

Oklahoma Firefighters Pension and Retirement Plan

Administered by

Oklahoma Firefighters Pension and Retirement System

*The Auditors' Communication with
Those Charged with Governance*

June 30, 2026



October 15, 2026

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

We have audited the financial statements of the Oklahoma Firefighters Pension and Retirement Plan (the “Plan”), administered by the Oklahoma Firefighters Pension and Retirement System (collectively referred to as the “System”) as of and for the year ended June 30, 2026, and have issued our report thereon dated October 15, 2026. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated April 9, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the System are described in Note 2 to the financial statements. The System adopted new accounting pronouncements during the year ended June 30, 2026, as noted below. The application of existing policies was not changed during the year ended June 30, 2026. We noted no transactions entered into by the System during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). This statement improves key components of the governmental financial reporting model to enhance effectiveness and to address certain application issues. GASB 103 prescribes changes to the MD&A, describes unusual or infrequent items, and addresses presentation issues for proprietary funds, major component units, and budgetary comparison presentations. The Plan adopted GASB 103 on July 1, 2025, for the June 30, 2026, reporting year. GASB 103 did not have a significant impact on the Plan’s financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). This statement requires certain types of capital assets to be separately disclosed in the capital asset note disclosures. Specifically, leases, public-private partnership assets, and Subscription-Based Information Technology Arrangements should all be separately disclosed. GASB 104 also prescribes specific disclosures for intangible assets and capital assets held for sale. The Plan adopted GASB 104 on July 1, 2025, for the June 30, 2026, reporting year. GASB 104 did not have a significant impact on the Plan’s financial statements.

Significant Audit Matters, Continued

Qualitative Aspects of Accounting Practices, Continued

In December 2025, GASB issued Statement No. 105, *Subsequent Events* (GASB 105). This statement defines subsequent events as either recognized or nonrecognized and outlines specific note disclosures for nonrecognized events. GASB 105 also defines the dates to consider when determining whether or not a subsequent event has occurred and requires the date through which subsequent events have been evaluated to be disclosed. The Plan will adopt GASB 105 on July 1, 2026, for the June 30, 2027, reporting year. The Plan does not expect GASB 105 to significantly impact the financial statements.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimates of the fair values of investments are based on the investment custodian. We evaluated the key factors and assumptions used to develop the estimates of the fair values of investments in determining that they are reasonable in relation to the financial statements taken as a whole.

In addition, the computation of total and net pension liability also required significant estimates by management. We reviewed the actuarial information and assumptions used to compute the pension liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, we made material adjustments to the financial statements as a result of our audit procedures.

Significant Audit Matters, Continued

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the System's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Matters or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the System's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the System is a defendant in a lawsuit surrounding an administrative order requiring participants to take (i) mandatory distribution of interest and (ii) minimum distributions based on an assumed rate of 7.5%. In connection with the litigation, the System had accrued approximately \$523,976,000 of interest that was included in accrued expenses as of June 30, 2026. Our opinion is not modified with respect to this matter.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, the schedule of changes in the employer's net position liability, the schedule of employers' net pension liability, the schedule of contributions from employers and other contributing entities, and the schedule of investment returns, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Required Communications

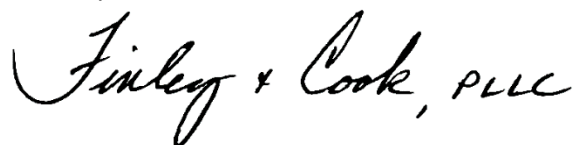
We as independent auditors are required to:

- a. Communicate significant deficiencies and material weaknesses in internal control to the audit committee or its equivalent.
- b. Report directly to the audit committee (or equivalent) any fraud that causes a material misstatement of the financial statements and any fraud involving senior management. Fraud perpetrated by lower-level employees is also to be reported if it resulted in an individually significant misstatement.
- c. Report illegal acts that come to our attention (except those that are clearly inconsequential).

We have nothing to report.

This information is intended solely for the use of the Board of Trustees, management of the System, and the State of Oklahoma and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Oklahoma Firefighters Pension and Retirement Plan

Administered by

Oklahoma Firefighters Pension and Retirement System

Financial Statements

June 30, 2026 and 2025

(With Independent Auditors' Report Thereon)



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

FINANCIAL STATEMENTS

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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, 2026 and 2025, 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, 2026 and 2025, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the System is a defendant in a lawsuit surrounding an administrative order requiring participants to take (i) mandatory distribution of interest and (ii) minimum distributions based on an assumed rate of 7.50%. In connection with the litigation, the System had accrued approximately \$523,976,000 of interest that was included in accrued expenses as of June 30, 2026. Our opinion is not modified with respect to this matter.

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, and for 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 I-1 through I-4 and the schedule of changes in 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 on pages 40 through 45 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2026, 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.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
October 15, 2026

MANAGEMENT’S DISCUSSION AND ANALYSIS, CONTINUED

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, 2026, 2025, and 2024. Please read it in conjunction with the System’s financial statements, which begin on page 4.

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director or Chief Financial Officer of the System, c/o Oklahoma Firefighters Pension and Retirement System, 6601 Broadway Extension, Suite 100, Oklahoma City, Oklahoma 73116.

Overview of the Financial Statements

The System’s basic financial statements are comprised of 2 core elements; 1) The Statements of Fiduciary Net Position, and 2) Statements of Changes in Fiduciary Net Position. The Statements of Fiduciary Net Position present the fair value of the System’s investment assets at each respective fiscal year end and generally show the total resources available to pay future benefits at that specific point in time. The Statements of Changes in Fiduciary Net Position detail the financial activities that occurred throughout the respective fiscal years and outline the operational flows that affected the net position between the beginning and ending of the fiscal year. They present the inflows, such as contributions and investment returns, and the outflows, such as benefit payments, investment and administrative costs. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting. In addition to the core financial statement elements, the notes to financial statements are presented which provide detailed disclosures for a deeper understanding of the System’s financial statements. The notes to financial statements are considered an integral part of the System’s basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Financial Summary

<i>Year Ended June 30,</i>	2026	2025	26/25 Change	26/25 % Change	2024	25/24 Change	25/24 % Change
ASSETS:							
Cash and equivalents	\$ 49,854,590	45,556,694	4,297,896	9.4%	43,675,575	1,881,119	4.3%
Receivables	90,506,683	37,064,576	53,442,107	144.2%	37,912,093	(847,517)	(2.2)%
Investments, at fair value	4,521,348,324	4,046,657,378	474,690,946	11.7%	3,668,053,814	378,603,564	10.3%
Capital and subscription assets, net	3,192,673	604,313	2,588,360	428.3%	660,790	(56,477)	(8.5)%
Total assets	<u>4,664,902,270</u>	<u>4,129,882,961</u>	<u>535,019,309</u>	13.0%	<u>3,750,302,272</u>	<u>379,580,689</u>	10.1%
LIABILITIES:	<u>532,346,369</u>	<u>433,550,916</u>	<u>98,795,453</u>	22.8%	<u>373,085,715</u>	<u>60,465,201</u>	16.2%
Fiduciary net position restricted for pensions	<u>\$ 4,132,555,901</u>	<u>3,696,332,045</u>	<u>436,223,856</u>	11.8%	<u>3,377,216,557</u>	<u>319,115,488</u>	9.4%
ADDITIONS:							
Contributions - Member entities	61,183,772	57,070,199	4,113,573	7.2%	54,480,094	2,590,105	4.8%
Contributions - Plan members	40,366,121	37,811,445	2,554,676	6.8%	34,768,864	3,042,581	8.8%
Contributions - Ins. premium tax	134,680,837	142,726,998	(8,046,161)	(5.6)%	140,575,152	2,151,846	1.5%
Net investment income	<u>620,341,091</u>	<u>452,266,466</u>	<u>168,074,625</u>	37.2%	<u>351,612,532</u>	<u>100,653,934</u>	28.6%
Total additions	<u>856,571,821</u>	<u>689,875,108</u>	<u>166,696,713</u>	24.2%	<u>581,436,642</u>	<u>108,438,466</u>	18.7%
DEDUCTIONS:							
Benefits paid, including refunds	418,059,760	367,821,654	50,238,106	13.7%	338,224,993	29,596,661	8.8%
Administrative expenses	<u>2,288,205</u>	<u>2,937,966</u>	<u>(649,761)</u>	(22.1)%	<u>2,676,825</u>	<u>261,141</u>	9.8%
Total deductions	<u>420,347,965</u>	<u>370,759,620</u>	<u>49,588,345</u>	13.4%	<u>340,901,818</u>	<u>29,857,802</u>	8.8%
Net increase in fiduciary net position	436,223,856	319,115,488	117,108,368	36.7%	240,534,824	78,580,664	32.7%
Fiduciary net position restricted for pensions;							
Beginning of year	<u>3,696,332,045</u>	<u>3,377,216,557</u>	<u>319,115,488</u>	9.4%	<u>3,136,681,733</u>	<u>240,534,824</u>	7.7%
End of year	<u>\$ 4,132,555,901</u>	<u>3,696,332,045</u>	<u>436,223,856</u>	11.8%	<u>3,377,216,557</u>	<u>319,115,488</u>	9.4%

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Detailed Analyses

The System's assets are primarily comprised of cash, receivables (mainly from contributions, insurance premium taxes, interest and dividends, and net receivable for brokers transactions), and investments held for the payment of future benefits. Cash and equivalents increased 9.4%, or \$4.3 million in fiscal 2026 over 2025 primarily due to the timing of liquidity demands on the System. Cash and equivalents increased 4.3%, or \$1.8 million in 2025 from 2024 for similar reasons due to timing. Receivables increased 144.2%, or \$53 million in fiscal 2026 from 2025 due to pending brokers security transactions due to the System. Receivables decreased 2.2% in fiscal 2025 over fiscal 2024 due to a reduction in receivables from brokers related to securities transactions.

The System's net change in the fair value of its investments increased, 11.7%, or \$475 million for fiscal 2026 as the System realized a strong overall return of 16% for the year. Large cap equity produced returns of 22%, and emerging and small cap equities each produced strong returns of 47% for the System. Fixed income realized modest 3% returns while the real estate strategy carried a negative 5% return. Private equity carried a moderate 7% return. Fiscal 2026 performance was well above the Plan's expected rate of 7.5%. The fair value of its investments increased, 10.3%, or \$379 million for the fiscal year ended June 30, 2025 as the System realized an overall return of 12% for the year. Large cap equity produced returns of 18%, and emerging market equities had returns of 16%, and small cap equities produced returns of 14% for the System. Fixed income and private equity strategies each realized modest 7% returns while the real estate strategy carried a 3% return. Fiscal 2025 performance was above the Plan's expected rate of 7.5%.

The System accounts for its investments at fair value and investment volatility can significantly impact net position and operating results in a short period of time. Due to the timing of cash flows and expenses paid, the change in total investment balances and the actual net investment return earned by the System will differ. The System's net investment return on its average assets for the years ended June 30 and the performance of the S&P 500 (an unmanaged basket of stocks used as an index to represent general stock market performance) during the same period were as follows:

<u>FYE June 30,</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>
System (net of fees)	16%	12%	10%
S&P 500	22%	15%	25%

The System is funded by contributions from participating entities and their firefighters, funds received from motor license agents for the System's share of fees, taxes, and penalties, a dedicated percentage of the State of Oklahoma's insurance premium tax, and returns generated by investing the System's assets. Fiscal 2026 contributions from employers and plan members increased 7.2%, or \$4.1 million and 6.8% or \$2.6 million, respectively. Contributions from employers and plan members increased 4.8%, or \$2.6 million and 8.8%, or \$3.0 million, respectively, in fiscal 2025 compared to fiscal 2024, primarily due to improvements in member salaries. Fiscal 2026 insurance premium taxes decreased 5.6%, or \$8.0 million, due to softening of consumer spending and stabilization of insurance rates after several years of inflation. FY2025 insurance premium taxes were generally flat versus FY2024, rising by 1.5%, indicating stability in the rates and insurance markets generally. The System received 37.8% of the insurance premium taxes collected for each of the years ended June 30, 2026, 2025, and 2024.

In fiscal 2026 total benefits, including refunds, increased by 13.7%, or \$50 million. These increases were primarily due to increases in the number of retirees, statutory benefit increases, and mandatory disbursement of interest. In fiscal 2025, total benefit payments, including refunds, increased 8.8%, or \$30 million, over the prior year, primarily due to increases in the number of retirees, statutory benefit increases, and mandatory disbursement of interest.

MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED

Detailed Analyses, Continued

The System's administrative expenses are composed primarily of payroll and related expenses for the employees of the System, legal and professional fees, data processing fees, medical and travel costs, and equipment. Total administrative expenses in fiscal 2026 were \$2.3 million, a 22% decrease over fiscal 2025, due primarily to lower data processing expenses. Total administrative expenses for fiscal 2025 increased approximately 9.8%, or \$261,000, over fiscal 2024, due primarily to increases in legal and professional and data processing fees.

The System's fiscal 2026 fiduciary net position increased by 11.8%, or \$436 million, due primarily to strong investment performance during the period. The System's overall fiduciary net position increased by 9.4%, or \$319 million, in fiscal 2025 also on the strength of strong investment performance.

Currently Known Facts, Decisions, or Conditions

Legislative Changes

Senate Bills 1147 and 1149, were enacted in April 2026, which will increase the System's benefit payments beginning November 1, 2026. Senate Bill 1147 provides a 3% benefit increase for eligible persons retired for at least 10 but less than 20 years and a 6% increase for those retired for 20 years or more, measured as of June 30, 2026, subject to offsets for certain prior benefit increases. It also increases the monthly pension for volunteer firefighters retiring on or after November 1, 2026, to \$10 for each year of credited service, up to 30 years. Senate Bill 1149 provides a one-time \$25,000 stipend to qualifying "tweener" retirees or beneficiaries receiving benefits as of October 31, 2026. These changes will increase cash requirements for benefit payments during fiscal year 2027, with the recurring benefit increases continuing to affect future benefit obligations and cash outflows.

Litigation

The System remains a defendant in litigation filed in June 2018 challenging its administrative requirements for mandatory distributions of interest from Plan B accounts and the calculation of required minimum distributions using an assumed interest rate of 7.5%. At June 30, 2026, approximately \$524 million of interest associated with this matter was included in accrued expenses, as described in Note 15. The ultimate resolution remains uncertain and could affect the timing and amount of Plan B distributions, the settlement of recorded interest balances, and future administration of these accounts. Consequently, the matter presents uncertainty regarding future cash requirements and the amount of assets available for continued investment, together with potential for additional litigation costs.

Investment Portfolio

The System attempts to stay fully invested and is directly impacted by financial market changes, both domestically and globally, and its investments are continually assessed and selected based on expected long-term performance. Management believes the System has the financial resources to maintain its current investment strategy.

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

STATEMENTS OF FIDUCIARY NET POSITION

<i>June 30,</i>	<i>2026</i>	<i>2025</i>
Assets		
Cash and cash equivalents	\$ 49,854,590	45,556,694
Receivables:		
Employees' contributions	1,748,360	1,501,132
Employer's contributions	2,720,347	2,335,118
Due from the State of Oklahoma Insurance Department	30,719,975	30,232,060
Accrued interest and dividends	4,059,820	2,996,266
Net receivable from brokers for security transactions	51,258,181	-
Total receivables	90,506,683	37,064,576
Investments, at fair value:		
U.S. government securities	105,412,827	81,703,243
Domestic corporate bonds and bond funds	163,994,134	119,557,737
International corporate and government bonds	-	138,146,411
Domestic equities	2,388,515,867	2,106,661,161
International equities	510,939,900	426,297,937
Private equity—non-real estate	1,050,546,694	836,191,412
Real estate—core and private equity	301,938,902	338,099,477
Total investments, at fair value	4,521,348,324	4,046,657,378
Subscription right-of-use assets, net of accumulated amortization	2,643,891	-
Capital assets, net of accumulated depreciation	548,782	604,313
Total assets	4,664,902,270	4,129,882,961
Liabilities		
Accounts payable and accrued expenses	531,219,388	432,757,936
Subscription liability	1,126,981	-
FX & Brokers net payables	-	792,980
Total liabilities	532,346,369	433,550,916
Fiduciary net position restricted for pensions	\$ 4,132,555,901	3,696,332,045

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

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

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

<i>Years Ended June 30,</i>	<i>2026</i>	<i>2025</i>
Additions:		
Contributions:		
Insurance premium taxes	\$ 134,680,837	142,726,998
Participating municipalities	61,183,772	57,070,199
Plan members/employees	40,366,121	37,811,445
Total contributions	<u>236,230,730</u>	<u>237,608,642</u>
Investment income:		
From investment activities:		
Net appreciation in fair value of investments	611,584,288	450,786,232
Interest	13,610,125	10,963,595
Dividends	19,006,961	18,355,695
Total investment income	<u>644,201,374</u>	<u>480,105,522</u>
Less investment expense	<u>(23,860,283)</u>	<u>(27,839,056)</u>
Income from investment activities	<u>620,341,091</u>	<u>452,266,466</u>
Net investment income	<u>620,341,091</u>	<u>452,266,466</u>
Total additions	<u>856,571,821</u>	<u>689,875,108</u>
Deductions:		
Pension benefit payments	416,091,259	365,992,860
Death benefit payments	1,105,000	1,095,000
Refunds to terminated participants	863,501	733,794
Total benefits and refunds	<u>418,059,760</u>	<u>367,821,654</u>
Administrative expenses	<u>2,288,205</u>	<u>2,937,966</u>
Total deductions	<u>420,347,965</u>	<u>370,759,620</u>
Changes in fiduciary net position	436,223,856	319,115,488
Fiduciary net position restricted for pensions:		
Beginning of year	<u>3,696,332,045</u>	<u>3,377,216,557</u>
End of year	<u>\$ 4,132,555,901</u>	<u>3,696,332,045</u>

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

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2026 and 2025

(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, 2026, there were 475 cities, 28 fire protection districts, and 136 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.

The Plan’s participants at June 30 consisted of:

	<u>2026</u>	<u>2025</u>
Active plan members	12,150	12,192
Retirees and beneficiaries currently receiving benefits	12,282	12,162
Vested members with deferred benefits	2,082	2,135
Deferred Option Plan members	<u>-</u>	<u>1</u>
	<u>26,514</u>	<u>26,490</u>

See Independent Auditors’ Report.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(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 April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements* (GASB 103). This statement improves key components of the governmental financial reporting model to enhance effectiveness and to address certain application issues. GASB 103 prescribes changes to the MD&A, describes unusual or infrequent items, and addresses presentation issues for proprietary funds, major component units, and budgetary comparison presentations. The Plan adopted GASB 103 on July 1, 2025, for the June 30, 2026, reporting year.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104). This statement requires certain types of capital assets to be separately disclosed in the capital asset note disclosures. Specifically, leases, public-private partnership assets, and Subscription-Based Information Technology Arrangements should all be separately disclosed. GASB 104 also prescribes specific disclosures for intangible assets and capital assets held for sale. The Plan adopted GASB 104 on July 1, 2025, for the June 30, 2026, reporting year. GASB 104 did not have a significant impact on the Plan's financial statements.

In December 2025, GASB issued Statement No. 105, *Subsequent Events* (GASB 105). This statement defines subsequent events as either recognized or nonrecognized and outlines specific note disclosures for nonrecognized events. GASB 105 also defines the dates to consider when determining whether or not a subsequent event has occurred and requires the date through which subsequent events have been evaluated to be disclosed. The Plan will adopt GASB 105 on July 1, 2026, for the June 30, 2027, reporting year. The Plan does not expect GASB 105 to significantly impact the financial statements.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(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, 2026 and 2025, the Plan had no long-term receivables. All the receivables reflected in the statements of fiduciary net position are expected to be received and available for use by the Plan in its operations. Also, no allowance for any uncollectible portions is considered necessary.

Investments

Management of the Plan is authorized to invest in eligible investments as approved by the Board as set forth in the investment policy. The Board reviews and updates the Plan's 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

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, 2026 and 2025, the Board made no significant investment policy changes.

Rates of Return—

Money-Weighted Rate of Return—For the years ended June 30, 2026 and 2025, the annual money-weighted rate of return on the Plan's investments as defined by GASB 67, net of pension plan investment expense, was 15.72% and 12.07%, 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, 2026 and 2025, the net return on average assets was 16.01% and 12.14%, respectively. The net return on average assets represents actual returns utilized by the System.

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments—Continued

Short-term investments include an investment fund composed of an investment in units of a commingled trust fund of the Plan's custodial agent (which is valued at amortized cost, which approximates fair value), commercial paper, treasury bills, and U.S. government agency securities. Active manager accounts holding debt and equity securities are reported at fair value, as determined by the Plan's custodial agent, using pricing services or prices quoted by independent brokers based on the latest reported sales prices in active markets, and at current exchange rates for securities traded on national or international exchanges. The fair value of the pro rata share of units owned by the Plan in equity index and commingled trust funds is determined by the respective fund trustee or manager based on quoted sales prices of the underlying securities. The fair value of hedge fund and private equity investments is priced by each respective manager using a combination of observable and unobservable inputs. Investments which do not have an established market are reported at estimated fair value based on primarily unobservable inputs.

Net investment income includes net appreciation 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 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments—Continued

The 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.

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>2026</u>				
Domestic equity	S&P 500 Flagship Index Fund	116,957	\$ 129,974,439	242,384,991
Domestic bond	U.S. Aggregate Bond Index Fund	6,906,356	226,178,578	240,831,526
<u>2025</u>				
Domestic equity	S&P 500 Flagship Index Fund	127,391	\$ 122,096,860	215,845,498
Domestic bond	U.S. Aggregate Bond Index Fund	5,949,858	190,698,485	199,897,395
International equity	Chautauqua International Growth Equity LP	75,127,653	75,127,653	181,143,817

*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).

Subscription-Based Information Technology Arrangements

The System recognizes an intangible right-to-use subscription asset and a corresponding subscription liability for its long-term subscription-based information technology arrangement in accordance with GASB Statement No. 96. Recognition begins when the subscription asset is placed into service. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Payments are discounted using the interest rate charged by the subscription vendor, which may be implicit in the arrangement. If that rate cannot be readily determined, the System uses its estimated incremental borrowing rate.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Subscription-Based Information Technology Arrangements, Continued

The subscription asset is initially measured as the subscription liability, plus payments made to the vendor at or before commencement of the subscription term and qualifying implementation costs, less applicable vendor incentives. The asset is amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying information technology assets, beginning when placed into service. Preliminary project and training costs are expensed as incurred.

Income Taxes

The Plan is exempt from federal and state income taxes.

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

Short-Term Lease—At June 30, 2026, the Plan had a short-term lease expiring on October 31, 2026. The lease was renewed for a 1-year term expiring on October 31, 2027. The present lease requires monthly payments of approximately \$3,700. Total lease expense for both years ended 2026 and 2025 was approximately \$44,000.

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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2026, 2025, and 2024. During 2026, 2025, and 2024, totals of \$158,823, \$143,374, and \$155,559, respectively, were paid to OPERS. The System has contributed 100% of required contributions to OPERS for 2026, 2025, and 2024. The System's and the employees' portions of those amounts were as follows:

	<u>2026</u>	<u>2025</u>	<u>2024</u>
System portion	\$ 122,646	110,843	120,379
Employee portion	<u>36,177</u>	<u>32,531</u>	<u>35,180</u>
	<u>\$ 158,823</u>	<u>143,374</u>	<u>155,559</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.

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, 2026, 2025, and 2024, totals of \$121,378, \$110,696, and \$108,204, respectively, were paid to OPERS, representing 100% of the required contributions. The System's and the employees' contributions to Pathfinder for 2026, 2025, and 2024, were as follows:

	<u>2026</u>	<u>2025</u>	<u>2024</u>
System portion	\$ 64,639	59,212	63,632
Employee portion	<u>56,739</u>	<u>51,484</u>	<u>44,572</u>
	<u>\$ 121,378</u>	<u>110,696</u>	<u>108,204</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

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.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified to conform to the current-year presentation. These reclassifications had no effect on the previously reported fiduciary net position restricted for pensions or changes in fiduciary net position restricted for pensions.

Date of Management’s Review of Subsequent Events

Management has evaluated subsequent events through October 15, 2026, 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.

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

(3) DESCRIPTION OF THE PLAN

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

General

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

Contributions

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

Prior to November 1, 2013, participating paid firefighters contributed 8% of applicable earnings, while member cities contributed 13% of the members' applicable earnings. For the period beginning November 1, 2013, participating paid firefighters contributed 9% of applicable earnings, while member cities contributed 14% of the members' applicable earnings. In addition, the member cities contribute \$60 for each volunteer firefighter unless their annual income in the general fund is less than \$25,000, in which case they are exempt. Prior to November 1, 2013, the State of Oklahoma, a non-employer contributing entity, allocated 34% of insurance premium tax collected from various types of insurance policies to the Plan. For the period beginning November 1, 2013, through June 30, 2020, the State of Oklahoma, a non-employer contributing entity, allocated 36% of insurance premium tax collected from various types of insurance policies to the Plan. Effective September 1, 2020, and July 1, 2021, the State of Oklahoma, a non-employer contributing entity, allocated 25.2% and 36.0%, respectively, of insurance premium tax collected from various types of insurance policies to the Plan. For the period July 1, 2022, through 2026, the State of Oklahoma, a non-employer contributing entity, allocated 37.8% 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, 2026 or 2025.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits

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

- Normal retirement 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, 2026 and 2025, total death benefits of \$1,105,000 and \$1,095,000, 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

(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 73 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, 2026 and 2025, there were 1,026 and 1,059 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.

- 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, 2026 and 2025, there were 2,634 and 2,517 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>2026</u>	<u>2025</u>
Cash on deposit with the State of Oklahoma	\$ 243,045	313,726
Cash on deposit with custodial agents:		
U.S. currency deposits	42,761,600	45,060,830
Foreign currency deposits	121,077	182,138
	<u>42,882,677</u>	<u>45,242,968</u>
Cash equivalents:		
Short-term investments	<u>6,728,868</u>	-
Total cash and cash equivalents	<u>\$ 49,854,590</u>	<u>45,556,694</u>

The Plan's short-term investments are 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 is composed of high-grade money market instruments with short maturities. Each participant in the trust fund shares the risk of loss in proportion to their respective investment in the fund.

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, 2026 and 2025, the carrying amounts of the Plan's cash and cash equivalents were \$49,854,590 and \$45,556,694, respectively, and the bank balances were \$53,070,307 and \$48,665,395, 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 \$121,000 and \$182,000 as of June 30, 2026 and 2025, 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

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.

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

	Cash and Cash Equivalents	Equities	Debt Securities	Total	Percentage
<u>2026</u>					
Canadian dollar	\$ 81	6,310,129	-	6,310,210	1.235%
Chinese yuan	-	3,624,862	-	3,624,862	0.709%
Euro currency	648	32,466,402	-	32,467,050	6.353%
Japanese yen	-	6,884,934	-	6,884,934	1.347%
New Taiwan dollar	27,985	-	-	27,985	0.005%
Polish Zloty	33,662	35,107,935	-	35,141,597	6.876%
Swiss franc	58,701	9,647,826	-	9,706,527	1.899%
Commingled funds:					
Intl. emerging markets	-	232,348,458	-	232,348,458	45.464%
Intl. common stocks	-	184,549,354	-	184,549,354	36.111%
	<u>\$ 121,077</u>	<u>510,939,900</u>	<u>-</u>	<u>511,060,977</u>	<u>100.000%</u>
<u>2025</u>					
Canadian dollar	\$ 76	2,608,745	-	2,608,821	0.462%
Danish krone	-	3,388,125	-	3,388,125	0.600%
Euro currency	665	43,991,884	-	43,992,549	7.791%
Hong Kong dollar	-	7,326,369	-	7,326,369	1.298%
Japanese yen	56,379	12,946,111	-	13,002,490	2.303%
New Taiwan dollar	30,519	-	-	30,519	0.005%
Polish Zloty	35,013	33,566,667	-	33,601,680	5.951%
Swedish krona	59,486	3,436,395	-	3,495,881	0.619%
Commingled funds:					
Intl. emerging markets	-	137,889,824	-	137,889,824	24.421%
Intl. common stocks	-	181,143,817	-	181,143,817	32.082%
Intl. debt securities	-	-	138,146,411	138,146,411	24.467%
	<u>\$ 182,138</u>	<u>426,297,937</u>	<u>138,146,411</u>	<u>564,626,486</u>	<u>100.000%</u>

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(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>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	Fair Value as a Percent of Total Fixed Maturity <u>Fair Value</u>
<u>2026</u>			
U.S. Treasury securities	Aaa	\$ 100,505,107	95.34%
	Not Rated*	<u>4,907,720</u>	<u>4.66%</u>
Total U.S. government securities		<u>\$ 105,412,827</u>	<u>100.00%</u>
Domestic corporate bonds and bond funds	Aaa	\$ 1,494,616	0.91%
	Aa2	1,562,777	0.95%
	Aa3	2,124,115	1.30%
	A1	10,519,518	6.41%
	A2	4,892,450	2.98%
	A3	6,435,739	3.92%
	Ba1	1,009,420	0.62%
	Baa1	5,893,477	3.59%
	Baa2	10,315,090	6.29%
	Baa3	3,878,940	2.37%
	WR	512,310	0.31%
	Not Rated*	<u>115,355,682</u>	<u>70.34%</u>
Total domestic corporate bonds and bond funds		<u>\$ 163,994,134</u>	<u>100.00%</u>

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

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(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>	Fair Value as a Percent of Total Fixed Maturity <u>Fair Value</u>
<u>2025</u>			
U.S. Treasury securities	Aaa	\$ 79,188,593	96.92%
	Not Rated*	<u>2,514,650</u>	<u>3.08%</u>
Total U.S. government securities		<u>\$ 81,703,243</u>	<u>100.00%</u>
Domestic corporate bonds and bond funds	Aaa	\$ 3,744,204	3.13%
	Aa2	3,600,251	3.01%
	Aa3	963,525	0.81%
	A1	6,525,693	5.46%
	A2	2,236,043	1.87%
	A3	6,485,061	5.42%
	Baa1	4,887,104	4.09%
	Baa2	6,813,767	5.70%
	Baa3	5,724,715	4.79%
	WR	526,930	0.44%
	Not Rated*	<u>78,050,444</u>	<u>65.28%</u>
Total domestic corporate bonds and bond funds		<u>\$ 119,557,737</u>	<u>100.00%</u>
International corporate and government bonds	Not Rated*	<u>\$ 138,146,411</u>	<u>100.00%</u>
Total international corporate and government bonds		<u>\$ 138,146,411</u>	<u>100.00%</u>

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

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(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>2026</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
U.S. government securities:						
U.S. Treasury	\$ -	15,937,590	51,015,807	38,459,430	-	105,412,827
Total U.S. government securities	-	15,937,590	51,015,807	38,459,430	-	105,412,827
Domestic corporate bonds and bond funds:						
Corporate bonds	-	19,273,383	19,754,627	13,203,773	-	52,231,783
U.S. government mortgages	-	-	1,712,069	110,050,282	-	111,762,351
Total domestic corporate bonds and bond funds	-	19,273,383	21,466,696	123,254,055	-	163,994,134
	\$ -	35,210,973	72,482,503	161,713,485	-	269,406,961

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

Interest Rate Risk, Continued

<u>Investment Type</u> <u>2025</u>	<u>Investment Maturities at Fair Value (in Years)</u>					<u>Total Fair Value</u>
	<u>Less Than 1</u>	<u>1 or More, Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	
U.S. government securities:						
U.S. Treasury	\$ 2,514,650	14,211,220	46,265,680	18,711,693	-	81,703,243
Total U.S. government securities	<u>2,514,650</u>	<u>14,211,220</u>	<u>46,265,680</u>	<u>18,711,693</u>	<u>-</u>	<u>81,703,243</u>
Domestic corporate bonds and bond funds:						
Corporate bonds	499,475	9,172,188	20,534,563	12,045,653	-	42,251,879
U.S. government mortgages	-	-	1,634,826	75,671,032	-	77,305,858
Total domestic corporate bonds and bond funds	<u>499,475</u>	<u>9,172,188</u>	<u>22,169,389</u>	<u>87,716,685</u>	<u>-</u>	<u>119,557,737</u>
International corporate and government bonds:						
International debt securities—Brandywine	-	-	-	-	138,146,411	138,146,411
Total international corporate and government bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,146,411</u>	<u>138,146,411</u>
	<u>\$ 3,014,125</u>	<u>23,383,408</u>	<u>68,435,069</u>	<u>106,428,378</u>	<u>138,146,411</u>	<u>339,407,391</u>

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

Investments Measured at Fair Value

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
<u>Investments by Fair Value Level</u>				
<u>2026</u>				
Cash equivalents:				
Farm Credit Corp	\$ 2,870,034	2,870,034	-	-
Province of Ontario	2,572,605	2,572,605	-	-
Government STIF	1,286,229	1,286,229	-	-
Total cash equivalents	<u>\$ 6,728,868</u>	<u>6,728,868</u>	<u>-</u>	<u>-</u>
Debt securities:				
U.S. Treasury	\$ 105,412,827	105,412,827	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	52,231,783	-	52,231,783	-
U.S. government mortgage-backed securities	<u>111,762,351</u>	<u>-</u>	<u>111,762,351</u>	<u>-</u>
Total debt securities	<u>269,406,961</u>	<u>105,412,827</u>	<u>163,994,134</u>	<u>-</u>
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	1,798,827,471	-	1,798,827,471	-
SSgA U.S. Aggregate Bond INDX NL FD Mutual Fund	240,831,526	-	240,831,526	-
SSgA Russell Small CAP Completeness Index Fund (CMD4)	106,471,879	-	106,471,879	-
S&P 500 Flagship Index Fund	<u>242,384,991</u>	<u>-</u>	<u>242,384,991</u>	<u>-</u>
Total domestic equities	<u>2,388,515,867</u>	<u>-</u>	<u>2,388,515,867</u>	<u>-</u>
Equity securities—international:				
Intl. Developed Market	278,591,442	278,591,442	-	-
Intl. Emerging Market	<u>232,348,458</u>	<u>-</u>	<u>232,348,458</u>	<u>-</u>
Total international equities	<u>510,939,900</u>	<u>278,591,442</u>	<u>232,348,458</u>	<u>-</u>

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

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
<u>Investments by Fair Value Level, Continued</u>				
<u>2026</u>				
Private equity:				
Private equity—non-real estate focused	678,940,115	-	-	678,940,115
Private equity—real estate focused	289,831,660	-	-	289,831,660
Total private equity	968,771,775	-	-	968,771,775

Investments measured at net asset value (NAV):

Private equity—real estate focused— Landmark Real Estate VII, L.P.	1,254,364	-	-	-
Private equity—real estate focused— Portfolio Advisors Private Equity Fund III, L.P.	655,356	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund IV, L.P.	90,488	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund V, L.P.	1,546,120	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund VI, L.P.	8,560,914	-	-	-
Private equity—non-real estate focused— Adams Street Co-Investment Fund V A	52,052,677	-	-	-
Private equity—non-real estate focused— Adams Street Co-Investment Fund VI A	6,521,542	-	-	-
Private equity—non-real estate focused— AESF VI B, L.P.	26,841,247	-	-	-
Private equity—non-real estate focused— ASF VI B, L.P.	1,570,013	-	-	-

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

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Investments measured at net asset value (NAV), Continued:				
<u>2026</u>				
Private equity—non-real estate focused— ASF VIII, L.P.	48,299,033	-	-	-
Private equity—non-real estate focused— Capital Dynamics Global Secondaries IV, L.P.	14,955,856	-	-	-
Private equity—non-real estate focused— Capital Dynamics Global Secondaries VI (US), L.P.	80,144,770	-	-	-
Private equity—non-real estate focused— Pomona Capital VIII	107,868	-	-	-
Private equity—non-real estate focused— Pomona Capital IX	8,649,206	-	-	-
Private equity—non-real estate focused— Pomona Capital X	43,540,394	-	-	-
Private equity—non-real estate focused— Schroders Capital Private Equity Global Direct III	66,030,287	-	-	-
Private equity—non-real estate focused— Schroders Capital Private Equity Global Direct IV	6,337,426	-	-	-
Private credit—non-real estate focused— Comvest Credit Partners VII Levered (Delaware) Feeder, L.P.	16,556,260	-	-	-
Total investments measured at NAV	<u>383,713,821</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value	<u>\$ 4,521,348,324</u>	<u>384,004,269</u>	<u>2,784,858,459</u>	<u>968,771,775</u>

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

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
<u>Investments by Fair Value Level</u>				
<u>2025</u>				
Debt securities:				
U.S. Treasury	81,703,243	81,703,243	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	42,251,879	-	42,251,879	-
U.S. government mortgage-backed securities	77,305,858	-	77,305,858	-
International corporate and government bonds:				
International debt securities—Brandywine	138,146,411	138,146,411	-	-
Total debt securities	<u>339,407,391</u>	<u>219,849,654</u>	<u>119,557,737</u>	<u>-</u>
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	1,601,789,165	-	1,601,789,165	-
SSgA U.S. Aggregate Bond INDX NL FD Mutual Fund	199,897,395	-	199,897,395	-
SSgA Russell Small CAP Completeness Index Fund (CMD4)	89,129,102	-	89,129,102	-
S&P 500 Flagship Index Fund	215,845,499	-	215,845,499	-
Total domestic equities	<u>2,106,661,161</u>	<u>-</u>	<u>2,106,661,161</u>	<u>-</u>
Equity securities—international:				
Intl. Developed Market	288,408,113	288,408,113	-	-
Intl. Emerging Market	137,889,824	-	137,889,824	-
Total international equities	<u>426,297,937</u>	<u>288,408,113</u>	<u>137,889,824</u>	<u>-</u>

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

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
<u>Investments by Fair Value Level, Continued</u>				
<u>2025</u>				
Private equity:				
Private equity—non-real estate focused	487,518,725	-	-	487,518,725
Private equity—real estate focused	322,134,961	-	-	322,134,961
Total private equity	809,653,686	-	-	809,653,686
Investments measured at net asset value (NAV):				
Private equity—real estate focused— Landmark Real Estate VII, L.P.	2,746,754	-	-	-
Private equity—real estate focused— Portfolio Advisors Private Equity Fund III, L.P.	1,697,526	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund IV, L.P.	163,098	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund V, L.P.	2,009,822	-	-	-
Private equity—real estate focused— Portfolio Advisors Real Estate Fund VI, L.P.	9,347,316	-	-	-
Private equity—non-real estate focused— Adams Street Co-Investment Fund V A	46,112,170	-	-	-
Private equity—non-real estate focused— AESF VI B, L.P.	31,107,542	-	-	-
Private equity—non-real estate focused— ASF VI B, L.P.	3,686,786	-	-	-
Private equity—non-real estate focused— ASF VIII, L.P.	60,912,401	-	-	-
Private equity—non-real estate focused— Capital Dynamics Global Secondaries IV, L.P.	16,178,162	-	-	-
Private equity—non-real estate focused— Capital Dynamics Global Secondaries VI (US), L.P.	54,863,532	-	-	-

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

Investments Measured at Fair Value, Continued

	Amounts Measured at <u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Investments measured at net asset value				
<u>(NAV), Continued:</u>				
<u>2025</u>				
Private equity—non-real estate focused— Pomona Capital VIII	113,718	-	-	-
Private equity—non-real estate focused— Pomona Capital IX	10,745,999	-	-	-
Private equity—non-real estate focused— Pomona Capital X	45,814,663	-	-	-
Private equity—non-real estate focused— Schroders Capital Private Equity Global Direct III	63,294,444	-	-	-
Private equity—non-real estate focused— Schroders Capital Private Equity Global Direct IV	4,131,904	-	-	-
Private equity—non-real estate focused— Comvest Credit Partners VII Levered (Delaware) Feeder, L.P.	11,711,366	-	-	-
Total investments measured at NAV	<u>\$ 364,637,203</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Investments Measured at Fair Value, Continued

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

U.S. Aggregate Bond Index Fund—The Plan invests in this fund with a full or sampling-based index replication strategy tied to the Bloomberg U.S. Aggregate Bond Index. The strategy seeks to match the price and yield performance of the index over the long-term. The fund is classified in Level 2 of the fair value hierarchy, as the fund is primarily exposed to bonds with observable market prices in active markets (i.e., U.S. Treasuries, corporate and government bonds). The fund provides pricing and liquidity to its investors on a daily basis.

Russell Small Cap Completeness Index Fund—The Plan invests in this fund with a passive indexing strategy tied to the Russell Small Cap Completeness Index. The strategy seeks to match the total return of the index benchmark over the long-term. The underlying securities are primarily equity securities traded on public exchanges with observable market prices; as such, the fund is classified in Level 2 of the fair value hierarchy. The fund provides pricing and liquidity to its investors on a daily basis.

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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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(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.

Fair Value of Private Equity and Long/Short Hedge—The Plan participates in a number of private equity partnerships 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.

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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'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, 2026, the Plan was invested in 43 different PE partnerships (16 of which were real estate) and had a remaining commitment of approximately \$370,000,000 for the non-real estate PE partnerships and approximately \$43,000,000 for the real estate PE partnerships. At June 30, 2025, the Plan was invested in 43 different PE partnerships (18 of which were real estate) and had a remaining commitment of approximately \$351,000,000 for the non-real estate PE partnerships and approximately \$71,000,000 for the real estate PE partnerships. The Plan entered into 3 new PE partnership agreements during fiscal year 2026 (3 non-real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of \$34,000,000, which was partially funded prior to June 30, 2026. The Plan entered into 3 new PE partnership agreements during fiscal year 2025 (3 non-real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of \$48,000,000, which was partially funded prior to June 30, 2025. 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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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

Fair Value of Private Equity and Long/Short Hedge—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—Landmark Real Estate Partners VII—The Plan invests in Landmark Real Estate Partners VII, L.P., which acquires direct and indirect interests in diversified real estate assets primarily through secondary market transactions. Investments are generally held through pooling vehicles that invest in professionally managed domestic and foreign real estate entities. The Plan measures its interest using the NAV attributable to its individual capital account, reflecting the fair value of the fund's investments, liabilities, expenses, and applicable carried interest allocations. The underlying investments are illiquid, and distributions depend on investment income and proceeds from the disposition of those investments.

Private Equity—Portfolio Advisors Real Estate Funds III, IV, V, and VI—The Plan invests in Portfolio Advisors Real Estate Funds III, IV, V, and VI, L.P., which seek long-term returns through diversified portfolios of private real estate partnerships. Depending on the fund and sector, investments include U.S. and non-U.S. real estate strategies, value-added and opportunistic investments, and secondary purchases of existing real estate fund interests. The Plan measures its interests using the NAV attributable to its individual capital accounts. Limited partners may not withdraw or transfer their capital without the general partner's consent. Distributions are received from investment income and the liquidation or other disposition of underlying investments, after provision for expenses and reserves.

Private Equity—Adams Street Co-Investment Funds V A and VI A—The Plan invests in Adams Street Co-Investment Fund V A LP and Adams Street Co-Investment Fund VI A LP, which acquire minority interests in companies alongside private equity sponsors. Investments are generally held through intermediary vehicles controlled by the sponsors, which direct the disposition of the underlying investments. The Plan measures its interests using the NAV attributable to its individual capital accounts, reflecting underlying investment valuations and applicable fund expenses and incentive allocations. Distributions are made at the discretion of the general partners in accordance with the partnership agreements.

Private Equity—Ardian Secondary Funds—The Plan invests in AESF VI B L.P., ASF VI B L.P., and ASF VIII B L.P., which acquire private equity interests principally through secondary market transactions. AESF VI B focuses on interests in funds relatively early in their investment periods, while ASF VI B and ASF VIII B primarily acquire more mature private equity and venture capital fund interests and portfolios of direct investments. The funds invest principally in North America and Europe while ASF VIII B may also acquire infrastructure and energy fund interests. The Plan measures its interests using the NAV attributable to its individual capital accounts, adjusted when necessary for valuation-date or accounting-basis differences. Distributions depend on income and realizations from the underlying investments. ASF VI B's final contractual extension ends December 17, 2026, after which the fund is required to commence liquidation.

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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—Capital Dynamics Global Secondaries Funds—The Plan invests in Capital Dynamics Global Secondaries IV, L.P. and Capital Dynamics Global Secondaries VI (US), L.P. The funds invest primarily through aggregator vehicles that acquire interests in private equity funds through secondary market transactions. Their portfolios may also include primary fund commitments, direct investments acquired in secondary transactions, and related follow-on investments. The strategy provides exposure to established private equity portfolios, including buyout and growth investments. The Plan measures its interests using the NAV attributable to its individual capital accounts, including its share of fund expenses and other allocations. Distributions depend on proceeds received from the underlying investments.

Private Equity—Pomona Capital Funds VIII, IX, and X—The Plan invests in Pomona Capital VIII, L.P., Pomona Capital IX, L.P., and Pomona Capital X, L.P. These funds acquire secondary interests in private equity portfolios, including buyout and venture capital funds and portfolios of direct investments. Fund X also targets growth equity investments. The Plan measures its interests using the NAV attributable to its individual capital accounts, reflecting applicable expenses and carried interest allocations. Distributions are received as the funds realize their investments and distribute available proceeds. Fund VIII sold its final portfolio investment in 2025, and its remaining assets are expected to be distributed as the Fund winds down its operations.

Private Equity—Schroders Capital Global Direct Funds III and IV—The Plan invests in Schroders Capital Private Equity Global Direct III USD S.C.S. and Schroders Capital Private Equity Global Direct IV USD S.C.S. Fund III focuses on small and middle-market buyout and growth investments, including transformational buyouts, specialist buyouts, and turnaround opportunities. Fund IV invests globally in buyout, turnaround, growth capital, and venture capital opportunities. The funds determine NAV at least quarterly using valuations of their underlying investments, with adjustments when appropriate for additional information and differences in valuation dates or accounting methods. The Plan measures its interests using the NAV attributable to its individual capital accounts. Distributions depend on income and realizations from the underlying investments.

Private Credit—Comvest Credit Partners VII Levered Fund—The Plan invests in Comvest Credit Partners VII Levered (Delaware) Feeder L.P., which invests substantially all of its assets through an Irish investment vehicle into a leveraged master fund. The master fund invests predominantly in senior secured loans to middle-market businesses in the United States and Canada. The Plan measures its interest using the NAV attributable to its individual capital account, reflecting the underlying investment values, leverage, expenses, and applicable investor allocations. Distributions depend on investment income and proceeds from loan repayments and investment dispositions, after provision for expenses and reserves.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

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

Private Equity—Real Estate Focused—AG Net Lease Realty Fund III and AG Realty Value Fund XI, L.P.—The Plan invests in net lease real estate private equity managed by Angelo Gordon & Co. The funds' strategy focuses on providing sale-leaseback financing to less-than-investment grade owner-occupiers of corporate real estate and also focusing on distressed or underperforming properties. Generally, investment income is derived from single and multi-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 determined 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.

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 realize 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 the redemption amount.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(5) DERIVATIVE AND OTHER INSTRUMENTS

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include futures contracts, swap contracts, options contracts, and forward foreign currency exchange. The Plan's derivatives policy notes that derivatives may be used for the purpose of reducing or controlling risk, reducing transaction costs, or shifting an asset mix. The investment policy also requires investment managers to follow certain controls and documentation and risk management procedures. The Plan uses forward foreign exchange contracts primarily to hedge foreign currency exposure. The Plan did not have any direct derivative investments at June 30, 2026 or 2025. 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.

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.

(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>2026</u>	<u>2025</u>
Assets at beginning of year	\$ 499,832,018	496,645,386
Employer's contributions	19,557	117,558
Interest on Deferred Option Plan balances	47,420	49,879
Retirement benefits transferred from pension plan	66,499,433	47,882,401
Retirement benefit payments	<u>(48,100,915)</u>	<u>(44,863,206)</u>
Assets at end of year	<u>\$ 518,297,513</u>	<u>499,832,018</u>

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

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(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>2026</u>	<u>2025</u>
Assets at beginning of year	\$ 961,149,965	878,550,914
Employer's contributions	7,533,459	9,674,077
Interest on "Back" DROP Plan balances	24,013,601	32,237,366
Retirement benefits transferred from pension plan	141,693,576	99,876,449
Retirement benefit payments	<u>(62,676,946)</u>	<u>(59,188,841)</u>
Assets at end of year	<u>\$ 1,071,713,655</u>	<u>961,149,965</u>

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

(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>2026</u>	<u>2025</u>
Total pension liability	\$ 5,090,660,039	4,786,046,089
Fiduciary net position	<u>4,132,555,901</u>	<u>3,696,332,045</u>
Employers' net pension liability	<u>\$ 958,104,138</u>	<u>1,089,714,044</u>
Fiduciary net position as a percentage of total pension liability	<u>81.18%</u>	<u>77.23%</u>

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(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

Actuarial Assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2026 and 2025, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75% for 2026 and 2025
Salary increases:	For paid firefighters 2.75% to 14.00% for both 2026 and 2025; not applicable for volunteer firefighters
Investment rate of return:	7.5%, net of pension plan investment expense, for 2026 and 2025

For 2026 and 2025, mortality rates were based on:

Active members—Pub-2010 Public Safety Table with generational mortality improvement using MP-2021.

Retired members—Pub-2010 Public Safety Below Median Table with generational mortality improvement using Scale MP-2021.

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

The actuarial assumptions used in the July 1, 2026 and 2025, valuations were based on the results of an actuarial experience study for the period July 1, 2018, to June 30, 2023.

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 2.52% and 2.41% for 2026 and 2025, 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>2026</u>	<u>2025</u>
	<i>(Includes inflation factor)</i>	
Fixed income	5.61%	5.34%
Domestic equity	8.28%	8.41%
International equity	9.32%	9.34%
Real estate	9.73%	9.81%
Other assets	6.96%	6.50%

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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>2026</u>			
Employers' net pension liability	<u>\$ 1,428,467,132</u>	<u>958,104,138</u>	<u>565,523,627</u>
<u>2025</u>			
Employers' net pension liability	<u>\$ 1,526,707,362</u>	<u>1,089,714,044</u>	<u>724,847,453</u>

(9) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT

The System has a subscription-based information technology arrangement for pension administration software, including hosting and maintenance. The software was placed into service on March 1, 2026. The subscription term used for accounting purposes coincides with the estimated useful life of the software and extends through February 28, 2033, with monthly payments of \$16,000 for hosting and maintenance. Due to it being impractical to allocate the hosting and maintenance costs, the full cost is included in the determination of the subscription right-of-use asset and liability. The subscription liability was initially measured using a discount rate of 3.86%.

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(9) SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT, CONTINUED

The initial subscription right-of-use asset totaled \$2,776,085, consisting of an initial subscription liability of \$1,176,085 and capitalized implementation costs of \$1,600,000. The asset is amortized using the straight-line method over seven years. For the year ended June 30, 2026, amortization expense of \$132,195 was recognized and the subscription right-of-use asset at June 30, 2026 was \$2,643,891.

During the year ended June 30, 2026, subscription payments totaled \$64,000, consisting of principal reductions of \$49,104 and interest expense of \$14,896. The subscription liability was \$1,126,981 at June 30, 2026. There were no subscription right-of-use assets or liabilities as of June 30, 2025.

Future principal and interest requirements for the subscription liability at June 30, 2026, were as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2027	\$ 151,154	40,846	192,000
2028	157,093	34,907	192,000
2029	163,265	28,735	192,000
2030	169,680	22,320	192,000
2031	176,347	15,653	192,000
Thereafter	309,442	10,558	320,000
	<u>\$ 1,126,981</u>	<u>153,019</u>	<u>1,280,000</u>

(10) CAPITAL ASSETS

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

	<u>Balance at June 30, 2025</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2026</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	(599,785)	(55,531)	-	(655,316)
Capital assets, net	<u>\$ 604,313</u>	<u>(55,531)</u>	<u>-</u>	<u>548,782</u>
	<u>Balance at June 30, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2025</u>
Cost	\$ 1,204,098	-	-	1,204,098
Accumulated depreciation	(543,308)	(56,477)	-	(599,785)
Capital assets, net	<u>\$ 660,790</u>	<u>(56,477)</u>	<u>-</u>	<u>604,313</u>

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(11) 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.

(12) 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. The Plan has received favorable determination from the Internal Revenue Service (IRS) regarding its tax-exempt status in a letter dated September 10, 2014.

(13) 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.

(14) LEGISLATIVE AMENDMENTS

The following is a summary of significant plan provision changes that were enacted by the Oklahoma Legislature during 2026 and 2025:

2026

- Senate Bill 1147 – Effective November 1, 2026, Senate Bill 1147 increases monthly pension benefits for volunteer firefighters retiring on or after that date to \$10 for each year of credited service, not to exceed 30 years, and increases the annual compensation threshold used to determine whether an active volunteer firefighter is considered a paid firefighter to \$9,939.69. Members receiving benefits as of June 30, 2026, will receive a benefit increase of 3% if retired for at least 10 but less than 20 years or 6% if retired for 20 years or more. Members retired for less than 10 years will receive no increase. Certain prior benefit increases received after June 30, 2020, will offset the benefit increase provided by the bill.
- Senate Bill 1149 – Effective November 1, 2026, Senate Bill 1149 defines a “tweener” as a member or beneficiary receiving benefits from the System who was not retired and did not have 20 years of credited service as of May 26, 1983, and who retired before November 1, 1989. Retired volunteer firefighters are excluded from the definition. Qualifying tweeners receiving benefits from the System as of October 31, 2026, will receive a one-time stipend of \$25,000.

2025

- House Bill 1091—The bill revises several provisions of the Oklahoma Firefighters Pension and Retirement System to modernize definitions, clarify benefit eligibility, and expand repayment and service credit options.

See Independent Auditors' Report.

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

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(15) 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, 2026, the System has accrued approximately \$523,976,000 of interest that was included in accrued expenses as of June 30, 2026. On July 11, 2024, the district court granted a motion for the litigation to receive class certification. November 10, 2026, the case is set for a pretrial conference.

See Independent Auditors' Report.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability										
Service cost	\$ 77,579,060	75,644,961	72,259,510	69,597,348	66,622,365	67,201,486	64,838,677	66,244,663	64,638,597	61,489,198
Interest	349,094,645	343,954,411	324,755,940	314,461,668	306,881,372	295,024,955	287,427,206	284,230,285	278,175,509	257,914,126
Changes of benefit terms	86,526,048	-	-	-	-	-	-	-	(144,096,161)	-
Differences between expected and actual experience	209,473,957	39,943,694	147,868,663	82,003,803	41,194,963	187,276,430	107,787,806	(26,456,744)	125,283,130	170,533,239
Changes in assumptions	-	-	60,733,376	-	-	-	-	(33,414,214)	-	-
Benefit payments, including refunds of member contributions	<u>(418,059,760)</u>	<u>(367,821,654)</u>	<u>(338,224,993)</u>	<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>
Net change in total pension liability	304,613,950	91,721,412	267,392,496	141,351,748	106,203,640	76,321,549	211,008,653	46,504,239	78,347,252	289,721,996
Total pension liability— beginning	<u>4,786,046,089</u>	<u>4,694,324,677</u>	<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>
Total pension liability— ending (a)	<u>\$5,090,660,039</u>	<u>4,786,046,089</u>	<u>4,694,324,677</u>	<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>

(Continued)

See Independent Auditors' Report.
See accompanying notes to required supplementary information.

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

SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY, CONTINUED

Last 10 Fiscal Years										
	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan fiduciary net position										
Contributions—										
employers/municipalities	\$ 61,183,772	57,070,199	54,480,094	53,366,157	45,932,405	45,301,239	44,915,341	43,378,922	41,590,815	40,325,760
Contributions—members	40,366,121	37,811,445	34,768,864	33,965,756	29,183,440	28,634,422	28,604,332	27,347,450	26,086,597	25,236,243
Contributions—										
State of Oklahoma, a										
non-employer										
contributing entity	134,680,837	142,726,998	140,575,152	114,291,486	102,442,025	72,923,900	103,591,633	101,700,051	100,333,324	88,133,633
Net investment										
income (loss)	620,341,091	452,266,466	351,612,532	284,304,430	(409,769,260)	914,534,234	109,851,676	189,352,801	290,165,929	302,619,557
Benefit payments,										
including refunds of										
member contributions	(418,059,760)	(367,821,654)	(338,224,993)	(324,711,071)	(308,495,060)	(409,531,086)	(249,045,036)	(244,099,751)	(245,653,823)	(200,214,567)
Administrative expense	<u>(2,288,205)</u>	<u>(2,937,966)</u>	<u>(2,676,825)</u>	<u>(2,380,987)</u>	<u>(2,257,894)</u>	<u>(2,194,352)</u>	<u>(2,156,585)</u>	<u>(2,194,806)</u>	<u>(2,098,370)</u>	<u>(2,387,774)</u>
Net change in plan										
fiduciary net position	436,223,856	319,115,488	240,534,824	158,835,771	(542,964,344)	649,668,357	35,761,361	115,484,667	210,424,472	253,712,852
Plan fiduciary net										
position—beginning	<u>3,696,332,045</u>	<u>3,377,216,557</u>	<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>
Plan fiduciary net										
position—ending (b)	<u>\$4,132,555,901</u>	<u>3,696,332,045</u>	<u>3,377,216,557</u>	<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>
Plan's net pension										
liability (a) - (b)	<u>\$ 958,104,138</u>	<u>1,089,714,044</u>	<u>1,317,108,120</u>	<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>

See Independent Auditors’ Report.
See accompanying notes to required supplementary information.

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

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY

Last 10 Fiscal Years

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 5,090,660,039	4,786,046,089	4,694,324,677	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
Plan fiduciary net position	<u>4,132,555,901</u>	<u>3,696,322,045</u>	<u>3,377,216,557</u>	<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>
Plan net pension liability	<u>\$ 958,104,138</u>	<u>1,089,724,044</u>	<u>1,317,108,120</u>	<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>
Plan fiduciary net position as a percentage of the total pension liability	<u>81.18%</u>	<u>77.23%</u>	<u>71.94%</u>	<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>
Covered payroll	<u>\$ 445,364,316</u>	<u>392,623,298</u>	<u>388,178,501</u>	<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>
Plan net pension liability as a percentage of covered payroll	<u>215.13%</u>	<u>277.55%</u>	<u>339.30%</u>	<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>

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

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

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES

Last 10 Fiscal Years

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 168,373,652	173,001,456	159,413,662	151,503,140	150,350,348	151,539,372	142,015,118	150,174,973	155,547,401	141,509,975
Contributions in relation to the actuarially determined contribution:										
Employers/Municipalities	53,650,314	47,396,122	46,681,611	45,285,476	37,851,725	37,220,559	36,395,216	37,693,595	36,015,374	34,567,211
State of Oklahoma, a non-employer contributing entity	<u>134,680,837</u>	<u>142,726,998</u>	<u>140,575,153</u>	<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>188,331,151</u>	<u>190,123,120</u>	<u>187,256,764</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>
Contribution deficiency (excess)	\$ <u>(19,957,499)</u>	<u>(17,121,664)</u>	<u>(27,843,102)</u>	<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>
Covered payroll	\$ <u>445,364,316</u>	<u>392,623,298</u>	<u>388,178,501</u>	<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>
Contributions as a percentage of covered payroll	<u>42.29%</u>	<u>48.42%</u>	<u>48.24%</u>	<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>

The actuarially determined contributions are based on the normal cost, plus administrative expenses and the amortization of unfunded actuarial liability over 30 years, from July 1, 2014, offset by the member's contributions (9% of payroll).

The actual Employers/Municipalities contributions shown above have been reduced by the contributions paid to participants under the "Back" DROP provisions of the plan.

\$	7,533,458	9,674,077	7,798,482	10,366,741	14,347,431	8,080,680	-	-	-	-
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See Independent Auditors' Report.

See accompanying notes to required supplementary information.

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

SCHEDULE OF INVESTMENT RETURNS

Last 10 Fiscal Years

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense, as defined by GASB 67	<u>15.72%</u>	<u>12.07%</u>	<u>10.73%</u>	<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>
Net return on average assets	<u>16.01%</u>	<u>12.14%</u>	<u>10.78%</u>	<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>

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2026

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 2026, 2025, 2024, 2023, 2022, and 2021, and Conduent, formerly Buck Consultants, LLC, for all prior years). Additional information as of the July 1, 2025, valuation follows:

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar—closed
Remaining amortization:	18 years
Asset valuation method:	An expected funding valuation adjustment (FVA) is determined equal to the prior year's FVA plus cash flow (excluding investment expenses and realized and unrealized gains and losses) for the year ended on the valuation date and assuming a 7.5% investment return. Any difference in the actual FVA and expected FVA is amortized over 5 years. The result is constrained to a value of 80% to 120% of the market value at the valuation date. Prior gains and losses were not restated.
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases*	2.75% to 14.00%
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%.

See Independent Auditors' Report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the 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 statement of fiduciary net position as of June 30, 2026, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 15, 2026. Our report includes an explanatory paragraph disclaiming an opinion on required supplementary information.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

(Continued)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Finley & Cook, PLLC". The signature is written in a cursive, flowing style.

Shawnee, Oklahoma
October 15, 2026