COMMISSIONERS OF THE

LAND OFFICE

STATE OF OKLAHOMA

Managing Assets to Support Education

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

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COMMISSIONERS OF THE LAND OFFICE
STATE OF OKLAHOMA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

Prepared by:

Financial Services Division

Karen Johnson

Chief Financial Officer

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TABLE OF CONTENTS

	PAGE
Introductory Section	
Letter of Transmittal	1
Certificate of Award for Excellence	7
Organizational Chart	8
List of Principal Officials and Committees	9
Financial Section	
Independent Auditor's Report	11
Management's Discussion and Analysis	14
Basic Financial Statements	
Statement of Net Position	20
Statement of Activities	21
Balance Sheet - Governmental Funds	22
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
Notes to the Financial Statements	24
Required Supplementary Information	
Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual	50
Schedule of the Agency's Proportionate Share of the Net Pension Liability	51
Schedule of the Agency's Contributions Oklahoma Public Employees Retirement Plan	52
Notes to the Required Supplementary Information	53
Other Supplementary Information	
Combining Balance Sheet - General Fund	55
Schedule of Distributions to University and College Beneficiaries (Cash Basis)	56
Schedule of Distributions to Public School Beneficiaries (Cash Basis)	57
Statistical Section	
Statistical Section Narrative	69
Schedule 1: Net Position - Primary Government	71
Schedule 2: Changes in Net Position - Primary Government	73
Schedule 3: Fund Balances - Governmental Funds	75
Schedule 4: Changes in Fund Balances - Governmental Funds	77
Schedule 5: Net Position - Principal Royalty Payers	81
Schedule 6: Portfolio Income	83
Schedule 7: Investment Portfolio Rate of Return	85
Schedule 8: Demographic and Economic Statistics	86
Schedule 9: State of Oklahoma Major Employers - Non-Governmental	88
Schedule 10: Full Time Equivalents (FTE's) by Division	89
Schedule 11: Surface Acres Owned by County	91
Schedule 12: Net Mineral Acres Owned by County	93
Report On Internal Controls Over Financial Reporting and on Compliance	97

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

Introductory Section

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December 23, 2020

To the Commissioners of the Land Office and the Citizens of the State of Oklahoma,

The Commissioners of the Land Office, State of Oklahoma (Agency) fiscal year Comprehensive Annual Financial Report (CAFR) provides a comprehensive overview of the Agency's financial position and the results of operations for the past fiscal year. It complies with Oklahoma Statutes requiring an annual independent audit and submission of the report within six months of the close of the fiscal year to the State Auditor and Inspector.

The CAFR was prepared using accounting principles generally accepted in the United States (U.S. GAAP). It is fairly stated in all material respects. Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. Agency management's narrative on the financial activities of the Agency for the fiscal year ended June 30, 2020, is expanded in the Management's Discussion and Analysis (MD&A) section of this report, immediately following the Independent Auditor's Report. This letter of transmittal is written to convey the CAFR to its intended users and provide information about the Agency that is useful in assessing the Agency's general economic condition and to recognize contributors to the CAFR. As such, it should be read from that perspective and in conjunction with all other sections of the CAFR.

Management is responsible for establishing and maintaining an internal control structure to ensure that the assets of the Agency are protected from loss, theft or misuse and that adequate accounting data is compiled for preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe the information, as presented, is accurate in all material aspects and that all disclosures necessary to enable the reader to gain an adequate
understanding of the Agency's financial activities have been included.

The Agency engaged BKD, LLP to express opinions on the financial statements based on their audit. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The auditor's opinion encompassed the basic financial statements, as well as combining and individual fund statements and schedules for the fiscal year ended June 30, 2020. The independent auditor's report is presented as the first component of the financial section of this report.

Agency Profile

The mission of the Commissioners of the Land office is to manage assets to support education. The Agency's role 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 to be held and invested. 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."

Of the three million acres of land granted at statehood, the Commissioners of the Land Office still own and manage over 700,000 surface acres and 1.2 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, distribution facilities, etc. 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.

The Commissioners of the Land Office are comprised by statute by the Governor, Lieutenant Governor, State Auditor and Inspector, Superintendent of Public Instruction, and State Secretary of Agriculture. The Secretary of the Land Office administers the Agency. The Secretary is appointed by the Governor with the advice and consent of the Commissioners.

The distributable income from the assets under the Agency's management are distributed to the common schools of Oklahoma on a pro rata basis and to the state's higher educational institutions in the manner prescribed by statute. The Agency uses average daily attendance (ADA) numbers provided annually by the Oklahoma Department of Education to base its pro rata disbursements to common schools.

The Agency is funded by fees earned on the management of its assets and not from tax revenues. The Agency is allowed by Oklahoma Statute to retain 6% of the revenues from oil & gas royalties, surface leases and investment earnings along with other minor revenue sources to fund its operations.

The Agency annually budgets operating expenditures from its General Fund based upon anticipated needs for the next fiscal year. Although the Legislature does not fund the budget, it must approve and appropriate the budget.

Economic Conditions

The Agency's financial performance is intrinsically linked to both the local and national economies. The agency's investment portfolio is comprised largely of securities and fixed income investments traded on the open market; consequently, economic circumstances at the national level have direct impact on the Agency.

During the second quarter of 2020, the United States economy experienced a significant contraction related in large part to the Covid-19 Pandemic response. This is reflected in the tables below showing gross domestic product and personal income per capita for both the United States and Oklahoma.

Gross Domestic Product

(in millions of dollars)

	2016	2017	2018	2019	2020 [2]
Federal [1]	18,715,040	19,519,424	20,580,223	21,433,200	19,520,100
Oklahoma [1]	178,913	188,361	202,554	202,036	173,061

[1] *Source: U.S. Bureau of Economic Analysis*

[2] *2nd quarter of 2020*

Personal Income (per capita)

While personal income per capita for Oklahoma in the second quarter of 2020 appears to have increased approximately 10% over 2019, it should be noted that most components of personal income – wages and salaries, nonfarm proprietors' income and farm proprietors' income – declined. The overall increase was driven by a 70% increase in government social benefits, particularly unemployment benefits, as part of the Federal and State Covid-19 Pandemic response.

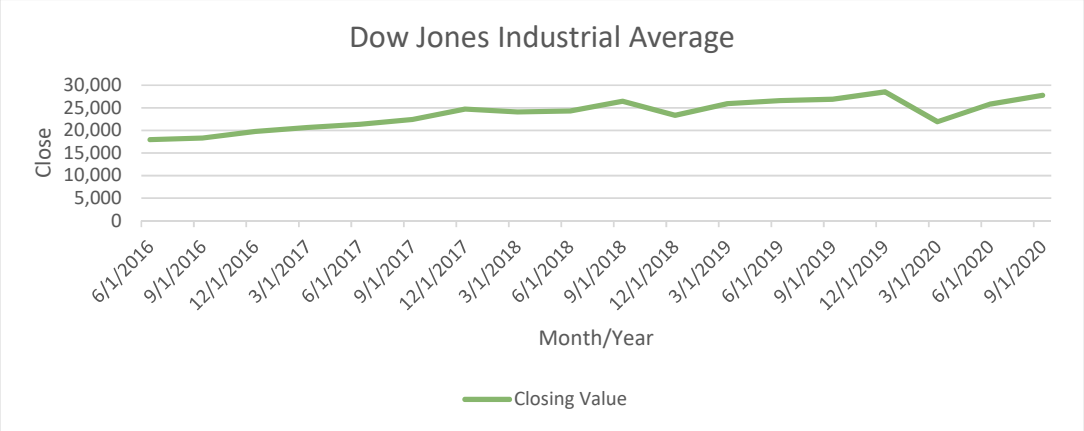
	2016	2017	2018	2019	2020 [2]
Federal [1]	49,867	51,878	54,440	56,541	55,475
Oklahoma [1]	41,881	43,622	46,228	47,341	52,469

[1] *Source: U.S. Bureau of Economic Analysis*

[2] *2nd quarter of 2020*

The market decline near the Agency's fiscal year end contributed in large part to the unrealized losses reflected on the fiscal year financial statements. Market indicators subsequent to June 30 reflect a rebound in the financial markets which management anticipates will continue into fiscal year 2021.

Market Indexes (Down Jones Industrial Average)



Oklahoma is one of the top energy producing states in the nation. Historically, the local economy of Oklahoma has been tied to the strength of the energy sector – particularly oil and gas. Additionally, one of the Agency's significant revenue streams is royalties from oil and gas production. Prices of oil and gas had been depressed for much of the fiscal year and the second quarter economic contraction further weakened prices. Subsequent to the end of the fiscal year, some strengthening of the energy market has been noted. Additionally management is exploring methods of managing and marketing the Agency's oil and gas holdings to increase available revenues to support the Agency's mission.

Oklahoma Oil and Gas Production

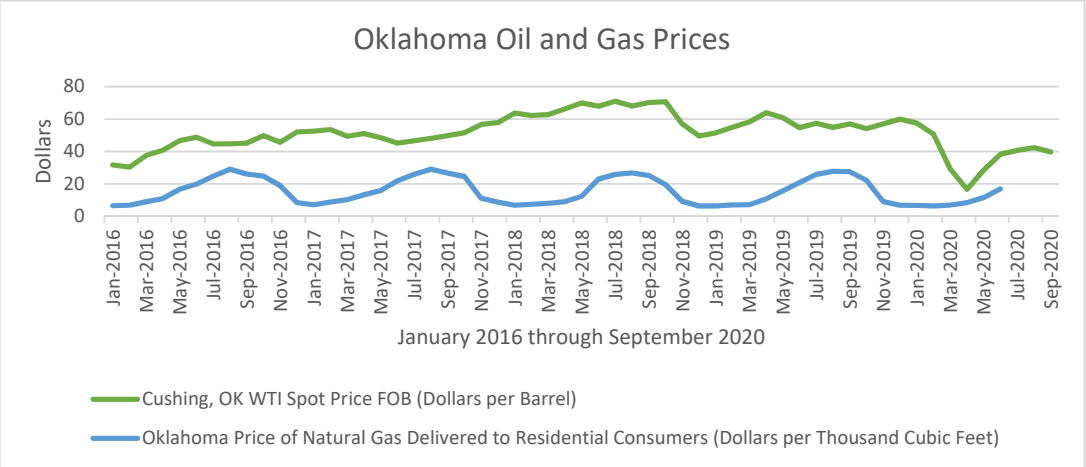
	2016	2017	2018	2019	2020	
Field Production of Crude Oil (Thousand Barrels) [1]	155,229	165,955	199,557	211,809	104,309	[2]
Natural Gas Marketed Production (Million Cubic Feet)[1]	2,468,312	2,513,897	2,875,786	3,175,009	1,673,523	[3]

[1] *Source: U.S. Energy Information Administration*

[2] *Data from January through July 2020. January through July 2019 productions was 122,860 (thousands of barrels)*

[3] *Data from January through July 2020. January through July 2019 productions was 1,829,292 (million cubic feet)*

Oklahoma Oil and Gas Prices



Financial Policies

As an agency of the State of Oklahoma, the Agency is subject to most of the basic financial policies of the State with respect to deposit of funds, reconciliations and purchasing. However, to help assure that the Agency will be able to distribute maximum funds to benefit Oklahoma educational institutions, management has implemented certain specific policies to achieve that goal.

Under the direction of the Agency's Investment Committee, investment policies are reviewed and updated annually. Key provisions of the investment policy are:

- Active management of the portfolio with asset managers vetted by the investment committee
- Asset allocation targets to diversify the portfolio between growth and distributable income
- Specific performance goals to measure manager and portfolio performance

State law established the Multiyear Education Distribution Stabilization Revolving Fund to allow for distribution of bonus and delay rental income to common schools and state higher educational institutions. The purpose of this fund is to avoid drastic year to year swings in distributions. The distributions from the fund are done at the instigation of the Secretary of the Land Office with approval of the Commission with a goal to distribute on a five-year rolling average.

Acknowledgements

We would like to formally thank our audit firm, BKD, LLP for their assistance.

Finally, to the Commissioners, we would like to thank them for their guidance and support that allows the Agency to serve the citizens of Oklahoma and play a role in furthering the educational goals of the State of Oklahoma.

Respectfully submitted,



Elliot Chambers, Secretary

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Commissioners of the Land Office
State of Oklahoma

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

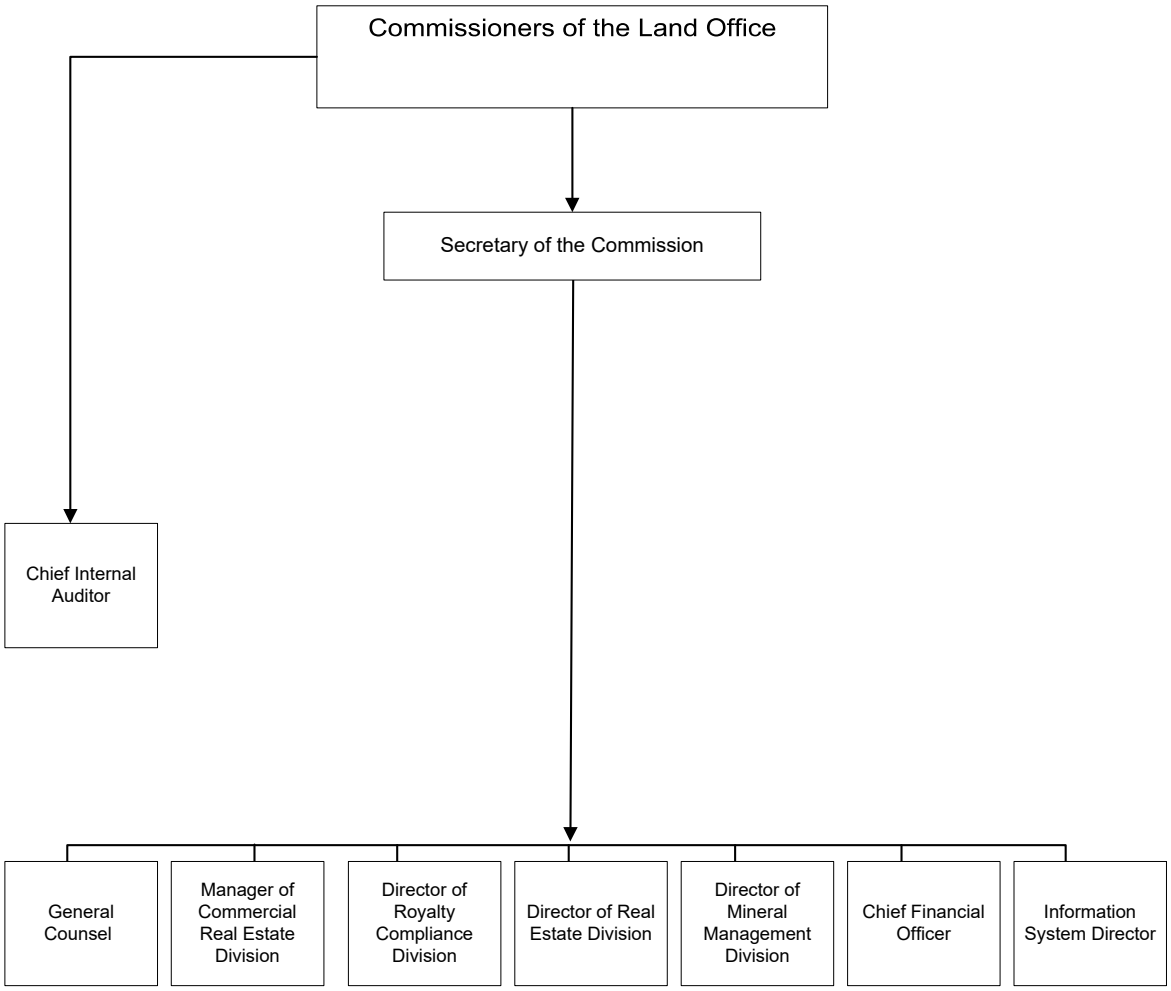
Christopher P. Morrill

Executive Director/CEO

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Organizational Chart
For Fiscal Year Ended June 30, 2020



Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

List of Principal Officials
For the Fiscal Year Ended Jun 30, 2020

Commissioners of the Land Office

Kevin Stitt – Governor of the State of Oklahoma

Matt Pinnell – Lieutenant Governor of the State of Oklahoma

Cindy Byrd – State Auditor and Inspector

Joy Hofmeister – Superintendent of Public Instruction

Blayne Arthur – Commissioner, State Board of Agriculture

Elliot Chambers – Secretary

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

Financial Section

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Independent Auditor's Report

Commissioners of the Land Office
State of Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Commissioners of the Land Office, State of Oklahoma (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

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 of America; 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor's 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 auditor considers 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 opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information of the general fund, and pension information, as listed in the table of contents, 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 of America, 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The other supplementary information, consisting of the combining balance sheet – general fund and the schedules of distributions, and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet – general fund and the schedules of distributions are the responsibility of management and were derived from and relate 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 audit 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 of America. In our opinion, the combining balance sheet – general fund and schedules of distributions are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit 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 also have issued our report dated December 23, 2020, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

BKD, LLP

Oklahoma City, Oklahoma
December 23, 2020

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2020

Our discussion and analysis of the Commissioners of the Land Office (the Agency), State of Oklahoma's financial performance provides an overview of the Agency's financial activity for the fiscal year ended June 30, 2020. It should be read in conjunction with the financial statements, which begin, on page 16.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- Net position is down approximately $129.5 million. The derease was primarily due to the net decrease in investment earnings and mineral revenues. Of the $30.5 million in mineral revenue, royalties of $28.5 million were added to the permanent fund and $2.0 million in lease bonuses and delay rentals were apportioned.

- Interest from investments was down $0.9 million, from $61.2 million in fiscal year 2019 to $60.3 million in fiscal year 2020.

- Actual cash distributions to beneficiaries were down approximately $4.9 million, from $136.2 million in fiscal year 2019 to $127.0 million in fiscal year 2020, primarily due to a $1.2 million decrease in higher education distributions and $3.7 million decrease in public school distributions. These decreases were primarily the result of a decrease in distributable revenues, particularly lease bonus revenues. Of the $127.0 million in cash distributions during fiscal year 2020, $30.7 million were to universities and colleges, $93.3 million to public schools, and $3.0 million to public buildings.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Agency's assets, deferred outflows, liabilities and deferred inflows and the difference between them (net position). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The above financial statements report governmental activities. Most services normally associated with state government fall into this category, including support for both common public schools and higher education (apportionments).

Government-wide financial statements (continued)

The government-wide financial statements can be found on pages 20 and 21 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the permanent fund, both of which are considered to be major funds.

The Agency adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 22 and 23 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages through 49 of this report.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and defered outflows of resources exceeded liabilities and deferred inflows of resources by $2.43 billion at the close of the most recent fiscal year.

The largest portion of the Agency's net position (99 percent) is subject to external restrictions on how they may be used. The Agency uses these assets to provide apportionments to beneficiaries

Net Position

	2020	2019
Assets:		
Current assets	$ 123,927	$ 152,355
Investments	2,327,427	2,428,650
Other Assets	279	190
Capital Assets	6,960	6,927
Total Assets	$ 2,458,593	$ 2,588,122
Deferred outflows of resources	$ 568	$ 733
Liabilities:		
Current Liabilities	$ 29,115	$ 29,145
Noncurrent liabilities	694	912
Total Liabilities	$ 29,809	$ 30,057
Deferred inflows of resources	$ 364	$ 352
Net Position:		
Investment in capital assets	$ 6,960	$ 6,927
Restricted	2,399,763	2,529,360
Unrestricted	22,265	22,159
Total net position	$ 2,428,988	$ 2,558,446

Changes in Net Position

There was a decrease of $129.5 million in net position. The key elements of the increase are as follows:

Changes in Net Position (in thousands)

	2020	2019
Expenses:		
Apportionment to beneficiaries	$ 122,890	$ 128,989
Custodial fees	6,374	6,731
Other expenses	12,102	10,108
Total expenses	141,366	145,828
Revenues:		
Program revenue:		
Investment earnings (loss)	(47,418)	157,248
Mineral revenue	30,453	61,448
Rents	22,170	20,696
Fees	404	253
Total program revenues	5,609	239,645
General revenues		
Gain on sale of grant land	2,251	680
Miscellaneous	2,402	4,363
Other interest	1,646	2,244
Total general revenues	6,299	(7,287)
Change in net position	(129,458)	101,104
Net position, beginning of year	2,558,446	2,457,342
Net position, end of year	$ 2,428,988	$ 2,558,446

Apportionments decreased from $129.0 million during fiscal year 2019 to $122.9 million during fiscal year 2020. The decrease was primarily due to declining lease bonus revenues to distribute. Actual cash distributions to beneficiaries declined $5.3 million from $141.5 million in fiscal year 2018 to $136.2 million in fiscal year 2019.

Investment earnings decreased from $157.2 million in fiscal year 2019 to $(47.4) million in fiscal year 2020. The primary driver was a decrease in fair market values of equity investments due to weak market performance in the fourth quarter of 2020 due primarily to the Covid-19 Pandemic.

Mineral income decreased from $61.4 million in fiscal year 2019 to $30.5 million in fiscal year 2020. The decrease was due to a decline of lease bonus payments during the fiscal year as a result of a sluggish mineral leasing activity.

Financial Analysis of the Government's Funds

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Financial Analysis of the Government's Funds (continued)

The focus of the Agency's governmental funds is to provide information on near-term inflows, outflows and balances of resources available to spend. Such information is useful in assessing the Agency's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Agency's governmental funds reported a combined ending fund balance of $2.42 billion, a decrease of $129 million in comparison with the prior year. Approximately $2.40 billion is restricted and nonexpendable to indicate that it is not available for general purposes because it has already been committed to beneficiaries. Approximately $1.7 million is assigned for operating expenditures. The remainder of the fund balance is unassigned which is available for spending at the Agency's discretion.

The general fund is the administrative fund of the Agency. At June 30, 2020, the unassigned fund balance was $21.0 million, or 241 percent of budgeted general fund expenditures, the assigned fund balance was $1.7 million, or 20 percent of budgeted general fund expenditures, and the restricted fund balance was $418 thousand, or 5 percent of budgeted general fund expenditures. The unassigned fund balance of the general fund increased by 66 thousand from June 30, 2019. Operating expenses exceeded revenues for the fund by approximately $7.4 million but were offset by net transfers from the permanent fund of approximately $7.4 million. The most significant factor contributing to this increase was that no repayment of investment manager fees to the Permanent Fund was required in fiscal year 2020 as it was in the prior fiscal year.

The entire balance of the permanent fund is for the use and benefit of common education and thirteen Oklahoma colleges and universities. Total revenue, which includes the decrease in fair market value of investments, was $8.5 million compared to $245.3 million of prior year. Cash apportionments distributed to beneficiaries during 2020 totaled $130.5 million with $30.7 million disbursed to universities and colleges, $96.2 million disbursed to public schools, and $3.6 million to public buildings. This was a decrease of $5.7 million from the cash apportionments distributed during fiscal year 2019.

General Fund Budgetary Highlights

For fiscal year 2020, general fund actual expenditures on a budgetary basis were $7.7 million compared to the final budget of $8.7 million. The $1.0 million variance was largely due to personnel vacancies and anticipated retirements that did not occur until the following fiscal year. Additionally, the Agency deferred some purchases due to the Covid-19 pandemic.

Investment in Land and Mineral Rights

The Agency obtained the majority of the land held in trust from a grant of the United States prior to statehood. The land is mainly in the western portion of Oklahoma, with approximately 40 percent of the land being located in the Oklahoma Panhandle. Management estimates the market value of the land at June 30, 2020 is approximately $905,000,000 using land values established by in-house appraisers. Each year, one-fifth (1/5) of the land is appraised and that value is used for five years.

Currently, the Agency owns approximately 1,206,000 mineral acres. Valuation of such properties normally requires a property-by-property reserve study. As this is not feasible, an estimated market value of the mineral rights has not been determined.

Description of Current and Expected Conditions

The economic uncertainties that arose as a result of the Covid-19 Pandemic adversely affected the financial position and results of activities in the year ended June 30, 2020. Although there has been some signifiant recoveries in economic markets since the fiscal year end, Commissioners of the Land Office cannot reasonably estimate the duration and ultimate financial effects at this time.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances and to show the Agency's accountability to its beneficiaries. If you have questions about this report or need additional financial information, contact the Agency's office at 204 N. Robinson, Suite 900, Oklahoma City, Oklahoma 73102.

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Statement of Net Position
June 30, 2020

Assets	
Cash and cash equivalents	$ 105,692,005
Restricted cash	418,361
Investments	2,227,676,321
Property held for investment	99,751,000
Accrued interest receivable	12,773,076
Other receivables	5,044,466
Other Assets	278,737
Capital Assets	
Land	5,598,239
Other capital assets, net of depreciation	1,362,050
Total Assets	2,458,594,255
Deferred outflows of resources	
Deferred pension plan outflows	567,724
Liabilities, Deferred Inflows and Net Postion	
Liabilities	
Accounts payable and accrued expenses	21,585,913
Unearned revenue	7,529,254
Net pension liability	287,303
Accrued compensated absences	406,937
Total Liabilities	29,809,407
Deferred inflows of resources	
Deferred pension plan inflows	364,194
Net position	
Investment in capital assets	6,960,289
Restricted	
Nonexpendable	2,399,344,280
Expendable	418,361
Unrestricted	22,265,448
Total net position	$2,428,988,378

See notes to basic financial statements.

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Statement of Activities
For the Year Ended June 30, 2020

Expenses	
Program expenses	
Apportionment to beneficiaries	
Universities and colleges	$ 30,804,465
Public schools	89,394,415
Public buildings	2,691,276
Total apportionments	122,890,156
Custodial fees	6,373,739
Administrative expenses	8,466,117
Commercial real estate expense	118,026
Other expenses	3,277,000
Depreciation	240,469
Total program expenses	141,365,507
Program revenues	
Investment earnings	
Interest	60,251,764
Dividends	38,426,719
Net increase in fair value of investments	(146,096,462)
Net investment loss	(47,417,979)
Charges for services	
Mineral revenue	30,452,570
Rents	17,704,970
Commercial real estate rent	4,465,410
Fees	403,805
Total program revenues	5,608,776
General Revenues	
Gain on sale of grant land	2,251,072
Miscellaneous	2,402,188
Other interest	1,645,809
Total general revenues	6,299,069
Change in Net Position	(129,457,662)
Net position, beginning of year	2,558,446,040
Net position, end of year	$2,428,988,378

See notes to basic financial statements.

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Permanent Fund	Total
Assets			
Cash and cash equivalents	$ 24,946,449	$ 80,745,556	$ 105,692,005
Restricted cash	418,361	-	418,361
Investments	-	2,227,676,321	2,227,676,321
Property held for investments	-	99,751,000	99,751,000
Accrued and interest receivable	-	12,773,076	12,773,076
Other receivables	91,124	4,953,342	5,044,466
Other assets	181	278,556	278,737
Due from other funds	-	1,508,150	1,508,150
Total assets	$ 25,456,115	$ 2,427,686,001	$ 2,453,142,117
Liabilities and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	$ 773,446	$ 20,812,467	$ 21,585,913
Unearned revenue	-	7,529,254	7,529,254
Due to other funds	1,508,150	-	1,508,150
Total liabilities	2,281,596	28,341,721	30,623,317
Fund Balance			
Nonspendable, permanent fund corpus	-	2,399,344,280	2,399,344,280
Restricted	418,361	-	418,361
Assigned	1,722,205	-	1,722,205
Unassigned	21,033,953	-	21,033,953
Total fund balance	23,174,519	2,399,344,280	2,422,518,799
Total liabilities and fund balance	$ 25,456,115	$ 2,427,686,001	
Reconciliation to the Statement of Net Position			
Capital assets not considered financial resources and not included in funds			6,960,289
Compensated absences not due and payable in the current period			(406,937)
Net pension liability not due and payable in the current period			(287,303)
Deferred pension inflows			(364,194)
Deferred pension outflows			567,724
Net position of governmental activities			$ 2,428,988,378

See notes to basic financial statements.

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Permanent Fund	Total
Revenues			
Investment Revenues			
Interest	$ -	$ 60,251,764	$ 60,251,764
Dividends	-	38,426,719	38,426,719
Net decrease in fair value	-	(146,096,462)	(146,096,462)
Investment Revenues	-	(47,417,979)	(47,417,979)
Fees	403,805	-	403,805
Other interest	681,014	964,795	1,645,809
Mineral revenue	-	30,452,570	30,452,570
Rents	-	22,170,380	22,170,380
Miscellaneous revenue	69,768	2,332,420	2,402,188
Total revenues	1,154,587	8,502,186	9,656,773
Expenditures			
Administrative expenses	8,506,046	-	8,506,046
Capital outlay	86,609	192,891	279,500
Other	-	3,389,660	3,389,660
Custodial fees	-	6,373,739	6,373,739
Apportionment to beneficiaries			
Universities and colleges	-	30,804,465	30,804,465
Public Schools	-	89,394,415	89,394,415
Public buildings	-	2,691,276	2,691,276
Total expenditures	8,592,655	132,846,446	141,439,101
Other financing sources (uses)			
Transfers in	9,893,377	2,437,569	12,330,946
Transfers out	(2,437,569)	(9,893,377)	(12,330,946)
Gain on sale of grant land	-	2,251,072	2,251,072
Other financing sources (uses)	7,455,808	(5,204,736)	2,251,072
Net change in fund balances	17,740	(129,548,996)	(129,531,256)
Fund balances, beginning of the year	23,156,779	2,528,893,276	2,552,050,055
Fund balances, end of year	$ 23,174,519	$ 2,399,344,280	$ 2,422,518,799

Reconciliation to the Statement of Activities	
Net change in fund balances	$ (129,531,256)
Capital assets purchased	279,500
Decrease in liability for compensated absences	75,589
Current year depreciation expense	(240,469)
Loss on disposal of capital assets	(5,366)
Pension expense	(603,397)
Current year pension contributions	567,737
Change in net position of governmental activities	$ (129,457,662)

See notes to basic financial statements.

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Note 1. Summary of Significant Accounting Policies

Organization

In 1906, the Government of the United States of America granted certain assets to the State of Oklahoma (the State) to be held in trust for the benefit of public education including the Common Schools of Oklahoma and other beneficiaries. The Constitution of the State of Oklahoma established the Commissioners of the Land Office (the Agency) to act as trustee for these trust assets (the Trust), which are held for the benefit of the following beneficiaries:

- Public Schools
- Public Building Fund
- University of Oklahoma
- Oklahoma State University
- Langston University
- Northern Oklahoma College
- Southeastern Oklahoma State University
- Northeastern Oklahoma State University
- University of Central Oklahoma
- East Central Oklahoma State University
- Southwestern Oklahoma State University
- Northwestern Oklahoma State University
- Cameron University
- Panhandle State University
- University of Science and Arts of Oklahoma

Apportionment

The primary goal of the Commissioners of the Land Office is to support education. To accomplish this goal, monthly distributions are made to both common schools and Oklahoma colleges. The amount that is distributed to the common school districts is calculated from the average daily attendance, which is provided from the Department of Education each fiscal year. Effective in fiscal year 2013, House Bill 2927 enabled the Agency to implement a multi-year education distribution stabilization fund based on a five-year rolling average. This new legislation helps provide consistent distributions for the 511 common school districts. As with common schools, college apportionment is distributed monthly. The college distribution is divided on a percentage basis as outlined in Title 70, section 3904 of the Oklahoma Statutes.

Note 1. Summary of Significant Accounting Policies (continued)

Basis of presentation

The accounting and reporting policies of the Agency conform to accounting principles generally accepted in the United States applicable to governmental units. Generally accepted accounting principles for state agencies are defined as those principles prescribed by the Governmental Accounting Standards Boards (GASB). In accordance with those principles, the Agency presents government-wide financial statements of net position and activities, which are presented on the economic resources measurement focus and accrual basis of accounting requiring that certain capital assets be recorded at cost less accumulated depreciation and the reporting of long-term liabilities.

The Agency also presents fund financial statements for all of the funds relevant to the operations of the Agency. The Agency's financial statements are included in the comprehensive annual financial report of the State of Oklahoma.

The accounts of the Agency are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of its assets, liabilities, fund balance, revenues and expenditures. The various funds are grouped into two funds in the financial statements of this report as follows:

General fund: The general fund is classified as a governmental fund type and uses the current financial resources measurement focus and modified accrual basis of accounting whereby revenues are recognized when measurable and available and expenditures are recognized when liabilities are incurred except for compensated absences and the net pension liability, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The general fund consists of several individual accounts, including the Revolving 16 account, and the Commissioners of the Land Office (CLO) account. The Revolving 16 account contains certain fees expenditures for administration of the Trust. The CLO account receives six percent of the revenues earned by the permanent fund, with the exception of gains on the sale of permanent land.

Permanent fund: The permanent fund is classified as a governmental fund type and is used to account for all Trust assets, liabilities, fund balances, revenues and distributions to beneficiaries. The permanent fund uses the current financial resources measurement focus and modified accrual basis of accounting whereby revenues are recognized when measurable and available and expenditures are recognized when incurred. The permanent fund represents the historic dollar value of the permanent fund assets, along with certain additions, and must be maintained in perpetuity. Additions to the permanent fund are made by the retention of a portion of the revenues generated by assets able to be depleted that are considered a return of principal as a result of production.

The Agency considers all revenues available if they are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. A ninety-day period is used for revenue recognition for all governmental fund type revenues. Those revenues susceptible to accrual are interest revenue, mineral revenue and surface leases, gas marketing and commercial real estate investments.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

Note 1. Summary of Significant Accounting Policies (continued)

Budget

The Agency operates on internally generated funds under a financial work program approved by the State Legislature and administered by the Office of Management Enterprise Services. The Agency does not receive any State general funds. A budgetary comparison is presented as other supplementary information on the cash basis of accounting.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

Deferred inflows of resources

Deferred inflows of resources are the acquisition of net position by the Agency that are applicable to a future reporting period. At June 30, 2020, the Agency had deferred inflows related to pensions of $364,194. See Note 8 for additional discussion regarding deferred inflows of resources.

Deferred outflows of resources

Deferred outflows of resources are the consumption of net position by the Agency that are applicable to a future reporting period. At June 30, 2020, the Agency had deferred outflows of resources related to pensions of $567,724. See Note 8 for additional discussion regarding deferred outflows of resources.

Cash and cash equivalents

The Agency considers highly liquid investments with original maturities of three months or less to be cash equivalents.

Land

The Federal government granted the Agency upon statehood approximately 3.1 million acres of land, of which approximately 689,000 acres remain at June 30, 2020. This land is held in trust and is stated at $1 per acre in the financial statements at June 30, 2020. The $1 per acre was set as a nominal amount for recordkeeping purposes.

The Agency has repossessed approximately 51,000 acres, which had been sold by the Agency, or on which the Agency held a first mortgage as collateral relating to farm loans made by the Agency in prior years. The land was recorded at lower of cost or market at date of foreclosure or repossession as determined by appraisals of the property. At June 30, 2020, repossessed land is carried at approximately $4,909,000.

Land is considered capital assets and is reported at cost.

Note 1. Summary of Significant Accounting Policies (continued)

Depreciable capital assets

Capital assets, which include commercial real estate, improvements and fixtures, furniture and equipment, are assets with an estimated useful life in excess of one year. Such assets are recorded at cost. Donated fixed assets are valued at their acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Improvements:

Reservoirs	50 years
Water wells, erosion control	20 years
Water ways	10-25 years
Other land improvements	5 years
Fixtures, furniture and equipment	5 years

Unearned revenue

Unearned revenue represents lease billings not yet earned for which cash was received prior to year-end. This unearned revenue is recognized when earned in the following year.

Income taxes

Since the Agency is considered a governmental unit, it is not subject to income taxes and no amount for taxes has been recorded in the accompanying statements.

Investments

The Agency is allowed by state statutes to invest in equities, fixed income investments, pooled equity funds, commercial real estate and cash equivalents. Each type of investment has a minimum, maximum and target percentage that has been established by the Agency's investment committee. Equities, fixed income investments, and commercial real estate are stated at fair value and pooled equity funds and open-ended mutual funds are stated at the net asset value (NAV) of the pool. See Note 2.

Note 1. Summary of Significant Accounting Policies (continued)

Property held for investments

Property held for investment is recorded at fair value. The Agency determines fair value of each of its real properties by obtaining an appraisal by a certified real estate appraiser every three calendar years or more frequently if an event occurs that could indicate a significant change in the value of the building or the overall real estate market. For periods in which an appraisal is not obtained, the Agency evaluates the extent to which changes in the use of the real properties or the overall real estate market may have affected the fair value of the properties since the last appraisal.

Compensated absences

In accordance with State policy, employees earn annual leave on a calendar-month basis at rates of 10 to 15 hours per month. Annual leave can be accumulated from 240 to 480 hours, depending on the years of continuous service in State employment. At June 30, 2020, unpaid and accumulated benefits totaled $406,937. The activity for the year is as follows:

Beginning balance	$ 482,526
Leave earned	269,860
Leave used	(345,449)
End balance	$ 406,937

Net position

Net position is the excess of all the Agency's assets and deferred outflows over all its liabilities and deferred inflow, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level are described below:

Net investment in capital assets: This describes the portion of net position which consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes or other borrowings attributable to those assets.

Restricted net position: This consists of that portion of net position with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted: The portion of net position which is not restricted as to use.

It is the Agency's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Note 1. Summary of Significant Accounting Policies (continued)

Fund balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows and based on the nature of any limitations requiring the use of resources for specific purposes.

Nonspendable: Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. The assets comprising the Permanent Fund corpus are considered nonspendable fund balance due to State law requiring the corpus to be maintained in perpetuity.

Restricted: This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation.

Committed: This component consists of amounts that can only be used only for the specific purposes determined by a formal action of the Agency's highest level of decision making authority. The Agency has no committed fund balance at June 30, 2020.

Assigned: Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The authority for assigning fund balance is expressed by the Commissioners or their designee (Secretary) as established by statute.

Unassigned: This classification represents amounts that have not been restricted, committed or assigned to specific purposes within the General Fund.

It is the Agency's policy to use restricted fund balance prior to the use of unassigned fund balance when an expenditure is incurred for purposes for which both restricted and unassigned fund balance are available. The Agnency's policy for the use of unassigned fund balance amounts requires that committed amounts would be used first, followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in the unassigned fund balance classification could be used.

New accounting prouncements issued but not yet adopted

The following accounting standards have been recently issued and will be adopted as applicable by CLO in future years:

GASB Statement No. 84 – *Fiduciary Activities* (GASB 84): GASB 84 provides for greater consistency and comparability by establishing specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. This statement is effective for periods beginning after December 15, 2019 (effective for CLO's June 30, 2021, year-end).

Note 1. Summary of Significant Accounting Policies (continued)

New accounting prouncements issued but not yet adopted (continued)

GASB Statement No. 87 – *Leases* (GASB 87): GASB 87 addresses the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognizing inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activity. This statement is effective for periods beginning after June 15, 2021 (effective for CLO's June 30, 2022 year-end).

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*: The primary objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. It also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement are effective for reporting periods beginning after December 15, 2020 (effective for CLO's June 30, 2022 year-end).

GASB Statement No 90 – *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this statement are to improve the consistency and comparability of reporting on a government's major equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements for this statement are effective for reporting periods beginning after December 15, 2019 (effective for CLO's June 30, 2021 year-end).

GASB Statement No. 91 - *Conduit Debt Obligations*: The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021 (effective for CLO's June 30, 2023 year-end).

GASB Statement No. 92 – *Omnibus 2020*: The objectives of GASB Statement No. 92 are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 92 addresses a variety of topics and includes specific provisions about the following:

- The effective date of GASB Statement No. 87, *L*eases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.

Note 1. Summary of Significant Accounting Policies (continued)

New accounting prouncements issued but not yet adopted (continued)

- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.

- The applicability of GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits

- The applicability of certain requirements of GASB Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements:

- Measurement of liabilities (and assets, if any) related to AROs in a government acquisition

- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers

- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature

- Terminology used to refer to derivative instruments

GASB Statement No. 92 is effective for reporting periods beginning after June 15, 2021 (effective for CLO's June 30, 2022, year-end).

GASB Statement No. 93 - *Replacement of Interbank Offered Rates*: Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate.

- The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. GASB Statement No. 93 achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment

- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate

Note 1. Summary of Significant Accounting Policies (continued)

New accounting prouncements issued but not yet adopted (continued)

- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable

- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap

- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap

- Clarifying the definition of reference rate, as it is used in GASB Statement No. 53, as amended

- Providing an exception to the lease modifications guidance in GASB Statement No. 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after June 15, 2021 (effective for CLO's June 30, 2022, year-end). All other requirements of GASB Statement No. 93 are effective for reporting periods beginning after June 15, 2020 (effective for CLO's June 30, 2021, year-end).

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: The primary objective of GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in GASB Statement No. 94, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in GASB Statement No. 94 as a PPP in which 1) the operator collects and is compensated by fees from third parties; 2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and 3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for reporting periods beginning after June 15, 2022 (effective for CLO's June 30, 2023, year-end).

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements* – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022 (effective for CLO's June 30, 2023, year-end).

Note 1. Summary of Significant Accounting Policies (continued)

New accounting prouncements issued but not yet adopted (continued)

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* - The primary objectives of GASB Statement No. 97 are to 1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; 2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and 3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of GASB Statement No. 97 that 1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and 2) limit the applicability of the financial burden criterion in paragraph 7 of GASB Statement No. 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of GASB Statement No. 67 or paragraph 3 of GASB Statement No. 74, respectively, are effective immediately. The remaining requirements of GASB Statement No. 97 are effective for reporting periods beginning after June 15, 2021 (effective for CLO's June 30, 2022, year-end).

The effect of these statements on CLO has not been determined but could have a significant impact on CLO's overall net position.

Note 2. Deposits, Investments and Related Policies

Cash and cash equivalents: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Agency's deposits may not be returned to it. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Substantially, all (in excess of 99 percent) of the Agency's deposits are collateralized through the Oklahoma State Treasurer or its investment custodians; however, the Agency does not have a specific policy that reduces the Agency's exposure to custodial credit risk.

The Agency uses a pooled cash concept in maintaining its bank accounts. Cash is pooled for operating and investing purposes and each fund has equity in the pooled amount. For reporting purposes, cash has been allocated to each fund based on its equity in the pooled amount. At June 30, 2020, the carrying amount of the Agency's deposits at the Office of the State Treasurer was $58,080,663 and the bank balance was $54,200,252. The cash that is deposited with the Oklahoma State Treasurer (OST) is fully insured or collateralized by the State Treasurer. Of funds on deposit with the State Treasurer at June 30, 2020, funds with a carrying amount of $55,714,398 were invested in the State Treasurer's internal investment pool OK INVEST. This carrying amount represents the Agency's net asset value of its interest in OK INVEST. The amounts held in OK INVEST are considered liquid as they are available to be withdrawn with limited redemption restrictions. For financial reporting purposes, deposits with the State Treasurer that are invested in OK INVEST are classified as cash equivalents.

Note 2. Deposits, Investments and Related Policies (continued)

Agencies and funds that are considered to be part of the State's reporting entity in the State's Comprehensive Annual Financial Report are allowed to participate in OK INVEST. Oklahoma statutes and the State Treasurer establish the primary objectives and guidelines governing the investment of funds in OK INVEST. Safety, liquidity, and return on investment are the objectives that establish the framework for the day-to-day OK INVEST management, with an emphasis on safety of the capital and the probable income to be derived and meeting the State and its funds' and agencies' daily cash flow requirements. Guidelines in the investment policy address credit quality requirements, diversification percentages and the types and maturities of allowable investments. The specifics regarding these policies can be found on the State Treasurer's website at http:// www.ok.gov/treasurer. The State Treasurer, at his discretion, may further limit or restrict such investments on a day-to-day basis. OK INVEST includes a substantial investment in securities with an overnight maturity as well as in U.S. government securities with a maturity of up to three years. OK INVEST maintains an overall weighted average maturity of less than four years. Participants in OK INVEST maintain interest in its underlying investments and, accordingly, may be exposed to certain risks. As stated in the State Treasurer information statement, the main risks are interest rate risk, credit/default risk, liquidity risk, and U.S. government securities risk. Interest rate risk is the risk that during periods of rising interest rates, the yield and market value of the securities will tend to be lower than prevailing market rates; in periods of falling interest rates, the yield will tend to be higher.

Credit/default risk is the risk that an issuer or guarantor of a security, or a bank or other financial institution that has entered into a repurchase agreement, may default on its payment obligations. Liquidity risk is the risk that OK INVEST will be unable to pay redemption proceeds within the stated time period because of unusual market conditions, an unusually high volume of redemption requests, or other reasons. U.S. government securities risk is the risk that the U.S. government will not provide financial support to U.S. government agencies, instrumentalities, or sponsored enterprises if it is not obligated to do so by law. Various investment restrictions and limitations are enumerated in the State Treasurer's investment policy to mitigate those risks; however, any interest in OK INVEST is not insured or guaranteed by the State, the FDIC, or any other government agency.

Cash is also maintained by the Bank of Oklahoma's Trust Department as part of various investments accounts held in the name of the Agency. Investment policy requires that these deposits must be invested in fully collateralized interest bearing accounts. The carrying amount and balance of the cash equivalents totaled $37,198,471 at June 30, 2020 and consists of an investment in a mutual fund composed of short-term investments with an original maturity date of three months or less, which are readily convertible into cash.

Investments: Investments are reported at fair value. Changes in fair value are recognized daily by the investment managers. Actual gains and losses realized by the Agency will be determined at the time of the sale and will be based on market conditions at that date. The Agency also has a policy that requires the Trust to have a current custodial agreement in the Agency's name with respect to investment collateral held by third-party custodians. In addition, the Bank of Oklahoma maintains a blanket bond insurance policy that covers all Trust assets.Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Agency will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the Trust and are held by counterparty or the counterparty's trust department but not in the name of the Trust. At June 30, 2020, the Agency does not have any securities that are not registered in the name of the Trust.

Substantially all investments are held by Bank of Oklahoma Trust Department. At June 30, 2020, the Agency had the following investments:

Note 2. Deposits, Investments and Related Policies (continued)

Investments:	
Stocks	
Common stocks	$ 376,639,354
Pooled equity funds	108,993,706
Equity-based mutual funds - domestic	170,750,445
Equity-based mutual funds - foreign	217,360,008
Fixed income securities:	
U.S. Government securities and municipal obligations	377,728,740
Corporate bonds - domestic	701,892,711
Corporate bonds - foreign	196,551,088
Preferred stocks:	
Preferred stock - nonconvertable	77,760,269
Total	$ 2,227,676,321

Credit risk exists when there is a possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. The Agency is authorized by State statutes to invest in equities, fixed income investments and cash equivalents. Each type of investment has a minimum, maximum and target percentage that has been established by the Agency's investment committee. The Agency considers investment grade as the Aaa-Baa3 rating categories. Below investment grade corporate fixed income investments shall be limited to twenty percent of the investment manager's total portfolio. This restriction does not apply to dedicated high yield managers or convertible managers. As applicable, average credit quality ratings are disclosed in the table below to indicate associated credit risk.

Fixed income investments and nonconvertible preferred stock by investment rating at June 30, 2020 consisted of the following:

Investment Name	Fair Value (in thousands)	Moody's Rating
U.S government sponsored:		
U.S. Treasury notes	$ 43,984	AAA
Federal Home Loan Mortgage Corp.	34,689	AAA
Federal National Mortgage Association	144,294	AAA
Government National Mortgage Association	40,916	AAA
Other	96,976	AAA
Other	7,535	NA
	368,394	
Municipal obligations:		
Municipal bonds	1,249	A2
Municipal bonds	6,970	AA3
Municipal bonds	1,115	BAA3
	9,334	

Note 2. Deposits, Investments and Related Policies (continued)

Investment Name	Fair Value (in thousands)	Moody's Rating
Corporate bonds (held in U.S. currency):		
Domestic bonds	9,519	A1
Domestic bonds	34,129	A2
Domestic bonds	28,051	A3
Domestic bonds	10,564	AA1
Domestic bonds	5,489	AA2
Domestic bonds	3,791	AA3
Domestic bonds	32,641	AAA
Domestic bonds	43,770	B1
Domestic bonds	35,166	B2
Domestic bonds	35,512	B3
Domestic bonds	39,106	BA1
Domestic bonds	36,167	BA2
Domestic bonds	53,465	BA3
Domestic bonds	56,804	BAA1
Domestic bonds	125,646	BAA2
Domestic bonds	63,573	BAA3
Domestic bonds	211	CA
Domestic bonds	7,416	CAA1
Domestic bonds	3,021	CAA2
Domestic bonds	413	CAA3
Domestic bonds	73,678	NA/NR
Domestic bonds	3,761	WR
	701,893	
Foreign bonds (held in U.S. currency):		
Foreign bonds	2,273	A1
Foreign bonds	11,711	A2
Foreign bonds	23,526	A3
Foreign bonds	1,136	AA3
Foreign bonds	4,293	B1
Foreign bonds	6,714	B2
Foreign bonds	8,039	B3
Foreign bonds	24,604	BA1
Foreign bonds	24,289	BA2
Foreign bonds	8,095	BA3
Foreign bonds	16,099	BAA1
Foreign bonds	20,779	BAA2
Foreign bonds	38,564	BAA3
Foreign bonds	854	CAA1
Foreign bonds	1,228	CAA2
Foreign bonds	114	CAA3
Foreign bonds	4,233	NA/NR
	196,551	
Total fixed income	$ 1,276,172	

Note 2. Deposits, Investments and Related Policies (continued)

Investment Name	Fair Value (in thousands)	Moody's Rating
Preferred stock - nonconvertible:		
Preferred stock	171	A1
Preferred stock	336	A3
Preferred stock	9,097	BA1
Preferred stock	2,121	BA2
Preferred stock	1,139	BA3
Preferred stock	4,959	BAA1
Preferred stock	25,201	BAA2
Preferred stock	17,111	BAA3
Preferred stock	17,625	NA/NR
	$ 77,760	

Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency's investments in a single issuer. It is generally considered that an increased risk of loss occurs as more investments are acquired from a single issuer. The Agency has formal written policies regarding the concentration of credit risk for both unsecured fixed income investments and equity-type investments. With the exception of U.S. Government and Agency issues, no more than 10 percent of the bond portfolio at market will be invested in the securities of a single issuer or 5 percent of the bond portfolio in an individual issue. Equity managers shall not invest more than 10 percent of its portfolio market value in any one company. Equity managers may invest up to 5 percent of their portfolio's market value at the time of the initial purchase in a single entity. At June 30, 2020, Federal National Mortgage Corp. represented 6.34 percent of the Agency's investments.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Agency's policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from the over-concentration of assets in a specific maturity period, a single issuer or an individual class of securities.

Note 2. Deposits, Investments and Related Policies (continued)

The Agency's exposure to interest rate risk is as follows:

Investment Name	Fair Value	Effective Duration (Years)
U.S. government securities:		
U.S. Treasury notes and obligations	$ 43,984	8.57
Government National Mortgage Association	38,507	1.49
Other	120,483	5.49
	202,974	
Mortgage-backed securities:		
Federal Home Loan Mortgage Corp.	30,481	2.04
Federal National Mortgage Corp.	134,940	3.27
	165,421	
Municipal obligations, municipal bonds	9,334	11.50
Corporate bonds (held in U.S. currency):		
Domestic bonds	701,893	5.76
Foreign bonds	196,551	4.78
	898,444	
Total fixed income	$ 1,276,173	

Fair value measurement: The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The inputs to the three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Significant other observable inputs, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active and other market corroborated inputs

Level 3: Significant unobservable inputs

Note 2. Deposits, Investments and Related Policies (continued)

Assets measured at fair value on a recurring basis are summarized below:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Equity:				
Common stocks	$ 376,639,354	$ -	$ -	$ 376,639,354
Preferred stock - nonconvertible	77,760,269	-	-	77,760,269
Fixed income securities:				
Corporate bonds - domestic	-	701,892,711	-	701,892,711
Corporate bonds - foreign	-	196,551,088	-	196,551,088
Municipal bonds	-	9,334,144	-	9,334,144
U.S. government sponsored:				
Federal National Mortgage Corp	-	144,294,472	-	144,294,472
Federal Home Loan Mortgage Corp.	-	34,688,589	-	34,688,589
Government National Mortgage Assoc.	-	40,916,071	-	40,916,071
U.S. Treasury obligation	43,984,001	-	-	43,984,001
Other government	6,458,549	98,052,915	-	104,511,464
Commercial real estate	-	-	99,751,000	99,751,000
Total investments by fair value level	$ 504,842,173	$ 1,225,729,990	$ 99,751,000	1,830,323,163
Investments measured at the net asset value (NAV)				
Pooled equity funds				108,993,706
Equity-based mutual funds - domestic				170,750,445
Equity-based mutual funds - foreign				217,360,008
Total Investments measured at fair value				$ 2,327,427,322

Common and preferred stocks classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Fixed income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 are valued using an option-adjusted spread model which considers relevant trade data, benchmark quotes, and spreads. Municipal bonds classified in Level 2 are valued using internal yield curves based on established trading spreads between similar issues, historical trading spreads over widely accepted market benchmarks, new issues scales and market information. U.S. government sponsored asset-backed securities classified in Level 2 are valued using an option-adjusted spread model that incorporates cash flow, benchmark spread, and deal collateral performance.

Note 2. Deposits, Investments and Related Policies (continued)

Pooled equity funds consist solely of a fund of funds containing individual stocks in the Russell 1000 Index. Equity-based mutual funds-domestic consist solely of an open-ended mutual fund containing common stocks of companies primarily in the United States that are characterized by high-dividend yield. Equity-based mutual funds-foreign consist solely of an open-ended mutual fund containing stocks issued by companies located in developed and emerging markets, excluding the United States. The fund of funds and equity-based mutual funds are valued using the net asset value (NAV) of the pool or fund. The Agency has no unfunded commitments related to investments valued at NAV. Shares are redeemable daily at the NAV at the time of redemption for each of these investment types. Commercial real estate classified in Level 3 of the fair value hierarchy are valued by certified appraisers using a blend of a sales comparison approach which determines the value using recent sales prices of comparable properties and an income approach which determines the value using direct capitalization of projected net operating income.

Note 3. Leasing Operations

The Agency leases to others approximately 739,960 acres of land belonging to the Trusts as of June 30, 2020, primarily for agricultural purposes.

The lease terms are generally for five-year periods (on a calendar-year basis) with rents prepaid one year in advance. The annual rental amount is determined by the lessee's maximum bid amount.

The following is a schedule of the future minimum rent due to the Agency under its noncancelable leases at June 30, 2020:

Years ended June 30:

2021	$ 12,900,097
2022	9,639,097
2023	6,182,582
2024	2,902,842
2025	115,888
	$ 31,740,506

Note 4. Investment property

With the implementation of the House Bill 1022 in 2013, the Commissioners of the Land Office have been authorized to acquire, purchase, exchange and grant any real property under its jurisdiction. The Agency shall invest up to 5 percent of the total value of the assets of the permanent school funds in connection with investment in real property. At June 30, 2020, the Agency owned the following property which is carried at fair value and leased to multiple tenants:

Property	Fair Value
5005 N. Lincoln	$ 3,450,000
119 N. Robinson Ave	12,200,000
City Place (204 N. Robinson Ave. 4th, 8th & 9th floors)	4,625,000
3017 N. Stiles	2,275,000
400 NE 50th Street	487,000
City Place (204 N. Robinson Ave 10th Floor)	1,440,000
921 NE 23rd Street	4,000,000
5727 South Lewis Avenue, Tulsa	13,350,000
Lincoln Corridor properties	3,860,000
5050 N. Lincoln	8,380,000
10625 and 10630 NW 4th St., Yukon	4,300,000
15024 W. Highway 66, Yukon	1,900,000
4734 Kickapoo, Shawnee	2,725,000
122nd and Western tract	10,289,000
300 & 304 S. Miller Street	1,520,000
9201 N. I-35	24,950,000
	$99,751,000

The following is a schedule of the future minimum rent due to the Agency under its noncancelable leases at June 30, 2020:

Years ended June 30:

2021	$ 5,462,060
2022	3,482,373
2023	3,385,112
2024	2,694,645
2025	2,122,348
Thereafter	16,969,534
	$ 34,116,072

Note 5. Other Receivables

Other receivables at June 30, 2020 consisted of the following:

Accrued mineral revenue	$ 5,229,983
Surface leases	1,026,141
Gas marketing	91,124
Commercial RE Investments	57,880
Allowance for doubtful accounts	(1,360,662)
	$ 5,044,466

Note 6. Interfund balances and transfers

At June 30, 2020, the Permanent Fund recognized an interfund receivable from the General Fund in the amount of $1,508,150 which is comprised of royalty payments in held in escrow by the General Fund.

Transfers between the funds are typically to transfer the six percent of the Permanent Fund revenues to the general fund for the Agency's administration of the Trust. Periodically, as the Secretary determines, funds are transferred from the general fund to the permanent fund for the benefit of the Multiyear Education Distribution Stabilization Revolving Fund for distribution to Trust beneficiaries at the Commissioners' discretion.

For the fiscal year ended June 30, 2020, $9,893,377 was transferred from the permanent fund to the general fund for Agency's administration of the Trust. Additionally, the general fund transferred to the permanent fund $2,415,189 for the Education Distribution Stabilization Revolving Fund and approximately $22,380 as reimbursement for various expenditures.

Note 7. Related party transactions

During the course of normal operations, the Agency purchases goods and services from other State agencies. The expenditures made to other State agencies during the fiscal year ended June 30, 2020 was approximately $842,237.

Note 8. Employee Benefit Plans

Retirement plan: The Agency contributes to the Oklahoma Public Employees Retirement System (OPERS) cost sharing multiple-employer defined benefit plan. OPERS was established in 1964 by the Oklahoma Legislature and covers substantially all employees of the State, except those covered by six other plans sponsored by the State, and also covers employees of participating counties and local agencies. The Plan provides that all eligible persons, except those specifically excluded, shall become members of OPERS as a condition of their employment. The supervisory authority for the management and operation of OPERS is its Board of Trustees.

OPERS offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The Plan's provisions are established under Title 74 of the Oklahoma Statutes.

Note 8. Employee Benefit Plans (continued)

Benefits provided: Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the member's age and years of credited service equals or exceeds 80 (Rule of 80), and for any person who became a member after June 30, 1992, when the member's age and years of credited service equals or exceeds 90 (Rule of 90).

Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have six or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employer and active wartime military service.

A member with a minimum of ten years of participating service may elect early retirement with reduced benefits beginning at age 55 if the participant became a member prior to November 1, 2011, or age 60 if the participant became a member on or after November 1, 2011.

Disability retirement benefits are available for members having eight years of credited service whose disability status has been certified as being within one year of the last day on the job by the Social Security Administration. Disability retirement benefits are determined in the same manner as retirement benefits, but payable immediately without an actuarial reduction.

Benefits are determined at 2 percent of the average annual salary received during the highest thirty-six months of the last ten years of participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Members who join OPERS on or after July 1, 2013, will have their salary averaged over the highest 60 months of the last ten years. Normal retirement age under the Plan is 62 or Rule of 80/90 if the participant became a member prior to November 1, 2011, or age 65 or Rule of 90 if the participant became a member on or after November 1, 2011.

Members who elect to pay the additional contribution rate, which became available in January 2004, will receive benefits using a 2.5 percent computation factor for each full year the additional contributions are made. In 2004, legislation was enacted to provide an increased benefit to retiring members who were not yet eligible for Medicare. The Medicare Gap benefit option became available to members under age 65 who retired on or after May 1, 2006. Members may elect to receive a temporary increased benefit to cover the cost of health insurance premiums until the member is eligible to receive Medicare. After the member becomes eligible for Medicare, the retirement benefit will be permanently reduced by an actuarially determined amount. The option is irrevocable, must be chosen prior to retirement, and is structured to have a neutral actuarial cost to the Plan.

Members become eligible to vest fully upon termination of employment after attaining eight years of credited service, or the members' contributions may be withdrawn upon termination of employment.

Contributions: The contribution rates for each member category of the Plan are established by the Oklahoma Legislature after recommendation by the Board based on an actuarial calculation, which is performed to determine the adequacy of such contribution rates.

Each member participates based on their qualifying gross salary earned, excluding overtime. There is no cap on the qualifying gross salary earned, subject to Internal Revenue Service (IRS) limitations on compensation.

Note 8. Employee Benefit Plans (continued)

For 2020, state agency employers contributed 16.5 percent on all salary, and state employees contributed 3.5 percent on all salary.

The Agency's contributions to the Plan for the year ended June 30, 2020 were approximately $567,737 and was equal to its required contribution.

Members have the option to elect to increase the benefit computation factor for all future service from 2.0 percent to 2.5 percent. The election is irrevocable, binding for all future employment under OPERS, and applies only to full years of service. Those who make the election pay the standard contribution rate plus an additional contribution rate, 2.91 percent which is actuarially determined.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2020, the Agency reported a liability of $287,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The Agency's proportion of the net pension liability was based on the Agency's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2019, the Agency's proportion was 0.21571265 percent which is a decrease of 0.00444107 percent from the prior fiscal year.

Note 8. Employee Benefit Plans (continued)

For the year ended June 30, 2020, the Agency recognized pension expense of $603,397. At June 30, 2020, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 107,457
Net difference between projected and actual investment earnings on pension plan investments	-	244,450
Changes in proportion and differences between Agency contributions and proportionate share of contributions	-	12,287
Total deferred amounts to be recognized in pension expense in future periods	-	364,194
Agency contributions subsequent to the measurement date	567,724	-
Total deferred amounts related to pension	$ 567,724	$ 364,194

Deferred pension outflows resulting from the Agency's employer contributions subsequent to the measurement date, totaling $567,724 at June 30, 2020, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Deferred inflows related to the difference between projected and actual investment earnings are being amortized over five years beginning in the year each originated. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension consist of amounts originating in current and prior years and will be recognized in pension expense using the average expected remaining life of the Plan as of the beginning of the fiscal year in which each item originated. The average expected remaining service life of the Plan is determined by taking the calculated total future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years are determined using the mortality, termination, retirement and disability assumptions associated with the Plan.

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows at June 30:

	June 30, Deferred Outflows(Inflows)
2021	$ (80,611)
2022	(234,858)
2023	(31,386)
2024	(17,339)
	$ (364,194)

Note 8. Employee Benefit Plans (continued)

Actuarial assumptions: The total pension liability as of June 30, 2020 was determined based on an actuarial valuation prepared as of July 1, 2019, using the following actuarial assumptions:

- Investment return—7.00 percent compounded annually net of investment expense and including inflation
- Salary increases—3.5 percent to 9.5 percent per year including inflation
- Mortality rates—Active participants and nondisabled pensioners—RP-2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years)
- No annual post-retirement benefit increases
- Assumed inflation rate—2.75 percent
- Payroll growth—3.5 percent per year
- Actuarial cost method—Entry age
- Select period for the termination of employment assumptions—10 years

With the exception of the long-term rate of return used in the July 1, 2019 valuation, the actuarial assumptions used are based on the results of the most recent actuarial experience study, which covers the three-year period ending June 30, 2019. The experience study report is dated April 13, 2020. The long-term rate of return was modified by the Plan during 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U. S. Large Cap Equity	38.0%	3.8%
U.S. Small Cap Equity	6.0%	4.9%
Non-US Equity	24.0%	9.2%
US Fixed	32.0%	1.4%
	100%	

Note 8. Employee Benefit Plans (continued)

Discount rate: The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and the employers will be made at the current contribution rate as set out in state statute. Based on those 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. The discount rate determined does not use a municipal bond rate.

Sensitivity of the Agency's proportionate share of the net pension liability to changes in the discount rate: The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Agency's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Commissioners of the Land Office's proportionate share of the net pension liability (asset)	$ 2,587,136	$ 287,303	$ (1,681,985)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements, June 30, 2018 CAFR, available at:

http://www.opers.ok.gov/wp-contents/uploads/2020/05/CAFR-2019-OPERS.pdf

Deferred compensation plan: The State offers to its own employees, state agency employees and other duly constituted authority or instrumentality employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457 and Chapter 45 of Title 74, Oklahoma Statutes. The Oklahoma State Employees Deferred Compensation Plan (the 457 Plan), also known as SoonerSave, is a voluntary plan that allows participants to defer a portion of their salary into the 457 Plan. Participation allows a person to shelter the portion of their salary that they defer from current federal and state income tax. Taxes on the interest or investment gains on this money, while in the 457 Plan, are also deferred. The deferred compensation is not available to employees until termination, retirement, death or approved unforeseeable emergency.

Under SoonerSave, the untaxed deferred amounts are invested as directed by the participant among various 457 Plan investment options. Effective January 1, 1998, a Trust and Trust Fund covering the 457 Plan assets was established pursuant to federal legislation enacted in 1996, requiring public employers to establish such trusts for plans meeting the requirements of Section 457 of the IRC. Under terms of the Trust, the corpus or income of the Trust Fund may be used only for the exclusive benefit of the 457 Plan participants and their beneficiaries. Further information may be obtained from the Oklahoma State Employees Deferred Compensation Plan audited financial statements for the years ended June 30, 2019 and 2018. The Agency believes that it has no liabilities in respect to the State's plan.

Note 9. Capital Assets

The changes in the capital asset accounts for fiscal year 2020 were as follows:

	Beginning Balance	Increases	Decreases	Balance
Capital Assets, not being depreciated, land	$ 5,598,417	$ -	$ (178)	$ 5,598,239
Capital assets being depreciated:				
Furniture, fixture and equipment	1,774,924	86,610	(27,409)	1,834,125
Land Improvements	2,532,710	192,890	-	2,725,600
Total capital assets being depreciated	4,307,634	279,500	(27,409)	4,559,725
Less accumulated depreciation for:				
Furniture, fixture and equipment	1,497,850	134,628	(22,221)	1,610,257
Land Improvements	1,481,577	105,841	-	1,587,418
Total accumulated depreciation	2,979,427	240,469	(22,221)	3,197,675
Total capital assets being depreciated, net	1,328,207	39,031	(5,188)	1,362,050
Governmental activities capital assets, net	$ 6,926,624	$ 39,031	$ (5,366)	$ 6,960,289

Note 10. Fund balance

The following table shows further details of the fund balance classifications as shown on the governmental funds balance sheet as of June 30, 2020.

	General	Permanent	Total Governmental Funds
Fund balances			
Nonspendable			
Nonspendable,permanent fund corpus	$ -	$ 2,399,344,280	$ 2,399,344,280
Restricted			
Oil & Gas Performance Fee fund	418,361	-	418,361
Assigned			
Multiyear Education Distribution Stabilization fund	1,722,205	-	1,722,205
Unassigned	21,033,953	-	21,033,953
Total fund balances	$ 23,174,519	$ 2,399,344,280	$ 2,422,518,799

Note 11. Commitments and Contingencies

Leases: The Agency leases various office equipment, as well as office space and computer equipment for 12-month terms, with options to renew each year. For the year ended June 30, 2020, total rent expense for these items was approximately $411,000 for office space and $141,000 for office equipment and other rents.

Economic uncertainties: As a result the spread of COVID-19, economic uncertainties have arisen that may negatively impact the financial position and changes in the financial position of the Agency. The duration of these uncertainties and the ultimate financial effects cannot be reasonably determined at this time.

Note 12. Risk Management

The Agency participates in the Oklahoma Risk Management Division's (a division of the Department of Central Services) insurance pool, which covers all governmental tort, property, vehicle, and directors and officers liability claims against the Agency. The Agency pays a yearly premium to the Department of Central Services to participate in the insurance pool. Premiums paid are not subject to retroactive adjustment.

Note 13. Subsequent Events

Subsequent to the fiscal year end, the Agency acquired a portion of the Sandridge Center in downtown Okahoma City which will be included in the Agency's investment property portfolio. The Agency's aquisition included five of the main tower's thirty floors, the parking garage structure and a proportionate share of the property's common areas. The appraised value of these holdings at the time of acquistion was approximately $13,000,000. The property's other floors were purchased by other Oklahoma state agencies including the Okalhoma Tax Commission and the Oklahoma State Department of Health. The Agency plans to lease the property to generate distributable revenues.

Required Supplementary Information

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Required Supplementary Information
Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual
General Fund (Non-GAAP Budgetary Basis)
Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Fees	$ -	$ -	$ 402,030	$ 402,030
Other Interest	-	-	668,436	668,436
Total revenues	-	-	1,070,466	1,070,466
Expenditures				
Administrative	1,365,958	1,365,958	1,035,641	330,317
Legal	840,181	840,181	845,651	(5,470)
Information technology	1,170,851	1,170,851	1,005,694	165,157
Real estate management	1,858,962	1,858,962	1,730,735	128,227
Financial services	1,517,786	1,517,786	1,264,635	253,151
Minerals management	896,818	896,818	905,262	(8,444)
Royalty compliance	726,536	726,536	648,557	77,979
Records management	351,321	351,321	262,667	88,654
Total expenditures	(8,728,413)	(8,728,413)	7,698,842	1,029,571
Other financing sources (Uses)				
Transfers from permanent fund	-	-	9,893,377	9,893,377
Transfers to permanent fund	-	-	(2,437,569)	(2,437,569)
Total other financing sources (uses)	-	-	7,455,808	7,455,808
Net change in fund balance	(8,728,413)	(8,728,413)	827,432	9,555,845
Fund Balance, beginning of year		(15,703,985)	29,785,978	45,489,963
Fund Balance, end of year		$ (24,432,398)	30,613,410	$ 55,045,808
Reconciliation to GAAP basis, accrual adjustments			(7,438,891)	
Fund Balance			$ 23,174,519	

See notes to required supplementary information

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Required Supplementary Information
Schedule of the Agency's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2020

	June 30					
	2020	2019	2018	2017	2016	2015
Measurement date	July 1, 2019	July 1, 2018	July 1, 2017	July 1, 2016	July 1, 2015	July 1, 2014
Agency's proportion of the net pension liability	0.21571265 %	0.22015372 %	0.21185560 %	0.19708621 %	0.19002899 %	0.19323089 %
Agency's proportionate share of the net pension liability	$ 287,303	$ 429,394	$ 1,145,427	$ 1,955,550	$ 683,503	$ 353,010
Agency's covered payroll	4,860,825	4,758,823	4,640,663	4,592,581	4,376,680	3,169,697
Agency's proportionate share of the net position liability as a percentage of its covered employee payroll	6 %	9 %	25 %	43 %	16 %	11 %
Plan fiduciary net position as a percentage of the total pension liability	98.63 %	97.96 %	94.28 %	89.47 %	96.00 %	96.00 %

NOTES:

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full ten year trend is compiled, the Agency will present information for those years for which information is available.

See notes to required supplementary information

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Required Supplementary Information
Schedule of the Agency's Contributions Oklahoma Public Employees Retirement Plan
Last 10 Fiscal Years

	2020	2019	2018	2017	2016
Contractually required to contribute	$ 567,737	$ 548,453	$ 571,262	$ 535,672	$ 588,000
Contractually required contributions	567,737	548,453	571,262	535,672	588,000
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -

	2015	2014	2013	2012	2011
Contractually required to contribute	$ 542,000	$ 523,000	$ 510,000	$ 480,000	$ 505,000
Contractually required contributions	542,000	523,000	510,000	480,000	505,000
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -

NOTES:

N/A - Information not available

See notes to required supplementary information

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Required Supplementary Information
Notes to the Required Supplementary Information
Year Ended June 30, 2020

Basis of budgeting

The Agency prepares it budget using the cash basis of accounting.

Valuation Date

Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	12 years
Asset valuation method	5-year moving average
Inflation	2.75 percent for 2018 and 2017, 3.00 percent for 2016 and 215
Salary increase	3.50 to 9.50 percent for 2018 and 2017 and 4.50 to 8.40 percent for 2016 and 2015, including inflation
Investment rate of return	7.00 percent in 2018 and 2017, 7.25 percent in 2016 and 7.50 percent for 2015, compounded annually, net of investment expense and including inflation
Retirement age	Age 65 for all members hired on or after November 1, 2011 Age 62 for members hired prior to November 1, 2011
Mortality	For 2018 and 2017, active participants and nondisabled pensioners – RP 2014 Mortality Table projected to 2025 by Scale MP-2016 (disabled pensioners set forward 12 years) For 2016 and 2015, active participants and nondisabled pensioners – RP-2000 Mortality Table projected to 2010 by Scale AA (disabled pensioners set forward for 15 years.)

Other Information

The Plan has been amended by House Bill 2630 in 2014 which states that effective November 1, 2015, OPERS shall create a defined contribution plan for most people first employed by a participating employer. Exemptions from the new defined contribution plan include hazardous duty members and district attorneys, assistant district attorneys and employees of the district attorney's office. Each employer shall send to OPERS the difference between the required employer contribution to OPERS and the amount required to match the participating employee's contribution in the defined contribution plan.

Senate Bill 2120, also enacted in 2014, amends House Bill 2630 to further exempt from the new defined contribution plan county elected officials and employees of a county, county hospital, city or town, conservation district, circuit engineering district, and any public or private trust in which a county, city or town participates. Senate Bill 2120 also states that employees who participate in the defined contribution system are excluded from the $105 health subsidy.

New employees specifically exempted from the defined contribution plan will participate in the existing defined benefit plan.

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Other Supplementary Information

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Other Supplementary Information
Combining Balance Sheet - General Fund
(in Thousands)
June 30, 2020

	Revolving 16	CLO	Total
Assets			
Cash and cash equivalents	$ 3,769	$ 21,596	$ 25,365
Other receivables	91	-	91
Total assets	$ 3,860	$ 21,596	$ 25,456
Liabilities and Fund Balance			
Liabilities, accounts payable and accrued expenses	$ 773	$ -	$ 773
Due to permanent fund	1,508	-	1,508
Fund balance	1,579	21,596	23,175
Total liabilities and fund balance	$ 3,860	$ 21,596	$ 25,456

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Other Supplementary Information
Schedule of Distributions to University and College Beneficiaries (Cash Basis)
For the Year Ended June 30, 2020

University of Oklahoma	$	9,110,721
Oklahoma State University		7,786,247
Northern Oklahoma College		2,678,878
Langston University		1,950,638
Southeastern Oklahoma State University		1,016,855
University of Central Oklahoma		1,016,855
East Central Oklahoma State University		1,016,855
Northeastern Oklahoma State University		1,016,855
Northwestern Oklahoma State University		1,016,855
Southwestern Oklahoma State University		1,016,855
Cameron University		1,016,855
Oklahoma Panhandle State University		1,016,855
University of Science and Arts of Oklahoma		1,016,855
	$	30,678,179

This schedule is presented on the cash basis of accounting and presents the distributions when paid rather than when the obligation is incurred. The schedule provides relevant information that is not provided by the historical accrual basic financial statements and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis)
Year Ended June 30, 2020

Achille	$	46,823.03
Ada		363,871.56
Adair		153,420.55
Afton		73,468.63
Agra		44,063.94
Albion		7,336.42
Alex		46,208.89
Aline-Cleo		19,089.82
Allen		74,867.84
Allen-Bowden		46,225.54
Altus		472,493.01
Alva		149,192.64
Amber-Pocasset		73,211.49
Anadarko		228,855.63
Anderson		46,472.10
Antlers		142,694.23
Arapaho-Butler		68,065.38
Ardmore		399,101.54
Arkoma		57,691.53
Arnett		24,742.67
Asher		41,301.80
Atoka		124,401.57
Avant		13,176.84
Balko		21,724.90
Banner		37,324.99
Barnsdall		59,748.74
Bartlesville		841,961.44
Battiest		35,317.72
Bearden		20,785.53
Beaver		44,281.76
Beggs		150,715.88
Belfonte		22,497.86
Bennington		47,993.85
Berryhill		172,838.60
Bethany		248,936.25
Bethel		175,755.05
Big Pasture		28,751.20
Billings		9,895.87
Binger-Oney		48,544.43
Bishop		84,020.99
Bixby		954,001.51
Blackwell		169,987.25
Blair		37,969.42
Blanchard		294,021.25
Bluejacket		29,613.45
Subtotal		6,253,464.59

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 6,253,464.59
Boise City	42,779.70
Bokoshe	26,480.73
Boone-Apache	82,963.63
Boswell	48,018.04
Bowlegs	34,765.60
Bowring	9,107.75
Braggs	21,451.11
Bray-Doyle	42,867.43
Bridge Creek	240,273.23
Briggs	63,466.90
Bristow	249,359.80
Broken Arrow	2,704,794.80
Broken Bow	228,799.66
Brushy	57,924.49
Buffalo	44,785.46
Buffalo Valley	21,373.97
Burlington	19,230.51
Burns Flat-Dill City	82,054.49
Butner	33,175.78
Byng	260,880.26
Cache	286,412.52
Caddo	73,034.49
Calera	111,084.06
Calumet	36,679.09
Calvin	23,809.35
Cameron	42,704.06
Canadian	66,651.04
Caney	33,776.28
Caney Valley	116,641.62
Canton	50,613.77
Canute	54,770.57
Carnegie	79,059.44
Carney	35,139.21
Cashion	86,423.10
Catoosa	273,982.96
Cave Springs	27,483.60
Cement	33,419.31
Central	70,264.80
Central High	60,021.03
Chandler	163,838.25
Chattanooga	35,735.20
Checotah	198,859.49
Chelsea	114,490.62
Cherokee	58,475.09
Cheyenne	50,781.67
Subtotal	12,752,168.55

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 12,752,168.55
Chickasha	310,913.15
Chisholm	172,050.51
Choctaw-Nicoma Park	803,200.89
Chouteau-Mazie	124,947.66
Cimarron	37,803.00
Claremore	535,285.26
Clayton	44,425.46
Cleora	19,750.87
Cleveland	231,756.90
Clinton	311,645.29
Coalgate	94,128.62
Colbert	109,595.60
Colcord	86,506.28
Coleman	23,127.14
Collinsville	404,908.67
Comanche	133,981.28
Commerce	125,864.32
Copan	31,734.19
Cordell	96,541.31
Cottonwood	23,624.81
Covington-Douglas	42,132.25
Coweta	468,130.50
Coyle	46,059.14
Crescent	79,780.99
Crooked Oak	164,199.78
Crowder	54,466.54
Crutcho	41,852.44
Cushing	258,449.40
Cyril	51,034.27
Dahlonegah	21,237.81
Dale	114,989.76
Darlington	34,600.71
Davenport	57,900.28
Davidson	5,450.13
Davis	142,853.04
Deer Creek	966,142.16
Deer Creek-Lamont	22,582.57
Denison	42,542.20
Depew	54,222.99
Dewar	63,170.38
Dewey	175,391.98
Dibble	99,409.32
Dickson	188,638.43
Dover	23,098.38
Subtotal	19,692,295.21

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 19,692,295.21
Drummond	50,585.03
Drumright	72,747.08
Duke	22,039.53
Duncan	483,481.02
Durant	535,612.00
Eagletown	21,941.19
Earlsboro	38,344.55
Edmond	3,622,229.15
El Reno	403,686.43
Elgin	334,078.12
Elk City	308,651.73
Elmore City-Pernell	71,550.59
Empire	74,603.13
Enid	1,093,948.73
Erick	34,549.29
Eufaula	162,038.19
Fairland	91,484.45
Fairview	114,670.59
Fanshawe	16,236.93
Fargo	32,292.36
Felt	12,069.57
Fletcher	62,913.25
Flower Mound	47,201.19
Forest Grove	23,319.26
Forgan	19,466.49
Fort Cobb-Broxton	46,744.39
Fort Gibson	254,347.06
Fort Supply	18,531.66
Fort Towson	64,008.06
Fox	38,562.39
Foyil	66,953.57
Frederick	121,551.69
Freedom	9,181.88
Friend	37,862.01
Frink-Chambers	61,603.28
Frontier	52,928.15
Gans	59,054.43
Garber	55,513.29
Geary	49,535.24
Geronimo	45,897.28
Glencoe	52,808.64
Glenpool	397,044.30
Glover	8,647.90
Goodwell	34,736.84
Gore	71,139.13
Subtotal	28,988,686.25

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 28,988,686.25
Gracemont	21,206.05
Graham-Dustin	24,208.68
Grand View	85,574.48
Grandfield	30,543.74
Grandview	18,614.84
Granite	34,750.45
Greasy	9,413.31
Greenville	14,706.13
Grove	72,653.29
Grove	350,531.37
Guthrie	477,828.18
Guymon	439,330.85
Gypsy	8,413.45
Haileyville	44,835.41
Hammon	34,381.36
Hanna	11,499.27
Hardesty	10,929.02
Harmony	33,278.62
Harrah	321,935.96
Hartshorne	109,141.80
Haskell	106,092.27
Haworth	77,941.57
Haywood	17,457.65
Healdton	68,972.98
Heavener	134,000.93
Hennessey	126,119.98
Henryetta	169,218.82
Hilldale	261,433.91
Hinton	107,222.24
Hobart	109,287.01
Hodgen	35,025.74
Holdenville	150,041.26
Hollis	78,021.76
Holly Creek	37,453.60
Hominy	82,071.14
Hooker	93,198.31
Howe	93,184.68
Hugo	176,408.52
Hulbert	81,100.03
Hydro-Eakly	64,217.19
Idabel	179,149.45
Indiahoma	31,002.08
Indianola	38,875.48
Inola	181,311.04
Jay	217,320.04
Subtotal	33,858,590.19

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 33,858,590.19
Jenks	1,780,163.19
Jennings	29,640.68
Jones	157,479.03
Justice	27,309.64
Justus-Tiawah	73,386.92
Kansas	120,745.45
Kellyville	125,676.76
Kenwood	13,464.23
Keota	57,006.31
Ketchum	89,567.92
Keyes	3,669.73
Keys	106,763.91
Keystone	45,665.86
Kiefer	125,530.03
Kildare	12,972.61
Kingfisher	218,819.09
Kingston	178,939.21
Kinta	29,991.61
Kiowa	43,575.34
Konawa	89,944.58
Krebs	63,531.92
Kremlin-Hillsdale	41,908.40
Lane	39,494.15
Latta	132,022.38
Laverne	68,812.65
Lawton	1,918,857.95
Le Flore	36,190.53
Leach	20,967.05
Leedey	33,874.64
Lexington	144,615.31
Liberty	44,991.21
Liberty	74,982.80
Lindsay	175,408.64
Little Axe	184,372.68
Locust Grove	195,924.90
Lomega	33,432.92
Lone Grove	204,642.41
Lone Star	131,170.73
Lone Wolf	12,771.43
Lookeba Sickles	34,216.47
Lowrey	20,614.61
Lukfata	53,605.84
Luther	113,834.09
Macomb	39,630.32
Madill	253,195.92
Subtotal	41,261,972.24

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 41,261,972.24
Mangum	106,700.37
Mannford	207,882.52
Mannsville	15,760.46
Maple	26,146.43
Marble City	12,960.49
Marietta	161,759.86
Marlow	204,625.77
Maryetta	92,139.25
Mason	37,037.61
Maud	39,114.50
Maysville	45,274.09
Mcalester	426,013.36
Mccord	47,248.09
Mccurtain	30,761.56
Mcloud	244,938.27
Medford	38,610.79
Meeker	111,096.16
Merritt	116,245.28
Miami	315,068.44
Middleberg	29,610.39
Midway	30,875.01
Midwest City-Del City	1,965,898.78
Milburn	29,017.42
Mill Creek	23,800.27
Millwood	136,129.26
Minco	81,795.86
Moffett	51,105.38
Monroe	14,624.45
Moore	3,518,160.82
Mooreland	76,775.31
Morris	141,517.39
Morrison	86,276.36
Moseley	24,886.37
Moss	40,409.34
Mounds	83,090.70
Mountain View-Gotebo	34,520.54
Moyers	24,506.68
Muldrow	199,889.58
Mulhall-Orlando	33,432.92
Muskogee	790,291.84
Mustang	1,692,026.24
Nashoba	7,561.81
Navajo	76,403.18
New Lima	43,048.95
Newcastle	321,173.57
Subtotal	53,098,183.96

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 53,098,183.96
Newkirk	111,253.47
Ninnekah	74,250.68
Noble	385,074.59
Norman	2,273,591.48
North Rock Creek	107,819.74
Norwood	17,958.35
Nowata	108,586.65
Oak Grove	24,326.69
Oakdale	94,267.78
Oaks-Mission	26,762.06
Oilton	37,858.98
Okarche	56,522.25
Okay	51,226.40
Okeene	48,768.32
Okemah	111,150.64
Oklahoma City	7,538,515.85
Oklahoma Union	92,677.97
Okmulgee	178,626.07
Oktaha	100,908.39
Olive	39,713.52
Olustee- Eldorado	26,235.68
Oologah-Talala	252,002.42
Optima	6,716.22
Osage	18,197.36
Osage Hills	24,936.27
Owasso	1,387,316.50
Paden	34,423.72
Panama	104,862.49
Panola	15,323.30
Paoli	32,582.82
Pauls Valley	185,479.94
Pawhuska	99,227.80
Pawnee	96,424.84
Peavine	17,799.53
Peckham	13,918.03
Peggs	30,496.85
Perkins-Tryon	219,637.44
Perry	160,173.07
Piedmont	620,696.40
Pioneer	55,971.63
Pioneer-Pleasant Vale	72,716.83
Pittsburg	20,511.75
Plainview	218,884.15
Pleasant Grove	32,849.03
Subtotal	68,325,427.91

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 68,325,427.91
Pocola	115,219.68
Ponca City	671,349.48
Pond Creek-Hunter	47,692.83
Porter Consolidated	76,257.98
Porum	65,840.26
Poteau	328,372.33
Prague	149,166.92
Preston	80,041.14
Pretty Water	38,324.86
Prue	41,090.02
Pryor	393,093.23
Purcell	201,107.29
Putnam City	2,711,082.95
Quapaw	84,222.16
Quinton	60,387.12
Rattan	72,300.86
Ravia	13,995.16
Red Oak	46,340.49
Reydon	16,819.32
Ringling	54,167.03
Ringwood	55,345.41
Ripley	66,555.74
Riverside	24,595.92
Robin Hill	49,199.43
Rock Creek	72,623.05
Rocky Mountain	27,016.20
Roff	46,833.62
Roland	130,541.49
Rush Springs	73,364.26
Ryal	11,372.22
Ryan	35,650.49
Salina	113,142.78
Sallisaw	271,003.01
Sand Springs	719,924.18
Sapulpa	529,157.45
Sasakwa	28,147.66
Savanna	57,174.19
Sayre	104,358.76
Schulter	20,882.33
Seiling	68,101.70
Seminole	230,389.47
Sentinel	46,139.30
Sequoyah	185,511.74
Shady Grove	23,396.39
Shady Point	22,916.90
Subtotal	76,605,642.71

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 76,605,642.71
Sharon-Mutual	38,299.16
Shattuck	54,331.90
Shawnee	529,898.66
Shidler	32,203.14
Silo	134,584.85
Skiatook	344,284.08
Smithville	40,717.91
Snyder	67,513.26
Soper	51,070.58
South Coffeyville	32,389.19
South Rock Creek	58,904.69
Sperry	150,838.43
Spiro	152,116.63
Springer	33,856.45
Sterling	55,071.59
Stidham	14,190.32
Stigler	184,926.32
Stillwater	894,074.29
Stilwell	180,093.35
Stonewall	63,904.05
Straight	5,170.29
Stratford	92,003.32
Stringtown	33,224.18
Strother	62,079.75
Stroud	111,757.21
Stuart	38,090.44
Sulphur	222,605.30
Sweetwater	17,208.09
Swink	1,618.92
Tahlequah	507,871.22
Talihina	76,838.84
Taloga	14,681.92
Tannehill	21,053.24
Tecumseh	298,438.23
Temple	25,409.74
Tenkiller	36,603.48
Terral	5,469.77
Texhoma	35,352.49
Thackerville	39,395.82
Thomas-Fay-Custer Unified Dist	70,351.01
Timberlake	40,628.65
Tipton	39,852.67
Tishomingo	127,649.28
Tonkawa	110,500.16
Tulsa	5,633,662.21
Subtotal	87,386,427.79

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 87,386,427.79
Tupelo	34,240.67
Turkey Ford	15,541.12
Turner	46,577.98
Turpin	64,112.79
Tushka	63,973.61
Tuskahoma	13,405.26
Tuttle	278,124.65
Twin Hills	45,806.51
Tyrone	30,826.60
Union	2,224,071.37
Union City	45,107.68
Valliant	118,978.68
Vanoss	82,697.38
Varnum	44,802.10
Velma-Alma	65,947.66
Verden	41,366.85
Verdigris	201,828.83
Vian	126,959.49
Vici	45,213.55
Vinita	200,594.49
Wagoner	329,494.75
Wainwright	12,441.67
Walters	92,190.87
Wanette	21,313.43
Wapanucka	36,647.35
Warner	119,489.94
Washington	153,084.70
Watonga	103,422.43
Watts	37,892.26
Waukomis	59,756.33
Waurika	63,739.18
Wayne	69,281.57
Waynoka	33,367.86
Weatherford	340,233.15
Webbers Falls	40,546.99
Welch	40,401.77
Weleetka	60,955.85
Wellston	79,770.38
Western Heights	452,879.80
Westville	159,563.50
Wetumka	60,066.42
Wewoka	90,395.36
White Oak	5,571.14
White Rock	11,759.45
Whitebead	58,874.43
Subtotal	93,709,745.64

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2019

(Subtotal forwarded)	$ 93,709,745.64
Whitefield	24,656.45
Whitesboro	30,782.74
Wickliffe	10,243.76
Wilburton	119,104.20
Wilson	33,269.55
Wilson	55,944.41
Wister	68,065.38
Woodall	67,263.67
Woodland	61,931.55
Woodward	383,921.95
Wright City	69,635.54
Wyandotte	115,614.51
Wynnewood	99,432.01
Wynona	14,249.30
Yale	59,630.78
Yarbrough	14,621.40
Yukon	1,264,944.96
Zaneis	39,032.80
Zion	48,839.40
Total	$ 96,290,930.00

This schedule is presented on the cash basis of accounting and presents the distributions when paid rather than when the obligation is incurred. The schedule provides relevant information that is not provided by the historical accrual basic financial statements and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

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

Statistical Section

Statistical Section Narrative

This part of the Agency's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial position.

Such statistical information includes:

Financial Trends

These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time. Schedules presented are:

- Net Position – Last Ten Fiscal Years
- Changes in Net Position – Last Ten Fiscal Years
- Fund Balances, Governmental Funds – Last Ten Fiscal Years
- Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years

Revenue Capacity

These schedules contain information to help the reader assess the Agency's ability to generate its own source revenues.

The Agency's significant sources of own source revenue consists of rents from real estate leases, mineral revenues primarily from oil & gas lease royalties and investment earnings from the Agency's investment portfolio.

Both real estate and oil and gas leases are awarded to the highest bidders at auction. Consequently, rates vary according to local market conditions.

The pool of lessees consists of numerous payers of materially similar amounts. Accordingly, the agency believes the presentation of the top strata of payers would not be meaningful.

Revenues from the investment portfolio are subject to market forces. Note 2 of the Agency's audited financial statements reflect the composition of the portfolio. Historic portfolio income and rate of return information is presented for additional analysis.

Schedules presented are:

- Portfolio Income – Last Ten Fiscal Years
- Portfolio Rate of Return – Last Ten Fiscal Years

Debt Capacity

The Agency has no debt, consequently no schedules are presented.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place. The Agency's service area comprises the entire State of Oklahoma

Schedules presented are:

- Demographic and Economic Statistics
- Major Non-governmental Employers – Current and Ten Years Ago

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the activities it performs.

Schedules presented are:

- Agency Full Time Equivalents by Department – Last Ten Fiscal Years

Capital Assets

These schedules provide information on the volume and usage of the Agency's capital assets. The material elements of the Agency's capital assets are used in its leasing functions.

Schedules presented are:

- Surface Acres Owned by County – Last Ten Fiscal Years
- Net Mineral Acres Owned by County – Last Ten Fiscal Years

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 1: Net Position - Primary Government (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
Governmental Activities				
Net investment in capital assets	$ 6,960	$ 6,927	$ 7,041	$ 7,366
Restricted for:				
Education - nonexpendable	2,399,344	2,519,954	2,418,820	2,382,746
Education - expendable	418	9,406	2,528	440
Unrestricted	22,265	22,159	28,953	23,494
Total (b)	$ 2,428,987	$ 2,558,446	$ 2,457,342	$ 2,414,046
% change from prior year	(5.06)%	4.11 %	1.79 %	6.89 %

(a) This schedule reports using the accrual basis of accounting

(b) See Table 2 for changes in net position from year to year

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 1: Net Position - Primary Government (a)
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ 7,595	$ 7,692	$ 7,842	$ 6,905	$ 6,719	$ 6,549
2,223,966	2,278,697	2,303,031	2,022,163	1,858,796	1,830,814
5,081	1,265	7,417	14,486	19,926	28,405
21,790	25,677	41,273	32,858	25,733	14,858
$ 2,258,432	$ 2,313,331	$ 2,359,563	$ 2,076,412	$ 1,911,174	$ 1,880,626
(2.37)%	(1.96)%	13.64 %	8.65 %	1.62 %	15.28 %

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 2: Changes in Net Position - Primary Government (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
Program Expenses				
Governmental Activities				
Education apportionment to beneficiaries:				
Universities and colleges	$ 30,804	$ 31,206	$ 32,628	$ 35,862
Public Schools	89,394	94,241	93,581	103,360
Public buildings	2,691	3,542	3,185	4,364
Custodial fees	6,374	6,731	6,971	7,035
Administrative expenses	8,466	7,350	8,180	7,776
Commercial real estate expense	118	-	5	1,557
Other expenses	3,277	2,444	946	597
Depreciation	240	314	590	532
Total Program Expenses	$ 141,364	$ 145,828	$ 146,086	$ 161,083
Program Revenues				
Governmental Activities				
Investment earnings				
Interest	60,252	61,188	57,909	55,461
Dividends	38,427	36,757	35,599	36,302
Net increase(decrease) in fair value of investments	(146,096)	59,303	5,625	127,014
Mineral royalties	30,453	61,448	62,699	66,793
Rents	17,705	16,991	16,797	15,468
Commercial real estate rents	4,465	3,705	3,462	3,974
Gain on sale of land	2,251	680	685	4,896
Miscellaneous	2,402	4,363	4,437	4,937
Fees	404	253	452	359
Other interest	1,646	2,244	1,717	1,493
Total Program Revenues	11,909	246,932	189,382	316,697
CHANGES IN NET POSITION				
Increase (decrease) in net position	$ (129,455)	$ 101,104	$ 43,296	$ 155,614

(a) This schedule reports using the accrual basis of accounting

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 2: Changes in Net Position - Primary Government (a)
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ 31,604	$ 32,716	$ 30,452	$ 28,510	$ 50,756	$ 36,803
95,366	118,485	87,985	81,725	105,570	117,033
5,348	5,388	7,058	9,291	6,271	2,164
7,459	8,453	5,506	7,587	6,156	6,000
7,461	6,463	821	7,297	5,524	5,709
1,665	1,055	-	-	-	-
1,017	820	821	540	755	266
525	503	221	217	235	115
$ 150,445	$ 173,883	$ 132,864	$ 135,167	$ 175,267	$ 168,090
54,377	55,360	55,233	56,538	61,709	67,854
36,681	34,099	23,126	21,225	19,848	11,660
(75,916)	(76,024)	214,679	110,918	(22,638)	188,171
56,165	91,908	105,072	90,439	128,614	124,503
15,622	14,229	12,058	11,062	12,366	12,709
3,300	1,803	-	-	-	-
88	2,205	2,530	33	318	232
2,924	3,288	6,442	6,365	2,995	1,448
364	430	426	375	408	302
1,940	1,959	1,567	3,452	2,195	1,900
95,545	129,257	421,133	300,407	205,815	408,779
$ (54,900)	$ (44,626)	$ 288,269	$ 165,240	$ 30,548	$ 240,689

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 3: Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
General Fund				
Restricted	$ 418	$ 467	$ 450	$ 440
Assigned	1,722	1,722	1,722	1,722
Unassigned	21,034	20,968	28,191	24,334
Total General Fund	$ 23,174	$ 23,157	$ 30,363	$ 26,496
% Change from prior year	0.07 %	(23.73)%	14.59 %	16.65 %
Permanent Fund				
Non-spendable				
Long-term note receivable	-	-	-	-
Permanent fund corpus	2,399,344	2,519,954	2,418,820	2,382,746
Restricted for education	-	8,939	2,078	-
Unassigned	-	-	-	(1,780)
Total Permanent Fund	2,399,344	2,528,893	2,420,898	2,380,966
% Change from prior year	(5.12)%	4.46 %	1.68 %	6.82 %
Total Fund Balance				
Total	2,422,518	2,552,050	2,451,261	2,407,462
% Change from prior year	(5.08)%	4.11 %	1.82 %	6.91 %

(a) This schedule reports using the modified accrual basis of accounting

(b) The Commissioners of the Land Office implemented GASB 54 in fiscal year 2011 with changed fund balance classifications

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 3: Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ -	$ -	$ -	$ -	$ -	$ -
8,617	8,617	-	-	-	-
14,097	18,549	41,660	33,223	26,064	15,128
$ 22,714	$ 27,166	$ 41,660	$ 33,223	$ 26,064	$ 15,128
(16.39)%	(34.79)%	25.40 %	27.47 %	72.29 %	52.89 %
-	-	-	-	3,946	5,112
2,223,966	2,278,697	2,303,031	2,022,163	1,858,796	1,830,814
5,081	1,265	7,417	14,486	15,980	23,294
-	-	-	-	-	-
2,229,047	2,279,962	2,310,448	2,036,649	1,878,722	1,859,220
(2.23)%	(1.32)%	13.44 %	8.41 %	1.05 %	14.49 %
2,251,761	2,307,128	2,352,108	2,069,872	1,904,786	1,874,348
(2.40)%	(1.91)%	13.64 %	8.67 %	1.62 %	14.72 %

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
General Fund				
Revenue				
Fees	$ 404	$ 253	$ 452	$ 359
Other interest	681	709	516	510
Miscellaneous	70	10	30	-
Total General Fund Revenue	$ 1,155	$ 972	$ 998	$ 869
% Change from prior year	18.83 %	(2.61)%	14.84 %	(2.58)%
Expenditures				
Administrative	8,506	7,780	8,002	7,917
Capital outlay	87	54	137	257
Custodial fees	-	6,731	9	5
Total General Fund Expenditures	8,593	14,565	8,148	8,179
% Change from prior year	(41.00)%	78.76 %	(0.38)%	(4.24)%
Excess(Deficiency) of Revenues over Expenditures	(7,438)	(13,593)	(7,150)	(7,310)
Other Financing Sources (Uses)				
Transfers in	9,893	11,185	11,017	11,092
Transfers out	(2,438)	(4,798)	-	-
Total General Fund Other Financing Sources	7,455	6,387	11,017	11,092
Net Change in General Fund Balance	$ 17	$ (7,206)	$ 3,867	$ 3,782

(a) This schedule reports using the modified accrual basis of accounting

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ 364	$ 430	$ 13,478	$ 14,283	$ 16,267	$ 11,095
525	761	698	546	460	283
3	-	-	-	-	-
$ 892	$ 1,191	$ 14,176	$ 14,829	$ 16,727	$ 11,378
(25.10)%	(91.60)%	(4.40)%	(11.35)%	47.01 %	16.41 %
8,054	8,021	5,734	7,666	5,781	5,878
487	353	-	-	-	-
-	-	6	3	10	266
8,541	8,374	5,740	7,669	5,791	6,144
1.99 %	45.89 %	(25.15)%	32.43 %	(5.75)%	15.10 %
(7,649)	(7,183)	8,436	7,160	10,936	5,234
10,692	12,907	-	-	-	-
(7,495)	(20,218)	-	-	-	-
3,197	(7,311)	-	-	-	-
$ (4,452)	$ (14,494)	$ 8,436	$ 7,160	$ 10,936	$ 5,234

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
Permanent Fund				
Revenue				
Investment Revenue				
Interest	$ 60,252	$ 61,188	$ 57,909	$ 55,461
Dividends	38,427	36,757	35,599	36,302
Net Increase (Decrease) in Fair Value	(146,096)	59,303	5,625	127,014
Other interest	965	1,535	1,200	983
Mineral Royalties	30,453	61,448	62,699	66,793
Rents	22,170	20,696	20,258	19,441
Gain on sale of land	2,251	680	685	4,896
Gain on sale of investment properties	-	-	-	-
Miscellaneous revenues	2,332	4,353	4,408	4,937
Total Permanent Fund Revenue	$ 10,754	$ 245,960	$ 188,383	$ 315,827
% Change from prior year	(95.63)%	30.56 %	(40.35)%	233.66 %
Expenditures				
Administrative	-	-	136	-
Capital outlay	193	145	934	46
Custodial fees	6,374	-	-	7,035
Other	3,390	2,444	6,971	2,149
Apportionment to Beneficiaries				
Universities and colleges	30,804	31,206	32,628	35,862
Public Schools	89,394	94,241	93,581	103,360
Public buildings	2,691	3,542	3,185	4,364
Total Permanent Fund Expenditures	132,846	131,578	137,435	152,816
% Change from prior year	0.96 %	(4.26)%	(10.07)%	7.34 %
Excess(Deficiency) of Revenues over Expenditures	(122,092)	114,382	50,948	163,011
Other Financing Sources (Uses)				
Transfers in	2,438	4,852	-	-
Transfers out	(9,893)	(11,185)	(11,017)	(11,092)
Total Permanent Fund Other Financing Sources (Uses)	(7,455)	(6,333)	(11,017)	(11,092)
Net Change in Permanent Fund Balance	(129,547)	108,049	39,931	151,919
Net Change in Governmental Fund Balances	$ (129,530)	$ 100,843	$ 43,798	$ 155,701

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ 54,377	$ 55,360	$ 55,233	$ 56,538	$ 61,709	$ 67,854
36,681	34,099	23,126	21,225	19,848	11,660
(75,916)	(76,024)	214,679	110,918	(22,638)	188,171
1,415	1,197	869	2,906	1,736	1,617
56,165	91,908	105,072	90,439	128,614	124,503
18,922	16,032	12,058	11,062	12,366	12,709
-	-	630	33	318	232
88	2,205	1,900	-	-	-
2,922	3,288	6,442	6,365	2,995	1,448
$ 94,654	$ 128,065	$ 420,009	$ 299,486	$ 204,948	$ 408,194
(26.09)%	(69.51)%	40.24 %	46.13 %	(49.79)%	14.76 %
-	-	13,955	13,907	15,859	10,793
-	-	-	-	-	-
7,459	8,453	7,058	7,587	6,156	6,000
2,595	820	821	537	833	87
31,604	32,716	30,452	28,510	50,756	36,803
95,366	118,485	87,985	81,725	105,570	117,033
5,348	5,388	5,938	9,291	6,271	2,164
142,372	165,862	146,209	141,557	185,445	172,880
(14.16)%	13.44 %	3.29 %	(23.67)%	7.27 %	30.95 %
(47,718)	(37,797)	273,800	157,929	19,503	235,314
7,495	20,218	-	-	-	-
(10,692)	(12,907)	-	-	-	-
(3,197)	7,311	-	-	-	-
(50,915)	(30,486)	273,800	157,929	19,503	235,314
$ (55,367)	$ (44,980)	$ 282,236	$ 165,089	$ 30,439	$ 240,548

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 5: Net Position - Principal Royalty Payers
Last Ten Fiscal Years
June 30, 2020

	2020	2019	2018	2017
Royalty Payor				
Chesapeake Operating Inc.	$ 1,281,086	$ 1,968,638	$ 2,967,645	$ 3,275,216
Apache Corporation	330,748	1,711,445	1,051,109	1,088,220
Devon Energy Production Company LP	1,684,669	2,630,664	879,303	1,260,175
Sandridge E&P, Llc.	1,192,657	1,259,510	1,430,733	1,806,892
Sunoco, Inc. (R&M)	1,093,719	1,502,987	1,451,702	1,414,977
Conocophillips Company	260,968	400,256	459,489	541,377
XTO Energy Inc.	518,946	1,035,479	1,170,435	1,223,765
Newfield Exploration Mid-Cont.	-	4,710,778	3,571,296	2,450,731
Unit Petroleum Co	390,448	581,312	491,590	449,962
Cimarex Energy Company	906,569	2,221,451	1,748,700	1,079,279
Mewbourne Oil Co	263,148	430,465	424,180	563,319
Scissor Tail Energy, Llc	34,943	74,434	71,070	83,863
Chaparral Energy Llc	951,716	818,913	606,928	303,156
Linn Operating, Inc.	586,671	311,877	1,098,349	401,858
BP America Production Company	562,636	1,012,900	759,090	731,712
Kaiser Francis Oil Co	191,573	384,999	675,803	443,608
Eog Resources	514,978	534,651	207,782	214,449
Whiting Petroleum Corp	-	-	-	-
Jones Energy, Ltd.	651,231	1,222,755	1,207,197	163,212
Equal Energy Us Inc	-	536,794	657,832	669,628
Coffeyville Resources Refining & Marketing, Llc	520,095	369,965	400,789	471,584
Anadarko Petroleum Corp	-	-	-	-
Midstates Petroleum Company Llc	87,112	958,519	669,811	1,069,436
Marathon Oil Co	761,937	2,548,283	1,328,766	779,071
Fourpoint Energy Llc	1,761,287	1,514,436	2,172,092	630,922
Continental Resources Inc	2,191,307	2,358,904	1,312,212	283,638
Le Norman Operating Llc	147,094	477,703	419,897	343,638
White Star Petroleum, Llc	1,115,778	1,500,403	1,155,530	955,335
Alta Mesa Resources Inc	1,397,196	2,081,797	505,277	407,959
Encana Corporation	4,116,886	-	-	-
BCE-MACH LLC Operating	1,128,749	-	-	-
Total	$ 24,644,147	$ 35,160,318	$ 28,894,607	$ 23,106,982

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 5: Net Position - Principal Royalty Payers
Last Ten Fiscal Years (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011	Total
$ 4,994,782	$ 9,710,701	$ 14,012,596	$ 28,142,248	$ 9,872,039	$ 9,168,240	$ 85,393,191
1,275,489	4,476,445	3,908,685	2,953,813	2,153,411	2,232,751	21,182,116
3,081,055	6,694,635	5,750,834	1,931,043	2,752,166	2,015,509	28,680,053
2,219,768	6,267,554	4,744,660	3,234,328	1,579,159	122,971	23,858,232
1,380,279	2,501,924	3,167,956	1,576,264	1,430,004	1,455,765	16,975,577
498,911	770,049	1,269,367	805,365	1,807,892	2,947,494	9,761,168
1,030,299	2,648,352	2,078,353	1,255,989	1,129,328	1,070,956	13,161,902
1,252,904	964,520	774,418	1,201,507	532,848	465,806	15,924,808
526,520	2,229,537	2,171,743	1,366,804	2,779,773	748,552	11,736,241
395,346	819,156	1,009,228	972,517	1,256,075	1,517,444	11,925,765
853,304	2,153,785	2,272,058	1,211,865	896,004	349,318	9,417,446
59,163	893,239	1,111,436	902,258	1,252,356	1,332,020	5,814,782
348,052	905,789	870,538	690,862	1,295,330	1,307,612	8,098,896
373,893	1,204,055	811,115	660,344	796,053	856,058	7,100,273
429,542	744,337	927,299	700,878	721,520	771,085	7,360,999
210,000	415,507	428,878	365,979	1,910,966	575,320	5,602,633
291,181	684,111	1,062,917	610,167	2,132,733	167,637	6,420,606
-	-	513,086	1,015,696	1,163,102	1,053,057	3,744,941
194,265	472,891	1,514,830	1,451,968	518,753	209,738	7,606,840
814,832	262,299	232,969	1,142,786	1,450,832	-	5,767,972
480,050	1,491,030	1,046,504	725,029	96,702	119,985	5,721,733
-	4,457,169	-	14,978	31,034	30,155	4,533,336
784,700	687,477	647,964	19,752	-	-	4,924,771
87,891	316,467	150,621	163,691	154,822	155,321	6,446,870
212,836	-	-	-	-	-	6,291,573
118,220	301,585	175,707	162,597	101,526	23,999	7,029,695
921,351	807,442	57,501	-	-	-	3,174,626
57,212	-	-	-	-	-	4,784,258
503	914	618	305	357	82	4,395,008
-	-	-	-	-	-	4,116,886
-	-	-	-	-	-	1,128,749
$ 22,892,348	$ 52,880,970	$ 50,711,881	$ 53,279,033	$ 37,814,785	$ 28,696,875	$ 358,081,946

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 6: Portfolio Income
Last Ten Fiscal Years
(in thousands)
June 30, 2020

	2020	2019	2018	2017
Interest	$ 60,252	$ 61,188	$ 57,909	$ 55,461
Dividends	38,427	36,757	35,599	36,302
Net increase (decrease) in fair value	(146,096)	59,303	5,626	127,014
Total	$ (47,417)	$ 157,248	$ 99,134	$ 218,777

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 6: Portfolio Income
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
$ 54,377	$ 55,360	$ 55,233	$ 56,538	$ 61,709	$ 67,854
36,681	34,099	23,126	21,225	19,848	11,660
(75,916)	(76,024)	214,679	110,918	(22,638)	188,171
$ 15,142	$ 13,435	$ 293,038	$ 188,681	$ 58,919	$ 267,685

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 7: Investment Portfolio Rate of Return
Last Ten Fiscal Years
June 30, 2020

	Fixed Income	U.S. Equity	International Equity	MLP's	U.S. REIT's	Total
2020	5.46	-5.92	-7.21	-36.97	-9.17	-2.29
2019	7.98	4.45	0.56	1.81	11.28	5.99
2018	0.99	11.11	7.06	-0.74	5.20	3.71
2017	5.20	20.56	20.14	3.33	-2.96	9.25
2016	4.66	-0.51	-8.25	-16.57	26.00	0.74
2015	1.71	4.66	-3.03	-11.06	5.48	0.14
2014	8.34	24.49	20.86	N/A	15.47	14.13
2013	5.07	24.95	16.46	N/A	8.08	9.80
2012	6.74	-0.48	-17.68	N/A	13.27	2.90
2011	11.11	32.31	25.77	N/A	35.91	16.49

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 8: Demographic and Economic Statistics
Last Ten Years
June 30, 2020

	Population (in thousands)				Personal Income (a) (in millions)	
Year	U.S.	Change from Prior Period	State of Oklahoma	Change from Prior Period	U.S.	State of Oklahoma
2019	328,240	0.33 %	3,957	0.36 %	$ 18,470,546	$ 186,544
2018	327,167	0.44 %	3,943	0.31 %	17,738,973	182,302
2017	325,719	0.80 %	3,931	0.18 %	16,817,988	170,791
2016	323,128	0.53 %	3,924	0.33 %	16,057,871	167,503
2015	321,419	0.80 %	3,911	0.85 %	15,663,418	178,250
2014	318,857	0.86 %	3,878	0.70 %	14,882,521	167,292
2013	316,129	0.71 %	3,851	0.94 %	14,131,115	161,188
2012	313,914	0.75 %	3,815	0.61 %	13,937,515	154,958
2011	311,592	0.72 %	3,792	0.80 %	13,256,613	142,862
2010	309,350	0.76 %	3,762	2.03 %	$ 12,484,066	$ 133,149

(a) source U.S. Bureau of Economic Analysis as adjusted

(b) source Oklahoma Employment Security Commission

NOTE: The information above is the latest available at the date of publication

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 8: Demographic and Economic Statistics
Last Ten Years (Continued)
June 30, 2020

Per Capita Personal Income			Civilian Labor Force (b)		
U.S.	State of Oklahoma	Oklahoma as a Percentage of U.S.	Employed	Unemployed	Unemployment Rate
$ 56,490	$ 47,341	83.80 %	1,703,400	59,901	3.40 %
54,446	46,233	84.92 %	1,660,000	59,073	3.44 %
50,392	43,449	86.22 %	1,756,000	79,000	4.31 %
49,246	42,692	86.69 %	1,739,000	89,000	4.87 %
48,112	45,573	94.72 %	1,764,000	78,000	4.23 %
46,129	43,138	93.52 %	1,704,000	80,000	4.48 %
44,765	40,620	90.74 %	1,718,000	99,000	5.45 %
43,735	40,620	92.88 %	1,709,000	109,000	6.00 %
41,560	37,679	90.66 %	1,662,000	124,000	6.94 %
$ 39,945	$ 35,396	88.61 %	1,631,000	114,000	6.53 %

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Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 9: State of Oklahoma Major Employers - Non-Governmental
June 30, 2020

Non-Governmental Major Employers 2009	Non-Governmental Major Employers 2019	Employment 2019	Percentage of Total State Employment 2019	
Wal-Mart Stores, Inc.	Wal-Mart Stores, Inc.	32,100	1.80	%
Integris Health	Integris Health	8,800	0.49	%
Chickasaw Enterprises	Chickasaw Enterprises	7,400	0.42	%
AT&T (formerly SBC)	OU Health Sciences Center	6,700	0.38	%
YUM! Brands	Hobby Lobby Stores Inc.	6,500	0.37	%
Saint Francis Hospital Inc.	Mercy Health	6,200	0.35	%
W.H. Braum, Inc	Choctaw Nation of Oklahoma	6,100	0.34	%
AMR Corp.	Saint Francis Hospital Inc.	6,100	0.34	%
Choctaw Nation of Oklahoma	Braum's Inc.	5,300	0.30	%
Conoco Phillips	American Airlines, Inc.	5,100	0.29	%

Source: Oklahoma Department of Commerce

NOTE: The information above is the latest available at the date of publication

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 10: Full Time Equivalents (FTE's) by Division
June 30, 2020

Divisions	2020	2019	2018	2017
Administration	8	8	6	6
Records Management	3	4	4	3
Real Estate Management	14	12	14	14
Soil Conservation	-	2	2	2
Commercial Real Estate	3	3	3	3
Financial Services	10	11	11	12
Minerals Management	8	8	8	8
Royalty Compliance	7	7	8	8
Legal	5	4	5	5
Information Technology	5	5	5	5
Total	63	64	66	66

Source: FY12-Current Used BWP Salary Worksheet Information

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 10: Full Time Equivalents (FTE's) by Division (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
6	7	7	8	6	13
3	2	2	-	-	-
14	14	14	19	17	17
2	2	2	-	-	-
3	3	2	-	-	-
12	11	10	10	10	9
8	9	9	9	8	15
8	8	6	7	7	-
5	4	4	4	4	-
5	4	4	4	4	-
66	64	60	61	56	54

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 11: Surface Acres Owned by County
Last Ten Fiscal Years
June 30, 2020

	2020	2019	2018	2017
Alfalfa	7,497	8,452	8,452	8,452
Beaver	28,239	28,239	28,239	28,239
Beckham	7,219	7,219	7,218	7,218
Blaine	6,267	6,267	6,295	6,290
Caddo	9,641	9,641	9,641	9,641
Canadian	3,360	3,459	3,459	3,459
Cimarron	233,671	233,671	234,365	233,730
Cleveland	5,275	5,275	5,276	5,275
Comanche	29,508	29,902	29,901	29,992
Cotton	14,268	14,270	14,270	14,270
Custer	3,042	3,042	3,042	3,042
Dewey	6,686	6,686	6,916	6,916
Ellis	23,813	23,813	23,813	23,813
Garfield	10,054	10,369	10,057	10,057
Garvin	162	162	162	162
Grady	4,437	4,437	4,431	4,431
Grant	6,367	6,367	6,369	6,376
Greer	8,475	9,081	9,081	9,081
Harmon	3,029	3,029	3,029	3,029
Harper	25,882	25,882	26,082	26,082
Jackson	6,436	6,436	6,436	6,436
Jefferson	4,644	4,643	4,643	4,643
Kay	34,178	34,178	34,178	34,178
Kingfisher	7,037	7,037	7,196	7,196
Kiowa	24,131	24,131	24,131	24,131
Lincoln	29,349	29,827	29,826	29,827
Logan	9,284	9,277	9,277	9,277
Major	7,483	7,487	7,518	7,518
Marshall	-	-	-	750
McClain	1,549	1,549	1,549	1,549
McCurtain	240	240	240	240
Noble	10,239	10,239	10,239	10,239
Oklahoma	4,659	4,655	4,785	4,783
Pawnee	24,758	24,758	24,759	24,761
Payne	22,360	22,360	22,360	22,360
Pottawatomie	17,266	17,409	17,289	17,311
Roger Mills	8,173	8,173	8,151	8,151
Stephens	8,334	8,333	8,333	8,333
Texas	41,445	41,921	41,445	41,763
Tillman	9,778	9,778	9,778	9,778
Washita	6,914	6,916	6,916	7,682
Woods	5,561	5,561	5,921	5,921
Woodward	19,283	19,366	19,042	19,042
Total	739,993	743,537	744,110	745,424

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 11: Surface Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
8,452	8,452	8,452	8,292	7,980	7,980
28,120	28,120	28,120	28,116	28,116	28,116
7,217	7,217	7,217	7,217	7,217	7,217
6,284	6,281	6,281	6,281	6,281	6,281
9,641	9,641	9,641	9,641	9,641	9,641
3,360	3,360	3,351	3,351	3,351	3,354
233,625	229,605	229,685	229,124	228,876	228,236
5,275	5,220	5,220	5,220	5,220	5,220
29,179	28,900	28,899	28,767	28,767	28,845
14,270	14,270	14,270	14,270	14,270	14,270
3,042	2,740	2,740	2,740	2,740	2,740
6,921	6,916	6,916	6,916	6,916	7,557
23,973	23,813	23,813	23,813	23,813	23,812
10,057	10,057	10,054	10,363	9,573	9,573
162	162	162	162	162	162
4,431	4,431	4,431	4,428	4,428	4,428
6,368	6,375	6,375	6,375	6,372	6,372
9,081	9,081	9,081	9,081	9,081	9,687
3,029	3,029	3,029	3,029	3,029	3,029
26,082	26,082	26,082	26,078	26,078	26,078
6,256	6,256	6,256	6,256	6,256	6,256
4,643	4,643	4,643	4,643	4,643	4,643
34,178	33,987	33,992	33,462	33,460	33,459
6,739	6,739	6,739	6,739	6,739	6,739
24,131	24,131	24,131	24,131	24,133	24,133
29,824	29,278	29,276	29,276	29,273	29,273
9,279	9,279	9,284	9,275	9,264	9,264
7,678	7,678	7,678	7,678	7,678	7,678
750	750	750	750	750	750
1,549	1,549	1,549	1,549	1,549	1,549
240	240	240	240	240	240
10,191	10,191	10,191	10,036	10,036	10,036
4,760	4,060	4,206	4,207	4,202	4,291
24,761	24,761	24,761	24,600	24,600	24,600
22,360	22,360	22,348	22,277	2,273	22,271
17,245	17,083	17,078	17,078	17,071	17,070
8,151	8,312	8,190	8,190	8,187	8,184
8,333	8,333	8,333	8,333	8,333	8,333
41,122	40,802	40,802	40,802	40,802	40,802
9,778	9,778	9,778	9,778	9,778	9,778
6,911	6,911	6,911	6,911	6,911	6,911
5,921	5,785	5,785	5,785	5,785	5,785
19,122	18,608	18,608	18,608	18,608	18,608
742,491	735,266	735,348	733,868	712,482	733,251

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years
June 30, 2020

	2020	2019	2018	2017
Adair	10,017	10,017	10,017	10,017
Alfalfa	10,218	10,218	10,218	10,218
Atoka	17,216	17,216	17,216	17,216
Beaver	54,773	54,773	54,773	54,773
Beckham	20,229	20,229	20,229	20,229
Blaine	8,629	8,643	8,639	8,639
Bryan	19,422	19,422	19,422	19,422
Caddo	13,442	13,442	13,442	13,442
Canadian	7,157	7,157	7,177	7,199
Carter	1,229	1,229	1,236	1,236
Cherokee	7,135	7,135	7,135	7,135
Choctaw	10,007	10,007	10,007	10,007
Cimarron	275,020	275,020	275,020	275,020
Cleveland	8,395	8,395	8,395	8,395
Coal	3,502	3,502	3,502	3,502
Comanche	34,992	34,992	34,992	34,992
Cotton	15,883	15,883	15,883	15,883
Craig	17,268	17,268	17,268	17,268
Creek	3,293	3,293	3,293	3,293
Custer	8,731	8,731	8,731	8,731
Delaware	12,732	12,732	12,732	12,732
Dewey	10,905	10,905	10,905	10,953
Ellis	34,438	34,438	34,471	34,471
Garfield	11,488	11,488	11,808	11,808
Garvin	4,144	4,144	4,144	4,143
Grady	7,769	7,769	7,769	7,769
Grant	6,795	6,795	6,795	6,795
Greer	14,868	14,868	14,868	14,868
Harmon	4,743	4,743	4,743	4,743
Harper	30,746	30,746	30,746	30,746
Haskell	6,495	6,495	6,495	6,495
Hughes	1,469	1,469	1,447	1,487
Jackson	8,902	8,902	8,902	8,902
Jefferson	5,000	5,000	5,000	5,000
Johnston	5,488	5,488	5,488	5,488
Kay	38,467	38,467	38,467	38,467
Kingfisher	7,742	7,742	7,742	7,742
Kiowa	25,988	25,988	25,988	25,988
Latimer	6,082	6,082	6,082	6,082
Leflore	5,942	5,942	5,942	5,942
Lincoln	31,589	31,589	31,589	31,589
Logan	11,015	11,015	11,015	11,015
Love	1,168	1,168	1,168	1,168
Major	11,246	11,246	11,246	11,274
Marshall	7,438	7,438	7,438	7,438
Mayes	6,655	6,655	6,655	6,655
McClain	3,054	3,054	3,054	3,174
McCurtain	21,290	21,290	21,290	21,290

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
10,017	10,017	10,017	10,017	9,972	3,791
10,218	10,218	10,218	10,218	10,177	9,901
17,193	17,193	17,170	17,170	10,822	8,221
54,773	54,773	54,772	54,772	54,772	54,581
20,229	20,229	20,229	20,229	15,434	15,434
8,583	8,583	8,578	8,578	8,552	8,410
19,422	19,382	19,332	19,312	19,214	18,701
13,442	13,442	13,442	13,442	13,442	13,442
7,181	7,181	7,186	7,186	7,114	6,949
1,236	1,236	1,236	1,236	1,236	1,236
7,135	7,135	7,135	7,135	4,701	3,070
10,007	10,007	10,007	10,007	9,633	9,044
275,020	275,020	275,020	275,020	275,020	274,700
8,395	8,395	8,410	8,364	8,364	7,979
3,502	3,502	3,502	3,502	3,502	3,502
34,992	34,992	34,992	34,992	34,992	33,923
15,883	15,883	15,883	15,883	15,883	15,883
17,268	17,268	17,268	17,268	17,268	17,268
3,293	3,293	3,293	3,293	3,293	2,648
8,731	8,731	8,731	8,731	8,694	8,694
12,732	12,732	12,732	12,732	11,575	3,327
10,950	10,882	10,882	10,882	10,882	10,882
34,471	34,471	34,471	34,471	33,773	33,747
11,808	11,808	11,808	11,808	11,782	11,762
4,143	4,143	4,143	4,143	4,143	4,143
7,719	7,719	7,719	7,679	7,524	7,524
6,795	6,795	6,795	6,795	6,795	6,795
14,868	14,868	14,868	14,868	14,868	11,125
4,743	4,743	4,743	4,743	4,743	4,743
30,746	30,746	30,746	30,746	30,702	30,702
6,495	6,495	6,495	6,495	6,475	6,475
1,487	1,487	1,487	1,487	1,487	1,487
8,902	8,902	8,902	8,902	8,902	8,902
5,000	5,000	5,000	5,000	5,000	5,000
5,488	5,488	5,488	5,413	4,879	4,879
38,467	38,467	38,907	38,907	38,667	38,667
7,742	7,742	7,742	7,742	7,742	7,742
25,988	25,988	25,988	25,988	25,988	25,988
6,082	6,082	6,082	6,082	3,489	3,489
5,942	5,942	5,957	5,937	5,552	5,552
31,589	31,589	31,589	31,589	31,540	31,540
11,015	11,015	11,015	11,005	11,005	11,005
1,168	1,168	1,168	1,168	1,118	1,118
11,104	11,104	11,185	10,989	10,989	10,989
7,438	7,438	7,438	7,438	7,363	7,363
6,655	6,655	6,655	6,635	3,017	3,017
3,174	3,174	3,189	3,108	3,108	3,108
21,290	21,290	21,290	21,290	5,511	5,511

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2020

	2020	2019	2018	2017
McIntosh	1,602	1,602	1,602	1,602
Murray	1,479	1,479	1,479	1,479
Muskogee	2,981	2,981	2,981	2,981
Noble	13,034	13,034	13,034	13,034
Nowata	3,337	3,337	3,337	3,337
Okfuskee	353	353	353	353
Oklahoma	9,753	9,753	9,753	9,753
Okmulgee	1,739	1,739	1,739	1,739
Ottawa	1,759	1,759	1,759	1,759
Pawnee	29,073	29,073	29,073	29,073
Payne	32,772	32,772	32,772	32,772
Pittsburg	8,294	8,294	8,308	8,308
Pontotoc	1,459	1,459	1,459	1,459
Pottawatomie	21,678	21,678	21,678	21,678
Pushmataha	12,212	12,212	12,212	12,212
Roger Mills	24,856	24,856	24,857	24,857
Rogers	8,587	8,587	8,587	8,587
Seminole	18	18	18	18
Sequoyah	3,042	3,042	3,042	3,042
Stephens	7,849	7,849	7,846	7,846
Texas	55,542	55,542	55,542	55,542
Tillman	10,357	10,357	10,357	10,357
Tulsa	1,224	1,224	1,224	1,224
Wagoner	4,109	4,109	4,109	4,109
Washington	700	700	700	700
Washita	14,666	14,666	14,666	14,666
Woods	11,792	11,792	11,792	11,792
Woodward	31,067	31,067	31,049	31,049
Total	1,205,550	1,205,564	1,205,912	1,206,169

Commissioners of the Land Office
State of Oklahoma
(An Agency of the State of Oklahoma)

Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2020

2016	2015	2014	2013	2012	2011
1,602	1,602	1,602	1,582	1,542	1,542
1,479	1,479	1,479	1,479	1,479	1,479
2,981	2,981	2,981	2,981	2,981	2,981
13,034	13,034	13,034	13,034	13,034	13,034
3,337	3,337	3,357	3,207	2,384	2,384
353	353	353	353	113	113
9,753	9,748	9,747	9,747	9,742	9,742
1,739	1,739	1,667	1,667	811	811
1,741	1,723	1,705	1,705	1,705	1,705
29,073	29,073	29,139	29,139	29,139	29,139
32,772	32,772	32,572	31,438	31,272	31,152
8,308	8,308	8,353	8,349	8,349	8,349
1,459	1,459	1,459	1,459	1,459	1,459
21,678	21,678	21,678	21,678	21,678	21,528
12,212	12,212	12,222	12,162	3,401	3,401
24,857	24,857	24,854	24,854	24,854	24,849
8,587	8,587	8,587	8,580	8,580	8,580
18	18	18	18	18	18
3,042	3,042	3,062	3,062	3,061	3,061
7,846	7,846	7,836	7,836	7,836	7,836
55,542	55,542	55,458	55,458	55,458	55,458
10,357	10,357	10,357	10,357	10,357	10,357
1,224	1,224	1,222	1,222	1,222	1,222
4,109	4,109	4,109	4,109	4,109	4,109
700	700	700	700	700	700
14,666	14,666	14,666	14,666	14,666	14,426
11,792	11,792	11,804	11,804	11,684	11,684
31,049	31,078	31,077	31,077	30,883	30,883
1,205,831	1,205,729	1,206,003	1,204,120	1,153,221	1,125,961

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

Commissioners of the Land Office
State of Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Commissioners of the Land Office, State of Oklahoma (the Agency), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 23, 2020.

Internal Control over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of This Report

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

BKD, LLP

Oklahoma City, Oklahoma
December 23, 2020

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Commissioners of the Land Office, State of Oklahoma
204 N. Robinson, Suite 900
Oklahoma City, OK 73102