

COMMISSIONERS OF THE
LAND OFFICE
STATE OF OKLAHOMA

Managing Assets to Support Education

2018 ANNUAL REPORT



An investment in knowledge pays the best interest

— Benjamin Franklin

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COMMISSIONERS OF THE LAND OFFICE
LAND OFFICE
STATE OF OKLAHOMA
Managing Assets to Support Education

COMMISSIONERS OF THE LAND OFFICE STATE OF OKLAHOMA

Managing Assets to Support Education

Fellow Oklahomans,

As the United States expanded west of the Mississippi River in the early 1800's, our federal government made the decision to provide grants of land to each new state to provide assets that could be used to generate a perpetual source of revenue to support public education in the states. Each new state's Enabling Act required Constitutional covenants that the state manage its school trust land to provide funding to support for its children.

The resulting "trust" relationship that was established continues to benefit Oklahoma's K-12 schools and institutions of higher education.

In FY 2018 the Commissioners of the Land Office, for the second year in a row, distributed more funds to K-12 public schools than in any other year in Oklahoma history. We matched the highest distribution total in state history for K-12 beneficiaries at $103.4 million. Higher education beneficiaries were provided $34.2 million in FY 2018.

During the past decade the financial performance of the Commissioners of the Land Office has been phenomenal. The growth of trust assets and distributions to Oklahoma public education has been unprecedented, and the surge in earnings by the School Land Office has been a greater blessing to public education than ever before.

During the eight-year tenure of Governor Fallin and the current Commissioners, the Commissioners of the Land Office has performed exceptionally. The past eight years have been the most progressive since statehood, positioning the trust for continued growth and success.

- CLO experienced a decade of record distributions to beneficiaries.
- The highest annual yields from invested funds have been achieved.
- The overall distribution and growth of the agency's trust assets grew at an historic pace.

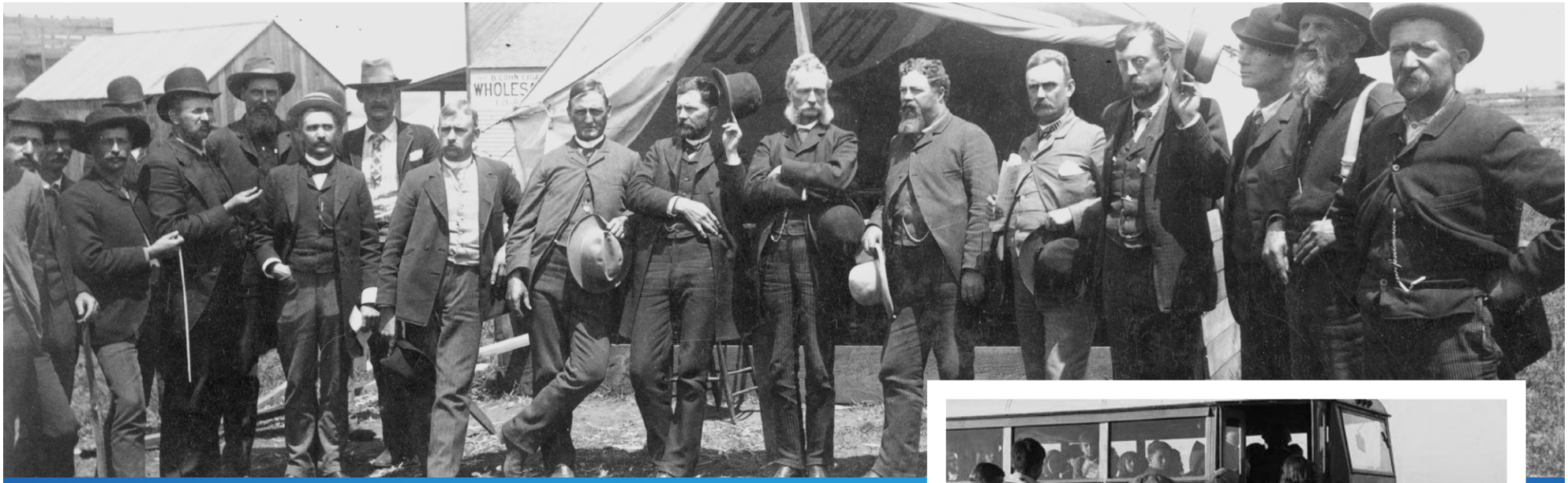
Over the last eight years the Commissioners of the Land Office has distributed $1,058,000,000 to public education beneficiaries in the state of Oklahoma, while simultaneously growing the permanent trust fund by more than $800,000,000. This is more than any other eight-year period in state history. The previous eight-year distribution record was set during Governor Henry's administration from 2003-2010 and the total amount distributed was $566,000,000. Governor Fallin and the current Commissioners have increased distributions by more than 190% during their time as Commissioners.

The staff of the Commissioners of the Land Office are pleased to be fiduciaries of more than 740,000 thousand acres of land, 1.2 million mineral acres, and nearly two and one half billion dollars in invested funds to generate revenue for public education in Oklahoma.



Sincerely,

Harry Birdwell, Secretary



OUR HISTORY

The role of the Commissioners of the Land Office was defined by the U.S. Congress in the Organic Act of 1890 and the Oklahoma Enabling Act. This legislation reserved Sections 16 and 36 of each township in Oklahoma for the use and benefit of the common schools.

The federal government had no title to lands in the eastern half of the state, known as Indian Territory. Therefore, the federal government compensated the Trust Fund with a grant of $5 Million.

State higher education institutions were also provided for in the Enabling Act, as Section 13 of each township was set aside for their support. These lands were divided among the University of Oklahoma and the University Preparatory Schools (1/3), the Normal Schools (1/3), and the Agricultural and Mechanical University and the Langston Agricultural and Normal University (1/3).

Additionally, the legislation set aside Section 33 in each township to support public buildings and corrections. Unlike other Land Office monies, the money earned from this land is not held in trust. Instead, it is disbursed on an annual basis. The federal government deeded a total of more than three million acres in the initial grant to ensure that public education would always have a financial base. Early state leaders shared that view, stating in Article Two, Section 11 of the Oklahoma Constitution that the "...principal shall be deemed a trust fund held by the state, and shall ever remain inviolate. It may be increased, but shall never be diminished."



"SINCE THE DAYS OF THOMAS JEFFERSON, THERE WAS A VISION TO FUND EDUCATION FOR ALL STUDENTS THROUGH OUR LAND RESOURCES. HIS BOLD AND HONORABLE VISION OF EDUCATION FOR ALL HAS BECOME A THRIVING REALITY FOR OKLAHOMA'S SCHOOL CHILDREN, LARGELY IN-PART, TO THE STEWARDSHIP OF THE COMMISSIONERS OF THE LAND OFFICE AND THEIR DILIGENT APPROACH TO MANAGING RESOURCES. THE STATE OF OKLAHOMA HAS EXPERIENCED A SERIES OF BUDGET DOWNTURNS THAT HAVE RIVALED SOME OF THE LARGEST IN THE NATION. THROUGH THESE ECONOMIC HARDSHIPS FOR SCHOOLS, THE LAND OFFICE HAS MANAGED TO BE A SOURCE OF FUNDING FOR OKLAHOMA'S SCHOOL CHILDREN THAT REMAINED STEADY AND RELIABLE. PROCEEDS FROM SCHOOL LAND SERVE AS A CORNERSTONE OF THE STATE AID FORMULA AND HAVE HELPED SUSTAIN PROGRAMS AND JOBS WITHIN ALL PUBLIC SCHOOLS, INCLUDING FORT GIBSON. IN OKLAHOMA, SINCE THE DAYS OF THE ENABLING ACT WE HAVE BEEN BLESSED WITH LAND AND NATURAL RESOURCES TO SUPPORT THE INITIATIVES OF ARTICLE XIII OF THE OKLAHOMA CONSTITUTION WHICH DECLARES, "THE LEGISLATURE SHALL ESTABLISH AND MAINTAIN A SYSTEM OF FREE PUBLIC SCHOOLS WHEREIN ALL THE CHILDREN OF THE STATE MAY BE EDUCATED." THE CLO VISION AND FUNDING SOURCE FOR SCHOOLS IS NOBLE AND SHOULD REMAIN INVIOLATE AS A CURRENT AND FUTURE INVESTMENT IN OUR CHILDREN."

— SCOTT FARMER
FORT GIBSON PUBLIC SCHOOLS SUPERINTENDENT

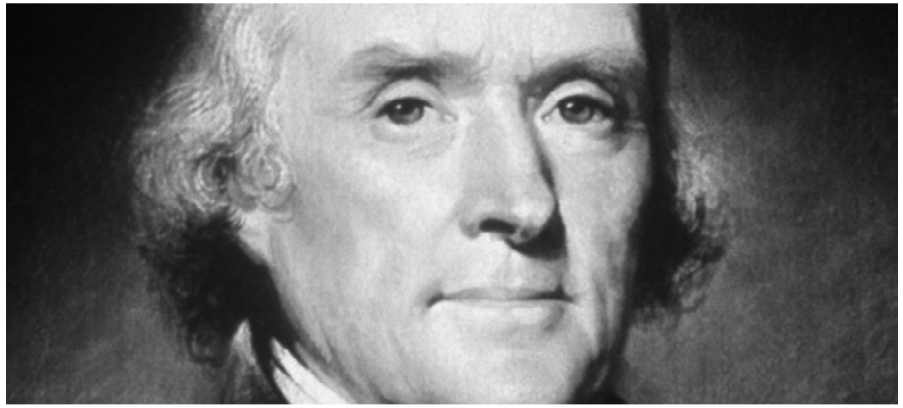
HISTORY OF THE TRUST

Thomas Jefferson had the idea. Theodore Roosevelt made it a reality. To both Jefferson and Roosevelt, education for all the children of the United States was the key to creating a strong democracy. Jefferson's idea was to look for a way to fund education by using the land to generate funding. Roosevelt took it a step further by mandating a program that required the new territories, the places wanting to be granted statehood, to receive land to help fund education. Oklahoma was a little different from many others looking to be granted statehood. The eastern half of what would become Oklahoma was Indian Territory; the U.S. Government did not have title to the land. In lieu of grants of land in the Indian Territory, Congress placed $5 million into what would become the Permanent Trust controlled by the Land Office.

By approving The Enabling Act in 1906, Congress granted Oklahoma Territory the ability to become a state. The Commissioners of the Land Office is part of that act, making it an agency that predates statehood. The Enabling Act, the Oklahoma Constitution, and statutes passed over the 105 years Oklahoma has been a state define the role of the agency and its beneficiaries.

The Enabling Acts states that Sections 16 and 36 in each township were set aside for common education (K-12). Section 13 was set aside for specific colleges and universities. All common schools and 13 colleges and universities are Land Office beneficiaries.

Of the three million acres of land granted at statehood, the Commissioners of the Land Office still own and manage 750,000 surface acres and 1.1 million mineral acres. Money from the land leases are distributed monthly to common schools, colleges and universities.





In 2010, the Land Office began distributing lease bonus money from the leasing of land for oil and gas exploration. As Oklahoma and its cities grew, so did the possibilities of commercial development on school land. Today there are pharmacies, restaurants, shopping centers and distribution facilities on school land. Revenues from those developments are distributed on a monthly basis. Revenue from the sale of land or royalties from oil or gas are placed in the Permanent Trust.

Congress, the Oklahoma Legislature and the Oklahoma Supreme Court have made one thing clear over the years: the land, the minerals and the Permanent Trust are to be treated as "a sacred trust fund .... held by the state and shall ever remain inviolate. It may be increased, but shall never be diminished."

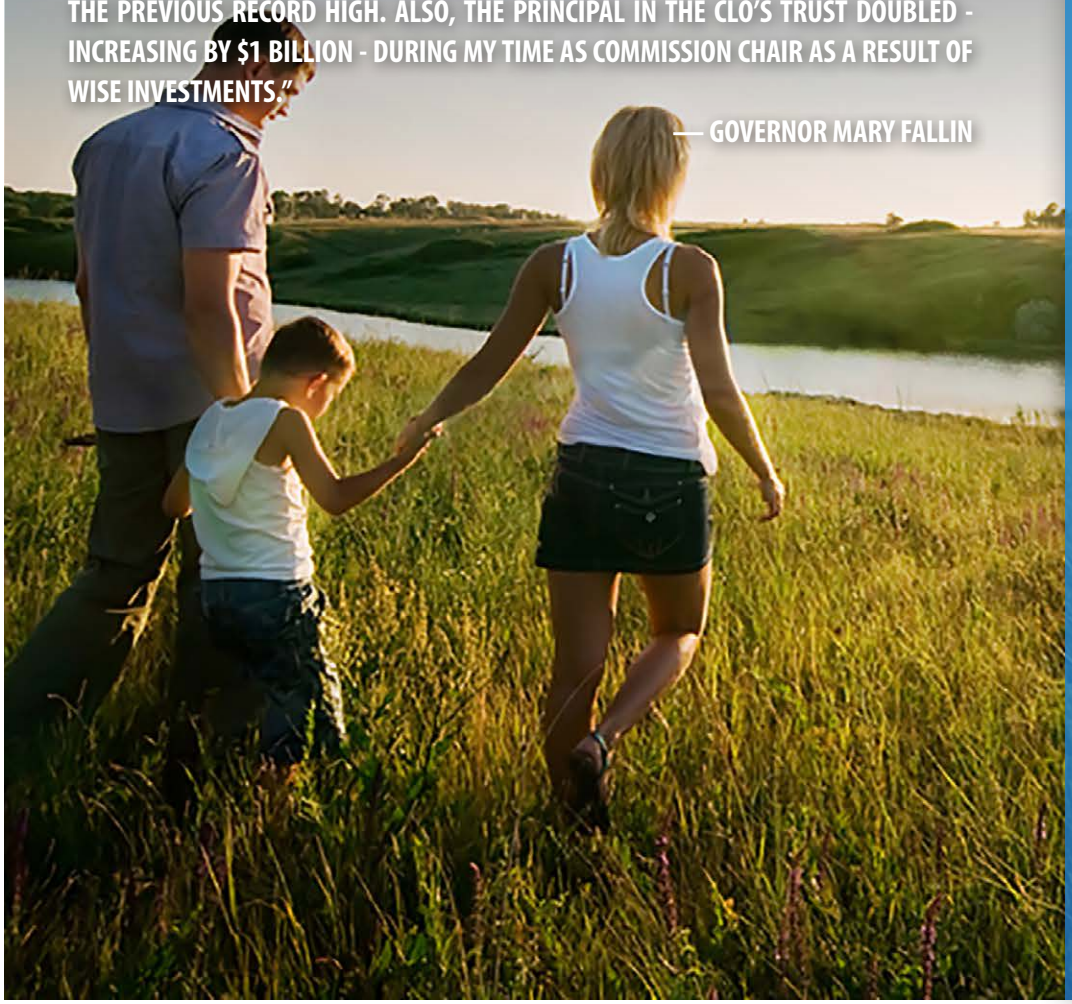
"THE COMMISSIONERS OF THE LAND OFFICE IS A KEY FUNDING SOURCE FOR OUR EDUCATIONAL INSTITUTIONS, INCLUDING THE UNIVERSITY OF OKLAHOMA. ITS ONGOING INVESTMENT WAS WISELY EMBEDDED AS POLICY IN OUR STATE'S EARLIEST DAYS. IT IS A MULTI-GENERATIONAL COMMITMENT TO THE EDUCATIONAL FUTURE OF OUR STUDENTS AND OUR STATE."

— JIM GALLOGLY
PRESIDENT, UNIVERSITY OF OKLAHOMA

"I APPRECIATE THE HARD WORK OF SECRETARY BIRDWELL AND THE COMMISSIONERS OF THE LAND OFFICE STAFF FOR THEIR SUCCESSFUL EFFORTS IN MAXIMIZING DISTRIBUTABLE REVENUE TO THE COMMON SCHOOL DISTRICTS AND COLLEGES AND UNIVERSITIES IN OKLAHOMA," SAID FALLIN. "DIVERSIFYING THE PORTFOLIO TO INVEST IN ASSETS SUCH AS COMMERCIAL REAL ESTATE HAS GENERATED HIGHER YIELDS, CREATED ECONOMIC ACTIVITY AND NEW JOBS, AND ULTIMATELY MAXIMIZED EARNINGS FOR BENEFICIARIES.

"DURING THE EIGHT YEARS I SERVED AS CHAIR OF THE COMMISSIONERS OF THE LAND OFFICE, THE LARGEST DISTRIBUTIONS TO OUR PUBLIC EDUCATION BENEFICIARIES OCCURRED IN THE HISTORY OF OUR STATE. EDUCATION DISTRIBUTIONS ARE UP 191 PERCENT - $1.06 BILLION DISTRIBUTED THE PAST EIGHT YEARS COMPARED WITH $567 MILLION DURING GOVERNOR BRAD HENRY'S TWO TERMS, WHICH HAD BEEN THE PREVIOUS RECORD HIGH. ALSO, THE PRINCIPAL IN THE CLO'S TRUST DOUBLED - INCREASING BY $1 BILLION - DURING MY TIME AS COMMISSION CHAIR AS A RESULT OF WISE INVESTMENTS."

— GOVERNOR MARY FALLIN



2018 HIGHLIGHTS

- Matched the highest distributions in agency history to common schools: $103,430,605; additionally, the Land Office achieved the 2nd highest total annual distributions for all beneficiaries: $137,642,591.
- Opened the new home for the Oklahoma Medical Examiner's Office.
- Developed the structure, legislation, lease documents, site design and contractor arrangements for a new building to house the Oklahoma Insurance Department to be constructed in FY 2019.
- Introduced new metes and bounds module for improved field staff efficiency.
- Completed 35 new conservation projects on CLO land.
- Completed the first "CLO Tax Impact Analysis" in state history.
- Completed purchases of first industrial assets in CLO Portfolio.
- Completed systematic examination of low volume wells to determine if they are producing in paying quantities.
- Implemented new systematic review of shut-in payments.
- 85% complete on a multi-year re-work of tract indexes that serve as the base ownership and leasehold record for CLO.
- Matched CLO and Oklahoma Tax Commission records for oil production comparisons permitting verification of oil volumes and values.
- Completed audits of two major oil companies to prepare for settlement.
- Achieved goal of paperless reporting, managing and sorting of all production reports electronically.
- Developed a web-based GIS tool to reconfigure polygons to represent surface and mineral rights more accurately.
- Awaiting final approval of Document Management System provider to start agency wide paperless process.
- Developed a risk/control matrix to accumulate "permanent file" information for internal audit planning and risk assessment for each CLO activity.
- Completed three significant audit projects: Lease Use Evaluation Report, Non-Production Process Report, and Window Receipt Process Report.
- Streamlined FSD data files and processes to improve reporting and operations by uploading information directly from general ledger data into reports, templates, and forms, saving time and reducing data entry.
- Restored the 2 oldest CLO minute books from 1894-1905; and restored and rebound CLO's 2 oldest Agricultural Lease Recording Books for sections 36 and 16 dated 1899 – 1909 and 1897-1904.
- Digitized 45 volumes of Minute Books from 1894 – 1947.
- Digitized 23 volumes of Certificates of Purchase Ledger Books from 1909 – 1945.

OPERATIONS OVERVIEW

ADMINISTRATION

The Administrative Division oversees all operations of the Land Office. This division includes the Secretary, Assistant Secretary, Internal Auditor, Director of Communications and the Executive Assistant to the Secretary.

ROYALTY COMPLIANCE

The Royalty Compliance Division is charged with assuring timely and accurate royalty reporting and payment for all mineral leases pursuant to the terms of the lease and the rules and regulations of the Land Office. Examinations extend beyond the current accounting cycle and continue through a program of lease reviews and audits. The Royalty Compliance Division has been working with operators to increase submission of the monthly production reports for oil and gas in electronic format. From 2017 to 2018 the number of operators reporting electronically increased by 28 percent.

REAL ESTATE

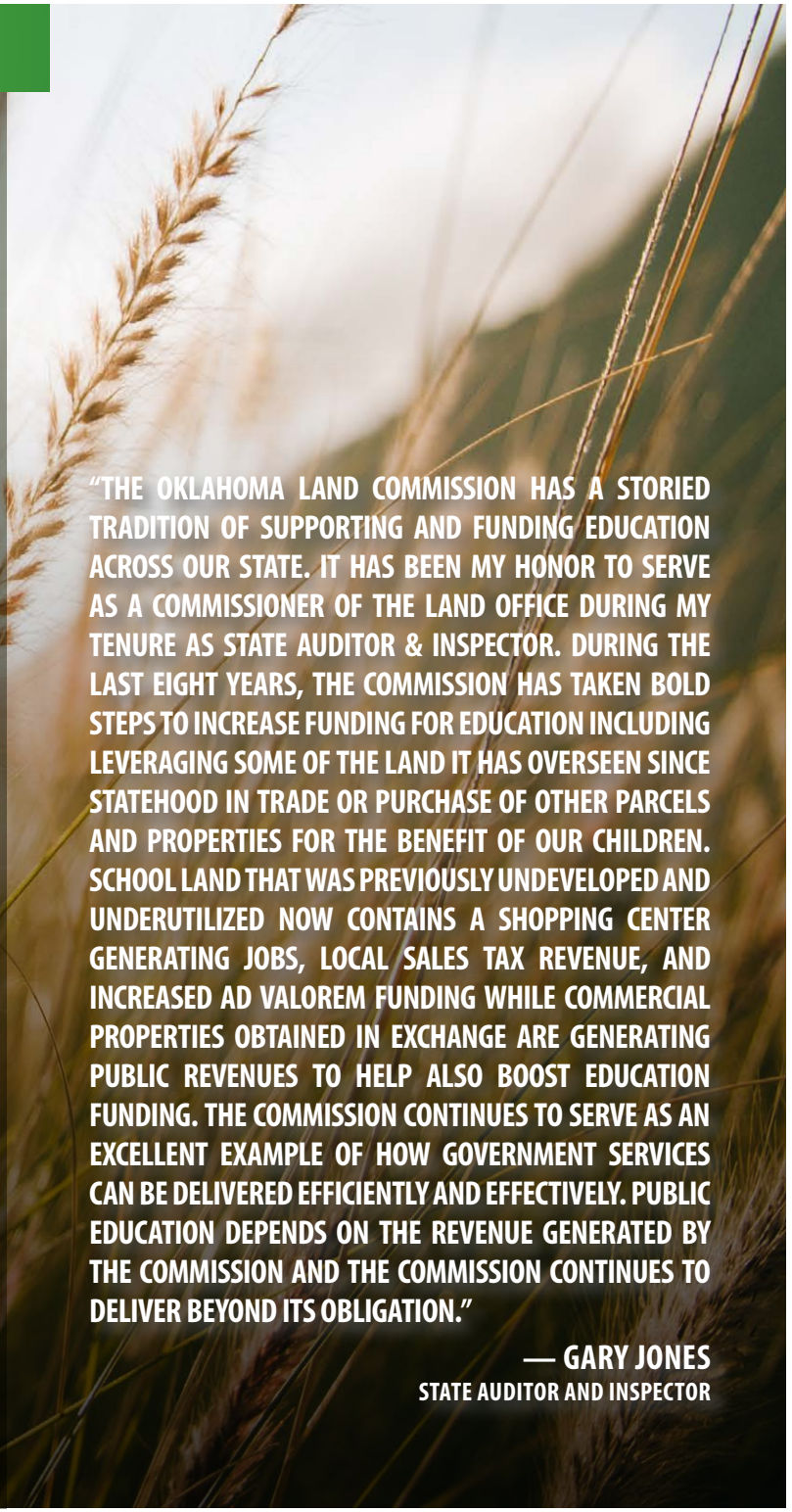
The Real Estate Division is responsible for the lease, sale and management of approximately 750,000 acres of trust land. The annual income from the leases of the land for commercial, ranching, farming and recreation purposes is approximately $16.2 million.

MINERALS MANAGEMENT

The Minerals Management Division manages the leasing of approximately 1.2 million mineral acres in 75 of the state's 77 counties. There are currently 5,500 active leases. In addition, this division operates a gas marketing program to assist state agencies in lowering natural gas costs.

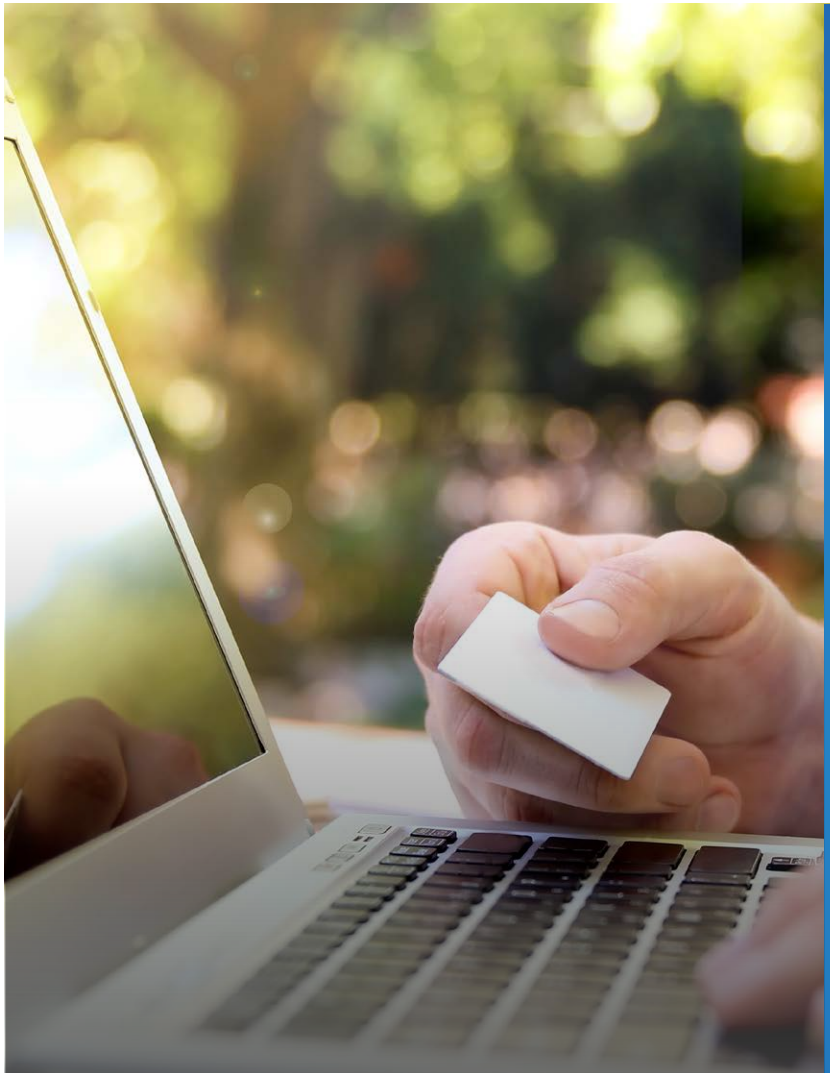
FINANCIAL SERVICES

The role of Financial Services Division goes to the very heart of the mission of the Commissioners of the Land Office. Every dollar that comes into the agency, every investment, is overseen by this division. For the last two years, a major investment in internet technology allowed the previous paper transactions to be made via electronic payments, electronic notifications and electronic distributions. Where previously it would take a week to determine the payments for each of the school districts, it can now be accomplished in a matter of hours. E-mail notifications are provided to the common schools and colleges and universities to make them aware of the deposit to their respective accounts. In the coming year, electronic fund transfers will go on line to further advance the payment process.



"THE OKLAHOMA LAND COMMISSION HAS A STORIED TRADITION OF SUPPORTING AND FUNDING EDUCATION ACROSS OUR STATE. IT HAS BEEN MY HONOR TO SERVE AS A COMMISSIONER OF THE LAND OFFICE DURING MY TENURE AS STATE AUDITOR & INSPECTOR. DURING THE LAST EIGHT YEARS, THE COMMISSION HAS TAKEN BOLD STEPS TO INCREASE FUNDING FOR EDUCATION INCLUDING LEVERAGING SOME OF THE LAND IT HAS OVERSEEN SINCE STATEHOOD IN TRADE OR PURCHASE OF OTHER PARCELS AND PROPERTIES FOR THE BENEFIT OF OUR CHILDREN. SCHOOL LAND THAT WAS PREVIOUSLY UNDEVELOPED AND UNDERUTILIZED NOW CONTAINS A SHOPPING CENTER GENERATING JOBS, LOCAL SALES TAX REVENUE, AND INCREASED AD VALOREM FUNDING WHILE COMMERCIAL PROPERTIES OBTAINED IN EXCHANGE ARE GENERATING PUBLIC REVENUES TO HELP ALSO BOOST EDUCATION FUNDING. THE COMMISSION CONTINUES TO SERVE AS AN EXCELLENT EXAMPLE OF HOW GOVERNMENT SERVICES CAN BE DELIVERED EFFICIENTLY AND EFFECTIVELY. PUBLIC EDUCATION DEPENDS ON THE REVENUE GENERATED BY THE COMMISSION AND THE COMMISSION CONTINUES TO DELIVER BEYOND ITS OBLIGATION."

— GARY JONES
STATE AUDITOR AND INSPECTOR



"IT HAS BEEN AN HONOR TO SERVE AS THE VICE CHAIRMAN OF THE LAND OFFICE BOARD FOR THE LAST EIGHT YEARS. I AM ABSOLUTELY SATISFIED THAT THE LAND OFFICE AND SECRETARY BIRDWELL OPERATE INVESTMENT ACCOUNTS AND DISTRIBUTIONS WITH COMPLETE INTEGRITY FOR THE BENEFIT OF PUBLIC EDUCATION IN OKLAHOMA."

— LIEUTENANT GOVERNOR TODD LAMB

TECHNOLOGICAL ADVANCEMENTS





SECRETARY HARRY BIRDWELL

and the Commissioner of the Land Office are continuing to make great strides in becoming increasingly technologically sophisticated. Within the last several years, changes have been made to improve efficiency and security through technological advancements.

This year, the agency rolled out a new GIS tool that helps redefine the CLO land parcels in the GIS maps, making them more accurate. The agency continues to make enhancements to its inventory management application to make it more efficient. A module to enhance and streamline the agency collection process was added to the application. The CLO has also enhanced its backup and disaster recovery processes to take greater care of important information and ensure business continuity. The equipment and communication services used at our remote offices has been upgraded and streamlined to increase efficiency and reduce telecommunication cost. The final stages are wrapping up on a project that will allow the agency to accept credit cards as payment, providing additional payment options to our customers.



REAL ESTATE & COMMERCIAL DEVELOPMENT

THE COMMISSIONERS OF THE LAND OFFICE Real Estate Division oversees the 750,000 surface acres the agency manages. The school lands have been leased by generations of Oklahomans for livestock grazing, farming and hunting. The land is leased in a series of auctions held each fall. One-fifth of the land comes up for auction for a five-year lease. All auctions are open to the public and the lease goes to the highest bidder with the minimum bid set by the Land Office appraisers. Leases can be used for farming, grazing and recreation. As Oklahoma's urban areas have grown, so has the potential for commercial development of the land managed by the Land Office.

Until recently the Commissioners of the Land Office could not invest in commercial real estate. As the state has grown much of our land became attractive for commercial real estate development. The Oklahoma Legislature granted the ability to invest up to 3 percent of the CLO assets in commercial real estate. This has allowed us to diversify our assets in properties that produce a greater rate of return. The CLO currently owns approximately 1,000,000 sq. ft. of commercial office space with an average return on investment of 9.43 percent. Many commercial acquisitions have been executed through land exchanges, others by direct purchase. In 2018 the CLO broke ground and began construction at N.E. 50th and Lincoln Boulevard in Oklahoma City on what will become the new office space of the Oklahoma Insurance Department. The OID will lease to own their building space that is being developed through a public-private partnership. OID will own, not rent, their office space ultimately saving the state money while brining their headquarters to a more centrally located facility to serve Oklahoma consumers. This is a win-win for both the state and the CLO. Through innovate commercial acquisitions the agency is able to increase earnings and distribute more money to public education in Oklahoma.



"OVER THE LAST 8 YEARS, THE CLO WAS DILIGENT IN INVESTING IN OUR LAND ASSETS WITH CONSERVATION PRACTICES PROTECTING THE LAND, WATER, AND CLEARING NUISANCES, AND NOXIOUS PLANTS. IN TURN, THE COMMISSION HAS NOT ONLY IMPROVED OUR LANDS, BUT ALSO INCREASED THEIR VALUES. THESE LAST 8 YEARS HAVE BEEN TRANSFORMATIONAL FOR THE COMMISSION AND IT HAS BEEN A PLEASURE TO SEE ITS PROGRESS."

— JIM REESE
SECRETARY AND COMMISSIONER OF AGRICULTURE

MINERALS MANAGEMENT

THE COMMISSIONERS OF THE LAND OFFICE Minerals Management Division manages 1.2 million acres of mineral rights controlled by the Land Office. Six sealed bid lease auctions are held each year to determine the right to explore or drill. The leases grant a three-year opportunity for a company to begin to drill. All tracts are appraised, and reviewed, and recommendations are made to the Secretary for approval. This ensures the beneficiaries receive a fair price for the lease. Despite a price downturn, the Land Office experienced mineral lease sales of $15,654,561 of distributable income in FY 2018.

A slowdown in activity in the leasing does not slow down the work in Minerals Management. Land use or damage must be constantly monitored. New activity is monitored to determine if drainage is taking place.

The Minerals Management Division has implemented a program to systematically monitor marginal wells. Wells identified as potentially non-economic are inspected and investigated. The goal is ensuring that acreage is not being produced solely for the purpose of holding it for assignment if it becomes valuable. Our intention is to maximize the revenue that goes to the school kids.



EDUCATION

THE MISSION STATEMENT for the Commissioners of the Land Office says it all: "Managing Assets to Support Education." It is the only mission for the Land Office and one that we strive to fulfill every day.

In fiscal year 2018, the Land Office distributed more than $103.4 million to common (K-12) schools. Common schools do not have any restrictions on how the Land Office dollars are used, and may be used for everything from teachers' salaries to bus maintenance and expense. The distribution of common school funds is done on a per capita basis. The Department of Education provides the Land Office with the Average Daily Attendance (ADA) for each school district in the state. The dollars are then distributed by the Land Office on a monthly basis based on those numbers.

In fiscal year 2018, the Land Office distributed more than $34.2 million to higher education beneficiaries. Higher education is required to use the funds for capital improvements. That could include anything from maintenance to funding for new buildings or dormitories. You can see the benefits of that money in areas like the Roberston Hall student dormitory at University of Science and Arts of Oklahoma.

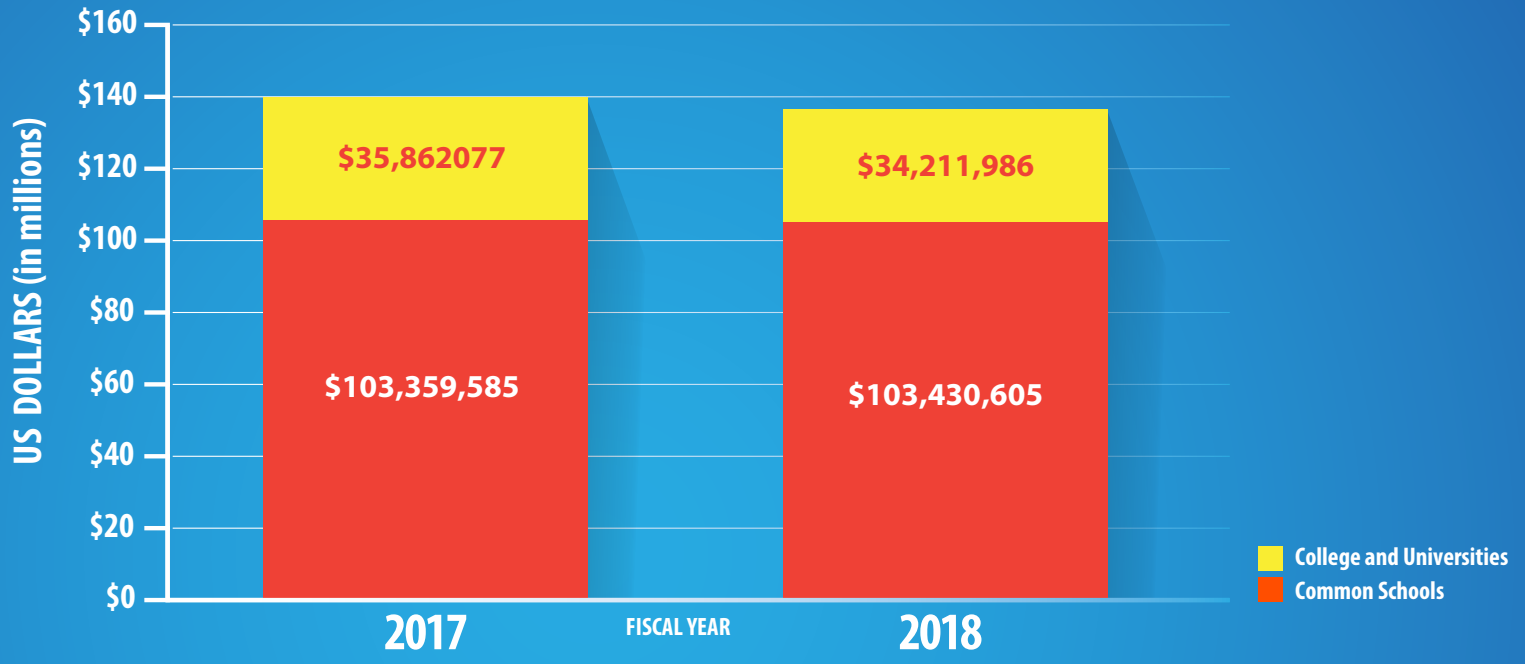
The Oklahoma Constitution and statutes determine the colleges and universities that receive funds. The money distributed is based on the lands that were set aside for that school at statehood.



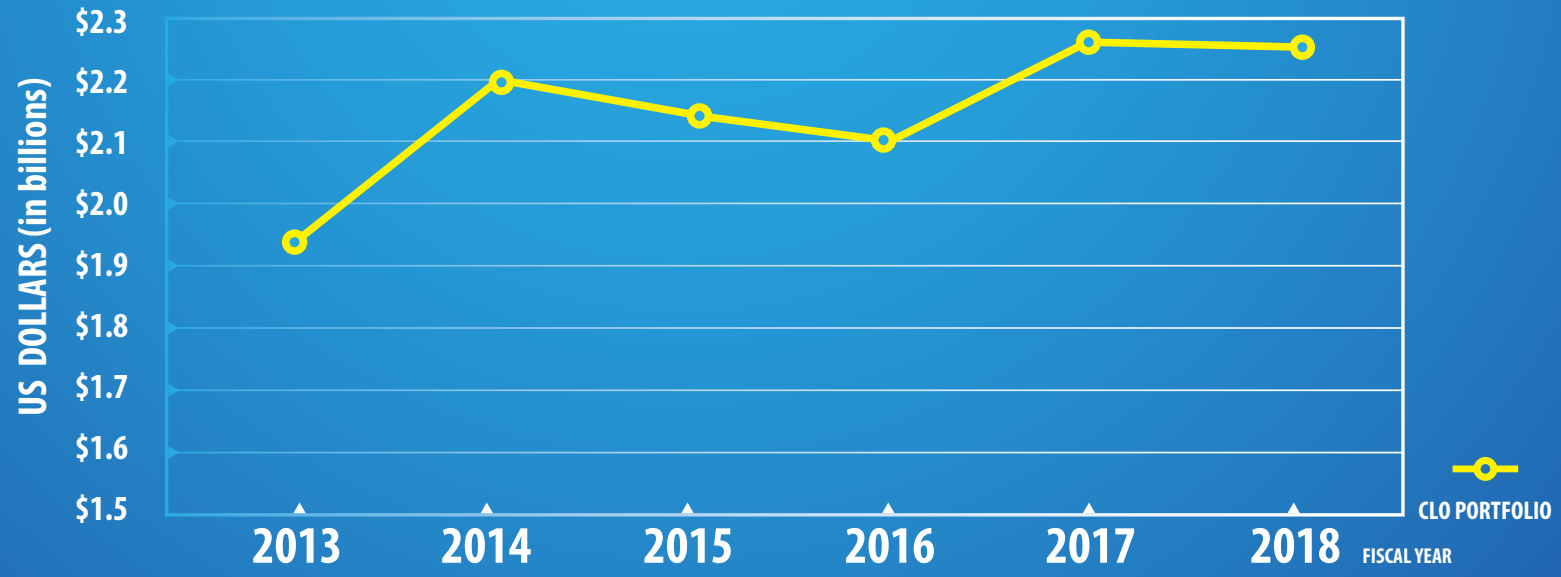
"We are grateful for the distribution of more than $100 million to common education from the Commissioners of the Land Office. As one of the most stable revenue streams for common education, this funding is increasingly important in ensuring our students are growing academically and have a clear path for success after high school."

— Joy Hofmeister
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

ANNUAL DISTRIBUTION



CLO PORTFOLIO



STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30TH (AUDITED)

INCOME		FY 2015	FY 2016	FY 2017	FY 2018	YR TO YR CHANGE
INVESTMENT EARNINGS:						
INTEREST		$55,360,160	$54,377,128	$55,461,294	$57,909,208	$1,084,166
DIVIDENDS		$34,099,082	36,681,159	$36,301,692	$35,598,531	$(379,467)
NET INCREASE IN FV OF INVESTMENTS		$(76,024,251)	(75,916,249)	$127,013,517	$5,625,508	$202,929,766
NET INVESTMENT GAIN		$13,434,991	$15,142,038	$218,776,503	$99,133,247	$203,634,465
MINERALS REVENUE		$91,907,846	$56,165,000	$66,792,689	$62,698,947	$10,627,689
RENTS		$14,228,681	15,621,609	$15,467,513	$16,796,845	$(154,096)
COMMERCIAL REAL ESTATE RENT		$1,803,190	3,299,956	$3,973,635	$3,461,867	$673,679
GAIN ON SALE		$2,204,906	87,992	$4,896,370	$684,906	$4,808,378
MISCELLANEOUS		$3,288,237	2,924,479	$4,936,740	$4,437,573	$2,012,261
FEES		$430,171	363,777	$358,897	$451,934	$(4,880)
OTHER INTEREST		$1,958,661	1,940,335	$1,493,349	$1,716,975	$(446,986)
TOTAL INCOME		$129,256,683	$95,545,186	$316,695,696	$189,382,294	$221,150,510
EXPENSES						
CUSTODIAL & MANAGEMENT FEES.		$(8,452,989)	$(7,459,114)	$(7,034,912)	$(6,971,054)	$424,202
APPORTIONMENT:						
COMMON SCHOOLS		$(118,484,572)	(95,365,684)	(103,359,585)	(93,581,312)	$(7,993,901)
COLLEGES AND UNIVERSITIES		$(32,715,986)	(31,604,166)	(35,862,077)	(32,627,810)	$(4,257,911)
PUBLIC BUILDINGS		$(5,388,459)	(5,347,603)	(4,364,499)	(3,184,499)	$983,104
ADMINISTRATIVE		$(6,463,398)	(7,460,865)	(7,775,880)	(8,180,162)	$(315,015)
COMMERCIAL REAL ESTATE EXPENSE		$(1,054,709)	(1,664,517)	(1,556,795)	(5,000)	$107,722
DEPRECIATION / AMORTIZATION		$(819,815)	(524,739)	(531,670)	(590,319)	$(6,931)
OTHER		$(503,446)	(1,017,297)	(596,974)	(946,236)	$420,323
TOTAL EXPENSES		$(173,883,374)	$(150,443,985)	$(161,082,392)	$(146,086,392)	$(10,638,407)
NET INCOME		$(44,626,691)	$(54,898,799)	$155,613,304	$43,295,902	$210,512,103

DATA FOR DISTRIBUTIONS CHART				2017	2018	
COMMON SCHOOLS				103,359,585	$103,430,605	
COLLEGES				35,862,077	$34,211,986	
DATA FOR PORTFOLIO CHART	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
PORTFOLIO	$1,933,350,991	$2,204,299,487	$2,134,139,633	$2,104,180,059	$2,259,927,304	$2,257,275,607

STATEMENT OF NET POSITION YEAR ENDED JUNE 30 (AUDITED)

(1) INCLUDES FUNDS INVESTED AT THE STATE TREASURER'S OFFICE AND AT THE CLO'S CUSTODIAL BANK.
(2) STATEMENT CHANGE IN FY 15 IS DUE TO THE REQUIRED IMPLEMENTATION OF GASB 68

ASSETS	FY 2015	FY 2016	FY 2017	FY 2018	YR TO YR CHANGE
CURRENT ASSETS:					
CASH AND CASH EQUIVALENTS	$186,338,334	$146,540,320	$124,706,117	$141,049,824	$(21,834,203)
INVESTMENTS	$2,134,139,633	$2,104,180,059	$2,259,927,304	$2,257,275,607	$155,747,245
PROPERTY HELD FOR INVESTMENTS	$19,530,764	$29,978,617	$52,170,560	$66,109,779	$22,191,943
LOANS RECEIVABLE	-	-	-	-	-
ACCRUED INTEREST RECEIVABLE	$12,181,797	$11,694,094	$11,732,331	$11,677,038	$38,237
OTHER RECEIVABLES	$12,344,204	$7,607,531	$8,185,690	$11,807,990	$578,159
TOTAL CURRENT ASSETS	**$2,364,534,732**	**$2,300,000,621**	**$2,456,722,002**	**$2,487,920,238**	**$156,721,381**
NONCURRENT ASSETS:					
CAPITAL ASSETS (NET)	$2,093,323	$1,996,357	$1,767,102	$1,442,452	$(229,255)
LAND	$5,598,711	$5,598,703	$5,598,703	$5,598,543	-
TOTAL NONCURRENT ASSETS	**$7,692,034**	**$7,595,060**	**$7,365,805**	**$7,040,995**	**$(229,255)**
TOTAL ASSETS	**$2,372,226,766**	**$2,307,595,681**	**$2,464,087,807**	**$2,494,961,233**	**$156,492,126**
DEFERRED OUTFLOW OF RESOURCES					
DEFERRED PENSION PLAN OUTFLOWS	$562,449	$598,351	$1,720,940	$1,081,836	$1,122,589
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$562,449**	**$598,351**	**$1,720,940**	**$1,081,836**	**$1,122,589**
LIABILITIES					
CURRENT LIABILITIES:					
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$50,792,989	$41,297,732	$41,608,014	$29,047,858	$310,282
DEFERRED REVENUE	$6,613,323	$6,941,793	$7,651,500	$7,611,025	$709,707
TOTAL CURRENT LIABILITIES	**$57,406,312**	**$48,239,525**	**$49,259,514**	**$36,658,883**	**$1,019,989**
NONCURRENT LIABILITIES:					
NET PENSION LIABILITY	$353,010	$683,504	$1,955,550	$1,145,427	$1,272,046
ACCRUED COMPENSATED ABSENCES	$401,802	$439,186	$447,712	$488,224	$8,526
TOTAL NONCURRENT LIABILITIES	**$754,812**	**$1,122,690**	**$2,403,262**	**$1,633,651**	**$1,280,572**
TOTAL LIABILITIES	**$58,161,124**	**$49,362,215**	**$51,662,776**	**$38,292,534**	**$2,300,561**
DEFERRED INFLOWS OF RESOURCES					
DEFERRED PENSION PLAN INFLOWS	$1,296,618	$399,143	$99,993	$408,655	$(299,150)
TOTAL DEFERRED INFLOWS OF RESOURCES	**$1,296,618**	**$399,143**	**$99,993**	**$408,655**	**$(299,150)**
NET POSITION					
INVESTED IN CAPITAL ASSETS	$7,692,034	$7,595,060	$7,365,805	$7,040,995	$(229,255)
RESTRICTED FOR EDUCATION:					-
NONEXPENDABLE	$2,278,697,400	$2,223,965,823	$2,382,746,072	$2,418,819,790	$158,780,249
EXPENDABLE	$1,265,143	$5,081,458	$440,244	$2,528,195	$(4,641,214)
UNRESTRICTED	$25,676,896	$21,790,333	$23,493,857	$28,952,900	$1,703,524
TOTAL NET POSITION	**$2,313,331,473**	**$2,258,432,674**	**$2,414,045,978**	**$2,457,341,880**	**$155,613,304**

COMMISSIONERS OF THE LAND OFFICE

DISTRIBUTION IN FY 2017

DISTRICT	TOTAL YTD
ACHILLE	53,719.29
ADA	406,631.70
ADAIR	166,613.74
AFTON	81,417.60
AGRA	51,301.47
ALBION	8,631.98
ALEX	47,545.68
ALINE-CLEO	23,684.35
ALLEN	80,014.65
ALLEN-BOWDEN	52,170.19
ALTUS	526,013.14
ALVA	157,064.31
AMBER-POCASSET	73,729.04
ANADARKO	271,368.18
ANDERSON	44,354.97
ANTLERS	158,541.93
ARAPAHO-BUTLER	71,462.25
ARDMORE	441,045.95
ARKOMA	63,435.94
ARNETT	30,643.84
ASHER	43,312.51
ATOKA	139,486.98
AVANT	10,440.85
BALKO	24,848.60
BANNER	35,424.22
BARNSDALL	63,768.80
BARTLESVILLE	926,570.30
BATTIEST	44,436.15
BEARDEN	18,894.22
BEAVER	56,465.07
BEGGS	169,784.93
BELFONTE	29,274.99
BENNINGTON	51,483.31
BERRYHILL	190,138.94
BETHANY	266,630.02
BETHEL	206,998.56
BIG PASTURE	31,429.74
BILLINGS	11,439.49
BINGER-ONEY	53,086.00
BISHOP	87,643.12
BIXBY	956,600.35
BLACKWELL	198,434.80
BLAIR	45,225.33
BLANCHARD	310,085.40
BLUEJACKET	32,175.09
BOISE CITY	40,568.34
BOKOSHE	32,719.03
BOONE-APACHE	87,030.98
BOSWELL	55,494.06
BOWLEGS	40,750.20
BOWRING	11,475.21
BRAGGS	27,449.88
BRAY-DOYLE	53,795.59
BRIDGE CREEK	239,853.99
BRIGGS	75,529.80
BRISTOW	273,495.32
BROKEN ARROW	2,888,435.47
BROKEN BOW	258,597.20
BRUSHY	66,514.60
BUFFALO	45,796.91
BUFFALO VALLEY	23,127.41
BURLINGTON	27,347.59
BURNS FLAT-DILL CITY	90,997.85
BUTNER	38,780.58
BYNG	278,184.77
CACHE	302,491.03
CADDO	78,442.85
CALERA	117,944.36
CALUMET	37,945.96
CALVIN	23,250.80
CAMERON	46,363.59
CANADIAN	81,823.55
CANEY	35,602.85
CANEY VALLEY	124,233.26
CANTON	57,578.98
CANUTE	67,833.13
CARNEGIE	89,861.21
CARNEY	39,790.55
CASHION	80,922.34
CATOOSA	314,355.93
CAVE SPRINGS	29,911.53
CEMENT	36,320.55
CENTRAL	78,355.15
CENTRAL HIGH	61,325.03
CHANDLER	180,164.09
CHATTANOOGA	36,862.88
CHECOTAH	225,652.47
CHELSEA	131,056.35
CHEROKEE	62,416.20
CHEYENNE	56,533.27
CHICKASHA	354,023.09
CHISHOLM	174,743.96
CHOCTAW-NICOMA PARK	872,459.69

DISTRICT	TOTAL YTD
CHOUTEAU-MAZIE	136,637.25
CIMARRON	38,222.00
CLAREMORE	596,630.99
CLAYTON	48,809.00
CLEORA	19,473.92
CLEVELAND	262,216.60
CLINTON	340,956.59
COALGATE	108,120.54
COLBERT	129,200.35
COLCORD	88,411.18
COLEMAN	25,545.21
COLLINSVILLE	431,613.48
COMANCHE	159,581.17
COMMERCE	134,324.99
COPAN	37,298.07
CORDELL	110,244.44
COTTONWOOD	31,860.05
COVINGTON-DOUGLAS	43,026.73
COWETA	493,594.49
COYLE	52,150.71
CRESCENT	93,139.59
CROOKED OAK	181,076.65
CROWDER	66,938.42
CRUTCHO	53,224.04
CUSHING	281,716.49
CYRIL	59,279.10
DAHLONEGAH	20,886.60
DALE	122,950.47
DARLINGTON	38,140.79
DAVENPORT	57,356.52
DAVIDSON	8,390.01
DAVIS	161,480.97
DEER CREEK	919,347.75
DEER CREEK-LAMONT	26,537.32

DISTRICT	TOTAL YTD
DENISON	48,588.15
DEPEW	60,574.84
DEWAR	64,160.13
DEWEY	188,094.61
DIBBLE	98,046.64
DICKSON	205,210.80
DOVER	23,932.78
DRUMMOND	54,438.61
DRUMRIGHT	87,092.65
DUKE	28,040.94
DUNCAN	537,283.73
DURANT	569,989.77
EAGLETOWN	25,631.25
EARLSBORO	41,800.78
EDMOND	3,758,733.91
EL RENO	410,134.18
ELGIN	355,302.62
ELK CITY	314,529.67
ELMORE CITY-PERNELL	80,873.61
EMPIRE	83,341.76
ENID	1,214,249.27
ERICK	39,683.38
EUFAULA	177,782.03
FAIRLAND	97,114.61
FAIRVIEW	118,324.34
FANSHAWE	13,264.60
FARGO	35,407.98
FELT	15,958.43
FLETCHER	68,685.60
FLOWER MOUND	53,901.14
FOREST GROVE	26,579.56
FORGAN	23,104.66
FORT COBB-BROXTON	51,986.71
FORT GIBSON	280,782.81

DISTRICT	TOTAL YTD
FORT SUPPLY	21,094.44
FORT TOWSON	60,110.44
FOX	47,261.54
FOYIL	79,683.40
FREDERICK	131,856.84
FREEDOM	11,195.89
FRIEND	41,972.89
FRINK-CHAMBERS	70,353.19
FRONTIER	57,429.59
GANS	67,974.37
GARBER	57,642.33
GEARY	55,097.86
GERONIMO	50,401.91
GLENCOE	50,918.27
GLENPOOL	417,241.45
GLOVER	10,241.15
GOODWELL	36,742.73
GORE	76,638.84
GRACEMONT	25,775.76
GRAHAM-DUSTIN	28,649.86
GRAND VIEW	92,280.63
GRANDFIELD	35,313.79
GRANDVIEW	22,370.73
GRANITE	38,819.54
GREASY	14,948.44
GREENVILLE	18,088.84
GROVE	379,137.97
GROVE	74,492.21
GUTHRIE	521,593.19
GUYMON	467,250.39
GYPSY	14,263.20
HAILEYVILLE	47,954.88
HAMMON	38,459.05
HANNA	13,667.30

DISTRICT	TOTAL YTD
HARDESTY	14,829.90
HARMONY	35,497.29
HARRAH	337,892.54
HARTSHORNE	122,323.68
HASKELL	130,034.98
HAWORTH	84,104.95
HAYWOOD	17,996.27
HEALDTON	81,156.16
HEAVENER	158,624.74
HENNESSEY	140,675.55
HENRYETTA	187,222.64
HILLDALE	284,309.65
HINTON	110,721.82
HOBART	123,573.99
HODGEN	38,813.06
HOLDENVILLE	165,512.81
HOLLIS	83,793.19
HOLLY CREEK	35,852.89
HOMINY	91,153.75
HOOKER	103,825.65
HOWE	90,466.88
HUGO	188,128.72
HULBERT	88,630.41
HYDRO-EAKLY	70,804.60
IDABEL	182,606.26
INDIAHOMA	30,637.34
INDIANOLA	35,852.89
INOLA	210,416.62
JAY	251,420.12
JENKS	1,838,799.43
JENNINGS	31,748.00
JONES	174,982.64
JUSTICE	28,708.32
JUSTUS-TIAWAH	83,882.50

DISTRICT	TOTAL YTD
KANSAS	136,672.96
KELLYVILLE	153,193.23
KENWOOD	14,446.71
KEOTA	62,680.88
KETCHUM	93,714.43
KEYES	12,826.19
KEYS	121,580.02
KEYSTONE	49,882.30
KIEFER	121,604.35
KILDARE	13,964.45
KINGFISHER	230,907.01
KINGSTON	184,309.59
KINTA	29,628.98
KIOWA	49,127.25
KONAWA	103,565.88
KREBS	67,269.65
KREMLIN-HILLSDALE	47,253.43
LANE	40,488.76
LATTA	133,254.91
LAVERNE	77,328.94
LAWTON	2,207,296.82
LE FLORE	34,139.84
LEACH	21,758.54
LEEDEY	33,733.88
LEXINGTON	167,505.17
LIBERTY	48,695.34
LIBERTY	85,059.71
LINDSAY	190,458.81
LITTLE AXE	190,613.08
LOCUST GROVE	218,075.94
LOMEGA	38,571.11
LONE GROVE	223,354.83
LONE STAR	134,018.09
LONE WOLF	18,731.83

DISTRICT	TOTAL YTD
LOOKEBA SICKLES	41,729.34
LOWREY	23,966.89
LUKFATA	56,791.46
LUTHER	119,810.08
MACOMB	41,630.28
MADILL	268,174.21
MANGUM	111,142.39
MANNFORD	236,695.76
MANNSVILLE	14,841.29
MAPLE	25,170.09
MARBLE CITY	15,344.67
MARIETTA	168,131.94
MARLOW	218,296.79
MARYETTA	101,919.52
MASON	42,326.90
MAUD	46,772.77
MAYSVILLE	51,361.56
MCALESTER	458,548.61
MCCORD	52,990.20
MCCURTAIN	35,494.06
MCLOUD	275,093.12
MEDFORD	42,122.30
MEEKER	132,337.50
MERRITT	121,938.85
MIAMI	344,179.79
MIDDLEBERG	34,055.39
MIDWAY	35,732.75
MIDWEST CITY-DEL CITY	2,160,743.25
MILBURN	30,082.03
MILL CREEK	26,535.68
MILLWOOD	131,459.02
MINCO	89,128.88
MOFFETT	54,617.22
MONROE	18,855.25

DISTRICT	TOTAL YTD
MOORE	3,715,382.43
MOORELAND	83,541.49
MORRIS	164,178.07
MORRISON	93,868.68
MOSELEY	30,799.73
MOSS	43,049.45
MOUNDS	89,003.87
MOUNTAIN VIEW-GOTEBO	37,095.10
MOYERS	29,028.19
MULDROW	226,478.98
MULHALL-ORLANDO	39,917.23
MUSKOGEE	899,511.72
MUSTANG	1,683,646.30
NASHOBA	6,636.35
NAVAJO	83,630.80
NEW LIMA	46,173.61
NEWCASTLE	335,143.50
NEWKIRK	128,580.10
NINNEKAH	80,345.91
NOBLE	433,071.61
NORMAN	2,448,722.62
NORTH ROCK CREEK	94,560.42
NORWOOD	26,608.76
NOWATA	135,318.74
OAK GROVE	25,322.74
OAKDALE	102,218.13
OAKS-MISSION	35,565.50
OILTON	44,471.91
OKARCHE	58,197.63
OKAY	64,124.41
OKEENE	52,457.62
OKEMAH	127,589.57
OKLAHOMA CITY	7,077,683.63
OKLAHOMA UNION	102,667.92

DISTRICT	TOTAL YTD
OKMULGEE	220,134.88
OKTAHA	115,723.04
OLIVE	55,396.63
OLUSTEE	30,661.69
OOLOGAH-TALALA	271,067.79
OPTIMA	9,989.45
OSAGE	18,673.39
OSAGE HILLS	25,033.70
OWASSO	1,511,253.57
PADEN	40,316.65
PANAMA	110,593.55
PANOLA	22,580.18
PAOLI	41,393.24
PAULS VALLEY	201,776.54
PAWHUSKA	120,423.87
PAWNEE	111,416.80
PEAVINE	19,326.15
PECKHAM	13,832.92
PEGGS	34,784.46
PERKINS-TRYON	233,498.53
PERRY	175,474.65
PIEDMONT	593,126.90
PIONEER	59,732.12
PIONEER-PLEASANT VALE	85,287.05
PITTSBURG	22,416.18
PLAINVIEW	242,817.37
PLEASANT GROVE	42,403.21
POCOLA	131,316.14
PONCA CITY	750,319.48
POND CREEK-HUNTER	49,445.53
PORTER CONSOLIDATED	80,639.81
PORUM	75,315.45
POTEAU	353,295.66
PRAGUE	161,896.67

DISTRICT	TOTAL YTD
PRESTON	85,322.77
PRETTY WATER	43,617.80
PRUE	50,512.33
PRYOR	408,252.21
PURCELL	220,204.73
PUTNAM CITY	2,954,097.60
QUAPAW	97,432.88
QUINTON	73,751.76
RATTAN	80,643.06
RAVIA	13,037.28
RED OAK	47,945.15
REYDON	17,887.48
RINGLING	65,524.10
RINGWOOD	64,791.78
RIPLEY	72,188.06
RIVERSIDE	28,893.43
ROBIN HILL	49,164.60
ROCK CREEK	74,243.76
ROCKY MOUNTAIN	30,869.54
ROFF	50,436.01
ROLAND	150,655.30
RUSH SPRINGS	81,383.49
RYAL	9,909.88
RYAN	34,524.67
SALINA	133,021.12
SALLISAW	300,664.30
SAND SPRINGS	786,984.28
SAPULPA	601,451.98
SASAKWA	29,111.01
SAVANNA	59,777.59
SAYRE	111,998.11
SCHULTER	20,422.19
SEILING	69,875.83
SEMINOLE	252,676.93

DISTRICT	TOTAL YTD
SENTINEL	49,692.32
SEQUOYAH	209,387.13
SHADY GROVE	24,538.45
SHADY POINT	25,702.70
SHARON-MUTUAL	45,436.40
SHATTUCK	55,804.22
SHAWNEE	592,504.99
SHIDLER	37,913.46
SILO	138,499.71
SKIATOOK	385,657.42
SMITHVILLE	43,544.70
SNYDER	67,406.05
SOPER	58,541.88
SOUTH COFFEYVILLE	39,496.63
SOUTH ROCK CREEK	60,712.87
SPERRY	180,742.17
SPIRO	165,459.22
SPRINGER	35,791.20
STERLING	61,018.14
STIDHAM	16,434.21
STIGLER	211,192.78
STILLWATER	956,929.97
STILWELL	186,435.12
STONEWALL	72,228.66
STRAIGHT	5,710.80
STRATFORD	108,677.49
STRINGTOWN	37,241.22
STROTHER	66,215.83
STROUD	119,621.73
STUART	40,217.62
SULPHUR	233,761.60
SWEETWATER	21,245.46
SWINK	21,909.56
TAHLEQUAH	550,147.23

DISTRICT	TOTAL YTD
TALIHINA	89,489.38
TALOGA	13,149.31
TANNEHILL	24,374.45
TECUMSEH	332,930.30
TEMPLE	29,807.58
TENKILLER	44,973.64
TERRAL	11,173.18
TEXHOMA	39,618.43
THACKERVILLE	51,702.54
THOMAS-FAY-CUSTER UNIFIED DIST	76,456.97
TIMBERLAKE	41,161.03
TIPTON	43,098.18
TISHOMINGO	144,989.94
TONKAWA	116,057.56
TULSA	6,208,218.07
TUPELO	41,485.77
TURKEY FORD	14,932.21
TURNER	47,781.14
TURPIN	67,198.22
TUSHKA	65,970.64
TUSKAHOMA	13,855.65
TUTTLE	290,470.23
TWIN HILLS	55,269.98
TYRONE	36,120.82
UNION	2,413,761.17
UNION CITY	48,622.26
VALLIANT	133,142.89
VANOSS	86,813.40
VARNUM	45,152.26
VELMA-ALMA	70,582.17
VERDEN	40,279.31
VERDIGRIS	199,556.83
VIAN	142,383.79
VICI	51,423.25

DISTRICT	TOTAL YTD
VINITA	231,418.49
WAGONER	359,006.46
WAINWRIGHT	13,764.73
WALTERS	102,624.07
WANETTE	23,513.86
WAPANUCKA	40,157.54
WARNER	124,353.41
WASHINGTON	160,368.69
WATONGA	113,631.63
WATTS	44,434.54
WAUKOMIS	69,640.38
WAURIKA	61,774.82
WAYNE	81,136.68
WAYNOKA	37,567.61
WEATHERFORD	349,517.12
WEBBERS FALLS	41,057.11
WELCH	49,380.55
WELEETKA	65,163.63
WELLSTON	92,762.90
WESTERN HEIGHTS	523,426.44
WESTVILLE	175,302.53
WETUMKA	67,683.73
WEWOKA	105,114.93
WHITE OAK	7,409.28
WHITE ROCK	17,751.08
WHITEBEAD	61,217.87
WHITEFIELD	22,852.98
WHITESBORO	33,590.97
WICKLIFFE	15,839.91
WILBURTON	131,949.43
WILSON	37,900.47
WILSON	68,362.47
WISTER	83,054.36
WOODALL	73,188.32

DISTRICT	TOTAL YTD
WOODLAND	66,715.97
WOODWARD	440,943.65
WRIGHT CITY	71,532.06
WYANDOTTE	125,278.95
WYNNEWOOD	108,216.36
WYNONA	17,268.82
YALE	65,173.38
YARBROUGH	20,019.50
YUKON	1,312,107.57
ZANEIS	45,226.96
ZION	52,809.99
TOTAL	**$103,430,605.00**

UNIVERSITY	TOTAL YTD
UNIVERSITY OF OKLAHOMA	$10,166,970
OKLAHOMA STATE UNIVERSITY	8,979,529
NORTHERN OKLAHOMA COLLEGE	2,842,770
LANGSTON UNIVERSITY	2,172,354
SOUTHEASTERN OKLAHOMA STATE UNIVERSITY	1,116,707
UNIVERSITY OF CENTRAL OKLAHOMA	1,116,707
EAST CENTRAL OKLAHOMA STATE UNIVERSITY	1,116,707
NORTHEASTERN OKLAHOMA STATE UNIVERSITY	1,116,707
NORTHWESTERN OKLAHOMA STATE UNIVERSITY	1,116,707
SOUTHWESTERN OKLAHOMA STATE UNIVERSITY	1,116,707
CAMERON UNIVERSITY	1,116,707
OKLAHOMA PANHANDLE STATE UNIVERSITY	1,116,707
UNIVERSITY OF SCIENCE AND ARTS	1,116,707
TOTAL	**$34,211,986**