JOHNSTON & AHLSCHWEDE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

EMPLOYEES' RETIREMENT SYSTEM
OF OKLAHOMA COUNTY
FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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JOHNSTON & AHLSCHWEDE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Trustees
Employees' Retirement System of Oklahoma County
Oklahoma City, Oklahoma

Opinion

We have audited the accompanying financial statements of Employees' Retirement System of Oklahoma County (the System), which comprise the statement of plan net position as of June 30, 2023, and the related statement of changes in plan net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Employees' Retirement System of Oklahoma County as of June 30, 2023, and the changes in its net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 Employees' Retirement System of Oklahoma County 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.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Employees' Retirement System of Oklahoma County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Employees' Retirement System of Oklahoma County'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Employees' Retirement System of Oklahoma County's ability to continue as a going concern for a reasonable period of time.

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.

Report on Comparative Information

We have previously audited the System's June 30, 2022, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 16, 2022. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of changes in net position liability and related ratios, contributions, and actuarial assumptions, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing 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. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of Employees' Retirement System of Oklahoma County The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2023, on our consideration of Employees' Retirement System of Oklahoma County'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 Employees' Retirement System of Oklahoma County'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 Employees' Retirement System of Oklahoma County's internal control over financial reporting and compliance.

Johnston & Associates, P.C.

Oklahoma City, Oklahoma
September 25, 2023

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY

STATEMENTS OF PLAN NET POSITION

As of June 30, 2023 (with Comparative Totals as of June 30, 2022)

	June 30, 2023	June 30, 2022
ASSETS		
Cash and cash equivalents	$ 31,239	$ 8,594
Interest receivable	41,341	52,136
Investments at fair value - Note 3		
Certificate of deposit	250,000	250,000
Treasury money market funds	3,366,000	4,890,000
Judgments	2,566,667	1,260,333
Total investments	6,182,667	6,400,333
Total assets	6,255,247	6,461,063
LIABILITIES		
Liabilities		
Accounts payable	-	-
Net position restricted for pensions	$ 6,255,247	$ 6,461,063

The accompanying notes are an integral part of the financial statements.

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY

STATEMENTS OF CHANGES IN PLAN NET POSITION

For the Year Ended June 30, 2023 (with Comparative Totals for the Year Ended June 30, 2022)

	Years Ended June 30,	
	2023	2022
Additions		
Contributions - employer	$ 818,283	$ 1,610,245
Investment income		
Net appreciation in fair value of investments	-	-
Interest	295,048	60,761
Total investment income (loss)	295,048	60,761
Total additions	1,113,331	1,671,006
Deductions		
Benefits	1,301,279	1,276,629
Administrative expenses	17,868	17,530
Total deductions	1,319,147	1,294,159
Net increase (decrease) in net position	(205,816)	376,847
Net position restricted for pensions		
Beginning of year	6,461,063	6,084,216
End of year	$ 6,255,247	$ 6,461,063

The accompanying notes are an integral part of the financial statements.

The Employees' Retirement System of Oklahoma County administers a defined benefit plan and a defined contribution plan for employees of Oklahoma County. In 1991 all employees were given an option to convert from the defined benefit plan to the defined contribution plan. All employees hired after the conversion date of the defined contribution plan are covered under the defined contribution plan.

Note 1 - Summary of Significant Accounting Policies

Basis of Accounting
The financial statements of the Plan are prepared under the accrual method of accounting. Employer contributions to the plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires the plan trustees to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition
The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. The amounts shown in Note 3 for securities that have no quoted market price represent estimated fair value.

Purchases and sales of securities are recorded on a settlement date basis. Interest income is recorded on the accrual basis.

Comparative Totals
The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

Note 2 - Plan Description and Contribution Information

Authority
The Board of County Commissioners of Oklahoma County was authorized to establish, control and manage the Plan under Oklahoma statues, and as such established the Board of Trustees for the Employees Retirement System of Oklahoma County to administer the Plan. The Board of Trustees approves any cost-of-living adjustments to the Plan as well as changes in contribution requirements.

Plan Description
The Plan is a single-employer defined benefit pension plan that covers employees of Oklahoma County, including all departments and agencies, that were employed by the County prior to the conversion date of the defined contribution plan in 1991, and who elected not to convert to the defined contribution plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Note 2 - Plan Description and Contribution Information (continued)

Benefits
Retirement benefits are calculated by adding 2 2/3% of average compensation time years of service, not to exceed 15 years, plus 2% of average compensation times years of service in excess of 15 years, but not over 15 years, plus 1% of average compensation times years of service in excess of 30 years, but not over five years. Surviving spouses are eligible for 66 2/3 % of retirees' benefits after their death. If an employee terminates employment with fewer than 8 years of service, he is entitled to receive only his actual contributions.

Contributions
As specified by the Plan, County officers contribute 6% of the annual compensation of their employees and the County contributes 6% of participating employee's salary to the Plan. During the year ended June 30, 2023 no contributions were diverted from the defined contribution plan to the defined benefit plan. However, additional contributions in the amount of $807,315 were received from the Oklahoma County General Fund.

Administrative Costs
Administrative costs paid from the retirement fund include compensation of actuarial consultants, audit fees and bank fees.

Net Pension Liability
The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability at June 30, 2023, was determined by an actuarial valuation as of those dates.

Note 3 - Cash and Investments

The Plan's investment policies are governed by Title 19 of the Oklahoma State Statues. The County Treasurer shall make all decisions in accordance with the above referenced Statutes and all other applicable Statutes. The County Treasurer shall have the authority to manage, maintain, and invest the retirement funds in any or all of the securities described in Title 19. The purpose and main objective of an investment is to assure the safety, liquidity and return on investments of the retirement plan.

Custodial Credit Risk - At June 30, 2023, the Plan held deposits of approximately $281,239 in financial institutions, which was comprised of repurchase agreement $31,239 and certificate of deposits $250,000. Funds are completely insured or collateralized by Federal Depository Insurance (FDIC). Treasury money market funds in the amount of $3,366,000, are held at an investment bank and are collateralized by United States government treasuries and agencies.

The Plan held investments in the Judgments of Oklahoma County in the amount of $2,566,667. Judgments are paid by Oklahoma County through collection of taxes.

Investment Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of an investment. The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Note 3 - Cash and Investments (continued)

Rate of Return -The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Concentration of Investment Credit Risk - The Plan places no limit on the amount it may invest in any one issuer. The types of investments are governed by Oklahoma State Statues.

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.93%. The money-weighted rate of return expresses investment performance, net of investment expense, as adjusted for the changing amounts actually invested.

The following table represents the fair value of investments. Investments, other than U.S. Government Securities, that represent 5% or more of the Plan's net assets are separately identified at June 30, 2023.

Investments – cost approach	
Judgments	$ 2,566,667

Note 4 - Fair Value Measurements

The Plan's investments are reported at fair value in the accompanying statement of plan net position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Level 1 Inputs – None

Level 2 Inputs – None

Level 3 Inputs – The Judgments purchased from other governmental agencies are not actively traded and significant other observable inputs are not available. Judgments are valued at $2,566,667 using the cost approach at June 30, 2023.

Note 5 - Net Pension Liability and Actuarial Assumptions

The components of the Net Pension Liability consisted of the following at June 30, 2023:

Total Pension Liability	$14,904,166
Plan Net Position	(6,255,247)
Net Pension Liability	$ 8,648,919
Plan net position as a % of the total pension liability:	41.97%

Plan Membership

Inactive plan members or beneficiaries currently receiving benefits	82
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	1
Total	90

Discount Rate and Net Pension Liability Sensitivity

Discount Rate

The discount rate used to measure the total pension liability was 2.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions, if any, will be made at the current contribution rate and that County contributions will be made at rates equal to the average ratio of the previous three year's contributions to actual benefit payments paid from the trust. 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 active and inactive employees. Therefore, the long-term expected rate or return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the pension liability, calculated using the discount rate of 2.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percenteage-point higher (3.75%) than the current rate:

	1% Decrease - 1.75%	Current - 2.75%	1% Increase - 3.75%
Total pension liability	$16,487,937	$14,904,166	$13,571,633
Plan fiduciary net position	$ 6,255,247	$ 6,255,247	$ 6,255,247
Net pension liability	$10,232,690	$ 8,648,919	$ 7,315,386

Note 5 - Net Pension Liability and Actuarial Assumptions – continued

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Since certain pension expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts increase the pension expense, they are labeled as deferred outflows and amounts that decrease the pension expense are labeled as deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all employees that are provided with pensions through the pension plan at the beginning of the measurement period. Investment gains/losses are amortized over a five-year period. As of June 30, 2023, net differences between projected and actual earnings on pension plan investments generated deferred outflows of resources in the amount of $76,765 and deferred inflows of resources in the amount of ($124,853).

Pension expense would report the net of the deferred outflows of resources and deferred inflows of resources as follows:

Year Ended June 30,	Amount
2024	($18,674)
2025	2,274
2026	(6,010)
2027	(25,978)
2028	0

Total pension liability as of June 30, 2023, was determined using the following actuarial assumptions:

Inflation	2.25% per year	
Salary increases	5.00% per year	
Investment rate of return	2.75% per year	
Actuarial Cost Method	Entry Age Normal	
Measurement Date	July 1, 2023	
Ad hoc Cost of Living Increase	Not applicable	
Mortality Rate	Pub-2010 Mortality Table for General Employees amount Weighted with Improvement Scale MP-2021	
Experience study	None known	
Retirement	The earlier of age 62 or age 55 with at least 30 years of service	
Interest rates	Discount rate	2.75%
	Expected long-term rate of return	2.75%
	Municipal bond rate	3.86%

Note 6 - Subsequent Events

Management has evaluated all subsequent events through September 25, 2023, the date the financial statements were available to be issued.

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY
SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS

Year Ended June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	4.93%	1.00%	1.45%	4.21%	3.50%	2.50%	1.97%	2.37%	1.18%	-0.87%

Actuarial Valuation, Method and Assumptions

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization peri	15 years
Asset valuation method	Market value of assets
Investment rate of return	2.75% per year
Salary increases	5.00% per year
Rate of inflation	2.25% per year
Cost of living adjustments	None

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	Year Ended June 30,							
	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability								
Service cost	$ -	$ -	$ -	$ -	$ -	$ 21,857	$ 47,585	$ 54,584
Interest	423,496	411,087	381,747	439,558	516,290	857,331	885,190	861,955
Differences between expected and actual experience	(268,560)	125,926	(324,109)	(356,654)	(185,966)	(335,074)	232,174	(88,516)
Changes in assumptions	-	1,203,176	(746,360)	316,290	555,858	3,926,990	(78,174)	(1,020,961)
Benefit payments, including refunds of member contributi	(1,301,279)	(1,276,629)	(1,381,754)	(1,512,929)	(1,642,391)	(1,714,769)	(1,814,117)	(1,822,278)
Net change in total pension liability	(1,146,343)	463,560	(2,070,476)	(1,113,735)	(756,209)	2,756,335	(727,342)	(2,015,216)
Total pension liability - beginning	16,050,509	15,586,949	17,657,425	18,771,160	19,527,369	16,771,034	17,498,376	19,513,592
Total pension liability - ending	14,904,166	16,050,509	15,586,949	17,657,425	18,771,160	19,527,369	16,771,034	17,498,376
Plan net position								
Contributions - employer	818,283	1,610,245	1,609,912	1,609,523	1,209,249	1,209,072	1,220,793	1,227,012
Net investment income	295,048	60,761	82,195	220,125	190,063	137,927	120,429	126,547
Benefit payments, including refunds of member contributi	(1,301,279)	(1,276,629)	(1,381,754)	(1,512,929)	(1,642,391)	(1,714,769)	(1,814,117)	(1,822,278)
Administrative expenses	(17,868)	(17,530)	(16,730)	(16,540)	(16,287)	(15,791)	(15,983)	(27,064)
	(205,816)	376,847	293,623	300,179	(259,366)	(383,561)	(488,878)	(495,783)
Plan net position - beginning	6,461,063	6,084,216	5,790,593	5,490,414	5,749,780	6,133,341	6,622,219	7,118,002
Plan net position - ending	6,255,247	6,461,063	6,084,216	5,790,593	5,490,414	5,749,780	6,133,341	6,622,219
Net pension liability	$ 8,648,919	$ 9,589,446	$ 9,502,733	$ 11,866,832	$ 13,280,746	$ 13,777,589	$ 10,637,693	$ 10,876,157
Plan fiduciary net position as a percentage of the total pension liability	41.97%	40.25%	32.03%	32.79%	29.25%	29.44%	36.57%	37.84%
Covered-employee payroll	$ 98,552	$ 92,075	$ 86,732	$ 83,397	$ 80,968	$ 79,380	$ 78,840	$ 198,634
Net pension liability as percentage of covered-employee payroll	8776.00%	10414.82%	10956.43%	14229.33%	16402.46%	17356.50%	13492.76%	5475.48%

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY
SCHEDULE OF CONTRIBUTIONS AND RELATED RATIOS
LAST 10 FISCAL YEARS

Year Ended June 30,	*2023*	*2022*	*2021*	*2020*	*2019*
Actuarially determined contribution	$ 807,315	$ 799,155	$ 958,286	$ 1,096,714	$ 1,186,835
Contributions in relation to the actuarially determined contribution	(818,283)	(1,610,245)	(1,609,912)	(1,609,523)	(1,209,249)
Contributions deficiency (excess)	$ (10,968)	$ (811,090)	$ (651,626)	$ (512,809)	$ (22,414)
Covered-employee payroll	$ 98,552	$ 92,075	$ 86,732	$ 83,397	$ 80,968
Contributions as a percentage of covered-employee payroll	830.31%	1748.84%	1856.19%	1929.95%	1493.49%

Year Ended June 30,	*2018*	*2017*	*2016*	*2015*	*2014*
Actuarially determined contribution	$ 1,067,876	$ 785,650	$ 811,130	$ 789,368	$ 777,390
Contributions in relation to the actuarially determined contribution	(1,209,072)	(1,220,793)	(1,227,012)	(1,029,880)	(1,132,520)
Contributions deficiency (excess)	$ (141,196)	$ (435,143)	$ (415,882)	$ (240,512)	$ (355,130)
Covered-employee payroll	$ 79,380	$ 78,840	$ 198,634	$ 258,839	$ 238,621
Contributions as a percentage of covered-employee payroll	1523.14%	1548.44%	617.73%	397.88%	474.61%

Notes to Schedule

A. Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

B. Methods and assumptions used to determine the contributions:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	15 years
Asset valuation method	Market value of assets
Rate of inflation	2.25% per year
Salary increases	5.00% per year
Investment rate of return	2.75% per year
Mortality table	Pub-2010 Mortality Table for General Employees amount weighted with Improvement Scale MP-2021
Retirement age	The earlier of age 62 or age 55 with at least 30 years of service

EMPLOYEES' RETIREMENT SYSTEM OF OKLAHOMA COUNTY
SCHEDULE OF INVESTMENTS
JUNE 30, 2023

Description	Rate of Interest	Maturity Date	Par and Cost	Current Value
Certificates of Deposit				
First Security Bank & Trust Co.	3.95%	04/19/24	$ 250,000	$ 250,000
Treasury Money Market Funds				
Goldman Sachs	Variable	Open	3,366,000	3,366,000
Judgments				
Judgment	9.25%	10/07/24	833,334	833,334
Judgment	9.25%	07/29/25	733,333	733,333
Judgment	9.25%	05/05/26	1,000,000	1,000,000
	Total Investments		$ 6,182,667	$ 6,182,667

JOHNSTON & AHLSCHWEDE, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

3545 NW 58TH STREET, SUITE 325C – OKLAHOMA CITY, OKLAHOMA 73112 – (405) 917-7272

INDEPENDENT AUDITORS' 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

The Board of Trustees
Employees' Retirement System of Oklahoma County
Oklahoma City, Oklahoma

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Employees' Retirement System of Oklahoma County, which comprise the statement of plan net position as of June 30, 2023, and the related statements of changes in plan net assets for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the System'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the System'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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System'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 determination of financial statement amounts. 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 of the effectiveness of the organization'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 System's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnston & Hitchcock, P.C.

Oklahoma City, Oklahoma
September 25, 2023