

**Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024**

**Oklahoma Police Pension and Retirement System
A Component Unit of the State of Oklahoma**

Oklahoma Police Pension and Retirement System

MISSION

To provide secure retirement benefits for members and their beneficiaries.

VISION

To be the best State Retirement System in Oklahoma through outstanding communication, education, customer service and financial stability.

VALUES AND BEHAVIORS

*The Oklahoma Police Pension and Retirement System values its **members**, both active and retired, and the important contributions they make **protecting the citizens** of Oklahoma.*

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

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

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

*Utilize the most current **technology** to manage and operate the OPPRS.*

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

*Strive to maintain **financial stability** by actively managing a broadly diversified investment portfolio designed to cover the current and future cost of benefits.*

GOALS

Provide exceptional communication and education to our membership.

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

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

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



Oklahoma Police Pension and Retirement System

A Component Unit of the State of Oklahoma

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

Ginger Sigler

Executive Director

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

Deric Berousek

Chief Financial Officer

Ann Burrows

Comptroller

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Oklahoma Police Pension and Retirement System
2025 Annual Comprehensive Financial Report

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Introductory Section



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Letter of Transmittal

November 26, 2025

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

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Oklahoma Police Pension and Retirement System (OPPRS) for the fiscal years ended June 30, 2025, and June 30, 2024. The objective of this report is to present a concise and complete picture of the Plan's financial, actuarial and investment results.

Responsibility for the accuracy of data, as well as the completeness and fairness of the presentation of this report, rests with the OPPRS management. Management relies on a comprehensive framework of internal controls to provide a reasonable, but not absolute, assurance that the financial statements are free of material misstatements. Management has established internal controls to protect the assets of OPPRS from loss, theft, or misuse, and continually reviews the control structure to ensure that the costs are reasonable in relation to the benefits provided.

The basic financial statements are prepared in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. Finley & Cook, PLLC, has audited the financial statements included in this report and issued an unmodified opinion on the financial statements for the years ended June 30, 2025, and 2024, respectively. The Independent Auditors' Report is located at the front of the financial section within this report.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the System

The Oklahoma Police Pension and Retirement System (the "System") was established by legislative act and became effective on January 1, 1981. The System is administrator of a multi-employer, cost-sharing defined benefit pension plan that provides participants with retirement, death, and disability benefits as well as a deferred option plan (the "Deferred Option"), as established by the State of Oklahoma. These plans are considered a single plan for financial reporting purposes. The System is a component unit of the State of Oklahoma financial reporting entity and is combined with other similar defined benefit pension trust funds to comprise the fiduciary-pension trust funds within the State's financial reports. The System covers substantially all police officers employed by the 159

participating municipalities and state agencies within the State of Oklahoma. The mission of the System is to provide secure retirement benefits for the members of the System and their beneficiaries.

The Oklahoma Police Pension and Retirement Board is comprised of thirteen (13) members. Seven Board members are elected by members of the System (six are active police officers, and one is a retired member). One Board member is appointed by the Governor, one by the Speaker of the House, one by the President Pro Tempore of the Senate and one by the President of the Oklahoma Municipal League. The two remaining Board members are the State Insurance Commissioner or the Commissioner's designee and the Director of the Office of Management and Enterprise Services or the Director's designee.

The Oklahoma Police Pension and Retirement 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.

Revenues and Funding

A pension plan is considered well-funded when it has sufficient reserves to meet all expected future obligations to its plan members. A pension plan must also have revenue sources sufficient to keep pace with future obligations. The primary sources of revenue for the System are member contributions, employer contributions, dedicated revenue from the State of Oklahoma, and investment income. In fiscal 2025 contributions increased 4.9% to \$146.7 million as salary increases continued, but insurance premium tax collections moderated with very little growth over the prior year. Fiscal contributions increased substantially in 2024 to \$139.8 million, or 12.4%, on continued salary improvements and very strong insurance collections. In fiscal 2023 contributions increased to \$124.3 million as salary improvements increased member and employer contributions and a legislated increase in the insurance premium tax collections to 14.7% for the next few years raised total collections by 8.1% from the prior year. A strong investment performance increased investment income to \$301.9 million in fiscal 2025 as most portfolio segments registered strong returns, particularly international equity. In fiscal 2024 net investment income increased to \$210.1 million as markets began to anticipate a drop in interest rates. Inflation and other macro factors significantly limited investment returns in fiscal 2023, producing a modest return from investing activities of \$109.1 million. In fiscal 2025 most markets, with the exception of real estate, had a strong year and helped to exceed our actuarial interest rate of 7.5%. Fiscal 2024's gains were primarily from strong domestic equity and bond returns while private equity and real estate lagged. In fiscal 2023 excellent gains in the equity markets were offset by poor returns in private equity and real estate as these sectors followed the equity market downturn of 2022.

The System experienced modest improvements in amortization and contributions above expectations in fiscal 2025 which increased the funded status to 97.6%. With the passage of SB102, a bill that substantially increased benefits, the funded status fell to 96.5% in fiscal 2024. Fiscal 2023 produced another record funded status of 106.1% as improvements in supporting contributions and experience study gains benefited the System. Fiscal 2025's unamortized loss decreased on the strength of investment gains, reducing the unamortized loss to -\$90.6 million. In fiscal 2024 unamortized losses decreased slightly to -\$140.4 million as losses for the current year were moderate on stronger investment returns. Fiscal 2023 unamortized deferred losses increased to -\$151.4 million as investment performance underperformed expectations.

The System's primary expenses are the payment of member retirement benefits. These payments include retirements, refunds, deferred option payments and death benefits. The System also incurs administrative expenses in the form of employee salaries and benefits, legal fees, investment fees, data processing fees, and medical and travel costs. System total expenses fell 4.3% in fiscal 2025 to \$181.9 million as retirements slowed significantly, reducing deferred option benefit payments. This has been expected as longer serving members delay retirement in anticipation of higher benefits starting July 2027. In fiscal 2024 total expenses decreased by -13.2% to \$190.1 million on fewer retirements which lowered deferred option payments. During fiscal 2023 total expenses increased 9.8% to \$219.1 million due to a jump in deferred option benefits being paid as more members sought retirement. Fiscal 2025 refunds decreased slightly, by -1.5% to \$3.13 million, flat with the prior year even though

internal efforts were made to locate eligible members. Refund payments decreased slightly by -6.9% to \$3.18 million in fiscal 2024 on smaller amounts but higher volume. Refunds increased modestly to \$3.41 million in fiscal 2023. Refunds are always highly variable since they are governed by member elections. Administrative expenses increased modestly in fiscal 2025 to \$2.3 million, or 1.8%, on higher legal costs. Fiscal 2024 administrative expenses increased modestly by 4.6% to \$2.3 million on higher salary and benefit costs. Administrative expenses were flat in fiscal 2023 when compared to fiscal 2022, declining -0.3% to \$2.2 million.

Investments

To fulfill their fiduciary responsibilities, the Board retains an investment consultant to ensure the assets of the system are adequately invested at all times and to assist with developing and executing a prudent asset allocation model for maximizing investment returns while mitigating risk. The Board also utilizes its investment consulting firm to provide performance measurements of the portfolio. This firm also compares the System's portfolio and its investment returns against other similar funds and trusts to ensure the effectiveness of its investment strategies.

The primary objective of the System's investment strategy is to obtain maximum returns on invested assets with an acceptable level of risk. The cornerstone of the investment strategy is to identify, locate and purchase investments that complement the existing portfolio. New portfolio additions are generally anticipated to offer strong investment performance while improving the diversification of the portfolio. Likewise, investments that have underperformed expectations, or that no longer fit within the allocation model, are sold as it is prudent to do so. Additionally, the Board regularly reviews the strategic asset allocation to ensure that expected return and risk (as measured by standard deviation) is consistent with the System's long-term objectives and risk tolerance. The System's investments returned 10% in fiscal 2025 due to broad rallies in most asset categories. Real estate has struggled for the last few years and continues to do so. Fiscal 2024 returns were 8%, lagging broad markets that surged on the strength of a few large companies. The System had a return on assets of 3% in fiscal 2023. This return lagged the equity markets overall as private equity and real estate valuations caught up with the downturn from the prior year. Solid returns, even when bolstered by 2021's performance, provided long-term performance below the 7.5% actuarial expectation, with the System achieving a 7.01% net average annual return over the last 10 years. A defensive posture that seeks to mitigate risk as much as possible due to the System's strong funded position proved less effective than typical in the 2025 and 2024 fiscal years. The Board made moderate asset allocation changes in fiscal 2025 in an effort to improve upside performance without too much added risk. There were minor asset allocation changes in fiscal 2024 and 2023 as the board moved to improve performance in up markets. The Board now considers the portfolio to be well positioned for up markets while continuing to offer reasonable protection should markets underperform.

Legislation and Outlook

The following plan provision changes pertaining to the Oklahoma Police Pension and Retirement System were enacted by the Oklahoma Legislature during the 2025 and 2024 legislative sessions:

2025

There was no major legislation passed during the 2025 legislative session that affected the System.

2024

Senate Bill 102 – Provides for increased contributions to the Plan and future benefit changes to members of the Plan. Beginning July 1, 2025, member contributions to the plan will increase from 8% to 9% and employer contributions will increase from 13% to 14%. The multiplier for calculating a pension benefit will increase to 3% from 2.5%. Members with more than 25 years of service (after any deferred option years are taken) will be eligible for the higher multiplier on July 1, 2026. On July 1, 2027, the 3% multiplier will be effective for members with more than 20 years of service (after any DOP plan years are taken). SB102 also provides that in-line-of duty disabilities will qualify for the higher multiplier.

House Bill 3858 – Provides for an increase in the late fee assessed to participating employers that delay submitting contributions beyond a reasonable time. The late fee for submitting contributions 30 days beyond the end of the payroll date will increase from 1.5% to 5% of the unpaid balance.

Fiscal year 2025 and 2024 returns were 10% and 8%, respectively, adding just over \$510 million in income to the System. Although these returns lagged broad markets due to the System's high level of diversification, they were well ahead of the actuarial target return of 7.5%. Fiscal 2025 was volatile but continued its upward march in anticipation of falling rates which fueled market rallies across stocks and bonds in both domestic and international markets. The System's real estate investments continued to struggle as a rebound in core markets has been slow to manifest. There were no major legislative changes to the System in 2025 after the 2024 legislative session brought a substantial change in benefits. SB102 provided for increased contributions to begin in fiscal 2026, increasing member and employer contributions by 1% each. This increase is intended to cover the cost of increasing the multiplier for calculating pensions from 2.5% to 3% that will affect members with over 25 years of service beginning in fiscal 2027 and over 20 years in fiscal 2028. This change in benefits will be phased in for normal retirements through fiscal 2028 and will be fully effective for all benefit classifications in fiscal 2031. Operationally the System implemented and tested a successful online voting process for board elections which should reduce costs associated with this labor-intensive process over time. The System continued to adjust its investment policy in fiscal 2025 after making small changes in 2024. The new policy will increase equities by 5% to 65%, increasing both domestic large cap and international developed equity by 5% to 20% and eliminating dedicated exposure to emerging markets equities. The updated policy will also reduce core real estate by 5% to 5%.

The system experienced a meaningful decrease in retirements during fiscal 2025 and 2024 as more members elected to stretch their service and qualify for an improved benefit beginning in fiscal 2027 and fiscal 2028. The System's return of 10% in fiscal 2025 was well above the expected 7.5% return but lagged the broad equity market's strong but narrow performance as diversification continued to limit out-sized returns. International equity also produced very strong returns for the fiscal year.

Awards and Acknowledgements

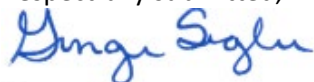
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Oklahoma Police Pension and Retirement System for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

To earn this certificate an entity must publish an annual comprehensive financial report that conforms to GFOA's requirements and standards. The ACFR must be efficiently and effectively presented and must satisfy all legal requirements as well as conform to generally accepted accounting principles.

The GFOA Certificate of Achievement only covers a one-year period. The Oklahoma Police Pension and Retirement System received its first Certificate for the fiscal year ended June 30, 2011. We believe this report continues to meet GFOA's Certificate program requirements, and we are submitting it to them.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire OPPRS staff. We would also like to credit the Board of Trustees for their unwavering efforts to maintain the highest level of professionalism in the financial management of the Oklahoma Police Pension and Retirement System.

Respectfully submitted,

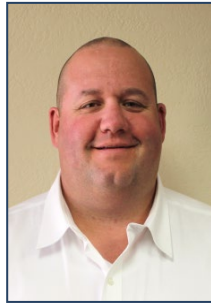


Ginger Sigler
Executive Director

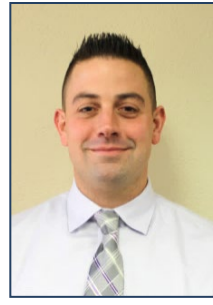


Deric Berousek
Chief Financial Officer

OPPRS Board of Trustees



Chris Cook
Chairman
District 1



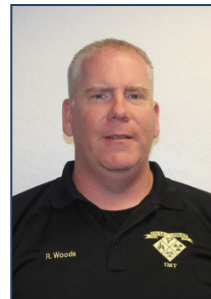
Thomas Cooper
Vice Chairman
District 3



Mark Mason
District 2



Jeff Russel
District 4



Ryan Woods
District 5



Mark Nelson
District 6



Jeff Tanksley
District 7



Mike Mazzei
Governor Appointee



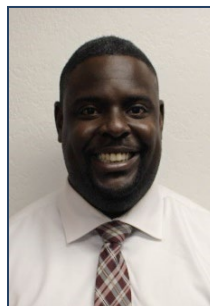
John Weber
Speaker of the House of
Representatives Appointee



Leslie Griffith
Senate President Pro
Tempore Appointee



Mike Brown
Oklahoma Municipal
League Appointee

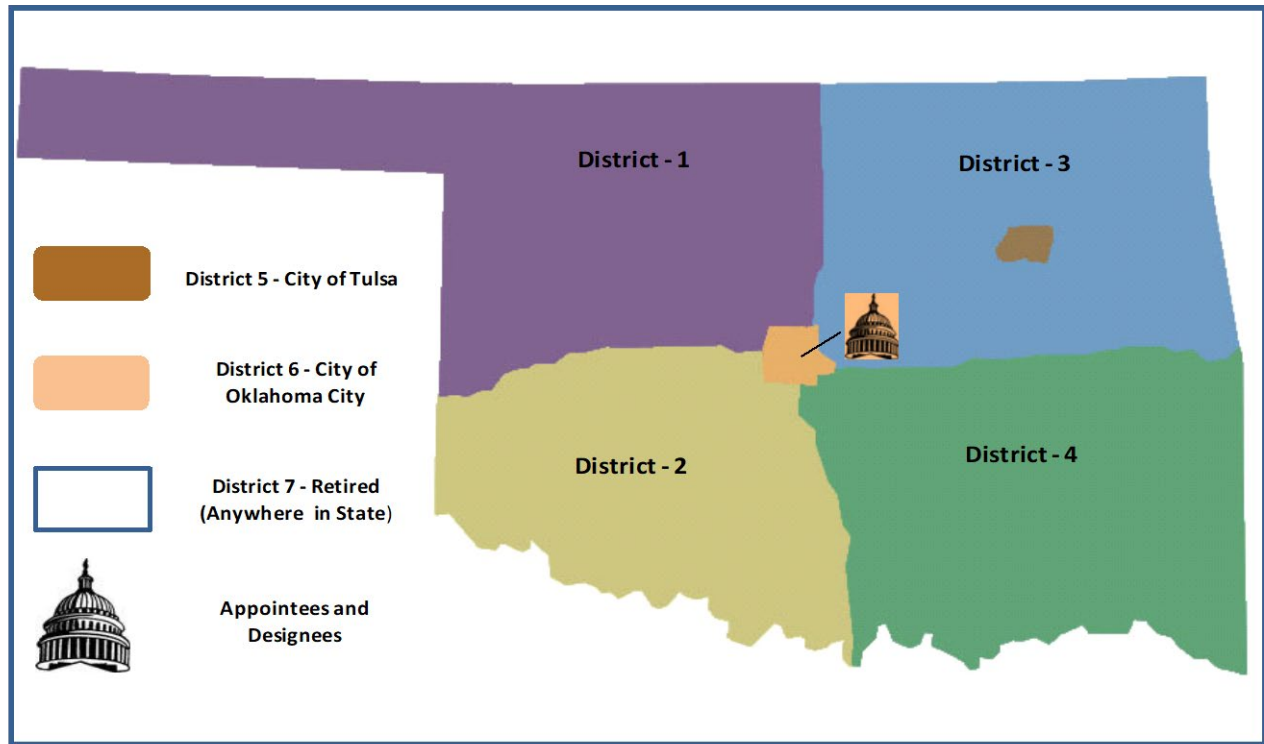


Antuanyia "Bo" DeBose
Designee of the State
Insurance Commissioner



John Gilbert
Designee-Director of the
Office of Management
and Enterprise Services

Oklahoma Police Pension Board - Districts, Appointees and Designees



District 1 Board Member- North of I-40 and west of I-35, excluding any area comprising Oklahoma City.

District 2 Board Member- South of I-40 and west I-35, excluding any area comprising Oklahoma City.

District 3 Board Member- North of I-40 and east of I-35, excluding any area comprising Oklahoma City or Tulsa.

District 4 Board Member- South of I-40 and east of I-35, excluding any area comprising Oklahoma City.

District 5 Board Member - Comprising the area within the City of Tulsa.

District 6 Board Member - Comprising the area within the City of Oklahoma City.

District 7 Board Member - The entire area of the State, but must be retired.

8th Member of the Board - Appointed by the Speaker of the House of Representatives.

9th Member of the Board - Appointed by the President Pro Tempore of the Senate.

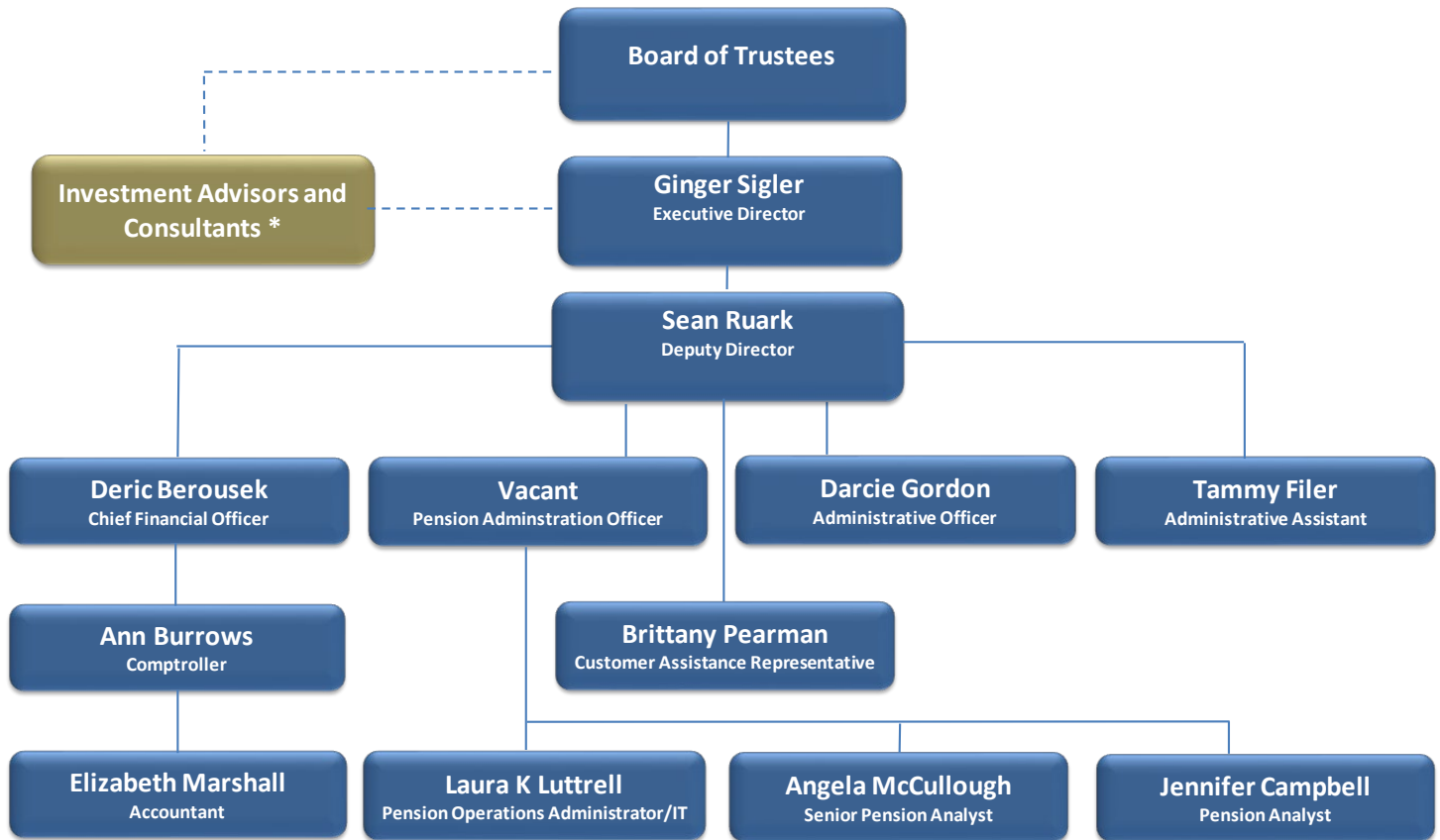
10th Member of the Board - Appointed by the Governor.

11th Member of the Board - Appointed by the President of the Oklahoma Municipal League.

12th Member of the Board - The State Insurance Commissioner or the Commissioner's designee.

13th Member of the Board - The Director of Management and Enterprise Services (formerly the Office of State Finance), or the Director's designee.

Organization of the Oklahoma Police Pension and Retirement System



* - The schedule of Investment Expenses and Professional Consultant Fees in the Other Supplementary Information Section and the Schedule of Investment Fees (pg. 89) & Broker Commissions (pgs. 90-91) in the Investment Section contain additional information regarding professional advisors and consultants.

Professional Advisors and Consultants

Actuary

Cavanaugh Macdonald Consulting
3906 Raynor Parkway, Suite 106
Bellevue, NE 68123

Property Management Services

Wiggin Properties, LLC
5801 N. Broadway, Suite 120
Oklahoma City, OK 73118

Investment Consultant

Asset Consulting Group, LLC
231 S. Bemiston, 14th Floor
St. Louis, MO 63105

Independent Auditor

Finley & Cook, PLLC
1421 E. 45th Street
Shawnee, OK 74804

Legal Services (Tax and Pensions)

Davis, Graham & Stubbs, LLC
1550 Seventeenth Street, Suite 500
Denver, CO

Master Trustee (Custodian)

Bank of New York Mellon
135 Santilli Highway, 026-0313
Everett, MA 02149

Legal Services (Pensions and Investments)

Phillips Murrah, P.C.
101 N. Robinson, Corporate Tower 13th Floor
Oklahoma City, OK 73102



Government Finance Officers Association

Certificate of
Achievement for
Excellence
in Financial
Reporting

Presented to

Oklahoma Police Pension & Retirement System

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Financial Section

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Financial Section



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Shawnee, OK 74804

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Oklahoma Police Pension and Retirement Plan (the "Plan"), administered by the Oklahoma Police 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, 2025 and 2024, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

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, 2025 and 2024, 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

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

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

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

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

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

(Continued)

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

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 19 through 23 and the schedule of changes in the employers' net pension (asset) liability, the schedule of employers' net pension (asset) liability, the schedule of contributions from employers and other contributing entities, the schedule of investment returns, and the related notes in Exhibits I, II, III, IV, and V be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The supplementary information in Schedules I, II, and III is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplementary information in Schedules I, II, and III is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

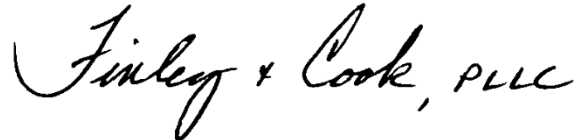
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, the investment section, the actuarial section, and the statistical section, but does not include the basic financial statements and our auditors' report thereon.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

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

(Continued)

INDEPENDENT AUDITORS' REPORT, CONTINUED**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2025, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

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

Shawnee, Oklahoma
September 9, 2025

Management's Discussion and Analysis

This discussion and analysis is presented by the management of the Oklahoma Police Pension and Retirement System, administrator of the Oklahoma Police Pension and Retirement Plan (collectively the "System" or "OPPRS"). This narrative and analysis provide a summary review of the System's financial activity for the fiscal years ended June 30, 2025, 2024 and 2023. The letter of transmittal preceding this narrative and the System's financial statements which follow should be referred to in conjunction with this analysis.

Financial Highlights

	For the Fiscal Year Ended June 30, (amounts in thousands)			% Change 2025 from 2024	% Change 2024 from 2023	% Change 2023 from 2022
	2025	2024	2023			
Fiduciary Net Position	\$3,449,729	\$3,183,061	\$3,023,309	8.4%	5.3%	0.5%
Contributions:						
Participating Cities	56,062	52,544	49,095	6.7%	7.0%	6.4%
Plan members	35,128	32,597	30,799	7.8%	5.8%	5.9%
Insurance Premium Tax	55,514	54,678	44,456	1.5%	23.0%	11.6%
Net Investment Income (loss)	301,874	210,081	109,062	43.7%	92.6%	-155.5%
Benefits paid, including refunds and deferred option benefits	179,606	187,895	216,917	-4.4%	-13.4%	9.9%
Change in Fiduciary Net Position	266,668	159,752	14,342	66.9%	1013.9%	-105.1%
Funded Ratio of the Plan	97.6%	96.5%	106.1%	1.1%	-9.0%	0.7%
Total Plan Membership	10,969	10,848	10,668	1.1%	1.7%	3.0%

Investment performance rallied once again in fiscal 2025 on strong equity and fixed income returns which offset continued struggles in real assets. Investment returns in fiscal 2024, due to continued strength in domestic equity and fixed income markets, were much improved over fiscal 2023, which produced a modest return the year. Strength in the 2023 equity market was offset by declines in private equity and real estate as these segments suffered declines following negative returns in 2022. Net position improved 8.4% to \$3.45 billion in fiscal 2025, up \$267 million for the year. Net position increased 5.3% or \$159.8 million to \$3.18 billion in fiscal 2024 after a slight increase of .5% or \$14.3 million to \$3.02 billion in fiscal 2023. Some net position improvement over the last 3 years can also be attributed to slowing retirements and the related decline in benefit costs.

Due to strong investment returns and positive actuarial experience in fiscal 2025 the System's funded ratio improved to 97.6%. The passage of SB102 in fiscal 2024, a measure that substantially improved benefits to members, reduced the System's funded ratio to 96.5%, a decrease of -9%. Fiscal 2023 continued to show improvement in the System's funded ratio, to 106.1%, a 0.7% increase, as small gains from the current experience study brought the System up to a record funded status.

Net membership in the System grew slightly in fiscal 2025, increasing 1.1% to 10,969 members as hiring began to level off in the public safety field. The System's total membership grew 1.7% to 10,848 in fiscal 2024 following net growth of 3.0% in fiscal 2023 to 10,668 as employers continued their work refilling positions from heavy retirements over the past few years. Fiscal 2025 contributions increased 7.8% and 6.7% for members and employers, respectively, as salary growth continued to run higher than expected. Contributions in fiscal 2024 increased by 5.8% and 7.0% for members and employers, respectively, on continued salary increases that have outpaced inflation. Fiscal 2023 contributions continued their upward trend with member contributions increasing

5.9% and employer contributions increasing 6.4% as salary increases showed surprising resilience. Insurance premium tax collections leveled off in fiscal 2025, growing just 1.5% over the prior year. Fiscal 2024 state insurance premium taxed increased 23% as inflation driven increases in premiums flowed through to the System. In fiscal 2023 state insurance premiums increased 11.6% as the System received 14.7% of collections and will continue to receive this percentage for the next few years. State insurance tax collections are generally considered a reasonable proxy of the strength of the economy. OPPERs will be allocated 14.7% of the insurance premium tax for fiscal years 2023-2027 before returning to its historical allocation of 14% in fiscal 2028.

Overview of the Financial Statements

This discussion and analysis introduce the System's basic financial statements. They 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 includes required supplementary information and other supplemental schedules. The System is a defined benefit, cost-sharing, multi-employer pension plan and is a component unit of the State of Oklahoma. The System, combined with other similar plans, form the State of Oklahoma's fiduciary pension trust funds. The financial statements are presented using the flow of economic resources measurement focus and the accrual basis of accounting, similar in most regards to that of private business.

The System's *Statements of Fiduciary Net Position* present the ending balance of assets and liabilities at a specific moment in time. Assets of the system include cash and cash equivalents, investments, receivables, and capital assets. System liabilities are primarily accounts and benefits payable. The difference between assets and liabilities produces a "net position" balance representing the fair value of assets held in trust to pay future benefits. Net positions shown increasing over time indicate improving financial conditions within the System, while a decrease in net position represents a decline in financial condition.

The *Statements of Changes in Fiduciary Net Position* detail the sources of income and uses of resources that affected the System's financial performance for a specified period or periods. The System's primary income sources are from city and member contributions, a dedicated portion of the State of Oklahoma Insurance Premium Tax, investment gains or losses and investment income. Retirement benefits, investment charges and administrative costs are the primary expenses of the System.

The *Notes to the Financial Statements* immediately following the System's financial statements should be considered an integral part of the financial statements. The notes cover significant details about the System's financial structure and activities, providing a more complete understanding of the System's financial results.

A *required supplementary information* section follows the notes. It includes the schedule of changes in employers' net pension liability, schedule of employers' net pension liability, schedule of contributions from employers and other contributing entities, and the schedule of investment returns. These schedules offer a useful means of assessing the long-term changes in the System's assets and liabilities, total pension liabilities, changes in the Plan's net pension liability, and how effectively contributors to the System have met the actuarially determined contributions needed.

Other supplementary information contains several schedules that provide significant details regarding investment expenses, administrative expenses, and fees paid to consultants.

Condensed Financial Analysis

Condensed financial information for the System is presented in the following tables. This information provides a summary of the System's financial activity for the years ended June 30, 2025, 2024 and 2023.

Condensed Summary of Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Change 2025 from 2024	% Change 2024 from 2023	% Change 2023 from 2022
	(amounts in thousands)					
	2025	2024	2023			
Cash and cash equivalents	\$ 70,491	\$ 57,184	\$ 55,420	23.3%	3.2%	-18.3%
Receivables	27,356	50,163	34,631	-45.5%	44.8%	185.3%
Investments, at fair value	3,357,365	3,081,606	2,943,174	8.9%	4.7%	0.2%
Total Assets	3,455,212	3,188,953	3,033,225	8.3%	5.1%	0.5%
Other liabilities	5,483	5,892	9,916	-6.9%	-40.6%	15.5%
Total Liabilities	5,483	5,892	9,916	-6.9%	-40.6%	15.5%
Fiduciary Net Position	\$ 3,449,729	\$ 3,183,061	\$3,023,309	8.4%	5.3%	0.5%

Condensed Summary of Changes in Fiduciary Net Position

	For the Fiscal Year Ended June 30,			% Change 2025 from 2024	% Change 2024 from 2023	% Change 2023 from 2022
	(amounts in thousands)					
	2025	2024	2023			
Contributions	\$ 146,694	\$ 139,819	\$ 124,350	4.9%	12.4%	8.1%
Net investment income	301,874	210,081	109,062	43.7%	92.6%	N/M
Total Additions	448,568	349,900	233,412	28.2%	49.9%	-386.4%
Benefits and refunds paid	165,254	160,813	154,386	2.8%	4.2%	5.9%
Deferred option benefits paid	14,352	27,082	62,531	-47.0%	-56.7%	21.3%
Administrative expenses	2,294	2,253	2,153	1.8%	4.6%	-0.3%
Total Deductions	181,900	190,148	219,070	-4.3%	-13.2%	9.8%
Total Changes in Fiduciary Net Position	266,668	159,752	14,342	66.9%	1013.9%	N/M
Beginning Fiduciary Net Position	3,183,061	3,023,309	3,008,967	5.3%	0.5%	-8.5%
Ending Fiduciary Net Position	\$ 3,449,729	\$ 3,183,061	\$ 3,023,309	8.4%	5.3%	0.5%

* - (N/M) Percentage change is not meaningful when a period's comparative amount is negative.

Analysis of Overall Financial Position and Results of Operations

Net position increased \$266.7 million in fiscal 2025 as most investment categories rallied with international equities up significantly after lagging the domestic markets for the last few years. In fiscal 2024 net position increased \$159.8 million on strong investment gains, particularly in domestic stocks and bonds. Fiscal 2023 net position increased \$14.3 million as investments in equities rebounded just to be offset by underperformance in private equity and real estate. Fiscal 2025 contributions were up 4.9% as member salaries continued to register solid increases. Contributions were up 12.4% in fiscal 2024 as insurance premiums surged from inflationary forces. Fiscal 2023 contributions increased 8.1% on strong salary growth and an increase in the insurance premium tax collected to 14.7%. Fiscal 2025 net growth in members receiving benefits slowed to an addition of just 40 to 4,524 as members started deferring retirement in anticipation of enhanced benefits in 2026 and 2027. Members receiving benefits increased in line with expectations, adding 83 to 4,484 for fiscal 2024. At the end of 2023 there were 4,401 members and beneficiaries receiving benefits, a net increase of 160, in line with the growth from the prior year. Continued strong salaries increased benefits and refunds paid to \$165.3 million in fiscal 2025 even

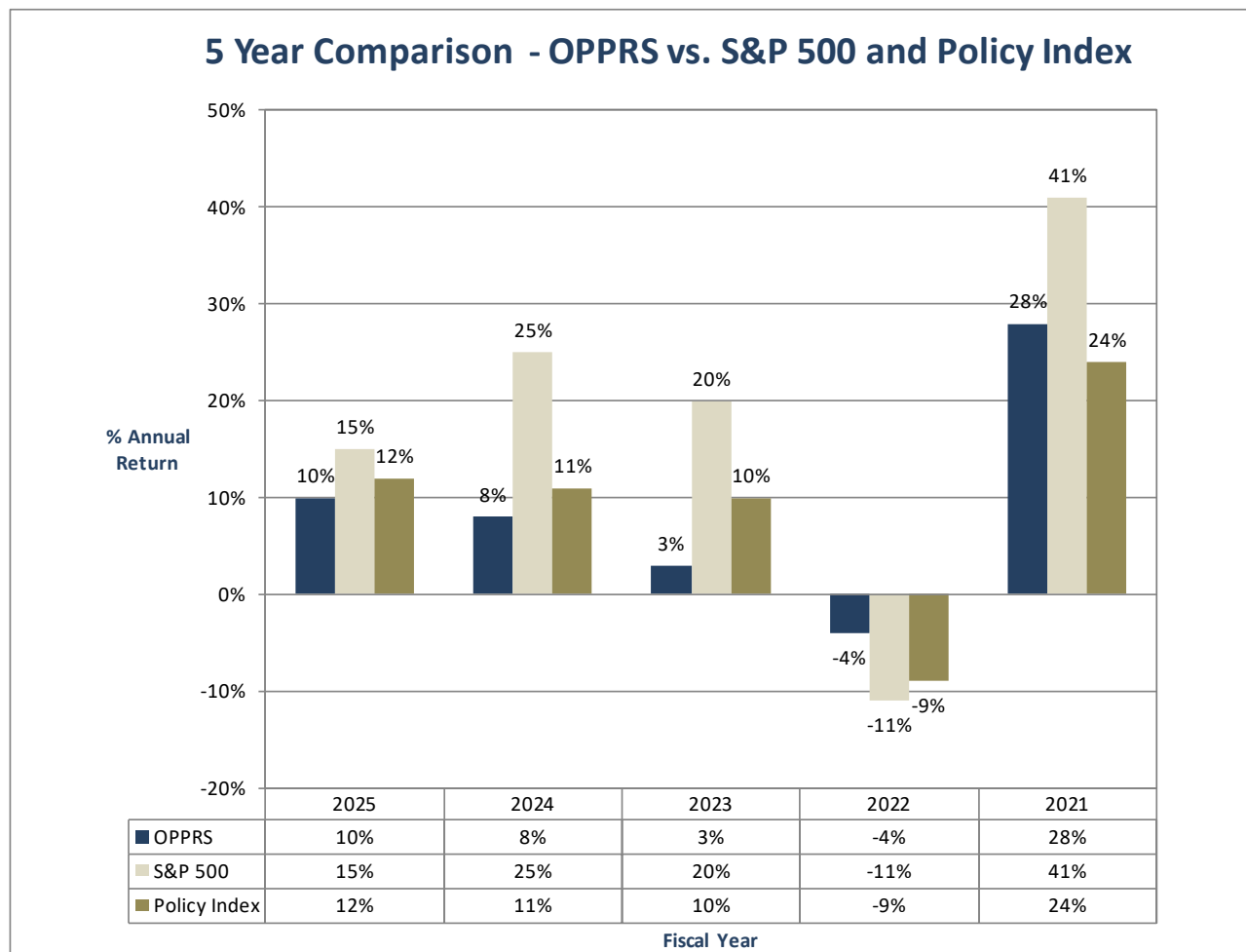
though there were fewer retirements than in prior years. 2024 had a substantial reduction in retirements, however, salary increases offset most of this reduction bringing benefits and refunds paid to \$161 million, an increase of 4.2% from 2023. A continued high rate of retirements at higher salaries increased benefits and refunds to \$154.4 million in fiscal 2023, a 5.9% jump from the prior year. As retirements began to be deferred, fiscal 2025 Back DOP payments fell 47% to \$14.4 million. In fiscal 2024, Back DOP payments fell -56.7% to \$27.1 million as members started to stretch their retirement date in anticipation of higher benefits from recent legislation. In fiscal 2023 deferred option payouts returned to more normal levels, rising 21.3% to \$62.5 million on a modest increase in retirements coupled with higher salaries. Deferred option payouts are individual retirement elections that can fluctuate significantly from one year to the next.

The System is funded by contributions from participating cities and their police officers, a dedicated percentage of the State of Oklahoma's insurance premium tax and returns generated by investing the System's assets. Strong salaries continued to improve inflows as fiscal 2025 contributions increased 4.9% to \$146.7 million. Fiscal 2024 contributions increase 12.4% to \$139.8 million as strong salary increases and a dramatic increase in insurance premium taxes benefited the System. In 2023 contributions increased 8.1% or \$9.3 million to \$124.4 million as salaries continued to rise strongly and the insurance premium tax collections allocated rose to 14.7% for the year. The System received 14.7% of the State's total insurance premium tax collected in fiscal 2025, 2024 and 2023. The System received \$55.5 million, \$54.7 million, and \$44.5 million for the fiscal years ended June 30, 2025, 2024 and 2023, respectively. The System's allocation was statutorily set to 14.7% for 2023-2027 and will return to the historical allocation of 14% in 2028.

Total benefits decreased -4.4% to \$179.6 million in fiscal 2025 as members started delaying retirement in anticipation of future benefit increases. In fiscal 2024 total benefits decreased 13.4% to \$187.9 million as continued strength in salaries was offset by a substantial decrease in retirements. Total benefits rose 9.9% in fiscal 2023 to \$216.9 million on higher benefits and deferred option payments that are reflecting stronger salaries. Deferred option and retirement elections are individual choices that are highly variable and can change substantially from one year to the next.

Administrative expenses are composed primarily of payroll and related expenses for the employees of the System, legal and professional fees, data processing fees, and medical, printing and travel costs. Fiscal 2025 administrative expenses were stable for the year, increasing 1.8% to \$2.3 million. Administrative costs increased 4.6% in fiscal 2024, or \$100 thousand, in line with inflation. These costs were flat in fiscal 2023, falling -0.3% or \$7 thousand for the year. Legal costs are generally highly variable and can change significantly from year to year depending on the number of new investment contracts each year. Administrative expenses were \$2.29 million, \$2.25 million, and \$2.15 million, for fiscal years 2025, 2024 and 2023, respectively.

Fiscal 2025 investment returns were 10% for the System as most investment categories rallied for the year, with the exception of continued challenges in real estate. International equities had a very strong year following several years of significant underperformance versus the domestic equity markets. The System returned 8% in fiscal 2024, lagging the broad markets surge from heavyweight exposure to a few large cap stocks. In fiscal 2023 the System had a return of 3%, lagging the broad markets due to significant pullbacks in private equity and real estate. Since the System values its investments at fair value, increasing volatility in both local and global markets can have a significant impact on the net position and operating results of the System. The System's net yield on average assets as compared to the S&P 500 stock index, an unmanaged pool of domestic equities, and its policy index, a combination of unmanaged domestic and international indices, were as follows for the periods ended June 30:



The System has experienced respectable total return performance over the last 5 years, grossing an average of 8.69% annually for this period. The System is broadly diversified to produce substantial returns without relying solely on a heavy domestic equity focus that continues to see outsized returns. Although the System is directly impacted by overall stock market changes, investments are made based on the expectation of long-term performance and in the best interest of the System's members. With just under \$3.50 billion in assets allocated across a highly diversified range of investments, the System has the financial resources to maintain its current investment strategies while continually pursuing suitable investment options that will benefit its members.

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, Oklahoma Police Pension and Retirement System, 1001 N.W. 63rd Street, Suite 305, Oklahoma City, OK 73116-7335. Additional information may also be obtained by visiting the System's website located at www.OPPRS.ok.gov.

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

STATEMENTS OF FIDUCIARY NET POSITION

June 30,	2025	2024
	(Amounts in Thousands)	
Assets		
Cash and cash equivalents	\$ 70,491	57,184
Receivables:		
Interest and dividends receivable	2,667	2,385
Contributions receivable from cities	2,126	2,540
Contributions receivable from participants	1,307	1,563
Insurance premium tax receivable	11,757	11,327
Receivable for fund redemptions	328	25,629
Receivable from brokers	9,171	6,719
Total receivables	27,356	50,163
Investments, at fair value:		
U.S. government securities	55,532	49,082
Domestic corporate bonds	268,269	215,388
International corporate bonds and bond funds	371,070	318,885
Domestic equities	1,012,343	890,313
International equities	615,152	524,749
Private equity—non-real estate	558,843	562,975
Low volatility hedge funds	82,872	82,270
Long/short hedge funds	1,128	26,465
Real estate—core and private equity	388,056	407,479
Direct real estate—Columbus Square	4,100	4,000
Total investments, at fair value	3,357,365	3,081,606
Total assets	3,455,212	3,188,953
Liabilities		
Payable to brokers	2,072	2,052
Accounts payable	874	946
Deferred option benefits due and currently payable	2,537	2,894
Total liabilities	5,483	5,892
Fiduciary net position restricted for pensions	\$ 3,449,729	3,183,061

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

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

<i>Years Ended June 30,</i>	<i>2025</i>	<i>2024</i>
	<i>(Amounts in Thousands)</i>	
Additions		
Contributions:		
Cities	\$ 56,052	52,544
Plan members	35,128	32,597
Insurance premium tax	55,514	54,678
Total contributions	<u>146,694</u>	<u>139,819</u>
Investment income:		
From investing activities:		
Net appreciation in fair value of investments	282,617	201,663
Interest	14,839	9,957
Dividends	22,804	17,504
Other	<u>717</u>	<u>776</u>
Total investment income	320,977	229,900
Less investment expense	<u>(19,238)</u>	<u>(19,924)</u>
Income from investing activities	<u>301,739</u>	<u>209,976</u>
From securities lending activities:		
Securities lending income	264	226
Securities lending expenses:		
Borrower rebates, net	(105)	(24)
Management fees	<u>(24)</u>	<u>(97)</u>
Income from securities lending activities	<u>135</u>	<u>105</u>
Net investment income	<u>301,874</u>	<u>210,081</u>
Total additions	<u>448,568</u>	<u>349,900</u>
Deductions		
Benefits paid	162,127	157,638
Deferred option benefits	14,352	27,082
Refunds of contributions	3,127	3,175
Administrative expenses	<u>2,294</u>	<u>2,253</u>
Total deductions	<u>181,900</u>	<u>190,148</u>
Net increase in fiduciary net position	266,668	159,752
Fiduciary net position restricted for pensions:		
Beginning of year	<u>3,183,061</u>	<u>3,023,309</u>
End of year	<u>\$ 3,449,729</u>	<u>3,183,061</u>

See Independent Auditors' Report.

See accompanying notes to financial statements.

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

(1) NATURE OF OPERATIONS

The Oklahoma Police Pension and Retirement System (the “System”) was established by legislative act and became effective on January 1, 1981. The System is the administrator of a multiple-employer, cost-sharing defined benefit pension plan that provides participants with retirement, death, and disability benefits and a deferred option plan (the “Deferred Option”), both established by the State of Oklahoma. These plans are considered a single plan for financial reporting purposes. The System is part of the State of Oklahoma financial reporting entity and is included in the State of Oklahoma’s financial reports as a pension trust fund. The System covers substantially all police officers employed by the 159 participating municipalities and state agencies within the state of Oklahoma. The System administers the Oklahoma Police Pension and Retirement Plan (the “Plan”). For report purposes, the System is deemed to be the administrator of 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 fiduciary component unit of the State of Oklahoma financial reporting entity and is combined with other similar funds (multiple-employer, cost-sharing) to comprise the fiduciary pension trust funds of the State of Oklahoma. The State of Oklahoma is statutorily required to make contributions to the System through collections of the insurance premium tax, and the System is fiscally dependent on the primary government for this contribution.

The Oklahoma Police 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. Six members are active System members and represent specific geographic areas of the state. They must work for a police department physically located in the district they serve. The 7th district shall be represented by a retired member of the System and encompasses the entire state area. These elected members serve 3-year terms. The remaining six members are either governmental office holders or are appointed as follows: one by the Speaker of the House of Representatives, one by the President Pro Tempore of the Senate, one by the Governor, and one by the President of the Oklahoma Municipal League; the final two members of the Board are the Oklahoma Insurance Department Commissioner or designee and the Director of the Office of Management and Enterprise Services or designee. The appointees and office holders or designees all serve a 4-year term, with the governor appointee’s term being coterminous with that office. The appointees of the Board or designees of ex officio members should have either demonstrated professional experience in investment or funds management, demonstrated experience in the banking profession, be licensed to practice law in the state and have demonstrated professional experience in commercial matters, or be licensed by the Oklahoma Accountancy Board to practice in this state as a public accountant or a certified public accountant.

See Independent Auditors’ Report.

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) NATURE OF OPERATIONS, CONTINUED

The System's participants at June 30 consisted of:

	<u>2025</u>	<u>2024</u>
Retirees and beneficiaries currently receiving benefits	4,524	4,484
Vested members with deferred benefits	196	192
Deferred Option plan members	-	-
	<u>4,720</u>	<u>4,676</u>
Active plan members:		
Vested	2,325	2,257
Nonvested	3,924	3,915
Total active plan members	<u>6,249</u>	<u>6,172</u>
Total members	<u>10,969</u>	<u>10,848</u>
Number of participating municipalities and state agencies	<u>159</u>	<u>157</u>

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

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.

See Independent Auditors' Report.

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements

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. GASB 101 did not have a material impact on the Plan's financial statements, and no liability for compensated absences has been recorded.

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. GASB 102 did not have a significant impact on the Plan's 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.

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

See Independent Auditors' Report.

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States requires management of the Plan to make significant estimates and assumptions that affect the reported amounts of net position restricted for pensions at the date of the financial statements and the actuarial information in Exhibits I, II, and III included in the required supplementary information as of the benefit information date, the changes in the Plan's net position during the reporting period, and when applicable, 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, and III 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 the uncertainties inherent in setting assumptions, that the effect of such changes could be material to the financial statements.

Plan Contributions

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

Plan Benefit Payments and Refunds

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

Receivables

At June 30, 2025 and 2024, 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.

See Independent Auditors' Report.

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

NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments

Management of the Plan is authorized to invest in eligible investments as approved by the Board as set forth in its 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 65% of assets in equity instruments, including public equity, venture capital, and private equity strategies; approximately 25% of assets in fixed income, to include investment grade bonds, high yield and non-dollar denominated bonds, convertible bonds, low volatility hedge funds, and absolute return strategies; and 10% of assets in core and opportunistic real estate.

Significant Investment Policy Changes Made During the Year— During the year ended June 30, 2025, the Board elected to eliminate its exposure to dedicated emerging markets equity and combine that exposure into international equity. The Board also elected to increase its allocation to equities to 65% from 60% and to reduce exposure to real assets from 15% to 10%.

During the year ended June 30, 2024, the Board elected to eliminate the long/short equity allocation, reduce the total equity allocation from 65% to 60%, and raise the fixed income allocation to 25% from 20%. The allocation to real assets remained unchanged at 15%.

Rate of Return—For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.53% and 7.00%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(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. Generally accepted accounting principles 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.

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. The fair value of the real estate is determined from independent appraisals and discounted income approaches. Investments which do not have an established market are reported at estimated fair value based on primarily unobservable inputs.

Net investment income (loss) includes net appreciation (depreciation) in the fair value of investments, interest income, dividend income, investment income from real estate, securities lending income and expenses, and investment expenses, which includes investment management and custodial fees and all other significant investment related costs. Foreign currency translation gains and losses are reflected in the net appreciation (depreciation) in the fair value of investments. Investment income from real estate includes the Plan's share of income from operations, net appreciation (depreciation) in the fair value of the underlying real estate properties, and the Plan's real estate investment management fees. The fair value of the limited partnerships is determined by managers of the partnerships based on the values of the underlying assets.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

The Plan's international investment managers enter into forward foreign exchange contracts to protect against fluctuation in exchange rates between the trade date and the settlement date of foreign investment transactions. 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 collateralized mortgage obligations, convertible stocks and bonds, and variable rate instruments. These investments do not increase investment risk beyond allowable limits specified in the Plan's investment policy.

The Plan's investment policy provides for investments in 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 and 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 changes 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 investment with a single firm exceeds 5% of the Plan's net position. Investment accounts held in the Plan's name and managed by external managers are shown as "managed" below.

The Plan invests in domestic equity index funds, domestic equity commingled trust funds, and international equity funds, as well as in individual securities in the Plan's name with active managers. The Plan shares the risk of loss in each fund owned with other participants in proportion to its respective investment. Because the Plan does not own any specific identifiable investment securities of these funds, the market risk associated with any derivative investments held in these funds is not apparent. The degree of market risk depends on the underlying portfolios of the funds, which were selected by the Plan in accordance with its investment policy guidelines, including risk assessment. The international funds invest primarily in equity securities of entities outside 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

The following table presents individual investments held or managed (in the Plan's name) by a single organization that exceed 5%* of the Plan's fiduciary net position at June 30:

<u>Classification of Investment</u>	<u>Name of Organization</u>	<u>Shares Held</u>	<u>Cost</u>	<u>Fair Value</u>
<i>(Amounts in Thousands)</i>				
<u>2025</u>				
Domestic equities	Northern Trust	9,044,148	\$ 188,127	697,277
Domestic equities	Boston Partners	N/A—Managed	158,920	186,284
Domestic bonds	Agincourt	N/A—Managed	339,588	328,973
Real Estate	Blackstone	189,530,369	169,750	182,434
International equities	Chautauqua	215,325,610	200,000	215,326
International equities	Mondrian	3,939,387	56,861	231,523
Global fixed income/ Private equity	Oaktree	230,326,723	215,639	230,466
<u>2024</u>				
Domestic equities	Northern Trust	9,045,023	\$ 188,145	603,104
Domestic equities	Boston Partners	N/A—Managed	137,288	163,997
Domestic bonds	Agincourt	N/A—Managed	288,519	264,469
Real estate	Blackstone Prop. Ptnrs	199,205,907	166,472	197,219
International equities	Barings	184,774,252	117,000	184,774
International equities	Mondrian	3,939,387	56,861	185,196
Global fixed income/ Private equity	Oaktree	215,538,560	205,204	216,554

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

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Repurchase/Reverse Repurchase Agreement

The Plan has a master repurchase/reverse repurchase agreement. Under the agreement, the Plan may enter into a purchase/sale of a security with a simultaneous agreement to resell/repurchase the security at a specified future date and price. The Plan did not enter into any transactions under this agreement during fiscal year 2025 or 2024.

Capital Assets

Capital assets, which consist of software, are stated at cost less accumulated depreciation. Capital assets were fully depreciated as of June 30, 2025 and 2024.

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 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 net position would be addressed.

Administrative Items

Operating Leases

The Plan had an operating lease which ended June 30, 2025. The lease has been renewed for the period July 1, 2025, through June 30, 2026. Total lease expense was approximately \$91,000 for each of the years ended June 30, 2025 and 2024.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Retirement Expense

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 (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 Blvd, Suite 400, Oklahoma City, OK 73112-5625.

Defined Benefit Plan

Eligible employees of the System are required to contribute 3.5% of their annual covered salary to the defined benefit plan. The System is required to contribute at an actuarially determined rate, which was 16.5% of annual covered payroll as of June 30, 2025, 2024, and 2023. During 2025, 2024, and 2023, totals of \$196,836, \$185,229, and \$181,335, respectively, were paid to OPERS. The System has contributed 100% of required contributions to OPERS for 2025, 2024, and 2023. The System's and the employees' portions of those amounts were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
System's portion	\$ 157,508	148,260	145,053
Employees' portion	<u>39,328</u>	<u>36,969</u>	<u>36,282</u>
	<u>\$ 196,836</u>	<u>185,229</u>	<u>181,335</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Defined Benefit Plan, Continued

The Plan adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, (GASB 68) as of July 1, 2014, as it applies to its participation in OPERS. The effects on the financial statements of the Plan as a result of the adoption of GASB 68 are considered immaterial.

The Plan adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, (GASB 75) as of July 1, 2017, as it applies to its participation in OPERS, other postemployment benefits (OPEB), and Implicit Rate Subsidy. 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 2025, 2024, and 2023, totals of \$47,687, \$45,298, and \$35,203, respectively, were paid to OPERS, representing 100% of the required contributions. The System’s and the employees’ contributions to Pathfinder were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
System's portion	\$ 31,977	30,427	23,403
Employees' portion	<u>15,710</u>	<u>14,871</u>	<u>11,800</u>
	<u>\$ 47,687</u>	<u>45,298</u>	<u>35,203</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Risk Management

The Risk Management Division (the "Division") of the Office of Management and Enterprise Services 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 System, their pro rata share of the premiums purchased. The System has no obligations to any claims submitted against the System.

Date of Review of Subsequent Events

The Plan has evaluated subsequent events through September 9, 2025, the date which the financial statements were available to be issued, and determined that no subsequent events have occurred that require adjustment to or disclosure in the financial statements.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to the Oklahoma Statutes for more complete information.

General

The Plan is a multiple-employer, cost-sharing defined benefit pension plan covering members who have actively participated in being a police officer for an Oklahoma municipality or state agency which is a member of the Plan.

Contributions

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

An eligible municipality may join the Plan on the first day of any month. Upon approval by the Board, its membership is irrevocable. All persons employed as police officers are required to participate in the Plan upon initial employment with the police department of the participating municipality. The Oklahoma Legislature has authority to establish and amend contribution amounts. Until July 1, 1991, each municipality contributed to the System 10% of the actual base salary of each participant employed by the municipality. Beginning July 1, 1991, municipality contributions increased by 1/2% per year and continued this increase until July 1, 1996, when the contribution level reached 13%, which it remains at currently. Each participant of the Plan contributes 8% of their actual paid base salary. Additional funds are provided to the Plan by the State of Oklahoma, a non-employer contributing entity, through an allocation of the tax on premiums collected by insurance companies operating in Oklahoma and by the net investment income generated on assets held by the Plan. The Plan is responsible for paying administrative costs. Administrative costs of the Plan are paid by using the earnings from the invested assets of the Plan.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits

In general, 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 Statutes. Retirement provisions are as follows:

- The normal retirement date under the Plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of the Plan. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date the participant reaches 50 years of age or the date the participant would have had 20 years of credited service had employment continued uninterrupted, whichever is later.
- Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.
- Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by the greater of years-of-service or 20 years. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service. This disability benefit is also reduced by stated percentages for partial disability based on the percentage of impairment. Effective July 1, 1998, once a disability benefit is granted to a participant, that participant is no longer allowed to apply for an increase in the dollar amount of the benefit at a subsequent date.
- Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is entitled to a pension benefit. Effective July 1, 1999, a \$5,000 death benefit is also paid, in addition to any survivor's pension benefits under the Plan, to the participant's beneficiary or estate for active or retired members.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- The Deferred Option allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option, retirement benefits are calculated based on compensation and service at the time of election and a separate account is established for each participant. During the participation period, the employee's retirement benefit is credited to the participant's account along with a portion of the employer's contribution and interest. Interest is credited at a rate of 2% below the rate of return on the investment portfolio of the Plan, with a guaranteed minimum interest equal to the assumed actuarial interest of 7.5%. Employee contributions cease once participation in the Deferred Option is elected. At the conclusion of participation in the Deferred Option, the participant will receive the balance in the separate account under payment terms allowed by the Deferred Option and will then begin receiving retirement benefit payments as calculated at the time of election.
- In the 2003 Legislative Session, Senate Bill 688 and House Bill 1464 created a "Back" DROP for members of the System. 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 "Back" DROP. A member, however, cannot receive credit to the "Back" DROP 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 "Back" DROP 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.
- In 2006, the Board approved a method of payment called the Deferred Option Payout Provision (the "Payout Provision"). The Payout Provision allows a retired member who has completed participation in the Deferred Option or the "Back" DROP the ability to leave their account balance in the Plan. The retired member's account balance will be commingled and reinvested with the total assets, and therefore the member will not be able to direct their personal investments. Written election must be made to the Board no more than 30 days following the termination of employment.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(3) DESCRIPTION OF THE PLAN, CONTINUED

Benefits, Continued

- Upon participating in the Payout Provision, a retired member shall not be guaranteed a minimum rate of return on their investment. A retired member shall earn interest on their account as follows:
 - The retired member shall earn two percentage points below the net annual rate of return of the investment portfolio of the System.
 - If the portfolio earns less than a 2% rate of return, but more than zero, the retired member shall earn zero percentage points.
 - If the portfolio earns less than zero percentage points, there shall be a deduction from the retired member's balance equal to the net annual rate of return of the investment portfolio of the System.

Interest as earned above shall be credited to the retired member's account.

The Oklahoma Legislature has the authority to grant percentage increases or special one-time payments to persons receiving benefits from the Plan. Additionally, certain retirees are entitled to receive a cost-of-living adjustment (COLA) when a COLA is granted to active police officers in the retiree's city. Participants eligible to receive both types of benefit increases are to receive the greater of the legislative increase or the benefit increase the participant would receive pursuant to the COLA provision.

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

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

	<u>2025</u>	<u>2024</u>
	<i>(Amounts in Thousands)</i>	
Short-term investments:		
OK INVEST	\$ 14,915	8,636
Domestic	55,576	48,548
Total short-term investments	<u>70,491</u>	<u>57,184</u>
 Total cash and cash equivalents	 <u>\$ 70,491</u>	 <u>57,184</u>

At June 30, 2025 and 2024, as a result of outstanding checks and deposits, the carrying amount of the Plan's OK INVEST account totaled \$14,914,742 and \$8,636,190, respectively, and the bank balance totaled \$13,887,848 and \$11,190,746, respectively.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Cash and Cash Equivalents, Continued

Included in cash and cash equivalents are investments included in the State of Oklahoma's OK INVEST Portfolio. Because these investments are controlled by the State of Oklahoma and the balances change on a daily basis, they are considered cash equivalents. The balances are overnight funds consisting of U.S. agencies, mortgage-backed agencies, U.S. Treasury notes, municipal bonds, foreign bonds, tri-party repurchase agreements, certificates of deposit, commercial paper, and money market mutual funds. As of June 30, the investment balances were as follows:

	<u>2025</u>	<u>2024</u>
U.S. agencies	\$ 211,479	588,582
Mortgage-backed agencies	1,908,392	1,723,010
U.S. Treasury notes	10,153,344	7,941,264
Certificates of deposit	40,157	26,131
Commercial paper	112,220	71,342
Money market mutual funds	<u>1,462,256</u>	<u>840,417</u>
	<u>\$ 13,887,848</u>	<u>11,190,746</u>

The Plan's other short-term investments consist of temporary investments in commingled trust funds of the Plan's custodial agent, commercial paper, treasury bills, and U.S. government agency securities. The commingled trust funds are composed of high-grade money market instruments with short maturities. Each participant shares the risk of loss in proportion to their respective investment in the funds.

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, and 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 to no more than 5% of each manager's portfolio. At June 30, 2025 and 2024, approximately \$69,464,000 and \$59,739,000, respectively, of cash and cash equivalents were uninsured and uncollateralized. The policy also provides that investment collateral be held by a third-party custodian with whom the Plan has a current custodial agreement in the Plan's name.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The investment policy limits foreign equity investments to 20% of total assets through its asset allocation policy. Investments in international equities and fixed-income securities as of June 30 are shown by monetary unit to indicate possible foreign currency risk.

<u>Currency</u>	<u>Equities</u>	Corporate Bonds and <u>Bond Funds</u>	<u>Total</u>
<i>(Amounts in Thousands)</i>			
<u>2025</u>			
Commingled funds:			
Chautauqua International Growth Equity	\$ 215,326	-	215,326
Mondrian International Equity Fund	231,523	-	231,523
Axiom Emerging Markets Equity	110,254	-	110,254
Wasatch Emerging Markets Small Capitalization Fund	58,049	-	58,049
Loomis Sayles World Bond Fund	-	91,690	91,690
Metwest Unconstrained Bond Fund	-	83,811	83,811
Oaktree Global Credit Fund	-	195,569	195,569
	<u>\$ 615,152</u>	<u>371,070</u>	<u>986,222</u>
<u>2024</u>			
Commingled funds:			
Barings Focused International Equity Fund	\$ 184,774	-	184,774
Mondrian International Equity Fund	185,196	-	185,196
Axiom Emerging Markets Equity	95,869	-	95,869
Wasatch Emerging Markets Small Capitalization Fund	58,910	-	58,910
Loomis Sayles World Bond Fund	-	83,850	83,850
Metwest Unconstrained Bond Fund	-	66,104	66,104
Oaktree Global Credit Fund	-	168,931	168,931
	<u>\$ 524,749</u>	<u>318,885</u>	<u>843,634</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Foreign Currency Risk, Continued

The Plan was exposed to foreign currency risk through investments in the following commingled funds:

- Barings Focused International Equity Fund—The fund seeks long-term capital growth by investing in a concentrated portfolio of equity securities from developed international markets combined with a limited number of equities from emerging markets.
- Chautauqua Capital International Growth Equity—The fund seeks long-term capital growth by investing in a concentrated portfolio of international equity securities across primarily large- and mid-sized capitalizations.
- Mondrian International Equity Fund—The fund's investment objective is long-term total return through a value-driven approach of equity selection. The fund pursues this strategy by investing primarily in non-U.S. and emerging market equity securities.
- Axiom Emerging Markets Equity Fund—The fund seeks long-term capital growth through a bottom-up fundamental selection of equities in global emerging markets. The fund will generally hold between 70–85 equity positions. The fund may invest no more than 40% of the portfolio in any one sector.
- Wasatch Emerging Markets Small Capitalization Fund—The fund seeks long-term capital growth by investing primarily in equity securities of small companies located in emerging markets. Companies will generally have a market capitalization of less than \$3 billion when purchased, and holdings will generally span broadly across countries and sectors.
- Loomis Sayles World Bond Fund—The fund normally invests at least 80% of its assets in fixed-income securities. The fund focuses primarily on investment grade fixed-income securities worldwide, although it may invest up to 20% of its fair value in lower rated fixed-income securities. Securities held by the fund may be denominated in any currency, may be from issuers located in emerging markets, or may be fixed-income securities of any maturity.
- MetWest Unconstrained Bond Fund—The fund will normally invest at least 80% of its assets in securities and investments it regards as bonds in the U.S. and abroad, including emerging markets. Up to 50% of assets may be invested in securities rated below investment grade. Investment categories may range across global credit, currency, and interest rate type instruments.
- Oaktree Global Credit Fund—The fund invests across a broad spectrum of debt instruments including high-yield corporate bonds, senior loans, emerging market debt, real estate debt, structured credit, and convertible securities with a primary emphasis on issuers in North America and Europe.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Credit Risk

Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The investment portfolio for domestic fixed-income securities requires the portfolio to maintain an average of A+ or higher. For international fixed-income securities, the investment policy requires the portfolio to invest in securities equal to or better than Moody's Baa3 or Standard & Poor's BBB. Exposure to credit risk as of June 30 was as follows:

<u>Investment Type</u>	<u>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	Fair Value as a Percent of Total Fixed Maturity <u>Fair Value</u>
<u>2025</u>			
U.S. government agency securities	Aa1	\$ 11,904	21.44%
U.S. Treasury securities	Aa1	43,628	78.56%
Total U.S. government securities		\$ 55,532	100.00%
Domestic corporate bonds	AAA (S&P)	\$ 3,494	1.31%
	Aaa	18,405	6.86%
	Aa1	111,467	41.55%
	Aa2	1,957	0.73%
	AA+ (S&P)	182	0.07%
	Aa3	1,880	0.70%
	A1	23,393	8.72%
	A2	12,331	4.60%
	A3	13,566	5.06%
	BBB+ (S&P)	1,165	0.43%
	Baa1	26,779	9.98%
	Baa2	36,846	13.73%
	Baa3	9,984	3.72%
	Ba1	6,820	2.54%
Total domestic corporate bonds		\$ 268,269	100.00%
International corporate bonds and bond funds (average rating)	A2	\$ 91,690	24.71%
	AA (S&P)	83,811	22.59%
	BB- (S&P)	195,569	52.70%
Total international corporate bonds and bond funds		\$ 371,070	100.00%

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Credit Risk, Continued

<u>Investment Type</u>	<u>Moody's Ratings</u> <u>(Unless Noted)</u>	<u>Fair Value</u>	Fair Value as a Percent of Total Fixed Maturity <u>Fair Value</u>
<u>2024</u>			
U.S. government agency securities	Aaa	\$ 9,753	19.87%
U.S. Treasury securities	UST*	39,329	80.13%
Total U.S. government securities		\$ 49,082	100.00%
Domestic corporate bonds	AAA (S&P)	\$ 1,393	0.64%
	Aaa	95,017	44.11%
	Aa2	2,852	1.32%
	AA+ (S&P)	202	0.09%
	Aa3	2,342	1.09%
	A1	18,399	8.54%
	A2	9,391	4.36%
	A3	18,629	8.65%
	BBB+ (S&P)	1,133	0.53%
	Baa1	20,868	9.69%
	Baa2	30,273	14.06%
	Baa3	8,609	4.00%
	Ba1	6,280	2.92%
Total domestic corporate bonds		\$ 215,388	100.00%
International corporate bonds and bond funds (average rating)	A1	\$ 83,850	26.29%
	AA (S&P)	66,104	20.73%
	BB- (S&P)	168,931	52.98%
Total international corporate bonds and bond funds		\$ 318,885	100.00%

*U.S. Treasury securities.

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While all investments are subject to market changes, securities invested in index funds are more sensitive to market risk. Although the investment policy does not specifically address the duration of fixed-income securities, the Plan does monitor interest rate risk by monitoring the performance of each investment manager. As of June 30, the Plan had the following investments with maturities:

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>				
	<u>Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	<u>Total Fair Value</u>
<i>(Amounts in Thousands)</i>					
<u>2025</u>					
U.S. government securities:					
U.S. government agency	\$ -	-	11,904	-	11,904
U.S. Treasury	11,110	9,116	23,402	-	43,628
Total U.S. government securities	<u>11,110</u>	<u>9,116</u>	<u>35,306</u>	<u>-</u>	<u>55,532</u>
Domestic corporate bonds:					
Commercial mortgage-backed securities	-	-	10,252	-	10,252
Corporates and other credit	79,659	40,575	26,134	-	146,368
U.S. government mortgages	112	1,736	109,801	-	111,649
Total domestic corporate bonds	<u>79,771</u>	<u>42,311</u>	<u>146,187</u>	<u>-</u>	<u>268,269</u>
International corporate bonds and bond funds (effective duration)	<u>279,380</u>	<u>91,690</u>	<u>-</u>	<u>-</u>	<u>371,070</u>
	<u>\$ 370,261</u>	<u>143,117</u>	<u>181,493</u>	<u>-</u>	<u>694,871</u>

As noted above, the Plan had approximately \$111,649,000 of investments in U.S. government mortgages, of which \$83,122,000 represents FNMA loans and \$28,527,000 represents FHLMC mortgages. U.S. government agency securities of \$11,904,000 represent GNMA mortgages.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Interest Rate Risk, Continued

<u>Investment Type</u>	<u>Investment Maturities at Fair Value (in Years)</u>				
	<u>Less Than 5</u>	<u>5 or More, Less Than 10</u>	<u>10 or More</u>	<u>Investments with No Duration</u>	<u>Total Fair Value</u>
<i>(Amounts in Thousands)</i>					
<u>2024</u>					
U.S. government securities:					
U.S. government agency	\$ -	-	9,753	-	9,753
U.S. Treasury	15,790	-	23,539	-	39,329
Total U.S. government securities	<u>15,790</u>	<u>-</u>	<u>33,292</u>	<u>-</u>	<u>49,082</u>
Domestic corporate bonds:					
Commercial mortgage-backed securities	-	-	7,851	-	7,851
Corporates and other credit	58,940	35,558	25,788	-	120,286
U.S. government mortgages	-	1,732	85,519	-	87,251
Venture capital	-	-	-	-	-
U.S. fixed-income funds	-	-	-	-	-
Total domestic corporate bonds	<u>58,940</u>	<u>37,290</u>	<u>119,158</u>	<u>-</u>	<u>215,388</u>
International corporate bonds and bond funds (effective duration)	<u>235,035</u>	<u>83,850</u>	<u>-</u>	<u>-</u>	<u>318,885</u>
	<u>\$ 309,765</u>	<u>121,140</u>	<u>152,450</u>	<u>-</u>	<u>583,355</u>

As noted above, the Plan had approximately \$87,251,000 of investments in U.S. government mortgages, of which \$70,760,000 represents FNMA loans and \$16,491,000 represents FHLMC mortgages. U.S. government agency securities of \$9,753,000 represent GNMA mortgages.

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

Investments Measured at Fair Value

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2025</u>	Amounts Measured at Fair Value			
<u>Investments by Fair Value Level</u>				
Cash and cash equivalents:				
OK INVEST—State managed short-term high liquidity	\$ 14,915	-	14,915	-
BNY Mellon—STIF-type investment; high liquidity	55,576	-	55,576	-
Total cash equivalents measured at fair value	<u>\$ 70,491</u>	<u>-</u>	<u>70,491</u>	<u>-</u>
Debt securities:				
U.S. government agency	\$ 11,904	-	11,904	-
U.S. Treasury	43,628	43,628	-	-
Domestic corporate bonds:				
Commercial mortgage-backed securities	10,252	-	10,252	-
Corporate bonds	146,368	-	146,368	-
U.S. government mortgages	111,649	-	111,649	-
International corporate bonds:				
Oaktree Global Credit Fund	195,569	-	-	195,569
Metwest Unconstrained Bond Fund	83,811	-	83,811	-
Loomis Sayles World Bond Fund	91,690	-	91,690	-
Total debt securities	<u>694,871</u>	<u>43,628</u>	<u>455,674</u>	<u>195,569</u>
Equity securities—domestic:				
Domestic Large Cap—				
Northern Trust Russell 1000 Index Fd	697,277	-	697,277	-
Domestic Small Cap Value Focus—Boston Partners	183,375	183,375	-	-
Domestic Small Cap Growth Focus—Silvercrest	131,691	131,691	-	-
Total domestic equities	<u>1,012,343</u>	<u>315,066</u>	<u>697,277</u>	<u>-</u>

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

Investments Measured at Fair Value, Continued

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Amounts Measured at Fair Value			
<i>June 30, 2025</i>				
<u>Investments by Fair Value Level, Continued</u>		<i>(Amounts in Thousands)</i>		
Equity securities—international:				
Intl. Equities - Chautauqua International Growth (developed markets)	215,326	-	215,326	-
Intl. Equities—Value Focus—Mondrian Partners	231,523	-	231,523	-
Intl. Emerging Markets—Wasatch EM Small Cap Fund	58,049	-	58,049	-
Intl. Emerging Markets—Axiom Emerging Markets	110,254	-	110,254	-
Total international equities	615,152	-	615,152	-
Private equity:				
Private equity—non-real estate focused	558,843	-	-	558,843
Real estate	101,530	-	-	101,530
Total private equity	660,373	-	-	660,373
Real estate—direct ownership—income producing:				
Total direct ownership real estate	4,100	-	-	4,100
Investments measured at net asset value (NAV):				
Low Volatility Hedge Fund—PAAMCO	1,779	-	-	-
Long/Short Equity Hedge Fund—Grosvenor Class A	283	-	-	-
Long/Short Equity Hedge Fund—K2 Ascent	845	-	-	-
Low Volatility Hedge Fund—Wellington Global Total Return Fund	81,093	-	-	-
Core Real Estate—JP Morgan Strategic Property Fund	132,629	-	-	-
Core Real Estate—Blackstone Property Partners	153,897	-	-	-
Total investments measured at NAV	370,526	-	-	-
Total investments measured at fair value	<u>\$ 3,357,365</u>	<u>358,694</u>	<u>1,768,103</u>	<u>860,042</u>

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

Investments Measured at Fair Value, Continued

		Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2024</u>	Amounts Measured at Fair Value			
<u>Investments by Fair Value Level</u>				
Cash and cash equivalents:				
OK INVEST—State managed short-term high liquidity	\$ 8,636	-	8,636	-
BNY Mellon—STIF-type investment; high liquidity	48,548	-	48,548	-
Total cash equivalents measured at fair value	<u>\$ 57,184</u>	<u>-</u>	<u>57,184</u>	<u>-</u>
Debt securities:				
U.S. government agency	\$ 9,753	-	9,753	-
U.S. Treasury	39,329	39,329	-	-
Domestic corporate bonds:				
Commercial mortgage-backed securities	7,851	-	7,851	-
Corporate bonds	120,286	-	120,286	-
U.S. government mortgages	87,251	-	87,251	-
International corporate bonds:				
Oaktree Global Credit Fund	168,931	-	-	168,931
Metwest Unconstrained Bond Fund	66,104	-	66,104	-
Loomis Sayles World Bond Fund	83,850	-	83,850	-
Total debt securities	<u>583,355</u>	<u>39,329</u>	<u>375,095</u>	<u>168,931</u>
Equity securities—domestic:				
Domestic Large Cap—				
Northern Trust Russell 1000 Index Fd	603,104	-	603,104	-
Domestic Small Cap Value Focus—Boston Partners	163,997	163,997	-	-
Domestic Small Cap Growth Focus—Silvercrest	123,212	123,212	-	-
Total domestic equities	<u>890,313</u>	<u>287,209</u>	<u>603,104</u>	<u>-</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

		Fair Value Measurements at Reporting Date Using		
	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)
<u>June 30, 2024</u>		<i>(Amounts in Thousands)</i>		
<u>Investments by Fair Value Level, Continued</u>				
Equity securities—international:				
Intl. Equities—Barings Focused Intl Equity Fund (developed markets)	184,774	-	184,774	-
Intl. Equities—Value Focus—Mondrian Partners	185,196	-	185,196	-
Intl. Emerging Markets—Wasatch EM Small Cap Fund	58,910	-	58,910	-
Intl. Emerging Markets—Axiom Emerging Markets	95,869	-	95,869	-
Total international equities	524,749	-	524,749	-
Private equity:				
Private equity—non-real estate focused	562,975	-	-	562,975
Real estate	96,108	-	-	96,108
Total private equity	659,083	-	-	659,083
Real estate—direct ownership—income producing:				
Total direct ownership real estate	4,000	-	-	4,000
Investments measured at net asset value (NAV):				
Low Volatility Hedge Fund—PAAMCO	5,048	-	-	-
Long/Short Equity Hedge Fund—Grosvenor Class A	373	-	-	-
Long/Short Equity Hedge Fund—K2 Ascent	26,092	-	-	-
Low Volatility Hedge Fund—Wellington Global Total Return Fund	77,222	-	-	-
Core Real Estate—JP Morgan Strategic Property Fund	140,329	-	-	-
Core Real Estate—Blackstone Property Partners	171,042	-	-	-
Total investments measured at NAV	420,106	-	-	-
Total investments measured at fair value	\$ 3,081,606	326,538	1,502,948	832,014

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

Investments Measured at Fair Value, Continued

Fair Value of Cash and Cash Equivalents—Short-term investments include cash equivalents held at the State Treasurer's office and an investment fund composed of units of a commingled trust fund of the Plan's custodial agent, commercial paper, treasury bills, and U.S. government agency securities. These investments offer high, immediate liquidity and are readily converted to cash. The funds are comprised primarily of very short-term debt instruments, and are valued at amortized cost, which also approximates fair value. For determining fair value, the instruments held are valued using actual quoted prices or by using matrix pricing, a method of pricing securities based on their relationship to benchmark quoted market prices. Both of these investments are classified in Level 2 of the fair value hierarchy based on the development of an aggregate daily value of the individual instruments in each fund that are typically classified in either Level 1 or Level 2 of the fair value hierarchy.

Fair Value of Debt Securities—The Plan holds a diversified mix of debt instruments through an active domestic bond manager, Agincourt, and has international debt exposure through the Loomis Sayles Global Bond Fund and the MetWest Unconstrained Bond Fund. Agincourt generally holds a mix of U.S. government agency securities and U.S. government mortgages, U.S. Treasury securities, domestic corporate bonds, and commercial mortgage-backed securities. U.S. Treasury securities are classified in Level 1 of the fair value hierarchy, using quoted prices in active markets. The remaining debt securities 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 Loomis Sayles Global Bond Fund is a global debt instrument commingled fund, and is 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 fund. The MetWest Unconstrained Bond Fund (UBF) is a global debt instrument commingled fund that may also invest in currencies and other interest rate fixed-income items as conditions warrant. The MetWest UBF is classified in Level 2 of the fair value hierarchy as it daily prices investment units using Level 1 and Level 2 quoted prices and other over-counter quotations for investments held.

The Plan also holds a limited partnership, the Oaktree Global Credit Fund, managed by Oaktree Capital Management, that focuses primarily on domestic and international fixed-income and debt type securities, senior loans, convertible securities, secured loans, structured credit, and emerging market debt. The investments in this mandate are held in a limited partnership account where the underlying investments are priced in either Level 1, Level 2, or Level 3 of the fair value hierarchy, using quoted prices in active markets or other market corroborated inputs, as well as independent valuation sources for certain debt instruments. The Oaktree account is classified in Level 3 of the fair value hierarchy based on the aggregation of the investments held. Oaktree prices the fund monthly and offers monthly liquidity after 30 days' notice.

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

Investments Measured at Fair Value, Continued

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

Northern Trust Collective Russell 1000 Index Fund—The Plan holds a proportionate share of a fund managed by Northern Trust that seeks to correlate the holdings of the Russell 1000 Index Fund, a basket of passively managed holdings to serve as a benchmark for the U.S. equity market. The equities that comprise this index are all domestic, publicly traded securities and are daily priced. The Northern Trust Collective Russell 1000 Index Fund is a commingled fund and is classified in Level 2 of the fair value hierarchy, as its total value is calculated daily through the aggregation of Level 1 quoted prices, providing the equivalent of the Russell 1000 Index, a daily priced basket of assets. The Plan has daily liquidity access to its investment in this fund.

Boston Partners (Small Cap Value Focus)—The Plan has an active investment manager that focuses on domestic small- to mid-capitalization sized companies with a mandate to follow the value style of investing. Boston Partners manages an account through the Plan's custodian, and purchases securities in the primary active domestic equity markets. The Boston Partners account is classified in Level 1 of the fair value hierarchy since all securities are priced at quoted market prices in active markets for identical assets.

Silvercrest (Small Cap Growth Focus)—The Plan has an active investment manager focused on the small to micro segment of the equities market with a mandate to pursue the growth style of investing. Silvercrest actively manages an account through the Plan's custodian and deals in equity securities in the domestic market. The Silvercrest account is classified in Level 1 of the fair value hierarchy since all securities are priced at quoted market prices in active markets for identical securities.

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

Investments Measured at Fair Value, Continued

Fair Value of Equity Securities—Continued

INTERNATIONAL

Axiom Emerging Markets Equity—The Plan invests in an Axiom collective trust equity fund that focuses on growth-oriented emerging market equities. The investment is a commingled trust of emerging markets, publicly traded securities and is classified as Level 2 of the fair value hierarchy since the fund pricing is derived from securities priced in active emerging markets. The fund is valued daily and allows for daily withdrawals unless the withdrawal exceeds 20% of the investor's holdings. In such circumstances, the trustee must receive notice at least 5 days in advance of the planned withdrawal.

Barings Focused International Equity—The Plan participated in a commingled equity fund that focuses on a smaller number of equity securities located primarily in international developed markets. This investment is a commingled fund of international equity securities that are typically priced based on quoted market prices in active markets around the globe. 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. The Plan exited Barings late in fiscal year 2025.

Chautauqua International Growth Equity—The Plan invests in a commingled equity fund that focuses on a concentrated portfolio of international growth securities primarily in international developed markets. This investment is a commingled partnership of international equity securities that are typically priced based on quoted market prices in active markets around the globe. This fund is classified in Level 2 of the fair value hierarchy, as the price of the partnership is derived from securities that are all priced at quoted market prices in active markets. This partnership prices and provides liquidity to investors on a monthly basis.

Mondrian Partners International Equity Fund L.P.—The Plan participates in a fund managed by Mondrian Partners that invests primarily in non-U.S. equity securities, with a focus on the value style of investing. This fund is classified in Level 2 in the fair value hierarchy since the price of the fund is derived from securities that are all priced at quoted market prices in active markets. The fund prices and provides liquidity to its investors on a monthly basis.

Wasatch Emerging Markets Small Capitalization Fund—The Plan invests in a Wasatch fund that is focused on small-capitalization equity securities that are located in non-U.S. emerging markets. The Wasatch fund is a commingled investment trust that is managed for institutional investors. The fund is classified in Level 2 of the fair value hierarchy, as the holdings of the fund are all priced at quoted market prices in active markets, allowing the fund sponsor to develop daily net asset value pricing and liquidity.

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

Investments Measured at Fair Value, Continued

Fair Value of Private Equity—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 liquidations of the underlying assets are realized.

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

The Plan's private equity investments typically have a long investment horizon of 5 to 12 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 many years 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 private equity 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 private equity 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 private equity 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, 2025, the Plan was invested in 82 different private equity strategies (11 of which were in real estate private equity) and had remaining commitments of \$219 million for the non-real estate private equity partnerships and \$80 million for the real estate private equity partnerships. The Plan entered into 2 new private equity partnership agreements during fiscal year 2025 (1 non-real estate private equity partnership), which have contract maturities of 7 and 10 years. These new private equity investments will require a total commitment of \$45 million.

The Plan had commitments of \$255 million remaining at June 30, 2025, to private equity partnership investments entered into prior to 2025, with an estimated maturity between 1 and 10 years. Since the Plan follows a rolling year private equity strategy, new private equity investments are made as older private equity investments mature.

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

Investments Measured at Fair Value, Continued

Fair Value of Private Equity—Continued

At June 30, 2024, the Plan was invested in 82 different private equity strategies (11 of which were in real estate private equity) and had remaining commitments of \$250 million for the non-real estate private equity partnerships and \$76 million for the real estate private equity partnerships. The Plan entered into 1 new private equity partnership agreement during fiscal year 2024 (1 non-real estate private equity partnership), which has an average contract maturity of 10 years. This new private equity investment will require a total commitment of \$20 million.

The Plan had commitments of \$306 million remaining at June 30, 2024, to private equity partnership investments entered into prior to 2024, with an estimated maturity between 1 and 10 years. Since the Plan follows a rolling year private equity strategy, new private equity investments are made as older private equity investments reach their expiration.

The Plan is invested in the following private equity strategies:

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

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

MEZZANINE—Private equity funds that pursue the mezzanine strategy will usually make unsecured loans or purchase preferred equity, often in smaller capitalization companies, where the unsecured risk is typically offset by the prospect of higher returns.

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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

Fair Value of Private Equity—Continued

EMERGING MARKETS AND OTHER—Private equity investment in emerging markets may make use of one or more of the above-listed strategies in smaller global markets in an effort to realize returns by identifying and capitalizing on new startup companies, as well as market inefficiencies. Investments in the other category are generally highly focused private equity funds that seek to maximize returns through a specific market segment, such as energy or healthcare.

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.

The Plan is invested with 7 separate private equity real estate managers, some with more than one fund by a given manager. The Plan's managers are Siguler Guff, Cerberus, Angelo Gordon, Blackstone, Hall Capital Partners, Starwood, and Humphreys. The fair value of real estate investments is determined by each manager respectively at each valuation date and relies primarily on third-party appraisals and other unobservable inputs. Siguler Guff's advisory board may request an independent appraisal of any portfolio investment within 30 days of the fund's audited financial statements. Cerberus follows detailed internal valuation policies and procedures and may engage independent valuation consultants on an as-needed basis. Angelo Gordon property values will be estimated by the general partner; however, an advisory committee can request an independent valuation on any property if one has not been performed in the previous 12 months. Blackstone as general partner will value properties internally with the added consent of an LP advisory committee. Hall Capital Partners values investments in the fund on an income approach rather than base valuations on cyclical appraisals. Starwood uses an advisory committee that will solicit independent valuation appraisals no more than once every 2 years for portfolio properties. Humphreys as general partner uses cyclical appraisals which can also be requested by majority vote of its advisory committee.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

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

Low Volatility Hedge Fund—PAAMCO—The Plan is invested in a hedge fund managed by Pacific Alternative Asset Management Company (PAAMCO) structured as a fund of funds to manage and moderate volatility of the value of the investment. The fund uses a number of sub-managers to achieve its desired level of diversification but is limited to a maximum number of 55 sub-managers. This fund uses a multitude of investment strategies and will invest in debt, equities, credit instruments, distressed debt, merger arbitrage, and sovereign and convertible debt, as well as take both long and short equity positions. This investment is valued at NAV monthly and provides quarterly redemptions with at least 60 days' written notice.

Low Volatility Hedge Fund—Wellington Global Total Return (GTR) Fund—The Plan invested in the Wellington GTR Fund in fiscal year 2017. The Wellington GTR Fund is an absolute return fund designed to be without directional dependence, or correlation to, equities, bonds, and credit markets. The fund pursues opportunistic strategies in long/short exposure to global interest rates, currencies, or credit, and will invest globally to pursue this strategy. This investment is valued at NAV daily and provides daily liquidity.

Long/Short Equity Hedge Fund—Grosvenor Class A & B—The Plan has two hedge fund investments with Grosvenor Capital Management. Both of these investments are structured as fund of funds and utilize a number of sub-managers that invest in long and short positions of U.S. and international equity securities. The Class A investment is highly diversified and will generally have between 20 and 30 sub-managers at any given time that will be selected and managed by Grosvenor at its discretion. The Class B investment is more concentrated and will generally have 15 or fewer sub-managers that are selected by the System's investment consultant, ACG, with confirmation by Grosvenor and the approval of the System's Board. Grosvenor does not have primary investment discretion over the Class B shares, but performs due diligence on the investment for addition to their menu of investible funds. While the Class A investment takes a more market neutral approach to allocations, the Class B investment is designed to capture more upside movement within the markets and has a greater focus on long bias positions. These funds are valued at NAV monthly, and the Class A shares are redeemable at the end of each calendar quarter with 70 days' prior written notice. The Class B shares are redeemable at any time, subject to any gates or lockups by the underlying sub-managers. Due to these gates and lockups, the Class A fund would be able to liquidate varied amounts quarterly over the next 4 quarters.

In late 2019, the Board voted to re-weight its allocation to long/short hedge funds. In fiscal year 2020, the Plan began a full exit from both Grosvenor Classes A and B. At fiscal year end, the Plan had fully exited Grosvenor Class B. The proceeds from this exit were moved to a new hedge fund manager, K2 Mauna Kea. The full exit from Grosvenor Class A will be completed in fiscal years 2026-2027. At June 30, 2025, \$283,000 remained to be liquidated from Grosvenor A.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Investments Measured at Fair Value, Continued

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

K2 Mauna Kea Hedge Fund—This investment is structured as a hedge fund of funds and utilizes sub-managers that have been approved to join the K2 Mauna Kea platform. This allocation will generally have between 10 and 15 sub-managers that are selected by the System's investment consultant, ACG, with confirmation by the System's Board. Any new fund new to the K2 Mauna Kea platform must also pass all of K2's due diligence requirements to be listed on the platform as an eligible fund. The K2 Mauna Kea allocation is designed to have a long-bias intended to capture more upside movements in the markets. The underlying funds are valued at NAV monthly and withdrawals are allowable at any time, subject to gates and redemption windows that vary by underlying sub-manager. Due to these gates and redemption windows, a full exit from the K2 Mauna Kea platform would take approximately 4 quarters. Due to investment policy changes in FY24 eliminating a long/short allocation, the Plan began a full exit from the K2 Mauna Kea Hedge Fund. A significant portion of this exit occurred in FY24 and will be completed in fiscal years 2025-2026.

Core Real Estate—JP Morgan Strategic Property Fund and Blackstone Property Partners—The Plan invests in two core real property funds: the JP Morgan Strategic Property Fund and the Blackstone Property Partners Limited Partnership. 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 and Blackstone Property Partners' valuation process, independent appraisers value properties on an annual basis (at a minimum). Both funds are valued at NAV monthly. The JP Morgan fund allows withdrawals once per quarter subject to "available cash" as determined by a pool trustee with 45 days' advance written notice. The Blackstone Property Partners fund had an initial lockup period of 24 months, after which withdrawals are available at the end of each quarter with 90 days' advance written notice. The Plan's lockup period in the Blackstone Property partnership expired on December 31, 2017.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Foreign Currency Transactions

The Plan has certain investment managers that trade on foreign exchanges. Foreign currency gains and losses are calculated at the transaction date using the current exchange rate, and assets are remeasured to U.S. dollars using the exchange rate as of each month end. During the years ended June 30, 2025 and 2024, there were no foreign currency gains and no remeasurement losses.

Securities Lending

The Plan's investment policy and Oklahoma Statutes allow for participation in a securities lending program which was implemented on July 1, 2019. The program is administered by its master custodian. Lendable securities (U.S. equities, U.S. corporate bonds, and U.S. government instruments) within the Plan are loaned to contractually approved brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, industrialized country governmental and bank securities, and domestic and foreign equities or corporate bonds. Cash or dollar denominated securities provided as collateral must represent 102% of the fair value of securities on loan. Foreign currency denominated collateral must represent 105% of the fair value of securities on loan. The Plan cannot pledge or sell collateral securities without a borrower default. The Plan has no restrictions on the amount of securities that may be loaned, and the custodian has indemnified the Plan by agreeing to provide replacement securities or cash in the event of a borrower default. There were no such failures in fiscal year 2025 or fiscal year 2024. This indemnification does not cover market losses the Plan could incur by investing the security lending cash collateral. The loan premium paid by the borrower of securities, as well as related program fees and costs, are apportioned between the Plan and its custodian in accordance with the securities lending agreement. Beginning in FY23 the Plan modified its lending agreement with its master custodian to no longer accept cash collateral for lent securities. With this modification, only non-cash collateral will secure lent securities going forward.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Securities Lending, Continued

For the fiscal year, the Plan and the borrowers retained the right to terminate any and all securities lending transactions on demand. Any cash collateral received for loans was invested by the Plan's custodian in a separately managed account. Investments made with cash collateral, as well as their duration, are limited to securities outlined in the securities lending agreement. At June 30, 2025 and 2024, there were no securities held with cash collateral. Since the security loans are terminable at will, their duration generally does not match the duration of investments made with cash collateral. At June 30, 2025 and 2024, the Plan had no credit risk exposure to borrowers since the amounts the Plan owes to borrowers exceed the amounts borrowers owed to the Plan. The collateral held and the fair value of securities on loan at June 30 were as follows:

	<u>Collateral Held</u>	<u>Fair Value of Securities on Loan</u>	<u>Percent of Collateral to Loan</u>
	<i>(Amounts in Thousands)</i>		
<u>2025</u>			
Securities on loan with:			
Cash collateral	\$ -	-	
Non-cash collateral	<u>161,614</u>	<u>147,482</u>	110%
	<u>\$ 161,614</u>	<u>147,482</u>	
<u>2024</u>			
Securities on loan with:			
Cash collateral	\$ -	-	
Non-cash collateral	<u>111,145</u>	<u>100,300</u>	111%
	<u>\$ 111,145</u>	<u>100,300</u>	

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(5) DERIVATIVES 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 investment policy notes that in order to achieve maximum returns, the Plan may diversify between various investments, including common stocks, bonds, real estate, private equity, venture equity and other hedge fund strategies, short-term cash instruments, and other investments deemed suitable. The investment policy also requires investment managers to follow certain controls and risk management procedures. The Plan did not have any direct derivative investments at June 30, 2025 or 2024. 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 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 by 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) INVESTMENT IN BUILDING

The Plan owns a building (Columbus Square) originally purchased for approximately \$1.5 million, and it is held as a long-term investment. The building is accounted for at fair value based on periodic appraisals. Rental income and expenses associated with the building are reported currently. The Plan utilizes part of the building for its administrative offices and charges itself rent, which is reflected as administrative expense and other investment income. The fair value of the building at June 30, 2025 and 2024, was estimated at approximately \$4.1 million and \$4.0 million, respectively.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) CAPITAL ASSETS

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

	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Cost	\$ 1,014,045	-	-	1,014,045
Accumulated amortization	<u>(1,014,045)</u>	<u>-</u>	<u>-</u>	<u>(1,014,045)</u>
Capital assets, net	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Balance at June 30, 2023	Additions	Disposals	Balance at June 30, 2024
Cost	\$ 1,014,045	-	-	1,014,045
Accumulated amortization	<u>(1,014,045)</u>	<u>-</u>	<u>-</u>	<u>(1,014,045)</u>
Capital assets, net	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

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(8) DEFERRED OPTION BENEFITS

As noted previously, the Plan has Deferred Option, "Back" DROP, and Payout Provision benefits available to its members. A summary of the changes in the various options as of June 30 is as follows:

	<u>Deferred Option</u>	<u>"Back" DROP</u>	<u>Payout Provision</u>	<u>Total</u>
	<i>(Amounts in Thousands)</i>			
<u>2025</u>				
Beginning balance	\$ -	2,894	1,159	4,053
Employer contributions	-	1,123	-	1,123
Plan reassignments	-	-	-	-
Member contributions	-	1,382	-	1,382
Deferred benefits	-	8,422	-	8,422
Payments	-	(13,710)	(999)	(14,709)
Interest	-	2,426	30	2,456
Ending balance	<u>\$ -</u>	<u>2,537</u>	<u>190</u>	<u>2,727</u>
<u>2024</u>				
Beginning balance	\$ 384	2,278	1,097	3,759
Employer contributions	6	2,067	-	2,073
Plan reassignments	-	-	-	-
Member contributions	-	2,543	-	2,543
Deferred benefits	50	16,722	-	16,772
Payments	(463)	(26,003)	-	(26,466)
Interest	23	5,287	62	5,372
Ending balance	<u>\$ -</u>	<u>2,894</u>	<u>1,159</u>	<u>4,053</u>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(9) NET PENSION LIABILITY (ASSET) OF PARTICIPATING EMPLOYERS

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

	<u>2025</u>	<u>2024</u>
	<i>(Amounts in Thousands)</i>	
Total pension liability	\$ 3,626,858	3,444,986
Plan fiduciary net position	<u>3,449,729</u>	<u>3,183,061</u>
Employers' net pension liability (asset)	<u>\$ 177,129</u>	<u>261,925</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.12%</u>	<u>92.40%</u>

Actuarial assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2025 and 2024, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	2.75%
Salary increases:	3.50% to 12.00% average, including inflation
Investment rate of return:	7.50%, net of pension plan investment expense
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.50% (wage inflation).
Mortality rates:	<p>Active and inactive vested members: PubS-2010 Employee (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.</p> <p>Healthy retirees: PubS-2010 Healthy Retiree (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA scale MP-2021.</p> <p>Beneficiaries: Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward 2 years and projected generationally using SOA Scale MP-2021.</p> <p>Disabled retirees: PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.</p>

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(9) NET PENSION LIABILITY (ASSET) OF PARTICIPATING EMPLOYERS, CONTINUED

The actuarial assumptions used in the July 1, 2025 and 2024, valuations were based on the results of an actuarial experience study for the period of July 2017 to June 2022.

The long-term expected rate of return on pension plan 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 2.41% for 2025 and 2.51% for 2024. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30 (see discussion of the pension plan's investment policy at Note 2) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	
	<u>2025</u>	<u>2024</u>
	(includes inflation factor)	
Fixed income	5.32%	5.65%
Domestic equity	8.29%	8.63%
International equity	9.34%	10.68%
Real estate	10.19%	9.55%
Private equity	11.59%	11.46%

Discount rate—The discount rate used to measure the total pension liability was 7.50% for 2025 and 2024. 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 the Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing at least 14% of the insurance premium, as established by statute. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(9) NET PENSION LIABILITY (ASSET) OF PARTICIPATING EMPLOYERS, CONTINUED

Sensitivity of the net pension liability to changes in the discount rate—The following presents the net pension (asset) 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%)
	<i>(Amounts in Thousands)</i>		
<u>2025</u>			
Employers' net pension liability (asset)	\$ <u>568,516</u>	<u>177,129</u>	<u>(153,685)</u>
<u>2024</u>			
Employers' net pension liability (asset)	\$ <u>637,019</u>	<u>261,925</u>	<u>(55,222)</u>

(10) PLAN TERMINATION AND STATE FUNDING

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

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

(11) FEDERAL INCOME TAX STATUS

As an instrumentality of the State of Oklahoma, the Plan 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. The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the Plan is designed and is currently being operated in substantial compliance with the applicable requirements of the Internal Revenue Code.

(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.

See Independent Auditors' Report.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(13) LEGISLATIVE AMENDMENTS

The following is a summary of significant plan provision changes that were enacted by the Oklahoma Legislature during 2025 and 2024:

2025

- No significant legislation affecting the Plan was passed in the 2025 legislative session.

2024

- Senate Bill 102—Provides for increased contributions to the Plan and future benefit changes to members of the Plan. Beginning July 1, 2025, member contributions to the Plan will increase from 8% to 9% and employer contributions will increase from 13% to 14%. The multiplier for calculating a pension benefit will increase to 3% from 2.5%. Members with more than 25 years of service (after any Deferred Option plan years taken) will be eligible for the higher multiplier on July 1, 2026. On July 1, 2027, the 3% multiplier will be effective for members with more than 20 years of service (after any Deferred Option plan years are taken). SB 102 also provides that in-the-line-of-duty disabilities will qualify for the higher multiplier.
- House Bill 3858—Provides for an increase in the late fee assessed to participating employers that delay submitting contributions beyond a reasonable time. The late fee for submitting contributions 30 days beyond the ending payroll date will increase from 1.5% to 5% of the unpaid balance.

(14) CONTINGENCIES

The Plan is involved in legal proceedings in the normal course of operations, none of which, in the opinion of management, will have a material effect on the net position or changes in net position of the Plan.

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REQUIRED SUPPLEMENTARY INFORMATION

Exhibit I

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY (ASSET)**Last 10 Fiscal Years (*Dollar Amounts in Thousands*)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability										
Service cost	\$ 102,432	78,237	73,584	70,900	70,743	68,239	64,777	62,896	63,029	58,695
Interest	251,760	217,538	211,671	203,502	197,839	189,926	182,961	175,092	171,306	165,076
Changes of benefit terms	-	287,467	188	-	-	43,716	-	2,161	-	-
Differences between expected and actual experience	7,286	56,870	65,114	41,476	5,727	(15,005)	4,410	(13,155)	(41,985)	596
Changes in assumptions	-	-	(69,646)	-	-	-	-	25,307	-	-
Benefit payments, including refunds of member contributions	<u>(179,606)</u>	<u>(187,895)</u>	<u>(216,917)</u>	<u>(197,346)</u>	<u>(200,222)</u>	<u>(163,193)</u>	<u>(155,486)</u>	<u>(139,563)</u>	<u>(144,092)</u>	<u>(138,625)</u>
Net change in total pension liability	181,872	452,217	63,994	118,532	74,087	123,683	96,662	112,738	48,258	85,742
 Total pension liability—beginning	 <u>3,444,986</u>	 <u>2,992,769</u>	 <u>2,928,775</u>	 <u>2,810,243</u>	 <u>2,736,156</u>	 <u>2,612,473</u>	 <u>2,515,811</u>	 <u>2,403,073</u>	 <u>2,354,815</u>	 <u>2,269,073</u>
Total pension liability—ending (a)	<u>\$ 3,626,858</u>	<u>3,444,986</u>	<u>2,992,769</u>	<u>2,928,775</u>	<u>2,810,243</u>	<u>2,736,156</u>	<u>2,612,473</u>	<u>2,515,811</u>	<u>2,403,073</u>	<u>2,354,815</u>

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See accompanying notes to required supplementary information.

Exhibit I, Continued

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY (ASSET), CONTINUED**Last 10 Fiscal Years (*Dollar Amounts in Thousands*)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan fiduciary net position										
Contributions—employers (cities)	\$ 56,052	52,544	49,095	46,124	44,405	44,226	42,154	40,135	38,887	38,533
Contributions—members	35,128	32,597	30,799	29,096	27,946	27,310	26,173	24,747	23,916	23,787
Contributions—State of Oklahoma, a non-employer contributing entity	55,514	54,678	44,456	39,848	28,368	40,295	39,559	39,028	34,283	35,915
Net investment income (loss)	301,874	210,081	109,062	(196,554)	770,131	55,808	104,882	205,439	242,415	(21,104)
Benefit payments, including refunds of member contributions	(179,606)	(187,895)	(216,917)	(197,346)	(200,222)	(163,193)	(155,486)	(139,563)	(144,092)	(138,625)
Administrative expense	<u>(2,294)</u>	<u>(2,253)</u>	<u>(2,153)</u>	<u>(2,160)</u>	<u>(1,980)</u>	<u>(1,992)</u>	<u>(1,871)</u>	<u>(1,721)</u>	<u>(1,699)</u>	<u>(1,831)</u>
Net change in plan fiduciary net position	266,668	159,752	14,342	(280,992)	668,648	2,454	55,411	168,065	193,710	(63,325)
Plan fiduciary net position—beginning	<u>3,183,061</u>	<u>3,023,309</u>	<u>3,008,967</u>	<u>3,289,959</u>	<u>2,621,311</u>	<u>2,618,857</u>	<u>2,563,446</u>	<u>2,395,381</u>	<u>2,201,671</u>	<u>2,264,996</u>
Plan fiduciary net position—ending (b)	<u>\$ 3,449,729</u>	<u>3,183,061</u>	<u>3,023,309</u>	<u>3,008,967</u>	<u>3,289,959</u>	<u>2,621,311</u>	<u>2,618,857</u>	<u>2,563,446</u>	<u>2,395,381</u>	<u>2,201,671</u>
Plan's net pension liability (asset) (a) – (b)	<u>\$ 177,129</u>	<u>261,925</u>	<u>(30,540)</u>	<u>(80,192)</u>	<u>(479,716)</u>	<u>114,845</u>	<u>(6,384)</u>	<u>(47,635)</u>	<u>7,692</u>	<u>153,144</u>

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

Exhibit II

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

SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY (ASSET)**Last 10 Fiscal Years *(Dollar Amounts in Thousands)***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total pension liability	\$ 3,626,858	3,444,986	2,992,769	2,928,775	2,810,243	2,736,156	2,612,473	2,515,811	2,403,073	2,354,815
Plan fiduciary net position	<u>3,449,729</u>	<u>3,183,061</u>	<u>3,023,309</u>	<u>3,008,967</u>	<u>3,289,959</u>	<u>2,621,311</u>	<u>2,618,857</u>	<u>2,563,446</u>	<u>2,395,381</u>	<u>2,201,671</u>
Plan's net pension liability (asset)	<u>\$ 177,129</u>	<u>261,925</u>	<u>(30,540)</u>	<u>(80,192)</u>	<u>(479,716)</u>	<u>114,845</u>	<u>(6,384)</u>	<u>(47,635)</u>	<u>7,692</u>	<u>153,144</u>
Plan fiduciary net position as a percentage of the total pension liability (asset)	<u>95.12%</u>	<u>92.40%</u>	<u>101.02%</u>	<u>102.74%</u>	<u>117.07%</u>	<u>95.80%</u>	<u>100.24%</u>	<u>101.89%</u>	<u>99.68%</u>	<u>93.50%</u>
Covered payroll	<u>\$ 431,169</u>	<u>404,185</u>	<u>377,654</u>	<u>354,800</u>	<u>341,577</u>	<u>340,200</u>	<u>324,262</u>	<u>308,731</u>	<u>299,131</u>	<u>296,408</u>
Plan's net pension liability (asset) as a percentage of covered payroll	<u>41.08%</u>	<u>64.80%</u>	<u>(8.09)%</u>	<u>(22.60)%</u>	<u>(140.44)%</u>	<u>33.76%</u>	<u>(1.97)%</u>	<u>(15.43)%</u>	<u>2.57%</u>	<u>51.67%</u>

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

Exhibit III

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

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES

Last 10 Fiscal Years (Dollar Amounts in Thousands)										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 100,412	36,008	35,002	35,777	44,682	39,475	36,720	32,798	51,417	45,054
Contributions in relation to the actuarially determined contribution:										
Employers (Cities)	56,052	52,544	49,095	46,124	44,405	44,226	42,154	40,135	38,887	38,533
State of Oklahoma, a non-employer contributing entity	55,514	54,678	44,456	39,848	28,368	40,295	39,559	39,028	34,283	35,915
	111,566	107,222	93,551	85,972	72,773	84,521	81,713	79,163	73,170	74,448
Contribution (excess) deficiency	\$ (11,154)	(71,214)	(58,549)	(50,195)	(28,091)	(45,046)	(44,993)	(46,365)	(21,753)	(29,394)
Covered payroll	\$ 431,169	404,185	377,654	354,800	341,577	340,200	324,262	308,731	299,131	296,408
Contributions as a percentage of covered payroll	25.88%	26.53%	24.77%	24.23%	21.31%	24.84%	25.20%	25.64%	24.46%	25.12%

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

Exhibit IV

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	9.53%	7.00%	3.67%	(6.04)%	29.73%	2.15%	4.12%	8.64%	11.11%	(0.94)%

See Independent Auditors' Report.

See accompanying notes to required supplementary information.

Exhibit V

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2025

The information presented in the required supplementary schedules was determined as part of an actuarial valuation by an independent enrolled actuary (Cavanaugh Macdonald Consulting, LLC for 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018; and Buck Consultants, LLC for all other years presented) at the dates indicated. Additional information as of the July 1, 2025, valuation follows:

Assumptions

Actuarial cost method:	Entry age
Amortization method:	Level dollar—open
Remaining amortization:	5 years
Asset valuation method:	5-year smoothed

Actuarial assumptions:

Investment rate of return:	7.5%, net of pension plan investment expense
Projected salary increases*:	3.5% to 12.0%
Cost-of-living adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

*Includes inflation at 3.5%.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION

See Independent Auditors' Report.

Schedule I

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

SCHEDULE OF INVESTMENT EXPENSES

<i>Years Ended June 30,</i>	<i>2025</i>	<i>2024</i>
	<i>(Amounts in Thousands)</i>	
Investment management fees:		
Fixed income managers:		
Global Fixed Income	\$ 1,894	1,569
Low Volatility	233	226
Equity managers:		
Domestic Equity	1,836	2,359
International Equity	2,850	2,603
Private Equity	6,850	7,167
Real estate:		
Real estate	<u>4,600</u>	<u>5,034</u>
Total investment management fees	18,263	18,958
Investment consultant fees	650	650
Investment custodial fees	<u>325</u>	<u>316</u>
Total investment expenses	<u>\$ 19,238</u>	<u>19,924</u>

See Independent Auditors' Report.

Schedule II

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

SCHEDULE OF ADMINISTRATIVE EXPENSES

<i>Years Ended June 30,</i>	<i>2025</i>	<i>2024</i>
	<i>(Amounts in Thousands)</i>	
Staff salaries	\$ 1,101	1,106
FICA and retirement	274	266
Insurance	120	117
Total personnel services	<u>1,495</u>	<u>1,489</u>
Actuarial	45	45
Audit	112	86
Information Technology	82	81
Legal	193	159
Total professional/consultant services	<u>432</u>	<u>371</u>
Office space and equipment	101	103
Total rental	<u>101</u>	<u>103</u>
Travel	25	65
Maintenance	82	55
Other	159	170
Total miscellaneous	<u>266</u>	<u>290</u>
Total administrative expenses	<u>\$ 2,294</u>	<u>2,253</u>

See Independent Auditors' Report.

Schedule III

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

SCHEDULE OF PROFESSIONAL/CONSULTANT FEES

<i>Years Ended June 30,</i>		<i>2025</i>	<i>2024</i>
		<i>(Amounts in Thousands)</i>	
<u>Professional/Consultant</u>	<u>Service</u>		
Cavanaugh MacDonald Consulting	Actuarial	\$ 45	45
Finley & Cook, PLLC	Audit	88	63
Crawford & Associates	Audit	24	23
Levi, Ray and Shoup	IT\Web hosting	82	81
Davis, Graham, Stubbs, LLP	Legal	30	24
Phillips Murrah, PC	Legal	<u>163</u>	<u>135</u>
		<u>\$ 432</u>	<u>371</u>

See Independent Auditors' Report.



Investment Section

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- 89 - Schedule of Investment Fees
- 90 - Schedule of Broker Commissions



Investment Section

REPORT ON INVESTMENT ACTIVITIES

October 6, 2025

In striving to meet the long-term investment objectives of the Oklahoma Police Pension & Retirement System (OPPRS), our organization, Asset Consulting Group (ACG), collaborates with the OPPRS Board and Staff to establish and maintain an Investment Policy and asset allocation strategy that are consistent with those objectives. We meet formally with the Board on a monthly basis to assess the capital markets, the overall investment landscape, and the unique considerations of OPPRS. We report on current investment activity, provide perspective on the market environment and ongoing education related to opportunities and challenges. In evaluating market dynamics, ACG makes recommendations as appropriate to enhance or modify the investment strategy and/or its component parts. In addition, we provide monthly reports and more comprehensive quarterly reports to inform the Board of progress towards meeting the long-term objectives of OPPRS and to highlight areas of interest, opportunity and for potential discussion. This ongoing collaboration is an effort to maximize the advantages of portfolio diversification, achieve a favorable risk-adjusted return and meet or exceed the long-term actuarial return assumption of 7.5%.

As the funded status of OPPRS has continued to remain strong, the portfolio is invested with particular attention to risk mitigation and a goal of achieving its long-term return expectations in a risk-conscious fashion. Emphasis is given to five- and ten-year time periods on the assessment of progress towards the overall objectives of OPPRS. Global diversification, downside risk protection and favorable risk-adjusted returns are key elements to portfolio construction. For the fiscal year ending June 30, 2025, the OPPRS' portfolio generated a gross investment return of 9.83%, which underperformed the median peer return of 10.17% and the policy benchmark return of 11.73%. Over the 5-year period ending June 30, 2025, the total portfolio has produced an annualized return of 8.69% relative to a return of 8.85% for its policy benchmark. This return ranks the total portfolio just below median among its peers. For the recent 10-year period, the OPPRS' portfolio has generated an annualized return of 7.01%, which is below the 7.21% return of its benchmark and right in line with its median peer. The OPPRS' portfolio has achieved its results over each of these longer-term time periods with approximately 20% less volatility than that of its benchmark, and OPPRS' risk conscious approach continues to produce a more favorable risk-adjusted return profile than its median peer and benchmark. The calculation methodology used in our performance reports and this investment section is consistent with the methodology prescribed by the CFA Institute, including time-weighted rates of return and the fair value of assets. In providing these results, we rely on the timeliness and accuracy of financial data provided by the OPPRS' custodian bank and its investment managers.

Total Portfolio Statistics - 10 Years (Annualized) Periods Ending June 30, 2025

	OPPRS	Total Fund Policy
Return	7.01%	7.21%
Standard Deviation	7.64%	9.84%
Sharpe Ratio	0.66%	0.53%

The major asset category returns are also summarized as follows:

**Total Portfolio Rates of Return Summary & Universe
Comparison**
Periods Ending June 30, 2025

	10 Years
Total Fund	7.01%
<i>Policy Index¹</i>	7.21%
<i>Median Total Fund (55-70% Equity)</i>	7.03%
Total Equity Composite	9.53%
<i>MSCI ACWI</i>	9.99%
Global Bonds Composite	3.10%
<i>Bloomberg Universal</i>	2.11%
Real Assets Composite	3.39%
<i>Real Assets Blended Index²</i>	2.10%

¹As of April 2025

The index consists of 65.0% MSCI ACWI NetDiv, 25.0% Bloomberg Universal, 10.0% NFI ODCE Net

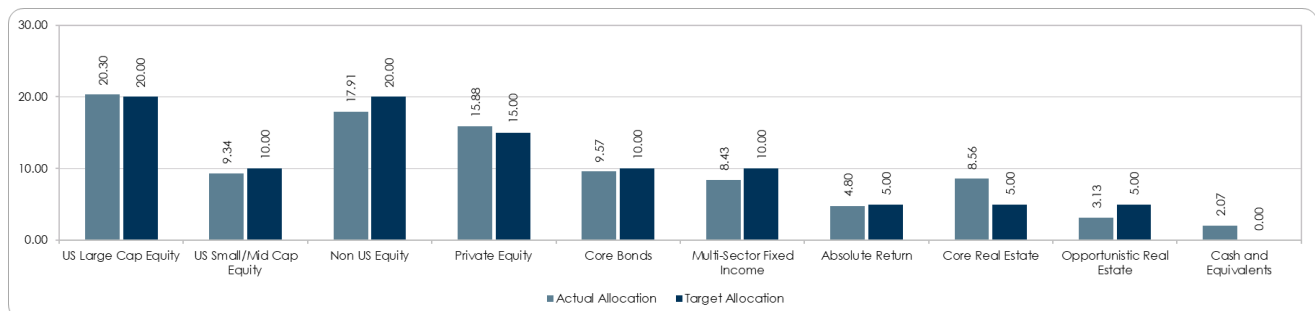
²As of September 2019

The index consists of 100% NFI ODCE Net

On an ongoing basis and as appropriate, the OPPRS strategic investment strategy is reviewed and modified following thorough analysis of alternatives evaluated, the unique considerations of OPPRS and the current investment opportunity set. The investment strategy is refined as appropriate to ensure compatibility with the expected long-term return objectives, liability profile of OPPRS and the Board's risk tolerance. The portfolio is highly diversified across asset classes, strategies, styles, geographies, currencies, capitalizations, liquidity, type, number of instruments and other methods. As of June 30, 2025, the OPPRS' targeted asset allocation consisted of:

Periods Ending June 30, 2025
Policy Asset Allocation

Actual vs. Target Allocation (%)



ACG collaborates with OPPRS to adopt, implement, maintain, modify and monitor a sound Investment Policy and portfolio strategy. In consideration of OPPRS' healthy funded status, we have worked with the Board to design a portfolio structured to achieve strong risk-adjusted returns while maintaining a protective stance against significant asset loss. This portfolio strategy is monitored and revised on an ongoing basis as appropriate.

Sincerely,

George A. Tarlas, CFA
Senior Managing Director

Schedule of Largest Assets Held For the Fiscal Year Ended June 30, 2025

The Plan's ten largest stock, fixed income and partnership holdings at June 30, 2025.

Largest Stock Holdings (by Fair Value)

Security	Shares Held	Fair Value
Magnite, Inc	331,796	8,002,920
Evercore, Inc	11,775	3,179,486
Kratos Defense & Security Solutions	64,300	2,986,735
SLM Corp	90,308	2,961,199
Flex Ltd	57,517	2,871,249
Firstcash Holdings Inc	20,450	2,763,613
Phreesia Inc	89,996	2,561,286
Gen Digital Inc	80,377	2,363,084
TD Synnex Corp	17,003	2,307,307
Viper Energy Inc	60,400	2,303,052

Largest Fixed Income Holdings (by Fair Value)

Security	Cost Basis	Fair Value
US Treasury Bond - 2.375% 02/15/2042 DD 02/15/22	17,082,803	\$ 15,507,759
US Treasury Note - 2.875% 05/15/2025 DD 05/15/18	10,862,479	11,109,742
US Treasury Note - 1.875% 02/15/2032 DD 02/15/22	8,946,359	9,116,035
FNMA Pool #OMA4656 4.500% 06/01/2052 DD 06/01/22	8,103,073	8,101,609
Us Treasury Bond - 1.250 05/15/2050 DD 05/15/20	10,051,750	7,894,250
FNMA Pool #OMA4600 3.500% 03/01/2052 DD 04/01/22	6,371,096	6,139,687
FNMA Pool #OMA4626 4.000% 05/01/2052 DD 05/01/22	5,347,897	5,211,533
FHLMC Pool #SD-6985 5.000% 11/01/2054 DD 11/01/24	4,705,622	4,835,504
FNMA Pool #OCB9608 4.500% 12/01/2054 DD 11/01/24	3,899,820	3,919,825
FNMA Pool #OFA0679 5.000% 02/01/2055 DD 02/01/25	3,563,610	3,582,581

Largest Limited Partnership Holdings (by Fair Value)

Limited Partnership	Fair Value
Warburg Pincus Global Growth	\$ 49,043,434
Francisco Partners VI	25,057,496
CarVal Credit Value Fund A V	23,533,967
Stepstone VC Global Partners X-B	22,245,248
Warburg Pincus Global Growth 14	20,611,308
Oaktree Opportunities Fund XI	20,498,958
North Sky Clean Growth Fund V	18,775,257
Thompson Street VI	18,730,529
Green Equity Investors VIII	18,558,960
FirstMark Capital V	17,142,088

A complete list of portfolio holdings may be requested from the OPPRS Accounting Department at 1001 NW 63rd Street, Suite 305, Oklahoma City, OK, 73116-7335.

Portfolio by Investment Type and Manager

For the Period Ended June 30, 2025

Investment Managers by Investment Type	Investment Class	Fair Value (000s)	% of Asset Class (boxed)	% of Total Portfolio
International Equity				
Chautauqua International Growth Equity (4/25)	Equity	\$ 215,326	13.2%	6.3%
Mondrian International Equity Fund, LP	Equity	231,523	14.2%	6.8%
Axiom Emerging Markets Equity	Equity	110,254	6.8%	3.2%
Wasatch Small Cap	Equity	58,049	3.6%	1.7%
Domestic Equity				
Small/Mid Cap				
Boston Partners - Value	Equity	183,375	11.3%	5.3%
Silvercrest - Growth	Equity	131,691	8.1%	3.8%
Large Cap				
Northern Trust Index Russell 1000	Equity	697,277	42.8%	20.3%
Long/Short Equity				
Grosvenor	Equity	283	0.0%	0.0%
K2 Ascent	Equity	845	0.1%	0.0%
Private Equity				
Various Managers *	Equity	558,843 (*)	100.0%	16.3%
Global Fixed Income				
Agincourt- Core	Fixed Income	323,801	41.6%	9.4%
Oaktree Capital Management	Fixed Income	195,569	25.1%	5.7%
TCW MetWest Unconstrained Bond	Fixed Income	83,811	10.8%	2.4%
Loomis Sayles	Fixed Income	91,690	11.8%	2.7%
Low Volatility Strategies				
PAAMCO - Newport Mesa	Fixed Income	1,779	0.2%	0.1%
Wellington Global Total Return	Fixed Income	81,093	10.4%	2.4%
Real Assets				
JP Morgan Core Real Estate	Core RE	132,629	33.8%	3.9%
Blackstone Core Real Estate	Core RE	153,897	39.2%	4.5%
Angelo Gordon Realty Value Fund X	Opportunistic	11,494	2.9%	0.3%
Angelo Gordon Realty Value Fund XI	Opportunistic	11,337	2.9%	0.3%
Blackstone Real Estate Partners IX	Opportunistic	18,185	4.6%	0.5%
Blackstone Real Estate Partners X	Opportunistic	10,351	2.6%	0.3%
Cerberus Fund III	Opportunistic	5,094	1.3%	0.1%
Cerberus Fund IV	Opportunistic	7,392	1.9%	0.2%
Columbus Square - Direct Ownership	Opportunistic	4,100	1.0%	0.1%
Siguler Guff - Opportunistic	Opportunistic	1,094	0.3%	0.0%
Siguler Guff II- Opportunistic	Opportunistic	0	0.0%	0.0%
Siguler Guff IIB- Opportunistic	Opportunistic	5,379	1.4%	0.2%
Hall Capital III	Opportunistic	595	0.2%	0.0%
Starwood DOF XII	Opportunistic	30,609	7.8%	0.9%
Cash and Cash Equivalents				
OK Invest	Cash & Cash Eq.	14,915	21.2%	0.4%
Cash at BNY Mellon	Cash & Cash Eq.	55,576	78.8%	1.6%
Total Investments and Cash and Cash Equivalents		\$ 3,427,856	100.0%	

(*) See the following page for a detailed listing of Private Equity Managers.

Private Equity (PE) by Strategy and Manager For the Period Ended June 30, 2025

Investment Focus and Manager	Fair Value
Private Equity (PE) Investment Focus - Buyout	
Apollo Investment Fund VIII	\$ 1,958,826
Apollo Investment Fund XI	12,175,651
Arsenal Capital Partners Fund III, L.P.	454,118
Berkshire Fund XI	155,015
Clayton, Dubilier & Rice Fund XII	9,517,171
Francisco Partners Agility Fund II	5,488,360
Francisco Partners Agility Fund III	139,353
Francisco Partners Fund IV	5,343,195
Francisco Partners Fund V	12,809,248
Francisco Partners Fund VI	25,057,496
Francisco Partners Fund VII	6,665,841
Leonard Green Equity Investors VII	5,138,658
Leonard Green Equity Investors VIII	18,558,960
Leonard Green Equity Investors IX	9,306,573
Leonard Green Jade I	9,452,788
Leonard Green Jade II	4,356,164
Levine Leichtman Capital Partners IV, L.P.	791,233
Saw Mill Capital Partners III	7,667,287
Sun Capital Fund V	498,110
Thompson Street Capital Partners II GP, LP	250,620
Thompson Street Capital Partners III GP, LP	198,009
Thompson Street Capital Partners VI GP, LP	7,335,075
Thompson Street Capital Partners V GP, LP	10,252,021
Thompson Street Capital Partners IV GP, LP	18,730,529
Subtotal - Buyout	172,300,301
PE Investment Focus - Distressed	
Apollo European Principal Finance Fund III	3,543,019
CarVal Credit Value V	23,533,967
Oaktree Opportunity Fund VIII	6,225
Oaktree Opportunity Fund IX	4,568,267
Oaktree Opportunity Fund X	3,163,925
Oaktree Opportunity Fund XB	6,655,302
Oaktree Opportunity Fund XI	20,498,958
Oaktree European Dislocation	4,386
Subtotal - Distressed	61,974,049
PE Investment Focus - Mezzanine and Private Credit	
LBC Credit Partners Fund IV	1,622,235
Newstone Capital Partners II, LP	98,508
Newstone Capital Partners III, LP	742,217
Subtotal - Mezzanine and Private Credit	2,462,960
PE Investment Focus - Venture Capital	
Accel Europe, L.P.	297,359
FirstMark Cap Opportunity Fund I	2,078,382
FirstMark Cap Opportunity Fund II	12,749,696
FirstMark Cap Opportunity Fund III	9,726,279
FirstMark Cap Opportunity Fund IV	3,107,112
FirstMark Capital Fund I	9,896,496
FirstMark Capital Fund II	4,471,613
FirstMark Capital Fund III	11,302,653
FirstMark Capital Fund IV	13,585,731
FirstMark Capital Fund V	17,142,088
FirstMark Capital Fund VI	3,780,131
KnightsBridge VI	3,638,869
Redmile Biopharma Inv III	13,871,502
Stepstone/Greenspring Global Partners X-B	22,245,248
TA XIII-B	12,239,451
TA XIV-A	16,343,910
TrueBridge Capital Partners Fund VIII	1,162,918
Warburg Pincus X	75,506
Warburg Pincus XI	1,652,278
Warburg Pincus XII	6,205,987
Warburg Pincus Global Growth	49,043,434
Warburg Pincus Global Growth 14	20,611,308
Weathergaze Capital I	4,980,244
Weathergaze Capital II	7,104,762
Weathergaze Capital IV	14,780,193
Subtotal - Venture Capital	262,093,150
PE Investment Focus - Other	
Actis 4 Global - Emerging Markets	2,985,000
ArcLight Energy VI - Energy	2,605,108
ArcLight Energy VII - Energy	15,809,953
EnCap Energy Fund IX - Energy	1,594,639
EnCap Energy Fund X - Energy	3,354,769
EnCap Energy Fund XI - Energy	6,232,261
Lexington Cap VI-B - Fund of funds	110,379
North Sky Clean Growth V - Secondary Clean Tech	18,775,257
TrueBridge Secondaries I	8,545,420
Subtotal - Other	60,012,786
Total Private Equity (PE) Investments	\$ 558,843,246

OPPRS Private Equity Investments

Private equity investments usually consist of a general partner as the active investor with a number of passive limited partners (like OPRRS) where all contribute to a combined fund and invest according to one of the following strategies:

Buyout - this strategy will invest capital in more mature businesses that have the potential for growth in value from efficiencies gained through structural, strategic management and operational improvements.

Distressed – under this strategy, the general partner 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 to turn around its operations. Distressed positions can involve debt, equity and lending investments.

Fund of Funds – this strategy combines many different investments approaches into a single investment.

Mezzanine – this strategy typically involves the partnership making either unsecured loans or purchasing preferred equity, often in smaller companies, where the unsecured risk is offset by higher returns.

Venture Capital – this strategy seeks to invest funds in early-stage, high-potential, high growth companies. This type of investment is usually through equity ownership in the developing company.

Emerging Markets – this strategy focuses on investing in companies in emerging economies around the globe.

Other – for this strategy, investments will usually be concentrated within a specific industry or region.

Net Performance Summary by Investment Manager

For the Period Ended June 30, 2025

Investment Managers by Investment Type	Investment Performance*			
	One Quarter	One Year	Three Years	Five Years
International Equity				
Chautauqua International Growth (New 2025)	7.80%	N/A	N/A	N/A
Mondrian	10.19%	25.02%	16.48%	13.63%
MSCI EAFE Net Div	10.11%	24.24%	18.38%	14.29%
Axiom Emerging Markets (New 2023)	15.43%	15.87%	N/A	N/A
MSCI Emerging markets	11.99%	15.29%	9.70%	6.81%
Wasatch Emerging Markets - Small Cap	14.80%	-0.37%	9.75%	7.82%
MSCI Emerging Markets Small Cap	17.17%	8.40%	13.81%	13.86%
Domestic Equity Managers				
Small/Mid Capitalization Equity				
Boston Partners - Value	7.67%	11.58%	12.49%	17.21%
Russell 2500 Value	7.29%	10.47%	10.69%	13.96%
Silvercrest- Growth	13.15%	6.59%	8.88%	9.19%
Russell 2000 Growth	11.97%	9.73%	12.38%	7.42%
Large Capitalization Equity				
Northern Trust Russell 1000 Index Fund	11.10%	15.63%	19.59%	16.31%
Russell 1000	11.11%	15.66%	19.59%	16.30%
Private Equity	1.71%	9.14%	0.90%	17.45%
Global Fixed Income Managers				
Agincourt- Core Bonds	1.39%	6.30%	3.05%	-0.37%
Oaktree Capital Management	2.50%	10.08%	10.51%	7.68%
Custom Blended Index #	3.55%	9.67%	10.16%	6.36%
Loomis Sayles	5.29%	9.71%	2.58%	-1.44%
FSTE World Gov't Bond	4.58%	8.49%	1.68%	-2.49%
TCW MetWest Unconstrained Bond Fund	2.21%	8.36%	6.40%	N/A
Bloomberg US Aggregate	1.21%	6.08%	2.55%	-0.73%
Private Credit	-3.98%	-7.84%	3.00%	7.30%
Low Volatility Strategies Managers				
Wellington Global Total Return	0.34%	5.38%	4.50%	3.82%
Bloomberg US Aggregate	1.21%	6.08%	2.55%	-0.73%
Real Assets				
Private Real Estate (Opportunistic)	0.51%	-5.33%	-5.51%	-3.87%
Columbus Square (Opportunistic-Plan owned)	5.42%	17.96%	14.21%	6.66%
Blackstone Property Partners (Core RE)	0.30%	-5.93%	-6.91%	2.49%
JP Morgan (Core RE)	1.27%	4.99%	-6.86%	2.13%
NFI ODCE(net)	0.00%	1.83%	-6.47%	2.37%
Cash and Cash Equivalents				
OK Invest	0.90%	3.53%	2.82%	2.22%
Cash at BNY Mellon ^	1.04%	4.62%	4.32%	2.60%
Total Portfolio	5.72%	9.83%	6.93%	8.69%
Total Portfolio Net of Fees	5.60%	9.50%	6.64%	8.34%
<i>Policy Index (1)</i>	7.20%	11.59%	10.47%	8.82%

Source: Asset Consulting Group, Report June 30, 2025. All returns based on investment industry standards for return calculations.

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

- Custom Blended Index - 50% ICE BofA ML Global HY Const, 50% S&P UBS Leveraged Loan.

^ - Cash with custodian includes miscellaneous equity securities in process of liquidation.

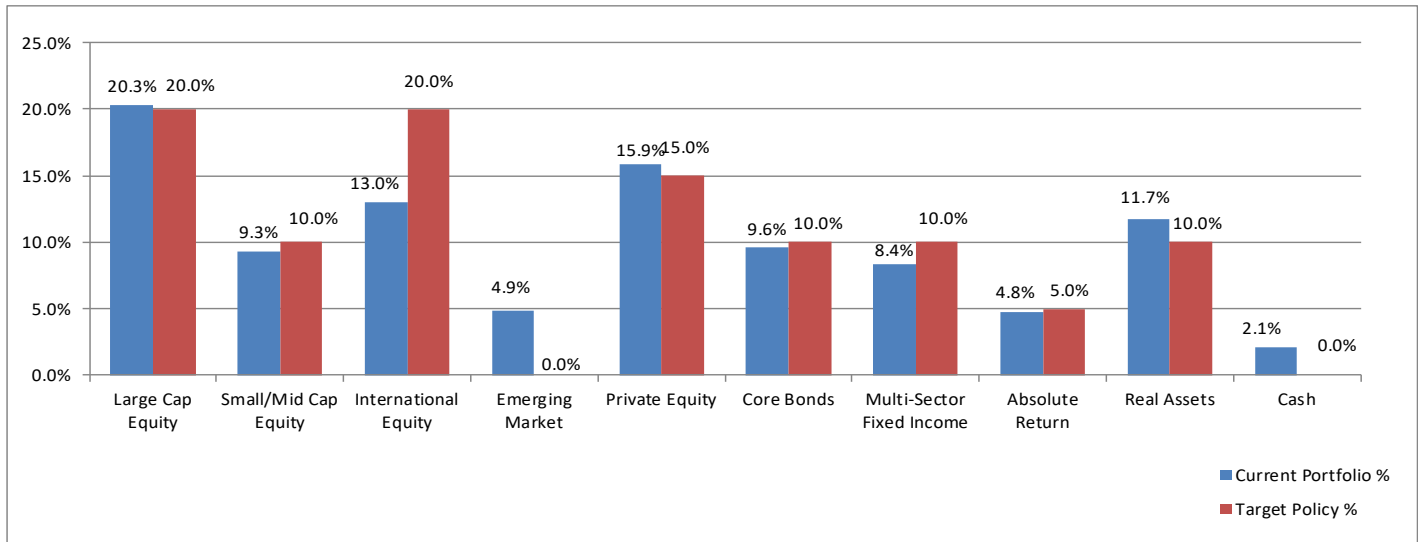
(1) The Total Fund Policy Index History (by effective date of change)

02/2024 - The policy index consisted of 60% MSCI ACWI NetDiv, 25% Bloomberg Universal, 15% NFI ODCE Net.

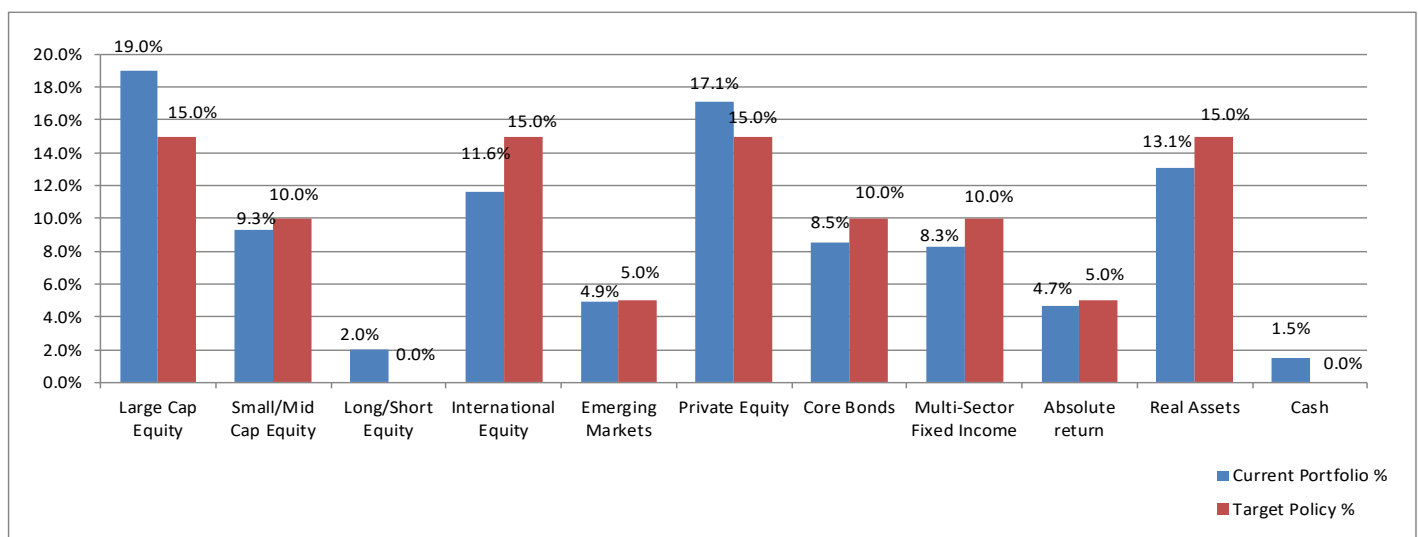
04/2021 - The policy index consisted of 65.0% MSCI ACWI, 20.0% Bloomberg Universal, 15.0% NFI ODCE Net.

Current Portfolio versus Target Policy Allocation For the Fiscal Years Ended June 30, 2025 and June 30, 2024

Period Ending June 30, 2025



Period Ending June 30, 2024



Schedule of Investment Fees For the Fiscal Years Ended June 30, 2025 and 2024

Investment Managers Fees	2025	2024
Domestic Equity	\$ 1,836,000	\$ 2,359,000
Private Equity	6,850,000	7,167,000
International Equity	2,850,000	2,603,000
Real Estate	4,600,000	5,034,000
Fixed Income-Low Volatility	233,000	226,000
Fixed Income (Global)	1,894,000	1,569,000
Subtotal - Investment Managers Fees	18,263,000	18,958,000
Custodian fees	325,000	316,000
Investment Consultant fee	650,000	650,000
Total Investment Management Fees	\$ 19,238,000	\$ 19,924,000

Schedule of Broker Commissions

For the Fiscal Year Ended June 30, 2025

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
BAIRD, ROBERT W & CO INC, MILWAUKEE	6,921	5,557,544	191,545	0.03613
BANK OF AMERICA CORP, CHARLOTTE	13,651	21,158,597	539,765	0.02529
BARCLAYS CAPITAL INC, WHIPPANY	620	980,657	20,674	0.03000
BMO CAPITAL MARKETS CORP, NEW YORK	233	311,304	11,639	0.02000
BNY CONVERGEX, NEW YORK	42,831	26,783,310	1,423,299	0.03009
BTIG LLC, NEW YORK	2,573	2,986,513	71,637	0.03592
CANTOR FITZGERALD & CO INC, NEW YORK	928	1,316,652	28,018	0.03312
CJS SECURITIES INC, JERSEY CITY	2,049	1,481,485	68,294	0.03000
DAVIDSON(D A) & CO INC, NEW YORK	6,418	5,826,123	168,103	0.03818
GOLDMAN SACHS & CO, NY	13,842	14,627,024	483,024	0.02866
GUGGENHEIM CAPITAL MARKETS LLC, NEW YORK	1,678	1,203,802	101,731	0.01650
INSTINET CORP, NEW YORK	7	40,884	721	0.01000
J.P. MORGAN SECURITIES LLC, NEW YORK	10,232	14,686,341	362,710	0.02821
JEFFERIES & CO INC, NEW YORK	22,357	17,577,544	777,648	0.02875
JMP SECURITIES, SAN FRANCISCO	3,611	2,341,001	120,350	0.03000
JONESTRADING INST SVCS LLC, NEW YORK	931	652,769	46,527	0.02000
KEYBANC CAPITAL MARKETS INC, NEW YORK	4,499	2,526,140	142,088	0.03166
LEERINK SWANN AND COMPANY, NEW YORK	1,641	2,333,347	42,996	0.03816
LIQUIDNET INC, NEW YORK	6,272	2,907,938	209,076	0.03000
MIZUHO SECURITIES USA INC, NEW YORK	1,292	1,462,239	43,558	0.02966
MORGAN STANLEY AND CO., LLC, NEW YORK	13,549	18,061,886	480,824	0.02818
NATIONAL FINL SVCS CORP, NEW YORK	38,290	65,287,179	1,463,690	0.02616
NEEDHAM AND CO LLC, NEW YORK	5,154	4,417,505	140,859	0.03659
NORTHLAND SECURITIES INC., NEW YORK	1,302	1,501,974	43,410	0.03000
OPPENHEIMER & CO INC, NEW YORK	7,101	7,617,205	265,699	0.02672
PERSHING LLC, JERSEY CITY	16,359	17,549,397	592,467	0.02761
PIPER JAFFRAY & CO., JERSEY CITY	10,693	6,551,959	312,483	0.03422
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	12,986	6,895,700	342,883	0.03787
RBC CAPITAL MARKETS LLC, NEW YORK	56,043	95,571,819	2,016,284	0.02780
ROTH CAPITAL PARTNERS LLC, NEW YORK	1,168	816,060	34,861	0.03350
SG AMERICAS SECURITIES LLC, NEW YORK	1,198	639,652	29,955	0.04000
STIFEL NICOLAUS	41,905	25,077,045	1,585,292	0.02643
STRATEGAS SECURITIES LLC, NEW YORK	7,247	4,365,621	241,577	0.03000
SUNTRUST CAPITAL MARKETS INC, NEW YORK	7,002	3,314,364	183,353	0.03819
UBS SECURITIES LLC, STAMFORD	4,367	8,082,016	162,766	0.02683
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)				
	\$366,950	\$392,510,594	12,749,806	0.02878

Continued on the following page

Schedule of Broker Commissions (continued from previous page)

For the Fiscal Year Ended June 30, 2025

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
WEDBUSH SECURITIES INC./P3, LOS ANGELES	571	478,302	15,042	0.03797
WELLS FARGO SECURITIES LLC, CHARLOTTE	1,554	2,300,697	62,403	0.02491
WELLS FARGO SECURITIES, LLC, NEW YORK	8,526	7,445,504	268,783	0.03172
WILLIAM BLAIR & CO, CHICAGO	10,871	7,344,361	393,783	0.02761
TOTAL - THIS PAGE (PER SHARE IS AVERAGE)	\$21,523	\$17,568,863	740,011	0.02908
GRAND TOTAL (PER SHARE IS AVERAGE)	\$388,473	\$410,079,458	13,489,817	0.02880



Actuarial Section

- 94 – Actuarial Certification Letter
- 96 - Summary of Actuarial Valuation Results
- 97 - Schedule of Active Member Data
- 97 - Schedule of Retirants Added\Removed from Rolls
- 97 – Schedule of Funding Progress (Actuarial)
- 98 – Solvency Test
- 99 – Analysis of Financial Experience
- 100 - Summary of Actuarial Assumptions and Methods
- 105 - Summary of System Provisions



Actuarial Section



Cavanaugh Macdonald
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October 24, 2025

Board of Trustees
Oklahoma Police Pension and Retirement System
1001 NW 63rd Street, Suite 305
Oklahoma City, OK 73116-7335

Members of the Board:

We have completed an actuarial valuation of the Oklahoma Police Pension and Retirement System (OPPRS) as of July 1, 2025 for the purpose of determining the actuarial contribution rate and calculating and analyzing key financial measurements. Actuarial valuations are performed annually. This valuation reflects the benefit provisions and contribution rates in effect as of July 1, 2025. There have been no changes to the plan provisions, actuarial methods or assumptions since the prior valuation. However, SB 102, which was passed in the 2024 legislative session and reflected in the prior valuation, increased both the member and employer contribution rates by 1.0% effective July 1, 2025.

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

All of the information and supporting schedules in the Actuarial Section have been provided by CavMac, including:

- *Summary of Actuarial Results*
- *Schedule of Active Member Valuation Data*
- *Schedule of Retirants and Beneficiaries Added to and Removed from the Annuity Roles*
- *Schedule of Funding Progress*
- *Solvency Test*
- *Analysis of Financial Experience*

We also prepared the following exhibit shown in the financial section of the Annual Comprehensive Financial Report:

- *Schedule of Contributions from Employers and Other Contributing Entities*

All historical information that references a valuation date prior to July 1, 2016 was prepared by the prior actuarial firm.

We certify that all costs, liabilities, rates of interest and other factors for OPPRS have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting OPPRS. We further certify that these assumptions meet the parameters for the disclosures under statements issued by the Governmental Accounting Board.

In order to prepare the results in the July 1, 2025 actuarial valuation report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

This is to certify that the independent consulting actuaries, Brent Banister and Aaron Chochon, are Members of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein. They have experience in performing valuations for public retirement systems. The valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board. In particular, the actuarial assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice. The actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Respectfully submitted,



Brent Banister, PhD, FSA, EA, FCA, MAAA
Chief Actuary



Aaron Chochon, ASA, EA, FCA, MAAA
Senior Actuary

Oklahoma Police Pension & Retirement System

Actuarial Section

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

Summary of Actuarial Valuation Results

As of July 1, 2025

		Actuarial Valuation as of		% Change
		July 1, 2025	July 1, 2024	
Summary of Costs				
Required State Contributions for Current Year	\$	28,425,000	\$ 44,865,000	(36.64) %
Actual State Contributions Received in Prior Year		55,514,000	54,678,000	1.53
Funded Status				
Actuarial Accrued Liability	\$	3,626,858,000	\$ 3,444,986,000	5.28 %
Actuarial Value of Assets		3,540,352,000	3,323,410,000	6.53
Unfunded Actuarial Accrued Liability (Asset)		86,506,000	121,576,000	(28.85)
Funded Ratio		97.6%	96.5%	1.19
Fair Value of Assets and Additional Liabilities				
Fair Value of Assets	\$	3,449,729,000	\$ 3,183,061,000	8.38 %
Actuarial Present Value of Accumulated System Benefits (ASC 960)		3,314,347,000	3,128,943,000	5.93
Present Value of Projected System Future Benefits		4,635,478,000	4,416,996,000	4.95
Summary of Data				
Number of Members in Valuation				
Active Paid Members (vested and not vested) (a)		5,099	5,046	1.05 %
Deferred Option Plan Members		-	-	
Terminated Members with Refunds Due		1,150	1,126	2.13
Terminated Members with Deferred Benefits		196	192	2.08
Retired Members		3,298	3,309	(0.33)
Beneficiaries		1,035	1,001	3.40
Disabled Members		191	174	9.77
Total		10,969	10,848	1.12
Active Member Statistics				
Total Projected Annual Compensation (b)	\$	451,181,801	\$ 427,285,701	5.59 %
Average Projected Compensation (b/a)	\$	88,484	\$ 84,678	4.49
Average Age		39.3	39.0	0.77
Average Service		11.2	10.8	3.70

Schedule of Active Member Valuation Data

Valuation Date July 1,	Number of Members	Projected Annual Payroll	Projected Average Annual Payroll	Percentage Change in Average Payroll
2016	4,679	312,751,104	66,841	4.08%
2017	4,695	313,087,696	66,685	-0.23%
2018	4,791	323,111,811	67,441	1.13%
2019	4,902	339,195,248	69,195	2.60%
2020	4,990	351,343,791	70,410	1.76%
2021	4,920	350,565,103	71,253	1.20%
2022	4,833	364,420,091	75,402	5.82%
2023	4,868	386,999,189	79,499	5.43%
2024	5,046	427,285,701	84,678	6.52%
2025	5,099	451,181,801	88,484	4.49%

Schedule of Retirants/Beneficiaries Added to/Removed from Rolls

Fiscal Year Ended June 30,	Added to Rolls		Removed from Rolls		Rolls at Year End		Percentage Increase	Average Annual Benefits
	Number of Additions	Annual Benefits	Number of Removals	Annual Benefits	Year End Roll Count	Annual Benefits		
2016	175	6,489,659	73	2,024,379	3,550	107,978,842	4.3%	30,417
2017	181	6,601,023	73	2,234,813	3,658	112,345,052	4.0%	30,712
2018	177	6,561,513	115	3,252,707	3,720	115,653,858	2.9%	31,090
2019	184	7,351,430	89	2,766,637	3,815	120,238,651	4.0%	31,517
2020	213	8,778,156	116	3,416,592	3,912	129,851,595	8.0%	33,193
2021	310	12,844,091	140	4,358,609	4,082	138,337,077	6.5%	33,890
2022	282	10,930,794	123	3,697,022	4,241	145,570,849	5.2%	34,325
2023	290	12,460,511	130	3,321,037	4,401	154,710,323	6.3%	35,153
2024	208	8,283,191	125	3,847,196	4,484	159,146,318	2.9%	35,492
2025	156	5,771,026	116	2,962,345	4,524	161,954,999	1.8%	35,799

Schedule of Funding Progress (Actuarial Basis)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2016	2,323,407,000	2,354,815,000	31,408,000	98.7%	296,407,692	10.6%
7/1/2017	2,447,351,000	2,403,073,000	(44,278,000)	101.8%	299,131,000	-14.8%
7/1/2018	2,586,061,000	2,515,811,000	(70,250,000)	102.8%	308,731,000	-22.8%
7/1/2019	2,677,255,000	2,612,473,000	(64,782,000)	102.5%	324,262,000	-20.0%
7/1/2020	2,756,877,000	2,736,156,000	(20,721,000)	100.8%	340,200,000	-6.1%
7/1/2021	2,940,118,000	2,810,243,000	(129,875,000)	104.6%	341,577,000	-38.0%
7/1/2022	3,087,329,000	2,928,775,000	(158,554,000)	105.4%	354,800,000	-44.7%
7/1/2023	3,174,746,000	2,992,769,000	(181,977,000)	106.1%	377,654,000	-48.2%
7/1/2024	3,323,410,000	3,444,986,000	121,576,000	96.5%	404,185,000	30.1%
7/1/2025	3,540,352,000	3,626,858,000	86,506,000	97.6%	431,169,000	20.1%

Solvency Test

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

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

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

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

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

Valuation Year July 1,	Aggregate Accrued Liability and Valuation Assets (in thousands)				Reported Assets * (in thousands)	Portion of Accrued Liabilities Covered by Assets			Funded Ratio of Total Accrued Actuarial Liability
	Active Member Contributions (Liability 1)	Retirees, Beneficiaries and Terminated Vested Members (Liability 2)	Employer Financed Portion of Active Members (Liability 3)	Total Liability (1 + 2 + 3)		(1)	(2)	(3)	
2016	223,255	1,176,401	955,159	2,354,815	2,323,407	100%	100%	96.7%	98.7%
2017	238,151	1,193,676	971,246	2,403,073	2,447,351	100%	100%	104.6%	101.8%
2018	245,909	1,225,406	1,044,496	2,515,811	2,586,061	100%	100%	106.7%	102.8%
2019	251,559	1,266,287	1,094,627	2,612,473	2,677,255	100%	100%	105.9%	102.5%
2020	258,774	1,358,154	1,119,228	2,736,156	2,756,877	100%	100%	101.9%	100.8%
2021	257,254	1,461,095	1,091,894	2,810,243	2,940,118	100%	100%	111.9%	104.6%
2022	258,472	1,535,311	1,134,992	2,928,775	3,087,329	100%	100%	114.0%	105.4%
2023	257,811	1,598,081	1,136,877	2,992,769	3,174,746	100%	100%	116.0%	106.1%
2024	273,490	1,633,825	1,537,671	3,444,986	3,323,410	100%	100%	92.1%	96.5%
2025	295,664	1,647,786	1,683,408	3,626,858	3,540,352	100%	100%	94.9%	97.6%

Analysis of Financial Experience

As of July 1, 2025

1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at July 1, 2024	\$ 3,444,986,000
b. Normal Cost and Expenses for Plan Year Ended June 30, 2025	95,285,000
c. Benefit Payments for Plan Year Ending June 30, 2025	(179,606,000)
d. Interest on (a), (b), and (c)	258,907,000
e. Change in Actuarial Accrued Liability at July 1, 2025 due to changes in Actuarial Assumptions (if applicable)	-
f. Change in Actuarial Accrued Liability at July 1, 2025 due to changes in Plan Provisions (if applicable)	-
g. Expected Actuarial Accrued Liability at July 1, 2025	3,619,572,000
2. Actuarial Accrued Liability at July 1, 2025	3,626,858,000
3. Actuarial Accrued Liability Gain/(Loss) (1h. - 2)	(7,286,000)
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at July 1, 2024	3,323,410,000
b. Contributions Made for Plan Year Ending June 30, 2025	146,694,000
c. Benefit Payments and Expenses for Plan Year Ending June 30, 2025	(181,900,000)
d. Interest on (a + b - c) to End of Year	247,959,000
e. Expected Actuarial Value of Assets at July 1, 2025	3,536,163,000
5. Actuarial Value of Assets at July 1, 2025	3,540,352,000
6. Actuarial Value of Assets Gain/(Loss) (5 - 4e.)	4,189,000
7. Net Actuarial Gain/(Loss) (3 + 6)	(3,097,000)

The net actuarial gain/(loss) is comprised of both the actuary accrued liability gain/(loss) and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of July 1, 2025.

Summary of Actuarial Assumptions and Methods

Actuarial Cost Method

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

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

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

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

Asset Valuation Method

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

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

Amortization Method

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

Valuation Procedures

The wages used in the projection of benefits and liabilities are pay for the year ending June 30, 2025 (including longevity bonuses). These amounts were projected into the valuation year using the valuation salary scale.

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

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

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

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

Economic Assumptions

1. Inflation 2.75% per annum, compound annually.
2. Investment Return 7.50%, net of investment expenses, per annum, compounded annually.
3. Salary Scale Sample rates are shown below:

Attained Service	Inflation %	Merit %	Increase %
0	3.50	8.50	12.00
1	3.50	6.50	10.00
2	3.50	5.50	9.00
3	3.50	4.50	8.00
4-6	3.50	4.00	7.50
7	3.50	3.75	7.25
8	3.50	3.50	7.00
9	3.50	3.25	6.75
10	3.50	3.00	6.50
11	3.50	2.75	6.25
12	3.50	2.50	6.00
13	3.50	2.00	5.50
14	3.50	1.50	5.00
15	3.50	1.00	4.50
16	3.50	0.50	4.00
17-25	3.50	0.25	3.75
26+	3.50	0.00	3.50

Demographic Assumptions

1. Retirement Rates Rates are shown below:

Age	Annual Rates of Retirement at June 30, 2025 and 2026	Annual Rates of Retirement at June 30, 2027	Thereafter
40-45	0%	15%	5%
46-55	5%	20%	10%
56	10%	25%	15%
57-58	15%	30%	20%
59-60	20%	35%	25%
61-63	25%	40%	30%
64-66	35%	50%	40%
67+	100%	100%	100%

100% retirement with 35 or more years of service.

2. Mortality Rates

(a) Active and Inactive Vested Members

PubS-2010 Employee (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

(b) Healthy Retirees

PubS-2010 Healthy Retiree (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

(c) Beneficiaries

Pub-2010 Contingent Survivor (Below Median) Mortality Table with rates set forward two years and projected generationally using SOA Scale MP-2021.

(c) Disabled retirees

PubS-2010 Disabled Retiree Mortality Table with rates projected to 2023 using SOA Scale MP-2021.

3. Disability Rates

Sample rates are shown below:

Age	Rate
20-24	0.022%
25-29	0.022%
30-34	0.044%
35-39	0.066%
40-44	0.088%
45-49	0.110%
50-54	0.132%
55-59	0.154%

No disabilities are assumed after a member attains retirement eligibility. 100% of disabilities are assumed to be duty-related.

4. Withdrawal Rates

Sample rates are shown below:

Service Range	Rate
0	15.0%
1	12.0
2	10.0
3	8.0
4	7.0
5	6.0
6	5.0
7	4.5
8	4.0
9	3.5
10	3.0
11	2.5
12	2.0
13	1.5
14-20	1.0
Over 20	0.0

5. Marital Status

(a) Percentage married:

Males: 85%; Females: 85%

(b) Age difference:

Males are assumed to be three (3) years older than females.

(c) Eligible children:

Deceased active members are not assumed to leave behind any eligible children.

Other Assumptions:

1. Deferred Benefits Begin at:

Age 50, or the date at which the participant would have achieved twenty years of service, if later.

2. Provision for Expenses:

Administrative Expenses, as budgeted by the Oklahoma Police Pension and Retirement System.

3. Percentage of Disability

Members becoming disabled have a 100% impairment.

4. Duty-Related Death:

All pre-retirement deaths are duty-related.

5. Cost-of-Living Allowance:

Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5% (wage inflation).

6. Deferred Option Plan

Members currently participating in the Deferred Option plan (DOP) are assumed to remain in the DOP for the maximum of five years. Active members leaving active service are assumed to retroactively elect to join the DOP for the maximum allowable period. DOP account balances are assumed to accumulate at 11% (to reflect the interest rate guarantee prior to retirement) for future BackDOP elections and members are assumed to elect a lump sum at retirement. All balances held in Deferred Option payout accounts are assumed to be paid immediately upon the end of employment.

Summary of System Provisions

Effective Date and Plan Year:	The System became effective July 1, 1981 and has been amended periodically since then. The plan year is July 1 to June 30.
Administration:	The System is administered by the Oklahoma Police Pension Retirement Board consisting of thirteen members. The Board shall be responsible for the policies and rules for the general administration of the System.
Plan Type:	Defined benefit plan.
Employers Included:	An eligible employer may join the System on the first day of any month. An application of affiliation must be filed in the form of a resolution before the eligible municipality can become a participating municipality.
Eligibility:	All persons employed full-time as officers working more than 25 hours per week or any person undergoing police training to become a permanent police officer with a police department of a participating municipality, with ages not less than twenty-one (21) nor more than forty-five (45) when accepting membership.
Salary Considered:	Base salary used in the determination of benefits does not include payment for accumulated sick and annual leave upon termination of employment or any uniform allowances.
Final Average Salary:	Final average salary means the average paid base salary for normally scheduled hours of an officer over the highest 30 consecutive months of the last 60 months of credited service.
Service Considered:	Credited service consists of the period during which the member participated in the System or predecessor municipal pay as an active employee, plus any service prior to the establishment of the municipal plan which was credited under the predecessor municipal systems of credited service granted by the State Board, plus any applicable military service.
State Contributions:	Insurance premium tax allocation. Historically, the System has received 14% of these collected taxes. For FY 2005 through FY 2009, the System received 17% of these collected taxes. For the period beginning July 1, 2009 and ending August 31, 2020, the System received 14% of these

collected taxes. For the period beginning September 1, 2020 through June 30, 2021, the System received 9.8% of these collected taxes. For FY 2022, the System received 14% of these collected taxes. For FY 2023 through FY 2027, 14.7% of the taxes collected will be allocated to the System. For the following fiscal years, 14% of the taxes collected will be allocated to the System.

Beginning in FY 2006 the System began receiving 26% of a special allocation established to refund the System for reduced allocations of insurance premium taxes resulting from increases in insurance premium tax credits. For the period beginning September 1, 2020 through June 30, 2021, the System received 18.2% of the insurance premium tax allocation. For FY 2022 and thereafter, the System will receive 26% of the insurance premium tax allocation. Beginning in fiscal year July 1, 2010, the amount of insurance premium tax apportioned to the System will be applied prior to the calculation of the Home Office Credit.

In addition to these allocations, the System will receive \$16,250 annually for FY 2023 through FY 2027.

Member Contributions:

8% percent of paid salary prior to July 1, 2025 and 9% of paid salary thereafter. These contributions shall "be picked up" after December 31, 1988 pursuant to Section 414(h)(2) of the Internal Revenue Code.

Municipality Contributions:

Contribution is 13% percent of paid salary as of July 1, 1996 and 14% of paid salary as of July 1, 2025.

Normal Retirement Benefit:

Normal Retirement Eligibility:

20 years of credited service.

Benefit Amount:

2 1/2% of the final average salary multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

For members who retire on or after July 1, 2026 with at least 25 years of credited service, members who retire on or after July 1, 2027, with at least 20 years of credited service, and members who retire on or after July 1, 2030, the benefit amount is equal to 3% of the final average salary multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Normal Form of Benefit:

The benefit is paid as a Joint and 100% Survivor Annuity if the member was married 30 months prior to death.

Termination Benefit:

Less than 10 Years of Service:

Refund of member contributions without interest.

More than 10 Years of Service:

If greater than 10 years of service, but not eligible for the normal retirement benefit, the benefit is payable at the later of the date the member would have had 20 years of service and the date the member reaches age 50.

For members who terminate prior to July 1, 2030, the benefit amount is equal to 2 ½% of the greater of (i) final average salary or (ii) the salary paid to active employees as described under “salary considered” multiplied by the years and completed months of credited service.

For members who terminate on or after July 1, 2030, the benefit amount is equal to 3% of the greater of (i) final average salary or (ii) the salary paid to active employees as described under “salary considered” multiplied by the years and months of credited service.

Disability Benefit (Duty):

Total Disability

Upon determination of disability incurred as a result of the performance of duty, the normal disability benefit is 50% of final average salary for benefits computed prior to July 1, 2025. For benefits computed after July 1, 2025, the normal disability benefit is 60% of final average salary.

Partial Disability

Upon determination of partial disability incurred as a result of the performance of duty, the normal disability is reduced according to the percentage of impairment, as outlined in the “American Medical Association’s Guide to the Evaluation of Permanent Impairment.” The following shows the percent of normal disability benefit payable as related to the percent of impairment.

<u>% Impairment</u>	<u>% of Benefit</u>
1% to 49%	50%
50% to 74%	75%
75% to 100%	100%

Effective November 1, 2022, all future duty-related disabilities will be treated as if the member has 100% impairment.

Disability Benefit (Non-Duty):

Upon determination of disability after 10 years of service due to causes other than duty, the benefit equals the accrued benefit of 2 ½% of final average salary for benefits computed prior to July 1, 2030 or 3% of final average salary for benefits computed on or after July 1, 2030 times years of credited service (maximum of 30 years) times:

- 100%, if permanent and total, or
- The following percentages, if partial disability.

<u>% Impairment</u>	<u>% of Benefit</u>
1% to 24%	25%
25% to 49%	50%
50% to 74%	75%
75% to 99%	90%

Upon determination of disability with less than 10 years of service due to causes other than duty, a refund of member contributions without interest will be paid.

Death Benefits Payable to Beneficiaries:**Prior to Retirement (Duty):**

Prior to July 1, 2025, the greater of:

- 1) 2 ½% of final average salary times years of credited service (maximum of 30 years), or
- 2) 50% of final average salary.

After July 1, 2025, the benefit is equal to the greater of:

- 1) 3% of final average salary times years of credited service (maximum of 30 years), or
- 2) 60% of final average salary.

Prior to Retirement (Non-Duty):

After 10 years of service, a benefit equal to 2 ½% of final average salary times years of credited service (maximum if 30 years) for benefits computed prior to July 1, 2030. For benefits computed on or after July 1, 2030, the benefit amount is equal to 3% of the final average salary times years of credited service (maximum of 30 years).

Prior to 10 years of service, a refund of the accumulated contributions made by the member will be paid to the estate.

After Retirement or Vested Termination:

100% of the member's retirement or deferred vested benefit, payable when the member would have been eligible to receive it, payable to the beneficiary.

Lump Sum:	The beneficiary shall receive a lump-sum amount of \$5,000.
Beneficiary Eligibility:	<p>Surviving spouses must be married to the member 30 months prior to the date of death (waived in the case of duty related death).</p> <p>If the beneficiary is a child, the benefits are payable to age 18, or to age 22 if a full-time student. If the beneficiary is a spouse to whom the member was married for at least 30 months prior to death, if the death was not duty related, the benefits are payable for life.</p>
Postretirement Adjustments:	Police officers eligible to receive increased benefits according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 or ½ of the increase or decrease of any adjustment to the base salary of a regular police officer.
Deferred Option Plan:	<p>A member with 20 or more years of service may elect to participate in the Deferred Option Plan (DOP). Participation in the DOP shall not exceed five years. The member's contributions cease upon entering the DOP, but the agency contributions are divided equally between the Retirement System and Deferred Option Plan. The monthly retirement benefits that the member is eligible to receive are paid into the Deferred Option Plan account.</p> <p>Members can elect to retroactively join the DOP as of a back-DOP-date which is no earlier than the member's normal retirement date or five years before his termination date. The monthly retirement benefits and employee contributions that would have been payable had the member elected to join the DOP are credited to the member's DOP account with interest.</p> <p>The retirement benefits are not recalculated for service and salary past the election date to join the Deferred Option Plan. However, the benefits are increased by cost-of-living increases applicable to retired members during the DOP period.</p> <p>When the member actually terminates employment, the Deferred Option Plan account balance may be paid in a lump sum or to an annuity provider. Monthly retirement benefits are then paid directly to the retired member.</p> <p>This Plan became effective during the July 1, 1991 to June 30, 1992 Plan Year. The Deferred Option Plan account is guaranteed a minimum of the valuation interest rate for investment return, or 2% less than the fund rate of return, if greater.</p>



Statistical Section

- 112 – Statistical Narrative
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- 114 – Schedule of Expenses by Type
- 115 – Schedule of Benefits & Refunds by Type
- 115 – Funded Ratio (Graph)
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- 117 - Schedule of Retired Members by Benefit Type
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- 120 - Schedule of Participating Employers
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Statistical Section

Oklahoma Police Pension and Retirement System Statistical Section

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

Financial Trends

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

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

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

Revenue Capacity

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

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

Operating and Demographic Information

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

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

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

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

* - Based on schedules and data provided by actuarial consultant, Cavanaugh Macdonald Consulting, LLC.

** - Based on data provided by the investment consultant, Asset Consulting Group.

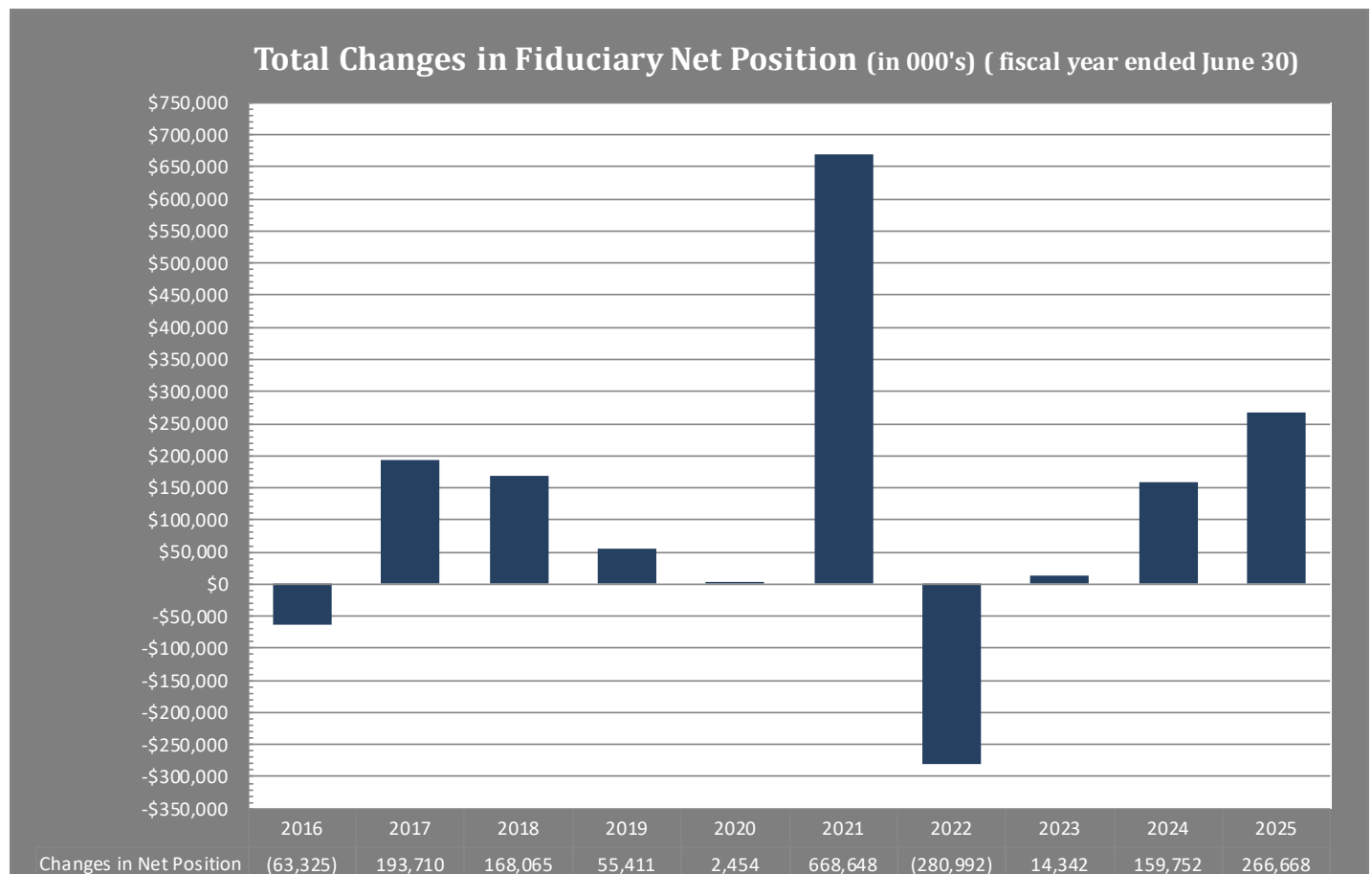
Schedule of Changes in Fiduciary Net Position (in Thousands)

Fiscal Year Ended June 30,	Additions				Deductions				Total Changes in Fiduciary Net Position
	Member Contributions	Employer Contributions	Insurance Premium Tax	Net Investment Income (Loss)	Benefit Payments *	Deferred Option Payments**	Refund of Contributions	Administrative Expenses	
2016	23,787	38,533	35,915	(21,104)	106,326	30,265	2,034	1,831	(63,325)
2017	23,916	38,887	34,283	242,415	110,496	31,644	1,952	1,699	193,710
2018	24,747	40,135	39,028	205,439	115,061	22,853	1,649	1,721	168,065
2019	26,173	42,154	39,559	104,882	119,964	33,645	1,877	1,871	55,411
2020	27,310	44,226	40,295	55,808	123,375	37,367	2,451	1,992	2,454
2021	27,946	44,405	28,368	770,131	133,969	64,440	1,813	1,980	668,648
2022	29,096	46,124	39,848	(196,554)	142,679	51,542	3,125	2,160	(280,992)
2023	30,799	49,095	44,456	109,062	150,976	62,531	3,410	2,153	14,342
2024	32,597	52,544	54,678	210,081	157,638	27,082	3,175	2,253	159,752
2025	35,128	56,052	55,514	301,874	162,127	14,352	3,127	2,294	266,668

Total Cumulative Change in Net Position for the Last 10 Years \$ 1,184,733

* - Benefit Payments include survivor and death benefit payments.

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



Schedule of Revenue by Source (in Thousands)

Fiscal Year Ended June 30,	Member Contributions	Employer Contributions	Insurance Premium Tax*	Net Investment Income (Loss)**	Total Revenue by Source
2016	23,787	38,533	35,915	(21,104)	77,131
2017	23,916	38,887	34,283	242,415	339,501
2018	24,747	40,135	39,028	205,439	309,349
2019	26,173	42,154	39,559	104,882	212,768
2020	27,310	44,226	40,295	55,808	167,639
2021	27,946	44,405	28,368	770,131	870,850
2022	29,096	46,124	39,848	(196,554)	(81,486)
2023	30,799	49,095	44,456	109,062	233,412
2024	32,597	52,544	54,678	210,081	349,900
2025	35,128	56,052	55,514	301,874	448,568

* - The Oklahoma Police Pension and Retirement System receives a portion of the Insurance Premium Tax (14.7% in 2023-2027) that is assessed and collected by the State of Oklahoma (reduced by statute to 9.8% for 10-months in FY2021; 14% in all other years).

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

Schedule of Expenses by Type (in Thousands)

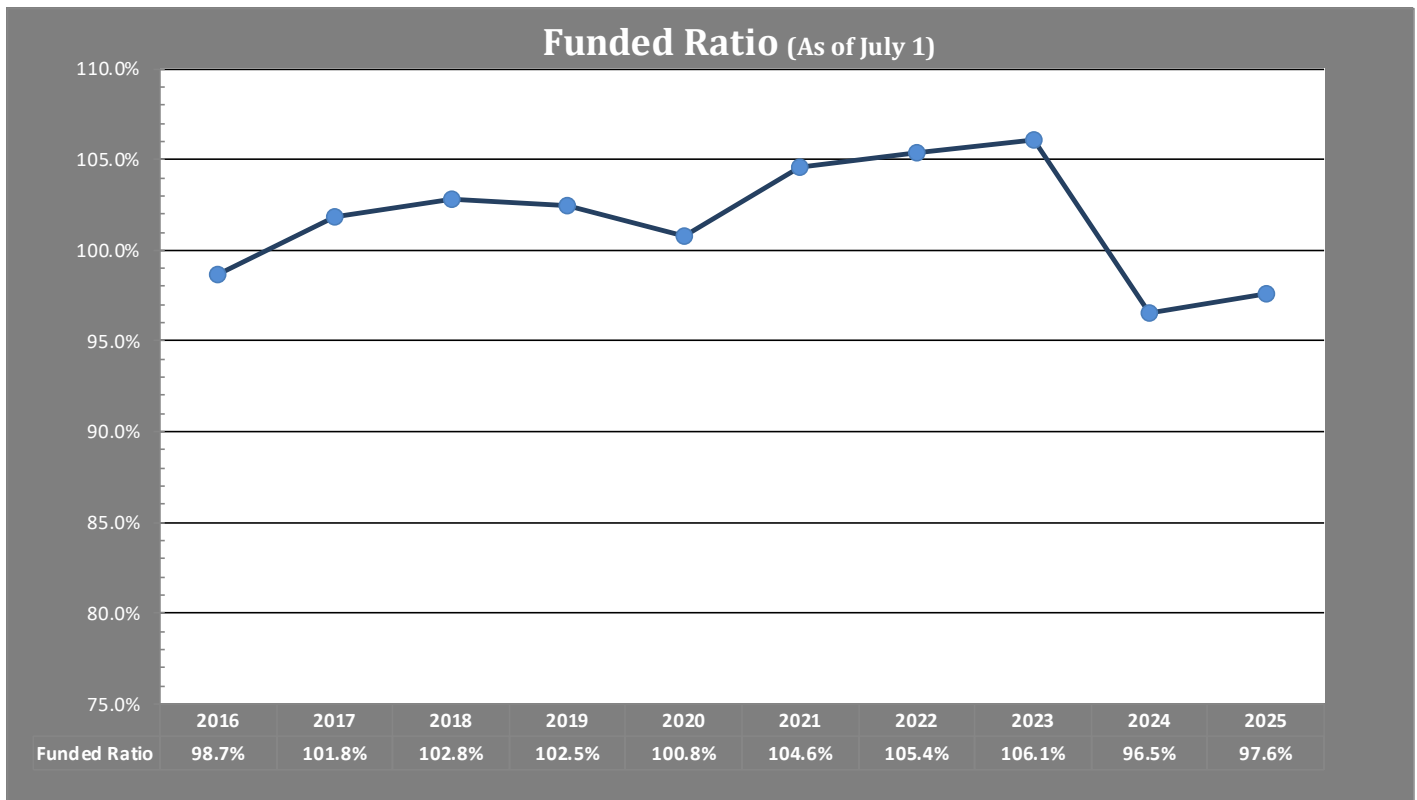
Fiscal Year Ended June 30,	Pension Benefits	Death Benefits	Deferred Option Benefits	Refunds	Administrative Expenses	Total
2016	106,055	271	30,265	2,034	1,831	140,456
2017	110,256	240	31,644	1,952	1,699	145,791
2018	114,721	340	22,853	1,649	1,721	141,284
2019	119,664	300	33,645	1,877	1,871	157,357
2020	122,915	460	37,367	2,451	1,992	165,185
2021	133,509	460	64,440	1,813	1,980	202,202
2022	142,199	480	51,542	3,125	2,160	199,506
2023	150,516	460	62,531	3,410	2,153	219,070
2024	157,208	430	27,082	3,175	2,253	190,148
2025	161,667	460	14,352	3,127	2,294	181,900

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

Fiscal Year Ended June 30,	Benefit Payments by Type				Deferred Option Benefits*	Refunds		Total Benefit Payments and Refunds
	Service Retirement	Beneficiaries	Disabled	Death Benefit		Withdrawal	Member Death	
2016	84,106	19,616	2,333	271	30,265	2,007	27	138,625
2017	87,788	20,036	2,432	240	31,644	1,832	120	144,092
2018	91,154	21,150	2,417	340	22,853	1,643	6	139,563
2019	95,848	21,476	2,340	300	33,645	1,811	66	155,486
2020	97,453	23,145	2,317	460	37,367	2,268	183	163,193
2021	107,110	24,022	2,377	460	64,440	1,398	415	200,222
2022	113,653	26,161	2,385	480	51,542	2,483	642	197,346
2023	119,625	27,710	3,181	460	62,531	3,304	106	216,917
2024	123,643	29,277	4,288	430	27,082	3,172	3	187,895
2025	125,806	30,744	5,117	460	14,352	2,271	856	179,606

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

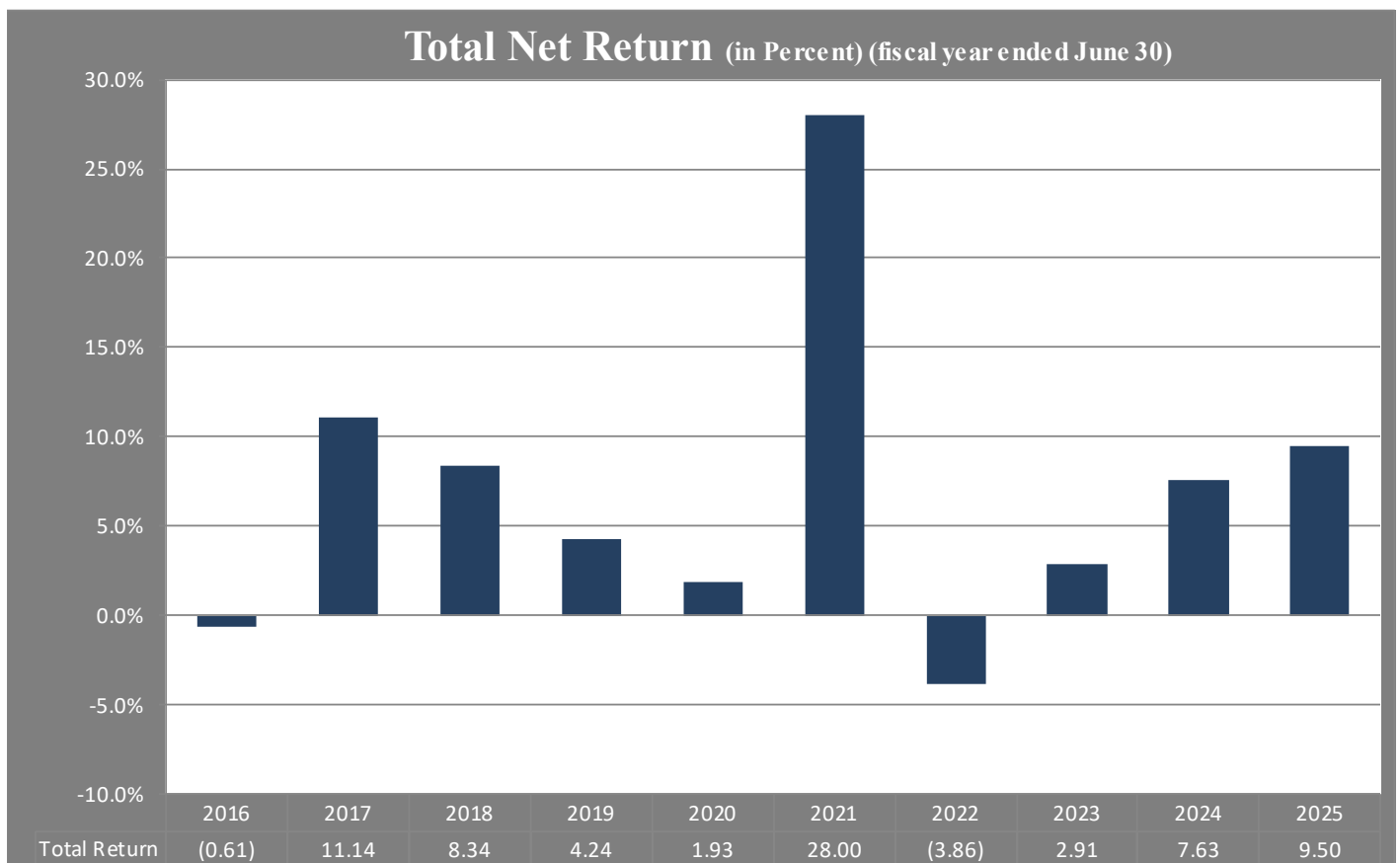
Funded Ratio (Actuarial Basis, at July 1)



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

Fiscal Year Ended June 30,	U.S. Equity	International Equity	Private Equity	Fixed Income	Real Estate and Commodity	Total Return (net of fees)
2016	(1.60)	(6.77)	5.78	1.00	5.05	(0.61)
2017	17.84	18.48	5.47	3.82	5.52	11.14
2018	13.41	6.68	11.71	2.74	9.10	8.34
2019	5.30	0.44	15.09	5.42	2.28	4.24
2020	4.25	(2.94)	1.19	3.80	0.22	1.93
2021	47.42	35.47	58.50	6.66	6.53	28.00
2022	(17.24)	(18.24)	37.24	(7.94)	30.40	(3.86)
2023	14.09	11.67	(11.51)	2.23	(9.55)	2.91
2024	18.76	10.73	6.38	6.50	(8.03)	7.63
2025	13.71	16.49	9.14	7.65	(2.07)	9.50

Total Annual Return (Net, in Percent)



Schedule of Retired Members by Type of Benefit

For the Fiscal Year Ended June 30, 2025

Monthly Benefit Amount	Number of Retirees and Beneficiaries	Number of Retirees and Beneficiaries by Type of Retirement*						
		1	2	3	4	5	6	7
\$ 0 - 1,000	273	23	62	133	38	7	7	3
1,001 - 1,500	276	36	81	37	24	3	88	7
1,501 - 2,000	488	103	39	26	26	4	274	16
2,001 - 2,500	678	159	26	10	14	1	452	16
2,501 - 3,000	762	146	11	2	12	0	583	8
3,001 - 3,500	636	87	4	0	21	0	516	8
3,501 - 4,000	469	61	2	0	14	0	385	7
4,001 - 4,500	326	43	1	0	10	0	267	5
4,501 - 5,000	240	38	0	0	4	0	196	2
5,001 - 5,500	175	42	0	0	6	0	126	1
5,501 - 6,000	104	8	0	0	3	0	93	0
6,001 - 6,500	47	3	0	0	1	0	43	0
6,501 - 7,000	15	2	0	0	0	0	13	0
7,001 - 7,500	8	2	0	0	0	0	6	0
7,501 - 8,000	6	0	0	0	0	0	6	0
8,001 - 8,500	6	2	0	0	0	0	4	0
8,501 - 9,000	7	0	0	0	0	0	7	0
9,001 - 10,000	0	0	0	0	0	0	0	0
10,001 - 12,000	1	0	0	0	0	0	1	0
Totals:	4,517	755	226	208	173	15	3,067	73

* Type of Retirement

- Type 1 - *CONTINUANCE* - benefits paid to the beneficiaries of a deceased retired member.
- Type 2 - *DEFERRED VESTED* - accrued benefits paid to members for completing at least 10 years of service, but less than 20.
- Type 3 - *QUALIFIED DOMESTIC RELATIONS ORDER* - court ordered assignment of member benefits to an alternate payee.
- Type 4 - *DUTY DISABILITY* - benefits paid to members disabled in the performance of their duty.
- Type 5 - *NON-DUTY DISABILITY* - benefits paid to members disabled outside the line of duty.
- Type 6 - *SERVICE* - normal retirement benefits paid to members completing at least 20 years of credited service.
- Type 7 - *SURVIVORSHIP* - benefits paid to beneficiaries of deceased active members.

Schedule of Average Benefit Payments

Retirement Effective Dates (Note A) July 1, 2015 to June 30, 2025	Years of Credited Service*				
	10-15	15-20	20-25	25-30	30+
Period 07/01/15 to 06/30/16					
Average Monthly Benefit	\$ 1,034	\$ 2,187	\$ 2,973	\$ 4,081	\$ 4,992
Average Final Average Salary	\$ 3,255	\$ 5,047	\$ 5,598	\$ 6,113	\$ 6,656
Number of Retired Members	5	4	72	21	20
Period 07/01/16 to 06/30/17					
Average Monthly Benefit	\$ 855	\$ 2,136	\$ 3,088	\$ 3,808	\$ 4,696
Average Final Average Salary	\$ 3,323	\$ 4,970	\$ 5,784	\$ 5,528	\$ 6,262
Number of Retired Members	2	8	78	21	14
Period 07/01/17 to 06/30/18					
Average Monthly Benefit	\$ 1,997	\$ 2,064	\$ 3,274	\$ 4,573	\$ 4,873
Average Final Average Salary	\$ 6,034	\$ 4,706	\$ 6,062	\$ 6,519	\$ 6,615
Number of Retired Members	5	3	73	10	16
Period 07/01/18 to 06/30/19					
Average Monthly Benefit	\$ 1,006	\$ 2,299	\$ 3,227	\$ 4,475	\$ 5,095
Average Final Average Salary	\$ 3,281	\$ 5,069	\$ 6,043	\$ 6,392	\$ 6,794
Number of Retired Members	1	6	75	21	24
Period 07/01/19 to 06/30/20					
Average Monthly Benefit	\$ 1,102	\$ 2,716	\$ 3,289	\$ 4,747	\$ 5,264
Average Final Average Salary	\$ 3,466	\$ 5,882	\$ 6,194	\$ 7,105	\$ 6,856
Number of Retired Members	3	4	65	38	27
Period 07/01/20 to 06/30/21					
Average Monthly Benefit	\$ 1,227	\$ 3,331	\$ 3,312	\$ 4,828	\$ 5,562
Average Final Average Salary	\$ 3,821	\$ 6,879	\$ 6,286	\$ 7,137	\$ 7,416
Number of Retired Members	17	2	114	60	28
Period 07/01/21 to 06/30/22					
Average Monthly Benefit	\$ 1,232	\$ 2,370	\$ 3,389	\$ 4,717	\$ 5,181
Average Final Average Salary	\$ 3,854	\$ 5,657	\$ 6,400	\$ 6,998	\$ 6,907
Number of Retired Members	7	7	123	31	17
Period 07/01/22 to 06/30/23					
Average Monthly Benefit	\$ 1,383	\$ 2,908	\$ 3,493	\$ 5,001	\$ 5,638
Average Final Average Salary	\$ 4,178	\$ 6,228	\$ 6,621	\$ 7,271	\$ 7,518
Number of Retired Members	9	7	98	56	18
Period 07/01/23 to 06/30/24					
Average Monthly Benefit	\$ 1,284	\$ 2,539	\$ 3,500	\$ 4,761	\$ 6,333
Average Final Average Salary	\$ 4,100	\$ 5,447	\$ 6,647	\$ 7,227	\$ 8,445
Number of Retired Members	4	4	67	11	11
Period 07/01/24 to 06/30/25					
Average Monthly Benefit	\$ 1,208	\$ 2,604	\$ 3,601	\$ 5,595	\$ 5,370
Average Final Average Salary	\$ 4,026	\$ 5,865	\$ 6,795	\$ 8,380	\$ 7,160
Number of Retired Members	9	7	42	8	4

Note A - Schedule includes service retirements as of July 1, 2025 and does not include disability retirements. For participants in the Deferred Option Plan, the Retirement Effective Date is the date the member left active service and the final average salary is determined as of the date the member effectively entered the Deferred Option Plan.

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

Schedule of Principal Participating Employers Current Year and Nine Years Prior

10 Largest Participating Cities\Municipalities\Towns	Fiscal Year 2025			Fiscal Year 2016		
	Covered Members	Rank	% of Total Covered Members	Covered Members	Rank	% of Total Covered Members
Oklahoma City	1125	1	22.06%	1110	1	26.14%
Tulsa	818	2	16.04%	757	2	17.82%
Norman	176	3	3.45%	158	4	3.72%
Lawton	170	4	3.33%	172	3	4.05%
Broken Arrow	158	5	3.10%	127	5	2.99%
Edmond	125	6	2.45%	118	6	2.78%
Moore	101	7	1.98%	87	9	2.05%
Midwest City	100	8	1.96%	93	7	2.19%
Enid	93	9	1.82%	85	10	2.00%
Stillwater	79	10	1.55%	74	11	1.74%
Total-10 Largest Employers	2945		57.76%	2781		65.48%
All Other Cities\Towns	2154		42.24%	1466		34.52%
Total Covered Members	5099		100.00%	4247		100.00%

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

Schedule of Participating Employers

For the Fiscal Year Ended June 30, 2025

Oklahoma State Agencies (3)

ABLE Commission

Bureau of Narcotics

OK State Bureau of Investigation

Oklahoma Cities, Municipalities and Towns (156)

Ada	Drummond	Madill	Sawyer
Altus	Drumright	Mangum	Sayre
Alva	Duncan	Mannford	Seminole
Anadarko	Durant	Marlow	Shawnee
Arapaho	Edmond	Maysville	Skiatook
Ardmore	El Reno	McAlester	Spencer
Atoka	Elk City	Miami	Stigler
Bartlesville	Enid	Midwest City	Stillwater
Bethany	Eufaula	Moore	Stillwell
Bixby	Forest Park	Muskogee	Stringtown
Blackwell	Fort Gibson	Mustang	Stroud
Blair	Frederick	Newcastle	Sulphur
Blanchard	Garber	Newkirk	Tahlequah
Boynton	Glenpool	Nichols Hills	Tecumseh
Bristow	Grandfield	Nicoma Park	Thackerville
Broken Arrow	Granite	Noble	The Village
Calumet	Grove	Norman	Tipton
Catoosa	Guthrie	Nowata	Tishomingo
Chandler	Guymon	Okeene	Tonkawa
Checotah	Harrah	Oklahoma City	Tulsa
Chickasha	Haskell	Okmulgee	Tuttle
Choctaw	Hennessey	Oologah	Union City
Chouteau	Henryetta	Owasso	Valley Brook
Claremore	Hinton	Pauls Valley	Valiant
Cleveland	Hobart	Pawhuska	Verdigris
Clinton	Hominy	Perkins	Vinita
Coalgate	Hugo	Perry	Wagoner
Collinsville	Idabel	Piedmont	Warner
Comanche	Jenks	Ponca City	Warr Acres
Commerce	Jones	Poteau	Watonga
Coweta	Kingfisher	Prague	Waurika
Crescent	Kiowa	Pryor Creek	Weatherford
Cromwell	Krebs	Purcell	Weleetka
Cushing	Lamont	Ringling	Wellston
Davis	Lawton	Salina	Wetumka
Del City	Lexington	Sallisaw	Wewoka
Dewey	Lindsay	Sand Springs	Wister
Dickson	Lone Grove	Sapulpa	Woodward
Disney	Luther	Savanna	Yukon

Membership Statistics Data

Employer and Member Statistics	As of July 1,	2025	2024
Participating Cities, Municipalities and Towns		159	157
Active Members		5,099	5,046
Deferred Option Members		-	-
Terminated Members with Refund Due		1,150	1,126
Terminated Members with Deferred Benefits		196	192
Retired Members		3,298	3,309
Beneficiaries Receiving Benefits		1,035	1,001
Disabled Members Receiving Benefits		191	174

Active Member Statistics	As of July 1,	2025	2024
Total Annual Compensation (actual compensation)		\$ 424,619,195	\$ 401,856,224
Average Compensation		\$ 83,275	\$ 79,639
Average Active Member Age		39.3	39.0
Average Years of Credited Service		11.2	10.8

Fiscal Year 2025 Refund and Benefit Payment Statistics	Count of Payments Made	Average Amount
Refunds to Terminated Members	338	\$ 9,252
Regular Payments to Service Retirement Members	54,470	\$ 2,968
Payment of Death Benefits to Beneficiaries	92	\$ 5,000
Payments under the Forward DOP	-	\$ -
Payments under the Back DOP	45	\$ 304,091
Payments under the Payout Provision	2	\$ 499,616

