Oklahoma Firefighters Pension and Retirement Plan

Administered by

Oklahoma Firefighters Pension and Retirement System

Financial Statements

June 30, 2024 and 2023
(With Independent Auditors' Report Thereon)

F&C CPAs

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

FINANCIAL STATEMENTS

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

F&C CPAs

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, 2024 and 2023, 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, 2024 and 2023, 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 7.5%. In connection with the litigation, the System had accrued approximately $368,900,000 of interest that was included in accrued expenses as of June 30, 2024. Our opinion is not modified with respect to this matter.

(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 45 through 49 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 17, 2024, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Finley & Cook, PLLC

Shawnee, Oklahoma
October 17, 2024

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, 2024, 2023, and 2022. Please read it in conjunction with the System's financial statements, which begin on page 4.

Financial Highlights

		2024	2023	2022
• Fiduciary net position of the System	$	3,377,216,557	3,136,681,733	2,977,845,962
• Contributions:				
Insurance premium taxes		140,575,152	114,291,486	102,442,025
Participating municipalities		54,480,094	53,366,157	45,932,405
Plan members/employees		34,768,864	33,965,756	29,183,440
• Net investment income		351,612,532	284,304,430	(409,769,260)
• Benefits paid, including refunds		338,224,993	324,711,071	308,495,060
• Net increase (decrease) in fiduciary net position		240,534,824	158,835,771	(542,964,344)

DISCUSSION OF THE BASIC FINANCIAL STATEMENTS

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

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

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

CONDENSED FINANCIAL INFORMATION COMPARING THE CURRENT YEAR TO PRIOR YEARS

The following table summarizes the fiduciary net position as of June 30:

	2024	2023	2022
Cash and cash equivalents	$ 43,675,575	43,955,792	54,898,218
Receivables	37,912,093	30,312,817	22,913,027
Investments, at fair value	3,668,053,814	3,382,776,337	3,180,167,283
Securities lending short-term collateral	-	89,929,460	97,513,997
Capital assets, net	660,790	717,266	773,765
Total assets	3,750,302,272	3,547,691,672	3,356,266,290
Liabilities	373,085,715	411,009,939	378,420,328
Fiduciary net position	$ 3,377,216,557	3,136,681,733	2,977,845,962

Investments are made in accordance with the investment policy approved by the Board of Trustees. A more detailed description of the types of investments held and the investment policy are presented in Note 2 to the financial statements.

The following table summarizes the changes in fiduciary net position between fiscal years 2024, 2023, and 2022:

	2024	2023	2022
Additions			
Contributions	$ 229,824,110	201,623,399	177,557,870
Net investment income (loss)	351,612,532	284,304,430	(409,769,260)
Total additions	581,436,642	485,927,829	(232,211,390)
Deductions			
Benefits and refunds	338,224,993	324,711,071	308,495,060
Administrative expenses	2,676,825	2,380,987	2,257,894
Total deductions	340,901,818	327,092,058	310,752,954
Net increase (decrease) in fiduciary net position	240,534,824	158,835,771	(542,964,344)
Fiduciary net position, beginning of year	3,136,681,733	2,977,845,962	3,520,810,306
Fiduciary net position, end of year	$ 3,377,216,557	3,136,681,733	2,977,845,962

ANALYSIS OF THE OVERALL FIDUCIARY NET POSITION AND THE CHANGES IN FIDUCIARY NET POSITION

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

The System had net investment income of approximately $352 million for 2024 compared to net investment income of approximately $284 million for 2023.

The investment income of the System increased approximately $67 million during the year ended June 30, 2024, compared to the year ended June 30, 2023, as a result of an increase in the overall performance of the market during the fiscal year. The investment income of the System increased approximately $694 million during the year ended June 30, 2023, compared to the year ended June 30, 2022, as a result of an increase in the overall performance of the market during the fiscal year. The investment income of the System decreased approximately $1,325 million during the year ended June 30, 2022, compared to the year ended June 30, 2021, as a result of a decrease in the overall performance of the market during the fiscal year.

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

	2024	2023	2022
System	10%	9%	(10)%

During the years ended June 30, 2024, 2023, and 2022, benefit payments, including refunds, increased (decreased) by approximately 4%, 5%, and (25)%, respectively, due to changes in the number of retirees, statutory benefit increases, and the mandatory disbursement of interest.

Administrative expenses increased approximately 12.43% from fiscal year 2023 to 2024. Administrative expenses increased approximately 5.45% from fiscal year 2022 to 2023; and increased approximately 2.89% from fiscal year 2021 to 2022. The major components of administrative expenses are professional fees, payroll and related expenses for the employees of the System, and miscellaneous office expenses.

The System has no debt or infrastructure assets.

DESCRIPTION OF CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON THE FIDUCIARY NET POSITION OR THE CHANGES IN FIDUCIARY NET POSITION

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

The System received insurance premium taxes of approximately $141 million, $114 million, and $102 million for the years ended June 30, 2024, 2023, and 2022, respectively. The System received 37.8% of the total taxes collected on insurance premiums during the fiscal years ended 2024 and 2023, and 36% for the fiscal year ended 2022.

REQUESTS FOR INFORMATION

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

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

STATEMENTS OF FIDUCIARY NET POSITION

June 30,	*2024*	*2023*
Assets		
Cash and cash equivalents	$ 43,675,575	43,955,792
Receivables:		
Employees' contributions	1,495,709	1,272,734
Employer's contributions	2,326,559	1,981,594
Due from the State of Oklahoma Insurance Department	29,125,292	22,087,969
Accrued interest and dividends	1,852,114	2,322,690
Net receivable from brokers for security transactions	3,112,419	2,647,830
Other receivable	-	-
Total receivables	37,912,093	30,312,817
Investments, at fair value:		
U.S. government securities	23,679,454	27,541,348
Domestic corporate bonds and bond funds	57,601,893	120,249,529
International corporate and government bonds	203,755,343	203,114,588
Domestic equities	1,933,791,071	1,627,647,405
International equities	379,895,817	366,875,986
Private equity—non-real estate	587,725,645	524,534,338
Real estate—core and private equity	481,604,591	512,813,143
Total investments, at fair value	3,668,053,814	3,382,776,337
Securities lending short-term collateral	-	89,929,460
Capital assets, net of accumulated depreciation	660,790	717,266
Total assets	3,750,302,272	3,547,691,672
Liabilities		
Accounts payable and accrued expenses	373,085,715	321,080,479
Securities lending collateral	-	89,929,460
Total liabilities	373,085,715	411,009,939
Fiduciary net position restricted for pensions	**$ 3,377,216,557**	**3,136,681,733**

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

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

Years Ended June 30,	*2024*	*2023*
Additions:		
Contributions:		
Insurance premium taxes	$ 140,575,152	114,291,486
Participating municipalities	54,480,094	53,366,157
Plan members/employees	34,768,864	33,965,756
Total contributions	229,824,110	201,623,399
Investment income:		
From investment activities:		
Net appreciation in fair value of investments	347,749,820	279,213,863
Interest	8,328,310	8,552,081
Dividends	16,946,280	17,970,816
Total investment income	373,024,410	305,736,760
Less investment expense	(21,422,445)	(21,583,426)
Income from investment activities	351,601,965	284,153,334
From securities lending activities:		
Securities lending income	28,290	474,601
Securities lending expenses:		
Borrower rebates	(14,213)	(273,291)
Management fees	(3,510)	(50,214)
Income from securities lending activities	10,567	151,096
Net investment income	351,612,532	284,304,430
Total additions	581,436,642	485,927,829
Deductions:		
Pension benefit payments	336,462,762	322,855,884
Death benefit payments	1,130,000	1,125,000
Refunds to terminated participants	632,231	730,187
Total benefits and refunds	338,224,993	324,711,071
Administrative expenses	2,676,825	2,380,987
Total deductions	340,901,818	327,092,058
Changes in fiduciary net position	**240,534,824**	**158,835,771**
Fiduciary net position restricted for pensions:		
Beginning of year	3,136,681,733	2,977,845,962
End of year	**$ 3,377,216,557**	**3,136,681,733**

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

(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, 2024, there were 473 cities, 28 fire protection districts, and 135 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:

	2024	2023
Active plan members	12,175	12,090
Retirees and beneficiaries currently receiving benefits	12,032	11,895
Vested members with deferred benefits	2,177	2,702
Deferred Option Plan members	2	3
	26,386	26,690

See Independent Auditors' Report.

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

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

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures* (GASB 102). GASB 102 defines circumstances where a government might have a concentration, or lack of diversity related to significant inflows or outflows of resources, or a constraint, where a limitation is imposed on a government by an external party or the highest level of decision-making authority. GASB 102 provides for how to determine if such conditions exist and if so, the appropriate disclosures required. The Plan adopted GASB 102 on July 1, 2024, for the June 30, 2025, reporting year. The Plan does not expect GASB 102 to have a significant impact on the financial statements.

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 will adopt GASB 103 on July 1, 2025, for the June 30, 2026, reporting year. The Plan does not expect GASB 103 to significantly impact the financial statements.

Use of Estimates

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

Risks and Uncertainties

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

Plan Contributions

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2024 and 2023, 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.

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, 2024 and 2023, the Board made no significant investment policy changes.

Rates of Return—

Money-Weighted Rate of Return—For the years ended June 30, 2024 and 2023, the annual money-weighted rate of return on the Plan's investments as defined by GASB 67, net of pension plan investment expense, was 10.73% and 9.01%, 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, 2024 and 2023, the net return on average assets was 9.64% and 9.05%, respectively. The net return on average assets represents actual returns utilized by the System.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

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

> Level 1—Unadjusted quoted prices in active markets for identical assets.
>
> Level 2—Quoted prices for similar assets, or inputs that are observable or other forms of market corroborated inputs.
>
> Level 3—Pricing based on best available information, including primarily unobservable inputs and assumptions market participants would use in pricing the asset.

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

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

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.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments—Continued

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

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

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

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Method Used to Value Investments—Continued

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

Type of Security	Name of Security	Shares Held	Cost	Fair Value
2024				
Domestic equity	S&P 500 Flagship Index Fund	3,426,495	$ 163,951,311	197,311,215
Domestic bond	Brandywine Global Opportunistic Fixed Income	4,655,445	222,259,878	203,755,343
Domestic bond	U.S. Aggregate Bond Index Fund	3,243,335	155,187,566	186,735,148
International equity	Chautauqua International Growth Equity LP	95,127,654	95,127,654	170,451,537
2023				
Domestic equity	S&P 500 Flagship Index Fund	238,500	$ 191,006,500	281,673,534
Domestic bond	Brandywine Global Opportunistic Fixed Income	4,503,050	216,179,562	203,114,588
International equity	Chautauqua International Growth Equity LP	95,127,654	95,127,654	158,049,935

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

Capital Assets

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

Income Taxes

The Plan is exempt from federal and state income taxes.

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.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items

Operating Lease—At June 30, 2022, the Plan had an operating lease expiring on October 31, 2023. The lease has been renewed for a 1-year term expiring on October 31, 2024. The present lease requires monthly payments of approximately $3,700. Total lease expense for both years ended 2024 and 2023 was approximately $44,000.

Compensated Absences—Employees of the System earn annual vacation leave at the rate of 10 hours per month for up to 5 years of service, 12 hours per month for service of over 5 to 10 years, 13.3 hours per month for service of over 10 to 20 years, and 16.7 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 480 hours. All accrued annual leave is payable upon termination, resignation, retirement, or death. As of June 30, 2024 and 2023, approximately $225,000 and $185,000, respectively, was included in accrued expenses as the accruals for compensated absences. A summary of changes in compensated absences as of June 30 is as follows:

	2024	2023
Balance at beginning of year	$ 185,000	183,000
Additions	96,000	75,000
Deductions	(56,000)	(73,000)
Balance at end of year	$ 225,000	185,000

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.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, 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, 2024, 2023, and 2022. During 2024, 2023, and 2022, totals of $155,559, $135,997, and $128,894, respectively, were paid to OPERS. The System has contributed 100% of required contributions to OPERS for 2024, 2023, and 2022. The System's and the employees' portions of those amounts were as follows:

		2024	2023	2022
System portion	$	120,379	105,108	99,485
Employee portion		35,180	30,889	29,409
	$	155,559	135,997	128,894

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, 2024, 2023, and 2022, totals of $108,204, $87,912, and $82,142, respectively, were paid to OPERS, representing 100% of the required contributions. The System's and the employees' contributions to Pathfinder for 2024, 2023, and 2022, were as follows:

		2024	2023	2022
System portion	$	63,632	53,850	49,161
Employee portion		44,572	34,062	32,981
	$	108,204	87,912	82,142

(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.

Date of Management's Review of Subsequent Events

Management has evaluated subsequent events through October 17, 2024, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

(3) DESCRIPTION OF THE PLAN

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

General

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

(3) DESCRIPTION OF THE PLAN, CONTINUED

Contributions

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

Prior to November 1, 2013, participating paid firefighters contributed 8% of applicable earnings, while member cities contributed 13% of the members' applicable earnings. For the period beginning November 1, 2013, participating paid firefighters contributed 9% of applicable earnings, while member cities contributed 14% of the members' applicable earnings. In addition, the member cities contribute $60 for each volunteer firefighter unless their annual income in the general fund is less than $25,000, in which case they are exempt. Prior to November 1, 2013, the State of Oklahoma, a non-employer contributing entity, allocated 34% of insurance premium tax collected from various types of insurance policies to the Plan. For the period beginning November 1, 2013, through June 30, 2020, the State of Oklahoma, a non-employer contributing entity, allocated 36% of insurance premium tax collected from various types of insurance policies to the Plan. Effective September 1, 2020, July 1, 2021, July 1, 2022, and July 1, 2023, the State of Oklahoma, a non-employer contributing entity, allocated 25.2%, 36.0%, 37.8%, and 37.8%, respectively, of insurance premium tax collected from various types of insurance policies to the Plan. The State of Oklahoma may also appropriate additional funds annually as needed to pay current costs and to amortize the unfunded actuarial present value of accumulated plan benefits. No such appropriations were received during the year ended June 30, 2024 or 2023.

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.

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- A $5,000 lump-sum death benefit is payable to the qualified spouse or designated recipient upon the participant's death. The $5,000 death benefit does not apply to members electing the vested benefit. For the years ended June 30, 2024 and 2023, total death benefits of $1,130,000 and $1,125,000, 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.

- Firefighters with 20 or more years of service may elect to participate in the Oklahoma Firefighters Deferred Retirement Option Plan (the "Deferred Option Plan"). Active participation (having benefit payments credited to the account) in the Deferred Option Plan shall not exceed 5 years. Under the Deferred Option Plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the participant are deposited into a deferred retirement account. The Deferred Option Plan accounts are credited with interest at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest rate equal to the assumed actuarial interest rate (currently 7.5%), as approved by the Board. The participant is no longer required to make contributions. Upon retirement, the firefighter receives his/her monthly retirement benefit as calculated at the time of election. A member shall receive, at the option of the member, a lump-sum payment from the account equal to the payments to the account or an annuity based upon the account of the member or may elect any other method of payment if approved by the Board. Any remaining account balance in the Deferred Option Plan account will continue to earn interest on the balance at the rate described above; however, no more benefit payments will be credited to the account. Any remaining account balance when the member reaches 72 years of age must either be distributed in regular monthly payments, based on the annuity method, or a lump-sum distribution. As of June 30, 2024 and 2023, there were 1,084 and 1,103 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.

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- In the 2003 Legislative Session, Senate Bill 286 and House Bill 1464 created a "Back" DROP for members of the System effective July 1, 2003. The "Back" DROP is a modified deferred retirement option plan. The "Back" DROP allows the member flexibility by not having to commit to terminate employment within 5 years. Once a member has met their normal retirement period of 20 years, the member can choose, upon retirement, to be treated as if the member had entered into the Deferred Option Plan. A member, however, cannot receive credit to the Deferred Option Plan account based upon any years prior to when the member reached their normal retirement date. Once a member is ready to retire, the member can make the election to participate in the "Back" DROP and can receive a Deferred Option Plan benefit based upon up to 5 years of participation. The member's regular retirement benefit will not take into account any years of service credited to the "Back" DROP. As of June 30, 2024 and 2023, there were 2,372 and 2,244 members, respectively, participating in the "Back" DROP.

- Firefighters with 20 years of service or who were receiving pension benefits as of May 26, 1983, are entitled to post-retirement adjustments equal to one-half the increase or decrease for top-step firefighters. Pensions will not be adjusted below the level at which the firefighter retired.

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	2024	2023
Cash on deposit with the State of Oklahoma	$ 1,735,758	1,166,623
Cash on deposit with custodial agents:		
U.S. currency deposits	41,827,493	42,675,800
Foreign currency deposits	112,324	113,369
	41,939,817	42,789,169
Total cash and cash equivalents	$ 43,675,575	43,955,792

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

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

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, 2024 and 2023, the carrying amounts of the Plan's cash and cash equivalents were $43,675,575 and $43,955,792, respectively, and the bank balances were $45,791,254 and $45,943,668, 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 $112,000 and $113,000 as of June 30, 2024 and 2023, respectively. The policy also provides that investment collateral be held by a third-party custodian with whom the Plan has a current custodial agreement in the Plan's name.

Foreign Currency Risk

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

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

Foreign Currency Risk, Continued

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

2024	Cash and Cash Equivalents	Equities	Debt Securities	Total	Percentage
Australian dollar	$ -	-	-	-	0.000%
Canadian dollar	67	4,653,849	-	4,653,916	0.797%
Danish krone	-	13,238,767	-	13,238,767	2.268%
Euro currency	607	38,925,835	-	38,926,442	6.671%
Hong Kong dollar	-	-	-	-	0.000%
Japanese yen	-	-	-	-	0.000%
New Taiwan dollar	27,481	-	-	27,481	0.004%
Polish Zloty`	31,475	-	-	31,475	0.004%
Pound Sterling	-	30,553,083	-	30,553,083	5.233%
Swedish krona	52,694	-	-	52,694	0.009%
Swiss franc	-	3,563,951	-	3,563,951	0.611%
Commingled funds:		-			
Intl. Emerging Markets	-	118,508,795	-	118,508,795	20.301%
Intl. Common Stocks	-	170,451,537	-	170,451,537	29.199%
Intl. Debt Securities	-	-	203,755,343	203,755,343	34.904%
	$ 112,324	379,895,817	203,755,343	583,763,484	100.000%

See Independent Auditors' Report.

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

Foreign Currency Risk, Continued

2023	Cash and Cash Equivalents	Equities	Debt Securities	Total	Percentage
Australian dollar	$ -	3,784,525	-	3,784,525	0.664%
Canadian dollar	56	3,486,978	-	3,487,034	0.612%
Danish krone	-	12,106,052	-	12,106,052	2.123%
Euro currency	619	33,169,231	-	33,169,850	5.821%
Hong Kong dollar	-	3,244,558	-	3,244,558	0.569%
Japanese yen	-	5,664,815	-	5,664,815	0.994%
New Taiwan dollar	28,625	-	-	28,625	0.004%
Polish Zloty`	31,142	-	-	31,142	0.004%
Pound Sterling	-	19,551,758	-	19,551,758	3.429%
Swedish krona	-	7,781,784	-	7,781,784	1.365%
Swiss franc	52,927	11,843,172	-	11,896,099	2.087%
Commingled funds:		-			
Intl. Emerging Markets	-	108,193,178	-	108,193,178	18.978%
Intl. Common Stocks	-	158,049,935	-	158,049,935	27.723%
Intl. Debt Securities	-	-	203,114,588	203,114,588	35.628%
	$ 113,369	366,875,986	203,114,588	570,103,943	100.000%

See Independent Auditors' Report.

(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:

Investment Type	Moody's Ratings (Unless Noted)	Fair Value	Fair Value as a Percent of Total Fixed Maturity Fair Value
2024			
U.S. Treasury securities	Aaa	$ 23,679,454	100.00%
Total U.S. government securities		**$ 23,679,454**	**100.00%**
Domestic corporate bonds and bond funds	Aaa	$ 795,854	1.38%
	Aa2	668,016	1.16%
	Aa3	672,280	1.17%
	A1	3,488,766	6.06%
	A2	2,555,292	4.44%
	A3	4,580,976	7.95%
	Baa1	4,648,381	8.07%
	Baa2	-	0.00%
	Baa3	1,432,972	2.49%
	Not Rated*	38,759,356	67.29%
Total domestic corporate bonds and bond funds		**$ 57,601,893**	**100.00%**
International corporate and government bonds	Not Rated*	$ 203,755,343	100.00%
Total international corporate and government bonds		**$ 203,755,343**	**100.00%**

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

See Independent Auditors' Report.

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

Credit Risk, Continued

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

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

See Independent Auditors’ Report.

(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:

	Investment Maturities at Fair Value (in Years)					
Investment Type	Less Than 1	1 or More, Less Than 5	5 or More, Less Than 10	10 or More	Investments with No Duration	Total Fair Value
2024						
U.S. government securities:						
U.S. Treasury	$ -	-	16,192,558	7,486,896	-	23,679,454
Total U.S. government securities	-	-	16,192,558	7,486,896	-	23,679,454
Domestic corporate bonds and bond funds:						
Corporate bonds	495,275	6,381,786	8,539,254	3,426,222	-	18,842,537
U.S. government mortgages	-	-	953,116	37,806,240	-	38,759,356
Total domestic corporate bonds and bond funds	495,275	6,381,786	9,492,370	41,232,462	-	57,601,893

(Continued)

See Independent Auditors' Report.

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

Interest Rate Risk, Continued

	Investment Maturities at Fair Value (in Years)					
Investment Type	Less Than 1	1 or More, Less Than 5	5 or More, Less Than 10	10 or More	Investments with No Duration	Total Fair Value
2024						
International corporate and government bonds:						
International debt securities—Brandywine	-	-	-	-	203,755,343	203,755,343
Total international corporate and government bonds	-	-	-	-	203,755,343	203,755,343
	$ 495,275	6,381,786	25,684,928	48,719,358	203,755,343	285,036,690

See Independent Auditors' Report.

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

Interest Rate Risk, Continued

Investment Type	Investment Maturities at Fair Value (in Years)					
	Less Than 1	1 or More, Less Than 5	5 or More, Less Than 10	10 or More	Investments with No Duration	Total Fair Value
2023						
U.S. government securities:						
U.S. Treasury	$ -	-	13,541,656	13,999,692	-	27,541,348
Total U.S. government securities	-	-	13,541,656	13,999,692	-	27,541,348
Domestic corporate bonds and bond funds:						
Corporate bonds	-	1,933,400	13,730,125	38,479,196	-	54,142,721
U.S. government mortgages	-	-	1,168,567	64,938,241	-	66,106,808
Total domestic corporate bonds and bond funds	-	1,933,400	14,898,692	103,417,437	-	120,249,529

(Continued)

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

Interest Rate Risk, Continued

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

See Independent Auditors' Report.

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

Investments Measured at Fair Value

Investments by Fair Value Level 2024	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Treasury	$ 23,679,454	23,679,454	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	18,842,537	-	18,842,537	-
U.S. government mortgage-backed securities	38,759,356	-	38,759,356	-
International corporate and government bonds:				
International debt securities—Brandywine	203,755,343	203,755,343	-	-
Total debt securities	285,036,690	227,434,797	57,601,893	-
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	1,471,228,860	-	1,471,228,860	-
SSgA U.S. Aggregate Bond INDX NL FD Mutual Fund	186,735,148	-	186,735,148	-
SSgA Russell Small CAP Completeness Index Fund (CMD4)	78,515,848	-	78,515,848	-
S&P 500 Flagship Index Fund	197,311,215	-	197,311,215	-
Total domestic equities	1,933,791,071	-	1,933,791,071	-
Equity securities—international:				
Intl. Developed Market	261,387,022	261,387,022	-	-
Intl. Emerging Market	118,508,795	-	118,508,795	-
Total international equities	379,895,817	261,387,022	118,508,795	-

(Continued)

See Independent Auditors' Report.

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

Investments Measured at Fair Value, Continued

Investments by Fair Value Level, Continued 2024	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Private equity:				
Private equity—non-real estate focused	562,378,296	-	-	562,378,296
Private equity—real estate focused	190,352,889	-	-	190,352,889
Total private equity	752,731,185	-	-	752,731,185
Long/Short hedge fund:				
Long/Short hedge—OFP Permal Fund	-	-	-	-
Total long/short hedge fund	-	-	-	-
Investments measured at net asset value (NAV):				
Private equity—real estate focused—AG Net Lease Realty Fund III	21,902,393	-	-	-
Private equity—real estate focused—IFM Global Infrastructure (US), L.P.	121,360,880	-	-	-
Private equity—real estate focused—AG Realty Value Fund XI, L.P.	13,502,736	-	-	-
Private equity—non-real estate focused—Adams Street Co-investment Fund V A	25,347,349	-	-	-
Core Real Estate—JP Morgan Strategic Property Fund	89,630,587	-	-	-
Core Real Estate—JP Morgan Special Situation Property Fund	44,855,106	-	-	-
Total investments measured at NAV	316,599,051	-	-	-
Total investments measured at fair value	$ 3,668,053,814	488,821,819	2,109,901,759	752,731,185

See Independent Auditors' Report.

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

Investments Measured at Fair Value, Continued

Investments by Fair Value Level 2023	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Treasury	$ 27,541,348	27,541,348	-	-
Domestic corporate bonds and bond funds:				
Corporate bonds	54,142,721	-	54,142,721	-
U.S. government mortgage-backed securities	66,106,808	-	66,106,808	-
International corporate and government bonds:				
International debt securities—Brandywine	203,114,588	203,114,588	-	-
Total debt securities	350,905,465	230,655,936	120,249,529	-
Equity securities—domestic:				
Domestic equity—common stock and real estate investment trusts	1,179,613,647	-	1,179,613,647	-
SSgA U.S. Aggregate Bond INDX NL FD Mutual Fund	80,796,596	-	80,796,596	-
SSgA Russell Small CAP Completeness Index Fund (CMD4)	85,563,628	-	85,563,628	-
S&P 500 Flagship Index Fund	281,673,534	-	281,673,534	-
Total domestic equities	1,627,647,405	-	1,627,647,405	-
Equity securities—international:				
Intl. Developed Market	258,682,808	258,682,808	-	-
Intl. Emerging Market	108,193,178	-	108,193,178	-
Total international equities	366,875,986	258,682,808	108,193,178	-

(Continued)

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

Investments Measured at Fair Value, Continued

Investments by Fair Value Level, Continued 2023	Amounts Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Private equity:				
Private equity—non-real estate focused	511,021,512	-	-	511,021,512
Private equity—real estate focused	193,523,969	-	-	193,523,969
Total private equity	704,545,481	-	-	704,545,481
Long/Short hedge fund:				
Long/Short hedge—OFP Permal Fund	76,358	-	-	76,358
Total long/short hedge fund	76,358	-	-	76,358
Investments measured at net asset value (NAV):				
Private equity—real estate focused—AG Net Lease Realty Fund III	21,702,363	-	-	-
Private equity—real estate focused—IFM Global Infrastructure (US), L.P.	117,617,083	-	-	-
Private equity—real estate focused—AG Realty Value Fund XI, L.P.	4,290,374	-	-	-
Private equity—non-real estate focused—Adams Street Co-investment Fund V A	13,436,468	-	-	-
Core Real Estate—JP Morgan Strategic Property Fund	112,912,936	-	-	-
Core Real Estate—JP Morgan Special Situation Property Fund	62,766,418	-	-	-
Total investments measured at NAV	332,725,642	-	-	-
Total investments measured at fair value	$ 3,382,776,337	489,338,744	1,856,090,112	704,621,839

See Independent Auditors' Report.

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

Investments Measured at Fair Value, Continued

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

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

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

DOMESTIC

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

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

(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.

(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, 2024, the Plan was invested in 41 different PE partnerships (18 of which were real estate) and had a remaining commitment of approximately $382,000,000 for the non-real estate PE partnerships and approximately $87,000,000 for the real estate PE partnerships. At June 30, 2023, the Plan was invested in 43 different PE partnerships (18 of which were real estate) and had a remaining commitment of approximately $417,000,000 for the non-real estate PE partnerships and approximately $128,000,000 for the real estate PE partnerships. The Plan entered into 2 new PE partnership agreements during fiscal year 2024 (non-real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of $19,000,000, which was partially funded prior to June 30, 2024. The Plan entered into 4 new PE partnership agreements during fiscal year 2023 (3 non-real estate PE and 1 real estate PE), all having a close-ended contract duration. The new PE investments required a total commitment of $149,000,000 ($104,000,000 non-real estate PE and $45,000,000 real estate PE), which was partially funded prior to June 30, 2023. Since the Plan follows a rolling year PE strategy, new PE investments are made as older PE investments reach their expiration.

(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.

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

Investments Measured at Fair Value, Continued

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

Private Equity—Real Estate Focused—AG Net Lease Realty Fund III—The Plan invests in net lease real estate private equity managed by Angelo Gordon & Co. The fund strategy focuses on providing sale-leaseback financing to less-than-investment grade owner-occupiers of corporate real estate. Generally, investment income is derived from single tenant commercial real estate in the form of current lease income. The net asset value of the fund is determined on a quarterly basis by each of the fund's personnel responsible for the management of each individual investment and reviewed in total by the general partner. The net asset value per share is determined from an income valuation approach that includes certain capitalization and discount rates unique to the fund. The rates are 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.

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

Investments Measured at Fair Value, Continued

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

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

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

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

Securities Lending

The Plan's investment policy provides for its participation in a securities lending program. The program is administered by the Plan's custodial agent. Certain securities of the Plan are loaned to participating brokers, who must provide collateral in the form of cash or U.S. Treasury or government agency securities. Under the program, the securities loaned are collateralized at a minimum of 105% of their fair values. The Plan does not have the ability to pledge or sell collateral securities without borrower default. The collateral is marked to market daily such that at the close of trading on any business day, the value of the collateral shall not be less than 100% of the fair value of the loaned securities. The Plan did not impose any restrictions regarding the amount of loans made, and the custodial agent indemnified the Plan by agreeing to purchase replacement securities or return cash collateral in the event of borrower default. There were no such failures during 2024 or 2023. The indemnification does not cover market losses associated with investing the security lending cash collateral. The loan premium paid by the borrower of the securities is apportioned between the Plan and its custodial agent in accordance with the securities lending agreement.

During the fiscal year, the Plan and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. The average duration of such investment pool was 7 days as of June 30, 2023. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. As of June 30, 2024 and 2023, the Plan had no credit risk exposure to borrowers. As of June 30, 2024, the Plan held no collateral in the securities lending program. The collateral held and the fair value of securities on loan for the Plan as of June 30, 2023, were as follows:

	Collateral Held	Fair Value of Securities on Loan	% of Collateral Held to Securities on Loan
Securities on loan with:			
Cash collateral	$ 6,120,998	6,004,535	102%
Non-cash collateral	83,808,462	76,292,257	110%
	$ 89,929,460	82,296,792	

See Independent Auditors' Report.

(5) DERIVATIVE AND OTHER INSTRUMENTS

Derivative instruments are financial contracts whose values depend on the values of one or more underlying assets, reference rates, or financial indexes. They include futures contracts, swap contracts, options contracts, and forward foreign currency exchange. The Plan's derivatives policy notes that derivatives may be used for the purpose of reducing or controlling risk, reducing transaction costs, or shifting an asset mix. The investment policy also requires investment managers to follow certain controls and documentation and risk management procedures. The Plan uses forward foreign exchange contracts primarily to hedge foreign currency exposure. Investments in limited partnerships (alternative investments) and commingled funds may include derivatives. The Plan's investments in alternative investments are reflected at fair value, and any exposure is limited to its investment in the partnership and any unfunded commitment. Commingled funds have been reviewed to ensure they are in compliance with the Plan's investment policy. The notional values associated with the warrants are generally not recorded in the financial statements. The Plan does not anticipate additional significant market risk from the derivatives. As of June 30, 2022, the Plan no longer has derivative instruments separate from any that may be included in the Plan's investments in limited partnerships (alternative investments) and commingled funds.

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

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

(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:

		2024	2023
Assets at beginning of year	$	490,942,329	497,189,839
Employer's contributions		124,056	124,018
Retirement benefit payments		(35,977,266)	(42,277,314)
Retirement benefits transferred from pension plan		27,437	318,345
Interest on Deferred Option Plan balances		41,528,830	35,587,441
Assets at end of year	$	496,645,386	490,942,329

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

(7) "BACK" DROP PLAN

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

		2024	2023
Assets at beginning of year	$	814,340,332	743,447,032
Employer's contributions		7,798,482	10,366,741
Retirement benefit payments		(50,683,545)	(46,729,694)
Retirement benefits transferred from pension plan		25,563,413	35,227,271
Interest on "Back" DROP Plan balances		81,532,232	72,028,982
Assets at end of year	$	878,550,914	814,340,332

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

See Independent Auditors' Report.

(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

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

	2024	2023
Total pension liability	$ 4,694,324,677	4,426,932,181
Fiduciary net position	3,377,216,557	3,136,681,733
Employers' net pension liability	$ 1,317,108,120	1,290,250,448
Fiduciary net position as a percentage of total pension liability	71.94%	70.85%

Actuarial Assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2024 and 2023, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75% for 2024 and 2023
Salary increases:	For paid firefighters, 2.75% to 14.00% for 2024 and 2.75% to 10.50% for 2023; not applicable for volunteer firefighters
Investment rate of return:	7.5%, net of pension plan investment expense, for 2024 and 2023

For 2024 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, 2024, valuation was based on the results of an actuarial experience study for the period July 1, 2018, to July 30, 2023.

For 2023 mortality rates were based on:

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

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

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

The actuarial assumptions used in the July 1, 2024, valuation was based on the results of an actuarial experience study for the period July 1, 2013, to July 30, 2018.

See Independent Auditors' Report.

(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

Actuarial Assumptions, Continued

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 2.51% and 2.62% for 2024 and 2023, 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:

Asset Class	Long-Term Expected Real Rate of Return 2024	2023
	(Includes inflation factor)	
Fixed income	5.86%	5.80%
Domestic equity	8.78%	9.49%
International equity	10.68%	11.55%
Real estate	9.68%	8.48%
Other assets	6.44%	6.47%

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.

(8) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

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%)
2024			
Employers' net pension liability	$ 1,752,984,732	1,317,108,120	953,904,822
2023			
Employers' net pension liability	$ 1,681,252,103	1,290,250,448	963,269,659

(9) 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:

	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Cost	$ 1,204,098	-	-	1,204,098
Accumulated depreciation	(486,832)	(56,476)	-	(543,308)
Capital assets, net	$ 717,266	(56,476)	-	660,790

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Cost	$ 1,204,098	-	-	1,204,098
Accumulated depreciation	(430,333)	(56,499)	-	(486,832)
Capital assets, net	$ 773,765	(56,499)	-	717,266

(10) PLAN TERMINATION AND STATE FUNDING

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

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

See Independent Auditors' Report.

(11) FEDERAL INCOME TAX STATUS

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

(12) HISTORICAL INFORMATION

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

(13) LEGISLATIVE AMENDMENTS

The following is a summary of significant plan provision changes that were enacted by the Oklahoma Legislature during 2024 and 2023:

2024

- There were no significant plan provision changes enacted by the Oklahoma Legislature during 2024.

2023

Senate Bill 630—Provides for tax changes made at the federal level. This bill raises the Required Minimum Distribution (RMD) age to 72 from age 70½. The bill also changes the requirement that the Plan withhold insurance premium taxes from the members benefit to qualify for the federal $3,000 exclusion. The member can now make the payment directly to their insurance provider and still qualify for the $3,000 annual exclusion from income.

(14) CONTINGENCIES

Legal

In June 2018, there was a suit filed against the System due to the System requiring participants to take (i) mandatory distribution of interest and (ii) minimum distributions based on an assumed interest rate of 7.5%. As the suit was still outstanding at June 30, 2024, the System has accrued approximately $368,900,000 of interest that was included in accrued expenses as of June 30, 2024. On July 11, 2024, the district court granted a motion for the litigation to receive class certification.

See Independent Auditors' Report.

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit I

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 72,259,510	69,597,348	66,622,365	67,201,486	64,838,677	66,244,663	64,638,597	61,489,198	60,823,560	61,193,365
Interest	324,755,940	314,461,668	306,881,372	295,024,955	287,427,206	284,230,285	278,175,509	257,914,126	248,081,554	239,652,841
Changes of benefit terms	-	-	-	-	-	-	(144,096,161)	-	-	-
Differences between expected and actual experience	147,868,663	82,003,803	41,194,963	187,276,430	107,787,806	(26,456,744)	125,283,130	170,533,239	19,681,640	1,225,109
Changes in assumptions	60,733,376	-	-	-	-	(33,414,214)	-	-	-	-
Benefit payments, including refunds of member contributions	(338,224,993)	(324,711,071)	(308,495,060)	(473,181,322)	(249,045,036)	(244,099,751)	(245,653,823)	(200,214,567)	(196,088,281)	(182,549,070)
Net change in total pension liability	267,392,496	141,351,748	106,203,640	76,321,549	211,008,653	46,504,239	78,347,252	289,721,996	132,498,473	119,522,245
Total pension liability—beginning	4,426,932,181	4,285,580,433	4,179,376,793	4,103,055,244	3,892,046,591	3,845,542,352	3,767,195,100	3,477,473,104	3,344,974,631	3,225,452,386
Total pension liability—ending (a)	$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	3,477,473,104	3,344,974,631

(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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Plan fiduciary net position										
Contributions—employers/municipalities	$ 54,480,094	53,366,157	45,932,405	45,301,239	44,915,341	43,378,922	41,590,815	40,325,760	39,173,661	38,875,835
Contributions—members	34,768,864	33,965,756	29,183,440	28,634,422	28,604,332	27,347,450	26,086,597	25,236,243	24,531,971	24,310,588
Contributions—State of Oklahoma, a non-employer contributing entity	140,575,152	114,291,486	102,442,025	72,923,900	103,591,633	101,700,051	100,333,324	88,133,633	92,330,270	91,235,807
Net investment income (loss)	351,612,532	284,304,430	(409,769,260)	914,534,234	109,851,676	189,352,801	290,165,929	302,619,557	14,238,895	116,617,766
Benefit payments, including refunds of member contributions	(338,224,993)	(324,711,071)	(308,495,060)	(409,531,086)	(249,045,036)	(244,099,751)	(245,653,823)	(200,214,567)	(196,088,281)	(182,549,070)
Administrative expense	(2,676,825)	(2,380,987)	(2,257,894)	(2,194,352)	(2,156,585)	(2,194,806)	(2,098,370)	(2,387,774)	(1,994,301)	(2,029,087)
Net change in plan fiduciary net position	240,534,824	158,835,771	(542,964,344)	649,668,357	35,761,361	115,484,667	210,424,472	253,712,852	(27,807,785)	86,461,839
Plan fiduciary net position—beginning	3,136,681,733	2,977,845,962	3,520,810,306	2,871,141,949	2,835,380,588	2,719,895,921	2,509,471,449	2,255,758,597	2,283,566,382	2,197,104,543
Plan fiduciary net position—ending (b)	$3,377,216,557	3,136,681,733	2,977,845,962	3,520,810,306	2,871,141,949	2,835,380,588	2,719,895,921	2,509,471,449	2,255,758,597	2,283,566,382
Plan's net pension liability (a) - (b)	$1,317,108,120	1,290,250,448	1,307,734,471	658,566,487	1,231,913,295	1,056,666,003	1,125,646,431	1,257,723,651	1,221,714,507	1,061,408,249

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability	$ 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	3,477,473,104	3,344,974,631
Plan fiduciary net position	3,377,216,557	3,136,681,733	2,977,845,962	3,520,810,306	2,871,141,949	2,835,380,588	2,719,895,921	2,509,471,449	2,255,758,597	2,283,566,382
Plan net pension liability	$ 1,317,108,120	1,290,250,448	1,307,734,471	658,566,487	1,231,913,295	1,056,666,003	1,125,646,431	1,257,723,651	1,221,714,507	1,061,408,249
Plan fiduciary net position as a percentage of the total pension liability	71.94%	70.85%	69.49%	84.24%	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%
Covered payroll	$ 388,178,501	344,072,473	327,747,370	313,345,726	318,472,051	307,734,605	303,090,745	285,073,253	273,621,126	270,535,966
Plan net pension liability as a percentage of covered payroll	339.30%	374.99%	399.01%	210.17%	386.82%	343.37%	371.39%	441.19%	446.50%	392.34%

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

Exhibit III

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 159,413,662	151,503,140	150,350,348	151,539,372	142,015,118	150,174,973	155,547,401	141,509,975	139,226,348	142,494,951
Contributions in relation to the actuarially determined contribution:										
Employers/Municipalities	46,681,611	45,285,476	37,851,725	37,220,559	36,395,216	37,693,595	36,015,374	34,567,211	32,670,684	29,001,438
State of Oklahoma, a non-employer contributing entity	140,575,153	114,291,486	102,442,025	72,923,900	103,591,633	101,700,051	100,333,324	88,133,633	92,330,270	91,235,807
	187,256,764	159,576,962	140,293,750	110,144,459	139,986,849	139,393,646	136,348,698	122,700,844	125,000,954	120,237,245
Contribution deficiency	$ (27,843,102)	(8,073,822)	10,056,598	41,394,913	2,028,269	10,781,327	19,198,703	18,809,131	14,225,394	22,257,706
Covered payroll	$ 388,178,501	344,072,473	327,747,370	313,345,726	318,472,051	307,734,605	303,090,745	285,073,253	273,621,126	270,535,966
Contributions as a percentage of covered payroll	48.24%	46.38%	42.81%	35.15%	43.96%	45.30%	44.99%	43.04%	45.68%	44.44%

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

Exhibit IV

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

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense, as defined by GASB 67	10.73%	9.01%	(10.11)%	31.86%	4.03%	7.67%	11.80%	14.36%	1.05%	5.78%
Net return on average assets	9.97%	9.05%	(10.24)%	31.79%	4.04%	7.73%	11.76%	14.38%	1.11%	5.82%

See Independent Auditors' Report.
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OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT PLAN
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OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2024

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

Actuarial cost method:	Entry age normal
Amortization method:	Level dollar—closed
Remaining amortization:	20 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.

F&C CPAs

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

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, 2024, 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 17, 2024. 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.

Finley & Cook, PLLC

Shawnee, Oklahoma
October 17, 2024