



STATE OF OKLAHOMA
OFFICE OF THE STATE AUDITOR & INSPECTOR

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OFFICE OF THE STATE TREASURER

**FINANCIAL STATEMENTS AND INDEPENDENT
AUDITOR'S REPORTS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2005



JEFF A. McMAHAN, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

Office of the State Treasurer
Financial Statements and Independent Auditor's Reports
For the Fiscal Year Ended June 30, 2005

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STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

September 8, 2006

**TO THE HONORABLE BRAD HENRY
GOVERNOR OF THE STATE OF OKLAHOMA**

Transmitted herewith are the Office of State Treasurer, State of Oklahoma, audit reports and financial statements for the fiscal year ended June 30, 2005. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States.

We wish to take this opportunity to express our appreciation for the assistance and cooperation extended to our office during the course of our engagement.

The Office of the State Auditor and Inspector is committed to serving the public interest by providing independent oversight and issuing reports that serve as a management tool to the State to ensure a government which is accountable to the people of the State of Oklahoma.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. McMahan".

JEFF A. McMAHAN
State Auditor and Inspector

**OFFICE OF THE STATE TREASURER
 FINANCIAL STATEMENTS AND INDEPENDENT
 AUDITOR'S REPORTS
 FOR THE YEAR ENDED JUNE 30, 2005**

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Office of the State Treasurer
Management's Discussion and Analysis (MD&A)
June 30, 2005

The Management's Discussion and Analysis of the Office of the State Treasurer of Oklahoma provides an overview and overall review of the Treasurer's financial activities for the fiscal year ending June 30, 2005. The intent of the MD&A is to look at the Treasurer's Office financial performance as a whole. It should, therefore, be read in conjunction with the Treasurer's financial statements and the notes thereto.

FINANCIAL HIGHLIGHTS

Statements of Net Assets and Changes in Net Assets

The Statement of Net Assets provides an indication of the Treasurer's financial condition at the end of the 2005 fiscal year; the statement reports all assets and liabilities using the accrual basis of accounting. The Statement of Changes in Net Assets reports all of the revenues and expenses during the time periods indicated.

As of June 30, 2005, the Office of the State Treasurer's current assets increased, while capital assets declined. The 89% increase in current assets is a direct result of increased revenue experienced in the Unclaimed Property Program and the receipt of \$500,000 for a long-term project initiated in FY 2005.

OFFICE OF THE STATE TREASURER
NET ASSETS

| | 2005 | | 2004 |
|----------------------------|---------------------|----|------------------|
| Current Assets | \$ 2,636,182 | \$ | 1,393,258 |
| Due from other agencies | 565,872 | | 158,797 |
| Capital assets | 261,261 | | 352,554 |
| Total Assets | 3,463,315 | | 1,904,609 |
| Noncurrent Liabilities | 74,978 | | 60,834 |
| Other Liabilities | 857,516 | | 539,408 |
| Total Liabilities | 932,494 | | 600,242 |
| Invested in capital assets | 261,261 | | 352,554 |
| Unrestricted | 2,269,560 | | 951,813 |
| Total Net Assets | \$ 2,530,821 | \$ | 1,304,367 |

Property located and recovered on behalf of the state from the demutualization of life insurance companies resulted in a large influx of cash for the Unclaimed Property Program. Other

liabilities and due from other agencies also increased by amounts accrued to compensate firms contracting with the Treasurer's office for property recovery. These expenses are reimbursed to the Treasurer's office from the property recovered and remitted to the state.

Capital assets declined from the FY 2004 level by almost 26% due to depreciation continuing to exceed new acquisitions; more expensive, out-dated technology is being replaced with less costly, yet more efficient equipment.

Compensated absences represent the dollar value of Treasurer's staff annual leave balances and are reflected in noncurrent liabilities. Employee annual leave is used as vacation time or must be reimbursed if a staff member separates from agency service. This dollar value changes as employees use their leave balance or receive reimbursement payments as they leave service.

The 26% decline in unrestricted assets is a direct result of the continued depreciation of capital assets and a decline in the purchase of new equipment. Nets assets, calculated as assets less liabilities, increased by over 94% from FY 2004 to FY 2005. This increase of \$1,226,454 is primarily due to growth of the Unclaimed Property Program revenues and the receipt of \$500,000 for a long-term project initiated in FY 2005.

Changes in Net Assets - Revenues and Expenses

Except for revenues generated from administration of the Unclaimed Property Program, operating revenues of the Office of State Treasurer are largely dependent upon state General Revenue appropriations.

Securities lending income of \$425,000 annually is directed to the Office of State Treasurer. Securities lending income is used to pay bank service charges, allowing the Treasurer's office to continue maximizing earnings on state deposits. Securities lending revenue in excess of \$425,000 is deposited to the General Fund as investment income.

During the fiscal year ended June 30, 2005, the Unclaimed Property Program continued generating an ever larger portion of the revenue necessary to support operations. Four percent of property accruing to the state under the Uniform Unclaimed Property Act is recognized as revenue by the Office of State Treasurer and used to finance Unclaimed Property Program expenses. Program revenues increased \$3.16 million in FY 2005. Cash and stock with a combined value of approximately \$16.45 million was reported and remitted to the state associated with the demutualization of life insurance companies. This property was reported by third party firms contracting with the Treasurer's office to locate, recover and remit unclaimed property to the state for a fee. The increase in revenue also resulted in a direct increase in personnel services expenses to pay the firms who recovered the additional property.

On-line claims filing, introduced in November 2002, contributes to the reduction of data-entry functions associated with claims processing. Claims initiated and paid to return property to its rightful owner continue to trend upward while the Treasurer's office institutes these efficiency measures designed to impact Unclaimed Property Program effectiveness. Banking service charges declined in FY2005 as lockbox charges, previously paid through this office, were

transitioned to the non-appropriated agencies requiring these services. The cost of these services is no longer supported by General Revenue appropriations.

General Revenues increased in FY2005 primarily as a result of a one-time \$500,000 appropriation for professional services related to a cost containment project initiated by the state. The study resulted in a projected savings to the state of over \$11 million.

The 94% increase in net assets from FY 2004 is largely related to the revenue generated by the Unclaimed Property Program and the receipt of \$500,000 for the long-term project noted above.

OFFICE OF THE STATE TREASURER
CHANGES IN NET ASSETS

| | 2005 | 2004 |
|-----------------------------------|--------------|--------------|
| Program Revenues | | |
| Unclaimed Property | \$ 5,194,521 | \$ 2,034,012 |
| Service Charges | 51,001 | 66,811 |
| Administrative Charges | 65,000 | - |
| Securities Lending | 425,000 | 425,000 |
| Other Income | 2,059 | 2,892 |
| Total Program Revenues | 5,737,581 | 2,528,715 |
| Expenses | | |
| Personnel Services | 7,712,607 | 4,797,729 |
| Travel | 22,055 | 19,820 |
| Administrative Expenses | 184,549 | 143,125 |
| Contracted Services | 335,755 | 299,534 |
| Payments to Other Agencies | 91,164 | 164,253 |
| Equipment | 25,026 | 33,418 |
| Other | 18,443 | 39,573 |
| Bank Service Charges | 807,702 | 970,714 |
| Payments to Counties | 100,000 | 97,500 |
| Depreciation | 140,418 | 156,393 |
| Total Expenses | 9,437,719 | 6,722,059 |
| Net Expenses | (3,700,138) | (4,193,344) |
| General Revenues | 4,926,592 | 4,377,639 |
| Transfers | - | - |
| Total General Revenues | 4,926,592 | 4,377,639 |
| Special Item -Warrant Imaging | - | - |
| Increase (Decrease) in Net Assets | 1,226,454 | 184,295 |
| Net Assets Beginning Balance | 1,304,367 | 1,120,072 |
| Net Assets Ending Balance | \$ 2,530,821 | \$ 1,304,367 |

Fund Highlights:

Governmental Fund - Fund Balance

The Office of the State Treasurer has a legally adopted budget that is established by the Legislature. The fiscal year 2005 initial budget was increased mid-year to fund the personnel services expenses associated with unclaimed property recovered for the state, including property from the demutualization of life insurance companies as noted above. A one-time appropriation

was also budgeted mid-year for the previously mentioned cost-containment project. These two increases accounted for the \$3,500,000 increase.

The final budget level exceeded actual expenses for the fiscal year by 14%. This variance is due to direct expenses associated with the Unclaimed Property Program for property recover and advertising. These expenses are difficult to predict with any degree of accuracy since they are largely driven by the services of third parties who locate and recover property for the state. Additionally, a \$500,000 appropriation was budgeted for the capital project; but the funds were not expended until fiscal year 2006.

USING THIS ANNUAL REPORT

The basic financial statements presented in the annual report include both government-wide and fund financial statements.

Government-wide statements:

Government-wide statements include a Statement of Net Assets and a Statement of Activities. These statements display information about the Office of the State Treasurer as a whole. The government-wide financial statements of the Office of the State Treasurer are presented on a full accrual economic resource basis which includes all assets and liabilities whether current or non-current. These statements provide both short-term and long-term information about the Office of the State Treasurer's overall financial status.

Fund statements:

The fund financial statements include the Governmental Fund's Balance Sheet and Statement of Revenue, Expenditures, and Changes in Fund Balance. In the fund financial statements the revenues and expenditures of the Office of the State Treasurer are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Under these accounting methods, revenues and assets are recognized when they become both measurable and available, and expenditures and liabilities are recognized when obligations are incurred as a result of the receipt of goods or services.

The Office of the State Treasurer provides banking and investment services for state agencies. The deposits and investments held by the Office of the State Treasurer on behalf of the State are reported in the Fiduciary Fund.

This financial report is designed to provide a general overview of the Office of the State Treasurer's finances for all of Oklahoma's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the Office's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Travis Monroe, Director of Budget & Policy
4545 N. Lincoln Blvd.
Suite 106
Oklahoma City, OK 73105

Susan Reed, Comptroller
2300 N. Lincoln Blvd.
Room 217
Oklahoma City, OK 73105



STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

INDEPENDENT AUDITOR'S REPORT

TO THE HONORABLE SCOTT MEACHAM
STATE TREASURER OF OKLAHOMA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the State Treasurer (the Office), a part of the primary government of the State of Oklahoma, as of and for the year ended June 30, 2005, which collectively comprise the Office's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Office's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of the Office are intended to present the financial position, the changes in financial position, and the budgetary comparison for the General Fund, of only that portion of the governmental activities, each major fund, and the aggregate remaining funds of the State of Oklahoma that is attributable to the transactions of the Office. They do not purport to, and do not, present fairly the financial position of the State of Oklahoma as of June 30, 2005, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Office of the State Treasurer, as of June 30, 2005, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2006, on our consideration of the Office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 1 through 5 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 primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Office's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



JEFF A. McMAHAN
State Auditor and Inspector

July 11, 2006

BASIC FINANCIAL STATEMENTS

OFFICE OF THE STATE TREASURER
STATEMENT OF NET ASSETS
June 30, 2005

| | |
|--|---------------------|
| ASSETS | |
| Cash | \$ 2,636,182 |
| Due from other agencies | 565,872 |
| Capital assets, net of accumulated depreciation | |
| Furniture, fixtures, and equipment | <u>261,261</u> |
| Total Assets | <u>3,463,315</u> |
| | |
| LIABILITIES | |
| Accounts payable vendors | 663,013 |
| Compensated absences: | |
| Payable within one year | 194,503 |
| Payable after one year | <u>74,978</u> |
| Total Liabilities | <u>932,494</u> |
| | |
| NET ASSETS | |
| Invested in capital assets | 261,261 |
| Unrestricted | <u>2,269,560</u> |
| Total Net Assets | <u>\$ 2,530,821</u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

Expenses

Governmental Activities - General Government:

| | | |
|----------------------------|----|------------------|
| Personnel Services | \$ | 7,712,607 |
| Travel | | 22,055 |
| Administrative Expenses | | 184,549 |
| Contracted Services | | 335,755 |
| Equipment | | 25,026 |
| Payments to Other Agencies | | 91,164 |
| Other | | 18,443 |
| Bank Service Charges | | 807,702 |
| Payments to Counties | | 100,000 |
| Depreciation | | 140,418 |
| Total Expenses | | <u>9,437,719</u> |

General Revenues

| | |
|------------------------|-------------------|
| Appropriations | 4,926,592 |
| Unclaimed Property | 5,194,521 |
| Service Charges | 51,001 |
| Administrative Charges | 65,000 |
| Securities Lending | 425,000 |
| Other Income | 2,059 |
| Total General Revenues | <u>10,664,173</u> |

| | |
|-----------------------------------|----------------------------|
| Increase (Decrease) in Net Assets | 1,226,454 |
| Net Assets, July 1, 2004 | <u>1,304,367</u> |
| Net Assets, June 30, 2005 | \$ <u><u>2,530,821</u></u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2005**

GENERAL FUND

ASSETS

| | | |
|--------------------------|----|------------------|
| Cash | \$ | 2,636,182 |
| Due from the agency fund | | 565,872 |
| Total Assets | \$ | <u>3,202,054</u> |

LIABILITIES AND FUND BALANCES

Liabilities

| | | |
|--------------------------|----|----------------|
| Accounts payable vendors | \$ | 663,013 |
| Total Liabilities | | <u>663,013</u> |

Fund Balance

| | | |
|-------------------------------------|----|------------------|
| Reserved for encumbrances | | 73,075 |
| Unreserved | | 2,465,966 |
| Total Fund Balance | | <u>2,539,041</u> |
| Total Liabilities and Fund Balances | \$ | <u>3,202,054</u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2005**

| | | |
|--|----|-------------------------|
| Total Fund Balance - Governmental Fund | \$ | 2,539,041 |
| | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. | | 261,261 |
| | | |
| Long term liabilities are not due and payable in the current period and therefore are not reported in the fund. | | |
| Compensated absences | | <u>(269,481)</u> |
| | | |
| Net assets of governmental activities | \$ | <u><u>2,530,821</u></u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

| | | <u>GENERAL FUND</u> |
|------------------------------------|----|-------------------------|
| Revenues | | |
| Unclaimed Property | \$ | 5,194,521 |
| Service Charges | | 51,001 |
| Administrative Charges | | 65,000 |
| Securities Lending | | 425,000 |
| Other Income | | 2,059 |
| Total Revenues | | <u>5,737,581</u> |
| Expenditures | | |
| Personnel Services | | 7,691,129 |
| Travel | | 22,055 |
| Administrative Expenses | | 184,549 |
| Contracted Services | | 335,755 |
| Equipment | | 80,191 |
| Payments to Other Agencies | | 91,164 |
| Other | | 12,403 |
| Bank Service Charges | | 807,702 |
| Payments to Counties | | 100,000 |
| Total Expenditures | | <u>9,324,948</u> |
| Revenues Over (Under) Expenditures | | (3,587,367) |
| Other Financing Sources (Uses) | | |
| Appropriations | | <u>4,926,592</u> |
| Net Change In Fund Balance | | 1,339,225 |
| Fund Balance, July 1, 2004 | | <u>1,199,816</u> |
| Fund Balance, June 30, 2005 | \$ | <u><u>2,539,041</u></u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR END JUNE 30, 2005**

| | | |
|--|----|-----------|
| Net Change in Fund Balance - Governmental Fund | \$ | 1,339,225 |
|--|----|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

| | | |
|--|--|----------|
| | | (85,253) |
|--|--|----------|

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

This amount represents the cost of compensated absences earned but not used in the current year.

| | | |
|--|--|----------|
| | | (21,478) |
|--|--|----------|

This amount represents the carrying value of the capital assets that were transferred for disposal.

| | | |
|--|--|----------------|
| | | <u>(6,040)</u> |
|--|--|----------------|

| | | |
|---|----|-------------------------|
| Change in net assets of governmental activities | \$ | <u><u>1,226,454</u></u> |
|---|----|-------------------------|

The notes to the financial statements are an integral part of this statement.

OFFICE OF THE STATE TREASURER
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUND
June 30, 2005

| | | <u>Agency Fund</u> |
|---|----|-----------------------------|
| ASSETS | | |
| Cash | | |
| Cash On Hand | \$ | 210,532 |
| Cash In Banks | | 35,427,704 |
| Total Cash | | <u>35,638,236</u> |
| Investments | | |
| Treasurer's Portfolio | | 3,579,468,228 |
| State Agency Portfolio | | |
| Treasury Funds | | 153,969,155 |
| Agency Special Accounts | | 9,376,711 |
| Securities Lending Investments | | 1,489,317,790 |
| Total Investments | | <u>5,232,131,884</u> |
| Interest Receivable | | |
| Treasurer's Portfolio | | 10,954,919 |
| State Agency Portfolio | | |
| Treasury Funds | | 3,023,620 |
| Agency Special Accounts | | 838,321 |
| Total Interest Receivable | | <u>14,816,860</u> |
| Total Assets | \$ | <u><u>5,282,586,980</u></u> |
| LIABILITIES | | |
| Balance Due Depositors | | |
| State Agency Portfolio | | |
| Treasury Funds | \$ | 2,620,661,932 |
| Agency Special Accounts | | 1,171,830,854 |
| Cashier | | 210,532 |
| Payable Under Securities Lending Agreements | | 1,489,317,790 |
| Total Due Depositors | | <u>5,282,021,108</u> |
| Due to the General Fund | | <u>565,872</u> |
| Total Liabilities | \$ | <u><u>5,282,586,980</u></u> |

The notes to the financial statements are an integral part of this statement.

**OFFICE OF THE STATE TREASURER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|--|-------------------------|-------------------|---------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| Revenues | | | | |
| Unclaimed Property | \$ 2,237,200 | \$ 5,237,200 | \$ 4,917,392 | \$ (319,808) |
| Service Charges | 54,000 | 54,000 | 69,102 | 15,102 |
| Administrative Charges | 65,000 | 65,000 | 48,750 | (16,250) |
| Securities Lending | 425,000 | 425,000 | 425,000 | - |
| Other Income | | | 2,059 | 2,059 |
| Total Revenues | <u>2,781,200</u> | <u>5,781,200</u> | <u>5,462,303</u> | <u>(318,897)</u> |
| Expenditures | | | | |
| Personnel Services | 5,727,784 | 9,247,784 | 7,706,995 | 1,540,789 |
| Travel | 29,320 | 29,320 | 22,055 | 7,265 |
| Administrative Expenses | 238,901 | 268,246 | 187,125 | 81,121 |
| Contracted Services | 370,814 | 370,814 | 332,092 | 38,722 |
| Equipment | 72,550 | 72,550 | 130,072 | (57,522) |
| Payments to Other Agencies | - | - | 91,164 | (91,164) |
| Other | - | - | 5,251 | (5,251) |
| Bank Service Charges | 850,000 | 800,665 | 780,028 | 20,637 |
| Payment to Counties | 100,000 | 100,000 | 100,000 | - |
| Total Expenditures | <u>7,389,369</u> | <u>10,889,379</u> | <u>9,354,782</u> | <u>1,534,597</u> |
| Excess of revenues over (under) expenditures | (4,608,169) | (5,108,179) | (3,892,479) | 1,215,700 |
| Other financing sources (uses) | | | | |
| Appropriations | <u>4,926,592</u> | <u>4,926,592</u> | <u>4,926,592</u> | <u>-</u> |
| Net change in fund balance | 318,423 | (181,587) | 1,034,113 | 1,215,700 |
| Fund balance, July 1, 2004 | <u>1,149,453</u> | <u>1,149,453</u> | <u>1,149,453</u> | <u>-</u> |
| Fund balance, June 30, 2005 | \$ <u>1,467,876</u> | \$ <u>967,866</u> | \$ <u>2,183,566</u> | \$ <u>1,215,700</u> |

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

