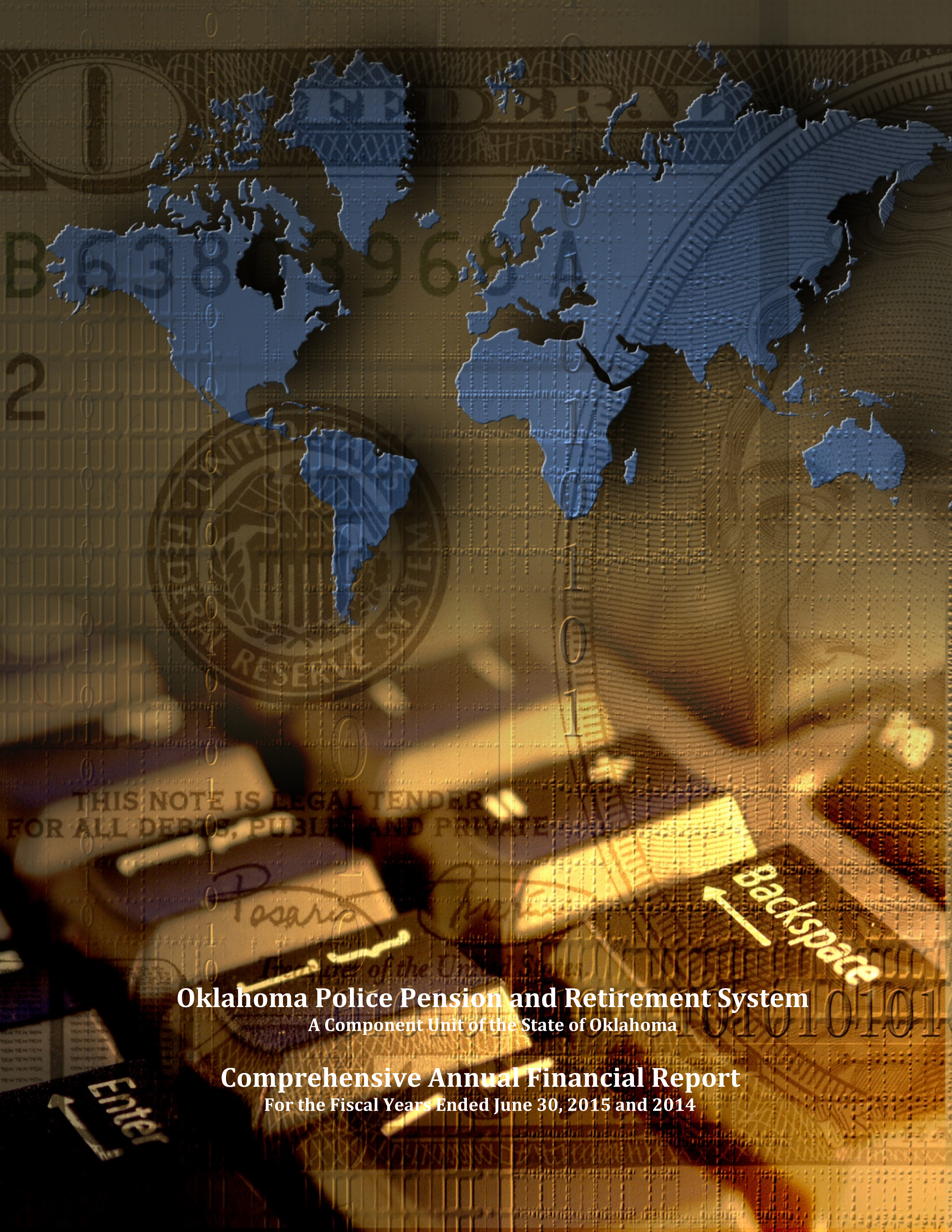

Oklahoma Police Pension and Retirement System

A Component Unit of the State of Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2015 and 2014

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

Comprehensive Annual Financial Report

For the Fiscal Years Ended June 30, 2015 and 2014

Steven K. Snyder
Executive Director
Chief Investment Officer

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

Deric Berousek
Chief Financial Officer

Judy Q. Cong
Comptroller

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12– Certificate of Achievement for Excellence in Financial Reporting

Introductory Section

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TELEPHONE (405) 840-3555 · FAX (405) 840-8465 · 1-800-347-6552
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Letter of Transmittal

November 6, 2015

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Oklahoma Police Pension and Retirement System (OPPRS) for the fiscal years ended June 30, 2015 and June 30, 2014. 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, 2015 and 2014, 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 137 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. For fiscal year 2015, contributions totaled $96 million, a $6.6 million increase over the prior year. Fiscal 2015 investment income was $74.6 million, down $220.3 million from 2014's investment income of $294.9 million. Moderate equity market returns, both domestically and abroad, combined with a challenging fixed income environment, resulted in much lower investment returns than those produced over the two prior years.

The System's funded status improved in fiscal 2015 to 98.2% from 94.6% in the prior year. This significant increase in the funded status of the plan is due primarily to strong growth in the system's assets over the last 3 years combined with steady normal costs incurred by the plan. The system had unamortized deferred actuarial gains of $35.7 million at the end of fiscal 2015, which will provide some additional support to the System's funded status over the next few years should the investment climate moderate and expected returns prove difficult to achieve.

The System's primary expenses are the payment of member retirement benefits. These payments include normal retirement benefits, 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. For fiscal 2015, total expenses of the system were $143.6 million, an increase of $22.5 million from the prior fiscal year. This increase was primarily due to increased benefit payments and a significant increase in deferred option payments, as more members than typical elected to retire during the year. Refunds and administrative expenses increased slightly for the year, due primarily to more refunds being issued.

Investments

In order to fulfill their fiduciary responsibilities, the Board retains investment managers to ensure that the assets of the system are being adequately invested at all times, and to assist with the development and implementation of a prudent asset allocation to maximize investment results while mitigating excessive risk. The Board utilizes an investment consultant firm to provide performance measurement of the portfolio, and this firm also compares the management of funds and the investment returns against other similar funds and trusts to ensure the effectiveness of implemented investment strategies.

The primary objective of the System's investment strategy is to obtain the highest maximum return on invested assets within an acceptable level of risk. The cornerstone of the investment strategy is to identify, locate and purchase investments that complement the existing portfolio of assets. New portfolio additions are generally anticipated to offer strong investment performance while improving the diversification of the portfolio. Likewise, investments that have underperformed their expectations, or that no long fit within the allocation model, are sold as it is prudent do so. Additionally, the Board periodically reviews the strategic asset allocation to ensure that expected return and risk (as measured by standard deviation) is consistent with the Systems long-term objectives and tolerance for risk. As a result of this investment structure, the System had a net yield on assets of 3% for fiscal 2015, a decrease of 12% from the net yield of 15% for fiscal year 2014.

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 2015 and 2014 legislative sessions:

2015

Senate Bill 345 – Authorizes the Oklahoma Police Pension & Retirement System Board of Trustees to adopt rules for computation of the purchase price for transferred service credit and the purchase methods available, including time periods available to complete the purchase; and additional required language regarding distributions necessary for the System to remain an IRS qualified plan.

2014

Senate Bill 212 – Allows refunding of erroneous contributions to particular municipalities; establishes that age-adjusted dollar limits applicable to a member will not decrease on account of an increase in age or the performance of additional services; and removes language related to death benefits and their income tax classification.

Including the solid investment returns over the last 3 years, the System has achieved a positive investment return for 8 of the last 10 fiscal years, and 20 of the last 26 years. The System's largest losses came during the severe market conditions encountered during the fiscal year's ended June 30, 2008 and 2009, where investment losses were –2.77% and –16.59%, respectively. While these losses were significant, the System weathered this correction much better than the market as a whole. Additionally, the System has experienced returns in excess of its actuarially assumed discount rate of 7.5% in 6 of the last 10 years; some years by a significant margin, a tremendous factor in helping the System achieve and maintain its current funded status. For fiscal 2016 the System plans to make several rebalancing adjustments bringing certain out-performing allocations back in line with policy. This will also allow us to "buy-down" into the weakness exhibited in certain strategic areas, also bringing these allocations back to policy limits. The System's current investment strategies and allocations keep the portfolio well diversified, offering considerable up market participation while seeking to protect the assets of the System during periods of high volatility and market turbulence.

From an actuarial standpoint, the fund currently has a very strong funded ratio of 98.2%, substantially higher than 2014's ratio of 94.6%. Most experts consider a funded ratio of between 80%-90% to be indicative of a well-funded plan, as long as contribution efforts are maintained and any new costs are provided for. The System's actuary has also projected that achievement of the expected returns and rates of contribution over the next year will further improve the System's funded ratio to 100.2% by the end of fiscal 2016.

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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.

To earn this certificate an entity must publish a comprehensive annual financial report that conforms to GFOA's program requirements and standards. The CAFR 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.

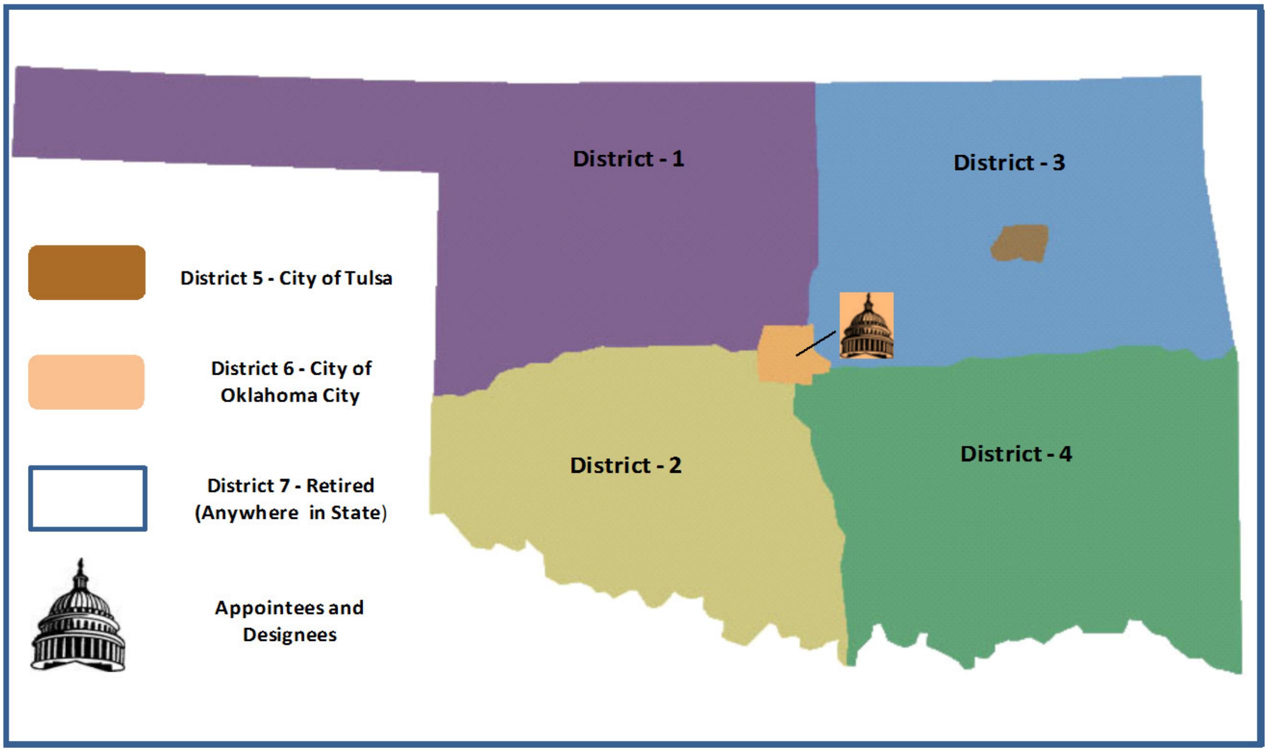
Respectfully submitted,

Steven K. Snyder
Executive Director
Chief Investment Officer

Deric Berousek
Chief Financial Officer

OPPRS Board of Trustees

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.

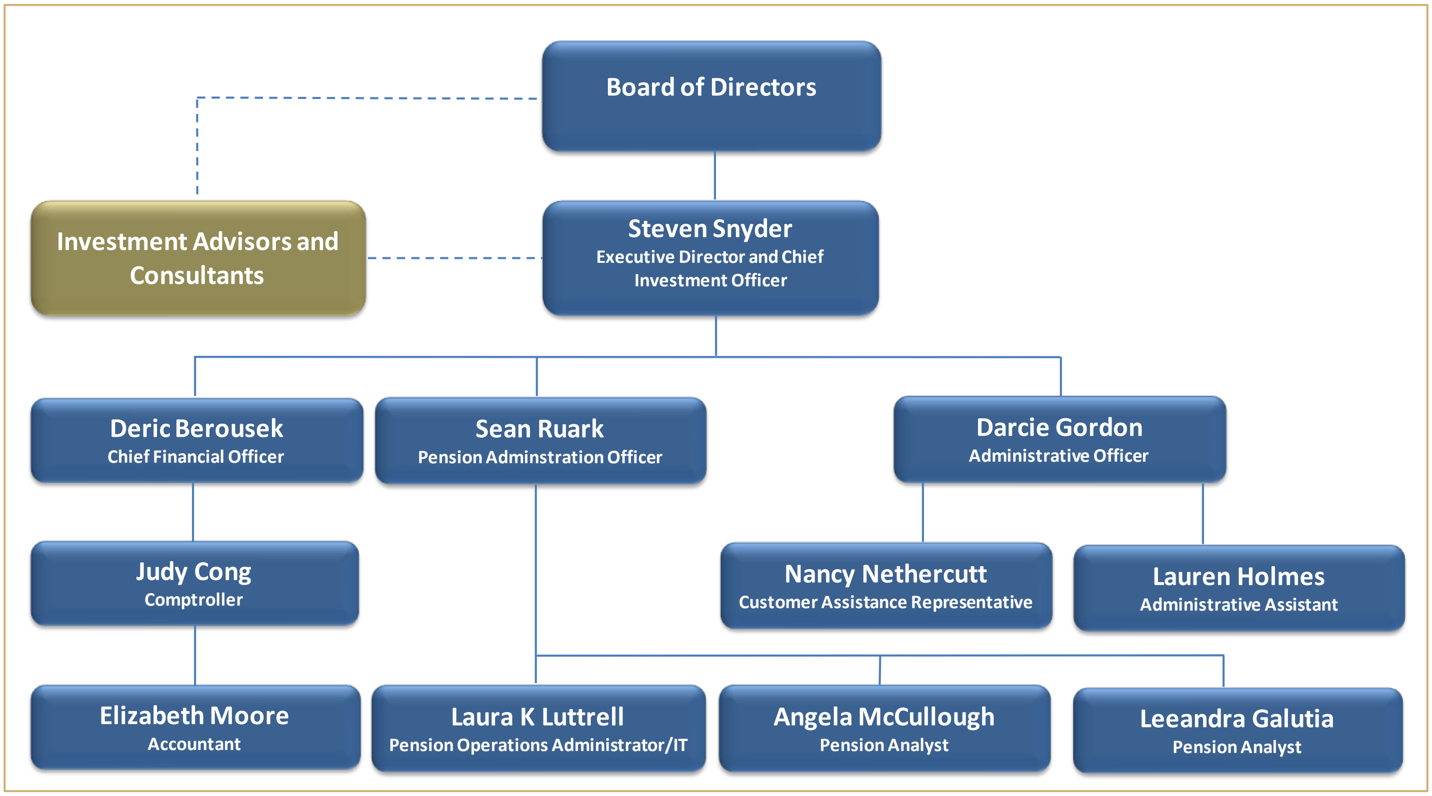
10th Member of the Board - Appointed by the Governor.

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



Professional Advisors and Consultants*

Actuary
Buck Consultants, LLC
14911 Quorum Drive, Suite 200
Dallas, TX 75254

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

* - The schedule of Investment Expenses and Professional Consultant Fees in the Other Supplementary Information Section and the Schedule of Investment Fees (pg. 85) & Broker Commissions (pg. 86) in the Investment Section contain additional information regarding professional advisors and consultants.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oklahoma Police Pension & Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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Financial Section

FINLEY & COOK
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015 and 2014, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

(Continued)

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P: 405.878.7300 • www.finley-cook.com • F: 405.395.3300

Opinion

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, 2015 and 2014, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 18 through 22 and the schedule of changes in the employers' net pension liability, the schedule of employers' net pension liability, the schedule of contributions from employers and other contributing entities, the schedule of investment returns, and the notes to the required supplementary information in Exhibits I, II, III, IV, and V be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The introductory section, the investment section, the actuarial section, the statistical section, and Schedules I, II, and III are presented for purposes of additional analysis and are not a required part of the basic financial statements.

(Continued)

Other Matters, Continued

Other Information, Continued

The supplementary information in Schedules I, II, and III 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. Such 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.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2015, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Finley & Cook, PLLC

Shawnee, Oklahoma
September 14, 2015

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 offers a summary review of the System's financial activity for the fiscal years ended June 30, 2015, 2014 and 2013. 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	% Change	% Change
	2015	2014	2013	2015 from 2014	2014 from 2013	2013 from 2012
Fiduciary Net Position	$ 2,264,996	$ 2,238,466	$ 1,975,665	1.2%	13.3%	10.8%
Contributions:						
Participating Cities	37,261	35,547	34,645	4.8%	2.6%	5.3%
Plan members	22,867	22,131	21,518	3.3%	2.8%	7.0%
Insurance Pemium Tax	35,490	31,329	31,412	13.3%	-0.3%	11.8%
Net Investment Income (loss)	74,554	294,897	221,174	-74.7%	33.3%	2541.2%
Benefits paid, including refunds and deferred option benefits	141,693	119,241	114,835	18.8%	3.8%	1.4%
Change in Fiduciary Net Position	26,530	262,801	191,189			
Funded Ratio of the Plan	98.2%	94.6%	89.3%	3.8%	5.9%	-1.0%
Total Plan Membership	8,833	8,802	8,580	0.4%	2.6%	2.0%

- System fiduciary net position increased $26.5 million, or 1.2%, to $2.26 billion for fiscal year 2015, due to moderate investment returns in a challenging return environment. Outstanding investment performance in fiscal year 2014 increased net position by $262.8 million, or 13.3%, to $2.24 billion. A positive investment climate in fiscal year 2013 increased the System's net position by 10.8%, or $221.1 million over the prior fiscal year.
- The System's fiscal year 2015 (actuarially) funded ratio increased significantly by 3.8% to 98.2% from 94.6% for fiscal year 2014. This change resulted primarily from a larger than expected increase in the actuarial value of assets for the year. The System's funded ratio increased 5.9% in fiscal year 2014 to 94.6% from 89.3% in fiscal year 2013 due to much improved actuarial asset values for the year. Overall, with a funded ratio 98.2%, the plan remains financially sound and very well positioned for meeting future liabilities.
- The System saw its total membership grow by 31 in fiscal year 2015 after a net increase of 222 members in fiscal 2014. In fiscal year 2013 the System's total membership grew by 168 members over fiscal year 2012. Fiscal 2015 contributions from participating employers and plan members increased by 4.8% and 3.3%, respectively, for the year. Very strong State insurance premium tax collections for fiscal 2015 increased the System's portion of this tax by 13.3%, providing $4,161,000 more to the System than in fiscal 2014.

Overview of the Financial Statements

This discussion and analysis introduces the System's basic financial statements. They are comprised of 1) *The Statement of Fiduciary Net Position*, 2) *The Statement 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 *Statement of Fiduciary Net Position* presents 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 produce 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 S*tatement of Changes in Fiduciary Net Position* details 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 systems 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 System's financial activity for the years ended June 30, 2015, 2014 and 2013.

Condensed Summary of Fiduciary Net Position

	For the Fiscal Year Ended June 30, (amounts in thousands) 2015	2014	2013	% Change 2015 from 2014	% Change 2014 from 2013	% Change 2013 from 2012
Cash and cash equivalents	$ 48,062	$ 30,240	$ 66,068	58.9%	-54.2%	40.1%
Receivables	14,430	12,197	12,903	18.3%	-5.5%	-16.8%
Investments, at fair value	2,207,881	2,198,731	1,899,075	0.4%	15.8%	10.0%
Securities lending collateral	-	9,315	20,003	-100.0%	-53.4%	-25.2%
Capital assets	101	304	507	-66.8%	-40.0%	-28.6%
Total Assets	2,270,474	2,250,787	1,998,556	0.9%	12.6%	10.0%
Other liabilities	5,478	3,006	2,888	82.2%	4.1%	-49.9%
Securities lending collateral	-	9,315	20,003	-100.0%	-53.4%	-25.2%
Total Liabilities	5,478	12,321	22,891	-55.5%	-46.2%	-29.6%
Fiduciary Net Position	$ 2,264,996	$ 2,238,466	$1,975,665	1.2%	13.3%	10.8%

Condensed Summary of Changes in Fiduciary Net Position

	For the Fiscal Year Ended June 30, (amounts in thousands) 2015	2014	2013	% Change 2015 from 2014	% Change 2014 from 2013	% Change 2013 from 2012
Contributions	$ 95,618	$ 89,007	$ 87,575	7.4%	1.6%	8.0%
Net investment income	74,554	294,897	221,174	-74.7%	33.3%	2541.2%
Total Additions	170,172	383,904	308,749	-55.7%	24.3%	245.1%
Benefits and refunds paid	102,924	99,120	95,817	3.8%	3.4%	5.0%
Deferred option benefits paid	38,769	20,121	19,018	92.7%	5.8%	-13.7%
Administrative expenses	1,949	1,862	2,053	4.7%	-9.3%	5.2%
Total Deductions	143,642	121,103	116,888	18.6%	3.6%	1.4%
Total Changes in Fiduciary Net Position	26,530	262,801	191,861	-89.9%	37.0%	N/M*
Beginning Fiduciary Net Position	2,238,466	1,975,665	1,783,804	13.3%	10.8%	-1.4%
Ending Fiduciary Net Position	$ 2,264,996	$ 2,238,466	$ 1,975,665	1.2%	13.3%	10.8%

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

Analysis of Overall Financial Position and Results of Operations

For the fiscal year ended June 30, 2015, the System's fiduciary net position increased $26.5 million, or 1.2%, to $2.26 billion, due primarily to a moderate investment climate that presented varied returns by asset class during the year. Contributions from participating employers and plan members registered fairly substantial increases for the year, while insurance premium tax collections from the State were significantly improved for year on the back of positive economic conditions. The System's equity exposure performed modestly for the fiscal year, while fixed income investments experienced a headwind in interest rates for the fiscal year, resulting in slightly negative returns. Fiscal 2014 investment returns were $294.9 million, up significantly over and above solid returns earned in fiscal 2013. Members receiving benefits increased by 128 to 3,448 for fiscal year 2015, increasing benefit payments by 3.8% to $102.9 million, an increase of $3.8 million over fiscal year 2014. Payouts to deferred option participants for fiscal 2015 increased significantly by $18.6 million over fiscal 2014, a 92.7% increase for the year, as a substantially increased number of members elected retirement during 2015 versus the average of the previous two fiscal years. Since deferred option payouts are individual retirement elections, this expense can fluctuate considerably from one year to the next.

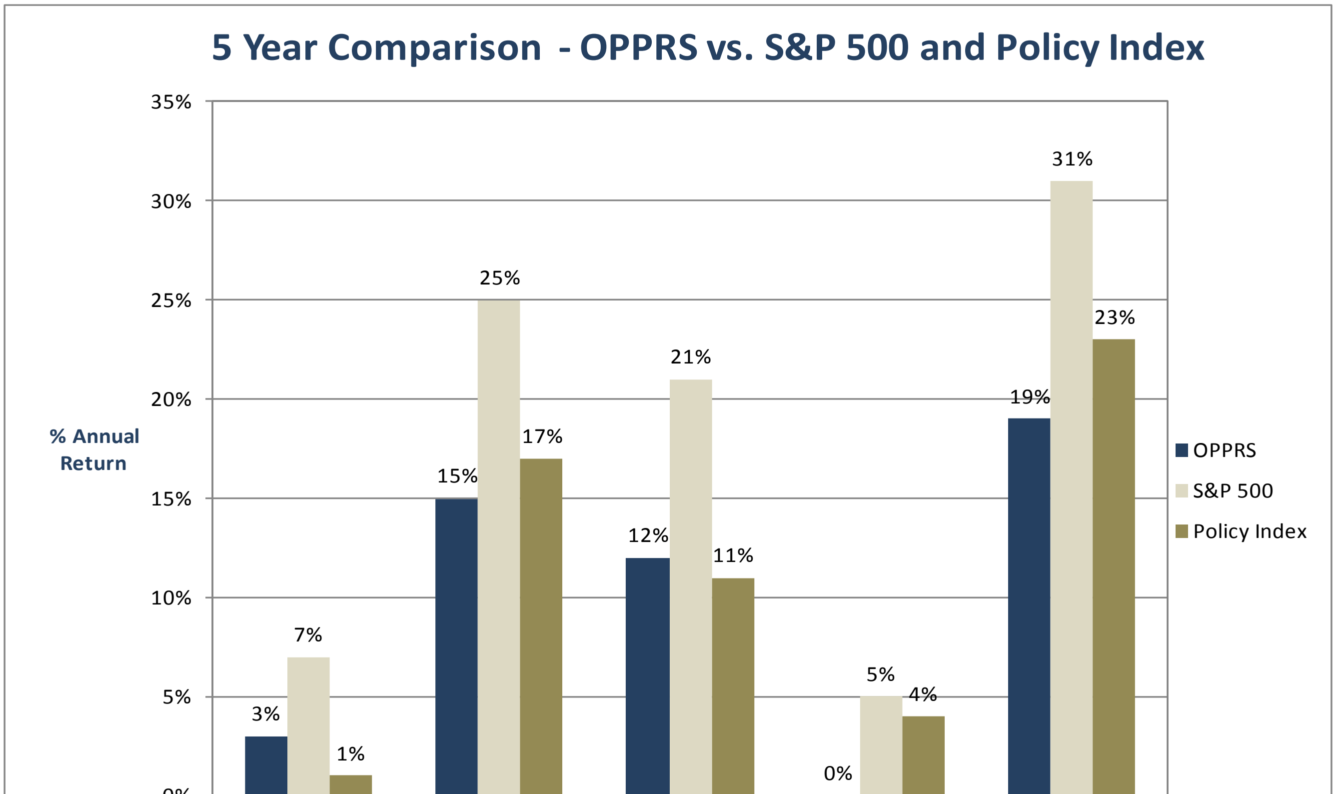
Fiscal year ended June 30, 2014 fiduciary net position increased $262.8 million, or 13.3%, over fiscal 2013, primarily due to strong net investment income of $294.9 million for the year. Substantial market returns also contributed $221.1 million in net investment income during fiscal 2013. Contributions remained relatively consistent for fiscal 2014, increasing 1.6% over fiscal 2013 to $89.0 million. Regular benefit payments increased slightly in fiscal 2014 by 3.8% to $99.1 million, as expected, based on deferred option payouts increasing by $1.1 million, or 5.8% over fiscal 2013.

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. In total, contributions were up during fiscal year 2015 compared to fiscal year 2014, due primarily to a significant increase in insurance premium tax collections. Insurance premium tax collections increased by $4.2 million to $35.5 million for the year. Contributions increased slightly during fiscal year 2014 compared to fiscal year 2013, due primarily to flat insurance premium tax collections for the year. Presently the System receives 14% of the State's total insurance premium tax collected. The System received $35.5 million, $31.3 million, and $31.4 million for the fiscal years ended June 30, 2015, 2014 and 2013, respectively.

For fiscal year 2015, total benefit payments, including refunds and deferred option benefits, increased 18.8% to $141.7 million, over fiscal year 2014. This was due primarily to a significant increase in the number of members retiring in fiscal 2015 and their election to take eligible distributions from the deferred option plans. Increased retirements and deferred option participation for fiscal year 2014 also led to a 3.8% increase in total benefit payments, to $119.2 million, over fiscal year 2013.

Administrative expenses are composed primarily of payroll and related expenses for the employees of the System, legal and professional fees, data processing fees, medical and travel costs, and depreciation. Total administrative expenses for the year ended June 30, 2015, increased 4.7% over fiscal year 2014, due primarily to increased professional fees. Total administrative expenses for fiscal year ended June 30, 2014, decreased (9.3)% over the fiscal year 2013 due to decreased personnel costs and professional fees for the year.

The System's net yield on average assets was approximately 3.38% for the fiscal year ended June 30, 2015, as moderate equity gains offset marginally negative fixed income returns. 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 equity indices, were as follows for the periods ended June 30:



	2015	2014	2013	2012	2011
OPPRS	3%	15%	12%	0%	19%
S&P 500	7%	25%	21%	5%	31%
Policy Index	1%	17%	11%	4%	23%

The System has experienced solid total return performance over the last 5 years, with broad asset diversification policies designed to provide high participation up market returns while offering significant downside protection during difficult market conditions. 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 over $2.26 billion of 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.

Other Matters

As a matter of policy, the System attempts to stay fully invested at all times. Consequently, the System's Fiduciary Net Position could be negatively affected should global stock and bond market volatility increase, or should such markets encounter an extended period of decline.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director or 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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STATEMENTS OF FIDUCIARY NET POSITION

June 30,	*2015*	*2014*
	(Amounts in Thousands)	
Assets		
Cash and cash equivalents	$ 48,062	30,240
Receivables:		
Interest and dividends receivable	3,030	3,489
Contributions receivable from cities	1,478	1,116
Contributions receivable from participants	904	683
Insurance premium tax receivable	7,684	6,563
Receivable from brokers	1,334	346
Total receivables	14,430	12,197
Investments, at fair value:		
U.S. government securities	22,177	33,398
Domestic corporate bonds	138,566	253,377
International corporate bonds	210,307	114,216
Domestic stocks	543,980	659,596
International stocks	322,805	300,499
Equity—real estate investment trusts	7,339	12,495
Alternative investments	791,032	708,808
Real estate funds	167,775	112,542
Real estate—Columbus Square	3,900	3,800
Total investments, at fair value	2,207,881	2,198,731
Securities lending collateral	-	9,315
Capital assets	101	304
Total assets	2,270,474	2,250,787
Liabilities		
Payable to brokers	860	922
Accounts payable	856	962
Deferred option benefits due and currently payable	3,762	1,122
Securities lending collateral	-	9,315
Total liabilities	5,478	12,321
Net fiduciary position restricted for pensions	$ 2,264,996	2,238,466

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

Years Ended June 30,		*2015*	*2014*
		(Amounts in Thousands)	
Additions			
Contributions:			
Cities	$	37,261	35,547
Plan members		22,867	22,131
Insurance premium tax		35,490	31,329
Total contributions		95,618	89,007
Investment income:			
From investing activities:			
Net appreciation in fair value of investments		65,594	286,638
Interest		7,612	8,155
Dividends		14,030	11,876
Other		578	513
Total investment income		87,814	307,182
Less investment expense		(13,312)	(12,384)
Income from investing activities		74,502	294,798
From securities lending activities:			
Securities lending income		24	(3)
Securities lending expenses:			
Borrower rebates, net		41	152
Management fees		(13)	(50)
Income from securities lending activities		52	99
Net investment income		74,554	294,897
Total additions		170,172	383,904
Deductions			
Benefits paid		100,889	97,361
Deferred option benefits		38,769	20,121
Refunds of contributions		2,035	1,759
Administrative expenses		1,949	1,862
Total deductions		143,642	121,103
Net increase in net position		26,530	262,801
Net position restricted for pensions:			
Beginning of year		2,238,466	1,975,665
End of year	$	2,264,996	2,238,466

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See accompanying notes to financial statements.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2015 and 2014

(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 137 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. As a result of these contributions, the State is considered a non-employer contributing entity to the Plan.

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

The Oklahoma 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. 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 7^{th} district shall be 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 State Insurance 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(1) NATURE OF OPERATIONS, CONTINUED

The System's participants at June 30 consisted of:

	2015	2014
Retirees and beneficiaries currently receiving benefits	3,448	3,320
Vested members with deferred benefits	125	132
Deferred Option plan members	22	30
	3,595	3,482
Active plan members:		
Vested	2,362	2,213
Nonvested	2,876	3,107
Total active plan members	5,238	5,320
Total members	8,833	8,802
Number of participating municipalities and state agencies	137	137

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Accounting

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

The Plan is administered by the System, a part of the State of Oklahoma financial reporting entity, which together with other similar pension and retirement funds comprise the fiduciary-pension trust funds of the State of Oklahoma. Administrative expenses are paid with funds provided by operations of the Plan.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68). The objective of GASB 68 is to improve accounting and financial reporting for pensions by state and local governments, and to improve information where support for pensions has been provided by other entities. This statement establishes standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses. For defined benefit pensions, it identifies methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their present value and attribute that value to periods of employee service. The Plan adopted this statement effective July 1, 2014. The adoption had no significant impact on the Plan's financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (GASB 69). GASB 69 establishes accounting and financial reporting standards related to governmental combinations and disposals of government operations. Generally, governmental combinations include mergers, acquisitions and transfers of operations. This statement improves financial reporting by providing guidance for business combinations in the governmental environment. The Plan adopted this statement July 1, 2014. Presently the Plan has no items to be reported, and the adoption had no significant impact on the financial statements of the Plan.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* (GASB 71). GASB 71 amends GASB 68 by amending the transition provisions of GASB 68. At transition to GASB 68, employers that could not practically determine all of the deferred inflows and outflows related to pensions were provided guidance that no deferred inflows or outflows should be reported. GASB 71 amends this guidance to provide that a government recognize a beginning deferred outflow of resources for pension contributions made subsequent to the measurement date. GASB 71 will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB 68. The Plan adopted this statement on July 1, 2014. The adoption had no significant impact on the Plan's financial statements.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Recent Accounting Pronouncements, Continued

In February 2015, GASB issued Statement No, 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 provides guidance for determining a fair value measurement for financial reporting purposes. GASB 72 also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of GASB 72 will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. GASB 72 also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB 72 is effective for financial statements for periods beginning after June 15, 2015. The Plan will adopt GASB 72 effective July 1, 2015, for the June 30, 2016, reporting year. GASB 72 will require additional and/or revised disclosures in the financial statements.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States requires 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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, 2015 and 2014, the Plan had no long-term receivables. All the receivables reflected in the statement of fiduciary net position are expected to be received and available for use by the Plan in its operations. Also, no allowance for any uncollectible portions is considered necessary.

Investments

Management of the Plan is authorized to invest in eligible investments as approved by the Board as set forth in its investment policy. The Board reviews and updates the plan investment policy at least annually, making changes as deemed necessary to achieve policy goals. An investment policy change can be made anytime the need should arise at the discretion of the Board.

Investment Allocation Policy—The Board's asset allocation policy will currently maintain approximately 60% of assets in equity instruments, including public equity, long-short hedge, 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, and low volatility hedge fund strategies; and 15% of assets in real assets to include real estate, commodities, and other strategies.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

Significant Investment Policy Changes Made During the Year—During the year ended June 30, 2014, the Board changed the allocation for small/midcap equities from 0%–10% to 0%–15%. No significant investment policy changes were made during the year ended June 30, 2015.

Rate of Return—For the years ended June 30, 2015 and 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.36% and 15.04%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Method Used to Value Investments—Plan investments are reported at fair value. 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 cost, which approximates fair value), commercial paper, treasury bills, and U.S. government agency securities. 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 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 based on quoted sales prices of the underlying securities. The fair value of the real estate is determined from independent appraisals. Investments which do not have an established market are reported at estimated fair value.

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.

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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Investments, Continued

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 any combinations of stocks, bonds, fixed-income securities, and other investment securities, along with investments in commingled, mutual, and index funds. Investment securities and investment securities underlying commingled or mutual fund investments are exposed to various risks, such as interest rate 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.

The Plan invests in domestic equity index funds, domestic equity commingled trust funds, and international equity funds. The Plan shares the risk of loss in these funds 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 tables present individual investments held by a single organization that exceed 5%* of the Plan's fiduciary net position at June 30:

Classification of Investment	Name of Organization	Shares Held	2015 Cost	2015 Fair Value
			(Amounts in Thousands)	
Alternative investments	PAAMCO	194,001,413	$ 105,000	194,001
Alternative investments	Grosvenor	307,622,456	201,700	307,622
Domestic stocks	Northern Trust	17,934,301	373,051	394,296
International stocks	Mondrian	3,939,387	56,861	122,074
Corporate bonds and private equity	Oaktree Capital Mgmt.	17,900,261	144,748	155,140

Classification of Investment	Name of Organization	Shares Held	2014 Cost	2014 Fair Value
			(Amounts in Thousands)	
Alternative investments	PAAMCO	194,030,808	$ 105,000	194,031
Alternative investments	Grosvenor	274,978,349	192,100	274,978
Domestic stocks	BNY Mellon	280,408	210,464	427,096
International stocks	Mondrian	3,939,387	56,861	129,102
Corporate bonds and private equity	Oaktree Capital Mgmt.	17,965,992	143,355	153,685

* 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 2015 or 2014.

Capital Assets

Capital assets, which consist of software, are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful life of the related asset (5 years). Depreciation of the new software began in fiscal year 2011 and amounted to approximately $203,000 for each of the fiscal years 2014 and 2015.

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, 2015. The lease has been renewed for the period July 1, 2015, through June 30, 2016. Total lease expense was approximately $90,000 for each of the years ended June 30, 2015 and 2014.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Compensated Absences

Employees of the System earn annual vacation leave at the rate of 10 hours per month for up to 5 years of service, 12 hours per month for service of 5 to 10 years, 13.3 hours per month for service of 10 to 20 years, and 16.7 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 480 hours. All accrued leave is payable upon termination, resignation, retirement, or death. As of June 30, 2015 and 2014, approximately $128,000 and $124,000, respectively, was included in accounts payable as the accrual for compensated absences.

The changes in the accrual for compensated absences for the years ended June 30 were as follows:

	2015	2014
Balance at beginning of year	$ 123,577	121,845
Additions and transfers	55,042	64,517
Amount used	(50,485)	(62,785)
Balance at end of year	$ 128,134	123,577

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. 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, 5801 N. Broadway Extension, Suite 200, Oklahoma City, OK 73118-7484.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Retirement Expense, Continued

Employees of the System are required to contribute 3.5% of their annual covered salary. The System is required to contribute at a legislatively established rate, which was 16.5% of annual covered payroll for the fiscal years ended June 30, 2015 and 2014. During 2015, 2014, and 2013, a total of $154,541, $141,308, and $155,036, respectively, was paid to OPERS. The System contributed 100% of the required contribution for each of the years ended June 30, 2015, 2014, and 2013. The System’s and employees’ portions of those amounts were as follows:

	2015	2014	2013
System's portion	$ 127,496	116,579	127,905
Employees' portion	27,045	24,729	27,131
	$ 154,541	141,308	155,036

As noted earlier, the Plan adopted GASB 68 as of July 1, 2014, as it applies to its participation in OPERS. The effects upon the financial statements of the Plan as a result of the adoption of GASB 68 are considered immaterial.

Risk Management

The Risk Management Division of the Department of Central Services (the “Division”) is empowered by the authority of Title 74 O.S. Supp. 1993, Section 85.34 et seq. The Division is responsible for the acquisition and administration of all insurance purchased by the State of Oklahoma or administration of any self-insurance plans and programs adopted for use by the State of Oklahoma for certain organizations and bodies outside of state government, at the sole expense of such organizations and bodies.

The Division is authorized to settle claims of the State of Oklahoma and shall govern the dispensation and/or settlement of claims against a political subdivision. In no event shall self-insurance coverage provided by the State of Oklahoma, an agency, or other covered entity exceed the limitations on the maximum dollar amount of liability specified by the Oklahoma Government Tort Claims Act, as provided by Title 51 O.S. Supp. 1988, Section 154. The Division oversees the collection of liability claims owed to the State of Oklahoma incurred as the result of a loss through the wrongful or negligent act of a private person or other entity.

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Administrative Items, Continued

Risk Management, Continued

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 14, 2015, the date that the financial statements were available to be issued, and determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

(3) DESCRIPTION OF THE PLAN

The following brief description of the Plan is provided for general information purposes only. Participants should refer to 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 statute 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 a 14% 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 State statute. 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 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage of impairment. 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:

  a) The retired member shall earn two percentage points below the net annual rate of return of the investment portfolio of the System.

  b) If the portfolio earns less than a 2% rate of return, but more than zero, the retired member shall earn zero percentage points.

  c) 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.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(4) CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and Cash Equivalents

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

		2015	2014
		(Amounts in Thousands)	
Short-term investments:			
OK INVEST	$	22,461	14,509
Domestic		25,600	15,731
Total short-term investments		48,061	30,240
Cash—Commerce Bank		1	-
Total cash and cash equivalents	$	48,062	30,240

At June 30, 2015 and 2014, as a result of outstanding checks and deposits, the carrying amount of the Plan's OK INVEST account totaled $22,461,205 and $14,509,162, respectively, and the bank balance totaled $25,554,314 and $16,417,154, respectively. The carrying amounts of the domestic short-term investment and cash on deposit with Mellon and Commerce Bank were the same as the bank balances at June 30, 2015 and 2014.

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:

		2015	2014
U.S. agencies	$	10,259,108	7,532,242
Mortgage-backed agencies		10,025,350	6,744,321
U.S. Treasury notes		295,785	195,455
Municipal bonds		354,331	251,867
Certificates of deposit		697,755	426,164
Commercial paper		713,802	474,455
Money market mutual funds		3,208,183	792,650
	$	25,554,314	16,417,154

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Cash and Cash Equivalents, Continued

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, 2015 and 2014, approximately $25,600,000 and $15,731,000, respectively, of cash and cash equivalents was 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 15% of total assets through its asset allocation policy. Investments in equities and fixed-income securities as of June 30 are shown by monetary unit to indicate possible foreign currency risk.

	2015		
Currency	Equities	Corporate Bonds	Total
	(Amounts in Thousands)		
Commingled funds:			
Barings Focused International Equity Fund	$ 98,297	-	98,297
Mondrian International Equity Fund	122,074	-	122,074
Vontobel Global Emerging Markets Fund	68,723	-	68,723
Wasatch Emerging Markets Small Capitalization Fund	33,711	-	33,711
Loomis Sayles World Bond Fund	-	87,357	87,357
Oaktree Global High Yield Bond Fund	-	103,173	103,173
OCM International Convertible Fund	-	19,777	19,777
	$ 322,805	210,307	533,112

	2014		
Currency	Equities	Corporate Bonds	Total
	(Amounts in Thousands)		
Commingled funds:			
Barings Focused International Equity Fund	$ 87,440	-	87,440
Mondrian International Equity Fund	129,102	-	129,102
Vontobel Global Emerging Markets Fund	55,904	-	55,904
Wasatch Emerging Markets Small Capitalization Fund	28,053	-	28,053
Loomis Sayles World Bond Fund	-	95,047	95,047
OCM International Convertible Fund	-	19,169	19,169
	$ 300,499	114,216	414,715

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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.

- 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.

- Vontobel Global Emerging Markets Fund—The fund seeks capital appreciation by investing, under normal market conditions, at least 75% of its assets in the equity securities of companies located in developing or emerging markets.

- 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.

- Oaktree Global High Yield Bond Fund – The fund invests primarily in corporate high yield bonds emphasizing issuers in North America and Europe.

- OCM (Oaktree Capital Management) International Convertible Fund—The fund seeks a high level of total return through a combination of current income and capital appreciation by investing primarily in convertible securities of issuers located outside the United States. Convertible securities may consist of bonds, debentures, notes, preferred stock, or other securities that can be converted to common stock or other equity securities.

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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:

	2015		
Investment Type	Moody's Ratings (Unless Noted)	Fair Value	Fair Value as a Percent of Total Fixed Maturity Fair Value
	(Amounts in Thousands)		
U.S. government agency securities	Aaa	$ 10,909	49.19%
U.S. Treasury securities	UST [1]	11,268	50.81%
Total U.S. government securities		**$ 22,177**	**100.00%**
Domestic corporate bonds	Aaa	$ 35,624	25.71%
	A- (SP)	1,434	1.03%
	Aa1	302	0.22%
	AA+ (SP)	257	0.19%
	Aa2	5,711	4.12%
	AA (SP)	1,150	0.83%
	Aa3	2,302	1.66%
	A1	4,204	3.03%
	A2	7,625	5.50%
	A3	15,981	11.53%
	A+ (SP)	837	0.60%
	Baa1	31,795	22.95%
	Baa2	11,952	8.63%
	Baa3	4,709	3.40%
	BBB- (SP)	151	0.11%
	Not Rated	14,532	10.49%
Total domestic corporate bonds		**$ 138,566**	**100.00%**
International corporate bonds	Not Rated	$ 210,307	100.00%
Total international corporate bonds		**$ 210,307**	**100.00%**

[1] U.S. Treasury securities.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Credit Risk, Continued

	2014		
Investment Type	Moody's Ratings (Unless Noted)	Fair Value	Fair Value as a Percent of Total Fixed Maturity Fair Value
	(Amounts in Thousands)		
U.S. government agency securities	Aaa	$ 14,845	44.45%
U.S. Treasury securities	UST [1]	18,553	55.55%
Total U.S. government securities		**$ 33,398**	**100.00%**
Domestic corporate bonds	Aaa	$ 38,545	15.21%
	A- (SP)	474	0.19%
	Aa1	297	0.12%
	Aa2	7,770	3.07%
	AA (SP)	1,203	0.47%
	Aa3	2,679	1.06%
	A1	3,851	1.52%
	A2	8,526	3.36%
	A3	15,568	6.14%
	Ba1	684	0.27%
	A+ (SP)	108	0.04%
	Baa1	25,386	10.02%
	Baa2	25,388	10.02%
	BBB (SP)	666	0.26%
	Baa3	3,878	1.53%
	BBB- (SP)	154	0.06%
	Not Rated	118,200	46.66%
Total domestic corporate bonds		**$ 253,377**	**100.00%**
International corporate bonds	Not Rated	$ 114,216	100.00%
Total international corporate bonds		**$ 114,216**	**100.00%**

[1] U.S. Treasury securities.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While all investments are subject to market changes, securities invested in 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.

	2015				
	Investment Maturities at Fair Value (in Years)				
Investment Type	Less Than 5	5 or More, Less Than 10	10 or More	Investments with No Duration	Total Fair Value
	(Amounts in Thousands)				
U.S. government securities:					
U.S. government agency	$ 2,549	-	8,360	-	10,909
U.S. Treasury	2,512	8,756	-	-	11,268
Total U.S. government securities	5,061	8,756	8,360	-	22,177
Domestic corporate bonds:					
Commercial mortgage-backed securities	-	-	9,224	-	9,224
Corporates and other credit	45,965	24,378	14,389	-	84,732
U.S. government mortgages	760	1,428	27,890	-	30,078
Venture capital	-	-	-	4,380	4,380
U.S. fixed-income funds	-	-	-	10,152	10,152
Total domestic corporate bonds	46,725	25,806	51,503	14,532	138,566
International corporate bonds	-	-	-	210,307	210,307
	$ 51,786	34,562	59,863	224,839	371,050

As noted above, the Plan had approximately $30,078,000 of investments in U.S. government mortgages, of which $11,365,000 represents FNMA loans and $18,713,000 represents FHLMC mortgages. U.S. government agency securities of $8,360,000 represent GNMA mortgages.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Interest Rate Risk, Continued

	2014				
	Investment Maturities at Fair Value (in Years)				
Investment Type	Less Than 5	5 or More, Less Than 10	10 or More	Investments with No Duration	Total Fair Value
	(Amounts in Thousands)				
U.S. government securities:					
U.S. government agency	$ 2,543	-	12,302	-	14,845
U.S. Treasury	8,254	4,625	5,674	-	18,553
Total U.S. government securities	10,797	4,625	17,976	-	33,398
Domestic corporate bonds:					
Commercial mortgage-backed securities	-	-	8,739	-	8,739
Corporates and other credit	51,596	28,608	13,099	-	93,303
U.S. government mortgages	1,055	791	31,288	-	33,134
Venture capital	-	-	-	4,294	4,294
U.S. fixed-income funds	-	-	-	113,907	113,907
Total domestic corporate bonds	52,651	29,399	53,126	118,201	253,377
International corporate bonds	-	-	-	114,216	114,216
	$ 63,448	34,024	71,102	232,417	400,991

As noted above, the Plan had approximately $33,134,000 of investments in U.S. government mortgages, of which $14,001,000 represents FNMA loans and $19,133,000 represents FHLMC mortgages. U.S. government agency securities of $12,302,000 represents GNMA mortgages.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Securities Lending

The Plan's investment policy allows the loan of securities through a lending agent to various institutions, with a simultaneous agreement to return the collateral for the same securities in the future, generally less than 30 days. There are no restrictions on the dollar amount of the loans that can be made. Effective April 29, 2014, the Plan discontinued its securities lending program with its custodian. Accordingly, no securities were on loan at June 30, 2015. The collateral held and the fair value of the securities on loan for the Plan at June 30, 2014, were as follows:

	2014		
	Collateral Held	Fair Value of Securities on Loan	Percent of Collateral to Loan
	(Amounts in Thousands)		
U.S. issuers:			
Stocks	$ 9,027	8,812	102%
Government securities	288	282	102%
	$ 9,315	9,094	

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Securities Lending, Continued

As the Plan does not have the ability to pledge or sell non-cash collateral without a borrower default, the non-cash collateral the Plan had received at June 30, 2014, was not included in the accompanying statements of fiduciary net position. According to the securities lending agreement, if at the close of trading on any business day, the fair value of the collateral presently delivered by the borrower is less than 100% of the fair value of such loaned securities, the Plan shall demand the borrower deliver collateral equal to 102% for domestic securities and 105% for non-U.S. securities by the close of the next business day. At the maturity of the loans, the Plan receives a loan premium and the securities are returned. The Plan had no credit risk exposure to borrowers on June 30, 2014, because the amount the Plan owed the borrowers exceeded the amount the borrowers owed the Plan. As of June 30, 2014, the Plan had no losses on securities lending transactions resulting from default of a borrower or lending agent. Contracts with lending agents require them to indemnify the Plan if the borrowers fail to return the securities or otherwise fail to pay the Plan for income while the securities are on loan. The securities on loan are included in the respective investment categories in the accompanying statements of fiduciary net position. Cash collateral is invested in the lending agent's short-term investment pool and included as an asset in the accompanying statements of fiduciary net position, with an offsetting liability for the return of the collateral. The securities lending agreement sets forth credit quality standards, acceptable investments, diversification standards, and maturity and liquidity constraints for the investment fund.

The Plan's investment guidelines do not require a matching of investment maturities with loan maturities, but do establish minimum levels of liquidity and other restrictions designed to minimize the interest rate risk associated with not matching the maturities of the investments with the loans. The cash collateral investments had an average weighted maturity of 24 days at June 30, 2014.

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, 2015 and 2014, there were no foreign currency gains and no remeasurement losses.

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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 documentation and risk management procedures. The Plan did not have any direct derivative investments at June 30, 2015 or 2014. 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, 2015 and 2014, was estimated at approximately $3.9 million and $3.8 million, respectively.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS

The Plan has also invested in alternative investments such as limited partnerships, limited liability companies, and private equity funds. The alternative investments at June 30 are summarized in the following table.

Investment	Purpose		Fair Market Value 2015	Fair Market Value 2014
			(Amounts in Thousands)	
Accel Europe, LP	Invests in companies that are organized outside the United States.	$	5,408	5,469
Actis Global IV	Invests in emerging markets, focusing primarily on the regions of Africa, China, India, and Latin America.		3,988	1,691
Apollo Investment Fund VIII	Makes control-oriented investments in distressed investments, corporate carve-outs, and opportunistic buyouts.		1,551	271
Arsenal Capital Partners, L.P.	Invests in portfolio companies.		258	281
Arsenal II	Invests in manufacturing, specialty chemicals, and healthcare industry.		10,170	19,374
Arsenal III	Invests in specialized industries, healthcare, and financial services sectors.		5,542	4,104
BBT Overseas Partners, LP	Invests in equity securities and financial acquisitions.		592	592

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

Investment	Purpose	Fair Market Value 2015	Fair Market Value 2014
		(Amounts in Thousands)	
Calera Partners III, LP	Invests in equity securities.	4,056	6,892
Calera Partners IV, LP	Invests in equity securities.	4,163	8,166
EnCap Energy Fund IX	Invests in the independent sector of the United States oil and gas industry.	3,144	1,572
EnCap Energy Fund X	Invests in the independent sector of the United States oil and gas industry.	243	-
FirstMark Cap Fund III	Makes direct venture capital investments primarily in emerging technology companies.	1,083	150
FirstMark (Midtown III)	Invests in equity securities.	641	958
FirstMark IV	Invests in equity securities.	27,113	15,503
FirstMark V	Invests in equity securities.	4,467	3,341
FMVP General Partners II, LLC	Invests in the securities of technology and development stage companies.	46	46
FirstMark Capital Opportunity I	Invests in post development stage growth and technology equities.	1,071	532
Francisco Partners IV	Makes control oriented equity investments in middle market technology companies.	1,540	-

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

Investment	Purpose	Fair Market Value 2015	Fair Market Value 2014
		(Amounts in Thousands)	
Grosvenor Long/Short Equity Fund, LP (A)	Invests in domestic and international securities.	184,928	171,992
Grosvenor Long/Short Equity Fund, LP (B)	Invests in domestic and international securities.	122,694	102,986
HM Capital Sector Performance	Invests primarily in debt and equity securities.	6	6
Knightsbridge Venture Capital VI	Invests in early stage U.S. venture capital partnerships.	11,112	12,491
Levine Leichtman Capital Partners III, LP	Invests in securities of middle market companies.	4,561	5,543
Levine Leichtman Capital Partners IV, LP	Invests in public and private securities in companies conducting substantial operations.	4,778	6,998
Lexington Capital Partners	Invests in private equity.	7,768	12,338
LightSpeed Venture Partners VI, LP	Invests in securities issued primarily in start-ups, early stage ventures, and expansion stage companies focusing on technology.	655	2,763
Marathon Fund V, LP	Invests in portfolio companies.	2,001	8,072

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

Investment	Purpose	Fair Market Value 2015	Fair Market Value 2014
		(Amounts in Thousands)	
Newport Mesa, LLC	Invests in non-readily marketable investment vehicles.	194,001	194,031
Newstone Capital	Invests in leveraged buyouts, recapitalization, and later-stage growth financing.	995	974
Newstone Capital II	Invests in leveraged buyouts, recapitalization, and later-stage growth financing.	2,755	3,595
Oaktree Opportunities Fund II, LP	Invests in distressed debt.	-	3
Oaktree Opportunities Fund III, LP	Invests in entities experiencing financial difficulties.	85	55
Oaktree Opportunities Fund IV, LP	Invests in distressed debt.	38	25
Oaktree Opportunities Fund V, LP	Invests in distressed debt.	236	371
Oaktree Opportunities Fund VI, LP	Invests in distressed debt.	300	610
Oaktree Opportunities Fund VII	Invests in companies undergoing or having undergone reorganization or restructuring.	1,342	1,705

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

		Fair Market Value	
Investment	Purpose	2015	2014
		(Amounts in Thousands)	
Oaktree Opportunities Fund VIIb	Invests in companies undergoing or having undergone reorganization or restructuring.	896	1,752
Oaktree Opportunities Fund VIII, LP	Invests in distressed debt.	4,208	6,449
Oaktree Opportunities Fund IX, LP	Invests in the debt or equity of distressed or non-distressed entities.	7,085	5,112
Oaktree European Dislocation Fund	Invests in originating and refinancing high-yielding debt and preferred equity in Europe.	2,072	740
Peak Partners, LP	Speculative trading of commodity futures contracts. Options on futures contracts and forward contracts.	30,727	24,972
Siguler Guff Distressed Opportunities Fund, L.L.C.	Invests in securities of companies undergoing distress, operating difficulties, and significant restructuring.	1,452	1,830

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

Investment	Purpose	Fair Market Value 2015	2014
		(Amounts in Thousands)	
Siguler Guff Distressed Opportunities Fund II, LP	Invests in securities of companies undergoing distress, operating difficulties, and significant restructuring.	2,897	4,535
Siguler Guff Distressed Opportunities Fund III, LP	Invests in securities of companies undergoing distress, operating difficulties, and significant restructuring.	7,480	10,571
Sun Capital	Invests in privately negotiated subordinated debt and equity securities.	11,570	11,341
The TAP Fund/Gresham Investments	Invests in long-only, fully collateralized tangible commodity futures.	59,281	-
TCW/Cresent Mezzanine Partners III, LP	Invests in privately negotiated subordinated debt and equity securities.	728	815
TCW/Cresent Mezzanine Partners IV, LP	Invests in privately negotiated subordinated debt and equity securities.	1,089	2,316
TCW/Cresent Mezzanine Partners V, LP	Invests in privately negotiated subordinated debt and equity securities.	3,088	3,927
Thompson Street Capital Partners	Private investment in companies.	4,613	4,366
Thompson Street Capital Partners III	Private investment in companies.	5,567	3,280

(Continued)

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(7) INVESTMENT IN ALTERNATIVE INVESTMENTS, CONTINUED

Investment	Purpose	Fair Market Value 2015	Fair Market Value 2014
		(Amounts in Thousands)	
Venture Lending & Leasing III, LLC	Debt financing and direct investment in equity securities of venture capital-backed companies.	371	450
Warburg Pincus X	Making private equity and related investments.	11,474	13,957
Warburg Pincus XI	Making private equity and related investments.	5,738	3,504
Weathergage Venture Capital	Invests in information technology and life science funds.	8,532	9,366
Weathergage Venture Capital II	Invests in information technology and life science funds.	8,796	5,816
Weiss, Peck, & Greer Venture Associates V, LLC	Invests in the securities of technology and development stage companies.	37	209
		$ 791,032	708,808

As of June 30, 2015 and 2014, the Plan had remaining commitments to fund approximately $93 million and $77 million, respectively, in various partnerships and limited liability companies.

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

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(8) INVESTMENT IN REAL ESTATE FUNDS

The Plan's investment in real estate funds consists primarily of three commingled real estate funds and three real estate limited partnerships. Real estate investments at June 30 are summarized in the following table:

Investment	Purpose	Fair Value 2015	Fair Value 2014
		(Amounts in Thousands)	
Blackstone Property Partners	Invests primarily in income-producing, large, high quality real estate assets in U.S. gateway cities.	$ 21,451	-
Cerberus Real Estate Fund III	Invests in undervalued/and or distressed real estate, primarily in the U.S., Europe, and Asia.	21,672	9,806
Hall Capital Fund III	Invests primarily in current income producing properties in commercial real estate and oil and gas.	521	-
JPMorgan Chase Bank Strategic Property Fund	Invests in improved real estate projects with stable occupancies to produce high current income combined with moderate appreciation potential.	89,383	79,560
Siguler Guff Distressed Real Estate Opportunities Fund, LP	Invests in equity interests in commercial properties, commercial mortgages, commercial mortgage-backed securities, debt and equity securities of real estate operating companies, and REITs.	9,545	9,280
Siguler Guff Distressed Real Estate Opportunities Fund II, LP	Invests in equity interests in commercial properties, commercial mortgages, commercial mortgage-backed securities, debt and equity securities of real estate operating companies, and REITs.	3,569	-
The Realty Associates Fund X, LP	Invests primarily in office, industrial, retail, and residential real estate.	21,634	13,896
		$ 167,775	112,542

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(8) INVESTMENT IN REAL ESTATE FUNDS, CONTINUED

Each fund accounts for its investments at fair value. Fair values of real estate investments are determined by each manager respectively at each valuation date. As part of Blackstone Property Partners and JPMorgan's valuation process, independent appraisers value properties on an annual basis (at a minimum). Siguler Guff's advisory board may request an independent appraisal of any portfolio investment within 30 days of the fund's audited financial statements. The Realty Associates utilizes independent appraisers to value properties at a frequency of no less than once every 3 years after acquisition. Cerberus follows detailed internal valuation policies and procedures and may engage independent valuation consultants on an as-needed basis.

As of June 30, 2015 and 2014, the Plan had remaining commitments to fund approximately $18 million and $28 million, respectively, in various real estate funds and limited partnerships.

(9) 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, 2014	Additions	Disposals	Balance at June 30, 2015
Cost	$ 1,014,045	-	-	1,014,045
Accumulated amortization	(709,831)	(202,809)	-	(912,640)
Capital assets, net	$ 304,214	(202,809)	-	101,405

	Balance at June 30, 2013	Additions	Disposals	Balance at June 30, 2014
Cost	$ 1,014,045	-	-	1,014,045
Accumulated amortization	(507,022)	(202,809)	-	(709,831)
Capital assets, net	$ 507,023	(202,809)	-	304,214

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(10) 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:

	2015			
	Deferred Option	"Back" DROP	Payout Provision	Total
	(Amounts in Thousands)			
Beginning balance	$ 4,266	1,122	3,762	9,150
Employer contributions	133	2,580	-	2,713
Member contributions	-	3,175	-	3,175
Plan reassignments	-	(621)	621	-
Deferred benefits	1,124	22,746	-	23,870
Payments	(2,162)	(33,104)	(862)	(36,128)
Interest	285	7,864	59	8,208
Ending balance	$ 3,646	3,762	3,580	10,988

	2014			
	Deferred Option	"Back" DROP	Payout Provision	Total
	(Amounts in Thousands)			
Beginning balance	$ 3,548	1,174	2,948	7,670
Employer contributions	143	1,471	-	1,614
Member contributions	-	1,811	-	1,811
Plan reassignments	-	(381)	381	-
Deferred benefits	1,173	11,981	-	13,154
Payments	(1,039)	(19,134)	-	(20,173)
Interest	441	4,200	433	5,074
Ending balance	$ 4,266	1,122	3,762	9,150

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(11) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

The components of the net pension liability of the participating employers at June 30, 2015, were as follows:

	(Amounts in Thousands)
Total pension liability	$ 2,269,073
Plan fiduciary net position	2,264,996
Employers' net pension liability	$ 4,077
Plan fiduciary net position as a percentage of the total pension liability	99.82%

Actuarial assumptions—The total pension liability was determined by an actuarial valuation as of July 1, 2015, using the following actuarial assumptions, applied to all prior periods included in the measurement:

Inflation:	3%
Salary increases:	4.5% to 17% average, including inflation
Investment rate of return:	7.5% 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 incease in base salary.
Mortality rates:	Active employees (pre-retirement): RP-2000 Blue Collar Healthy Combined table with age set back 4 years with fully generational improvement using Scale AA. Active employees (post-retirement) and nondisabled pensioners: RP-2000 Blue Collar Healthy Combined table with fully generational improvement using scale AA. Disabled pensioners: RP-2000 Blue Collar Healthy Combined table with age set forward 4 years.

The actuarial assumptions used in the July 1, 2015, valuation were based on the results of an actuarial experience study for the period July 2007 to June 2012.

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NOTES TO FINANCIAL STATEMENTS, CONTINUED

(11) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

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. 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, 2015, (see discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	2.24%
Domestic equity	4.87%
International equity	7.68%
Real estate	5.47%
Private equity	5.80%
Commodities	2.96%

Discount rate—The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, determined by the Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 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

(11) NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS, CONTINUED

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
		(Amounts in Thousands)	
Employers' net pension liability (asset)	$ 245,001	4,077	(199,038)

(12) 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.

(13) 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, as amended. 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.

(14) 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

(15) LEGISLATIVE AMENDMENTS

The following is a summary of significant plan provision changes that were enacted by the Oklahoma Legislature during 2015 and 2014:

2015

- Senate Bill 345—Authorizes the Oklahoma Police Pension and Retirement System Board of Trustees to adopt rules for computation of the purchase price for transferred service credit and the purchase methods available, including time periods available to complete the purchase; additional required language regarding distributions necessary for the System to remain an IRS qualified plan.

2014

- Senate Bill 212—Allows refunding of erroneous contributions to participating municipalities; establishes that age-adjusted dollar limits applicable to a member will not decrease on account of an increase in age or the performance of additional services; and removes language related to death benefits and their federal tax classification.

(16) 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.

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION REQUIRED BY GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NO. 67

Exhibit I

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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SCHEDULE OF CHANGES IN EMPLOYERS' NET PENSION LIABILITY
Last 7 Fiscal Years ***(Dollar Amounts in Thousands)***

	2015	2014	2013	2012	2011	2010	2009
Total pension liability							
Service cost	$ 54,592	53,042	56,160	54,059	66,974	65,756	62,139
Interest	164,141	159,256	150,394	144,742	174,238	169,827	161,028
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(12,764)	(18,258)	7,194	(10,069)	(96,100)	(38,037)	(7,660)
Changes in assumptions	-	-	(2,444)	-	(422,901) *	-	-
Benefit payments, including refunds of member contributions	(141,693)	(119,241)	(114,835)	(113,300)	(104,044)	(110,427)	(94,114)
Net change in total pension liability	64,276	74,799	96,469	75,432	(381,833)	87,119	121,393
Total pension liability—beginning	2,204,797	2,129,998	2,033,529	1,958,097	2,339,930	2,252,811	2,131,418
Total pension liability—ending (a)	$ 2,269,073	2,204,797	2,129,998	2,033,529	1,958,097	2,339,930	2,252,811

*The decrease was due to legislation which changed the actuarial assumptions to no longer include cost-of-living adjustments (COLA's).

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

(Continued)

See Independent Auditors' Report.
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, CONTINUED
Last 7 Fiscal Years ***(Dollar Amounts in Thousands)***

	2015	2014	2013	2012	2011	2010	2009
Plan fiduciary net position							
Contributions—employers (cities)	$ 37,261	35,547	34,645	32,896	31,846	32,240	31,675
Contributions—members	22,867	22,131	21,518	20,113	19,489	19,626	19,139
Contributions—State of Oklahoma, a non-employer contributing entity	35,490	31,329	31,412	28,092	24,645	22,292	26,913
Net investment income	74,554	294,897	221,174	8,374	282,305	163,058	(283,519)
Benefit payments, including refunds of member contributions	(141,693)	(119,241)	(114,835)	(113,300)	(104,044)	(110,427)	(94,114)
Administrative expense	(1,949)	(1,862)	(2,053)	(1,952)	(1,712)	(1,708)	(2,176)
Net change in plan fiduciary net position	26,530	262,801	191,861	(25,777)	252,529	125,081	(302,082)
Plan fiduciary net position—beginning	2,238,466	1,975,665	1,783,804	1,809,581	1,557,052	1,431,971	1,734,053
Plan fiduciary net position—ending (b)	$ 2,264,996	2,238,466	1,975,665	1,783,804	1,809,581	1,557,052	1,431,971
Plan's net pension liability (asset) (a) - (b)	$ 4,077	(33,669)	154,333	249,725	148,516	782,878	820,840

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

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

Exhibit II

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY
Last 7 Fiscal Years ***(Dollar Amounts in Thousands)***

	2015	2014	2013	2012	2011	2010	2009
Total pension liability	$ 2,269,073	2,204,797	2,129,998	2,033,529	1,958,097	2,339,930	2,252,811
Plan fiduciary net position	2,264,996	2,238,466	1,975,665	1,783,804	1,809,581	1,557,052	1,431,971
Plan's net pension liability (asset)	$ 4,077	(33,669)	154,333	249,725	148,516	782,878	820,840
Plan fiduciary net position as a percentage of the total pension liability	99.82%	101.53%	92.75%	87.72%	92.42%	66.54%	63.56%
Covered-employee payroll	$ 295,307	289,502	279,014	266,038	257,505	249,583	253,956
Plan's net pension liability (asset) as a percentage of covered-employee payroll	1.38%	(11.63)%	55.31%	93.87%	57.67%	313.67%	323.22%

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

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

Exhibit III

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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SCHEDULE OF CONTRIBUTIONS FROM EMPLOYERS AND OTHER CONTRIBUTING ENTITIES
Last 10 Fiscal Years ***(Dollar Amounts in Thousands)***

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 63,908	90,283	79,314	64,746	146,816	132,456	102,610	100,561	95,082	85,391
Contributions in relation to the actuarially determined contribution:										
Employers (Cities)	37,261	35,547	34,645	32,896	31,846	32,240	31,675	30,061	28,258	26,490
State of Oklahoma, a non-employer contributing entity	35,490	31,329	31,412	28,092	24,645	22,292	26,913	26,020	28,122	23,584
	72,751	66,876	66,057	60,988	56,491	54,532	58,588	56,081	56,380	50,074
Contribution (excess) deficiency	$ (8,843)	23,407	13,257	3,758	90,325	77,924	44,022	44,480	38,702	35,317
Covered-employee payroll	$ 295,307	289,502	279,014	266,038	257,505	249,583	253,956	239,805	220,885	204,190
Contributions as a percentage of covered-employee payroll	24.64%	23.10%	23.68%	22.92%	21.94%	21.85%	23.07%	23.39%	25.52%	24.52%

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

Exhibit IV

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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RETURNS

Last 3 Fiscal Years

	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	3.36%	15.04%	12.56%

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

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

Exhibit V

OKLAHOMA POLICE PENSION AND RETIREMENT PLAN
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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

The information presented in the required supplementary schedules was determined as part of an actuarial valuation by an independent enrolled actuary (Buck Consultants) at the dates indicated. Additional information as of the July 1, 2015, 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%
Projected salary increases*:	4.5% to 17%
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.

* Includes inflation at 3%.

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

SUPPLEMENTARY INFORMATION

Schedule I

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

SCHEDULE OF INVESTMENT EXPENSES

Years Ended June 30,	*2015*	*2014*
	(Amounts in Thousands)	
Investment management fees:		
Fixed income managers:		
Global Fixed Income	$ 1,297	1,279
Low Volatility	1,724	1,523
Equity managers:		
Domestic Equity	2,672	2,556
International Equity	2,378	1,607
Private Equity	2,842	2,473
Real estate:	1,573	2,120
Total investment management fees	12,486	11,558
Investment consultant fees	650	653
Investment custodial fees	176	173
Total investment expenses	$ 13,312	12,384

See Independent Auditors' Report.

Schedule II

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

SCHEDULE OF ADMINISTRATIVE EXPENSES

Years Ended June 30,	*2015*	*2014*
	(Amounts in Thousands)	
Staff salaries	$ 803	764
FICA and retirement	190	178
Insurance	118	119
Total personnel services	1,111	1,061
Actuarial	84	56
Audit	67	44
Legal	175	142
Total professional/consultant services	326	242
Office space and equipment	90	90
Total rental	90	90
Travel	48	60
Maintenance	53	76
Depreciation	203	203
Computer/data	9	7
Other	109	123
Total miscellaneous	422	469
Total administrative expenses	$ 1,949	1,862

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

Years Ended June 30,			*2015*	*2014*
			(Amounts in Thousands)	
Professional/Consultant	**Service**			
Buck Consultants	Actuarial	$	67	56
Cavanaugh MacDonald Consulting	Actuarial		17	-
Finley & Cook, PLLC	Audit		67	44
Davis, Graham, Stubbs, LLP	Legal		161	129
Attorney General	Legal		14	13
		$	326	242

See Independent Auditors' Report.

Investment Section

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85 - Asset Allocation - Portfolio versus Policy Comparison
85 - Schedule of Investment Fees
86 - Schedule of Broker Commissions

Investment Section

ACG | ASSET CONSULTING GROUP

231 South Bemiston Avenue
14th Floor
Saint Louis, Missouri 63105
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www.acgnet.com

REPORT ON INVESTMENT ACTIVITIES

October 20, 2015

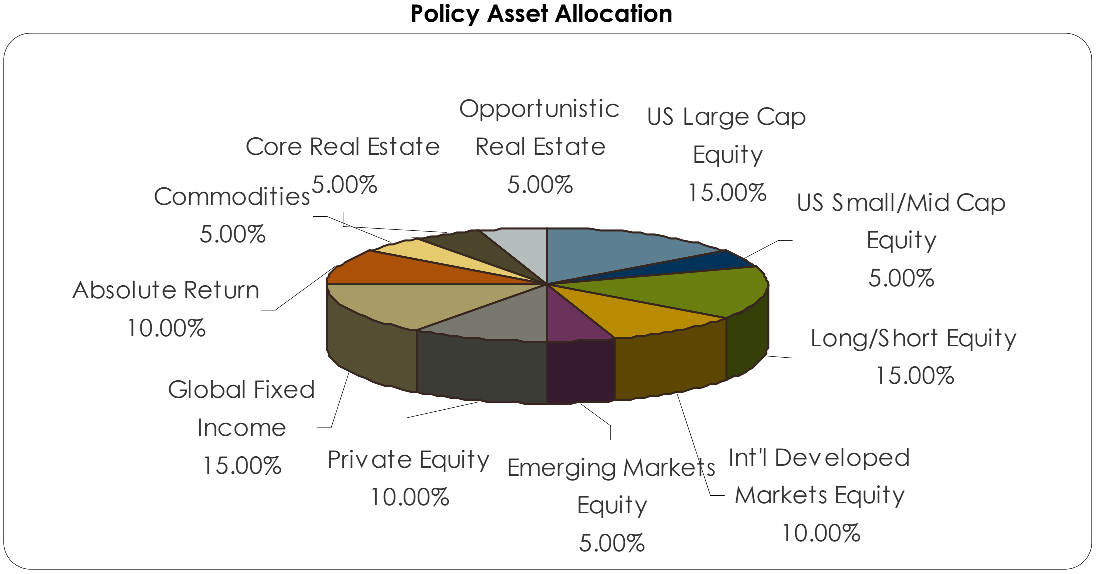
Mr. Steven K. Snyder
Executive Director/Chief Investment Officer
Oklahoma Police Pension and Retirement System
1001 N.W. 63rd St., Suite 305
Oklahoma City, OK 73116-7335

Dear Steve:

In our role as the Oklahoma Police Pension & Retirement System's (OPPRS) investment advisor, we work with the Board to establish an investment policy and asset allocation strategy that are designed to meet the long term objectives of OPPRS. 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 make recommendations as appropriate to enhance or modify the investment strategy and/or its component parts. 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/or for potential discussion. In addition, we provide education on an ongoing basis in the areas most relevant to the investment objectives and needs of OPPRS.

The investment strategy of (OPPRS) has been developed from comprehensive analysis of many alternatives evaluated. It is reviewed periodically, and refined as appropriate to ensure compatibility with the expected long-term return objectives and the Board's risk tolerance. The primary objective of this approach is to implement a plan of action which will result in the highest probability of meeting long term investment objectives within an acceptable level of risk. 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, 2015 the OPPRS targeted asset allocation consisted of:

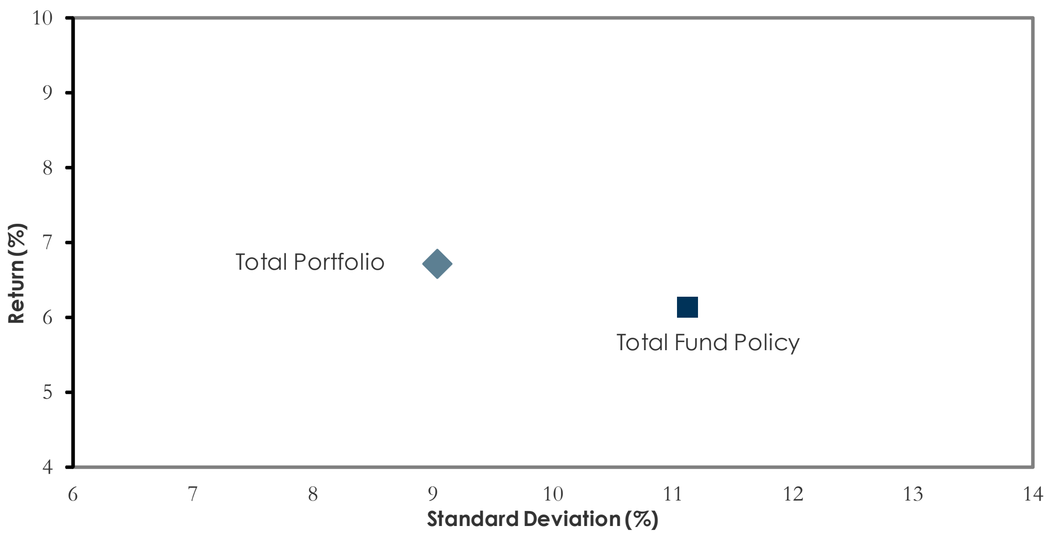
Periods Ending June 30, 2015
Policy Asset Allocation



Given its healthy funded status, the OPPRS' portfolio is structured with an emphasis on favorable risk-adjusted returns. Particular attention is placed on mitigation of market volatility, downside protection, and attention to liquidity needs. For the fiscal year ending June 30, 2015, the OPPRS' portfolio generated a gross investment return of 3.81% (net return of 3.38%) versus a policy benchmark return of 0.65%. Over the three year period ending June 30, 2015, the total portfolio has produced an annualized return of 10.56% (net return of 10.12%) relative to a return of 9.54% for its policy benchmark. For the recent 10-year period ending June 30, 2015, the OPPRS' portfolio has generated an annualized return of 6.73% (net return of 6.44%) versus 6.12% for its benchmark. The OPPRS' portfolio has achieved its results over time with a materially lower risk profile than that of its benchmark and median peer. The risk conscious approach adopted by OPPRS has resulted in a more favorable long-term risk-adjusted return than its median peer and benchmark as depicted below, and is influenced by the overall health of the Retirement System's assets relative to its liabilities. The calculation methodology used in our performance reports is consistent with the methodology prescribed by the CFA Institute. In providing these results, we rely on the timeliness and accuracy of financial data provided by the OPPRS' custodian bank and its investment managers.

Risk vs. Return Analysis (10-Year Annualized)

June 30, 2015



Statistics - 10 Years

Periods Ending June 30, 2015

	Oklahoma Police Pension	Total Fund Policy
Return	6.73%	6.14%
Standard Deviation	9.03%	11.12%
Sharpe Ratio	0.59	0.42
Beta	0.79	1.00

The major asset category returns are also summarized as follows:

Total Portfolio Rates of Return Summary & Universe Rankings
Periods Ending June 30, 2015

	10 Years	(Rank)
Total Fund (net)	**6.44%**	**53**
Policy Index[1]	6.14%	
Median Total Fund (55-70% Equity)	6.77%	
Total Equity Composite	**7.17%**	
MSCI ACWI	6.96%	
Global Bonds Composite	**5.74%**	
Barclays Capital Universal	4.68%	
Barclays Capital Aggregate	4.44%	
Real Assets Composite	**6.28%**	
NFI ODCE Net	5.86%	

[1]The Total Fund Policy Index history

10-31-90	The index consists of 55.0% Russell 3000, 35.0% Barclays US aggregate, 10.0% MSCI EAFE
06-30-07	The index consists of 55.0% Russell 3000, 35.0% Barclays Universal, 10.0% MSCI EAFE
11-30-07	The index consists of 55.0% Russell 3000, 10.0% MSCI EAFE, 30% Barclays Universal, 5.0% NFI ODCE Net
08-31-12	The index consists of 65.0% MSCI ACWI, 30.0% Barclays Universal, 5.0% NFI ODCE Net
08-31-14	The index consists of 60.0% MSCI ACWI, 30.0% Barclays Universal, 5.0% NFI ODCE Net, 5.0% Bloomberg Commodity

As always, I am available to you, your staff and your Board to discuss this information in further detail.

Sincerely,

George A. Tarlas, CFA
Senior Managing Director

Schedule of Largest Assets Held
For the Fiscal Year Ended June 30, 2015

The Plan's ten largest stock, fixed income and partnership holdings at June 30, 2015.

Largest Stock Holdings (by Fair Value)

Security	Shares Held	Fair Value
ATRICURE INC	69,553	$ 1,713,786
GRAPHIC PACKAGING HOLDING CO	118,253	1,647,264
MAIDEN HOLDINGS LTD	90,170	1,422,883
WORLD FUEL SERVICES CORP	27,540	1,320,543
CHEMED CORP	9,893	1,296,972
DREW INDUSTRIES INC	21,000	1,218,420
ARROW ELECTRONICS INC	21,415	1,194,957
VALIDUS HOLDINGS LTD	26,769	1,177,568
IMPERVA INC	17,276	1,169,585
MEN'S WEARHOUSE INC/THE	17,615	1,128,593

Largest Fixed Income Holdings (by Fair Value)

Security	Par Value	Fair Value
GNMA II POOL #0MA0783	7,895,550	$ 8,218,794
US TREASURY BOND	6,995,000	8,755,222
FHLMC POOL # G0-8627	3,998,409	4,118,001
FHLMC POOL # C0-4444	3,768,352	3,758,027
FNMA POOL #0AB2092	3,159,281	3,370,226
FEDERAL NATL MTG ASSN	2,530,000	2,549,203
FNMA POOL #0AH2366	2,410,567	2,548,902
US TREASURY NOTE	2,525,000	2,512,173
FHLMC POOL # E0-9015	2,369,884	2,421,002
BEAR STEARNS COS LLC/THE	1,905,000	2,096,624

Largest Limited Partnership Holdings (by Fair Value)

Limited Partnership	Fair Value
FIRSTMARK CAPITAL I LP	$ 27,113,047
SUN CAPITAL PARTNERS V	11,570,083
WARBURG PINCUS PV EQ X	11,474,411
KNIGHTSBRIDGE VENTURE CAPITAL	11,111,962
ARSENAL CAPITAL PARTNERS II LP	10,169,913
WEATHERGAGE VENTURE CAP II LP	8,795,907
WEATHERGAGE VENTURE CAPITAL LP	8,531,562
LEXINGTON CAP PTRS VI-B LP	7,767,502
SIGULER GUFF III-DISTRESSED	7,480,101
OAKTREE OPPORTUNITIES FUND IX	7,085,095

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, 2015

Investment Managers by Investment Type	Investment Class	Market Value (000s)		% of Asset Class (boxed)	% of Total Portfolio
International Equity					
Baring Focused	Equity	$ 98,297		7.1%	4.4%
Mondrian International Equity Fund, LP	Equity	122,074		8.8%	5.4%
Vontobel Emerging Markets	Equity	68,723		5.0%	3.0%
Wasatch Small Cap	Equity	33,711		2.4%	1.5%
Domestic Equity					
Small/Mid Cap					
Boston Partners - Value	Equity	92,762		6.7%	4.1%
Cortina - Growth	Equity	69,522		5.0%	3.1%
Large Cap					
Northern Trust Index Russell 1000	Equity	394,295		28.5%	17.5%
Long/Short Equity					
Grosvenor A	Equity	184,928		13.3%	8.2%
Grosvenor B	Equity	122,694		8.9%	5.4%
Private Equity					
Various Managers *	Equity	198,807	(*)	14.3%	8.8%
Global Fixed Income					
Agincourt- Core	Fixed Income	150,758		26.4%	6.7%
Oaktree Capital Management	Fixed Income	138,877		24.3%	6.2%
Loomis Sayles	Fixed Income	87,357		15.3%	3.9%
Overseas Cap	Fixed Income	592		0.1%	0.0%
Low Volatility Strategies					
PAAMCO - Newport Mesa	Fixed Income	194,001		33.9%	8.6%
Real Assets					
MLM Macro - Peak Partners L.P.	Commodities	30,727		11.7%	1.4%
The TAP Fund/Gresham	Commodities	59,281		22.7%	2.6%
JP Morgan Core	Core	89,383		34.2%	4.0%
Blackstone	Core	21,451		8.2%	1.0%
Cerberus Fund III	Opportunistic	21,672		8.3%	1.0%
Columbus Square (Core)	Opportunistic	3,900		1.5%	0.2%
Siguler Guff - Opportunistic	Opportunistic	9,545		3.6%	0.4%
Siguler Guff II- Opportunistic	Opportunistic	3,569		1.4%	0.2%
Hall Capital III	Opportunistic	521		0.2%	0.0%
TA Associates Realty X - Opportunistic	Opportunistic	21,634		8.3%	1.0%
Cash and Cash Equivalents					
OK Invest	Cash & Cash Eq.	22,462		60.9%	1.0%
Cash at BNY Mellon	Cash & Cash Eq.	14,400		39.1%	0.6%
Total Investments and Cash and Cash Equivalents		$ 2,255,943			100.0%

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

Private Equity by Strategy and Manager
For the Period Ended June 30, 2015

Investment Focus and Manager	Market Value
Private Equity Investment Focus - Buyout	
Apollo Investment Fund VIII	$ 1,551,099
Arsenal Capital Partners Fund I L.P.	257,814
Arsenal Capital Partners Fund II, L.P.	10,169,913
Arsenal Capital Partners Fund III, L.P.	5,541,795
Calera Capital Fund III	4,055,830
Calera Capital Fund IV	4,162,585
Francisco Partners Fund IV	1,540,000
Hick, Muse Sector Performance	6,391
Levine Leichtman Capital Partners III, L.P.	4,561,512
Levine Leichtman Capital Partners IV, L.P.	4,778,018
Marathon Fund V, L.P.	2,000,572
Sun Capital Fund V	11,570,083
Thompson Street Capital Partners II GP, LP	4,613,120
Thompson Street Capital Partners III GP, LP	5,567,225
Subtotal - Buyout	60,375,957
Private Equity Investment Focus - Distressed	
Oaktree Opportunity Fund III	85,337
Oaktree Opportunity Fund IV	37,858
Oaktree Opportunity Fund V	235,882
Oaktree Opportunity Fund VI	300,206
Oaktree Opportunity Fund VII	1,342,111
Oaktree Opportunity Fund VIIB	896,185
Oaktree Opportunity Fund VIII	4,208,407
Oaktree Opportunity Fund IX	7,085,095
Oaktree European Dislocation	2,071,508
Siguler Guff Distressed Opportunity Fund, L.L.C.	1,451,623
Siguler Guff Distressed Opportunity Fund II, L.L.C.	2,897,350
Siguler Guff Distressed Opportunity Fund III, L.L.C.	7,480,101
Subtotal - Distressed	28,091,663
Private Equity Investment Focus - Fund of Funds	
Lexington Cap VI-B	7,767,502
Subtotal - Fund of Funds	7,767,502
Private Equity Investment Focus - Mezzanine	
Newstone Capital Partners II, LP	994,467
Newstone Capital Partners, LP	2,754,518
TCW/Crescent Mezzanine III, L.P.	727,748
TCW/Crescent Mezzanine IV, L.P.	1,088,648
TCW/Crescent Mezzanine V, L.P.	3,088,014
Subtotal - Mezzanine	8,653,395
Private Equity Investment Focus - Venture Capital	
Accel Europe, L.P.	5,408,018
FirstMark Cap Opportunity Fund I	1,070,874
FirstMarkVenture Fund I	27,113,047
FirstMarkVenture Fund II	4,466,579
FirstMarkVenture Fund II (Liquidating) Trust)	46,207
FirstMarkVenture Fund III	1,083,115
Midtown III	641,425
KnightsBridge	11,111,962
Lightspeed Venture Partner Fund VI, L.P.	654,816
Venture Lending & Leasing III, LLC	370,755
Warburg Pincus X	11,474,411
Warburg Pincus XI	5,737,993
Weathergage Capital	8,531,562
Weathergage Capital II	8,795,907
Weiss, Peck & Greer Fund V, L.L.C.	37,740
Subtotal - Venture Capital	86,544,410
Private Equity Investment Focus - Emerging Markets	
Actis 4 Global	3,988,000
Subtotal - Emerging Markets	3,988,000
Private Equity Investment Focus - Other	
EnCap Energy Fund IX	3,143,853
EnCap Energy Fund X	242,698
Subtotal - Other	3,386,551
Total Private Equity Investments	$ 198,807,478

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 OPPRS) 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, 2015

Investment Managers by Investment Type	Investment Performance* One Quarter	One Year	Three Years	Five Years
International Equity				
Baring Focused	**3.70%**	**1.52%**	**8.65%**	**N/A**
Mondrian	**-0.05%**	**-5.44%**	**11.89%**	**10.15%**
MSCI EAFE	*0.84%*	*-3.82%*	*12.45%*	*10.03%*
Vontobel Emerging Markets	**-0.92%**	**-2.51%**	**4.44%**	**N/A**
MSCI Emerging markets	*0.82%*	*-4.77%*	*4.08%*	*4.03%*
Wasatch Emerging Markets - Small Cap	**2.99%**	**3.16%**	**N/A**	**N/A**
MSCI Emerging Markets Small Cap	*4.56%*	*0.64%*	*8.30%*	*5.34%*
Domestic Equity Managers				
Small/Mid Capitalization Equity				
Boston Partners - Value	**0.18%**	**4.49%**	**19.18%**	**17.41%**
Russell 2500 Value	*-1.27%*	*0.99%*	*16.99%*	*16.24%*
Cortina- Growth	**3.43%**	**0.60%**	**N/A**	**N/A**
Russell 2000 Growth	*1.98%*	*12.34%*	*20.11%*	*19.33%*
Large Capitalization Equity				
Northern Trust Russell 1000 Index Fund	**0.11%**	**7.37%**	**17.70%**	**17.58%**
Russell 1000	*0.11%*	*7.37%*	*17.73%*	*17.58%*
Long/Short Equity				
Grosvenor	**0.55%**	**8.81%**	**11.13%**	**8.35%**
MSCI ACWI	*0.52%*	*1.23%*	*13.61%*	*12.52%*
HFRI FOF Strategic	*0.84%*	*4.21%*	*7.23%*	*4.65%*
Private Equity	**9.94%**	**15.26%**	**13.01%**	**13.29%**
Global Fixed Income Managers				
Agincourt- Core	**-1.64%**	**1.98%**	**2.46%**	**3.98%**
Oaktree Capital Management	**-0.09%**	**0.53%**	**7.39%**	**8.22%**
Barclays US Aggregate	*-1.68%*	*1.86%*	*1.83%*	*3.35%*
Loomis Sayles	**-1.76%**	**-8.94%**	**-1.07%**	**2.77%**
Citigroup World Gov't Bond	*-1.55%*	*-9.02%*	*-2.45%*	*1.05%*
Low Volatility Strategies Managers				
PAAMCO - Newport Mesa	**0.67%**	**0.87%**	**8.73%**	**6.08%**
HFRI FOF Conservative	*0.28%*	*2.70%*	*5.51%*	*3.65%*
Real Assets				
MLM Macro - Peak Partners L.P. (Commodities)	**-7.75%**	**24.71%**	**12.88%**	**2.10%**
Gresham Tap Fund (Commodities)	**4.15%**	**N/A**	**N/A**	**N/A**
Bloomberg Commodity	*4.66%*	*-23.71%*	*-8.76%*	*-3.91%*
Private Real Estate (Opportunistic)	**2.75%**	**12.78%**	**9.76%**	**N/A**
Columbus Square (Opportunistic-Plan owned)	**3.02%**	**16.89%**	**17.18%**	**19.30%**
Blackstone Property Partners (Core RE)	**3.19%**	**N/A**	**N/A**	**N/A**
JP Morgan (Core RE)	**3.70%**	**13.37%**	**13.94%**	**14.52%**
NFI ODCE(net)	*3.16%*	*9.46%*	*11.60%*	*13.44%*
Cash and Cash Equivalents				
OK Invest	**0.44%**	**1.86%**	**2.05%**	**2.62%**
Cash at BNY Mellon	**-0.03%**	**-0.20%**	**0.35%**	**1.19%**
Total Portfolio	**1.28%**	**3.81%**	**10.56%**	**10.05%**
Total Portfolio Net of Fees	**1.17%**	**3.38%**	**10.12%**	**9.65%**
Policy Index (1)	*0.13%*	*0.65%*	*9.54%*	*10.92%*

Source: Asset Consulting Group, Report June 30, 2015. All returns based on investment industry standards for return calculations.

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

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

10/1990 - The policy index consisted of 55.0% Russell 3000, 35.0% Barclays US Aggregate, 10.0% MSCI EAFE

06/2007 - The policy index consisted of 55.0% Russell 3000, 35.0% Barclays Universal, 10.0% MSCI EAFE

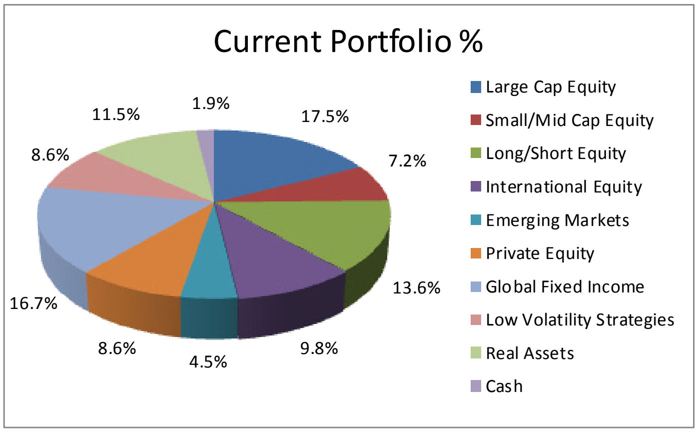
11/2007 - The policy index consisted of 55.0% Russell 3000, 30.0% Barclays Universal, 10.0% MSCI EAFE, 5.0% NFI ODCE Net

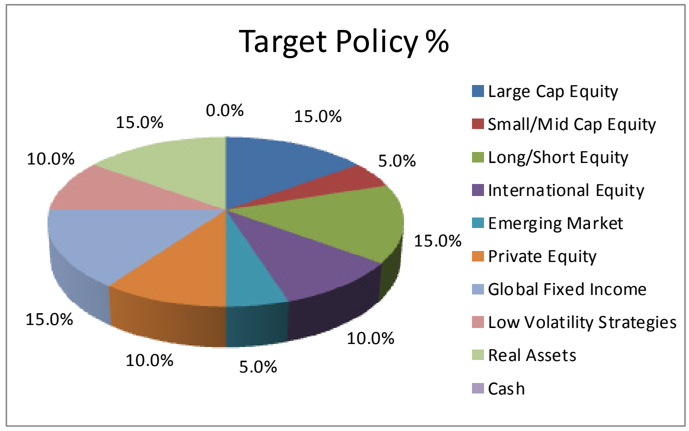
08/2012 - The policy index consisted of 65.0% MSCI ACWI, 30.0% Barclays Universal, 5.0% NFI ODCE Net

08/2014 - The policy Index consisted of 60.0% MSCI ACWI, 30.0% Barclays Universal, 5.0% NFI ODCE Net, 5.0% Bloomberg Commodity

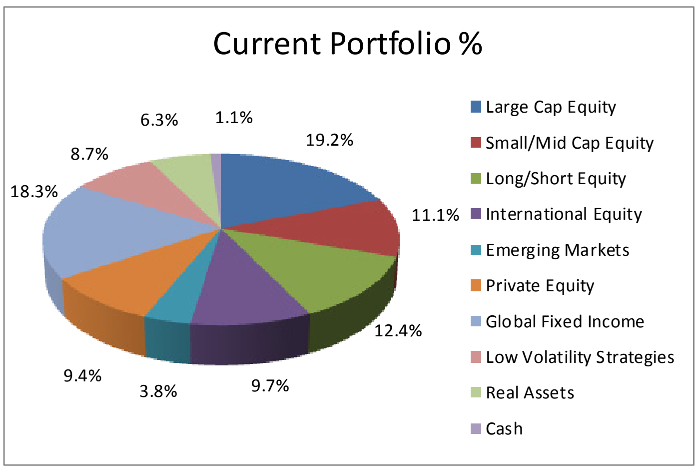
Current Portfolio versus Target Policy Allocation
For the Fiscal Years Ended June 30, 2015 and June 30, 2014

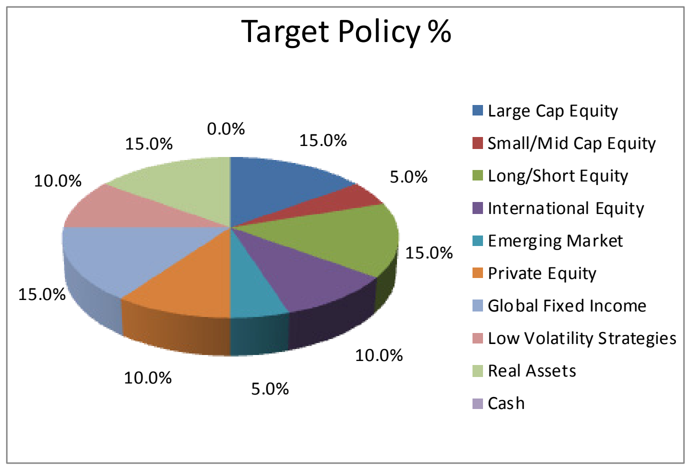
Period Ending June 30, 2015





Period Ending June 30, 2014





Schedule of Investment Fees
For the Fiscal Years Ended June 30, 2015 and 2014

Investment Managers Fees	2015	2014
Domestic Equity	$ 2,671,478	$ 2,556,078
Private Equity	2,110,289	2,473,622
International Equity	2,377,877	1,607,400
Real Estate	1,988,458	2,119,641
Fixed Income-Low Volatility	1,724,081	1,522,935
Fixed Income	1,297,044	1,278,518
Subtotal - Investment Managers Fees	12,169,227	11,558,194
Custodian fee	173,166	172,638
Investment Consultant fee	650,000	653,718
Total Investment Management Fees	$ 12,992,393	$ 12,384,550

Schedule of Broker Commissions
For the Fiscal Year Ended June 30, 2015

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
AQUA SECURITIES LP, NEW YORK	$ 724	$ 773,855	30,295	0.0239082
AVONDALE PARTNERS LLC, NASHVILLE	1,552	721,007	38,561	0.0402471
BAIRD, ROBERT W & CO INC, MILWAUKEE	10,949	4,370,999	242,171	0.0452113
BARCLAYS CAPITAL LE, JERSEY CITY	508	261,299	22,062	0.0230065
BB&T SECURITIES, LLC, RICHMOND	5,913	1,803,301	154,485	0.0382776
BENCHMARK COMPANY LLC, BROOKLYN	3,748	918,812	93,273	0.0401840
BENCHMARK COMPANY, LLC, NEW YORK	1,549	382,693	40,180	0.0385518
BERNSTEIN SANFORD C & CO, NEW YORK	4,081	6,094,863	241,755	0.0168819
BMO CAPITAL MARKETS CORP, NEW YORK	1,172	545,954	45,377	0.0258386
BNY CONVERGEX, NEW YORK	6,974	3,196,860	238,547	0.0292342
BTIG LLC, SAN FRANCISCO	1,903	707,644	53,336	0.0356858
BUCKINGHAM RESEARCH GRP INC, BROOKLYN	2,005	936,173	49,581	0.0404469
CANACCORD GENUITY INC.NEY YORK	6,891	2,455,067	169,301	0.0407047
CANTOR CLEARING SERVICE, NEW YORK	222	170,254	9,126	0.0242823
CANTOR FITZGERALD & CO INC, NEW YORK	3,443	1,543,015	103,971	0.0331102
CITIGROUP GBL MKTS INC, NEW YORK	479	149,993	13,313	0.0360167
CJS SECURITIES INC, JERSEY CITY	2,518	1,032,751	66,203	0.0380323
COMPASS POINT RESEARCH & TR, JERSEY CITY	104	46,509	2,074	0.0500000
COWEN AND COMPANY LLC, NEW YORK	2,192	907,413	57,715	0.0379730
CRAIG HALLUM, MINNEAPOLIS	5,866	1,793,894	176,273	0.0332781
CREDIT RESEARCH & TRADING LLC, JERSEY	289	194,776	7,230	0.0400000
CREDIT SUISSE, NEW YORK (CSUS)	14,067	20,938,718	823,927	0.0170727
CUTTONE & CO., INC., NEW YORK	2,015	1,116,636	201,527	0.0100000
CUTTONE & CO, JERSEY CITY	85	143,634	8,493	0.0100000
DAVIDSON(D A) & CO INC, NEW YORK	4,852	1,184,435	119,007	0.0407723
DEUTSCHE BK SECS INC, NY (NWSCUS33)	1,878	988,449	50,443	0.0372379
DOUGALL AND ASSOCIATES, NEW YORK	1,546	492,025	45,281	0.0341386
DOUGHERTY COMPANY, BROOKLYN	563	169,567	24,644	0.0228323
FBR CAPITAL MARKETS & CO, ARLINGTON	1,212	220,872	60,593	0.0200000
FIG PARTNERS LLC, ATLANTA	615	476,564	16,936	0.0363126
GOLDMAN SACHS & CO, NY	3,685	7,695,679	254,982	0.0144517
GUGGENHEIM CAPITAL MKT LLC, JERSEY CITY	1,685	497,166	39,263	0.0429157
ICBC FINCL SVCS, NEW YORK	651	245,375	19,783	0.0329091
INSTINET CORP, NY	380	65,088	7,604	0.0500000
INVESTMENT TECHNOLOGY GROUP, NEW YORK	285	1,032,429	40,669	0.0070009
ISI GROUP INC, NY	2,096	1,722,931	96,480	0.0217219
J P MORGAN SECURITIES INC, BROOKLYN	12,239	25,314,366	958,529	0.0127686
JANNEY MONTGOMERY SCOTT, PHILADELPHIA	535	391,272	12,049	0.0444153
JEFFERIES & CO INC, NEW YORK	23,792	11,936,252	794,460	0.0299479

Continued on the following page

Schedule of Broker Commissions (continued from previous page)
For the Fiscal Year Ended June 30, 2015

Schedule of Broker Commissions				
Broker Name\Location	Base Commission	Base amount Traded	Units Traded	Commission per Share
JMP SECURITIES, SAN FRANCISCO	$ 2,040	$ 469,576	45,773	0.0445678
JOHNSON RICE & CO, NEW ORLEANS	1,272	372,779	39,418	0.0322713
JONESTRADING INSTL SVCS LLC, WESTLAKE	3,962	1,321,188	109,268	0.0362622
KEEFE BRUYETTE AND WOODS, JERSEY CITY	1,798	425,962	42,172	0.0426354
KEYBANC CAPITAL MARKETS INC, JERSEY CITY	1,845	1,085,173	43,748	0.0421823
KING (CL) & ASSOCIATES, ALBANY	577	136,838	27,530	0.0209608
KNIGHT EQUITY MARKETS L.P.,JERSEY CITY	2,562	462,346	79,661	0.0321673
LEERINK SWANN & CO, JERSEY CITY	1,337	360,493	55,669	0.0240173
LIQUIDNET INC, BROOKLYN	7,690	4,949,294	286,612	0.0268308
MACQUARIE SECURITIES(USA)INC JERSEY CITY	153	120,134	7,642	0.0200000
MELLON FINANCIAL MRKTS LLC, JERSEY CITY	87	175,926	4,350	0.0200000
MERRILL LYNCH PIERCE FENNER SMITH INC NY	2,045	824,556	45,923	0.0445298
MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	274	27,581	9,125	0.0300000
MONNESS CRESPI HARDT & CO INC, JERSEY	244	76,056	4,884	0.0500000
MORGAN STANLEY & CO INC, NY	1,129	527,919	30,160	0.0374218
NATIONAL FINL SVCS CORP, NEW YORK	475	206,546	10,510	0.0452217
NEEDHAM & CO, NEW YORK	6,252	1,724,346	130,724	0.0478234
NORTHLAND SECS INC, JERSEY CITY	2,679	951,349	60,536	0.0442553
OPPENHEIMER & CO INC, NEW YORK	5,718	2,800,631	160,119	0.0357112
PACIFIC CREST SECURITIES, PORTLAND	3,782	1,102,873	100,420	0.0376596
PICKERING ENERGY PARTNERS, HOUSTON	1,058	259,073	22,595	0.0468099
PIPER JAFFRAY & CO, MINNEAPOLIS	12,855	4,220,734	273,234	0.0470480
RAYMOND JAMES & ASSOC INC, ST PETERSBURG	35,161	18,272,547	1,169,478	0.0300659
RBC CAPITAL MARKETS LLC, NEW YORK	7,434	7,095,298	320,571	0.0231886
SANDLER O'NEILL & PARTNERS, NEW YORK	1,833	442,655	36,651	0.0500000
SEAPORT GROUP SECS LLC, NEW YORK	2,464	624,573	80,361	0.0306570
SIDOTI & CO LLC, NEW YORK	1,394	397,748	27,884	0.0500000
SIMMONS & CO INTL, HOUSTON	311	79,456	6,867	0.0452294
SJ LEVINSON & SONS LLC, JERSEY CITY	7,414	16,693,203	690,296	0.0107407
STATE STREET BROKERAGE SVCS, BOSTON	2,757	1,060,725	92,375	0.0298439
STEPHENS INC, LITTLE ROCK	12,120	3,075,151	464,722	0.0260795
STERNE AGEE & LEACH INC	1,990	293,962	69,714	0.0285432
STIFEL NICOLAUS	6,413	2,232,742	151,653	0.0422848
SUNTRUST CAPITAL MARKETS INC, ATLANTA	2,952	1,223,000	68,040	0.0433865
TELSEY ADVISORY GROUP LLC, DALLAS	602	228,074	13,336	0.0451665
TOPEKA CAPITAL MARKETS INC., NEW YORK	434	81,889	12,336	0.0352059
UBS SECURITIES LLC, STAMFORD	930	626,737	27,777	0.0334910
WEDBUSH MORGAN SECS INC, LOS ANGELES	3,183	1,846,854	109,698	0.0290127
WEEDEN & CO, NEW YORK	490	544,229	24,507	0.0200000
WELLS FARGO SECURITIES LLC, CHARLOTTE	3,783	2,049,043	89,163	0.0424325
WILLIAM BLAIR & CO, CHICAGO	7,703	3,102,231	187,010	0.0411917
WUNDERLICH SECURITIES INC, MEMPHIS	1,491	459,141	43,686	0.0341260
TOTALS	$295,956	$186,669,224	10,705,697	0.0276448

Actuarial Section

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Actuarial Section

October 14, 2015

David Kent,
FSA, EA, MAAA
Director, Retirement Wealth Practice

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Board of Trustees
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ACTUARIAL CERTIFICATION

Buck Consultants (Buck) performed an actuarial valuation of the Oklahoma Police Pension and Retirement System (OPPRS).

This letter with attachments represents Buck's certification of the funding status as required for the financial report for the fiscal year ended June 30, 2015. This report has been developed to summarize the results presented in the comprehensive Actuarial Valuation Report of the OPPRS as of July 1, 2015 and assist in the crafting of the Comprehensive Annual Financial Report.

Buck prepared the supporting schedules in the Actuarial Section. Buck prepared the Schedules of Funding Progress and the Schedules of Employer Contributions of the Required Supplementary Information and the Notes to the Required Supplementary Information presented in the Financial Section. Buck also prepared the Schedule of Average Benefit Payments in the Statistical Section.

Buck relied upon the member data provided by the staff of OPPRS and assets provided by the independent auditor. The retiree and beneficiary data exhibit following this certification provides a summary of the data. While we did not verify the data at their source, we did perform tests for internal consistency and reasonableness. The accuracy of the results of our work is dependent on the accuracy of the information provided to us.

The actuarial assumptions used for these valuations are outlined in the "Summary of Actuarial Methods and Assumptions" in the valuation report. The assumptions used to develop plan liabilities are based on an experience study that reviewed data from July 1, 2007 to June 30, 2012. The OPPRS Board of Trustees adopted these assumptions on February 20, 2013. In our opinion, these assumptions generate reasonable valuation results, and the assumptions individually and in the aggregate relate reasonably to the past and anticipated experience of the OPPRS. The actuarial assumptions and methods used to develop the Schedules of Funding Progress and the Schedules of Employer Contributions, noted above, meet the parameters set for the disclosures presented in the Financial Section by Government Accounting Standards Board (GASB) Statement No. 67 and are suitable for use in funding the system. The economic assumptions with respect to investment yield, salary increase and inflation have been based upon a review of the existing portfolio structure as well as recent and anticipated experience.

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Most members contribute 8.00% of payroll and participating municipalities contribute 13.00% of payroll. Additionally, OPPRS receives a portion of the insurance premium taxes collected by the State. The contribution from the State for the fiscal year ending June 30, 2015 was $35,490,000. The actuarial valuation for funding purposes was completed using the entry age actuarial cost method, under which the normal cost is expected to remain level as a percent of payroll. To the extent that an unfunded accrued liability exists, it is amortized as a level dollar amount.

Actuarial valuations are completed annually, with the most recent valuation conducted as of June 30, 2015. There were no changes in the actuarial assumptions or actuarial procedures from the prior valuation.

The June 30, 2015 actuarial valuation showed that there was an unfunded accrued liability for funding purposes of $39.8 million. The funded ratio, the ratio of the actuarial value of assets to the accrued liability, was 98.2% as of June 30, 2015. The valuation shows that for the fiscal year beginning July 1, 2015 the total normal cost for funding purposes is $56.6 million, the expected administrative expenses are $2.0 million, and expected contributions are $98.3 million. The total expected contribution exceeds the normal cost and expected administrative expenses by $39.7 million, which is sufficient to fully fund the accrued liability by June 30, 2017.

The funding objective established by OPPRS is to fund the sum of the normal cost and the amount necessary to amortize any unfunded accrued liability no later than June 30, 2020 (or five years from the valuation date). The total contribution needed to fund the normal cost and expected administrative expenses as well as amortize the net liability balance by June 30, 2020 (or five years from the valuation date) is $68.1 million. The current level of contributions to OPPRS is sufficient to meet this funding objective.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this letter.

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We are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. We are experienced in performing actuarial valuations of public employee retirement systems. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and we are available to answer questions about it.

Respectfully Submitted,

David Kent, FSA, EA, MAAA
Director, Consulting Actuary

Janie Shaw, ASA, MAAA
Consultant

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Oklahoma Police Pension & Retirement System
Actuarial Section

The Oklahoma Police Pension and Retirement System is funded on a statutory basis, with contribution rates for employee, employer and 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, 2015

	Actuarial Valuation as of		
	July 1, 2015	July 1, 2014	% Change
Summary of Costs			
Required State Contributions for Current Year	$ 6,391,031	$ 26,428,620	(75.82) %
Actual State Contributions Received in Prior Year (1)	35,490,000	31,329,000	13.28
Funded Status			
Actuarial Accrued Liability	$ 2,269,073,426	$ 2,204,797,154	2.92 %
Actuarial Value of Assets	2,229,272,000	2,086,297,000	6.85
Unfunded Actuarial Accrued Liability	39,801,426	118,500,154	(66.41)
Funded Ratio	98.2%	94.6%	3.85
Market Value of Assets and Additional Liabilities			
Market Value of Assets	$ 2,264,996,000	$ 2,238,466,000	1.19 %
Actuarial Present Value of Accumulated System Benefits (ASC 960)	2,095,684,066	2,036,159,918	2.92
Present Value of Projected System Benefits	2,810,402,462	2,743,241,413	2.45
Summary of Data			
Number of Members in Valuation			
Active Paid Members	4,570	4,557	0.29 %
Deferred Option Plan Members	22	30	(26.67)
Terminated Members with Refunds Due	668	763	(12.45)
Terminated Members with Deferred Benefits	125	132	(5.30)
Retired Members	2,602	2,480	4.92
Beneficiaries	707	699	1.14
Disabled Members	139	141	(1.42)
Total	8,833	8,802	0.35
Active Member Statistics			
Total Annual Compensation	$ 293,483,501	$ 287,105,267	2.22 %
Average Compensation	$ 64,220	$ 63,003	1.93
Average Age	39.9	39.9	-
Average Service	12.1	12.1	-

Schedule of Active Member Valuation Data

Fiscal Year Ended June 30,	Number of Members	Annual Payroll	Average Annual Payroll	Percentage Change in Average Payroll
2006	4,141	$ 204,189,807	$ 49,309	4.86%
2007	4,247	220,884,875	52,010	5.48%
2008	4,453	239,804,959	53,852	3.54%
2009	4,497	253,955,863	56,472	4.87%
2010	4,305	249,582,676	57,975	2.66%
2011	4,368	253,989,944	58,148	0.30%
2012	4,441	263,529,629	59,340	2.05%
2013	4,467	276,920,177	61,992	4.47%
2014	4,557	287,105,267	63,003	1.63%
2015	4,570	293,483,501	64,220	1.93%

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

	Added to Rolls		Removed from Rolls		Rolls at Year End			
Fiscal Year Ended June 30,	Number of Additions	Annual Benefits	Number of Removals	Annual Benefits	Year End Roll Count	Annual Benefits	Percentage Increase	Average Annual Benefits
2007	168	$ 5,568,818	66	$ 1,639,140	2,650	$ 72,584,233	5.7%	$ 27,390
2008	138	6,784,790	69	1,740,133	2,719	77,628,890	7.0%	28,551
2009	125	4,465,126	59	1,644,802	2,785	80,449,214	3.6%	28,887
2010	259*	8,245,373	51	1,619,770	2,993	87,074,817	8.2%	29,093
2011	127	2,261,138	60	1,652,074	3,060	87,683,881	0.7%	28,655
2012	139	4,587,513	51	1,073,612	3,148	91,197,782	4.0%	28,970
2013	151	4,773,719	60	694,596	3,239	95,276,905	4.5%	29,416
2014	123	3,873,758	42	1,303,391	3,320	97,847,272	2.7%	29,472
2015	175	6,613,773	47	947,483	3,448	103,513,562	5.8%	30,021

** - Total headcount increased by 97 as a result of QDRO's (Qualified Domestic Relation Orders) being reported as a separate record.*
Information to present a 10-year history is not readily available.

Solvency Test

	Aggregate Accrued Liabilities For				Portion of Accrued Liabilities Covered by Assets		
Valuation Year	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active and Terminated Vested Members (Employer Financed)	Valuation Assets	(1)	(2)	(3)
2007	$ 144,439,759	$ 971,452,387	$ 919,761,325	$ 1,627,476,000	100%	100%	55.6%
2008	155,138,890	998,667,256	978,369,552	1,752,169,000	100%	100%	61.2%
2009	166,887,749	1,045,725,635	1,040,520,391	1,717,566,000	100%	100%	48.5%
2010	174,025,925	1,111,074,787	1,056,518,440	1,754,372,000	100%	100%	44.4%
2011	184,781,373	944,081,922	831,112,711	1,822,702,000	100%	100%	83.5%
2012	189,459,953	983,507,261	861,517,957	1,834,170,000	100%	100%	76.7%
2013	199,233,453	1,037,456,527	894,482,192	1,902,581,000	100%	100%	74.4%
2014	209,576,572	1,057,853,545	937,367,037	2,086,297,000	100%	100%	87.4%
2015	214,685,883	1,112,855,884	941,531,659	2,229,272,000	100%	100%	95.8%

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

Analysis of Financial Experience
As of July 1, 2015

1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability at July 1, 2014	$ 2,204,797,154
b. Normal Cost for Plan Year Ended June 30, 2015	54,592,585
c. Benefit Payments for Plan Year Ending June 30, 2015	141,693,000
d. Interest on (a + b - c) to End of Year	164,140,743
e. Expected Actuarial Accrued Liability Before Changes (a + b - c + d)	2,281,837,482
f. Change in Actuarial Accrued Liabilty at July 1, 2015 due to changes in Actuarial Assumptions	-
g. Change in Actuarial Accrued Liability at July 1, 2015 due to changes in System Provisions	-
h. Expected Actuarial Accrued Liability at July 1, 2015 (e + f + g)	2,281,837,482
2. Actuarial Accrued Liability at July 1, 2015	**2,269,073,426**
3. Actuarial Liability Gain/(Loss) (1h. - 2)	**12,764,056**
4. Expected Actuarial Value of Assets	
a. Actuarial Value of Assets at July 1, 2014	2,086,297,000
b. Contributions Made for Plan Year Ending June 30, 2015	95,618,000
c. Benefit Payments and Expenses for Plan Year Ending June 30, 2015	143,642,000
d. Interest on (a + b - c) to End of Year	154,671,000
e. Expected Actuarial Value of Assets at July 1, 2015 (a + b - c + d)	2,192,944,000
5. Actuarial Value of Assets at July 1, 2015	2,229,272,000
6. Actuarial Asset Gain/(Loss) (5 - 4e.)	**36,328,000**
7. Actuarial Gain/(Loss) (3 + 6)	**49,092,056**

The actuarial gain/(loss) is comprised of both the liability gain/(loss) and the actuarial asset gain/(loss). Each of these represents the difference between the expected and actual values as of July 1, 2015.

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)
7/1/2006	1,490,208,000	1,910,059,072	419,851,072	78.0%	204,189,807	205.6%
7/1/2007	1,627,476,000	2,035,653,471	408,177,471	79.9%	220,884,875	184.8%
7/1/2008	1,752,169,000	2,132,175,698	380,006,698	82.2%	239,804,959	158.5%
7/1/2009	1,717,566,000	2,253,133,775	535,567,775	76.2%	253,955,863	210.9%
7/1/2010	1,754,372,000	2,341,619,152	587,247,152	74.9%	249,582,676	235.3%
7/1/2011	1,822,702,000	1,959,976,006	137,274,006	93.0%	257,504,567	53.3%
7/1/2012	1,834,170,000	2,034,485,171	200,315,171	90.2%	266,038,359	75.3%
7/1/2013	1,902,581,000	2,131,172,172	228,591,172	89.3%	279,013,522	81.9%
7/1/2014	2,086,297,000	2,204,797,154	118,500,154	94.6%	289,502,327	40.9%
7/1/2015	2,229,272,000	2,269,073,426	39,801,426	98.2%	295,307,065	13.5%

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

A. Entry Age Actuarial Cost Method

The actuarial cost method is selected by the Board with the recommendation of the actuary. Liabilities and contributions shown in this report are computed using the Individual Entry Age method of funding. The System has used this cost method since at least 1990.

Sometimes called "funding method", this is a particular technique used by actuaries for establishing the amount and incidence of the annual actuarial cost of pension plan 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 if it then 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 accrued liabilities attributable to deviations in experience from the actuarial assumptions, adjust the unfunded actuarial accrued liability.

B. Asset Valuation Method

The asset valuation method is selected by the Board with the recommendation of the actuary. The actuarial value of assets is based on a five-year moving average of expected and market values determined as follows:

- at the beginning of each plan 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 plan 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 plan year;

- the difference between the expected actuarial asset value and the market value is the investment gain or loss for the previous plan year;

- the (final) actuarial asset value is the preliminary value plus 20% of the investment gains and losses for each of the five previous plan years, but in no case more than 120% of the market value or less than 80% of the market value.

• Deferred Option Plan assets are included in the actuarial value. For all periods following July 1, 2007, the Deferred Option Plan assets are subject to the same smoothing method stated above. Prior to July 1, 2007, they were included at market value but were not subject to the smoothing described above.

Besides the changes to the smoothing of Deferred Option Plan assets, the System has used this method since at least 1998.

C. Valuation Procedures

No actuarial accrued liability is held for non-vested, inactive Members who have a break in service, or for non-vested Members who have quit or been terminated, even if a break in service had not occurred as of the valuation date. The actuarial accrued liability does include a liability for non-vested terminations that have not taken a refund of their accumulated contribution balance.

The wages used in the projection of benefits and liabilities are based upon the prior year's actual earnings increased by the salary scale.

In computing accrued benefits, average earnings were determined using actual pay history.

No benefits are projected to be greater than the compensation limitation and dollar limitation required by the Internal Revenue Code Section 401 and 415 for governmental plans.

The calculations for the required state contribution are determined as of mid-year. This is a reasonable assumption since the employer contributions, employee contributions and State insurance premium tax allocations are made on a monthly basis throughout the year, and mid-year represents an average weighting of the contributions.

The contribution requirements are based on total annual compensation rather than total covered compensation of employees under assumed retirement age. This is a better reflection of the overall expectations for the System.

The Entry Age Normal Funding Method has been adjusted for those members granted prior service. The prior service is treated as occurring immediately before the membership date. Level pay is assumed during this period before actual membership. Entry Age costs are determined as if the member entered the System on the date the prior service is assumed to have begun. This treatment reflects the extra cost of prior service immediately in the accrued liability and preserves the relationship of normal cost to a year of service accrual.

D. Actuarial Assumptions

The actuarial assumptions are selected by the Board with the recommendation of the actuary. The most recent experience study considered actual System experience for the period July 1, 2007 through June 30, 2012.

Economic Assumptions

1. Investment Return - 7.5%, net of investment expenses, per annum, compound annually. The System has used this assumption since at least 1984.

2. Earnings Progression - Sample rates below:

Years of Service	Inflation %	Merit %	Increase %
0	3.0	14.00	17.00
1	3.0	10.00	13.00
2	3.0	6.30	9.30
3	3.0	5.90	8.90
4	3.0	5.50	8.50
5	3.0	5.10	8.10
6	3.0	4.70	7.70
7	3.0	4.30	7.30
8	3.0	3.90	6.90
9	3.0	3.50	6.50
10	3.0	3.15	6.15
15	3.0	1.70	4.70
20	3.0	1.50	4.50

Demographic Assumptions

1. Retirement Rates - See table below:

Years of Service	Annual Rates of Retirement Per 100 Eligible Members
20	20
21	6
22	6
23	6
24	10
25	20
26	10
27	10
28	10
29	15
30	100

2. Mortality Rates

(a) Active employees (pre-retirement)	RP-2000 Blue Collar Healthy Combined (Fully generational using Scale AA) with age setback four years.
(b) Active employees (post-retirement and nondisabled pensioners)	RP-2000 Blue Collar Healthy Combined (Fully generational using Scale AA).
(c) Disabled pensioners	RP-2000 Blue Collar Healthy Combined with age set forward 4 years.

3. Disability Rates - Graduated rates. See table below:

Age Range	Annual Rate
20-24	.0002
25-29	.0002
30-34	.0004
35-39	.0006
40-44	.0008
45-49	.0010
50-54	.0012
55-59	.0014

4. Withdrawal Rates - Graduated rates by years of service. See table below:

Service Range	Annual Rate
0	.200
1	.130
2	.080
3	.060
4	.060
5-10	.040
11-15	.015
16-20	.010
Over 20	.000

5. Marital Status

(a) Percentage married - 85% of participants are assumed to be married.

(b) Age difference - Males are assumed to be three (3) years older than females.

Other Assumptions

1. Assumed Age of Commencement for Deferred Benefits - 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 25%-49% impairment.

4. Duty-Related Death - All active 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%.

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 7.75% (to reflect the interest rate guarantee prior to retirement) 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.

SUMMARY OF SYSTEM PROVISIONS

Effective Date and Plan Year - The System became effective January 1, 1981 and has been amended each year since then. The plan year is July 1 to June 30.

Administration - The System is administered by the Oklahoma Police Pension and Retirement Board consisting of thirteen Members. The Board shall be responsible for the policies and rules for the general administration of the System.

Type of Plan - A 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 accepted for membership.

Service Considered - Credited service consists of the period during which the Member participated in the System or predecessor municipal plan as an active employee, plus any service prior to the establishment of the municipal plan which was credited under the predecessor municipal systems or credited service granted by the State Board, plus any applicable military service.

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 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.

State Contributions - Insurance premium tax allocation. Historically, the System has received 14% of these collected taxes. For the fiscal years beginning July 1, 2004 and ending June 30, 2009, the System received 17% of these collected taxes. For the fiscal year beginning July 1, 2009 and each fiscal year thereafter, the System received 14% of these collected taxes. Beginning in fiscal year July 1, 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. 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.

Municipality Contributions - Contribution is thirteen (13%) percent as of July 1, 1996.

Member Contributions - Eight (8%) percent of base salary. These contributions shall be "picked up" after December 31, 1988 pursuant to Section 414(h)(2) of the Internal Revenue Code.

Normal Retirement Benefit

Eligibility - 20 years of credited service.

Benefit - 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.

Form of Benefit - The normal form of benefit is a Joint and 100% Survivor Annuity if the Member has been married 30 months prior to death.

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 shall 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.

Termination

Less Than 10 Years of Service - A refund of 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 or attained age 50 in an amount equal to 2 1/2% of the final average salary multiplied by the years of credited service. The Member may elect a refund of contributions instead of the retirement benefit.

Disability Benefit (Duty)

Total Disability - Upon determination of total disability incurred as a result of the performance of duty, the normal disability benefit is 50% 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.

% Impairment	% of Benefit
1% to 49%	50%
50% to 74%	75%
75% to 100%	100%

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 1/2% of final average salary times years of credited service (maximum of 30 years) times:

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

% Impairment	% of Benefit
1% to 24%	25%
25% to 49%	50%
50% to 74%	75%
75% to 99%	90%

Death Benefits Payable to Beneficiaries

Prior to Retirement (Duty) - The greater of:

1) 2 1/2% of final average salary times years of credited service (maximum of 30 years), or

2) 50% of final average salary.

Prior to Retirement (Non-Duty) - After 10 years of service, a benefit equal to 2 1/2% of 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 - 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.

Death Benefit - The beneficiary shall receive a death benefit amount of $5,000.

Beneficiary - Surviving spouses must be married to the member for 30 continuous months prior to the date of death (waived in the case of duty related death). If the beneficiary is a child, the benefits are payable to age 18, or 22 if a full-time student.

Deferred Option Plan

A Member who has 20 or more years of service and continues employment may elect to participate in the Deferred Option Plan (DOP). Participation in the DOP shall not exceed five years. The employees' contributions cease upon entering the Plan, but the employer contributions are divided equally between the System and the DOP. The monthly retirement benefits that the employee is eligible to receive are paid into the DOP account.

A member is also allowed to retroactively elect to join the DOP as of a back-drop-date which is no earlier than the member's normal retirement date or five years before his termination date. The monthly retirement benefits and employee contributions that would have been payable had the member elected to join the DOP are credited to the member's DOP account with interest.

The retirement benefits are not recalculated for service and salary past the election date to join the DOP. However, the benefits may be increased by any applicable cost-of-living increases.

When the Member actually retires from active service, the DOP account balance may be paid in a lump sum, to an annuity provider, or transferred to a Deferred Option Payout Account. Monthly retirement benefits are then paid directly to the retired Member.

The original Plan became effective during the July 1, 1990 to June 30, 1991 Plan Year with the back-drop and Payout Account provisions added subsequently. The DOP account of an active member is guaranteed a minimum of the valuation interest rate for investment return, or 2% less than the fund rate of return, if greater. If the balance is transferred to a Payout Account upon retirement, the account is credited with interest at a rate of 2% below the total fund net earnings if the fund returns more than 2%. If the fund realizes negative returns, the account is reduced at a rate equal to the fund net earnings. Alternatively, if the fund realizes a positive return of less than 2%, the account is credited with a rate of zero.

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Statistical Section

108 – Statistical Narrative
109 – Schedule of Changes in Net Position (& Graph)
110 – Schedule of Revenue by Source
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111 – Schedule of Benefits & Refunds by Type
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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

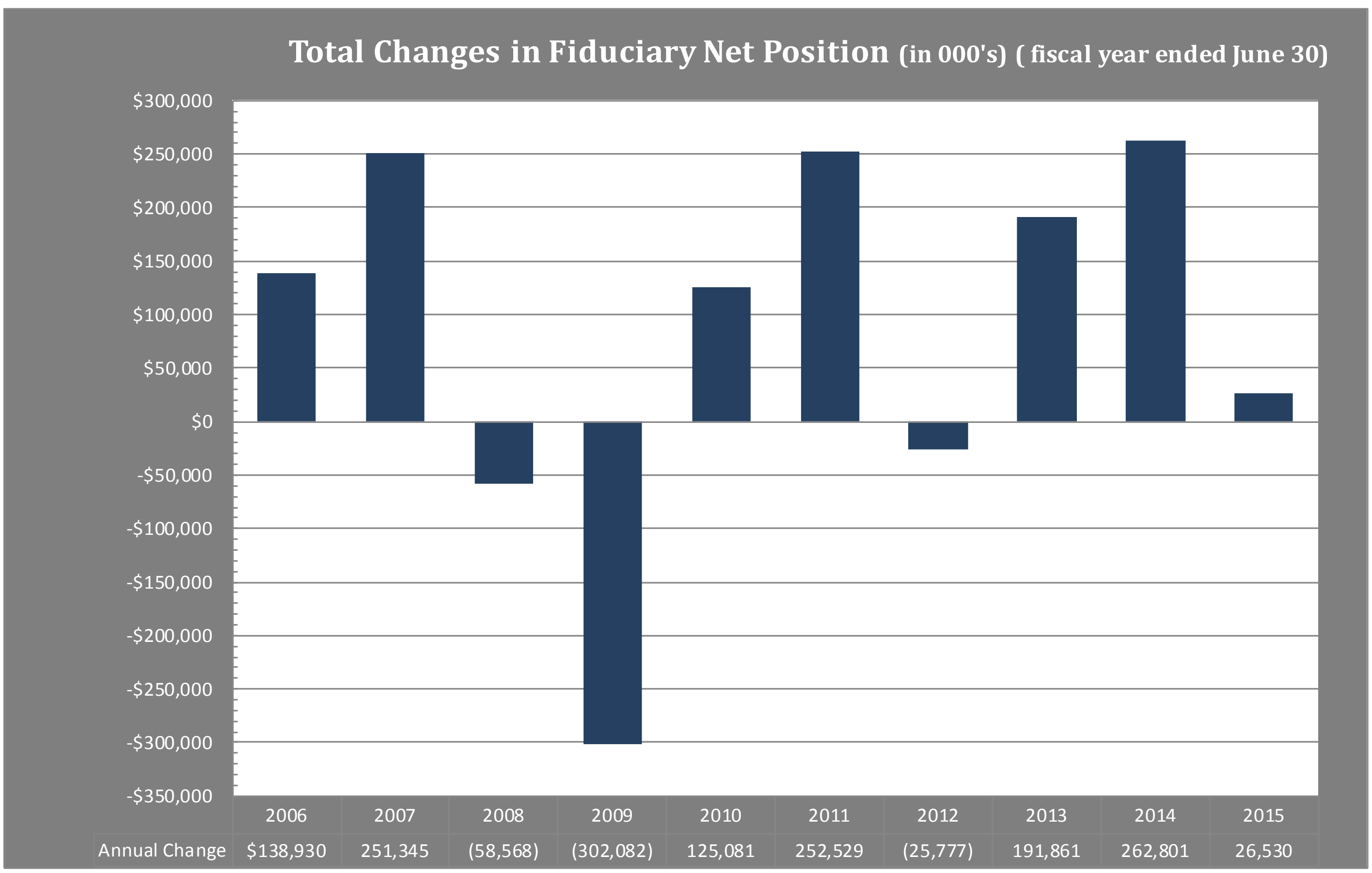
Unless otherwise noted, information is derived from OPPRS internal sources.
* - Based on schedules and data provided by actuarial consultant, Buck Consultants.
**- Based on data provided by investment consultant, Asset Consulting Group.

Schedule of Changes in Fiduciary Net Position (In Thousands)

Fiscal Year Ended June 30,	Additions: Member Contributions	Additions: Employer Contributions	Additions: Insurance Premium Tax	Additions: Net Investment Income (Loss)	Deductions: Benefit Payments *	Deductions: Deferred Option Payments**	Deductions: Refund of Contributions	Deductions: Administrative Expenses	Total Changes in Fiduciary Net Position
2006	$ 15,326	$ 26,490	$ 23,584	$ 154,591	$ 65,853	$ 11,550	$ 1,423	$ 2,235	$ 138,930
2007	16,718	28,258	28,122	267,160	71,480	13,609	1,374	2,450	251,345
2008	17,997	30,061	26,020	(43,387)	75,178	10,046	1,031	3,004	(58,568)
2009	19,139	31,675	26,913	(283,519)	80,238	12,726	1,150	2,176	(302,082)
2010	19,626	32,240	22,292	163,058	82,799	26,208	1,420	1,708	125,081
2011	19,489	31,846	24,645	282,305	86,843	15,084	2,117	1,712	252,529
2012	20,113	32,896	28,092	8,374	89,691	22,039	1,570	1,952	(25,777)
2013	21,518	34,645	31,412	221,174	93,987	19,018	1,830	2,053	191,861
2014	22,131	35,547	31,329	294,897	97,361	20,121	1,759	1,862	262,801
2015	22,867	37,261	35,490	74,554	100,889	38,769	2,035	1,949	26,530
								Total Cumulative Change in Net Positon for the Last 10 Years	$ 862,650

** - 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
2006	$ 15,326	$ 26,490	$ 23,584	$ 154,591	$ 219,991
2007	16,718	28,258	28,122	267,160	340,258
2008	17,997	30,061	26,020	(43,387)	30,691
2009	19,139	31,675	26,913	(283,519)	(205,792)
2010	19,626	32,240	22,292	163,058	237,216
2011	19,489	31,846	24,645	282,305	358,285
2012	20,113	32,896	28,092	8,374	89,475
2013	21,518	34,645	31,412	221,174	308,749
2014	22,131	35,547	31,329	294,897	383,904
2015	22,867	37,261	35,490	74,554	170,172

** - The Oklahoma Police Pension and Retirement System recieves a portion of the Insurance Premium Tax that is assessed and collected by the State of Oklahoma.*

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

Schedule of Expenses by Type (in Thousands)

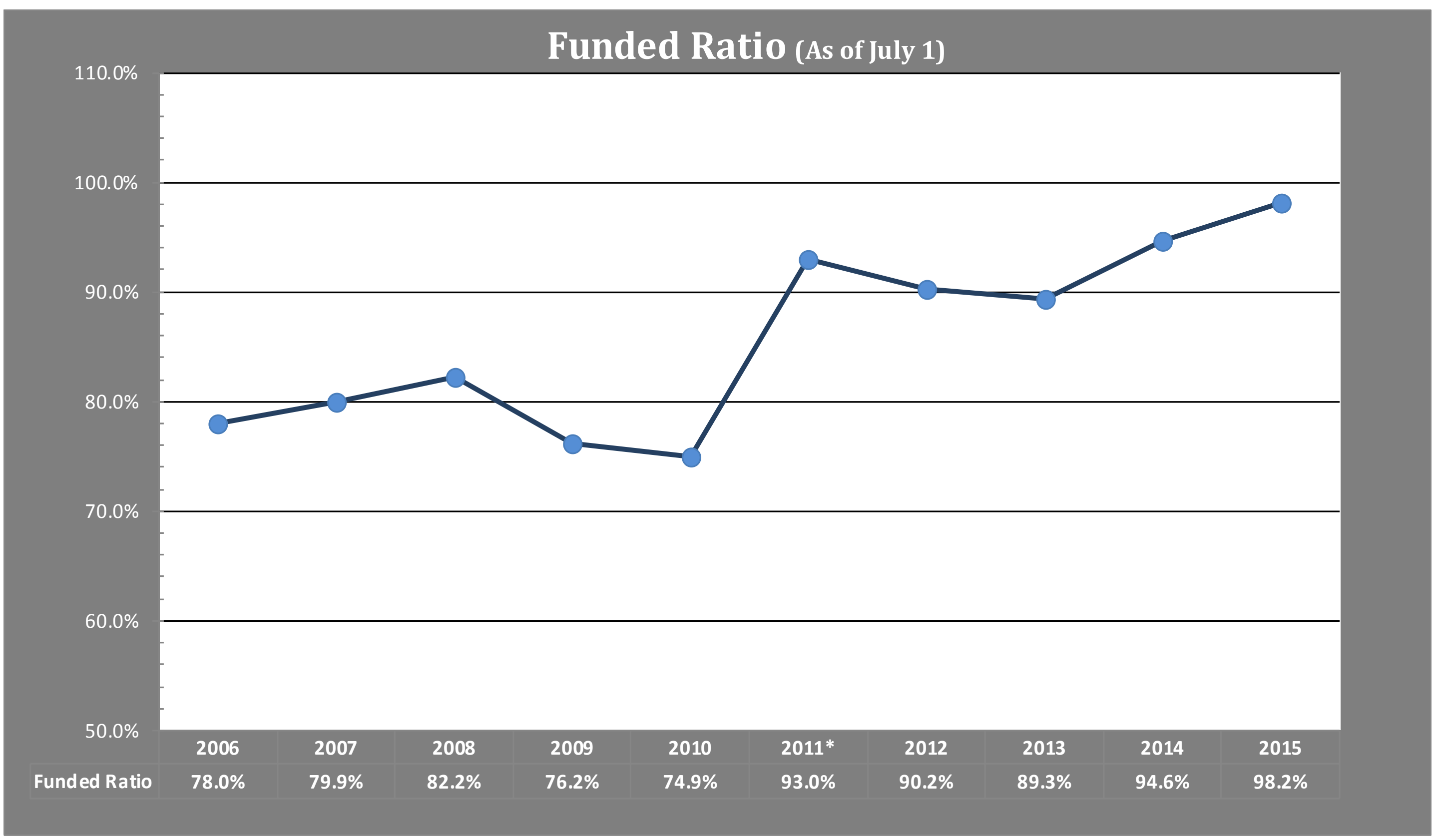
Fiscal Year Ended June 30,	Pension Benefits	Death Benefits	Deferred Option Benefits	Refunds	Administrative Expenses	Total
2006	$ 65,643	$ 210	$ 11,550	$ 1,423	$ 2,235	$ 81,061
2007	71,240	240	13,609	1,374	2,450	88,913
2008	74,988	190	10,046	1,031	3,004	89,259
2009	79,988	250	12,726	1,150	2,176	96,290
2010	82,639	160	26,208	1,420	1,708	112,135
2011	86,638	205	15,084	2,117	1,712	105,756
2012	89,451	240	22,039	1,570	1,952	115,252
2013	93,672	315	19,018	1,830	2,053	116,888
2014	97,031	330	20,121	1,759	1,862	121,103
2015	100,684	205	38,769	2,035	1,949	143,642

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

Fiscal Year Ended June 30,	Benefit Payments by Type: Service Retirement	Beneficiaries	Disabled	Death Benefit	Deferred Option Benefits*	Refunds: Withdrawal	Member Death	Total Benefit Payments and Refunds
2006	$ 51,636	$ 11,592	$ 2,415	$ 210	$ 11,550	$ 1,423	$ -	$ 78,826
2007	56,353	12,437	2,450	240	13,609	1,318	56	86,463
2008	58,885	13,606	2,497	190	10,046	1,028	3	86,255
2009	62,943	14,608	2,437	250	12,726	1,113	37	94,114
2010	64,425	15,855	2,359	160	26,208	1,381	39	110,427
2011	68,211	16,071	2,356	205	15,084	1,956	161	104,044
2012	70,411	16,699	2,341	240	22,039	1,552	18	113,300
2013	73,610	17,711	2,351	315	19,018	1,752	78	114,835
2014	76,020	18,635	2,376	330	20,121	1,642	117	119,241
2015	79,384	18,989	2,311	205	38,769	1,733	302	141,693

** - 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)

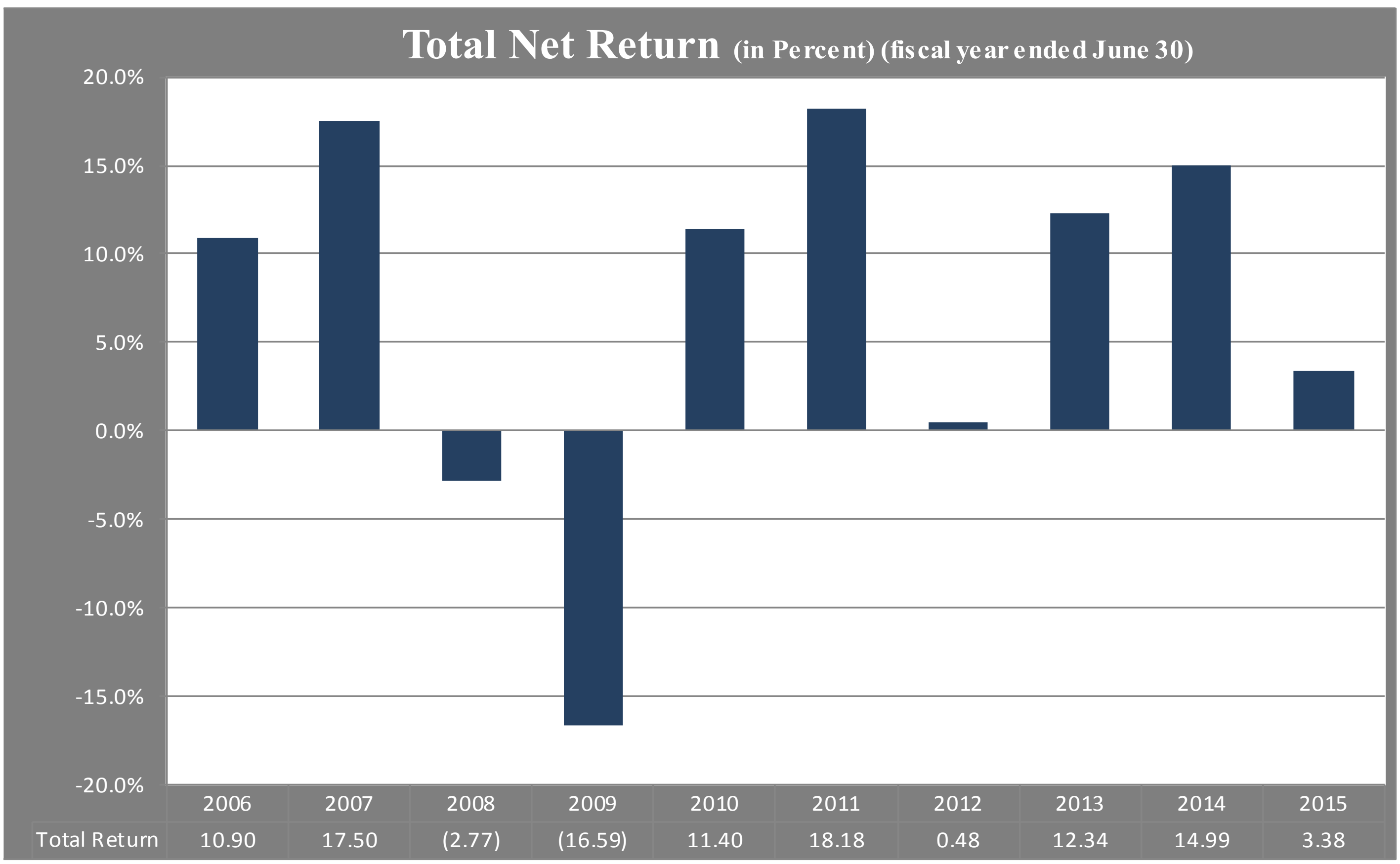


** - Beginning in 2011, funded ratio calculations do not include Cost-of-Living-Adjustments (COLA's) due to legislation requiring all ad-hoc COLA's be prefunded by the Oklahoma Legislature.*

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

Fiscal Year Ended June 30,	U.S. Equity	International Equity	Private Equity	Fixed Income	Alternative Investments	Total Return (net of fees)
2006	9.10	18.36	23.10	2.13	9.16	10.90 %
2007	9.08	32.34	16.50	9.74	14.94	17.50
2008	(12.80)	(7.80)	8.71	11.40	23.95	(2.77)
2009	(17.06)	(32.27)	(3.36)	(22.09)	(15.55)	(16.59)
2010	9.50	6.42	17.01	8.80	(3.90)	11.40
2011	21.40	27.64	18.14	9.00	3.61	18.18
2012	(11.95)	10.78	7.18	2.88	7.45	0.48
2013	14.77	24.86	7.93	2.64	15.52	12.34
2014	20.36	18.13	16.03	9.48	10.88	14.99
2015	7.03	(1.84)	15.26	(0.42)	3.53	3.38

Total Annual Return (Net, in Percent)



Schedule of Retired Members by Type of Benefit
For the Fiscal Year Ended June 30, 2015

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	241	14	54	101	46	7	16	3
1,001 - 1,500	301	41	51	19	29	4	150	7
1,501 - 2,000	529	86	25	8	24	6	366	14
2,001 - 2,500	717	112	10	4	6	3	569	13
2,501 - 3,000	671	97	1	2	5	3	557	6
3,001 - 3,500	451	69	0	0	3	1	374	4
3,501 - 4,000	316	71	0	0	4	0	236	5
4,001 - 4,500	110	21	0	0	0	0	89	0
4,501 - 5,000	49	6	0	0	0	0	43	0
5,001 - 5,500	25	2	0	0	0	0	23	0
5,501 - 6,000	21	1	0	0	0	0	20	0
6,001 - 6,500	7	1	0	0	0	0	6	0
6,501 - 7,000	2	0	0	0	0	0	2	0
7,001 - 7,500	2	0	0	0	0	0	2	0
7,501 - 8,000	0	0	0	0	0	0	0	0
8,001 - 8,500	0	0	0	0	0	0	0	0
8,501 - 9,000	1	0	0	0	0	0	1	0
Totals:	3,443	521	141	134	117	24	2,454	52

*** 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, 2005 to June 30, 2015	Years of Credited Service* 10-15	15-20	20-25	25-30	30+
Period 07/01/05 to 06/30/06					
Average Monthly Benefit	$ 1,125	$ 1,316	$ 2,123	$ 2,779	$ 3,331
Average Final Average Salary	$ 3,546	$ 3,089	$ 3,999	$ 4,186	$ 4,441
Number of Retired Members	5	7	69	20	8
Period 07/01/06 to 06/30/07					
Average Monthly Benefit	$ 1,032	$ 1,682	$ 2,086	$ 3,291	$ 3,581
Average Final Average Salary	$ 2,971	$ 3,886	$ 3,982	$ 4,917	$ 4,775
Number of Retired Members	2	7	82	23	6
Period 07/01/07 to 06/30/08					
Average Monthly Benefit	$ 662	$ 1,897	$ 2,234	$ 3,427	$ 3,352
Average Final Average Salary	$ 2,058	$ 4,272	$ 4,216	$ 5,090	$ 4,469
Number of Retired Members	1	5	61	20	2
Period 07/01/08 to 06/30/09					
Average Monthly Benefit	$ -	$ 2,012	$ 2,347	$ 3,517	$ 4,071
Average Final Average Salary	$ -	$ 4,392	$ 4,449	$ 5,223	$ 5,429
Number of Retired Members	0	6	52	14	8
Period 07/01/09 to 06/30/10					
Average Monthly Benefit	$ 1,628	$ 2,170	$ 2,499	$ 3,513	$ 4,261
Average Final Average Salary	$ 4,449	$ 5,083	$ 4,736	$ 5,062	$ 5,682
Number of Retired Members	1	2	83	24	11
Period 07/01/10 to 06/30/11					
Average Monthly Benefit	$ -	$ 1,662	$ 2,761	$ 3,834	$ 4,341
Average Final Average Salary	$ -	$ 4,023	$ 5,224	$ 5,558	$ 5,787
Number of Retired Members	0	2	65	13	8
Period 07/01/11 to 06/30/12					
Average Monthly Benefit	$ -	$ 1,614	$ 2,726	$ 3,587	$ 4,090
Average Final Average Salary	$ -	$ 3,650	$ 5,164	$ 5,134	$ 5,454
Number of Retired Members	0	2	72	23	6
Period 07/01/12 to 06/30/13					
Average Monthly Benefit	$ -	$ -	$ 2,721	$ 3,891	$ 4,880
Average Final Average Salary	$ -	$ -	$ 5,187	$ 5,674	$ 6,507
Number of Retired Members	0	0	79	16	11
Period 07/01/13 to 06/30/14					
Average Monthly Benefit	$ -	$ -	$ 2,899	$ 3,617	$ 4,483
Average Final Average Salary	$ -	$ -	$ 5,410	$ 5,413	$ 5,978
Number of Retired Members	0	0	70	15	4
Period 07/01/14 to 06/30/15					
Average Monthly Benefit	$ -	$ -	$ 3,017	$ 4,432	$ 4,848
Average Final Average Salary	$ -	$ -	$ 5,652	$ 6,556	$ 6,464
Number of Retired Members	0	0	86	34	11

Note A - Schedule includes service retirements as of July 1, 2014 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

	Fiscal Year 2015			Fiscal Year 2006		
10 Largest Participating Cities\Municipalities\Towns	Covered Members	Rank	% of Total Covered Members	Covered Members	Rank	% of Total Covered Members
Oklahoma City	1047	1	22.91%	783	1	18.91%
Tulsa	755	2	16.52%	584	2	14.10%
Lawton	168	3	3.68%	116	4	2.80%
Norman	158	3	3.46%	118	3	2.85%
Broken Arrow	128	5	2.80%	91	5	2.20%
Edmond	122	6	2.67%	90	6	2.17%
Midwest City	93	7	2.04%	62	9	1.50%
Moore	88	8	1.93%	58	10	1.40%
Enid	84	9	1.84%	86	7	2.08%
Muskogee	82	10	1.79%	82	8	1.98%
Total-10 Largest Employers	2725		59.63%	2070		49.99%
All Other Cities\Towns	1845		40.37%	2071		50.01%
Total Covered Members	4570		100.00%	4141		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, 2015

Oklahoma State Agencies (3)

ABLE Commission
Bureau of Narcotics
OK State Bureau of Investigation

Oklahoma Cities, Municipalities and Towns (134)

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

Membership Statistics Data

Employer and Member Statistics As of July 1,	2015	2014
Participating Cities, Municipalities and Towns	137	137
Active Members	4,570	4,557
Deferred Option Members	22	30
Terminated Members with Refund Due	668	763
Terminated Members with Deferred Benefits	125	132
Retired Members	2,602	2,480
Beneficiaries Receiving Benefits	707	699
Disabled Members Receiving Benefits	139	141

Active Member Statistics As of July 1,	2015	2014
Total Annual Compensation (1)	$ 295,307,065	$ 287,105,267
Average Compensation(1)	$ 64,220	$ 63,003
Average Active Member Age	39.9	39.9
Average Years of Credited Service	12.1	12.1

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

Fiscal Year 2015 Refund and Benefit Payment Statistics	Count of Payments Made	Average Amount
Refunds to Terminated Members	297	$ 6,853
Regular Payments to Service Retirement Members	40,557	$ 2,483
Payment of Death Benefits to Beneficiaries	41	$ 5,000
Payments under the Deferred Option, Back DROP, or Payout Provision Plan	131	$ 275,794