COMMISSIONERS OF THE
LAND OFFICE
STATE OF OKLAHOMA

Managing Assets to Support Education

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

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COMMISSIONERS OF THE LAND OFFICE

STATE OF OKLAHOMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
AND ACCOMPANYING INDEPENDENT AUDITOR'S REPORTS

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

Prepared by:

Financial Services Division

Karen Johnson

Chief Financial Officer

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

Introductory Section

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December 28, 2023

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 Annual Comprehensive Financial Report (ACFR) 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 ACFR 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, 2023, 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 ACFR 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 ACFR. As such, it should be read from that perspective and in conjunction with all other sections of the ACFR.

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 FORVIS, 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 opinions encompassed the basic financial statements, as well as combining and individual fund statements and schedules for the fiscal year ended June 30, 2023. 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 fiscal year 2023, the national economy grew slightly while the local economy contracted. 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)

	2019	2020	2021	2022	2023 (2)
Federal [1]	21,521,395	21,322,950	23,594,031	25,744,108	27,063,012
Oklahoma [1]	205,263	191,654	217,731	242,739	250,330

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

[2] *2nd quarter of 2023*

Personal Income (per capita)

Personal income per capita both nationally and for Oklahoma in the second quarter of 2023 increased approximately 4% and 3%, respectively, over 2022.

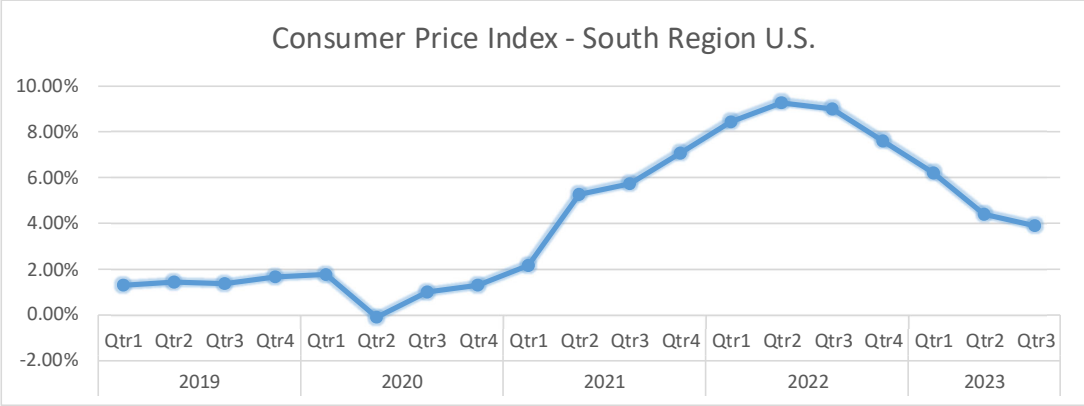
	2019	2020	2021	2022	2023 (2)
Federal [1]	55,547	59,153	64,430	65,470	68,279
Oklahoma [1]	48,172	50,249	55,165	56,298	58,112

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

[2] *2nd quarter of 2023*

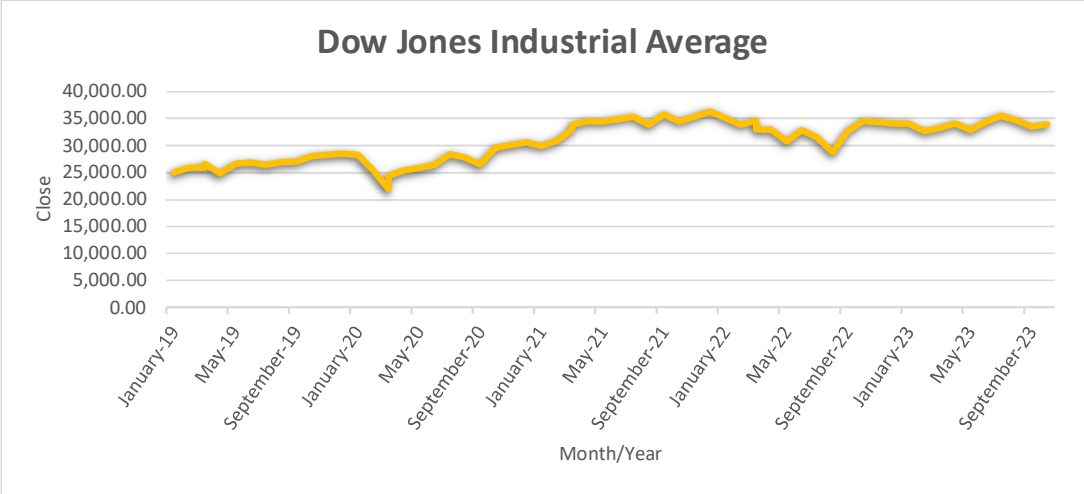
Beginning in the last half of calendar year 2021 the consumer price index (CPI) began a sharp rise signaling an acceleration of inflationary factors after years of relative stability. During fiscal year 2023, the CPI began to decline before levelling out in fiscal year 2024 as inflation stabilized.

The graph below shows the sharp increase in CPI for the south region of the United States which includes Oklahoma:



After significant market losses in fiscal year 2022, the market trended toward growth during the fiscal year ended 2023. Market indicators subsequent to June 30 reflect growth in the financial markets which management anticipates will continue into fiscal year 2024.

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 were consistently high during the fiscal year. Subsequent to the end of the fiscal year, oil and gas prices have declined, but remain strong. 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

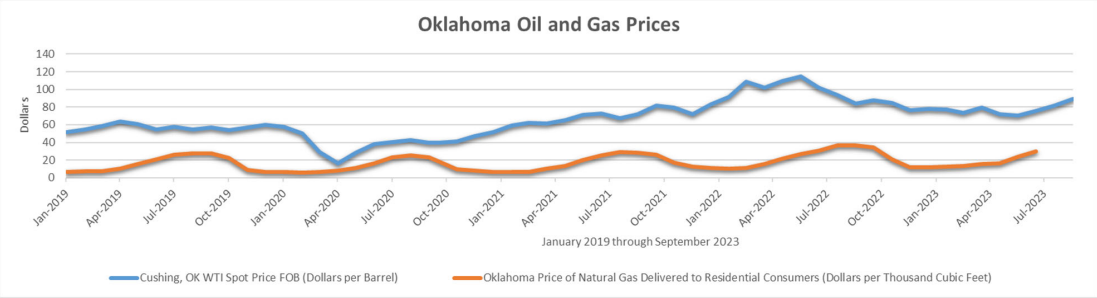
	2019	2020	2021	2022	2023	
Field Production of Crude Oil (Thousand Barrels) [1]	216,930	172,804	147,837	151,537	92,399	[2]
Natural Gas Marketed Production (Million Cubic Feet)[1]	3,036,052	2,673,207	2,555,430	2,764,019	1,640,998	[3]

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

[2] *Data from January through July 2023. January through July 2022 productions was 86,965 (thousands of barrels)*

[3] *Data from January through July 2023. January through July 2022 productions was 1,570,543 (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.

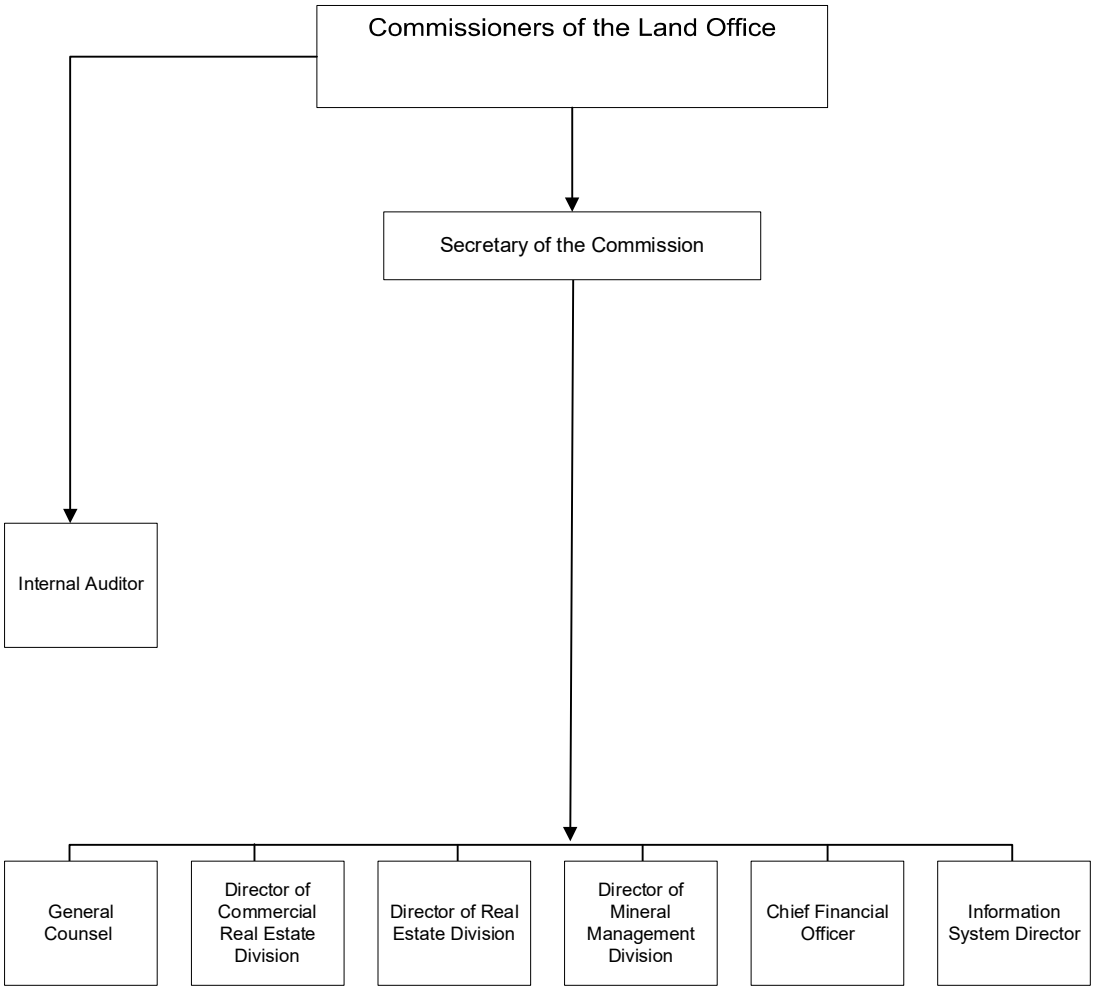
Under the direction of the Agency's Investment Committee, investment policies are reviewed and updated annually. Key provisions of the investment policy are:

- 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.

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

Organizational Chart
For Fiscal Year Ended June 30, 2023



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, 2023

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

Ryan Walters – Superintendent of Public Instruction

Blayne Arthur – Commissioner, State Board of Agriculture

Dan Whitmarsh – Secretary

John Fischer – Assistant 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 Audit of the Financial Statements

Opinions

We have audited 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, 2023 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 1*, the financial statements of the Agency of the State of Oklahoma are intended to present only the financial position and the changes in financial position of only that portion of the governmental activities and each major fund of the State of Oklahoma that is attributable to the transactions of the Agency. They do not purport to, and do not, present fairly the financial position of the State of Oklahoma as of June 30, 2023 and the changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information for the general fund, and pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming 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, is presented for purposes of

additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023 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.

FORVIS, LLP

Oklahoma City, Oklahoma
December 28, 2023

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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, 2023

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, 2023. It should be read in conjunction with the financial statements, which begin, on page 20.

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 required and other supplementary information in addition to the basic financial statements themselves.

Financial Highlights

- Net position is up approximately $74.5 million. The increase was primarily due to the net increase in investment earnings.
- Of the $77.5 million in mineral revenue, royalties of $69.8 million were added to the permanent fund and $7.7 million in lease bonuses and delay rentals were apportioned.
- The change in the fair market value of investments was $23.3 million in 2023 as compared to a decrease of $302.3 in 2022.
- Interest from investments was up $11.4 million, from $61.1 million in fiscal year 2022 to $72.5 million in fiscal year 2023.
- Distributions to beneficiaries were up approximately $14.6 million, from $125.1 million in fiscal year 2022 to $139.7 million in fiscal year 2023, primarily due to a $2.7 million increase in higher education distributions and $11.5 million increase in public school distributions. These increases were primarily due to improvements in mineral and interest revenues. Of the $139.7 million in cash distributions during fiscal year 2023, $33.7 million were to universities and colleges, $103.0 million to public schools, and $3.0 million to public buildings.
- Added $5.46 million to the Multi-year Stabilization Fund that is designed to make appropriations to schools more predictable.

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.

Government-wide financial statements (continued)

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 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).

The government-wide financial statements can be found on pages 19 and 20 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 21 and 22 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 47 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 $2.70 billion at the close of the most recent fiscal year.

The largest portion of the Agency's net position (approximately 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

	2023	2022
Assets:		
Current assets	$ 164,430	$ 185,895
Investments	2,575,745	2,466,670
Other assets	73,198	71,853
Capital Assets	7,045	7,014
Total Assets	$ 2,820,625	$ 2,731,432
Deferred outflows of resources	$ 2,041	$ 986
Liabilities:		
Current Liabilities	$ 25,526	$ 14,982
Noncurrent liabilities	1,514	-
Total Liabilities	$ 27,040	$ 14,982
Deferred inflows of resources	$ 99,800	$ 96,120
Net Position:		
Investment in capital assets	$ 7,045	$ 7,014
Restricted	2,662,796	2,587,295
Unrestricted	25,985	27,007
Total net position	$ 2,695,826	$ 2,621,316

Changes in Net Position

There was an increase of $74.5 million in net position. The key elements of the increase are as follows:

Changes in Net Position (in thousands)

	2023	2022
Expenses:		
Apportionment to beneficiaries	$ 139,750	$ 125,141
Custodial fees	9,002	6,122
Other expenses	14,400	15,677
Total expenses	163,152	146,940
Revenues:		
Program revenue:		
Investment earnings (loss)	130,914	(203,913)
Mineral revenue	77,518	70,969
Rents	25,215	29,441
Fees	314	298
Total program revenues	233,961	(103,205)
General revenues		
Proceeds from sale of grant land	344	114
Miscellaneous	1,521	7,849
Other interest	1,836	1,616
Total general revenues	3,701	9,579
Change in net position	74,510	(240,566)
Net position, beginning of year	2,621,316	2,861,882
Net position, end of year	$ 2,695,826	$ 2,621,316

Apportionments increased from $125.1 million during fiscal year 2022 to $139.8 million during fiscal year 2023. The increase was primarily due to improvements in investment earnings and mineral revenues.

Investment earnings increased from a deficit $203.9 million in fiscal year 2022 to $130.9 million in fiscal year 2023. The primary driver was an increase in fair market values of equity investments due to stabilized market conditions.

Mineral income increased from $71.0 million in fiscal year 2022 to $77.5 million in fiscal year 2023. The increase was due to improved market prices during the fiscal year as well as the receipt a number of settlement payments that had been pending in prior years. During fiscal year 2022, the CLO received a one-time, $6.0 million dollar appropriation recorded as miscellaneous general revenue, from the state legislature to purchase a property for the real estate division.

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 $2.7 billion, an increase of $77 million in comparison with the prior year. Approximately $2.7 billion is restricted and nonexpendable to indicate that it is not available for general purposes because it has been restricted to specific 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, 2023, the unassigned fund balance was $26.2 million, or 391 percent of budgeted general fund expenditures, the assigned fund balance was $1.7 million, or 26 percent of budgeted general fund expenditures, and the restricted fund balance was $461 thousand, or 7 percent of budgeted general fund expenditures. The unassigned fund balance of the general fund decreased by 764.3 thousand from June 30, 2022. Operating expenses exceeded revenues for the fund by approximately $7.8 million but were somewhat offset by net transfers from the permanent fund of approximately $7.1 million.

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 increase in fair market value of investments, was $236.0 million compared to a deficit of $94.6 million during the prior year. Cash apportionments distributed to beneficiaries during 2023 totaled $139.8 million with $33.7 million disbursed to universities and colleges, $103.1 million disbursed to public schools, and $3.0 million to public buildings. This was an increase of $14.7 million from the cash apportionments distributed during fiscal year 2022.

General Fund Budgetary Highlights

For fiscal year 2023, general fund actual expenditures on a budgetary basis were $6.5 million compared to the final budget of $6.7 million. The $230.4 thousand variance was largely due to personnel vacancies that were not filled in 2023.

Investment in Land, Mineral Rights, and Capital Assets

The Agency obtained the majority of the land held in trust from a grant of the United States prior to statehood and is carried at $1 per acre (book value). It is reported by the Agency as capital assets. 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, 2023 is approximately $944 million 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 1.2 million 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.

Investment in Land, Mineral Rights, and Capital Assets (continued)

The agency's investment in capital assets as of June 30, 2023, amounts to $10,890,375, less accumulated depreciation of $3,845,329, leaving a net book value of $7,045,046. This investment in capital assets is primarily the land granted by the Federal Government and land improvements. See Note 9 in the notes to the financial statements for further information.

Description of Current and Expected Conditions

Economic indicators have been difficult to pinpoint as the global economy reacts to geopolitical events. Markets have fluctuated during the fiscal year, while inflationary indicators have begun to stabilize. The 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.

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

Statement of Net Position
June 30, 2023

Assets	
Cash and cash equivalents	$ 133,344,346
Restricted cash	461,397
Investments	2,431,247,075
Property held for investment	144,497,501
Accrued interest receivable	14,962,854
Other receivables	15,869,020
Other assets	610,519
Leases receivable	72,587,612
Capital Assets	
Land	5,597,257
Other capital assets, net of depreciation	1,447,789
Total Assets	2,820,625,370
Deferred outflows of resources	
Deferred pension plan outflows	2,041,458
Total Outflows of Resources	2,041,458
Liabilities, Deferred Inflows and Net Postion	
Liabilities	
Accounts payable and accrued liabilities	24,806,931
Unearned revenue	276,312
Net pension liability	1,514,128
Accrued compensated absences	442,938
Total Liabilities	27,040,309
Deferred inflows of resources	
Deferred pension plan inflows	2,047,156
Deferred lease inflows	97,753,183
Total Deferred Inflows of Resources	99,800,339
Net position	
Investment in capital assets	7,045,046
Restricted	
Nonexpendable	2,662,358,812
Expendable - Oil and Gas performance fee	437,185
Unrestricted	25,985,137
Total net position	$2,695,826,180

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, 2023

Expenses	
Program expenses	
Apportionment to beneficiaries	
Universities and colleges	$ 33,681,697
Public schools	103,080,077
Public buildings	2,988,031
Total apportionments	139,749,805
Custodial fees	9,002,136
Administrative expenses	11,729,237
Other expenses	2,463,780
Depreciation	207,464
Total program expenses	163,152,422
Program revenues	
Investment earnings	
Interest	72,456,502
Dividends	35,122,063
Net increase in fair value of investments	23,335,459
Net investment income	130,914,024
Charges for services	
Mineral revenue	77,518,063
Rents	19,486,632
Commercial real estate rent	5,728,451
Fees	313,968
Total program revenues	233,961,138
General Revenues	
Proceeds from sale of grant land	344,000
Miscellaneous	1,521,170
Other interest	1,836,467
Total general revenues	3,701,637
Change in Net Position	74,510,353
Net position, beginning of year	2,621,315,827
Net position, end of year	$2,695,826,180

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, 2023

	General Fund	Permanent Fund	Total
Assets			
Cash and cash equivalents	$ 35,453,600	$ 97,890,746	$ 133,344,346
Restricted cash	461,397	-	461,397
Investments	-	2,431,247,075	2,431,247,075
Property held for investments	-	144,497,501	144,497,501
Accrued and interest receivable	-	14,962,854	14,962,854
Other receivables	-	15,869,020	15,869,020
Lease receivables	-	72,587,612	72,587,612
Other assets	-	610,519	610,519
Due from other funds	-	4,825,212	4,825,212
Total assets	$ 35,914,997	$ 2,782,490,539	$ 2,818,405,536
Liabilities and Fund Balance			
Liabilities			
Accounts payable and accrued expenses	$ 2,704,699	$ 22,102,232	$ 24,806,931
Unearned revenue	-	276,312	276,312
Due to other funds	4,825,212	-	4,825,212
Total liabilities	7,529,911	22,378,544	29,908,455
Deferred inflows			
Deferred lease inflows	-	97,753,183	97,753,183
Total deferred inflows	-	97,753,183	97,753,183
Fund Balance			
Nonspendable, permanent fund corpus	-	2,662,358,812	2,662,358,812
Restricted	461,397	-	461,397
Assigned	1,722,205	-	1,722,205
Unassigned	26,201,484	-	26,201,484
Total fund balance	28,385,086	2,662,358,812	2,690,743,898
Total liabilities and fund balance	$ 35,914,997	$ 2,782,490,539	
Reconciliation to the Statement of Net Position			
Capital assets not considered financial resources and not included in funds			7,045,046
Compensated absences not due and payable in the current period			(442,938)
Net pension liability is not due and payable in current period			(1,514,128)
Deferred pension inflows			(2,047,156)
Deferred pension outflows			2,041,458
Net position of governmental activities			$ 2,695,826,180

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, 2023

	General Fund	Permanent Fund	Total
Revenues			
Investment Revenues			
Interest	$ -	$ 72,456,502	$ 72,456,502
Dividends	-	35,122,063	35,122,063
Net increase in fair value	-	23,335,459	23,335,459
Investment Revenues	-	130,914,024	130,914,024
Fees	313,968	-	313,968
Other interest	572,814	1,263,653	1,836,467
Mineral revenue	-	77,518,063	77,518,063
Rents	-	25,215,083	25,215,083
Miscellaneous revenue	391,558	1,129,612	1,521,170
Total revenues	1,278,340	236,040,435	237,318,775
Expenditures			
Administrative	8,865,182	-	8,865,182
Capital outlay	238,523	-	238,523
Other	-	2,463,620	2,463,620
Custodial fees	-	9,002,136	9,002,136
Apportionment to beneficiaries			
Universities and colleges	-	33,681,697	33,681,697
Public Schools	-	103,080,077	103,080,077
Public buildings	-	2,988,031	2,988,031
Total expenditures	9,103,705	151,215,561	160,319,266
Other financing sources (uses)			
Transfers in	12,764,739	5,679,541	18,444,280
Transfers out	(5,679,541)	(12,764,739)	(18,444,280)
Proceeds from sale of grant land	-	344,000	344,000
Other financing sources (uses)	7,085,198	(6,741,198)	344,000
Net change in fund balances	(740,167)	78,083,676	77,343,509
Fund balances, beginning of the year	29,125,253	2,584,275,136	2,613,400,389
Fund balances, end of year	$ 28,385,086	$ 2,662,358,812	$ 2,690,743,898

Reconciliation to the Statement of Activities	
Net change in fund balances	$ 77,343,509
Capital assets purchased	238,523
Increase in liability for compensated absences	(31,910)
Current year depreciation expense	(207,464)
Loss on disposal of capital assets	(160)
Pension expense	(2,288,264)
Current year pension contributions	(543,881)
Change in net position of governmental activities	$ 74,510,353

See notes to basic financial statements.

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
- Oklahoma 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 universities and 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 university and 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 annual comprehensive 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 required 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 assets by the Agency that are applicable to a future reporting period. At June 30, 2023, the Agency had deferred inflows related to lease agreements of $97,753,183 and for pensions of $2,047,156. See Notes 3, 4 and 8 for additional discussion regarding deferred inflows of resources for leases and pension.

Deferred outflows of resources

Deferred outflows of resources are the consumption of net assets by the Agency that are applicable to a future reporting period. At June 30, 2023, the Agency had deferred outflows of resources related to pensions of $2,041,458. See Note 8 for additional discussion regarding deferred outflows of resources for pension.

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 685,000 acres remain at June 30, 2023. This land is held in trust and is stated at $1 per acre in the financial statements at June 30, 2023. 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, 2023, repossessed land is carried at approximately $4,906,000.

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 capital 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 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.

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.

Note 1. Summary of Significant Accounting Policies (continued)

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, 2023, unpaid and accumulated benefits totaled $442,938. The activity for the year is as follows:

Beginning balance	$ 411,028
Change in leave	31,910
End balance	$ 442,938

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:

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, if applicable.

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, 2023.

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 pronouncements adopted in fiscal year

In 2023, CLO adopted:

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.

Note 1. Summary of Significant Accounting Policies (continued)

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. 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. 99 - Omnibus 2022 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

• Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument

• Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a shortterm lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives

• Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset

• Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a shortterm SBITA, and recognition and measurement of a subscription liability

• Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt

Note 1. Summary of Significant Accounting Policies (continued)

• Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)

• Disclosures related to nonmonetary transactions

• Pledges of future revenues when resources are not received by the pledging government

• Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements

• Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position

• Terminology used in Statement 53 to refer to resource flows statements.

The adoption of Statements No. 91, 94, 96 and 99 did not have an effect on beginning net position or fund balance and no effect on changes in net position or fund balances for the year ended June 30, 2023.

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. 100 - *Accounting Changes and Error Corrections* – The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 100 is effective for reporting periods beginning after June 15, 2023 (effective for CLO's June 30, 2024, 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 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.

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

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, 2023, the carrying amount of the Agency's deposits at the Office of the State Treasurer was, $90,121,888 and the bank balance was, $85,468,576. The cash that is deposited with the Oklahoma State Treasurer (OST) is fully insured or collateralized by the State Treasurer. 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.

Agencies and funds that are considered to be part of the State's reporting entity in the State's Annual Comprehensive 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, $43,683,855 at June 30, 2023 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.

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

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, 2023, 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, 2023, the Agency had the following investments:

Investments:	
Stocks	
Common stocks	$ 436,078,001
Pooled equity funds	221,532,648
Equity-based mutual funds - domestic	211,736,058
Equity-based mutual funds - foreign	237,391,265
Fixed income securities:	
U.S. Government securities and municipal obligations	351,551,793
Corporate bonds - domestic	687,802,744
Corporate bonds - foreign	227,516,768
Preferred stocks:	
Preferred stock - nonconvertable	57,637,798
Total	$ 2,431,247,075

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.

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

Fixed income investments and nonconvertible preferred stock by investment rating at June 30, 2023 consisted of the following:

Investment Name	Fair Value (in thousands)	Moody's Rating
U.S government sponsored:		
U.S. Treasury notes	$ 39,575	AAA
U.S Treasury bond	21,634	AAA
U.S Treasury obligation	3,969	AAA
Federal Home Loan Mortgage Corp.	29,713	AAA
Federal National Mortgage Association	126,600	AAA
Government National Mortgage Association	52,869	AAA
Other	70,565	AAA
Other	1,018	BAA1
	345,943	
Municipal obligations:		
Municipal bonds	325	AAA
Municipal bonds	1,101	A1
Municipal bonds	1,081	A3
Municipal bonds	2,799	AA2
Municipal bonds	302	AA3
	5,608	
Corporate bonds (held in U.S. currency):		
Domestic bonds	18,088	A1
Domestic bonds	14,652	A2
Domestic bonds	31,278	A3
Domestic bonds	3,086	AA1
Domestic bonds	2,159	AA2
Domestic bonds	1,313	AA3
Domestic bonds	7,864	AAA
Domestic bonds	52,261	B1
Domestic bonds	33,847	B2
Domestic bonds	27,441	B3
Domestic bonds	43,565	BA1
Domestic bonds	34,978	BA2
Domestic bonds	57,695	BA3
Domestic bonds	53,261	BAA1
Domestic bonds	124,462	BAA2
Domestic bonds	63,610	BAA3
Domestic bonds	3,568	CAA1
Domestic bonds	205	CAA2
Domestic bonds	110,708	NA/NR
Domestic bonds	3,762	WR
	687,803	

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

Investment Name	Fair Value (in thousands)	Moody's Rating
Foreign bonds (held in U.S. currency):		
Foreign bonds	6,306	A1
Foreign bonds	1,710	A2
Foreign bonds	16,638	A3
Foreign bonds	204	AA2
Foreign bonds	11,657	B1
Foreign bonds	8,620	B2
Foreign bonds	10,064	B3
Foreign bonds	21,785	BA1
Foreign bonds	16,247	BA2
Foreign bonds	11,778	BA3
Foreign bonds	38,659	BAA1
Foreign bonds	15,863	BAA2
Foreign bonds	53,517	BAA3
Foreign bonds	1,851	CAA1
Foreign bonds	582	CAA2
Foreign bonds	163	CAA3
Foreign bonds	11,040	NA/NR
Foreign bonds	832	WR
	227,516	
Total fixed income	$ 1,266,870	
Preferred stock - nonconvertible:		
Preferred stock	482	A2
Preferred stock	873	A3
Preferred stock	1,503	BA1
Preferred stock	4,059	BA2
Preferred stock	537	BA3
Preferred stock	2,197	BAA1
Preferred stock	20,071	BAA2
Preferred stock	12,644	BAA3
Preferred stock	15,273	NA
	$ 57,639	

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, 2023, no single issuer represented more than 5 percent of the Agency's investments.

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

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.

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	$ 61,209	3.78
U.S. Treasury bond	3,969	6.72
Government National Mortgage Association	51,653	5.00
Collateralized mortgage obligations	70,070	5.54
Other	8,158	4.23
	195,059	
Mortgage-backed securities:		
Federal Home Loan Mortgage Corp.	28,397	5.22
Federal National Mortgage Corp.	122,486	4.93
	150,883	
Municipal obligations, municipal bonds	5,608	5.25
Corporate bonds (held in U.S. currency):		
Domestic bonds	687,803	5.01
Foreign bonds	227,517	4.56
	915,320	
Total fixed income	$ 1,266,870	

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

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

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	$ 436,078	$ -	$ 117,429	$ 553,507
Preferred stock - nonconvertible	57,638	-	-	57,638
Fixed income securities:				
Corporate bonds - domestic	-	783,211	695	783,906
Corporate bonds - foreign	-	227,517	-	227,517
Municipal bonds	-	5,608	-	5,608
U.S. government sponsored:				
Federal National Mortgage Association	506	126,094	-	126,600
Federal Home Loan Mortgage Corp.	-	29,683	-	29,683
Government National Mortgage Assoc.	-	52,869	-	52,869
U.S. Treasury obligation	65,179	-	-	65,179
Other government	1,861	69,752	-	71,613
Commercial real estate	-	-	144,498	144,498
Total investments by fair value level	$ 561,262	$ 1,294,734	$ 262,622	2,118,618
Investments measured at the net asset value (NAV)				
Pooled equity funds				8,000
Equity-based mutual funds - domestic				211,736
Equity-based mutual funds - foreign				237,391
Total Investments measured at fair value				$ 2,575,745

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

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.

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.

The Cohen & Steers Global Listed Infrastructure Fund, Inc. (the Fund) is an open-end management investment company registered under the U.S. Investment Company Act of 1940. The fund invests in U.S. and non-U.S. common stocks and other equity securities issued by infrastructure companies, consisting of utilities, pipelines, toll roads, airports, railroads, marine ports, telecommunications companies and other infrastructure companies. The Agency has no unfunded commitments as of 6/30/2023. Shares are redeemable monthly with a 15-day redemption notice requirement.

Note 3. Leasing Operations

The Agency leases to others approximately - acres of land belonging to the Trusts as of June 30, 2023, 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 Agency also leases real property, including land easements for power lines, pipelines, roadways and communication lines to external parties. Lease terms generally range from 5 to· 50 years (including extensions). Temporary land easements contain a consideration clause in the form of a one-time payment at the inception of the agreement. Land easement contracts that are continuous in term or do not contain a clause requiring rent or one-time payment are not considered leases under the requirements of GASB 87 and any payment received is recognized as revenue when received.

Revenue recognized under lease contracts during the year ended June 30, 2023 was $18,899,361, which includes both lease revenue and interest.

The following is a schedule of the future minimum rent due to the Agency under its noncancelable leases at June 30, 2023:

Years ended June 30:

Year	Principal	Interest	Total
2024	$ 12,677,008	$ 1,156,786	$ 13,833,794
2025	10,242,390	895,085	11,137,475
2026	7,545,031	659,987	8,205,018
2027	4,809,443	476,689	5,286,132
2028	1,166,753	396,849	1,563,602
2029-2033	5,890,559	1,783,814	7,674,373
2034-2038	6,993,196	1,438,430	8,431,626
2039-2043	7,869,384	1,000,597	8,869,981
2044-2048	5,665,875	636,164	6,302,039
2049-2053	5,697,440	351,642	6,049,082
2054-2058	2,591,157	123,649	2,714,806
2059-2063	749,001	48,650	797,651
2064-2068	367,213	24,297	391,510
2069-2073	323,162	5,517	328,679
	$ 72,587,612	$ 8,998,156	$ 81,585,768

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, 2023, the Agency owned the following property which is carried at fair value and leased to multiple tenants:

Property	Fair Value
5005 N. Lincoln	$ 2,925,000
119 N. Robinson Ave	11,050,000
City Place (204 N. Robinson Ave. 4th, 8th & 9th floors)	5,085,000
3017 N. Stiles	2,060,000
400 NE 50th Street	650,000
City Place (204 N. Robinson Ave 10th Floor)	1,725,000
921 NE 23rd Street	4,325,000
5727 South Lewis Avenue, Tulsa	11,720,000
Lincoln Corridor properties	4,122,501
13000 N. Pennsylvania Ave.	6,610,000
5050 N. Lincoln	11,085,000
201 W. 5th St. Tulsa	4,090,000
10625 and 10630 NW 4th St., Yukon	5,400,000
15024 W. Highway 66, Yukon	2,955,000
122nd and Western tract	10,010,000
14201 & 14301 Caliber Dr.	9,690,000
9201 N. I-35	26,520,000
123 Robert S Kerr Ave., 5th, 6th 7th,8th & 29th floors	11,725,000
1 Robert S. Kerr Ave.	12,750,000
	$ 144,497,501

Rental agreements for investment properties are not subject to lease reporting as defined by GASB Statement 87, *Leases*. The Agency recognized lease revenue associated with these investment properties of $6,315,722 for the year ended June 30, 2023.

Note 5. Other Receivables

Other receivables at June 30, 2023 consisted of the following:

Accrued mineral revenue	$ 17,275,538
Surface leases	533,144
Allowance for doubtful accounts	(1,939,662)
	$ 15,869,020

Note 6. Interfund balances and transfers

At June 30, 2023, the Permanent Fund recognized an interfund receivable from the General Fund in the amount of $4,825,212 which is comprised of royalty payments 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, 2023, $12,764,739 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 approximately $5,679,541 to fund various expenditures.

Note 7. Related party transactions

During the course of normal operations, the Agency may purchase goods and services from other State agencies. The expenditures made to other State agencies during the fiscal year ended June 30, 2023 was approximately $371,000.

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.

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.

Note 8. Employee Benefit Plans (continued)

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.

For 2023, 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, 2023 were approximately $543,881 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.

Note 8. Employee Benefit Plans (continued)

Pension assets, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2023, the Agency reported a liability of $1,514,128 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. 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, 2022, the Agency's proportion was 0.18013218 percent which is a decrease of 0.01232549 percent from the prior fiscal year.

Deferred outflows and inflows

For the year ended June 30, 2023, the Agency recognized pension expense of $3,375,976. At June 30, 2023, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note 8. Employee Benefit Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	$ 1,303,137	$ -
Differences between expected and actual experience	-	50,194
Net difference between projected and actual investment earnings on pension plan investments	-	1,655,082
Changes in proportion and differences between Agency contributions and proportionate share of contributions	194,490	341,880
Total deferred amounts to be recognized in pension expense in future periods	1,497,627	2,047,156
Agency contributions subsequent to the measurement date	543,831	-
Total deferred amounts related to pension	$ 2,041,458	$ 2,047,156

Deferred pension outflows resulting from the Agency's employer contributions subsequent to the measurement date, totaling $543,831 at June 30, 2023, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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)
2024	$ (340,958)
2025	(268,153)
2026	(258,270)
2027	317,852
	$ (549,529)

Note 8. Employee Benefit Plans (continued)

Actuarial assumptions: The total pension liability as of June 30, 2023 was determined based on an actuarial valuation prepared as of July 1, 2022, using the following actuarial assumptions:

- Investment return—6.50 percent compounded annually net of investment expense and including inflation
- Salary increases—3.5 percent to 9.25 percent per year including inflation
- Mortality rates—In 2021, Pub-2010 Below Media, General Membership Active/Retireee Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.
- No annual post-retirement benefit increases
- Assumed inflation rate—2.50 percent
- Payroll growth—3.25 percent per year
- Actuarial cost method—Entry age
- Select period for the termination of employment assumptions—10 years

The actuarial assumptions used in the July 1, 2022 valuation 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 May 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U. S. Large Cap Equity	34.0%	4.7%
U.S. Small Cap Equity	6.0%	5.8%
Int's Developed Equity	23.0%	6.5%
Emerging Market Equity	5.0%	8.5%
Core Fixed Income	25.0%	0.5%
Long Term Treasuries	3.5%	0.0%
US TIPS	3.5%	0.3%
	100%	

Note 8. Employee Benefit Plans (continued)

Discount rate: The discount rate used to measure the total pension liability was 6.50 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 6.50 percent, as well as what the Agency's net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Commissioners of the Land Office's proportionate share of the net pension liability (asset)	$ 3,711,134	$ 1,514,128	$ (343,903)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements, June 30, 2022 ACFR, available at:

https://www.opers.ok.gov/wp-content/uploads/2022/12/ACFR-2022-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, 2021 and 2020. 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 2023 were as follows:

	Beginning Balance	Increases	Decreases	Balance
Capital Assets, not being depreciated, land	$ 5,597,417	$ -	$ (160)	$ 5,597,257
Capital assets being depreciated:				
Furniture, fixture and equipment	1,930,085	46,303	-	1,976,388
Land Improvements	3,124,510	192,220	-	3,316,730
Total capital assets being depreciated	5,054,595	238,523	-	5,293,118
Less accumulated depreciation for:				
Furniture, fixture and equipment	1,762,953	60,066	-	1,823,019
Land Improvements	1,874,912	147,398	-	2,022,310
Total accumulated depreciation	3,637,865	207,464	-	3,845,329
Total capital assets being depreciated, net	1,416,730	31,059	-	1,447,789
Governmental activities capital assets, net	$ 7,014,147	$ 31,059	$ (160)	$ 7,045,046

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, 2023.

	General	Permanent	Total Governmental Funds
Fund balances			
Nonspendable			
Nonspendable,permanent fund corpus	$ -	$ 2,662,358,812	$ 2,662,358,812
Restricted			
Oil & Gas Performance Fee fund	461,397	-	461,397
Assigned			
Commercial Real Estate capital expenditures fund	1,722,205	-	1,722,205
Unassigned	26,201,484	-	26,201,484
Total fund balances	$ 28,385,086	$ 2,662,358,812	$ 2,690,743,898

Note 11. 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.

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, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Fees	$ -	$ -	$ 245,890	$ 245,890
Other Interest	-	-	564,839	564,839
Total revenues	-	-	810,729	810,729
Expenditures				
Administrative	1,371,574	1,371,574	1,250,862	120,712
Legal	721,366	721,366	742,195	(20,829)
Information technology	581,874	581,874	577,886	3,988
Real estate management	1,504,342	1,504,342	1,431,992	72,350
Commercial real estate	317,398	317,398	294,675	22,723
Financial services	1,174,247	1,174,247	1,177,721	(3,474)
Minerals management	575,187	575,187	573,629	1,558
Royalty compliance	457,433	457,433	424,066	33,367
Total expenditures	6,703,421	6,703,421	6,473,026	230,395
Transfers from permanent fund	-	-	12,764,739	12,764,739
Transfers to permanent fund	-	-	(5,679,541)	(5,679,541)
Total other financing sources (uses)	-	-	7,085,198	7,085,198
Net change in fund balance	-	(6,703,421)	1,422,901	8,126,322
Fund Balance, beginning of year		(41,190,950)	38,006,025	79,196,975
Fund Balance, end of year		$ (47,894,371)	39,428,926	$ 87,323,297
Reconciliation to GAAP basis, accrual adjustments			(11,043,840)	
Fund Balance			$ 28,385,086	

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, 2023

	June 30			
	2023	2022	2021	2020
Agency's proportion of the net pension liability (asset)	0.18013218 %	0.19245767 %	0.21371907 %	0.21571265 %
Agency's proportionate share of the net pension liability (asset)	$ 1,514,128	$(2,583,091)	$ 1,906,723	$ 287,303
Agency's covered payroll	2,750,725	3,025,346	3,386,659	3,453,721
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	55 %	(85)%	56 %	8 %
Plan fiduciary net position as a percentage of the total pension liability	92.24 %	112.51 %	91.59 %	98.63 %

	June 30			
	2019	2018	2017	2016
Agency's proportion of the net pension liability (asset)	0.22015372 %	0.21185560 %	0.19708621 %	0.19002899 %
Agency's proportionate share of the net pension liability (asset)	$ 429,394	$ 1,145,427	$ 1,955,550	$ 683,503
Agency's covered payroll	3,717,392	3,793,931	3,565,236	3,314,185
Agency's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	12 %	30 %	55 %	21 %
Plan fiduciary net position as a percentage of the total pension liability	97.96 %	94.28 %	89.47 %	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 to the Oklahoma Public Employees Retirement Plan
Last 10 Fiscal Years

	2023	2022	2021	2020	2019
Contractually required to contribute	$ 543,831	$ 587,255	$ 586,127	$ 567,737	$ 548,453
Contractually required contributions	543,831	587,255	586,127	567,737	548,453
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -

	2018	2017	2016	2015	2014
Contractually required to contribute	$ 571,262	$ 535,672	$ 588,000	$ 542,000	$ 523,000
Contractually required contributions	571,262	535,672	588,000	542,000	523,000
Contributions deficiency (excess)	$ -	$ -	$ -	$ -	$ -

See notes to required supplementary information

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	7 years
Asset valuation method	5-year moving average
Inflation	2.5 percent for 2021 and 2020, and 2.75 percent for 2019, 2018 and 2017, and 3.00 percent for 2016 and 2015
Salary increase	3.25 percent to 9.25 percent for 2021 and 2020. 3.50 to 9.50 percent for 2019, 2018 and 2017 and 4.50 to 8.40 percent for 2016 and 2015, including inflation
Investment rate of return	6.50 percent for 2021 and 2020, 7.00 percent in 2019, 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 Active/Retiree	For 2021 and 2020 - Pub-2010 Below Median, General membership Healthy Mortality table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and femail rates are set forward one year. For 2019, 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 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, 2023

	Revolving 16	CLO	Total
Assets			
Cash and cash equivalents	$ 10,006	$ 25,909	$ 35,915
Total assets	$ 10,006	$ 25,909	$ 35,915
Liabilities and Fund Balance			
Liabilities, accounts payable and accrued expenses	$ 2,705	$ -	$ 2,705
Due to permanent fund	4,825	-	4,825
Fund balance	2,476	25,909	28,385
Total liabilities and fund balance	$ 10,006	$ 25,909	$ 35,915

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, 2023

University of Oklahoma	$	9,911,452
Oklahoma State University		8,437,356
Northern Oklahoma College		2,955,240
Langston University		2,054,165
Southeastern Oklahoma State University		1,103,261
University of Central Oklahoma		1,103,261
East Central Oklahoma State University		1,103,261
Northeastern Oklahoma State University		1,103,261
Northwestern Oklahoma State University		1,103,261
Southwestern Oklahoma State University		1,103,261
Cameron University		1,103,261
Oklahoma Panhandle State University		1,103,261
University of Science and Arts of Oklahoma		1,103,261
	$	33,287,562

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, 2023

Achille	$	47,371.89
Ada		381,039.85
Adair		162,735.00
Afton		71,298.72
Agra		50,496.96
Albion		7,375.32
Alex		44,987.45
Aline-Cleo		19,101.97
Allen		71,072.57
Allen-Bowden		40,908.59
Altus		527,267.96
Alva		159,071.00
Amber-Pocasset		67,205.45
Anadarko		216,840.84
Anderson		37,827.16
Antlers		145,387.10
Arapaho-Butler		75,413.37
Ardmore		390,495.02
Arkoma		57,630.85
Arnett		24,129.67
Asher		39,270.87
Atoka		128,957.37
Avant		12,151.82
Balko		23,008.99
Banner		45,877.72
Barnsdall		61,224.09
Bartlesville		917,519.91
Battiest		36,336.00
Bearden		21,397.10
Beaver		43,982.56
Beggs		159,357.64
Belfonte		23,158.08
Bennington		48,822.71
Berryhill		174,168.56
Bethany		266,466.03
Bethel		183,198.48
Big Pasture		29,456.83
Billings		9,626.79
Binger-Oney		47,237.96
Bishop		86,434.60
Bixby		1,112,637.76
Blackwell		172,342.86
Blair		36,965.85
Blanchard		326,158.56
Bluejacket		33,039.29
Subtotal		6,636,455.17

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	6,636,455.17
Boise City		47,154.30
Bokoshe		24,850.19
Boone-Apache		78,419.33
Boswell		46,425.65
Bowlegs		36,783.40
Bowring		8,814.67
Braggs		19,671.09
Bray-Doyle		41,466.12
Bridge Creek		272,798.84
Briggs		63,971.35
Bristow		257,892.32
Broken Arrow		2,941,937.95
Broken Bow		239,762.64
Brushy		59,749.01
Buffalo		42,804.56
Buffalo Valley		27,211.01
Burlington		20,661.44
Burns Flat-Dill City		77,024.16
Butner		29,290.49
Byng		265,494.09
Cache		318,237.51
Caddo		78,809.44
Calera		129,831.71
Calumet		44,782.79
Calvin		28,946.54
Cameron		42,584.89
Canadian		67,393.76
Caney		40,068.22
Caney Valley		117,161.46
Canton		51,657.43
Canute		60,410.86
Carnegie		80,450.49
Carney		34,518.03
Cashion		109,845.76
Catoosa		273,537.56
Cave Springs		25,548.08
Cement		32,203.80
Central		71,780.47
Central High		61,882.16
Chandler		175,093.43
Chattanooga		34,920.45
Checotah		216,152.03
Chelsea		114,704.36
Cherokee		64,166.62
Subtotal		13,513,325.63

(Subtotal forwarded)	$	13,513,325.63
Cheyenne		49,346.24
Chickasha		331,119.37
Chisholm		175,232.45
Choctaw-Nicoma Park		843,543.59
Chouteau-Mazie		122,427.30
Cimarron		25,856.94
Claremore		582,528.24
Clayton		32,267.59
Cleora		24,082.53
Cleveland		237,482.78
Clinton		314,903.66
Coalgate		101,603.59
Colbert		115,871.42
Colcord		105,646.75
Coleman		27,056.24
Collinsville		463,249.17
Comanche		143,361.97
Commerce		127,740.02
Copan		34,240.94
Cordell		96,969.09
Cottonwood		22,048.15
Covington-Douglas		41,597.41
Coweta		527,583.42
Coyle		47,495.76
Crescent		89,966.82
Crooked Oak		176,462.90
Crowder		49,850.16
Crutcho		54,481.23
Cushing		247,342.28
Cyril		56,716.50
Dahlonegah		23,942.07
Dale		121,398.20
Darlington		38,123.84
Davenport		58,666.01
Davidson		4,315.49
Davis		137,609.15
Deer Creek		1,121,801.52
Deer Creek-Lamont		19,675.70
Denison		47,251.51
Depew		55,770.38
Dewar		68,285.11
Dewey		184,496.88
Dibble		109,339.48
Dickson		206,821.79
Subtotal		20,978,897.27

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	20,978,897.27
Dover		25,241.26
Drummond		59,383.72
Drumright		64,676.85
Duke		23,323.03
Duncan		511,569.89
Durant		564,339.23
Eagletown		27,672.62
Earlsboro		40,616.52
Edmond		3,940,341.73
El Reno		433,879.10
Elgin		375,796.84
Elk City		310,686.05
Elmore City-Pernell		77,216.84
Empire		80,580.03
Enid		1,157,758.38
Erick		31,605.55
Eufaula		172,564.85
Fairland		92,072.52
Fairview		115,023.40
Fanshawe		16,636.56
Fargo		32,629.97
Felt		11,733.46
Fletcher		76,510.15
Flower Mound		53,447.57
Forest Grove		20,011.07
Forgan		17,791.76
Fort Cobb-Broxton		46,518.39
Fort Gibson		267,704.38
Fort Supply		23,418.67
Fort Towson		43,830.24
Fox		30,456.75
Foyil		66,020.08
Frederick		129,494.39
Freedom		6,641.62
Friend		33,825.24
Frink-Chambers		60,105.02
Frontier		54,476.58
Gans		52,388.08
Garber		66,341.23
Geary		41,326.19
Geronimo		52,621.09
Glencoe		51,449.48
Glenpool		419,842.62
Glover		11,807.72
Subtotal		30,770,273.99

(Subtotal forwarded)	$	30,770,273.99
Goodwell		34,081.40
Gore		80,438.35
Gracemont		19,488.16
Graham-Dustin		2,242.82
Graham-Dustin		17,740.62
Grand View		74,217.58
Grandfield		32,626.13
Grandview		18,475.19
Granite		38,878.69
Greenville		9,845.38
Grove		78,019.81
Grove		379,611.18
Guthrie		498,094.68
Guymon		447,398.74
Gypsy		6,665.02
Haileyville		44,937.46
Hammon		37,946.42
Hanna		10,254.16
Hardesty		10,645.04
Harmony		34,224.57
Harrah		315,300.70
Hartshorne		104,344.88
Haskell		101,351.62
Haworth		78,628.77
Haywood		16,883.32
Healdton		77,649.22
Heavener		131,660.77
Hennessey		130,817.58
Henryetta		163,267.99
Hilldale		300,567.60
Hinton		112,077.41
Hobart		104,811.52
Hodgen		40,310.03
Holdenville		153,643.82
Hollis		74,707.21
Holly Creek		33,230.76
Hominy		84,325.70
Hooker		92,188.14
Howe		100,028.96
Hugo		178,121.19
Hulbert		84,891.97
Hydro-Eakly		73,102.05
Idabel		183,480.46
Indiahoma		31,773.30
Subtotal		35,413,270.36

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	35,413,270.36
Indianola		42,958.40
Inola		199,233.44
Jay		235,843.31
Jenks		1,932,148.99
Jennings		38,249.29
Jones		167,363.15
Justice		16,109.40
Justus-Tiawah		80,560.37
Kansas		119,684.02
Kellyville		121,685.60
Kenwood		9,965.23
Keota		62,320.40
Ketchum		86,051.76
Keys		115,725.99
Keystone		40,415.63
Kiefer		141,346.79
Kildare		14,849.72
Kingfisher		208,485.91
Kingston		186,568.19
Kinta		26,939.60
Kiowa		43,277.50
Konawa		82,646.49
Krebs		70,356.35
Kremlin-Hillsdale		46,222.85
Lane		39,740.81
Latta		139,823.37
Laverne		72,888.54
Lawton		2,060,292.62
Le Flore		37,204.13
Leach		25,099.53
Leedey		32,278.63
Lexington		152,567.82
Liberty		56,103.26
Liberty		71,958.64
Lindsay		180,113.97
Little Axe		178,373.27
Locust Grove		191,968.24
Lomega		34,747.55
Lone Grove		216,694.62
Lone Star		129,364.57
Lone Wolf		18,214.32
Lookeba Sickles		31,385.13
Lowrey		16,791.59
Lukfata		57,840.74
Subtotal		43,245,730.09

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	43,245,730.09
Luther		123,984.71
Macomb		37,786.33
Madill		277,353.12
Mangum		101,551.70
Mannford		224,878.06
Mannsville		14,194.00
Maple		29,889.35
Marble City		11,121.45
Marietta		172,878.89
Marlow		216,095.64
Maryetta		101,629.85
Mason		39,080.15
Maud		40,450.39
Maysville		48,528.04
Mcalester		433,344.67
Mccord		46,229.36
Mccurtain		34,800.32
Mcloud		240,266.65
Medford		47,544.33
Meeker		106,662.96
Merritt		129,359.54
Miami		330,095.61
Middleberg		35,064.31
Midway		36,286.21
Midwest City-Del City		1,786,906.26
Milburn		31,439.35
Mill Creek		29,326.13
Millwood		152,562.19
Minco		84,785.68
Moffett		57,447.04
Monroe		18,054.49
Moore		3,731,595.04
Mooreland		93,120.59
Morris		145,272.97
Morrison		94,413.98
Moseley		27,002.65
Moss		38,837.74
Mounds		91,690.06
Mountain View-Gotebo		39,490.63
Moyers		27,839.38
Muldrow		198,996.16
Mulhall-Orlando		34,649.17
Muskogee		705,187.73
Mustang		1,963,827.98
Subtotal		55,477,250.95

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	55,477,250.95
Nashoba		8,417.47
Navajo		70,418.89
New Lima		37,834.57
Newcastle		385,976.26
Newkirk		108,762.52
Ninnekah		69,575.21
Noble		445,421.33
Norman		2,324,767.49
North Rock Creek		183,821.14
Norwood		20,221.30
Nowata		108,171.65
Oak Grove		26,504.86
Oakdale		110,275.24
Oaks-Mission		29,647.73
Oilton		42,112.01
Okarche		60,878.11
Okay		54,115.67
Okeene		50,696.03
Okemah		105,679.95
Oklahoma City		4,560,786.91
Oklahoma Union		98,560.77
Okmulgee		169,520.84
Oktaha		107,557.47
Olive		37,997.46
Olustee-Eldorado		26,455.34
Oologah-Talala		261,665.57
Optima		8,062.40
Osage		20,422.64
Osage Hills		28,042.08
Owasso		1,473,365.00
Paden		32,854.36
Panama		111,747.48
Panola		7,868.37
Paoli		30,797.47
Pauls Valley		205,984.76
Pawhuska		106,914.62
Pawnee		96,333.92
Peavine		14,354.29
Peckham		17,401.73
Peggs		28,652.96
Perkins-Tryon		237,479.92
Perry		154,610.56
Piedmont		750,796.36
Pioneer		60,504.13
Subtotal		68,369,285.79

(Subtotal forwarded)	$	68,369,285.79
Pioneer-Pleasant Vale		73,285.80
Pittsburg		24,987.72
Plainview		236,997.55
Pleasant Grove		32,238.66
Pocola		112,545.29
Ponca City		676,297.69
Pond Creek-Hunter		50,414.01
Porter Consolidated		83,090.53
Porum		68,487.07
Poteau		334,517.07
Prague		158,159.26
Preston		99,618.07
Pretty Water		39,666.09
Prue		43,988.13
Pryor		402,691.95
Purcell		217,453.72
Putnam City		2,682,912.52
Quapaw		88,075.21
Quinton		63,304.78
Rattan		70,522.68
Ravia		15,336.19
Red Oak		49,728.31
Reydon		19,179.48
Ringling		62,098.17
Ringwood		56,174.79
Ripley		66,947.28
Riverside		24,448.52
Robin Hill		56,469.95
Rock Creek		74,662.76
Rocky Mountain		25,456.62
Roff		44,617.51
Roland		130,742.70
Rush Springs		70,164.81
Ryal		9,368.13
Ryan		33,985.28
Salina		112,275.07
Sallisaw		279,625.42
Sand Springs		778,001.29
Sapulpa		553,023.49
Sasakwa		31,870.69
Savanna		59,534.76
Sayre		108,045.86
Schulter		28,948.62
Seiling		67,807.14
Subtotal		76,687,052.43

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	76,687,052.43
Seminole		211,826.90
Sentinel		47,560.65
Sequoyah		197,109.16
Shady Grove		20,488.52
Shady Point		17,942.84
Sharon-Mutual		30,485.95
Shattuck		53,807.48
Shawnee		495,990.08
Shidler		31,976.76
Silo		161,869.85
Skiatook		353,026.04
Smithville		41,890.69
Snyder		68,435.56
Soper		54,091.24
South Coffeyville		40,849.57
South Rock Creek		60,199.79
Sperry		164,483.83
Spiro		157,062.52
Springer		34,900.31
Sterling		51,604.58
Stidham		14,605.43
Stigler		182,670.52
Stillwater		900,834.78
Stilwell		203,184.46
Stonewall		68,408.82
Straight		6,297.77
Stratford		97,496.73
Stringtown		36,310.76
Strother		63,275.92
Stroud		132,173.91
Stuart		33,167.21
Sulphur		226,008.12
Sweetwater		19,164.44
Tahlequah		522,421.63
Talihina		81,761.93
Taloga		15,175.30
Tannehill		19,356.50
Tecumseh		291,120.17
Temple		30,590.94
Tenkiller		33,105.33
Terral		5,840.47
Texhoma		36,553.60
Thackerville		44,621.80
Thomas-Fay-Custer Unified Dist		73,732.23
Subtotal		82,120,533.52

(Subtotal forwarded)	$	82,120,533.52
Timberlake		41,633.09
Tipton		35,592.61
Tishomingo		128,381.81
Tonkawa		122,370.87
Tulsa		4,566,162.71
Tupelo		36,861.31
Turkey Ford		15,182.32
Turner		46,095.65
Turpin		63,478.04
Tushka		72,014.49
Tuskahoma		11,671.89
Tuttle		297,232.16
Twin Hills		51,491.80
Tyrone		34,779.79
Union		2,218,669.52
Union City		44,314.16
Valliant		137,693.40
Vanoss		84,177.94
Varnum		51,443.89
Velma-Alma		66,405.54
Verden		46,937.49
Verdigris		215,422.07
Vian		126,153.88
Vici		46,083.77
Vinita		191,126.29
Wagoner		318,928.20
Wainwright		10,522.52
Walters		91,943.56
Wanette		19,442.09
Wapanucka		33,569.32
Warner		125,646.87
Washington		180,612.04
Watonga		109,731.05
Watts		37,177.77
Waukomis		60,605.72
Waurika		69,718.03
Wayne		71,376.67
Waynoka		34,888.59
Weatherford		347,649.45
Webbers Falls		46,199.43
Welch		44,780.19
Weleetka		59,667.92
Wellston		80,893.44
Western Heights		371,758.53
Subtotal		92,987,021.40

Other Supplementary Information
Schedule of Distributions to Public School Beneficiaries (Cash Basis) (CONTINUED)
Year Ended June 30, 2023

(Subtotal forwarded)	$	92,987,021.40
Westville		143,818.20
Wetumka		59,449.41
Wewoka		102,762.55
White Oak		5,491.94
White Rock		19,229.44
Whitebead		54,118.26
Whitefield		32,655.48
Whitesboro		34,522.14
Wickliffe		14,583.72
Wilburton		129,375.92
Wilson		46,246.10
Wilson		69,020.37
Wister		76,254.73
Woodall		62,038.72
Woodland		58,624.32
Woodward		387,728.62
Wright City		75,730.41
Wyandotte		114,850.17
Wynnewood		102,166.62
Wynona		15,580.08
Yale		54,892.55
Yarbrough		16,349.64
Yukon		1,378,111.30
Zaneis		46,631.66
Zion		46,884.25
Total	$	96,134,138.00

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

Statistical Section

Statistical Section Narrative

This part of the Agency's annual comprehensive 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:

- Principal Royalty Payers - Last Ten Fiscal Years
- 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 Division – 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, 2023

	2023	2022	2021	2020
Governmental Activities				
Net investment in capital assets	$ 7,045	$ 7,014	$ 7,009	$ 6,960
Restricted for:				
Education - nonexpendable	2,662,359	2,584,275	2,853,545	2,399,344
Education - expendable	437	1,750	427	418
Unrestricted	25,985	28,277	23,562	22,265
Total (b)	$ 2,695,826	$ 2,621,316	$ 2,884,543	$ 2,428,987
% change from prior year	2.83 %	(9.13)%	18.75 %	(5.06)%

(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, 2023

2019	2018	2017	2016	2015	2014
$ 6,927	$ 7,041	$ 7,366	$ 7,595	$ 7,692	$ 7,842
2,519,954	2,418,820	2,382,746	2,223,966	2,278,697	2,303,031
9,406	2,528	440	5,081	1,265	7,417
22,159	28,953	23,494	21,790	25,677	41,273
$ 2,558,446	$ 2,457,342	$ 2,414,046	$ 2,258,432	$ 2,313,331	$ 2,359,563
4.11 %	1.79 %	6.89 %	(2.37)%	(1.96)%	13.64 %

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, 2023

	2023	2022	2021	2020
Program Expenses				
Governmental Activities				
Education apportionment to beneficiaries:				
Universities and colleges	$ 33,682	$ 30,985	$ 30,236	$ 30,804
Public Schools	103,080	91,572	86,079	89,394
Public buildings	2,988	2,585	1,984	2,691
Custodial fees	9,002	6,122	6,563	6,374
Administrative expenses	11,729	5,900	9,177	8,466
Commercial real estate expense	-	-	-	(118)
Other expenses	2,464	9,457	1,564	3,277
Depreciation	207	219	257	240
Total Program Expenses	$ 163,152	$ 146,840	$ 135,860	$ 141,364
Program Revenues				
Governmental Activities				
Investment earnings				
Interest	72,457	61,091	59,034	60,252
Dividends	35,122	37,320	34,973	38,427
Net increase(decrease) in fair value of investments	23,335	(302,324)	412,706	(146,096)
Mineral royalties	77,518	70,969	41,236	30,453
Rents	19,487	20,510	17,187	17,705
Commercial real estate rents	5,728	8,931	5,053	4,465
Fees	314	298	740	404
Total Program Revenues	233,961	(103,205)	570,929	5,610
General Revenues				
Gain on sale of land	344	114	17,374	2,251
Miscellaneous	1,521	7,849	2,245	2,402
Other interest	1,836	1,616	867	1,646
Total General Revenues	3,701	9,579	20,486	6,299
CHANGES IN NET POSITION				
Increase (decrease) in net position	$ 74,510	$ (240,466)	$ 455,555	$ (129,455)

(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, 2023

2019	2018	2017	2016	2015	2014
$ 31,206	$ 32,628	$ 35,862	$ 31,604	$ 32,716	$ 30,452
94,241	93,581	103,360	95,366	118,485	87,985
3,542	3,185	4,364	5,348	5,388	7,058
6,731	6,971	7,035	7,459	8,453	5,506
7,350	8,180	7,776	7,461	6,463	821
-	5	1,557	1,665	1,055	-
2,444	946	597	1,017	820	821
314	590	532	525	503	221
$ 145,828	$ 146,086	$ 161,083	$ 150,445	$ 173,883	$ 132,864
61,188	57,909	55,461	54,377	55,360	55,233
36,757	35,599	36,302	36,681	34,099	23,126
59,303	5,625	127,014	(75,916)	(76,024)	214,679
61,448	62,699	66,793	56,165	91,908	105,072
16,991	16,797	15,468	15,622	14,229	12,058
3,705	3,462	3,974	3,300	1,803	-
253	452	359	364	430	426
239,645	181,639	304,653	89,865	120,945	409,742
680	685	4,896	88	2,205	2,530
4,363	4,437	4,937	2,924	3,288	6,442
2,244	1,717	1,493	1,940	1,959	1,567
7,287	6,839	11,326	4,952	7,452	10,539
$ (101,104)	$ 42,392	$ 154,896	$ (55,628)	$ (45,486)	$ 287,417

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, 2023

	2023	2022	2021	2020
General Fund				
Restricted	$ 461	$ 437	$ 427	$ 418
Assigned	1,722	1,722	1,722	1,722
Unassigned	26,202	26,966	23,259	21,034
Total General Fund	$ 28,385	$ 29,125	$ 25,408	$ 23,174
% Change from prior year	(2.54)%	14.63 %	9.64 %	0.07 %
Permanent Fund				
Non-spendable				
Permanent fund corpus	2,662,359	2,584,275	2,853,545	2,399,344
Restricted for education	-	-	-	-
Unassigned	-	-	-	-
Total Permanent Fund	2,662,359	2,584,275	2,853,545	2,399,344
% Change from prior year	3.02 %	(9.44)%	18.93 %	(5.12)%
Total Fund Balance				
Total	2,690,744	2,613,400	2,878,953	2,422,518
% Change from prior year	2.96 %	(9.22)%	18.84 %	(5.08)%

(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 3: Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014
$ 467	$ 450	$ 440	$ -	$ -	$ -
1,722	1,722	1,722	8,617	8,617	-
20,968	28,191	24,334	14,097	18,549	41,660
$ 23,157	$ 30,363	$ 26,496	$ 22,714	$ 27,166	$ 41,660
(23.73)%	14.59 %	16.65 %	(16.39)%	(34.79)%	25.40 %
2,519,954	2,418,820	2,382,746	2,223,966	2,278,697	2,303,031
8,939	2,078	-	5,081	1,265	7,417
-	-	(1,780)	-	-	-
2,528,893	2,420,898	2,380,966	2,229,047	2,279,962	2,310,448
4.46 %	1.68 %	6.82 %	(2.23)%	(1.32)%	13.44 %
2,552,050	2,451,261	2,407,462	2,251,761	2,307,128	2,352,108
4.11 %	1.82 %	6.91 %	(2.40)%	(1.91)%	13.64 %

Commissioners of the Land Office
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Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2023

	2023	2022	2021	2020
General Fund				
Revenue				
Fees	$ 314	$ 298	$ 740	$ 404
Other interest	573	392	511	681
Miscellaneous	392	168	42	70
Total General Fund Revenue	$ 1,279	$ 858	$ 1,293	$ 1,155
% Change from prior year	49.07 %	(33.64)%	11.95 %	18.83 %
Expenditures				
Administrative	8,865	8,220	8,249	8,506
Capital outlay	239	56	50	87
Custodial fees	-	-	-	-
Total General Fund Expenditures	9,104	8,276	8,299	8,593
% Change from prior year	10.00 %	(0.28)%	(3.42)%	(41.00)%
Excess(Deficiency) of Revenues over Expenditures	(7,825)	(7,418)	(7,006)	(7,438)
Other Financing Sources (Uses)				
Transfers in	12,765	11,286	9,307	9,893
Transfers out	(5,680)	(150)	(67)	(2,438)
Total General Fund Other Financing Sources	7,085	11,136	9,240	7,455
Net Change in General Fund Balance	$ (740)	$ 3,718	$ 2,234	$ 17

(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, 2023

2019	2018	2017	2016	2015	2014
$ 253	$ 452	$ 359	$ 364	$ 430	$ 13,478
709	516	510	525	761	698
10	30	-	3	-	-
$ 972	$ 998	$ 869	$ 892	$ 1,191	$ 14,176
(2.61)%	14.84 %	(2.58)%	(25.10)%	(91.60)%	(4.40)%
7,780	8,002	7,917	8,054	8,021	5,734
54	137	257	487	353	-
6,731	9	5	-	-	6
14,565	8,148	8,179	8,541	8,374	5,740
78.76 %	(0.38)%	(4.24)%	1.99 %	45.89 %	(25.15)%
(13,593)	(7,150)	(7,310)	(7,649)	(7,183)	8,436
11,185	11,017	11,092	10,692	12,907	-
(4,798)	-	-	(7,495)	(20,218)	-
6,387	11,017	11,092	3,197	(7,311)	-
$ (7,206)	$ 3,867	$ 3,782	$ (4,452)	$ (14,494)	$ 8,436

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, 2023

	2023	2022	2021	2020
Permanent Fund				
Revenue				
Investment Revenue				
Interest	$ 72,457	$ 61,091	$ 59,034	$ 60,252
Dividends	35,122	37,320	34,973	38,427
Net Increase (Decrease) in Fair Value	23,335	(302,324)	412,706	(146,096)
Other interest	1,264	1,224	356	965
Mineral Royalties	77,518	70,969	41,236	30,453
Rents	25,216	29,442	22,241	22,170
Gain on sale of investment properties	-	-	-	-
Miscellaneous revenues	1,130	7,681	2,203	2,332
Total Permanent Fund Revenue	$ 236,042	$ (94,597)	$ 572,749	$ 8,503
% Change from prior year	349.52 %	(116.52)%	6,635.85 %	(96.53)%
Expenditures				
Administrative	-	-	-	-
Capital outlay	-	269	257	193
Custodial fees	9,002	6,122	6,563	6,374
Other	2,464	9,457	1,564	3,390
Apportionment to Beneficiaries				
Universities and colleges	33,682	30,985	30,236	30,804
Public Schools	103,080	91,572	86,079	89,394
Public buildings	2,988	2,585	1,984	2,691
Total Permanent Fund Expenditures	151,216	140,990	126,683	132,846
% Change from prior year	7.25 %	11.29 %	(4.64)%	0.96 %
Excess(Deficiency) of Revenues over Expenditures	84,826	(235,587)	446,066	(124,343)
Other Financing Sources (Uses)				
Transfers in	5,680	150	67	2,438
Transfers out	(12,765)	(11,286)	(9,307)	(9,893)
Proceeds from sale of grant land	344	114	17,374	2,251
Total Permanent Fund Other Financing Sources (Uses)	(6,741)	(11,022)	8,134	(5,204)
Net Change in Permanent Fund Balance	78,085	(246,609)	454,200	(129,547)
Net Change in Governmental Fund Balances	$ 77,345	$ (242,891)	$ 456,434	$ (129,530)

Commissioners of the Land Office
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Schedule 4: Changes in Fund Balances - Governmental Funds (a)
Last Ten Fiscal Years
(in thousands)
June 30, 2023

2019	2018	2017	2016	2015	2014
$ 61,188	$ 57,909	$ 55,461	$ 54,377	$ 55,360	$ 55,233
36,757	35,599	36,302	36,681	34,099	23,126
59,303	5,625	127,014	(75,916)	(76,024)	214,679
1,535	1,200	983	1,415	1,197	869
61,448	62,699	66,793	56,165	91,908	105,072
20,696	20,258	19,441	18,922	16,032	12,058
-	-	-	88	2,205	1,900
4,353	4,408	4,937	2,922	3,288	6,442
$ 245,280	$ 187,698	$ 310,931	$ 94,654	$ 128,065	$ 419,379
30.68 %	(39.63)%	228.49 %	(26.09)%	(69.46)%	40.05 %
-	136	-	-	-	13,955
145	934	46	-	-	-
-	-	7,035	7,459	8,453	7,058
2,444	6,971	2,149	2,595	820	821
31,206	32,628	35,862	31,604	32,716	30,452
94,241	93,581	103,360	95,366	118,485	87,985
3,542	3,185	4,364	5,348	5,388	5,938
131,578	137,435	152,816	142,372	165,862	146,209
(4.26)%	(10.07)%	7.34 %	(14.16)%	13.44 %	3.29 %
113,702	50,263	158,115	(47,718)	(37,797)	273,170
4,852	-	-	7,495	20,218	-
(11,185)	(11,017)	(11,092)	(10,692)	(12,907)	-
680	685	4,896	-	-	630
(5,653)	(10,332)	(6,196)	(3,197)	7,311	630
108,049	39,931	151,919	(50,915)	(30,486)	273,800
$ 100,843	$ 43,798	$ 155,701	$ (55,367)	$ (44,980)	$ 282,236

Commissioners of the Land Office
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Schedule 5: Principal Royalty Payers
Last Ten Fiscal Years
June 30, 2023

	2023	2022	2021	2020
Royalty Payor				
Chesapeake Operating Inc.	$ -	$ 102	$ 387,416	$ 1,281,086
Devon Energy Production Company LP	5,044,399	2,074,312	976,348	1,684,669
Ovintiv Exploration Inc.	10,291,984	10,173,030	1,708,590	-
Sandridge E&P, Llc.	782,442	950,382	542,217	1,192,657
Continental Resources Inc	4,087,088	4,267,872	3,116,834	2,191,307
Apache Corporation	-	-	-	330,748
Newfield Exploration Mid-Cont.	-	-	-	-
XTO Energy Inc.	1,381,903	1,372,310	820,029	518,946
Sunoco, Inc. (R&M)	1,145	-	30,237	1,093,719
Mewbourne Oil Co	3,752,013	1,109,265	365,711	263,148
Cimarex Energy Company	661,357	1,081,712	806,062	906,569
Marathon Oil Co	769,561	2,998,254	793,677	761,937
Citizen Energy III, LLC	3,273,079	3,205,822	2,204,130	-
BCE-MACH LLC Operating	2,896,538	2,645,145	1,551,400	1,128,749
Unit Petroleum Co	-	381,650	207,699	390,448
Fourpoint Energy Llc	389,565	-	317,577	1,761,287
Coffeyville Resources Refining & Marketing, Llc	605,992	673,106	393,190	520,095
Conocophillips Company	385,331	545,129	422,998	260,968
Jones Energy, Ltd.	-	-	-	651,231
Chaparral Energy Llc	-	-	613,381	951,716
Eog Resources	340,097	665,204	695,708	514,978
BP America Production Company	52	-	1,766	562,636
Midstates Petroleum Company Llc	-	-	-	87,112
Linn Operating, Inc.	-	-	38,592	586,671
White Star Petroleum, Llc	-	-	-	1,115,778
Anadarko Petroleum Corp	-	-	-	-
Alta Mesa Resources Inc	-	-	-	1,397,196
Encana Corporation	-	-	260,465	4,116,886
Revolution Resources LLC	985,507	1,697,150	836,604	240,818
Kaiser Francis Oil Co	314,811	246,655	226,616	191,573
DP Legacy Tapstone Energy LLC	1,644,058	1,752,614	-	-
Le Norman Operating Llc	-	-	14,146	147,094
Equal Energy Us Inc	-	-	-	-
XTO Energy Inc.	1,381,903	1,372,310	-	-
Scissor Tail Energy, Llc	98,050	94,088	46,175	34,943
Presidio Petroleum LLC	1,284,426	1,182,475	-	-
Unbridled Resources LLC	1,367,159	-	-	-
Whiting Petroleum Corp	-	-	-	-
Total	$ 41,738,460	$ 38,488,587	$ 17,377,568	$ 24,884,965

Commissioners of the Land Office
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Schedule 5: Net Position - Principal Royalty Payers
Last Ten Fiscal Years (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014	Total
$ 1,968,638	$ 2,967,645	$ 3,275,216	$ 4,994,782	$ 9,710,701	$ 14,012,596	$ 38,598,182
2,630,664	879,303	1,260,175	3,081,055	6,694,635	5,750,834	30,076,394
-	-	-	-	-	-	22,173,604
1,259,510	1,430,733	1,806,892	2,219,768	6,267,554	4,744,660	21,196,815
2,358,904	1,312,212	283,638	118,220	301,585	175,707	18,213,367
1,711,445	1,051,109	1,088,220	1,275,489	4,476,445	3,908,685	13,842,141
4,710,778	3,571,296	2,450,731	1,252,904	964,520	774,418	13,724,647
1,035,479	1,170,435	1,223,765	1,030,299	2,648,352	2,078,353	13,279,871
1,502,987	1,451,702	1,414,977	1,380,279	2,501,924	3,167,956	12,544,926
430,465	424,180	563,319	853,304	2,153,785	2,272,058	12,187,248
2,221,451	1,748,700	1,079,279	395,346	819,156	1,009,228	10,728,860
2,548,283	1,328,766	779,071	87,891	316,467	150,621	10,534,528
-	-	-	-	-	-	8,683,031
-	-	-	-	-	-	8,221,832
581,312	491,590	449,962	526,520	2,229,537	2,171,743	7,430,461
1,514,436	2,172,092	630,922	212,836	-	-	6,998,715
369,965	400,789	471,584	480,050	1,491,030	1,046,504	6,452,305
400,256	459,489	541,377	498,911	770,049	1,269,367	5,553,875
1,222,755	1,207,197	163,212	194,265	472,891	1,514,830	5,426,381
818,913	606,928	303,156	348,052	905,789	870,538	5,418,473
534,651	207,782	214,449	291,181	684,111	1,062,917	5,211,078
1,012,900	759,090	731,712	429,542	744,337	927,299	5,169,334
958,519	669,811	1,069,436	784,700	687,477	647,964	4,905,019
311,877	1,098,349	401,858	373,893	1,204,055	811,115	4,826,410
1,500,403	1,155,530	955,335	57,212	-	-	4,784,258
-	-	-	-	4,457,169	-	4,457,169
2,081,797	505,277	407,959	503	914	618	4,394,264
-	-	-	-	-	-	4,377,351
-	-	-	-	-	-	3,760,079
384,999	675,803	443,608	210,000	415,507	428,878	3,538,450
-	-	-	-	-	-	3,396,672
477,703	419,897	343,638	921,351	807,442	57,501	3,188,772
536,794	657,832	669,628	814,832	262,299	232,969	3,174,354
-	-	-	-	-	-	2,754,213
74,434	71,070	83,863	59,163	893,239	1,111,436	2,566,461
-	-	-	-	-	-	2,466,901
-	-	-	-	-	-	1,367,159
-	-	-	-	-	513,086	513,086
$ 35,160,318	$ 28,894,607	$ 23,106,982	$ 22,892,348	$ 52,880,970	$ 50,711,881	$ 336,136,686

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Schedule 6: Portfolio Income
Last Ten Fiscal Years
(in thousands)
June 30, 2023

	2023	2022	2021	2020
Interest	$ 72,457	$ 61,091	$ 59,034	$ 60,252
Dividends	35,122	37,320	34,973	38,427
Net increase (decrease) in fair value	23,335	(302,324)	412,706	(146,096)
Total	$ 130,914	$ (203,913)	$ 506,713	$ (47,417)

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Schedule 6: Portfolio Income
Last Ten Fiscal Years
(in thousands) (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014
$ 61,188	$ 57,909	$ 55,461	$ 54,377	$ 55,360	$ 55,233
36,757	35,599	36,302	36,681	34,099	23,126
59,303	5,626	127,014	(75,916)	(76,024)	214,679
$ 157,248	$ 99,134	$ 218,777	$ 15,142	$ 13,435	$ 293,038

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Schedule 7: Investment Portfolio Rate of Return
Last Ten Fiscal Years
June 30, 2023

	Fixed Income	U.S. Equity	International Equity	MLP's	U.S. REIT's	Total
2023	2.58	11.64	12.52	21.96	-0.65	5.96
2022	-10.97	-5.74	-14.24	12.13	-5.15	-8.49
2021	7.69	45.22	37.15	55.45	37.84	21.68
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	-1	5.20	3.71
2017	5.20	20.56	20.14	3	-2.96	9.25
2016	4.66	-0.51	-8.25	-17	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

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Schedule 8: Demographic and Economic Statistics
Last Ten Years
June 30, 2023

	Population (a) (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
2022	333,288	0.42 %	4,020	0.83 %	$ 21,820,248	$ 226,308
2021	331,894	0.13 %	3,987	0.71 %	21,288,709	214,761
2020	331,449	0.98 %	3,959	0.05 %	19,627,600	196,603
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

(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

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Schedule 8: Demographic and Economic Statistics
Last Ten Years (Continued)
June 30, 2023

Per Capita Personal Income			Civilian Labor Force (b)		
U.S.	State of Oklahoma	Oklahoma as a Percentage of U.S.	Employed	Unemployed	Unemployment Rate
$ 65,470	$ 56,298	85.99 %	1,830,061	56,979	3.02 %
64,143	53,870	83.98 %	1,785,703	74,634	4.01 %
52,800	52,295	99.04 %	1,725,318	116,031	6.30 %
56,490	47,341	83.80 %	1,782,411	57,812	3.14 %
54,446	46,233	84.92 %	1,771,251	60,005	3.28 %
50,392	43,449	86.22 %	1,752,733	73,539	4.03 %
49,246	42,692	86.69 %	1,743,225	84,830	4.64 %
48,112	45,573	94.72 %	1,750,501	78,545	4.29 %
46,129	43,138	93.52 %	1,719,826	77,943	4.34 %
$ 44,765	$ 40,620	90.74 %	1,707,220	92,305	5.13 %

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Schedule 9: State of Oklahoma Major Employers - Non-Governmental
June 30, 2023

Non-Governmental Major Employers 2013	Non-Governmental Major Employers 2022	Employment 2022	Percentage of Total State Employment 2022	
Wal-Mart Stores, Inc.	Wal-Mart Associates Inc.	37,500	2.05	%
Integris Health	Amazon	14,000	0.77	%
American Airlines, Inc.	Integris Health, Inc.	11,400	0.62	%
Saint Francis Hospital Inc.	St. Francis Hospital	8,200	0.45	%
Hobby Lobby Stores	Hobby Lobby Stores Inc.	8,200	0.45	%
Saint John Medical Center	Chickasaw Nation	6,400	0.35	%
Chesapeake Energy Corp.	Mercy Health	6,200	0.34	%
Express Employment Professionals	Choctaw Nation of OK	5,900	0.32	%
W.H. Braum, Inc	Braum's Inc.	5,900	0.32	%
AT&T/Southwestern Bell	Choctaw Nation (Housing)	5,200	0.28	%

Source: Oklahoma Department of Commerce

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

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Schedule 10: Full Time Equivalents (FTE's) by Division
June 30, 2023

Divisions	2023	2022	2021	2020
Administration	10	11	7	8
Records Management	-	-	3	3
Real Estate Management	15	15	14	14
Soil Conservation	-	-	-	-
Commercial Real Estate	3	4	3	3
Financial Services	10	11	11	10
Minerals Management	5	7	8	8
Royalty Compliance	5	5	7	7
Legal	6	6	5	5
Information Technology	5	5	5	5
Total	59	64	63	63

Source: FY14-Current Used BWP Salary Worksheet Information

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Schedule 10: Full Time Equivalents (FTE's) by Division (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014
8	6	6	6	7	7
4	4	3	3	2	2
12	14	14	14	14	14
2	2	2	2	2	2
3	3	3	3	3	2
11	11	12	12	11	10
8	8	8	8	9	9
7	8	8	8	8	6
4	5	5	5	4	4
5	5	5	5	4	4
64	66	66	66	64	60

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Schedule 11: Surface Acres Owned by County
Last Ten Fiscal Years
June 30, 2023

	2023	2022	2021	2020
Alfalfa	7,978	7,497	7,497	7,497
Beaver	24,279	24,279	28,239	28,239
Beckham	7,219	7,219	7,219	7,219
Blaine	6,267	6,267	6,267	6,267
Caddo	9,651	9,651	9,651	9,641
Canadian	3,494	3,494	3,495	3,360
Cimarron	233,666	233,669	233,669	233,671
Cleveland	5,276	5,276	5,276	5,275
Comanche	29,490	29,623	29,493	29,508
Cotton	14,268	14,268	14,268	14,268
Custer	3,042	3,042	3,042	3,042
Dewey	6,685	6,685	6,686	6,686
Ellis	23,811	23,813	23,813	23,813
Garfield	10,054	10,051	10,054	10,054
Garvin	160	160	160	162
Grady	4,431	4,431	4,431	4,437
Grant	6,367	6,367	6,367	6,367
Greer	8,475	8,475	8,475	8,475
Harmon	3,029	3,029	3,029	3,029
Harper	25,883	25,882	25,882	25,882
Jackson	6,576	6,576	6,576	6,436
Jefferson	4,644	4,644	4,644	4,644
Kay	34,171	34,171	34,171	34,178
Kingfisher	7,037	7,037	7,037	7,037
Kiowa	24,131	24,131	24,131	24,131
Lincoln	29,175	29,332	29,353	29,349
Logan	9,301	9,297	9,295	9,284
Major	7,483	7,483	7,483	7,483
Marshall	-	-	-	-
McClain	1,549	1,549	1,549	1,549
McCurtain	240	240	240	240
Noble	10,239	10,239	10,239	10,239
Oklahoma	3,677	3,972	4,024	4,659
Pawnee	24,755	24,756	24,756	24,758
Payne	22,357	22,358	22,361	22,360
Pottawatomie	17,252	17,269	17,267	17,266
Roger Mills	8,173	8,173	8,173	8,173
Stephens	8,334	8,334	8,334	8,334
Texas	41,485	41,445	41,445	41,445
Tillman	9,618	9,618	9,618	9,778
Tulsa	7	7	7	-
Washita	6,914	6,914	6,914	6,914
Woods	5,561	5,561	5,561	5,561
Woodward	19,283	19,283	19,283	19,283
Total	735,487	735,567	739,474	739,993

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Schedule 11: Surface Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014
8,452	8,452	8,452	8,452	8,452	8,452
28,239	28,239	28,239	28,120	28,120	28,120
7,219	7,218	7,218	7,217	7,217	7,217
6,267	6,295	6,290	6,284	6,281	6,281
9,641	9,641	9,641	9,641	9,641	9,641
3,459	3,459	3,459	3,360	3,360	3,351
233,671	234,365	233,730	233,625	229,605	229,685
5,275	5,276	5,275	5,275	5,220	5,220
29,902	29,901	29,992	29,179	28,900	28,899
14,270	14,270	14,270	14,270	14,270	14,270
3,042	3,042	3,042	3,042	2,740	2,740
6,686	6,916	6,916	6,921	6,916	6,916
23,813	23,813	23,813	23,973	23,813	23,813
10,369	10,057	10,057	10,057	10,057	10,054
162	162	162	162	162	162
4,437	4,431	4,431	4,431	4,431	4,431
6,367	6,369	6,376	6,368	6,375	6,375
9,081	9,081	9,081	9,081	9,081	9,081
3,029	3,029	3,029	3,029	3,029	3,029
25,882	26,082	26,082	26,082	26,082	26,082
6,436	6,436	6,436	6,256	6,256	6,256
4,643	4,643	4,643	4,643	4,643	4,643
34,178	34,178	34,178	34,178	33,987	33,992
7,037	7,196	7,196	6,739	6,739	6,739
24,131	24,131	24,131	24,131	24,131	24,131
29,827	29,826	29,827	29,824	29,278	29,276
9,277	9,277	9,277	9,279	9,279	9,284
7,487	7,518	7,518	7,678	7,678	7,678
-	-	750	750	750	750
1,549	1,549	1,549	1,549	1,549	1,549
240	240	240	240	240	240
10,239	10,239	10,239	10,191	10,191	10,191
4,655	4,785	4,783	4,760	4,060	4,206
24,758	24,759	24,761	24,761	24,761	24,761
22,360	22,360	22,360	22,360	22,360	22,348
17,409	17,289	17,311	17,245	17,083	17,078
8,173	8,151	8,151	8,151	8,312	8,190
8,333	8,333	8,333	8,333	8,333	8,333
41,921	41,445	41,763	41,122	40,802	40,802
9,778	9,778	9,778	9,778	9,778	9,778
-	-	-	-	-	-
6,916	6,916	7,682	6,911	6,911	6,911
5,561	5,921	5,921	5,921	5,785	5,785
19,366	19,042	19,042	19,122	18,608	18,608
743,537	744,110	745,424	742,491	735,266	735,348

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Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years
June 30, 2023

	2023	2022	2021	2020
Adair	10,017	10,017	10,017	10,017
Alfalfa	10,218	10,218	10,218	10,218
Atoka	17,287	17,287	17,287	17,216
Beaver	54,773	54,773	54,773	54,773
Beckham	20,229	20,229	20,229	20,229
Blaine	8,635	8,635	8,629	8,629
Bryan	19,422	19,422	19,422	19,422
Caddo	13,442	13,442	13,442	13,442
Canadian	7,157	7,157	7,157	7,157
Carter	1,229	1,229	1,229	1,229
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	8,763	8,763	8,731	8,731
Delaware	12,732	12,732	12,732	12,732
Dewey	10,905	10,905	10,905	10,905
Ellis	34,454	34,479	34,438	34,438
Garfield	11,488	11,488	11,488	11,488
Garvin	4,144	4,144	4,144	4,144
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	1,447	1,447	1,447	1,469
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	11,246
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	3,054
McCurtain	21,290	21,290	21,290	21,290

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Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2023

2019	2018	2017	2016	2015	2014
10,017	10,017	10,017	10,017	10,017	10,017
10,218	10,218	10,218	10,218	10,218	10,218
17,216	17,216	17,216	17,193	17,193	17,170
54,773	54,773	54,773	54,773	54,773	54,772
20,229	20,229	20,229	20,229	20,229	20,229
8,643	8,639	8,639	8,583	8,583	8,578
19,422	19,422	19,422	19,422	19,382	19,332
13,442	13,442	13,442	13,442	13,442	13,442
7,157	7,177	7,199	7,181	7,181	7,186
1,229	1,236	1,236	1,236	1,236	1,236
7,135	7,135	7,135	7,135	7,135	7,135
10,007	10,007	10,007	10,007	10,007	10,007
275,020	275,020	275,020	275,020	275,020	275,020
8,395	8,395	8,395	8,395	8,395	8,410
3,502	3,502	3,502	3,502	3,502	3,502
34,992	34,992	34,992	34,992	34,992	34,992
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	3,293
8,731	8,731	8,731	8,731	8,731	8,731
12,732	12,732	12,732	12,732	12,732	12,732
10,905	10,905	10,953	10,950	10,882	10,882
34,438	34,471	34,471	34,471	34,471	34,471
11,488	11,808	11,808	11,808	11,808	11,808
4,144	4,144	4,143	4,143	4,143	4,143
7,769	7,769	7,769	7,719	7,719	7,719
6,795	6,795	6,795	6,795	6,795	6,795
14,868	14,868	14,868	14,868	14,868	14,868
4,743	4,743	4,743	4,743	4,743	4,743
30,746	30,746	30,746	30,746	30,746	30,746
6,495	6,495	6,495	6,495	6,495	6,495
1,469	1,447	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	5,488	5,488	5,488
38,467	38,467	38,467	38,467	38,467	38,907
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	6,082	6,082
5,942	5,942	5,942	5,942	5,942	5,957
31,589	31,589	31,589	31,589	31,589	31,589
11,015	11,015	11,015	11,015	11,015	11,015
1,168	1,168	1,168	1,168	1,168	1,168
11,246	11,246	11,274	11,104	11,104	11,185
7,438	7,438	7,438	7,438	7,438	7,438
6,655	6,655	6,655	6,655	6,655	6,655
3,054	3,054	3,174	3,174	3,174	3,189
21,290	21,290	21,290	21,290	21,290	21,290

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Schedule 12: Net Mineral Acres Owned by County
Last Ten Fiscal Years (Continued)
June 30, 2023

	2023	2022	2021	2020
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	8,317	8,317	8,317	8,294
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	24,881	24,856	24,856	24,856
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	7,849	7,849
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	31,067	31,067
Total	1,205,701	1,205,701	1,205,622	1,205,550

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, 2023

2019	2018	2017	2016	2015	2014
1,602	1,602	1,602	1,602	1,602	1,602
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	3,337	3,337	3,337	3,357
353	353	353	353	353	353
9,753	9,753	9,753	9,753	9,748	9,747
1,739	1,739	1,739	1,739	1,739	1,667
1,759	1,759	1,759	1,741	1,723	1,705
29,073	29,073	29,073	29,073	29,073	29,139
32,772	32,772	32,772	32,772	32,772	32,572
8,294	8,308	8,308	8,308	8,308	8,353
1,459	1,459	1,459	1,459	1,459	1,459
21,678	21,678	21,678	21,678	21,678	21,678
12,212	12,212	12,212	12,212	12,212	12,222
24,856	24,857	24,857	24,857	24,857	24,854
8,587	8,587	8,587	8,587	8,587	8,587
18	18	18	18	18	18
3,042	3,042	3,042	3,042	3,042	3,062
7,849	7,846	7,846	7,846	7,846	7,836
55,542	55,542	55,542	55,542	55,542	55,458
10,357	10,357	10,357	10,357	10,357	10,357
1,224	1,224	1,224	1,224	1,224	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	14,666
11,792	11,792	11,792	11,792	11,792	11,804
31,067	31,049	31,049	31,049	31,078	31,077
1,205,564	1,205,912	1,206,169	1,205,831	1,205,729	1,206,003

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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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of the Commissioners of the Land Office, State of Oklahoma (the Agency), an agency of the State of Oklahoma, as of and for the year ended June 30, 2023, 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 28, 2023, which contained an "Emphasis of Matter" paragraph regarding certain entity reporting.

Report on 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 or significant deficiencies may exist that were not identified.

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Report on 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.

FORVIS, LLP

Oklahoma City, Oklahoma
December 28, 2023

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