



ANNUAL REPORT



OKLAHOMA PUBLIC SCHOOL LIQUID ASSET POOL

SPONSORED BY THE:

- OKLAHOMA STATE SCHOOL BOARDS ASSOCIATION
- COOPERATIVE COUNCIL OF OKLAHOMA SCHOOL ADMINISTRATION
- ORGANIZATION OF RURAL OKLAHOMA SCHOOLS
- OKLAHOMA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

ANNUAL REPORT | JUNE 30, 2021
For Investment Information Call: Toll Free (866-472-6527)
Or visit: www.OLAPonline.org

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
OKLAHOMA LIQUID ASSET POOL

ANNUAL FINANCIAL REPORT

June 30, 2021 and 2020

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OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

LETTER FROM THE BOARD OF DIRECTORS

September 2021

To Our Participants:

The Oklahoma Public School Investment Interlocal was organized in August of 1996 and formed the Oklahoma Public Schools Liquid Asset Pool (OLAP or the Fund) for the purpose of increasing investment returns on school funds to benefit the students of our state. It is the goal of the Board of Directors to develop policies and contracts to give OLAP participants the best services while protecting their investments.

The ability to pool funds allows an alternative investment source through OLAP and provides a competitive rate environment versus other investment options. The Board believes the program allows for an effectively designed and implemented investment strategy while maintaining safety of principal, maintenance of liquidity, and a competitive yield.

This financial report includes audited financial results for the fiscal years ended June 30, 2021 and 2020, management's discussion and analysis covering the past two fiscal years, and various statistical data on the pool.

We encourage you to review this report thoroughly and contact us with comments and suggestions regarding OLAP. Your involvement in OLAP is essential in the Fund's ability to provide competitive investment alternatives. On behalf of the Board of Directors, sponsoring associations and service providers, we thank you for your continued support.

Sincerely,

OLAP Board of Directors

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

BOARD OF DIRECTORS

Pam Deering	Cooperative Council of Oklahoma School Administration
Don Ford	Organization of Rural Oklahoma Schools
Shawn Hime	Oklahoma State School Boards Association
Roger Adair	Oklahoma Association of School Business Officials
Sean McDaniel	Oklahoma City Public Schools
Matt Gindhart	Putnam City Schools
Howard Hampton	Bishop Public Schools
Terry Davidson	Comanche Public Schools
Terry Grissom	Asher Public Schools
Don Tice	Oologah-Talala Public Schools
Randy Davenport	Holdenville Public Schools
Tom Deighan	Duncan Public Schools
Glen Cospier	Oklahoma State School Boards Association
Rick Gowin	Oklahoma State School Boards Association

SERVICE PROVIDERS

Investment Adviser	PMA Asset Management, LLC
Administrator	PMA Financial Network, LLC
Marketing Support	PMA Financial Network, LLC
Custodian	U.S. Bank, National Association
Marketing Agent	Stephen H. McDonald & Associates, Inc.
Independent Auditor	Eide Bailly LLP



Independent Auditor's Report

To the Directors and Participants
Oklahoma Public School Investment Interlocal

Report on the Financial Statements

We have audited the accompanying financial statements of Oklahoma Public School Investment Interlocal's Oklahoma Liquid Asset Pool (the Fund), which comprise the statement of fiduciary net position and the schedule of investments, as of June 30, 2021, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of June 30, 2021, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's financial statements. The letter from the board of directors, board of directors and service provider listing, supplementary schedule of financial highlights, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedule of financial highlights for the year ended June 30, 2021, on page 21 is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of financial highlights is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter from the board of directors on page 2, board of directors and service provider listing on page 3, and statistical section on page 22 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The financial statements and schedule of investments of the Fund as of and for the year ended June 30, 2020 and the schedule of financial highlights for each of the years in the four-year period ended June 30, 2020, were audited by other auditors, whose report dated November 6, 2020, expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2021, on our consideration of the Fund'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 Fund'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 Fund's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and date.

Aberdeen, South Dakota
September 29, 2021

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited)

This section of the Oklahoma Liquid Asset Pool (OLAP) Annual Financial Report presents Management's Discussion and Analysis of the financial position and results of operations for the fiscal years ended June 30, 2021 (FY 21) and 2020 (FY 20). This information is being presented to provide additional information regarding the activities of OLAP, pursuant to the requirements of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures (Statement Nos. 34, 37, and 38). This discussion and analysis should be read in conjunction with the basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis provides an introduction to and overview of the basic financial statements of OLAP. The following components comprise the financial statements: 1) Schedule of Investments, 2) Statements of Fiduciary Net Position, 3) Statements of Changes in Fiduciary Net Position, and 4) Notes to Financial Statements.

- The Schedules of Investments list each security held in the portfolio as of the date of the two most recent fiscal year-ends.
- The Statements of Fiduciary Net Position show the financial position (assets and liabilities) of the portfolio as of the date of the two most recent fiscal year-ends.
- The Statements of Changes in Fiduciary Net Position display the results of operations (income and expenses), additions (net investment income, unit sales, and reinvestments) and deductions (dividends and unit redemptions) of the portfolio for the two most recent fiscal years.
- The Notes to Financial Statements describe significant accounting policies and disclose information required under U.S. generally accepted accounting principles.

CONDENSED FINANCIAL INFORMATION AND FINANCIAL ANALYSIS

Year-over-year changes in most financial statement amounts reported in OLAP are most significantly impacted by the level of average net position (which fluctuates based on the overall levels of pool participant/unitholder invested balances). The pool is the portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned by the portfolio. Over the twelve months ended June 30, 2021, the Federal Reserve's Federal Open Market Committee made no changes to the Fed Funds rate which has remained at 0.25 percent since March 16, 2020. The Federal Reserve reacted to the economic impact of the COVID-19 pandemic by decreasing the Fed Funds rate by 1.00 percent on March 16, 2020.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) (continued)

Condensed financial information and explanations of changes for FY 21, as compared to FY 20, follow:

Net Position	June 30, 2021	Percent Change	June 30, 2020
Total investments	\$ 147,329,588	- 18%	\$ 179,440,981
Excess (deficit) of other assets over total liabilities	59,346	334%	13,684
Net position held in pool for participants	<u>\$ 147,388,934</u>	-18%	<u>\$ 179,454,665</u>
 Average net position	 <u>\$ 161,916,483</u>	 30%	 <u>\$ 124,955,545</u>

Total investments and net position decreased 18 percent during FY 21 compared to FY 20. During FY 21, the average net position increased 30 percent compared to FY 20 mainly due to assets from a new client and additional assets from several existing clients at the end of FY 20.

Change in Net Position for the years ended	June 30, 2021	Percent Change	June 30, 2020
Investment income	\$ 371,532	-79%	\$ 1,746,166
Net expenses	(295,062)	-21%	(374,720)
Dividends to unitholders from net investment income	(76,470)	-94%	(1,371,446)
Net increase (decrease) in net position	<u>(32,065,731)</u>	-147%	<u>68,858,761</u>
Net position held in pool for participants at the beginning of the period	<u>179,454,665</u>	62%	<u>110,595,904</u>
 Net position held in pool for participants at the	 <u>\$ 147,388,934</u>	 -18%	 <u>\$ 179,454,665</u>

Investment income decreased 79 percent and dividends to unitholders from net investment income decreased 94 percent during FY 21 compared to FY 20 due to the Fed Funds rate decrease to 0.25 percent on March 16, 2020. Total net expenses decreased 21 percent during FY 21 compared to FY 20 mainly due to fees being waived by service providers.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

MANAGEMENT'S DISCUSSION AND ANALYSIS (unaudited) (continued)

Condensed financial information and explanations of changes for FY 20, as compared to FY 19, follow:

Net Position	June 30, 2020	Percent Change	June 30, 2019
Total investments	\$ 179,440,981	62%	\$ 110,613,978
Excess (deficit) of other assets over total liabilities	13,684	76%	(18,074)
Net position held in pool for participants	<u>\$ 179,454,665</u>	62%	<u>\$ 110,595,904</u>
 Average net position	 <u>\$ 124,955,545</u>	 41%	 <u>\$ 88,375,116</u>

Total investments and net position increased 62 percent during FY 20 compared to FY 19. During FY 20, the average net position increased 41 percent compared to FY 19 mainly due to assets from a new client and additional assets from several existing clients.

Change in Net Position for the years ended	June 30, 2020	Percent Change	June 30, 2019
Investment income	\$ 1,746,166	-21%	\$ 2,197,722
Net expenses	(374,720)	35%	(276,918)
Dividends to unitholders from net investment income	(1,371,446)	-29%	(1,920,804)
Net increase in net position	68,858,761	88%	36,566,946
Net position held in pool for participants at the beginning of the period	<u>110,595,904</u>	49%	<u>74,028,958</u>
 Net position held in pool for participants at the end of the period	 <u>\$ 179,454,665</u>	 62%	 <u>\$ 110,595,904</u>

Investment income decreased 21 percent and dividends to unitholders from net investment income decreased 29 percent during FY 20 compared to FY 19 due to the Fed Funds rate decreases that started on August 1, 2019. Total net expenses increased 35 percent during FY 20 compared to FY 19 due to the increase in average net position.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
OKLAHOMA LIQUID ASSET POOL

SCHEDULE OF INVESTMENTS

June 30, 2021

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U.S. Government Securities - 26.98%				
Federal Farm Credit Bank - 2.56%	0.07%	11/22/21	\$ 1,000,000	\$ 1,006,068
	0.09%	12/13/21	1,000,000	1,008,043
	0.05%	02/07/22	1,000,000	999,693
	0.06%	04/08/22	750,000	751,835
				<u>3,765,639</u>
Federal Home Loan Bank - 9.13%	0.11%	07/07/21	905,000	905,264
	0.13%	07/08/21	500,000	500,002
	0.04%	07/14/21	525,000	525,205
	0.01%	07/28/21	1,000,000	999,993
	0.15%	08/16/21	750,000	750,006
	0.15%	08/25/21	500,000	500,000
	0.06%	09/10/21	1,000,000	1,000,132
	0.09%	09/10/21	1,250,000	1,257,073
	0.05%	09/16/21	1,000,000	999,893
	0.04%	09/29/21	1,000,000	999,992
	0.09%	10/12/21	1,000,000	1,008,261
	0.12%	10/27/21	1,000,000	1,000,020
	0.04%	10/29/21	1,000,000	999,981
	0.07%	11/19/21	1,000,000	1,005,960
	0.06%	05/10/22	1,000,000	999,993
				<u>13,451,775</u>
Freddie Mac - 2.39%	0.03%	08/12/21	2,500,000	2,503,133
	0.09%	01/13/22	1,000,000	1,012,307
				<u>3,515,440</u>
Fannie Mae - 2.73%	0.05%	08/17/21	2,000,000	2,003,058
	0.11%	10/07/21	1,000,000	1,003,413
	0.09%	01/05/22	1,000,000	1,009,759
				<u>4,016,230</u>
Treasury Securities - 10.17%	0.02%	07/01/21	1,000,000	1,000,000
	0.02%	07/08/21	1,000,000	999,996
	0.02%	07/15/21	1,000,000	999,992
	0.05%	07/20/21	1,000,000	999,976
	0.02%	07/22/21	1,000,000	999,991
	0.02%	07/29/21	1,000,000	999,984
	0.02%	08/05/21	1,000,000	999,985
	0.03%	08/31/21	1,000,000	999,958
	0.09%	09/09/21	1,000,000	999,830
	0.09%	10/07/21	1,000,000	999,758
	0.04%	10/28/21	1,000,000	999,884
	0.09%	11/04/21	1,000,000	999,695
	0.09%	12/02/21	1,000,000	999,604
	0.08%	02/24/22	1,000,000	999,458
	0.07%	03/24/22	1,000,000	999,483
				<u>14,997,594</u>
Total U.S. Government Securities (fair value \$39,769,923)				<u>39,746,678</u>

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
OKLAHOMA LIQUID ASSET POOL

SCHEDULE OF INVESTMENTS (continued)

June 30, 2021

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
Money Market Mutual Funds - 5.71%				
First American Govt - Money Market - 5.69%	0.02%		8,391,436	8,391,436
Fed Govt Obligation Tax - Money Market - 0.02%	0.01%		26,821	26,821
Total Money Market Mutual Funds (fair value \$8,418,257)				<u>8,418,257</u>
Deposit Accounts - 67.31%				
Bank of China (ICS) - 23.79%	0.07%		35,052,594	35,052,594
Congressional Bank (ICS) - 13.58%	0.15%		20,000,000	20,000,000
Great Plains State Bank (ICS) - 0.69%	0.19%		1,012,142	1,012,142
IDB (ICS) - 19.02%	0.24%		28,024,778	28,024,778
Nexbank, SSB (ICS) - 10.23%	0.38%		15,075,139	15,075,139
Total Deposit Accounts (fair value \$99,164,653)				<u>99,164,653</u>
Total Investments - 100.00% (fair value \$147,352,832)				<u>\$ 147,329,588</u>

* Time-weighted rate of return based on the market rate of return

See accompanying notes to financial statements.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
OKLAHOMA LIQUID ASSET POOL

SCHEDULE OF INVESTMENTS

June 30, 2020

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
U.S. Government Securities - 9.44%				
Federal Farm Credit Bank - 0.57%	0.17%	04/05/21	\$ 1,000,000	\$ 1,017,986
Federal Home Loan Bank - 1.84%	0.21%	09/11/20	725,000	726,997
	0.25%	09/28/20	200,000	200,542
	0.28%	10/01/20	325,000	326,914
	0.19%	12/18/20	500,000	499,963
	0.36%	12/24/20	200,000	201,147
	0.22%	02/18/21	350,000	352,541
	0.12%	03/12/21	1,000,000	1,000,000
				<u>3,308,104</u>
Freddie Mac - 0.53%	0.25%	08/28/20	200,000	200,434
	0.30%	09/29/20	500,000	501,629
	0.33%	09/29/20	250,000	250,795
				<u>952,858</u>
Fannie Mae - 0.79%	0.31%	11/30/20	350,000	351,731
	0.33%	04/13/21	500,000	508,462
	0.30%	04/13/21	542,000	551,301
				<u>1,411,494</u>
Treasury Securities - 5.71%	0.12%	08/13/20	500,000	499,928
	0.13%	08/18/20	500,000	499,915
	0.14%	08/25/20	500,000	499,897
	0.13%	09/03/20	500,000	499,882
	0.16%	09/08/20	500,000	499,850
	0.16%	09/15/20	500,000	499,834
	0.15%	09/24/20	500,000	499,823
	0.16%	10/01/20	500,000	499,796
	0.16%	10/06/20	500,000	499,785
	0.14%	10/13/20	500,000	499,799
	0.17%	10/27/20	500,000	499,729
	0.17%	11/03/20	500,000	499,704
	0.18%	11/10/20	500,000	499,675
	0.15%	11/19/20	1,500,000	1,499,104
	0.15%	11/27/20	1,000,000	999,400
	0.17%	12/03/20	1,000,000	999,268
	0.19%	12/10/20	250,000	249,791
				<u>10,245,180</u>
Total U.S. Government Securities (fair value \$16,937,290)				<u>16,935,622</u>
Money Market Mutual Funds - 21.45%				
Federated Treasury - Money Market - 12.61%	0.09%		22,624,596	22,624,596
Fed Govt Obligation - Money Market - 8.84%	0.08%		15,872,290	15,872,290
Total Money Market Mutual Funds (fair value \$38,496,886)				<u>38,496,886</u>

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
 OKLAHOMA LIQUID ASSET POOL

SCHEDULE OF INVESTMENTS (continued)

June 30, 2020

<u>Name of Issuer</u>	<u>Yield at Time of Purchase *</u>	<u>Due Date</u>	<u>Par Value</u>	<u>Amortized Cost</u>
Deposit Accounts - 69.11%				
Bank 7 (ICS) - 11.16%	0.45%		20,026,351	20,026,351
Bank of China (ICS) - 25.12%	0.55%		45,081,271	45,081,271
Great Plains State Bank (ICS) - 0.56%	0.39%		1,009,383	1,009,383
IDB (ICS) - 23.90%	0.49%		42,879,572	42,879,572
Nexbank, SSB (ICS) - 8.37%	0.50%		15,011,896	15,011,896
Total Deposit Accounts (fair value \$124,008,473)				<u>124,008,473</u>
Total Investments - 100.00%				
(fair value \$179,442,649)				<u><u>\$ 179,440,981</u></u>

* Time-weighted rate of return based on the market rate of return

See accompanying notes to financial statements.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

STATEMENTS OF FIDUCIARY NET POSITION

June 30, 2021 and 2020

	2021	2020
ASSETS		
Investment in securities, at amortized cost		
U.S. Treasury Notes	\$ 14,997,594	\$ 6,690,442
U.S. Government Agency Obligations	24,749,084	10,245,180
Money Market Mutual Funds	8,418,257	38,496,886
Deposit Accounts	99,164,653	124,008,473
Total investments in securities	147,329,588	179,440,981
Interest receivable	93,419	78,378
Total assets	147,423,007	179,519,359
 LIABILITIES		
Administration fees payable	4,125	13,973
Investment advisory fees payable	3,705	12,371
Consulting fees payable	14	373
Distribution fees payable	3,195	10,787
Dividends payable	-	23,740
Other accrued expenses	23,034	3,450
Total liabilities	34,073	64,694
 NET POSITION HELD IN POOL FOR PARTICIPANTS	 \$ 147,388,934	 \$ 179,454,665
Units of beneficial interest outstanding	147,388,934	179,454,665
Net asset value - offering and redemption price per share	\$1.00	\$1.00

See accompanying notes to financial statements.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
OKLAHOMA LIQUID ASSET POOL

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ADDITIONS		
Investment Income:		
Interest	\$ 371,532	\$ 1,746,166
Expenses:		
Administration fees	159,683	124,592
Investment advisory fees	141,258	111,483
Marketing support fees	46,341	36,964
Distribution fees	153,821	118,920
Consulting fees	4,467	1,182
Other expenses	42,891	41,037
Total expenses	<u>548,461</u>	<u>434,178</u>
Less: Expenses voluntarily reduced/waived		
Administration fees	(65,709)	-
Investment advisory fees	(57,970)	-
Marketing support fees	(18,969)	-
Distribution fees	(108,627)	(59,458)
Consulting fees	(2,124)	-
Total expenses voluntarily reduced/waived	<u>(253,399)</u>	<u>(59,458)</u>
Net expenses	<u>295,062</u>	<u>374,720</u>
Net investment income	76,470	1,371,446
Unitholder transaction additions:		
(at constant net asset value of \$1 per unit)		
Units sold	222,516,626	328,649,160
Units issued in reinvestment of dividends from net investment income	99,936	1,586,750
Total unitholder transaction additions	<u>222,616,562</u>	<u>330,235,910</u>
Total additions	<u>222,693,032</u>	<u>331,607,356</u>
DEDUCTIONS		
Dividends to unitholders from:		
Net investment income	(76,470)	(1,371,446)
From unit transactions:		
Units redeemed	<u>(254,682,293)</u>	<u>(261,377,149)</u>
Total deductions	<u>(254,758,763)</u>	<u>(262,748,595)</u>
Change in fiduciary net position	(32,065,731)	68,858,761
Net position held in trust for pool participants at beginning of period	<u>179,454,665</u>	<u>110,595,904</u>
Net position held in trust for pool participants at end of period	<u>\$ 147,388,934</u>	<u>\$ 179,454,665</u>

See accompanying notes to financial statements.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1 – ORGANIZATION

The Oklahoma Public School Investment Interlocal was established on August 22, 1996, pursuant to the Interlocal Cooperative Agreement, formed the Oklahoma Liquid Asset Pool (OLAP) and commenced operations on November 20, 1996. The Interlocal Cooperative Agreement authorized the creation of several investment portfolios which included the Oklahoma Liquid Asset Pool (the "Fund"); therefore, these financial statements and related notes encompass only the Oklahoma Liquid Asset Pool. Shares of the Fund are offered to Oklahoma school districts and other entities responsible for the investment of school district funds. The purpose of the Fund is to enable school districts to pool their available funds for investment through an interlocal authorized under Section 5-117b of Title 70 of the Oklahoma Statutes.

OLAP is exposed to various risks in connection with operation of the Fund and adheres to policies which attempt to mitigate market risk in the portfolio through the investment policy.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of net investment income during the year. Actual results could differ from those estimates.

The accompanying statements are prepared based on the flow of economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and realized. Expenses are recognized in the period incurred.

Investments in Securities

The Fund measures its investments at amortized cost on the Statement of Net Position pursuant to criteria established in Governmental Accounting Standards Board (GASB) Statement No. 79, Certain External Investment Pools and Pool Participants. The criteria in GASB Statement No. 79 specifies that an external investment pool must transact with their participants at a stable net asset value per share and meet requirements for portfolio maturity, portfolio quality, portfolio diversification, portfolio liquidity, and shadow pricing. The Fund meets all of the necessary criteria in GASB Statement No. 79 to measure all of the investments at amortized cost, which approximates fair value. This involves valuing a portfolio security at its original cost on the date of purchase, and, thereafter, amortizing any premium or discount on the interest method. The net asset value of the Fund is calculated daily. Investment policies are followed to maintain a constant net asset value of \$1.00 per unit for the portfolio.

The Fund's portfolio consists of cash and short-term investments at amortized cost which approximates fair value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording amortization or accretion of any premium or discount.

Security transactions are accounted for on the trade date (date the order to buy or sell is executed). In computing net investment income, the Fund amortizes / accretes any premiums or discounts on securities owned using the effective interest method as required under GAAP. Interest income on debt securities is accrued daily. Gains or losses realized upon the sale of securities are based on the amortized cost and are determined using the identified cost method.

OLAP is authorized by investment policy and statute to invest public funds in obligations of the U.S. government, its agencies and instrumentalities; certificates of deposit and other evidences of deposit at federally insured depository institutions; federally insured depository institutions; and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and that OLAP's custodian takes delivery of the collateral either directly or through an authorized custodian.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2021 and 2020

In connection with transactions in repurchase agreements, it is OLAP's policy that the underlying collateral securities value exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller were to default on its repurchase obligations and the value of the collateral declines, realization of the collateral by OLAP may be delayed or limited. No repurchase agreements were held by OLAP as of June 30, 2021 or June 30, 2020.

Under Governmental Accounting Standards as to custodial credit risk, OLAP held securities whose Standard & Poor's credit ratings were 27.0 percent AA+, 5.7 percent AAAm and 67.3 percent NR. Securities which carry an NR rating are bank deposit accounts.

Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy that prioritizes the inputs used in the valuation techniques to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These inputs are summarized into three broad levels as described below:

Level 1 – quoted prices in active markets for identical securities;

Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, and evaluated quotations obtained from pricing services); or

Level 3 – significant unobservable inputs (including OLAP's own assumptions in determining the fair value of investments.)

There are no investments in the Fund measured at fair value on a recurring or non-recurring basis since all investments are carried at amortized cost. There were no transfers between levels of the fair value hierarchy for the years ended June 30, 2021 or 2020.

Money market mutual funds are considered Level 1 and all remaining investments are considered Level 2.

Share Issues, Redemptions and Distributions

The Fund determines the net position value daily. Shares are issued and redeemed daily at the daily net position value. Dividends from net investment income are declared daily and distributed monthly.

Income Taxes

The Fund is exempt from both state and federal income taxes pursuant to Section 115 of the Internal Revenue Code.

NOTE 3 – FUND EXPENSES

Investment Advisory Fee

Pursuant to an Investment Advisory Agreement with the Fund, the Investment Adviser, PMA Financial Network ("PMA"), provides investment advice and generally supervises the investment program of the Fund. PMA receives 0.09 percent of the average daily net position value up to \$150 million, 0.07 percent between \$150 and \$250 million, and 0.05 percent above \$250 million. For the years ended June 30, 2021 and 2020, OLAP paid \$83,288 and \$111,483, respectively, to PMA for advisory services net of waivers. For the years ended June 30, 2021 and 2020, PMA voluntarily waived investment advisory fees of \$57,970 and \$0, respectively. Future waivers may not be required and are determined on market yields and other market considerations.

Administration Fee

Under an Administration Agreement with the Fund, the Administrator, PMA Financial Network, services all participant accounts, determines and allocates income of the Fund, provides administrative personnel, equipment and office space, determines the net

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2021 and 2020

position value of the Fund on a daily basis and performs all related administrative services. The Administrator pays the Fund's expenses for printing certain documents and for administrative costs of the Fund (such as postage, telephone charges, and computer time). PMA receives 0.10 percent of the average daily net position value up to \$150 million, 0.09 percent between \$150 and \$250 million, and 0.08 percent above \$250 million. For the years ended June 30, 2021 and 2020, OLAP paid \$93,974 and \$124,592, respectively, to PMA for administration services net of waivers. For the years ended June 30, 2021 and 2020, PMA voluntarily waived administration fees of \$65,709 and \$0, respectively. Future waivers may not be required and are determined on market yields and other market considerations.

Marketing Support Fee

Under a Marketing Support Agreement with the Fund, PMA Financial Network provides marketing support services. PMA receives 0.03 percent of the average daily net position value up to \$150 million and 0.02 percent above \$150 million. For the years ended June 30, 2021 and 2020, OLAP paid \$27,372 and \$36,964, respectively, to PMA for marketing support services net of waivers. For the years ended June 30, 2021 and 2020, PMA voluntarily waived marketing support fees of \$18,969 and \$0, respectively. Future waivers may not be required and are determined on market yields and other market considerations.

Distribution Fee

Under a Distribution Agreement with the Fund, Stephen H. McDonald & Associates, Inc. ("McDonald") provides marketing services for which it is paid at an annual rate equal to 0.095 percent of the Fund's average daily net position. For the years ended June 30, 2021 and 2020, OLAP paid \$45,194 and \$59,462, respectively, to McDonald for marketing services net of waivers. For the years ended June 30, 2021 and 2020, McDonald voluntarily waived \$108,627 and \$59,458 of distribution fees, respectively. Future waivers may not be required and are determined on market yields and other market considerations.

Consulting Fee

The Fund has entered into separate Consulting Agreements with the Cooperative Council of Oklahoma School Administration ("CCOSA"), Oklahoma State School Boards Association ("OSSBA"), Oklahoma Association of School Business Officials ("OASBO") and, Organization of Rural Oklahoma Schools ("OROS"), collectively called the Consultants. Pursuant to these agreements, the Consultants will advise the Administrator, as a representative of the Fund, on applicable and pending state laws affecting the Fund, schedule and announce, through their publications, informational meetings and seminars at which representatives of the Fund will speak, provide mailing lists of potential participants and permit the use of their logos. The Consultants receive 0.02 percent of the average daily net position above \$150 million with the fees allocated 32 percent to CCOSA, 32 percent to OSSBA, 18 percent to OASBO, and 18 percent to OROS. For the years ended June 30, 2021 and 2020, OLAP paid \$2,343 and \$1,182, respectively, to the Consultants net of waivers. For the years ended June 30, 2021 and 2020, the Consultants voluntarily waived \$2,124 and \$0, respectively of consulting fees. Future waivers may not be required and are determined on market yields and other market considerations.

Custody Fee

Pursuant to a Custody Agreement with the Fund, the Custodian acts as custodian for the Fund's assets. Effective October 1, 2020, U.S. Bank replaced BancFirst as the custodian for the Fund's assets. BancFirst average daily net position value plus transaction-based fees with an annual minimum fee of \$15,000 per year. For the years ended June 30, 2021 and 2020, OLAP paid \$19,957 and \$24,930, respectively, for custody fees which are included in the other fund expenses.

Other Fund Expenses

The Fund pays out-of-pocket expenses incurred by its directors and officers (in connection with the discharge of their duties), audit fees, legal fees and custody fees.

All fees are computed daily and paid monthly. Fee waivers are voluntary and may end at any time with no recovery of previously waived fees.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2021 and 2020

NOTE 4 – INVESTMENTS

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Fund limits the exposure to credit risk by investing only in obligations issued or guaranteed by the U.S. Government and collateralized perfected repurchase agreements. The following table provides information on the credit ratings of the Fund investments as of June 30, 2021 and 2020:

Security Type	Credit Rating		June 30, 2021	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 24,749,084	16.80%
U.S. Treasury notes and bills *	N/A	N/A	14,997,594	10.18
Money market mutual funds	Aaa-mf	AAAm	8,418,257	5.71
FDIC insured bank products	Not rated	Not rated	99,164,653	67.31
			<u>\$ 147,329,588</u>	<u>100.00%</u>

Security Type	Credit Rating		June 30, 2020	
	Moody's	S&P	Carrying Value	Percent of Investments
U.S. Government agencies	Aaa	AA+	\$ 6,690,442	3.73%
U.S. Treasury notes and bills *	N/A	N/A	10,245,180	5.71
Money market mutual funds	Aaa-mf	AAAm	38,496,886	21.45
FDIC insured bank products	Not rated	Not rated	124,008,473	69.11
			<u>\$ 179,440,981</u>	<u>100.00%</u>

* U.S. Treasury issues are explicitly guaranteed by the United States government and are not considered to have credit risk.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102 percent of their value, and the collateral is held in the name of the Fund. The Fund or its agent do not release cash or securities until the counterparty delivers its side of the transaction.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Management attempts to limit the Fund's exposure to interest rate risk and believes this is addressed by the fact that securities are limited by S&P Global guidelines as well as by investment policy to investments of high quality with durations not to exceed 397 days. Significant changes in market interest rates are not expected to present long-term risks to the Fund.

The following table provides information on the weighted average maturities for various asset types of the Fund as of June 30, 2021 and 2020:

Security Type	June 30, 2021		June 30, 2020	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
U.S. Government agencies	\$ 24,749,084	106	\$ 6,690,442	147
U.S. Treasury notes and bills	14,997,594	85	10,245,180	109
Money market mutual funds	8,418,257	1	38,496,886	1
FDIC insured bank products	99,164,653	1	124,008,473	1
	<u>\$ 147,329,588</u>	27	<u>\$ 179,440,981</u>	13

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

NOTES TO FINANCIAL STATEMENTS (continued)

June 30, 2021 and 2020

Concentration credit risk is the risk of loss attributed to the magnitude of the Trust's investments in a single issuer. Management does not believe the Fund has concentration risk. Securities are limited by investment policy to obligations issued or guaranteed by the U.S. Government. The Fund's investments at June 30, 2021 included 16.8 percent in U.S. Government agencies, 10.2 percent in U.S. Treasury notes, 5.7 percent in money market mutual funds invested in U.S. Government securities, and 67.3 percent in bank products fully insured by the Federal Deposit Insurance Corporation (FDIC).

Foreign currency risk is the risk that changes in exchange rates will adversely affect the value of an investment or deposit. The Fund does not hold interests in foreign currency of interests valued in foreign currency.

NOTE 5 – SECURITIES TRANSACTIONS

Purchases of portfolio securities for the Fund aggregated \$519,487,634 and \$4,413,833,080 for FY 21 and FY 20, respectively. Proceeds from maturities and sales of securities for the Fund aggregated \$551,434,237 and \$4,343,009,100 for FY 21 and FY 20, respectively.

NOTE 6 – RISK MANAGEMENT

The fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

The Oklahoma Public School Investment Interlocal shall have all restrictions on liability awards and all exemptions provided for school districts by the Oklahoma Political Subdivision Tort Claims Act.

NOTE 7 – COVID-19

The impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Fund's investments will depend on the duration and spread of the outbreak. COVID-19's ultimate impact on financial markets and the overall economy is highly uncertain. If the financial markets and the economy are impacted for an extended period, the Fund's investment results could be materially affected.

NOTE 8 – SUBSEQUENT EVENTS

OLAP has evaluated the effects of events that occurred subsequent to June 30, 2021. There have been no other material events that would require recognition in the financial statements or disclosure in the notes to these financial statements.

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL
 OKLAHOMA LIQUID ASSET POOL
 SUPPLEMENTARY SCHEDULE OF FINANCIAL HIGHLIGHTS

Selected data for a share of beneficial interest outstanding throughout each period:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net asset value, beginning of period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Net investment income	\$0.0005	\$0.0110	\$0.0217	\$0.0121	\$0.0028
Dividends to participants	(\$0.0005)	(\$0.0110)	(\$0.0217)	(\$0.0121)	(\$0.0028)
Net asset value, end of period	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>
Total investment return	0.05%	1.25%	2.17%	1.12%	0.24%
Ratio of expenses to average net position, after waivers	0.18%	0.30%	0.31%	0.33%	0.32%
Ratio of net investment income to average net position, after waivers	0.05%	1.10%	2.17%	1.21%	0.28%
Ratio of expenses to average net position, before waivers	0.34%	0.35%	0.47%	0.48%	0.48%
Ratio of net investment income to average net position, before waivers	-0.11%	1.05%	2.02%	1.05%	0.13%
Net position, end of period (000's omitted)	\$147,389	\$179,455	\$110,596	\$74,029	\$62,206

OKLAHOMA PUBLIC SCHOOL INVESTMENT INTERLOCAL OKLAHOMA LIQUID ASSET POOL

STATISTICAL INFORMATION (unaudited)

MAJOR PARTICIPANTS

as of June 30,	Top Ten Participants		Top Twenty Participants	
	Percent	Total Assets	Percent	Total Assets
2021	96%	\$ 141,773,331	100%	\$ 147,384,836
2020	94%	\$ 169,192,309	100%	\$ 179,404,010
2019	89%	\$ 98,439,037	100%	\$ 110,525,404
2018	100%	\$ 73,747,716	100%	\$ 74,028,953
2017	100%	\$ 61,943,176	100%	\$ 62,206,439

CHANGES IN PARTICIPANT NET POSITION UNDER MANAGEMENT

as of June 30,	Net Position	Change
2021	\$ 147,388,934	-18%
2020	\$ 179,454,665	62%
2019	\$ 110,595,904	49%
2018	\$ 74,028,958	19%
2017	\$ 62,206,449	26%

CHANGES IN FIDUCIARY NET POSITION

	For the Years Ended June 30, (dollars in thousands)				
	2021	2020	2019	2018	2017
ADDITIONS					
From investment activities:					
Net investment income	\$ 76	\$ 1,371	\$ 1,921	\$ 777	\$ 130
From unit transactions:					
Units sold	222,516	328,649	355,591	128,889	70,684
Units issued in reinvestment of dividends from net investment income	100	1,587	1,796	688	109
Total Additions	<u>222,692</u>	<u>331,607</u>	<u>359,308</u>	<u>130,354</u>	<u>70,923</u>
DEDUCTIONS					
Dividends to unitholders from:					
Net investment income	(76)	(1,371)	(1,921)	(777)	(130)
From unit transactions:					
Units redeemed	<u>(254,682)</u>	<u>(261,377)</u>	<u>(320,820)</u>	<u>(117,754)</u>	<u>(57,902)</u>
Total deductions	<u>(254,758)</u>	<u>(262,748)</u>	<u>(322,741)</u>	<u>(118,531)</u>	<u>(58,032)</u>
Changes in fiduciary net position	(32,066)	68,859	36,567	11,823	12,891
Net position at beginning of period	<u>179,455</u>	<u>110,596</u>	<u>74,029</u>	<u>62,206</u>	<u>49,315</u>
Net position at end of period	<u>\$ 147,389</u>	<u>\$ 179,455</u>	<u>\$ 110,596</u>	<u>\$ 74,029</u>	<u>\$ 62,206</u>

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