

# Oklahoma Firefighters Pension and Retirement System

# 2022



**OKLAHOMA FIREFIGHTERS  
PENSION & RETIREMENT SYSTEM**

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**Annual Comprehensive Financial Report  
for the Fiscal Years Ended June 30, 2022 and 2021  
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, 2022 and 2021

**Chase Rankin**

Executive Director

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

**Timothy Van Horn**

Chief Financial Officer

**Thanh Dinh**

Controller

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**Oklahoma Firefighters Pension and Retirement System**  
**2022 Annual Comprehensive Financial Report**  
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# Introductory Section



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## 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 7, 2022

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, 2022 and 2021.

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, 2022 and 2021, 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 469 cities, 28 fire protection districts, and 133 county fire departments as of June 30, 2022. 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 prior to November 1, 2022 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.

Pursuant to the passage of HB 2487 in 2022, members qualify for full retirement benefits after November 1, 2022 as follows:

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.

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.

## Letter of Transmittal, continued

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

### *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 eight domestic equity managers, four other equity managers, four international equity managers, two domestic fixed income managers, one global fixed income manager, three other fixed income managers, eight real estate managers, and four other asset managers. In addition, the System has one passive manager with allocations to domestic equity, international equity, and domestic fixed income.

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 2022 investments provided a (10.24) percent rate of return. The annualized rate of return for the System has averaged 8.17 percent over the last five years.

### *Funding*

A pension plan 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, 2022 amounted to \$4.3 billion and \$3.1 billion, respectively. The System's funded status increased to 73.0 percent at July 1, 2022. The funded status had declined from 61.8 percent at July 1, 2008 to 53.4 percent at July 1, 2010 before increasing to 63.7 percent at July 1, 2011. Since July 1, 2011, the funded status has seen an average growth of approximately one percent per fiscal year.

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in the Financial Reporting to the Oklahoma Firefighters Pension and Retirement System for its annual financial report for the fiscal year ended for June 30, 2021. This was the first year OFPRS has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish as easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.



## Letter of Transmittal, continued

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**

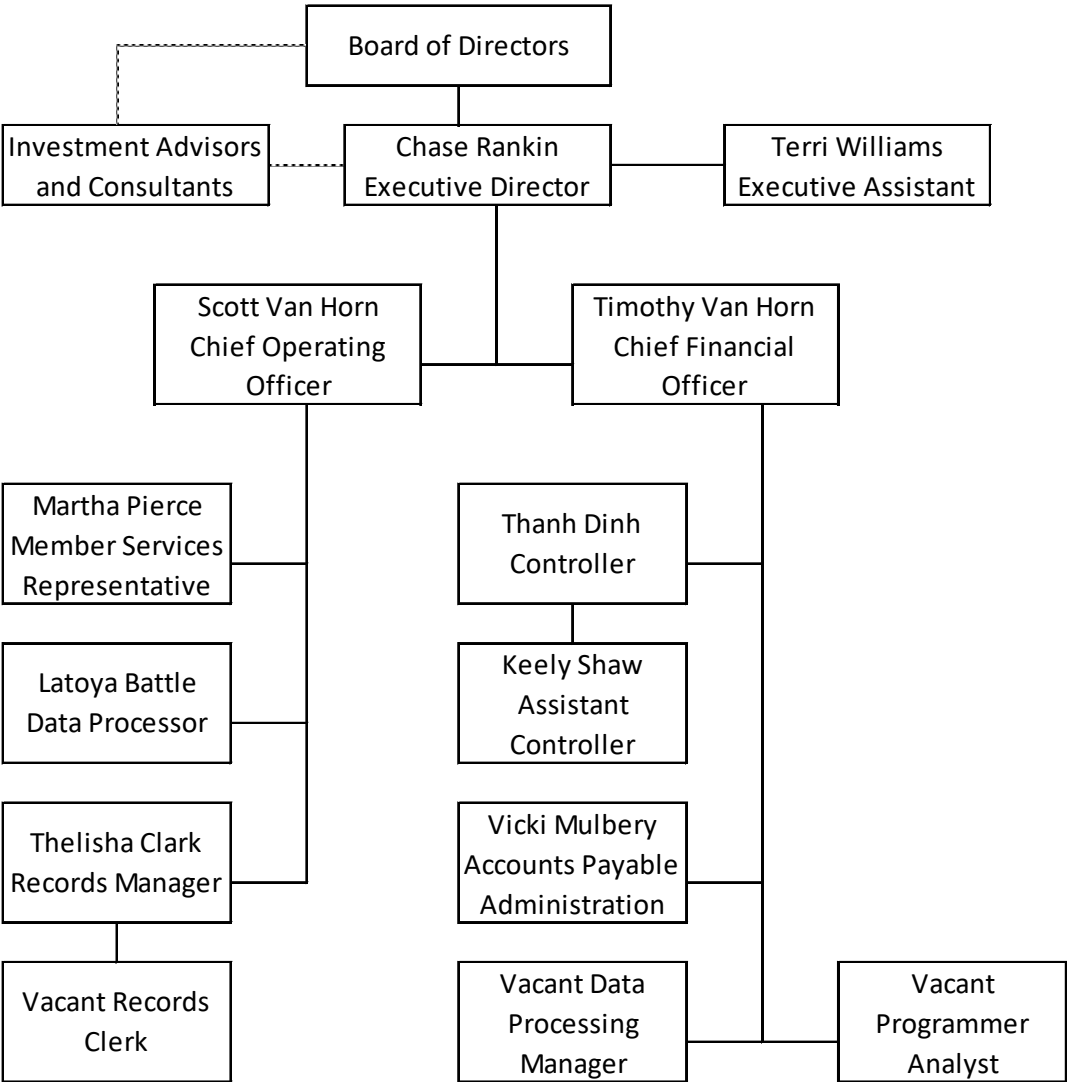
**Staff**

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**

Jim Ed Nimmo, President Oklahoma State Firefighter Association	Anthony Lopez, 1 <sup>st</sup> Vice President Oklahoma State Firefighter Association
Donald Bennett, Jr., 2 <sup>nd</sup> Vice President Oklahoma State Firefighter Association	Cary Provence, Jr., 3 <sup>rd</sup> Vice President Oklahoma State Firefighter Association
Cliff Davidson, Past President Oklahoma State Firefighter Association	James Fullingim 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. 90) & Broker Commissions (pg. 91-94) in the Investment Section contain additional information regarding professional advisors and consultants



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Oklahoma Firefighters Pension & Retirement System**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



- (13) Independent Auditors'
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- (22) Statements of Changes in Fiduciary Net Position
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- (80) 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 Audit of the Financial Statements**

#### **Opinion**

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, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

#### **Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

- 1 -

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**INDEPENDENT AUDITORS' REPORT, CONTINUED****Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(Continued)



**INDEPENDENT AUDITORS' REPORT, CONTINUED****Required Supplementary Information**

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 16 through 19 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 related notes in Exhibits I, II, III, IV, and V be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The supplementary information in Schedules I, II, and III is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the investment section, the actuarial section, and the statistical section, but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

(Continued)

**INDEPENDENT AUDITORS' REPORT, CONTINUED**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022, 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.

*Finley + Cook, PLLC*

Shawnee, Oklahoma  
October 21, 2022

**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, 2022, 2021, and 2020. Please read it in conjunction with the System's financial statements, which begin on page 3.

**Financial Highlights**

	2022	2021	2020	% Change 2022 from 2021	% Change 2021 from 2020	% Change 2020 from 2019
• Fiduciary net position	\$2,977,845,962	3,520,810,306	2,871,141,949	-15.42%	22.63%	0.93%
• Contributions:						
Insurance premium taxes	102,442,025	72,923,900	103,591,633	40.48%	-29.60%	1.86%
Participating municipalities	45,932,405	45,301,239	44,915,341	1.39%	0.86%	3.54%
Plan members/employees	29,183,440	28,634,422	28,604,332	1.92%	0.11%	4.60%
• Net investment income	-409,769,260	914,534,234	109,851,676	-144.81%	732.52%	-41.99%
• Benefits paid, including refunds	308,495,060	409,531,056	249,045,036	-24.67%	64.44%	2.03%
• Change in fiduciary net position	-542,964,344	649,668,357	35,761,361	-183.58%	1716.68%	-69.03%
• Funded ratio of the Plan	73.00%	71.70%	70.40%	1.81%	1.85%	-0.56%
• Total Plan membership	25,938	26,236	25,940	-1.14%	1.14%	0.74%

**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, 2022, 2021 and 2020.

#### Condensed Summary of Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Changes 2022 from 2021	% Changes 2021 from 2020	% Changes 2020 from 2019
	2022	2021	2020			
Cash and cash equivalents	\$ 54,898,218	51,649,888	65,193,225	6.3%	-20.8%	7.9%
Receivables	22,913,027	20,700,530	25,514,759	10.7%	-18.9%	-11.5%
Investments, at fair value	3,180,167,283	3,689,507,692	2,849,864,300	-13.8%	29.5%	1.9%
Securities lending short-term collateral	97,513,997	93,241,580	90,425,232	4.6%	3.1%	2.6%
Capital assets, net	773,765	830,971	889,273	-6.9%	-6.6%	-6.2%
Total assets	3,356,266,290	3,855,930,661	3,031,886,789	-13.0%	27.2%	7.2%
Liabilities	378,420,328	335,120,355	160,744,840	12.9%	108.5%	14.8%
Fiduciary net position	\$ 2,977,845,962	3,520,810,306	2,871,141,949	-15.4%	22.6%	1.3%

#### Condensed Summary of Changes in Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Changes 2022 from 2021	% Changes 2021 from 2020	% Changes 2020 from 2019
	2022	2021	2020			
Contributions	\$ 177,558	146,860	177,111	20.9%	-17.1%	2.7%
Net investment income	(409,769)	914,534	109,852	-144.8%	732.5%	-42.0%
Total additions	(232,211)	1,061,394	286,963	-121.9%	269.9%	-20.7%
Benefits and refunds	308,495	409,531	249,045	-24.7%	64.4%	2.0%
Administrative expenses	2,258	2,194	2,157	2.9%	1.8%	-1.7%
Total deductions	310,753	411,725	251,202	-24.5%	63.9%	2.0%
Total Changes in fiduciary net position	(542,964)	649,668	35,761	-183.6%	1716.7%	-69.0%
Fiduciary net position, beginning of year	3,520,810	2,871,142	2,835,381	22.6%	1.3%	4.2%
Fiduciary net position, end of year	\$ 2,977,846	3,520,810	2,871,142	-15.4%	22.6%	1.3%

\*Amounts in thousands

**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 \$(410) million for 2022 compared to investment income of approximately \$915 million for 2021.

The investment income of the System decreased approximately \$1,325 million during the year ended June 30, 2022, compared to the year ended June 30, 2021, as a result of a decrease in the overall performance of the market during the fiscal year. The investment income of the System increased approximately \$805 million during the year ended June 30, 2021, compared to the year ended June 30, 2020, as a result of an increase in the overall performance of the market during the fiscal year; and decreased approximately \$80 million during the year ended June 30, 2020, compared to the year ended June 30, 2019, as a result of a decrease in the overall performance of the market during the fiscal year.

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:

	2022	2021	2020
System	(10)%	32%	4%

During the years ended June 30, 2022, 2021, and 2020, benefit payments, including refunds, (decreased) increased by approximately (25)%, 64%, and 2%, respectively, due to changes in the number of retirees, statutory benefit increases, and the mandatory disbursement of interest.

Administrative expenses increased approximately 2.89% from fiscal year 2021 to 2022. Administrative expenses increased approximately 1.8% from fiscal year 2020 to 2021, and decreased approximately (1.7)% from fiscal year 2019 to 2020. 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 \$102 million, \$73 million, and \$104 million for the years ended June 30, 2022, 2021, and 2020, respectively. The System received 36% of the total taxes collected on insurance premiums during the fiscal year ended 2022, and 25.2% and 36% for the fiscal years ended 2021 and 2020, respectively.

**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**  
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**STATEMENTS OF FIDUCIARY NET POSITION**

<i>June 30,</i>	<i>2022</i>	<i>2021</i>
<b>Assets</b>		
Cash and cash equivalents	\$ 54,898,218	51,649,888
Receivables:		
Employees' contributions	463,628	738,027
Employer's contributions	720,314	1,156,977
Due from the State of Oklahoma Insurance Department	18,762,184	15,170,675
Accrued interest and dividends	2,933,786	3,496,962
Net receivable from brokers for security transactions	-	104,774
Other receivable	33,115	33,115
Total receivables	<u>22,913,027</u>	<u>20,700,530</u>
Investments, at fair value:		
U.S. government securities	66,738,709	89,421,861
Domestic corporate bonds and bond funds	122,285,959	336,501,217
International corporate and government bonds	214,652,638	271,206,183
Domestic equities	1,400,630,387	1,820,832,985
International equities	435,374,726	524,398,415
Private equity—non-real estate	551,068,159	314,894,156
Long/Short hedge funds	339,615	795,012
Real estate—core and private equity	389,077,090	331,457,863
Total investments, at fair value	<u>3,180,167,283</u>	<u>3,689,507,692</u>
Securities lending short-term collateral	97,513,997	93,241,580
Capital assets, net of accumulated depreciation	<u>773,765</u>	<u>830,971</u>
Total assets	<u>3,356,266,290</u>	<u>3,855,930,661</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	280,350,324	241,878,775
Net payable to brokers for security transactions	556,007	-
Securities lending collateral	<u>97,513,997</u>	<u>93,241,580</u>
Total liabilities	<u>378,420,328</u>	<u>335,120,355</u>
<b>Fiduciary net position restricted for pensions</b>	<b><u>\$ 2,977,845,962</u></b>	<b><u>3,520,810,306</u></b>

See Independent Auditors' Report.

See accompanying notes to financial statements.

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**  
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**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**

<i>Years Ended June 30,</i>	<i>2022</i>	<i>2021</i>
<b>Additions:</b>		
Contributions:		
Insurance premium taxes	\$ 102,442,025	72,923,900
Participating municipalities	45,932,405	45,301,239
Plan members/employees	29,183,440	28,634,422
Total contributions	<u>177,557,870</u>	<u>146,859,561</u>
Investment (loss) income:		
From investment activities:		
Net (depreciation)/appreciation in fair value of investments	(409,429,522)	911,665,643
Interest	6,756,742	7,237,948
Dividends	17,820,941	15,768,942
Total investment (loss) income	<u>(384,851,839)</u>	<u>934,672,533</u>
Less investment expense	<u>(25,078,482)</u>	<u>(20,322,351)</u>
(Loss) income from investment activities	<u>(409,930,321)</u>	<u>914,350,182</u>
From securities lending activities:		
Securities lending income	221,368	245,187
Securities lending expenses:		
Borrower rebates	(6,851)	-
Management fees	(53,456)	(61,135)
Income from securities lending activities	<u>161,061</u>	<u>184,052</u>
Net investment (loss) income	<u>(409,769,260)</u>	<u>914,534,234</u>
Total (reductions) additions	<u>(232,211,390)</u>	<u>1,061,393,795</u>
<b>Deductions:</b>		
Pension benefit payments	306,544,554	407,746,737
Death benefit payments	1,300,000	1,395,000
Refunds to terminated participants	650,506	389,349
Total benefits and refunds	<u>308,495,060</u>	<u>409,531,086</u>
Administrative expenses	2,257,894	2,194,352
Total deductions	<u>310,752,954</u>	<u>411,725,438</u>
<b>Changes in fiduciary net position</b>	<b>(542,964,344)</b>	<b>649,668,357</b>
Fiduciary net position restricted for pensions:		
Beginning of year	<u>3,520,810,306</u>	<u>2,871,141,949</u>
<b>End of year</b>	<b><u>\$ 2,977,845,962</u></b>	<b><u>3,520,810,306</u></b>

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



**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**  
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**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022 and 2021**

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**(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, 2022, there were 469 cities, 28 fire protection districts, and 133 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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

The Plan’s participants at June 30 consisted of:

	<u>2022</u>	<u>2021</u>
Active plan members	12,060	12,240
Retirees and beneficiaries currently receiving benefits	11,401	11,686
Vested members with deferred benefits	2,467	2,288
Deferred Option Plan members	<u>10</u>	<u>22</u>
	<u>25,938</u>	<u>26,236</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**

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**(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 adopted GASB 87 on July 1, 2021, for the June 30, 2022, 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 adopted GASB 91 on July 1, 2021, for the June 30, 2022, reporting year, which did not have a significant impact on 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 adopted GASB 92 on July 1, 2021, for the June 30, 2022, reporting year, which did not have a significant impact on the financial statements.

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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Recent Accounting Pronouncements, Continued**

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. 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.

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 adopted sections of GASB 97 related to IRC Section 457 plans on July 1, 2021, for the June 30, 2022, reporting year, which did not have a significant impact on the Plan's financial statements.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Recent Accounting Pronouncements, Continued**

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* (GASB 98). GASB 98 establishes a new name and acronym for the comprehensive annual financial report, due to the previous acronym being objectionable in certain cultures. Consequently, the comprehensive annual financial report will now be titled the “Annual Comprehensive Financial Report” and use the “ACFR” acronym. The Plan adopted GASB 98 on July 1, 2021, for the June 30, 2022, reporting year, which did not have a significant impact on the Plan’s financial statements.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022* (GASB 99). GASB 99 is a technical omnibus statement that addresses issues or concerns from previous statements that were discovered during implementation and application of those statements. GASB 99 covers several topics including but not limited to, financial guarantees, derivatives, leases, non-monetary transactions, future revenue pledges and terminology updates. The Plan adopted the sections that were effective immediately for the June 30, 2022, reporting year. The remaining sections will be adopted by the Plan as required at for either the June 30, 2023, or June 30, 2024, reporting years, as required by GASB 99. GASB Statement No. 99 will not have a significant impact on the Plan’s financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 proscribes accounting and financial reporting for accounting changes and error corrections to the financial statements. GASB 100 defines what constitutes an accounting change versus a change in accounting principle or error correction and outlines the appropriate note disclosures in each circumstance. The Plan will adopt GASB 100 on July 1, 2023, for the June 30, 2024, reporting year. The Plan does not expect GASB 100 to significantly impact the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences* (GASB 101). GASB 101 outlines the definition of compensated absences and sets forth the accounting and financial reporting for compensated absence liabilities. GASB 101 outlines that leave accrued should be measured using the employees pay rate at the financial statement date and that certain salary related payments, such as Social Security and Medicare, should be included in such measurement. The Plan will adopt GASB 101 on July 1, 2024, for the June 30, 2025, reporting year. The Plan does not expect GASB 101 to significantly impact the financial statements.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**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.

**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, 2022 and 2021, 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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**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, 2022 and 2021, the Board made no significant investment policy changes.

**Rates of Return**

*Money-Weighted Rate of Return*—For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on the Plan’s investments as defined by GASB 67, net of pension plan investment expense, was (10.11)% and 31.86%, 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, 2022 and 2021, the net return on average assets approximated (10.24)% and 31.79%, respectively. The net return on average assets represents actual returns utilized by the System.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Investments, Continued**

*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.

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



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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Investments, Continued**

*Method Used to Value Investments, Continued*

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.

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**

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**(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>2022</u>				
Domestic equity	S&P 500 Flagship Index Fund	247,424	\$ 165,167,231	244,392,983
Domestic bond	Brandywine Global Opportunistic Fixed Income	4,832,342	231,987,993	214,652,638
<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

\*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**

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**(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, 2021, the Plan had an operating lease expiring on October 31, 2021. The lease has been renewed for a 1-year term expiring on October 31, 2022. The present lease requires monthly payments of approximately \$3,700. Total lease expense for the years ended 2022 and 2021 was approximately \$47,500 and \$40,000, 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, 2022 and 2021, approximately \$183,000 and \$154,000, 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>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 154,000	140,000
Additions	77,000	64,000
Deductions	<u>(48,000)</u>	<u>(50,000)</u>
Balance at end of year	<u>\$ 183,000</u>	<u>154,000</u>

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(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, 2022, 2021, and 2020. During 2022, 2021, and 2020, totals of \$128,894, \$112,034, and \$127,666, respectively, were paid to OPERS. The System has contributed 100% of required contributions to OPERS for 2022, 2021, and 2020. The System's and the employees' portions of those amounts were as follows:

	2022	2021	2020
System portion	\$ 99,485	86,967	98,160
Employee portion	<u>29,409</u>	<u>25,067</u>	<u>29,506</u>
	<u>\$ 128,894</u>	<u>112,034</u>	<u>127,666</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**

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**(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, 2022, 2021, and 2020, totals of \$82,142, \$72,902, and \$46,380, respectively, were paid to OPERS, representing 100% of the required contributions. The System’s and the employees’ contributions to Pathfinder for 2022, 2021, and 2020, were as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
System portion	\$ 49,161	44,996	27,789
Employee portion	<u>32,981</u>	<u>27,906</u>	<u>18,591</u>
	<u>\$ 82,142</u>	<u>72,902</u>	<u>46,380</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 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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**Date of Management's Review of Subsequent Events**

Management has evaluated subsequent events through October 21, 2022, 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.

**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, and July 1, 2021, the State of Oklahoma, a non-employer contributing entity, allocated 25.2% and 36.0%, respectively, 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, 2022 or 2021.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(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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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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, 2022 and 2021, total death benefits of \$1,300,000 and \$1,395,000, 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**

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**(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, 2022 and 2021, there were 3,179 and 2,940 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**

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**(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, 2022 and 2021, there were 2,045 and 1,785 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>2022</u>	<u>2021</u>
Cash on deposit with the State of Oklahoma	\$ <u>559,115</u>	<u>1,464,101</u>
Cash on deposit with custodial agents:		
U.S. currency deposits	54,195,563	50,100,724
Foreign currency deposits	<u>143,540</u>	<u>85,063</u>
	<u>54,339,103</u>	<u>50,185,787</u>
 Total cash and cash equivalents	 \$ <u><u>54,898,218</u></u>	 <u><u>51,649,888</u></u>

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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, 2022 and 2021, 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, 2022 and 2021, the carrying amounts of the Plan's cash and cash equivalents were \$54,898,218 and \$51,649,888, respectively, and the bank balances were \$36,300,138 and \$53,547,049, 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 \$144,000 and \$85,000 as of June 30, 2022 and 2021, 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**

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**(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>Equities</u>	<u>Debt</u>	<u>Total</u>	<u>Percentage</u>
	<u>Equivalents</u>		<u>Securities</u>		
<u>2022</u>					
Australian dollar	\$ -	3,939,057	-	3,939,057	0.606%
Canadian dollar	49	3,132	-	3,181	0.001%
Danish krone	-	6,669,432	-	6,669,432	1.026%
Euro currency	7,867	33,269,800	-	33,277,667	5.118%
Hong Kong dollar	21,048	9,898,091	-	9,919,139	1.526%
Japanese yen	-	5,793,294	-	5,793,294	0.891%
New Taiwan dollar	29,983	-	-	29,983	0.004%
Swedish krona	34,858	5,117,445	-	5,152,303	0.792%
Swiss franc	49,735	14,140,348	-	14,190,083	2.183%
Commingled funds:					
RBC EM Equity	-	103,517,951	-	103,517,951	15.922%
Wellington EM	-	253,026,176	-	253,026,176	38.917%
Brandywine Global	-	-	<u>214,652,638</u>	<u>214,652,638</u>	<u>33.015%</u>
	<u>\$ 143,540</u>	<u>435,374,726</u>	<u>214,652,638</u>	<u>650,170,904</u>	<u>100.000%</u>

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

**Foreign Currency Risk, Continued**

	Cash and Cash <u>Equivalents</u>	<u>Equities</u>	Debt <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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**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>2022</u>	Moody's Ratings (Unless Noted)	<u>Fair Value</u>	Fair Value as a Percent of Total Fixed Maturity <u>Fair Value</u>
U.S. Treasury securities	Aaa	\$ 66,738,709	100.00%
	Not Rated	<u>-</u>	<u>0.00%</u>
<b>Total U.S. government securities</b>		<b><u>\$ 66,738,709</u></b>	<b><u>100.00%</u></b>
Domestic corporate bonds and bond funds	Aaa	\$ -	0.00%
	Aa1	1,710,860	1.40%
	Aa3	809,880	0.66%
	A1	12,711,567	10.39%
	A2	22,420,132	18.33%
	A3	17,922,035	14.66%
	Baa1	13,296,103	10.87%
	Baa2	5,652,420	4.62%
	Baa3	7,576,229	6.20%
	Not Rated*	<u>40,186,733</u>	<u>32.86%</u>
<b>Total domestic corporate bonds and bond funds</b>		<b><u>\$ 122,285,959</u></b>	<b><u>100.00%</u></b>
International corporate and government bonds	Not Rated*	<u>\$ 214,652,638</u>	<u>100.00%</u>
<b>Total international corporate and government bonds</b>		<b><u>\$ 214,652,638</u></b>	<b><u>100.00%</u></b>

\*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**

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

<u>Investment Type</u> <u>2021</u>	<u>Moody's</u> <u>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>0.00%</u>
<b>Total U.S. government securities</b>		<b><u>\$ 89,421,861</u></b>	<b><u>100.00%</u></b>
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>
<b>Total domestic corporate bonds and bond funds</b>		<b><u>\$ 336,501,217</u></b>	<b><u>100.00%</u></b>
International corporate and government bonds	Not Rated*	<u>\$ 271,206,183</u>	<u>100.00%</u>
<b>Total international corporate and government bonds</b>		<b><u>\$ 271,206,183</u></b>	<b><u>100.00%</u></b>

\*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>Investments with No Duration</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>2022</u>							
<b>U.S. government securities:</b>							
U.S. Treasury	\$ -	13,104,738	32,397,608	21,236,363	-	66,738,709	
<b>Total U.S. government securities</b>	<u>-</u>	<u>13,104,738</u>	<u>32,397,608</u>	<u>21,236,363</u>	<u>-</u>	<u>66,738,709</u>	
<b>Domestic corporate bonds and bond funds:</b>							
Corporate bonds	2,000,280	19,563,517	49,453,211	12,630,563	-	83,647,571	
U.S. government mortgages	-	659,745	843,096	37,135,547	-	38,638,388	
<b>Total domestic corporate bonds and bond funds</b>	<u>2,000,280</u>	<u>20,223,262</u>	<u>50,296,307</u>	<u>49,766,110</u>	<u>-</u>	<u>122,285,959</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>2022</u>						
<b>International corporate and government bonds:</b>						
International debt securities—Brandywine	-	-	-	-	214,652,638	214,652,638
<b>Total international corporate and government bonds</b>	-	-	-	-	214,652,638	214,652,638
	<u>\$ 2,000,280</u>	<u>33,328,000</u>	<u>82,693,915</u>	<u>71,002,473</u>	<u>214,652,638</u>	<u>403,677,306</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>2021</u>						
<b>U.S. government securities:</b>						
U.S. Treasury	\$ 1,403,066	7,386,299	79,769,216	863,280	-	89,421,861
<b>Total U.S. government securities</b>	<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>
<b>Domestic corporate bonds and bond funds:</b>						
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
<b>Total domestic corporate bonds and bond funds</b>	<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>

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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>2021</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Investments</u> <u>with</u> <u>No Duration</u>	<u>Total</u> <u>Fair Value</u>
	<u>Less</u> <u>Than 1</u>	<u>1 or More,</u> <u>Less</u> <u>Than 5</u>	<u>5 or More,</u> <u>Less</u> <u>Than 10</u>	<u>10 or</u> <u>More</u>			
<b>International corporate and government bonds:</b>							
International debt securities—Brandywine	-	-	-	-	271,206,183	271,206,183	
<b>Total international corporate and government bonds</b>	-	-	-	-	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**

**Investments Measured at Fair Value**

	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b><u>Investments by Fair Value Level</u></b>				
<b><u>2022</u></b>				
<b>Debt securities:</b>				
U.S. Treasury	\$ 66,738,709	66,738,709	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	83,647,571	-	83,647,571	-
U.S. government mortgage-backed securities	38,638,388	-	38,638,388	-
International corporate and government bonds:				
International debt securities—Brandywine	<u>214,652,638</u>	<u>214,652,638</u>	<u>-</u>	<u>-</u>
Total debt securities	<u>403,677,306</u>	<u>281,391,347</u>	<u>122,285,959</u>	<u>-</u>
<b>Equity securities—domestic:</b>				
Domestic equity—common stock and real estate investment trusts	1,156,237,404	-	1,156,237,404	-
S&P 500 Flagship Index Fund	<u>244,392,983</u>	<u>-</u>	<u>244,392,983</u>	<u>-</u>
Total domestic equities	<u>1,400,630,387</u>	<u>-</u>	<u>1,400,630,387</u>	<u>-</u>
<b>Equity securities—international:</b>				
Intl. Developed Market	331,856,774	331,856,774	-	-
Intl. Emerging Market	<u>103,517,952</u>	<u>-</u>	<u>103,517,952</u>	<u>-</u>
Total international equities	<u>435,374,726</u>	<u>331,856,774</u>	<u>103,517,952</u>	<u>-</u>

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

**Investments Measured at Fair Value, Continued**

	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b><u>Investments by Fair Value Level, Continued</u></b>				
<u>2022</u>				
<b>Private equity:</b>				
Private equity—non-real estate focused	441,143,763	-	-	441,143,763
Private equity—real estate focused	157,507,264	-	-	157,507,264
Total private equity	<u>598,651,027</u>	<u>-</u>	<u>-</u>	<u>598,651,027</u>
<b>Long/Short hedge fund:</b>				
Long/Short hedge—OFP Permal Fund	339,615	-	-	339,615
Total long/short hedge fund	<u>339,615</u>	<u>-</u>	<u>-</u>	<u>339,615</u>
<b>(NAV):</b>				
Private equity—real estate focused—				
AG Net Lease Realty Fund III	22,899,782	-	-	-
Private equity—real estate focused—IFM				
Global Infrastructure (US), L.P.	107,315,986			
Private equity—non-real estate focused—Adams				
Street Co-investment Fund V A	2,608,410			
Core Real Estate—JP Morgan				
Strategic Property Fund	129,741,155	-	-	-
Core Real Estate—JP Morgan				
Special Situation Property Fund	78,928,889	-	-	-
Total investments measured at NAV	<u>341,494,222</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 3,180,167,283</u>	<u>613,248,121</u>	<u>1,626,434,298</u>	<u>598,990,642</u>

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**(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>
<b><u>Investments by Fair Value Level</u></b>				
<b><u>2021</u></b>				
<b>Debt securities:</b>				
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>
<b>Equity securities—domestic:</b>				
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>
<b>Equity securities—international:</b>				
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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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

**(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>
<b><u>Investments by Fair Value Level, Continued</u></b>				
<u>2021</u>				
<b>Private equity:</b>				
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>
<b>Long/Short hedge fund:</b>				
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>
<b>(NAV):</b>				
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**

*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 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.



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

**Investments Measured at Fair Value, Continued**

*Fair Value of Equity Securities, Continued*

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**

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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*—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, 2022, the Plan was invested in 39 different PE partnerships (17 of which were real estate) and had a remaining commitment of approximately \$356,000,000 for the non-real estate PE partnerships and approximately \$140,000,000 for the real estate PE partnerships. 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. The Plan entered into 8 new PE partnership agreements during fiscal year 2022 (7 non-real estate PE and 1 real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of \$245,000,000 (\$195,000,000 non-real estate PE and \$50,000,000 real estate PE), which was partially funded prior to June 30, 2022. 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. Since the Plan follows a rolling year PE strategy, new PE investments are made as older PE investments reach their expiration.

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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*

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**

**Investments Measured at Fair Value, Continued**

*Fair Value of Investments Measured at Net Asset Value (NAV), Continued*

*Private Equity-Non-Real Estate Focused-Adams Street Co-investment Fund V A*—The Plan invests in a non-real estate private equity co-investment fund managed by Adams Street Partners, LLC. The Fund was formed for the purpose of investing in co-investments. The investment is typically made through an intermediary vehicle controlled by the sponsor, and therefore, the Fund does not have control of the disposition of the underlying asset. The Adams Street funds are closed-end funds that do not issue redeemable interests. Discretionary distributions are provided during the term of the fund. The General Partner is not allocated management fees and receives an allocation of 100.00% of the incentive amount. The lead sponsor values the investment and Adams Street typically relies on this valuation, which requires that Adams Street review the sponsor's valuation methodology and if not using the valuation as of the reporting date, make any necessary cash flow and market value adjustments. Each quarter, the co-investment team monitor reviews the valuation received from the sponsor and determines if the valuation methodology is reasonable. The valuation is allocated to each Fund based on their pro rata ownership percentage. The Valuation Committee reviews and approves all co-investment valuations. Valuation Committee sign-off must be completed before any financial statements using the quarterly valuations can be provided to investors.

*Private Equity-Real Estate Focused- IFM Global Infrastructure (US), L.P.*—The Plan invests in a real estate focused private equity fund managed by IFM Investors (US) Advisor, LLC. The Partnership is a feeder in a master-feeder structure. The Partnership invests substantially all of its assets in the unit classes of the Master Fund. The General Partner shares common management with the advisor of the Master Fund in that they have the same ultimate controlling party. In the ordinary course of business, the Partnership contributes capital and receives distributions as a result of transactions conducted through the Master Fund. The Fund's investment objective is to acquire and maintain a diversified portfolio of global infrastructure investments with strong market positions, predictable regulatory environments, high barriers to entry, limited demand elasticity and long lives that realizes a 10% annual return over the long term (10+ years), which will range between 8%-12% per annum depending on the stage of the market cycle. The Partnership's investment in the Master Fund is valued at NAV based on the Partnership's proportionate interest in the net assets of the Master Fund. Substantially all of the Partnership's assets are invested in the Master Fund and, accordingly, the performance of the Partnership is directly affected by the performance of the Master Fund. The Limited Partners may redeem all or a portion of their capital account balances subject to prior written notice given to the Partnership and redemption amount.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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 2022 or 2021. 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 4 days and 20 days as of June 30, 2022 and 2021, 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, 2022 and 2021, 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>Collateral Held</u>	<u>Fair Value of Securities on Loan</u>	<u>% of Collateral Held to Securities on Loan</u>
<u>2022</u>			
Securities on loan with:			
Cash collateral	\$ 10,235,986	9,968,087	103%
Non-cash collateral	<u>87,278,011</u>	<u>80,026,785</u>	109%
	<u>\$ 97,513,997</u>	<u>89,994,872</u>	
<u>2021</u>			
Securities on loan with:			
Cash collateral	\$ 3,198,312	3,044,689	105%
Non-cash collateral	<u>90,043,268</u>	<u>84,425,030</u>	107%
	<u>\$ 93,241,580</u>	<u>87,469,719</u>	

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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. 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. As of June 30, 2022, the Plan no longer has derivative instruments separate from any that may be included in the Plan’s investments in limited partnerships (alternative investments) and commingled funds.

Derivative instruments at June 30, 2021, were as follows:

<u>Foreign Currency Forward Contracts</u>	<u>Fair Value</u>	<u>Changes in Fair Value</u>	<u>Notional Amount</u>
*	\$ -	42,387	-

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

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(5) DERIVATIVE AND OTHER INSTRUMENTS, CONTINUED**

Other instruments at June 30, 2021, were as follows:

<u>Other</u>	<u>Fair Value</u>	<u>Changes in Fair Value</u>	<u>Notional Amount</u>
*	\$ <u>          -</u>	<u>          (2,228)</u>	<u>          -</u>

\*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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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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:

	2022	2021
Assets at beginning of year	\$ 495,814,075	403,643,960
Employer's contributions	100,152	180,800
Retirement benefit payments	(35,070,289)	(25,519,754)
Retirement benefits transferred from pension plan	574,523	1,032,822
Interest on Deferred Option Plan balances	<u>35,771,378</u>	<u>116,476,247</u>
Assets at end of year	<u>\$ 497,189,839</u>	<u>495,814,075</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:

	2022	2021
Assets at beginning of year	\$ 651,012,758	479,681,829
Employer's contributions	14,347,431	8,080,680
Retirement benefit payments	(45,542,962)	(27,294,425)
Retirement benefits transferred from pension plan	50,010,855	27,500,072
Interest on "Back" DROP Plan balances	<u>73,618,950</u>	<u>163,044,602</u>
Assets at end of year	<u>\$ 743,447,032</u>	<u>651,012,758</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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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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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>2022</u>	<u>2021</u>
Total pension liability	\$ 4,285,580,433	4,179,376,793
Fiduciary net position	<u>2,977,845,962</u>	<u>3,520,810,306</u>
Employers' net pension liability	<u>\$ 1,307,734,471</u>	<u>658,566,487</u>
Fiduciary net position as a percentage of total pension liability	<u>69.49%</u>	<u>84.24%</u>

*Actuarial Assumptions*—The total pension liability was determined by an actuarial valuation as of July 1, 2022 and 2021, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75% for 2022 and 2021
Salary increases:	For paid firefighters, 2.75% to 10.50% for 2022 and 2021; not applicable for volunteer firefighters
Investment rate of return:	7.5%, net of pension plan investment expense, for 2022 and 2021

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED**

*Actuarial Assumptions, Continued*

For 2022 and 2021, 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, 2022 and 2021, 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 2.31% and 2.26% for 2022 and 2021, respectively. 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>2022</u>	<u>2021</u>
	<i>(Includes inflation factor)</i>	
Fixed income	3.62%	3.53%
Domestic equity	5.66%	5.73%
International equity	8.34%	8.50%
Real estate	7.64%	7.97%
Other assets	5.08%	4.73%

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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%)
2022			
Employers' net pension liability	\$ 1,685,116,694	1,307,734,471	992,072,624
2021			
Employers' net pension liability	\$ 1,029,146,525	658,566,487	348,315,187

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(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, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>June 30, 2022</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	<u>(373,127)</u>	<u>(57,206)</u>	<u>-</u>	<u>(430,333)</u>
Capital assets, net	<u>\$ 830,971</u>	<u>(57,206)</u>	<u>-</u>	<u>773,765</u>

	<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>

**(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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(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:

2022

- House Bill 2034—Provides that State Retirement Systems may not invest and must divest current investments from companies with a policy that allows them to boycott fossil-fuel energy companies.
- House Bill 2487—Provides that, effective November 1, 2022, members whose date of employment was on or after November 1, 2013, are eligible for their normal retirement date after completing 20 years of credited service. Previously, members whose date of employment was on or after November 1, 2013, became eligible for their normal retirement date after completing 22 years of credited service. Additionally, HB 2487 reduces the vesting requirement from 11 years to 10 years.

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 70 1/2. 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 36% of applicable collections. This rate will increase to 37.8% for fiscal years 2023 to 2027 and return to 36% for fiscal year 2028 and beyond.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(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, 2022, the System has accrued approximately \$276,700,000 of interest that was included in accrued expenses as of June 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION**



**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**  
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**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY**

**Last 10 Fiscal Years**

	<u>2022</u>	<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>
<b>Total pension liability</b>										
Service cost	\$ 66,622,365	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
Interest	306,881,372	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
Changes of benefit terms	-	-	-	-	(144,096,161)	-	-	-	-	-
Differences between expected and actual experience	41,194,963	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)
Changes in assumptions	-	-	-	(33,414,214)	-	-	-	-	-	115,269,271
Benefit payments, including refunds of member contributions	<u>(308,495,060)</u>	<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>
Net change in total pension liability	106,203,640	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
Total pension liability— beginning	<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>
Total pension liability— ending (a)	<u>\$ 4,285,580,433</u>	<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>

(Continued)

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**SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY, CONTINUED****Last 10 Fiscal Years**

	<u>2022</u>	<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>
<b>Plan fiduciary net position</b>										
Contributions—										
employers/municipalities	\$ 45,932,405	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
Contributions—members	29,183,440	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
Contributions—										
State of Oklahoma, a										
non-employer										
contributing entity	102,442,025	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
Net investment										
(loss) income	(409,769,260)	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
Benefit payments,										
including refunds of										
member contributions	(308,495,060)	(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)
Administrative expense	<u>(2,257,894)</u>	<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>
Net change in plan										
fiduciary net position	(542,964,344)	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
Plan fiduciary net										
position—beginning	<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 fiduciary net										
position—ending (b)	<u>\$2,977,845,962</u>	<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>
Plan's net pension										
liability (a) - (b)	<u>\$1,307,734,471</u>	<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>

**Exhibit II**

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

	<u>2022</u>	<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>
Total pension liability	\$ 4,285,580,433	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
Plan fiduciary net position	<u>2,977,845,962</u>	<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>
Plan net pension liability	<u>1,307,734,471</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>69.49%</u>	<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>
Covered payroll	\$ <u>327,747,370</u>	<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>
Plan net pension liability as a percentage of covered payroll	<u>399.01%</u>	<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>

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**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**

**SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES**

**Last 10 Fiscal Years**

	<u>2022</u>	<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>
Actuarially determined contribution	\$ <u>150,350,348</u>	<u>151,539,372</u>	<u>142,015,118</u>	<u>150,174,973</u>	<u>155,547,401</u>	<u>141,509,975</u>	<u>139,226,348</u>	<u>142,494,951</u>	<u>162,103,277</u>	<u>159,096,610</u>
Contributions in relation to the actuarially determined contribution:										
Employers/Municipalities	37,851,725	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
State of Oklahoma, a non-employer contributing entity	<u>102,442,025</u>	<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>140,293,750</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>
Contribution deficiency	\$ <u>10,056,598</u>	<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>
Covered payroll	\$ <u>327,747,370</u>	<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>
Contributions as a percentage of covered payroll	<u>42.81%</u>	<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>

**Exhibit IV**

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

**SCHEDULE OF INVESTMENT RETURNS****Last 10 Fiscal Years**

	<u>2022</u>	<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>(10.11)%</u>	<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>(10.24)%</u>	<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>



**Exhibit V****OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**

Administered by

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****June 30, 2022**

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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 2022, 2021, and 2020, and Conduent, formerly Buck Consultants, LLC, for all prior years). Additional information as of the July 1, 2021, valuation follows:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar—closed
Remaining amortization:	22 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**                      **Schedule I**  
**Administered by**  
**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**

**STATEMENTS OF INVESTMENT EXPENSES**

<i>Years Ended June 30,</i>	<i>2022</i>	<i>2021</i>
Investment management fees	\$ 24,337,723	19,771,504
Investment consultant fees	<u>740,759</u>	<u>550,847</u>
Total investment expenses	<u>\$ 25,078,482</u>	<u>20,322,351</u>

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT****Schedule II****Administered by****OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM****STATEMENTS OF ADMINISTRATIVE EXPENSES**

<i>Years Ended June 30,</i>	<i>2022</i>	<i>2021</i>
Staff salaries	\$ 957,868	912,182
FICA and retirement	204,947	182,945
Insurance	148,909	143,395
Total personal services	<u>1,311,724</u>	<u>1,238,522</u>
Actuarial	53,300	52,920
Audit	87,488	83,208
Legal	383,488	461,388
Other	55,934	30,128
Total professional/consultant services	<u>580,210</u>	<u>627,644</u>
Office space and equipment	47,504	40,195
Total rental	<u>47,504</u>	<u>40,195</u>
Travel	49,614	21,341
Maintenance	8,634	17,441
Computer/data	161,524	183,459
Other	98,684	65,750
Total miscellaneous	<u>318,456</u>	<u>287,991</u>
Total administrative expenses	<u>\$ 2,257,894</u>	<u>2,194,352</u>

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**      **Schedule III**  
**Administered by**  
**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**

**STATEMENTS OF PROFESSIONAL/CONSULTANT FEES**

<i>Years Ended June 30,</i>	<i>2022</i>	<i>2021</i>
<b><u>Professional/Consultant</u></b>	<b><u>Service</u></b>	
Definiti, LLC	Actuarial	\$ 53,300
Finley & Cook, PLLC	Audit	55,700
Crawford & Associates	Audit	19,991
Berwyn Group	Audit	3,250
State Auditor & Inspector and Other	Audit	64,481
Davis, Graham, Stubbs, LLP	Legal	128,801
Phillips Murrah	Legal	254,687
		262,195
Total Professional/Consultant Fees		\$ 580,210
		627,644

# Investment Section

- (82) Investment Consultant Letter
- (86) Schedule of Largest Assets Held
- (87) Investment Portfolio by Type and Manager
- (88) Net Performance Summary
- (90) Asset Allocation – Portfolio versus Policy Comparison
- (90) Schedule of Investment Fees
- (91) Schedule of Broker Commissions





## Clients first.

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

November 11, 2022

#### 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.

Broad U.S. and International equity markets endured meaningful declines across style and capitalization for the fiscal year. The Standard and Poor's 500 Index returned -10.6% for the period. A variety of factors contributed to performance including persistently high inflation, the potential for future interest rate increases, geopolitical events in Ukraine, and concerns related to slower economic growth. Economic growth slowed throughout the year as monetary stimulus wore off and it became increasingly clear that high inflation levels were not transitory. The return dispersion across market styles was wide for the trailing year and value stocks were down less than growth stocks by a two-to-one margin across large, mid, and small style-based indexes. The return dispersion was extreme with the Russell 1000 Value Index returning -6.8%, and at the other end of the spectrum, the Russell 2000 Growth Index posting a return of -33.4%. The trailing 1-year results for both international developed and emerging markets were broadly negative across all regions and currencies. The MSCI EAFE Index returned -17.8% in USD for the year and -6.6% in local currency terms. Similarly, returns across emerging markets were broadly lower with the MSCI Emerging Markets Index falling by -25.3% in USD and -20.2% in local currency terms. Bond market returns also disappointed over the trailing 1-year period with the Bloomberg US Aggregate Index dropping by double digits at -10.3%. Non-US bonds were under significant pressure over the past year with the developed market Bloomberg Global Aggregate ex US Index falling by -18.8%. The combination of rising inflation, higher interest rates, a longer maturity profile, and USD strength contributed to weak index performance for the year.

For the fiscal year ending June 30, 2022, the total market value of the Plan for the OK Firefighters' Pension and Retirement Plan decreased from \$3,720,503,138 to \$3,238,919,611. The Plan experienced cash flow activity resulting in net withdrawals of -\$110,848,073 for the year. The Plan investments decreased \$369,506,754 or -10.22% (gross of explicit fees)/-10.24% (net of fees paid from the State Street custodial accounts) underperforming the custom

benchmark return of -9.09% and the actuarial assumption of 7.50% for the period. The Plan nearly matched the median fund return of -10.25% and ranked in the 50<sup>th</sup> percentile among other public funds across the U.S. in the national peer group sample. At year end, the asset allocation of the Plan was comprised as follows: 41.9% domestic equity, 13.6% international equity, 8.1% fixed income, 2.3% other equity, 6.6% global fixed income, 6.3% other fixed income, 12.0% real estate, 8.6% other assets, and 0.6% 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 41.9% of the total fund and decreased from \$1,845,713,426 to \$1,357,038,117. The total domestic equity return on investment was -\$318,415,707 or -19.36% (gross of fees) underperforming the Russell 3000 Index return of -13.87% for the period.

For the trailing one year, the market had a dramatic negative reversal following the highs of the post-pandemic rally in 2021. All Broad US equity market indexes declined over the year. Domestic small cap stocks led the market lower by returning -25.2% compared to US large cap stocks which returned a double-digit loss of -13.0% over the fiscal year. Value stocks across capitalization outperformed growth stocks for the period.

### **International Equity**

Like U.S. equity markets, International developed and emerging market equity indices suffered negative performance across all regions and currencies for the fiscal year as the continuing conflict in Ukraine and persistently high inflation drove markets lower. Western Europe was negatively affected by rising energy prices due to continued restrictions on purchases from Russia. Additionally, both the Euro and Yen currencies fell against the US dollar (USD) because of increasing uneasiness over future economic growth. The pace of global central bank monetary tightening increased during the year with the both the Fed and Bank of England raising interest rates. The European Central Bank also hinted it would begin raising rates soon. For the fiscal year, the total international equity portfolio is 13.6% of the total fund and decreased from \$528,184,764 to \$439,797,171. The total MSCI international equity return on investment was -\$129,436,580 or -22.76% (gross of fees) underperforming the MSCI ACW ex US Index return of 19.42%. The developed international equity portfolio composite returned -22.06% underperforming the MSCI ACW ex. US index return of -19.42% for the period. The emerging market equity portfolio returned -24.55% outperforming the MSCI Emerging Market Equity Index return of -25.28% for the period.

### **Domestic Fixed Income**

U.S. fixed income markets over the trailing one-year period were down substantially. Concerns about current inflation levels, combined with the Fed's stated commitment to continue raising interest rates, were the primary drivers of losses during the year. Performance was broadly negative across all bond market sectors during the year with TIPS holding up the most as inflation persisted. Over the trailing 1-year period, domestic investment grade benchmark performance was negative and led lower by investment grade corporate down -14.2% and mortgage bonds down -9.0%. US TIPS -5.1% were down less than nominal US Treasury bonds -8.9%. The bellwether Bloomberg US Aggregate Bond Index declined by -10.3% for the year. Overall, lower credit quality securities underperformed high credit quality securities during the year. For the fiscal year, the total domestic fixed income portfolio was 8.1% of the total fund and decreased from \$432,496,224 to \$263,200,462. The total domestic fixed income return on investment was -\$34,849,751 or -9.94% (gross of fees) outperforming the Bloomberg Barclays Aggregate Index return of -10.29% for the period.

### Global Fixed Income

Global fixed income markets were also negative in comparison to US fixed income for fiscal year 2022. The US dollar appreciated against most other currencies, acting as a headwind to global bond markets during the fiscal year. A steepening yield curve, and longer duration combined with a rising US dollar, were the primary contributors to the relative underperformance of global bonds for the period. For the fiscal year, the total global fixed income portfolio was 6.6% of the total fund and decreased from \$271,239,419 to \$214,681,221. The total global fixed income return on investment was -\$46,558,198 or -17.18% (gross of fees) outperforming the Bloomberg Barclays Aggregate Global ex US Index return of -18.78% for the period.

### Real Estate

The real estate markets continued to rebound rapidly as tailwinds from the post-pandemic reopening ensued. Above average operating earnings and revenue collections continued for most property sectors. Multi-family and industrial performed well again with office followed by retail performance lagging expectations for the fiscal year. Open-end core and value added private real estate funds generated double digit positive returns for the period. For the fiscal year, the total real estate portfolio was 12.0% of the total fund and increased from \$322,728,732 to \$387,374,640. The total real estate return on investment was \$79,294,932 or 24.84% (gross of fees) underperforming the NCREIF ODCE (Open End Diversified Core Equity - EW) Index return of 30.06% for the period.

### Other Equity

For the fiscal year, the total other equity portfolio was 2.3% of the total fund and increased from \$24,643,214 to \$75,608,585. The total other equity return on investment was \$8,994,979 or 25.38% (gross of fees) outperforming the Russell 3000 Index return of -13.87% for the period.

### Other Fixed Income

For the fiscal year, the total other fixed portfolio was 6.3% of the total fund and increased from \$166,358,214 to \$202,964,732. The total other fixed return on investment was \$23,426,172 or 13.19% (gross of fees) outperforming the Bloomberg Barclays Aggregate Index return of -10.29% for the period.

### Other Assets

The secondary market and infrastructure 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 2021 and 2022 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. For the fiscal year, the total other asset portfolio was 8.6% of the total fund and increased from \$126,126,335 to \$278,610,517. The total other asset return on investment was \$47,700,763 or 28.52% (gross of fees) outperforming the Other Assets Policy Index return of 9.22% for the period.

### Total Fund Performance Review

The Plan return of -10.22% (gross of explicit fees)/-10.24% (net of fees paid from the State Street custodial accounts) underperformed the policy benchmark of -9.09%, lagging the 7.5% actuarial assumption target, and ranked in the 50<sup>th</sup> percentile of pension funds across the U.S. in the Public Fund Plan Sponsor Universe for fiscal 2022.

### Comparative Performance as of June 30, 2022

<b>Return % &amp; (Rank)</b>	<b><u>1 Year</u></b>	<b><u>3 Year</u></b>	<b><u>5 Year</u></b>	<b><u>10 Year</u></b>
Total Fund (Net)	-10.24%(50)	7.16%(10)	8.17%(5)	9.30%(4)
Policy Benchmark	-9.09%	6.99%	7.61%	8.87%

The Plan outperformed the 7.5% actuarial assumption in 6 of the 10 prior fiscal year periods. As of June 30, 2022, for the 5-year and 10-year periods, the Plan outperformed the policy benchmark, exceeded the 7.5% actuarial assumption target and ranked in the top decile of the peer group compared to other public pension funds across the U.S. in the Public Fund Plan Sponsor Universe.

Sincerely,



Tony Kay  
Consultant



## Schedule of Largest Assets Held For the Fiscal Year Ended June 30, 2022

The Plan's ten largest stock, fixed income and partnership holdings at June 30, 2022.

Largest Stock Holdings (by Fair Value)		
Security	Shares Held	Fair Value
MicroSoft Corp	160,855	\$ 41,312,390
Apple Inc.	228,561	31,248,860
Alphabet Inc.	11,982	26,178,118
Amazon Inc	220,045	23,370,979
Amgen Inc	45,477	11,064,554
Unitedhealth Group Inc	19,893	10,217,642
Tesla Inc	14,224	9,578,726
Wabtec Corp	114,282	9,380,267
Visa Inc	40,159	7,906,906
Intuit Inc	20,335	7,837,922

Largest Fixed Income Holdings (by Fair Value)		
Security	Par Value	Fair Value
FNMA Pool FM6989 FN 09/40 Fixed Var	3,445,520	3,276,965
FNMA Pool FM4540 FN 04/40 Fixed Var	3,155,854	3,006,897
FED HM LN PC Pool SD8160 FR 08/51 Fixed 2	2,809,769	2,449,472
FNMA Pool MA3465 FN 09/38 Fixed 4	2,420,323	2,413,546
FNMA Pool FM6468 FN 06/49 Fixed Var	2,281,894	2,282,099
FNMA Pool MA4327 FN 05/51 Fixed 3	2,425,659	2,264,061
FED HM LN PC Pool SD8178 FR 11/51 Fixed 2.5	2,281,133	2,055,278
FNMA Pool MA4096 FN 08/50 Fixed 2.5	2,174,239	1,967,012
FED HM LN PC Pool SD8150 FR 06/51 Fixed 2	2,105,799	1,835,772
FNMA Pool MA4492 FN 12/51 Fixed 32	1,769,659	1,790,860

Largest Limited Partnership Holdings (by Fair Value)	
Limited Partnership	Fair Value
JPMCB Strategic Property Fund	129,741,161
JPMCB Special SITUA PROP Fund	78,928,889
Terracap Partners V institutional LP	55,410,562
PIMCO Private Income Fund	53,462,114
ASF VIII B L.P.	50,452,727
PIMCO BRAVO Fund III Onshore Feeder Limited Partnership	48,959,097
PIMCO Private Income Fund Onshore Feeder LLC	44,332,498
AESF VI LP	36,835,701
PIMCO BRAVO IV Onshore Feeder LP	36,031,206
Schroders Capital Private EQUI LP	34,475,956

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, 2022

Investment Managers by Investment Type	Investment Class	Fair Value (000s)	% of Asset Class (boxed)	% of Total Portfolio
<b>International Equity</b>				
Chautauqua Capital Management	Equity	\$ 210	0.0%	0.0%
Chautauqua International Growth Requity QP Fund, LP	Equity	140,224	31.9%	4.3%
WCM Investment Management	Equity	128,291	29.2%	4.0%
SSGA MSCI-ACWI US - NL (LIQP)	Equity	67,524	15.4%	2.1%
RBC GAM Emerging Markets	Equity	52,150	11.9%	1.6%
Wellington Emerging Markets	Equity	51,368	11.7%	1.6%
Artio Global Management LLC	Equity	31	0.0%	0.0%
<b>Domestic Equity</b>				
Intech				
	Equity	243,861	18.0%	7.5%
SSgA S&P 500 Falgship Fund	Equity	-	0.0%	0.0%
SSgA S&P Equal Weighted Index Fund				
	Equity	-	0.0%	0.0%
AJO	Equity	-	0.0%	0.0%
Aristotle Value Equity				
	Equity	122,194	9.0%	3.8%
Beutel Goodman & Company	Equity	123,415	9.1%	3.8%
Fred Alger Management, Inc.				
	Equity	240,657	17.7%	7.4%
SSGA S&P 500 - NL (LIQP)	Equity	244,393	18.0%	7.6%
SSGA S&P Equal Weighted - NL (LIQP)				
	Equity	-	0.0%	0.0%
Earnest Partners	Equity	78,419	5.8%	2.4%
River Road Management				
	Equity	80,747	6.0%	2.5%
Jackson Square Partners	Equity	79,221	5.8%	2.4%
Lord Abbett & Co.	Equity	81,032	6.0%	2.5%
SSGA Small CAP Completeness - NI (LIQP)	Equity	63,099	4.6%	2.0%
<b>Other Equity</b>				
APE Fund IV	Equity	18,578	24.6%	0.6%
APE Fund V	Equity	9,354	12.4%	0.3%
LGT CCO III	Equity	10,701	14.2%	0.3%
Schroders PEGD III	Equity	34,476	45.6%	1.1%
Adams Street Co-Inv V A	Equity	2,500	3.3%	0.1%
<b>Domestic Fixed Income</b>				
Garcia Hamilton & Associates	Fixed Income	103,350	39.3%	3.2%
Orleans Capital	Fixed Income	87,639	33.3%	2.7%
SSGA BB US Aggregate - NL (LIQP)	Fixed Income	72,212	27.4%	2.2%
<b>Global Fixed Income</b>				
Brandywine Global Fixed	Fixed Income	28	0.0%	0.0%
Brandywine Global Opportunistic FI CI A	Fixed Income	214,653	100.0%	6.6%
<b>Other Fixed Income</b>				
Medley Opportunity Fund II	Fixed Income	3,503	1.7%	0.1%
Mount Logan Middle Funding LP	Fixed Income	810	0.4%	0.0%
PIMCO COF II	Fixed Income	15,719	7.7%	0.5%
PIMCO Bravo III	Fixed Income	48,960	24.1%	1.5%
PIMCO Bravo IV	Fixed Income	36,178	17.8%	1.1%
PIMCO Private Income Fund CI A & B	Fixed Income	97,795	48.2%	3.0%
<b>Real Estate</b>				
JP Morgan Strategic Property Fund	Real Estate	129,741	33.5%	4.0%
JP Morgan Special Situation Property Fund	Real Estate	78,929	20.4%	2.4%
Portfolio Advisors Real Estate III	Real Estate	2,154	0.6%	0.1%
Portfolio Advisors Real Estate IV	Real Estate	1,114	0.3%	0.0%
Portfolio Advisors Real Estate V	Real Estate	3,969	1.0%	0.1%
Portfolio Advisors Real Estate VI	Real Estate	18,075	4.7%	0.6%
AG Net Lease Realty III	Real Estate	23,094	6.0%	0.7%
Mesirow Financial Real Estate Fund II	Real Estate	3,919	1.0%	0.1%
Mesirow RE Value Fund IV	Real Estate	12,704	3.3%	0.4%
Dune Real Estate Fund III	Real Estate	16,316	4.2%	0.5%
Dune Real Estate Fund IV, LP	Real Estate	22,476	5.8%	0.7%
Landmark Real Estate Partners VII, LP	Real Estate	5,241	1.4%	0.2%
Hall Capital III	Real Estate	7,419	1.9%	0.2%
Hall Real Estate Fund II	Real Estate	6,811	1.8%	0.2%
TerraCap Partners V, LP	Real Estate	55,411	14.3%	1.7%
<b>Other Assets</b>				
Pomona Capital Fund VIII	Other Assets	3,533	1.3%	0.1%
Pomona Capital Fund IX	Other Assets	27,148	9.7%	0.8%
Pomona Capital Fund X	Other Assets	18,970	6.8%	0.6%
Ardian Secondary Fund VI	Other Assets	6,557	2.4%	0.2%
Ardian Early Secondary Fund VI	Other Assets	36,836	13.2%	1.1%
ASF VIII L.P.	Other Assets	50,453	18.1%	1.6%
Capital Dynamics Global Secondaries Funds IV	Other Assets	27,529	9.9%	0.9%
OFP Permal Fund	Other Assets	269	0.1%	0.0%
IFM Global Infrastructure (US) LP	Other Assets	107,316	38.5%	3.3%
<b>Cash and Cash Equivalents</b>				
90 Day U.S. Treasury Bill	Cash & Cash Eq.	15,789	100.0%	0.5%
<b>Total Investments and Cash and Cash Equivalents</b>		<b>\$3,235,065</b>	<b>100.0%</b>	

## Net Performance Summary By Investment Manager

For the Period Ending June 30, 2022

Investment Managers by Investment Type	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
<b>International Equity</b>				
Chautauqua Capital Management	-10.00%	-18.83%	8.09%	8.16%
Chautauqua International Growth Requity QP Fund, LP	-10.23%	-18.85%	N/A	N/A
SSGA MSCI-ACWI US - NL (LIQP)	-13.50%	-19.15%	N/A	N/A
WCM Investment Management	-17.89%	-26.83%	6.57%	9.48%
<i>MSCI AC World ex USA</i>	-13.73%	-19.42%	1.35%	2.50%
RBC GAM Emerging Markets	-9.74%	-20.87%	-0.14%	N/A
Wellington Emerging Markets	-10.02%	-27.95%	-0.63%	N/A
Artio Global Management LLC	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets (Net) Index</i>	-11.45%	-25.28%	0.57%	2.18%
<b>Domestic Equity Managers</b>				
Intech	-16.18%	-12.60%	10.23%	10.72%
SSGA S&P 500 - NL (LIQP)	-16.10%	-10.64%	N/A	N/A
<i>S&amp;P Index</i>	-16.10%	-10.62%	10.60%	11.31%
SSGA Small CAP Completeness - NI (LIQP)	-19.96%	-28.49%	N/A	N/A
<i>Russell Small Cap Completeness Index</i>	-19.96%	-28.53%	5.25%	6.88%
Aristotle Value Equity	-12.10%	-12.26%	N/A	N/A
Beutel Goodman & Company	-8.48%	-8.42%	10.56%	9.77%
<i>Russell 1000 Value Index</i>	-12.21%	-6.82%	6.87%	7.17%
Fred Alger Management, Inc.	-24.12%	-29.24%	7.68%	11.69%
<i>Russell 1000 Growth Index</i>	-20.92%	-18.77%	12.58%	14.29%
Earnest Partners	-15.03%	-11.63%	10.92%	10.51%
<i>Russell 2500 Value Index</i>	-15.39%	-13.19%	6.19%	5.54%
River Road Management	-8.95%	-6.57%	6.57%	8.01%
<i>Russell 2000 Value Index</i>	-15.28%	-16.28%	6.18%	4.89%
Jackson Square Partners	-24.07%	-49.81%	-3.40%	6.26%
<i>Russell 2500 Growth Index</i>	-19.55%	-31.81%	3.68%	7.53%
Lord Abbett & Co.	-20.80%	-39.99%	2.13%	12.81%
<i>Russell 2000 Growth Index</i>	-19.25%	-33.43%	1.40%	4.80%
<b>Other Equity</b>				
APE Fund IV	25.32%	38.08%	15.62%	N/A
APE Fund V	-1.86%	N/A	N/A	N/A
LGT CCO III	-0.16%	N/A	N/A	N/A
Schroders PEGD III	11.09%	N/A	N/A	N/A
Adams Street CO-Inv V	N/A	N/A	N/A	N/A
<i>Cambridge Associates Private Equity Index</i>	0.00%	11.34%	21.45%	18.40%
<b>Domestic Fixed Income</b>				
Garcia Hamilton & Associates	-3.88%	-8.11%	-0.17%	1.34%
SSGA BB US Aggregate - NL (LIQP)	-4.72%	-10.31%	N/A	N/A
Orleans Capital	-5.06%	-11.01%	-1.04%	0.93%
<i>Blmbg US Aggregate Index</i>	-4.69%	-10.29%	-0.94%	0.88%
<b>Global Fixed Income</b>				
Brandywine Global Fixed	-11.98%	-17.18%	-2.19%	-0.34%
Brandywine Global Opportunistic FI CI A	-11.98%	-17.18%	N/A	N/A
<i>Blmbg Global Aggregate Ex USD</i>	-11.01%	-18.78%	-5.07%	-1.75%
<b>Other Fixed Income</b>				
Medley Opportunity Fund II	-5.86%	-9.01%	-10.21%	-9.65%
Mount Logan MM Fund	-0.81%	0.70%	5.60%	4.73%
<i>Credit Suisse Leveraged Loan Index</i>	-4.36%	-2.68%	2.03%	2.97%
PIMCO COF II	0.39%	27.00%	13.35%	11.85%
PIMCO Bravo III	3.80%	23.54%	11.99%	N/A
PIMCO Bravo IV	3.91%	N/A	N/A	N/A
PIMCO Private Income Fund CI A & B	1.30%	9.04%	9.82%	N/A
<i>Blmbg Global Credit</i>	-9.07%	-16.81%	-2.56%	0.04%

## Net Performance Summary By Investment Manager, Continued

For the Period Ending June 30, 2022

Investment Managers by Investment Type, Continued	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
<b>Real Estate</b>				
JP Morgan Strategic Property Fund	4.71%	28.69%	11.97%	9.79%
JP Morgan Special Situation Property Fund	3.20%	28.87%	14.03%	12.19%
Portfolio Advisors Real Estate III	2.37%	10.90%	-7.51%	-4.14%
Portfolio Advisors Real Estate IV	9.97%	24.94%	4.65%	7.62%
Portfolio Advisors Real Estate V	3.86%	6.87%	-6.22%	-2.76%
Portfolio Advisors Real Estate VI	10.91%	30.22%	13.18%	N/A
AG Net Lease Realty III	1.70%	10.06%	7.70%	7.81%
Mesirow Financial Real Estate Fund II	4.58%	129.02%	42.31%	28.89%
Mesirow RE Value Fund IV	0.70%	36.15%	N/A	N/A
Dune Real Estate Fund III	4.75%	13.41%	-3.31%	3.21%
Dune Real Estate Fund IV, LP	-3.38%	45.77%	N/A	N/A
Landmark Real Estate Partners VII, LP	-1.23%	6.31%	-0.85%	1.04%
Hall Capital III	0.07%	-0.85%	5.40%	5.63%
<i>NCREIF Fund Index-Open End Diversified Core (EW)</i>	0.00%	24.38%	11.56%	10.02%
Hall Real Estate Fund II	2.05%	16.49%	14.09%	N/A
TerraCap Partners V, LP	1.19%	11.38%	N/A	N/A
<i>NCREIF Fund Index-ODCE (EW) (Net)</i>	0.00%	23.53%	10.70%	9.13%
<b>Other Assets</b>				
Pomona Capital Fund VIII	-7.78%	6.54%	20.37%	18.66%
Pomona Capital Fund IX	4.59%	24.24%	28.40%	N/A
Pomona Capital Fund X	77.04%	N/A	N/A	N/A
Ardian Secondary Fund VI	0.14%	37.32%	23.14%	18.74%
Ardian Early Secondary Fund VI	1.04%	28.47%	21.46%	17.28%
ASF VIII L.P.	0.68%	45.76%	N/A	N/A
Capital Dynamics Global Secondaries Funds IV	4.24%	10.41%	13.35%	14.23%
<i>Cambridge Associates Private Equity Index</i>	0.00%	11.34%	21.45%	18.40%
IFM Global Infrastructure (US) LP	2.54%	N/A	N/A	N/A
<i>Blmbg U.S. Tsy Bellwether</i>	0.79%	3.06%	4.74%	5.30%
<b>Cash and Cash Equivalents</b>				
90 Day U.S. Treasury Bill	0.71%	2.34%	2.95%	3.93%
<b>Total Portfolio</b>				
<b>Total Portfolio Net of Fees</b>	<b>-9.53%</b>	<b>-10.25%</b>	<b>7.15%</b>	<b>8.17%</b>
<i>Policy Index (1)</i>	<i>-11.38%</i>	<i>-9.53%</i>	<i>6.82%</i>	<i>7.51%</i>

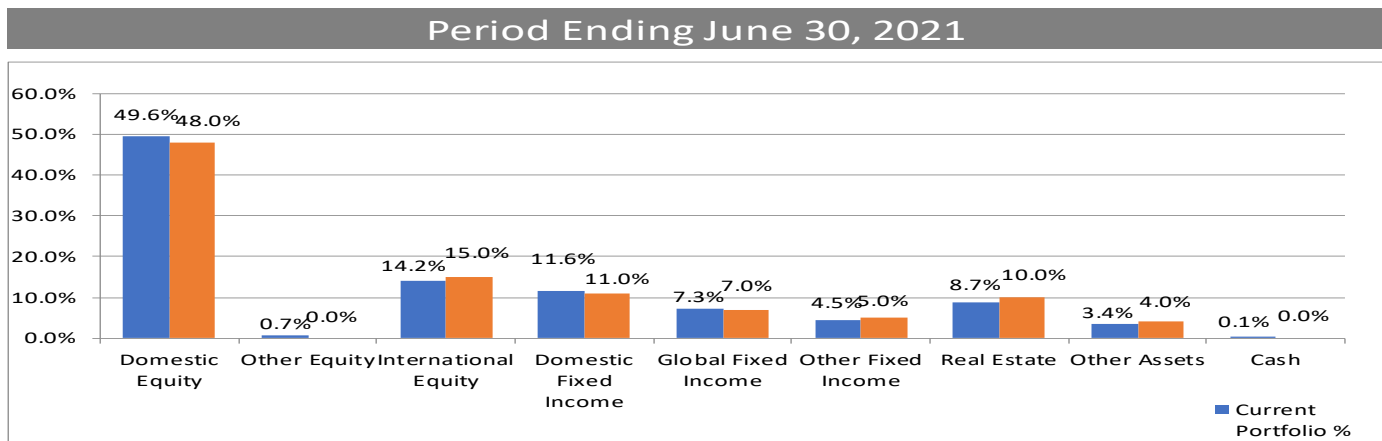
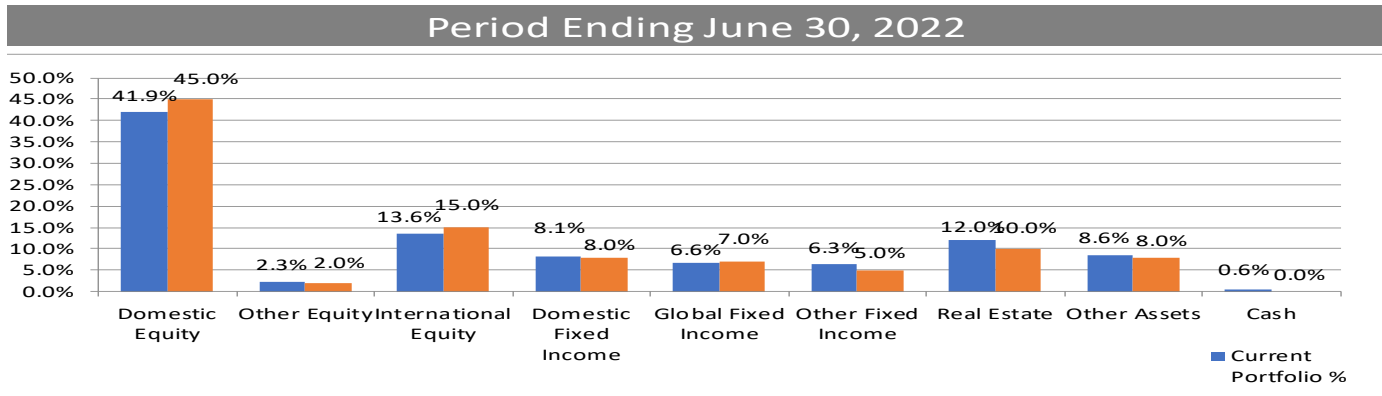
Source: AndCo Consulting , Report June 30, 2022. All returns based on investment industry standards for return calculations.

\* - 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)

12/2021 - The policy index consisted of 47.0% Russell 3000 Index, 15.0% MSCI AC World ex USA net, 13% Bloomberg US Aggregate,

## Current Portfolio versus Target Policy Allocation For the Fiscal Years Ended June 30, 2022 and June 30, 2021



## Schedule of Investment Fees For the Fiscal Year Ended June 30, 2022 and 2021

Investment Managers Fees	2022	2021
Domestic Equity	\$ 7,884,062	\$ 6,546,580
Other Equity	2,107,560	331,103
International Equity	3,130,543	4,015,682
Domestic Fixed Income	444,141	578,170
Global Fixed Income	1,612,947	301,113
Other Fixed Income	2,012,509	1,793,038
Real Estate & Other Assets	7,145,961	6,205,818
Subtotal - Investment Managers Fees	24,337,723	19,771,504
Custodian fee	313,509	255,847
Investment Consultant fee	427,250	295,000
<b>Total Investment Management Fees</b>	<b>\$ 25,078,482</b>	<b>\$ 20,322,351</b>

## Schedule of Broker Commissions

### For the Fiscal Year Ended June 30, 2022

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
ABEL NOSER	2,288	17,817,870	67,936	0.03368
ABEL NOSER CORPORATION	6,948	8,736,818	173,706	0.04000
ADVEST INC	103	500,298	2,869	0.03600
ASSET TRANSFER NON CASH	-	244,075,331	863,992	0.00000
AUTREPAT-DISTRIBUTION	-	35,606	44,653	0.00000
BANCO ITAU SA	99	123,696	99,363	0.00100
BARCLAYS CAPITAL	4,332	3,618,114	34,031	0.12730
BARCLAYS CAPITAL INC./LE	413	900,038	15,141	0.02730
BARCLAYS CAPITAL LE	8,298	17,605,919	230,260	0.03604
BAY CREST PARTNERS, LLC	6,319	12,580,167	175,514	0.03600
BERNSTEIN AUTONOMOUS LLP	194	194,158	1,384	0.13983
BMO CAPITAL MARKETS	1,734	6,866,131	50,133	0.03458
BMO CAPITAL MARKETS CORP	528	248,050	13,197	0.04000
BMO NESBITT BURNS INC	462	334,593	9,240	0.05000
BNP PARIBAS SECURITIES SERVICES	666	711,636	70,402	0.00946
BNP PARIBAS SECURITIES SERVICES SA	515	857,849	2,600	0.19808
BOFA SECURITIES, INC	15,241	15,517,885	500,685	0.03044
BOFA SECURITIES, INC.	14,949	230,307,189	181,490,874	0.00008
BOFA SECURITIES, INC. / FIXED INCOME	-	10,518,354	10,420,000	0.00000
BTIG LIMITED	13	38,935	322	0.04000
BTIG, LLC	5,445	16,242,251	277,471	0.01962
CALLED BONDS	-	6,871,249	6,500,000	0.00000
CANACCORD GENUITY INC.	9,288	30,351,435	259,330	0.03581
CANTOR FITZGERALD + CO.	8,034	13,533,989	484,740	0.01657
CANTOR FITZGERALD AND CO	58	90,100	1,457	0.04000
CANTOR FITZGERALD EUROPE	61	155,037	1,531	0.04000
CAPITAL CALL	-	256,092,132	256,092,132	0.00000
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	4,788	8,666,741	136,802	0.03500
CARNEGIE INVESTMENT BANK AB	3,207	4,028,550	36,453	0.08797
CITIGROUP GLOBAL MARKETS INC	12,516	44,869,843	435,153	0.02876
CITIGROUP GLOBAL MARKETS INC SALOMON BRO	-	644,368	635,000	0.00000
CITIGROUP GLOBAL MARKETS INC.	2,235	2,671,439	46,878	0.04767
CLSA AMERICAS	885	162,246	29,500	0.03000
COWEN AND COMPANY, LLC	65,468	234,709,469	1,940,384	0.03374
CRAIG-HALLUM	1,478	5,259,180	41,043	0.03600
CREDIT LYONNAIS SECURITIES(ASIA)	887	556,815	22,036	0.04025
CREDIT SUISSE SECURITIES (USA) LLC	28,472	113,587,261	1,614,678	0.01763
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$205,922	\$1,310,080,744	462,820,891	0.00044

Continued on the following page

Schedule of Broker Commissions (continued from previous page)  
For the Fiscal Year Ended June 30, 2022

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
DAIWA CAPITAL MARKETS AMERICA INC.	95	3,054,775	3,014,000	0.00003
DREXEL HAMILTON LLC	105	396,382	6,980	0.01501
EVERCORE GROUP L.L.C.	2,037	4,296,261	67,914	0.03000
EVERCORE ISI	7,044	13,546,706	280,117	0.02515
EXANE INC	5,229	10,017,340	130,719	0.04000
EXCHANGE OFFER	-	36,515	44,650	0.00000
FIDELITY CLEARING CANADA ULC	345	832,355	6,890	0.05000
FIFTH THIRD SECURITIES, INC	-	3,338,154	3,500,000	0.00000
FIRST TENNESSEE SECURITIES CORP	-	2,145,528	2,230,000	0.00000
FRANK RUSSELL SEC/BROADCORT CAP CLEARING	919	329,879	45,931	0.02000
GOLDMAN SACHS + CO LLC	33,118	83,482,070	1,202,577	0.02754
GUGGENHEIM CAPITAL MARKETS LLC	3,862	13,585,451	107,631	0.03588
GUZMAN AND COMPANY	18,424	127,253,564	1,358,025	0.01357
HILLTOP SECURITIES INC	-	2,935,401	2,749,827	0.00000
HSBC SECURITIES (USA) INC.	405	1,157,070	13,495	0.03000
ICBCFS LLC	-	334,289	301,500	0.00000
INCOME REINVESTMENT	-	1,789,010	118,510	0.00000
INSTINET	21,922	55,731,197	1,326,390	0.01653
INSTINET LLC	4,259	7,241,206	141,978	0.03000
INSTINET U.K. LTD	193	51,901	6,436	0.03000
INTERNATIONAL SECURITIES CLEARING	981	3,336,975	32,707	0.03000
INTL FCSTONE FINANCIAL INC	-	13,943,483	13,701,538	0.00000
INTL FCSTONE FINANCIAL INC./BD RATES	-	19,659,469	19,380,964	0.00000
INVESTMENT TECHNOLOGY GROUP INC.	1,004	2,547,537	69,492	0.01445
ITG INC.	-	-	-	0.00000
J P MORGAN SECURITIES INC	15,814	61,937,120	1,480,926	0.01068
J.P. MORGAN SECURITIES LLC	23,276	174,046,187	35,654,368	0.00065
J.P. MORGAN SECURITIES PLC	2,163	1,537,387	9,710	0.22278
JANE STREET EXECUTION SERVICES, LLC	-	3,702,774	3,450,000	0.00000
JEFFERIES HONG KONG LIMITED	1,157	721,201	10,800	0.10713
JEFFERIES LLC	22,629	55,496,251	988,260	0.02290
JMP SECURITIES	2,037	7,436,468	56,592	0.03600
JOH. BERENBERG, GOSSLER & CO. KG	1,359	907,325	4,536	0.29959
JONESTRADING INSTITUTIONAL SERVICES LLC	4,527	7,774,758	195,245	0.02319
JONESTRADING INSTITUTIONAL SERVICES, LLC	45	50,408	1,131	0.04000
JPMORGAN SECURITIES(ASIA PACIFIC)LTD	1,792	1,328,169	179,058	0.01001
KEEFE BRUYETTE + WOODS INC	357	925,294	10,146	0.03522
KEPLER CAPITAL MARKETS LLC	38	48,767	958	0.04000
KEPLER CHEUVREUX	1,182	791,697	4,839	0.24431
KEYBANC CAPITAL MARKETS INC	4,727	17,471,098	4,321,768	0.00109
LEERINK PARTNERS LLC	3,608	10,936,405	94,865	0.03803
LIQUIDNET EUROPE LIMITED	5,006	6,477,366	63,863	0.07838
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$189,659	\$722,631,193	96,365,336	0.00197

Continued on the following page

Schedule of Broker Commissions (continued from previous page)  
 For the Fiscal Year Ended June 30, 2022

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
LIQUIDNET INC	15,999	35,161,500	608,998	0.02627
LOOP CAPITAL MARKETS	356	919,405	23,703	0.01500
LUMINEX TRADING AND ANALYTICS	1,130	2,867,071	44,304	0.02550
LUMINEX TRADING AND ANALYTICS LLC	2,612	6,819,234	131,637	0.01984
MACQUARIE BANK LIMITED	1,460	971,906	5,431	0.26884
MACQUARIE CAPITAL SECURITIES S	87	54,631	4,480	0.01945
MACQUARIE SECURITIES (USA) INC	13,118	79,463,352	807,788	0.01624
MARKETAXESS CORPORATION	-	18,306,093	17,615,000	0.00000
MERGER	-	6,126,681	43,271	0.00000
MERGER NON CASH	-	10,039,193	413,807	0.00000
MERRILL LYNCH INTERNATIONAL	5,294	3,668,896	46,932	0.11280
MERRILL LYNCH PROFESSIONAL CLEARING CORP	252	6,992,350	5,926,998	0.00004
MILLENNIUM ADVISORS LLC	-	1,504,404	1,500,000	0.00000
MIRAE ASSET SEC USA	158	394,834	7,879	0.02000
MISCHLER FINANCIAL GROUP, INC-EQUITIES	-	720,643	745,000	0.00000
MITSUBISHI UFJ SECURITIES	5,627	2,415,977	114,785	0.04902
MIZUHO SECURITIES USA INC	429	595,651	8,570	0.05000
MIZUHO SECURITIES USA INC.	376	12,527,765	12,018,459	0.00003
MKM PARTNERS LLC	376	1,325,971	10,439	0.03600
MORGAN STANLEY CO INCORPORATED	43,242	205,332,878	11,398,656	0.00379
NATIONAL FINANCIAL SERVICES CORPORATION	3,188	7,713,098	141,459	0.02254
NEEDHAM AND COMPANY LLC	2,517	7,827,129	69,926	0.03600
OPPENHEIMER + CO. INC.	2,888	17,335,484	80,272	0.03598
PAREL	1,928	2,851,346	11,913	0.16181
PAVILLION GLOBAL MARKETS LTD.	10	52,023	500	0.02000
PENSERRA SECURITIES	61	326,492	3,071	0.02000
PERSHING LLC	10,339	145,196,284	129,366,879	0.00008
PERSHING SECURITIES LIMITED	2,735	3,907,365	36,875	0.07417
PIERPONT SECURITIES LLC	-	4,586,662	4,300,000	0.00000
PIPER JAFFRAY & CO.	47,583	209,303,477	2,617,202	0.01818
PIPER, JAFFRAY AND HOPWOOD	1,787	2,379,160	44,667	0.04000
R.B.C. DOMINION SECURITIES CORPORATION	1,947	11,935,001	180,770	0.01077
RAYMOND JAMES AND ASSOCIATES	2,334	4,905,293	77,803	0.03000
RAYMOND JAMES AND ASSOCIATES INC	27,413	46,223,778	874,208	0.03136
RAYMOND JAMES/FI	-	5,451,097	5,120,000	0.00000
RBC CAPITAL MARKETS, LLC	3,007	10,992,721	1,119,799	0.00269
RBC DOMINION SECURITIES	1,544	1,889,139	30,880	0.05000
REDEMPTION	-	375,709,624	3,349,607	0.00000
RETURN OF CAPITAL	-	70,160,536	70,082,716	0.00000
REVERSE SPLIT NON CASH	-	740,153	32,522	0.00000
ROBERT W. BAIRD CO.INCORPORATED	6,837	23,593,569	208,394	0.03281
ROSENBLATT SECURITIES INC.	5,049	30,489,644	346,543	0.01457
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$211,681	\$1,379,777,507	269,572,143	0.00079

Continued on the following page



Schedule of Broker Commissions (continued from previous page)  
 For the Fiscal Year Ended June 30, 2022

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
SANFORD C BERNSTEIN CO LLC	15,956	26,631,584	540,400	0.02953
SANFORD C. BERNSTEIN AND CO. LLC	15,906	29,450,765	524,838	0.03031
SCOTIA CAPITAL (USA) INC	270	270,821	9,000	0.03000
SEAPORT GROUP SECURITIES, LLC	-	865,756	825,000	0.00000
SG AMERICAS SECURITIES LLC	11,511	53,423,341	657,765	0.01750
SKANDINAVISKA ENSKILDA BANKEN	538	447,423	2,701	0.19902
SPINOFF	-	6,245	180	0.00000
STATE STREET BANK AND TRUST CO.	-	606,254,583	9,093,756	0.00000
STATE STREET GLOBAL MARKETS, LLC	5,891	12,905,457	259,023	0.02274
STEPHENS INC	2,842	18,214,008	9,115,958	0.00031
STIFEL NICOLAUS + CO INC	4,819	18,859,471	3,143,307	0.00153
STIFEL, NICOLAUS AND COMPANY, INCORPORAT	1,238	1,344,168	30,955	0.04000
STOCKSPLIT NON CASH	-	2,662,430	223,250	0.00000
STRATEGAS SECURITIES LLC	3,353	14,430,092	93,124	0.03600
SUMRIDGE PARTNERS LLC	-	940,977	1,000,000	0.00000
SUNTRUST CAPITAL MARKETS, INC.	4,564	17,089,381	140,130	0.03257
TENDER OFFER	-	1,449,795	15,261	0.00000
TOURMALINE PARTNERS	910	887,493	45,497	0.02000
UBS AG	8,290	11,943,438	255,694	0.03242
UBS SECURITIES ASIA LTD	2,255	1,506,742	124,235	0.01815
UBS SECURITIES LLC	55,359	255,040,560	3,088,931	0.01792
UBS SWITZERLAND AG	654	1,088,519	9,190	0.07111
US BANCORP INVESTMENTS INC	-	1,032,280	1,000,000	0.00000
VIRTU AMERICAS LLC	9,038	12,497,832	530,881	0.01703
WEDBUSH MORGAN SECURITIES INC	-	259,616	265,000	0.00000
WEDBUSH SECURITIES INC	1,021	719,479	29,181	0.03500
WELLS FARGO SECURITIES LLC	376	23,538,730	22,879,003	0.00002
WELLS FARGO SECURITIES, LLC	10,732	47,501,685	9,586,819	0.00112
WILLIAM BLAIR & COMPANY L.L.C	7,579	21,542,365	244,191	0.03104
WILLIAMS CAPITAL GROUP LP (THE)	1,403	5,630,627	93,388	0.01502
XP INVESTIMENTOS CCTVM SA	21	17,287	5,600	0.00371
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$164,525	\$1,188,452,951	\$63,832,257	0.00258
<b>GRAND TOTAL (PER SHARE IS AVERAGE)</b>	<b>\$771,787</b>	<b>\$4,600,942,395</b>	<b>\$892,590,626</b>	<b>0.00086</b>

# Actuarial Section

- (96) Actuarial Certification Letter
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November 4, 2022

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, 2022 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, 2022.

This letter represents Definiti's certification of the funding status as required for the financial report for the fiscal year ended June 30, 2022.

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.

All of the information and supporting schedules in the Actuarial Section have been provided by Definiti.

- *Summary of Actuary results*
- *Schedule of Active Member Data*
- *Schedule of Funding Progress (Actuarial)*
- *Solvency Test*
- *Analysis of Financial Experience*
- *Schedule of Retirants and Beneficiaries Added and Remove*

The actuarial assumptions used for these valuations are outlined in the "Assumptions and Methods" section in the valuation report, which were used for funding purposes. The assumptions used to develop plan liabilities are based on an experience study that reviewed data from 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 results 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 these 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 any 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,



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, 2022

	Actuarial Valuation as of		
	July 1, 2022	July 1, 2021	% Change
<b>Summary of Costs</b>			
Required State Contributions for Current Year	\$ 150,350,348	\$ 151,539,372	(0.78) %
Actual State Contributions Received in Prior Year	134,026,999	110,144,459	21.68
<b>Funded Status</b>			
Actuarial Accrued Liability	\$ 4,285,580,433	\$ 4,179,376,793	2.54 %
Actuarial Value of Assets	3,129,818,758	2,996,605,264	4.45
Unfunded Actuarial Accrued Liability	1,155,761,675	1,182,771,529	(2.28)
Funded Ratio	73.0%	71.7%	1.86
<b>Market Value of Assets and Additional Liabilities</b>			
Market Value of Assets	\$ 2,977,845,962	\$ 3,520,810,306	(15.42) %
Present Value of Projected System Future Benefits	4,988,764,607	4,831,474,435	3.26
<b>Summary of Data</b>			
<b>Number of Members in Valuation</b>			
Active Paid & Volunteer Members (vested and not ve	12,060	12,240	(1.47) %
Deferred Option Plan Members	10	22	(54.55)
Terminated Vested Members	2,467	2,288	7.82
Beneficiaries	2,345	2,620	(10.50)
Disabled or Retired Members	9,056	9,066	(0.11)
<b>Total</b>	25,938	26,236	(1.14)
<b>Active Member Statistics</b>			
Total Projected Annual Compensation (b)	\$ 326,963,158	\$ 311,669,661	4.91 %
Average Projected Compensation (b/a)	\$ 72,594	\$ 70,641	2.76
Average Age	38.7	39.1	(1.02)
Average Service	11.3	11.6	(2.59)

## 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
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%
2022	12,060	326,963,158	72,594	2.76%

## Schedule of Retirants and Beneficiaries Added to and Removed from the Annuity Rolls

Fiscal Year Ended June 30,	Added to Rolls		Removed from Rolls		Rolls at Year End		Percentage Increase	Average Annual Benefits
	Number of Additions	Annual Benefits	Number of Removals	Annual Benefits	Year End Roll Count	Annual Benefits		
2022	639	14,599,948	605	7,835,411	11,720	189,137,242	3.7%	16,138

\* - 10 years of data was not available at 6/30/2022

## 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)
7/1/2013	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%
7/1/2022	3,129,818,758	4,285,580,433	1,155,761,675	73.0%	327,747,370	352.6%

## 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%
2022	264,749,822	3,102,764,425	918,066,186	4,285,580,433	3,129,818,758	100%	92.3%	-25.9%	73.0%

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

\*\* - 10 years of data was not available at 6/30/2022

## Analysis of Financial Experience

### As of July 1, 2022

<b>Expected Actuarial Accrued Liability</b>	
a. Actuarial Accrued Liability at July 1, 2021	\$ 4,179,376,793
b. Normal Cost and Expenses for Plan Year Ended June 30, 2022	66,622,365
c. Benefit Payments for Plan Year Ending June 30, 2022	(308,495,060)
d. Change in Actuary	-
e. Interest on (a), (b), (c) and (d)	306,881,372
f. Change in Actuarial Accrued Liability at July 1, 2022 due to changes in Actuarial Assumptions	-
g. Change in Actuarial Accrued Liability at July 1, 2022 due to changes in System Provisions (ad hoc COLA)	-
h. Expected Actuarial Accrued Liability at July 1, 2022	4,244,385,470
<b>Actuarial Accrued Liability at July 1, 2022</b>	<b>4,285,580,433</b>
<b>Actuarial Liability Gain/(Loss) (1h. - 2)</b>	<b>(41,194,963)</b>
<b>Expected Actuarial Value of Assets</b>	
a. Actuarial Value of Assets at July 1, 2021	2,996,605,264
b. Contributions Made for Plan Year Ending June 30, 2022	177,557,870
c. Benefit Payments and Expenses for Plan Year Ending June 30, 2022	(310,752,954)
d. Interest on (a + b - c) to End of Year	219,750,579
e. Expected Actuarial Value of Assets at July 1, 2022	3,083,160,759
<b>Actuarial Value of Assets at July 1, 2021</b>	<b>3,129,818,758</b>
<b>Actuarial Asset Gain/(Loss) (5 - 4e.)</b>	<b>46,657,999</b>
<b>Actuarial Gain/(Loss) (3 + 6)</b>	<b>5,463,036</b>

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, 2022.



## 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, 2022 (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 forward two 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.
<b>Change in Assumptions</b>	None



## Summary of System Provisions

### Methods

Valuation Date	July 1, 2022
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 <sup>st</sup> through June 30 <sup>th</sup>
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	Prior to November 1, 2013, 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"> <li>• 25.2% as of September 1, 2020</li> <li>• 36.0% as of July 1, 2021</li> <li>• 37.8% as July 1, 2022</li> <li>• 36.0% as of July 1, 2027</li> </ul> <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 step firefighters. 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

- (118) Statistical Narrative
- (119) Schedule of Changes in Net Position (&Graph)
- (120) Schedule of Revenue by Source
- (120) Schedule of Expenses by Type
- (121) Schedule of Benefits & Refunds by Type
- (121) Funded Ratio (Graph)
- (122) Schedule of Investment Returns by Type (& Graph)
- (123) Schedule of Retired Members by Benefit Type
- (124) Schedule of Average Benefit Payments
- (124) Schedule of Principal Participating Employers
- (125) Schedule of Participating Employers
- (130) 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 OFPRS 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)

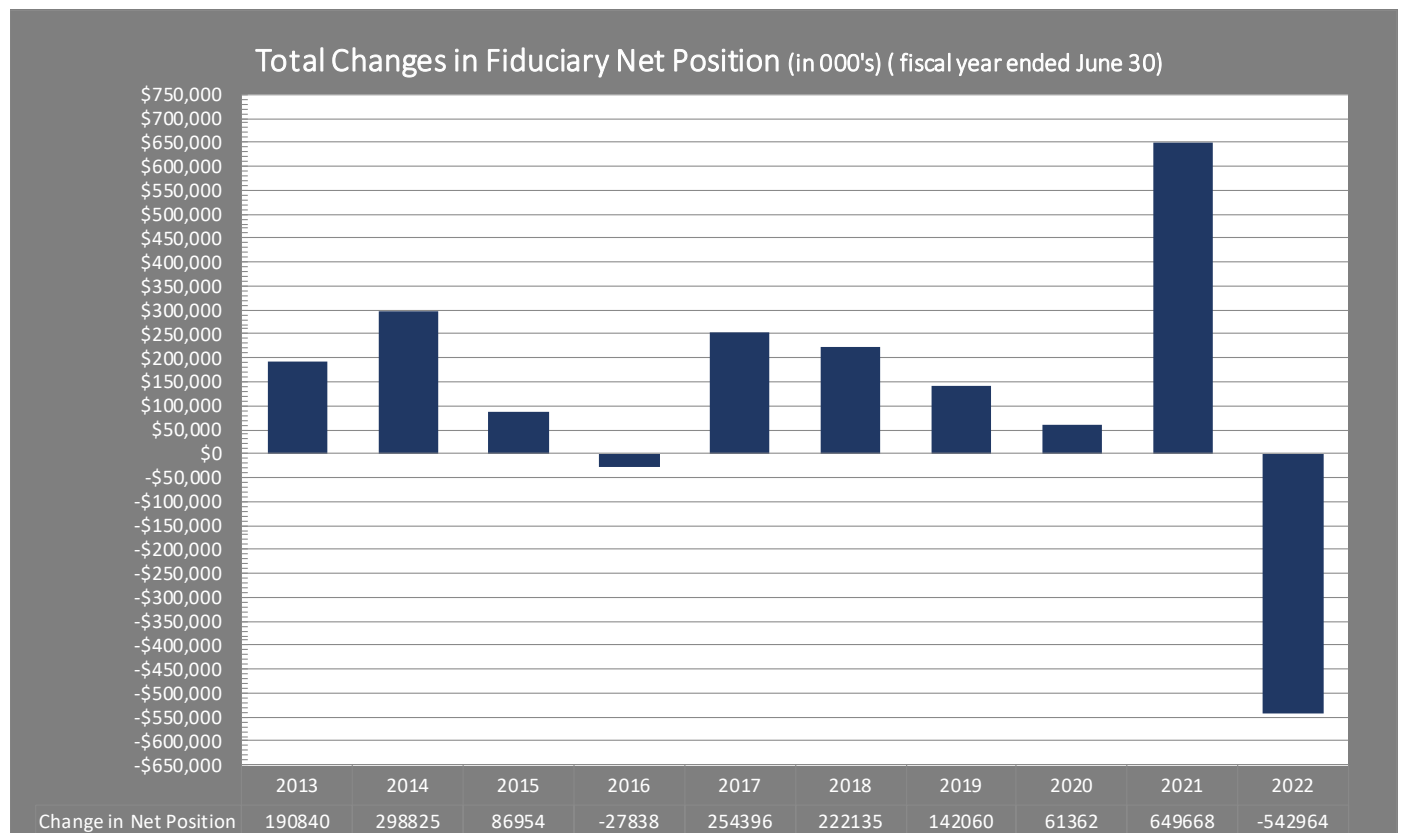
Fiscal Year Ended June 30,	Additions				Deductions				Total Changes in Fiduciary Net Position
	Member Contributions	Employer Contributions	Insurance Premium Tax	Net Investment Income (Loss)	Benefit Payments *	Deferred Option Payments**	Refund of Contributions	Administrative Expenses	
2013	20,191	34,287	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	142,060
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	228,062	408	2,194	649,668
2022	29,183	45,932	102,442	(409,769)	189,250	118,651	593	2,258	(542,964)

Total Cumulative Change in Net Position for the Last 10 Years \$ 1,335,438

\* - Benefit Payments include survivor and death benefit payments.

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

\*\*\* - Refer to the Statement of Changes in Fiduciary Net Position on Pg. 22



## 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
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
2022	29,183	45,932	102,442	(409,769)	(232,212)

\* - 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.

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

\*\*\* - Refer to the Statement of Changes in Fiduciary Net Position on Pg. 22

## Schedule of Expenses by Type (in Thousands)

Fiscal Year Ended June 30,	Pension Benefits	Death Benefits	Deferred Option Benefits	Refunds	Administrative Expenses	Total
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	228,062	408	2,194	411,725
2022	187,935	1,315	118,651	593	2,258	310,752

\* - Refer to the Statement of Changes in Fiduciary Net Position on Pg. 22

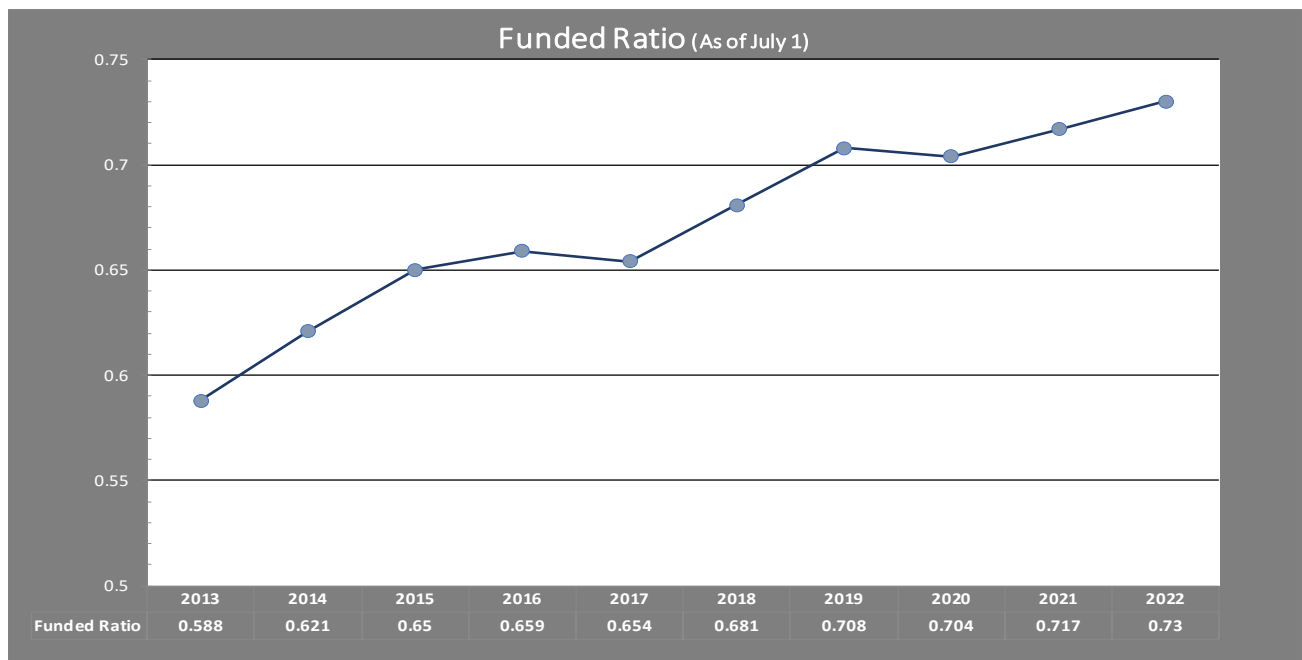
## Schedule of Benefit Payments and Refunds by Type (in Thousands)

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	
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	228,062	408	0	409,531
2022	165,515	22,420	1,315	118,651	593	0	308,494

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

\*\* - Refer to the Statement of Changes in Fiduciary Net Position on Pg. 22

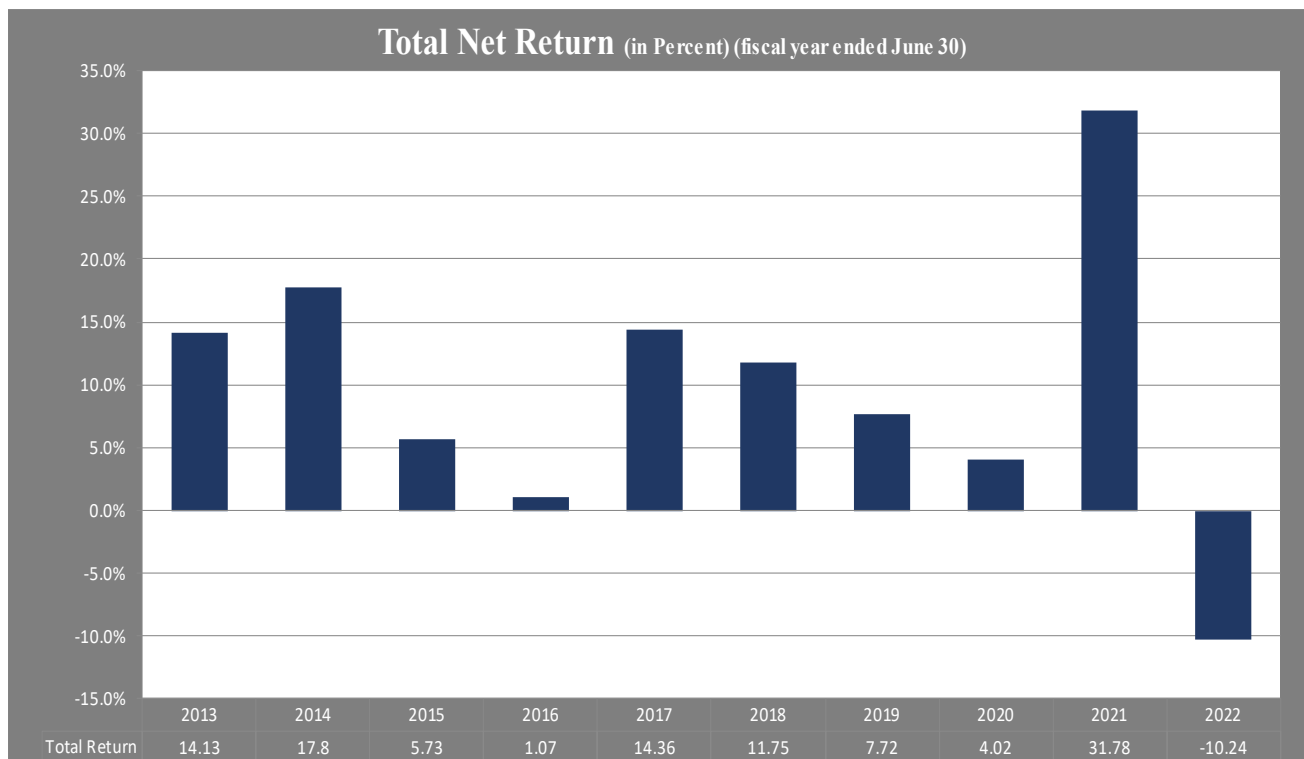
### Funded Ratio (Actuarial Basis, at July 1)



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)
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
2022	(19.36)	(22.76)	23.57	(9.94)	(17.18)	13.19	24.84	28.52	(10.24)

Total Annual Return (Net, in Percent)



Schedule of Retired Members by Type of Benefit  
For the Fiscal Year Ended June 30, 2022

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	6,653	1,440	872	131	128	180	3,902
1,001 - 1,500	492	85	18	58	109	31	191
1,501 - 2,000	734	177	4	19	180	26	328
2,001 - 2,500	933	198	4	10	307	12	402
2,501 - 3,000	810	138	4	4	309	5	350
3,001 - 3,500	692	128	0	0	291	3	270
3,501 - 4,000	605	131	0	0	257	0	217
4,001 - 4,500	333	35	0	0	174	0	124
4,501 - 5,000	203	15	0	0	117	0	71
5,001 - 5,500	122	11	0	0	59	0	52
5,501 - 6,000	68	4	0	0	35	0	29
6,001 - 6,500	32	1	0	0	17	0	14
6,501 - 7,000	13	1	0	0	7	0	5
7,001 - 7,500	12	1	0	0	6	0	5
7,501 - 8,000	6	1	0	0	4	0	1
8,001 - 8,500	2	0	0	0	1	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>11,715</u>	<u>2,366</u>	<u>902</u>	<u>222</u>	<u>2,005</u>	<u>257</u>	<u>5,963</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, 2012 to June 30, 2022	Years of Credited Service*				
	10-15	15-20	20-25	25-30	30+
<b>Period 07/01/20 to 06/30/21</b>					
Average Monthly Benefit	\$ 197	\$ 319	\$ 548	\$ 1,725	\$ 2,261
Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired Members	20	19	95	57	36
<b>Period 07/01/21 to 06/30/22</b>					
Average Monthly Benefit	\$ 343	\$ 274	\$ 552	\$ 1,979	\$ 2,498
Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired Members	22	12	73	86	64

Note A - Schedule includes service retirements as of July 1, 2022 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 2022			Fiscal Year 2012		
	Covered Members	Rank	% of Total Covered Members	Covered Members	Rank	% of Total Covered Members
Oklahoma City	1011	1	22.51%	924	1	22.54%
Tulsa	710	2	15.81%	664	2	16.20%
Broken Arrow	173	3	3.85%	132	5	3.22%
Norman	147	4	3.27%	141	4	3.44%
Lawton	134	5	2.98%	133	3	3.24%
Edmond	129	6	2.87%	112	6	2.73%
Muskogee	94	7	2.09%	104	7	2.54%
Midwest City	84	8	1.87%	81	8	1.98%
Enid	79	9	1.76%	79	9	1.93%
Moore	76	10	1.69%	71	10	1.73%
<b>Total -10 Largest Employers</b>	<b>2637</b>		<b>58.72%</b>	<b>2441</b>		<b>59.55%</b>
All Other Cities\Towns	1854		41.28%	1658		40.45%
<b>Total Covered Members</b>	<b>4491</b>		<b>100.00%</b>	<b>4099</b>		<b>100.00%</b>

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, 2022

### 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 (133)

#9 Area Vol Fire Dept	Harmony	Oil Center Rural Fire Dep
Alden	Haskell County	Omega
Alfalfa Rural	Hauana Creek	Onapa
Arlington	Hawley Rural	Orion
Bennington	Haywood/Arpelar	Orr
Bentley	Hennepin	Payne
Berlin	Hickory Grove	Pernell
Bethel Road	Highway 51 West	Pickett Rural Fire Dept
Bethel Volunteer	Hillsdale/Carrier	Pine Creek
Blackgum	Hochatown Vfd	Pioneer Skeleton
Brent Rural	Hogeye	Plainview
Brushy Mountain	Holly Creek-Oak Hill	Pushmataha Sobol
Buckhorn Fire Department	Hulen	Ranch Drive
Bugtussle	Isabella	Reagan
Butler County	Jimtown	Redland
Caney /Soldier Fire Dept	Joy	Ringold Vfd
Central High County	Katie	Roberta
Chance County Fire Dept	Keefeton	Rock Township Rfd
Christie Proctor	Kenwood	Russell
Clarita	Lakemont Shores	Salem/Ryal
Cloud Chief	Lane	Sam'S Point
Cogar	Lebanon	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 Assocation	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
Harmon Community		



## Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2022

Oklahoma Cities, Municipalities and Towns (469)		
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	Copan
Ames	Burns Flat	Cordell
Anadarko	Butler	Corn
Antlers	Byars	Council Hill
Apache	Byng	Covington
Arapaho	Byron	Coweta
Ardmore	Cache	Coyle
Arkoma	Caddo	Crescent
Arnett	Calera	Cromwell
Asher	Calumet	Crowder
Atoka	Calvin	Cushing
Atwood	Camargo	Custer City
Avant	Canadian	Cyril
Barnsdall	Caney	Dacoma
Bartlesville	Canton	Davenport
Bearden	Canute	Davidson
Beaver	Capron	Davis
Beggs	Carmen	Del City
Bernice	Carnegie	Delaware
Bessie	Carney	Depew
Bethany	Carter	Devol
Bethel Acres	Cashion	Dewar
Big Cabin	Catoosa	Dewey
Billings	Cement	Dibble
Binger	Central High	Dickson
Bixby	Chandler	Dill City
Blackwell	Chattanooga	Dougherty
Blair	Checotah	Douglas
Blanchard	Chelsea	Dover
Bluejacket	Cherokee	Drummond
Boise City	Cheyenne	Drumright
Bokchito	Chickasha	Duncan
Bokoshe	Choctaw	Durant
Boley	Chouteau	Dustin
Boswell	Claremore	Eakly
Bowlegs	Clayton	Earlsboro
Boynton	Cleo Springs	East Duke

## Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2022

### Oklahoma Cities, Municipalities and Towns (469), Continued

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

## Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2022

Oklahoma Cities, Municipalities and Towns (469), Continued		
Midwest City	Perry	Shattuck
Milburn	Piedmont	Shawnee
Mill Creek	Pink	Shidler
Millerton	Pocola	Skedee
Minco	Ponca City	Skiatook
Moore	Pond Creek	Slaughterville
Mooreland	Porter	Snyder
Morris	Porum	So. Coffeyville
Morrison	Poteau	Soper
Mounds	Prague	Spaulding
Mt Park	Prue	Spavinaw
Muldrow	Pryor	Spencer
Mulhall	Purcell	Sperry
Muskogee	Putnam	Spiro
Mustang	Quapaw	Springer
Mutual	Quinton	Sterling
Nash	Ralston	Stigler
Newcastle	Ramona	Stillwater
Newkirk	Ratliff City	Stilwell
Nichols Hills	Rattan	Stonewall
Nicoma Park	Ravia	Stratford
Noble	Red Bird	Stringtown
Norman	Red Oak	Strong City
Nowata	Red Rock	Stroud
Oaks	Reydon	Stuart
Oakwood	Ringling	Sulphur
Oilton	Ringwood	Summit
Okarche	Ripley	Sweetwater
Okay	Rocky	Taft
Okeene	Roff	Tahlequah
Okemah	Roland	Talihina
Oklahoma City	Roosevelt	Taloga
Okmulgee	Rosedale	Tamaha
Oktaha	Rosston	Tecumseh
Olustee	Rush Springs	Temple
Optima	Ryan	Terral
Orlando	Salina	Texhoma
Osage Volunteer	Sallisaw	Texola
Owasso	Sand Springs	The Village
Paden	Sapulpa	Thomas
Panama	Sasakwa	Tipton
Paoli	Savanna	Tishomingo
Pauls Valley	Sayre	Tonkawa
Pawhuska	Seiling	Town of Mountain View
Pawnee	Seminole	Tribbey
Peoria	Sentinel	Tryon
Perkins	Shady Point	Tulahassee

## Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2022

Oklahoma Cities, Municipalities and Towns (469), Continued		
Tulsa	Wapanucka	Westport
Tushka	Warner	Westville
Tuttle	Warr Acres	Wetumka
Tyrone	Washington	Wewoka
Union City	Watonga	Whitefield
Valliant	Watts	Wilburton
Velma	Waukomis	Willow
Verden	Waurika	Wilson
Vian	Wayne	Wister
Vici	Waynoka	Woodward
Vinita	Weatherford	Wright City
Wagoner	Webbers Falls	Wyandotte
Wainwright	Welch	Wynnewood
Wakita	Weleetka	Yale
Walters	Wellston	Yukon
Wanette		

## Membership Statistics Data

<b>Employer and Member Statistics</b>	<b>As of July 1,</b>	<b>2022</b>	<b>2021</b>
Participating Fire Protection Districts, Cities, Municipalities and Towns		633	633
Active Members		12,240	12,240
Deferred Option Members		22	22
Terminated Members with Vested Benefits		2,288	2,288
Retired or Disabled Members		9,066	9,066
Beneficiaries Receiving Benefits		2,620	2,620

<b>Active Member Statistics</b>	<b>As of July 1,</b>	<b>2022</b>	<b>2021</b>
Total Annual Compensation (1)		\$ 311,669,661	\$ 311,669,661
Average Compensation		\$ 70,641	\$ 70,641
Average Active Member Age		39.1	39.1
Average Years of Credited Service		11.6	11.6

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

<b>Fiscal Year 2022 Refund and Benefit Payment Statistics</b>	<b>Count of Payments Made</b>	<b>Average Amount</b>
Refunds to Terminated Members	49	\$ 12,096
Regular Payments to Service Retirement Members	140,580	\$ 1,337
Payment of Death Benefits to Beneficiaries	260	\$ 5,000
Payments under the Forward DOP	5,815	\$ 6,031
Payments under the Back DOP	7,629	\$ 5,970
Payments under the Payout Provision	-	\$ -

