired Members were assumed to be married according to the probability of marriage assumption. For those in the Baker group, the assumption is 100% married.

The impact from compensation limit under IRC Section 401(a)(17) and from the dollar limitation required by the Internal Revenue Code Section 415 for governmental plans were considered in this valuation and was determined to be *de minimis*.

The calculations for the required state contribution are determined as of mid-year. Since the agency contributions, member contributions and State insurance premium tax allocations are made on a monthly basis throughout the year, a mid-year determination date represents an average weighting of the contributions.

Paid Firefighters

Economic Assumptions

- Funding Policy Interest Rate: 7.50% per year net of investment expenses
- Annual Inflation: 2.75%
- GASB 67 Discount Rate 7.50% per year
- Individual Salary Increases Sample Rates Below:

Attained Service	Inflation %	Merit %	Increase %
0	2.75	7.75	10.50
1	2.75	7.75	10.50
2	2.75	6.75	9.50
3	2.75	5.95	8.70
4	2.75	5.55	8.30
5	2.75	5.25	8.00
10	2.75	3.25	6.00
15	2.75	1.65	4.40
20	2.75	1.15	3.90
25	2.75	0.35	3.10
30 or more	2.75	0.00	2.75

Demographic Assumptions

Mortality:

- Active Employees Pre-Retirement Pub-2010 Public Safety Table with generational mortality improvement using MP-2018
- Retired Members Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018
- Disabled Members Pub-2010 Public Safety Disabled Table set forward two years

➤ Termination

Graduated Rates. See table below for sample values.

Attained Service	Termination
0	5.00%
1	5.00%
2	3.00%
3	3.00%
4	3.00%
5-7	2.00%
8-14	1.50%
15+	1.00%

➤ Disability

Graduated Rates. See table below for sample values.

Attained Age	Disability
22	0.10%
27	0.10%
32	0.60%
37	0.60%
42	0.60%
47	1.00%
52	4.00%
57	6.00%
62	8.00%

5% of disabilities are assumed to be Non-Duty related and 95% are assumed to be Duty related.

➤ Retirement

Sample Rates Below:

Attained Service	Annual Rate
20*	5%
21*	4%
22-23	4%
24-27	10%
28-29	12%
30	15%
31-32	14%
33-34	20%
35+	100%

* Not applicable for members hired on or after November 1, 2013.

- **Assumed Age of Commencement of Deferred Benefits**
Later of Age 50 and 20 Years of Service for members hired before November 1, 2013 and Age 50 with 22 Years of Service for members hired on or after November 1, 2013.
- **Marital Status**
90% of all participants are assumed to be married at the time benefits commence. Males are assumed to be three years older than their spouses.
- **Reserve for Guarantee Interest Rate For DROP Account Balances**
For members hired before November 1, 2013, DROP account balances are assumed to earn 2.95% more than the assumed investment return (10.45% currently). The account balances are assumed to be paid out over 10 years for current DROP members and over twenty years for future DROP members.

For members hired on or after November 1, 2013, DROP account balances are assumed to be paid as a lump sum upon termination.

Other Assumptions

- Deferred Option Plan**
The retirement rates reflect both regular retirement and entry into the DROP. 100% of members retirements with at least 25 years of service are assumed to retroactively elect to enter DROP.
- Cost of Living Increase Assumption**
Members who retired with twenty years of service prior to May 26, 1983 receive an increase of half of the dollar amount of a 2.75% assumed increase in base pay. All other members do not receive a cost of living increase.
- Provision for Expenses**
Administrative expenses, as budgeted by the Oklahoma Firefighters Pension and Retirement System.
- Change in Assumptions**
None

Volunteer Firefighters

Economic Assumptions

- Funding Policy Interest Rate: 7.50% per year net of investment expenses
- Annual Inflation: 2.75%
- Benefit Level Increases No increases
- Individual Salary Increases Not Applicable

Demographic Assumptions

Mortality:

- Active Employees Pre-Retirement Pub-2010 Public Safety Table with generational mortality improvement using MP-2018
- Retired Members Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2018
- Disabled Members Pub-2010 Public Safety Disabled Table set forwardtwo years
- Termination Graduated Rates. See table below for sample values.

Attained Service	Termination
0	20.00%
1	18.00%
2	15.00%
3	13.00%
4-5	12.00%
6	11.00%
7	10.00%
8-11	8.00%
12	7.00%
13	6.00%
14-17	5.00%
18+	4.00%

➤ Disability

Graduated Rates. See table below for sample values.

Attained Age	Disability
22	0.01%
27	0.01%
32	0.01%
37	0.01%
42	0.08%
47	0.20%
52	0.30%
57	0.40%
62	0.70%

40% of disabilities are assumed to be Non-Dutyrelated and 60% are assumed to be Duty related.

➤ Retirement

Sample Rates Below:

Attained Service	Annual Rate
20*	25%
21*	18%
22-23	12%
24-25	20%
26-29	15%
30-34	10%
35+	100%

* Not applicable for members hired on or after November 1, 2013.

➤ Assumed Age of Commencement of Deferred Benefits

Later of Age 50 and 20 Years of Service for members hired before November 1, 2013 and Age 50 with 22 Years of Service for members hired on or after November 1, 2013.

➤ Marital Status

90% of all participants are assumed to be married at the time benefits commence. Males are assumed to be three years older than their spouses.

Other Assumptions

Deferred Option Plan	The retirement rates reflect both regular retirement and entry into the DROP.
Cost of Living Increase Assumption	Members are assumed to receive no annual increase in benefits during retirement.
Provision for Expenses	Administrative expenses, as budgeted by the Oklahoma Firefighters Pension and Retirement System.
Change in Assumptions	None

Summary of System Provisions

Methods

Valuation Date	July 1, 2021
Asset Valuation Method	An expected FVA is determined equal to the prior year's FVA plus cash flow (excluding investment expenses and realized and unrealized gains and losses) for the year ended on the valuation date and assuming a 7.5% investment return. Any difference in the actual FVA and the expected FVA is amortized over 5 years. The result is constrained to a value of 80% to 120% of the market value of assets.
Cost Methods:	
Funding Policy and GASB 67	The <u>Entry Age Normal Actuarial Cost Method</u> The present value of the projected benefit (PVB) is determined as of the date the member entered the plan (or would have entered if the plan had always been in effect). The present value of future salary (PVFS) is also determined at entry age. The percentage of the PVFS represented by the PVB is the level percent of pay which, if contributed every year, would exactly fund the benefit if the valuation actuarial assumptions were realized. The actuarial accrued liability (AAL) is the theoretical value of assets which would result from the accumulation of these contributions from the plan entry until the valuation date.
Changes in Methods	There have been no changes in the actuarial methods from the prior valuation.

Effective Date	The Plan became effective July 1, 1981 and is regularly amended during legislative session.
Plan Year	July 1 st through June 30 th
Eligibility	All paid and volunteer firefighters of participating municipalities and fire protection districts.
Member Contributions	Paid firefighters contributed 8% of gross salary prior to November 1, 2013. Effective November 1, 2013, paid firefighters contribute 9% of gross salary. No employee contributions are required for volunteer firefighters.
Employer Contributions	Participating municipalities and fire protection districts contributed 13% of gross salary for each paid firefighter and \$60.00 per year for each volunteer firefighter prior to November 1, 2013. Effective November 1, 2013, participating municipalities and fire protection districts contribute 14% of gross salary for each paid firefighter. Municipalities with revenues under \$25,000 make no contribution for volunteer firefighters.
State Contributions	<p>Insurance Premium Tax Allocation. The System received 34% of these collected taxes prior to November 1, 2013. Effective November 1, 2013, the System is received 36% of these collected taxes. Effective September 1, 2020 the System is scheduled to receive the allocation below:</p> <ul style="list-style-type: none"> • 25.2% as of September 1, 2020 • 36.0% as of July 1, 2021 • 37.8% as July 1, 2022 • 36.0% as of July 1, 2027 <p>In addition to the change noted above, the System is scheduled to receive \$40,625 each year from July 1, 2022 through June 30, 2027.</p>

Credited Service

The period of membership in the Pension System or a predecessor municipal system. Service for members of a fire protection district does not accrue prior to July 1, 1982.

Military service is credited for one term (unless the member is required by law to re-enlist) if the city continues to make contributions on the member's behalf as though he were in actual service, provided that he returns to actual service within the fire department within ninety days of honorable discharge. War veterans shall receive up to five years of credit for military service.

A member who has withdrawn his contributions and later returns to membership may repay the amount withdrawn plus interest as determined by the Board to reinstate participating service which was canceled by his withdrawal.

A member may receive credit for up to five years of credited service accumulated by the member while a member of the Oklahoma Police Pension and Retirement System, the Oklahoma Law Enforcement Retirement System, the Teachers' Retirement System of Oklahoma, or the Oklahoma Public Employees Retirement System, if the member is not receiving or eligible to receive retirement credit or benefits from said service in any other public retirement system. The cost to buy-back service is determined as the actuarial present value of the benefits attributable to the service, effective January 1, 1991.

Compensation

Compensation includes gross salary excluding overtime, payment for accumulated sick or annual leave upon termination, any uniform allowances or reimbursement of out-of-pocket expenses, but excluding any salary reductions pursuant to Section 457 or Section 414(b) of the Internal Revenue Code. Only salary on which the required contributions have been made may be considered.

Final Average Compensation

Highest 30 consecutive months out of the last 60 months which produce the highest average

Normal Retirement Date	For members hired before November 1, 2013, the first day following the day the member completes twenty years of service, regardless of age. For members hired on or after November 1, 2013, the first day following the day the member completes twenty-two years of service and is 50 years old.
Normal Retirement Benefit	<p>Paid firefighters receive a monthly benefit equal to 50% of final average compensation.</p> <p>Volunteer firefighters receive \$150.60 per month, effective July 1, 2008.</p>
Late Retirement Benefit	<p>Benefits continue to accrue for service up to thirty years at the following rates:</p> <p>Paid firefighters accrue at 2.5% of final average compensation per year of service.</p> <p>Volunteer firefighters accrue at \$7.53 per month per year of service</p>
Early Retirement Benefit	None
Disability or Death Benefit	<p>All firefighters are eligible for immediate disability or death benefits. Disabilities due to heart disease, injury to the respiratory system, or cancer are considered in the line of duty. If there is no eligible surviving spouse, the death benefit is divided between the children under age 18 or age 22 if children are enrolled as full-time students.</p> <p>Paid firefighters receive 2.5% of final average compensation per year of service, with a minimum service credit of twenty years and a maximum of thirty years. For disabilities not in the line of duty, final average compensation is based on sixty months instead of thirty months.</p> <p>Volunteer firefighters receive \$7.53 per month per year of service, with a maximum of thirty years. For disabilities or deaths in the line of duty, there is a minimum service credit of twenty years.</p>

Termination Benefit:

For members hired before November 1, 2013:

A member who terminates after ten years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination.

The benefit is payable at age 50 or when the member would have completed twenty years of service, whichever is later, provided the member's contribution accumulate is not withdrawn.

Members terminating with less than ten years of credited service receive a refund of their contribution accumulation without interest.

For members hired on or after November 1, 2013:

A member who terminates after eleven years of credited service is eligible for a vested severance benefit determined by the normal retirement formula, based on service and salary history to date of termination.

The benefit is payable at age 50 or when the member would have completed twenty-two years of service, whichever is later, provided the member's contribution accumulate is not withdrawn.

Members terminating with less than eleven years of credited service receive a refund of their contribution accumulation without interest.

Lump Sum Death Benefit

Upon death of an active or retired member on or after July 1, 1999, a \$5,000 lump sum death benefit will be paid to the member's beneficiary, or estate if no beneficiary. The \$5,000 death benefit does not apply to members electing vested termination benefit.

Normal Forms of Payment

A Joint and 100% Survivor Annuity if the firefighter is married thirty months prior to death.

Post-Retirement Adjustments

Firefighters with twenty years of service as of May 26, 1983, are entitled to post-retirement adjustments equal to one-half the increase or decrease for top stepfirefighters. Pensions will not be adjusted below the level at which the firefighter retired.

Deferred Option Plan

A member who is eligible to receive a Normal Retirement Benefit and continues employment may elect to participate in the Deferred Option Plan (DROP). Participation in the DROP shall not exceed five years. The employees' contributions cease upon entering the Plan, but the employer contributions are divided equally between the Retirement System and DROP. The monthly retirement benefits that the employee is eligible to receive are paid into the DROP account.

A member is allowed to retroactively elect to join the DROP as of a back-drop-date which is no earlier than the member's Normal Retirement Date or five years before his termination date. The monthly retirement benefits and employee contributions that would have been payable had the member elected to join the DROP are credited to the member's DROP account with interest.

The retirement benefits are not recalculated for service and salary past the election date to join DROP. However, the benefits may be increased by any applicable cost-of-living increases.

When the member actually terminates employment, the DROP account balance may be paid in a lump sum or as an annuity or any method approved by the Board. Currently the Board's approval method requires at a minimum that interest earnings shall be withdrawn each year. Monthly retirement benefits are then paid directly to the retired member.

For members hired before November 1, 2013, the DROP account is guaranteed a minimum of the valuation interest rate for investment return, or 2% less than the fund rate of return, if greater.

Deferred Option Plan (continued)

For members hired on or after November 1, 2013, the DROP account is guaranteed a minimum of the valuation interest rate for investment return, or 2% less than the fund rate of return, if greater, while in active DROP. The DROP account is credited with 1% less than the fund rate of return once the member leaves active DROP.

On December 15, 2017, the Board adopted a plan change to require that once a member leaves active DROP, they must receive a distribution each year of any interest earned on the DROP account during the year.

Changes in Plan Provisions

Other than the update to the State's contribution schedule, there have been no other changes in the plan provisions since the prior valuation.

Statistical Section

- (114) Statistical Narrative
- (115) Schedule of Changes in Net Position (&Graph)
- (116) Schedule of Revenue by Source
- (116) Schedule of Expenses by Type
- (117) Schedule of Benefits & Refunds by Type
- (117) Funded Ratio (Graph)
- (118) Schedule of Investment Returns by Type (& Graph)
- (119) Schedule of Retired Members by Benefit Type
- (120) Schedule of Average Benefit Payments
- (120) Schedule of Principal Participating Employers
- (121) Schedule of Participating Employers
- (126) Membership Statistics Data



Oklahoma Firefighters Pension and Retirement System Statistical Section

This section provides additional detailed information covering extended time spans to facilitate a better understanding of the System's results presented in the financial statements, notes to the financial statements and required supplementary information. Multi-year presentations of financial and operational results help to assess the economic condition and long-term economic stability of the Oklahoma Firefighters Pension and Retirement System (OFPRS).

Financial Trends

Financial trend information helps determine whether or not the financial position of the System has improved or declined over time. Trend information also provides a long-term comparison of financial activity to assess the affect decisions and changes have had on the System's financial position. The following schedules present financial trend information:

Schedule of Changes in Fiduciary Net Position
Schedule of Revenue by Source
Schedule of Benefit Payments and Refunds by Type

Schedule of Expenses by Type
*Funded Ratio (Chart)**

Revenue Capacity

Revenue capacity information helps assess the System's performance in generating its own-source revenue. As a pension plan, the System generates revenue primarily through investing available assets with the goal of generating investment income and positive investment returns. The following schedule presents revenue capacity information:

*Schedule of Rate of Return by Investment Type***

Operating and Demographic Information

Operating and demographic information helps to assess changes in the System's membership, resources and operating performance over time. This information provides a better understanding of the employers that participate in the System, the size and types of payments made to participants, and the changes to the size of the System's active and retired membership. The following schedules present operating and demographic information:

Schedule of Retired Members by Type of Benefit
Schedule of Principal Participating Employers
*Membership Statistics Data**

*Schedule of Average Benefit Payments**
Schedule of Participating Employers

Unless otherwise noted, information is derived from OPPRS internal sources.

* - Based on schedules and data provided by actuarial consultant, Definiti, LLC.

** - Based on data provided by investment consultant, AndCo Consulting, LLC.

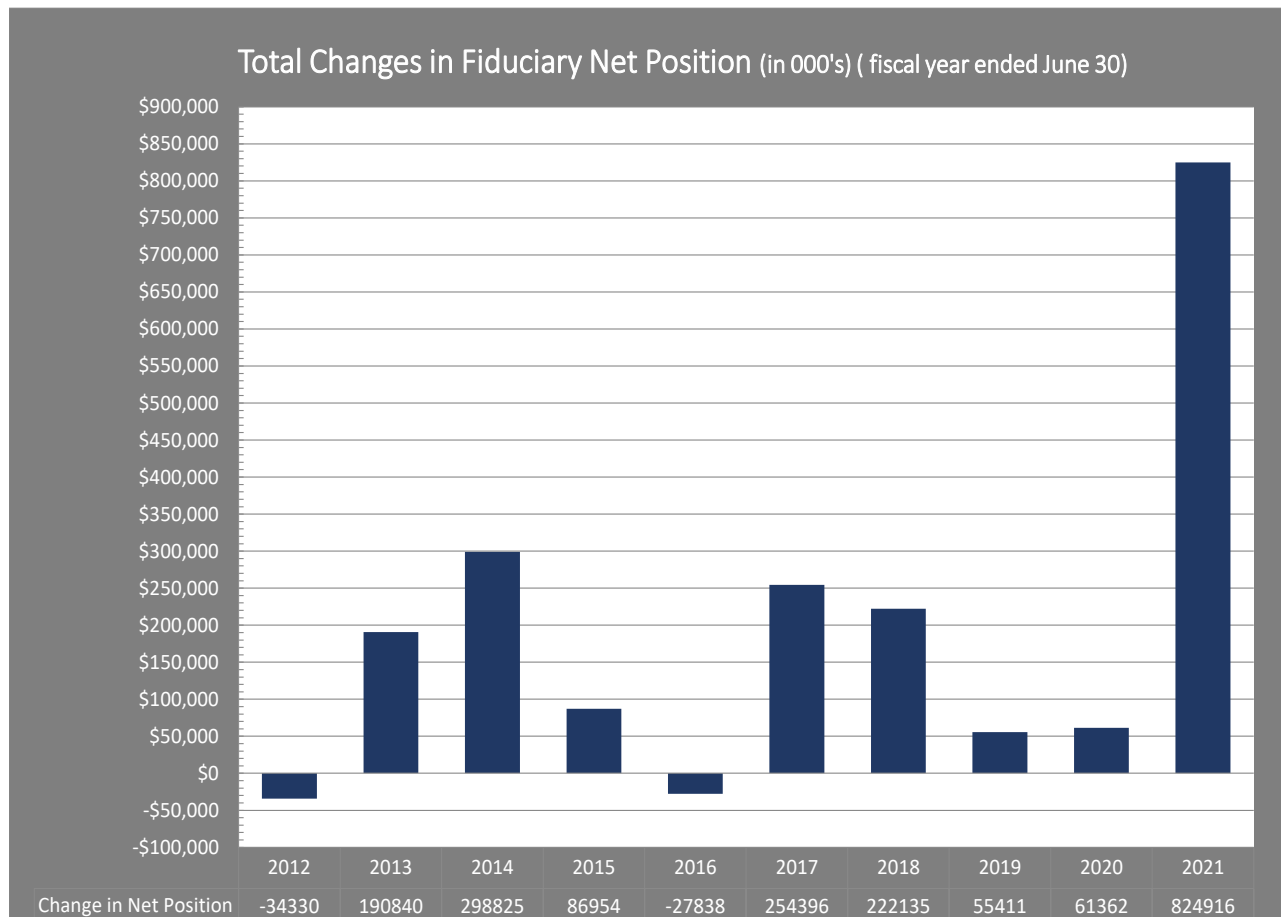
Schedule of Changes in Fiduciary Net Position (In Thousands)

Fiscal Year Ended June 30,	Additions				Deductions				Total Changes in Fiduciary Net Position
	Member Contribution	Employer Contribution	Insurance Premium Tax	Net Investment Income (Loss)	Benefit Payments *	Deferred Option Payments**	Refund of Contribution	Administrative Expenses	
2012	19,427	32,816	68,246	5,735	129,351	28,837	641	1,725	(34,330)
2013	20,191	34,287	76,311	230,064	136,484	30,981	543	2,005	190,840
2014	22,058	36,104	79,545	335,602	138,969	32,900	657	1,958	298,825
2015	24,311	38,876	91,236	116,618	144,760	36,717	581	2,029	86,954
2016	24,532	39,174	92,330	14,239	152,609	42,857	653	1,994	(27,838)
2017	25,236	40,326	88,134	302,620	157,248	41,891	393	2,388	254,396
2018	26,087	41,591	100,333	290,166	160,807	72,462	675	2,098	222,135
2019	27,347	43,379	101,700	189,353	167,290	49,569	665	2,195	55,411
2020	28,604	44,915	103,592	109,852	167,989	54,697	758	2,157	61,362
2021	28,634	45,301	72,924	914,534	181,061	52,814	408	2,194	824,916

Total Cumulative Change in Net Position for the Last 10 Years \$ 1,932,671

* - Benefit Payments include survivor and death benefit payments.

** - Deferred Option Payments include the Deferred Option and back DROP plans.



Schedule of Revenue by Source (in Thousands)

Fiscal Year Ended June 30,	Member Contributions	Employer Contributions	Insurance Premium Tax*	Net Investment Income (Loss)**	Total Revenue by Source
2012	19,427	32,816	68,246	5,735	126,224
2013	20,191	34,287	76,311	230,064	360,853
2014	22,058	36,104	79,545	335,602	473,309
2015	24,311	38,876	91,236	116,618	271,041
2016	24,532	39,174	92,330	14,239	170,275
2017	25,236	40,326	88,134	302,620	456,316
2018	26,087	41,591	100,333	290,166	458,177
2019	27,347	43,379	101,700	189,353	361,779
2020	28,604	44,915	103,592	109,852	286,963
2021	28,634	45,301	72,924	914,534	1,061,393

* - The Oklahoma Firefighters Pension and Retirement System receives a portion of the Insurance Premium Tax (36%) that is assessed and collected by the State of Oklahoma (27% in FY2021).

** - Investment income includes both realized and unrealized gains and losses on investments, net of investment expenses.

Schedule of Expenses by Type (in Thousands)

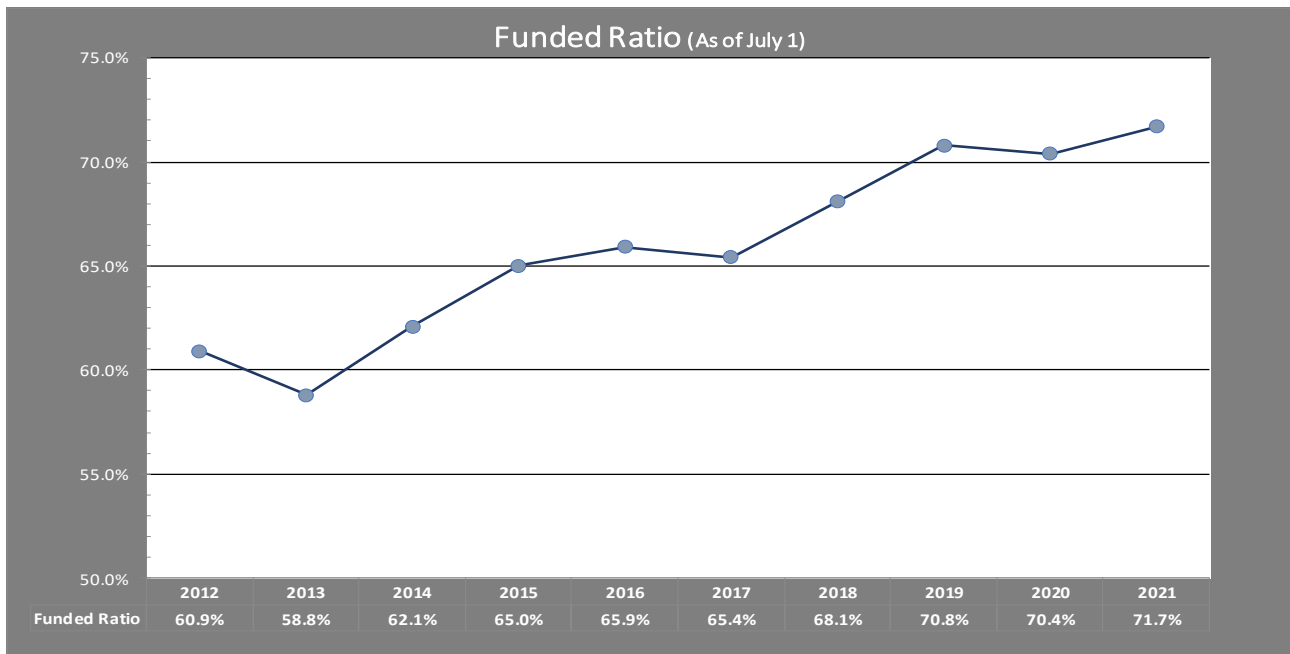
Fiscal Year Ended June 30,	Pension Benefits	Death Benefits	Deferred Option Benefits	Refunds	Administrative Expenses	Total
2012	128,497	854	28,837	641	1,725	160,554
2013	135,547	937	30,981	543	2,005	170,013
2014	138,094	875	32,900	657	1,958	174,484
2015	135,448	9,312	36,717	581	2,029	184,087
2016	151,421	1,188	42,857	653	1,994	198,113
2017	156,118	1,130	41,891	393	2,388	201,920
2018	159,597	1,210	72,462	675	2,098	236,042
2019	166,240	1,050	49,569	665	2,195	219,719
2020	166,849	1,140	54,697	758	2,157	225,601
2021	179,666	1,395	52,814	408	2,194	236,477

Schedule of Benefit Payments and Refunds by Type (in Thousands)

Fiscal Year Ended June 30,	Benefit Payments by Type			Deferred Option Benefits*	Refunds		Total Benefit Payments and Refunds
	Service Retirement	Beneficiaries	Death Benefit		Withdrawal	Member Death	
2012	104,630	23,867	854	28,837	641	0	158,829
2013	110,596	24,951	937	30,981	543	0	168,008
2014	112,134	25,960	875	32,900	657	0	172,526
2015	108,718	26,730	9,312	36,717	581	0	182,058
2016	122,995	28,426	1,188	42,857	653	0	196,119
2017	127,290	28,828	1,130	41,891	393	0	199,532
2018	128,396	31,201	1,210	72,462	675	0	233,944
2019	134,847	31,393	1,050	49,569	665	0	217,524
2020	134,277	32,572	1,140	54,697	758	0	223,444
2021	145,855	33,811	1,395	52,814	408	0	234,283

* - Deferred Option Payments may vary considerably from year-to-year based on the number of members electing this benefit.

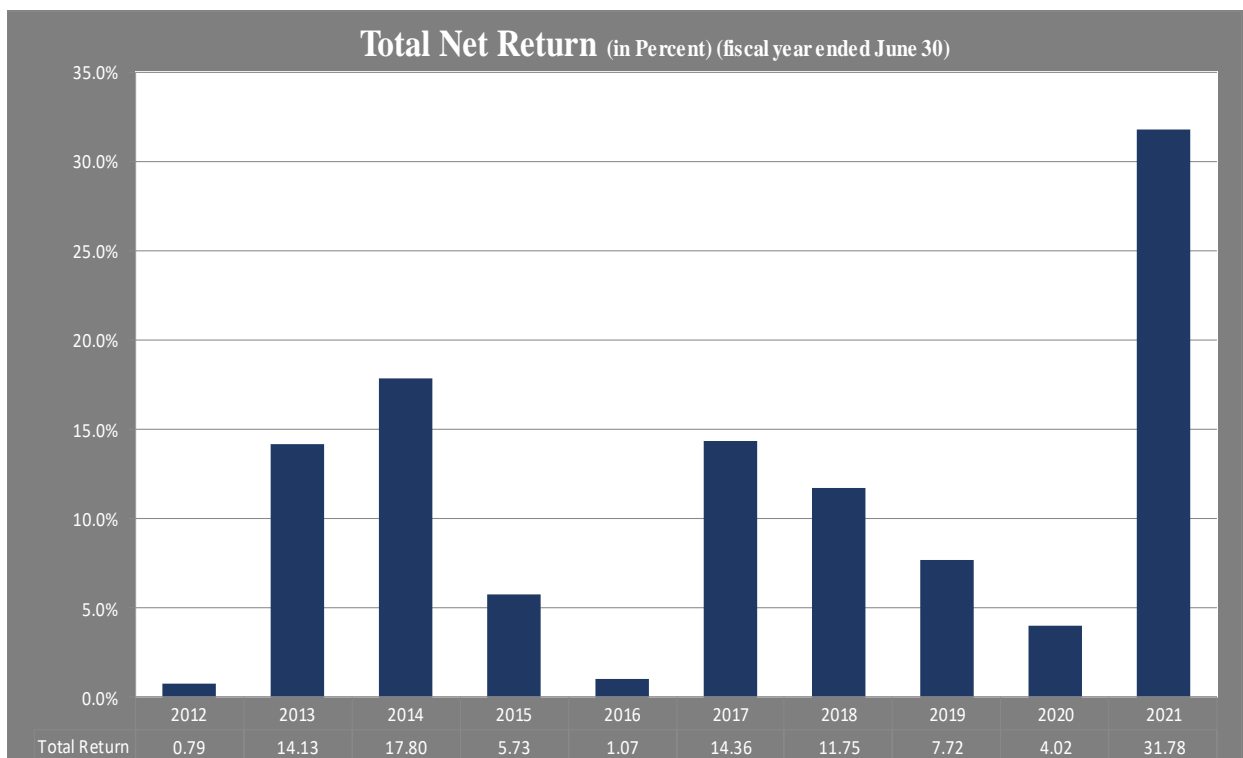
Funded Ratio (Actuarial Basis, at July 1)



Schedule of Returns by Investment Type (Net, in Percent)

Fiscal Year Ended June 30,	U.S. Equity	International Equity	Other Equity	Fixed Income	Global Fixed Income	Other Fixed Income	Real Estate	Other Assets	Total Return (net of fees)
2012	1.52	(15.54)	(3.43)	N/A	10.50	(0.20)	N/A	N/A	0.79
2013	20.91	11.40	17.08	2.11	4.81	9.89	11.64	N/A	14.13
2014	25.80	16.30	0.00	3.66	8.84	3.14	9.78	N/A	17.80
2015	8.68	(1.30)	0.00	1.77	(5.33)	4.45	14.82	20.20	5.73
2016	(1.01)	(3.32)	0.00	5.96	6.33	(0.60)	11.67	(2.28)	1.07
2017	19.90	(18.43)	25.58	0.05	4.30	6.29	8.81	10.72	14.36
2018	16.79	13.98	(8.68)	0.12	0.05	0.70	8.73	10.60	11.75
2019	10.22	3.81	0.46	6.64	5.00	0.60	7.13	4.44	7.72
2020	5.77	7.86	(35.71)	8.55	0.04	(6.75)	2.66	(1.82)	4.02
2021	47.25	41.02	41.85	0.13	12.94	20.76	2.79	45.25	31.78

Total Annual Return (Net, in Percent)



Schedule of Retired Members by Type of Benefit
For the Fiscal Year Ended June 30, 2021

Monthly Benefit Amount	Number of Retirees and Beneficiaries	Number of Retirees and Beneficiaries by Type of Retirement*					
		1	2	3	4	5	6
\$ 0 - 1,000	6,579	1,309	979	122	130	177	3,862
1,001 - 1,500	499	83	17	58	114	32	195
1,501 - 2,000	734	156	4	15	190	26	343
2,001 - 2,500	934	200	4	8	304	10	408
2,501 - 3,000	819	142	4	3	312	6	352
3,001 - 3,500	727	169	0	0	287	2	269
3,501 - 4,000	526	94	0	0	232	0	200
4,001 - 4,500	291	29	0	0	144	0	118
4,501 - 5,000	170	18	0	0	89	0	63
5,001 - 5,500	98	4	0	0	47	0	47
5,501 - 6,000	60	5	0	0	30	0	25
6,001 - 6,500	25	0	0	0	12	0	13
6,501 - 7,000	13	0	0	0	7	0	6
7,001 - 7,500	8	1	0	0	4	0	3
7,501 - 8,000	5	1	0	0	3	0	1
8,001 - 8,500	1	0	0	0	0	0	1
8,501 - 9,000	2	0	0	0	2	0	0
9,001 - 9,500	2	0	0	0	2	0	0
9,501 - 10,000	1	0	0	0	0	0	1
Totals:	<u>11,491</u>	<u>2,211</u>	<u>1,008</u>	<u>206</u>	<u>1,909</u>	<u>253</u>	<u>5,907</u>

*** Type of Retirement**

- Type 1 - *CONTINUANCE* - benefits paid to the beneficiaries of a deceased retired member.
Type 2 - *DEFERRED VESTED* - accrued benefits paid to members for completing at least 10 years of service, but less than 20.
Type 3 - *QUALIFIED DOMESTIC RELATIONS ORDER* - court ordered assignment of member benefits to an alternate payee.
Type 4 - *DUTY DISABILITY* - benefits paid to members disabled in the performance of their duty.
Type 5 - *NON-DUTY DISABILITY* - benefits paid to members disabled outside the line of duty.
Type 6 - *SERVICE* - normal retirement benefits paid to members completing at least 20 years of credited service.

Schedule of Average Benefit Payments

Retirement Effective Dates (Note A) July 1, 2011 to June 30, 2021	Years of Credited Service*				
	10-15	15-20	20-25	25-30	30+
Period 07/01/20 to 06/30/21					
Average Monthly Benefit	\$ 130	\$ 258	\$ 571	\$ 1,909	\$ 2,855
Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired Members	67	90	3,822	1,439	489

Note A - Schedule includes service retirements as of July 1, 2021 and does not include disability retirements.

* - The plan vesting period is 10 years, so no average benefit is earned or paid for service credit of less than 10 years. Information to present a 10-year history is not readily available.

Schedule of Principal Participating Employers Current Year and Nine Years Prior

10 Largest Participating Cities\Municipalities\Towns	Fiscal Year 2021			Fiscal Year 2011		
	Covered Members	Rank	% of Total Covered Members	Covered Members	Rank	% of Total Covered Members
Oklahoma City	977	1	22.05%	949	1	23.05%
Tulsa	700	2	15.80%	670	2	16.27%
Broken Arrow	165	3	3.72%	124	5	3.01%
Norman	160	4	3.61%	137	4	3.33%
Lawton	134	5	3.02%	138	3	3.35%
Edmond	116	6	2.62%	114	6	2.77%
Muskogee	93	7	2.10%	96	7	2.33%
Midwest City	85	8	1.92%	83	8	2.02%
Enid	79	9	1.78%	79	9	1.92%
Stillwater	74	10	1.67%	71	10	1.72%
Total-10 Largest Employers	2583		58.29%	2461		59.78%
All Other Cities\Towns	1848		41.71%	1656		40.22%
Total Covered Members	4431		100.00%	4117		100.00%

This table presents the ten largest participating employers by number of covered employees in the System.

Schedule of Participating Employers

For the Fiscal Year Ended June 30, 2021

Fire Protection District (28)

Bear Creek Rural	Foyil Fpd	Oak Cliff Fire Prot Dist
Berryhill Fpd	Gooseneck Bend Fpd	Oak Grove Fire Prot Dist
Blackdog	Hickory Hills Fpd	Rfpd 1 Sequoyah County
Bridge Creek Rfd	Jacktown Fire District	Richland
Cedar Country Fpd	Limestone Fire Protection Dist	Rolling Hills Fpd #1
Central Lincoln County #4	Little Axe Fpd	Stonebluff Fire Prot Dist
Collinsville Rfpd	Monkey Island Fpd	Sw Lincoln County Fpd
Country Corner	Morgans Corner Fire Prot	White Horn V.F.D
Deer Creek Fire Prot Dist	Nw Rogers County Fpd	Woodcrest Rural
Fair Oaks		

Counties (132)

#9 Area Vol Fire Dept	Harmon Community	Oil Center Rural Fire Dep
Alden	Harmony	Omega
Alfalfa Rural	Haskell County	Onapa
Arlington	Hauana Creek	Orion
Bennington	Hawley Rural	Orr
Bentley	Haywood/Arpelar	Payne
Berlin	Hennepin	Pernell
Bethel Road	Hickory Grove	Pickett Rural Fire Dept
Bethel Volunteer	Highway 51 West	Pine Creek
Blackgum	Hillsdale/Carrier	Pioneer Skeleton
Brent Rural	Hochatown Vfd	Plainview
Brushy Mountain	Hogeye	Pushmataha Sobol
Buckhorn Fire Department	Holly Creek-Oak Hill	Ranch Drive
Bugtussle	Hulen	Reagan
Butler County	Isabella	Redland
Caney/Soldier Fire Dept	Jimtown	Ringold Vfd
Central High County	Joy	Roberta
Chance County Fire Dept	Katie	Rock Township Rfd
Christie Proctor	Keefeton	Russell
Clarita	Kenwood	Salem/Ryal
Cloud Chief	Lakemont Shores	Sam'S Point
Cogar	Lane	Sawyer/Choctaw
Coleman	Lee Creek	Sharon
Cowlington	Liberty County Fire Dept	Sherwood Fire Dept
Cox Store	Lotawatah County Fire Dpt	Silo
Crystal	Lucien	Sneed
Dale Township	Lula Rural Fire Dept	Sooner Volunteer
Delhi	Maple	Speer
Dillard	Marble City Association	Strother
Eagle City	McKey Sequoyah County	Sumner
Eagletown	Meridian	Tannehill-Scipio-Lakearea
Edgewater Park	Mid County	Texoma Fire District
Elmer Rural	Mt View County	Tia Juana Community Area
Eucha	Murry Spur	Tiger Mountain
Fallis	Nashoba	Tupelo
Farris	NE Lincoln	Union Valley
Fittstown	Nelson	Valley View
Friendship	Nescatunga	Vanoss Rural Fire Dept
Gans Vol Seq	New Hope	Walker
Grady	Nicut Rural	West Tenkiller
Grant	Non	Wilson County Fire Dept
Greasy	North 48 Sunrise	Woodford
Hanna Rural	Nw Rogers Mills	Yuba
Happyland	Oak Grove Rural	Zena

Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2021

Oklahoma Cities, Municipalities and Towns (473)		
Ada	Braggs	Cleveland
Adair	Braman	Clinton
Addington	Bray	Coalgate
Afton	Breckenridge	Colbert
Agra	Bristow	Colcord
Alderson	Broken Arrow	Cole
Aline	Broken Bow	Collinsville
Allen	Bromide	Colony
Altus	Buffalo	Comanche
Alva	Burbank	Commerce
Amber	Burlington	Cooperton
Ames	Burns Flat	Copan
Anadarko	Butler	Cordell
Antlers	Byars	Corn
Apache	Byng	Council Hill
Arapaho	Byron	Covington
Ardmore	Cache	Coweta
Arkoma	Caddo	Coyle
Arnett	Calera	Crescent
Asher	Calumet	Cromwell
Atoka	Calvin	Crowder
Atwood	Camargo	Cushing
Avant	Canadian	Custer City
Barnsdall	Caney	Cyril
Bartlesville	Canton	Dacoma
Bearden	Canute	Davenport
Beaver	Capron	Davidson
Beggs	Carmen	Davis
Bernice	Carnegie	Deer Creek
Bessie	Carney	Del City
Bethany	Carter	Delaware
Bethel Acres	Cashion	Depew
Big Cabin	Catoosa	Devol
Billings	Cement	Dewar
Binger	Central High	Dewey
Bixby	Chandler	Dibble
Blackwell	Chattanooga	Dickson
Blair	Checotah	Dill City
Blanchard	Chelsea	Dougherty
Bluejacket	Cherokee	Douglas
Boise City	Cheyenne	Dover
Bokchito	Chickasha	Drummond
Bokoshe	Choctaw	Drumright
Boley	Chouteau	Duncan
Boswell	Claremore	Durant
Bowlegs	Clayton	Dustin
Boynnton	Cleo Springs	Eakly

Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2021

Oklahoma Cities, Municipalities and Towns (473), Continued

Earlsboro	Grayson	Keyes
East Duke	Greenfield	Kiefer
Edmond	Grove	Kildare
El Reno	Guthrie	Kingfisher
Eldorado	Guymon	Kingston
Elgin	Haileyville	Kinta
Elk City	Hammon	Kiowa
Elmore City	Hardesty	Konawa
Empire City	Harrah	Krebs
Enid	Hartshorne	Kremlin
Erick	Haskell	Lahoma
Eufaula	Hastings	Lamar Volunteer Fire Dept
Fairfax	Haworth	Lamont
Fairland	Headrick	Langley
Fairmont	Healdton	Laverne
Fairview	Heavener	Lawton
Fanshawe	Helena	Leedey
Fargo	Hennessey	Lenapah
Fitzhugh	Henryetta	Lexington
Fletcher	Hickory	Lindsay
Forest Park	Hinton	Loco
Forgan	Hitchcock	Locust Grove
Fort Cobb	Hobart	Lone Grove
Fort Gibson	Holdenville	Lone Wolf
Foss	Hollis	Longdale
Francis	Hominy	Lookeba
Frederick	Hooker	Loyal
Freedom	Horntown	Luther
Ft Supply	Howe	Macomb
Gage	Hugo	Madill
Garber	Hulbert	Manchester
Gate	Hunter	Mangum
Geary	Hydro	Manitou
Gene Autry	Idabel	Mannford
Geronimo	Indiahoma	Mannsville
Gerty	Inola	Maramec
Glencoe	Jay	Marietta
Glenpool	Jenks	Marland
Goldsby	Jennings	Marlow
Goltry	Jet	Marshall
Goodwell	Jones	Martha
Gore	Kansas	Maud
Gotebo	Kaw City	Maysville
Gould	Kellyville	McAlester
Gracemont	Kendrick	McCurtain
Grandfield	Keota	McLoud
Granite	Ketchum	Medford

Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2021

Oklahoma Cities, Municipalities and Towns (473), Continued		
Meeker	Pawnee	Seiling
Meno	Peoria	Seminole
Miami	Perkins	Sentinel
Midwest City	Perry	Shady Point
Milburn	Piedmont	Shattuck
Mill Creek	Pink	Shawnee
Millerton	Pocola	Shidler
Minco	Ponca City	Skedee
Moore	Pond Creek	Skiatook
Mooreland	Porter	Slaughterville
Morris	Porum	Snyder
Morrison	Poteau	So. Coffeyville
Mounds	Prague	Soper
Mt Park	Prue	Spaulding
Muldrow	Pryor	Spavinaw
Mulhall	Purcell	Spencer
Muskogee	Putnam	Sperry
Mustang	Quapaw	Spiro
Mutual	Quinton	Springer
Nash	Ralston	Sterling
Newcastle	Ramona	Stigler
Newkirk	Randlett	Stillwater
Nichols Hills	Ratliff City	Stilwell
Nicoma Park	Rattan	Stonewall
Noble	Ravia	Stratford
Norman	Red Bird	Stringtown
Nowata	Red Oak	Strong City
Oaks	Red Rock	Stroud
Oakwood	Reydon	Stuart
Oilton	Ringling	Sulphur
Okarche	Ringwood	Summit
Okay	Ripley	Sweetwater
Okeene	Rocky	Taft
Okemah	Roff	Tahlequah
Oklahoma City	Roland	Talihina
Okmulgee	Roosevelt	Taloga
Oktaha	Rosedale	Tamaha
Olustee	Rosston	Tecumseh
Optima	Rush Springs	Temple
Orlando	Ryan	Terral
Osage Volunteer	Salina	Texhoma
Owasso	Sallisaw	Texola
Paden	Sand Springs	The Village
Panama	Sapulpa	Thomas
Paoli	Sasakwa	Tipton
Pauls Valley	Savanna	Tishomingo
Pawhuska	Sayre	Tonkawa

Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2021

Oklahoma Cities, Municipalities and Towns (473), Continued

Town of Mountain View	Wakita	Wellston
Tribbey	Walters	Westport
Tryon	Wanette	Westville
Tulahassee	Wapanucka	Wetumka
Tulsa	Warner	Wewoka
Tushka	Warr Acres	Whitefield
Tuttle	Washington	Wilburton
Tyrone	Watonga	Willow
Union City	Watts	Wilson
Valliant	Waukomis	Wister
Velma	Waurika	Woodward
Verden	Wayne	Wright City
Vian	Waynoka	Wyandotte
Vici	Weatherford	Wynnewood
Vinita	Webbers Falls	Yale
Wagoner	Welch	Yukon
Wainwright	Weleetka	

Membership Statistics Data

Employer and Member Statistics	As of July 1,	2021	2020
Participating Fire Protection Districts, Cities, Municipalities and Towns		633	631
Active Members		12,240	12,296
Deferred Option Members		22	28
Terminated Members with Vested Benefits		2,288	2,228
Retired or Disabled Members		9,066	8,822
Beneficiaries Receiving Benefits		2,620	2,566

Active Member Statistics	As of July 1,	2021	2020
Total Annual Compensation (1)		\$ 311,669,661	\$ 316,187,795
Average Compensation		\$ 70,641	\$ 71,828
Average Active Member Age		39.1	39.0
Average Years of Credited Service		11.6	11.5

(1) - Compensation is projected one year based on salary increase assumptions.

Fiscal Year 2021 Refund and Benefit Payment Statistics	Count of Payments Made	Average Amount
Refunds to Terminated Members	36	\$ 11,030
Regular Payments to Service Retirement Members	86,796	\$ 703
Payment of Death Benefits to Beneficiaries	340	\$ 5,000
Payments under the Forward DOP	22,380	\$ 2,377
Payments under the Back DOP	30,528	\$ 2,260
Payments under the Payout Provision	-	\$ -

