

# Oklahoma Firefighters Pension and Retirement System

# 2023



**OKLAHOMA FIREFIGHTERS  
PENSION & RETIREMENT SYSTEM**

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**Annual Comprehensive Financial Report  
for the Fiscal Years Ended June 30, 2023 and 2022  
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, 2023 and 2022

**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  
2023 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, 2023

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, 2023 and 2022.

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, 2023 and 2022, 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 474 cities, 28 fire protection districts, and 132 county fire departments as of June 30, 2023. 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, five other equity managers, four international equity managers, two domestic fixed income managers, one global fixed income manager, three other fixed income managers, nine 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 2023 investments provided a 9.05 percent rate of return. The annualized rate of return for the System has averaged 8.47 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, 2023 amounted to \$4.4 billion and \$3.2 billion, respectively. The System's funded status decreased to 72.8 percent at July 1, 2023. 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 until the decrease noted at July 1, 2023.

### *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, 2022. This is the second 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**

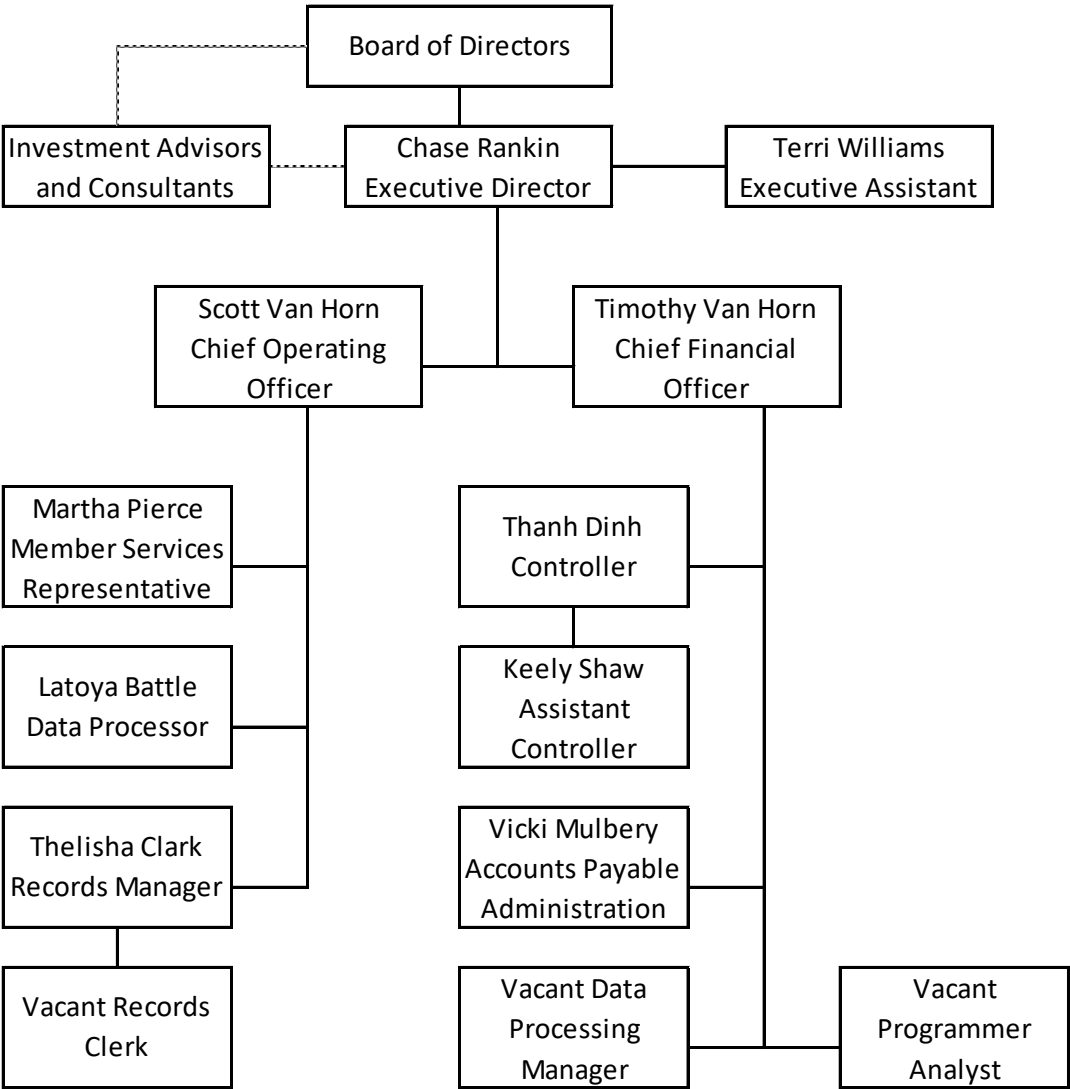
### **Staff**

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**

Anthony Lopez, President Oklahoma State Firefighter Association	Donald Bennett, 1 <sup>st</sup> Vice President Oklahoma State Firefighter Association
Cary Provence, Jr., 2 <sup>nd</sup> Vice President Oklahoma State Firefighter Association	Tom Marcum, Jr., 3 <sup>rd</sup> Vice President Oklahoma State Firefighter Association
Jim Ed Nimmo, Past President Oklahoma State Firefighter Association	Michel Duncan 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
Teresa Green Designee of State Ins. Commissioner	John Laws Designee of Director of OMES
Brent Bryant Oklahoma Municipal League Appointee	

**Organization of the Oklahoma Firefighters Pension and Retirement System**



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

**Actuary**

*Definiti*  
Dallas, TX

**Internal Auditor**

*Crawford & Associates, PC*  
Oklahoma City, OK

**Legal Services (Tax and Pensions)**

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

**Independent Auditor**

*Finley & Cook, PLLC*  
Shawnee, OK

**Investment Consultant**

*AndCo Consulting*  
Orlando, FL

**Master Trustee (Custodian)**

*State Street Bank & Trust*  
Boston, MA

\* - The schedule of Investment Expenses and Professional Consultant Fees in the Other Supplementary Information Section and the Schedule of Investment Fees (pg. 87) & Broker Commissions (pg. 88-91) 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, 2022

*Christopher P. Morill*

Executive Director/CEO

# Financial Section



- (13) Independent Auditors' Report
- (17) Management Discussion and Analysis
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- (22) Statements of Changes in Fiduciary Net Position
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- (75) Schedule of Investment Expenses (Schedule 1)
- (76) Schedule of Administrative Expenses (Schedule 2)
- (77) Schedule of Professional/Consultant Fees (Schedule 3)



Finley & Cook, PLLC  
 405-878-7300  
 Finley-Cook.com  
 1421 East 45th Street  
 Shawnee, OK 74804

## **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, 2023 and 2022, 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, 2023 and 2022, 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)

**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 17 through 20 and the schedule of changes in the employers' net pension liability, the schedule of employers' net pension 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 19, 2023, 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.

Handwritten signature in cursive script that reads "Finley & Cook, PLLC".

Shawnee, Oklahoma  
October 19, 2023

**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, 2023, 2022, and 2021. Please read it in conjunction with the System's financial statements, which begin on page 21.

	2023	2022	2021	% Change 2023 from 2022	% Change 2022 from 2021	% Change 2021 from 2020
• Fiduciary net position	\$3,136,681,733	2,977,845,962	3,520,810,306	5.33%	-15.42%	22.63%
• Contributions:						
Insurance premium taxes	114,291,486	102,442,025	72,923,900	11.57%	40.48%	-29.60%
Participating municipalities	53,366,157	45,932,405	45,301,239	16.18%	1.39%	0.86%
Plan members/employees	33,965,756	29,183,440	28,634,422	16.39%	1.92%	0.11%
• Net investment income	284,304,430	-409,769,260	914,534,234	-169.38%	-144.81%	732.52%
• Benefits paid, including refunds	324,711,071	308,495,060	409,531,086	5.26%	-24.67%	64.44%
• Change in fiduciary net position	158,835,771	-542,964,344	649,668,357	-129.25%	-183.58%	1716.68%
• Funded ratio of the Plan	72.80%	73.00%	71.70%	-0.27%	1.81%	1.85%
• Total Plan membership	26,690	26,257	26,236	1.65%	0.08%	1.14%

**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, 2023, 2022 and 2021.

#### Condensed Summary of Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Changes 2023 from 2022	% Changes 2022 from 2021	% Changes 2021 from 2020
	2023	2022	2021			
Cash and cash equivalents	\$ 43,955,792	54,898,218	51,649,888	-19.9%	6.3%	-20.8%
Receivables	30,312,817	22,913,027	20,700,530	32.3%	10.7%	-18.9%
Investments, at fair value	3,382,776,337	3,180,167,283	3,689,507,692	6.4%	-13.8%	29.5%
Securities lending short-term collateral	89,929,460	97,513,997	93,241,580	-7.8%	4.6%	3.1%
Capital assets, net	717,266	773,765	830,971	-7.3%	-6.9%	-6.6%
Total assets	3,547,691,672	3,356,266,290	3,855,930,661	5.7%	-13.0%	27.2%
Liabilities	41,100,939	378,420,328	335,120,355	-89.1%	12.9%	108.5%
Fiduciary net position	\$ 3,136,681,733	2,977,845,962	3,520,810,306	5.3%	-15.4%	22.6%

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

	For the Fiscal Year Ended June 30,			% Changes 2023 from 2022	% Changes 2022 from 2021	% Changes 2021 from 2020
	2023	2022	2021			
Contributions	\$ 201,623	177,558	146,860	13.6%	20.9%	-17.1%
Net investment income	284,304	(409,769)	914,534	-169.4%	-144.8%	732.5%
Total additions	485,927	(232,211)	1,061,394	-309.3%	-121.9%	269.9%
Benefits and refunds	324,711	308,495	409,531	5.3%	-24.7%	64.4%
Administrative expenses	2,381	2,258	2,194	5.4%	2.9%	1.7%
Total deductions	327,092	310,753	411,725	5.3%	-24.5%	63.9%
Total Changes in fiduciary net position	158,836	(542,964)	649,668	-129.3%	-183.6%	1716.7%
Fiduciary net position, beginning of year	2,977,846	3,520,810	2,871,142	-15.4%	22.6%	1.3%
Fiduciary net position, end of year	\$ 3,136,682	2,977,846	3,520,810	5.3%	-15.4%	22.6%

\*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 \$284 million for 2023 compared to an investment loss of approximately \$(410) million for 2022.

The investment income of the System increased approximately \$694 million during the year ended June 30, 2023, compared to the year ended June 30, 2022, as a result of an increase in the overall performance of the market during the fiscal year. The investment income of the System decreased approximately \$(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; and increased approximately \$805 million during the year ended June 30, 2021, compared to the year ended June 30, 2020, as a result of a increase in the overall performance of the market during the fiscal year.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
System	9%	(10)%	32%

During the years ended June 30, 2023, 2022, and 2021, benefit payments, including refunds, increased (decreased) by approximately 5%, (25)%, and 64%, respectively, due to changes in the number of retirees, statutory benefit increases, and the mandatory disbursement of interest.

Administrative expenses increased approximately 5.5% from fiscal year 2022 to 2023. Administrative expenses increased approximately 2.9% from fiscal year 2021 to 2022, and increased approximately 1.8% from fiscal year 2020 to 2021. 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 \$3.5 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 \$114 million, \$102 million, and \$73 million for the years ended June 30, 2023, 2022, and 2021, respectively. The System received 37.8% of the total taxes collected on insurance premiums during the fiscal year ended 2023, and 36.0% and 25.2% for the fiscal years ended 2022 and 2021, 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 decrease, 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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**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**

**STATEMENTS OF FIDUCIARY NET POSITION**

<i>June 30,</i>	<i>2023</i>	<i>2022</i>
<b>Assets</b>		
Cash and cash equivalents	\$ 43,955,792	54,898,218
Receivables:		
Employees' contributions	1,272,734	463,628
Employer's contributions	1,981,594	720,314
Due from the State of Oklahoma Insurance Department	22,087,969	18,762,184
Accrued interest and dividends	2,322,690	2,933,786
Net receivable from brokers for security transactions	2,647,830	-
Other receivable	-	33,115
Total receivables	<u>30,312,817</u>	<u>22,913,027</u>
Investments, at fair value:		
U.S. government securities	27,541,348	66,738,709
Domestic corporate bonds and bond funds	120,249,529	122,285,959
International corporate and government bonds	203,114,588	214,652,638
Domestic equities	1,627,647,405	1,400,630,387
International equities	366,875,986	435,374,726
Private equity—non-real estate	524,534,338	551,068,159
Long/Short hedge funds	-	339,615
Real estate—core and private equity	512,813,143	389,077,090
Total investments, at fair value	<u>3,382,776,337</u>	<u>3,180,167,283</u>
Securities lending short-term collateral	89,929,460	97,513,997
Capital assets, net of accumulated depreciation	<u>717,266</u>	<u>773,765</u>
Total assets	<u>3,547,691,672</u>	<u>3,356,266,290</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	321,080,479	280,350,324
Net payable to brokers for security transactions	-	556,007
Securities lending collateral	<u>89,929,460</u>	<u>97,513,997</u>
Total liabilities	<u>411,009,939</u>	<u>378,420,328</u>
<b>Fiduciary net position restricted for pensions</b>	<b><u>\$ 3,136,681,733</u></b>	<b><u>2,977,845,962</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>2023</i>	<i>2022</i>
<b>Additions:</b>		
Contributions:		
Insurance premium taxes	\$ 114,291,486	102,442,025
Participating municipalities	53,366,157	45,932,405
Plan members/employees	33,965,756	29,183,440
Total contributions	<u>201,623,399</u>	<u>177,557,870</u>
Investment income (loss):		
From investment activities:		
Net appreciation/(depreciation) in fair value of investments	279,213,863	(409,429,522)
Interest	8,552,081	6,756,742
Dividends	17,970,816	17,820,941
Total investment income (loss)	<u>305,736,760</u>	<u>(384,851,839)</u>
Less investment expense	<u>(21,583,426)</u>	<u>(25,078,482)</u>
Income (loss) from investment activities	<u>284,153,334</u>	<u>(409,930,321)</u>
From securities lending activities:		
Securities lending income	474,601	221,368
Securities lending expenses:		
Borrower rebates	(273,291)	(6,851)
Management fees	(50,214)	(53,456)
Income from securities lending activities	<u>151,096</u>	<u>161,061</u>
Net investment income (loss)	<u>284,304,430</u>	<u>(409,769,260)</u>
Total additions (reductions)	<u>485,927,829</u>	<u>(232,211,390)</u>
<b>Deductions:</b>		
Pension benefit payments	322,855,884	306,544,554
Death benefit payments	1,125,000	1,300,000
Refunds to terminated participants	730,187	650,506
Total benefits and refunds	<u>324,711,071</u>	<u>308,495,060</u>
Administrative expenses	<u>2,380,987</u>	<u>2,257,894</u>
Total deductions	<u>327,092,058</u>	<u>310,752,954</u>
<b>Changes in fiduciary net position</b>	<b>158,835,771</b>	<b>(542,964,344)</b>
Fiduciary net position restricted for pensions:		
Beginning of year	<u>2,977,845,962</u>	<u>3,520,810,306</u>
<b>End of year</b>	<b><u>\$ 3,136,681,733</u></b>	<b><u>2,977,845,962</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, 2023 and 2022**

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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, 2023, there were 474 cities, 28 fire protection districts, and 132 county fire departments participating in the System. For report purposes, the System is deemed to be the administrator of the Oklahoma Firefighters Pension and Retirement Plan (the “Plan”). The State of Oklahoma remits, through the Oklahoma Insurance Department, a portion of the insurance premium taxes collected by authority of the State of Oklahoma. As a result of these contributions, the State of Oklahoma is considered a non-employer contributing entity to the Plan.

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

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

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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>2023</u>	<u>2022</u>
Active plan members	12,090	12,060
Retirees and beneficiaries currently receiving benefits	11,895	11,720
Vested members with deferred benefits	2,702	2,467
Deferred Option Plan members	<u>3</u>	<u>10</u>
	<u>26,690</u>	<u>26,257</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 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

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

**Recent Accounting Pronouncements, Continued**

modification to a lease. The Plan adopted GASB 93 on July 1, 2022, for the June 30, 2023, reporting year, which did not have a significant impact on the financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). GASB 94 defines and provides financial reporting requirements for Public-Private or Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA). A PPP is an arrangement between a government (transferor) and an operator (governmental or non-governmental) to provide public services by conveying the right to control or use a nonfinancial or infrastructure asset for a period of time in an exchange-like transaction. An APA is a similar arrangement where the operator may also be compensated for services that include designing, constructing, financing and maintaining a nonfinancial asset for a period of time. The Plan adopted GASB 94 on July 1, 2022, for the June 30, 2023, reporting year, which did not 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 adopted GASB 96 on July 1, 2022, for the June 30, 2023, reporting year, which did not have a significant impact on the 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 for the June 30, 2022, and June 30, 2023, reporting years. The remaining sections will be adopted by the Plan for the June 30, 2024, reporting year as required by GASB 99. GASB 99 will 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 June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* (GASB 100). GASB 100 prescribes 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 employee's 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, 2023 and 2022, 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, 2023 and 2022, the Board made no significant investment policy changes.

**Rates of Return**

*Money-Weighted Rate of Return*—For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on the Plan’s investments as defined by GASB 67, net of pension plan investment expense, was 9.01% and (10.11)%, 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, 2023 and 2022, the net return on average assets approximated 9.05% and (10.24)%, 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>2023</u>				
Domestic equity	S&P 500 Flagship Index Fund	238,500	\$ 191,006,500	281,673,534
Domestic bond	Brandywine Global Opportunistic Fixed Income	4,503,050	\$ 216,179,562	203,114,588
International equity	Chautauqua International Growth Equity LP	95,127,654	95,127,654	158,049,935
<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

\*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, 2022, the Plan had an operating lease expiring on October 31, 2022. The lease has been renewed for a 1-year term expiring on October 31, 2023. The present lease requires monthly payments of approximately \$3,700. Total lease expense for the years ended 2023 and 2022 was approximately \$44,000 and \$47,500, 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, 2023 and 2022, approximately \$185,000 and \$183,000, 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>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 183,000	154,000
Additions	75,000	77,000
Deductions	<u>(73,000)</u>	<u>(48,000)</u>
Balance at end of year	<u>\$ 185,000</u>	<u>183,000</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, 2023, 2022, and 2021. During 2023, 2022, and 2021, totals of \$135,997, \$128,894, and \$112,034, 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:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
System portion	\$ 105,108	99,485	86,967
Employee portion	<u>30,889</u>	<u>29,409</u>	<u>25,067</u>
	<u>\$ 135,997</u>	<u>128,894</u>	<u>112,034</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, 2023, 2022, and 2021, totals of \$87,912, \$82,142, and \$72,902, respectively, were paid to OPERS, representing 100% of the required contributions. The System’s and the employees’ contributions to Pathfinder for 2023, 2022, and 2021, were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
System portion	\$ 53,850	49,161	44,996
Employee portion	<u>34,062</u>	<u>32,981</u>	<u>27,906</u>
	<u>\$ 87,912</u>	<u>82,142</u>	<u>72,902</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 19, 2023, 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, July 1, 2021, and July 1, 2022 the State of Oklahoma, a non-employer contributing entity, allocated 25.2%, 36.0% and 37.8%, 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, 2023 or 2022.

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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 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.
- 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.
- 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, 2023 and 2022, total death benefits of \$1,125,000 and \$1,300,000, respectively, were paid from the Plan.
- 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.

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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**(3) DESCRIPTION OF THE PLAN, CONTINUED**

**Benefits, Continued**

- Firefighters with 20 or more years of service may elect to participate in the Oklahoma Firefighters Deferred Retirement Option Plan (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, 2023 and 2022, there were 3,347 and 3,179 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 73.

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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, 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, 2023 and 2022, there were 2,244 and 2,045 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>2023</u>	<u>2022</u>
Cash on deposit with the State of Oklahoma	\$ 1,166,623	559,115
Cash on deposit with custodial agents:		
U.S. currency deposits	42,675,800	54,195,563
Foreign currency deposits	113,369	143,540
	<u>42,789,169</u>	<u>54,339,103</u>
Total cash and cash equivalents	<u>\$ 43,955,792</u>	<u>54,898,218</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, 2020, the Plan no longer has short-term investments. These funds are now invested in interest-bearing cash accounts.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Plan, or are held by a counterparty or the counterparty's trust department but not in the name of the Plan. While the investment policy does not specifically address custodial credit risk of deposits, it does limit the amount of cash and short-term investments of each manager's portfolio. At June 30, 2023 and 2022, the carrying amounts of the Plan's cash and cash equivalents were \$43,955,792 and \$54,898,218, respectively, and the bank balances were \$45,943,668 and \$36,300,138, 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 \$113,000 and \$144,000 as of June 30, 2023 and 2022, 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>Debt</u>		
	<u>Equivalents</u>	<u>Equities</u>	<u>Securities</u>	<u>Total</u>	<u>Percentage</u>
<u>2023</u>					
Australian dollar	\$ -	3,784,525	-	3,784,525	0.664%
Canadian dollar	56	3,486,978	-	3,487,034	0.612%
Danish krone	-	12,106,052	-	12,106,052	2.123%
Euro currency	619	33,169,231	-	33,169,850	5.821%
Hong Kong dollar	-	3,244,558	-	3,244,558	0.569%
Japanese yen	-	5,664,815	-	5,664,815	0.994%
New Taiwan dollar	28,625	-	-	28,625	0.004%
Polish Zloty`	31,142	-	-	31,142	0.004%
Pound Sterling	-	19,551,758	-	19,551,758	3.429%
Swedish krona	-	7,781,784	-	7,781,784	1.365%
Swiss franc	52,927	11,843,172	-	11,896,099	2.087%
Commingled funds:		-			
Intl. Emerging Markets	-	108,193,178	-	108,193,178	18.978%
Intl. Common Stocks	-	158,049,935	-	158,049,935	27.723%
Intl. Debt Securities	-	-	203,114,588	203,114,588	35.628%
	<u>\$ 113,369</u>	<u>366,875,986</u>	<u>203,114,588</u>	<u>570,103,943</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>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 Fund	-	103,517,951	-	103,517,951	15.922%
Wellington EM Equity Fund	-	253,026,176	-	253,026,176	38.917%
Brandywine Global	-	-	214,652,638	214,652,638	33.015%
	<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**

**(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>2023</u>	<u>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	<u>Fair Value as a</u> <u>Percent of Total</u> <u>Fixed Maturity</u> <u>Fair Value</u>
U.S. Treasury securities	Aaa	\$ 27,541,348	100.00%
	Not Rated	-	0.00%
<b>Total U.S. government securities</b>		<b><u>\$ 27,541,348</u></b>	<b><u>100.00%</u></b>
Domestic corporate bonds and bond funds	Aaa	\$ -	0.00%
	Aa1	764,150	0.64%
	Aa3	819,730	0.68%
	A1	10,217,868	8.50%
	A2	10,025,061	8.34%
	A3	10,536,605	8.76%
	Baa1	12,643,289	10.51%
	Baa2	1,766,880	1.47%
	Baa3	3,689,880	3.07%
	Not Rated*	69,786,066	58.03%
<b>Total domestic corporate bonds and bond funds</b>		<b><u>\$ 120,249,529</u></b>	<b><u>100.00%</u></b>
International corporate and government bonds	Not Rated*	\$ 203,114,588	100.00%
<b>Total international corporate and government bonds</b>		<b><u>\$ 203,114,588</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>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	<u>Fair Value as a</u> <u>Percent of Total</u> <u>Fixed Maturity</u> <u>Fair Value</u>
<u>2022</u>			
U.S. Treasury securities	Aaa	\$ 66,738,709	100.00%
	Not Rated	-	<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**

**(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>2023</u>							
<b>U.S. government securities:</b>							
U.S. Treasury	\$ -	-	13,541,656	13,999,692	-	27,541,348	
<b>Total U.S. government securities</b>	-	-	13,541,656	13,999,692	-	27,541,348	
<b>Domestic corporate bonds and bond funds:</b>							
Corporate bonds	-	1,933,400	13,730,125	38,479,196	-	54,142,721	
U.S. government mortgages	-	-	1,168,567	64,938,241	-	66,106,808	
<b>Total domestic corporate bonds and bond funds</b>	-	1,933,400	14,898,692	103,417,437	-	120,249,529	

(Continued)

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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

**Interest Rate Risk, Continued**

Investment Type	Investment Maturities at Fair Value (in Years)					Investments with No Duration	Total Fair Value
	Less Than 1	1 or More, Less Than 5	5 or More, Less Than 10	10 or More			
<u>2023</u>							
<b>International corporate and government bonds:</b>							
International debt securities—Brandywine	-	-	-	-	203,114,588	203,114,588	
<b>Total international corporate and government bonds</b>	-	-	-	-	203,114,588	203,114,588	
	\$ -	1,933,400	28,440,348	117,417,129	203,114,588	350,905,465	

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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>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>	<b>-</b>	<b>13,104,738</b>	<b>32,397,608</b>	<b>21,236,363</b>	<b>-</b>	<b>66,738,709</b>	
<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>	<b>2,000,280</b>	<b>20,223,262</b>	<b>50,296,307</b>	<b>49,766,110</b>	<b>-</b>	<b>122,285,959</b>	

(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>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>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**

**Investments Measured at Fair Value**

<u>Investments by Fair Value Level</u> <u>2023</u>	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>Debt securities:</b>				
U.S. Treasury	\$ 27,541,348	27,541,348	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	54,142,721	-	54,142,721	-
U.S. government mortgage-backed securities	66,106,808	-	66,106,808	-
International corporate and government bonds:				
International debt securities—Brandywine	<u>203,114,588</u>	<u>203,114,588</u>	-	-
Total debt securities	<u>350,905,465</u>	<u>230,655,936</u>	<u>120,249,529</u>	<u>-</u>
<b>Equity securities—domestic:</b>				
Domestic equity—common stock and real estate investment trusts	1,179,613,647	-	1,179,613,647	-
SSgA U.S. Aggregate Bond INDX NL FD Mutual Fund	80,796,596	-	80,796,596	-
SSgA Russell Small CAP Completens Index Fund (CMD4)	85,563,628	-	85,563,628	-
S&P 500 Flagship Index Fund	<u>281,673,534</u>	-	<u>281,673,534</u>	-
Total domestic equities	<u>1,627,647,405</u>	<u>-</u>	<u>1,627,647,405</u>	<u>-</u>
<b>Equity securities—international:</b>				
Intl. Developed Market	258,682,808	258,682,808	-	-
Intl. Emerging Market	<u>108,193,178</u>	-	<u>108,193,178</u>	-
Total international equities	<u>366,875,986</u>	<u>258,682,808</u>	<u>108,193,178</u>	<u>-</u>

(Continued)

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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>2023</u>				
<b>Private equity:</b>				
Private equity—non-real estate focused	511,021,512	-	-	511,021,512
Private equity—real estate focused	193,523,969	-	-	193,523,969
Total private equity	<u>704,545,481</u>	<u>-</u>	<u>-</u>	<u>704,545,481</u>
<b>Long/Short hedge fund:</b>				
Long/Short hedge—OFP Permal Fund	76,358	-	-	76,358
Total long/short hedge fund	<u>76,358</u>	<u>-</u>	<u>-</u>	<u>76,358</u>
<b>Investments measured at net asset value (NAV):</b>				
Private equity—real estate focused—				
AG Net Lease Realty Fund III	21,702,363	-	-	-
Private equity—real estate focused—IFM				
Global Infrastructure (US), L.P.	117,617,083	-	-	-
Private equity—real estate focused—AG Realty				
Value Fund XI, L.P.	4,290,374	-	-	-
Private equity—non-real estate focused—				
Adams Street Co-investment Fund V A	13,436,468	-	-	-
Core Real Estate—JP Morgan				
Strategic Property Fund	112,912,936	-	-	-
Core Real Estate—JP Morgan				
Special Situation Property Fund	62,766,418	-	-	-
Total investments measured at NAV	<u>332,725,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 3,382,776,337</u>	<u>489,338,744</u>	<u>1,856,090,112</u>	<u>704,621,839</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>				
<u>2022</u>				
<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>	-	-
Total debt securities	<u>403,677,306</u>	<u>281,391,347</u>	<u>122,285,959</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>244,392,983</u>	-
Total domestic equities	<u>1,400,630,387</u>	-	<u>1,400,630,387</u>	-
<b>Equity securities—international:</b>				
Intl. Developed Market	331,856,774	331,856,774	-	-
Intl. Emerging Market	<u>103,517,952</u>	-	<u>103,517,952</u>	-
Total international equities	<u>435,374,726</u>	<u>331,856,774</u>	<u>103,517,952</u>	-

(Continued)

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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>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>Investments measured at net asset value (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**

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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, 2023, the Plan was invested in 43 different PE partnerships (18 of which were real estate) and had a remaining commitment of approximately \$417,000,000 for the non-real estate PE partnerships and approximately \$128,000,000 for the real estate PE partnerships. 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. The Plan entered into 4 new PE partnership agreements during fiscal year 2023 (3 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 \$149,000,000 (\$104,000,000 non-real estate PE and \$45,000,000 real estate PE), which was partially funded prior to June 30, 2023. 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. 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 fair 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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**(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 2023 or 2022. 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 7 days and 4 days as of June 30, 2023 and 2022, 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, 2023 and 2022, 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</u>	<u>Fair Value of</u>	<u>% of Collateral</u>
<u>2023</u>	<u>Held</u>	<u>Securities on</u>	<u>Held to</u>
		<u>Loan</u>	<u>Securities on</u>
			<u>Loan</u>
Securities on loan with:			
Cash collateral	\$ 6,120,998	6,004,535	102%
Non-cash collateral	83,808,462	76,292,257	110%
	<u>\$ 89,929,460</u>	<u>82,296,792</u>	
<u>2022</u>			
Securities on loan with:			
Cash collateral	\$ 10,235,986	9,968,087	103%
Non-cash collateral	87,278,011	80,026,785	109%
	<u>\$ 97,513,997</u>	<u>89,994,872</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. Investments in limited partnerships (alternative investments) and commingled funds may include derivatives. 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.

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

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

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**(6) DEFERRED OPTION PLAN**

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

	<u>2023</u>	<u>2022</u>
Assets at beginning of year	\$ 497,189,839	495,814,075
Employer's contributions	124,018	100,152
Retirement benefit payments	(42,277,314)	(35,070,289)
Retirement benefits transferred from pension plan	318,345	574,523
Interest on Deferred Option Plan balances	<u>35,587,441</u>	<u>35,771,378</u>
Assets at end of year	<u>\$ 490,942,329</u>	<u>497,189,839</u>

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

**(7) "BACK" DROP PLAN**

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

	<u>2023</u>	<u>2022</u>
Assets at beginning of year	\$ 743,447,032	651,012,758
Employer's contributions	10,366,741	14,347,431
Retirement benefit payments	(46,729,694)	(45,542,962)
Retirement benefits transferred from pension plan	35,227,271	50,010,855
Interest on "Back" DROP Plan balances	<u>72,028,982</u>	<u>73,618,950</u>
Assets at end of year	<u>\$ 814,340,332</u>	<u>743,447,032</u>

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

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**  
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**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM**  
**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>2023</u>	<u>2022</u>
Total pension liability	\$ 4,426,932,181	4,285,580,433
Fiduciary net position	<u>3,136,681,733</u>	<u>2,977,845,962</u>
Employers' net pension liability	<u>\$ 1,290,250,448</u>	<u>1,307,734,471</u>
Fiduciary net position as a percentage of total pension liability	<u>70.85%</u>	<u>69.49%</u>

*Actuarial Assumptions*—The total pension liability was determined by an actuarial valuation as of July 1, 2023 and 2022, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75% for 2023 and 2022
Salary increases:	For paid firefighters, 2.75% to 10.50% for 2023 and 2022; not applicable for volunteer firefighters
Investment rate of return:	7.5%, net of pension plan investment expense, for 2023 and 2022

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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 2023 and 2022, 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, 2023 and 2022, 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 2.62% and 2.31% for 2023 and 2022, 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>2023</u>	<u>2022</u>
	<i>(Includes inflation factor)</i>	
Fixed income	5.80%	3.62%
Domestic equity	9.49%	5.66%
International equity	11.55%	8.34%
Real estate	9.48%	7.64%
Other assets	6.47%	5.08%



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**NOTES TO FINANCIAL STATEMENTS, CONTINUED**

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

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

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

The Plan will also receive \$40,625 each year from July 1, 2020, through June 30, 2027. Based on these assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan’s investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
<u>2023</u>			
Employers' net pension liability	<u>\$ 1,681,252,103</u>	<u>1,290,250,448</u>	<u>963,269,659</u>
<u>2022</u>			
Employers' net pension liability	<u>\$ 1,685,116,694</u>	<u>1,307,734,471</u>	<u>992,072,624</u>

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN**  
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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, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at</u> <u>June 30, 2023</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	<u>(430,333)</u>	<u>(56,499)</u>	<u>-</u>	<u>(486,832)</u>
Capital assets, net	<u>\$ 773,765</u>	<u>(56,499)</u>	<u>-</u>	<u>717,266</u>

	<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>

**(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 2023 and 2022:

2023

Senate Bill 630—Provides for tax changes made at the federal level. This bill raises the Required Minimum Distribution (RMD) age to 72 from age 70 ½. The bill also changes the requirement that the Plan withhold insurance premium taxes from the members benefit to qualify for the federal \$3,000 exclusion. The member can now make the payment directly to their insurance provider and still qualify for the \$3,000 annual exclusion from income.

2022

- House Bill 2034—Provides that State Retirement Systems may not invest in and must divest from 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.

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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, 2023, the System has accrued approximately \$317,100,000 of interest that was included in accrued expenses as of June 30, 2023.

**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>2023</u>	<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>
<b>Total pension liability</b>										
Service cost	\$ 69,597,348	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
Interest	314,461,668	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
Changes of benefit terms	-	-	-	-	-	(144,096,161)	-	-	-	-
Differences between expected and actual experience	82,003,803	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
Changes in assumptions	-	-	-	-	(33,414,214)	-	-	-	-	-
Benefit payments, including refunds of member contributions	<u>(324,711,071)</u>	<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>
Net change in total pension liability	141,351,748	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
Total pension liability— beginning	<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>
Total pension liability— ending (a)	<u>\$ 4,426,932,181</u>	<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>

(Continued)

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

	<u>2023</u>	<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>
<b>Plan fiduciary net position</b>										
Contributions—										
employers/municipalities	\$ 53,366,157	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
Contributions—members	33,965,756	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
Contributions—										
State of Oklahoma, a										
non-employer										
contributing entity	114,291,486	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
Net investment										
income (loss)	284,304,430	(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
Benefit payments,										
including refunds of										
member contributions	(324,711,071)	(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)
Administrative expense	(2,380,987)	(2,257,894)	(2,194,352)	(2,156,585)	(2,194,806)	(2,098,370)	(2,387,774)	(1,994,301)	(2,029,087)	(1,958,101)
Net change in plan										
fiduciary net position	158,835,771	(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
Plan fiduciary net										
position—beginning	<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 fiduciary net										
position—ending (b)	<u>\$ 3,136,681,733</u>	<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>
Plan's net pension										
liability (a) - (b)	<u>\$ 1,290,250,448</u>	<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>

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

	<u>2023</u>	<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>
Total pension liability	\$ 4,426,932,181	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
Plan fiduciary net position	<u>3,136,681,733</u>	<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>
Plan net pension liability	<u>1,290,250,448</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.85%</u>	<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>
Covered payroll	<u>\$ 344,072,473</u>	<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>
Plan net pension liability as a percentage of covered payroll	<u>374.99%</u>	<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>



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

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

**Last 10 Fiscal Years**

	<u>2023</u>	<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>
Actuarially determined contribution	\$ <u>151,503,140</u>	<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>
Contributions in relation to the actuarially determined contribution:										
Employers/Municipalities	45,285,476	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
State of Oklahoma, a non-employer contributing entity	<u>114,291,486</u>	<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>159,576,962</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>
Contribution deficiency	\$ <u>(8,073,822)</u>	<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>
Covered payroll	\$ <u>344,072,473</u>	<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>
Contributions as a percentage of covered payroll	<u>46.38%</u>	<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>

**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>2023</u>	<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>
Annual money-weighted rate of return, net of investment expense, as defined by GASB 67	<u>9.01%</u>	<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>
Net return on average assets	<u>9.05%</u>	<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>

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

Administered by

**OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM****NOTES TO REQUIRED SUPPLEMENTARY INFORMATION****June 30, 2023**

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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 2023, 2022, and 2021, and Conduent, formerly Buck Consultants, LLC, for all prior years). Additional information as of the July 1, 2022, valuation follows:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar—closed
Remaining amortization:	21 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 fair 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>2023</i>	<i>2022</i>
Investment management fees	\$ 21,069,200	24,337,723
Investment consultant fees	<u>514,226</u>	<u>740,759</u>
Total investment expenses	<u>\$ 21,583,426</u>	<u>25,078,482</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>2023</i>	<i>2022</i>
Staff salaries	\$ 1,076,377	957,868
FICA and retirement	161,052	204,947
Insurance	151,300	148,909
Total personal services	<u>1,388,729</u>	<u>1,311,724</u>
Actuarial	73,100	53,300
Audit	89,783	87,488
Legal	542,449	383,488
Other	7,877	55,934
Total professional/consultant services	<u>713,209</u>	<u>580,210</u>
Office space and equipment	43,849	47,504
Total rental	<u>43,849</u>	<u>47,504</u>
Travel	40,824	49,614
Maintenance	25,730	8,634
Computer/data	111,995	161,524
Other	56,651	98,684
Total miscellaneous	<u>235,200</u>	<u>318,456</u>
Total administrative expenses	<u>\$ 2,380,987</u>	<u>2,257,894</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>2023</i>	<i>2022</i>
	<b><u>Professional/Consultant</u></b>		
	<b><u>Service</u></b>		
	Definiti, LLC	\$ 73,100	53,300
	Finley & Cook, PLLC	49,760	55,700
	Crawford & Associates	26,291	19,991
	Berwyn Group	3,700	3,250
	State Auditor & Inspector and Other	17,909	64,481
	Davis, Graham, Stubbs, LLP	94,294	128,801
	Phillips Murrah	448,155	254,687
		<u>448,155</u>	<u>254,687</u>
	<b>Total Professional/Consultant Fees</b>	<b>\$ <u>713,209</u></b>	<b><u>580,210</u></b>

# Investment Section

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







## Clients first.

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

November 9, 2023

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. All investment data being presented is based on fair value.

Broad U.S. and International equity markets achieved meaningful gains across style and capitalization for the fiscal year. The Standard and Poor's 500 Index returned 19.6% for the period. A variety of factors contributed to performance including moderating inflation, a strong labor market and healthy consumer, and economic growth. Economic growth moderated throughout the year but remained positive as the market digested higher interest rates. The return dispersion across market styles was wide for the trailing year and growth stocks were up more than value stocks by a two-to-one margin across large, mid, and small style-based indexes. The return dispersion was also noteworthy with the Russell 1000 Growth Index returning 27.1%, and at the other end of the spectrum, the Russell 2000 Value Index posting a return of 6.0%. The trailing 1-year results for both international developed and emerging markets were positive. The MSCI EAFE Index returned 18.8% in US dollars (USD) for the year and 17.5% in local currency (LCL) terms. Returns across emerging markets were marginally positive with the MSCI Emerging Markets Index gaining 1.7% in USD and 3.3% in LCL terms. In the face of rising interest rates, bond market returns were largely negative over the trailing 1-year period with the Bloomberg US Aggregate Index dropping by -0.9%. Non-US bonds were also under pressure over the past year with the developed market Bloomberg Global Aggregate ex US Index falling by -1.8%. The combination of stubbornly high inflation, higher interest rates, longer maturity profile, and USD strength contributed to weak bond index performance for the year.

For the fiscal year ending June 30, 2023, the total fair value of the Plan for the OK Firefighters' Pension and Retirement Plan increased from \$3,238,919,611 to \$3,425,809,174. The Plan experienced cash flow activity resulting in net withdrawals of -\$100,961,861 for the year. The Plan investments increased \$291,746,484 or 9.16% (gross of explicit fees) and 9.03% (net of fees paid from the State Street custodial accounts) slightly underperforming the custom benchmark return of 9.85% but outperforming the actuarial assumption of 7.50% for the period. The Plan also outperformed the

median public fund return of 8.95% and ranked in the 44<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: 42.5% domestic equity, 14.4% international equity, 3.3% other equity, 6.7% domestic fixed income, 5.9% global fixed income, 6.4% other fixed income, 11.6% real estate, 8.9% other assets, and 0.2% 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 to active investment management to seek alpha generation. For the fiscal year, the total domestic equity portfolio was 42.5% of the total fund and increased from \$1,357,038,117 to \$1,457,658,675. The total domestic equity return on investment was \$233,181,367 or 18.1% (gross of explicit fees), trailing the Russell 3000 Index return of 19.0% for the period.

For the trailing one year, the equity market had a dramatic positive move higher following the drawdown in 2022. All Broad US equity market indexes increased over the year.

### **International Equity**

Much like domestic equity markets, trailing one-year results for international developed and emerging markets rolled off their poor performance from early 2022 which resulted in positive results for the trailing year. The MSCI EAFE Index returned 18.8% in USD for the year and 17.5% in LCL terms. Annual returns across emerging markets were more bifurcated. Latin American results led the way with returns of 29.8% in USD and 16.9% in LCL terms. Performance in the EM Asia regional benchmark detracted from emerging market index with the EM Asia Index posting returns of -0.9% in USD and 1.4% in LCL terms. As a result, the broad MSCI Emerging Markets Index returned a muted 1.7% in USD and 3.3% in LCL terms for the year. For the fiscal year, the total international equity portfolio is 14.4% of the total fund and increased from \$439,797,171 to \$494,425,090. The total international equity return on investment was \$56,408,417 or 13.11% (gross of explicit fees) outperforming the MSCI ACW ex US Index return of 12.72%. The developed international equity portfolio composite returned 15.78% outperforming the MSCI ACW ex. US index return of 12.72% for the period. The emerging market equity portfolio returned 4.52% outperforming the MSCI Emerging Market Equity Index return of 1.75% for the period.

### **Domestic Fixed Income**

U.S. fixed income markets over the trailing one-year period were down marginally. Concerns about current inflation levels, combined with the Fed's stated commitment to continue raising interest rates depending on incoming economic data, were the primary drivers of losses during the year. Performance was mostly negative across bond market sectors during the year with corporate and high yield bonds as the lone standouts. Over the trailing 1-year period, domestic investment grade benchmark performance was negative and led lower by US Treasury Bonds down -2.1% and mortgage bonds down -1.5%. The bellwether Bloomberg US Aggregate Bond Index declined by -0.9% for the year. Overall, lower credit quality securities outperformed high credit quality securities during the year, with high yield up 9.1% versus 1.5% for investment grade corporates. For the fiscal year, the total domestic fixed income portfolio was 6.7% of the total fund and decreased from \$263,200,462 to \$230,869,700, due primarily to negative cashflows. The total domestic fixed income return on investment was -\$562,406 or -0.30% (gross of explicit fees) outperforming the Bloomberg Barclays Aggregate Index return of -0.94% for the period.

### **Global Fixed Income**

Global fixed income markets were also negative in comparison to US fixed income for fiscal year 2023. A steepening yield curve, and longer duration, combined with geopolitical risks, 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 5.9% of the total fund and decreased from \$214,681,221 to \$203,117,075 due to rebalancing. The total global fixed income return on investment was \$3,435,854 or 1.56% (gross of fees) outperforming the Bloomberg Barclays Aggregate Global ex US Index return of -1.83% for the period.

### Real Estate

The real estate markets deteriorated in response to rising interest rates and concerns for commercial office properties against a backdrop of hybrid work. Open-end core and value added private real estate funds generated negative returns for the period. For the fiscal year, the total real estate portfolio was 11.6% of the total fund and increased from \$387,374,640 to \$398,394,622 due to net transfers. The total real estate return on investment was -\$21,584,709 or -5.78% (gross of explicit fees) outperforming the NCREIF ODCE (Open End Diversified Core Equity - EW) Index return of -9.82% for the period.

### Other Equity

For the fiscal year, the total other equity portfolio was 3.3% of the total fund and increased from \$75,608,585 to \$112,350,702. Even with the segment's lagged valuations, the total other equity return on investment was \$13,278,632 or 15.74% (gross of explicit fees) but fell short of the liquid Russell 3000 Index return of 18.95% for the period.

### Other Fixed Income

For the fiscal year, the total other fixed portfolio was 6.4% of the total fund and increased from \$202,964,732 to \$219,373,442 due to positive net transfers. The total other fixed return on investment was -\$5,538,000 or -2.60% (gross of fees) underperforming the Bloomberg Barclays Aggregate Index return of -0.94% for the period. This portfolio segment has lagged valuations for some private market holdings.

### Other Assets

The private equity secondary and infrastructure markets have been attractive places for investors to deploy capital as demonstrated by the growth in both transactions and fundraising. For the fiscal year, the total other asset portfolio was 8.6% of the total fund and increased from \$278,610,517 to \$303,597,934. The total other asset return on investment was \$12,298,174 or 4.21% (gross of explicit fees) underperforming the Other Assets Policy Index return of 5.21% for the period. This portfolio segment has lagged valuations for the private equity secondary holdings.

### Total Fund Performance Review

The Plan return of 9.16% (gross of explicit fees) and 9.03% (net of fees paid from the State Street custodial accounts) underperformed the policy benchmark of 9.85%, beat the 7.50% actuarial assumption target, and ranked in the 44<sup>th</sup> percentile of pension funds across the U.S. in the Public Fund Plan Sponsor Universe for fiscal 2023.

### Comparative Performance as of June 30, 2023

<u>Return % &amp; (Rank)</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Total Fund (Net)	9.03% (44)	8.85% (15)	7.64% (8)	8.80% (2)
Policy Benchmark	9.85%	8.02%	7.11%	8.04%

The Plan outperformed the 7.50% actuarial assumption in 6 of the 10 prior fiscal year periods. As of June 30, 2023, for the 3-year, 5-year, and 10-year periods, the Plan outperformed the policy benchmark, exceeded the 7.50% actuarial

assumption target and ranked in the top quartile 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, 2023

The Plan's ten largest stock, fixed income and partnership holdings at June 30, 2023.

Largest Stock Holdings (by Fair Value)		
Security	Shares Held	Fair Value
MSCI Inc.	2,450,722	\$ 62,782,609
Microsoft Corp.	131,012	44,614,826
Apple Inc.	178,172	34,560,023
NVIDIA Corp.	2,000,000	22,183,169
Amazon Inc.	165,872	21,623,074
Alphabet Inc.	121,516	14,661,802
Meta Platforms Inc.	37,937	10,887,160
Merck & Co. Inc.	75,624	8,726,253
Martin Marietta Materials	18,509	8,545,420
Ameriprise Financial Inc.	24,896	8,269,455

Largest Fixed Income Holdings (by Fair Value)		
Security	Par Value	Fair Value
FNMA Pool FM695 FN 04/51 Fixed Var	3,949,954	3,365,282
FNMA Pool FS1877 FN 05/52 Fixed Var	3,294,982	2,903,077
FNMA Pool FS2994 FN 09/42 Fixed Var	3,322,179	2,888,701
FNMA MA4599 FN 05/52 Fixed 3	3,278,244	2,886,101
FNMA Pool MA4782 FN 10/52 Fixed 3.5	3,160,955	2,881,053
FNMA Pool MA4783 FN 10/52 Fixed 4	3,060,046	2,872,373
FED HM LN PC Pool SD8200 FR 03/52 Fixed 2.5	3,373,098	2,861,736
FNMA Pool MA4842 FN 12/52 Fixed 5.5	2,860,460	2,855,083
FNMA Pool CA7743 FN 11/50 Fixed 2.5	3,336,575	2,843,829
FED HM LN PC Pool SC0314 FR 09/42 Fixed 2.5	3,268,896	2,814,847

Largest Limited Partnership Holdings (by Fair Value)	
Limited Partnership	Fair Value
PIMCO Private Income Fund	53,911,105
Terracap Partners V institutional LP	52,814,605
ASF VIII B L.P.	49,153,393
PIMCO Private Income Fund Onshore Feeder LLC	44,606,742
PIMCO BRAVO III Onshore Feeder LP	43,214,815
Dune Real Estate Fund IV LP	39,585,354
PIMCO BRAVO IV Onshore Feeder LP	38,271,077
Schroders Capital Private EQUI LP	36,817,725
AESF VIII LP	36,005,086
Mesirow Financial RE Value Fund IV LP	35,369,008

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, 2023**

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	\$ 217	0.0%	0.0%
Chautauqua International Growth Requity QP Fund, LP	Equity	158,051	32.0%	4.6%
WCM Investment Management	Equity	165,152	33.4%	4.8%
SSGA MSCI-ACWI US - NL (LIQP)	Equity	62,783	12.7%	1.8%
RBC GAM Emerging Markets	Equity	57,021	11.5%	1.7%
Wellington Emerging Markets	Equity	51,172	10.4%	1.5%
Artio Global Management LLC	Equity	0	0.0%	0.0%
<b>Domestic Equity</b>				
Intech	Equity	228,429	15.7%	6.7%
Aristotle Value Equity	Equity	129,060	8.9%	3.8%
Beutel Goodman & Company	Equity	125,179	8.6%	3.7%
Fred Alger Management, Inc.	Equity	255,939	17.6%	7.5%
SSGA S&P 500 - NL (LIQP)	Equity	281,674	19.3%	8.2%
SSGA S&P Equal Weighted - NL (LIQP)	Equity	-	0.0%	0.0%
Earnest Partners	Equity	88,962	6.1%	2.6%
River Road Management	Equity	88,128	6.0%	2.6%
Jackson Square Partners	Equity	86,233	5.9%	2.5%
Lord Abbett & Co.	Equity	88,492	6.1%	2.6%
SSGA Small CAP Completeness - NI (LIQP)	Equity	85,564	5.9%	2.5%
<b>Other Equity</b>				
APE Fund IV	Equity	24,871	22.1%	0.7%
APE Fund V	Equity	10,686	9.5%	0.3%
LGT CCO III	Equity	20,948	18.6%	0.6%
Schroders PEGD III	Equity	36,818	32.8%	1.1%
Adams Street Co-Inv V A	Equity	13,494	12.0%	0.4%
Riverside Micro-Cap Fund VI	Equity	5,535	4.9%	0.2%
<b>Domestic Fixed Income</b>				
Garcia Hamilton & Associates	Fixed Income	87,875	38.1%	2.6%
Orleans Capital	Fixed Income	62,198	26.9%	1.8%
SSGA BB US Aggregate - NL (LIQP)	Fixed Income	80,797	35.0%	2.4%
<b>Global Fixed Income</b>				
Brandywine Global Fixed	Fixed Income	0	0.0%	0.0%
Brandywine Global Opportunistic FI CI A	Fixed Income	203,117	100.0%	5.9%
<b>Other Fixed Income</b>				
Medley Opportunity Fund II	Fixed Income	2,025	0.9%	0.1%
PIMCO COF II	Fixed Income	15,011	6.8%	0.4%
PIMCO Bravo III	Fixed Income	43,221	19.7%	1.3%
PIMCO Bravo IV	Fixed Income	38,271	17.4%	1.1%
PIMCO Private Income Fund CI A & B	Fixed Income	98,518	44.9%	2.9%
ComVest Capital Partners Fund VI	Fixed Income	22,327	10.2%	0.7%
<b>Real Estate</b>				
JP Morgan Strategic Property Fund	Real Estate	112,913	28.3%	3.3%
JP Morgan Special Situation Property Fund	Real Estate	62,766	15.8%	1.8%
Portfolio Advisors Real Estate III	Real Estate	2,117	0.5%	0.1%
Portfolio Advisors Real Estate IV	Real Estate	652	0.2%	0.0%
Portfolio Advisors Real Estate V	Real Estate	3,333	0.8%	0.1%
Portfolio Advisors Real Estate VI	Real Estate	16,371	4.1%	0.4%
AG Net Lease Realty III	Real Estate	21,408	5.4%	0.6%
AG Realty Value Fund XI	Real Estate	4,312	1.1%	0.1%
Mesirow Financial Real Estate Fund II	Real Estate	4,044	1.0%	0.0%
Mesirow RE Value Fund IV	Real Estate	35,370	8.9%	1.0%
Dune Real Estate Fund III	Real Estate	8,859	2.2%	0.3%
Dune Real Estate Fund IV, LP	Real Estate	39,585	9.9%	1.2%
Landmark Real Estate Partners VII, LP	Real Estate	3,722	0.9%	0.1%
Hall Capital III	Real Estate	5,436	1.4%	0.2%
Hall Real Estate Fund II	Real Estate	10,391	2.6%	0.3%
TerraCap Partners V, LP	Real Estate	52,815	13.3%	1.5%
Centerbridge Partners RE Fund II, LP	Real Estate	14,301	3.6%	0.4%
<b>Other Assets</b>				
Pomona Capital Fund VIII	Other Assets	2,946	1.0%	0.1%
Pomona Capital Fund IX	Other Assets	25,139	8.3%	0.7%
Pomona Capital Fund X	Other Assets	19,732	6.5%	0.6%
Ardian Secondary Fund VI	Other Assets	5,818	1.9%	0.2%
Ardian Early Secondary Fund VI	Other Assets	36,289	12.0%	1.1%
ASF VIII L.P.	Other Assets	49,153	16.2%	1.4%
Capital Dynamics Global Secondaries IV	Other Assets	23,299	7.7%	0.7%
Capital Dynamics Global Secondaries Funds VI	Other Assets	23,527	7.8%	0.6%
IFM Global Infrastructure (US) LP	Other Assets	117,617	38.8%	3.4%
<b>Cash and Cash Equivalents</b>				
90 Day U.S. Treasury Bill	Cash & Cash Eq.	7,049	100.0%	0.2%
<b>Total Investments and Cash and Cash Equivalents</b>		<b>\$ 3,426,732</b>	<b>100.0%</b>	

## Net Performance Summary By Investment Manager

For the Period Ending June 30, 2023

Investment Managers by Investment Type	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
<b>International Equity</b>				
Chautauqua International Growth Requity QP Fund, LP	0.17%	12.71%	9.17%	N/A
SSGA MSCI-ACWI US - NL (LIQP)	2.55%	12.94%	N/A	N/A
WCM Investment Management	3.89%	20.68%	8.19%	10.61%
<i>MSCI AC World ex USA</i>	2.44%	12.72%	7.22%	3.52%
RBC GAM Emerging Markets	2.60%	9.34%	5.06%	N/A
Wellington Emerging Markets	0.20%	-0.38%	1.31%	N/A
<i>MSCI Emerging Markets (Net) Index</i>	0.90%	1.75%	2.32%	0.93%
<b>Domestic Equity Managers</b>				
Intech	7.42%	18.38%	13.68%	11.57%
SSGA S&P 500 - NL (LIQP)	8.74%	19.57%	N/A	N/A
<i>S&amp;P Index</i>	8.74%	19.59%	14.60%	12.31%
SSGA Small CAP Completeness - NI (LIQP)	6.38%	15.33%	N/A	N/A
<i>Russell Small Cap Completeness Index</i>	6.40%	15.32%	10.05%	6.60%
Aristotle Value Equity	4.52%	14.14%	N/A	N/A
Beutel Goodman & Company	3.82%	18.31%	15.34%	12.59%
<i>Russell 1000 Value Index</i>	4.07%	11.54%	14.30%	8.11%
Fred Alger Management, Inc.	13.86%	25.05%	7.61%	11.81%
<i>Russell 1000 Growth Index</i>	12.81%	27.11%	13.73%	15.14%
Earnest Partners	4.71%	16.75%	18.16%	11.08%
<i>Russell 2500 Value Index</i>	4.37%	10.37%	16.07%	5.32%
River Road Management	3.31%	13.66%	16.01%	8.58%
<i>Russell 2000 Value Index</i>	3.18%	6.01%	15.43%	3.54%
Jackson Square Partners	1.22%	11.28%	-4.78%	2.92%
<i>Russell 2500 Growth Index</i>	6.41%	18.58%	6.56%	7.00%
Lord Abbett & Co.	3.49%	13.06%	2.51%	7.63%
<i>Russell 2000 Growth Index</i>	7.05%	18.53%	6.10%	4.22%
<b>Other Equity</b>				
APE Fund IV	14.13%	50.98%	27.17%	N/A
APE Fund V	-3.16%	-1.23%	N/A	N/A
LGT CCO III	5.34%	10.37%	N/A	N/A
Schroders PEGD III	7.36%	-0.37%	N/A	N/A
Adams Street CO-Inv V	4.07%	8.92%	N/A	N/A
Riverside Micro-Cap Fund VI	4.34%	N/A	N/A	N/A
<i>Cambridge Associates Private Equity Index</i>	0.00%	1.18%	19.82%	14.39%
<b>Domestic Fixed Income</b>				
Garcia Hamilton & Associates	-1.23%	-0.76%	-3.20%	0.88%
SSGA BB US Aggregate - NL (LIQP)	-0.83%	-0.90%	N/A	N/A
Orleans Capital	-0.73%	0.22%	-3.47%	1.05%
<i>Blmbg US Aggregate Index</i>	-0.84%	-0.94%	-3.97%	0.77%
<b>Global Fixed Income</b>				
Brandywine Global Opportunistic FI CI A	-0.40%	1.57%	-1.64%	N/A
<i>Blmbg Global Aggregate Ex USD</i>	-2.16%	-1.83%	-5.88%	-2.65%
<b>Other Fixed Income</b>				
Medley Opportunity Fund II	-1.16%	-2.53%	-4.46%	-9.03%
<i>Credit Suisse Leveraged Loan Index</i>	3.12%	10.10%	6.16%	4.02%
PIMCO COF II	-0.98%	23.10%	25.03%	14.22%
PIMCO Bravo III	-0.95%	-3.43%	12.63%	8.30%
PIMCO Bravo IV	0.23%	-17.09%	N/A	N/A
PIMCO Private Income Fund CI A & B	2.22%	0.74%	1061.00%	N/A
ComVest Capital Partners Fund VI	1.28%	N/A	N/A	N/A
<i>Blmbg Global Credit</i>	0.35%	20.15%	28.04%	13.74%

## Net Performance Summary By Investment Manager, Continued

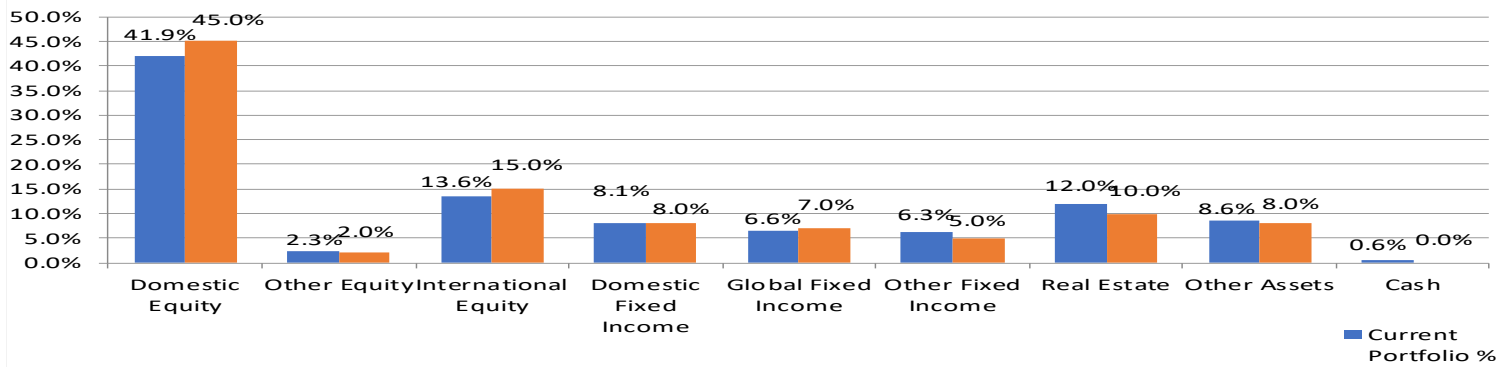
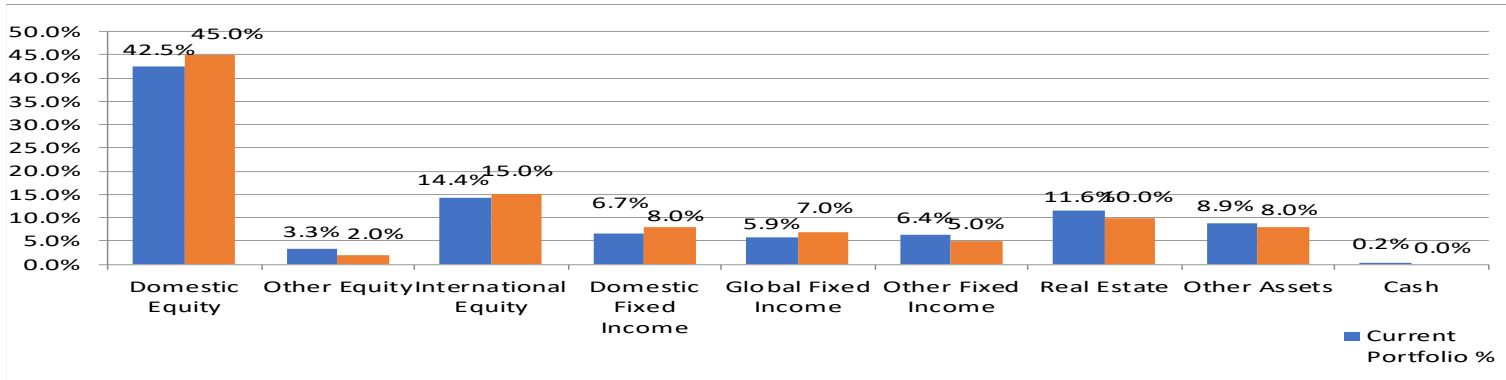
For the Period Ending June 30, 2023

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	-1.56%	-10.40%	7.15%	5.79%
JP Morgan Special Situation Property Fund	-3.21%	-17.28%	5.38%	5.70%
Portfolio Advisors Real Estate III	3.66%	5.52%	-2.52%	-3.78%
Portfolio Advisors Real Estate IV	-9.29%	-23.51%	-2.79%	-0.29%
<i>NCREIF Fund Open End Diversified Core Equity</i>	0.00%	-7.16%	9.54%	7.58%
Portfolio Advisors Real Estate V	-1.52%	-7.11%	-6.76%	-4.38%
Portfolio Advisors Real Estate VI	0.45%	-2.96%	9.19%	9.07%
AG Net Lease Realty III	2.24%	6.31%	7.93%	7.45%
AG Realty Value Fund XI	-6.98%	N/A	N/A	N/A
Mesirow Financial Real Estate Fund II	0.15%	5.48%	39.32%	27.46%
Mesirow RE Value Fund IV	0.69%	3.90%	N/A	N/A
Dune Real Estate Fund III	1.20%	-0.99%	-2.02%	0.50%
Dune Real Estate Fund IV, LP	1.51%	16.71%	4.71%	N/A
Landmark Real Estate Partners VII, LP	2.11%	-8.67%	-2.86%	-2.08%
Hall Capital III	0.42%	-26.73%	-6.61%	-1.57%
Hall Real Estate Fund II	0.11%	-13.85%	6.31%	N/A
TerraCap Partners V, LP	-1.42%	5.21%	N/A	N/A
Centerbridge Partners RE Fund II, LP	3.97%	-8.88%	N/A	N/A
<i>Real Estate Manager Benchmark</i>	0.00%	-7.70%	8.71%	6.73%
<b>Other Assets</b>				
Pomona Capital Fund VIII	1.47%	-12.69%	23.62%	11.89%
Pomona Capital Fund IX	7.62%	-1.53%	27.17%	18.62%
Pomona Capital Fund X	7.92%	-15.03%	N/A	N/A
Ardian Secondary Fund VI	0.29%	-11.26%	20.88%	12.81%
Ardian Early Secondary Fund VI	1.93%	4.60%	18.61%	13.78%
ASF VIII L.P.	0.32%	-6.25%	31.10%	N/A
Capital Dynamics Global Secondaries Funds IV	1.00%	-8.58%	10.25%	7.95%
Capital Dynamics Global Secondaries Funds VI	42.77%	N/A	N/A	N/A
<i>Cambridge Associates Private Equity Index</i>	0.00%	1.18%	19.82%	14.39%
IFM Global Infrastructure (US) LP	2.53%	9.60%	N/A	N/A
<i>Blmbg U.S. Tsy Bellwether</i>	1.30%	6.48%	4.59%	5.56%
<b>Cash and Cash Equivalents</b>				
90 Day U.S. Treasury Bill	1.17%	3.59%	1.57%	1.55%
<b>Total Portfolio</b>				
<b>Total Portfolio Net of Fees</b>	<b>3.70%</b>	<b>9.07%</b>	<b>8.86%</b>	<b>7.65%</b>
<i>Policy Index (1)</i>	4.08%	10.14%	8.12%	7.17%

Source: AndCo Consulting, Report June 30, 2023. All returns based on investment industry standards for return calculations.



## Current Portfolio versus Target Policy Allocation For the Fiscal Years Ended June 30, 2023 and June 30, 2022



## Schedule of Investment Fees For the Fiscal Year Ended June 30, 2023 and 2022

Investment Managers Fees	2023	2022
Domestic Equity	\$ 4,669,700	\$ 7,884,062
Other Equity	1,616,501	2,107,560
International Equity	2,083,016	3,130,543
Domestic Fixed Income	288,408	444,141
Global Fixed Income	1,348,763	1,612,947
Other Fixed Income	4,365,555	2,012,509
Real Estate & Other Assets	6,697,257	7,145,961
Subtotal - Investment Managers Fees	21,069,200	24,337,723
Custodian fee	251,726	313,509
Investment Consultant fee	262,500	427,250
Total Investment Management Fees	\$ 21,583,426	\$ 25,078,482

## Schedule of Broker Commissions

### For the Fiscal Year Ended June 30, 2023

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
ABEL NOSER	3,450	16,009,583	108,295	0.03186
ASSET TRANSFER NON CASH	-	5,558,062	16,690	0.00000
BARCLAYS CAPITAL	2,354	2,551,979	62,854	0.03745
BARCLAYS CAPITAL INC./LE	5,696	9,887,533	224,914	0.02533
BAY CREST PARTNERS, LLC	4,050	10,668,052	112,502	0.03600
BERENBERG CAPITAL MARKETS LLC	180	509,506	5,003	0.03600
BERNSTEIN AUTONOMOUS LLP	471	324,894	11,164	0.04221
BMO CAPITAL MARKETS	1,004	1,186,930	27,957	0.03591
BNP PARIBAS PRIME BROKERAGE ACTING AGENT	228	765,614	6,006	0.03797
BNP PARIBAS SECURITIES SERVICES	560	996,737	80,529	0.00695
BOFA SECURITIES, INC	3,057	2,579,974	99,558	0.03071
BOFA SECURITIES, INC.	18,188	172,502,396	79,554,117	0.00023
BOFA SECURITIES, INC. / FIXED INCOME	-	1,018,264	1,000,000	0.00000
BTIG, LLC	6,099	15,955,366	279,635	0.02181
CANACCORD GENUITY INC.	23,758	46,576,303	674,300	0.03523
CANTOR FITZGERALD + CO.	3,134	8,690,012	209,985	0.01493
CAPITAL CALL	-	155,743,633	155,743,633	0.00000
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	7,036	3,741,688	201,020	0.03500
CARNEGIE INVESTMENT BANK AB	1,006	671,747	3,667	0.27437
CASTLEOAK SECURITIES LP	12	18,329	601	0.02000
CITIGROUP GLOBAL MARKETS INC	9,628	16,118,389	338,944	0.02840
CITIGROUP GLOBAL MARKETS INC SALOMON BRO	-	2,383,704	2,565,000	0.00000
CITIGROUP GLOBAL MARKETS INC.	2,219	2,382,850	44,370	0.05000
CLSA LIMITED	3,415	2,270,283	321,520	0.01062
COWEN AND COMPANY, LLC	73,754	177,436,559	2,218,238	0.03325
COWEN AND COMPANY LLC	5,333	4,781,572	66,175	0.08059
CRAIG-HALLUM	173	521,291	4,794	0.03600
CREDIT SUISSE SECURITIES (USA) LLC	5,638	8,325,363	239,532	0.02354
DAIWA CAPITAL MARKETS AMERICA INC.	2,553	4,585,428	3,177,569	0.00080
DREXEL HAMILTON LLC	299	862,313	19,942	0.01500
EVERCORE GROUP L.L.C	245	335,665	8,182	0.03000
EVERCORE ISI	4,793	13,104,591	200,720	0.02388
EXANE S.A.	2,217	1,848,402	27,529	0.08054
FIRST TENNESSEE BANK BOND DIVISION	-	3,675,174	4,425,514	0.00000
FIRST TENNESSEWE SECURITIES CORP	-	2,805,035	3,070,000	0.00000
GOLDMAN SACHS + CO LLC	23,402	61,487,275	990,036	0.02364
GUGGENHEIM CAPITAL MARKETS LLC	2,152	8,267,916	60,573	0.03553
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$216,105	\$767,148,414	256,201,068	0.00084

Continued on the following page

Schedule of Broker Commissions (continued from previous page)  
For the Fiscal Year Ended June 30, 2023

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
GUZMAN AND COMPANY	6,580	49,444,245	631,811	0.01041
HSBC BROKERAGE (USA) INC.	77	59,360	2,553	0.03000
HSBC SECURITIES (Usa) INC.	190	361,693	6,347	0.03000
ICBCFS LLC	-	4,615,547	5,192,095	0.00000
INCOME REINVESTMENT	-	1,236,087	98,366	0.00000
INSTINET	12,549	86,555,715	1,416,402	0.00886
INSTINET LLC	798	1,107,695	26,588	0.03000
INTL FCSTONE FINANCIAL INC	-	1,104,726	1,100,000	0.00000
INTL FCSTONE FINANCIAL INC./BD RATES	-	23,057,717	26,264,149	0.00000
INVESTMENT TECHNOLOGY GROUP INC.	189	282,327	8,600	0.02198
J P MORGAN SECURITIES INC	7,402	27,061,700	448,147	0.01652
J P MORGAN SECURITIES LLC	13,295	114,606,890	2,027,444	0.00656
J P MORGAN SECURITIES PLC	2,178	1,865,641	29,461	0.07393
JANE STREET EXECUTION SERVICES, LLC	-	7,415,736	8,416,000	0.00000
JARED MULCAY & COMPANY LLC	160	132,253	4,440	0.03600
JEFFERIES INTERNATIONAL LTD	148	98,294	3,347	0.04408
JEFFERIES LLC	33,156	54,507,292	1,346,212	0.02463
JMP SECURITIES	2,038	5,282,474	56,624	0.03600
JOH. BERENBERG, GOSSLER & CO. KG	2,637	1,759,763	40,739	0.06474
JONESTRADING INSTITUTIONAL SERVICES LLC	6,507	9,640,322	230,471	0.02823
JONESTRADING INSTITUTIONAL SERVICES, LLC	36	59,768	900	0.04000
JP MORGAN SECURITIES AUSTRALIA LTD	27	54,878	298	0.09215
JP MORGAN SECURITIES (ASIA PACIFIC) LTD	633	435,392	54,136	0.01170
KEEFE BRUYETTE + WOODS INC	731	1,362,765	18,785	0.03891
KEPLER CAPITAL MARKETS LLC	1,995	980,121	61,598	0.03239
KEPLER CHEUVREUX	346	230,758	1,583	0.21833
KEYBANC CAPITAL MARKETS INC	4,697	8,655,725	140,382	0.03346
LEERINK PARTNERS LLC	1,375	6,938,070	38,253	0.03595
LIQUIDNET INC	17,407	29,266,343	707,558	0.02460
LIQUIDNET CANADA INC	90	865,175	8,042	0.01118
LIQUIDNET EUROPE LIITED	3,083	5,226,530	225,820	0.01365
LOOP CAPITAL MARKETS	569	830,604	26,524	0.02147
LUMINEX TRADING AND ANALYTICS	190	384,203	7,459	0.02549
LUMINEX TRADING AND ANALYTICS LLC	1,813	4,773,566	114,206	0.01588
MACQUARIE SECURITIES (USA) INC	644	4,627,672	46,200	0.01393
MARKET AXESS CORPORATION	-	10,748,021	11,520,000	0.00000
MERGER	-	409,264	7,551	0.00000
MERGER NON CASH	-	14,517,778	95,948	0.00000
MERRILL LYNCH INTERNATIONAL	2,522	2,725,455	91,554	0.02755
MERRILL LYNCH PROFESSIONAL CLEARING CORP	197	1,804,322	1,005,481	0.00020
MILLENNIUM ADVISORS LLC	-	913,430	1,000,000	0.00000
MISCHLER FINANCIAL GROUP, INC-EQUITIES	7	10,829	355	0.02000
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$124,269	\$486,016,143	62,522,428	0.00199

Continued on the following page

Schedule of Broker Commissions (continued from previous page)  
For the Fiscal Year Ended June 30, 2023

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
MIZUHO SECURITIES USA INC	723	875,830	16,136	0.04481
MIZUHO SECURITIES USA INC.	539	380,040	17,969	0.03000
MKM PARTNERS LLC	848	2,419,357	23,566	0.03600
MORGAN STANLEY CO INCORPORATED	27,324	102,362,803	2,503,675	0.01091
NATIONAL FINANCIAL SERVICES CORPORATION	1,774	2,041,943	77,756	0.02281
NEEDHAM AND COMPANY LLC	991	4,432,541	27,528	0.03600
NORTHERN TRUST COMPANY	59,259	62,065,900	1,580,903	0.03748
OPPENHEIMER + CO. INC.	3,877	12,203,695	107,972	0.03591
PAREL	1,014	1,692,102	6,007	0.16878
PEEL HUNT LLP	433	362,882	28,308	0.01530
PERSHING LLC	8,186	102,598,078	101,892,853	0.00008
PERSHING SECURITIES LIMITED	1,425	2,374,369	36,233	0.03933
PIERPONT SECURITIES LLC	-	955,570	1,000,000	0.00000
PIPER JAFFRAY & CO	30,661	70,070,344	925,555	0.03313
PIPER JAFFRAY AND HOPWOOD	131	232,842	3,266	0.04000
R. B. C. DOMINION SECURITIES CORPORATION	2,888	8,408,323	103,044	0.02803
RAYMOND JAMES AND ASSOCIATES	913	1,349,240	30,448	0.03000
RAYMOND JAMES AND ASSOCIATES INC	5,493	15,408,224	164,361	0.03342
RBC CAPITAL MARKETS, LLC	2,883	6,767,237	103,827	0.02777
RBC DOMINION SECURITIES	1,515	2,417,677	30,290	0.05000
RBC DOMINION SECURITIES INC	215	1,055,069	9,645	0.02234
REDBURN (USA) LLC	186	389,812	5,322	0.03500
REDEMPTION	-	193,912,314	3,308,245	0.00000
RETURN OF CAPITAL	-	52,383,928	52,383,928	0.00000
ROBERT W. BAIRD CO. INCORPORATED	3,055	7,639,076	100,296	0.03046
ROSENBLATT SECURITIES INC.	3,297	38,749,206	395,698	0.00833
SANFORD C BERNSTEIN CO LLC	8,276	25,192,649	255,540	0.03239
SANFORD BERNSTEIN AND CO. LLC	3,282	4,380,004	141,768	0.02315
SG AMERICAS SECURITIES LLC	105	1,039,786	8,067	0.01300
SMBC SECURITIES INC	1,053	701,004	4,255	0.24749
STATE STREET BANK AND TRUCT CO	-	203,698,381	12,841,974	0.00000
STATE STREET GLOBAL MARKETS LLC	9,518	17,751,519	410,534	0.02319
STEPHENS INC	4,677	17,143,571	9,067,746	0.00052
STIFEL NICOLAUS + CO INC	6,880	13,034,189	206,418	0.03333
STRATEGAS SECURITIES LLC	949	2,596,811	26,357	0.03600
SUNTRUST CAPITAL MARKETS INC	2,385	9,917,047	66,639	0.03580
TORONTO DOMINION SECURITIES (USA) INC	-	522,815	550,000	0.00000
TOURMALINE PARTNERS	180	535,637	9,006	0.02000
UBS AG	6,689	6,602,720	146,610	0.04562
UBS SECURITIES ASIA LTD	664	445,437	3,514	0.18907
UBS SECURITIES LLC	15,462	101,023,952	1,193,118	0.01296
UBS SWUTZERLAND AG	1,559	1,370,179	20,920	0.07452
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$219,311	\$1,099,504,101	189,835,298	0.00116

Continued on the following page

Schedule of Broker Commissions (continued from previous page)  
 For the Fiscal Year Ended June 30, 2023

Schedule of Broker Commissions, continued				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
US BANCORP INVESTMENTS INC	-	1,661,078	1,765,000	0.00000
VIRTU AMERICAS LLC	4,481	7,519,880	247,251	0.01813
WED BUSH SECURITIES	78	70,020	2,242	0.03500
WELLS FARGO SECURITIES LLC	32	128,449	2,120	0.01500
WELLS FARGO SECURITIES, LLC	14,376	31,327,785	1,828,205	0.00786
WILLIAM BLAIR & COMPANY LLC	5,370	7,738,131	178,044	0.03016
WILLIAMS CAPITAL GROUP LP	2,556	9,038,916	168,712	0.01515
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$26,894	\$57,484,258	\$4,191,574	0.00642
<b>GRAND TOTAL (PER SHARE IS AVERAGE)</b>	<b>\$586,578</b>	<b>\$2,410,152,916</b>	<b>\$512,750,369</b>	<b>0.00114</b>

# Actuarial Section

- (93) Actuarial Certification Letter
- (95) Summary of Actuary Valuation Results
- (96) Schedule of Active Member Data
- (96) Schedule of Retirants and Beneficiaries Added to and Removed from the Annuity Roll
- (96) Schedule of Funding Progress (Actuarial)
- (97) Solvency Test
- (98) Analysis of Financial Experience
- (99) Summary of Actuarial Assumptions and Methods
- (107) Summary of System Provisions





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November 21, 2023

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, 2023 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, 2023.

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. These assumptions and methods meet the parameters set by the Actuarial Standards of Practice. 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  
Director of Actuarial Consulting



## 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, 2023

	Actuarial Valuation as of		
	July 1, 2023	July 1, 2022	% Change
<b>Summary of Costs</b>			
Required State Contributions for Current Year	\$ 151,503,140	\$ 150,350,348	0.77 %
Actual State Contributions Received in Prior Year	167,657,643	148,374,430	13.00
<b>Funded Status</b>			
Actuarial Accrued Liability	\$ 4,426,932,181	\$ 4,285,580,433	3.30 %
Actuarial Value of Assets	3,221,798,286	3,129,818,758	2.94
Unfunded Actuarial Accrued Liability	1,205,133,895	1,155,761,675	4.27
Funded Ratio	72.8%	73.0%	(0.35)
<b>Market Value of Assets and Additional Liabilities</b>			
Market Value of Assets	\$ 3,136,681,733	\$ 2,977,845,962	5.33 %
Present Value of Projected System Future Benefits	5,169,196,049	4,988,764,607	3.62
<b>Summary of Data</b>			
<b>Number of Members in Valuation</b>			
Active Paid & Volunteer Members (vested and not ve	12,090	12,060	0.25 %
Deferred Option Plan Members	3	10	(70.00)
Terminated Vested Members	2,601	2,467	5.43
Beneficiaries	2,668	2,664	0.15
Disabled or Retired Members	9,227	9,056	1.89
<b>Total</b>	26,589	26,257	1.26
<b>Active Member Statistics</b>			
Total Projected Annual Compensation (b)	\$ 343,864,832	\$ 326,963,158	5.17 %
Average Projected Compensation (b/a)	\$ 74,672	\$ 72,594	2.86
Average Age	38.3	38.7	(1.03)
Average Service	12.4	11.3	9.73

## 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
2014	12,436	287,105,267	63,743	0.74%
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	2	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%
2023	12,090	343,864,832	74,672	2.86%

## 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
2023	578	11,967,877	403	5,785,480	11,895	195,319,638	3.3%	16,420

\* - 10 years of data was not available at 6/30/2023

## 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)
7/1/2014	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	1,302,576,856	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%
7/1/2023	3,221,798,286	4,426,932,181	1,205,133,895	72.8%	343,864,832	350.5%

## Solvency Test

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

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

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

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

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

### Solvency Test

Valuation Year July 1,	Aggregate Accrued Liability and Valuation Assets				Reported Assets * (in thousands)	Portion of Accrued Liabilities Covered by Assets			Funded Ratio of Total 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%	100.0%	96.7%	65.4%
2018	237,137,625	2,639,224,585	969,180,142	3,845,542,352	2,619,169,737	100%	87.2%	-33.6%	68.1%
2019	250,250,738	2,720,567,814	921,228,039	3,892,046,591	2,756,362,345	100%	90.3%	-26.5%	70.8%
2020	258,522,621	2,897,414,299	947,118,324	4,103,055,244	2,888,458,063	100%	92.1%	-23.3%	70.4%
2021	267,450,989	2,981,890,761	930,035,043	4,179,376,793	2,996,605,264	100%	90.8%	-28.2%	71.7%
2022	264,749,822	3,102,764,425	918,066,186	4,285,580,433	3,129,818,758	100%	91.5%	-27.2%	73.0%
2023	271,482,284	3,219,062,320	936,387,577	4,426,932,181	3,221,798,286	100%	91.7%	-28.7%	72.8%

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

\*\* - 10 years of data was not available at 6/30/2023

## Analysis of Financial Experience

### As of July 1, 2023

<b>Expected Actuarial Accrued Liability</b>	
a. Actuarial Accrued Liability at July 1, 2022	\$ 4,285,580,433
b. Normal Cost and Expenses for Plan Year Ended June 30, 2023	69,597,348
c. Benefit Payments for Plan Year Ending June 30, 2023	(324,711,071)
d. Change in Actuary	-
e. Interest on (a), (b), (c) and (d)	314,461,668
f. Change in Actuarial Accrued Liability at July 1, 2023 due to changes in Actuarial Assumptions	-
g. Change in Actuarial Accrued Liability at July 1, 2023 due to changes in System Provisions (ad hoc COLA)	-
h. Expected Actuarial Accrued Liability at July 1, 2023	4,344,928,378
<b>Actuarial Accrued Liability at July 1, 2023</b>	<b>4,426,932,181</b>
<b>Actuarial Liability Gain/(Loss) (1h. - 2)</b>	<b>(82,003,803)</b>
<b>Expected Actuarial Value of Assets</b>	
a. Actuarial Value of Assets at July 1, 2022	3,129,818,758
b. Contributions Made for Plan Year Ending June 30, 2023	201,623,399
c. Benefit Payments and Expenses for Plan Year Ending June 30, 2023	(327,092,058)
d. Interest on (a + b - c) to End of Year	230,031,332
e. Expected Actuarial Value of Assets at July 1, 2023	3,234,381,431
<b>Actuarial Value of Assets at July 1, 2023</b>	<b>3,221,798,286</b>
<b>Actuarial Asset Gain/(Loss) (5 - 4e.)</b>	<b>(12,583,145)</b>
<b>Actuarial Gain/(Loss) (3 + 6)</b>	<b>(94,586,948)</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, 2023.

## 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 fair 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 fair 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 fair value or less than 80% of the fair 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, 2023 (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.

**Change in Assumptions**

None

## Summary of System Provisions

### Methods

Valuation Date	July 1, 2023
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 fair 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

- (115) Statistical Narrative
- (116) Schedule of Changes in Net Position (&Graph)
- (117) Schedule of Revenue by Source
- (117) Schedule of Expenses by Type
- (118) Schedule of Benefits & Refunds by Type
- (118) Funded Ratio (Graph)
- (119) Schedule of Investment Returns by Type (& Graph)
- (120) Schedule of Retired Members by Benefit Type
- (121) Schedule of Average Benefit Payments
- (121) Schedule of Principal Participating Employers
- (122) Schedule of Participating Employers
- (127) 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)

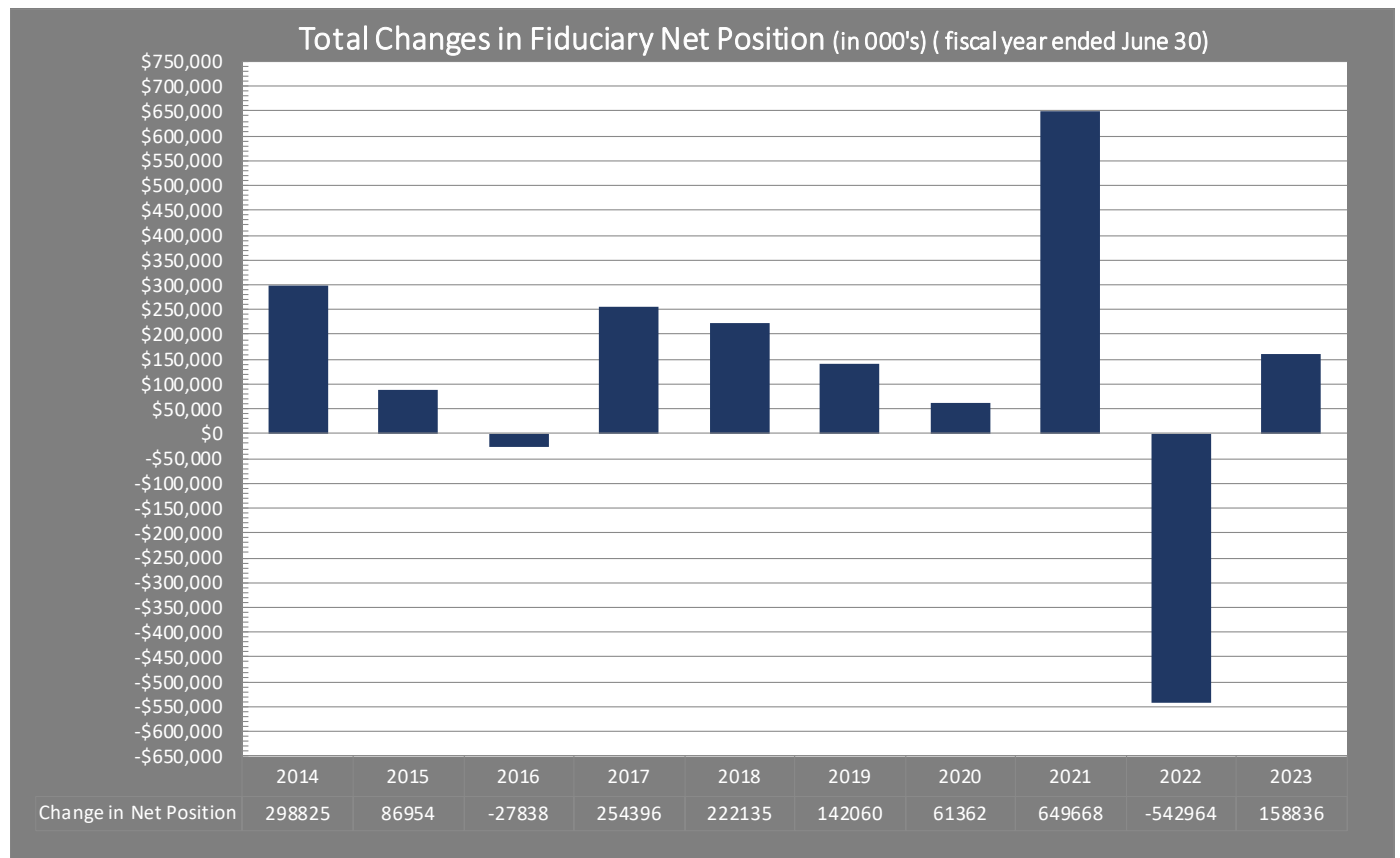
Fiscal Year Ended June 30,	Additions				Deductions				Total Changes in Fiduciary Net Position
	Member Contributions	Employer Contributions	Insurance Premium Tax	Net Investment Income (Loss)	Benefit Payments *	Deferred Option Payments**	Refund of Contributions	Administrative Expenses	
2014	22,058	36,104	79,545	335,605	138,969	32,900	657	1,958	298,828
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)
2023	33,966	53,366	114,291	284,304	194,066	130,020	624	2,381	158,836

Total Cumulative Change in Net Position for the Last 10 Years \$ 1,303,437

\* - 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
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)
2023	33,966	53,366	114,291	284,304	485,927

\* - 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
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	42,587	653	1,994	197,843
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
2023	192,941	1,125	130,020	624	2,381	327,091

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

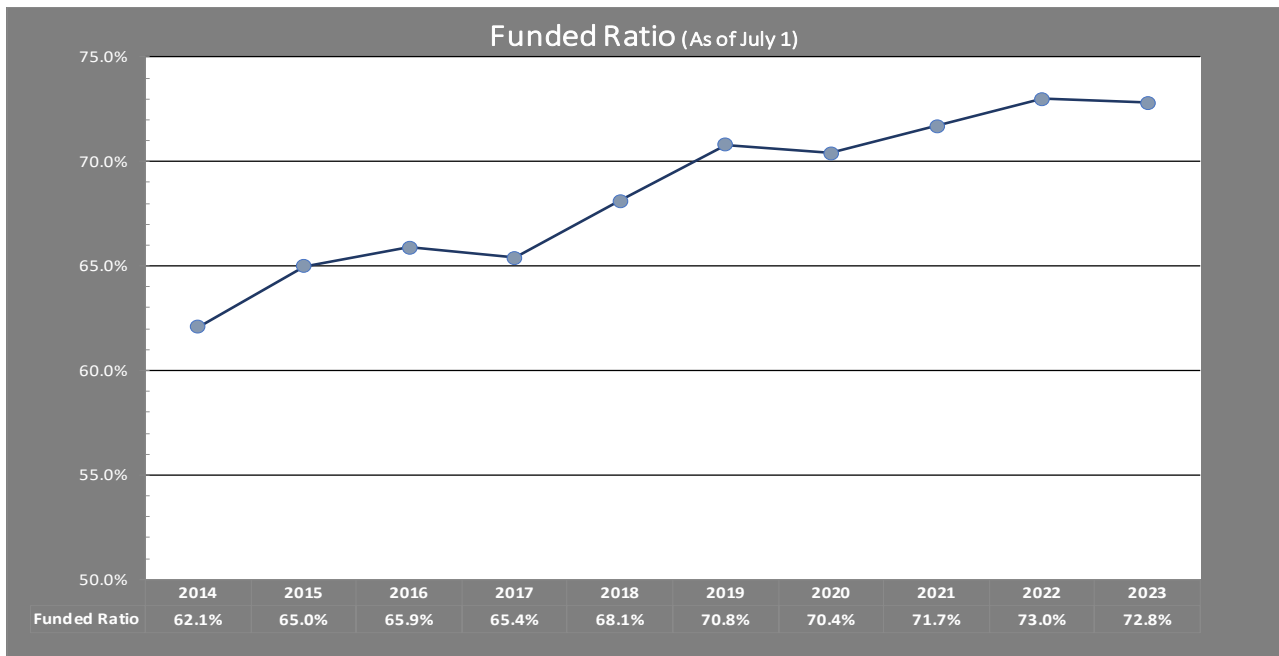
## Schedule of Benefit Payments and Refunds by Type (in Thousands)

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	
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	152,819	35,116	1,315	118,651	593	0	308,494
2023	157,251	35,690	1,125	130,020	624	0	324,710

\* - 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

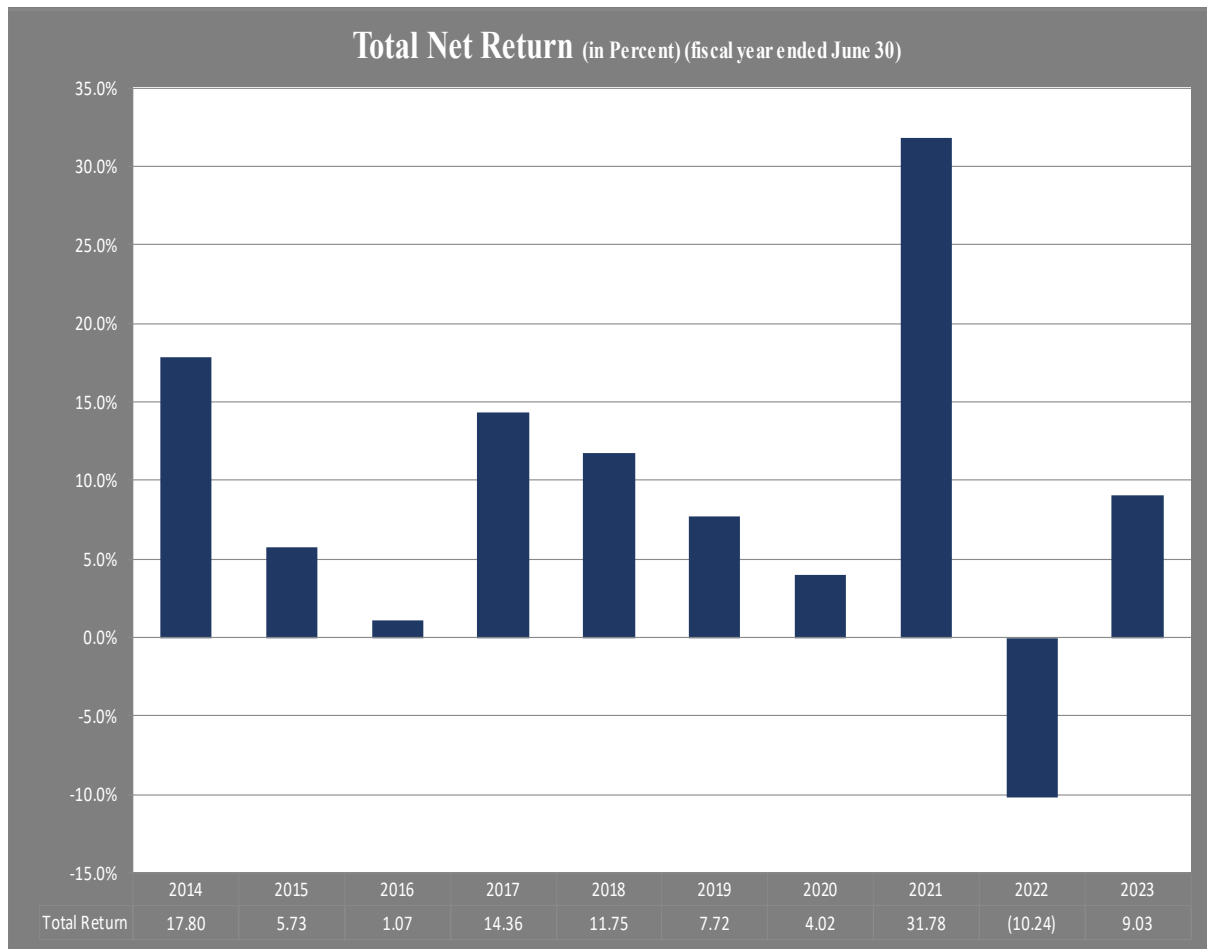
### Funded Ratio (Actuarial Basis, at July 1)





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)
2014	25.80	36.30	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)
2023	18.13	13.10	13.61	(0.31)	1.56	(2.60)	(5.78)	4.21	9.03



**Schedule of Retired Members by Type of Benefit**  
**For the Fiscal Year Ended June 30, 2023**

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	6,668	1,354	872	131	236	255	3,820
1,001 - 1,500	500	88	18	58	132	33	171
1,501 - 2,000	744	176	4	19	194	32	319
2,001 - 2,500	945	210	4	10	314	16	391
2,501 - 3,000	822	143	4	4	322	5	344
3,001 - 3,500	660	101	0	0	291	4	264
3,501 - 4,000	641	134	0	0	282	1	224
4,001 - 4,500	392	55	0	0	204	0	133
4,501 - 5,000	233	25	0	0	130	0	78
5,001 - 5,500	134	7	0	0	68	0	59
5,501 - 6,000	75	7	0	0	39	0	29
6,001 - 6,500	38	2	0	0	20	0	16
6,501 - 7,000	18	2	0	0	9	0	7
7,001 - 7,500	12	1	0	0	6	0	5
7,501 - 8,000	5	0	0	0	4	0	1
8,001 - 8,500	3	1	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>11,895</u>	<u>2,306</u>	<u>902</u>	<u>222</u>	<u>2,256</u>	<u>346</u>	<u>5,863</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
<b>Period 07/01/22 to 06/30/23</b>					
Average Monthly Benefit	\$ 132	\$ 249	\$ 663	\$ 1,652	\$ 2,940
Average Final Average Salary	\$ -	\$ -	\$ -	\$ -	\$ -
Number of Retired Members	34	16	81	67	38

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

\* - The plan vesting period is 10 years, so no average benefit is earned or paid for service credit of less than 10 years.

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

## Schedule of Principal Participating Employers Current Year and Nine Years Prior

10 Largest Participating Cities\Municipalities\Towns	Fiscal Year 2023			Fiscal Year 2013		
	Covered Members	Rank	% of Total Covered Members	Covered Members	Rank	% of Total Covered Members
Oklahoma City	1013	1	21.93%	942	1	22.61%
Tulsa	729	2	15.78%	673	2	16.15%
Broken Arrow	175	3	3.79%	142	4	3.41%
Norman	158	4	3.42%	154	3	3.70%
Edmond	139	5	3.01%	136	5	3.26%
Lawton	134	6	2.90%	116	6	2.78%
Muskogee	93	7	2.01%	94	7	2.26%
Midwest City	84	8	1.82%	81	8	1.94%
Enid	82	9	1.77%	80	9	1.92%
Moore	75	10	1.62%	71	10	1.70%
Total-10 Largest Employers	2682		58.05%	2489		59.73%
All Other Cities\Towns	1938		41.95%	1678		40.27%
Total Covered Members	4620		100.00%	4167		100.00%

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

## Schedule of Participating Employers

For the Fiscal Year Ended June 30, 2023

### Fire Protection District (28)

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

### Counties (132)

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

## Schedule of Participating Employers, Continued

### For the Fiscal Year Ended June 30, 2023

Oklahoma Cities, Municipalities and Towns (474)		
Ada	Braggs	Cleveland
Adair	Braman	Clinton
Addington	Bray	Coalgate
Afton	Breckenridge	Colbert
Agra	Bristow	Colcord
Alderson	Broken Arrow	Cole
Aline	Broken Bow	Collinsville
Allen	Bromide	Colony
Altus	Buffalo	Comanche
Alva	Burbank	Commerce
Amber	Burlington	Cooperton
Ames	Burns Flat	Copan
Anadarko	Butler	Cordell
Antlers	Byars	Corn
Apache	Byng	Council Hill
Arapaho	Byron	Covington
Ardmore	Cache	Cow eta
Arkoma	Caddo	Coyle
Arnett	Calera	Crescent
Asher	Calumet	Cromw ell
Atoka	Calvin	Crow der
Atw ood	Camargo	Cushing
Avant	Canadian	Custer City
Barnsdall	Caney	Cyril
Bartlesville	Canton	Dacoma
Bearden	Canute	Davenport
Beaver	Capron	Davidson
Beggs	Carmen	Davis
Bernice	Carnegie	Deer Creek
Bessie	Carney	Del City
Bethany	Carter	Delaw are
Bethel Acres	Cashion	Depew
Big Cabin	Catoosa	Devol
Billings	Cement	Dew ar
Binger	Central High	Dew ey
Bixby	Chandler	Dibble
Blackw ell	Chattanooga	Dickson
Blair	Checotah	Dill City
Blanchard	Chelsea	Dougherty
Bluejacket	Cherokee	Douglas
Boise City	Cheyenne	Dover
Bokchito	Chickasha	Drummond
Bokoshe	Choctaw	Drumright
Boley	Chouteau	Duncan
Bosw ell	Claremore	Durant
Bow legs	Clayton	Dustin
Boynnton	Cleo Springs	Eakly

## Schedule of Participating Employers, Continued

### For the Fiscal Year Ended June 30, 2023

#### Oklahoma Cities, Municipalities and Towns (474), Continued

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

## Schedule of Participating Employers, Continued

### For the Fiscal Year Ended June 30, 2023

Oklahoma Cities, Municipalities and Towns (474), Continued		
Medford	Pawhuska	Sayre
Meeker	Pawnee	Seiling
Meno	Peoria	Seminole
Miami	Perkins	Sentinel
Midwest City	Perry	Shady Point
Milburn	Piedmont	Shattuck
Mill Creek	Pink	Shawnee
Millerton	Pocola	Shidler
Minco	Ponca City	Skedee
Moore	Pond Creek	Skiatook
Mooreland	Porter	Slaughterville
Morris	Porum	Snyder
Morrison	Poteau	So. Coffeyville
Mounds	Prague	Soper
Mt Park	Prue	Spaulding
Muldrow	Pryor	Spavinaw
Mulhall	Purcell	Spencer
Muskogee	Putnam	Sperry
Mustang	Quapaw	Spiro
Mutual	Quinton	Springer
Nash	Ralston	Sterling
New castle	Ramona	Stigler
New kirk	Randlett	Stillwater
Nichols Hills	Ratliff City	Stilwell
Nicoma Park	Rattan	Stonewall
Noble	Ravia	Stratford
Norman	Red Bird	Stringtown
Nowata	Red Oak	Strong City
Oaks	Red Rock	Stroud
Oakwood	Reydon	Stuart
Oilton	Ringling	Sulphur
Okarche	Ringwood	Summit
Okay	Ripley	Swetwater
Okeene	Rocky	Taft
Okemah	Roff	Tahlequah
Oklahoma City	Roland	Talihina
Okmulgee	Roosevelt	Taloga
Oktaha	Rosedale	Tamaha
Olustee	Rosston	Tecumseh
Optima	Rush Springs	Temple
Orlando	Ryan	Terral
Osage Volunteer	Salina	Texhoma
Owasso	Sallisaw	Texola
Paden	Sand Springs	The Village
Panama	Sapulpa	Thomas
Paoli	Sasakwa	Tipton
Pauls Valley	Savanna	Tishomingo

## Schedule of Participating Employers, Continued

For the Fiscal Year Ended June 30, 2023

Oklahoma Cities, Municipalities and Towns (474), Continued		
Tonkawa	Wainwright	Weleetka
Town of Mountain View	Wakita	Wellston
Tribbey	Walters	Westport
Tryon	Wanette	Westville
Tulahassee	Wapanucka	Wetumka
Tulsa	Warner	Wewoka
Tushka	Warr Acres	Whitefield
Tuttle	Washington	Wilburton
Tyrone	Watonga	Willow
Union City	Watts	Wilson
Valliant	Waukomis	Wister
Velma	Waurika	Woodward
Verden	Wayne	Wright City
Vian	Waynoka	Wyandotte
Vici	Weatherford	Wynnewood
Vinita	Webbers Falls	Yale
Wagoner	Welch	Yukon



## Membership Statistics Data

<b>Employer and Member Statistics</b>	<b>As of July 1,</b>	<b>2023</b>	<b>2022</b>
Participating Fire Protection Districts, Cities, Municipalities and Towns		634	630
Active Members		12,090	12,060
Deferred Option Members		3	10
Terminated Members with Vested Benefits		2,702	2,467
Retired or Disabled Members		9,227	9,056
Beneficiaries Receiving Benefits		2,664	2,345

<b>Active Member Statistics</b>	<b>As of July 1,</b>	<b>2023</b>	<b>2022</b>
Total Annual Compensation (1)		\$ 343,864,832	\$ 326,963,158
Average Compensation		\$ 74,672	\$ 72,594
Average Active Member Age		38.5	38.7
Average Years of Credited Service		12.6	11.3

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

<b>Fiscal Year 2023 Refund and Benefit Payment Statistics</b>	<b>Count of Payments Made</b>	<b>Average Amount</b>
Refunds to Terminated Members	40	\$ 15,612
Regular Payments to Service Retirement Members	147,609	\$ 1,442
Payment of Death Benefits to Beneficiaries	252	\$ 5,000
Payments under the Forward DOP	5,828	\$ 7,254
Payments under the Back DOP	8,463	\$ 5,522
Payments under the Payout Provision	-	\$ -

