

OKLAHOMA 99

**Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 1999**

Frank Keating
Governor

Prepared by

Office of State Finance

Tom Daxon, Director
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Requests for additional copies, comments or questions may be directed to Shawn Ashley, Office of State Finance, 2300 North Lincoln Blvd., Suite 122, Oklahoma City, Oklahoma 73105.

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INTRODUCTORY SECTION

INTRODUCTORY SECTION

THOMAS E. DAXON
SECRETARY OF FINANCE AND REVENUE
DIRECTOR OF STATE FINANCE



FRANK KEATING
GOVERNOR

STATE OF OKLAHOMA
OFFICE OF STATE FINANCE

December 27, 1999

To the Honorable Frank Keating, Governor
Members of the Legislature, and
Citizens of the State of Oklahoma

The Office of State Finance is pleased to present the Comprehensive Annual Financial Report (CAFR) for the State of Oklahoma for the fiscal year ended June 30, 1999. This report, presented in three sections: Introductory, Financial, and Statistical, is the primary means of reporting the State government's financial activities. The Introductory Section contains an overview of the State's economic performance, a review of current initiatives, and summary financial data. The Financial Section contains the general purpose financial statements and the combining and individual fund and account group statements and schedules. The Statistical Section contains selected financial and demographic information.

Management of the State, through the Office of State Finance (OSF), is responsible for the accuracy, fairness and completeness of the financial statements presented in this report. The statements have been prepared in accordance with generally accepted accounting principles (GAAP). To the best of our knowledge and belief, the information presented is accurate in all material respects and includes all disclosures necessary for an understanding of the State's financial position and activities. The Governor and Legislature govern all funds and accounts for every executive agency, board, commission, public trust, authority, college and university whose data are presented in this report. The financial reporting entity, the State of Oklahoma, includes these funds, organizations, account groups, agencies, boards, commissions, and authorities. In accordance with Governmental Accounting Standards Board Statement 14, the State financial reporting entity includes twenty component units. These component units, one governmental activity, five pension trusts, thirteen proprietary activities and the State's higher education institutions, are discretely presented in the financial statements.

ECONOMIC CONDITIONS AND OUTLOOK

Oklahoma is an attractive location in which to live and conduct commerce. The state enjoys a very low cost of doing business, has a highly skilled work force and is geographically well positioned for interstate commercial activity. For example, Oklahoma lies at the crossroads of U.S. Interstates 35, 40 and 44, three of the nation's most important transportation and shipping corridors, allowing the state to take advantage of growth in these and many other industries. Oklahoma ranks 22nd among the 50 states in full-time equivalent college enrollment as a percentage of population. At the same time, our pioneering Vo-Tech system is a national leader in developing training programs for industry. Oklahoma remains committed to further improving its quality education system.

Oklahoma is also known for its abundant resources. The state remains a leading producer of oil and natural gas, allowing Oklahoma manufacturers to take advantage of some of the lowest energy prices in the nation. Oklahoma is a leading

producer of agricultural products, ranking in the top ten in production of wheat, peanuts, grain sorghum, pecans, rye, hogs and cattle. Oklahomans also enjoy many opportunities for outdoor recreation and, due to its many man-made reservoirs, Oklahoma has more miles of shoreline than any other state.

Oklahoma's real gross state product for 1998 was \$76.6 billion, up 5.4% from the previous year. This compares with 6.2% growth in the national gross domestic product. Oklahoma's per capita income for 1998 was \$21,072, which is 79.8% of the national average, and ranks Oklahoma 44th among the states. Adjusting for cost of living, Oklahoma is at 86.7% of the national average or 40th in the nation. Our per capita income was up 3.8% from 1997, trailing average gains nationally of 4.4%.

Oklahoma continues to enjoy a low unemployment rate. Estimates for 1999 (based on November data) reflect a favorable 3.5% rate in Oklahoma versus a 4.2% rate nationally. With a population of approximately 3.3 million people, Oklahoma is the 27th most populous state.

Oklahoma has a rich heritage in diversity of cultures. Most of what is now Oklahoma was originally set aside as Indian Territory. Many tribes, often forcibly relocated to Oklahoma, stayed on. As a result, Oklahoma is home to 39 tribal headquarters and more people of Native American descent than any other state. Colorful pow-wows that keep alive sacred Native American traditions are a regular feature in all parts of the state.

FINANCIAL CONDITION OF STATE GOVERNMENT

State finances are governed by rules designed to ensure sound, conservative management. The legislature cannot appropriate more than 95% of the general revenue expected to be collected in the coming year. An independent board not subject to legislative control makes the revenue estimate. Unlike many states that use seasonal borrowing to meet cash demands, Oklahoma maintains a cash flow reserve sufficient to meet fluctuating cash needs. General obligation indebtedness is prohibited without a vote of the people.

The impact of these fiscally conservative rules, however, has been to some extent offset by the practice of granting pension benefits and incurring other liabilities without providing the long range funding required to assure that the State will be able to pay those amounts when they become due. The Teachers and Firefighters pension plans and the State's Special Indemnity Fund will all require additional future funding to meet existing liabilities.

In spite of these challenges, the State's overall financial condition is healthy. The State's general obligation debt load remains modest and the State's "Rainy Day Fund" provides ample room to address unforeseen emergencies.

CURRENT DEVELOPMENTS AND MAJOR INITIATIVES

Despite our many achievements, we can do better and accomplish more. We enjoy many advantages that should enable Oklahomans to enjoy a higher standard of living. With particular emphasis on improving per capita personal income, our sights are set on implementing policies that will allow Oklahomans to realize their potential.

With the advantages provided by its labor force, location, and culture, our goal is to complement these advantages with a results-oriented, business-friendly government.

Oklahoma wants to be the nation's friendliest state to small and growing businesses. Several initiatives are underway to achieve this goal, including: 1) worker's compensation reform, 2) education reform, 3) road improvements, 4) tax relief targeted to encourage economic growth, and 5) both cost-effective and user-friendly service delivery.

Highlights of the fiscal 1999 and fiscal 2000 budgets include (expressed in millions):

| | Amount Appropriated | | Percentage of Total Appropriations | | Increase (Decrease) from Prior Year | | Percentage Increase (Decrease) | |
|----------------------------------|---------------------|-----------------|------------------------------------|-------------|-------------------------------------|--------------|--------------------------------|-----------|
| | 1999* | 2000 | 1999* | 2000 | 1999* | 2000 | 1999* | 2000 |
| Department of Education | \$ 1,738 | \$ 1,786 | 36% | 36% | \$ 112 | \$ 47 | 7% | 3% |
| Regents for Higher Education | 758 | 772 | 16% | 16% | 65 | 14 | 9% | 2% |
| Department of Vo-Tech | 117 | 117 | 2% | 2% | 9 | 0 | 8% | 0% |
| Other education | 20 | 20 | 0% | 0% | 0 | 0 | 0% | 0% |
| Total Education | 2,633 | 2,695 | 54% | 54% | 186 | 61 | 8% | 2% |
| Department of Human Services | 336 | 363 | 7% | 7% | 0 | 23 | 0% | 7% |
| Health Care Authority | 322 | 334 | 7% | 7% | 8 | 8 | 3% | 2% |
| Office of Juvenile Affairs | 97 | 99 | 2% | 2% | 9 | 1 | 10% | 1% |
| University Hospitals Authority | 27 | 27 | 1% | 1% | 0 | 0 | 0% | 0% |
| Dept. of Rehabilitation Services | 23 | 23 | 0% | 0% | 0 | 0 | 0% | 0% |
| Total Human Services | 805 | 846 | 17% | 17% | 17 | 32 | 2% | 4% |
| Department of Corrections | 327 | 347 | 7% | 7% | 30 | 16 | 10% | 5% |
| Department of Transportation | 328 | 320 | 7% | 6% | 35 | (11) | 12% | -3% |
| Department of Mental Health | 126 | 128 | 3% | 3% | 4 | 0 | 3% | 0% |
| Department of Health | 66 | 66 | 1% | 1% | 10 | (1) | 18% | -1% |
| Department of Public Safety | 61 | 68 | 1% | 1% | 5 | 6 | 9% | 10% |
| Other | 514 | 492 | 11% | 11% | 54 | (27) | 12% | -5% |
| Total | \$ 4,860 | \$ 4,962 | 100% | 100% | \$ 341 | \$ 76 | 8% | 2% |

* FY1999 budget was reduced due to revenue shortfall during the fiscal year.

The 1999 legislative session focused on improving the quality of instruction in Oklahoma's classrooms. Education moved forward in several important areas. Oklahoma adopted a comprehensive school choice plan and a far-reaching charter school program. At the same time, legislators voted to increase the rigor of the curriculum and provide strong incentives for students to take tougher classes.

State leaders were becoming increasingly concerned about Oklahoma's ability to compete in the global economy unless significant strides were made to prepare future workers for the workplace of the future. Responding to these concerns, the legislature added a core unit to graduation requirements, authorized a scholarship program for students who exceed the higher minimum standards, provided for annual testing to ensure progress and accountability and extended its commitment to pre-school programs.

Meanwhile, more Oklahoma schools have connected to the state's OneNet system. This standard-setting network allows multi-dimensional instruction to occur throughout the state. This not only dramatically increases the instructional resources available to teachers, but allows schools, even those in rural areas, to offer a rich, varied curriculum. Through OneNet, a single teacher may interact with students at various distant locations. Each of these students may not only see and talk to the teacher, but also see and talk with those at the other locations as well.

The 1999 legislature also took steps to assure that violent and habitual criminals serve most of their allotted prison terms. Under the state's new truth-in-sentencing program, persons convicted of a violent felony must serve 85% of their terms before being paroled. But while the new truth-in-sentencing law gets tough on violent and repeat offenders, it seeks to punish first-time non-violent offenders in a less costly manner, by utilizing community-based incarceration.

As the legislative session began, Oklahoma's oil and gas industry faced an extremely difficult economic situation. Market prices, at one point less than \$9 per barrel, were at historic lows, and large numbers of productive wells were being plugged and abandoned. Overall, the state's economy showed surprisingly little impact from this event, a testimony to the growing diversification of the Oklahoma economy. But for the parts of Oklahoma known as the "oil patch," the results were devastating.

An examination of the economics of oil production showed that the state's tax policy was hastening the premature closure of many wells vital to the rural economy. Because Oklahoma's gross production tax is basically an excise tax paid by producers rather than a tax on the net income from a well, it was simply adding to the operating cost of a well. In 1999, the legislature provided for the virtual phase-out of the gross production tax as prices fell.

Oklahoma's mental health system took major steps toward more comprehensive and humane treatment of the state's mentally ill, when, pursuant to legislative action, the Department of Mental Health moved to downsize one of the state's mental hospitals and shift the resources into community-based treatment.

The state made continued progress with respect to other social issues as well. Oklahoma continued to see a decline in welfare caseloads as more recipients found jobs. In FY 1994, Oklahoma averaged 46,948 AFDC/TANF cases. By October 1999, that number had fallen to 15,759.

At the same time, a new initiative by the Department of Human Services (DHS) to help children began to bear fruit. Under its permanency planning initiative, DHS began to move more expediently to terminate parental rights in cases of continued abuse or neglect, making more children eligible for adoption into a loving, secure home. Between FY 97 and FY 99, the number of children in DHS custody who were placed in adoptive homes rose from 431 to 1,051.

One problem that remains is the large unfunded liability of the Teachers' Retirement System (TRS). The magnitude of this problem, due in large part to a historical trend of not basing contributions on covered payroll and made worse by the legislature's continued practice of granting additional benefits without providing additional revenues is still not being adequately addressed. The current amortization schedule is based on projected statutory contributions and dedicated state revenues. In 1998 the dedication of natural gas tax revenues was replaced by an appropriation of 3.25% of general revenue. During the 1999 legislative session this state revenue source was modified once again to 3.54% of four state tax sources: individual and corporate income taxes and state sales and use tax collections. The net revenue impact to the system in the first year of implementation (FY 2000) was cost neutral. The long-term impact was less revenue over time with a resultant lengthening of the amortization schedule.

It is important to note the current 34-year amortization expectation includes a prolonged negative amortization impact which will result in additional growth in TRS unfunded liabilities until the year 2015.

The system's actuary has projected the TRS funding ratio to reach 60% by 2011, 70% by 2020, 80% by 2025, 90% by 2030, and 100% by 2033. This amortization schedule is not based on an actuarially determined 'Annual Required Contribution', but on a statutorily defined contribution base, with annual growth expectations in the contribution base, an 8% average investment rate of return, and a 4% annual growth rate in state dedicated revenues.

The state also assumes no increases in unfunded liabilities due to the granting of additional retiree benefits and it is unlikely that this assumption will be met, given the legislature's history of granting benefit increases without providing for additional funding. If unfunded benefit improvements continue and/or investment returns do not yield well above 8%, the growth of the unfunded liability due to negative amortization will continue beyond 2015.

The development with perhaps the most far-reaching implications was the decision by Governor Keating to establish a series of goals for the state. In his February state-of-the-state message, the Governor outlined nine long-range goals for the state:

- * Oklahoma's per capita personal income should equal that of the national average by 2025
- * Reduce the size and cost of government
- * ACT scores should exceed the national average by 2005
- * One-third of all Oklahomans should have a college degree by 2010
- * The divorce rate must be cut by one-third by 2010
- * Out of wedlock births must be cut by one-third by 2010
- * Child abuse and neglect must be cut by one-half by 2010
- * Drug abuse must be cut by one-half by 2010
- * Build and improve Oklahoma's infrastructure

FOR THE FUTURE

The State continues to aggressively research and pursue solutions to improve its competitive economic performance and the quality of life for its citizens. Economic growth in rural Oklahoma has seriously lagged behind both state and national averages over the past 15 years.

The State is seeking to encourage new business development and its Quality Jobs program, which provides tax credits for creating new jobs in basic industries, has helped Oklahoma win the location of several new branch plants within its borders. However, much more progress is needed.

Approaches under consideration include targeted tax reforms designed to spur entrepreneurship and new business development, further developing a leading educational system, reducing the cost of worker's compensation insurance and enactment of a right-to-work law. At the same time, the Governor is proposing a series of programs designed to preserve our rural economic and physical infrastructure in order to build a base for future revitalization.

While the State strives to strengthen its financial position, Oklahoma remains committed to maintaining public safety and providing a "safety net" for the less fortunate. To be successful, such a program will require a fresh look at how the State provides services. Building upon the work of the Governor's Commission on Government Performance, the State will consider the sale of assets, privatization of functions and programs, elimination of unneeded or excessive services, and reforms in purchasing and personnel policies.

FINANCIAL INFORMATION

Internal Controls

Management of the State of Oklahoma is responsible for the establishment and maintenance of internal accounting controls designed to ensure that assets are safeguarded and financial transactions are properly recorded and adequately documented. Such internal controls require estimates and judgments from management so that, in attaining reasonable assurance as to the adequacy of such controls, the cost does not exceed the benefit obtained.

General Governmental Functions

Most financial operations of the State are reported in governmental fund types, which are the General Fund and Capital Projects Fund. Following are schedules of revenues and expenditures for these governmental funds. Note that the following tables present data according to generally accepted accounting principles for the fiscal year ended June 30, 1999, while previous tables have presented budgetary data for this and later periods. Transfers are primarily from the General Fund to support the public institutions of higher education.

Budget and Fiscal Policy

The budget process begins when each agency that expends money through the state treasury, except the legislature, submits an annual budget request to the Office of State Finance (OSF). Copies are also provided to the legislative fiscal staffs. These requests are reviewed and analyzed for the Governor by OSF. The Governor then makes formal recommendations in his "Executive Budget" which is presented to the legislature on the first day of the legislative session. During the legislative session, legislative committees review agency needs and appropriations made for state agency operations during the ensuing fiscal year. Prior to encumbering or spending moneys in the fiscal year, each agency submits a Budget Work Program to OSF. In this document the agency outlines, by object of expenditure, fund source, and program category, how they plan to spend the various resources available to them.

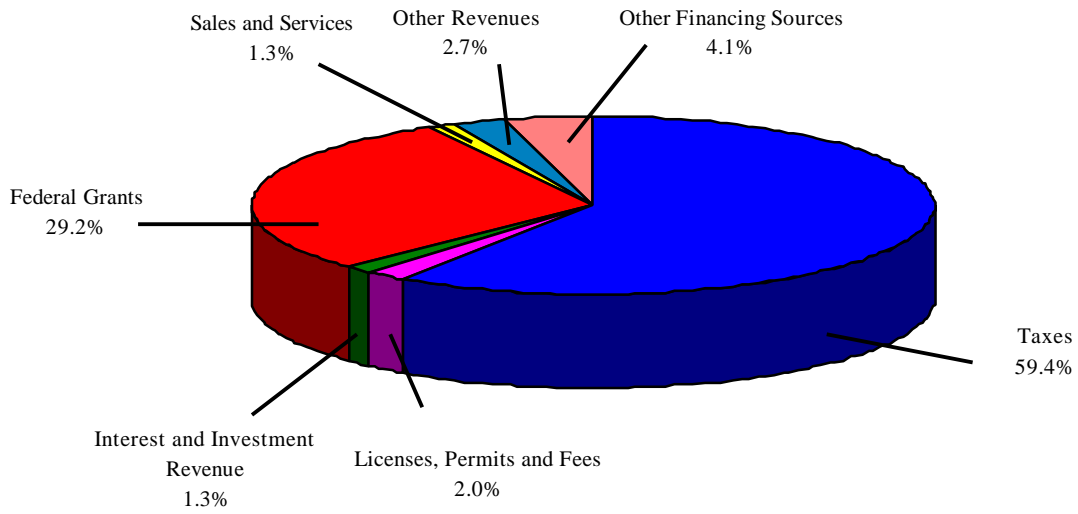
Governmental Funds: Revenues and Other Financing Sources - GAAP Basis
(expressed in millions)

| | 1999 Amount | Percentage of Total | Increase (Decrease) from Prior Year | Percentage Increase (Decrease) |
|--|-----------------|------------------------|--|-----------------------------------|
| Taxes | \$ 5,345 | 59.4% | \$ 132 | 2.5% |
| Licenses, permits and fees | 182 | 2.0% | 15 | 9.0% |
| Interest and investment revenue | 117 | 1.3% | 2 | 1.7% |
| Federal grants | 2,631 | 29.2% | 440 | 20.1% |
| Sales and services | 121 | 1.3% | 18 | 17.5% |
| Other revenues | 242 | 2.7% | 24 | 11.0% |
| Other financing sources: | | | | |
| Operating transfers | 42 | 0.5% | (6) | (12.5%) |
| Bond proceeds | 312 | 3.5% | 292 | 1460.0% |
| Other | 13 | 0.1% | 5 | 62.5% |
| Total revenues and other financing sources | <u>\$ 9,005</u> | <u>100.00%</u> | <u>\$ 922</u> | 11.4% |

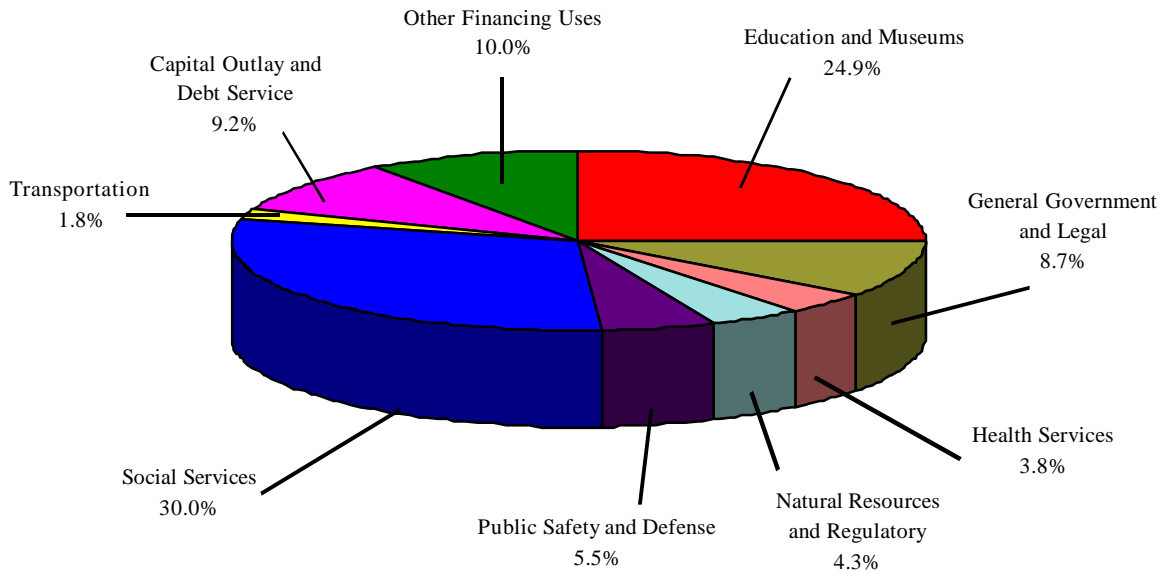
Governmental Funds: Expenditures and Other Financing Uses - GAAP Basis
(expressed in millions)

| | 1999 Amount | Percentage of Total | Increase (Decrease) from Prior Year | Percentage Increase (Decrease) |
|--|-----------------|------------------------|--|-----------------------------------|
| Education | \$ 2,213 | 24.9% | \$ 145 | 7.0% |
| General government | 769 | 8.7% | (69) | (8.2%) |
| Health services | 337 | 3.8% | 22 | 7.0% |
| Legal and judiciary | 144 | 1.6% | 10 | 7.5% |
| Museums | 18 | 0.2% | 10 | 125.0% |
| Natural resources | 248 | 2.8% | 45 | 22.2% |
| Public safety and defense | 487 | 5.5% | 75 | 18.2% |
| Regulatory services | 137 | 1.5% | (5) | (3.5%) |
| Social services | 2,662 | 30.0% | 407 | 18.0% |
| Transportation | 160 | 1.8% | (56) | (25.9%) |
| Capital outlay | 751 | 8.4% | 235 | 45.5% |
| Debt service | 69 | 0.8% | 29 | 72.5% |
| Operating transfers | 885 | 10.0% | 58 | 7.0% |
| Total expenditures and other financing uses | <u>\$ 8,880</u> | <u>100.00%</u> | <u>\$ 906</u> | 11.4% |
| Governmental Funds - Net increase in fund balance | <u>\$ 125</u> | | | |

**Governmental Fund Revenues
and Other Financing Sources (GAAP Basis) – Fiscal Year 1999**



**Governmental Funds Expenditures
and Other Financing Uses (GAAP Basis) – Fiscal 1999**



Oklahoma's Constitution restricts total appropriations to 95% of estimated general revenues. The Board of Equalization is responsible for approving the official itemized estimate of revenues, based upon information provided by the Office of State Finance and the Oklahoma Tax Commission. The Board is comprised of six elected officials: the Governor, the State Auditor and Inspector, the State Treasurer, the Lieutenant Governor, the Attorney General, and the Superintendent of Public Instruction, as well as the President of the State Board of Agriculture.

The Constitution requires that collections in excess of the Board of Equalization's itemized estimate of General Revenue Fund revenues be deposited to the "Rainy Day Fund" each year until the balance of the Rainy Day Fund equals 10% of the prior fiscal year's General Revenue Fund certified appropriations authority. Up to one-half of the July 1 balance each year may be appropriated upon emergency declaration by the Governor with concurrence of two-thirds of the House and Senate, or by a declaration of an emergency by the Speaker of the House and President-Pro Tempore of the Senate with concurrence of three-fourths of the members of each house.

The State also has an oversight process for the issuance of debt. The Executive and Legislative Bond Oversight Commissions jointly review and approve all debt issued by the State, its agencies and public trusts, and perform an assessment of all capital leases.

Revenue Collections and Estimates

As noted in a preceding subsection, the budget is prepared using cash available plus 95% of the itemized revenue estimate as approved by the State Board of Equalization. It should be noted that taxes deposited into the budgetary General Revenue Fund (GRF), as defined by Oklahoma law, are approximately 74% of the total tax revenues of the governmental funds, as defined by generally accepted accounting principles. However, the budgetary GRF should not be confused with the General Fund as presented in the accompanying GAAP-basis financial statements as the two terms are not interchangeable. For example, the GAAP-basis General Fund includes revenues deposited to the State Transportation Fund, federal grant proceeds, revolving fund revenues, fees and charges as well as other money used in the general operations of government which are not considered in the Board of Equalization's estimates of tax revenues. Oklahoma's budgetary GRF revenues were \$4.14 billion, or 98.9% of the State's revenue estimate for the fiscal year ended June 30, 1999. This was an increase of \$132.5 million, or 3.3% above that of the prior year.

Receipts from three of the four major taxes exceeded revenues of the prior year while gross production tax revenue on oil and gas decreased, producing a combined total of \$3.55 billion, or 86% of total GRF receipts. The total of major taxes collected was \$126.9 million, or 3.7% above that of the prior year, an indication of increased business activity.

As compared to fiscal 1998, collections from income taxes increased by \$137.1 million, or 7.3%; sales taxes increased by \$42.0 million, or 3.8%; motor vehicle taxes increased by \$15.4 million, or 5.7%; and gross production taxes on oil and gas decreased by \$67.6 million, or 44.9%.

Oklahoma has established an enviable record in recent years in its revenue forecasting results. Since enactment of a constitutional amendment in 1985 establishing new revenue estimating procedures, collections have exceeded the estimate in seven years and dipped below the estimate seven years, with actual collections averaging 100.6% of the estimate over the period. The comparison of estimated revenues to actual collections for fiscal 1999 is as follows:

Revenue Collections Compared to Itemized Estimate for Fiscal 1999
(expressed in millions)

| | Itemized Estimate | Actual Collections | Over (Under) Estimate | Percentage Collected |
|----------------------|----------------------|-----------------------|--------------------------|-------------------------|
| Income tax | \$ 2,002.3 | \$ 2,024.8 | \$ 22.5 | 101.1% |
| Sales tax | 1,172.0 | 1,157.4 | (14.6) | 98.8% |
| Motor vehicle tax | 284.6 | 284.5 | (0.1) | 100.0% |
| Gross production tax | 126.6 | 82.5 | (44.1) | 65.2% |
| Subtotal Major Taxes | 3,585.5 | 3,549.2 | (36.3) | 99.0% |
| Other sources | 600.1 | 598.3 | (1.8) | 99.7% |
| Total | <u>\$ 4,185.6</u> | <u>\$ 4,147.5</u> | <u>\$ (38.1)</u> | 99.1% |

The fourteen-year comparative history of estimated to actual collections is shown in the following table.

Budgetary General Revenue Fund Comparisons
(expressed in millions)

| Fiscal Year | Itemized Estimate | Actual Collections | Over (Under) Estimate | Percentage Collected |
|-----------------------|----------------------|-----------------------|--------------------------|-------------------------|
| 1986 | \$ 2,456.6 | \$ 2,271.3 | \$ (185.3) | 92.5% |
| 1987 | \$ 2,166.7 | \$ 2,070.0 | \$ (96.7) | 95.5% |
| 1988 | \$ 2,319.8 | \$ 2,397.8 | \$ 78.0 | 103.4% |
| 1989 | \$ 2,499.8 | \$ 2,600.6 | \$ 100.8 | 104.0% |
| 1990 | \$ 2,661.2 | \$ 2,735.1 | \$ 73.9 | 102.8% |
| 1991 | \$ 3,034.4 | \$ 3,109.5 | \$ 75.1 | 102.5% |
| 1992 | \$ 3,213.9 | \$ 3,161.2 | \$ (52.7) | 98.4% |
| 1993 | \$ 3,365.2 | \$ 3,258.9 | \$ (106.3) | 96.8% |
| 1994 | \$ 3,398.5 | \$ 3,341.5 | \$ (57.0) | 98.3% |
| 1995 | \$ 3,515.3 | \$ 3,512.6 | \$ (2.7) | 99.9% |
| 1996 | \$ 3,613.6 | \$ 3,705.0 | \$ 91.4 | 102.5% |
| 1997 | \$ 3,531.0 | \$ 3,777.7 | \$ 246.7 | 107.0% |
| 1998 | \$ 3,866.4 | \$ 4,009.3 | \$ 142.9 | 103.7% |
| 1999 | \$ 4,185.6 | \$ 4,147.5 | \$ (38.1) | 99.1% |
| Fourteen-Year Average | \$ 3,130.6 | \$ 3,149.9 | \$ 19.3 | 100.6% |

The status of three important fund balances affecting the new years fiscal picture is explained below:

Cash-Flow Reserve Fund - At the close of fiscal 1999, the State set aside \$385.5 million to meet anticipated monthly cash-flow needs for the new fiscal year. This total amounted to 9.5% of the GRF certified appropriation level, a decrease of 1/2 percentage point below the prior year.

The **General Revenue Fund's** fiscal 1999 cash carryover available to the next Legislature was \$116.2 million, compared with \$37.9 million in the prior year. The carryover funds come from the difference between the 95% appropriation limit and actual receipts up to 100% of the estimate. Funds required to replenish or increase the cash-flow fund also come from this source.

Constitutional Reserve "Rainy Day Fund" - At the start of each fiscal year, collections that exceed the estimate for the preceding year are automatically deposited in the Rainy Day Fund until the total balance equals 10% of the prior year's certified appropriation authority for the General Revenue Fund. On July 1, 1999, this fund had a balance of \$149.9 million.

Proprietary Operations

The State's proprietary operations are comprised of governmental agencies and quasi-governmental agencies providing goods and/or services to the public on a user charge basis. These activities are financed and operated in a manner similar to private business enterprises. They operate with the intent to recover the costs of operations from those directly benefiting from the goods or services. Some of the activities included in the State's proprietary operations are power generating plants, turnpikes, medical services, and insurance and financing services for both public and private entities.

Cash Management

State law requires full collateralization of all State Treasurer bank balances. Generally, the State Treasurer promulgates rules that establish the amount of collateral that must be pledged against deposits. However, component units of the State reporting entity may have collateralization policies that differ from those of the State Treasurer. The State Treasurer is required to keep at least 80% of available cash invested.

Debt Administration

The authority of the State to incur debt is described in Article X, Section 25, of the Oklahoma Constitution. In 1987, the State created the Executive Bond Oversight Commission and the Legislative Bond Oversight Commission. The commissions meet jointly to review all proposed debt issuances. Both commissions must approve each financing plan before obligations are issued. The legislation that created the bond oversight commissions also created the position of State Bond Advisor, who advises the commissions, and must approve the pricing and fees associated with any debt issuance.

General obligation bonds are backed by the full faith and credit of the State, including the State's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens. The general obligation bonds of the State are rated "AA3" by Moody's Investors Service and "AA" by both Standard & Poor's Corporation and Fitch Investors Service. Prior to a 1993 general obligation bond program, except for refunding bonds, the State last issued general obligation bonds in 1968. Certain maturities of those bonds were advance refunded in 1977. As of June 30, 1999, the outstanding general obligation net debt of the State of Oklahoma was \$309 million. This figure excludes the self-supporting taxable bonds of the Oklahoma Industrial Finance Authority, which are secured by the repayment of loans made to private businesses. State revenues have never been required to support debt service payments on these obligations.

Various agencies, trusts, and authorities issue revenue bonds on behalf of the State of Oklahoma, and these obligations are supported solely by the revenues of the issuing entities.

Risk Management and Insurance

In general, the State is "self-insured" for health care claims, workers' compensation, tort liability, vehicle liability, and property losses, with some exceptions for participation in health maintenance organizations and for excess coverage items. The property loss excess coverage is limited to a maximum loss of \$1 billion. The Oklahoma State and Education Employees' Group Insurance Board provides group health, life, dental and disability benefits to the State's employees and certain other eligible participants. The State Insurance Fund provides workers' compensation coverage for both public and private sector employees in Oklahoma.

YEAR 2000 COMPUTER ISSUE

Management of the state is keenly aware of the exposure to governmental operations and the safety of Oklahoma's citizens pertaining to the impact of the Year 2000 (Y2K) computer problem. In 1996, legislation was enacted which required state agencies to develop and implement plans to identify and correct those systems that were not compliant. Additionally, in 1998, the Governor created the Oklahoma Year 2000 Task Force to monitor compliance, gather information and provide recommendations to assure that governmental entities as well as private industry are adequately addressing the issue, developing appropriate contingency plans, and are prepared to enter the new millennium without significant interruption of

essential services. Although more remains to be done to assure complete compliance, Oklahoma is addressing the issue and is confident that there will be no material disruption to governmental services.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Oklahoma for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Oklahoma has received a Certificate of Achievement for the last three consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

The Office of State Finance is pleased to recognize and commend the efforts of the numerous individuals across the state who made this Comprehensive Annual Financial Report possible. Questions or requests for additional information related to this report can be directed to our office at (405) 521-2141.

Respectfully submitted,

Tom Daxon
Director of State Finance

Mark A. Meadors
State Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cery Bruebak
President

Jeffrey L. Esser
Executive Director

SELECTED OKLAHOMA STATE OFFICIALS

June 30, 1999

LEGISLATIVE BRANCH

Senate

Stratton Taylor
President Pro Tempore

House of Representatives

Lloyd L. Benson
Speaker of the House

EXECUTIVE BRANCH

Governor

Frank Keating

Lieutenant Governor

Mary Fallin

* Secretary of State

Tom Cole

State Auditor and Inspector

Clifton Scott

Attorney General

Drew Edmondson

State Treasurer

Robert Butkin

Superintendent of Public Instruction

Sandy Garrett

Commissioner of Labor

Brenda Reneau

Commissioner of Insurance

John P. Crawford

Commissioners of the Corporation Commission

Bob Anthony

Ed Apple

Denise Bode

JUDICIAL BRANCH

* State Supreme Court

Yvonne Kauger
Chief Justice

* Court of Criminal Appeals

Charles S. Chapel
Presiding Judge

* Appointed Position

Citizens of Oklahoma

LEGISLATIVE

House of Representatives
Legislative Service Bureau
Senate

EXECUTIVE

Governor
Lieutenant Governor
Secretary of State

JUDICIAL

Court of Appeals
Court of Criminal Appeals
District Courts
Supreme Court
Workers' Compensation Court

STATE AGENCIES

ADMINISTRATION

Accountancy Board
Architects and Landscape Board
Banking Department
Board of Nursing
Capitol Improvement Authority
Chiropractic Examiners Board
Consumer Credit Commission
Cosmetology Board
Council on Judicial Complaints
Dental Board
Department of Central Services
Election Board
Embalmers and Funeral Directors Board
Engineers and Land Surveyors
Ethics Commission
Health Insurance High Risk Pool
Horse Racing Commission
Insurance Commission
Medical Licensure
Motor Vehicle Commission
Optometry Board
Osteopathic Examiners Board
Perfusionists Board
Pharmacy Board
Podiatry Board
Psychologist Board of Examiners
Real Estate Commission
Securities Commission
Social Workers Board
Speech Pathology and Audiology Board
Used Motor Vehicle Commission
Veterinary Medical Examiners Bd.

ENVIRONMENT

Department of Environmental Quality
Department of Wildlife Conservation
Environmental Finance Authority
Geological Survey
Water Resources Board

AGRICULTURE

Agriculture Department
Boll Weevil Eradication Organization
Conservation Commission
Foresters Board
Peanut Commission
Sheep and Wool Commission
Soybean Commission
Wheat Commission

ENERGY

Commission on Marginally Producing Oil and Gas Wells
Corporation Commission
Department of Mines
Energy Resources Board
Grand River Dam Authority
Interstate Oil and Gas Compact Commission
Liquefied Petroleum Gas Board
L P Research, Marketing and Safety Commission

HEALTH & HUMAN SERVICES

Children and Youth Commission
Employees Benefits Council
Handicapped Concerns
Health Care Authority
Health Department
Human Services Department
Indian Affairs Commission
Office of Juvenile Affairs
J.D. McCarty Center
Mental Health and Substance Abuse
Nursing Home Administrators Board
Physicians Manpower Training
Rehabilitation Services
University Hospitals Authority

TRANSPORTATION

Transportation Department
Turnpike Authority

COMMERCE

Capital Investment Board
Commerce Department
Development Finance Authority
Housing Finance Authority
Industrial Finance Authority
Labor Department
Municipal Power Authority

FINANCE & REVENUE

Auditor and Inspector
Building Bond Commission
Commissioners of the Land Office
Office of State Finance
State Insurance Fund
State Treasurer
Tax Commission
Pension Systems:
Firefighters' Retirement
Judges and Justices Retirement
Law Enforcement Retirement
Police Retirement
Public Employees' Retirement
Teachers' Retirement

HUMAN RESOURCES

Employment Security Commission
Human Rights Commission
Merit Protection Commission
Office of Personnel Management
State and Education Employees Group Insurance Board

TOURISM & RECREATION

Historical Society
J.M. Davis Memorial Commission
Tourism and Recreation
Will Rogers Memorial Commission

EDUCATION

Anatomical Board
Arts Council
Commission for Teacher Preparation
Center for the Advancement of Science and Technology
Department of Education
Educational Television Authority
Library Department
Medical Technology and Research Authority
Private Vocational Schools
Regents for Higher Education
School of Science and Mathematics
Student Loan Authority
Vocational and Technical Education

MILITARY

Military Department

SAFETY & SECURITY

Alcoholic Beverage Laws Enforcement Commission
Attorney General
Bureau of Narcotics and Dangerous Drugs
Civil Emergency Management
Corrections Department
Council on Law Enforcement Education and Training
District Attorney's Council
Indigent Defense System
Medicolegal Investigations Board
Pardon and Parole Board
Public Safety
State Bureau of Investigation
State Fire Marshal

VETERANS' AFFAIRS

Department of Veterans Affairs

FINANCIAL SECTION

FINANCIAL SECTION



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR
OKLAHOMA CITY

CLIFTON H. SCOTT
State Auditor and Inspector

Oklahoma City, OK 73105
405/521-3495

INDEPENDENT AUDITOR'S REPORT

**TO THE GOVERNOR AND MEMBERS
OF THE LEGISLATURE OF THE
STATE OF OKLAHOMA**

We have audited the general-purpose financial statements of the State of Oklahoma as of and for the year ended June 30, 1999, as listed in the accompanying table of contents. These general-purpose financial statements are the responsibility of the State of Oklahoma's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit:

- the financial statements of the governmental component unit;
- the financial statements of the proprietary fund-primary government;
- the financial statements of the pension trust fund-primary government;
- 99.9 percent of the assets or 99.8 percent of the revenues of the proprietary component units;
- the financial statements of the fiduciary component units;
- the financial statements of the nonexpendable trust funds which reflect total assets constituting 58 percent of the fiduciary funds;
- the financial statements of the higher education component unit.

Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based upon our audit and the reports of other auditors, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Oklahoma as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 17 to the financial statements, the Teachers' Retirement System faces possible difficulty in meeting its future obligations. The auditor for the Teachers' Retirement System reported "the System's actuary has determined that the System's unfunded actuarial accrued liability is approximately \$4,750,500,000. The funding of the actuarial accrued liabilities is predicated on a funding schedule mandated by Oklahoma Statutes and if any changes further reduce or delay the implementation of the funding schedule the funding period will increase." Note 2 to the System's financial statements discloses: "The System will experience difficulty in meeting long-term obligations at a point in time if not funded at a more appropriate level." The ultimate outcome of the ability of the System to meet its future obligations is dependent on funding established by Oklahoma Statutes, and cannot presently be determined.

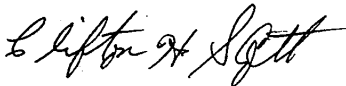
The *Year 2000 Information* on page 105 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. In addition, we do not provide assurance that the State of Oklahoma is or will become year 2000 compliant, that the State of Oklahoma's remediation efforts will be successful in whole or in part, or that parties with which the State of Oklahoma does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the State of Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This report is issued under separate cover in the State of Oklahoma's Single Audit Report.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements listed in the accompanying table of contents, and the *Schedule of Expenditures and Intra-Agency Transfers-Detail Budget to Actual Comparison (Non-GAAP Budgetary Basis)-General Fund*, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Oklahoma. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

The introductory section and the statistical section listed in the aforementioned table of contents have not been audited by us, and accordingly, we do not express an opinion on them.

Sincerely,



CLIFTON H. SCOTT
State Auditor and Inspector

December 27, 1999

General Purpose Financial Statements

General Purpose Financial Statements

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Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Governmental Fund Types | | Proprietary Fund Type | Fiduciary Fund Type |
|--|----------------------------|---------------------|---|------------------------|
| | General | Capital Projects | Enterprise - Oklahoma Water Resources Board | Trust and Agency |
| Assets and Other Debits | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 1,670,861 | \$ 8,999 | \$ 86,211 | \$ 787,176 |
| Investments | 225,326 | 0 | 84,529 | 1,097,334 |
| Securities Lending Investments | 0 | 0 | 0 | 0 |
| Accounts Receivable | 23,785 | 0 | 0 | 2,863 |
| Interest and Investment Revenue Receivable | 20,652 | 33 | 5,204 | 6,227 |
| Employer Contributions Receivable | 0 | 0 | 0 | 0 |
| Employee Contributions Receivable | 0 | 0 | 0 | 0 |
| Other Contributions Receivable | 0 | 0 | 0 | 0 |
| Federal Grants Receivable | 342,711 | 749 | 13,050 | 180 |
| Taxes Receivable | 132,125 | 0 | 0 | 1,710 |
| Lease Payments Receivable | 37,290 | 0 | 0 | 0 |
| Other Receivables | 39 | 0 | 0 | 3,234 |
| Notes and Loans Receivable | 0 | 0 | 305,441 | 0 |
| Due from Brokers | 0 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 0 | 0 | 217 |
| Due from Component Units | 48,680 | 0 | 0 | 207 |
| Due from Primary Government | 0 | 0 | 0 | 0 |
| Inventory | 43,301 | 0 | 0 | 4,214 |
| Prepaid Items | 29,139 | 0 | 0 | 0 |
| Fixed Assets, Net | 0 | 0 | 0 | 0 |
| Other Assets | 2,063 | 0 | 1,056 | 7,367 |
| Total Assets | 2,575,972 | 9,781 | 495,491 | 1,910,729 |
| Other Debits | | | | |
| Amount Available for Debt Service | 0 | 0 | 0 | 0 |
| Amount to Be Provided For | | | | |
| Retirement of Debt | 0 | 0 | 0 | 0 |
| Compensated Absences | 0 | 0 | 0 | 0 |
| Capital Leases | 0 | 0 | 0 | 0 |
| Certificates of Participation | 0 | 0 | 0 | 0 |
| Claims and Judgments | 0 | 0 | 0 | 0 |
| Pension Obligation | 0 | 0 | 0 | 0 |
| Total Other Debits | 0 | 0 | 0 | 0 |
| Total Assets and Other Debits | \$ 2,575,972 | \$ 9,781 | \$ 495,491 | \$ 1,910,729 |

The Notes to the Financial Statements are an integral part of this statement.

| Account Groups | | Total Primary Government | | Total Reporting Entity | | |
|-------------------------|------------------------------|-----------------------------|--------------|---------------------------|-------------------|---------------|
| General Fixed Assets | General Long-Term Debt | (Memorandum Only) | | Component Units | (Memorandum Only) | |
| | | 1999 | 1998 | | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 2,553,247 | \$ 2,613,084 | \$ 989,835 | \$ 3,543,082 | \$ 3,657,796 |
| 0 | 0 | 1,407,189 | 1,111,569 | 15,784,193 | 17,191,382 | 15,037,038 |
| 0 | 0 | 0 | 0 | 690,913 | 690,913 | 1,558,393 |
| 0 | 0 | 26,648 | 25,882 | 199,898 | 226,546 | 199,677 |
| 0 | 0 | 32,116 | 26,420 | 96,484 | 128,600 | 113,875 |
| 0 | 0 | 0 | 0 | 14,062 | 14,062 | 15,185 |
| 0 | 0 | 0 | 0 | 14,625 | 14,625 | 11,001 |
| 0 | 0 | 0 | 0 | 852 | 852 | 724 |
| 0 | 0 | 356,690 | 305,880 | 928 | 357,618 | 307,835 |
| 0 | 0 | 133,835 | 127,455 | 0 | 133,835 | 127,455 |
| 0 | 0 | 37,290 | 41,110 | 35,217 | 72,507 | 79,368 |
| 0 | 0 | 3,273 | 4,326 | 181 | 3,454 | 25,354 |
| 0 | 0 | 305,441 | 265,232 | 892,898 | 1,198,339 | 1,026,790 |
| 0 | 0 | 0 | 0 | 201,458 | 201,458 | 64,630 |
| 0 | 0 | 217 | 604 | 99,433 | 99,650 | 96,359 |
| 0 | 0 | 48,887 | 46,308 | 1,317 | 50,204 | 49,048 |
| 0 | 0 | 0 | 0 | 28,118 | 28,118 | 11,659 |
| 0 | 0 | 47,515 | 62,938 | 51,190 | 98,705 | 110,792 |
| 0 | 0 | 29,139 | 24,910 | 13,383 | 42,522 | 36,387 |
| 986,985 | 0 | 986,985 | 967,067 | 3,143,030 | 4,130,015 | 3,988,634 |
| 0 | 0 | 10,486 | 11,671 | 347,734 | 358,220 | 322,522 |
| 986,985 | 0 | 5,978,958 | 5,634,456 | 22,605,749 | 28,584,707 | 26,840,522 |
| 0 | 27,794 | 27,794 | 27,042 | 0 | 27,794 | 27,042 |
| 0 | 687,154 | 687,154 | 412,407 | 0 | 687,154 | 412,407 |
| 0 | 112,816 | 112,816 | 102,464 | 0 | 112,816 | 102,464 |
| 0 | 9,238 | 9,238 | 8,594 | 0 | 9,238 | 8,594 |
| 0 | 5,141 | 5,141 | 8,316 | 0 | 5,141 | 8,316 |
| 0 | 3,638 | 3,638 | 0 | 166,919 | 170,557 | 151,321 |
| 0 | 1,983 | 1,983 | 2,193 | 0 | 1,983 | 2,193 |
| 0 | 847,764 | 847,764 | 561,016 | 166,919 | 1,014,683 | 712,337 |
| \$ 986,985 | \$ 847,764 | \$ 6,826,722 | \$ 6,195,472 | \$ 22,772,668 | \$ 29,599,390 | \$ 27,552,859 |

(continued)

Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| (continued) | Governmental Fund Types | | Proprietary Fund Type | Fiduciary Fund Type |
|---|----------------------------|---------------------|---|------------------------|
| | General | Capital Projects | Enterprise - Oklahoma Water Resources Board | Trust and Agency |
| Liabilities, Fund Equity and Other Credits | | | | |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | \$ 465,300 | \$ 1,367 | \$ 1,438 | \$ 1,246 |
| Payable Under Securities | | | | |
| Lending Agreements | 0 | 0 | 0 | 0 |
| Claims and Judgments | 32,713 | 0 | 0 | 0 |
| Interest Payable | 6,847 | 0 | 3,333 | 0 |
| Tax Refunds Payable | 0 | 0 | 0 | 4,592 |
| Due to Brokers | 0 | 0 | 0 | 0 |
| Due to Other Funds | 217 | 0 | 0 | 0 |
| Due to Component Units | 28,014 | 0 | 0 | 0 |
| Due to Primary Government | 0 | 0 | 0 | 0 |
| Due to Others | 49,159 | 0 | 0 | 143,230 |
| Deferred Revenue | 161,650 | 0 | 0 | 5,580 |
| Pension Obligation | 0 | 0 | 0 | 0 |
| Capital Leases | 0 | 0 | 0 | 0 |
| Compensated Absences | 0 | 0 | 0 | 0 |
| Benefits in the Process of Payment | 0 | 0 | 0 | 0 |
| Notes Payable | 1,011 | 0 | 3,422 | 0 |
| General Obligation Bonds | 25 | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 276,950 | 0 |
| Certificates of Participation | 0 | 0 | 0 | 0 |
| Other Liabilities | 0 | 12 | 1,715 | 0 |
| Total Liabilities | 744,936 | 1,379 | 286,858 | 154,648 |
| Fund Equity and Other Credits | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 |
| Contributed Capital | 0 | 0 | 0 | 0 |
| Retained Earnings | | | | |
| Reserved - Debt Service | 0 | 0 | 16,274 | 0 |
| Unreserved | 0 | 0 | 192,359 | 0 |
| Fund Balances | | | | |
| Reserved | | | | |
| Encumbrances | 229,799 | 4,440 | 0 | 0 |
| Inventory/Prepaid Items | 72,151 | 0 | 0 | 0 |
| Unemployment Benefits | 0 | 0 | 0 | 598,444 |
| Debt Service | 27,794 | 0 | 0 | 0 |
| Preservation of Wildlife | 0 | 0 | 0 | 41,564 |
| Employees Pension Benefits | 0 | 0 | 0 | 46,245 |
| External Investment Pool Participants | 0 | 0 | 0 | 6,501 |
| Permanent Trust | 0 | 0 | 0 | 931,156 |
| Undistributed Revenue | 0 | 0 | 0 | 132,171 |
| Other Special Purposes | 850 | 0 | 0 | 0 |
| Unreserved | | | | |
| Designated for Cash Flow Reserve Fund | 385,498 | 0 | 0 | 0 |
| Designated for Rainy Day Fund | 149,859 | 0 | 0 | 0 |
| Designated for Other Special Purposes | 0 | 0 | 0 | 0 |
| Undesignated | 965,085 | 3,962 | 0 | 0 |
| Total Fund Equity and Other Credits | 1,831,036 | 8,402 | 208,633 | 1,756,081 |
| Total Liabilities, Fund Equity and Other Credits | \$ 2,575,972 | \$ 9,781 | \$ 495,491 | \$ 1,910,729 |

The Notes to the Financial Statements are an integral part of this statement.

| Account Groups | | Total Primary Government | | Total Reporting Entity | | |
|-------------------------|------------------------------|-----------------------------|--------------|---------------------------|-------------------|---------------|
| General Fixed Assets | General Long-Term Debt | (Memorandum Only) | | Component Units | (Memorandum Only) | |
| | | 1999 | 1998 | | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 469,351 | \$ 425,309 | \$ 153,850 | \$ 623,201 | \$ 541,342 |
| 0 | 0 | 0 | 0 | 690,913 | 690,913 | 1,558,393 |
| 0 | 3,638 | 36,351 | 21,664 | 723,531 | 759,882 | 772,890 |
| 0 | 0 | 10,180 | 7,971 | 67,166 | 77,346 | 51,861 |
| 0 | 0 | 4,592 | 3,379 | 0 | 4,592 | 3,379 |
| 0 | 0 | 0 | 0 | 91,889 | 91,889 | 107,394 |
| 0 | 0 | 217 | 13,087 | 99,433 | 99,650 | 96,358 |
| 0 | 0 | 28,014 | 11,715 | 1,317 | 29,331 | 14,091 |
| 0 | 0 | 0 | 0 | 48,050 | 48,050 | 46,665 |
| 0 | 0 | 192,389 | 185,882 | 29,598 | 221,987 | 208,080 |
| 0 | 0 | 167,230 | 167,194 | 115,876 | 283,106 | 276,085 |
| 0 | 1,983 | 1,983 | 2,193 | 0 | 1,983 | 2,193 |
| 0 | 9,238 | 9,238 | 8,594 | 17,401 | 26,639 | 26,782 |
| 0 | 112,816 | 112,816 | 102,464 | 50,517 | 163,333 | 151,461 |
| 0 | 0 | 0 | 0 | 76,019 | 76,019 | 77,034 |
| 0 | 36,461 | 40,894 | 40,803 | 79,225 | 120,119 | 92,728 |
| 0 | 309,290 | 309,315 | 318,120 | 94,877 | 404,192 | 391,683 |
| 0 | 369,197 | 646,147 | 305,751 | 3,559,413 | 4,205,560 | 3,039,762 |
| 0 | 5,141 | 5,141 | 8,316 | 0 | 5,141 | 8,316 |
| 0 | 0 | 1,727 | 2,567 | 68,211 | 69,938 | 65,449 |
| 0 | 847,764 | 2,035,585 | 1,625,009 | 5,967,286 | 8,002,871 | 7,531,946 |
| 986,985 | 0 | 986,985 | 967,067 | 1,545,631 | 2,532,616 | 2,448,481 |
| 0 | 0 | 0 | 0 | 22,596 | 22,596 | 17,721 |
| 0 | 0 | 16,274 | 16,280 | 0 | 16,274 | 16,280 |
| 0 | 0 | 192,359 | 153,365 | 759,851 | 952,210 | 831,188 |
| 0 | 0 | 234,239 | 185,296 | 0 | 234,239 | 185,296 |
| 0 | 0 | 72,151 | 67,862 | 0 | 72,151 | 67,862 |
| 0 | 0 | 598,444 | 613,131 | 0 | 598,444 | 613,131 |
| 0 | 0 | 27,794 | 27,042 | 0 | 27,794 | 27,042 |
| 0 | 0 | 41,564 | 39,199 | 0 | 41,564 | 39,199 |
| 0 | 0 | 46,245 | 56,187 | 13,730,629 | 13,776,874 | 12,661,936 |
| 0 | 0 | 6,501 | 10,720 | 0 | 6,501 | 10,720 |
| 0 | 0 | 931,156 | 886,709 | 0 | 931,156 | 886,709 |
| 0 | 0 | 132,171 | 113,031 | 0 | 132,171 | 113,031 |
| 0 | 0 | 850 | 850 | 772,819 | 773,669 | 850 |
| 0 | 0 | 385,498 | 399,760 | 0 | 385,498 | 399,760 |
| 0 | 0 | 149,859 | 297,361 | 0 | 149,859 | 297,361 |
| 0 | 0 | 0 | 0 | 0 | 0 | 689,610 |
| 0 | 0 | 969,047 | 736,603 | (26,144) | 942,903 | 714,736 |
| 986,985 | 0 | 4,791,137 | 4,570,463 | 16,805,382 | 21,596,519 | 20,020,913 |
| \$ 986,985 | \$ 847,764 | \$ 6,826,722 | \$ 6,195,472 | \$ 22,772,668 | \$ 29,599,390 | \$ 27,552,859 |

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types, Expendable Trust Fund and
Discretely Presented Governmental Component Unit
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Governmental Fund Types | | Fiduciary Fund Type |
|---|----------------------------|---------------------|---|
| | General | Capital Projects | Expendable Trust - Employment Security Commission |
| Revenues | | | |
| Taxes | \$ 5,344,880 | \$ 0 | \$ 67,363 |
| Licenses, Permits and Fees | 181,759 | 0 | 0 |
| Interest and Investment Revenue | 116,649 | 569 | 40,525 |
| Federal Grants | 2,628,479 | 2,047 | 4,277 |
| Sales and Services | 121,276 | 0 | 0 |
| Other | 241,739 | 0 | 1,462 |
| Total Revenues | 8,634,782 | 2,616 | 113,627 |
| Expenditures | | | |
| Current | | | |
| Education | 2,212,851 | 0 | 0 |
| General Government | 769,015 | 0 | 0 |
| Health Services | 336,737 | 0 | 0 |
| Legal and Judiciary | 144,376 | 0 | 0 |
| Museums | 17,609 | 0 | 0 |
| Natural Resources | 247,916 | 0 | 0 |
| Public Safety and Defense | 487,375 | 0 | 0 |
| Regulatory Services | 137,221 | 0 | 0 |
| Social Services | 2,662,169 | 0 | 128,314 |
| Transportation | 160,375 | 0 | 0 |
| Capital Outlay | 742,719 | 7,732 | 0 |
| Debt Service | | | |
| Principal Retirement | 34,996 | 0 | 0 |
| Interest and Fiscal Charges | 33,628 | 0 | 0 |
| Total Expenditures | 7,986,987 | 7,732 | 128,314 |
| Revenues in Excess of (Less Than) Expenditures | 647,795 | (5,116) | (14,687) |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In | 8,258 | 3 | 0 |
| Operating Transfers from Component Units | 33,039 | 361 | 0 |
| Operating Transfers from Primary Government | 0 | 0 | 0 |
| Operating Transfers Out | (15) | (667) | 0 |
| Operating Transfers to Component Units | (883,447) | (1,030) | 0 |
| Bond Proceeds | 312,250 | 0 | 0 |
| Capital Leases and Certificates of Participation | 3,354 | 0 | 0 |
| Sale of General Fixed Assets | 9,879 | 0 | 0 |
| Total Other Financing Sources (Uses) | (516,682) | (1,333) | 0 |
| Revenue and Other Sources in Excess of (Less Than) Expenditures and Other Uses | 131,113 | (6,449) | (14,687) |
| Fund Balances - Beginning of Year (as restated) | 1,699,923 | 14,851 | 613,131 |
| Fund Balances - End of Year | \$ 1,831,036 | \$ 8,402 | \$ 598,444 |

The Notes to the Financial Statements are an integral part of this statement.

| Total Primary Government | | Governmental Component Unit | | Total Reporting Entity | |
|-----------------------------|---------------------|--------------------------------|-------------|---------------------------|---------------------|
| (Memorandum Only) | | Special Indemnity Fund | | (Memorandum Only) | |
| 1999 | 1998 | | | 1999 | 1998 |
| \$ 5,412,243 | \$ 5,280,391 | \$ 0 | \$ 0 | \$ 5,412,243 | \$ 5,280,391 |
| 181,759 | 167,432 | 0 | 0 | 181,759 | 167,432 |
| 157,743 | 156,879 | 0 | 0 | 157,743 | 156,879 |
| 2,634,803 | 2,194,999 | 0 | 0 | 2,634,803 | 2,194,999 |
| 121,276 | 103,006 | 0 | 0 | 121,276 | 103,006 |
| 243,201 | 217,881 | 0 | 0 | 243,201 | 217,881 |
| <u>8,751,025</u> | <u>8,120,588</u> | <u>0</u> | <u>0</u> | <u>8,751,025</u> | <u>8,120,588</u> |
| 2,212,851 | 2,068,407 | 0 | 0 | 2,212,851 | 2,068,407 |
| 769,015 | 837,779 | 0 | 0 | 769,015 | 837,779 |
| 336,737 | 315,167 | 0 | 0 | 336,737 | 315,167 |
| 144,376 | 134,139 | 0 | 0 | 144,376 | 134,139 |
| 17,609 | 8,223 | 0 | 0 | 17,609 | 8,223 |
| 247,916 | 203,394 | 0 | 0 | 247,916 | 203,394 |
| 487,375 | 411,921 | 0 | 0 | 487,375 | 411,921 |
| 137,221 | 142,301 | 22,351 | 0 | 159,572 | 163,909 |
| 2,790,483 | 2,348,719 | 0 | 0 | 2,790,483 | 2,348,719 |
| 160,375 | 216,103 | 0 | 0 | 160,375 | 216,103 |
| 750,451 | 515,933 | 0 | 0 | 750,451 | 515,933 |
| 34,996 | 18,242 | 0 | 0 | 34,996 | 18,242 |
| 33,628 | 21,390 | 0 | 0 | 33,628 | 21,390 |
| <u>8,123,033</u> | <u>7,241,718</u> | <u>22,351</u> | <u>0</u> | <u>8,145,384</u> | <u>7,263,326</u> |
| <u>627,992</u> | <u>878,870</u> | <u>(22,351)</u> | <u>0</u> | <u>605,641</u> | <u>857,262</u> |
| 8,261 | 13,298 | 0 | 0 | 8,261 | 13,298 |
| 33,400 | 34,866 | 0 | 0 | 33,400 | 34,866 |
| 0 | 0 | 18,074 | 0 | 18,074 | 21,047 |
| (682) | (7,101) | 0 | 0 | (682) | (7,101) |
| (884,477) | (819,349) | 0 | 0 | (884,477) | (819,349) |
| 312,250 | 19,960 | 0 | 0 | 312,250 | 19,960 |
| 3,354 | 3,503 | 0 | 0 | 3,354 | 3,503 |
| 9,879 | 4,741 | 0 | 0 | 9,879 | 4,741 |
| <u>(518,015)</u> | <u>(750,082)</u> | <u>18,074</u> | <u>0</u> | <u>(499,941)</u> | <u>(729,035)</u> |
| 109,977 | 128,788 | (4,277) | 0 | 105,700 | 128,227 |
| 2,327,905 | 2,199,117 | (21,867) | 0 | 2,306,038 | 2,177,811 |
| <u>\$ 2,437,882</u> | <u>\$ 2,327,905</u> | <u>\$ (26,144)</u> | <u>\$ 0</u> | <u>\$ 2,411,738</u> | <u>\$ 2,306,038</u> |

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Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1999
(expressed in thousands)

| | Budgetary General Fund | | |
|---|------------------------|--------------------|-------------------|
| | Final Budget | Actual | Variance |
| Revenues | | | |
| Taxes | \$ 4,238,030 | \$ 4,175,359 | \$ (62,671) |
| Licenses, Permits and Fees | 42,647 | 48,593 | 5,946 |
| Interest and Investment Revenue | 104,956 | 100,752 | (4,204) |
| Local Receipts and Reimbursements | 26,172 | 33,373 | 7,201 |
| Other | 27,431 | 19,098 | (8,333) |
| Total Revenues | 4,439,236 | 4,377,175 | (62,061) |
| Expenditures | | | |
| Education | 140,132 | 129,387 | (10,745) |
| General Government | 120,337 | 114,870 | (5,467) |
| Health Services | 175,992 | 170,033 | (5,959) |
| Legal and Judiciary | 104,954 | 101,277 | (3,677) |
| Museums | 7,768 | 7,389 | (379) |
| Natural Resources | 73,953 | 71,821 | (2,132) |
| Public Safety and Defense | 429,024 | 423,765 | (5,259) |
| Regulatory Services | 23,986 | 23,564 | (422) |
| Social Services | 146,226 | 144,361 | (1,865) |
| Total Expenditures | 1,222,372 | 1,186,467 | (35,905) |
| Revenues in Excess of Expenditures | 3,216,864 | 3,190,708 | (26,156) |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In | 155,624 | 538,547 | 382,923 |
| Operating Transfers Out | (1,367,422) | (1,367,422) | 0 |
| Intra Agency Transfers to Continuing Funds | (2,432,584) | (2,432,584) | 0 |
| Total Other Financing Sources (Uses) | (3,644,382) | (3,261,459) | 382,923 |
| Revenue and Other Sources in Excess of Expenditures and Other Uses | (427,518) | (70,751) | 356,767 |
| Budgetary Fund Balance - Beginning of Year | 751,359 | 751,359 | 0 |
| Budgetary Fund Balance - End of Year | \$ 323,841 | \$ 680,608 | \$ 356,767 |

The Notes to the Financial Statements are an integral part of this statement.

Combined Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balances
Proprietary Fund Type, Nonexpendable Trust Funds and
Discretely Presented Proprietary Component Units
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Proprietary Fund Type | Fiduciary Fund Type |
|--|---|-------------------------|
| | Enterprise - Oklahoma Water Resources Board | Nonexpendable Trusts |
| Operating Revenues | | |
| Licenses, Permits and Fees | \$ 0 | \$ 2,181 |
| Sales and Services | 0 | 71 |
| Interest and Investment Revenue | 17,384 | 117,994 |
| Rental Revenue | 0 | 8,838 |
| Sale of Investments | 0 | 762 |
| Other | 0 | 79 |
| Total Operating Revenues | <u>17,384</u> | <u>129,925</u> |
| Operating Expenses | | |
| Operations and Maintenance of Facilities | 0 | 0 |
| Losses and Loss Expense | 0 | 0 |
| Administrative and General Expense | 1,000 | 2,959 |
| Interest Expense | 9,430 | 0 |
| Depreciation Expense | 0 | 0 |
| Benefit Payments and Refunds | 0 | 40,452 |
| Total Operating Expenses | <u>10,430</u> | <u>43,411</u> |
| Operating Income | <u>6,954</u> | <u>86,514</u> |
| Nonoperating Revenues (Expenses) | | |
| Interest and Investment Revenue | 0 | 0 |
| Other Nonoperating Revenues | 32,950 | 0 |
| Interest Expense | 0 | 0 |
| Amortization of Losses and Discounts | 0 | 0 |
| Other Nonoperating Expenses | 0 | 0 |
| Total Nonoperating Revenues (Expenses) | <u>32,950</u> | <u>0</u> |
| Income Before Operating Transfers | 39,904 | 86,514 |
| Operating Transfers In | 12 | 0 |
| Operating Transfers from Primary Government | 0 | 0 |
| Operating Transfers Out | (928) | (6,663) |
| Operating Transfers to Component Units | 0 | (13,899) |
| Operating Transfers to Primary Government | 0 | 0 |
| Costs to be Recovered from Future Revenues | 0 | 0 |
| Net Income | <u>38,988</u> | <u>65,952</u> |
| Retained Earnings/Fund Balances - Beginning of Year (as restated) | <u>169,645</u> | <u>1,038,939</u> |
| Retained Earnings/Fund Balances - End of Year | <u>\$ 208,633</u> | <u>\$ 1,104,891</u> |

The Notes to the Financial Statements are an integral part of this statement.

| Total Primary Government | | Component Units | | Total Reporting Entity | |
|-----------------------------|---------------------|--------------------|---------------------|---------------------------|---------------------|
| (Memorandum Only) | | Proprietary | | (Memorandum Only) | |
| 1999 | 1998 | | | 1999 | 1998 |
| \$ 2,181 | \$ 1,757 | \$ 0 | \$ 0 | \$ 2,181 | \$ 1,757 |
| 71 | 74 | 845,651 | 845,722 | 845,722 | 905,512 |
| 135,378 | 171,040 | 26,053 | 161,431 | 161,431 | 190,372 |
| 8,838 | 8,764 | 0 | 8,838 | 8,838 | 8,764 |
| 762 | 4,849 | 0 | 762 | 762 | 4,849 |
| 79 | 300 | 8,981 | 9,060 | 9,060 | 13,135 |
| <u>147,309</u> | <u>186,784</u> | <u>880,685</u> | <u>1,027,994</u> | <u>1,027,994</u> | <u>1,124,389</u> |
| 0 | 0 | 249,513 | 249,513 | 249,513 | 319,821 |
| 0 | 0 | 118,249 | 118,249 | 118,249 | 128,931 |
| 3,959 | 3,894 | 61,335 | 65,294 | 65,294 | 66,668 |
| 9,430 | 10,878 | 16,329 | 25,759 | 25,759 | 26,910 |
| 0 | 0 | 83,173 | 83,173 | 83,173 | 78,898 |
| <u>40,452</u> | <u>39,826</u> | <u>298,673</u> | <u>339,125</u> | <u>339,125</u> | <u>314,883</u> |
| <u>53,841</u> | <u>54,598</u> | <u>827,272</u> | <u>881,113</u> | <u>881,113</u> | <u>936,111</u> |
| <u>93,468</u> | <u>132,186</u> | <u>53,413</u> | <u>146,881</u> | <u>146,881</u> | <u>188,278</u> |
| 0 | 0 | 149,075 | 149,075 | 149,075 | 157,256 |
| 32,950 | 14,416 | 37,310 | 70,260 | 70,260 | 35,936 |
| 0 | 0 | (132,357) | (132,357) | (132,357) | (117,264) |
| 0 | 0 | (16,999) | (16,999) | (16,999) | (17,439) |
| <u>0</u> | <u>0</u> | <u>(43,267)</u> | <u>(43,267)</u> | <u>(43,267)</u> | <u>(13,446)</u> |
| <u>32,950</u> | <u>14,416</u> | <u>(6,238)</u> | <u>26,712</u> | <u>26,712</u> | <u>45,043</u> |
| <u>126,418</u> | <u>146,602</u> | <u>47,175</u> | <u>173,593</u> | <u>173,593</u> | <u>233,321</u> |
| 12 | 3,500 | 0 | 12 | 12 | 3,500 |
| 0 | 0 | 68,425 | 68,425 | 68,425 | 57,421 |
| (7,591) | (5,937) | 0 | (7,591) | (7,591) | (5,937) |
| (13,899) | (14,171) | 0 | (13,899) | (13,899) | (14,171) |
| 0 | 0 | (32,172) | (32,172) | (32,172) | (30,274) |
| <u>0</u> | <u>0</u> | <u>(1,400)</u> | <u>(1,400)</u> | <u>(1,400)</u> | <u>901</u> |
| <u>104,940</u> | <u>129,994</u> | <u>82,028</u> | <u>186,968</u> | <u>186,968</u> | <u>244,761</u> |
| <u>1,208,584</u> | <u>1,078,590</u> | <u>677,823</u> | <u>1,886,407</u> | <u>1,886,407</u> | <u>1,641,646</u> |
| <u>\$ 1,313,524</u> | <u>\$ 1,208,584</u> | <u>\$ 759,851</u> | <u>\$ 2,073,375</u> | <u>\$ 2,073,375</u> | <u>\$ 1,886,407</u> |

Combined Statement of Cash Flows
Proprietary Fund Type, Nonexpendable Trust Funds and
Discretely Presented Proprietary Component Units
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Proprietary Fund Type | Fiduciary Fund Types |
|---|---|-------------------------|
| | Enterprise - Oklahoma Water Resources Board | Nonexpendable Trusts |
| Cash Flows from Operating Activities | | |
| Operating Income | \$ 6,954 | \$ 86,514 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation Expense | 0 | 0 |
| Amortization (Accretion) and Other Noncash Expenses | (248) | 286 |
| Other | 0 | 0 |
| Reclassification of Investment Income | 0 | (127,893) |
| Net Appreciation in Fair Value | 0 | (19,617) |
| Decrease (Increase) in Assets | | |
| Accounts Receivable | (9,811) | 0 |
| Interest and Investment Revenue Receivable | (379) | 0 |
| Interfund Receivable | 0 | (16) |
| Inventory | 0 | 0 |
| Prepaid Items | 0 | 0 |
| Long-Term Notes Receivable | 0 | 0 |
| Other Current Assets | (13) | 0 |
| Other Noncurrent Assets | 0 | 0 |
| Increase (Decrease) in Liabilities | | |
| Accounts Payable and Accrued Liabilities | 212 | 0 |
| Claims and Judgments | 0 | 0 |
| Interest Payable | 529 | 0 |
| Deferred Revenue | 0 | 8 |
| Other Current Liabilities | 0 | 0 |
| Due to Primary Government | 0 | 0 |
| Other Noncurrent Liabilities | (417) | 0 |
| Net Cash Provided (Used) by Operating Activities | <u>(3,173)</u> | <u>(60,718)</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Proceeds from Bonds and Notes Payable | 76,991 | 0 |
| Federal Grants and Other Contributions | 32,950 | 0 |
| Operating Transfers In | 12 | 0 |
| Operating Transfers from Primary Government | 0 | 0 |
| Operating Transfers Out | (928) | (6,663) |
| Operating Transfers to Component Units | 0 | (13,899) |
| Operating Transfers to Primary Government | 0 | 0 |
| Principal Paid on Bonds and Notes Payable | (21,210) | 0 |
| Other Noncapital Financing Activity | 0 | 0 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>\$ 87,815</u> | <u>\$ (20,562)</u> |

The Notes to the Financial Statements are an integral part of this statement.

| Total Primary Government | | Component Units | | Total Reporting Entity | |
|-----------------------------|------------------|--------------------|-----------|---------------------------|------------------|
| (Memorandum Only) | | Proprietary | | (Memorandum Only) | |
| 1999 | 1998 | | | 1999 | 1998 |
| \$ 93,468 | \$ 132,186 | \$ 53,413 | \$ | 146,881 | \$ 188,278 |
| 0 | 0 | 83,173 | | 83,173 | 78,898 |
| 38 | 1,278 | 1,616 | | 1,654 | 6,458 |
| 0 | 0 | 338 | | 338 | 460 |
| (127,893) | (147,265) | 0 | | (127,893) | (147,265) |
| (19,617) | (42,761) | 0 | | (19,617) | (42,761) |
| (9,811) | 8,258 | 4,339 | | (5,472) | 21,915 |
| (379) | (732) | 618 | | 239 | (1,901) |
| (16) | (20) | 0 | | (16) | (20) |
| 0 | 0 | (2,520) | | (2,520) | 523 |
| 0 | 0 | (773) | | (773) | 125 |
| 0 | 0 | (45,791) | | (45,791) | (33,033) |
| (13) | 0 | 297 | | 284 | 7 |
| 0 | 0 | 3,643 | | 3,643 | 5,886 |
| 212 | 370 | 18,357 | | 18,569 | (9,039) |
| 0 | 0 | (44,723) | | (44,723) | (108,497) |
| 529 | 432 | 28 | | 557 | 228 |
| 8 | 7 | (3,316) | | (3,308) | (14,867) |
| 0 | 0 | 432 | | 432 | 233 |
| 0 | 0 | 1,638 | | 1,638 | 1,471 |
| (417) | 0 | 2,190 | | 1,773 | 913 |
| <u>(63,891)</u> | <u>(48,247)</u> | <u>72,959</u> | | <u>9,068</u> | <u>(51,988)</u> |
| 76,991 | 51,903 | 59,715 | | 136,706 | 62,363 |
| 32,950 | 14,416 | 0 | | 32,950 | 34,886 |
| 12 | 3,500 | 0 | | 12 | 3,500 |
| 0 | 0 | 68,425 | | 68,425 | 57,421 |
| (7,591) | (4,964) | 0 | | (7,591) | (4,964) |
| (13,899) | (14,171) | 0 | | (13,899) | (14,171) |
| 0 | (973) | (32,172) | | (32,172) | (31,247) |
| (21,210) | (9,855) | (18,557) | | (39,767) | (28,510) |
| 0 | 0 | (639) | | (639) | 416 |
| <u>\$ 67,253</u> | <u>\$ 39,856</u> | <u>\$ 76,772</u> | <u>\$</u> | <u>144,025</u> | <u>\$ 79,694</u> |

(continued)

Combined Statement of Cash Flows
Proprietary Fund Type, Nonexpendable Trust Funds and
Discretely Presented Proprietary Component Units
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

(continued)

| | Proprietary Fund Type | Fiduciary Fund Types |
|---|---|-------------------------|
| | Enterprise - Oklahoma Water Resources Board | Nonexpendable Trusts |
| Cash Flows from Capital and Related Financing Activities | | |
| Proceeds from Bonds and Notes Payable | \$ 0 | \$ 0 |
| Payments for Acquisitions of Fixed Assets | 0 | 0 |
| Principal Paid on Bonds, Notes, and Capital Leases | 0 | 0 |
| Interest Paid on Bonds, Notes, and Capital Leases | 0 | 0 |
| Increase in Payable Under Security Lending Agreement | 0 | 0 |
| Other Capital and Related Financing Activity | 0 | 0 |
| Net Cash (Used) by Capital and Related Financing Activities | 0 | 0 |
| Cash Flows from Investing Activities | | |
| Interest and Investment Revenue | 0 | 98,377 |
| Fees Paid Under Security Lending Agreement | 0 | 0 |
| Increase in Security Lending Investment Pool | 0 | 0 |
| Proceeds from Sale and Maturity of Investments | (42,821) | 558,085 |
| Principal Received from Notes Receivable | 38,979 | 345 |
| Payments to Purchase Investments | 0 | (575,743) |
| Payments to Issue Notes Receivable | (79,190) | 0 |
| Net Cash Provided (Used) by Investing Activities | (83,032) | 81,064 |
| Net Increase (Decrease) in Cash/Cash Equivalents | 1,610 | (216) |
| Cash/Cash Equivalents - Beginning of Year | 84,601 | 41,873 |
| Cash/Cash Equivalents - Fiduciary Activities | 0 | 0 |
| Cash/Cash Equivalents - End of Year | \$ 86,211 | \$ 41,657 |

Reconciliation of Cash/Cash Equivalents to Combined Balance Sheet

Cash/Cash Equivalents per Combining Balance Sheets:

| | |
|---------------------------------|------------|
| Expendable Trusts | \$ 595,308 |
| Nonexpendable Trusts | 41,657 |
| Investment Trust | 6,475 |
| Pension Trusts | 0 |
| Agency Funds | 143,736 |
| Governmental Component Unit | |
| Proprietary Component Units | |
| Fiduciary Component Units | |
| Higher Education Component Unit | |
| Total | \$ 787,176 |

The Notes to the Financial Statements are an integral part of this statement.

| Total Primary Government | | Component Units | | Total Reporting Entity | |
|-----------------------------|------------|--------------------|-------------|---------------------------|------|
| (Memorandum Only) | | Proprietary | | (Memorandum Only) | |
| 1999 | 1998 | | | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 681,118 | \$ 681,118 | \$ 634 | |
| 0 | 0 | (87,073) | (87,073) | (49,434) | |
| 0 | 0 | (62,533) | (62,533) | (59,988) | |
| 0 | 0 | (113,315) | (113,315) | (116,433) | |
| 0 | 0 | (67,537) | (67,537) | (62,748) | |
| 0 | 0 | 854 | 854 | 297 | |
| 0 | 0 | 351,514 | 351,514 | (287,672) | |
| 98,377 | 110,981 | 88,355 | 186,732 | 205,668 | |
| 0 | 0 | (7,476) | (7,476) | (12,149) | |
| 0 | 0 | 67,537 | 67,537 | 62,748 | |
| 515,264 | 472,346 | 1,677,692 | 2,192,956 | 2,046,123 | |
| 39,324 | 42,317 | 5,940 | 45,264 | 49,399 | |
| (575,743) | (487,477) | (2,276,580) | (2,852,323) | (1,949,455) | |
| (79,190) | (83,936) | (12,973) | (92,163) | (93,254) | |
| (1,968) | 54,231 | (457,505) | (459,473) | 309,080 | |
| 1,394 | 45,840 | 43,740 | 45,134 | 49,114 | |
| 126,474 | 80,634 | 142,872 | 269,346 | 220,232 | |
| 0 | 0 | 170 | 170 | 109 | |
| \$ 127,868 | \$ 126,474 | \$ 186,782 | \$ 314,650 | \$ 269,455 | |

\$ 53
 186,782
 378,879
 427,646
\$ 993,360

Combined Statement of Changes in Plan Net Assets
Investment Trust Fund, Pension Trust Fund and
Discretely Presented Fiduciary Component Units
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Investment Trust | Pension Trust Fund Wildlife Conservation Retirement Plan |
|---|------------------|---|
| Additions | | |
| Contributions | | |
| Employer Contributions | \$ 0 | \$ 1,200 |
| Employee Contributions | 0 | 327 |
| Other Contributions | 11,414 | 0 |
| Total Contributions | <u>11,414</u> | <u>1,527</u> |
| Investment Income | | |
| Net Appreciation in Fair Value of Investments | 0 | 3,362 |
| Investment and Interest Revenue | 299 | 350 |
| | <u>299</u> | <u>3,712</u> |
| Less Investment Expense | 0 | 0 |
| Net Investment Income | <u>299</u> | <u>3,712</u> |
| Other Revenue | 0 | 0 |
| Total Additions | <u>11,713</u> | <u>5,239</u> |
| Deductions | | |
| Administrative and General Expenses | 0 | 369 |
| Payments and Refunds | 15,932 | 14,812 |
| Total Deductions | <u>15,932</u> | <u>15,181</u> |
| Net Increase | (4,219) | (9,942) |
| Net Assets Held in Trust | | |
| Beginning of Year (as restated) | 10,720 | 56,187 |
| End of Year | <u>\$ 6,501</u> | <u>\$ 46,245</u> |

| Total Primary Government (Memorandum Only) | | Component Units Fiduciary Funds Pension Trusts | | Total Primary Government (Memorandum Only) | |
|--|------------------|---|--|--|----------------------|
| 1999 | 1998 | | | 1999 | 1998 |
| \$ 1,200 | \$ 1,500 | \$ 322,452 | | \$ 323,652 | \$ 308,992 |
| 327 | 326 | 267,387 | | 267,714 | 221,634 |
| 11,414 | 22,926 | 188,974 | | 200,388 | 271,424 |
| <u>12,941</u> | <u>24,752</u> | <u>778,813</u> | | <u>791,754</u> | <u>802,050</u> |
| 3,362 | 6,349 | 915,465 | | 918,827 | 1,747,782 |
| 649 | 1,796 | 427,668 | | 428,317 | 396,987 |
| <u>4,011</u> | <u>8,145</u> | <u>1,343,133</u> | | <u>1,347,144</u> | <u>2,144,769</u> |
| 0 | 0 | 81,845 | | 81,845 | 64,800 |
| <u>4,011</u> | <u>8,145</u> | <u>1,261,288</u> | | <u>1,265,299</u> | <u>2,079,969</u> |
| 0 | 0 | 0 | | 0 | 1,700 |
| <u>16,952</u> | <u>32,897</u> | <u>2,040,101</u> | | <u>2,057,053</u> | <u>2,883,719</u> |
| 369 | 416 | 7,629 | | 7,998 | 9,237 |
| 30,744 | 25,420 | 907,592 | | 938,336 | 840,004 |
| <u>31,113</u> | <u>25,836</u> | <u>915,221</u> | | <u>946,334</u> | <u>849,241</u> |
| (14,161) | 7,061 | 1,124,880 | | 1,110,719 | 2,034,478 |
| <u>66,907</u> | <u>59,846</u> | <u>12,605,749</u> | | <u>12,672,656</u> | <u>10,638,178</u> |
| <u>\$ 52,746</u> | <u>\$ 66,907</u> | <u>\$ 13,730,629</u> | | <u>\$ 13,783,375</u> | <u>\$ 12,672,656</u> |

The Notes to the Financial Statements are an integral part of this statement.

Combined Statement of Changes in Fund Balances
Component Unit - Higher Education Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Current Funds | |
|--|-------------------|------------------|
| | Unrestricted | Restricted |
| Revenues and Other Additions | | |
| Unrestricted Current Fund Revenues | \$ 835,334 | \$ 0 |
| Endowment Income | 0 | 3,737 |
| Federal Grants and Contracts | 0 | 275,534 |
| State and Local Grants and Contracts | 0 | 44,910 |
| Private Gifts, Grants and Contracts | 0 | 83,781 |
| Auxiliary Enterprises | 0 | 3,721 |
| Investment and Interest Revenue | 0 | 3,920 |
| Retirement of Indebtedness | 0 | 0 |
| Expended for Plant Facilities | 0 | 0 |
| Bond Proceeds | 0 | 0 |
| Other | 0 | 2,064 |
| Total Revenues and Other Additions | 835,334 | 417,667 |
| Expenditures and Other Deductions | | |
| Education and General Expenditures | 1,137,356 | 415,132 |
| Auxiliary Enterprises | 236,215 | 30 |
| Professional Practice Plans and Clinics | 128,586 | 0 |
| Expended for Plant Facilities | 0 | 0 |
| Indirect Cost Recoveries | 0 | 23,372 |
| Cancellation of Student Loans | 0 | 0 |
| Administrative and Collection Costs | 0 | 0 |
| Interest on Indebtedness | 0 | 0 |
| Retirement of Equipment | 0 | 0 |
| Retirement of Indebtedness | 0 | 0 |
| Disposal of Plant Facilities | 0 | 0 |
| Depreciation and Amortization | 0 | 0 |
| Other | 0 | 171 |
| Total Expenditures and Other Deductions | 1,502,157 | 438,705 |
| Transfers Among Funds - Additions (Deductions) | | |
| Mandatory Transfers | | |
| Principal and Interest | (16,324) | (1) |
| Loan Fund Matching Grant | (468) | 126 |
| Other | 1,850 | (1,850) |
| Nonmandatory | (17,337) | (181) |
| Operating Transfers from Primary Government | 730,108 | 31,814 |
| Total Transfers Among Funds | 697,829 | 29,908 |
| Net Increase in Fund Balances | 31,006 | 8,870 |
| Fund Balances - Beginning of Year (as restated) | 295,333 | 75,552 |
| Fund Balances - End of Year | \$ 326,339 | \$ 84,422 |

The Notes to the Financial Statements are an integral part of this statement.

| Loan Funds | Endowment Funds | Plant Funds | Total (Memorandum Only) | |
|------------------|-------------------|---------------------|----------------------------|---------------------|
| | | | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 0 | \$ 835,334 | \$ 771,943 |
| 0 | 0 | 0 | 3,737 | 1,735 |
| 824 | 0 | 717 | 277,075 | 248,821 |
| 0 | 0 | 3,883 | 48,793 | 53,176 |
| 101 | 5,785 | 14,124 | 103,791 | 96,789 |
| 0 | 0 | 0 | 3,721 | 65 |
| 1,289 | 18,582 | 7,995 | 31,786 | 35,213 |
| 0 | 0 | 16,978 | 16,978 | 8,823 |
| 0 | 0 | 178,836 | 178,836 | 159,515 |
| 0 | 0 | 3,406 | 3,406 | 0 |
| 1,601 | 1,051 | 11,678 | 16,394 | 20,638 |
| <u>3,815</u> | <u>25,418</u> | <u>237,617</u> | <u>1,519,851</u> | <u>1,396,718</u> |
| 25 | 9,279 | 0 | 1,561,792 | 1,442,665 |
| 0 | 0 | 0 | 236,245 | 238,734 |
| 0 | 0 | 0 | 128,586 | 106,920 |
| 0 | 0 | 100,644 | 100,644 | 84,482 |
| 0 | 0 | 0 | 23,372 | 20,642 |
| 2,169 | 0 | 2,305 | 4,474 | 1,909 |
| 53 | 0 | 0 | 53 | 24 |
| 0 | 0 | 14,143 | 14,143 | 10,824 |
| 0 | 0 | 5,128 | 5,128 | 3,904 |
| 0 | 0 | 21,751 | 21,751 | 19,958 |
| 0 | 0 | 14,900 | 14,900 | 8,363 |
| 0 | 0 | 52,087 | 52,087 | 50,903 |
| 1,602 | 46 | 8,102 | 9,921 | 7,655 |
| <u>3,849</u> | <u>9,325</u> | <u>219,060</u> | <u>2,173,096</u> | <u>1,996,983</u> |
| 0 | 0 | 16,476 | 151 | 147 |
| 231 | 0 | 308 | 197 | (357) |
| 0 | 0 | 0 | 0 | 0 |
| (26) | (45) | 17,085 | (504) | 0 |
| 0 | 13,000 | 25,905 | 800,827 | 735,542 |
| <u>205</u> | <u>12,955</u> | <u>59,774</u> | <u>800,671</u> | <u>735,332</u> |
| 171 | 29,048 | 78,331 | 147,426 | 135,067 |
| <u>50,671</u> | <u>166,731</u> | <u>1,582,737</u> | <u>2,171,024</u> | <u>2,035,957</u> |
| <u>\$ 50,842</u> | <u>\$ 195,779</u> | <u>\$ 1,661,068</u> | <u>\$ 2,318,450</u> | <u>\$ 2,171,024</u> |

Combined Statement of Current Funds, Revenues,
Expenditures and Other Changes
Component Unit - Higher Education Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Current Funds | | Total Current Funds | |
|---|-------------------|----------------|---------------------|-------------------|
| | Unrestricted | Restricted | 1999 | 1998 |
| Revenues | | | | |
| Tuition and Fees | \$ 274,277 | \$ 0 | \$ 274,277 | \$ 268,518 |
| Federal Appropriations | 9,088 | 0 | 9,088 | 9,963 |
| Federal Grants and Contracts | 19,398 | 262,571 | 281,969 | 255,845 |
| State and Local Grants and Contracts | 9,954 | 36,480 | 46,434 | 47,119 |
| Private Gifts, Grants and Contracts | 41,705 | 73,399 | 115,104 | 97,377 |
| Investment and Interest Revenue | 2,906 | 2,748 | 5,654 | 3,625 |
| Endowment Income | 2,746 | 4,024 | 6,770 | 6,027 |
| Sales and Services | | | | |
| Educational Department | 21,474 | 0 | 21,474 | 20,514 |
| Auxiliary Enterprises | 240,545 | 3,720 | 244,265 | 230,924 |
| Professional Practice Plans and Clinics | 140,618 | 0 | 140,618 | 116,582 |
| Other Sources | 72,623 | 2,207 | 74,830 | 67,617 |
| Total Revenues | 835,334 | 385,149 | 1,220,483 | 1,124,111 |
| Expenditures and Mandatory Transfers | | | | |
| Educational and General | | | | |
| Instruction | 538,728 | 42,365 | 581,093 | 554,330 |
| Research | 61,107 | 101,036 | 162,143 | 149,746 |
| Public Service | 43,515 | 62,219 | 105,734 | 97,884 |
| Academic Support | 144,560 | 2,206 | 146,766 | 134,554 |
| Student Services | 59,930 | 51,928 | 111,858 | 91,314 |
| Institutional Support | 134,960 | 9,640 | 144,600 | 119,623 |
| Operation/Maintenance of Plant | 108,533 | 50 | 108,583 | 104,329 |
| Scholarships and Fellowships | 46,023 | 145,688 | 191,711 | 182,395 |
| Education and General Expenditures | 1,137,356 | 415,132 | 1,552,488 | 1,434,175 |
| Mandatory Transfers | | | | |
| Principal and Interest | 6,040 | 1 | 6,041 | 6,101 |
| Loan Fund Matching Grant | 342 | (126) | 216 | 244 |
| Other | (1,850) | 1,850 | 0 | 0 |
| Total Education and General | 1,141,888 | 416,857 | 1,558,745 | 1,440,520 |
| Auxiliary Enterprises | | | | |
| Mandatory Transfers | | | | |
| Principal and Interest | 10,284 | 0 | 10,284 | 9,024 |
| Loan Fund Matching Grant | 126 | 0 | 126 | 366 |
| Total Auxiliary Enterprises | \$ 246,625 | \$ 30 | \$ 246,655 | \$ 248,124 |

The Notes to the Financial Statements are an integral part of this statement.

| | Current Funds | | Total Current Funds | |
|---|------------------|-----------------|---------------------|------------------|
| | Unrestricted | Restricted | 1999 | 1998 |
| Professional Practice Plans and Clinics | \$ 128,586 | \$ 0 | \$ 128,586 | \$ 106,920 |
| Mandatory Transfers | 0 | 0 | 0 | 3 |
| Total Professional Practice Plans and Clinics | 128,586 | 0 | 128,586 | 106,923 |
| Total Expenditures and Mandatory Transfers | 1,517,099 | 416,887 | 1,933,986 | 1,795,567 |
| Other Transfers and Additions (Deductions) | | | | |
| Restricted Receipts in Excess of | | | | |
| Transfers to Revenues | 0 | 9,146 | 9,146 | 12,759 |
| Refunded to Grantors | 0 | (171) | (171) | (133) |
| Nonmandatory | (17,336) | (181) | (17,517) | (9,150) |
| Operating Transfers from Primary Government | 730,107 | 31,814 | 761,921 | 699,812 |
| Other Transfers and Additions, Net | 712,771 | 40,608 | 753,379 | 703,288 |
| Net Increase in Fund Balances | \$ 31,006 | \$ 8,870 | \$ 39,876 | \$ 31,832 |

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Notes to the Financial Statements

Notes to the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1999

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Oklahoma (the "State") have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements of the Higher Education Component Unit are based on the American Institute of Certified Public Accountants College Guide model.

The accompanying financial statements present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary and nonexpendable trust funds. The financial statements are presented as of June 30, 1999, and for the year then ended. The financial statements include the various agencies, boards, commissions, public trusts and authorities and any other organizational units governed by the Oklahoma State Legislature and/or Constitutional Officers of the State of Oklahoma.

A. Reporting Entity

The State has considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State. Local school districts (the State's support of the public education system is reported in the General Fund) and other local authorities of various kinds that may meet only one of the criteria for inclusion in this report have not been included.

As required by generally accepted accounting principles, these financial statements present the State of Oklahoma (the primary government) and its component units.

Discrete Component Units

These component units are entities which are legally separate from the State, but are financially accountable to the State, or whose relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units columns of the combined financial statements include the financial data of the following entities.

Governmental Component Unit

A separately issued independent audit report may be obtained from the Office of State Finance, 2300 North Lincoln Blvd., Suite 122, Oklahoma City, Oklahoma 73105, or the component unit's office at the address presented on the description page of the combining financial statement section of this report.

Special Indemnity Fund provides additional compensation to a worker with a pre-existing injury who suffers a second injury. The State can impose its will on the Fund by its ability to remove management at will. The Fund was audited by other independent auditors for the period ended December 31, 1998, and their report, dated February 26, 1999, has been previously issued under separate cover.

Proprietary Component Units

Separately issued independent audit reports may be obtained from the Office of State Finance, 2300 North Lincoln Blvd., Suite 122, Oklahoma City, Oklahoma 73105, or the respective proprietary component units at the addresses presented on the description page of the combining financial statement section of this report.

Oklahoma Industrial Finance Authority assists with the State's industrial development by making loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. These loans are secured by first or second mortgages on real estate and equipment. The Authority's loans are financed by issuance of general obligation bonds. The Board of Directors is comprised of seven members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 28, 1999, has been previously issued under separate cover.

Health Insurance High Risk Pool (HIHRP) provides health insurance to individuals who are unable to obtain coverage from independent insurers. HIHRP is financed by assessments levied on independent insurers. The Board consists of nine members appointed by the Insurance Commissioner. The State can impose its will on the Pool by its ability to modify the decisions of the Board. The Pool was audited by other independent auditors for the year ended June 30, 1999, and their report, dated October 22, 1999, has been previously issued under separate cover.

State Insurance Fund (SIF) provides a source for workers' compensation insurance for all public and private employers within the state and operates similarly to an insurance company. SIF is financed through employer premiums. The Board of Managers is comprised of nine members: The Director of State Finance, the Lieutenant Governor, the State Auditor (or their designees), the Director of Central Services, and appointees by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The State can impose its will on the Fund by its ability to remove board members at will. The Fund was audited by other independent auditors for the year ended December 31, 1998, and their report, dated February 24, 1999, has been previously issued under separate cover.

State and Education Employees Group Insurance Board provides group health, life, dental, disability and other benefits to active employees and retirees of the State and certain other eligible participants. The Board is financed through employer and employee premiums. The Board consists of eight members: the State Insurance Commissioner, the Director of State Finance, and appointees by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. A financial benefit/burden relationship exists between the State and the Board. The Board was audited by other independent auditors for the year ended June 30, 1999, and their report, dated October 15, 1999, has been previously issued under separate cover.

Oklahoma Student Loan Authority provides loan funds to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations. The Authority is composed of five members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 17, 1999, has been previously issued under separate cover.

University Hospitals Authority consists of The University Hospital and Children's Hospital of Oklahoma, and their related clinics and other services. The Authority is affiliated with the University of Oklahoma Health Sciences Center whose medical school residents and staff provide patient care, in-service education, and certain administrative duties for the benefit of the Authority. The Authority is governed by a six-member board consisting of appointees of the Governor, Speaker of the House of Representatives, and the President

Pro Tempore of the Senate, and officials from the state Medicaid Program, the University of Oklahoma Health Sciences Center and the Authority. A financial benefit/burden relationship exists between the State and the Authority. The Authority was audited by other independent auditors for the year ended June 30, 1999, and their report, dated August 13, 1999, has been previously issued under separate cover.

Medical Technology and Research Authority is authorized to promote and assist the development of medical technology and research benefiting the citizens of Oklahoma. The Authority obtains funds through parking revenue, lease revenue, and other services. The Authority is directed by an eight-member board. The two ex officio members include the President of the University of Oklahoma and the Chief Executive Officer of The University Hospitals, or their designees. Of the remaining members, two are appointed by the Governor and one is appointed by each of the following: Speaker of the House of Representatives, President Pro Tempore of the Senate, President of the University of Oklahoma and the Director of the Department of Human Services. The State can impose its will on the Authority by its ability to modify or approve the Authority's fee changes. The Authority was audited by the State Auditor and Inspector for the year ended June 30, 1999, and their report, dated August 16, 1999, has been previously issued under separate cover.

Oklahoma Development Finance Authority provides financing for both public and private entities in the state. The Authority obtains funds through the issuance of bonds and notes. Private entities qualifying for financing are generally agricultural, civic, educational, health care, industrial, or manufacturing enterprises. Financing is also provided to governmental agencies and instrumentalities of the State. The Governing Board is comprised of seven members, of which five are appointed by the Governor, with the advice and consent of the Senate, plus the Director of the Department of Commerce and the State Treasurer. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 10, 1999, has been previously issued under separate cover.

Oklahoma Environmental Finance Authority provides public and private entities financing for facilities necessary or useful to abate, control, and reduce air and water pollution. The Authority obtains funds through the issuance of bonds and notes. The three Trustees of the Authority are appointed by the Governor. The State can impose its will on the Authority by its ability to remove trustees at will. The Authority was audited by other independent auditors for the year ended June 30, 1999, and their report, dated August 10, 1999, has been previously issued under separate cover.

Oklahoma Housing Finance Agency is authorized to issue revenue bonds and notes in order to provide funds to promote the development of residential housing and other economic development for the benefit of citizens. In addition, the Agency administers Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development. The Board of Trustees consists of five members appointed by the Governor. The State can impose its will on the Authority by its ability to veto or modify the Agency's decisions. The Agency was audited by other independent auditors for the year ended September 30, 1998, and their report, dated December 8, 1998, has been previously issued under separate cover.

Oklahoma Turnpike Authority constructs, maintains, repairs, and operates turnpike projects at locations authorized by the Legislature and approved by the State Department of Transportation. The Authority receives its revenues from turnpike tolls and a percentage of turnpike concession sales. The Authority issues revenue bonds to finance turnpike projects. The Authority consists of the Governor and six members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended December 31, 1998, and their report, dated March 19, 1999, has been previously issued under separate cover.

Grand River Dam Authority controls the waters of the Grand River system to develop and generate water power and electric energy, and to promote irrigation, conservation and development of natural resources. The Authority produces and distributes electrical power for sale to customers primarily located in northeastern

Oklahoma. The customers consist of rural electric cooperatives, municipalities, industries and off-system sales. The Board of Directors consists of seven members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended December 31, 1998, and their report, dated March 5, 1999, has been previously issued under separate cover.

Oklahoma Municipal Power Authority provides a means for the municipal electric systems in the state to jointly plan, finance, acquire, and operate electrical power supply facilities. Facilities are financed through the issuance of revenue bonds, which are approved by the State's Bond Oversight Commission. Exclusion of the component unit would cause the State's financial statements to be misleading or incomplete. The Authority was audited by other independent auditors for the year ended December 31, 1998, and their report, dated March 29, 1999, has been previously issued under separate cover.

Fiduciary Component Units

Separately issued independent audit reports may be obtained from the Office of State Finance, 2300 North Lincoln Blvd., Suite 122, Oklahoma City, Oklahoma 73105, or the respective fiduciary component units at the addresses presented on the description page of the combining financial statement section of this report.

The six Public Employee Retirement Systems (PERS) administer pension funds for the State and its political subdivisions. The six PERS are subject to state legislative and executive controls and the administrative expenses are subject to legislative budget controls.

Oklahoma Firefighters Pension and Retirement System provides retirement benefits for municipal firefighters. The System is administered by a board comprised of thirteen members: The President of the Professional Fire Fighters of Oklahoma, the President of the Oklahoma State Retired Fire Fighters Association, the State Insurance Commissioner, the Director of State Finance (or their designees), the five members of the Board of Trustees of the Oklahoma Firefighters Association, and appointees by the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the President of the Oklahoma Municipal League. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated August 19, 1999, has been previously issued under separate cover.

Oklahoma Law Enforcement Retirement System provides retirement benefits for qualified law enforcement officers. The System is administered by a board comprised of thirteen members: The Assistant Commissioner of Public Safety, the Director of State Finance (or his designee), members of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, and the Alcoholic Beverage Laws Enforcement Commission, and appointees by the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 16, 1999, has been previously issued under separate cover.

Oklahoma Public Employees Retirement System administers the Oklahoma Public Employee Retirement Plan which provides retirement benefits for state, county and local employees. The board is comprised of thirteen members: The Chairman of the Corporation Commission, the Administrator of the Office of Personnel Management, the State Insurance Commissioner, the Director of State Finance (or their designees), a member of the State Tax Commission, and appointees by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 3, 1999, has been previously issued under separate cover.

Uniform Retirement System for Justices and Judges is administered by the Oklahoma Public Employee Retirement System and provides retirement benefits for justices and judges. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated September 3, 1999, has been previously issued under separate cover.

Oklahoma Police Pension and Retirement System provides retirement benefits for police officers employed by participating municipalities. The System is administered by a board comprised of thirteen members: Seven members elected from the seven Districts, the Director of State Finance, the State Insurance Commissioner (or their designees) and appointees by the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, and the President of the Oklahoma Municipal League. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated August 27, 1999, has been previously issued under separate cover.

Teachers' Retirement System of Oklahoma provides retirement allowances and benefits for qualified persons employed by state-supported educational institutions. The System is administered by a board consisting of the Superintendent of Public Instruction, the Director of the State Department of Vocational and Technical Education, the Director of State Finance (or their designees), and appointees by the Governor, with the advice and consent of the Senate, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives. The System was audited by other independent auditors for the year ended June 30, 1999, and their report, dated August 20, 1999, has been previously issued under separate cover.

Higher Education Component Unit

Separately issued independent audit reports for each college, university, or other included entity may be obtained from the Office of State Finance, 2300 North Lincoln Blvd., Suite 122, Oklahoma City, Oklahoma 73105.

This component unit is primarily comprised of the twenty-five colleges and universities that are members of the Oklahoma State System of Higher Education (the "System"). Each institution in the System is governed by a Board of Regents. The Boards of Regents consist of five to ten members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on each institution by its ability to modify and approve their budget and its ability to approve fee changes. The colleges and universities are funded through state appropriations, tuition, federal grants, and private donations and grants. Also included in the Higher Education Component Unit are the following entities.

Board of Regents of Oklahoma Colleges has legislative powers and duties to manage, supervise, and control operation of the six regional state universities which are the University of Central Oklahoma, East Central University, Northeastern State University, Northwestern Oklahoma State University, Southeastern Oklahoma State University, and Southwestern Oklahoma State University. The Board consists of nine members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Board of Regents by its ability to modify and approve their budget.

Oklahoma State Regents for Higher Education serves as the coordinating board of control for the System. The Board of Regents for Higher Education consists of nine members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the State Regents for Higher Education by its ability to modify and approve their budget.

Ardmore Higher Education Program and **McCurtain County Higher Education Program** were established to make higher education available to those persons who might otherwise not be able to attend an institution of higher learning. Students enrolled in the Programs earn credit applicable toward academic degrees and certificates at participating institutions in the System. Each Program is administered by a Board of Trustees who are appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Programs by its ability to modify and approve their budget.

Rose State College Technical Area Education District, **South Oklahoma City Area School District**, and **Tulsa Community College Area School District #18** were created to provide postsecondary vocational, technical, and adult education programs for persons within their defined geographical boundaries. The primary source of operating funds is ad valorem taxes assessed against real property located in their districts. The

Districts are component units of Rose State College, Oklahoma City Community College, and Tulsa Community College, respectively.

The entities included in the Higher Education Component Unit were audited by independent auditors, for the year ended June 30, 1999, and reports dated from August 19, 1999, to November 4, 1999, have been previously issued under separate cover. Because these entities are similar in nature and function, they have been combined and presented as a single component unit.

Related Organizations and Related Parties

Organizations for which a primary government is accountable because the State appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The Oklahoma Ordinance Works Authority (OOWA) is a related organization of the State. The State appoints a voting majority of the Trustees of OOWA but has no further accountability.

Oklahoma Education Television Authority Foundation, Inc. is a non-profit organization established to receive private donations and contributions that could be used for the benefit of the Oklahoma Education Television Authority (OETA), a part of the primary government. The Foundation does not meet the definition of a component unit but is considered a related party of OETA. During the fiscal year ended June 30, 1999, the foundation disbursed approximately \$4,000,000 for the benefit of OETA.

The colleges and universities included in the Higher Education Component Unit have various foundations organized for the purpose of receiving and administering gifts intended for the benefit of their respective college or university. These foundations do not meet the definition of a component unit but are considered a related party of the college or university. During the fiscal year ended June 30, 1999, these foundations expended, on-behalf of the State's colleges and universities, approximately \$61,259,000 for facilities and equipment, salary supplements, general educational assistance, faculty awards, and scholarships.

B. Fund Accounting

The financial activities of the State are recorded in individual Funds classified by type, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A Fund is a separate accounting entity with a self-balancing set of accounts. An Account Group is a financial reporting device designed to provide accountability for assets and liabilities that are not recorded in Funds because they do not directly affect net expendable available financial resources.

The financial activities of the State reported in the accompanying financial statements have been classified into the following fund types and account groups.

1. Governmental Fund Types

General Fund - This Fund accounts for all activities of the State not specifically required to be accounted for in other Funds. Included are transactions for services such as education, general government, health services, legal and judiciary, museums, natural resources, public safety and defense, regulatory services, social services, and transportation. Debt service transactions and related cash balances are reported in the General Fund with a reservation of fund balance for debt service.

Capital Projects Fund - This Fund accounts for financial resources used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds, similar trust funds, or higher education funds. These resources are derived from proceeds of the general obligation bonds issued on March 9, 1993, and July 21, 1993.

2. Proprietary Fund Type

Enterprise Fund - This Fund accounts for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to the general public, or where sound financial management dictates that periodic determinations of results of operations are appropriate. This Fund is comprised of Oklahoma Water Resources Board bond issues and revolving loan programs. These programs make loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems.

3. Fiduciary Fund Types

The State presents as Fiduciary Funds those activities that account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other Funds.

Nonexpendable Trust Funds - These Funds require that the principal of the trusts be preserved intact. Only the earnings of the Funds are expendable. They account for trust transactions, assets, liabilities, and fund equity of the Commissioners of the Land Office and the Department of Wildlife Conservation.

Expendable Trust Fund - This Fund allows for the spending of both the principal and earnings of the Trust. The Fund accounts for assets received and expended by the Oklahoma Employment Security Commission, from the Federal Unemployment Insurance Trust Fund.

Investment Trust Fund - This Fund accounts for the transactions, assets, liabilities and fund equity of the external investment pool.

Pension Trust Fund - This Fund accounts for the transactions, assets, liabilities, and fund equity of the Wildlife Conservation Retirement Plan.

Agency Funds - These Funds account for the assets held for distribution by the State as an agent for other governmental units, other organizations or individuals.

4. Account Groups

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets acquired or constructed for general governmental purposes other than those of the proprietary, similar trust funds, governmental component units, proprietary component units, or higher education fund types.

General Long-Term Debt Account Group - This group of accounts is used to account for unmatured general obligation bonds, revenue bonds, certificates of participation, lease revenue bonds, capital lease obligations, employee leave obligations, and other long-term obligations not recorded in proprietary, similar trust funds, governmental component units, proprietary component units, or higher education fund types.

5. Component Units

These Funds are legally separate from the State but are considered part of the reporting entity.

Governmental Funds - These Funds meet the definition of a component unit as previously described.

Special Revenue Funds - These funds are used to account for transactions in which the source of revenue is specific (other than expendable trust), the funds require separate accounting because of the legal restriction, and the purpose of the expenditure is specific.

Proprietary Funds - These Funds meet the definition of both a component unit and that of an enterprise fund as previously described.

Fiduciary Funds – These Funds meet the definition of a component unit and account for the transactions, assets, liabilities, and fund equity of the six Public Employee Retirement Systems (PERS).

Higher Education Funds - These Funds account for transactions related to the resources received and used in the operation of the State's colleges and universities.

Current Funds - These Funds account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds that may be utilized in accordance with externally restricted purposes.

Loan, Endowment, and Agency Funds - These Funds account for assets in which the colleges and universities act in a fiduciary capacity.

Plant Funds - These Funds account for institutional property acquisition, renewal, replacement, and debt service.

Financial Statement Reporting Periods

The accompanying financial statements of the State are presented as of June 30, 1999, and for the year then ended, except for the following funds and entities which were audited by other independent auditors.

| | |
|------------------------------------|----------|
| Special Indemnity Fund | 12-31-98 |
| State Insurance Fund | 12-31-98 |
| Oklahoma Turnpike Authority | 12-31-98 |
| Grand River Dam Authority | 12-31-98 |
| Oklahoma Municipal Power Authority | 12-31-98 |
| Oklahoma Housing Finance Agency | 9-30-98 |

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental funds, the expendable trust fund and the governmental component unit are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (e.g., revenues and other financing sources) and decreases (e.g., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, investment trust funds, pension trust funds and proprietary and fiduciary component units are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government enterprise fund has elected to not apply FASBs issued after the applicable date. Each proprietary component unit has individually made this election as disclosed in their separate audit reports.

All capital project funds and proprietary component units account for arbitrage rebate payable as a liability of the fund. The increase in the obligation has been recorded as a reduction of current year interest income.

All governmental funds, expendable trust and agency funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and related current assets are recognized when measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year when such revenues are susceptible to accrual; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods and services. Principal revenue sources considered susceptible to accrual include federal grants,

interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the State's present appropriation system. These revenues have been accrued in accordance with generally accepted accounting principles (GAAP) since they have been earned and are expected to be collected within sixty days of the end of the period. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 1999, has been reported in the general long-term debt account group (see Item M of this Note).
- Interest on general long-term obligations is recognized when paid.
- Executory purchase orders and contracts are recorded as a reservation of fund balance.

The accounts of the enterprise, nonexpendable trust, investment trust fund, pension trust funds and proprietary component units are reported using the accrual basis of accounting. Under the accrual basis, revenues are recorded when earned and expenses are recorded when the related liability is incurred.

The Higher Education Component Unit is accounted for on the accrual basis of accounting, with the following exceptions:

- Eighteen of the State's colleges and universities report depreciation expense related to plant fund assets.
- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

The Higher Education Component Unit is an aggregate of financial statements from the 32 higher education entities described in Item A of this Note.

D. Budgeting and Budgetary Control

The State's annual budget is prepared on the cash basis utilizing encumbrance accounting. Encumbrances represent executed but unperformed purchase orders. In the accompanying financial statements, encumbrances are recorded as expenditures for budgetary purposes if expected to be presented for payment by November 15 following the end of the fiscal year and as reservations of fund balance for GAAP purposes. Since the budgetary basis differs from generally accepted accounting principles, budget and actual amounts in the accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis) are presented on the budgetary basis. A reconciliation of revenues in excess of (less than) expenditures and other financing sources (uses) on a budgetary basis at June 30, 1999, to revenues in excess of (less than) expenditures and other financing sources (uses) presented in conformity with generally accepted accounting principles is set forth in Note 2.

The Governor prepares and submits to the Legislature at the beginning of each annual legislative session a balanced budget based on budget requests prepared by the various state agencies. The General Fund is the only Fund for which an annual budget is legally adopted. Budgeted expenditures can not exceed the amount available for appropriation as certified by the State Board of Equalization. The Legislature may modify the Governor's proposed budget as it deems necessary and legally enacts an annual state budget through the passage of appropriation bills. The Governor has the power to approve or veto each line item appropriation.

The legal level of budgetary control is maintained at the line item level (i.e., General Operations, Duties, etc.) identified in the appropriation acts. Budgets may be modified subject to statutory limits on transfers. The Director of State Finance can approve transfers of up to 25% between line items. The Contingency Review Board (a three-member board comprised of the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives) can approve transfers between line items of up to 40%. All transfers are subject to review by the Joint Legislative Committee on Budget and Program Oversight to determine if the transfer tends to effectuate or subvert the intention and objectives of the Legislature.

Current policy allows agencies to use unexpended moneys for one-time purchases or non-recurring expenditures in the next fiscal year. This policy provides an incentive for agency managers to distribute resources efficiently; however, it is subject to annual approval by the Legislature. Unexpended balances not carried forward to the new fiscal year by November 15 may: 1) lapse to unrestricted balances and be available for future appropriation, 2) lapse to restricted balances and be available for future appropriations restricted for specific purposes as defined by statute, or 3) be non-fiscal, and may be spent from one to 30 months from the date of appropriation.

If funding sources are not sufficient to cover appropriations, the Director of State Finance is required to reduce the budget by the amount of such deficiency. For fiscal year 1999, the budget was reduced \$25,640,689 due to an insufficient funding source. Any other changes to the budget must be approved by the Legislature in a supplemental appropriation. For fiscal year 1999, \$4,208,341 was approved by the Legislature for supplemental appropriation. All fiscal year 1999 appropriated line items were within their authorized spending level.

E. Cash and Cash Equivalents

The State uses a pooled cash concept in maintaining its bank accounts. All cash is pooled for operating and investment purposes and each fund has an equity in the pooled amount. For reporting purposes, cash and related time deposits have been allocated to each fund based on its equity in the pooled amount. Interest earned on investments is allocated to the General Fund except for those investments made specifically for the Capital Projects Fund, proprietary fund type, fiduciary fund type, proprietary component units, and higher education component unit, for each of which investment revenue is allocated to the investing fund.

The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the State in each such institution. The amount of collateral securities to be pledged for the security of public deposits shall be established by rules and regulations promulgated by the State Treasurer.

The Oklahoma Employment Security Commission Trust Fund is maintained to account for the collection of unemployment contributions from employers and the payment of unemployment benefits to eligible claimants. As required by Federal law, all resources not necessary for current benefit payments are placed on deposit with the U.S. Treasury. Interest from these resources is retained in the Fund.

For purposes of reporting cash flows, cash equivalents are defined as short-term, highly liquid investments that are readily convertible to cash.

F. Investments

Investments, which may be restricted by law or legal instruments, are under control of either the State Treasurer or other administrative bodies as determined by law.

Investments are generally stated at fair value in accordance with GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

G. Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business and are stated net of allowances for uncollectible amounts.

Governmental fund type receivables consist primarily of amounts due from the Federal government. Interest and investment revenue receivable in all funds consist of revenues due on each investment. Taxes receivable in governmental funds represent taxes subject to accrual, primarily income taxes and sales taxes, that are collected within sixty days after year end. Lease payments receivable in the General Fund consists of capital lease payments due for equipment and railroad

lines owned by the Department of Transportation. Collectibility of these lease payments is reasonably assured and no allowance for uncollectible amounts has been established.

Taxes receivable in fiduciary funds represents unemployment taxes due at year end, net of an allowance for uncollectible amounts. The uncollectible amounts are based on collection experience and a review of the status of existing receivables.

H. Inter/Intrafund Transactions

Interfund Transactions - The State has three types of interfund transactions.

- Services rendered transactions are accounted for as revenues and expenditures or expenses in the funds involved.
- Operating appropriations/subsidies are accounted for as operating transfers in the funds involved.
- Equity and working capital contributions are accounted for as residual equity transfers (additions to or deductions from beginning governmental fund balances or proprietary fund equity).

Intrafund Transactions - Intrafund transfers, as a result of contracts among departments and/or agencies within the same fund, are considered expenditures by the contractor and revenues by the contractee for budgetary purposes. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis) includes these transactions. However, recorded intrafund revenues and expenditures have been eliminated in the GAAP-basis Combined Statement of Revenues, Expenditures, and Changes in Fund Balances.

A portion of motor fuel excise taxes collected on fuels consumed on the State's turnpikes is made available to the Oklahoma Turnpike Authority (OTA) from the Oklahoma Tax Commission. These taxes are apportioned to OTA monthly to fund debt service, to the extent amounts are not otherwise available to OTA. If the motor fuel excise taxes apportioned to OTA are not needed in the month of apportionment, the taxes are to be transferred to the Department of Transportation (DOT). Before these monthly transfers were mandated, a balance owed to DOT had accumulated and at year end this balance is presented as a noncurrent Due to Other Funds on the financial statements of OTA.

I. Inventories

Inventories of materials and supplies are determined both by physical counts and through perpetual inventory systems. Generally, inventories are valued at cost and predominantly on either the first-in first-out or weighted average basis. Inventories of federal surplus properties are valued at a percentage of federal acquisition cost. General fund inventories are recorded as expenditures when consumed rather than when purchased by recording adjustments to the inventory account on the balance sheet. The general fund inventories on hand at year-end are reflected as a reservation of fund balance on the balance sheet, except for \$289,000 in food stamps which is recorded as inventory and deferred revenue. Upon distribution, the food stamps are recognized as revenues and expenditures of the general fund.

The value of the inventory of food commodities in the agency fund is calculated by using a weighted average cost based on the U.S. Department of Agriculture commodity price list at the inventory receipt date. The value of the inventory of food stamps in the general fund is valued at coupon value.

Higher education inventories are stated at the lower of cost or market, cost being determined on either the first-in first-out or average cost basis.

J. Fixed Assets

General Fixed Assets - Fixed assets used in governmental-type operations (general fixed assets) are recorded as expenditures in the governmental funds and the related assets are reported in the General Fixed Assets Account Group (GFAAG). Purchased and constructed general fixed assets are valued in the GFAAG at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation. The estimates of historical costs of buildings and other improvements were based on appraised value, as of August 4, 1994, indexed to the

date of acquisition. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend as asset's useful life are not capitalized. Significant general fixed assets which have a cost in excess of \$25,000 at the date of acquisition and have an expected useful life of five or more years are capitalized.

Interest incurred during construction of capital facilities is not capitalized. General fixed assets are not depreciated.

Infrastructure is normally immovable and of value only to the State. Infrastructure, which includes roads, bridges, dikes, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, is not reported in the General Fixed Assets Account Group.

Proprietary and Similar Trust Fund Fixed Assets - Purchased and constructed fixed assets are valued at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation. Fixed assets, excluding land, are depreciated on the straight-line method over the assets' estimated useful life. Generally, estimated useful lives are as follows:

| | |
|----------------------------------|--------------|
| Buildings and Other Improvements | 7 - 45 years |
| Machinery and Equipment | 3 - 20 years |

Higher Education Fixed Assets - Purchased and constructed fixed assets are stated principally at cost or fair market value at the date of donation in the case of gifts. Depreciation is provided for the cost of plant assets of certain colleges and universities which elect the option of reporting depreciation expense in Plant Funds. Depreciation, which is charged to expenditures, is computed on the straight-line method over the estimated useful lives of the assets. Estimated useful lives are as follows:

| | |
|----------------------------------|---------------|
| Buildings and Other Improvements | 40 - 60 years |
| Machinery and Equipment | 5 - 10 years |

K. Other Assets

Included in other assets (noncurrent for proprietary component units) are costs to be recovered from future revenues. Certain items included in the operating costs of **Grand River Dam Authority**, an unregulated enterprise, are recovered through rates set by the Board of Directors. Recognition of these costs, primarily depreciation on debt funded fixed assets, amortization of debt discount and expense, and amortization of losses on advance refunding of long-term debt, is deferred to the extent that such costs will be included in rates charged in future years. The **Oklahoma Municipal Power Authority (OMPA)** enters into power sales contracts with participating municipalities that provide for billings to those municipalities for output and services of the projects. Revenues from these contracts provide for payment of current operating and maintenance expenses (excluding depreciation and amortization), as well as payment of scheduled debt principal and interest, and deposits into certain funds as prescribed in the bond resolutions. For financial reporting purposes, OMPA currently recognizes depreciation of assets financed by bond principal and amortization expense. The difference between current operating expenses and the amounts currently billed under the terms of the power sales contracts are deferred to future periods in which these amounts will be recovered through revenues.

L. Deferred Revenue

Deferred revenues arise when potential revenue does not meet the available criterion for recognition in the current period. Available is defined as due (or past due) at June 30, and collected thereafter to pay obligations due at June 30. Deferred revenues also arise when resources are received by the State before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet, and revenue is recognized.

Also included in deferred revenue is the undistributed food stamp inventory.

M. Compensated Absences

Employees entering service prior to July 1, 1996, earn annual vacation leave at the rate of 10 hours per month for the first 5 years of service, 12 hours per month for service of 5 to 10 years, 13.3 hours per month for service of 10 to 20 years, and 16.66 hours per month for over 20 years of service. Employees entering State service on or after July 1, 1996, earn annual vacation leave at the rate of 6.66 hours per month for the first 5 years of service, 10 hours per month for service of 5 to 10 years, 13.3 hours per month for service of 10 to 20 years, and 16.66 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 480 hours. All accrued annual leave is payable upon termination, resignation, retirement, or death. The General Fund records expenditures when employees are paid for leave, and the cost of accumulated vacation leave is recorded in the General Long-Term Debt Account Group.

N. Risk Management

The Risk Management Division of the Department of Central Services is responsible for the acquisition and administration of all insurance purchased by the State, or administration of any self-insurance plans and programs adopted for use by the State or for certain organizations and bodies outside of state government, at the sole expense of such organizations and bodies.

The Risk Management Division is authorized to settle claims of the State and oversee the dispensation and/or settlement of claims against a state political subdivision. In no event shall self-insurance coverage exceed the limitations on the maximum dollar amount of liability specified by the Oklahoma Governmental Tort Claims Act. The Risk Management Division oversees the collection of liability claims owed to the State incurred as the result of a loss through the wrongful or negligent act of a private person or other entity.

The Risk Management Division is also charged with the responsibility to immediately notify the Attorney General of any claims against the State presented to the Risk Management Division.

O. Federal Grants

In addition to monetary transactions, Federal grants also include non-monetary transactions for surplus inventory, food stamps, food, and other commodities. Surplus inventory is valued at a percentage of government acquisition cost. Food stamps are valued at coupon value. Commodities are valued at their federally reported value in the Agency Fund.

P. Fund Balance Reserves and Designations

The State's fund balance reserves represent those portions of fund balance (1) not available for appropriation for expenditure or (2) legally segregated for a specific future use. In the accompanying combined balance sheet, reserves for related assets such as inventories and prepayments are examples of the former. Reserves for encumbrances, contracts, and other specific purposes are examples of the latter. The State's fund balance designation reflects tentative plans for future use of financial resources.

Q. Deficit Fund Balance - Special Indemnity Fund

The Special Indemnity Fund, a governmental component unit, has a deficit fund balance of \$26,144,000 at December 31, 1998. The State is considering ways to reduce this deficit.

R. Total (Memorandum Only)

Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of these data.

S. Comparative Data/Restatements

Comparative total (Memorandum Only) data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the State's financial position and operations. Certain amounts presented have been reclassified and/or restated to be consistent with the current year presentation.

Note 2. Budgetary Reporting

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis) presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Certain appropriations are transferred to continuing funds for expenditure. Unexpended amounts so transferred may then be rebudgeted in subsequent fiscal years. These transfers are not included in the total expenditures on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis), but are reported as a separate item under Other Financing Uses. Presented below are transfers to continuing funds by function of government within the General Fund and a reconciliation to the Schedule of Expenditures and Intra-Agency Transfers as presented in the Required Supplementary Information (expressed in thousands):

| | | |
|--|----|-------------------------|
| Education | \$ | 1,371,206 |
| General Government | | 20,123 |
| Health Services | | 19,253 |
| Legal and Judiciary | | 3,089 |
| Natural Resources | | 5,664 |
| Regulatory Services | | - |
| Social Services | | 684,890 |
| Transportation | | 328,359 |
| Total Transfers to Continuing Funds | | <u>2,432,584</u> |
| Total Expenditures per Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis) | | <u>1,186,467</u> |
| Total per Schedule of Expenditures and Intra-Agency Transfers as Presented in the Required Supplementary Information | \$ | <u><u>3,619,051</u></u> |

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis, perspective, and entity differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 1999, is presented below (expressed in thousands) for the General Fund.

| | |
|--|---------------------|
| Budgetary Basis Fund Balance, June 30, 1998 | \$ 751,359 |
| Deficiency of total sources over total uses of financial resources (Budgetary Basis) | <u>(70,751)</u> |
| Budgetary Basis Fund Balance, June 30, 1999 | 680,608 |
| Entity and Perspective Differences: | |
| Non-budgeted Funds and Capital Funds | 1,157,046 |
| Encumbrances | 60,596 |
| Basis Differences: | |
| Add: Net accrued revenues, related receivables, and deferred revenues | 443,632 |
| Less: Net accrued expenditures and related liabilities | <u>(510,846)</u> |
| GAAP Basis Fund Balance, June 30, 1999 | <u>\$ 1,831,036</u> |

Note 3. Deposits and Investments

The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the State in each such institution. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. In accordance with the Office of State Treasurer's policies, the amount of collateral securities to be pledged by financial institutions through the Office of the State Treasurer are pledged at market value and must be at 110% of value to collateralize the amount on deposit, less any federal insurance coverage. This percentage may vary for political subdivisions according to their respective policies.

In accordance with statutes, the State Treasurer may purchase and invest in the following:

| | |
|---|---|
| Obligations of the United States Government, its agencies and instrumentalities | Collateralized or insured certificates of deposit |
| Prime banker's acceptances | Negotiable certificates of deposit |
| Investment grade obligations of state and local governments | Prime commercial paper |
| Money market funds | Repurchase agreements |

Deposits

As of June 30, 1999, the State and its discretely presented component units' bank balances of deposits are fully insured or collateralized with securities held by an agent of the State or its discretely presented component units in their respective names. In addition to these deposits, the State has approximately \$598,000,000 on deposit with the U.S. Government. These funds represent unemployment insurance taxes collected from Oklahoma employers which are held by the U.S. Treasury.

Investments

The State's investments are categorized below per Governmental Accounting Standards Board Statement 3, *Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*, to give an indication of the level of custodial risk assumed at year end. Category 1 includes investments that are insured, registered, or are held by the State or its agent in the name of the State. Category 2 includes uninsured and unregistered investments, which are held by the counterparties' trust departments or agents in the name of the State. Category 3 includes uninsured and unregistered investments, held by counterparties, or their trust departments or agents, but not in the name of the State.

Investments at June 30, 1999, by investment type, are listed below (expressed in thousands).

| Primary Government | Carrying Amount Risk Categories | | | Total | Fair |
|--|---------------------------------|-------------|-----------------|---------------------|---------------------|
| | 1 | 2 | 3 | | Value |
| U.S. Government Securities | \$ 1,731,739 | \$ - | \$ - | \$ 1,731,739 | \$ 1,731,739 |
| Repurchase Agreements | 879,677 | - | 2,080 | 881,757 | 881,757 |
| State Bond Issues | 17,127 | - | - | 17,127 | 17,127 |
| Debt Securities | 155,078 | - | - | 155,078 | 155,078 |
| Equity Securities | 410,041 | - | - | 410,041 | 410,041 |
| | <u>\$ 3,193,662</u> | <u>\$ -</u> | <u>\$ 2,080</u> | \$ 3,195,742 | \$ 3,195,742 |
| Investments Not Subject to Categorization: | | | | | |
| Guaranteed Investment Contracts | | | | 82,445 | 82,445 |
| Real Estate | | | | - | - |
| Mutual Funds | | | | 46,207 | 46,207 |
| Money Market Mutual Funds | | | | 103,029 | 103,029 |
| Limited Partnerships and Other Investments | | | | 10 | 10 |
| Less: Component Units' Investment in State Treasurer's Cash Management Program* | | | | (221,710) | (221,710) |
| Total Investments | | | | <u>\$ 3,205,723</u> | <u>\$ 3,205,723</u> |

* Includes presentation and timing differences of \$23,831 attributable to proprietary component units.

The State's Investment Trust Fund has investments of repurchase agreements. These investments are included in the primary government's schedule of investments above. All repurchase agreements held by the Investment Trust Fund are included in risk category 1.

| Component Units-Proprietary | Carrying Amount Risk Categories | | | Total | Fair |
|---|---------------------------------|-------------------|-------------|---------------------|---------------------|
| | 1 | 2 | 3 | | Value |
| U.S. Government Securities | \$ 488,951 | \$ 173,271 | \$ - | \$ 662,222 | \$ 662,222 |
| Repurchase Agreements | 4,167 | 299 | - | 4,466 | 4,466 |
| Other Pooled Investments | 5,156 | - | - | 5,156 | 5,156 |
| State Bond Issues | 18,422 | - | - | 18,422 | 18,422 |
| Debt Securities | 263,296 | - | - | 263,296 | 263,296 |
| Equity Securities | 204,850 | - | - | 204,850 | 204,850 |
| | <u>\$ 984,842</u> | <u>\$ 173,570</u> | <u>\$ -</u> | \$ 1,158,412 | \$ 1,158,412 |
| Investments Not Subject to Categorization: | | | | | |
| Guaranteed Investment Contracts | | | | 711,059 | 711,059 |
| Negotiable Certificates of Deposit | | | | 3,128 | 3,128 |
| Mutual Funds | | | | 34,215 | 34,215 |
| Money Market Mutual Funds | | | | 12,419 | 12,419 |
| Other Pooled Funds | | | | 17,975 | 17,975 |
| Investment in State Treasurer's Cash Management Program | | | | 6,256 | 6,256 |
| Investments Held Under Securities Loans for Cash Collateral: | | | | | |
| U.S. Government Securities | | | | 105,208 | 105,208 |
| Debt Securities | | | | 6,203 | 6,203 |
| Equity Securities | | | | 4,549 | 4,549 |
| Securities Lending Collateral-Short Term Investment Pools | | | | 117,703 | 117,703 |
| Total Investments | | | | <u>\$ 2,177,127</u> | <u>\$ 2,177,127</u> |

| Component Units-Fiduciary | Carrying Amount Risk Categories | | | Total | Fair |
|---|---------------------------------|-------------|------------------|----------------------|----------------------|
| | 1 | 2 | 3 | | Value |
| U.S. Government Securities | \$ 2,117,977 | \$ - | \$ - | \$ 2,117,977 | \$ 2,117,977 |
| Debt Securities | 2,107,658 | - | - | 2,107,658 | 2,107,658 |
| Equity Securities | 6,693,065 | - | - | 6,693,065 | 6,693,065 |
| Investments Held Under Securities Loans for Non-Cash Collateral: | | | | | |
| U.S. Government Securities | - | - | 24,331 | 24,331 | 24,331 |
| Debt Securities | - | - | 3,066 | 3,066 | 3,066 |
| Equity Securities | - | - | 44,650 | 44,650 | 44,650 |
| | <u>\$ 10,918,700</u> | <u>\$ -</u> | <u>\$ 72,047</u> | <u>\$ 10,990,747</u> | <u>\$ 10,990,747</u> |
| Investments Not Subject to Categorization: | | | | | |
| Real Estate | | | | 14,856 | 14,856 |
| Mutual Funds | | | | 1,597,389 | 1,597,389 |
| Limited Partnerships and Other Investments | | | | 44,033 | 44,033 |
| Investments Held Under Securities Loans for Cash Collateral: | | | | | |
| U.S. Government Securities | | | | 176,332 | 176,332 |
| Debt Securities | | | | 49,252 | 49,252 |
| Equity Securities | | | | 328,632 | 328,632 |
| Securities Lending Collateral-Short Term Investment Pools | | | | 573,210 | 573,210 |
| Total Investments | | | | <u>\$ 13,774,451</u> | <u>\$ 13,774,451</u> |

| Component Unit-Higher Education | Carrying Amount Risk Categories | | | Total | Fair |
|---|---------------------------------|------------------|--------------|-------------------|-------------------|
| | 1 | 2 | 3 | | Value |
| U.S. Government Securities | \$ 123,228 | \$ 13,359 | \$ - | \$ 136,587 | \$ 136,587 |
| State Bond Issues | 5,850 | - | - | 5,850 | 5,850 |
| Debt Securities | - | - | 50 | 50 | 50 |
| | <u>\$ 129,078</u> | <u>\$ 13,359</u> | <u>\$ 50</u> | <u>\$ 142,487</u> | <u>\$ 142,487</u> |
| Investments Not Subject to Categorization: | | | | | |
| Real Estate | | | | 347 | 347 |
| Mutual Funds | | | | 190,263 | 190,263 |
| Money Market Mutual Funds | | | | 106 | 106 |
| Other Pooled Funds | | | | 64,194 | 64,194 |
| Investment in State Treasurer's Cash Management Program | | | | 191,623 | 191,623 |
| Total Investments | | | | <u>\$ 589,020</u> | <u>\$ 589,020</u> |

The governmental component unit, Special Indemnity Fund, did not hold any investments at June 30, 1999.

The following table reconciles the details included within this footnote to the Combined Balance Sheet at June 30, 1999 (expressed in thousands).

| | Component Units | | | |
|---|---------------------|---------------------|----------------------|-------------------|
| | Primary Government | Proprietary | Fiduciary | Higher Education |
| Investments per Combined Balance Sheet: | | | | |
| Investments | \$ 1,407,189 | \$ 2,102,499 | \$ 13,201,241 | \$ 480,453 |
| Securities Lending Investments | - | 117,703 | 573,210 | - |
| Total Investments | 1,407,189 | 2,220,202 | 13,774,451 | 480,453 |
| Non-negotiable CDs classified as investments | - | (45,874) | - | (83,056) |
| Pooled cash investments classified as cash equivalents | 1,798,534 | - | - | - |
| Short term investments classified as cash equivalents | - | 2,799 | - | - |
| Investment in State Treasurer Cash Management Program classified as cash equivalent | - | - | - | 191,623 |
| Total Investments | <u>\$ 3,205,723</u> | <u>\$ 2,177,127</u> | <u>\$ 13,774,451</u> | <u>\$ 589,020</u> |

Securities Lending Transactions – Primary Government

State statute authorizes the State Treasurer's Office to participate in securities lending transactions. In a securities lending transaction, securities are loaned to approved brokers through a securities lending agreement with a simultaneous agreement to return collateral for the same security in the future. Most securities that are held by State Street, as trustee or custodian, may be lent in the security lending program.

During the fiscal year ended June 30, 1999, securities lending agents lent primarily U.S. Government securities, equity securities and debt securities. U.S. Government securities were provided as collateral for the securities lent. Generally, collateral must be provided in the amount of 100% of the fair value of the securities loaned. At June 30, 1999, there were no securities on loan. The securities and letters of credit cannot be sold or pledged unless the borrower defaults.

At June 30, 1999, there was no credit risk exposure to borrowers. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, resulting from the default of a borrower or the lending agent. Investment policies do not require the maturities of investments made with cash collateral to match the maturities of securities lent; however, investment policies may establish minimum levels of liquidity to minimize the interest rate risk associated with not matching the maturity of the investments with the loans.

Securities Lending Transactions – Proprietary Component Units

The State Insurance Fund (SIF) and the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) participate in securities lending transactions as provided by their respective investment policies. In a securities lending transaction, securities are loaned to approved brokers through a securities lending agreement with a simultaneous agreement to return collateral for the same security in the future. There are no restrictions regarding the amount of securities that may be lent. The changes for the year in the securities lending asset and liability are presented at net in the Combined and Combining Statement of Cash Flows since the maturity dates differ by less than three months.

During their respective fiscal year ends securities lending agents lent primarily U.S. Government securities, equity securities and debt securities. Cash and U.S. Government securities were provided as collateral for the securities lent. Collateral must be provided in the amount of 100% (OSEEGIB) or 102% (SIF) of the fair value of the securities loaned. At their respective year ends, the carrying amount and market value of securities on loan was approximately \$115,960,000. The underlying collateral for these securities had a market value of approximately \$117,703,000. At their respective fiscal year end, no securities on loan were collateralized by securities. Because all collateral represents cash collateral that is invested in short-term investment pools, it is included as an asset on the balance sheet with an offsetting liability for the return of the collateral.

At their respective fiscal year ends, there was no credit risk exposure to borrowers. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, resulting from the default of a borrower or the lending agent. Because these transactions are terminable at will, their duration generally did not match the duration of the investments made with the cash collateral.

Securities Lending Transactions – Fiduciary Component Units

The six Public Employees Retirement Systems (PERS) participate in securities lending transactions as provided by their respective investment policies. In a securities lending transaction, securities are loaned to approved brokers through a securities lending agreement with a simultaneous agreement to return collateral for the same security in the future. There are no restrictions regarding the amount of securities which may be lent.

During the fiscal year ended June 30, 1999, securities lending agents lent primarily U.S. Government securities, equity securities and debt securities. Cash, U.S. Government securities and letters of credit were provided as collateral for the securities lent. Generally, collateral must be provided in the amount of 102% of the fair value of the securities loaned.

However, in certain instances collateral must be provided in the amount of 105% when the principal trading market for the loaned securities is outside the United States. At June 30, 1999, the carrying amount and fair value of securities on loan was approximately \$554,216,000. The underlying collateral for these securities had a market value of approximately \$643,405,000. Collateral of securities and letters of credit represented approximately \$70,195,000 of total collateral. Because these securities and letters of credit cannot be sold or pledged unless the borrower defaults, the collateral and related liability are not presented on the balance sheet. The remaining collateral represents cash collateral that is invested in short-term investments pools and is included as an asset on the balance sheet with an offsetting liability for the return of the collateral.

At June 30, 1999, there was no credit risk exposure to borrowers. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, resulting from the default of a borrower or the lending agent. Investment policies do not require the maturities of investments made with cash collateral to match the maturities of securities lent; however, investment policies may establish minimum levels of liquidity to minimize the interest rate risk associated with not matching the maturity of the investments with the loans.

External Investment Pool – Primary Government

The State sponsors an investment pool which includes internal and external pool participants. The portion of the pool attributable to external pool participants is included in the primary government as an Investment Trust Fund. The pool is not registered with the SEC and is reviewed by an Executive Review Committee of the State's Cash Management and Investment Oversight Commission. Assets of the pool are invested pursuant to an overnight repurchase agreement and are collateralized by U.S. Government obligations held by an independent third party custodian. Fair value of the investments is determined on a daily basis. Par value of participants' investments is based on the amount invested and accrued interest. Due to the daily nature of the pool, the value of the participants' investments is guaranteed by the third party custodian. The pool does not include any involuntary participants.

Note 4. Accounts Receivable

Receivables as of June 30, 1999, including the applicable allowances for uncollectible accounts, are as follows (expressed in thousands).

| Receivables: | Component Units | | | | | | | Total |
|-------------------------|-------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|---------------------|
| | General | Capital Projects | Enterprise | Trust and Agency | Proprietary | Fiduciary | Higher Education | |
| Accounts | \$ 45,435 | \$ - | \$ - | \$ 2,863 | \$ 76,038 | \$ - | \$ 181,808 | \$ 306,144 |
| Interest | 20,652 | 33 | 5,204 | 6,227 | 17,206 | 76,131 | - | 125,453 |
| Contributions | - | - | - | - | - | 29,539 | - | 29,539 |
| Federal | 342,711 | 749 | 13,050 | 180 | - | - | - | 356,690 |
| Taxes | 132,125 | - | - | 1,710 | - | - | - | 133,835 |
| Lease Payments | 37,290 | - | - | - | 35,217 | - | - | 72,507 |
| Other | 39 | - | - | 3,234 | - | 181 | - | 3,454 |
| Notes and Loans | - | - | 305,441 | - | 852,586 | - | 56,191 | 1,214,218 |
| Gross Receivables | 578,252 | 782 | 323,695 | 14,214 | 981,047 | 105,851 | 237,999 | 2,241,840 |
| Less Uncollectibles: | | | | | | | | |
| Accounts Receivable | 21,650 | - | - | - | 7,769 | - | 50,179 | 79,598 |
| Notes, Loans, and Other | - | - | - | - | 2,206 | - | 13,673 | 15,879 |
| Net Total Receivables | <u>\$ 556,602</u> | <u>\$ 782</u> | <u>\$ 323,695</u> | <u>\$ 14,214</u> | <u>\$ 971,072</u> | <u>\$ 105,851</u> | <u>\$ 174,147</u> | <u>\$ 2,146,363</u> |

Note 5. Interfund Accounts/Operating Transfers

A. Due from Other Funds/Due to Other Funds

A summary of interfund obligations at June 30, 1999, is shown below (expressed in thousands).

| | Due From | | Due To | |
|---------------------------------------|---------------|------------------|---------------|------------------|
| | Other Funds | Component Units | Other Funds | Component Units |
| Primary Government | | | | |
| General Fund | \$ - | \$ 48,680 | \$ 217 | \$ 28,014 |
| Nonexpendable Trust: | | | | |
| Department of Wildlife Conservation | 83 | - | - | - |
| Pension Trusts: | | | | |
| Wildlife Conservation Retirement Plan | 28 | - | - | - |
| Agency Funds: | | | | |
| Other | 106 | 207 | - | - |
| Total Primary Government | <u>\$ 217</u> | <u>\$ 48,887</u> | <u>\$ 217</u> | <u>\$ 28,014</u> |

| | Due From | | | Due To | | |
|--|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|
| | Primary Government | Other Funds | Other Component Units | Primary Government | Other Funds | Other Component Units |
| Component Units | | | | | | |
| Governmental Fund: | | | | | | |
| Special Indemnity Fund | \$ 1,555 | \$ - | \$ - | \$ - | \$ - | \$ 51 |
| Proprietary Funds: | | | | | | |
| State Insurance Fund | 841 | - | 112 | 27 | - | 186 |
| State and Education Emp. Group Insurance Board | 3,494 | - | - | 12 | - | 24 |
| Student Loan Authority | - | - | - | 3 | - | 14 |
| University Hospitals Authority | 411 | - | - | 159 | - | 3 |
| Medical Technology and Research Authority | 5 | - | 37 | 7 | - | 10 |
| Oklahoma Development Finance Authority | 31 | - | 33 | 2 | - | - |
| Oklahoma Housing Finance Agency | - | - | - | - | - | 11 |
| Oklahoma Turnpike Authority | 73 | - | - | 47,088 | - | 24 |
| Grand River Dam Authority | 31 | - | 497 | 218 | - | 304 |
| Oklahoma Municipal Power Authority | - | - | - | - | - | 520 |
| Fiduciary Funds: | | | | | | |
| Firefighters Pension and Retirement System | 2,255 | - | - | - | - | - |
| Oklahoma Law Enforcement Retirement System | 1,719 | - | - | - | - | - |
| Oklahoma Public Employees Retirement System | 163 | - | 295 | - | - | - |
| Oklahoma Police Pension and Retirement System | 929 | - | - | - | - | - |
| Teachers' Retirement System of Oklahoma | 10,741 | - | 122 | - | - | - |
| Higher Education Funds: | | | | | | |
| Current, Unrestricted | 5,870 | 70,382 | 221 | 534 | 37,649 | 170 |
| Current, Restricted | - | 3,012 | - | - | 28,012 | - |
| Loan | - | 3,210 | - | - | 35 | - |
| Endowment | - | 894 | - | - | 28,301 | - |
| Plant | - | 692 | - | - | 5,250 | - |
| Agency | - | 21,243 | - | - | 186 | - |
| Total Component Units | <u>\$ 28,118</u> | <u>\$ 99,433</u> | <u>\$ 1,317</u> | <u>\$ 48,050</u> | <u>\$ 99,433</u> | <u>\$ 1,317</u> |

The amount of total interfund receivables of \$177,972,000 does not agree with total interfund payables of \$177,031,000 at June 30, 1999. This is due to timing differences between agencies with a June 30 year end and the Special Indemnity Fund, State Insurance Fund, and Grand River Dam Authority, all which have a December 31 year end.

B. Operating Transfers

A summary of interfund operating transfers for the fiscal year ended June 30, 1999, follows (expressed in thousands).

| | Operating Transfers | | | |
|-------------------------------------|---------------------|-------------------------|-----------------|-----------------------|
| | In | From Component Units | Out | To Component Units |
| Primary Government | | | | |
| General Fund | \$ 8,258 | \$ 33,039 | \$ 15 | \$ 883,447 |
| Capital Projects | 3 | 361 | 667 | 1,030 |
| Proprietary Funds: | | | | |
| Oklahoma Water Resources Board | 12 | - | 928 | - |
| Nonexpendable Trust: | | | | |
| Commissioners of the Land Office | - | - | 4,578 | 13,899 |
| Department of Wildlife Conservation | - | - | 2,085 | - |
| Total Primary Government | \$ 8,273 | \$ 33,400 | \$ 8,273 | \$ 898,376 |

| | Operating Transfers | |
|--------------------------------|----------------------------|--------------------------|
| | From Primary Government | To Primary Government |
| Component Units | | |
| Governmental Fund: | | |
| Special Indemnity Fund | \$ 18,074 | \$ - |
| Proprietary Funds: | | |
| University Hospitals Authority | 36,253 | - |
| Oklahoma Turnpike Authority | 32,172 | 32,172 |
| Higher Education Funds: | | |
| Current, Unrestricted | 730,108 | - |
| Current, Restricted | 31,814 | - |
| Endowment | 13,000 | - |
| Plant | 26,232 | - |
| Total Component Units | \$ 887,653 | \$ 32,172 |

The amount of total Operating Transfers In of \$929,326,000 does not agree with total Operating Transfers Out of \$938,821,000 for the fiscal year ended June 30, 1999. The following presents a reconciliation of operating transfers reported in the financial statements (expressed in thousands).

| | |
|---|-------------------|
| Operating Transfers In | \$ 8,273 |
| Operating Transfers In - From Component Units | 33,400 |
| Operating Transfers In - From Primary Government | <u>887,653</u> |
| Total Operating Transfers In Per Financial Statements | 929,326 |
| Financial Statement Account Presentation Differences: | |
| Higher Education Component Units | 4,746 |
| Proprietary Component Units | 6,839 |
| Timing Differences, Fiscal Year Ending December 31, 1998: | |
| Proprietary Component Units | <u>527</u> |
| Total Operating Transfers In | <u>\$ 941,438</u> |
| Operating Transfers Out | \$ 8,273 |
| Operating Transfers Out - To Component Units | 898,376 |
| Operating Transfers Out - To Primary Government | <u>32,172</u> |
| Total Operating Transfers Out Per Financial Statements | 938,821 |
| Financial Statement Account Presentation Differences: | |
| Higher Education Component Units | 386 |
| Proprietary Component Units | 314 |
| Timing Differences, Fiscal Year Ending December 31, 1998: | |
| Governmental Component Unit | 1,390 |
| Proprietary Component Units | <u>527</u> |
| Total Operating Transfers Out | <u>\$ 941,438</u> |

Note 6. Fixed Assets

Fixed Assets by category, as of June 30, 1999 (December 31, 1998, or September 30, 1998, for those entities/funds identified in Item B of Note 1) are summarized below (expressed in thousands).

| | Primary Government | | Component Units | | Total |
|----------------------------------|----------------------|--------------|-----------------|------------------|--------------|
| | General Fixed Assets | Proprietary | Pension Trusts | Higher Education | |
| Land | \$ 59,831 | \$ 1,071,848 | \$ - | \$ 111,565 | \$ 1,243,244 |
| Buildings and Other Improvements | 635,242 | 1,298,818 | - | 1,454,342 | 3,388,402 |
| Machinery and Equipment | 226,715 | 183,082 | 2,888 | 782,609 | 1,195,294 |
| Construction in Progress | 65,197 | 50,102 | - | 157,953 | 273,252 |
| Total | 986,985 | 2,603,850 | 2,888 | 2,506,469 | 6,100,192 |
| Less: Accumulated Depreciation | - | 1,250,539 | 1,950 | 717,688 | 1,970,177 |
| Total | \$ 986,985 | \$ 1,353,311 | \$ 938 | \$ 1,788,781 | \$ 4,130,015 |

Changes in general fixed assets for the year ended June 30, 1999, were as follows (expressed in thousands).

| | Balance July 1, 1998 | Additions | Deletions/ Net Transfers | Balance June 30, 1999 |
|----------------------------------|-------------------------|-----------|-----------------------------|--------------------------|
| Land | \$ 57,554 | \$ 2,426 | \$ 149 | \$ 59,831 |
| Buildings and Other Improvements | 613,708 | 36,800 | 15,266 | 635,242 |
| Machinery and Equipment | 228,616 | 20,602 | 22,503 | 226,715 |
| Construction in Progress | 65,366 | 16,406 | 16,575 | 65,197 |
| Total | \$ 965,244 | \$ 76,234 | \$ 54,493 | \$ 986,985 |

Schedule of General Fixed Assets by Function for fiscal year ended June 30, 1999.

| Function | Land | Buildings and Other Improvements | Machinery and Equipment | Construction in Progress | Total |
|---------------------------|-----------|----------------------------------|-------------------------|--------------------------|------------|
| | Education | \$ 3,659 | \$ 12,084 | \$ 24,199 | \$ 103 |
| General Government | 1,819 | 118,358 | 50,693 | 752 | 171,622 |
| Health Services | 592 | 72,058 | 12,720 | - | 85,370 |
| Legal and Judiciary | - | - | 4,036 | - | 4,036 |
| Museums | 1,460 | 7,055 | 310 | 240 | 9,065 |
| Natural Resources | 42,242 | 42,685 | 20,118 | 13,855 | 118,900 |
| Public Safety and Defense | 7,557 | 261,896 | 29,909 | 12,757 | 312,119 |
| Regulatory Services | - | 41 | 2,456 | - | 2,497 |
| Social Services | 971 | 104,821 | 12,617 | 37,104 | 155,513 |
| Transportation | 1,531 | 16,244 | 69,657 | 386 | 87,818 |
| Total | \$ 59,831 | \$ 635,242 | \$ 226,715 | \$ 65,197 | \$ 986,985 |

Schedule of changes in General Fixed Assets by Function for fiscal year ended June 30, 1999.

| Function | Balance July 1, 1998 | Additions | Deletions/ Net Transfers | Balance June 30, 1999 |
|---------------------------|-------------------------|-----------|-----------------------------|--------------------------|
| | Education | \$ 41,672 | \$ 1,192 | \$ 2,819 |
| General Government | 169,875 | 20,320 | 18,572 | 171,623 |
| Health Services | 83,857 | 1,864 | 351 | 85,370 |
| Legal and Judiciary | 4,140 | 397 | 501 | 4,036 |
| Museums | 8,985 | 1,280 | 1,200 | 9,065 |
| Natural Resources | 106,705 | 14,903 | 2,708 | 118,900 |
| Public Safety and Defense | 309,639 | 3,649 | 1,169 | 312,119 |
| Regulatory Services | 3,037 | 49 | 589 | 2,497 |
| Social Services | 149,230 | 23,449 | 17,166 | 155,513 |
| Transportation | 88,104 | 9,131 | 9,418 | 87,817 |
| Total | \$ 965,244 | \$ 76,234 | \$ 54,493 | \$ 986,985 |

Note 7. Risk Management and Insurance

It is the policy of the State to cover the risk of losses to which it may be exposed through risk management activities. In general, the State is self-insured for health care claims (except for employee participation in certain health maintenance organizations), workers' compensation, second injury workers' compensation, tort liability (except for excess coverage for certain losses in excess of \$1,000,000), vehicle liability, and property losses (except for excess coverage for certain losses in excess of \$250,000, or \$750,000 for certain agencies). The property loss excess coverage is limited to a maximum loss of \$1,000,000,000.

Coverage for health care claims and workers' compensation is provided by two separate proprietary component units. The State and Education Employees' Group Insurance Board provides group health, life, dental and disability benefits to the State's employees and certain other eligible participants. The State Insurance Fund (SIF) provides workers' compensation coverage for the State's employees (and private and local government employees).

The SIF administers claim payments and provides excess-of-loss reinsurance to certain governmental entities that are self-insured. The premiums and fees received in connection with these transactions are included in sales revenue and were approximately \$5,042,000 in 1998. The liability for claims in excess of the self-insured entities' respective retention limits included in unpaid losses and loss adjustment expenses was approximately \$32,167,000 at December 31, 1998.

The SIF limits the maximum net loss that can arise from risks by entering into reinsurance agreements to assign risk to other insurers on a catastrophe basis. Premiums paid for this reinsurance were approximately \$36,000 in 1998. No losses have been ceded under these agreements. Reinsurance receivables with a single reinsurer of \$1,141,000 at December 31, 1998, have been recorded in anticipation of estimated amounts to be recovered from reinsurers in future years for losses ceded pursuant to certain prior year reinsurance agreements. These agreements do not relieve SIF from its obligation to policyholders. Failure of reinsurers to honor their obligations could result in losses to SIF. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations.

Coverage for second injury workers' compensation is provided by a discretely presented governmental component unit. The Special Indemnity Fund (SPIF) was created to encourage the hiring of individuals with a pre-existing disability and to protect those employers from liability for the pre-existing disability. SPIF records a liability for outstanding court awards only as those amounts are awarded by the Workers' Compensation Court for both permanent partial and permanent total disability awards. There is no provision for incurred but not reported claims or claims pending Court determination. Claims and Judgments which were due and owing at December 31, 1998, have been charged to operations for the year ended December 31, 1998. At year end, the SPIF loss liability exceeded expendable available financial resources; however, because these are adjudicated claims, the full amount of adjudicated claims is presented as a current liability in the component unit column. In addition to awards currently due and owing, SPIF has a noncurrent liability for court awarded future payments payable after December 31, 1998, in the amount of \$166,919,000 as reported in the General Long-Term Debt Accounts of the discretely presented component unit's separately issued financial statements.

The remaining risk management activities of the State are included in the State's General Fund. The Risk Management Division of the Department of Central Services is responsible for administering the State's tort liability, vehicle liability, property loss, and other types of risk coverage. Also, the Division is responsible for the acquisition and administration of all insurance policies purchased by the State and administration of any self-insurance plans and programs adopted for use by the State (and for certain organizations and bodies outside of state government).

Except for SPIF, estimates relating to incurred but not reported claims, as well as other probable and estimable losses have been included in accrued liabilities for each fund. Because actual claims liabilities are impacted by complex factors including inflation, changes in legal doctrines, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, and other economic and social factors.

The General Fund self-insurance loss liability for the Risk Management Division of the Department of Central Services represents an estimate of amounts to be paid from currently expendable available financial resources.

The following table presents the changes in claims liability balances (both current and noncurrent) during the current fiscal year ended June 30, 1999 (December 31, 1998, for Special Indemnity Fund and State Insurance Fund) and the prior fiscal year, (expressed in thousands).

| | Beginning Balance | Plus: Current Year Claims and Changes in Estimates | Less: Claim Payments | Ending Balance | Noncurrent Liability | Current Liability |
|--|----------------------|---|----------------------------|-------------------|-------------------------|----------------------|
| Current Fiscal Year | | | | | | |
| General Fund *- | | | | | | |
| Risk Management Division | \$ 5,372 | \$ 11,887 | \$ (3,130) | \$ 14,129 | \$ 3,638 | \$ 10,491 |
| Governmental Component Unit: Special Indemnity Fund | \$ 171,651 | \$ 36,967 | \$ (19,088) | \$ 189,530 | \$ 166,919 | \$ 22,611 |
| Proprietary Component Units: | | | | | | |
| State Insurance Fund | \$ 518,309 | \$ 104,267 | \$ (148,863) | \$ 473,713 | \$ - | \$ 473,713 |
| State and Education Employees Group Insurance Board | 60,415 | 293,394 | (293,521) | 60,288 | - | 60,288 |
| Total Proprietary Component Units | \$ 578,724 | \$ 397,661 | \$ (442,384) | \$ 534,001 | \$ - | \$ 534,001 |
| * As discussed in the Litigation and Contingencies note, general fund claims and judgments includes \$22,222,000 accrued for the payment of litigation losses. | | | | | | |
| Prior Fiscal Year | | | | | | |
| General Fund - | | | | | | |
| Risk Management Division | \$ 6,967 | \$ 2,610 | \$ (4,205) | \$ 5,372 | \$ - | \$ 5,372 |
| Governmental Component Unit: Special Indemnity Fund | \$ 162,978 | \$ 27,047 | \$ (18,374) | \$ 171,651 | \$ 151,321 | \$ 20,330 |
| Proprietary Component Units: | | | | | | |
| State Insurance Fund | \$ 591,984 | \$ 124,329 | \$ (198,004) | \$ 518,309 | \$ - | \$ 518,309 |
| State and Education Employees Group Insurance Board | 95,605 | 311,010 | (346,200) | 60,415 | - | 60,415 |
| Total Proprietary Component Units | \$ 687,589 | \$ 435,339 | \$ (544,204) | \$ 578,724 | \$ - | \$ 578,724 |

Public Entity Risk Pool - State and Education Employees' Group Insurance Board

The State operates the Oklahoma State and Education Employees' Group Insurance Board (Plan), a Public Entity Risk Pool.

A. Description of Plan

The Plan provides group health, dental, life, and disability benefits to active state employees and local government employees, as well as varying coverages for active education employees and certain participants of the state's retirement systems, survivors, and persons covered by COBRA. Disability coverage is available only to active state employees and local government employees. The Plan is self-insured and provides participants with the option of electing coverage from certain health maintenance organizations (HMOs). Premium rates for the various groups are separately established.

The coverages are funded by monthly premiums paid by individuals, the State, local governments, educational employers, and retirement systems. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested. Of the 177,000 primary participants and dependents, approximately 21,000 primary participants and 17,000 dependents were covered by HMOs. These counts relate to health coverage only.

All state agencies are required to participate in the Plan. Eligible local governments may elect to participate in the Plan (239 local governments actually participate). Education entities may participate if a minimum of 50% of their eligible employees elect to join the Plan. Any education entity or local government which elects to withdraw from the Plan may do so with 30 days written notice, and must withdraw both its active and inactive participants.

A summary of available coverages and eligible groups, along with the number of health care participants follows.

| | State Employee | Local Government Employee | Education Employee | Teachers' Retirement System | Other Retirement Systems | Survivors | COBRA |
|---------------------------|-------------------|---------------------------------|-----------------------|-----------------------------------|--------------------------------|-----------|-------|
| Health | X | X | X | X | X | X | X |
| Dental | X | X | X | X | X | X | X |
| Life | X | X | X | X | X | | |
| Disability | X | X | | | | | |
| Medicare Supplement | | | | X | X | X | X |
| Health Care Participants: | | | | | | | |
| Primary | 19,000 | 7,000 | 30,000 | ----- 35,000 ----- | | | |
| Dependents | ----- | | | 48,000 | ----- | | |

B. Unpaid Claims Liabilities

The Plan establishes policy and contract claim reserves based on the estimated ultimate cost of settling claims that have been reported but not settled, and of claims that have been incurred but not yet reported. Disability reserves are also established based on the estimated ultimate cost of settling claims of participants currently receiving benefits and for disability claims incurred but not yet reported to the Plan.

The reserves are determined using the Plan's historical benefit payment experience. The length of time for which costs must be estimated depends on the coverages involved. Although such estimates are the Plan's best estimates of the incurred claims to be paid, due to the complex nature of the factors involved in the calculation, the actual results may be more or less than the estimate. The claim liabilities are recomputed on a periodic basis using actuarial and statistical techniques which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts. Adjustments to claim liabilities are recorded in the periods in which they are made.

Premium deficiency reserves are required to be recorded when the anticipated costs of settling claims for the following fiscal year are in excess of the anticipated premium receipts for the following year. Anticipated investment income is considered in determining whether a premium deficiency exists.

C. Reconciliation of Claims Liabilities

The schedule below presents the changes in policy and contract claim reserves and disability reserves for the past two years for the three types of coverages: health and dental, life, and disability (expressed in thousands).

| | Health and Dental | | Life | | Disability | |
|---|-------------------|------------------|-----------------|-----------------|-----------------|------------------|
| | 1999 | 1998 | 1999 | 1998 | 1999 | 1998 |
| Reserves at beginning of year | \$ 48,717 | \$ 43,896 | \$ 1,291 | \$ 1,269 | \$ 10,407 | \$ 11,610 |
| Incurred claims: | | | | | | |
| Provision for insured events of current year | 288,233 | 307,079 | 10,289 | 8,500 | 1,977 | 2,067 |
| Changes in provisions for insured events of prior years | (7,217) | (5,450) | 298 | (329) | (2,956) | (857) |
| | <u>281,016</u> | <u>301,629</u> | <u>10,587</u> | <u>8,171</u> | <u>(979)</u> | <u>1,210</u> |
| Payments: | | | | | | |
| Claims attributable to insured events of current year | 248,489 | 258,971 | 8,025 | 7,209 | 264 | 283 |
| Claims attributable to insured events of prior years | 40,774 | 37,837 | 1,342 | 940 | 1,627 | 2,130 |
| | <u>289,263</u> | <u>296,808</u> | <u>9,367</u> | <u>8,149</u> | <u>1,891</u> | <u>2,413</u> |
| Reserves at end of year | <u>\$ 40,470</u> | <u>\$ 48,717</u> | <u>\$ 2,511</u> | <u>\$ 1,291</u> | <u>\$ 7,537</u> | <u>\$ 10,407</u> |

D. Revenue and Claims Development Information

The separately issued audited financial statements for the Plan include Required Supplementary Information regarding revenue and claims development.

Note 8. Operating Lease Commitments

The State has commitments with non-state entities to lease certain buildings and equipment. Future minimum rental commitments for equipment operating leases as of June 30, 1999, follows (expressed in thousands).

| | Component Units | | | |
|--|--------------------|-----------------|--------------|------------------|
| | Primary Government | Proprietary | Fiduciary | Higher Education |
| 2000 | \$ 358 | \$ 342 | \$ 40 | \$ 2,203 |
| 2001 | 238 | 264 | 29 | 1,867 |
| 2002 | 165 | 218 | 15 | 605 |
| 2003 | 36 | 213 | - | 561 |
| 2004 | - | 223 | - | 524 |
| Later Years | - | 234 | - | 3,211 |
| Total Future Minimum Lease Payments | <u>\$ 797</u> | <u>\$ 1,494</u> | <u>\$ 84</u> | <u>\$ 8,971</u> |
| Operating lease commitments for building rental for year ended June 30, 2000 | \$ 14,992 | \$ 655 | \$ 249 | \$ 72 |
| Rent expenditures/expenses for operating leases for year ended June 30, 1999 | \$ 16,243 | \$ 1,120 | \$ 239 | \$ 8,442 |

Note 9. Lessor Agreements

Direct Financing Leases

At June 30, 1999, minimum lease payments receivable for the State as a whole for each of the five succeeding fiscal years follows (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Primary Government | <u>\$ 5,190</u> | <u>\$ 4,656</u> | <u>\$ 3,884</u> | <u>\$ 3,892</u> | <u>\$ 2,985</u> |
| Proprietary Component Units: | | | | | |
| Municipal Power Authority | \$ 118 | \$ 118 | \$ 118 | \$ 118 | \$ 72 |
| Environmental Finance Authority | 2,047 | 2,047 | 2,047 | 4,959 | 5,752 |
| Total | <u>\$ 2,165</u> | <u>\$ 2,165</u> | <u>\$ 2,165</u> | <u>\$ 5,077</u> | <u>\$ 5,824</u> |

Primary Government

The **Department of Transportation** maintains leases classified as direct financing leases. The State leases heavy equipment and machinery to counties within the state. The lease terms are determined by the depreciation schedules published by the American Association of State Highway Transportation Officials. All new county equipment leases were charged an interest amount equivalent to 3% of the equipment cost. Title to this equipment passes to the counties at the end of the lease term. The Department of Transportation also leases railroad lines within the state to the AT&L Railroad Company and the Oklahoma, Kansas, and Texas Railroad Company with lease terms ending in 2014 and 2011, respectively. No interest or executory costs are charged, and the leases include bargain purchase options. The unguaranteed residual values of the machinery, equipment, and railroad lines are not estimated by the State. Contingent rentals are not a part of any lease and uncollectible amounts are not expected. The total minimum lease payments to be received in future years is approximately \$35,980,000, which is also the net investment in direct financing leases at June 30, 1999.

Component Units

The **Oklahoma Environmental Finance Authority** leases facilities necessary for the abatement, control and reduction of pollution to industrial and commercial entities and the **Oklahoma Municipal Power Authority** leases two electrical substations to two of its member municipalities. These leases are accounted for as direct financing leases. The following schedule lists the net investment in direct financing leases as of June 30, 1999 (expressed in thousands).

| | |
|---|-------------------------|
| Total minimum lease payments to be received | |
| - Gross investment in financing leases | \$ 45,812 |
| Less: Cost of investments and unearned income | <u>10,595</u> |
| Net investment in direct financing leases | <u><u>\$ 35,217</u></u> |

Operating Leases

Primary Government

The State has operating leases maintained by various state agencies consisting primarily of state owned building space leased to non-state entities. The following schedule presents minimum future rentals receivable from these operating leases (expressed in thousands).

| <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Total</u> |
|-------------|-------------|-------------|-------------|-------------|----------------------|
| \$ 396 | \$ 64 | \$ 43 | \$ 20 | \$ 18 | <u><u>\$ 541</u></u> |

In addition, the leasing operations of the **Commissioners of the Land Office** consist of leasing approximately 800,000 acres of land principally for agricultural purposes. The lease terms are principally for five-year periods with one-fifth of the leases expiring each year. The lease year is on a calendar year basis with rents prepaid one year in advance. The rental amount is determined based on the maximum amount bid by the lessee. The following schedule presents minimum future rentals receivable from the leasing of these lands (expressed in thousands).

| <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Total</u> |
|-------------|-------------|-------------|-------------|-------------|-------------------------|
| \$ 4,876 | \$ 7,312 | \$ 5,753 | \$ 3,288 | \$ 1,601 | <u><u>\$ 22,830</u></u> |

Component Units

The **Oklahoma Turnpike Authority** has various noncancelable contracts with concessionaires to provide patron services on the Oklahoma Turnpike System. The contracts are generally for five year terms, with two five-year renewal options. The Authority receives concession revenue that includes minimum rentals plus contingent rentals based on sales volume. The Authority also leases antenna space under noncancelable contracts with a 20 year term. The following schedule presents minimum future rentals receivable from these contracts (expressed in thousands).

| <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Total</u> |
|-------------|-------------|-------------|-------------|-------------|----------------------|
| \$ 198 | \$ 198 | \$ 198 | \$ 190 | \$ 179 | <u><u>\$ 963</u></u> |

Note 10. Long-Term Obligations - Primary Government, Governmental Funds

Long-term obligations at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Issue Dates | Interest Rates | Maturity Through | Beginning Balance | Additions | Reductions | Ending Balance |
|--|----------------|-------------------|---------------------|----------------------|-------------------|------------------|-------------------|
| General Long-Term Debt Account Group | | | | | | | |
| General Obligation Bonds Payable from Tax Revenue: | | | | | | | |
| Institutional Bldg 1992A | 1993 | 4.25-5.20% | 2018 | \$ 232,260 | \$ - | \$ 4,900 | \$ 227,360 |
| Institutional Bldg 1992B | 1993 | 4.15-6.60% | 2013 | 85,835 | - | 3,905 | 81,930 |
| Total | | | | <u>318,095</u> | <u>-</u> | <u>8,805</u> | <u>309,290</u> |
| Revenue Bonds Payable from Lease Rentals: | | | | | | | |
| OCIA Series A of 1986 | 1986 | 6.50% | 2007 | 3,152 | - | 280 | 2,872 |
| OCIA Series A of 1988 | 1988 | 7.00% | 1998 | 180 | - | 180 | - |
| OCIA Series A of 1994 | 1994 | 3.00-4.65% | 2003 | 4,895 | - | 900 | 3,995 |
| OCIA Series B of 1994 | 1994 | 4.85-7.15% | 2010 | 15,130 | - | 875 | 14,255 |
| OCIA Series B of 1995 | 1995 | 3.60-5.30% | 2016 | 30,415 | - | 1,665 | 28,750 |
| OCIA Series B of 1996 | 1996 | 3.75-5.50% | 2021 | 3,275 | - | 75 | 3,200 |
| OCIA Series 1998, Corrections | 1998 | 3.90-5.00% | 2018 | 19,960 | - | 645 | 19,315 |
| OCIA Series 1998, Highway | 1998 | 4.25-5.0% | 2008 | - | 297,960 | 12,670 | 285,290 |
| Tourism 1990 | 1990 | 5.95% | 2000 | 1,700 | - | 580 | 1,120 |
| Tourism 1994 | 1994 | 5.30-7.20% | 2012 | 5,160 | - | 245 | 4,915 |
| Boll Weevil Series 1999 | 1999 | 5.15-6.25% | 2008 | - | 5,000 | - | 5,000 |
| DHS-Tulsa Co. 1990 (ODFA) | 1990 | 6.15-7.00% | 2000 | 705 | - | 220 | 485 |
| Total | | | | <u>84,572</u> | <u>302,960</u> | <u>18,335</u> | <u>369,197</u> |
| Note Payable - Sardis Reservoir | | | | 36,703 | - | 242 | 36,461 |
| Note Payable - Boll Weevil Eradication | | | | - | 2,163 | 2,163 | - |
| Certificates of Participation | | | | 8,316 | - | 3,175 | 5,141 |
| Capital Leases | | | | 8,594 | 3,354 | 2,710 | 9,238 |
| Compensated Absences | | | | 102,464 | 10,352 | - | 112,816 |
| Pension Obligation | | | | 2,193 | - | 210 | 1,983 |
| Other Claims and Judgments | | | | - | 3,638 | - | 3,638 |
| Total General Long-Term Debt Account Group | | | | <u>\$ 560,937</u> | <u>\$ 322,467</u> | <u>\$ 35,640</u> | <u>\$ 847,764</u> |

Reduction of debt includes deletions of certificates of participation (\$358) and capital leases (\$76) and decreases in pension obligations which are not actual cash expenditures.

A. General Obligation Bonds

General obligation bonds, administered by the State Treasurer, are authorized and issued primarily to provide resources for State-owned capital improvements, including office buildings for state agencies. The State has pledged 100% of cigarette taxes collected under these bond issues. General obligation bonds are backed by the full faith and credit of the State, including the State's power to levy additional taxes to ensure repayment of the bonds.

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. The State's cumulative arbitrage rebate liability on general obligation bonds for the year ended June 30, 1999, is approximately \$11,700.

The following table presents annual debt service requirements for those long-term debts outstanding at June 30, 1999 that have scheduled debt service amounts (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 | Maturity | Total |
|--|-----------|-----------|-----------|-----------|-----------|------------|------------|
| General Long-Term Debt Account Group | | | | | | | |
| General Obligation Bonds: | | | | | | | |
| Institutional Bldg 1992A | \$ 16,358 | \$ 16,385 | \$ 16,420 | \$ 16,460 | \$ 16,508 | \$ 296,894 | \$ 379,025 |
| Institutional Bldg 1992B | 7,937 | 7,922 | 7,895 | 7,871 | 7,834 | 76,041 | 115,500 |
| | 24,295 | 24,307 | 24,315 | 24,331 | 24,342 | 372,935 | 494,525 |
| Interest | 15,105 | 14,707 | 14,285 | 13,836 | 13,357 | 113,945 | 185,235 |
| Total | 9,190 | 9,600 | 10,030 | 10,495 | 10,985 | 258,990 | 309,290 |
| Revenue Bonds: | | | | | | | |
| OCIA Series A of 1986 | 477 | 477 | 477 | 476 | 476 | 1,271 | 3,654 |
| OCIA Series A of 1988 | - | - | - | - | - | - | - |
| OCIA Series A of 1994 | 1,115 | 1,114 | 1,116 | 1,114 | - | - | 4,459 |
| OCIA Series B of 1994 | 1,858 | 1,854 | 1,850 | 1,851 | 1,846 | 11,008 | 20,267 |
| OCIA Series B of 1995 | 3,121 | 3,122 | 2,712 | 2,715 | 2,712 | 26,592 | 40,974 |
| OCIA Series B of 1996 | 245 | 242 | 244 | 245 | 245 | 4,342 | 5,563 |
| OCIA Series 1998, Corrections | 1,579 | 1,578 | 1,579 | 1,579 | 1,577 | 22,079 | 29,971 |
| OCIA Series 1998, Highway | 39,411 | 39,412 | 39,408 | 39,416 | 39,407 | 157,646 | 354,700 |
| Tourism 1990 | 1,157 | - | - | - | - | - | 1,157 |
| Tourism 1994 | 574 | 574 | 573 | 575 | 576 | 4,546 | 7,418 |
| Boll Weevil Series 1999 | 734 | 725 | 725 | 727 | 723 | 2,897 | 6,531 |
| DHS-Tulsa Co. 1990 (ODFA) | 261 | 259 | - | - | - | - | 520 |
| | 50,532 | 49,357 | 48,684 | 48,698 | 47,562 | 230,381 | 475,214 |
| Interest | 17,674 | 16,188 | 14,603 | 12,946 | 11,206 | 33,400 | 106,017 |
| Total | 32,858 | 33,169 | 34,081 | 35,752 | 36,356 | 196,981 | 369,197 |
| Note Payable - Sardis Reservoir | 923 | 923 | 923 | 923 | 923 | 45,573 | 50,188 |
| Interest | 671 | 661 | 651 | 641 | 631 | 10,472 | 13,727 |
| Total | 252 | 262 | 272 | 282 | 292 | 35,101 | 36,461 |
| Certificates of Participation | 1,382 | 723 | 774 | 833 | 870 | 559 | 5,141 |
| Capital Leases | 2,821 | 2,299 | 1,491 | 1,093 | 1,040 | 494 | 9,238 |
| Total Debt Service | \$ 46,503 | \$ 46,053 | \$ 46,648 | \$ 48,455 | \$ 49,543 | \$ 492,125 | \$ 729,327 |
| Long-Term Debt without scheduled debt service: | | | | | | | |
| Compensated Absences | | | | | | | 112,816 |
| Pension Obligation | | | | | | | 1,983 |
| Other Claims and Judgments | | | | | | | 3,638 |
| Total General Long-Term Debt Account Group | | | | | | | \$ 847,764 |

B. Revenue Bonds

The **Oklahoma Capitol Improvement Authority** (OCIA) has seven outstanding series of building bonds to construct and equip state office buildings and prisons. Principal and interest payments on these bond issues are paid from rents collected from the various state and federal agencies that occupy the buildings constructed with the bond proceeds. OCIA also issued a series of revenue bonds to construct and improve the highway system. Principal and interest payments on these bonds are paid from rents collected from the Oklahoma Department of Transportation (DOT). It is the intent of the Legislature to appropriate to DOT sufficient moneys to make payments to OCIA for the purpose of retiring the debt.

The **Oklahoma Tourism and Recreation Department** has two revenue bond issues for the financing of capital projects of the Parks Division. The revenue generated by fees from the Parks Division is used to meet the bond obligations. Additional security is provided by a special "Bond Reserve Fund", which is maintained in the amount of \$500,000 and \$25,000 for the 1990 Series and 1994 Series, respectively.

The **Boll Weevil Eradication Organization** issued revenue bonds for the purpose of eradicating boll weevils in the state. Principal and interest payments on this bond issue will be paid from assessments charged to cotton growers.

The **Oklahoma Development Finance Authority** issued lease revenue bonds to provide lease financing for the Department of Human Services. The actual lease payments are made to a trustee who is responsible for payments to individual investors.

C. Notes Payable

The **Oklahoma Water Resources Board** has a contractual agreement to repay the United States, through the Army Corps of Engineers, for the costs of constructing water supply storage at Sardis Reservoir in southeastern Oklahoma. Under the 1974 contract, annual payments over a period of 50 years are to be made for the reservoir construction, operation and maintenance allocated to the present use water supply storage. The water storage facility was completed in 1982 and annual payments began in 1983. For further discussion of this note payable, refer to the Litigation and Contingencies note.

The **Boll Weevil Eradication Organization** issued bond anticipation notes prior to the issuance of the revenue bond discussed above. The temporary note was liquidated during 1999 with the proceeds of the revenue bond.

D. Certificates of Participation

The State has lease purchase agreements funded through certificates of participation. These leases are for the purchase of equipment and facilities. Third-party leasing companies assigned their interest in the lease to underwriters which issued certificates for the funding of these obligations. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement. While the State is liable for lease payments to the underwriters, the State is not liable for payments to holders of the certificates.

The following schedule presents, by fiscal year, future minimum lease payments in the General Long Term Debt Account Group, as of June 30, 1999 (expressed in thousands).

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Maturity</u> | <u>Total</u> |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| | \$ 1,689 | \$ 964 | \$ 964 | \$ 964 | \$ 940 | \$ 579 | \$ 6,100 |
| Less: Interest | | | | | | | <u>959</u> |
| Present Value of Minimum Lease Payments | | | | | | | <u>\$ 5,141</u> |

Leased buildings and equipment financed by certificates of participation in the general fixed asset account group at June 30, 1999, include the following (expressed in thousands).

| | |
|-----------|------------------|
| Equipment | \$ 20,725 |
| Buildings | <u>16,870</u> |
| Total | <u>\$ 37,595</u> |

E. Capital Leases

The State has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. Capital lease obligations are reported for those leases with annual payments equal to \$10,000 or more.

The following schedule presents, by fiscal year, future minimum lease payments in the General Long-Term Debt Account Group, as of June 30, 1999 (expressed in thousands).

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Maturity</u> | <u>Total</u> |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| | \$ 3,642 | \$ 2,923 | \$ 1,902 | \$ 1,333 | \$ 1,274 | \$ 550 | \$ 11,624 |
| Less: Executory costs included in minimum lease payments | | | | | | | <u>1,014</u> |
| Net Minimum Lease Payments | | | | | | | 10,610 |
| Less: Interest | | | | | | | <u>1,372</u> |
| Present Value of Minimum Lease Payments | | | | | | | <u>\$ 9,238</u> |

Leased buildings and equipment under capital leases in the general fixed asset account group at June 30, 1999, include the following (expressed in thousands).

| | |
|-----------|------------------|
| Equipment | \$ 11,900 |
| Buildings | <u>3,756</u> |
| Total | <u>\$ 15,656</u> |

F. Other Claims and Judgments

Included in other claims and judgments are Risk Management liabilities that will not be paid with currently expendable available financial resources.

G. Authorized Unissued Bonds

The State has authorized the Department of Corrections to issue bonds in the amount of \$1,500,000. The Oklahoma Capital Improvement Authority has been authorized to issue bonds in the amount of \$315,000,000 for construction and acquisition of property, \$4,000,000 for the benefit of the Oklahoma State Bureau of Investigation and \$10,000,000 for the benefit of the Department of Corrections.

Note 11. Long-Term Obligations - Primary Government, Proprietary Fund

The **Oklahoma Water Resources Board** has issued seven series of revenue bonds and seven series of notes payable. These bonds and notes payable provide resources to implement its statewide financial assistance programs. These programs make loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems.

Bonds payable at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | <u>Issue Dates</u> | <u>Interest Rates</u> | <u>Maturity Through</u> | <u>Authorized Unissued</u> | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|---------------------------------------|--------------------|-----------------------|-------------------------|----------------------------|--------------------------|------------------|-------------------|-----------------------|
| Revenue Bonds Payable from User Fees: | | | | | | | | |
| 1989-1999 Issues | 1989-1999 | 2.90-6.70% | 2018-2032 | \$ - | \$ 221,785 | \$ 75,000 | \$ 19,000 | \$ 277,785 |
| Less: Bond Discounts | | | | - | 786 | 85 | 36 | 835 |
| Total Bonds Payable Net of Discounts | | | | <u>\$ -</u> | <u>\$ 220,999</u> | <u>\$ 74,915</u> | <u>\$ 18,964</u> | <u>\$ 276,950</u> |

The following table presents estimated annual debt service requirements for bonds payable outstanding at June 30, 1999, (expressed in thousands).

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Maturity</u> | <u>Total</u> |
|---|-----------------|-----------------|------------------|------------------|------------------|-------------------|-------------------|
| Revenue Bonds Payable: | | | | | | | |
| 1989-1999 Issues Principal and Interest | \$ 18,531 | \$ 19,330 | \$ 19,434 | \$ 19,407 | \$ 18,625 | \$ 310,441 | \$ 405,768 |
| Less: Interest | <u>9,871</u> | <u>9,525</u> | <u>9,154</u> | <u>8,767</u> | <u>8,396</u> | <u>82,270</u> | <u>127,983</u> |
| Total Principal | <u>\$ 8,660</u> | <u>\$ 9,805</u> | <u>\$ 10,280</u> | <u>\$ 10,640</u> | <u>\$ 10,229</u> | <u>\$ 228,171</u> | <u>\$ 277,785</u> |

Notes payable at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Issue Dates | Interest Rates | Maturity Through | Original Amount | Beginning Balance | Additions | Reductions | Ending Balance |
|--------------------------------------|-------------|----------------|------------------|-----------------|-------------------|-----------|------------|----------------|
| Loan Programs | 1997-1999 | 5.00-6.00% | 2001 | \$ 5,640 | \$ 3,340 | \$ 2,300 | \$ 2,210 | \$ 3,430 |
| Less: Note Discounts | | | | | 8 | 7 | 7 | 8 |
| Total Notes Payable Net of Discounts | | | | | \$ 3,332 | \$ 2,293 | \$ 2,203 | \$ 3,422 |

The following table presents estimated annual debt service requirements for notes payable outstanding at June 30, 1999, (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 | Maturity | Total |
|--------------------------------------|----------|----------|------|------|------|----------|----------|
| Loan Programs Principal and Interest | \$ 2,397 | \$ 1,216 | \$ - | \$ - | \$ - | \$ - | \$ 3,613 |
| Less: Interest | 152 | 31 | - | - | - | - | 183 |
| Total Principal | \$ 2,245 | \$ 1,185 | \$ - | \$ - | \$ - | \$ - | \$ 3,430 |

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. The cumulative arbitrage rebate liability for the year ended June 30, 1999, is approximately \$1,715,000 and is recorded as other liabilities.

Note 12. Long-Term Obligations – Component Unit, Governmental Fund

The **Special Indemnity Fund** (SPIF) is indebted to claimants for court awarded judgments. Only those judgments currently payable in arrears bear interest. Included in Long-Term Obligations are permanent total and permanent partial awards payable after December 31, 1998.

Awards payable at December 31, 1998, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Beginning Balance | Additions | Reductions | Ending Balance |
|----------------------|-------------------|-----------|------------|----------------|
| Claims and Judgments | \$ 151,321 | \$ 15,598 | \$ - | \$ 166,919 |

The principal allocated by year cannot be determined as amounts paid are contingent on amounts collected from funding sources.

Note 13. Long-Term Obligations - Component Units, Proprietary Funds

Bonds payable at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Issue Dates | Interest Rates | Maturity Through | Authorized Unissued | Beginning Balance | Additions | Reductions | Ending Balance |
|--|-------------|----------------|------------------|---------------------|-------------------|------------|------------|----------------|
| General Obligation Bonds Payable from User Fees: | | | | | | | | |
| Industrial Finance Authority | 1961-1998 | 3.30-10.00% | 2022 | \$ 21,290 | \$ 68,823 | \$ 5,375 | \$ 631 | \$ 73,567 |
| Revenue Bonds Payable from User Fees: | | | | | | | | |
| Student Loan Authority | 1992-1998 | 3.50-6.70% | 2028 | - | 141,670 | 33,100 | 4,865 | 169,905 |
| Development Finance Auth. | 1996 | 5.50% | 2006 | - | 9,999 | - | - | 9,999 |
| Environmental Finance Auth. | 1977 | 5.90% | 2007 | - | 37,675 | - | 2,975 | 34,700 |
| Housing Finance Agency | 1987-1998 | 3.55-9.65% | 2029 | - | 562,430 | - | 138 | 562,292 |
| Turnpike Authority | 1989-1992 | 3.15-7.88% | 2028 | - | 653,631 | 687,010 | 12,316 | 1,328,325 |
| Grand River Dam Authority | 1987-1995 | 4.00-8.00% | 2013 | - | 997,480 | - | 40,985 | 956,495 |
| Municipal Power Authority | 1990-1994 | 2.75-6.75% | 2028 | - | 385,965 | - | 7,360 | 378,605 |
| Total Before Discounts/Deferrals | | | | 21,290 | 2,857,673 | 725,485 | 69,270 | 3,513,888 |
| Less: Bond Discounts | | | | - | 47,814 | 1,585 | 3,376 | 46,023 |
| Net Deferred Debits on Refundings | | | | - | 105,916 | - | 12,774 | 93,142 |
| Total Bonds Payable Net of Discounts/Deferrals | | | | \$ 21,290 | \$ 2,703,943 | \$ 723,900 | \$ 53,120 | \$ 3,374,723 |

The following table presents annual principal and interest payments (principal payments only for the revenue bonds of Oklahoma Housing Finance Agency) for bonds payable outstanding at June 30, 1999, (September 30, 1998, for Oklahoma Housing Finance Agency and December 31, 1998, for Oklahoma Turnpike Authority and Grand River Dam Authority) (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 | Maturity | Total |
|------------------------------|------------|------------|------------|------------|------------|--------------|--------------|
| General Obligation Bonds: | | | | | | | |
| Industrial Finance Authority | \$ 4,603 | \$ 4,623 | \$ 4,729 | \$ 4,754 | \$ 4,740 | \$ 110,476 | \$ 133,925 |
| Revenue Bonds: | | | | | | | |
| Student Loan Authority | 10,906 | 10,176 | 9,639 | 9,030 | 8,185 | 257,538 | 305,474 |
| Development Finance Auth. | 550 | 550 | 550 | 550 | 550 | 11,099 | 13,849 |
| Environmental Finance Auth. | 2,047 | 2,048 | 2,047 | 5,048 | 5,870 | 32,172 | 49,232 |
| Turnpike Authority | 72,102 | 86,609 | 86,610 | 86,608 | 90,132 | 2,210,642 | 2,632,703 |
| Grand River Dam Authority | 95,610 | 95,552 | 95,739 | 95,718 | 95,290 | 900,291 | 1,378,200 |
| Municipal Power Authority | 28,284 | 28,269 | 28,249 | 28,237 | 28,217 | 557,712 | 698,968 |
| Total Principal and Interest | 214,102 | 227,827 | 227,563 | 229,945 | 232,984 | 4,079,930 | 5,212,351 |
| Less: Interest | 145,176 | 156,079 | 152,553 | 148,225 | 142,981 | 1,515,741 | 2,260,755 |
| Subtotal: Principal | 68,926 | 71,748 | 75,010 | 81,720 | 90,003 | 2,564,189 | 2,951,596 |
| Housing Finance Agency | 99,749 | 32,255 | 25,143 | 25,148 | 25,168 | 354,829 | 562,292 |
| Total Principal | \$ 168,675 | \$ 104,003 | \$ 100,153 | \$ 106,868 | \$ 115,171 | \$ 2,919,018 | \$ 3,513,888 |

A. General Obligation Bonds

Oklahoma Industrial Finance Authority (OIFA) has issued nine series of general obligation bonds. These bonds are issued for the funding of industrial finance loans to encourage business development within the state. All revenues arising from the net proceeds from repayment of industrial finance loans and interest received thereon are pledged under these bond issues. In addition, these general obligation bonds are backed by the full faith and credit of the State.

B. Revenue Bonds

The **Oklahoma Student Loan Authority (SLA)** has issued ten series of revenue bonds. The bonds are issued for the purpose of funding student loans. All bonds payable are primarily secured by the student loans receivable, related accrued interest and by the amounts on deposit in the accounts established under the respective bond resolution.

The **Oklahoma Development Finance Authority (ODFA)** has issued a revenue bond to fund loans to various investment enterprises in connection with the Quality Jobs Investment Program. The bond is payable solely from and secured by the revenues and funds in the Quality Jobs Investment Program and a Credit Enhancement Reserve Fund guarantee insurance policy.

The **Oklahoma Housing Finance Agency (OHFA)** has issued 41 series of revenue bonds with an original issue amount of \$1,111,547,000. The net proceeds of these bonds are used to provide financing for qualifying residences, provide interim and permanent financing for multi family construction projects, and establish debt-service reserves as required by the various trust indentures.

The **Oklahoma Turnpike Authority (OTA)** has issued seven series of revenue bonds with an original issue amount of \$1,904,534,000. The bonds are issued for the purpose of financing capital improvements and new projects relating to the State's turnpike system and are financed primarily by tolls assessed on users of the turnpikes.

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. OTA's cumulative arbitrage rebate liability for the year ended December 31, 1998, is approximately \$4,004,000 and is recorded as other liabilities.

The **Grand River Dam Authority (GRDA)** has issued three series of revenue bonds with an original issue amount of \$2,091,030,000. The bonds were issued to advance refund all of GRDA's previously issued acquisition and construction indebtedness.

The **Oklahoma Municipal Power Authority** (OMPA) has issued five series of revenue bonds. The bonds are issued to finance portions of OMPA's acquisition and construction activities. The bonds are payable from and collateralized by a pledge of and security interest in the proceeds of the sale of the bonds, the revenues of OMPA, and assets in the funds established by the respective bond resolutions. Neither the State of Oklahoma nor any political subdivision thereof is obligated to pay principal or interest on the bonds. OMPA does not have any taxing authority.

C. Defeased Bonds

In prior years, proprietary component units have defeased bonds by placing assets in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trusts' assets and the liability for the defeased bonds are not included in the accompanying financial statements. The following defeased bonds were outstanding at June 30, 1999 (December 31, 1998 for OTA, GRDA, and OMPA) (expressed in thousands).

| General Obligation Bonds | Revenue Bonds | | | |
|--------------------------------|---------------|------------|-----------|------|
| | OIFA | OTA | GRDA | OMPA |
| \$ 5,000 | \$ 579,755 | \$ 100,727 | \$ 50,485 | |

D. Notes Payable

Notes payable at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Issue Dates | Interest Rates | Maturity Through | Original Amount | Beginning Balance | Additions | Reductions | Ending Balance |
|--|----------------|-------------------|---------------------|--------------------|----------------------|-----------|------------|-------------------|
| Student Loan Authority | 1993, 1995 | 3.40-5.89% | 2025 | \$ 78,600 | \$ 37,360 | \$ 21,240 | \$ 10,000 | \$ 48,600 |
| Medical Technology and Research Authority | 1995-1996 | 6.25-8.25% | 2015 | 4,462 | 3,849 | 329 | 222 | 3,956 |
| Total | | | | | \$ 41,209 | \$ 21,569 | \$ 10,222 | \$ 52,556 |
| Less: Current Portion | | | | | | | | 222 |
| Total Noncurrent Notes Payable | | | | | | | | \$ 52,334 |

The following table presents annual debt service requirements for notes payable outstanding at June 30, 1999 (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 | Maturity | Total |
|---------------------------------------|----------|-----------|----------|----------|----------|-----------|-----------|
| Student Loan Authority | \$ 2,183 | \$ 21,982 | \$ 1,005 | \$ 1,005 | \$ 1,004 | \$ 49,873 | \$ 77,052 |
| Medical Technology and Research Auth. | 476 | 476 | 476 | 476 | 476 | 3,647 | 6,027 |
| Total Principal and Interest | 2,659 | 22,458 | 1,481 | 1,481 | 1,480 | 53,520 | 83,079 |
| Less: Interest | 2,438 | 2,221 | 1,226 | 1,208 | 1,188 | 22,242 | 30,523 |
| Total Principal | \$ 221 | \$ 20,237 | \$ 255 | \$ 273 | \$ 292 | \$ 31,278 | \$ 52,556 |

Notes of the **Oklahoma Student Loan Authority** (OSLA) are issued to fund student loans and are primarily secured by the student loans receivable, related accrued interest and by the amounts on deposit in the accounts established under the respective financing agreements.

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. OSLA's cumulative arbitrage rebate liability for the year ended June 30, 1999, is approximately \$953,000 and is recorded as other liabilities.

Notes of the **Medical Technology and Research Authority** are issued for the purpose of financing the construction of facilities and equipment and are secured by a mortgage, security interest in properties, and revenues.

E. Capital Leases

The State's proprietary component units have previously entered into agreements to lease various facilities and equipment. Such agreements were, in substance, purchases (capital leases) and were reported as capital lease obligations. These obligations were fully paid at year end, and the changes for the fiscal year are as follows (expressed in thousands).

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---------------------------|----------------------|-----------|------------|-------------------|
| Capital Lease Obligations | \$ 1,336 | \$ - | \$ 1,336 | \$ - |

Note 14. Long-Term Obligations - Component Unit, Higher Education Funds

Long-term obligations at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | Issue Dates | Interest Rates | Maturity Through | Authorized Unissued | Beginning Balance | Additions | Reductions | Ending Balance |
|--------------------------|----------------|-------------------|---------------------|------------------------|----------------------|-------------------|------------------|-------------------|
| General Obligation Bonds | 1971-1998 | 0.05-10.00% | 2006 | - | \$ 4,740 | \$ 18,300 | \$ 1,730 | \$ 21,310 |
| Revenue Bonds | 1963-1998 | 3.00-12.00% | 2028 | - | 174,444 | 100,780 | 16,934 | 258,290 |
| Notes Payable | | | | | 10,716 | 16,586 | 633 | 26,669 |
| Total Before Discounts | | | | | 189,900 | 135,666 | 19,297 | 306,269 |
| Less: Bond Discounts | | | | | - | 35 | 2 | 33 |
| | | | | | <u>\$ 189,900</u> | <u>\$ 135,631</u> | <u>\$ 19,295</u> | <u>\$ 306,236</u> |

The following table presents annual principal and interest payments applicable to long-term debt outstanding at June 30, 1999 (expressed in thousands).

| | 2000 | 2001 | 2002 | 2003 | 2004 | Maturity | Total |
|--------------------------|-----------------|-----------------|------------------|------------------|------------------|-------------------|-------------------|
| General Obligation Bonds | \$ 1,296 | \$ 5,852 | \$ 5,651 | \$ 5,448 | \$ 5,246 | \$ 918 | \$ 24,411 |
| Less: Interest | 866 | 847 | 646 | 443 | 241 | 58 | 3,101 |
| Total Principal | <u>\$ 430</u> | <u>\$ 5,005</u> | <u>\$ 5,005</u> | <u>\$ 5,005</u> | <u>\$ 5,005</u> | <u>\$ 860</u> | <u>\$ 21,310</u> |
| Revenue Bonds | \$ 22,105 | \$ 21,962 | \$ 22,911 | \$ 23,434 | \$ 21,811 | \$ 301,037 | \$ 413,260 |
| Less: Interest | 13,141 | 12,678 | 12,133 | 11,865 | 10,790 | 94,363 | 154,970 |
| Total Principal | <u>\$ 8,964</u> | <u>\$ 9,284</u> | <u>\$ 10,778</u> | <u>\$ 11,569</u> | <u>\$ 11,021</u> | <u>\$ 206,674</u> | <u>\$ 258,290</u> |
| Notes Payable | \$ 2,747 | \$ 2,269 | \$ 2,190 | \$ 2,194 | \$ 2,282 | \$ 31,849 | \$ 43,531 |
| Less: Interest | 1,445 | 1,349 | 1,307 | 1,266 | 1,209 | 10,286 | 16,862 |
| Total Principal | <u>\$ 1,302</u> | <u>\$ 920</u> | <u>\$ 883</u> | <u>\$ 928</u> | <u>\$ 1,073</u> | <u>\$ 21,563</u> | <u>\$ 26,669</u> |

A. General Obligation Bonds

Rose State College Technical Area Education District and Tulsa Community College Area School District #18 have authorized and issued two series of general obligation bonds with an original issue amount of \$22,175,000. These bonds were issued for the financing of buildings, equipment, and related capital improvements. Ad valorem taxes levied upon taxable property within their respective districts have been pledged to retire these general obligation bonds.

B. Revenue Bonds

Nineteen of the State's colleges and universities have authorized and issued 47 series of revenue bonds with an original issue amount of \$309,397,000. These bonds were issued for the construction of student housing and other facilities. Student fees, revenues produced by the facilities constructed, and other revenues collateralize the revenue bonds.

In March 1998, the University of Oklahoma issued Multiple Facility Bonds of which some proceeds were used for the current refunding of the 1979 Student Facility Bonds. The current refunding resulted in the recognition of an accounting loss of approximately \$130,000. The principal amount advance refunded was \$6,505,000; hence, the liability for the bonds

has been removed from the financial statements. Proceeds were transferred to an escrow trustee and held until July, 1998 when bonds were called at a premium of 102%.

In August 1998, Oklahoma State University advance refunded \$7,055,000 of 1996 Athletic System Revenue Bonds from the proceeds of the 1998 Athletic Facilities Revenue Bonds. The liability for the bonds has been removed from the financial statements. There was an economic loss of approximately \$2,500.

Other colleges and universities have defeased revenue bonds in prior years by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trusts' assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 1999, \$8,576,000 of bonds defeased in prior years were outstanding.

C. Notes Payable

Oklahoma State University and Carl Albert State College each entered into a note payable to fund the construction of facilities. Lease payments, a pledge of "Section Thirteen Fund State Educational Institutions" moneys, and the facilities constructed secure the notes. Oklahoma State University also entered into note payables for the purchase of equipment. The equipment purchased is pledged as collateral on the note. The University of Oklahoma Health Sciences Center (the Center) has entered into a note payable to provide start up costs for the Sooner Care HMO which is operated by the Center. The revenues produced by Sooner Care HMO will be used to retire the note. Also, the Center entered into a note payable to the Oklahoma Development Finance Authority. The revenues received from rentals of properties purchased with the proceeds of the note and additional income from the operation of the Center's Tulsa Medical Clinic, as needed, are pledged toward payment to the Oklahoma Development Finance Authority. Oklahoma Panhandle State University has entered into a note payable for the purchase of accounting software and computer equipment.

D. Capital Leases

The Higher Education Component Unit has entered into agreements to lease various facilities and equipment. Such agreements are reported as capital lease obligations.

The following presents, by fiscal year, future minimum lease payments in the Higher Education Component Unit as of June 30, 1999 (expressed in thousands).

| | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>Maturity</u> | <u>Total</u> |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|------------------|
| | \$ 3,548 | \$ 3,354 | \$ 2,819 | \$ 2,553 | \$ 1,110 | \$ 9,915 | \$ 23,299 |
| Less: Interest | | | | | | | <u>5,898</u> |
| Present Value of Minimum Lease Payments | | | | | | | <u>\$ 17,401</u> |

Capital lease obligations at June 30, 1999, and changes for the fiscal year then ended are as follows (expressed in thousands).

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|---------------------------|------------------------------|------------------|-------------------|---------------------------|
| Capital Lease Obligations | \$ 16,852 | \$ 3,356 | \$ 2,807 | \$ 17,401 |

Leased equipment under capital leases in investment in fixed assets at June 30, 1999, included the following (expressed in thousands).

| | |
|--------------------------------|------------------|
| Facilities and Equipment | \$ 23,645 |
| Less: Accumulated Depreciation | <u>4,026</u> |
| Net | <u>\$ 19,619</u> |

Note 15. Beginning Fund Equity Adjustments and Other Changes

Beginning Fund Equity Adjustments

For fiscal 1998, the State implemented Governmental Accounting Standards Board Statement 31 (GASB 31), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, except for, some higher education institutions and proprietary component units implemented GASB 31 in fiscal 1999. Although the new statement made numerous changes, the most significant was the recording of investments at fair value. As a result, investments were increased by approximately \$47,763,000.

The presentation method of six pension trust funds was changed. In prior years, these fiduciary component units were blended with the primary government as a part of the trust and agency funds. During fiscal 1999, these fiduciary component units were moved to discrete presentation.

The canteen fund of the Department of Corrections has been reclassified from the agency funds to the general fund.

During fiscal 1999, the Oklahoma Housing Finance Agency, a proprietary component unit, changed the presentation method of its multi family bond program conduit debt. The debt and related investments have been removed from the balance sheet (see related disclosure for conduit debt information).

During fiscal 1999, two universities included in the Higher Education Component Unit restated the carrying value of their plant assets.

The following schedule reconciles June 30, 1998, fund equity as previously reported, to beginning fund equity, as restated, to include the adoption of new pronouncements and other changes noted above (expressed in thousands).

| | General | Capital Projects | Enterprise | Trust and Agency | Governmental Component Unit | Proprietary Component Units | Fiduciary Component Units | Higher Education Component Unit |
|--|---------------------|---------------------|-------------------|---------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------------|
| June 30, 1998, fund equity, as previously reported | \$ 1,713,373 | \$ 14,851 | \$ 166,403 | \$ 14,324,726 | \$ (21,867) | \$ 648,589 | \$ - | \$ 2,476,010 |
| Reclassifications: | | | | | | | | |
| Fiduciary Component Units | - | - | - | (12,605,749) | - | - | 12,605,749 | - |
| Department of Corrections | 2,930 | - | - | - | - | - | - | - |
| Oklahoma Housing Finance | - | - | - | - | - | (17,896) | - | - |
| Prior period adjustments: | | | | | | | | |
| To record implementation of GASB 31 | - | - | - | - | - | 47,127 | - | 636 |
| Plant inventory adjustments | - | - | - | - | - | - | - | (305,349) |
| Correction of errors | (16,380) | - | 3,242 | - | - | 3 | - | (273) |
| June 30, 1998, fund equity, as restated | <u>\$ 1,699,923</u> | <u>\$ 14,851</u> | <u>\$ 169,645</u> | <u>\$ 1,718,977</u> | <u>\$ (21,867)</u> | <u>\$ 677,823</u> | <u>\$ 12,605,749</u> | <u>\$ 2,171,024</u> |

Note 16. Nonrecourse Debt and Debt Guarantees

Nonrecourse (Conduit) Debt, Notes Receivable and Funds in Trust

Financing agreements of Oklahoma Development Finance Authority (ODFA) and Oklahoma Housing Finance Agency (OHFA) are structured such that the debt is to be repaid solely from the revenues derived from the related facilities leased or acquired, or from the disposition of collateral. ODFA and OHFA do not hold notes receivable and trust investments in amounts equal to the long-term financings. As of June 30, 1999, ODFA had 164 series of debt outstanding for non-state entities, with an aggregate principal amount payable of approximately \$682,683,000. As of September 30, 1998, OHFA had 44 series of single family bonds outstanding with an aggregate principal amount payable of approximately \$555,476,000 and 7 series of multi family bonds outstanding with an aggregate principal amount payable of approximately \$32,422,000. These financings are not the general obligations of the State or state agencies, and it is the opinion of agency management and its legal counsel that, in the event of default by a borrower, the State has no responsibility for repayment

of such financings. Accordingly, the nonrecourse debt and the related notes receivable and trust investments of ODFA and OHFA's multi family bond programs have been excluded from the financial statements. The nonrecourse debt and other obligations and the related notes receivable and other assets of OHFA's single family bonds are presented in the financial statements, since any assets remaining when the single family bond programs are liquidated are transferred to OHFA.

Credit Enhancement Reserve Fund

Under the Constitution of the State of Oklahoma, ODFA may issue bonds of the State, to be known as Credit Enhancement Reserve Fund General Obligation Bonds, in a total principal amount of \$100,000,000 for the sole purpose of generating resources if there are insufficient assets to meet insurance obligations. The Fund is managed, administered, and utilized by ODFA solely to secure the payment of interest insurance on the revenue bonds and other financial obligations issued by the Authority for the specific purpose of enhancing and supporting the credit of such obligations. As of June 30, 1999, there were approximately \$35,400,000 of outstanding financial obligations insured by ODFA. At year end, the Fund has accrued a reserve for losses of approximately \$86,000, to cover potential losses from outstanding financial obligations insured by the Fund. Through June 30, 1999, there have been no Oklahoma Credit Enhancement Reserve Fund General Obligation Bonds issued since it is the intention of ODFA to utilize existing assets to meet obligations arising from losses reserved and accrued payments in lieu of interest by the Fund.

Note 17. Retirement and Pension Systems

The State of Oklahoma has six Public Employee Retirement Systems (PERS) that administer pension plans. Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement System for Justices and Judges (URSJJ), Oklahoma Police Pension and Retirement System (OPPRS), and the Teachers' Retirement System of Oklahoma (TRS). These plans are all fiduciary component units of the State. The Department of Wildlife Conservation administers the Wildlife Conservation Retirement Plan (WCRP) which is part of the primary government. The Oklahoma Housing Finance Authority has a defined contribution plan that is privately administered.

A. Primary Government

1. General Description of the Retirement System

The Wildlife Conservation Retirement Plan (WCRP) is a single-employer defined benefit retirement system administered by the Wildlife Conservation Commission for employees of the Department of Wildlife Conservation. The WCRP provides retirement, disability and death benefits to plan members and their beneficiaries. The WCRP was established by statute, however, benefit provisions are established and amended by the Wildlife Conservation Commission. Cost-of-living adjustments are provided to members at the discretion of the Wildlife Conservation Commission.

The Wildlife Conservation Retirement Plan is included in the audit report of the Department of Wildlife Conservation. This report may be obtained from the Department of Wildlife Conservation, P.O. Box 53464, Oklahoma City, OK 73105.

2. Funding Policy

The Wildlife Conservation Retirement Plan required contribution is determined by the Wildlife Conservation Commission and is based on actuarial calculations.

The Wildlife Conservation Retirement Plan receives contributions from each member based on their annual covered salary. The contribution requirements are established and amended by the Wildlife Conservation Commission. For July 1, 1998, the employee contribution rate was 3%. The Department of Wildlife Conservation is required to contribute at an actuarially determined rate. The required contribution for the year ended June 30, 1999 was \$1,110,000.

3. Annual Pension Cost and Net Pension Obligation

The current year annual pension cost and net pension obligation for the Wildlife Conservation Retirement Plan was as follows (expressed in thousands):

| | <u>WCRP</u> |
|---|-----------------|
| Annual required contribution | \$ 1,110 |
| Interest on net pension obligation | 175 |
| Adjustment to annual required contribution | <u>(295)</u> |
| Annual pension cost | 990 |
| Contributions made | <u>1,200</u> |
| Increase (decrease) in net pension obligation | (210) |
| Net pension obligation-beginning of year | <u>2,193</u> |
| Net pension obligation-end of year | <u>\$ 1,983</u> |
| Actuarial Assumptions: | |
| Investment rate of return | 8.0% |
| Annual salary increase | 5.0% |
| COLA increase | 2.0% |

The annual required contribution for the WCRP for the current year was determined as part of the July 1, 1998, actuarial valuation. Costs in the valuation were prepared using the entry age actuarial cost method. The actuarial value of assets is set equal to the market value of assets. The unfunded actuarial accrued liability is being amortized over a 15-year period.

Three-Year Trend Information Wildlife Conservation Retirement Plan (expressed in thousands)

| Fiscal Year <u>Ending</u> | Annual Pension Cost (APC) <u>Cost (APC)</u> | Percentage Of APC Contributed <u>Contributed</u> | Net Pension Obligation <u>Obligation</u> |
|---------------------------------|--|---|---|
| 6/30/99 | \$ 990 | 121% | \$ 1,983 |
| 6/30/98 | 1,372 | 109% | 2,193 |
| 6/30/97 | 1,490 | 86% | 2,321 |

The following Required Supplementary Information for the Wildlife Conservation Retirement Plan was determined as part of the actuarial valuations at the dates indicated.

Schedule of Funding Progress Wildlife Conservation Retirement Plan (unaudited) (expressed in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 7/1/99 | \$ 42,827 | \$ 44,545 | \$ 1,719 | 96.1% | \$ 11,318 | 15.2% |
| 7/1/98 | 51,345 | 53,005 | 1,660 | 96.9% | 11,094 | 15.0% |
| 7/1/97 | 46,333 | 50,907 | 4,574 | 91.0% | 11,389 | 40.2% |

In the current year, the Wildlife Conservation Retirement Plan made a one-time payment of approximately \$13,734,000 to an outside pension benefits administrator for guaranteed monthly retirement benefit contracts covering 111 individuals. As a result of this payment, the WCRP is no longer liable for the guaranteed monthly benefits these contracts provided. The WCRP will continue to have liability for any future cost-of-living adjustments provided to these individuals.

B. Component Units

1. General Description of the Retirement Systems

The Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Public Employees Retirement System (OPERS), Oklahoma Police Pension and Retirement System (OPPRS), and the Teachers' Retirement System of Oklahoma (TRS) are all cost-sharing multi-employer defined benefit retirement systems. The Uniform Retirement System for Justices and Judges (URSJJ) and the Oklahoma Law Enforcement Retirement System (OLERS) are single-employer defined benefit retirement systems. Pension benefit provisions for all plans were established by statute and benefit provisions are amended by the State Legislature. Each plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided to plan members at the discretion of the State Legislature.

Separately issued independent audit reports for each pension plan may be obtained from the following:

| | | |
|---|--|--|
| Firefighters Pension and Retirement 4545 N. Lincoln Blvd., Suite 265 Oklahoma City, OK 73105-3414 | Law Enforcement Retirement 4545 N. Lincoln Blvd., Suite 257 Oklahoma City, OK 73105-3414 | Police Pension and Retirement 1001 N.W. 63rd St., Suite 605 Oklahoma City, OK 73116-7335 |
| Public Employees Retirement 6601 N. Broadway Ext., Suite 129 Oklahoma City, OK 73152-3007 | Uniform Retirement System for Justices and Judges 6601 N. Broadway Ext., Suite 129 Oklahoma City, OK 73152-3007 | Teachers' Retirement P.O. Box 53524 Oklahoma City, OK 73105-4209 |

The number of participating employers in cost-sharing multiple employer plans is as follows:

| | | | |
|-------|-------|-------|-----|
| OFPRS | OPERS | OPPRS | TRS |
| 483 | 126 | 114 | 633 |

During fiscal year 1999, the Teachers' Retirement System's unfunded liability decreased from \$4,806,000,000 to \$4,750,000,000. This slight decrease was primarily the result of better than expected return on assets. Despite the improved results this year, it should be noted that unfunded liabilities are expected to increase until the year 2015, due to the negative amortization created by the current funding schedule. Employee contributions are 7% of covered payroll, and employer contribution rates increased 1% to 11.5% for the current year.

2. Funding Policy

The contribution requirements for the six PERS are an established rate determined by the State Legislature each year and are not based on actuarial calculations. The Uniform Retirement System for Judges and Justices Board has the ability to adjust contribution rates to prevent a funded ratio of less than 100%.

Oklahoma Firefighters Pension and Retirement System (OFPRS) receives contributions from participating full-time firefighters equal to 8% of applicable earnings, while member cities contribute 13% of the member's applicable earnings. In addition, the member cities contribute \$60 for each volunteer firefighter unless their income in the general fund is less than \$25,000, in which case they are exempt. The State allocates to OFPRS 34% of the insurance premium tax collected from insurance companies on various types of insurance policies to OFPRS as required by statute. Insurance premium contributions to the plan for the years ended June 30, 1999, 1998, and 1997 totaled \$40,897,464, \$40,881,567, and \$39,045,428, respectively.

Oklahoma Law Enforcement Retirement System (OLERS) receives contributions from state agencies and members of 10% and 8%, respectively, of the actual paid base salary of each member. State employer contributions to the plan for the years ended June 30, 1999, 1998, and 1997 were \$4,266,899, \$3,661,411, and \$3,601,498 respectively. These contributions represent 100% of the contribution required. OLERS also receives 1.2% of all fees, taxes, and penalties collected by motor license agents, 50 cents per vehicle inspection sticker issued and 5% of the insurance premium taxes collected from insurance companies on various types of insurance policies as required by statute. The state contributions to the plan for years ended June 30, 1999, 1998, and 1997 totaled \$13,976,954, \$14,345,441, and \$13,297,927, respectively.

Oklahoma Public Employees Retirement System (OPERS) receives contributions from each member based on their gross salary earned (excluding overtime). There is no cap on qualifying gross salary earned.

State, County, and Local Agency Employees - The following contribution rates were in effect:

State employees and agencies – State employees contribute 3.0% on the first \$25,000 of salary and 3.5% on salary above \$25,000. State agency employers contribute 12.5% on all salary.

Participating county and local agencies – Employees contribute a minimum of 3.5% up to a maximum of 8.5%. Employers contribute a minimum of 7.5% up to a maximum of 12.5%. Combined employee and employer contributions equal 16% of total salary.

Elected Officials - Elected officials' employee contributions are based on the maximum compensation levels set for all members and the participating employers are required to contribute on the elected officials' covered salary using the same percentage and limits as applicable for state agencies. Elected officials must select an employee contribution rate of 4.5%, 6.0%, 7.5%, 8.5%, 9.0%, or 10.0%.

Eligible Officers - Eligible officers contribute 8% on all salary. Employers contribute 12.5% on all salary.

State agency employer contributions to OPERS for the year ended June 30, 1999, 1998, and 1997 were \$128,527,939, \$123,943,769, and \$118,336,820, respectively. These contributions represent 100% of the contribution required.

As a result of legislation passed during the 1999 legislative session, the rate state agencies contribute on employees salaries was reduced from 12.5% to 10%. The total participating county and local government contribution on employees salaries was reduced to from 16% to 13.5%, with minimum and maximum employer contribution rates established at 5% and 10%, respectively. These changes became effective July 1, 1999.

Uniform Retirement System for Justices and Judges (URSJJ) member contributions for fiscal 1999 are 5% of members' monthly salary. If a member elects to extend the provisions of URSJJ to a surviving spouse, contributions are 8% of a member's monthly salary. State statutes require participating court employers to contribute monthly a percentage of the gross salaries of active members. The percentage established for the year ended June 30, 1999 was 14.51%. The percentage increases annually through June 30, 2018, to a maximum of 21.7%.

Oklahoma Police Pension and Retirement System (OPPRS) receives contributions from each participating municipality and each participant. Until July 1, 1991, each municipality contributed 10% of the actual base salary of each participant employed by the municipality. Beginning July 1, 1991, municipality contributions increased by 0.5% per year and continued until July 1, 1996, when the contribution level reached 13%. Each participant of OPPRS continues to contribute 8% of their actual paid base salary. In addition, the State allocates 14% of the insurance premium taxes collected from insurance companies on various types of insurance policies as required by statute. Insurance premium contributions to the plan for the years ended June 30, 1999, 1998, and 1997 totaled \$16,841,000, \$17,177,000, and \$15,734,000, respectively.

Teachers' Retirement System (TRS) receives contributions from participating members and employers. All active members contribute to the system; however, the employer may elect to make all or part of the contribution for its employees. All members must contribute 7% of regular annual compensation, not to exceed the members maximum compensation. For members other than those employed by a comprehensive university on or before June 30, 1995, the maximum compensation level will be the member's regular annual compensation. For those members employed by a comprehensive university, the following table summarizes the maximum compensation level.

| <u>Fiscal Year</u> | <u>For Members Who Elected the \$25,000 Limit Prior to June, 30 1995</u> | <u>For All Other Members</u> |
|--------------------|--|----------------------------------|
| 1998 | \$ 37,500 | \$ 54,000 |
| 1999 | 42,500 | 59,000 |
| 2000 | 47,500 | 64,000 |
| 2001 | 52,500 | 69,000 |
| Thereafter | No limit | No limit |

Employers are required to contribute a fixed percentage of annual compensation on behalf of active members. The employer contribution rate of 11.5% for 1999 is applied to annual compensation up to defined caps depending upon the member's elections as previously described. Oklahoma statutes require the State to contribute 5/7ths of 78% of the natural and casinghead gas tax collected each year. These contributions received from the State are used to offset the percentage of the required employer contributions. TRS received approximately \$106,267,672 that was used to offset the percentage of the required employer contributions. As a result of this payment, the actual contribution rate due from employers was 4.8%. State contributions on behalf of employees totaled approximately \$34,680,000 for fiscal year 1999. Federal contributions to TRS for fiscal year 1999 totaled approximately \$10,991,648. State employer contributions to TRS for the year ended June 30, 1999, 1998, and 1997 were \$2,489,106, \$2,323,736, and \$2,256,922, respectively. These contributions represent 100% of the contributions required.

House Bill 1574, passed during the 1999 legislative session, modifies one of the system's funding sources. Effective July 1, 1999, the TRS will receive 3.54% of the State's sales, use and income taxes. This contribution is subject to a \$136,000,000 maximum for fiscal year 2000 only. The TRS will no longer receive a percentage of the natural and casinghead gas tax. For fiscal year 2000, the local employer contribution will remain at 4.8% of each member's regular annual compensation. Beginning July 1, 2000, the rate will increase to 5.8%. The rate will increase 1% to 6.8% beginning July 1, 2001. The rate will increase to 7.05% beginning July 1, 2002 and remain there for subsequent years.

3. Annual Pension Cost and Net Pension Obligation

The State's annual pension cost and net pension obligation (excess funding is represented as negative amounts) for the current year were as follows (expressed in thousands):

| | <u>OLERS</u> | <u>URSJJ</u> |
|---|--------------------|--------------------|
| Annual required contribution | \$ 8,744 | \$ - |
| Interest on net pension obligation | (3,914) | (820) |
| Adjustment to annual required contribution | <u>7,692</u> | <u>1,188</u> |
| Annual pension cost | 12,522 | 368 |
| Contributions made | <u>18,048</u> | <u>3,105</u> |
| Increase (decrease) in net pension obligation | (5,526) | (2,737) |
| Net pension obligation-beginning of year | <u>(55,919)</u> | <u>(10,931)</u> |
| Net pension obligation-end of year | <u>\$ (61,445)</u> | <u>\$ (13,668)</u> |
| Actuarial Assumptions: | | |
| Investment rate of return | 7.0% | 7.5% |
| Annual salary increase | 5% to 9% | 5.5% |
| COLA increase | none | 2.0% |

The annual required contribution for URSJJ and OLERS for the current year was determined as part of the July 1, 1998 actuarial valuation. Costs in the valuation were prepared using the entry age actuarial cost method, until July 1, 1994, for URSJJ and until July 1, 1997, for OLERS, which was when the unfunded actuarial liability was negative and the actuarial cost method was changed to the aggregate cost method. For actuarial purposes, assets are determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date, assuming a 7.5% rate of return for URSJJ and 7% rate of return for OLERS. Prior year's unrecognized gains and losses are added to this amount to develop expected actuarial value. The expected actuarial value is then compared to the market value of the assets at the valuation date, and 20% of any gain (loss) for the last five years is added to the expected actuarial value. The gain (loss) is amortized over five years with the actuarial value of the assets being constrained to a range of 80% to 120% of the market value at the valuation date. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities.

Three-Year Trend Information

(expressed in thousands)

| | Fiscal Year <u>Ending</u> | Annual Pension Cost (APC) <u>Cost (APC)</u> | Percentage Of APC Contributed <u>Contributed</u> | Net Pension Obligation <u>Obligation</u> |
|---|---------------------------------|--|---|---|
| Oklahoma Law Enforcement Retirement System | 6/30/99 | \$ 12,522 | 144% | \$ (61,445) |
| | 6/30/98 | 7,259 | 245% | (55,919) |
| | 6/30/97 | 8,478 | 199% | (45,391) |
| Uniform Retirement System for Justices and Judges | 6/30/99 | 368 | 843% | (13,668) |
| | 6/30/98 | 219 | 1314% | (10,931) |
| | 6/30/97 | 1,280 | 373% | (8,272) |

The following Required Supplementary Information for the OLERS was determined as part of the actuarial valuations at the dates indicated. The Required Supplementary Information is not supplied for OLERS for July 1, 1997 since contributions were calculated using the aggregate cost method. The Required Supplementary Information is not supplied for URSJJ since contributions are determined under the aggregate cost method.

Schedule of Funding Progress

Oklahoma Law Enforcement Retirement System

(unaudited)

(expressed in thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 7/1/99 | \$ 442,565 | \$ 425,908 | \$ (16,657) | 103.9% | \$ 44,738 | (37.2%) |
| 7/1/98 | 392,095 | 396,600 | 4,505 | 98.9% | 34,032 | 13.2% |
| 7/1/97 | 335,200 | NA | NA | NA | NA | NA |

4. Other Retirement Systems

The Oklahoma Housing Finance Agency (OHFA), a component unit of the State, contributes to the Oklahoma Housing Finance Agency Retirement Plan, which is a defined contribution plan with 86 members. Under its provisions, employees become eligible for the plan after one year of service, at which time OHFA may contribute up to 10% of the employees' compensation to the Plan. OHFA's contribution amount is at the discretion of the Board of Trustees and does not have any limitations. Employees begin vesting after two years of service and become fully vested after six years of service. Employees are allowed to contribute to the plan on an after-tax basis with no limitations. Plan provisions were established

and may be amended by the Board of Trustees. For the year ended September 30, 1998, OHFA's retirement plan expense was \$295,971. Contributions made by OHFA represent 10% of covered payroll for 1998, net of plan forfeitures.

In addition to the TRS, various institutions in the Higher Education Component Unit participate in other pension plans, primarily the Teachers Insurance and Annuity Association. These plans are defined contribution plans. Contributions made by the institutions are based on a percentage of payroll for qualified employees as determined by each institution's contract. For those institutions providing these plans, the total covered payroll was \$520,306,000. The institution contributions were \$39,311,000 or 7.6% of covered payroll. Employees are not required to contribute to the plans.

Some Public Beneficiary Trusts are not eligible for participation in OPERS, and may have their own retirement plans.

Additional information regarding these plans may be found in the separately issued financial reports of these component units.

Note 18. Other Postemployment Benefits

Primary Government

In addition to the pension benefits described in the Retirement and Pension Systems note, the State provides post-retirement health care benefits (OPEB). The Wildlife Conservation Retirement Plan (WCRP) pays the Medicare supplement insurance premium or \$75 per month, whichever is less, for all retirees who elect coverage at the time of retirement through the Oklahoma State and Education Employee Group Insurance Board.

| | <u>Current Year Expenditures</u> | <u>Eligible Participants</u> | <u>Enabling Legislation</u> |
|---------------------------------------|--------------------------------------|----------------------------------|---------------------------------|
| Wildlife Conservation Retirement Plan | \$ 65,025 | 73 | Title 29, 3-306 |

The WCRP funds postemployment health care benefits as part of the overall retirement requirement. No separation of pension obligation and health insurance obligation is made and assets are not allocated between obligations.

Component Units

Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), and Uniform Retirement System for Judges and Justices (URSJJ) pay the Medicare supplement insurance premium or \$75 per month, whichever is less, for all retirees who elect coverage at time of retirement through the Oklahoma State and Education Employee Group Insurance Board. Teachers' Retirement System of Oklahoma (TRS) pays between \$70 and \$75 per month for each retiree, depending on the member's years of service.

| | <u>Current Year Expenditures</u> | <u>Eligible Participants</u> | <u>Enabling Legislation</u> |
|-------|--------------------------------------|----------------------------------|---------------------------------|
| OLERS | \$ 360,510 | 434 | Title 74, 1316.2 |
| OPERS | 11,855,000 | 13,247 | Title 74, 1316.2 |
| URSJJ | 71,500 | 85 | Title 74, 1316.2 |
| TRS | 19,869,000 | 24,151 | Title 74, 1316.2 |

OLERS, OPERS, URSJJ, and TRS fund postemployment health care benefits as part of the overall retirement requirement. No separation of pension obligation and health insurance obligation is made and assets are not allocated between obligations. The Retirement and Pension Systems note includes additional basic disclosures related to OPEB.

Oklahoma Firefighters Pension and Retirement System and Oklahoma Police Pension and Retirement System do not provide other postemployment benefits.

Fifteen of the institutions included in the Higher Education Component Unit offer postemployment benefits upon the authorization of the institution's Board of Regents. These benefits primarily provide health, dental and life insurance benefits. The eligibility requirements differ depending on the higher education institution. Current year benefit expenditures, funded on a pay-as-you-go basis, totaled approximately \$2,656,000 for the estimated 2,100 eligible participants.

Note 19. On-Behalf Payments

In 1992, legislation was passed which resulted in changes in the amount and manner in which employer contributions to the Teachers' Retirement System (TRS) are determined and made. For years beginning July 1, 1992, employer contributions are fixed at certain percentages of annual compensation. Contributions from the State, through the dedicated natural and casinghead gas tax, are used to pay a portion of the contributions required. The employer is responsible for providing any difference between the dedicated tax and the required employer contribution. During fiscal year 1999, the State contributed, through the dedicated natural and casinghead gas tax, approximately \$33,206,000 to TRS on-behalf of the Higher Education Component Unit. These contributions are recognized as tax revenue/operating transfers to component units in the General Fund and operating transfers from primary government/expenditures in the Higher Education Component Unit.

House Bill 1574, passed during the 1999 legislative session, modifies the funding source for on-behalf payments to the TRS. Effective July 1, 1999, the State will make on-behalf contributions to TRS equal to 3.54% of the State's sales, use and income taxes. These on-behalf payments will be subject to a \$136,000,000 maximum for fiscal year 2000 only.

Note 20. Condensed Financial Statement Information

Primary Government

The enterprise fund presented in the combined financial statements is comprised solely of **Oklahoma Water Resources Board** loan programs and bond issues. This enterprise fund has current assets totaling \$124,465,000 and current liabilities totaling \$15,676,000, leaving net working capital of \$108,789,000 for the fiscal year ended June 30, 1999.

The investment trust fund presented in the fiduciary column of the combined financial statements is comprised of an external investment pool. The investment pool consists of both internal and external investors. Condensed financial statement information for the internal and external portions of the pool follows (expressed in thousands).

| | Internal Investment Pool | External Investment Pool | Total Pool |
|------------------------------------|--------------------------------|--------------------------------|-------------------|
| Assets | \$ 675,925 | \$ 6,501 | \$ 682,426 |
| Liabilities | - | - | - |
| Net Assets | <u>\$ 675,925</u> | <u>\$ 6,501</u> | <u>\$ 682,426</u> |
| Additions | | | |
| Contributions | \$ 8,983,260 | \$ 11,414 | \$ 8,994,674 |
| Investment Revenue | <u>39,307</u> | <u>299</u> | <u>39,606</u> |
| Total Additions | 9,022,567 | 11,713 | 9,034,280 |
| Deductions | | | |
| Distributions to Pool Participants | <u>9,196,800</u> | <u>15,932</u> | <u>9,212,732</u> |
| Net Increase | (174,233) | (4,219) | (178,452) |
| Net Assets, Beginning of Year | <u>850,158</u> | <u>10,720</u> | <u>860,878</u> |
| Net Assets, End of Year | <u>\$ 675,925</u> | <u>\$ 6,501</u> | <u>\$ 682,426</u> |

Component Units

Condensed financial statement information (where applicable) for the discretely presented component units for the fiscal year ended June 30, 1999 (unless a different fiscal year is indicated), follows (expressed in thousands). Descriptions of and goods or services provided by each component unit are disclosed in Item A of Note 1.

| | <u>Governmental</u> | | | | |
|--|------------------------------|---------------------|----------------------|---------------------|----------------------|
| | Special Indemnity Fund | Proprietary | Fiduciary | Higher Education | Total |
| Current Assets | | \$ 1,379,352 | | | |
| Current Liabilities | | <u>903,520</u> | | | |
| Net Working Capital | | <u>\$ 475,832</u> | | | |
| Total Assets and Other Debits | \$ 168,527 | \$ 5,117,438 | \$ 14,477,831 | \$ 3,008,872 | \$ 22,772,668 |
| Total Liabilities | <u>194,671</u> | <u>4,334,991</u> | <u>747,202</u> | <u>690,422</u> | <u>5,967,286</u> |
| Fund Equity | <u>\$ (26,144)</u> | <u>\$ 782,447</u> | <u>\$ 13,730,629</u> | <u>\$ 2,318,450</u> | <u>\$ 16,805,382</u> |
| Amount to Be Provided For Claims and Judgements | <u>\$ 166,919</u> | | | | |
| Long-term Liabilities | | <u>\$ 3,431,471</u> | | | |
| Fixed Assets, Net | <u>\$ -</u> | <u>\$ 1,353,311</u> | <u>\$ 938</u> | <u>\$ 1,788,781</u> | <u>\$ 3,143,030</u> |

Proprietary Component Units

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund (12-31-98 Fiscal Year) | State and Education Employ. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|----------------------------------|--|--|--|--|---------------------------------------|--------------------------------------|
| Current Assets | \$ 9,208 | \$ 832 | \$ 861,618 | \$ 191,654 | \$ 36,115 | \$ 29,920 |
| Current Liabilities | <u>2,078</u> | <u>-</u> | <u>643,272</u> | <u>74,290</u> | <u>7,178</u> | <u>1,136</u> |
| Net Working Capital | <u>\$ 7,130</u> | <u>\$ 832</u> | <u>\$ 218,346</u> | <u>\$ 117,364</u> | <u>\$ 28,937</u> | <u>\$ 28,784</u> |
| Total Assets | \$ 76,253 | \$ 832 | \$ 870,127 | \$ 194,087 | \$ 268,087 | \$ 162,420 |
| Total Liabilities | <u>74,862</u> | <u>-</u> | <u>643,272</u> | <u>74,290</u> | <u>221,523</u> | <u>1,250</u> |
| Fund Equity | <u>\$ 1,391</u> | <u>\$ 832</u> | <u>\$ 226,855</u> | <u>\$ 119,797</u> | <u>\$ 46,564</u> | <u>\$ 161,170</u> |
| Long-term Liabilities | <u>\$ 72,784</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 214,345</u> | <u>\$ 114</u> |
| Fixed Assets - Beginning of Year | \$ 180 | \$ - | \$ 20,140 | \$ 1,978 | \$ 952 | \$ 272,922 |
| Additions | 4 | - | 1,777 | 542 | 83 | 906 |
| Deletions | <u>(27)</u> | <u>-</u> | <u>(659)</u> | <u>(840)</u> | <u>-</u> | <u>(3,171)</u> |
| Fixed Assets - End of Year | <u>\$ 157</u> | <u>\$ -</u> | <u>\$ 21,258</u> | <u>\$ 1,680</u> | <u>\$ 1,035</u> | <u>\$ 270,657</u> |
| Operating Revenue | \$ 4,693 | \$ 5,815 | \$ 93,906 | \$ 316,488 | \$ 16,863 | \$ 13,529 |
| Operating Expenses | | | | | | |
| Depreciation | 17 | - | 1,976 | 182 | 821 | 12,540 |
| Other | <u>4,657</u> | <u>5,590</u> | <u>132,457</u> | <u>316,772</u> | <u>13,107</u> | <u>43,301</u> |
| Operating Income (Loss) | 19 | 225 | (40,527) | (466) | 2,935 | (42,312) |
| Operating Transfers: | | | | | | |
| From Primary Government | - | - | - | - | - | 36,253 |
| To Primary Government | - | - | - | - | - | - |
| Nonoperating Revenues (Expenses) | (5) | 52 | 70,603 | 8,534 | 2,275 | 2,336 |
| Deferred Costs | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Income (Loss) | <u>\$ 14</u> | <u>\$ 277</u> | <u>\$ 30,076</u> | <u>\$ 8,068</u> | <u>\$ 5,210</u> | <u>\$ (3,723)</u> |

Fiduciary Component Units

| | Oklahoma Firefighters Pension and Retirement System | Oklahoma Law Enforcement Retirement System | Oklahoma Public Employees Retirement System | Uniform Retirement System for Justices and Judges | Oklahoma Police Pension and Retirement System | Teachers' Retirement System of Oklahoma | Total |
|----------------------|--|---|--|--|--|---|---------------|
| Total Assets | \$ 1,429,012 | \$ 551,920 | \$ 4,843,137 | \$ 169,434 | \$ 1,284,369 | \$ 6,199,959 | \$ 14,477,831 |
| Total Liabilities | 116,708 | 64,933 | 11,939 | 828 | 89,839 | 462,955 | 747,202 |
| Fund Equity | \$ 1,312,304 | \$ 486,987 | \$ 4,831,198 | \$ 168,606 | \$ 1,194,530 | \$ 5,737,004 | \$ 13,730,629 |
| Fixed Assets, Net | \$ 79 | \$ 51 | \$ 414 | \$ - | \$ - | \$ 394 | \$ 938 |
| Additions | | | | | | | |
| Contributions | \$ 70,536 | \$ 21,326 | \$ 193,148 | \$ 4,479 | \$ 47,043 | \$ 442,281 | \$ 778,813 |
| Investment Revenue | 92,127 | 37,020 | 436,204 | 14,437 | 115,265 | 648,080 | 1,343,133 |
| Total Additions | 162,663 | 58,346 | 629,352 | 18,916 | 162,308 | 1,090,361 | 2,121,946 |
| Deductions | | | | | | | |
| Investment Expenses | 10,754 | 5,161 | 24,433 | 963 | 6,827 | 33,707 | 81,845 |
| Benefits and General | 77,404 | 23,037 | 223,389 | 4,497 | 55,596 | 531,298 | 915,221 |
| Net Increase | \$ 74,505 | \$ 30,148 | \$ 381,530 | \$ 13,456 | \$ 99,885 | \$ 525,356 | \$ 1,124,880 |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Housing Finance Agency (9-30-98) Fiscal Year | Turnpike Authority (12-31-98) Fiscal Year | Dam Authority (12-31-98) Fiscal Year | Municipal Power Authority (12-31-98) Fiscal Year | Total |
|--|---|---|---|--|---|---|--------------|
| \$ 819 | \$ 8,642 | \$ - | \$ 7,597 | \$ 105,728 | \$ 106,605 | \$ 20,614 | \$ 1,379,352 |
| 476 | 114 | 171 | 4,164 | 85,300 | 58,871 | 26,470 | 903,520 |
| \$ 343 | \$ 8,528 | \$ (171) | \$ 3,433 | \$ 20,428 | \$ 47,734 | \$ (5,856) | \$ 475,832 |
| \$ 4,652 | \$ 13,997 | \$ 34,823 | \$ 604,672 | \$ 1,538,911 | \$ 938,030 | \$ 410,547 | \$ 5,117,438 |
| 4,210 | 10,557 | 34,752 | 566,456 | 1,411,580 | 897,654 | 394,585 | 4,334,991 |
| \$ 442 | \$ 3,440 | \$ 71 | \$ 38,216 | \$ 127,331 | \$ 40,376 | \$ 15,962 | \$ 782,447 |
| \$ 3,734 | \$ 10,443 | \$ 34,581 | \$ 562,292 | \$ 1,326,280 | \$ 838,783 | \$ 368,115 | \$ 3,431,471 |
| \$ 4,285 | \$ 147 | \$ - | \$ 1,582 | \$ 1,116,471 | \$ 898,882 | \$ 202,819 | \$ 2,520,358 |
| 513 | 716 | - | 383 | 73,302 | 35,618 | 2,657 | 116,501 |
| (200) | (96) | - | - | (661) | (25,728) | (1,627) | (33,009) |
| \$ 4,598 | \$ 767 | \$ - | \$ 1,965 | \$ 1,189,112 | \$ 908,772 | \$ 203,849 | \$ 2,603,850 |
| \$ 2,653 | \$ 526 | \$ 2,125 | \$ 4,789 | \$ 125,810 | \$ 200,616 | \$ 92,872 | \$ 880,685 |
| 257 | 27 | - | 180 | 34,142 | 26,655 | 6,376 | 83,173 |
| 2,459 | 1,067 | 2,128 | 5,268 | 36,545 | 109,795 | 70,953 | 744,099 |
| (63) | (568) | (3) | (659) | 55,123 | 64,166 | 15,543 | 53,413 |
| - | - | - | - | 32,172 | - | - | 68,425 |
| - | - | - | - | (32,172) | - | - | (32,172) |
| - | 796 | 2 | 831 | (22,210) | (51,477) | (17,975) | (6,238) |
| - | - | - | - | - | (5,532) | 4,132 | (1,400) |
| \$ (63) | \$ 228 | \$ (1) | \$ 172 | \$ 32,913 | \$ 7,157 | \$ 1,700 | \$ 82,028 |

Note 21. Commitments

Primary Government

The **Department of Transportation** had contractual commitments at June 30, 1999, of approximately \$483,900,000 for construction of various highway projects. Future appropriations will fund these commitments as work is performed.

The **Department of Human Services** (DHS) maintains a construction unit which engages in capital improvements of state buildings. At year end, DHS had long-term projects totaling \$29,412,000 for the General Fund and \$110,000 for the Capital Projects Fund.

Component Units

The **Oklahoma Industrial Finance Authority** (OIFA) had outstanding loan commitments at June 30, 1999, approved by its Board of Directors totaling \$4,000,000. These loan agreements included a "pending clause" which states that money would be disbursed upon availability of funds.

The **Oklahoma Student Loan Authority** (OSLA) has entered into various forward purchase and sale commitment agreements with certain Oklahoma financial institutions for which it performs interim status loan servicing. Under these forward purchase and sale commitments, OSLA is required to purchase Federal Family Education Loans (FFEL) under certain terms and conditions. As of June 30, 1999, OSLA was committed to purchase approximately \$50,790,000 of FFEL.

The **Oklahoma Turnpike Authority** (OTA) had commitments outstanding at December 31, 1998, relating to equipment orders and supplies of approximately \$2,528,000. The Authority is committed through the year 2001 to constructing additions and improvements to the existing turnpikes in an amount approximating \$602,852,000. At December 31, 1998, OTA had commitments outstanding relating to construction and maintenance contracts of approximately \$79,839,000.

The **Oklahoma Municipal Power Authority** (OMPA) purchased approximately \$9,700,000 of power pursuant to several long-term purchase agreements during 1998. OMPA is obligated to purchase, at a minimum, approximately \$6,200,000 of power annually through 2000, then decreasing to \$2,880,000 through 2003.

Under the bond resolutions, OMPA has covenanted that it will establish and collect rents, rates, and charges under various power sales contracts and will charge and collect rents, rates, and charges for the use or sale of the output, capacity or service of its system. This revenue and other available revenues, are expected to yield net revenues for the 12 month period commencing with the effective date of such rents, rates, and charges equal to at least 110% of the aggregate debt service for such period. This revenue and other available funds will enable OMPA to discharge all other indebtedness, charges, and liens payable under the resolutions.

Note 22. Litigation and Contingencies

The State and its component units are parties to numerous legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the State for property damage and personal injury, alleged breaches of contract, condemnation proceedings, and other alleged violations of state and federal laws. Certain claims have been adjudicated against the State, but remained unpaid as of June 30, 1999. Including the \$7,427,000 claim incurred by the Component Units discussed below, the State has accrued a liability of \$22,222,000 for the payment of such claims. This amount is reported in the General Fund.

Other litigation and civil actions have been filed against the State with an estimated loss of approximately \$185,150,000 to \$185,800,000. \$180,000,000 of this total is a case against the State Treasurer brought by a policyholder suit seeking the State Insurance Fund to issue a large dividend. Because the outcome of these proceedings is in question, no liability has been recorded for any loss that may result from these claims.

The State receives significant financial assistance from the Federal Government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the State. As of June 30, 1999, the State is unable to estimate what liabilities may result from such audits.

Primary Government

The **Department of Transportation** (DOT) has incurred significant expenditures on construction projects that have exceeded the amounts approved by the federal grantor. These project expenditures are held in suspense until approved by the federal grantor and subsequently reimbursed. Based on prior years' experience, 82% of the amount held in suspense will be reimbursed. At June 30, 1999, DOT had project expenditures totaling \$4,900,000 of which an estimated \$4,018,000 will be reimbursed pending approval of the Federal Government.

The **Oklahoma Water Resources Board** (Board), pursuant to statute, assumed the obligations of the Oklahoma Water Conservation Storage Commission including a 1974 contractual obligation to repay the United States (through the Army Corps of Engineers) for the costs of constructing water supply storage at Sardis Reservoir in southeastern Oklahoma. Under the 1974 contract, annual payments are to be made for the reservoir construction, operation, and maintenance allocated to the present use water supply storage. Total unaudited construction costs of the Sardis Reservoir allocated to water supply storage are approximately \$38,400,000. Payments on the reservoir began in 1983 and are to continue for 50 years. As of June 30, 1999, the State has made payments of approximately \$4,416,000; however, the Board did not receive legislative authorization to pay the annual payments due in the fiscal years 1989 through 1995. The amount in arrears, including interest and penalty is approximately \$7,197,000. The Army Corps of Engineers has indicated that the obligation may be declared in default and remedies sought. However, as an alternative the State is considering making a proposal to extinguish the debt on the reservoir by making a single lump sum payment to the federal government in the amount of \$20,000,000. This lump sum payment would need approval by all parties involved and as of June 30, 1999, such approval for this payment had not yet been received.

Component Units

The State Legislature enacted legislation that transferred \$31,500,000 of state employee insurance premiums during fiscal year 1997 to the **Oklahoma State Regents for Higher Education** to help fund higher education in the state. These premiums were originally designated to be paid to the **Oklahoma State Employees Group Insurance Board** to provide health insurance coverage for state employees. In August 1998, the Federal Department of Health and Human Services Departmental Appeals Board sided with the federal government and ordered the State to pay \$7,427,000 which represents the amount included in grant costs charged to the federal government. This balance accrues simple interest at a rate of 13.75%, and \$1,849,000 in interest has accrued through June 30, 1999. A liability for principal and interest is recorded in the General Fund. The State is continuing to pursue alternatives for resolution of this claim.

Note 23. Subsequent Events

Primary Government

Legislation enacted during fiscal year ended June 30, 1998, authorized the issuance of \$315,000,000 in revenue bonds for the purpose of acquiring and constructing real property and improvements and personal property and making repairs, refurbishments and improvements to real and personal property. In September 1999, \$161,000,000 of these bonds were sold. Legislation enacted during fiscal year ended June 30, 1999, authorized the issuance of \$10,000,000 in revenue bonds for the benefit of the Department of Corrections and \$4,000,000 in revenue bonds for the benefit of the Oklahoma State Bureau of Investigation. These bonds were sold in December 1999.

Component Units

Subsequent to September 30, 1998, **Oklahoma Housing Finance Agency** retired the 1988 Series A Single Family Mortgage Revenue Bonds. Residual funds were transferred to the Agency in the amount of \$6,058,000 on December 1, 1998.

In August 1999, **Oklahoma Student Loan Authority** placed its 1999A-1 Tax Exempt Promissory Note in the amount of \$10,455,000 and its 1999A-2 Tax Exempt Promissory Note in the amount of \$5,770,000.

Subsequent to year end, **Medical Technology and Research Authority** approved the issuance of a \$15,500,000 revenue bond to refurbish existing parking lots and garages, to provide additional safety and security features, and to provide landscaping and signage to the campus area.

Required
Supplementary
Information

Required Supplementary Information

Year 2000 Disclosure

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations beginning January 1, 2000. Problems resulting from this issue have the potential for causing a disruption to some government operations and may temporarily increase the cost of those operations.

The State has taken an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and which are necessary to conduct State operations. Because of the unprecedented nature of the year 2000 issue, its effects and the success of remediation efforts will not be evident until January 1, 2000 and beyond. It is possible that remediation efforts will identify additional critical changes that could substantially increase the amount of future resources needed. It cannot be assured that the State will be successful in whole or in part with its year 2000 remediation efforts, or that parties with whom the State conducts business will be year 2000 ready.

Four distinct stages (as identified below) have been established to quantify an entity's level of year 2000 readiness.

Awareness Stage – Encompasses establishing a budget and project plan for dealing with the year 2000 issue.

Assessment Stage – When the organization begins the actual process of identifying all of its systems and individual components of the systems. An organization may decide to review all system components or, through a risk analysis, identify only mission-critical systems and equipment.

Remediation Stage – When the organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems, or switching to compliant systems. During this stage, decisions are made on how to address year 2000 system or equipment issues, and the required changes are made.

Validation/Testing Stage – When the organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and retested.

Primary Government

The Primary Government is comprised of agencies that provide internal services such as accounting, benefit and treasury functions. The Primary Government also includes agencies that address public safety, health and welfare issues for constituents of the State. Most of these agencies are considered to be critical to the operations of the State. Based on the results of the inventory, more than 86% of the critical Primary Government agencies have completed the validation/testing stage and are currently running fully-tested systems and equipment. All agencies have made an assessment of systems and equipment that need remediation and have estimated any remaining future costs and efforts needed in order to make systems year 2000 compliant. At June 30, 1999, \$4,609,000 had been contracted for the purchase of equipment and labor to remediate, validate and test current systems. In addition, these agencies have committed an additional \$4,255,000 of future resources to correct year 2000 deficiencies. Although a majority of the primary government agencies have implemented systems believed to be year 2000 compliant, there is no guarantee these systems are year 2000 compliant.

Component Units

Although legally separate, the Component Units conduct substantial business with and on behalf of the State. As a result, most are considered to be critical to the operations of the State. Based on aggregated results of their reported inventory, more than 86% of the Component Units of the State have completed the validation/testing stage of making their systems and equipment year 2000 compliant. These agencies are currently running fully-tested systems and equipment. The Component Units had contracted amounts of \$336,000 at June 30, 1999, for completion of remediating, validating and testing systems. These Component Units have also committed future resources of \$688,000 to make their remaining systems and equipment year 2000 compliant. Although a majority of the Component Units have implemented systems believed to be year 2000 compliant, there is no guarantee that these systems are year 2000 compliant.

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)

| | GENERAL FUND | | |
|--|--------------|--------------|------------|
| | BUDGET | ACTUAL | VARIANCE |
| EDUCATION | | | |
| State Arts Council | | | |
| 1 Duties | \$ 3,447 | \$ 2,747 | \$ 700 |
| 1 Duties | 50 | 50 | 0 |
| 2 Duties | 524 | 423 | 101 |
| 11 Carryover from FY-98 Duties | 66 | 65 | 1 |
| Agency Total | <u>4,087</u> | <u>3,285</u> | <u>802</u> |
| Department of Education | | | |
| 1 Fin. Support of Public School (1) | 1,151,636 | 1,151,636 | 0 |
| 2 Fin. Support of Public School (1) | 948 | 948 | 0 |
| 3 Psychometric Services (1) | 887 | 887 | 0 |
| 4 Staff Development-Ardmore (1) | 93 | 93 | 0 |
| 5 Staff Development-Lawton (1) | 93 | 93 | 0 |
| 6 Staff Development-Norman (1) | 93 | 93 | 0 |
| 7 Staff Development-Stillwater (1) | 93 | 93 | 0 |
| 8 Staff Development-Woodward (1) | 93 | 93 | 0 |
| 9 Staff Development-Bartsville (1) | 93 | 93 | 0 |
| 9 Carryover frm 98-Ad PI Admin | 10 | 8 | 2 |
| 10 Staff Development-McAlester (1) | 93 | 93 | 0 |
| 10 Advanced Placement Incentives (2) | 3,645 | 3,615 | 30 |
| 11 Staff Develop - Great Expect | 500 | 500 | 0 |
| 11 Advance Placement - Admin Cost | 55 | 50 | 5 |
| 12 Staff Development-PDI (1) | 2,890 | 2,890 | 0 |
| 12 Textbooks (1) | 19,196 | 19,196 | 0 |
| 13 Staff Development-ADA (1) | 4,311 | 4,311 | 0 |
| 14 Public School Act. (1) | 25 | 25 | 0 |
| 14 Staff Development-RSA (1) | 1,460 | 1,460 | 0 |
| 15 Staff Dev. RSA (1) | 3,246 | 3,246 | 0 |
| 16 Teacher Consultant Stipends (1) | 1,038 | 1,038 | 0 |
| 17 Teacher Retirement Credit | 31,600 | 31,600 | 0 |
| 18 Certified Emp. Health Benefit (1) | 29,450 | 29,450 | 0 |
| 18 Teacher Retirement Credit | 1,882 | 1,882 | 0 |
| 18 Certified Emp. Health Ins.Supplement | 1,159 | 1,159 | 0 |
| 19 Support Pers. Hlth Ben. All. Supplement | 676 | 676 | 0 |
| 19 Support Personnel Health Bene. (1) | 22,976 | 22,976 | 0 |
| 21 School Lunch Matching (1) | 3,541 | 3,541 | 0 |
| 22 School Lunch Matching (1) | 35 | 35 | 0 |
| 23 School Lunch Programs | 3,191 | 3,174 | 17 |
| 24 Homebound Children (1) | 1,193 | 1,193 | 0 |
| 25 Alter Education Program Eval | 940 | 940 | 0 |
| 26 Alt. Ed. Arts Council (1) | 200 | 200 | 0 |
| 27 Alter Education Admin Costs | 83 | 81 | 2 |
| 28 Alt. Ed. Competitive Grants (1) | 2,265 | 2,265 | 0 |
| 29 Alt. & High Challenge Ed. (1) | 17,361 | 17,361 | 0 |

| | GENERAL FUND | | |
|--|--------------|--------|----------|
| | BUDGET | ACTUAL | VARIANCE |
| 30 Alt. & High Challenge Ed. (1) | 500 | 500 | 0 |
| 31 Adult Ed. Matching (1) | 1,309 | 1,309 | 0 |
| 32 Driver Ed. (1) | 1,605 | 1,605 | 0 |
| 33 Early Intervention | 8,311 | 8,311 | 0 |
| 33 Carryover frm 98 Ad PI Admin | 27 | 3 | 24 |
| 34 Early Intervention (1) | 1,418 | 1,418 | 0 |
| 34 Carryover from FY-98 Hissom | 82 | 81 | 1 |
| 35 Hissom Complianace | 241 | 224 | 17 |
| 35 Carryover from FY-98 Stud ID | 96 | 96 | 0 |
| 36 Community Ed. Grants (1) | 400 | 400 | 0 |
| 37 Community Education Consortium | 25 | 25 | 0 |
| 38 Partent Training (1) | 2,174 | 2,174 | 0 |
| 39 OPAT - Program Evaluation | 19 | 0 | 19 |
| 40 Carryover from 98 OPAT Pub Hse | 20 | 20 | 0 |
| 40 OPAT - Public Housing Projects | 150 | 133 | 17 |
| 41 Carryover frm 98 Early Child | 3 | 3 | 0 |
| 41 OPAT - Technical Assistance | 42 | 41 | 1 |
| 42 OPAT - Field Operations | 75 | 74 | 1 |
| 43 Special Ed. Assist. (1) | 700 | 700 | 0 |
| 44 Special Ed. Assist. (1) | 384 | 384 | 0 |
| 45 School/Commun. Network (1) | 129 | 129 | 0 |
| 46 Public School Act. (1) | 1,000 | 1,000 | 0 |
| 47 ICTE - Small School Coop. (1) | 463 | 463 | 0 |
| 48 ICTE - Jane Brooks School Deaf (1) | 56 | 56 | 0 |
| 49 ICTE - OK Science and Engin. (1) | 53 | 53 | 0 |
| 50 ICTE - Telecommunications Cirr. (1) | 280 | 280 | 0 |
| 51 ICTE - Small School Incent. (1) | 300 | 300 | 0 |
| 52 Summer Arts Institute | 300 | 300 | 0 |
| 53 AG in the classroom | 50 | 50 | 0 |
| 54 Office of Accountability | 230 | 214 | 16 |
| 55 Carryover from 98 School Lunch | 144 | 144 | 0 |
| 55 OK Ambassador of Teaching | 48 | 22 | 26 |
| 56 Education Leadership OK (1) | 350 | 350 | 0 |
| 57 Educ. Leadership OK (1) | 400 | 400 | 0 |
| 61 Carryover from 98 Off Account | 2 | 2 | 0 |
| 62 Carryover from 98 Off Account | 7 | 7 | 0 |
| 70 Administration & Support Func | 17,584 | 17,012 | 572 |
| 70 Carryover from 98 Adm & Suppt | 827 | 827 | 0 |
| 71 Admin & Suppt Bene/Pay Adjust | 610 | 381 | 229 |
| 71 Carryover from 98 Adm& Suppt | 136 | 136 | 0 |
| 72 Admin/Support - Off of Account | 8 | 8 | 0 |
| 73 Carryover from 98 Fin Acctg | 2 | 2 | 0 |
| 73 Admin & Support - Fin Acctg | 204 | 190 | 14 |
| 74 Admin & Suppt Crit Ref Test | 297 | 0 | 297 |
| 75 Admin & Support - NAEP | 48 | 45 | 3 |
| 75 Carryover from 98 Nat Assoc Edu | 48 | 0 | 48 |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)

General Fund

For the Fiscal Year Ended June 30, 1999

(expressed in thousands)

(continued)

| | GENERAL FUND | | |
|--|------------------|------------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| 76 Admin. & Support Eighth Grade (1) | 333 | 333 | 0 |
| 76 Carryover frm 98 Amb of Teach | 19 | 0 | 19 |
| 77 Carryover frm 98 DOE Field Ops | 39 | 39 | 0 |
| 78 Admin & Support - OKAGE | 48 | 48 | 0 |
| Agency Total | <u>1,348,646</u> | <u>1,347,286</u> | <u>1,360</u> |
| Oklahoma Education Television Authority | | | |
| 1 Duties | 3,243 | 2,767 | 476 |
| 2 Duties | 102 | 102 | 0 |
| 11 Carryover from FY-98 Duties | 20 | 20 | 0 |
| 22 Carryover FY-98-Doc.Program Unit | 85 | 82 | 3 |
| 32 Carryover from FY-98 Duties | 49 | 48 | 1 |
| Agency Total | <u>3,499</u> | <u>3,019</u> | <u>480</u> |
| Oklahoma Commission for Teacher Preparation | | | |
| 1 Duties | 605 | 555 | 50 |
| 1 Duties | 906 | 905 | 1 |
| 2 Duties | 72 | 41 | 31 |
| 11 Carryover from FY-98 Duties | 118 | 118 | 0 |
| 12 Carryover from FY-98 Duties | 1,007 | 1,007 | 0 |
| Agency Total | <u>2,708</u> | <u>2,626</u> | <u>82</u> |
| Commission of the Land Office | | | |
| 1 Duties | 3,847 | 3,510 | 337 |
| 2 Duties | 246 | 120 | 126 |
| Agency Total | <u>4,093</u> | <u>3,630</u> | <u>463</u> |
| Department of Libraries | | | |
| 1 Duties | 5,903 | 5,742 | 161 |
| 2 Duties | 625 | 575 | 50 |
| 11 Carryover from FY-98 Duties | 179 | 179 | 0 |
| 12 Carryover from FY-98 Duties | 15 | 14 | 1 |
| Agency Total | <u>6,722</u> | <u>6,510</u> | <u>212</u> |
| Physician Manpower Training Commission | | | |
| 1 Duties | 5,024 | 5,016 | 8 |
| 1 Duties | 400 | 400 | 0 |
| 2 Duties | 10 | 9 | 1 |
| Agency Total | <u>5,434</u> | <u>5,425</u> | <u>9</u> |

| | GENERAL FUND | | |
|---|------------------|------------------|---------------|
| | BUDGET | ACTUAL | VARIANCE |
| Center for Advancement of Science and Technology | | | |
| 1 Duties (2) | 8,919 | 8,805 | 114 |
| 2 Duties (1) | 2,689 | 2,689 | 0 |
| 11 Carryover from FY-98 Duties | 52 | 52 | 0 |
| Agency Total | <u>11,660</u> | <u>11,546</u> | <u>114</u> |
| Oklahoma School of Science and Mathematics | | | |
| 1 Duties | 3,984 | 3,478 | 506 |
| 2 Pilot Outreach Programs | 300 | 156 | 144 |
| 3 Duties | 290 | 290 | 0 |
| 10 Carryover FY'98 - Pilot Outreach | 69 | 6 | 63 |
| 11 Carryover from FY-98 Duties | 379 | 263 | 116 |
| 13 Carryover from '99 Pilot Outre | 150 | 108 | 42 |
| Agency Total | <u>5,172</u> | <u>4,301</u> | <u>871</u> |
| Vocational and Technical Education | | | |
| 1 Duties (2) | 594 | 465 | 129 |
| 1 Training for Industry Program (2) | 5,000 | 1,219 | 3,781 |
| 1 Future Farmers Chapter | 15 | 12 | 3 |
| 1 Duties (1) | 3,519 | 3,519 | 0 |
| 2 Rural Business Pilot Programs | 75 | 14 | 61 |
| 2 Employee Contrib to Retirement | 135 | 135 | 0 |
| 3 Certified Emp. Health Bene. (1) | 1,423 | 1,423 | 0 |
| 4 support Personnel Health Bene. (1) | 1,327 | 1,327 | 0 |
| 8 Duties (2) | 103,759 | 101,381 | 2,378 |
| 9 Employee Contrib to Retirement | 1,063 | 1,063 | 0 |
| 18 Carryover from FY-98 Duties | 2,407 | 2,407 | 0 |
| Agency Total | <u>119,317</u> | <u>112,965</u> | <u>6,352</u> |
| Education Total | <u>1,511,338</u> | <u>1,500,593</u> | <u>10,745</u> |
| GENERAL GOVERNMENT | | | |
| Office of State Finance | | | |
| 1 Expenses of Lt Gov Elect | 11 | 0 | 11 |
| 1 Duties | 7,989 | 7,680 | 309 |
| 2 Duties | 192 | 192 | 0 |
| 21 Carryover from FY-98 Ops | 573 | 573 | 0 |
| Agency Total | <u>8,765</u> | <u>8,445</u> | <u>320</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|--------------------------------------|--------------|--------|----------|
| | BUDGET | ACTUAL | VARIANCE |
| Capitol Improvement Authority | | | |
| 1 Retirement of Bonds | 142 | 142 | 0 |
| Agency Total | 142 | 142 | 0 |
| Department of Commerce | | | |
| 1 OK Cty Sheriff Emer Med Equip | 25 | 25 | 0 |
| 1 Duties (2) | 17,547 | 16,722 | 825 |
| 1 International Division | 50 | 50 | 0 |
| 2 Contracts with COEDD & KEDDO | 385 | 385 | 0 |
| 3 SWODA | 150 | 0 | 150 |
| 3 Kiamichi Econ Develop District | 688 | 119 | 569 |
| 4 To Federal Home Program | 119 | 113 | 6 |
| 4 SODA | 250 | 250 | 0 |
| 5 Duties - FY-99 Supplemental | 25 | 25 | 0 |
| 5 Head Start Program | 250 | 163 | 87 |
| 6 Rural Enterprises Inc. | 330 | 295 | 35 |
| 7 Duties Master Bus Plan Lic | 275 | 130 | 145 |
| 8 Native American Indian Auth. (1) | 500 | 500 | 0 |
| 11 Carryover from FY-98 Duties | 683 | 614 | 69 |
| 12 Carryover from FY-98 Duties | 145 | 145 | 0 |
| 14 Carryover from FY-98 Keddo | 1 | 1 | 0 |
| 16 Carryover from '98 SODA Progs | 50 | 50 | 0 |
| Agency Total | 21,473 | 19,587 | 1,886 |
| State Election Board | | | |
| 1 Duties | 200 | 66 | 134 |
| 1 Duties | 5,589 | 5,370 | 219 |
| 2 Elections | 1,260 | 1,031 | 229 |
| 2 Duties | 98 | 0 | 98 |
| 11 Carryover from FY-98 Elections | 1,260 | 1,260 | 0 |
| 11 Carryover from FY-98 Duties | 1,245 | 1,245 | 0 |
| Agency Total | 9,652 | 8,972 | 680 |
| Ethics Commission | | | |
| 1 Duties | 367 | 367 | 0 |
| 2 Duties | 26 | 26 | 0 |
| 3 Salary inc Word Proc/DP Prog | 22 | 22 | 0 |
| 11 Carryover from FY-98 Duties | 6 | 6 | 0 |
| Agency Total | 421 | 421 | 0 |

| | GENERAL FUND | | |
|---------------------------------------|--------------|--------------|------------|
| | BUDGET | ACTUAL | VARIANCE |
| Merit Protection Commission | | | |
| 1 Duties | 533 | 524 | 9 |
| 2 Duties | 12 | 12 | 0 |
| 11 Carryover from FY-98 Duties | 12 | 12 | 0 |
| Agency Total | <u>557</u> | <u>548</u> | <u>9</u> |
| State Auditor and Inspector | | | |
| 1 Duties | 4,269 | 4,258 | 11 |
| 1 County Govt Pers Ed & Training | 65 | 65 | 0 |
| 2 County Government Personnel | 374 | 374 | 0 |
| 3 County Government Computers | 45 | 45 | 0 |
| 5 Duties | 609 | 609 | 0 |
| 6 County Govt Pers Educ & Trng | 61 | 61 | 0 |
| 7 ACCO Circuit Engineering | 195 | 195 | 0 |
| Agency Total | <u>5,618</u> | <u>5,607</u> | <u>11</u> |
| Governor | | | |
| 1 Duties | 2,250 | 2,014 | 236 |
| 2 Secretary of Education | 200 | 146 | 54 |
| 3 Secretary of Veterans Affairs | 75 | 75 | 0 |
| 4 Mansion Expenses | 58 | 58 | 0 |
| 5 Duties | 68 | 0 | 68 |
| 21 FY-98 Carryover for Operations | 14 | 14 | 0 |
| 22 FY-98 Carryover | 48 | 48 | 0 |
| 25 FY-98 Carryover | 151 | 151 | 0 |
| Agency Total | <u>2,864</u> | <u>2,506</u> | <u>358</u> |
| Lieutenant Governor | | | |
| 1 Duties | 430 | 403 | 27 |
| 2 Duties | 16 | 0 | 16 |
| 11 Carryover from FY-98 Duties | 87 | 87 | 0 |
| Agency Total | <u>533</u> | <u>490</u> | <u>43</u> |
| Office of Personnel Management | | | |
| 1 Duties | 5,186 | 4,637 | 549 |
| 2 Duties | 155 | 155 | 0 |
| 11 Carryover from FY-98 Duties | 469 | 469 | 0 |
| Agency Total | <u>5,810</u> | <u>5,261</u> | <u>549</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|---------------------------------------|---------------|---------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Department of Central Services | | | |
| 1 Manville & Asbestos Abatement | 1,194 | 1,156 | 38 |
| 1 Duties | 6,994 | 6,187 | 807 |
| 2 Transfer to Bldg & Fac. Rev (1) | 3,830 | 3,830 | 0 |
| 2 Duties | 60 | 0 | 60 |
| 3 Veterans Memorial | 5 | 5 | 0 |
| 4 Hissom Center Maintenance | 193 | 85 | 108 |
| 5 Transfer to Cap. Improve. Rev. (1) | 10,358 | 10,358 | 0 |
| 6 Duties | 792 | 462 | 330 |
| 7 Transfer to Cap. Improve. Rev. (1) | 7,000 | 7,000 | 0 |
| 11 Carryover from 98 Manville Asb | 95 | 95 | 0 |
| 11 Carryover from FY-98 Duties | 659 | 659 | 0 |
| 13 Carryover from FY-98 Vet Memor | 0 | 0 | 0 |
| 14 Carryover from FY-98 Hissom | 7 | 7 | 0 |
| 15 Carryover from FY-98 Duties | 40 | 30 | 10 |
| Agency Total | <u>31,227</u> | <u>29,874</u> | <u>1,353</u> |
| Secretary of State | | | |
| 1 Duties | 241 | 241 | 0 |
| 2 Office of Administrative Rules | 130 | 130 | 0 |
| 3 Ballot Titles | 10 | 1 | 9 |
| 4 Duties | 47 | 47 | 0 |
| 13 FY-98 Carryover Ballot Titles | 10 | 10 | 0 |
| Agency Total | <u>438</u> | <u>429</u> | <u>9</u> |
| Council on Judicial Complaints | | | |
| 1 Duties | 247 | 238 | 9 |
| Agency Total | <u>247</u> | <u>238</u> | <u>9</u> |
| Oklahoma Tax Commission | | | |
| 1 Field Auditor computers/mainframe | 752 | 752 | 0 |
| 30 Duties | 44,809 | 44,730 | 79 |
| 31 Duties | 1,835 | 1,835 | 0 |
| 32 Business Regis Compliance | 538 | 538 | 0 |
| Agency Total | <u>47,934</u> | <u>47,855</u> | <u>79</u> |

| | GENERAL FUND | | |
|-----------------------------------|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| State Treasurer | | | |
| 1 Pmts to counties (1) | 99 | 99 | 0 |
| 1 Duties | 3,317 | 3,217 | 100 |
| 2 Bank Service Charges | 958 | 929 | 29 |
| 3 Duties | 105 | 73 | 32 |
| 11 Carryover from FY-98 Duties | 180 | 180 | 0 |
| 12 Carryover from '98 Bnk Svc Chg | 90 | 90 | 0 |
| 13 Carryover from '98 Duties | 30 | 30 | 0 |
| Agency Total | <u>4,779</u> | <u>4,618</u> | <u>161</u> |
| General Government Total | <u>140,460</u> | <u>134,993</u> | <u>5,467</u> |

HEALTH SERVICES

Department of Health

| | | | |
|---|--------|--------|-------|
| 1 Duties | 115 | 113 | 2 |
| 1 Duties | 34,707 | 34,420 | 287 |
| 1 Transfer to Child. First Fund | 2,775 | 2,775 | 0 |
| 2 Transfer to Eldercare Rev (1) | 5,977 | 5,977 | 0 |
| 2 Duties - FY-99 Supplemental | 500 | 451 | 49 |
| 3 Duties | 2,636 | 2,636 | 0 |
| 4 Margaret Hudson Program | 43 | 43 | 0 |
| 5 Community Health Centers Inc. | 173 | 173 | 0 |
| 6 Southeast Area Health Center | 173 | 173 | 0 |
| 7 Morton Comp Health Services | 312 | 312 | 0 |
| 8 Sickle Cell Research Found. | 131 | 131 | 0 |
| 9 Emerson Teen Parent Program | 135 | 135 | 0 |
| 10 Alzheimer's Research Council | 55 | 55 | 0 |
| 11 Tolliver Alternative Care Ctr | 47 | 47 | 0 |
| 12 Transfer to Child Abuse Prevention (1) | 2,081 | 2,081 | 0 |
| 14 Konowa Community Health Center | 150 | 150 | 0 |
| 15 Dental Progs Disabled/Elderly | 125 | 125 | 0 |
| 16 OUHSC Women/Children Program | 2,127 | 2,127 | 0 |
| 17 Carryover from FY-98 Duties | 1,083 | 1,078 | 5 |
| 19 Unserved/Underserved Counties | 2,502 | 2,501 | 1 |
| 20 Perinatal Continuing Education | 210 | 210 | 0 |
| 21 Perinatal Demo Project | 64 | 61 | 3 |
| 22 Transfer to Child Abuse Prevention (1) | 600 | 600 | 0 |
| 23 Transfer to Kidney Health Rev. (1) | 50 | 50 | 0 |
| 25 Oklahoma City Indian Clinic | 75 | 75 | 0 |
| 27 Transfer to Children First (1) | 5,226 | 522 | 4,704 |
| 29 Children Association Inc. | 5 | 0 | 5 |
| 31 Transfer to Eldercare Rev (1) | 180 | 180 | 0 |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)

General Fund

For the Fiscal Year Ended June 30, 1999

(expressed in thousands)

(continued)

| | GENERAL FUND | | |
|--|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| 32 Sickle Cell Research Found. | 23 | 0 | 23 |
| 33 Transfer to Kidney Health Rev. (1) | 15 | 15 | 0 |
| 34 Transfer to Children First (1) | 5,124 | 5,124 | 0 |
| 36 Perinatal Continuing Education | 20 | 0 | 20 |
| Agency Total | <u>67,439</u> | <u>62,340</u> | <u>5,099</u> |
| Mental Health and Substance Abuse | | | |
| 1 Duties | 119,869 | 119,118 | 751 |
| 1 Drug Court Treatment Programs | 500 | 500 | 0 |
| 1 Duties | 1,000 | 1,000 | 0 |
| 2 Duties | 4,712 | 4,603 | 109 |
| 2 Domestic Violence Services | 50 | 50 | 0 |
| 3 Tulsa Alliance - Mentally Ill | 30 | 30 | 0 |
| 11 Carryover from FY-98 Duties | 1,354 | 1,354 | 0 |
| 12 Carryover from FY-98 Duties | 253 | 253 | 0 |
| 13 Carryover from '98 Atyp Medic | 26 | 26 | 0 |
| 15 Carryover from FY-98 Atyp Med | 12 | 12 | 0 |
| Agency Total | <u>127,806</u> | <u>126,946</u> | <u>860</u> |
| Health Services Total | <u>195,245</u> | <u>189,286</u> | <u>5,959</u> |
| LEGAL AND JUDICIARY | | | |
| Indigent Defense System | | | |
| 1 Duties | 10,805 | 10,406 | 399 |
| 1 To Alfred P. Murrah Rev. (1) | 1,000 | 1,000 | 0 |
| 1 Duties | 300 | 275 | 25 |
| 2 Duties (2) | 653 | 653 | 0 |
| 2 Duties - FY-99 Supplemental | 1,300 | 552 | 748 |
| 11 Carryover from FY-98 Duties | 197 | 197 | 0 |
| 12 Carryover from FY-98 Duties | 168 | 168 | 0 |
| 13 Carryover from FY-98 Duties | 5 | 5 | 0 |
| 15 Carryover FY-98-Ct Fd Reimburse | 220 | 220 | 0 |
| 23 Carryover Private Attorneys | 28 | 28 | 0 |
| Agency Total | <u>14,676</u> | <u>13,504</u> | <u>1,172</u> |
| Attorney General | | | |
| 1 Duties | 5,628 | 5,526 | 102 |
| 1 AG's Evidence Fund (1) | 150 | 150 | 0 |
| 2 Public Employees Relations Bd | 40 | 40 | 0 |
| 3 Duties | 330 | 328 | 2 |
| 11 Carryover from FY-98 Duties | 144 | 144 | 0 |
| 13 Carryover from FY-98 Duties | 324 | 324 | 0 |
| 14 Carryover from FY-98 Duties | 43 | 43 | 0 |
| Agency Total | <u>6,659</u> | <u>6,555</u> | <u>104</u> |

| | GENERAL FUND | | |
|-----------------------------------|---------------|---------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Court of Criminal Appeals | | | |
| 1 Duties | 2,436 | 2,366 | 70 |
| 2 Duties | 96 | 96 | 0 |
| 3 From Sup Ct for Retirement | 70 | 70 | 0 |
| 11 Carryover from FY-98 Duties | 27 | 27 | 0 |
| 12 Carryover from FY-98 Duties | 64 | 64 | 0 |
| 13 Carryover from FY-98 Duties | 27 | 27 | 0 |
| Agency Total | <u>2,720</u> | <u>2,650</u> | <u>70</u> |
| District Courts | | | |
| 1 Duties | 13,775 | 13,091 | 684 |
| 1 Duties | 17,917 | 17,904 | 13 |
| 2 Duties | 1,665 | 1,665 | 0 |
| 2 Duties | 874 | 874 | 0 |
| 3 One Secretary-Baliff | 26 | 26 | 0 |
| 4 From Sup Ct for retirement | 2,499 | 2,499 | 0 |
| 11 Carryover from FY-98 Duties | 35 | 35 | 0 |
| 11 Carryover from FY-98 Duties | 147 | 102 | 45 |
| 12 Carryover frm 98 Sec/Sec Bail | 118 | 118 | 0 |
| 13 Carryover from '98 Retirement | 171 | 137 | 34 |
| Agency Total | <u>37,227</u> | <u>36,451</u> | <u>776</u> |
| District Attorneys Council | | | |
| 1 Witness Fees | 380 | 380 | 0 |
| 1 Duties | 27,268 | 26,383 | 885 |
| 2 DAC Evidence Fund (1) | 25 | 25 | 0 |
| 2 Duties | 1,078 | 1,078 | 0 |
| 11 Carryover frm 98 Murrah Bldg | 644 | 344 | 300 |
| 11 Carryover from FY-98 Duties | 1,254 | 1,231 | 23 |
| Agency Total | <u>30,649</u> | <u>29,441</u> | <u>1,208</u> |
| Workers Compensation Court | | | |
| 1 Duties | 3,140 | 3,140 | 0 |
| 2 Duties | 320 | 320 | 0 |
| 2 Duties | 313 | 313 | 0 |
| 3 From Sup Ct for Retirement | 125 | 125 | 0 |
| Agency Total | <u>3,898</u> | <u>3,898</u> | <u>0</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)

(continued)

| | GENERAL FUND | | |
|--|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Supreme Court | | | |
| 1 Duties (2) | 6,154 | 5,970 | 184 |
| 2 Duties | 3,000 | 2,871 | 129 |
| 2 Supreme Court Rev. Fund (1) | 900 | 900 | 0 |
| 3 Legal Services Rev. Fund (1) | 450 | 450 | 0 |
| 4 Duties | 1,282 | 1,248 | 34 |
| 5 Legal Services Rev. Fund (1) | 150 | 150 | 0 |
| 11 Carryover from FY-98 Retiremt | 6 | 6 | 0 |
| 11 Carryover from FY-98 Duties | 119 | 119 | 0 |
| 12 Carryover from FY-98 DP Equip | 69 | 69 | 0 |
| 12 Carryover from FY-98 Duties | 53 | 53 | 0 |
| 14 Carryover from FY-98 Duties | 3 | 3 | 0 |
| 15 Carryover from FY-98 Duties | 28 | 28 | 0 |
| Agency Total | <u>12,214</u> | <u>11,867</u> | <u>347</u> |
| Legal and Judiciary Total | <u>108,043</u> | <u>104,366</u> | <u>3,677</u> |
| MUSEUMS | | | |
| J.M. Davis Memorial Commission | | | |
| 1 Duties | 354 | 348 | 6 |
| 2 Duties | 15 | 15 | 0 |
| Agency Total | <u>369</u> | <u>363</u> | <u>6</u> |
| Historical Society | | | |
| 1 Duties | 5,335 | 5,148 | 187 |
| 2 Duties | 311 | 311 | 0 |
| 2 Duties - Supplement | 70 | 70 | 0 |
| 3 Operations | 200 | 57 | 143 |
| 11 Carryover from FY-98 Duties | 378 | 378 | 0 |
| 12 Carryover frm 98 Grts His Site | 374 | 374 | 0 |
| 13 Carryover frm 98 Tulsa Riot | 55 | 13 | 42 |
| Agency Total | <u>6,723</u> | <u>6,351</u> | <u>372</u> |
| Will Rogers Memorial Commission | | | |
| 1 Duties | 659 | 658 | 1 |
| 2 Duties | 17 | 17 | 0 |
| Agency Total | <u>676</u> | <u>675</u> | <u>1</u> |
| Museums Total | <u>7,768</u> | <u>7,389</u> | <u>379</u> |

| | GENERAL FUND | | |
|---|---------------|---------------|------------|
| | BUDGET | ACTUAL | VARIANCE |
| NATURAL RESOURCES | | | |
| Department of Agriculture | | | |
| 1 Duties | 16,059 | 15,954 | 105 |
| 1 Duties | 3,000 | 3,000 | 0 |
| 2 Duties (2) | 931 | 931 | 0 |
| 2 Duties | 50 | 50 | 0 |
| 3 Duties - FY-99 Supplemental | 72 | 72 | 0 |
| 3 Rural Fire 80/20 Match | 871 | 855 | 16 |
| 4 Duties - FY-99 Supplemental | 70 | 70 | 0 |
| 4 Rural Fire Coord Contract Svcs | 177 | 177 | 0 |
| 5 Rural Fire Training Centers | 656 | 656 | 0 |
| 6 Rural Fire Protection Programs | 190 | 190 | 0 |
| 7 Forestry Operation & Duties | 1,132 | 1,132 | 0 |
| 8 Water Quality Ops and Duties | 270 | 270 | 0 |
| 9 Animal Damage Ops and Duties | 145 | 145 | 0 |
| 10 Retired Educators for Agricul | 25 | 25 | 0 |
| 14 Carryover from FY-98 Wat Qual | 1 | 1 | 0 |
| 20 Fire Ant Research | 125 | 125 | 0 |
| 21 Carryover FY'98 Repay US Forest Svc | 571 | 571 | 0 |
| 21 Carryover from FY-98 Duties | 134 | 134 | 0 |
| 22 Carryover from FY-98 Duties | 2 | 2 | 0 |
| 23 Carryover from FY-98 Rur Fire | 10 | 10 | 0 |
| 25 Carryover from FY-98 CAFO Reg | 64 | 64 | 0 |
| 26 Carryover from '98 Rural Fire | 8 | 8 | 0 |
| Agency Total | <u>24,563</u> | <u>24,442</u> | <u>121</u> |
| Department of Environmental Quality | | | |
| 1 Duties | 6,434 | 6,177 | 257 |
| 2 Duties | 211 | 207 | 4 |
| 11 Carryover from FY-98 Duties | 348 | 347 | 1 |
| 12 FY-98 Carryover Sludge Trtment | 130 | 130 | 0 |
| 13 Carryover from FY-98 Duties | 3 | 3 | 0 |
| Agency Total | <u>7,126</u> | <u>6,864</u> | <u>262</u> |
| Department of Tourism and Recreation | | | |
| 1 Tex Lang Rom Nose Golf Cour (2) | 1,500 | 1,497 | 3 |
| 1 Duties | 24,887 | 24,685 | 202 |
| 1 Duties (2) | 700 | 700 | 0 |
| 2 Cherokee Heritage Center | 50 | 50 | 0 |
| 2 Maintenance of State Parks | 900 | 676 | 224 |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|-------------------------------------|---------------|---------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| 2 Duties | 1,130 | 1,130 | 0 |
| 3 Greenwood Cultural Center Ops | 50 | 50 | 0 |
| 4 Develop Park Programs | 68 | 54 | 14 |
| 7 Oklahoma Film Office | 78 | 78 | 0 |
| 8 Promote Hist/Recreation Sites | 31 | 31 | 0 |
| 9 TRIP | 148 | 148 | 0 |
| 10 Multi-Cultural Tourism Prog | 92 | 49 | 43 |
| 11 Carryover from FY-98 Duties | 234 | 140 | 94 |
| 11 State Golf Courses | 138 | 137 | 1 |
| 12 Scenic Rivers Rev. (1) | 367 | 367 | 0 |
| 12 Carryover fm '98Tour Infrass | 145 | 144 | 1 |
| Agency Total | <u>30,518</u> | <u>29,936</u> | <u>582</u> |
| Conservation Commission | | | |
| 1 Duties | 6,287 | 6,236 | 51 |
| 1 Cost Share Match Program Rev. (1) | 1,750 | 1,750 | 0 |
| 2 Duties | 568 | 433 | 135 |
| Agency Total | <u>8,605</u> | <u>8,419</u> | <u>186</u> |
| Water Resources Board | | | |
| 1 Weather Modification | 500 | 500 | 0 |
| 1 Duties | 3,423 | 3,191 | 232 |
| 2 Carryover from FY-98 Duties | 67 | 67 | 0 |
| 3 Water Quality Monitoring | 1,000 | 251 | 749 |
| 4 Drinking Water Rev. (1) | 3,500 | 3,500 | 0 |
| 6 Duties | 175 | 175 | 0 |
| 8 Tech Trng for Bd/Sys Operators | 140 | 140 | 0 |
| Agency Total | <u>8,805</u> | <u>7,824</u> | <u>981</u> |
| Natural Resources Total | <u>79,617</u> | <u>77,485</u> | <u>2,132</u> |
| PUBLIC SAFETY AND DEFENSE | | | |
| Oklahoma Military Department | | | |
| 1 Duties | 5,846 | 5,497 | 349 |
| 1 Computer Switch Purchase | 225 | 221 | 4 |
| 2 Duties | 554 | 532 | 22 |
| 2 Armory Maintenance | 750 | 658 | 92 |
| 2 Thunderbird Property Off Prog | 230 | 213 | 17 |
| 3 Duties - FY-99 Supplemental | 136 | 136 | 0 |
| 11 Carryover from FY-98 Duties | 187 | 187 | 0 |

| | GENERAL FUND | | |
|--|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| 12 Carryover from FY-98 Duties | 23 | 23 | 0 |
| 12 Carryover from FY-98 Mainten | 38 | 37 | 1 |
| 13 Carryover from '98 Fiber Optic | 2 | 2 | 0 |
| 13 Carryover from FY-98 Duties | 12 | 12 | 0 |
| 14 Carryover from FY-99 Mainten | 1 | 1 | 0 |
| 15 Carryover from '98 Fiber Optic | 9 | 9 | 0 |
| Agency Total | <u>8,013</u> | <u>7,528</u> | <u>485</u> |
| Alcoholic Beverage Laws Enforcement | | | |
| 1 Duties | 3,510 | 3,502 | 8 |
| 2 Duties | 248 | 248 | 0 |
| Agency Total | <u>3,758</u> | <u>3,750</u> | <u>8</u> |
| Department of Corrections | | | |
| 30 Duties | 291,461 | 288,262 | 3,199 |
| 31 Duties | 35,590 | 35,337 | 253 |
| 35 Carryover from FY-98 Duties | 3,531 | 3,531 | 0 |
| 36 Carryover frm '98 Asbes Abate | 2 | 2 | 0 |
| 37 Carryover from FY-98 Duties | 45 | 45 | 0 |
| Agency Total | <u>330,629</u> | <u>327,177</u> | <u>3,452</u> |
| Pardon and Parole Board | | | |
| 1 Duties | 1,736 | 1,665 | 71 |
| 2 Duties | 127 | 127 | 0 |
| 11 Carryover from FY-98 Duties | 114 | 114 | 0 |
| Agency Total | <u>1,977</u> | <u>1,906</u> | <u>71</u> |
| State Bureau of Investigation | | | |
| 1 Duties | 8,962 | 8,962 | 0 |
| 2 Duties | 503 | 503 | 0 |
| Agency Total | <u>9,465</u> | <u>9,465</u> | <u>0</u> |
| Department of Civil Emergency | | | |
| 1 Duties | 571 | 563 | 8 |
| 1 Duties - FY-99 Supplemental | 200 | 188 | 12 |
| 2 Duties | 18 | 18 | 0 |
| Agency Total | <u>789</u> | <u>769</u> | <u>20</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|---|---------------|---------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| State Fire Marshal | | | |
| 1 Duties | 1,287 | 1,287 | 0 |
| 2 Duties | 328 | 328 | 0 |
| 11 FY-98 Carryover Duties | 17 | 17 | 0 |
| Agency Total | <u>1,632</u> | <u>1,632</u> | <u>0</u> |
| Board of Medicolegal Investigation | | | |
| 1 Duties (2) | 2,745 | 2,613 | 132 |
| 2 Duties | 768 | 736 | 32 |
| 11 Carryover from FY-98 Duties | 16 | 16 | 0 |
| 12 Carryover from FY-98 - Duties | 330 | 330 | 0 |
| Agency Total | <u>3,859</u> | <u>3,695</u> | <u>164</u> |
| Council on Law Enforcement, Education and Training | | | |
| 1 Duties | 1,589 | 1,565 | 24 |
| 1 Duties | 350 | 347 | 3 |
| 2 Duties | 287 | 275 | 12 |
| 2 Duties | 518 | 509 | 9 |
| 11 Carryover from FY-98 Duties | 5 | 5 | 0 |
| 11 Carryover from FY-98 Duties | 13 | 13 | 0 |
| 12 Carryover from FY-98 Duties | 15 | 15 | 0 |
| 13 Carryover from FY-98 Duties | 2 | 2 | 0 |
| 13 Carryover from FY-98 Duties | 4 | 4 | 0 |
| Agency Total | <u>2,783</u> | <u>2,735</u> | <u>48</u> |
| Bureau of Narcotics and Dangerous Drugs | | | |
| 1 Duties | 4,104 | 4,103 | 1 |
| 2 Duties | 790 | 790 | 0 |
| 11 Carryover from FY-98 Duties | 260 | 260 | 0 |
| 12 Carryover from FY-98 Duties | 55 | 55 | 0 |
| 13 Carryover from FY-98 Duties | 42 | 42 | 0 |
| Agency Total | <u>5,251</u> | <u>5,250</u> | <u>1</u> |
| Department of Public Safety | | | |
| 1 Duties | 380 | 380 | 0 |
| 1 Motor Vehicles | 1,500 | 1,500 | 0 |
| 1 Duties | 52,006 | 51,041 | 965 |
| 2 Duties | 6,894 | 6,849 | 45 |
| 3 Capitol Police Contract WC Ct | 26 | 26 | 0 |
| 33 Carryover from 98 Motor Vehic | 1 | 1 | 0 |
| 34 Carryover frm 99 Aircraft Leas | 61 | 61 | 0 |
| Agency Total | <u>60,868</u> | <u>59,858</u> | <u>1,010</u> |

| | GENERAL FUND | | |
|---|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Public Safety and Defense Totals | <u>429,024</u> | <u>423,765</u> | <u>5,259</u> |
| REGULATORY SERVICES | | | |
| State Banking Department | | | |
| 1 Duties | 2,536 | 2,521 | 15 |
| 2 Duties | <u>79</u> | <u>79</u> | <u>0</u> |
| Agency Total | <u>2,615</u> | <u>2,600</u> | <u>15</u> |
| Department of Mines | | | |
| 1 Duties | 383 | 383 | 0 |
| 1 Duties | 350 | 350 | 0 |
| 2 Duties | <u>55</u> | <u>55</u> | <u>0</u> |
| Agency Total | <u>788</u> | <u>788</u> | <u>0</u> |
| Corporation Commission | | | |
| 1 Duties | 9,222 | 9,148 | 74 |
| 11 Carryover from FY-98 Duties | 47 | 47 | 0 |
| 12 Carryover from FY-98 O & G Ops | 190 | 190 | 0 |
| 13 Carryover frm '98 O&G Fld Ops | <u>10</u> | <u>10</u> | <u>0</u> |
| Agency Total | <u>9,469</u> | <u>9,395</u> | <u>74</u> |
| Oklahoma Horse Racing Commission | | | |
| 1 Duties | 2,210 | 2,110 | 100 |
| 11 Carryover from FY-98 Duties | <u>81</u> | <u>81</u> | <u>0</u> |
| Agency Total | <u>2,291</u> | <u>2,191</u> | <u>100</u> |
| Insurance Department | | | |
| 1 Duties | 2,610 | 2,586 | 24 |
| 2 Duties | 174 | 174 | 0 |
| 11 Carryover from FY-98 Duties | <u>50</u> | <u>49</u> | <u>1</u> |
| Agency Total | <u>2,834</u> | <u>2,809</u> | <u>25</u> |
| Department of Labor | | | |
| 1 Duties | 1,837 | 1,809 | 28 |
| 1 Duties | 1,453 | 1,398 | 55 |
| 2 Duties | 122 | 122 | 0 |
| 2 Duties | 166 | 166 | 0 |
| 11 Carryover from FY-98 Duties | 69 | 69 | 0 |
| 11 Carryover from FY-98 Duties | <u>40</u> | <u>40</u> | <u>0</u> |
| Agency Total | <u>3,687</u> | <u>3,604</u> | <u>83</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|---|---------------|---------------|------------|
| | BUDGET | ACTUAL | VARIANCE |
| Liquefied Petroleum Gas Board | | | |
| 1 Duties | 404 | 358 | 46 |
| 2 Duties | 14 | 14 | 0 |
| 11 Carryover from FY-98 Duties | 76 | 74 | 2 |
| Agency Total | <u>494</u> | <u>446</u> | <u>48</u> |
| Oklahoma Securities Commission | | | |
| 1 Duties | 571 | 568 | 3 |
| 2 Duties | 48 | 0 | 48 |
| 11 Carryover from FY-98 Duties | 252 | 252 | 0 |
| Agency Total | <u>871</u> | <u>820</u> | <u>51</u> |
| Commission on Consumer Credit | | | |
| 1 Duties | 713 | 692 | 21 |
| 2 Duties | 22 | 22 | 0 |
| 11 FY-98 Carryover Duties | 39 | 39 | 0 |
| Agency Total | <u>774</u> | <u>753</u> | <u>21</u> |
| Board of Private Vocational School | | | |
| 1 Duties | 137 | 136 | 1 |
| 2 Duties | 21 | 18 | 3 |
| 11 Carryover from FY-98 Duties | 5 | 4 | 1 |
| 12 Carryover from FY-98 - Duties | 0 | 0 | 0 |
| Agency Total | <u>163</u> | <u>158</u> | <u>5</u> |
| Regulatory Services Total | <u>23,986</u> | <u>23,564</u> | <u>422</u> |
| SOCIAL SERVICES | | | |
| Commission on Children and Youth | | | |
| 1 Areawide Information System | 4 | 4 | 0 |
| 10 Duties | 1,613 | 1,518 | 95 |
| 20 Duties | 31 | 31 | 0 |
| 40 Carryover from FY-99 Duties | 115 | 113 | 2 |
| Agency Total | <u>1,763</u> | <u>1,666</u> | <u>97</u> |
| Office of Handicapped Concerns | | | |
| 1 Duties | 324 | 312 | 12 |
| 2 Duties | 10 | 10 | 0 |
| 11 Carryover from FY-98 Duties | 20 | 20 | 0 |
| Agency Total | <u>354</u> | <u>342</u> | <u>12</u> |

| | GENERAL FUND | | |
|---|---------------|---------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Oklahoma Human Rights Commission | | | |
| 10 Duties | 741 | 736 | 5 |
| 20 Duties | <u>31</u> | <u>31</u> | <u>0</u> |
| Agency Total | <u>772</u> | <u>767</u> | <u>5</u> |
| Oklahoma Indian Affairs Commission | | | |
| 10 Duties | 200 | 182 | 18 |
| 11 Carryover from FY-98 Duties | 24 | 24 | 0 |
| 20 Duties | <u>25</u> | <u>3</u> | <u>22</u> |
| Agency Total | <u>249</u> | <u>209</u> | <u>40</u> |
| Office of Juvenile Affairs | | | |
| 1 Duties | 85,311 | 84,422 | 889 |
| 1 Duties (1) | 152 | 152 | 0 |
| 1 Contracted Bed Rate Increases | 514 | 514 | 0 |
| 2 Duties (2) | 7,546 | 6,847 | 699 |
| 2 Youth Service Agency Programs | 1,200 | 1,186 | 14 |
| 3 Community Intervention Centers | 318 | 318 | 0 |
| 3 Delinquent & Youth Gang Interv | 1,400 | 1,396 | 4 |
| 4 Violent Offender Truth in Sent | 208 | 104 | 104 |
| 11 Carryover from FY-98 Duties | 475 | 475 | 0 |
| 12 Carryover from '98 Del & Youth | 36 | 36 | 0 |
| 14 Carryover from 98 80 Beds | 1,412 | 1,412 | 0 |
| 14 Carryover from '98 Violent Off | <u>77</u> | <u>77</u> | <u>0</u> |
| Agency Total | <u>98,649</u> | <u>96,939</u> | <u>1,710</u> |
| Department of Veteran Affairs | | | |
| 1 Duties | 17,816 | 17,816 | 0 |
| 1 Duties | 500 | 500 | 0 |
| 2 Duties | <u>2,090</u> | <u>2,090</u> | <u>0</u> |
| Agency Total | <u>20,406</u> | <u>20,406</u> | <u>0</u> |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)
 General Fund
 For the Fiscal Year Ended June 30, 1999
 (expressed in thousands)
 (continued)

| | GENERAL FUND | | |
|--|----------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE |
| Department of Human Services | | | |
| 1 Duties (1) | 321,054 | 321,054 | 0 |
| 1 Geriatric Day Care (1) | 250 | 250 | 0 |
| 1 Prater Willie Program (1) | 88 | 88 | 0 |
| 1 Food Stamp Program (1) | 2,403 | 2,403 | 0 |
| 2 Two Caseworkers (1) | 32 | 32 | 0 |
| 3 Senior Nutrition Services (1) | 1,186 | 1,186 | 0 |
| 4 Geriatric Day Care (1) | 409 | 409 | 0 |
| 5 In-Home Non-Tech. Med. Care (1) | 400 | 400 | 0 |
| 6 Skilled Nursing Care for Elderly (1) | 1,868 | 1,868 | 0 |
| 7 Pay and Benefits Adjust. (1) | 7,135 | 7,135 | 0 |
| 8 Developmentally Disabled Serv. (1) | 787 | 787 | 0 |
| Agency Total | <u>335,612</u> | <u>335,612</u> | <u>0</u> |
| J.D. McCarty Center | | | |
| 10 Duties | 1,566 | 1,566 | 0 |
| 20 Duties | 188 | 188 | 0 |
| Agency Total | <u>1,754</u> | <u>1,754</u> | <u>0</u> |
| Department of Rehabilitative Services | | | |
| 1 Duties (1) | 22,105 | 22,105 | 0 |
| 1 Duties (1) | 300 | 300 | 0 |
| 2 Duties (1) | 751 | 751 | 0 |
| Agency Total | <u>23,156</u> | <u>23,156</u> | <u>0</u> |
| Health Care Authority | | | |
| 1 Duties (1) | 301,457 | 301,457 | 0 |
| 1 Duties (1) | 8,000 | 8,000 | 0 |
| 2 Duties -Pay Raise Funding (1) | 10,696 | 10,696 | 0 |
| 2 Nursing Facility Rate Increase (1) | 1,500 | 1,500 | 0 |
| Agency Total | <u>321,653</u> | <u>321,653</u> | <u>0</u> |
| University Hospitals Authority | | | |
| 1 Duties | 26,577 | 26,576 | 1 |
| 14 Carryover FY'98 - Child Study Center | 171 | 171 | 0 |
| Agency Total | <u>26,748</u> | <u>26,747</u> | <u>1</u> |
| Social Services Total | <u>831,116</u> | <u>829,251</u> | <u>1,865</u> |

| | GENERAL FUND | | |
|-------------------------------------|---------------------|---------------------|------------------|
| | BUDGET | ACTUAL | VARIANCE |
| TRANSPORTATION | | | |
| Department of Transportation | | | |
| 1 HWY Construction and Maint. (1) | 24,005 | 24,005 | 0 |
| 1 HWY Construction and Maint. (1) | 183,423 | 183,423 | 0 |
| 1 HWY Construction and Maint. (1) | 667 | 667 | 0 |
| 2 HWY Construction and Maint. (1) | 9,160 | 9,160 | 0 |
| 2 HWY Construction and Maint. (1) | 80,000 | 80,000 | 0 |
| 2 HWY Construction and Maint. (1) | 9,240 | 9,240 | 0 |
| 3 HWY Construction and Maint. (1) | 13,646 | 13,646 | 0 |
| 3 Public Transit Fund (1) | 500 | 500 | 0 |
| 4 HWY Construction and Maint. (1) | 6,718 | 6,718 | 0 |
| 5 Public Transit Fund (1) | 500 | 500 | 0 |
| 6 Public Transit Fund (1) | 500 | 500 | 0 |
| Agency Total | <u>328,359</u> | <u>328,359</u> | <u>0</u> |
| Transportation Total | <u>328,359</u> | <u>328,359</u> | <u>0</u> |
| General Fund Total | <u>\$ 3,654,956</u> | <u>\$ 3,619,051</u> | <u>\$ 35,905</u> |

(1) Appropriation was transferred to a continuing fund for expenditure.

(2) Part of the appropriation was transferred to a continuing fund for expenditure.

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Combining Financial Statements

Combining Financial Statements

Combining Financial Statements - Trust and Agency Funds

Combining Financial Statements - Trust and Agency Funds

Trust and Agency Funds account for assets the State holds in a trustee capacity or as an agent for individuals, private organizations, other governmental organizations, or other funds.

EXPENDABLE TRUST FUND

The Expendable Trust Fund accounts for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations.

Employment Security Commission accounts for the deposit of moneys requisitioned from the Oklahoma Unemployment Insurance Trust Fund held by the U.S. Treasury for payment of unemployment benefits.

NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds account for the assets held by the State in a trustee capacity where only income derived from the trust principal may be expended for designated operations. The principal must be preserved intact.

Commissioners of the Land Office accounts for the land and cash granted to the State by the United States Congress for the use and benefit of educational systems in Oklahoma.

Department of Wildlife Conservation accounts for moneys held in trust for the improvement and preservation of wildlife. The moneys have been accumulated from the sale of lifetime hunting and fishing licenses.

INVESTMENT TRUST FUND

Investment Trust Funds account for transactions, assets, liabilities, and net assets available for participants in an external investment pool. The pool is administered by the Office of the State Treasurer for other local governments. This includes Federal Farm Credit, county governments, and several school districts.

PENSION TRUST FUND

The Pension Trust Fund accounts for assets held by the State in a trustee capacity for the benefit of Plan members.

Wildlife Conservation Retirement Plan accounts for transactions, assets, liabilities, and net assets available for payment of plan benefits to employees of the Department of Wildlife Conservation.

AGENCY FUNDS

Agency Funds account for the receipt and disbursement of various moneys and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units, organizations, or individuals.

Taxes Held for Outside Entities is maintained by the Oklahoma Tax Commission to account for taxes: (1) being held for distribution to county and city governments, (2) to cover anticipated tax refunds, (3) paid conditionally on an increase in gross value of oil and/or gas sold by a producer waiting on approval or settlement of an appeal, and (4) that have been intercepted by the Tax Commission to be disbursed to claimants.

Funds Held in Escrow are moneys held in an account until certain conditions or requirements are met. These include: (1) Cash Performance Bonds maintained by the Department of Mines until mining is complete and reclamation meets specifications, (2) Unlocated Mineral Owner's Fund maintained by the Corporation Commission as an escrow account for royalties due unlocated owners, (3) Workers' Compensation Claims Under Appeal contains money being held in trust for an injured worker whose claim is on appeal. This fund is maintained by the Workers' Compensation Court, (4) Unsettled Premium Tax Suits is an escrow account being maintained by the Oklahoma Insurance Department for the purpose of depositing protested taxes and/or fees imposed under Oklahoma law, (5) Other moneys accounted for by the State Department of Health for bond requirements for disposal sites, by the Department of Public Safety for the retention and refund of financial responsibility security amounts and sign deposits for motor vehicle inspection stations, (6) Money held in escrow by the Attorney General's Office for funds received as a result of litigation.

Assets Held for Beneficiaries are moneys maintained for: (1) clients in institutions under the jurisdiction of the Office of Juvenile Affairs (OJA), Department of Human Services (DHS), the Department of Corrections (DOC), the Department of Veterans Affairs, and the Department of Mental Health, (2) DHS custodial parents from the collection from absent parents, (3) DHS clients placed in agency custody, and (4) the inventory maintained for commodities.

Other is moneys accounted for (1) by the Employees' Benefit Council for payment of employee claims against SoonerFlex flexible spending accounts, (2) property distribution maintained by the Department of Central Services to account for federal surplus property transferred to the State's custody to be sold or donated to other governmental entities and/or specified nonprofit organizations and property seized by state organizations pending the outcome of legal proceedings, (3) deposits held by the Department of Central Services for bid process documents, (4) donations held by the District Attorney's Council for the Murrah Crime Victims Compensation Fund, and (5) funds held by the Department of Transportation which had accrued to its former health insurance rate stabilization account and being returned to the accounts contributors.

Combining Balance Sheet
Trust and Agency Funds
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | <u>Expendable Trust</u> Employment Security Commission | Nonexpendable Trusts | Investment Trust |
|---|--|-------------------------|---------------------|
| Assets | | | |
| Cash/Cash Equivalents | \$ 595,308 | \$ 41,657 | \$ 6,475 |
| Investments | 0 | 1,051,117 | 0 |
| Accounts Receivable | 2,794 | 0 | 0 |
| Interest and Investments Revenue Receivable | 0 | 5,695 | 26 |
| Taxes Receivable | 1,704 | 0 | 0 |
| Federal Grants Receivable | 180 | 0 | 0 |
| Other Receivables | 0 | 3,234 | 0 |
| Due from Other Funds | 0 | 83 | 0 |
| Due from Component Units | 0 | 0 | 0 |
| Inventory | 0 | 0 | 0 |
| Other Assets | 0 | 7,367 | 0 |
| Total Assets | \$ 599,986 | \$ 1,109,153 | \$ 6,501 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable and Accrued Liabilities | \$ 224 | \$ 0 | \$ 0 |
| Tax Refunds Payable | 0 | 0 | 0 |
| Due to Others | 0 | 0 | 0 |
| Deferred Revenue | 1,318 | 4,262 | 0 |
| Total Liabilities | 1,542 | 4,262 | 0 |
| Fund Balances | | | |
| Reserved | | | |
| Unemployment Benefits | 598,444 | 0 | 0 |
| Preservation of Wildlife | 0 | 41,564 | 0 |
| Employees' Pension Benefits | 0 | 0 | 0 |
| External Investment Pool Participants | 0 | 0 | 6,501 |
| Permanent Trust | 0 | 931,156 | 0 |
| Undistributed Revenue | 0 | 132,171 | 0 |
| Total Fund Balances | 598,444 | 1,104,891 | 6,501 |
| Total Liabilities and Fund Balances | \$ 599,986 | \$ 1,109,153 | \$ 6,501 |

| Pension Trust Fund | | Total | |
|--|-------------------|---------------------|---------------------|
| Wildlife Conservation Retirement Plan | Agency | 1999 | 1998 |
| \$ 0 | \$ 143,736 | \$ 787,176 | \$ 802,132 |
| 46,217 | 0 | 1,097,334 | 1,038,575 |
| 0 | 69 | 2,863 | 2,225 |
| 0 | 506 | 6,227 | 6,985 |
| 0 | 6 | 1,710 | 1,856 |
| 0 | 0 | 180 | 170 |
| 0 | 0 | 3,234 | 4,275 |
| 28 | 106 | 217 | 604 |
| 0 | 207 | 207 | 199 |
| 0 | 4,214 | 4,214 | 4,554 |
| 0 | 0 | 7,367 | 8,189 |
| <u>\$ 46,245</u> | <u>\$ 148,844</u> | <u>\$ 1,910,729</u> | <u>\$ 1,869,764</u> |
| | | | |
| \$ 0 | \$ 1,022 | \$ 1,246 | \$ 967 |
| 0 | 4,592 | 4,592 | 3,379 |
| 0 | 143,230 | 143,230 | 140,812 |
| 0 | 0 | 5,580 | 5,629 |
| <u>0</u> | <u>148,844</u> | <u>154,648</u> | <u>150,787</u> |
| | | | |
| 0 | 0 | 598,444 | 613,131 |
| 0 | 0 | 41,564 | 39,199 |
| 46,245 | 0 | 46,245 | 56,187 |
| 0 | 0 | 6,501 | 10,720 |
| 0 | 0 | 931,156 | 886,709 |
| 0 | 0 | 132,171 | 113,031 |
| <u>46,245</u> | <u>0</u> | <u>1,756,081</u> | <u>1,718,977</u> |
| <u>\$ 46,245</u> | <u>\$ 148,844</u> | <u>\$ 1,910,729</u> | <u>\$ 1,869,764</u> |

Combining Balance Sheet
 Nonexpendable Trust Funds
 June 30, 1999
 (with comparative totals for June 30, 1998)
 (expressed in thousands)

| | Commissioners of the Land Office | Department of Wildlife Conservation | Total | |
|--|-------------------------------------|--|---------------------|---------------------|
| | | | 1999 | 1998 |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 40,588 | \$ 1,069 | \$ 41,657 | \$ 41,873 |
| Investments | 1,010,712 | 40,405 | 1,051,117 | 982,415 |
| Interest and Investment Receivable | 5,695 | 0 | 5,695 | 6,375 |
| Other Receivables | 3,234 | 0 | 3,234 | 4,275 |
| Due from Other Funds | 0 | 83 | 83 | 66 |
| Other Assets | 7,360 | 7 | 7,367 | 8,189 |
| Total Assets | \$ 1,067,589 | \$ 41,564 | \$ 1,109,153 | \$ 1,043,193 |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Deferred Revenue | \$ 4,262 | \$ 0 | \$ 4,262 | \$ 4,254 |
| Total Liabilities | 4,262 | 0 | 4,262 | 4,254 |
| Fund Balances | | | | |
| Reserved | | | | |
| Preservation of Wildlife | 0 | 41,564 | 41,564 | 39,199 |
| Permanent Trust | 931,156 | 0 | 931,156 | 886,709 |
| Undistributed Revenue | 132,171 | 0 | 132,171 | 113,031 |
| Total Fund Balances | 1,063,327 | 41,564 | 1,104,891 | 1,038,939 |
| Total Liabilities and Fund Balances | \$ 1,067,589 | \$ 41,564 | \$ 1,109,153 | \$ 1,043,193 |

Combining Statement of Revenues, Expenses
and Changes in Fund Balances
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Commissioners of the Land Office | Department of Wildlife Conservation | Total | |
|---|-------------------------------------|--|---------------------|---------------------|
| | | | 1999 | 1998 |
| Operating Revenues | | | | |
| Licenses, Permits and Fees | \$ 0 | \$ 2,181 | \$ 2,181 | \$ 1,757 |
| Sales and Services | 0 | 71 | 71 | 74 |
| Interest and Investment Revenue | 115,796 | 2,198 | 117,994 | 153,413 |
| Rental Revenue | 8,838 | 0 | 8,838 | 8,764 |
| Sales of Land and Easements | 762 | 0 | 762 | 4,849 |
| Other | 79 | 0 | 79 | 1 |
| Total Operating Revenues | 125,475 | 4,450 | 129,925 | 168,858 |
| Operating Expenses | | | | |
| Administrative Expense | 2,959 | 0 | 2,959 | 2,779 |
| Benefit Payments and Refunds | 40,452 | 0 | 40,452 | 39,826 |
| Total Operating Expenses | 43,411 | 0 | 43,411 | 42,605 |
| Income Before Operating Transfers | 82,064 | 4,450 | 86,514 | 126,253 |
| Operating Transfers Out | (4,578) | (2,085) | (6,663) | (4,964) |
| Operating Transfers To Component Units | (13,899) | 0 | (13,899) | (14,171) |
| Net Income | 63,587 | 2,365 | 65,952 | 107,118 |
| Fund Balances - Beginning of Year | 999,740 | 39,199 | 1,038,939 | 931,821 |
| Fund Balances - End of Year | \$ 1,063,327 | \$ 41,564 | \$ 1,104,891 | \$ 1,038,939 |

Combining Statement of Cash Flows
 Nonexpendable Trust Funds
 For the Fiscal Year Ended June 30, 1999
 (with comparative totals for June 30, 1998)
 (expressed in thousands)

| | Commissioners of the Land Office | Department of Wildlife Conservation | Total | |
|---|-------------------------------------|--|------------------|------------------|
| | | | 1999 | 1998 |
| Cash Flows from Operating Activities | | | | |
| Operating Income | \$ 82,064 | \$ 4,450 | \$ 86,514 | \$ 126,253 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operations | | | | |
| Amortization (Accretion) and Other Noncash Expenses | 286 | 0 | 286 | 72 |
| Reclassification of Investment Income | (125,694) | (2,199) | (127,893) | (147,265) |
| Net Appreciation in Fair Value of Investments | (19,617) | 0 | (19,617) | (42,761) |
| Decrease (Increase) in Assets | | | | |
| Interfund Receivable | 0 | (16) | (16) | (20) |
| Increase (Decrease) in Liabilities | | | | |
| Deferred Revenue | 8 | 0 | 8 | 7 |
| Net Cash Provided (Used) by Operating Activities | <u>(62,953)</u> | <u>2,235</u> | <u>(60,718)</u> | <u>(63,714)</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Operating Transfers Out | (4,578) | (2,085) | (6,663) | (4,964) |
| Operating Transfers to Component Units | <u>(13,899)</u> | <u>0</u> | <u>(13,899)</u> | <u>(14,171)</u> |
| Net Cash (Used) by Noncapital Financing Activities | <u>(18,477)</u> | <u>(2,085)</u> | <u>(20,562)</u> | <u>(19,135)</u> |
| Cash Flows from Investing Activities | | | | |
| Interest and Investment Revenue | 96,179 | 2,198 | 98,377 | 110,981 |
| Proceeds from Sale/Maturities of Investments | 558,085 | 0 | 558,085 | 482,049 |
| Principal Received from Notes Receivable | 345 | 0 | 345 | 306 |
| Payments to Purchase Investments | <u>(573,514)</u> | <u>(2,229)</u> | <u>(575,743)</u> | <u>(487,477)</u> |
| Net Cash Provided (Used) by Investing Activities | <u>81,095</u> | <u>(31)</u> | <u>81,064</u> | <u>105,859</u> |
| Net Increase (Decrease) in Cash/Cash Equivalents | (335) | 119 | (216) | 23,010 |
| Cash/Cash Equivalents - Beginning of Year | <u>40,923</u> | <u>950</u> | <u>41,873</u> | <u>18,863</u> |
| Cash/Cash Equivalents - End of Year | <u>\$ 40,588</u> | <u>\$ 1,069</u> | <u>\$ 41,657</u> | <u>\$ 41,873</u> |

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Combining Statement of Assets and Liabilities

Agency Funds

June 30, 1999

(with comparative totals for June 30, 1998)

(expressed in thousands)

| | Taxes Held For Outside Entities | Funds Held In Escrow |
|--|------------------------------------|-------------------------|
| Assets | | |
| Cash/Cash Equivalents | \$ 111,857 | \$ 6,516 |
| Accounts Receivable | 2 | 6 |
| Interest Receivable | 467 | 13 |
| Taxes Receivable | 6 | 0 |
| Due from Other Funds | 0 | 0 |
| Due from Component Units | 0 | 0 |
| Inventory | 0 | 0 |
| Total Assets | <u>\$ 112,332</u> | <u>\$ 6,535</u> |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 50 | \$ 16 |
| Tax Refunds Payable | 4,592 | 0 |
| Due to Others | 107,690 | 6,519 |
| Total Liabilities | <u>\$ 112,332</u> | <u>\$ 6,535</u> |

| Assets Held For Beneficiaries | Other | Total | |
|----------------------------------|------------------|-------------------|-------------------|
| | | 1999 | 1998 |
| \$ 13,791 | \$ 11,572 | \$ 143,736 | \$ 139,118 |
| 13 | 48 | 69 | 37 |
| 26 | 0 | 506 | 565 |
| 0 | 0 | 6 | 22 |
| 0 | 106 | 106 | 511 |
| 0 | 207 | 207 | 199 |
| 222 | 3,992 | 4,214 | 4,554 |
| <u>\$ 14,052</u> | <u>\$ 15,925</u> | <u>\$ 148,844</u> | <u>\$ 145,006</u> |
| | | | |
| \$ 956 | \$ 0 | \$ 1,022 | \$ 815 |
| 0 | 0 | 4,592 | 3,379 |
| <u>13,096</u> | <u>15,925</u> | <u>143,230</u> | <u>140,812</u> |
| <u>\$ 14,052</u> | <u>\$ 15,925</u> | <u>\$ 148,844</u> | <u>\$ 145,006</u> |

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Fiscal Year Ended June 30, 1999

(expressed in thousands)

| | Balance June 30, 1998 | Additions | Deletions | Balance June 30, 1999 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| Taxes Held for Outside Entities | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 109,698 | \$ 1,618,147 | \$ 1,615,988 | \$ 111,857 |
| Accounts Receivable | 2 | 2 | 2 | 2 |
| Interest Receivable | 531 | 467 | 531 | 467 |
| Taxes Receivable | 22 | 6 | 22 | 6 |
| Total Assets | \$ 110,253 | \$ 1,618,622 | \$ 1,616,543 | \$ 112,332 |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | \$ 0 | \$ 50 | \$ 0 | \$ 50 |
| Tax Refunds Payable | 3,379 | 4,592 | 3,379 | 4,592 |
| Due to Others | 106,874 | 1,613,980 | 1,613,164 | 107,690 |
| Total Liabilities | \$ 110,253 | \$ 1,618,622 | \$ 1,616,543 | \$ 112,332 |
| Funds Held in Escrow | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 6,072 | \$ 3,416 | \$ 2,972 | \$ 6,516 |
| Accounts Receivable | 0 | 6 | 0 | 6 |
| Interest Receivable | 16 | 13 | 16 | 13 |
| Total Assets | \$ 6,088 | \$ 3,435 | \$ 2,988 | \$ 6,535 |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | \$ 60 | \$ 16 | \$ 60 | \$ 16 |
| Due to Others | 6,028 | 3,419 | 2,928 | 6,519 |
| Total Liabilities | \$ 6,088 | \$ 3,435 | \$ 2,988 | \$ 6,535 |
| Assets Held for Beneficiaries | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 13,513 | \$ 144,370 | \$ 144,092 | \$ 13,791 |
| Accounts Receivable | 15 | 13 | 15 | 13 |
| Interest Receivable | 18 | 26 | 18 | 26 |
| Inventory | 426 | 222 | 426 | 222 |
| Total Assets | \$ 13,972 | \$ 144,631 | \$ 144,551 | \$ 14,052 |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | \$ 755 | \$ 956 | \$ 755 | \$ 956 |
| Due to Others | 13,217 | 143,675 | 143,796 | 13,096 |
| Total Liabilities | \$ 13,972 | \$ 144,631 | \$ 144,551 | \$ 14,052 |

| | Balance June 30, 1998 | Additions | Deletions | Balance June 30, 1999 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| Other | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 9,835 | \$ 135,649 | \$ 133,912 | \$ 11,572 |
| Accounts Receivable | 20 | 48 | 20 | 48 |
| Due from Other Funds | 511 | 106 | 511 | 106 |
| Due from Component Units | 199 | 207 | 199 | 207 |
| Inventory | 4,128 | 3,823 | 3,959 | 3,992 |
| Total Assets | \$ 14,693 | \$ 139,833 | \$ 138,601 | \$ 15,925 |
| Liabilities | | | | |
| Due to Others | \$ 14,693 | 139,833 | 138,601 | \$ 15,925 |
| Total Liabilities | \$ 14,693 | \$ 139,833 | \$ 138,601 | \$ 15,925 |
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Cash/Cash Equivalents | \$ 139,118 | \$ 1,901,582 | \$ 1,896,964 | \$ 143,736 |
| Accounts Receivable | 37 | 69 | 37 | 69 |
| Interest Receivable | 565 | 506 | 565 | 506 |
| Taxes Receivable | 22 | 6 | 22 | 6 |
| Due from Other Funds | 511 | 106 | 511 | 106 |
| Due from Component Units | 199 | 207 | 199 | 207 |
| Inventory | 4,554 | 4,045 | 4,385 | 4,214 |
| Total Assets | \$ 145,006 | \$ 1,906,521 | \$ 1,902,683 | \$ 148,844 |
| Liabilities | | | | |
| Accounts Payable and Accrued Liabilities | \$ 815 | \$ 1,022 | \$ 815 | \$ 1,022 |
| Tax Refunds Payable | 3,379 | 4,592 | 3,379 | 4,592 |
| Due to Others | 140,812 | 1,900,907 | 1,898,489 | 143,230 |
| Total Liabilities | \$ 145,006 | \$ 1,906,521 | \$ 1,902,683 | \$ 148,844 |

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Combining Financial Statements - Component Units

Combining Financial Statements - Component Units

GOVERNMENTAL COMPONENT UNIT

SPECIAL INDEMNITY FUND

P.O. Box 528801, Oklahoma City, Oklahoma 73152

The Special Indemnity Fund provides additional compensation to a worker with a pre-existing injury who suffers a second injury.

PROPRIETARY COMPONENT UNITS

Proprietary component units include the entities listed below. A brief description of these entities is included in the Combining Financial Statements-Component Units-Proprietary Funds section of this report.

| | |
|---------------------------------------|---|
| Oklahoma Industrial Finance Authority | Medical Technology and Research Authority |
| Health Insurance High Risk Pool | Oklahoma Development Finance Authority |
| State Insurance Fund | Oklahoma Environmental Finance Authority |
| State and Education Employees | Oklahoma Housing Finance Agency |
| Group Insurance Board | Oklahoma Turnpike Authority |
| Oklahoma Student Loan Authority | Grand River Dam Authority |
| University Hospitals Authority | Oklahoma Municipal Power Authority |

FIDUCIARY COMPONENT UNITS

Fiduciary component units include the entities listed below. A brief description of these entities is included in the Combining Financial Statements-Component Units-Fiduciary Funds section of this report.

| | |
|---|---|
| Oklahoma Firefighters Pension and Retirement System | Uniform Retirement System for Judges and Justices |
| Oklahoma Law Enforcement Retirement System | Oklahoma Police Pension and Retirement System |
| Oklahoma Public Employees Retirement System | Teachers' Retirement System of Oklahoma |

HIGHER EDUCATION COMPONENT UNIT

The Higher Education Component Unit includes the entities listed below. A brief description of these entities is included in the Combining Financial Statements-Component Unit-Higher Education Funds section of this report.

| | |
|--|--|
| University of Oklahoma | Redlands Community College |
| Oklahoma State University | Murray State College |
| University of Central Oklahoma | Northeastern Oklahoma A&M College |
| East Central University | Northern Oklahoma College |
| Northeastern State University | Oklahoma City Community College |
| Northwestern Oklahoma State University | Rose State College |
| Southeastern Oklahoma State University | Seminole State College |
| Southwestern Oklahoma State University | Tulsa Community College |
| Cameron University | Western Oklahoma State College |
| Langston University | Board of Regents of Oklahoma Colleges |
| Oklahoma Panhandle State University | Oklahoma State Regents for Higher Education |
| Rogers State University | Ardmore Higher Education Program |
| University of Science and Arts of Oklahoma | McCurtain County Higher Education Program |
| Carl Albert Junior College | Rose State College Technical Area |
| Connors State College | Education District |
| Eastern Oklahoma State College | South Oklahoma City Area School District |
| | Tulsa Community College Area School District |

Combining Balance Sheet
Component Units
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Governmental | |
|---|---------------------------|---------------------|
| | Special Indemnity Fund | Proprietary |
| Assets and Other Debits | | |
| Assets | | |
| Cash/Cash Equivalents | \$ 53 | \$ 186,782 |
| Investments | 0 | 2,102,499 |
| Securities Lending Investments | 0 | 117,703 |
| Accounts Receivable | 0 | 68,269 |
| Interest and Investment Revenue Receivable | 0 | 17,206 |
| Employer Contributions Receivable | 0 | 0 |
| Employee Contributions Receivable | 0 | 0 |
| Other Contributions Receivable | 0 | 0 |
| Federal Grants Receivable | 0 | 0 |
| Lease Payments Receivable | 0 | 35,217 |
| Other Receivables | 0 | 0 |
| Notes and Loans Receivable | 0 | 850,380 |
| Due from Brokers | 0 | 0 |
| Due from Other Funds | 0 | 0 |
| Due from Component Units | 0 | 679 |
| Due from Primary Government | 1,555 | 4,886 |
| Inventory | 0 | 32,399 |
| Prepaid Items | 0 | 1,467 |
| Fixed Assets, Net | 0 | 1,353,311 |
| Other Assets | 0 | 346,640 |
| Other Debits | | |
| Amount to Be Provided for Claims and Judgments | 166,919 | 0 |
| Total Assets and Other Debits | <u>\$ 168,527</u> | <u>\$ 5,117,438</u> |
| Liabilities, Fund Equity and Other Credits | | |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | \$ 51 | \$ 78,381 |
| Payable Under Securities Lending Agreement | 0 | 117,703 |
| Claims and Judgments | 189,530 | 534,001 |
| Interest Payable | 5,039 | 57,343 |
| Due to Brokers | 0 | 0 |
| Due to Other Funds | 0 | 0 |
| Due to Component Units | 51 | 1,096 |
| Due to Primary Government | 0 | 47,516 |
| Due to Others | 0 | 0 |
| Deferred Revenue | 0 | 32,609 |
| Capital Leases | 0 | 0 |
| Compensated Absences | 0 | 5,331 |
| Benefits in the Process of Payment | 0 | 0 |
| Notes Payable | 0 | 52,556 |
| General Obligation Bonds | 0 | 73,567 |
| Revenue Bonds | 0 | 3,301,156 |
| Other Liabilities | 0 | 33,732 |
| Total Liabilities | <u>194,671</u> | <u>4,334,991</u> |
| Fund Equity and Other Credits | | |
| Investment in General Fixed Assets | 0 | 0 |
| Contributed Capital | 0 | 22,596 |
| Retained Earnings - Unreserved | 0 | 759,851 |
| Fund Balances | | |
| Reserved for Employee Pension Benefits | 0 | 0 |
| Unreserved | | |
| Designated for Other Special Purposes | 0 | 0 |
| Undesignated | (26,144) | 0 |
| Total Fund Equity and Other Credits | <u>(26,144)</u> | <u>782,447</u> |
| Total Liabilities, Fund Equity and Other Credits | <u>\$ 168,527</u> | <u>\$ 5,117,438</u> |

| Fiduciary | Higher Education | Total | |
|----------------------|---------------------|----------------------|----------------------|
| | | 1999 | 1998 |
| \$ 378,879 | \$ 424,121 | \$ 989,835 | \$ 1,044,712 |
| 13,201,241 | 480,453 | 15,784,193 | 13,925,469 |
| 573,210 | 0 | 690,913 | 1,558,393 |
| 0 | 131,629 | 199,898 | 173,795 |
| 76,131 | 3,147 | 96,484 | 87,455 |
| 14,062 | 0 | 14,062 | 15,185 |
| 14,625 | 0 | 14,625 | 11,001 |
| 852 | 0 | 852 | 724 |
| 0 | 928 | 928 | 1,955 |
| 0 | 0 | 35,217 | 38,258 |
| 181 | 0 | 181 | 21,028 |
| 0 | 42,518 | 892,898 | 761,558 |
| 201,458 | 0 | 201,458 | 64,630 |
| 0 | 99,433 | 99,433 | 95,755 |
| 417 | 221 | 1,317 | 2,740 |
| 15,807 | 5,870 | 28,118 | 11,659 |
| 0 | 18,791 | 51,190 | 47,854 |
| 0 | 11,916 | 13,383 | 11,477 |
| 938 | 1,788,781 | 3,143,030 | 3,021,567 |
| 30 | 1,064 | 347,734 | 310,851 |
| 0 | 0 | 166,919 | 151,321 |
| <u>\$ 14,477,831</u> | <u>\$ 3,008,872</u> | <u>\$ 22,772,668</u> | <u>\$ 21,357,387</u> |
| \$ 2,559 | \$ 72,859 | \$ 153,850 | \$ 116,033 |
| 573,210 | 0 | 690,913 | 1,558,393 |
| 0 | 0 | 723,531 | 751,226 |
| 0 | 4,784 | 67,166 | 43,890 |
| 91,889 | 0 | 91,889 | 107,394 |
| 0 | 99,433 | 99,433 | 83,271 |
| 0 | 170 | 1,317 | 2,376 |
| 0 | 534 | 48,050 | 46,665 |
| 0 | 29,598 | 29,598 | 22,198 |
| 0 | 83,267 | 115,876 | 108,891 |
| 0 | 17,401 | 17,401 | 18,188 |
| 203 | 44,983 | 50,517 | 48,997 |
| 76,019 | 0 | 76,019 | 77,034 |
| 0 | 26,669 | 79,225 | 51,925 |
| 0 | 21,310 | 94,877 | 73,563 |
| 0 | 258,257 | 3,559,413 | 2,734,011 |
| 3,322 | 31,157 | 68,211 | 62,882 |
| <u>747,202</u> | <u>690,422</u> | <u>5,967,286</u> | <u>5,906,937</u> |
| 0 | 1,545,631 | 1,545,631 | 1,481,414 |
| 0 | 0 | 22,596 | 17,721 |
| 0 | 0 | 759,851 | 677,823 |
| 13,730,629 | 0 | 13,730,629 | 12,605,749 |
| 0 | 772,819 | 772,819 | 689,610 |
| 0 | 0 | (26,144) | (21,867) |
| <u>13,730,629</u> | <u>2,318,450</u> | <u>16,805,382</u> | <u>15,450,450</u> |
| <u>\$ 14,477,831</u> | <u>\$ 3,008,872</u> | <u>\$ 22,772,668</u> | <u>\$ 21,357,387</u> |

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Combining Financial Statements

- Component Units
- Proprietary Funds

Combining Financial Statements

- Component Units
- Proprietary Funds

The State of Oklahoma has thirteen proprietary component units which are described below:

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY

301 N.W. 63rd Street, Suite 225, Oklahoma City, Oklahoma 73116

The Authority assists with the State's industrial development by making loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. The loans are financed by issuance of general obligation bonds.

HEALTH INSURANCE HIGH RISK POOL

3814 N. Santa Fe, Oklahoma City, Oklahoma 73118

The Pool provides health insurance to individuals who are unable to obtain coverage from independent insurers. The Pool is financed by assessments levied on independent insurers.

STATE INSURANCE FUND

P.O. Box 53505, Oklahoma City, Oklahoma 73152

The Fund provides a source for workers' compensation insurance for all employers within the state including state agencies and other governmental units. The Fund is financed through employer premiums.

STATE AND EDUCATION EMPLOYEES GROUP

INSURANCE BOARD

3545 N.W. 58th Street, Suite 1000, Oklahoma City, Oklahoma 73112

The Board provides varying coverages of group health, dental, life, and disability benefits to active employees and retirees of the State, local governments, and education entities as well as certain other eligible participants. The Board is financed through employer and employee premiums.

OKLAHOMA STUDENT LOAN AUTHORITY

4545 N. Lincoln Blvd., Suite 66, Oklahoma City, Oklahoma 73105

The Authority provides loans to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations.

MEDICAL TECHNOLOGY AND RESEARCH AUTHORITY

1100 N. Lindsey, SCB 148, Oklahoma City, Oklahoma 73104

The Authority promotes and assists the development of medical technology and research benefiting the citizens of Oklahoma.

UNIVERSITY HOSPITALS AUTHORITY

940 N.E. 13th Street, Oklahoma City, Oklahoma 73104

The Authority consists of The University Hospital and Children's Hospital of Oklahoma. The University Hospital is affiliated with the University of Oklahoma Health Sciences Center. The University Hospital is financed primarily through patient service charges.

OKLAHOMA DEVELOPMENT FINANCE AUTHORITY

301 N.W. 63rd Street, Suite 225, Oklahoma City, Oklahoma 73116

The Authority provides financing for both public and private entities in the state. The Authority obtains funds through the issuance of bonds and notes.

OKLAHOMA ENVIRONMENTAL FINANCE AUTHORITY

2809 N.W. Expressway, Suite 485, Oklahoma City, Oklahoma 73112

The Authority provides financing necessary or useful to abate, control, and reduce air and water pollution. The Authority obtains funds through the issuance of bonds and notes.

OKLAHOMA HOUSING FINANCE AGENCY

1140 N.W. 63rd Street, Suite 200, Oklahoma City, Oklahoma 73116

The Agency is authorized to issue revenue bonds and notes in order to provide funds to promote the development of adequate residential housing and other economic development for the benefit of the State of Oklahoma.

OKLAHOMA TURNPIKE AUTHORITY

P.O. Box 11357, Oklahoma City, Oklahoma 73136

The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature and approved by the Department of Transportation. The Authority receives revenues from turnpike tolls and a percentage of the turnpike concessions sales. The Authority issues revenue bonds to finance the cost of turnpike projects.

GRAND RIVER DAM AUTHORITY

P.O. Box 409, Vinita, Oklahoma 74301

The Authority controls the waters of the Grand River system to generate water power and electric energy and to promote irrigation, conservation and development of natural resources. The Authority produces and distributes electrical power for sale to customers primarily located in northeastern Oklahoma.

OKLAHOMA MUNICIPAL POWER AUTHORITY

P.O. Box 1960, Edmond, Oklahoma 73083

The Authority provides a means for the municipal electric systems in the state to jointly plan, finance, acquire, and operate electrical power supply facilities necessary to meet the electrical energy requirements of their consumers. The Authority also sells electric power to its member municipalities.

Combining Balance Sheet
Component Units - Proprietary Funds
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund | State and Education Empl. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|-----------------------------|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| Assets | | | | | | |
| Current Assets | | | | | | |
| Cash/Cash Equivalents | \$ 640 | \$ 832 | \$ 6,197 | \$ 2,148 | \$ 356 | \$ 24,733 |
| Investments | 6,143 | 0 | 701,619 | 176,305 | 29,337 | 38 |
| Securities Lending | | | | | | |
| Investments | 0 | 0 | 117,703 | 0 | 0 | 0 |
| Accounts Receivable | 0 | 0 | 27,826 | 8,382 | 0 | 4,627 |
| Interest and Investment | | | | | | |
| Revenue Receivable | 529 | 0 | 6,128 | 1,325 | 6,422 | 95 |
| Other Receivables | 0 | 0 | 0 | 0 | 0 | 0 |
| Notes Receivable | 1,896 | 0 | 0 | 0 | 0 | 0 |
| Due from Component Units | 0 | 0 | 112 | 0 | 0 | 0 |
| Due from Primary Government | 0 | 0 | 841 | 3,494 | 0 | 411 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 0 | 0 | 0 | 0 | 16 |
| Other Current Assets | 0 | 0 | 1,192 | 0 | 0 | 0 |
| Total Current Assets | <u>9,208</u> | <u>832</u> | <u>861,618</u> | <u>191,654</u> | <u>36,115</u> | <u>29,920</u> |
| Restricted Assets | | | | | | |
| Cash/Cash Equivalents | 210 | 0 | 0 | 0 | 0 | 20,631 |
| Investments | 113 | 0 | 0 | 0 | 0 | 286 |
| Other Restricted Assets | 0 | 0 | 0 | 0 | 0 | 103 |
| Total Restricted Assets | <u>323</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>21,020</u> |
| Other Assets | | | | | | |
| Fixed Assets, Net | 37 | 0 | 8,509 | 903 | 365 | 89,531 |
| Long-Term Notes | | | | | | |
| Receivable, Net | 29,143 | 0 | 0 | 0 | 229,713 | 0 |
| Long-Term Investments | 36,397 | 0 | 0 | 0 | 0 | 0 |
| Lease Payments Receivable | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Noncurrent Assets | 1,145 | 0 | 0 | 1,530 | 1,894 | 21,949 |
| Total Other Assets | <u>66,722</u> | <u>0</u> | <u>8,509</u> | <u>2,433</u> | <u>231,972</u> | <u>111,480</u> |
| Total Assets | <u>\$ 76,253</u> | <u>\$ 832</u> | <u>\$ 870,127</u> | <u>\$ 194,087</u> | <u>\$ 268,087</u> | <u>\$ 162,420</u> |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Oklahoma Housing Finance Agency | Oklahoma Turnpike Authority | Grand River Dam Authority | Oklahoma Municipal Power Authority | Total | |
|--|---|---|--|-----------------------------------|---------------------------------|---|--------------|--------------|
| | | | | | | | 1999 | 1998 |
| \$ 588 | \$ 1,256 | \$ 0 | \$ 5,387 | \$ 15,015 | \$ 19,797 | \$ 2,691 | \$ 79,640 | \$ 61,324 |
| 0 | 6,789 | 0 | 313 | 86,263 | 37,621 | 9,283 | 1,053,711 | 1,041,343 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 117,703 | 185,240 |
| 185 | 195 | 0 | 1,687 | 1,353 | 17,390 | 6,624 | 68,269 | 60,175 |
| 0 | 158 | 0 | 108 | 1,033 | 1,408 | 0 | 17,206 | 17,903 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,871 |
| 0 | 180 | 0 | 0 | 0 | 0 | 0 | 2,076 | 2,711 |
| 37 | 33 | 0 | 0 | 0 | 497 | 0 | 679 | 2,130 |
| 5 | 31 | 0 | 0 | 73 | 31 | 0 | 4,886 | 4,767 |
| 0 | 0 | 0 | 0 | 1,865 | 28,642 | 1,892 | 32,399 | 30,406 |
| 4 | 0 | 0 | 102 | 126 | 1,219 | 0 | 1,467 | 694 |
| 0 | 0 | 0 | 0 | 0 | 0 | 124 | 1,316 | 1,611 |
| 819 | 8,642 | 0 | 7,597 | 105,728 | 106,605 | 20,614 | 1,379,352 | 1,429,175 |
| 0 | 0 | 26 | 688 | 57,500 | 0 | 28,087 | 107,142 | 81,657 |
| 0 | 0 | 46 | 0 | 752,827 | 186,916 | 34,901 | 975,089 | 330,322 |
| 0 | 0 | 0 | 0 | 17,401 | 0 | 0 | 17,504 | 3,043 |
| 0 | 0 | 72 | 688 | 827,728 | 186,916 | 62,988 | 1,099,735 | 415,022 |
| 3,833 | 734 | 0 | 670 | 592,577 | 508,494 | 147,658 | 1,353,311 | 1,346,758 |
| 0 | 4,561 | 0 | 584,887 | 0 | 0 | 0 | 848,304 | 715,483 |
| 0 | 0 | 0 | 9,237 | 0 | 0 | 28,065 | 73,699 | 76,495 |
| 0 | 0 | 34,751 | 0 | 0 | 0 | 466 | 35,217 | 38,258 |
| 0 | 60 | 0 | 1,593 | 12,878 | 136,015 | 150,756 | 327,820 | 305,348 |
| 3,833 | 5,355 | 34,751 | 596,387 | 605,455 | 644,509 | 326,945 | 2,638,351 | 2,482,342 |
| \$ 4,652 | \$ 13,997 | \$ 34,823 | \$ 604,672 | \$ 1,538,911 | \$ 938,030 | \$ 410,547 | \$ 5,117,438 | \$ 4,326,539 |

(continued)

Combining Balance Sheet
Component Units - Proprietary Funds
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

(continued)

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund | State and Education Empl. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| Liabilities and Fund Equity | | | | | | |
| Liabilities | | | | | | |
| Current Liabilities | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 0 | \$ 0 | \$ 31,143 | \$ 13,338 | \$ 248 | \$ 903 |
| Payable Under Securities | | | | | | |
| Lending Agreement | 0 | 0 | 117,703 | 0 | 0 | 0 |
| Claims and Judgments | 0 | 0 | 473,713 | 60,288 | 0 | 0 |
| Interest Payable | 1,036 | 0 | 0 | 0 | 1,725 | 0 |
| Due to Component Units | 0 | 0 | 186 | 24 | 14 | 3 |
| Due to Primary Government | 0 | 0 | 27 | 12 | 3 | 159 |
| Deferred Revenue | 142 | 0 | 19,516 | 0 | 0 | 10 |
| Capital Leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Compensated Absences | 74 | 0 | 984 | 628 | 75 | 61 |
| Notes Payable | 0 | 0 | 0 | 0 | 0 | 0 |
| General Obligation Bonds | 826 | 0 | 0 | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 0 | 0 | 4,160 | 0 |
| Other Current Liabilities | 0 | 0 | 0 | 0 | 953 | 0 |
| Total Current Liabilities | 2,078 | 0 | 643,272 | 74,290 | 7,178 | 1,136 |
| Other Liabilities | | | | | | |
| Due to Primary Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Notes Payable | 0 | 0 | 0 | 0 | 48,600 | 0 |
| General Obligation Bonds | 72,741 | 0 | 0 | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 0 | 0 | 165,745 | 0 |
| Other Noncurrent Liabilities | 43 | 0 | 0 | 0 | 0 | 114 |
| Total Other Liabilities | 72,784 | 0 | 0 | 0 | 214,345 | 114 |
| Total Liabilities | 74,862 | 0 | 643,272 | 74,290 | 221,523 | 1,250 |
| Fund Equity | | | | | | |
| Contributed Capital | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Earnings Unreserved | 1,391 | 832 | 226,855 | 119,797 | 46,564 | 161,170 |
| Total Fund Equity | 1,391 | 832 | 226,855 | 119,797 | 46,564 | 161,170 |
| Total Liabilities and Fund Equity | \$ 76,253 | \$ 832 | \$ 870,127 | \$ 194,087 | \$ 268,087 | \$ 162,420 |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Oklahoma Housing Finance Agency | Oklahoma Turnpike Authority | Grand River Dam Authority | Oklahoma Municipal Power Authority | Total | |
|--|---|---|--|-----------------------------------|---------------------------------|---|---------------------|---------------------|
| | | | | | | | 1999 | 1998 |
| \$ 189 | \$ 75 | \$ 0 | \$ 681 | \$ 14,910 | \$ 9,157 | \$ 7,737 | \$ 78,381 | \$ 35,329 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 117,703 | 185,240 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 534,001 | 579,575 |
| 0 | 0 | 171 | 0 | 39,630 | 4,387 | 10,394 | 57,343 | 37,526 |
| 10 | 0 | 0 | 11 | 24 | 304 | 520 | 1,096 | 873 |
| 7 | 2 | 0 | 0 | 2,523 | 218 | 0 | 2,951 | 3,492 |
| 0 | 37 | 0 | 3,113 | 9,791 | 0 | 0 | 32,609 | 32,826 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,336 |
| 48 | 0 | 0 | 359 | 1,123 | 1,840 | 139 | 5,331 | 4,996 |
| 222 | 0 | 0 | 0 | 0 | 0 | 0 | 222 | 217 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 826 | 631 |
| 0 | 0 | 0 | 0 | 13,295 | 42,965 | 7,680 | 68,100 | 68,815 |
| 0 | 0 | 0 | 0 | 4,004 | 0 | 0 | 4,957 | 2,299 |
| <u>476</u> | <u>114</u> | <u>171</u> | <u>4,164</u> | <u>85,300</u> | <u>58,871</u> | <u>26,470</u> | <u>903,520</u> | <u>953,155</u> |
| 0 | 0 | 0 | 0 | 44,565 | 0 | 0 | 44,565 | 42,927 |
| 3,734 | 0 | 0 | 0 | 0 | 0 | 0 | 52,334 | 40,992 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 72,741 | 68,192 |
| 0 | 9,999 | 34,581 | 562,292 | 1,281,715 | 820,809 | 357,915 | 3,233,056 | 2,490,752 |
| 0 | 444 | 0 | 0 | 0 | 17,974 | 10,200 | 28,775 | 34,977 |
| <u>3,734</u> | <u>10,443</u> | <u>34,581</u> | <u>562,292</u> | <u>1,326,280</u> | <u>838,783</u> | <u>368,115</u> | <u>3,431,471</u> | <u>2,677,840</u> |
| <u>4,210</u> | <u>10,557</u> | <u>34,752</u> | <u>566,456</u> | <u>1,411,580</u> | <u>897,654</u> | <u>394,585</u> | <u>4,334,991</u> | <u>3,630,995</u> |
| 0 | 0 | 0 | 22,596 | 0 | 0 | 0 | 22,596 | 17,721 |
| 442 | 3,440 | 71 | 15,620 | 127,331 | 40,376 | 15,962 | 759,851 | 677,823 |
| 442 | 3,440 | 71 | 38,216 | 127,331 | 40,376 | 15,962 | 782,447 | 695,544 |
| <u>\$ 4,652</u> | <u>\$ 13,997</u> | <u>\$ 34,823</u> | <u>\$ 604,672</u> | <u>\$ 1,538,911</u> | <u>\$ 938,030</u> | <u>\$ 410,547</u> | <u>\$ 5,117,438</u> | <u>\$ 4,326,539</u> |

Combining Statement of Revenues, Expenses
and Changes in Retained Earnings
Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund | State and Education Empl. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|--|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| Operating Revenues | | | | | | |
| Sales and Services | \$ 0 | \$ 5,815 | \$ 93,845 | \$ 313,741 | \$ 0 | \$ 8,247 |
| Interest Revenue | 4,579 | 0 | 0 | 0 | 16,863 | 0 |
| Other | 114 | 0 | 61 | 2,747 | 0 | 5,282 |
| Total Operating Revenues | 4,693 | 5,815 | 93,906 | 316,488 | 16,863 | 13,529 |
| Operating Expenses | | | | | | |
| Operations and Maintenance of Facilities | 51 | 0 | 0 | 0 | 0 | 43,301 |
| Losses and Loss Expense | 0 | 0 | 118,249 | 0 | 0 | 0 |
| Administrative and General | 623 | 310 | 14,208 | 23,379 | 3,418 | 0 |
| Interest Expense | 3,983 | 0 | 0 | 0 | 9,689 | 0 |
| Depreciation Expense | 17 | 0 | 1,976 | 182 | 821 | 12,540 |
| Benefit Payments and Refunds | 0 | 5,280 | 0 | 293,393 | 0 | 0 |
| Total Operating Expenses | 4,674 | 5,590 | 134,433 | 316,954 | 13,928 | 55,841 |
| Operating Income (Loss) | 19 | 225 | (40,527) | (466) | 2,935 | (42,312) |
| Nonoperating Revenues (Expenses) | | | | | | |
| Interest and Investment Revenue | (163) | 52 | 78,079 | 8,534 | 2,275 | 1,986 |
| Other Nonoperating Revenues | 158 | 0 | 0 | 0 | 0 | 350 |
| Interest Expense | 0 | 0 | 0 | 0 | 0 | 0 |
| Amortization of Losses and Discounts | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Nonoperating Expenses | 0 | 0 | (7,476) | 0 | 0 | 0 |
| Total Nonoperating Revenues (Expenses) | (5) | 52 | 70,603 | 8,534 | 2,275 | 2,336 |
| Income (Loss) Before Operating Transfers | 14 | 277 | 30,076 | 8,068 | 5,210 | (39,976) |
| Operating Transfers: | | | | | | |
| From Primary Government | 0 | 0 | 0 | 0 | 0 | 36,253 |
| To Primary Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Costs to be Recovered from Future Revenues | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income (Loss) | 14 | 277 | 30,076 | 8,068 | 5,210 | (3,723) |
| Retained Earnings - Beginning of Year (as restated) | 1,377 | 555 | 196,779 | 111,729 | 41,354 | 164,893 |
| Retained Earnings - End of Year | \$ 1,391 | \$ 832 | \$ 226,855 | \$ 119,797 | \$ 46,564 | \$ 161,170 |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Oklahoma Housing Finance Agency | Oklahoma Turnpike Authority | Grand River Dam Authority | Oklahoma Municipal Power Authority | Total | |
|--|---|---|--|-----------------------------------|---------------------------------|---|-------------------|-------------------|
| | | | | | | | 1999 | 1998 |
| \$ 2,653 | \$ 435 | \$ 2,106 | \$ 0 | \$ 125,810 | \$ 200,127 | \$ 92,872 | \$ 845,651 | \$ 905,438 |
| 0 | 0 | 2 | 4,609 | 0 | 0 | 0 | 26,053 | 19,332 |
| 0 | 91 | 17 | 180 | 0 | 489 | 0 | 8,981 | 12,835 |
| <u>2,653</u> | <u>526</u> | <u>2,125</u> | <u>4,789</u> | <u>125,810</u> | <u>200,616</u> | <u>92,872</u> | <u>880,685</u> | <u>937,605</u> |
| 2,412 | 0 | 0 | 4,571 | 33,164 | 99,015 | 66,999 | 249,513 | 319,821 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 118,249 | 128,931 |
| 47 | 517 | 21 | 697 | 3,381 | 10,780 | 3,954 | 61,335 | 62,774 |
| 0 | 550 | 2,107 | 0 | 0 | 0 | 0 | 16,329 | 16,032 |
| 257 | 27 | 0 | 180 | 34,142 | 26,655 | 6,376 | 83,173 | 78,898 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 298,673 | 275,057 |
| <u>2,716</u> | <u>1,094</u> | <u>2,128</u> | <u>5,448</u> | <u>70,687</u> | <u>136,450</u> | <u>77,329</u> | <u>827,272</u> | <u>881,513</u> |
| <u>(63)</u> | <u>(568)</u> | <u>(3)</u> | <u>(659)</u> | <u>55,123</u> | <u>64,166</u> | <u>15,543</u> | <u>53,413</u> | <u>56,092</u> |
| 0 | 796 | 2 | 917 | 35,512 | 14,419 | 6,666 | 149,075 | 157,256 |
| 0 | 0 | 0 | 35,620 | 338 | 844 | 0 | 37,310 | 21,520 |
| 0 | 0 | 0 | 0 | (58,060) | (53,509) | (20,788) | (132,357) | (117,264) |
| 0 | 0 | 0 | 0 | 0 | (13,231) | (3,768) | (16,999) | (17,439) |
| 0 | 0 | 0 | (35,706) | 0 | 0 | (85) | (43,267) | (13,446) |
| <u>0</u> | <u>796</u> | <u>2</u> | <u>831</u> | <u>(22,210)</u> | <u>(51,477)</u> | <u>(17,975)</u> | <u>(6,238)</u> | <u>30,627</u> |
| (63) | 228 | (1) | 172 | 32,913 | 12,689 | (2,432) | 47,175 | 86,719 |
| 0 | 0 | 0 | 0 | 32,172 | 0 | 0 | 68,425 | 57,421 |
| 0 | 0 | 0 | 0 | (32,172) | 0 | 0 | (32,172) | (30,274) |
| 0 | 0 | 0 | 0 | 0 | (5,532) | 4,132 | (1,400) | 901 |
| (63) | 228 | (1) | 172 | 32,913 | 7,157 | 1,700 | 82,028 | 114,767 |
| <u>505</u> | <u>3,212</u> | <u>72</u> | <u>15,448</u> | <u>94,418</u> | <u>33,219</u> | <u>14,262</u> | <u>677,823</u> | <u>563,056</u> |
| <u>\$ 442</u> | <u>\$ 3,440</u> | <u>\$ 71</u> | <u>\$ 15,620</u> | <u>\$ 127,331</u> | <u>\$ 40,376</u> | <u>\$ 15,962</u> | <u>\$ 759,851</u> | <u>\$ 677,823</u> |

Combining Statement of Cash Flows
Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund | State and Education Empl. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| Cash Flows from Operating Activities | | | | | | |
| Operating Income (Loss) | \$ 19 | \$ 225 | \$ (40,527) | \$ (466) | \$ 2,935 | \$ (42,312) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | |
| Depreciation Expense | 17 | 0 | 1,976 | 182 | 821 | 12,540 |
| Amortization (Accretion) and Other Noncash Expenses | 10 | 0 | 1,459 | 90 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Decrease (Increase) in Assets | | | | | | |
| Accounts Receivable | 0 | 0 | 4,950 | (645) | 0 | (1,366) |
| Interest and Investment Revenue Receivable | 617 | 0 | 1,171 | 0 | (1,138) | (69) |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Prepaid Items | 0 | 0 | 0 | 0 | 0 | 0 |
| Long-Term Notes Receivable | 0 | 0 | 0 | 0 | (45,791) | 0 |
| Other Current Assets | 0 | 0 | 285 | 0 | 0 | 0 |
| Other Noncurrent Assets | 0 | 0 | 0 | (1,461) | 0 | 0 |
| Increase (Decrease) in Liabilities | | | | | | |
| Accounts Payable and Accrued Liabilities | (8) | 0 | 20 | 2,164 | 99 | (752) |
| Claims and Judgments | 0 | 0 | (44,596) | (127) | 0 | 0 |
| Interest Payable | 45 | 0 | 0 | 0 | 25 | 0 |
| Deferred Revenue | 0 | 0 | (4,610) | 0 | 0 | 0 |
| Other Current Liabilities | 10 | 0 | 0 | 0 | 422 | 0 |
| Due to Primary Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Noncurrent Liabilities | 0 | 0 | 0 | 0 | 0 | (134) |
| Net Cash Provided (Used) by Operating Activities | <u>710</u> | <u>225</u> | <u>(79,872)</u> | <u>(263)</u> | <u>(42,627)</u> | <u>(32,093)</u> |
| Cash Flows from Noncapital Financing Activities | | | | | | |
| Proceeds from Bonds and Notes | 5,375 | 0 | 0 | 0 | 54,340 | 0 |
| Federal Grants and Other Contributions | 0 | 0 | 0 | 0 | 0 | 0 |
| Operating Transfers: | | | | | | |
| From Primary Government | 0 | 0 | 0 | 0 | 0 | 36,253 |
| To Primary Government | 0 | 0 | 0 | 0 | 0 | 0 |
| Principal Paid on Bonds and Notes | (631) | 0 | 0 | 0 | (14,865) | 0 |
| Other Noncapital Financing Activity | 0 | 0 | 0 | 0 | (989) | 350 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>\$ 4,744</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 38,486</u> | <u>\$ 36,603</u> |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Oklahoma Housing Finance Agency | Oklahoma Turnpike Authority | Grand River Dam Authority | Oklahoma Municipal Power Authority | Total | |
|--|---|---|--|-----------------------------------|---------------------------------|---|-----------|-----------|
| | | | | | | | 1999 | 1998 |
| \$ (63) | \$ (568) | \$ (3) | \$ (659) | \$ 55,123 | \$ 64,166 | \$ 15,543 | \$ 53,413 | \$ 56,092 |
| 257 | 27 | 0 | 180 | 34,142 | 26,655 | 6,376 | 83,173 | 78,898 |
| 2 | 0 | (2,088) | 16 | 0 | 0 | 2,127 | 1,616 | 5,180 |
| 0 | 0 | 0 | 0 | 338 | 0 | 0 | 338 | 460 |
| (31) | (55) | 0 | (1,837) | (369) | 3,665 | 27 | 4,339 | 13,657 |
| 0 | 0 | 0 | 37 | 0 | 0 | 0 | 618 | (1,169) |
| 0 | 0 | 0 | 0 | 139 | (1,866) | (793) | (2,520) | 523 |
| (1) | 0 | 0 | (40) | (26) | (706) | 0 | (773) | 125 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (45,791) | (33,033) |
| 0 | 0 | 0 | 0 | 0 | 0 | 12 | 297 | 7 |
| 0 | 0 | 5,104 | 0 | 0 | 0 | 0 | 3,643 | 5,886 |
| 47 | 68 | (118) | 2,270 | 14,518 | (37) | 86 | 18,357 | (9,409) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (44,723) | (108,497) |
| 0 | 0 | (42) | 0 | 0 | 0 | 0 | 28 | (204) |
| 0 | 13 | 0 | 0 | 1,281 | 0 | 0 | (3,316) | (14,874) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 432 | 233 |
| 0 | 0 | 0 | 0 | 1,638 | 0 | 0 | 1,638 | 1,471 |
| 0 | 93 | 0 | 46 | 2,235 | 0 | (50) | 2,190 | 913 |
| 211 | (422) | 2,853 | 13 | 109,019 | 91,877 | 23,328 | 72,959 | (3,741) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 59,715 | 10,460 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,470 |
| 0 | 0 | 0 | 0 | 32,172 | 0 | 0 | 68,425 | 57,421 |
| 0 | 0 | 0 | 0 | (32,172) | 0 | 0 | (32,172) | (30,274) |
| 0 | 0 | (2,975) | (86) | 0 | 0 | 0 | (18,557) | (18,655) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (639) | 416 |
| \$ 0 | \$ 0 | \$ (2,975) | \$ (86) | \$ 0 | \$ 0 | \$ 0 | \$ 76,772 | \$ 39,838 |

(continued)

Combining Statement of Cash Flows Component Units - Proprietary Funds

For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

(continued)

| | Oklahoma Industrial Finance Authority | Health Insurance High Risk Pool | State Insurance Fund | State and Education Empl. Group Insurance Bd. | Oklahoma Student Loan Authority | University Hospitals Authority |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| Cash Flows from Capital and Related Financing Activities | | | | | | |
| Proceeds from Bonds and Notes Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Payments for Acquisition of Fixed Assets | (4) | 0 | (1,777) | (542) | (83) | (1,768) |
| Principal Paid on Bonds, Notes, and Capital Leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Paid on Bonds, Notes, and Capital Leases | 0 | 0 | 0 | 0 | 0 | 0 |
| Increase in Payable Under Securities Lending Agreement | 0 | 0 | (67,537) | 0 | 0 | 0 |
| Other Capital and Related Financing Activity | 2 | 0 | 3 | 0 | 0 | 6 |
| Net Cash (Used) by Capital and Related Financing Activities | (2) | 0 | (69,311) | (542) | (83) | (1,762) |
| Cash Flows from Investing Activities | | | | | | |
| Interest and Investment Revenue | 0 | 52 | 44,595 | 7,336 | 2,275 | 1,986 |
| Fees Paid Under Security Lending Agreement | 0 | 0 | (7,476) | 0 | 0 | 0 |
| Increase in Security Lending Investment Pool | 0 | 0 | 67,537 | 0 | 0 | 0 |
| Proceeds from Sale and Maturity of Investments | 12,471 | 0 | 1,005,872 | 104,017 | 169,833 | 44 |
| Principal Received from Notes Receivable | 5,593 | 0 | 0 | 0 | 0 | 0 |
| Payments to Purchase Investments | (11,971) | 0 | (956,079) | (111,087) | (168,037) | 0 |
| Payments to Issue Notes Receivable | (10,875) | 0 | 0 | 0 | 0 | 0 |
| Net Cash Provided (Used) by Investing Activities | (4,782) | 52 | 154,449 | 266 | 4,071 | 2,030 |
| Net Increase (Decrease) in Cash/Cash Equivalents | 670 | 277 | 5,266 | (539) | (153) | 4,778 |
| Cash/Cash Equivalents - Beginning of Year | 180 | 555 | 931 | 2,517 | 509 | 40,586 |
| Cash/Cash Equivalents - Fiduciary Activities | 0 | 0 | 0 | 170 | 0 | 0 |
| Cash/Cash Equivalents - End of Year | <u>\$ 850</u> | <u>\$ 832</u> | <u>\$ 6,197</u> | <u>\$ 2,148</u> | <u>\$ 356</u> | <u>\$ 45,364</u> |

| Medical Technology and Research Authority | Oklahoma Development Finance Authority | Oklahoma Environmental Finance Authority | Oklahoma Housing Finance Agency | Oklahoma Turnpike Authority | Grand River Dam Authority | Oklahoma Municipal Power Authority | Total | |
|--|---|---|--|-----------------------------------|---------------------------------|---|-------------------|-------------------|
| | | | | | | | 1999 | 1998 |
| \$ 329 | \$ 0 | \$ 0 | \$ 0 | \$ 680,789 | \$ 0 | \$ 0 | \$ 681,118 | \$ 634 |
| (321) | (708) | 0 | (399) | (69,738) | (10,279) | (1,454) | (87,073) | (49,434) |
| (222) | 0 | 0 | 0 | (12,630) | (42,321) | (7,360) | (62,533) | (59,988) |
| 0 | 0 | 0 | 0 | (38,686) | (53,676) | (20,953) | (113,315) | (116,433) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (67,537) | (62,748) |
| 0 | 0 | 0 | 0 | 0 | 843 | 0 | 854 | 297 |
| <u>(214)</u> | <u>(708)</u> | <u>0</u> | <u>(399)</u> | <u>559,735</u> | <u>(105,433)</u> | <u>(29,767)</u> | <u>351,514</u> | <u>(287,672)</u> |
| 0 | 814 | 2 | 917 | 12,214 | 13,046 | 5,118 | 88,355 | 94,687 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | (7,476) | (12,149) |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 67,537 | 62,748 |
| 0 | 1,881 | 0 | 14,566 | 198,592 | 51,752 | 118,664 | 1,677,692 | 1,573,777 |
| 0 | 130 | 0 | 137 | 0 | 0 | 80 | 5,940 | 7,082 |
| 0 | 0 | 0 | (13,914) | (857,189) | (42,612) | (115,691) | (2,276,580) | (1,461,978) |
| 0 | (2,098) | 0 | 0 | 0 | 0 | 0 | (12,973) | (9,318) |
| <u>0</u> | <u>727</u> | <u>2</u> | <u>1,706</u> | <u>(646,383)</u> | <u>22,186</u> | <u>8,171</u> | <u>(457,505)</u> | <u>254,849</u> |
| (3) | (403) | (120) | 1,234 | 22,371 | 8,630 | 1,732 | 43,740 | 3,274 |
| 591 | 1,659 | 146 | 4,841 | 50,144 | 11,167 | 29,046 | 142,872 | 139,598 |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 170 | 109 |
| <u>\$ 588</u> | <u>\$ 1,256</u> | <u>\$ 26</u> | <u>\$ 6,075</u> | <u>\$ 72,515</u> | <u>\$ 19,797</u> | <u>\$ 30,778</u> | <u>\$ 186,782</u> | <u>\$ 142,981</u> |

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Combining Financial Statements
- Component Units
- Fiduciary Funds

Combining Financial Statements

- Component Units
- Fiduciary Funds

The State of Oklahoma has six fiduciary component units which are described below:

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

4545 N. Lincoln Blvd., Suite 265, Oklahoma City, Oklahoma 73105

The System provides retirement benefits for municipal firefighters in the State of Oklahoma.

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM

4545 N. Lincoln Blvd., Suite 257, Oklahoma City, Oklahoma 73105

The System provides retirement benefits for qualified law enforcement officers in the State of Oklahoma.

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

6601 N. Broadway Ext., Suite 129, Oklahoma City, Oklahoma 73152

The System administers the Oklahoma Public Employee Retirement Plan which provides retirement benefits for state, county and local employees in the State of Oklahoma.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES

6601 N. Broadway Ext., Suite 129, Oklahoma City, Oklahoma 73152

The System provides retirement benefits for justices and judges in the State of Oklahoma.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1001 N.W. 63rd Street, Suite 305, Oklahoma City, Oklahoma 73116

The System provides retirement benefits for police officers employed by participating municipalities in the State of Oklahoma.

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA

P.O. Box 53524, Oklahoma City, Oklahoma 73105

The System provides retirement allowances and benefits for qualified persons employed by state-supported educational institutions in the State of Oklahoma.

Combining Statement of Plan Net Assets
Component Units – Fiduciary Funds
Pension Trust Funds
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Oklahoma Firefighters Pension and Retirement System | Oklahoma Law Enforcement Retirement System | Oklahoma Public Employees Retirement System |
|--|--|---|--|
| Assets | | | |
| Cash/Cash Equivalents | \$ 38,184 | \$ 14,911 | \$ 65,184 |
| Investments | 1,268,084 | 474,507 | 4,733,985 |
| Securities Lending Investments | 112,007 | 58,253 | 5,646 |
| Interest and Investment Revenue Receivable | 3,130 | 2,209 | 32,609 |
| Employer Contributions Receivable | 702 | 0 | 1,697 |
| Employee Contributions Receivable | 370 | 0 | 632 |
| Other Contributions Receivable | 0 | 0 | 0 |
| Other Receivables | 180 | 0 | 0 |
| Due from Broker | 4,021 | 270 | 2,482 |
| Due from Primary Government | 2,255 | 1,719 | 163 |
| Due from Component Units | 0 | 0 | 295 |
| Fixed Assets, Net | 79 | 51 | 414 |
| Other Assets | 0 | 0 | 30 |
| Total Assets | <u>1,429,012</u> | <u>551,920</u> | <u>4,843,137</u> |
| Liabilities | | | |
| Accounts Payable | 1,010 | 466 | 0 |
| Securities Lending Payable | 112,007 | 58,253 | 5,646 |
| Due to Broker | 3,627 | 0 | 6,293 |
| Compensated Absences | 64 | 0 | 0 |
| Benefits in the Process of Payment | 0 | 6,214 | 0 |
| Other Liabilities | 0 | 0 | 0 |
| Total Liabilities | <u>116,708</u> | <u>64,933</u> | <u>11,939</u> |
| Fund Balance Reserved for Employees' Pension Benefits | <u>\$ 1,312,304</u> | <u>\$ 486,987</u> | <u>\$ 4,831,198</u> |

| Uniform Retirement System for Justices and Judges | Oklahoma Police Pension and Retirement System | Teachers' Retirement System of Oklahoma | Total | |
|--|--|---|----------------------|----------------------|
| | | | 1999 | 1998 |
| \$ 3,699 | \$ 44,073 | \$ 212,828 | \$ 378,879 | \$ 543,853 |
| 163,883 | 1,189,368 | 5,371,414 | 13,201,241 | 12,081,402 |
| 627 | 43,513 | 353,164 | 573,210 | 1,373,153 |
| 1,199 | 5,098 | 31,886 | 76,131 | 65,044 |
| 0 | 897 | 10,766 | 14,062 | 15,185 |
| 0 | 491 | 13,132 | 14,625 | 11,001 |
| 0 | 0 | 852 | 852 | 724 |
| 1 | 0 | 0 | 181 | 157 |
| 25 | 0 | 194,660 | 201,458 | 64,630 |
| 0 | 929 | 10,741 | 15,807 | 12,484 |
| 0 | 0 | 122 | 417 | 376 |
| 0 | 0 | 394 | 938 | 1,015 |
| 0 | 0 | 0 | 30 | 16 |
| <u>169,434</u> | <u>1,284,369</u> | <u>6,199,959</u> | <u>14,477,831</u> | <u>14,169,040</u> |
| 0 | 1,083 | 0 | 2,559 | 2,966 |
| 627 | 43,513 | 353,164 | 573,210 | 1,373,153 |
| 201 | 15,698 | 66,070 | 91,889 | 107,394 |
| 0 | 0 | 139 | 203 | 186 |
| 0 | 29,545 | 40,260 | 76,019 | 77,034 |
| 0 | 0 | 3,322 | 3,322 | 2,558 |
| <u>828</u> | <u>89,839</u> | <u>462,955</u> | <u>747,202</u> | <u>1,563,291</u> |
| <u>\$ 168,606</u> | <u>\$ 1,194,530</u> | <u>\$ 5,737,004</u> | <u>\$ 13,730,629</u> | <u>\$ 12,605,749</u> |

Combining Statement of Changes in Plan Net Assets
Component Units – Fiduciary Funds
Pension Trust Funds
For the Fiscal Year Ended June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Oklahoma Firefighters Pension and Retirement System | Oklahoma Law Enforcement Retirement System | Oklahoma Public Employees Retirement System |
|--|--|---|--|
| Additions | | | |
| Contributions | | | |
| Employer Contributions | \$ 19,436 | \$ 4,267 | \$ 149,222 |
| Employee Contributions | 10,203 | 3,082 | 43,926 |
| Other Contributions | 40,897 | 13,977 | 0 |
| Total Contributions | <u>70,536</u> | <u>21,326</u> | <u>193,148</u> |
| Investment Income | | | |
| Net Appreciation in Fair Value of Investments | 64,752 | 18,185 | 289,165 |
| Interest and Investment Revenue | 27,375 | 18,835 | 147,039 |
| | <u>92,127</u> | <u>37,020</u> | <u>436,204</u> |
| Less Investment Expenses | 10,754 | 5,161 | 24,433 |
| Net Investment Income | <u>81,373</u> | <u>31,859</u> | <u>411,771</u> |
| Other Revenue | 0 | 0 | 0 |
| Total Additions | <u>151,909</u> | <u>53,185</u> | <u>604,919</u> |
| Deductions | | | |
| Administrative and General Expenses | 846 | 450 | 2,637 |
| Benefit Payments and Refunds | 76,558 | 22,587 | 220,752 |
| Total Deductions | <u>77,404</u> | <u>23,037</u> | <u>223,389</u> |
| Net Increase | 74,505 | 30,148 | 381,530 |
| Fund Balance Reserved for Employees' Pension Benefits | | | |
| Beginning of Year (as restated) | <u>1,237,799</u> | <u>456,839</u> | <u>4,449,668</u> |
| End of Year | <u>\$ 1,312,304</u> | <u>\$ 486,987</u> | <u>\$ 4,831,198</u> |

| Uniform Retirement System for Justices and Judges | Oklahoma Police Pension and Retirement System | Teachers' Retirement System of Oklahoma | Total | |
|--|--|---|----------------------|----------------------|
| | | | 1999 | 1998 |
| \$ 3,105 | \$ 19,374 | \$ 127,048 | \$ 322,452 | \$ 307,492 |
| 1,374 | 10,828 | 197,974 | 267,387 | 221,308 |
| 0 | 16,841 | 117,259 | 188,974 | 248,498 |
| <u>4,479</u> | <u>47,043</u> | <u>442,281</u> | <u>778,813</u> | <u>777,298</u> |
| 9,347 | 81,856 | 452,160 | 915,465 | 1,741,433 |
| 5,090 | 33,409 | 195,920 | 427,668 | 395,191 |
| <u>14,437</u> | <u>115,265</u> | <u>648,080</u> | <u>1,343,133</u> | <u>2,136,624</u> |
| 963 | 6,827 | 33,707 | 81,845 | 64,800 |
| <u>13,474</u> | <u>108,438</u> | <u>614,373</u> | <u>1,261,288</u> | <u>2,071,824</u> |
| 0 | 0 | 0 | 0 | 1,700 |
| <u>17,953</u> | <u>155,481</u> | <u>1,056,654</u> | <u>2,040,101</u> | <u>2,850,822</u> |
| 106 | 891 | 2,699 | 7,629 | 8,821 |
| <u>4,391</u> | <u>54,705</u> | <u>528,599</u> | <u>907,592</u> | <u>814,584</u> |
| <u>4,497</u> | <u>55,596</u> | <u>531,298</u> | <u>915,221</u> | <u>823,405</u> |
| 13,456 | 99,885 | 525,356 | 1,124,880 | 2,027,417 |
| <u>155,150</u> | <u>1,094,645</u> | <u>5,211,648</u> | <u>12,605,749</u> | <u>10,578,332</u> |
| <u>\$ 168,606</u> | <u>\$ 1,194,530</u> | <u>\$ 5,737,004</u> | <u>\$ 13,730,629</u> | <u>\$ 12,605,749</u> |

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Combining Financial Statements
- Component Unit
- Higher Education Funds

Combining Financial Statements

- Component Unit
- Higher Education Funds

The Higher Education Component Unit is primarily comprised of colleges and universities which are members of the Oklahoma State System of Higher Education. The System includes the following colleges and universities:

COMPREHENSIVE UNIVERSITIES

University of Oklahoma
Oklahoma State University

OTHER FOUR YEAR UNIVERSITIES

University of Central Oklahoma
East Central University
Northeastern State University
Northwestern Oklahoma State University
Southeastern Oklahoma State University
Southwestern Oklahoma State University
Cameron University
Langston University
Oklahoma Panhandle State University
Rogers State University
University of Science and Arts of Oklahoma

TWO YEAR COLLEGES

Carl Albert State College
Connors State College
Eastern Oklahoma State College
Redlands Community College
Murray State College
Northeastern Oklahoma A & M College
Northern Oklahoma College
Oklahoma City Community College
Rose State College
Seminole State College
Tulsa Community College
Western Oklahoma State College

Each institution which is a member of the Oklahoma State System of Higher Education (the "System") is governed by a Board of Regents. The Boards of Regents consist of five to ten members appointed by the Governor, with the advice and consent of the Senate. The colleges and universities are funded through state appropriations, tuition, federal grants, and private donations and grants. Also included in the Higher Education Component Unit are the following entities:

Board of Regents of Oklahoma Colleges has legislative powers and duties to manage, supervise, and control operation of the six regional state universities which are the University of Central Oklahoma, East Central University, Northeastern State University, Northwestern Oklahoma State University, Southeastern Oklahoma State University, and Southwestern Oklahoma State University.

Oklahoma State Regents for Higher Education serves as the coordinating board of control for the System.

Ardmore Higher Education Program and **McCurtain County Higher Education Program** were established to make higher education available to those persons who might otherwise not be able to attend an institution of higher learning. Students enrolled in the Programs earn credit applicable toward academic degrees and certificates at participating institutions in the System.

Rose State College Technical Area Education District, South Oklahoma City Area School District, and Tulsa Community College Area School District #18 were created to provide postsecondary vocational, technical, and adult education programs for persons within their defined geographical boundaries. The primary source of operating funds is ad valorem taxes assessed against real property located in their districts.

Combining Balance Sheet
Component Unit - Higher Education Funds
June 30, 1999
(with comparative totals for June 30, 1998)
(expressed in thousands)

| | Current Funds | | Loan Funds |
|--|-------------------|-------------------|------------------|
| | Unrestricted | Restricted | |
| Assets | | | |
| Cash/Cash Equivalents | \$ 267,856 | \$ 61,505 | \$ 3,955 |
| Investments | 86,546 | 23,403 | 241 |
| Accounts Receivable | 65,967 | 63,666 | 538 |
| Interest and Investment Revenue Receivable | 1,824 | 63 | 412 |
| Federal Grants Receivable | 0 | 904 | 24 |
| Notes and Loans Receivable | 0 | 0 | 42,518 |
| Due from Other Funds | 70,382 | 3,012 | 3,210 |
| Due from Component Units | 221 | 0 | 0 |
| Due from Primary Government | 5,870 | 0 | 0 |
| Inventory | 18,791 | 0 | 0 |
| Prepaid Items | 11,644 | 4 | 0 |
| Fixed Assets, Net | 0 | 0 | 0 |
| Other Assets | 267 | 139 | 0 |
| Total Assets | \$ 529,368 | \$ 152,696 | \$ 50,898 |
| Liabilities and Fund Balances | | | |
| Liabilities | | | |
| Accounts Payable and Accrued Liabilities | \$ 56,545 | \$ 9,539 | \$ 21 |
| Interest Payable | 0 | 0 | 0 |
| Due to Other Funds | 37,649 | 28,012 | 35 |
| Due to Component Units | 170 | 0 | 0 |
| Due to Primary Government | 534 | 0 | 0 |
| Due to Others | 0 | 0 | 0 |
| Deferred Revenue | 66,393 | 16,660 | 0 |
| Capital Leases | 0 | 0 | 0 |
| Compensated Absences | 41,328 | 3,655 | 0 |
| Notes Payable | 297 | 0 | 0 |
| General Obligation Bonds | 0 | 0 | 0 |
| Revenue Bonds | 0 | 0 | 0 |
| Other Liabilities | 113 | 10,408 | 0 |
| Total Liabilities | 203,029 | 68,274 | 56 |
| Fund Balances | | | |
| Unrestricted | 326,339 | 0 | 0 |
| Restricted | 0 | 84,422 | 50,842 |
| Unexpended Plant Funds | 0 | 0 | 0 |
| Renewals and Replacements | 0 | 0 | 0 |
| Retirement of Indebtedness | 0 | 0 | 0 |
| Investment in Fixed Assets | 0 | 0 | 0 |
| Total Fund Balances | 326,339 | 84,422 | 50,842 |
| Total Liabilities and Fund Balances | \$ 529,368 | \$ 152,696 | \$ 50,898 |

| Endowment Funds | Plant Funds | Agency Funds | Total | |
|--------------------|---------------------|------------------|---------------------|---------------------|
| | | | 1999 | 1998 |
| \$ 2,693 | \$ 82,187 | \$ 5,925 | \$ 424,121 | \$ 357,342 |
| 239,237 | 128,454 | 2,572 | 480,453 | 395,907 |
| 811 | 551 | 96 | 131,629 | 113,620 |
| 346 | 502 | 0 | 3,147 | 4,508 |
| 0 | 0 | 0 | 928 | 1,955 |
| 0 | 0 | 0 | 42,518 | 43,364 |
| 894 | 692 | 21,243 | 99,433 | 83,271 |
| 0 | 0 | 0 | 221 | 234 |
| 0 | 0 | 0 | 5,870 | 5,139 |
| 0 | 0 | 0 | 18,791 | 17,448 |
| 0 | 268 | 0 | 11,916 | 10,783 |
| 0 | 1,788,781 | 0 | 1,788,781 | 1,673,794 |
| 0 | 656 | 2 | 1,064 | 833 |
| <u>\$ 243,981</u> | <u>\$ 2,002,091</u> | <u>\$ 29,838</u> | <u>\$ 3,008,872</u> | <u>\$ 2,708,198</u> |
| \$ 24 | \$ 6,676 | \$ 54 | \$ 72,859 | \$ 77,680 |
| 0 | 4,784 | 0 | 4,784 | 2,668 |
| 28,301 | 5,250 | 186 | 99,433 | 83,271 |
| 0 | 0 | 0 | 170 | 1,431 |
| 0 | 0 | 0 | 534 | 246 |
| 0 | 0 | 29,598 | 29,598 | 22,198 |
| 0 | 214 | 0 | 83,267 | 76,065 |
| 0 | 17,401 | 0 | 17,401 | 16,852 |
| 0 | 0 | 0 | 44,983 | 43,815 |
| 0 | 26,372 | 0 | 26,669 | 10,716 |
| 0 | 21,310 | 0 | 21,310 | 4,740 |
| 0 | 258,257 | 0 | 258,257 | 174,444 |
| 19,877 | 759 | 0 | 31,157 | 23,048 |
| <u>48,202</u> | <u>341,023</u> | <u>29,838</u> | <u>690,422</u> | <u>537,174</u> |
| 0 | 0 | 0 | 326,339 | 294,973 |
| 195,779 | 0 | 0 | 331,043 | 293,282 |
| 0 | 85,419 | 0 | 85,419 | 76,400 |
| 0 | 2,068 | 0 | 2,068 | 2,251 |
| 0 | 27,950 | 0 | 27,950 | 22,704 |
| 0 | 1,545,631 | 0 | 1,545,631 | 1,481,414 |
| <u>195,779</u> | <u>1,661,068</u> | <u>0</u> | <u>2,318,450</u> | <u>2,171,024</u> |
| <u>\$ 243,981</u> | <u>\$ 2,002,091</u> | <u>\$ 29,838</u> | <u>\$ 3,008,872</u> | <u>\$ 2,708,198</u> |

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STATISTICAL SECTION

STATISTICAL SECTION

STATISTICAL SECTION INDEX

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CASH RECEIPTS AND DISBURSEMENTS

(For all fund types combined)

by Category

For the Fiscal Years Ended June 30, 1990 through June 30, 1999

| | 1999 | 1998 | 1997 | 1996 |
|--|--------------------------|--------------------------|-------------------------|-------------------------|
| Cash Receipts by Source: | | | | |
| Taxes | \$ 5,279,273,861 | \$ 5,209,586,780 | \$ 4,951,517,415 | \$ 4,533,832,681 |
| Licenses, Permits, and Fees | 185,597,529 | 147,912,938 | 144,622,951 | 126,746,123 |
| Fines, Forfeits, and Penalties | 13,381,855 | 10,762,072 | 9,603,493 | 9,712,974 |
| Income from Money and Property | 558,450,738 | 263,652,251 | 218,405,052 | 200,299,903 |
| Grants, Refunds, and Reimbursements | 3,458,676,556 | 3,074,473,470 | 2,598,674,805 | 2,664,011,649 |
| Higher Education | 172,559,295 | 167,947,916 | 142,535,049 | 163,733,815 |
| Sales and Services | 461,333,974 | 502,450,334 | 405,156,027 | 349,726,346 |
| Non-Revenue Receipts | <u>1,275,814,346</u> | <u>734,953,815</u> | <u>414,275,218</u> | <u>428,531,083</u> |
| | | | | |
| Total Collections | <u>\$ 11,405,088,154</u> | <u>\$ 10,111,739,576</u> | <u>\$ 8,884,790,010</u> | <u>\$ 8,476,594,574</u> |
| | | | | |
| Disbursements by Function of Government: | | | | |
| Education | \$ 4,657,096,815 | \$ 4,289,049,377 | \$ 3,768,208,810 | \$ 3,479,049,093 |
| General Government | 374,981,563 | 311,969,847 | 285,182,151 | 258,065,326 |
| Health Services | 360,805,473 | 342,167,860 | 335,120,001 | 313,345,235 |
| Legal and Judiciary | 150,131,046 | 138,160,259 | 118,916,855 | 107,889,849 |
| Museums | 18,490,854 | 9,229,910 | 7,798,223 | 8,029,357 |
| Natural Resources | 236,331,593 | 199,996,020 | 191,578,397 | 174,284,377 |
| Public Safety and Defense | 537,381,033 | 539,917,199 | 473,378,027 | 428,385,545 |
| Regulatory Services | 103,564,495 | 102,076,996 | 102,733,288 | 99,065,119 |
| Social Services | 2,992,584,466 | 2,798,134,462 | 2,485,060,196 | 2,447,007,338 |
| Transportation | 967,807,283 | 843,838,823 | 774,131,933 | 776,979,475 |
| Other Local Apportionments | 62,513,698 | 58,771,755 | 40,524,674 | 39,104,818 |
| Sinking Fund Payments on Bonded Debt | <u>89,576,197</u> | <u>69,145,249</u> | <u>49,468,807</u> | <u>42,485,191</u> |
| | | | | |
| Total Disbursements | <u>\$ 10,551,264,516</u> | <u>\$ 9,702,457,757</u> | <u>\$ 8,632,101,362</u> | <u>\$ 8,173,690,723</u> |

Prepared on a cash basis to aid in budgetary analysis.

For years prior to FY 97, cash basis numbers did not include amounts expended from Agency Special Accounts. These moneys were not subject to the State's regular budgeting and expenditure processes.

| | <u>1995</u> | <u>1994</u> | <u>1993</u> | <u>1992</u> | <u>1991</u> | <u>1990</u> |
|----|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ | 4,292,825,694 | \$ 4,171,399,330 | \$ 4,004,262,875 | \$ 3,767,112,946 | \$ 3,732,786,561 | \$ 3,402,334,194 |
| | 125,546,800 | 114,190,748 | 113,409,593 | 111,042,458 | 100,840,990 | 97,319,103 |
| | 12,922,896 | 12,713,597 | 11,975,799 | 6,980,944 | 6,216,510 | 6,357,738 |
| | 189,470,710 | 160,427,452 | 184,869,454 | 218,903,029 | 234,014,771 | 206,658,787 |
| | 2,342,091,497 | 2,230,459,216 | 2,149,710,999 | 2,144,771,088 | 1,900,189,845 | 1,792,878,154 |
| | 150,907,027 | 155,495,049 | 132,592,295 | 111,400,434 | 130,120,595 | 135,360,114 |
| | 353,614,351 | 350,148,435 | 396,832,644 | 383,543,021 | 390,263,499 | 261,543,572 |
| | 600,562,290 | 664,277,305 | 763,837,201 | 500,503,475 | 432,251,486 | 371,527,999 |
| | <u>\$ 8,067,941,265</u> | <u>\$ 7,859,111,132</u> | <u>\$ 7,757,490,860</u> | <u>\$ 7,244,257,395</u> | <u>\$ 6,926,684,257</u> | <u>\$ 6,273,979,661</u> |
| \$ | 3,363,972,223 | \$ 3,243,011,505 | \$ 3,094,920,009 | \$ 2,934,689,937 | \$ 2,759,703,679 | \$ 2,427,560,944 |
| | 232,779,824 | 217,894,423 | 230,095,993 | 222,111,235 | 229,921,339 | 212,881,881 |
| | 295,676,766 | 285,088,005 | 297,114,426 | 295,806,883 | 260,821,678 | 249,065,028 |
| | 103,062,230 | 98,207,598 | 96,169,096 | 89,485,986 | 78,796,103 | 71,645,627 |
| | 7,103,208 | 7,787,539 | 7,285,465 | 7,076,222 | 5,963,354 | 5,315,985 |
| | 165,215,892 | 145,877,414 | 131,516,482 | 126,076,211 | 109,614,320 | 102,106,584 |
| | 394,732,689 | 376,683,833 | 353,878,439 | 351,705,324 | 342,336,219 | 265,849,343 |
| | 94,526,541 | 93,424,312 | 85,222,082 | 74,985,759 | 83,769,888 | 63,973,681 |
| | 2,316,200,744 | 2,219,811,291 | 2,262,275,215 | 2,345,644,915 | 2,227,481,279 | 1,845,726,015 |
| | 680,440,719 | 649,409,416 | 634,285,372 | 641,074,879 | 635,104,373 | 645,154,749 |
| | 38,215,192 | 38,434,483 | 33,679,675 | 15,680,219 | 13,037,225 | 10,832,876 |
| | 48,670,759 | 47,876,004 | 41,946,165 | 42,543,878 | 21,796,136 | 19,186,264 |
| | <u>\$ 7,740,596,787</u> | <u>\$ 7,423,505,823</u> | <u>\$ 7,268,388,419</u> | <u>\$ 7,146,881,448</u> | <u>\$ 6,768,345,593</u> | <u>\$ 5,919,298,977</u> |

TAX COLLECTIONS

For the Fiscal Years Ended June 30, 1990 through June 30, 1999

| Taxes | 1999 | 1998 | 1997 | 1996 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Aircraft Excise Tax | \$ 289,157 | \$ 1,756,312 | \$ 2,453,179 | \$ 1,681,776 |
| Alcoholic Beverage Excise Tax | 21,084,824 | 21,077,364 | 20,987,501 | 20,845,359 |
| Alternative Fuel Surcharge | 60,811 | 148,311 | 166,328 | 182,018 |
| Beverage Tax | 23,862,270 | 22,458,552 | 22,588,694 | 22,978,605 |
| Bingo Tax | 7,619,106 | 9,807,638 | 12,289,463 | 12,359,983 |
| Charity Games Tax | 811,912 | 785,001 | 1,138,144 | 1,196,451 |
| Cigarette Tax | 57,585,123 | 59,029,445 | 59,748,356 | 60,527,991 |
| City Use Tax - Collect/Deposit | 413,222 | 444,099 | 377,102 | 346,360 |
| Coin Operated Device Decal | 5,990,538 | 3,775,631 | 2,436,631 | 3,814,318 |
| Conservation Excise Tax | 10,664,825 | - | - | 75,193 |
| Diesel Fuel Excise Tax | 77,379,390 | 69,061,184 | 66,156,283 | 76,058,267 |
| Documentary Stamp Tax | 8,985,127 | 7,844,930 | 6,885,045 | 6,604,360 |
| Franchise Tax | 36,929,956 | 42,131,950 | 37,983,444 | 36,264,543 |
| Freight Car Tax | 977,251 | 973,689 | 1,051,553 | 970,565 |
| Fuels Excise Tax | - | 36,000 | 539,333 | 1,494,378 |
| Gasoline Excise Tax | 281,505,198 | 283,082,667 | 280,344,427 | 263,258,712 |
| Gross Production Tax - Oil and Gas | 206,621,486 | 333,773,839 | 398,743,724 | 315,549,773 |
| Income Tax (Corporate and Individual) | 2,257,760,243 | 2,107,857,522 | 1,918,772,165 | 1,700,792,804 |
| Inheritance and Estate Tax | 88,796,014 | 81,385,630 | 80,513,845 | 67,881,873 |
| Insurance Premium Tax | 118,589,471 | 121,582,595 | 113,819,384 | 108,625,507 |
| Mixed Beverage Gross Receipts Tax | 13,993,406 | 13,366,577 | 12,618,051 | 12,018,242 |
| Occupational Health and Safety Tax | 1,462,275 | 1,783,346 | 1,797,088 | 1,895,164 |
| OESC Computer Fund Assessment | 411,740 | 19,473,028 | - | - |
| Pari-Mutuel Taxes | 4,328,186 | 4,743,674 | 3,744,615 | 3,312,299 |
| Pari-Mutuel Exotic Wager | - | - | - | - |
| Pari-Mutuel - Other Tax | 37,586 | 39,075 | 27,753 | 66,363 |
| Petroleum Excise Tax | 3,583,533 | 4,722,738 | 5,306,110 | 4,279,030 |
| Rural Electric Co-operative Tax | 14,802,050 | 14,037,824 | 13,758,308 | 13,401,177 |
| Sales Tax | 1,292,153,052 | 1,245,355,208 | 1,193,727,537 | 1,135,594,213 |
| Sales Tax - City | 9,223,985 | 8,456,320 | 8,071,662 | 7,792,195 |
| Sales Tax - County | 845,115 | 892,807 | 771,848 | 615,674 |
| Self-Insurance Premium Tax | - | - | - | - |
| Special Fuel Decal | 436,048 | 462,007 | 497,380 | 558,653 |
| Special Fuel Use Tax | 58,782 | 63,764 | 94,774 | 92,598 |
| Tag Agent Remittance Tax | 571,984,678 | 582,199,329 | 541,334,368 | 516,519,709 |
| Telephone Surcharge | 1,054,221 | 1,058,214 | 1,006,694 | 997,902 |
| Tobacco Products Tax | 11,794,863 | 11,072,673 | 11,198,865 | 11,256,079 |
| Tourism Gross Receipt Tax | 3,901,958 | 3,744,091 | 3,466,923 | 3,077,388 |
| Tribal Compact in Lieu of Tax Payments | 8,381,324 | 7,484,832 | 6,888,623 | 6,172,567 |
| Unclaimed Property Tax | 17,495,526 | 6,120,039 | 4,465,704 | 10,116,730 |
| Unclassified Tax Receipts | - | - | - | - |
| Use Tax | 83,727,678 | 82,939,748 | 78,877,952 | 66,388,592 |
| Vehicle Revenue Tax Stamps | 45,507 | 43,837 | 45,005 | 44,800 |
| Workers' Compensation Awards - Assessments | 20,151,923 | 21,415,556 | 22,677,854 | 23,386,339 |
| Workers' Compensation Insurance Premium Tax | 4,837,972 | 5,503,954 | 6,037,222 | 7,245,625 |
| Other Taxes | 8,636,529 | 7,595,780 | 8,108,478 | 7,492,506 |
| Total | <u>\$ 5,279,273,861</u> | <u>\$ 5,209,586,780</u> | <u>\$ 4,951,517,415</u> | <u>\$ 4,533,832,681</u> |

Prepared on a cash basis to aid in budgetary analysis.

| | 1995 | 1994 | 1993 | 1992 | 1991 | 1990 |
|----|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ | 1,853,999 | \$ 1,402,816 | \$ 1,630,073 | \$ 1,778,536 | \$ 1,533,394 | \$ 2,619,952 |
| | 20,211,389 | 21,133,027 | 20,947,382 | 22,147,248 | 20,917,099 | 20,408,760 |
| | 133,284 | 198,749 | 170,892 | 98,846 | - | - |
| | 22,461,075 | 22,827,056 | 21,810,405 | 21,487,488 | 21,503,791 | 20,561,344 |
| | 11,816,705 | 10,883,377 | 5,026,496 | - | - | - |
| | 1,039,031 | 1,515,757 | 1,146,840 | - | - | - |
| | 58,332,155 | 58,251,171 | 60,456,532 | 60,339,722 | 61,058,310 | 65,306,944 |
| | 295,570 | 251,529 | 207,169 | 196,043 | 161,228 | 146,516 |
| | 3,404,098 | 3,972,441 | 4,071,043 | 3,377,121 | 4,518,184 | 3,315,589 |
| | 873,542 | 501,863 | 844,262 | 2,687,396 | 1,967,459 | 2,810,606 |
| | 62,902,742 | 56,987,746 | 53,640,018 | 51,035,710 | 49,756,094 | 49,793,751 |
| | 5,961,293 | 6,281,264 | 5,032,770 | 4,485,783 | 4,256,584 | 4,523,067 |
| | 36,721,223 | 32,817,309 | 34,341,621 | 33,900,715 | 31,387,096 | 29,880,117 |
| | 1,515,736 | 1,135,505 | 853,410 | 808,281 | 819,329 | 910,183 |
| | 1,460,982 | 1,456,769 | 1,379,576 | 1,344,661 | 1,359,443 | 1,400,990 |
| | 267,138,186 | 268,605,663 | 258,493,935 | 249,822,104 | 246,342,350 | 255,570,383 |
| | 301,524,689 | 367,736,133 | 404,905,673 | 342,177,274 | 404,143,185 | 384,510,644 |
| | 1,592,915,946 | 1,490,180,078 | 1,453,295,598 | 1,369,734,220 | 1,357,169,347 | 1,117,562,159 |
| | 68,789,242 | 58,052,250 | 50,943,472 | 46,962,269 | 39,465,754 | 67,189,006 |
| | 103,957,280 | 105,344,076 | 92,916,758 | 91,363,715 | 85,450,248 | 85,439,519 |
| | 11,395,625 | 11,338,883 | 11,176,891 | 11,345,355 | 11,297,842 | 11,274,726 |
| | 1,819,752 | 1,811,543 | 1,601,694 | 1,487,888 | 1,216,596 | 1,019,501 |
| | - | - | - | - | - | - |
| | 3,151,651 | 3,600,525 | 3,845,857 | 4,282,925 | 5,231,046 | 5,081,419 |
| | - | 3,535 | 66,612 | 2,189,171 | 2,340,059 | 2,313,262 |
| | 129,878 | 161,939 | 160,441 | 775,809 | 773,269 | 935,992 |
| | 4,072,789 | 5,086,869 | 5,409,358 | 4,641,228 | 5,318,067 | 4,663,049 |
| | 13,154,486 | 13,404,328 | 12,927,846 | 13,195,104 | 13,041,716 | 12,531,764 |
| | 1,076,970,533 | 1,033,687,832 | 957,681,580 | 909,604,940 | 909,774,294 | 795,599,133 |
| | 7,360,330 | 6,848,307 | 6,265,328 | 6,107,216 | 5,836,086 | 5,525,657 |
| | 632,306 | 297,025 | 236,598 | 224,793 | 170,159 | 150,969 |
| | 88,739 | 148,189 | 139,114 | 125,936 | 110,072 | 89,309 |
| | 594,524 | 650,516 | 665,844 | 567,501 | 555,056 | 519,208 |
| | 136,419 | 222,505 | 473,876 | 556,052 | 589,029 | 615,611 |
| | 490,213,416 | 472,071,427 | 428,320,724 | 408,854,360 | 389,604,571 | 375,972,305 |
| | 951,735 | 930,015 | 878,254 | 77,478 | 61,631 | 850,367 |
| | 11,303,560 | 10,622,404 | 9,664,544 | 9,010,579 | 8,604,570 | 8,231,987 |
| | 2,978,677 | 2,638,751 | 2,505,566 | 2,455,025 | 2,245,474 | 2,171,809 |
| | 4,829,309 | 3,790,436 | 1,787,138 | - | - | - |
| | 5,760,279 | 6,901,353 | 7,659,463 | 9,073,096 | 4,399,862 | 2,750,647 |
| | 98,332 | 75,339 | 28,477 | 48,838 | 59,924 | 9,825 |
| | 59,630,927 | 51,880,903 | 49,323,050 | 48,267,881 | 46,940,425 | 42,324,689 |
| | 41,592 | 41,555 | 38,138 | 36,187 | 46,552 | 34,364 |
| | 20,129,038 | 21,160,528 | 17,779,633 | 11,626,131 | 9,452,730 | 8,084,668 |
| | 7,042,702 | 6,880,624 | 6,550,637 | 5,396,592 | 4,352,553 | 4,230,596 |
| | 7,030,928 | 7,609,420 | 6,962,261 | 7,415,703 | 8,198,857 | 4,678,214 |
| | <u>\$ 4,292,825,694</u> | <u>\$ 4,171,399,330</u> | <u>\$ 4,004,262,849</u> | <u>\$ 3,761,112,920</u> | <u>\$ 3,762,029,335</u> | <u>\$ 3,401,608,601</u> |

GROSS SALES TAX BY INDUSTRY

For the Fiscal Year Ended June 30, 1999

| Industry | Gross Sales Tax |
|--|-------------------------|
| General Merchandise Stores | \$ 226,580,696 |
| Food Stores | 194,105,629 |
| Eating and Drinking Establishments | 126,304,922 |
| Miscellaneous Retail Stores | 98,320,422 |
| Wholesale Trade-Durable Goods | 93,468,858 |
| Building Materials, Hardware, Garden Supply, and Mobile Home Dealers | 84,380,140 |
| Furniture, Home Furnishings, and Equipment Stores | 83,863,566 |
| Communications | 83,720,881 |
| Automotive Dealers and Gasoline Service Stations | 49,317,117 |
| Business Services | 41,939,918 |
| Apparel and Accessory Stores | 40,973,435 |
| Electric, Gas, and Sanitary Services | 40,169,570 |
| Wholesale Trade-Nondurable Goods | 20,542,896 |
| Hotels, Rooming Houses, Camps, and Other Lodging Places | 19,413,991 |
| Automotive Services | 15,488,941 |
| Non-Classifiable Establishments | 11,166,984 |
| Amusement and Recreation Services, except Motion Pictures | 9,676,691 |
| Stone, Clay, Glass, and Concrete Products | 8,451,757 |
| Personal Services | 8,064,618 |
| Motion Pictures | 6,895,365 |
| Printing, Publishing, and Allied Industries | 4,781,952 |
| Machinery, except Electrical | 4,363,103 |
| Electrical and Electronic Machinery, Equipment, and Supplies | 3,963,576 |
| Pipelines, except Natural Gas | 2,731,423 |
| Miscellaneous Repair Services | 2,691,989 |
| Measuring, Analyzing, and Controlling Instruments | 2,335,093 |
| Fabricated Metal Products, except Machinery and Transportation Equipment | 2,328,306 |
| Construction-Special Trade Contractors | 1,902,404 |
| Health Services | 1,573,378 |
| Membership Organizations | 1,426,667 |
| Oil and Gas Extraction | 1,287,703 |
| Educational Services | 1,035,816 |
| Petroleum Refining and Related Industries | 1,013,338 |
| Miscellaneous Manufacturing Industries | 873,055 |
| Food and Kindred Products | 860,190 |
| Lumber and Wood Products, except Furniture | 857,703 |
| Apparel and Other Finished Products made from Fabrics | 851,853 |
| Agricultural Services | 647,460 |
| Chemicals and Allied Products | 639,682 |
| Transportation Equipment | 593,754 |
| Rubber & Miscellaneous Plastics Products | 580,913 |
| Furniture and Fixtures | 547,353 |
| Engineering, Architectural, and Surveying Services | 402,335 |
| Local and Suburban Transit and Interurban Highway Passenger Transportation | 382,529 |
| Primary Metal Industries | 352,271 |
| Credit Agencies other than Banks | 336,509 |
| Agricultural Production Crops | 317,785 |
| Motor Freight Transportation & Warehousing | 304,544 |
| Other Industries | <u>2,072,331</u> |
| Total | <u>\$ 1,304,901,412</u> |

Source: Oklahoma Tax Commission

BANK DEPOSITS

for the Years 1989 through 1998

| Year | # of Banks | \$ Amount of Deposits |
|-------------|-------------------|------------------------------|
| 1998 | 311 | 28,626,804,000 |
| 1997 | 320 | 27,782,228,000 |
| 1996 | 332 | 29,934,094,000 |
| 1995 | 342 | 28,686,783,000 |
| 1994 | 350 | 27,406,069,000 |
| 1993 | 371 | 26,881,835,000 |
| 1992 | 394 | 26,591,862,000 |
| 1991 | 411 | 24,745,757,000 |
| 1990 | 419 | 23,598,333,000 |
| 1989 | 430 | 23,014,286,000 |

Source: Federal Reserve Bank of Kansas City

For statistics presented after June 1996, comparisons to the prior years should take into account the effects of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994.

ASSESSED VALUATIONS

For the Years 1990 through 1999

| | 1999 | 1998 | 1997 | 1996 |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Real Estate and Improvements | \$ 10,076,204,008 | \$ 9,547,705,065 | \$ 9,134,059,265 | \$ 8,738,449,049 |
| Personal Property Subject to Tax | <u>2,553,659,001</u> | <u>2,448,630,626</u> | <u>2,301,719,971</u> | <u>2,086,267,080</u> |
| Total Locally Assessed | 12,629,863,009 | 11,996,335,691 | 11,435,779,236 | 10,824,716,129 |
| Homestead Exemptions Allowed | <u>756,617,864</u> | <u>752,780,195</u> | <u>742,096,539</u> | <u>717,109,228</u> |
| Net Assessed Locally | 11,873,245,145 | 11,243,555,496 | 10,693,682,697 | 10,107,606,901 |
| Public Service Assessment | <u>2,122,948,816</u> | <u>2,009,118,864</u> | <u>2,066,005,099</u> | <u>2,063,227,985</u> |
| Net Assessed Valuation | <u>\$ 13,996,193,961</u> | <u>\$ 13,252,674,360</u> | <u>\$ 12,759,687,796</u> | <u>\$ 12,170,834,886</u> |

Locally assessed property has been assessed at varying rates. This property is valued, assessed, and taxed locally. Public Service property is valued and assessed at a central state level, and taxed and collected at the local level. The rate of assessment varies by type of property.

Source: Oklahoma Tax Commission

NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT

Annual Average Number of Employees

For the Years 1989 through 1998

| INDUSTRY GROUP | 1998 | 1997 | 1996 | 1995 |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Wholesale and Retail Trade | 331,700 | 324,000 | 318,300 | 312,400 |
| Services | 404,300 | 377,700 | 363,300 | 343,800 |
| Manufacturing | 185,800 | 180,400 | 174,100 | 170,500 |
| Local Government | 156,200 | 152,100 | 151,200 | 150,100 |
| State Government | 77,000 | 78,000 | 76,400 | 76,100 |
| Transportation and Public Utilities | 82,400 | 79,200 | 77,300 | 74,000 |
| Finance, Insurance, and Real Estate | 73,200 | 69,300 | 67,200 | 65,400 |
| Federal Government | 44,600 | 44,600 | 43,800 | 43,600 |
| Mining | 32,100 | 31,700 | 31,600 | 31,600 |
| Construction | <u>54,200</u> | <u>50,500</u> | <u>50,300</u> | <u>48,200</u> |
| Totals | <u>1,441,500</u> | <u>1,387,500</u> | <u>1,353,500</u> | <u>1,315,700</u> |

Source: Oklahoma Employment Security Commission - Research and Planning Division

| 1995 | 1994 | 1993 | 1992 | 1991 | 1990 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$ 8,395,607,977 | \$ 8,037,465,631 | \$ 7,843,783,897 | \$ 7,742,345,977 | \$ 7,680,130,611 | \$ 7,690,654,189 |
| <u>2,057,628,937</u> | <u>2,028,445,909</u> | <u>2,014,749,962</u> | <u>1,991,659,840</u> | <u>1,921,683,561</u> | <u>1,812,267,835</u> |
| 10,453,236,914 | 10,065,911,540 | 9,858,533,859 | 9,734,005,817 | 9,601,814,172 | 9,502,922,024 |
| <u>715,229,658</u> | <u>712,925,382</u> | <u>710,429,125</u> | <u>710,318,425</u> | <u>739,355,660</u> | <u>745,160,015</u> |
| 9,738,007,256 | 9,352,986,158 | 9,148,104,734 | 9,023,687,392 | 8,862,458,512 | 8,757,762,009 |
| <u>2,023,137,118</u> | <u>1,980,070,550</u> | <u>1,868,033,971</u> | <u>1,835,701,692</u> | <u>1,905,964,059</u> | <u>1,904,133,857</u> |
| <u>\$ 11,761,144,374</u> | <u>\$ 11,333,056,708</u> | <u>\$ 11,016,138,705</u> | <u>\$ 10,859,389,084</u> | <u>\$ 10,768,422,571</u> | <u>\$ 10,661,895,866</u> |

| 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 301,300 | 289,600 | 286,200 | 285,300 | 280,500 | 276,100 |
| 320,100 | 305,900 | 293,100 | 279,800 | 272,900 | 263,600 |
| 169,800 | 168,600 | 163,800 | 168,900 | 168,800 | 164,400 |
| 148,500 | 146,100 | 142,300 | 135,900 | 132,800 | 132,700 |
| 76,600 | 76,400 | 78,000 | 76,900 | 75,600 | 72,600 |
| 72,800 | 72,400 | 70,600 | 70,400 | 68,700 | 65,600 |
| 64,300 | 62,200 | 60,700 | 60,900 | 60,300 | 58,800 |
| 45,100 | 47,300 | 49,800 | 49,600 | 50,800 | 51,900 |
| 34,400 | 35,700 | 37,500 | 41,900 | 43,300 | 42,200 |
| <u>46,700</u> | <u>42,800</u> | <u>39,800</u> | <u>38,800</u> | <u>39,600</u> | <u>36,100</u> |
| <u>1,279,600</u> | <u>1,247,000</u> | <u>1,221,800</u> | <u>1,208,400</u> | <u>1,193,300</u> | <u>1,164,000</u> |

STATE COLLEGES AND UNIVERSITIES - PUBLIC

| <u>Four Year Universities (Location)</u> | <u>Student Enrollment 1999</u> |
|--|--|
| University of Oklahoma (Norman Campus, Health Sciences Center, Law Center, and Geological Survey) | 31,210 |
| Oklahoma State University (Stillwater Campus, Tulsa Campus, School of Technical Training at Okmulgee, the College of Veterinary Medicine, the Oklahoma City Technical Institute, the Agricultural Experiment Station, the Agricultural Extension Division, and Oklahoma College of Osteopathic Medicine and Surgery) | 34,122 |
| University of Central Oklahoma (Edmond) | 18,425 |
| East Central University (Ada) | 5,487 |
| Northeastern State University (Tahlequah and Muskogee) | 10,421 |
| Northwestern Oklahoma State University (Alva, Woodward and Enid) | 2,610 |
| Southeastern Oklahoma State University (Durant) | 4,821 |
| Southwestern Oklahoma State University (Weatherford and Sayre) | 6,331 |
| Cameron University (Lawton) | 7,413 |
| Langston University (Langston) | 4,037 |
| Oklahoma Panhandle State University (Goodwell) | 1,403 |
| Rogers State University (Claremore) | 4,424 |
| University of Science and Arts of Oklahoma (Chickasha) | <u>1,809</u> |
| Total - Four Year Universities | <u><u>132,513</u></u> |
| <u>Two Year Junior Colleges (Location)</u> | |
| Carl Albert State College (Poteau and Sallisaw) | 2,858 |
| Connors State College (Warner and Muskogee) | 2,902 |
| Eastern Oklahoma State College (Wilburton and McAlester) | 2,540 |
| Redlands Community College (El Reno) | 2,903 |
| Murray State College (Tishomingo) | 2,252 |
| Northeastern Oklahoma A&M College (Miami) | 3,126 |
| Northern Oklahoma College (Tonkawa) | 3,403 |
| Oklahoma City Community College (Oklahoma City) | 14,422 |
| Rose State College (Midwest City) | 11,477 |
| Seminole State College (Seminole) | 2,855 |
| Tulsa Community College (Tulsa) | 26,859 |
| Western Oklahoma State College (Altus) | <u>3,772</u> |
| Total - Two Year Junior Colleges | <u><u>79,369</u></u> |

Source: Oklahoma State Regents for Higher Education

STATE COLLEGES AND UNIVERSITIES - PRIVATE

| <u>Higher Education Institutions (Location)</u> | <u>Student Enrollment 1999</u> |
|---|--|
| American Bible College and Seminary (Bethany) | 300 |
| Bacone College (Muskogee) | 735 |
| Bartlesville Wesleyan College (Bartlesville) | 871 |
| Hillsdale Freewill Baptist College (Moore) | 317 |
| Mid-America Bible College (Oklahoma City) | 1044 |
| National Education Center: Spartan School of Aeronautics (Tulsa) | 1,243 |
| Oklahoma Baptist University (Shawnee) | 2,032 |
| Oklahoma Christian University of Science and Arts (Oklahoma City) | 1,789 |
| Oklahoma City University (Oklahoma City) | 5,453 |
| Oral Roberts University (Tulsa) | 5,181 |
| St. Gregory's College (Shawnee) | 624 |
| Southern Nazarene University (Bethany) | 2,341 |
| Southwestern College of Christian Ministries (Bethany) | 375 |
| University of Tulsa (Tulsa) | <u>4,475</u> |
| Total | <u><u>26,780</u></u> |

Source: Oklahoma State Regents for Higher Education

SCHOOL ENROLLMENTS

For the Years 1990 through 1999

| Public School Enrollments: | 1999 | 1998 | 1997 | 1996 |
|--|---------|---------|---------|---------|
| Early Childhood | 18,934 | 4,289 | 3,644 | 5,069 |
| Kindergarten | 47,487 | 55,669 | 55,037 | 52,150 |
| Elementary School | 266,733 | 268,215 | 269,928 | 273,429 |
| Junior High School | 129,226 | 131,547 | 132,568 | 130,208 |
| Senior High School | 175,782 | 173,160 | 172,962 | 167,359 |
| Non-High School Districts (Grades 1-8) | 18,484 | 18,236 | 18,035 | 17,883 |
| Special Education (Ungraded) | 3,695 | 3,359 | 3,367 | 3,279 |
| Out-of-Home Placements | 1,446 | 1,053 | 0 | 0 |
| Total | 661,787 | 655,528 | 655,541 | 649,377 |
| Higher Education: | | | | |
| Public Institutions | 211,882 | 209,111 | 210,824 | 216,400 |
| Private Institutions | 26,780 | 26,124 | 24,849 | 25,401 |
| Total | 238,662 | 235,235 | 235,673 | 241,801 |
| Vocational-Technical Education: | | | | |
| Secondary * | 135,274 | 132,736 | 130,856 | 122,271 |
| Adult | 333,201 | 332,971 | 275,114 | 248,094 |
| Total | 468,475 | 465,707 | 405,970 | 370,365 |

* These students may also be included in public school enrollments above.

Sources: Department of Education, Regents for Higher Education, and Department of Vocational and Technical Education

ECONOMIC AND DEMOGRAPHIC ESTIMATES

For the Years 1989 through 1998

| | 1998 | 1997 | 1996 | 1995 |
|---|-----------|-----------|-----------|-----------|
| Population | 3,346,700 | 3,317,100 | 3,295,300 | 3,271,400 |
| Labor Force | 1,627,267 | 1,599,870 | 1,576,630 | 1,546,270 |
| Total Employment | 1,553,653 | 1,533,900 | 1,512,610 | 1,473,610 |
| Oklahoma Unemployment Rate | 4.50% | 4.10% | 4.10% | 4.70% |
| U.S. Unemployment Rate | 4.50% | 4.94% | 5.40% | 5.60% |
| Oklahoma Per Capita Income | \$21,072 | \$20,214 | \$19,363 | \$18,560 |
| Oklahoma Per Capita Income Expressed As a Percentage of the U.S. Average | 79.78% | 79.90% | 80.12% | 80.48% |

Sources: Oklahoma Employment Security Commission - Research and Planning Division and Office of State Finance - Economic and Fiscal Policy Research Division

| 1995 | 1994 | 1993 | 1992 | 1991 | 1990 |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 4,911 | 5,304 | 4,765 | 4,034 | 3,075 | - |
| 49,839 | 47,698 | 48,041 | 48,469 | 49,121 | 49,727 |
| 274,994 | 278,076 | 282,749 | 278,772 | 277,626 | 271,554 |
| 127,750 | 124,610 | 118,516 | 119,495 | 117,259 | 113,604 |
| 161,933 | 157,291 | 150,405 | 142,837 | 144,459 | 147,282 |
| 17,473 | 17,538 | 17,259 | 17,575 | 17,347 | 18,167 |
| 3,224 | 2,808 | 2,817 | 2,246 | 2,647 | 3,942 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>640,124</u> | <u>633,325</u> | <u>624,552</u> | <u>613,428</u> | <u>611,534</u> | <u>604,276</u> |
| 223,279 | 224,829 | 238,244 | 228,718 | 218,601 | 216,290 |
| <u>24,627</u> | <u>25,839</u> | <u>25,433</u> | <u>27,336</u> | <u>28,836</u> | <u>23,894</u> |
| <u>247,906</u> | <u>250,668</u> | <u>263,677</u> | <u>256,054</u> | <u>247,437</u> | <u>240,184</u> |
| 120,481 | 107,894 | 102,852 | 96,275 | 91,039 | 82,763 |
| <u>222,384</u> | <u>191,261</u> | <u>191,137</u> | <u>218,072</u> | <u>300,533</u> | <u>296,091</u> |
| <u>342,865</u> | <u>299,155</u> | <u>293,989</u> | <u>314,347</u> | <u>391,572</u> | <u>378,854</u> |

| 1994 | 1993 | 1992 | 1991 | 1990 | 1989 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 3,248,300 | 3,232,900 | 3,206,200 | 3,167,700 | 3,145,585 | 3,150,300 |
| 1,544,260 | 1,529,460 | 1,520,840 | 1,499,930 | 1,513,830 | 1,523,000 |
| 1,454,360 | 1,435,790 | 1,433,460 | 1,399,170 | 1,427,880 | 1,438,000 |
| 5.80% | 6.10% | 5.70% | 6.70% | 5.70% | 5.60% |
| 6.10% | 6.80% | 7.40% | 6.70% | 5.50% | 5.30% |
| \$17,984 | \$17,360 | \$16,837 | \$16,064 | \$15,584 | \$14,187 |
| 81.54% | 81.79% | 81.81% | 81.81% | 81.41% | 80.20% |

MAJOR EMPLOYERS BY SIZE

Non-Government (Listed Alphabetically)

1999

5,001 OR MORE EMPLOYEES

| | |
|-----------------------------|------------------------|
| AMR, Corp. | Integris Health |
| Columbia HCA Healthcare | Saint Francis Hospital |
| Hillcrest Healthcare System | Wal-Mart Stores, Inc. |

3,001 TO 5,000 EMPLOYEES

| | |
|----------------------------|---------------------------------|
| W. H. Braum, Inc. | MCI Worldcom |
| Dillard Department Stores | Personnel Solutions |
| General Motors Corporation | Phillips Petroleum Co. |
| SSM Healthcare of Oklahoma | Southwestern Bell Telephone Co. |
| The Hertz Corporation | St. John Medical Center, Inc. |
| Homeland Stores | Williams Companies |
| Lucent Technologies | |

1,001 TO 3,000 EMPLOYEES

| | |
|---|--|
| Albertson's | MerCruiser |
| America On-Line | Michelin North America |
| Amoco Corporation | Midwest City Regional Hospital |
| Arrow Trucking Co. | Montgomery Ward & Co., Inc. |
| Avis Rent-A-Car System, Inc. | Musket Corporation (Love's Country Store) |
| BankFirst | Muskogee Regional Medical |
| BankOne | Nordam |
| Bar-S Foods | Norman Regional Hospital |
| Boeing | Oklahoma Gas & Electric Co. |
| BOK Financial Group | The Oklahoma Publishing Company |
| CMI Corporation | OneOK, Inc. |
| Central and South West | Oral Roberts University |
| Charles Machine Works (Ditch Witch International) | J. C. Penney Co., Inc. |
| CITGO Petroleum Corp. (Cities Service) | Reasors Corporation |
| Columbia-Presbyterian Hospital | Saint Francis Hospital |
| Columbia-University Hospitals | Seaboard Farms |
| Comanche Memorial Hospital | Seagate Technology |
| Conoco, Inc. | Sears, Roebuck and Co. |
| Dayton Tire, Division of Bridgestone | State Farm Mutual Automobile Insurance |
| First Data Resources, Inc. | Sykes Enterprise |
| Fleming Companies, Inc. | Target Stores |
| Fort James Paper Company | Tulsa Regional Medical Center |
| Goodyear Tire and Rubber Company | TV Guide, Inc. |
| Grace Living Centers | Tyson Foods, Inc. |
| Hale-Halsell Co. | Unit Parts Co. |
| ITI Telemarketing | United Parcel Service of America, Inc. |
| K-Mart Corporation | United Supermarkets of Oklahoma, Inc. |
| L.S.B. Industries, Inc. | Warehouse Market |
| McDonald's Restaurants of Okla., Inc. | Wrangler, Inc. |
| Matrixx Marketing | York International Central Environmental Systems |
| Mazzio's Corporation, Inc. | |

500 TO 1000 EMPLOYEES

~~(Oklahoma-based Employers Only)~~

| | |
|------------------------------------|----------------------------------|
| AAON Inc. | Helmerich & Payne, Inc. |
| Acme Engineering and Manufacturing | Hillcrest Health Center, Inc. |
| Advance Food Company | Hobby Lobby |
| American Fidelity Group | Jane Phillips Episcopal Hospital |
| Bama Companies | Kerr-McGee Corporation |
| Braden Manufacturing | Macklanburg-Duncan |
| Candid Color Systems/Glamour Shots | Oklahoma City University |
| Crest Discount Foods, Inc. | Oklahoma Fixture Company |
| Deaconess Hospital | Oklahoma Nursing Homes Ltd. |
| Dolese Bros. Co. | Pratt Foods |
| Dollar Thrifty Automotive Group | QuikTrip Corporation |
| Eateries, Inc. | St. Mary's Hospital |
| Exciss Aluminum Trailers | Sonic Industries, Inc. |
| Farm Fresh, Inc. | Sundowner Trailer Inc. |
| Flint Industries, Inc. | Valley View Regional Hospital |
| Fred Jones Manufacturing | Webco Industries |
| Haliburton Services | Whitlock Packaging Corp |
| <u>Harold's Stores, Inc.</u> | <u>World Publishing Company</u> |

Source: Oklahoma Department of Commerce

NET GENERAL OBLIGATION BONDS AND NOTES PER CAPITA

For the Years 1991 through 1999

(amounts expressed in thousands with the exception of General Bonded Debt Per Capita)

| Fiscal Year Ended June 30 | Population | Total General Bonded Debt (1) | Debt Payable From Proprietary Component Units | Debt Payable From Higher Education Component Units | Net General Bonded Debt | General Bonded Debt Per Capita |
|---------------------------|------------|-------------------------------|---|--|-------------------------|--------------------------------|
| 1999 | est 3,346 | \$ 404,167 | \$ 73,567 | \$ 21,310 | \$ 309,290 | \$ 92.44 |
| 1998 | 3,346 | 391,658 | 68,823 | 4,740 | 318,095 | 95.07 |
| 1997 | 3,317 | 395,038 | 62,073 | 6,425 | 326,540 | 98.44 |
| 1996 | 3,295 | 395,420 | 53,040 | 7,700 | 334,680 | 101.57 |
| 1995 | 3,271 | 404,715 | 55,085 | 5,150 | 344,480 | 105.31 |
| 1994 | 3,248 | 428,925 | 67,320 | 6,475 | 355,130 | 109.34 |
| 1993 | 3,233 | 340,745 | 81,030 | - | 259,715 | 80.33 |
| 1992 | 3,206 | 95,665 | 81,115 | - | 14,550 | 4.54 |
| 1991 | 3,168 | 96,345 | 72,660 | - | 23,685 | 7.48 |

(1) General Bonded Debt is the bonded debt expected to be repaid through general governmental resources.

Notes:

Comparable data for the fiscal year June 30, 1990 is not available.

Assessed value data is not presented in this table because the State of Oklahoma does not receive property tax revenue.

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

For the Years 1991 through 1999

(amounts expressed in thousands)

| Fiscal Year Ended June 30 | Principal | Interest | Total Debt Service | General Governmental Expenditures | Ratio of Debt Service to General Governmental Expenditures |
|---------------------------|-----------|-----------|--------------------|-----------------------------------|--|
| 1999 | \$ 8,805 | \$ 15,529 | \$ 24,334 | \$ 8,017,497 | 0.30% |
| 1998 | 8,445 | 19,679 | 28,124 | 7,147,477 | 0.39% |
| 1997 | 8,115 | 16,417 | 24,532 | 6,937,902 | 0.35% |
| 1996 | 9,800 | 16,930 | 26,730 | 6,688,130 | 0.40% |
| 1995 | 10,580 | 17,480 | 28,060 | 6,338,769 | 0.44% |
| 1994 | 4,670 | 9,638 | 14,308 | 5,675,628 | 0.25% |
| 1993 | 4,510 | 613 | 5,123 | 5,171,373 | 0.10% |
| 1992 | 7,400 | 1,359 | 8,759 | 5,112,494 | 0.17% |
| 1991 | 11,250 | 1,282 | 12,532 | 4,636,483 | 0.27% |

General Governmental Expenditures include the General and Capital Projects Funds.

Comparable data for the fiscal year June 30, 1990 is not available.

REVENUE BOND COVERAGE

ENTERPRISE FUND AND PROPRIETARY COMPONENT UNITS

(amounts expressed in thousands)

| | | Gross Revenues (1) | Operating Expenses (2) | Net Revenues Available for Debt Service | Debt Service Requirements | Debt Service Coverage |
|---|---|-----------------------|---------------------------|---|------------------------------|--------------------------|
| Enterprise Fund: | | | | | | |
| Oklahoma Water Resources Board | | | | | | |
| | For the fiscal year ended June 30, | | | | | |
| | 1999 | \$ 11,932 | \$ 1,000 | \$ 10,932 | \$ 28,188 | 0.39 |
| | 1998 | 12,411 | 816 | 11,595 | 15,226 | 0.76 |
| | 1997 | 10,061 | 777 | 9,284 | 15,508 | 0.60 |
| | 1996 | 10,091 | 746 | 9,345 | 11,218 | 0.83 |
| | 1995 | 12,577 | 835 | 11,742 | 60,160 | 0.20 |
| | 1994 | 11,471 | 1,423 | 10,048 | 12,075 | 0.83 |
| | 1993 | 9,483 | 493 | 8,990 | 9,981 | 0.90 |
| | 1992 | 9,306 | 697 | 8,609 | 12,227 | 0.70 |
| | 1991 | 10,176 | 573 | 9,603 | 16,790 | 0.57 |
| Proprietary Component Units: | | | | | | |
| Oklahoma Student Loan Authority | | | | | | |
| | For the fiscal year ended June 30, | | | | | |
| | 1999 | \$ 19,138 | \$ 3,418 | \$ 15,720 | \$ 12,399 | 1.27 |
| | 1998 | 16,806 | 2,806 | 14,000 | 12,753 | 1.10 |
| | 1997 | 14,373 | 2,401 | 11,972 | 12,332 | 0.97 |
| | 1996 | 12,874 | 2,048 | 10,826 | 5,897 | 1.84 |
| | 1995 | 10,324 | 2,134 | 8,190 | 6,324 | 1.30 |
| | 1994 | 8,532 | 2,358 | 6,174 | 3,727 | 1.66 |
| | 1993 | 8,827 | 2,083 | 6,744 | 20,453 | 0.33 |
| | 1992 | 11,213 | 2,359 | 8,854 | 13,347 | 0.66 |
| | 1991 | 12,492 | 2,063 | 10,429 | 5,171 | 2.02 |
| Oklahoma Environmental Finance Authority | | | | | | |
| | For the fiscal year ended June 30, | | | | | |
| | 1999 | \$ 2,127 | \$ 21 | \$ 2,106 | \$ 5,082 | 0.41 |
| | 1998 | 2,607 | 17 | 2,590 | 3,622 | 0.72 |
| | 1997 | 2,674 | 18 | 2,656 | 3,685 | 0.72 |
| | 1996 | 2,732 | 12 | 2,720 | 3,713 | 0.73 |
| | 1995 | 2,800 | 13 | 2,787 | 3,514 | 0.79 |
| | 1994 | 2,868 | 12 | 2,856 | 3,782 | 0.76 |
| | 1993 | 3,220 | 38 | 3,182 | 7,343 | 0.43 |
| | 1992 | 3,236 | 13 | 3,223 | 4,580 | 0.70 |
| Oklahoma Housing Finance Agency | | | | | | |
| | For the fiscal year ended September 30, | | | | | |
| | 1998 | \$ 41,326 | \$ 5,268 | \$ 36,058 | \$ 52,906 | 0.68 |
| | 1997 | 49,053 | 8,463 | 40,590 | 43,536 | 0.93 |
| | 1996 | 50,599 | 8,330 | 42,269 | 60,771 | 0.70 |
| | 1995 | 52,149 | 7,846 | 44,303 | 45,074 | 0.98 |
| | 1994 | 53,810 | 8,342 | 45,468 | 53,105 | 0.86 |
| | 1993 | 67,008 | 10,171 | 56,837 | 71,806 | 0.79 |
| Oklahoma Turnpike Authority | | | | | | |
| | For the fiscal year ended December 31, | | | | | |
| | 1998 | \$ 161,660 | \$ 36,545 | \$ 125,115 | \$ 70,376 | 1.78 |
| | 1997 | 131,279 | 32,713 | 98,566 | 53,450 | 1.84 |
| | 1996 | 122,501 | 33,160 | 89,341 | 50,830 | 1.76 |
| | 1995 | 117,136 | 33,626 | 83,510 | 50,527 | 1.65 |
| | 1994 | 109,691 | 33,117 | 76,574 | 44,510 | 1.72 |
| | 1993 | 96,828 | 31,477 | 65,351 | 37,346 | 1.75 |
| | 1992 | 83,214 | 29,192 | 54,022 | 17,899 | 3.02 |
| | 1991 | 74,778 | 26,219 | 48,559 | 16,522 | 2.94 |
| | 1990 | 61,834 | 19,828 | 42,006 | 15,393 | 2.73 |
| Grand River Dam Authority | | | | | | |
| | For the fiscal year ended December 31, | | | | | |
| | 1998 | \$ 215,879 | \$ 109,795 | \$ 106,084 | \$ 95,830 | 1.11 |
| | 1997 | 192,904 | 89,046 | 103,858 | 111,560 | 0.93 |
| | 1996 | 188,672 | 93,054 | 95,618 | 92,828 | 1.03 |
| | 1995 | 181,018 | 83,616 | 97,402 | 92,223 | 1.06 |
| | 1994 | 180,751 | 84,315 | 96,436 | 90,266 | 1.07 |
| | 1993 | 175,242 | 76,799 | 98,443 | 101,726 | 0.97 |
| | 1992 | 161,046 | 72,542 | 88,504 | 95,436 | 0.93 |
| | 1991 | 159,599 | 82,935 | 76,664 | 95,562 | 0.80 |
| | 1990 | 158,403 | 75,114 | 83,289 | 82,761 | 1.01 |
| Oklahoma Municipal Power Authority | | | | | | |
| | For the fiscal year ended December 31, | | | | | |
| | 1998 | \$ 99,538 | \$ 70,953 | \$ 28,585 | \$ 28,148 | 1.02 |
| | 1997 | 88,127 | 61,304 | 26,823 | 24,622 | 1.09 |
| | 1996 | 82,840 | 45,948 | 36,892 | 22,932 | 1.61 |
| | 1995 | 72,988 | 39,617 | 33,371 | 22,983 | 1.45 |
| | 1994 | 74,931 | 43,872 | 31,059 | 22,203 | 1.40 |
| | 1993 | 70,922 | 44,392 | 26,530 | 18,397 | 1.44 |
| | 1992 | 68,194 | 42,497 | 25,697 | 17,861 | 1.44 |
| | 1991 | 71,217 | 45,104 | 26,113 | 18,223 | 1.43 |
| | 1990 | 72,700 | 46,746 | 25,954 | 17,313 | 1.50 |

(1) Gross revenues including interest and investment income but excluding revenues restricted to other debt

(2) Operating expenses, exclusive of depreciation and operating interest (where applicable)

- Revenue bond coverage is not intended to portray compliance with bond indenture agreements.

- Comparable data for the fiscal years June 30, 1989 through June 30, 1990 is not available.

- Upon implementation of GASB Statement 14, the Oklahoma Housing Finance Agency was included within the State's reporting entity. Comparable data prior to their inclusion is not available.

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