

# OKLAHOMA 94



**Comprehensive Annual Financial Report**  
for the Fiscal Year Ended June 30, 1994

On the Cover:

**"KEEPERS OF THE TRADITION"**

"Keepers of the Tradition" by Enoch Kelly Haney portrays a young Cheyenne couple wearing their present-day regalia. Faintly, in the background, an elder approvingly oversees the efforts of contemporary Indians to honor traditional values. As Kelly's collectors have come to expect, several subliminal images are hidden in the textures of the painting.

Use of this artwork was donated by Enoch Kelly Haney to the State of Oklahoma for publication of its Comprehensive Annual Financial Report.

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The Oklahoma Comprehensive Annual Financial Report is an annual publication of the Oklahoma Office of State Finance and is prepared by the Division of Central Accounting & Reporting.

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# **OKLAHOMA 94**

**Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 1994**

**David Walters  
Governor**

**Jack E. White  
Secretary of Finance and Revenue**

**Prepared by  
Office of State Finance  
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# OKLAHOMA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **INTRODUCTORY SECTION**

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## **OKLAHOMA 94**

**Comprehensive Annual Financial Report**

**for the Fiscal Year Ended June 30, 1994**

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# **INTRODUCTORY SECTION**





STATE OF OKLAHOMA  
OFFICE OF STATE FINANCE

September 15, 1995

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

In accordance with Title 62, Section 34.1 of the Oklahoma Statutes, 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, 1994. This report is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter with an accompanying overview of the State's economic performance and forecast, a review of current initiatives, and summary financial data. The Financial Section includes the general purpose financial statements, combining and individual fund and account group statements, and schedules. The Statistical Section includes selected financial and demographic information, presented on a multi-year basis.

Management of the State of Oklahoma, through the Office of State Finance, Division of Central Accounting and Reporting, is responsible for the accuracy, fairness and completeness of the financial statements presented in this report. The report has been prepared in accordance with generally accepted accounting principles for governments. 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 activities.

The State of Oklahoma includes funds, organizations, account groups, agencies, boards, commissions, and authorities for financial reporting purposes. In accordance with GASB 14, the State's financial reporting entity includes thirteen component units. One component unit, the Special Indemnity Fund, is blended in with the general fund of the primary government. The remaining component units are discretely presented on the face of the financial statements, including eleven proprietary activities and the State's higher education institutions.

In recent years, the State has taken several steps designed to improve the management of its fiscal affairs. A number of administrative and legislative initiatives have been adopted to provide more accurate and timely financial information. Additionally, steps have been taken to ensure that estimated revenues are adequate to meet budgetary expenditure requirements. While not all of the proposed changes have been fully implemented, the State can now demonstrate considerable improvement in a number of important areas.

- Adoption of a constitutional amendment that limits annual legislative appropriations to 95% of estimated revenues.
- Creation of the Constitutional Reserve "Rainy Day" Fund intended to further protect the State against fiscal emergencies and variations in receipts.
- Creation of an oversight process for the issuance of State debt. The creation of the Executive and Legislative Bond Oversight Commissions provides for the orderly review and approval of all debt issuances by the State, its agencies and public trusts. Included in this review is an assessment of all capital leases.

- Provision for 24-hour-per-day on-line monthly financial information to interested parties worldwide, via the Internet.
- Establishment of limits on the amount of gross production tax revenues which are annually credited to the General Revenue Fund, thus limiting the State's dependence on oil and gas activities for operating purposes.
- Establishment of a comprehensive reporting system to comply fully with the Federal Cash Management Improvement Act of 1990, which promotes efficiency, effectiveness, and equity in the administration of Federal Assistance Programs.
- Establishment of a "performance budget" process.
- Use of technology to eliminate redundancies in filing of claims, records and other data.

These and other management initiatives have the potential to strengthen the State's credit and improve our ability to respond to disruptions in the regional and national economies.

The Governor and the State Legislature exercise oversight responsibility for all funds and accounts, and every executive agency, board, commission, public trust, public authority, and public college and university whose data are presented in this report.

## **ECONOMIC CONDITIONS AND OUTLOOK**

### **Recent Performance**

Oklahoma's economy, enhanced by increasing exports, marked its third consecutive year of growth in 1994. Oklahoma's real gross product grew by 2.7% in fiscal 1994, compared with the U.S. Gross Domestic Product growth rate of 3.5%.

Oklahoma employment climbed by an estimated 42,600 jobs or 3.4% in calendar 1994, compared to 2.6% in the U.S. overall. Other economic indicators performed in a similar manner. Of the State employment increase, 82% was in the service sector.

Manufactured exports to foreign countries, including electronic equipment, industrial machinery and fabricated metals, increased by 8% in calendar 1993, three percentage points higher than the U.S. average. Mexico's share of Oklahoma exports has continued to rise, from 2.7% in 1990 to 6.7% in 1993. Canada and Eastern Europe are also large and growing buyers of Oklahoma products.

Oklahoma's personal income level rose an estimated 4.8% in current dollars in fiscal 1994, compared with an estimated 5.2% nationally. The value of Oklahoma construction projects totaled \$2.9 billion in calendar 1994, the highest in ten years.

Total deposits in Oklahoma's commercial banks increased by 2.5% and total loans by 11.6% in calendar 1994, compared to 2.2% and 9.3%, respectively for the overall U.S.

Oklahoma's General Revenue Fund, the major source of state appropriations, collected \$3.342 billion in fiscal 1994, representing a growth rate of 3.5% above the prior year.

### **Short Term Economic Forecast for Oklahoma**

Real gross state product is estimated to increase by 2.8% in constant dollars for fiscal 1995 and by 2.5% in fiscal 1996. Oklahoma's personal income is predicted to increase by 5.5% in fiscal 1995 and by 5.3% in fiscal 1996. Employment is forecast to increase by 2.0% in fiscal 1995 and 1.8% in fiscal 1996, translating into job gains of 24,000 and 23,000 in the respective years.

Unemployment in Oklahoma is expected to average 5.95% in fiscal 1995 and improve slightly to 5.7% in fiscal 1996, just below the projected national level. Oklahoma historically has had an unemployment rate below the national level.

Selected Growth Rates (in percentages)

Calendar Year	1993		1994		1995	
	(Actual)		(Estimated)		(Projected)	
	<u>OK</u>	<u>US</u>	<u>OK</u>	<u>US</u>	<u>OK</u>	<u>US</u>
Real Gross Product	2.4	3.1	3.0	3.9	2.6	2.4
Nonagricultural Employment	1.5	1.8	2.0	2.6	2.0	2.3
Unemployment Rate	6.0	7.4	6.1	6.1	5.8	5.8
Total Personal Income	4.2	4.3	5.4	6.0	5.6	5.8

Oklahoma faces a potentially promising future. Among its assets are a strategic central location, a diversified economy, a well trained and productive labor force and a multitude of cultural and recreational activities as well as a moderate climate. It is firmly committed to creating an economic environment in Oklahoma which is favorable to labor, business and investors. While Oklahoma's per capita income of 82% of the U.S. average is below the national norm, so is the State's cost of living. Oklahoma has some of the most affordable housing in the nation.

Oklahoma's population is estimated at 3,251,000, of whom slightly more than half live in the metropolitan areas of the State's two largest cities, Oklahoma City, the capital, and Tulsa. The State's diverse cultural background is enhanced by the presence of more than 300,000 Native Americans representing 65 tribes.

**MAJOR PROGRAM INITIATIVES**

**For the Period Ending June 30, 1994**

Fiscal 1994 was a time of budget-cutting and realignment of priorities for Oklahoma.

The Legislature enacted at its spring 1993 meeting a \$3.588 billion balanced budget for the new fiscal year ending June 30, 1994, that provided a substantial increase to public schools while cutting funds for most agencies.

Total budgeted expenditures were \$61.8 million or 1.7% less than the prior year's expenditure appropriation, marking the first time in seven years that appropriations were less than those for the preceding year.

Despite the decrease in total appropriations, the budget boosted the appropriation for public schools by \$79 million or 6.2% to \$1.364 billion, assuring the continued funding of House Bill 1017, the school reform and revenue statute enacted in 1990. This five-year education improvement program increased accreditation standards for schools and teachers, expanded early childhood and kindergarten programs, mandated smaller class sizes, provided pay raises for teachers and support personnel, provided procedures and incentives for voluntary consolidations, increased requirements for graduation, replaced the former teacher tenure system with a new due process system, authorized issuance of alternative teaching certificates, and allowed local districts to extend school years.

Higher education received \$556.4 million in appropriated funds, a reduction of \$18.8 million or 3.3% that was partially offset by \$11 million in tuition increases, the first such fee hike in two years.

Vocational-technical schools, the third part of the education triad, received \$84.9 million, a decrease of \$4.5 million or 5%.

Altogether, educational functions received a total of \$2.019 billion for a combined net increase of \$53.9 million or 2.7%. This represented 56.3% of the total appropriated budget, up from 53.8% in fiscal 1993. Public schools received 38%, higher education 15.5%, vocational-technical education 2.4%, and other education 0.4% of the appropriated budget.

Slightly less than \$1 of every \$5, or about 19%, was appropriated to the Department of Human Services (DHS) and related agencies. Total appropriations of \$680 million for this group represented a reduction of \$31.4 million or 4.4% from the prior year.

Transportation, the second largest non-education entity received a \$179.8 million appropriation. While this represented a reduction of \$27.3 million or 13.2% in appropriated funds, all but \$9 million of the reduction was offset by other revenues.

Public Health received \$38.6 million. This was a reduction of \$13.7 million or 26.6% in appropriated funds but was partially offset by a transfer of functions bearing a \$7.1 million price tag to the new Department of Environmental Quality. Mental Health received \$109.8 million, a decline of \$3.3 million or 2.9%.

The Corrections Department received \$172.2 million, a decline of \$0.7 million or 0.4%, and the Department of Public Safety received \$48.8 million, a reduction of \$2.6 million or 5%.

Appropriations for all other agencies totaled \$339.9 million, a reduction of \$36.7 million or 9.8%.

The most perplexing problem facing Legislators and the Governor for fiscal 1994 was how to balance the budget while coping with mandates for increased educational funding, escalating costs for medical and other social services, and a decline in available funds resulting from a slowdown in revenue growth.

Among key initiatives enacted by legislation, administrative or other action for fiscal 1994 were:

- **Environmental Reform:** A new Department of Environmental Quality was created, consolidating the functions of three agencies.
- **Bond Issue:** Legislation was enacted authorizing expenditure of \$361.5 million in general obligation bond funds and accrued interest for new construction and equipment, nearly three-fourths of which will go for higher education.
- **Hiring Freeze :** Gov. David Walters, who had invoked a hiring freeze in fiscal 1993, extended the order through all of fiscal 1994 and into fiscal 1995.

- **Quality Jobs Program:** As an incentive for economic development, this new law qualifies new or expanding businesses to recover up to 5% of their new payroll costs over 10 years. In April, 1994, Oklahoma's Quality Jobs Program was named one of the top three in the nation in a ceremony in which Oklahoma received the award for Management Excellence from the global consulting firm of Arthur D. Little Inc. of Cambridge, Mass.
- **Health Care Reforms:** The Oklahoma Health Care Authority was created to combine the medical services functions of several agencies dealing with health care management, costs and benefits.
- **Financial Administration:** An aggressive campaign was continued to eliminate repetitive processing in the State's payments to vendors by taking advantage of modern telecommunications and automated data processing technology. The result has been a reduction in turnaround time on claims processing from 3-5 days to an average of 2 days, while at the same time improving accuracy and reducing the system's operating costs.
- **Increased computerization:** Greater use of electronic mail, voice mail and electronic data bases has speeded the flow and access of information.

## FOR THE FUTURE

The 1994 Legislature appropriated a \$3.696 billion balanced budget for fiscal 1995 that provided a modest increase of 3% or \$108 million above current spending. More than half of the increase went to public schools.

The Legislature also enacted a Juvenile Justice Reform Act and increased Corrections spending by 7.5% in an effort to cope with an expanding prison population.

The public school appropriation was increased by \$56.6 million or 4.1% and assures full funding for the fifth year of House Bill 1017. A total of \$1.421 billion was appropriated to public schools, an increase of \$538.8 million or 61% since fiscal 1990. Most of the increased funds have gone for class size reduction, hiring of additional teachers and increases in minimum salaries.

Altogether, educational functions received a total of \$2.080 billion, for a combined increase of \$61.4 million or 3%. This represented 56.3% of the total appropriated budget, equaling the ratio of the preceding year and up from 53.8% in fiscal 1993. Public schools received 38.4%, Higher Education 15.1%, Vocational Technical Education 2.4% and other education functions 0.4% of the appropriations total.

The Legislature designated \$554.7 million in appropriated and transferred funds for higher education, an increase of \$1.4 million or 0.2% above the prior year's appropriation. The Legislature declined to authorize tuition increases to bolster operating funds, although Higher Education Regents were given the option of increasing other types of fees. Vocational-technical education was assigned \$86 million in appropriated and transferred funds, an increase of \$3.1 million or 3.7% above the fiscal 1994 appropriation. The Legislature also attempted to appropriate an additional \$3 million for higher education, and \$2 million for vocational-technical education by avoiding restrictions on deficit financing through the use of forward purchase contracts. Other education functions received \$13.8 million, a gain of \$0.3 million or 2.2%.

The Legislature appropriated \$702 million to the Department of Human Services and related agencies, an increase of \$22.2 million or 3.3%. This category accounted for slightly less than \$1 of every \$5, or about 19%, of the total appropriated budget.

The Department of Transportation, the second largest non-education entity, received a \$169.9 million appropriation, a reduction of \$9.9 million or 5.5%. Appropriations were reduced for fiscal 1995 because of increased demands on the Indemnity Fund used to clean up leaking underground fuel storage tanks. Any excess in this Fund otherwise goes to the Transportation Fund.

Public Health received \$39.9 million, an increase of \$1.3 million or 3.3%, and mental health received \$113.6 million, an increase of \$3.9 million or 3.5%. The Corrections Department received \$185.2 million, an increase of \$13 million or 7.5% to help cope with a growing prison population. The legislature authorized the addition of 550 new beds through renovation and expansion of existing facilities. Public Safety was appropriated \$50.6 million, a gain of \$1.8 million or 3.6%.

In other legislation involving fiscal matters, the Legislature:

- Increased benefits by an average of 2.5% for most State retirees.
- Increased salaries of highway patrol troopers an average of \$2,000 per year.
- Boosted State employees' salaries on an annualized basis by \$800 per year, starting in September, 1994.
- Increased salaries for correctional and certain other law enforcement officers by 6%.
- Increased salaries by varying amounts for district attorneys, judges and statewide elected officials except for the Governor.
- Created the Office of Juvenile Affairs to replace the Office of Juvenile Justice within the Department of Human Services. The switch is to occur July 1, 1995 after a year-long transition period.

Key initiatives set in motion or expanded by legislation, administrative or other action for fiscal 1995 were:

- **Workers' Compensation Reform:** The Governor called a special session of the Legislature to consider workers' compensation reform. Legislation was enacted to increase funding as well as services including the Physicians Advisory Committee, the Independent Medical Examiner System, and the Workers' Compensation Court Counselor's Program.
- **Capital Improvement:** The Long-Range Capital Planning Commission developed the State's first ever multi-year capital plan for fiscal years 1995-1999 that called for total capital spending of \$1.77 billion, of which \$1.62 billion would be self-funded and \$150 million would be required from General Revenue Fund appropriations. Of the self-funded projects, 65% or \$1.045 billion were for transportation.

- **Computerization:** The Office of State Finance expanded its use of a local area network using Lotus Notes groupsharing software to facilitate better internal communications. Numerous databases were designed for efficient storage and retrieval, including a legislative tracking database used by budget analysts to analyze and track legislative measures which have a potential impact on State financial operations.
- **Telemedicine Network:** Further expansion of what has become the nation's largest medical network for rural communities.
- **Saving Quality Jobs:** This extension of the State Quality Jobs Program offers financial incentives designed to retain existing jobs and to expand jobs with existing Oklahoma businesses.
- **Electronic Information:** Further expansion of Oklahoma's quantum leap forward in the use of electronic information. Modernization of computer equipment and programs have made budgeting, accounting and other records instantly available. Oklahoma went on line in September, 1994 with the State of Oklahoma Information Server, a public access area on the Internet. Additional data will be made available for this service which initially included information from the Governor's Office, Oklahoma's agribusiness, arts, business opportunities, education, research and State finance. The Office of State Finance data initially will provide a "Frequently Asked Questions (FAQ)" database, its Monthly Revenue Press Releases, Oklahoma Revenue and an Accounting Procedures Newsletter. The service has been set up on MOSAIC, a user-friendly shareware. The State of Oklahoma Information Server's Internet address is:  
<http://www.oklaosf.state.ok.us/> .
- **Park Bonds:** The Legislature authorized the Oklahoma Tourism and Recreation Commission to issue \$7.4 million in revenue bonds for the construction of several capital projects, including an 18-hole championship golf course at Lake Texoma.

## **FINANCIAL INFORMATION**

### **Internal Controls**

Management of the State of Oklahoma is responsible for the establishment and maintenance of internal accounting controls which have been designed to ensure that assets are safeguarded and that 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 of controls does not exceed the benefits obtained.

### **Budget Policy**

Oklahoma's fiscal processes were made more conservative through enactment of amendments to the State Constitution in 1985. The amendments imposed an annual growth limit on appropriations of 12%, restricted total appropriations to 95% of the revenue estimate, and established the Constitutional Reserve "Rainy Day" Fund to provide for future funding emergencies.



## General Governmental Functions

Most State financial operations are reported in governmental fund types, that is the general fund and capital projects fund. Following are schedules of revenues and expenditures for these governmental funds. The net transfers out amount is primarily monies transferred to support the higher education institutions.

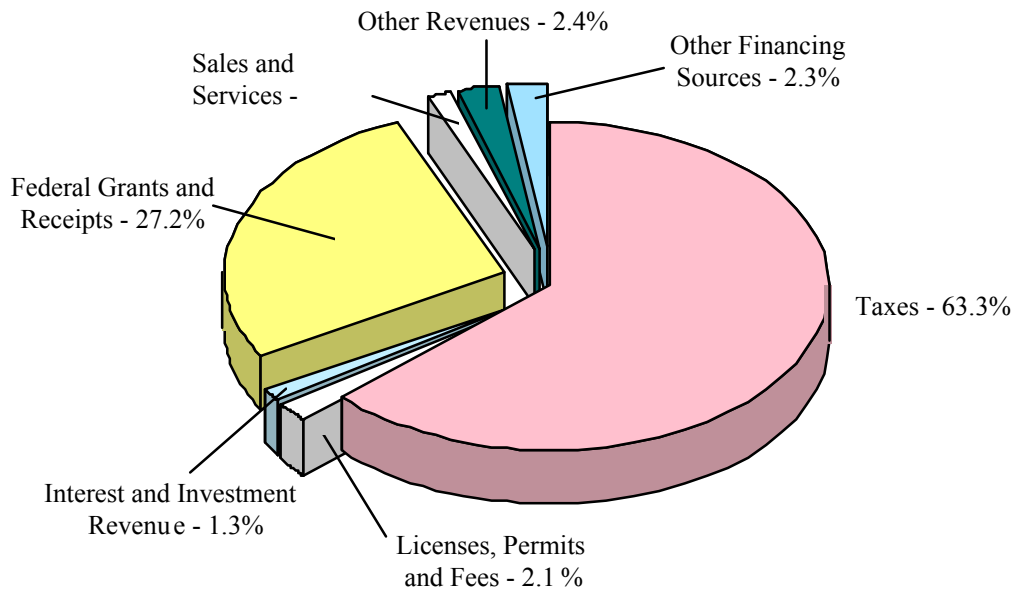
### Governmental Funds Revenues and Other Financing Sources (in millions)

	1993-94 Amount	Percentage of Total	Increase (Decrease) from 1992-93	Percentage Increase (Decrease)
Taxes	\$ 4,168	63.3%	\$ 778	22.9%
Licenses, Permits and Fees	137	2.1%	20	17.1%
Interest and Investment Revenue	85	1.3%	(9)	(9.6%)
Federal Grants	1,794	27.2%	73	4.2%
Sales and Services	89	1.4%	(7)	(7.3%)
Other Revenues	161	2.4%	(31)	(16.1%)
Other Financing Sources:				
Operating Transfers In	38	0.6%	28	280.0%
Bond Proceeds	113	1.7%	(135)	(54.4%)
Capital Leases	1	0.0%	(7)	(87.5%)
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 6,586</b>	<b>100.0%</b>	<b>\$ 710</b>	<b>12.1%</b>

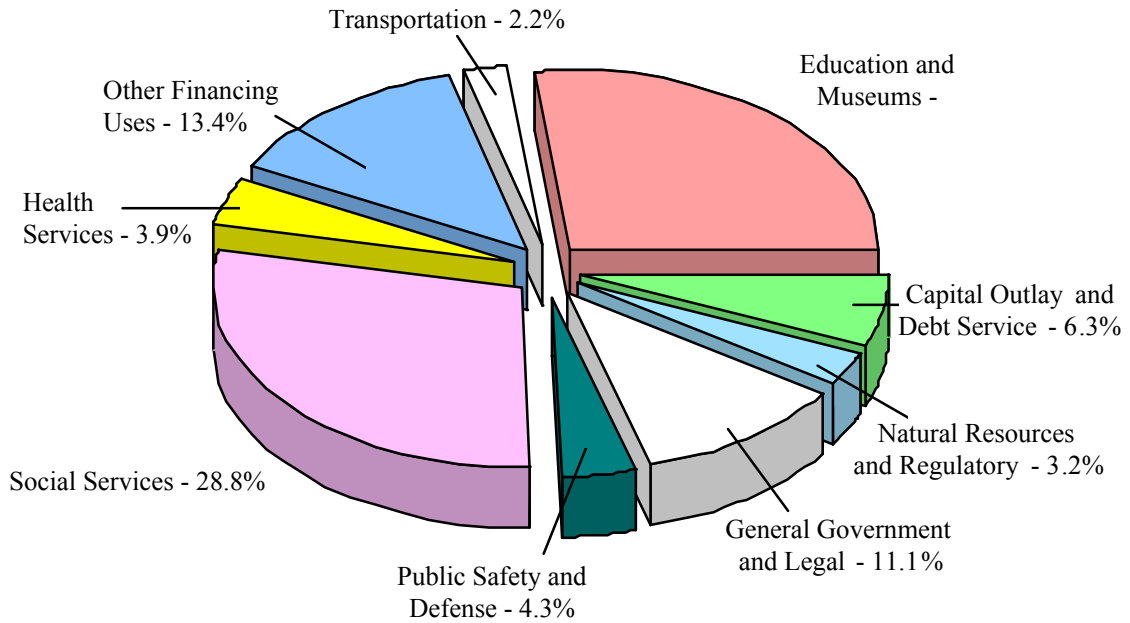
### Governmental Funds Expenditures and Other Financing Uses (in millions)

	1993-94 Amount	Percentage of Total	Increase (Decrease) from 1992-93	Percentage Increase (Decrease)
Education	\$ 1,750	26.7%	\$ 98	5.9%
General Government	616	9.6%	408	196.2%
Health Services	258	3.9%	(35)	(11.9%)
Legal and Judiciary	97	1.5%	1	1.0%
Museums	7	0.1%	0	0.0%
Natural Resources	131	2.0%	12	10.1%
Public Safety and Defense	284	4.3%	20	7.6%
Regulatory Services	80	1.2%	5	6.7%
Social Services	1,894	28.8%	(21)	(1.1%)
Transportation	147	2.2%	(18)	(10.9%)
Capital Outlay	373	5.7%	20	5.7%
Debt Service	38	0.6%	13	52.0%
Other Financing Uses:				
Operating Transfers Out	873	13.3%	260	42.4%
Bond Refunding	8	0.1%	8	-
<b>Total Expenditures and Other Financing Uses</b>	<b>\$ 6,556</b>	<b>100.0%</b>	<b>\$ 771</b>	<b>13.3%</b>
<b>Governmental Funds - Net Increase in Fund Balance</b>	<b>\$ 30</b>			

Governmental Funds Revenues  
and Other Financing Sources - 1994



Governmental Funds Expenditures  
and Other Financing Uses - 1994



In fiscal year 1994, direct tax apportionments to counties, cities and towns, and public schools were included in tax revenues and general government expenditures for the first time, causing an increase of approximately \$400 million. This change also accounts for the majority of the increases in operating transfers in and out. Debt service increased in fiscal year 1994 due to the issuance of the general obligation bonds in fiscal years 1993 and 1994. Fiscal year 1994 shows an increase in Fund Balance for the Governmental Funds. It should be noted that this increase is due to the issuance of general obligation bonds of \$100 million in fiscal 1994. Without the proceeds from the bond issues, fund balance would have decreased by \$83.

As noted in a preceding subsection, Oklahoma's Legislature budgeted, on the basis of 95% of the itemized revenue estimate of the State's budgetary General Revenue Fund (GRF) and certain special funds. It should be noted that taxes deposited into the budgetary GRF as defined by Oklahoma law are about 85% of the total tax revenues of the governmental funds as defined by generally accepted accounting principles. Oklahoma's budgetary General Revenue Fund revenues were \$3.34 billion or 98.3% of the State's revenue estimate for the fiscal year ended June 30, 1994. Had it not been for court-ordered payment of income tax refunds of \$31.2 million to Federal retirees, total revenues would have equaled 99.2% of the estimate and exceeded the prior year's revenue by \$113.9 million or 3.5%.

After subtracting the refunds, the net budgetary General Revenue Fund collection total of \$3.34 billion was:

- \$82.6 million or 2.5% above that of the prior year.
- \$57 million or 1.7% below the official estimate made by the State Board of Equalization 16 months earlier, in February of 1993.

Sales taxes for fiscal 1994 increased 7.9% over the prior year, for the largest annual increase since fiscal 1991. Corporate income taxes increased by 21% above a year ago, also for the largest increase since fiscal 1991. Motor vehicle taxes, bolstered by increased automobile sales, showed an increase of 8.9% above the prior year, for the largest gain since fiscal 1986.

The pronounced increases over the prior year in sales, corporate income and motor vehicle tax collections were indicative of improved business activity and consumer confidence. Sales taxes are levied on retail sales while motor vehicle taxes come from motor vehicle sales, licenses and other fees. Individual income taxes were up \$8.5 million or 0.7% but were below the estimate, reflecting the impact of the court ordered Federal retiree refunds.

Variances from Itemized Estimate  
(\$ in millions)

	Variance Over (Under) Estimate	Percent Variance
Sales Taxes	\$ 20.3	2.0%
Motor Vehicle Licenses and Fees	10.3	4.9%
Corporate Income Taxes	12.5	8.5%
Individual Income Taxes	(62.5)	(4.6%)

### Three Major Sources Gain

Three of the four major taxes -- income, sales and motor vehicle -- exceeded revenue of a year ago, while gross production taxes on oil and gas showed a 13.5% decline. The four major taxes combined produced \$2.884 billion or 86% of total revenues of \$3.34 billion in fiscal 1994. The major tax total was \$105.2 million or 3.8% above that of a year ago but \$32.4 million or 1.1% below the *estimate*, a variance attributed primarily to the Federal retiree refunds.

At June 30, 1994, the status of two important fund balances affecting the new year's fiscal picture follows:

**General Revenue Cash-Flow Reserve Fund** - The State set aside \$334 million to meet anticipated monthly cash-flow needs for the new fiscal year. This was an increase of \$27 million from a year ago. The new total amounted to 10% of the General Revenue certified appropriation level, up from 9.5% in the prior year.

The General Revenue cash carryover from fiscal 1994 available to the next legislature was \$19.6 million, compared with a balance of \$31.7 million a year ago. The carryover funds come from the 5% 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. As stated earlier, actual receipts were 3.3% above the 95% level in fiscal 1994.

**Constitutional Reserve "Rainy Day" Fund** - After subtracting \$45.6 million appropriated by the 1994 legislature, this fund had a July 1 balance of \$45.6 million compared with \$91.1 million at this date a year earlier.

Oklahoma has established an enviable record in recent years in its revenue forecasting results. Since enactment of a constitutional amendment in 1985 establishing the new revenue estimating procedures, collections have exceeded the estimate in four years and dipped below the estimate five years, producing average revenue of 99.3% of the estimate over the period. The nine-year history is shown on the following table.

General Revenue Fund Comparisons  
(\$ in millions)

Fiscal Year	Estimate	Revenues	Actual Over (Under) Estimate	Percent Received
FY-86	\$ 2,456.6	\$ 2,271.3	\$ (185.2)	92.5%
FY-87	2,166.7	2,070.0	(96.7)	95.5%
FY-88	2,319.8	2,397.8	78	103.4%
FY-89	2,499.8	2,600.6	100.8	104.0%
FY-90	2,661.2	2,735.1	73.9	102.8%
FY-91	3,034.4	3,109.5	75.1	102.5%
FY-92	3,213.9	3,161.2	(52.7)	98.4%
FY-93	3,365.2	3,258.9	(106.3)	96.8%
FY-94	3,398.5	3,341.5	(57.0)	98.3%
Nine-Year Average	\$ 2,790.7	\$ 2,771.8	\$ (18.9)	99.3%

At the start of each fiscal year, collections that exceed the estimate for the preceding year are automatically deposited in the Constitutional Reserve "Rainy Day" Fund until the total on deposit equals 10% of the prior year's certified appropriation authority for the General Revenue Fund.

## Fiduciary Operations

The most significant of the State Fiduciary Funds are the six retirement systems: The Oklahoma Firefighters Pension and Retirement System (OFPRS), the Oklahoma Law Enforcement Retirement System (OLERS), the Oklahoma Public Employees Retirement System (OPERS), the Uniform Justices and Judges Retirement System (URSJJ), the Oklahoma Police Pension and Retirement System (OPPRS), and the Teachers' Retirement System of Oklahoma (TRS).

Key actuarial amounts for the systems (expressed in millions) at fiscal year end 1994 were:

	<u>TRS</u>	<u>OPERS</u>	<u>OFPRS</u>	<u>OPPRS</u>	<u>OLERS</u>	<u>URSJJ</u>
Pension benefit obligation	\$ 6,076	\$ 2,506	\$ 1,069	\$ 740	\$ 278	\$ 71
Net assets available for benefits	<u>2,576</u>	<u>2,357</u>	<u>623</u>	<u>610</u>	<u>244</u>	<u>75</u>
Unfunded pension benefit obligations	<u>\$ 3,500</u>	<u>\$ 149</u>	<u>\$ 446</u>	<u>\$ 130</u>	<u>\$ 34</u>	<u>\$ (4)</u>

The pension benefit obligation is an actuarially determined estimate of the present value of amounts to be paid to current and future retirees. This amount is compared to the net assets available for benefits. When the obligation is greater than the net assets, the result is an unfunded pension benefit obligation.

## Higher Education Funds

The State's higher education system consists of two comprehensive universities, 10 other four-year universities, 14 two-year colleges and constituent agencies.

Over the past five years, enrollment at Oklahoma's public colleges and universities increased by 4,284 or 1.9%, from 220,719 in fiscal 1989 to 225,003 in fiscal 1994.

During the same period, State appropriations for the public colleges and universities increased by \$114.2 million or 25.8% -- from \$442.2 million in fiscal 1989 to \$556.4 million in fiscal 1994.

The fiscal 1994 appropriation represented a decrease from fiscal 1993 of 3.3% or \$18.8 million in actual dollars. This decrease in appropriations was partially offset by a revenue increase in student tuition and fees.

Appropriated funds constituted approximately 63% of higher education total budgeted expenditures of \$812.5 million in fiscal 1994. Other resources came from tuition and fees, auxiliary activities (dormitories and food services), Federal grants, contracts and miscellaneous sources.

As noted elsewhere, Oklahoma voters passed a \$350 million bond issue in fiscal 1993 of which \$258 million was for capital improvements in higher education. This will enable campuses to make repairs, renovate space to accommodate new technology and equipment, refurbish libraries and remove barriers to the physically disabled, construct classrooms, libraries and science facilities, and purchase computers as well as telecommunications, classroom and laboratory equipment.

## Debt Administration

The State of Oklahoma has provided for joint executive and legislative oversight of all its borrowing programs. In 1987, the State created the Executive and Legislative Bond Oversight Commissions. These commissions meet jointly to review all proposed debt issuances and must approve each financing plan before State obligations can be issued. The legislation which created the Bond Oversight Commissions also created the position of State Bond Advisor. The State Bond Advisor serves as staff to the Bond Oversight Commissions and has the authority to approve the pricing and fees associated with any State debt issuance. The State Bond Advisor also administers the Oklahoma Private Activity Bond Program.

The State of Oklahoma issues debt obligations to meet capital facilities and equipment needs, and to provide for housing and economic development loans. The authority of the State to incur debt is described in Article X, Section 25, of the Constitution of the State of Oklahoma as follows:

"...no debts shall be hereafter contracted by or on behalf of this state, unless such debt shall be authorized by law for some work or object, to be distinctly specified therein; and such law shall impose and provide for the collection of a direct annual tax to pay, and sufficient to pay, the interest on such debt within twenty-five years from the time of the contracting thereof."

At the November 1992 general election, the voters of the State approved the issuance of \$350 million in capital improvement general obligation bonds. These bonds were sold in two series, with \$250 million Series A sold competitively on March 9, 1993, and \$100 million Series B sold through negotiation on July 21, 1993.

The general obligation bonds of the State are rated "Aa" by Moody's Investors Service and "AA" by both Standard & Poor's Corporation and Fitch Investors Service. Prior to the 1993 general obligation program, the State's last new-money general obligation bond issue was in 1968. Certain maturities of these bonds were refunded in 1977. As of June 30, 1994, the outstanding tax-supported general obligation net debt of the State of Oklahoma was \$355,035,000. This figure excludes the self-supporting debt of the Oklahoma Industrial Finance Authority.

The State has issued numerous series of taxable bonds to fund loans for economic development in Oklahoma. This program is administered by the Oklahoma Industrial Finance Authority (OIFA). The bonds issued by the OIFA 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. The OIFA bonding program is limited to \$90 million outstanding at any time. As of June 30, 1994, the outstanding taxable debt of the OIFA (supported by repayments from private borrowers) was \$67,320,000.

The Oklahoma Development Finance Authority (ODFA) operates an economic development loan program that has the authority to issue \$60 million in bonds to the extent needed to cover any losses in its reserve fund. As of June 30, 1994, the ODFA has not needed to utilize this bonding capacity to cover loan losses.

The State has utilized lease-purchase financing for the acquisition of certain equipment and facilities. The State's privately placed obligations, which are typically used for equipment, normally have terms of five years or less.

Various agencies, trusts, and authorities issue revenue bonds on behalf of the State of Oklahoma. These obligations are supported solely by the revenues of the issuing entities. The most active of these issuers are the Oklahoma Water Resources Board and the Oklahoma Turnpike Authority.

### **Cash Management**

State law requires full collateralization of all State Treasurer bank balances. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. Component units may have collateralization policies that differ from those of the State Treasurer. The State Treasurer is required to keep 80% or more of the available cash invested during each fiscal year.

### **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 participation in certain health maintenance organizations), workers' compensation, tort liability (except for excess coverage for certain losses in excess of \$1 million), 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 billion.

Coverage for health care claims and workers' compensation is provided by two separate enterprise funds. The State and Education Employees' Group Insurance Board provides group health, life, and dental benefits to the State's employees and certain other eligible participants. The State Insurance Fund provides workers' compensation coverage for the State's employees.

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).

### **ACKNOWLEDGMENTS**

The Office of State Finance is pleased to recognize and commend the efforts of the numerous individuals across the State which 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



# SELECTED OKLAHOMA STATE OFFICIALS

June 30, 1994

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## JUDICIAL BRANCH

\* State Supreme Court  
Ralph B. Hodges  
Chief Justice

\* Court of Criminal Appeals  
Gary L. Lumpkin  
Presiding Judge

## EXECUTIVE BRANCH

Governor  
David Walters

Lieutenant Governor  
Jack Mildren

\* Secretary of State  
Glo Henley

State Auditor & Inspector  
Clifton Scott

Attorney General  
Susan B. Loving

State Treasurer  
Claudette Henry

Superintendent of  
Public Instruction  
Sandy Garrett

Commissioner of Labor  
Dave Renfro

Commissioner of Insurance  
Cathy J. Weatherford

Commissioners of the  
Corporation Commission  
Bob Anthony  
Cody Graves  
J. C. Watts

## LEGISLATIVE BRANCH

Senate  
Robert V. Cullison  
President Pro Tempore

House of Representatives  
Glen D. Johnson  
Speaker of the House

\* Appointed Position



STATE OF OKLAHOMA

OFFICE OF THE AUDITOR AND INSPECTOR

CLIFTON H. SCOTT  
State Auditor and Inspector

OKLAHOMA CITY

100 State Capitol  
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, 1994, 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 Oklahoma Educational Television Authority, the Department of Commerce, the Oklahoma Accountancy Board, the Oklahoma Insurance Department, the Commissioners of the Land Office, the Capitol Investment Board, or the Special Indemnity Fund which statements reflect total assets and revenues consisting of 1% and 3% of the general revenue fund. We did not audit the financial statements of the enterprise fund. We did not audit the financial statements of the various pension funds or the nonexpendable trust fund. We did not audit the financial statements of the Oklahoma State Employees Deferred Compensation Plan or the Oklahoma Insurance Department, which statements reflect total assets consisting of 38% of the agency fund. We did not audit the financial statements of the Special Indemnity Fund, which statements reflect total assets consisting of 15% of the General Long-term Debt Account Group. We did not audit the financial statements of the higher education fund type. 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.

Except as discussed in the next paragraph, we conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

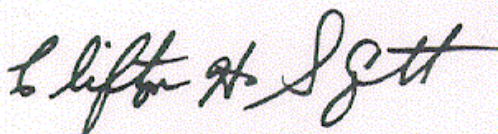
The independent auditors' reports for the University of Central Oklahoma, the University of Science and Arts, Eastern Oklahoma State College, Rogers State College, Murray State College, Oklahoma Panhandle State University, Rose State College, Rose State Technical District, Seminole Junior College, and Southeastern Oklahoma State University were all qualified because the auditors were unable to form an opinion on investment in plant assets. We were not able to satisfy ourselves as to the fair presentation of such assets in the Higher Education Fund.

In our opinion, based upon our audit and the reports of other auditors, except for the effect on the financial statements of the matters discussed in the preceding paragraph, the general purpose financial statements

referred to in the first paragraph present fairly the financial position of the State of Oklahoma as of June 30, 1994, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 31, 1995, on our consideration of the State of Oklahoma's internal control structure and a report dated May 31, 1995, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the accompanying table of contents 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, except for the statistical schedules and the information in the introduction which are unaudited, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, except for the matter discussed in the second preceding paragraph, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



CLIFTON H. SCOTT  
State Auditor and Inspector

May 31, 1995

# **FINANCIAL SECTION**

## **OKLAHOMA 94**

Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 1994

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## **FINANCIAL SECTION**

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**General Purpose  
Financial  
Statements**

# OKLAHOMA

Combined Balance Sheet  
 All Fund Types, Account Groups and  
 Discretely Presented Component Units  
 June 30, 1994  
 (expressed in thousands)

	Governmental Fund Types		Proprietary Fund Type	Fiduciary Fund Types
	General	Capital Projects	Enterprise - Oklahoma Water Resources Board	Trust and Agency
Assets and Other Debits				
Assets				
Cash/Cash Equivalents	\$ 999,578	\$ 1,452	\$ 5,579	\$ 496,
Investments	149,949	283,880	107,205	916
Accounts Receivable	32,753	0	0	7,625,169
Interest and Investment Revenue Receivable	10,909	348	2,837	3,207
Contributions Receivable	0	0	0	52,156
Federal Grants Receivable	162,049	0	0	3,559
Taxes Receivable	8,994	0	0	242
Lease Payments Receivable	43,150	0	0	4,796
Other Receivables	1,885	0	0	0
Notes and Loans Receivables	0	0	114,994	101,135
Due from Brokers	0	0	0	0
Due from Other Funds	230	0	0	31,276
Due from Component Units	3,262	0	0	22,703
Due from Primary Government	0	0	0	483
Advances to Primary Government	0	0	0	0
Inventory	31,751	0	0	0
Prepaid Items	4,631	0	0	85,272
Fixed Assets, Net	0	0	0	0
Other Assets	952	0	750	1,977
				8,230
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 Lease Payments	0	0	0	0
Claims and Judgements Payable	0	0	0	0
				0
Total Assets and Other Debits	<u>\$ 1,450,093</u>	<u>\$ 285,680</u>	<u>\$ 231,365</u>	<u>\$ 8,437,121</u>

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



# OKLAHOMA

Account Groups		Total Primary Government	Component Units		Total Reporting Entity
General Fixed Assets	General Long-Term Debt	(Memorandum Only)	Proprietary	Higher Education	(Memorandum Only)
\$ 0	\$ 0	\$ 1,503,525	\$ 183,016	\$ 250,401	\$ 1,936,942
0	0	8,166,203	1,346,269	278,469	9,790,941
0	0	35,960	92,708	92,138	220,806
0	0	66,250	19,003	1,568	86,821
0	0	3,559	0	0	3,559
0	0	162,291	3,675	1,034	167,000
0	0	13,790	0	0	13,790
0	0	43,150	0	0	43,150
0	0	103,020	2,840	0	105,860
0	0	114,994	690,833	41,036	846,863
0	0	31,276	0	0	31,276
0	0	22,933	0	45,813	68,746
0	0	3,745	1,302	0	5,047
0	0	0	8,697	181	8,878
0	0	0	0	210	210
0	0	117,023	34,209	18,167	169,399
0	0	4,631	1,277	3,615	9,523
775,677	0	777,654	1,418,864	1,505,129	3,701,647
0	0	9,932	439,987	8,545	458,464
0	19,385	19,385	0	0	19,385
0	378,769	378,769	0	0	378,769
0	86,679	86,679	0	0	86,679
0	12,192	12,192	0	0	12,192
0	102,204	102,204	0	0	102,204
<u>\$ 775,677</u>	<u>\$ 599,229</u>	<u>\$ 11,779,165</u>	<u>\$ 4,242,680</u>	<u>\$ 2,246,306</u>	<u>\$ 18,268,151</u>

(continued)

# OKLAHOMA

## Combined Balance Sheet All Fund Types, Account Groups and Discretely Presented Component Units June 30, 1994 (expressed in thousands)

(continued)

	Governmental Fund Types		Proprietary Fund Type	Fiduciary Fund Types
	General	Capital Projects	Enterprise - Oklahoma Water Resources Board	Trust and Agency
<b>Liabilities, Fund Equity and Other Credits</b>				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 297,895	\$ 2,539	\$ 366	\$ 1,724
Claims and Judgements Payable	12,266	0	0	0
Interest Payable	13	0	2,337	0
Tax Refunds Payable	74	0	0	2,599
Due to Brokers	0	0	0	85,781
Due to Other Funds	22,703	0	0	215
Due to Component Units	1,462	0	0	0
Due to Primary Government	0	0	0	0
Due to Others	37,625	0	0	202,798
Deferred Revenue	109,969	0	0	8,031
Capital Leases	0	0	0	0
Compensated Absences	0	0	0	115
Benefits in the Process of Payment	0	0	0	43,312
Deferred Compensation	0	0	0	124,057
Advances from Component Unit	210	0	0	0
Refundable Motor Fuels Tax	0	0	0	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	95	0	0	0
Revenue Bonds Payable	138	0	203,083	0
Certificates of Participation	0	0	0	0
Other Liabilities	0	0	909	0
<b>Total Liabilities</b>	<b>482,450</b>	<b>2,539</b>	<b>206,695</b>	<b>468,632</b>
Fund Equity and Other Credits				
Investment in Fixed Assets	0	0	0	0
Retained Earnings				
Reserved				
Debt Service	0	0	17,653	0
Castastrophe/Rate Stabilization	0	0	0	0
Other Special Purposes	0	0	0	0
Unreserved	0	0	7,017	0
Net Unrealized Gain on Securities	0	0	0	0
Fund Balances				
Reserved				
Encumbrances	95,006	12,327	0	0
Inventory/Prepaid Items	36,383	0	0	0
Unemployment Benefits	0	0	0	457,866
Debt Service	19,385	0	0	0
Preservation of Wildlife	0	0	0	29,476
Pension Benefits	0	0	0	6,735,943
Permanent Trust	0	0	0	724,878
Undistributed Revenue	0	0	0	20,326
Cash Flow Reserve Fund	333,951	0	0	0
Other Special Purposes	2,282	0	0	0
Unreserved				
Designated for Rainy Day Fund	45,574	0	0	0
Designated for Other Special Purposes	0	0	0	0
Undesignated	435,062	270,814	0	0
<b>Total Fund Equity and Other Credits</b>	<b>967,643</b>	<b>283,141</b>	<b>24,670</b>	<b>7,968,489</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 1,450,093</b>	<b>\$ 285,680</b>	<b>\$ 231,365</b>	<b>\$ 8,437,121</b>

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

# OKLAHOMA

Account Groups		Total Primary Government	Component Units		Total Reporting Entity
General Fixed Assets	General Long-Term Debt	(Memorandum Only)	Proprietary	Higher Education	(Memorandum Only)
\$ 0	\$ 0	\$ 302,524	\$ 42,131	\$ 49,880	\$ 394,535
0	102,204	114,470	650,797	0	765,267
0	0	2,350	58,893	1,796	63,039
0	0	2,673	0	0	2,673
0	0	85,781	0	0	85,781
0	0	22,918	0	45,813	68,731
0	0	1,462	580	732	2,774
0	0	0	3,626	119	3,745
0	0	240,423	0	11,907	252,330
0	0	118,000	75,695	38,813	232,508
0	12,192	12,192	0	3,629	15,821
0	86,679	86,794	11,118	34,730	132,642
0	0	43,312	0	0	43,312
0	0	124,057	0	0	124,057
0	0	210	0	0	210
0	0	0	37,583	0	37,583
0	0	0	48,330	1,176	49,506
0	355,035	355,130	67,320	6,475	428,925
0	26,374	229,595	2,762,150	125,565	3,117,310
0	16,745	16,745	0	2,643	19,388
0	0	909	30,910	23,010	54,829
0	599,229	1,759,545	3,789,133	346,288	5,894,966
775,677	0	775,677	0	1,416,912	2,192,589
0	0	17,653	17,830	0	35,483
0	0	0	78,863	0	78,863
0	0	0	4,443	0	4,443
0	0	7,017	323,848	0	330,865
0	0	0	28,563	0	28,563
0	0	107,333	0	0	107,333
0	0	36,383	0	0	36,383
0	0	457,866	0	0	457,866
0	0	19,385	0	0	19,385
0	0	29,476	0	0	29,476
0	0	6,735,943	0	0	6,735,943
0	0	724,878	0	0	724,878
0	0	20,326	0	0	20,326
0	0	333,951	0	0	333,951
0	0	2,282	0	235,072	237,354
0	0	45,574	0	0	45,574
0	0	0	0	64	64
0	0	705,876	0	247,970	953,846
775,677	0	10,019,620	453,547	1,900,018	12,373,185
<u>\$ 775,677</u>	<u>\$ 599,229</u>	<u>\$ 11,779,165</u>	<u>\$ 4,242,680</u>	<u>\$ 2,246,306</u>	<u>\$ 18,268,151</u>

# OKLAHOMA

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types and Expendable Trust Funds  
For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	Governmental Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	General	Capital Projects	Expendable Trusts	
<b>Revenues</b>				
Taxes	\$ 4,167,852	\$ 0	\$ 117,085	\$ 4,284,937
Licenses, Permits and Fees	136,978	0	2,600	139,578
Interest and Investment Revenue	73,789	3,926	32,582	110,297
Federal Grants	1,794,355	0	47,216	1,841,571
Sales and Services	88,832	0	0	88,832
Other	161,299	0	94	161,393
<b>Total Revenues</b>	<b>6,423,105</b>	<b>3,926</b>	<b>199,577</b>	<b>6,626,608</b>
<b>Expenditures</b>				
Current				
Education	1,745,894	3,903	0	1,749,797
General Government	614,946	1,055	0	616,001
Health Services	257,262	542	0	257,804
Legal and Judiciary	97,097	0	0	97,097
Museums	6,461	869	0	7,330
Natural Resources	128,865	2,449	3,562	134,876
Public Safety and Defense	284,165	155	0	284,320
Regulatory Services	80,407	0	0	80,407
Social Services	1,892,460	1,148	166,733	2,060,341
Transportation	147,286	0	0	147,286
Capital Outlay	367,286	5,166	0	372,452
Debt Service				
Principal Retirement	22,563	0	0	22,563
Interest and Fiscal Charges	15,649	0	0	15,649
<b>Total Expenditures</b>	<b>5,660,341</b>	<b>15,287</b>	<b>170,295</b>	<b>5,845,923</b>
Revenues in Excess of (Less Than) Expenditures	762,764	(11,361)	29,282	780,685
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	5,464	0	0	5,464
Operating Transfers from Component Units	27,487	5,172	0	32,659
Operating Transfers Out	(212,830)	(5,000)	0	(217,830)
Operating Transfers to Component Units	(608,206)	(46,989)	0	(655,195)
Bond Proceeds	13,425	100,000	0	113,425
Bond Refunding	(8,175)	0	0	(8,175)
Capital Leases	1,368	0	0	1,368
<b>Total Other Financing Sources (Uses)</b>	<b>(781,467)</b>	<b>53,183</b>	<b>0</b>	<b>(728,284)</b>
Revenue and Other Sources in Excess of (Less Than) Expenditures and Other Uses	(18,703)	41,822	29,282	52,401
<b>Fund Balances - Beginning of Year</b>	<b>986,346</b>	<b>241,319</b>	<b>458,060</b>	<b>1,685,725</b>
<b>Fund Balances - End of Year</b>	<b>\$ 967,643</b>	<b>\$ 283,141</b>	<b>\$ 487,342</b>	<b>\$ 1,738,126</b>

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

# OKLAHOMA

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Budget to Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	Budgetary General Fund		
	Final Budget	Actual	Variance
<b>Revenues</b>			
Taxes	\$ 3,419,941	\$ 3,408,516	\$ (11,425)
Licenses, Permits and Fees	58,827	37,573	(21,254)
Interest and Investment Revenue	80,656	64,999	(15,657)
Local Receipts and Reimbursements	22,848	14,926	(7,922)
Other	26,424	20,221	(6,203)
<b>Total Revenues</b>	<u>3,608,696</u>	<u>3,546,235</u>	<u>(62,461)</u>
<b>Expenditures</b>			
Education	1,454,754	1,444,455	10,299
General Government	120,076	107,024	13,052
Health Services	142,549	140,717	1,832
Legal and Judiciary	74,629	72,670	1,959
Museums	5,343	5,307	36
Natural Resources	51,705	51,149	556
Public Safety and Defense	250,762	248,539	2,223
Regulatory Services	16,595	15,502	1,093
Social Services	19,194	19,090	104
<b>Total Expenditures</b>	<u>2,135,607</u>	<u>2,104,453</u>	<u>31,154</u>
<b>Revenues in Excess of Expenditures</b>	<u>1,473,089</u>	<u>1,441,782</u>	<u>(31,307)</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	37,327	37,503	176
Operating Transfers Out	(556,375)	(556,375)	0
Intra Agency Transfers to Continuing Funds	(895,072)	(895,072)	0
<b>Total Other Financing Sources (Uses)</b>	<u>(1,414,120)</u>	<u>(1,413,944)</u>	<u>176</u>
<b>Revenue and Other Sources in Excess of Expenditures and Other Uses</b>	58,969	27,838	(31,131)
<b>Budgetary Fund Balance - Beginning of Year</b>	<u>451,534</u>	<u>451,534</u>	<u>0</u>
<b>Budgetary Fund Balance - End of Year</b>	<u><u>\$ 510,503</u></u>	<u><u>\$ 479,372</u></u>	<u><u>\$ (31,131)</u></u>

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

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# OKLAHOMA

Combined Statement of Revenues, Expenses  
and Changes in Retained Earnings/Fund Balances  
Proprietary Fund Type, Similar Trust Funds and  
Discretely Presented Proprietary Component Units  
For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Proprietary Fund Type	Fiduciary Fund Types		Total Primary Government	Component Units	Total Reporting Entity
	Enterprise - Oklahoma Water Resources Board	Pension Trusts	Nonexpendable Trust	(Memorandum Only)	Proprietary	(Memorandum Only)
<b>Operating Revenues</b>						
Sales and Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 972,442	\$ 972,442
Interest and Investment Revenue	11,471	543,084	66,174	620,729	66,624	687,353
Contributions	0	393,925	0	393,925	0	393,925
Rental Revenue	0	0	8,291	8,291	0	8,291
Sale of Investments	0	0	34,240	34,240	0	34,240
Other	0	275	3	278	12,168	12,446
<b>Total Operating Revenues</b>	<b>11,471</b>	<b>937,284</b>	<b>108,708</b>	<b>1,057,463</b>	<b>1,051,234</b>	<b>2,108,697</b>
<b>Operating Expenses</b>						
Operations/Maintenance of Facilities	0	0	0	0	270,055	270,055
Losses and Loss Expense	0	0	74	74	361,122	361,196
Administrative and General Expense	1,423	8,224	0	9,647	132,666	142,313
Interest Expense	9,550	0	0	9,550	67,984	77,534
Depreciation Expense	0	0	0	0	81,662	81,662
Benefit Payments and Refunds	0	619,255	39,456	658,711	203,084	861,795
<b>Total Operating Expenses</b>	<b>10,973</b>	<b>627,479</b>	<b>39,530</b>	<b>677,982</b>	<b>1,116,573</b>	<b>1,794,555</b>
<b>Operating Income (Loss)</b>	<b>498</b>	<b>309,805</b>	<b>69,178</b>	<b>379,481</b>	<b>(65,339)</b>	<b>314,142</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest and Investment Revenue	0	0	0	0	108,286	108,286
Other Nonoperating Revenues	0	0	0	0	28,049	28,049
Interest Expense	0	0	0	0	(125,694)	(125,694)
Amortization of Losses and Discounts	0	0	0	0	(17,334)	(17,334)
Loss on Investments	0	(3,219)	0	(3,219)	0	(3,219)
Other Nonoperating Expenses	(1,666)	0	0	(1,666)	(2,047)	(3,713)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,666)</b>	<b>(3,219)</b>	<b>0</b>	<b>(4,885)</b>	<b>(8,740)</b>	<b>(13,625)</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(1,168)</b>	<b>306,586</b>	<b>69,178</b>	<b>374,596</b>	<b>(74,079)</b>	<b>300,517</b>
Operating Transfers In	5,798	209,808	0	215,606	0	215,606
Operating Transfers from Primary Government	0	0	0	0	51,339	51,339
Operating Transfers Out	(1,307)	0	(4,157)	(5,464)	0	(5,464)
Operating Transfers to Component Units	0	0	(14,426)	(14,426)	0	(14,426)
Operating Transfers to Primary Government	0	0	0	0	(25,262)	(25,262)
Costs to be Recovered from Future Revenues	0	0	0	0	6,738	6,738
<b>Net Income</b>	<b>3,323</b>	<b>516,394</b>	<b>50,595</b>	<b>570,312</b>	<b>(41,264)</b>	<b>529,048</b>
<b>Retained Earnings/Fund Balances - Beginning of Year</b>	<b>21,347</b>	<b>6,219,549</b>	<b>694,609</b>	<b>6,935,505</b>	<b>466,248</b>	<b>7,401,753</b>
<b>Retained Earnings/Fund Balances - End of Year</b>	<b>\$ 24,670</b>	<b>\$ 6,735,943</b>	<b>\$ 745,204</b>	<b>\$ 7,505,817</b>	<b>\$ 424,984</b>	<b>\$ 7,930,801</b>

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



# OKLAHOMA

Combined Statement of Cash Flows  
 Proprietary Fund Type, Nonexpendable Trust Fund  
 and Discretely Presented Proprietary Component Units  
 For the Fiscal Year Ended June 30, 1994  
 (expressed in thousands)

	Proprietary Fund Type	Fiduciary Fund Type	Total Primary Government	Component Units	Total Reporting Entity
	Enterprise - Oklahoma Water Resources Board	Nonexpendable Trust	(Memorandum Only)	Proprietary	(Memorandum Only)
<b>Cash Flows from Operating Activities</b>					
Operating Income (Loss)	\$ 498	\$ 69,178	\$ 69,676	\$ (65,339)	\$ 4,337
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used For) Operating Activities					
Depreciation Expense	0	0	0	81,662	81,662
Amortization (Accretion) and Other Noncash Expenses	200	1,990	2,190	2,932	5,122
Other	0	(33,701)	(33,701)	710	(32,991)
Decrease (Increase) in Assets					
Investments (held for trading)	0	0	0	13,471	13,471
Accounts Receivable	0	0	0	(13,724)	(13,724)
Interest and Investment Revenue Receivable	(891)	3,441	2,550	2,917	5,467
Other Receivables	0	0	0	(174)	(174)
Interfund Receivable	0	0	0	9,159	9,159
Inventory	0	0	0	3,412	3,412
Prepaid Items	34	0	34	(297)	(263)
Long-Term Notes Receivable	0	0	0	76,283	76,283
Other Noncurrent Assets	419	0	419	4,441	4,860
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Liabilities	217	0	217	(2,630)	(2,413)
Claims and Judgements Payable	0	0	0	140,465	140,465
Interest Payable	825	0	825	(380)	445
Interfund Payable	0	0	0	(171)	(171)
Deferred Revenue	0	87	87	14,170	14,257
Other Current Liabilities	444	0	444	(993)	(549)
Other Noncurrent Liabilities	0	0	0	(2,456)	(2,456)
Net Cash Provided by Operating Activities	<u>1,746</u>	<u>40,995</u>	<u>42,741</u>	<u>263,458</u>	<u>306,199</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Proceeds from Bonds and Notes Payable	122,984	0	122,984	13,365	136,349
Contributed Capital from Non-State Sources	0	0	0	1,034	1,034
Operating Transfers In	5,798	0	5,798	0	5,798
Operating Transfers from Primary Government	0	0	0	51,339	51,339
Operating Transfers Out	(1,307)	(4,157)	(5,464)	0	(5,464)
Operating Transfers to Component Units	0	(14,426)	(14,426)	0	(14,426)
Operating Transfers to Primary Government	0	0	0	(25,262)	(25,262)
Principal Paid on Bonds and Notes Payable	(81,530)	0	(81,530)	(158,343)	(239,873)
Other Noncapital Financing Activity	0	0	0	(15,365)	(15,365)
Net Cash Provided by Noncapital Financing Activities	<u>\$ 45,945</u>	<u>\$ (18,583)</u>	<u>\$ 27,362</u>	<u>\$ (133,232)</u>	<u>\$ (105,870)</u>

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

	Proprietary Fund Type	Fiduciary Fund Type	Total Primary Government	Component Units	Total Reporting Entity
	Enterprise - Oklahoma Water Resources Board	Nonexpendable Trust	(Memorandum Only)	Proprietary	(Memorandum Only)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale/Maturity of Investments	\$ 0	\$ 0	\$ 0	\$ 745,414	\$ 745,414
Contributions for Purchase of Fixed Assets	0	0	0	32	32
Payments for Acquisition of Fixed Assets	0	0	0	(56,066)	(56,066)
Payments for Refunding/Defeasance of Debt	0	0	0	(739,330)	(739,330)
Principal Paid on Bonds, Notes, and Capital Leases	0	0	0	(38,128)	(38,128)
Interest Paid on Bonds, Notes, and Capital Leases	0	0	0	(121,313)	(121,313)
Other Capital and Related Financing Activity	0	0	0	251	251
Net Cash (Used) by Capital and Related Financing Activities	<u>0</u>	<u>0</u>	<u>0</u>	<u>(209,140)</u>	<u>(209,140)</u>
<b>Cash Flows from Investing Activities</b>					
Interest and Investment Revenue	0	0	0	84,605	84,605
Proceeds from Sale/Maturity of Investments	22,523	449,105	471,628	765,282	1,236,910
Principal Received from Notes Receivable	6,584	12,343	18,927	10,860	29,787
Payments to Purchase Investments	(44,603)	(482,933)	(527,536)	(758,974)	(1,286,510)
Payments to Issue Notes Receivable	(30,065)	0	(30,065)	(10,626)	(40,691)
Net Cash Provided (Used) by Investing Activities	<u>(45,561)</u>	<u>(21,485)</u>	<u>(67,046)</u>	<u>91,147</u>	<u>24,101</u>
<b>Net Increase in Cash/Cash Equivalents</b>	2,130	927	3,057	12,233	15,290
<b>Cash/Cash Equivalents - Beginning of Year</b>	<u>3,449</u>	<u>192</u>	<u>3,641</u>	<u>170,783</u>	<u>174,424</u>
<b>Cash/Cash Equivalents - End of Year</b>	<u>\$ 5,579</u>	<u>\$ 1,119</u>	<u>\$ 6,698</u>	<u>\$ 183,016</u>	<u>\$ 189,714</u>

**Reconciliation of Fiduciary Fund Type Cash/Cash Equivalents to Combined Balance Sheet:**

Cash/Cash Equivalents per Combining Balance Sheet:

Expendable Trusts	\$ 457,994
Nonexpendable Trust	1,119
Pension Trusts	3,238
Agency Funds	34,565
	<u>          </u>

Total Fiduciary Fund Types \$ 496,916

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# OKLAHOMA

## Combined Statement of Changes in Fund Balances Component Unit - Higher Education Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Total
	Unrestricted	Restricted				
<b>Revenues and Other Additions</b>						
Unrestricted Current Fund Revenues	\$ 580,478	\$ 0	\$ 0	\$ 0	\$ 0	\$ 580,478
Federal Grants and Contracts	0	196,301	963	0	849	198,113
State and Local Grants and Contracts	0	60,615	31	0	431	61,077
Private Gifts, Grants and Contracts	0	34,269	29	485	2,726	37,509
Investment and Interest Revenue	0	1,281	1,472	2,895	3,306	8,954
Endowment Income	0	1,256	0	0	0	1,256
Sales and Services of						
Educational Department	0	74	0	0	0	74
Auxiliary Enterprises	0	112	0	0	0	112
Retirement of Indebtedness	0	0	0	0	20,171	20,171
Expended for Plant Facilities	0	0	0	0	107,834	107,834
Other	0	2,142	1,312	72	13,407	16,933
<b>Total Revenues and Other Additions</b>	<b>580,478</b>	<b>296,050</b>	<b>3,807</b>	<b>3,452</b>	<b>148,724</b>	<b>1,032,511</b>
<b>Expenditures and Other Deductions</b>						
Education and General Expenditures	791,981	301,388	0	2,241	0	1,095,610
Auxiliary Enterprises	195,709	358	0	0	0	196,067
Professional Practice Plans/Clinics	59,648	0	0	0	0	59,648
Expended for Plant Facilities	0	0	0	0	72,520	72,520
Indirect Cost Recoveries	0	14,171	0	0	0	14,171
Cancellation of Student Loans	0	0	1,759	0	3	1,762
Administrative and Collection Costs	0	0	76	0	3	79
Interest on Indebtedness	0	0	0	0	8,671	8,671
Retirement of Equipment	0	0	0	0	2,863	2,863
Retirement of Indebtedness	0	0	0	0	15,971	15,971
Disposal of Plant Facilities	0	0	0	0	9,289	9,289
Depreciation and Amortization	0	0	0	0	17,434	17,434
Other	330	96	414	37	11,332	12,209
<b>Total Expenditures and Other Deductions</b>	<b>1,047,668</b>	<b>316,013</b>	<b>2,249</b>	<b>2,278</b>	<b>138,086</b>	<b>1,506,294</b>
<b>Transfers Among Funds - Additions (Deductions)</b>						
Mandatory Transfers						
Principal and Interest	(11,582)	(215)	5	0	11,792	0
Loan Fund Matching Grant	(777)	643	134	0	0	0
Other	(1,655)	0	0	0	1,655	0
Nonmandatory	(4,899)	(186)	28	523	4,534	0
Operating Transfers From						
Primary Government	519,155	24,216	44	7,500	67,478	618,393
<b>Total Transfers Among Funds</b>	<b>500,242</b>	<b>24,458</b>	<b>211</b>	<b>8,023</b>	<b>85,459</b>	<b>618,393</b>
Net Increase in Fund Balances	33,052	4,495	1,769	9,197	96,097	144,610
<b>Fund Balances - Beginning of Year</b>	<b>214,982</b>	<b>38,354</b>	<b>46,664</b>	<b>63,781</b>	<b>1,391,627</b>	<b>1,755,408</b>
<b>Fund Balances - End of Year</b>	<b>\$ 248,034</b>	<b>\$ 42,849</b>	<b>\$ 48,433</b>	<b>\$ 72,978</b>	<b>\$ 1,487,724</b>	<b>\$ 1,900,018</b>

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

# OKLAHOMA

Combined Statement of Current Funds, Revenues,  
Expenditures and Other Changes  
Component Unit - Higher Education Funds  
For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	Current Funds		Total
	Unrestricted	Restricted	Current Funds
<b>Revenues</b>			
Tuition and Fees	\$ 212,052	\$ 0	\$ 212,052
Federal Appropriations	10,631	0	10,631
Federal Grants and Contracts	10,640	186,271	196,911
State and Local Grants and Contracts	4,259	53,010	57,269
Private Gifts, Grants and Contracts	9,753	35,281	45,034
Investment and Interest Revenue	1,768	59	1,827
Endowment Income	898	1,109	2,007
Sales and Services			
Educational Department	15,743	68	15,811
Auxiliary Enterprises	196,571	112	196,683
Professional Practice Plans and Clinics	67,213	0	67,213
Other Sources	50,950	1,124	52,074
<b>Total Revenue</b>	<b>580,478</b>	<b>277,034</b>	<b>857,512</b>
<b>Expenditures and Mandatory Transfers</b>			
Educational and General			
Instruction	373,942	40,257	414,199
Research	47,231	71,999	119,230
Public Service	38,233	37,132	75,365
Academic Support	98,292	2,335	100,627
Student Services	39,698	28,771	68,469
Institutional Support	85,445	7,037	92,482
Operation/Maintenance of Plant	80,628	102	80,730
Scholarships and Fellowships	28,512	113,755	142,267
Other	330	0	330
<b>Educational and General Expenditures</b>	<b>792,311</b>	<b>301,388</b>	<b>1,093,699</b>
Mandatory Transfers			
Principal and Interest	5,439	215	5,654
Loan Fund Matching Grant	779	(643)	136
Other	1,629	0	1,629
<b>Total Educational and General</b>	<b>800,158</b>	<b>300,960</b>	<b>1,101,118</b>
Auxiliary Enterprises	195,709	358	196,067
Mandatory Transfers			
Principal and Interest	6,143	0	6,143
Loan Fund Matching Grant	(2)	0	(2)
Other	12	0	12
<b>Total Auxiliary Enterprises</b>	<b>201,862</b>	<b>358</b>	<b>202,220</b>

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

	Current Funds		Total Current Funds
	Unrestricted	Restricted	
Professional Practice Plans and Clinics	\$ 59,648	\$ 0	\$ 59,648
Mandatory Transfers - Other	14	0	14
Total Professional Practice Plans and Clinics	59,662	0	59,662
Total Expenditures and Mandatory Transfers	1,061,682	301,318	1,363,000
<b>Other Transfers and Additions (Deductions)</b>			
Restricted Receipts in Excess of			
Transfers to Revenues	0	4,153	4,153
Refunded to Grantors	0	(96)	(96)
Nonmandatory	(4,899)	(186)	(5,085)
Operating Transfers From Primary Government	519,155	24,908	544,063
Other Transfers and Additions, Net	514,256	28,779	543,035
<b>Net Increase in Fund Balances</b>	<b>\$ 33,052</b>	<b>\$ 4,495</b>	<b>\$ 37,547</b>

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## Notes to Financial Statements



# NOTES TO THE FINANCIAL STATEMENTS

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1994

### Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Oklahoma (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 Funds 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, 1994, 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 includes funds, organizations, account groups, agencies, boards, commissions, public trusts, and authorities for financial reporting purposes. The State has also 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.

As required by generally accepted accounting principles, these financial statements present the State of Oklahoma (the primary government) and its component units. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

#### Blended Component Unit

The Special Indemnity Fund is an entity within the State Insurance Fund, a discretely presented component unit of the State. The Special Indemnity Fund's purpose is to provide services exclusively to the State and in substance is the same as the State, therefore, it is reported as part of the State and blended into the General Fund. The purpose of the Special Indemnity Fund is to provide additional compensation to a worker with a pre-existing injury who suffers a second injury. The Fund was audited by other independent auditors for the period ended December 31, 1993, and their report, dated February 23, 1994, has been previously issued under separate cover.

#### 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. All of the component units included in the financial statements are State agencies. The Component Units columns of the combined financial statements include the financial data of the entities listed below.

**Proprietary Component Units**

*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. The Board of Directors is comprised of seven members appointed by the Governor with the advice and consent of the Senate. The Authority was audited by other independent auditors for the year ended June 30, 1994, and their report, dated August 24, 1994, has been previously issued under separate cover.

*State Insurance 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. The Board of Managers is comprised of nine members: The Director of Finance, the Lieutenant Governor, the State Auditor (or their designees), the Director of Central Purchasing, and appointees by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The Fund was audited by other independent auditors for the year ended December 31, 1993, and their report, dated February 11, 1994, has been previously issued under separate cover.

*State and Education Employees Group Insurance Board* provides group health, life, and dental 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 seven members: the State Insurance Commissioner and appointees by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The Board was audited by other independent auditors for the year ended June 30, 1994, and their report, dated October 14, 1994, 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 advise and consent of the Senate. The Authority was audited by other independent auditors for the year ended June 30, 1994, and their report, dated September 2, 1994, has been previously issued under separate cover.

*University Hospitals Authority* consists of the University Hospital, Children's Hospital of Oklahoma and O'Donoghue Rehabilitation Institute, and their related clinics and other services. The Authority is governed by a six-member board consisting of appointees by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate, and officials from the Medicaid Program, the University of Oklahoma Health Sciences Center and the Authority. The Authority was audited by other independent auditors for the year ended June 30, 1994, and their report, dated September 16, 1994, 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. 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 Authority was audited by other independent auditors for the year ended June 30, 1994, and their report, dated August 24, 1994, 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 lessen air and water pollution. The three Trustees of the Authority are appointed by Governor. The Authority was audited by other independent auditors for the year ended June 30, 1994, and their report, dated August 29, 1994, has been previously issued under separate cover.

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## NOTES TO THE FINANCIAL STATEMENTS

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*Oklahoma Housing Finance 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. The Board of Trustees consists of five members appointed by the Governor. The Fund was audited by other independent auditors for the year ended September 30, 1993, and their report, dated December 16, 1993, has been previously issued under separate cover.

*Oklahoma Turnpike Authority* constructs, maintains, repairs, and operates turnpike projects. 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, by and with the consent of the Senate. The Fund was audited by other independent auditors for the year ended December 31, 1993, and their report, dated March 11, 1994, 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 Board of Directors consists of seven members appointed by the Governor with the advice and consent of the Senate. The Authority was audited by other independent auditors for the year ended December 31, 1993, and their report, dated March 15, 1994, 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, 1993, and their report, dated February 18, 1994, has been previously issued under separate cover.

### **Higher Education Component Unit**

This component unit is primarily comprised of colleges and universities which are members of the Oklahoma State System of Higher Education (the "System") as specified in Title 70 O.S., Section 3201. 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 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.

*Oklahoma State Regents for Higher Education* was created by Article XIII-A of the Oklahoma State Constitution and 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.

*Ardmore Higher Education Program* was established in accordance with Title 70 O.S., Section 3213. A Board of ten trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the Ardmore Higher Education Program are: East Central University, Murray State College, and Southeastern Oklahoma State University.

*Enid Higher Education Program* was established in accordance with Title 70 O.S., Section 4430. A Board of ten trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the Enid Higher Education Program are: Northern Oklahoma College, Northwestern Oklahoma State University, and Oklahoma State University.

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*McCurtain Higher Education Program* was established in accordance with Title 70 O.S., Section 4424. A Board of nine trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the McCurtain Higher Education Program are: Carl Albert State College, Eastern Oklahoma State College, and Southeastern Oklahoma State University.

*Board of Regents of Oklahoma Colleges* was created by Article XIII-B of the Oklahoma State Constitution. The Board consists of nine members appointed by the Governor with the advice and consent of the Senate. The Board 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.

*Rose State College Technical Area Education District* was formed in 1969 as a technical area school district to provide postsecondary technical education for persons within defined geographical boundaries. The District levies ad valorem taxes on real property within the District for vocational technical education and is empowered to issue general obligation bonds. The District's Board of Trustees is comprised of the same individuals who serve as Regents for Rose State College.

*South Oklahoma City Area School District* was formed in the early 1970's to provide postsecondary technical education to the people of the District. The primary source of operating funds is ad valorem taxes on real property within the District. The District is empowered to issue general obligation bonds. The District's Board of Trustees is comprised of the same individuals who serve as Regents of Oklahoma City Community College.

The entities included in the Higher Education Component Unit were audited by independent auditors, for the respective years ended June 30, 1994, and reports dated from August 9, 1994, to November 11, 1994, 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.

Other local school districts and local authorities of various kinds which may meet only one of the criteria for inclusion in this report, have not been included. The State's support of the public education system is reported in the General Fund.

**Related Organization**

Organizations for which a primary government is accountable because the State appoints a voting majority of the board, but is not financial accountable, are related organizations. The Oklahoma Ordinance Works Authority is a related organization to the primary government. The Authority's Trustees consist of the Director of the State Department of Commerce and four appointees by the Governor, President Pro Tempore, and Speaker of the House. The Authority is classified as an other stand-alone government, not a component unit of another primary government.

**B. Fund Accounting**

The financial activities 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 its 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.

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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** - Used to account 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, and social services. Debt service transactions and related cash balances are reported in the General Fund with reservation of fund balance for debt service.

**Capital Projects Fund** - Used to account 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 bond issues on March 9, and July 21, 1993.

### 2. Proprietary Fund Type

**Enterprise Fund** - Used to account 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.

### 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 Fund** - This Fund requires that the principal of the trust be preserved intact and the earnings of the Fund are expendable. The Fund is used to account for transactions, assets, liabilities, and fund equity of the Commissioners of the Land Office.

**Expendable Trust Funds** - These Funds allow the spending of both the principal and earnings of the Trust. They account for assets received and expended by the Oklahoma Employment Security Commission from the Federal Unemployment Insurance Trust Fund and by the Department of Wildlife from resources held in trust for the improvement and preservation of wildlife.

**Pension Trust Funds** - Used to account for the transactions, assets, liabilities, and fund equity of the six state retirement systems.

**Agency Funds** - Used to 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** - Used to account for fixed assets acquired or constructed for general governmental purposes other than those of the proprietary, similar trusts, and higher education fund types.

**General Long-Term Debt Account Group** - Used to account for unmatured general obligation bonds, revenue bonds, certificates of participation, lease revenue bonds, capital lease obligations, employee leave obligations, Special Indemnity Fund's insurance loss liabilities, and other long-term obligations not recorded in proprietary, similar trust funds, or higher education fund types.

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5. Component Units

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

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

**Higher Education Funds** - These funds are listed below.

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

Loan Funds - Account for Federal or institutional resources available for loans to students.

Endowment Funds - Administered according to terms of applicable agreements.

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

Agency Funds - Account for assets held by institutions as agent for others.

**Financial Statement Reporting Periods**

The accompanying financial statements of the State are presented as of June 30, 1994, and for the year then ended, except for the following Funds which were audited by other independent auditors.

Special Indemnity Fund	12-31-93
State Insurance Fund	12-31-93
Oklahoma Turnpike Authority	12-31-93
Grand River Dam Authority	12-31-93
Oklahoma Municipal Power Authority	12-31-93
Oklahoma Housing Finance Agency	9-30-93

**C. Basis of Accounting**

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

All governmental funds and expendable trust funds 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, pension trust funds and proprietary 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.

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



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## NOTES TO THE FINANCIAL STATEMENTS

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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; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods and services. Modifications to the accrual basis of accounting include:

- Certain self-assessed taxes, principally sales taxes and fuel taxes, are recognized as revenue when reported by the collecting agency.
- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 1994, has been reported in the General Long-Term Debt Account Group (see Item L 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, 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:

- Not all colleges and universities report depreciation expenses 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 33 higher education entities described above.

### 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 Balances - 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, 1994, 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 beginning fund balance for fiscal year 1994 differs from the actual ending fund balance at June 30, 1993. This change is explained by a change in methodology. When calculating the beginning fund balance for fiscal year 1993, the State used the amount certified, but not appropriated for the General Revenue Fund balance for the fiscal year just ending. The General Revenue's actual cash balance was determined to be a more appropriate figure for the beginning fund balance calculation for fiscal year 1994.

The Governor prepares and submits to the Legislature at the beginning of each annual session a balanced budget based on budget requests prepared by the various State agencies. The General Fund is the only Fund appropriated annually by the Legislature. 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, Personal Services, Duties) identified in the appropriation acts. Budgets may be modified subject to statutory limits on transfers. The Director of the Office of State Finance can approve transfers between line items up to 10%. Agencies can obtain approval from the Contingency Review Board to transfer an additional 15%. Beginning in FY-95, the Director of the Office of State Finance will be able to approve transfers up to 25% of a line item for agencies with program line item budgets; however, all transfers will be 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 monies for one-time purchases or non-recurring expenditures in the next fiscal year. This policy provides an incentive for management 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 the appropriation, the Director of the Office of State Finance is required to reduce the budget by the amount of such deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental appropriation. All 1994 appropriated line items of the State were within their authorized spending level.

**E. Cash and Deposits with Treasury**

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.

In accordance with Title 62 O.S., Section 72.4, 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.

**F. Investments**

Investments may be restricted by law or legal instruments. They may be under control of the State Treasurer or controlled by other administrative bodies as determined by law.

Governmental funds' investments are generally stated at cost, which approximates market.

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For enterprise, nonexpendable trust funds, and proprietary component units, investments are generally recorded at cost adjusted for premiums and discounts. Adjusted cost approximates market. Investments are generally recorded at cost for pension trust funds.

Agency funds' investments are generally stated at cost, which approximates market value. However, investments in mutual funds are stated at their fair market value based on published prices.

Higher Education Component Unit investments are recorded at cost, adjusted for amortization of premiums and discounts, or fair market value at the date of the gift. Adjusted cost approximates market.

### 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.

Receivables in governmental fund types consist primarily of amounts due from the Federal government. Interest and investment revenue receivable in all Funds consist of revenues due on each investment. Contributions receivable in fiduciary funds consist of amounts due on employee and employer contributions to pension trust funds. Taxes receivable in governmental funds represent taxes subject to accrual, primarily income taxes, that are collected within sixty days after year end. Lease payments receivable in the General Fund consist of capital lease payments due for equipment and railroad lines owned by the Department of Transportation. Collectibility of these receivables is reasonably assured and no allowance for uncollectible amounts has been established.

Taxes receivable in fiduciary funds represent 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 Balances - Budget to Actual 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.

Amounts reported as Due to Other Funds and Due from Other Funds, and amounts reported as Operating Transfers In and Operating Transfers Out are compiled partially from annual reports of entities audited by external auditors. The entities that have fiscal periods ending on other than June 30, create timing differences that have been reconciled.

**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 predominately on either the first-in, first-out or weighted average basis. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased by recording adjustments to the inventory account on the balance sheet. In addition, the inventories on hand at year-end are reflected as a reservation of fund balance on the balance sheet.

The value of the inventory of food commodities in the Agency Fund is calculated by using the U.S. Department of Agriculture Food and Nutrition Services commodity price list as of June 30, 1994. The value of the inventory of food stamps in the Agency Fund is valued at coupon value. This food stamp inventory includes amounts at remote locations in the counties of the State. Title 56 O.S., Section 241 provides that counties must participate in the food stamp program, have adequate qualified personnel, suitable facilities for storing and issuing stamps, and such bonding of personnel and insurance that may be required by the State. State statute also provides for the State to distribute food stamps within a county through one or more issuing offices, through local banks, or through other means. Regardless of the distribution means, the food stamp inventory at remote locations remains under State jurisdiction until issued to eligible recipients.

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). General fixed assets are valued in the GFAAG at historical cost, estimated historical cost, or fair market value at time 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 Accounts Group.

**Proprietary and Similar Trust Fund Fixed Assets** - Fixed assets are valued within the Fund at historical cost, estimate historical cost or fair market value at time of donation. Fixed assets, excluding land, are depreciated on the straight-line method over the estimated useful life ranging from 3 to 45 years.

**Higher Education Fixed Assets** - Fixed assets are stated principally at cost at date of acquisition 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.

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## NOTES TO THE FINANCIAL STATEMENTS

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### K. **Deferred Revenue**

Deferred revenues arise when a 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 government 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.

### L. **Compensated Absences**

Employees earn annual vacation leave at the rate of 10 hours per month for up to five years of service, 12 hours per month for service of five to 20, and 13.3 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.

### M. **Risk Management**

The Risk Management Division of the Department of Central Services is empowered by the authority of Title 74 O.S. Supp. 1988, Section 85.34 et seq. The Division 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 oversees the dispensation and/or settlement of claims against a State political subdivision. In no event shall self-insurance coverage provided to the State, an agency or other covered entity exceed the limitations on the maximum dollar amount of liability specified by the Oklahoma Governmental Tort Claims Act, as provided by Title 51 O.S. Supp. 1988, Section 154. 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.

### N. **Grants**

Federal grants include non-monetary transactions for food stamps, and food and other commodities. Food stamps are valued at coupon value. Commodities are valued at their Federally reported value in Agency Funds.

### O. **Fund Balance Reserves and Designations**

The State's fund balance reserves represent those portions of fund balance (1) not appropriable 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.

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**P. 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.

**Note 2. Budgetary Reporting**

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

Certain appropriations are transferred to non-lapsing funds for expenditure. Unexpended amounts so transferred may then be rebudgeted in subsequent fiscal years. Transfers by function of government within the General Fund are as follows (expressed in thousands):

Education	\$	17,665
General Government		9,466
Health Services		7,570
Legal & Judiciary		396
Natural Resources		276
Regulatory Services		110
Social Services		679,802
Transportation		179,787
		179,787
		\$ 895,072

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, 1994, is presented below (expressed in thousands).

		General	
Fund Balance, Budgetary Basis	\$	479,372	
Entity and Perspective Differences:			
Non-budgeted Funds and Capital Funds		669,862	
Encumbrances		1,245	
Basis Differences:			
Add: Net accrued revenues, related receivables, and deferred revenues		153,263	
Less: Net accrued expenditures and related liabilities		(336,099)	
		967,643	
Fund Balance, GAAP Basis	\$	967,643	

# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

### Note 3. Cash and Investments

In accordance with Title 62 O.S., Section 72.4, the State Treasurer requires that financial institutions must 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 State Treasurer's Office Security for Public Deposits Rules and Regulations, the amount of collateral securities to be pledged by financial institutions through the State Treasurer's Office 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 policies.

#### Deposits

As of June 30, 1994, the bank balances of deposits are fully insured or collateralized with securities held by the State's agent in the State's name. Deposits in the Federal Unemployment Trust Fund held in Washington, D.C., amounted to \$457 million.

#### Investments

The State's investments are categorized below per *GASB Statement 3* 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, 1994, by investment type, are listed below (expressed in thousands).

Primary Government	Carrying Amount Risk Categories			Total	Market Value
	1	2	3		
U.S. Government Securities	\$ 3,270,963	\$ -	\$ -	\$ 3,270,963	\$ 3,153,536
Repurchase Agreements	629,884	-	49,856	679,740	679,740
Short Term Securities	621,225	-	-	621,225	621,495
State Bond Issues	5,642	-	-	5,642	5,642
Debt Securities	786,605	-	54,685	841,290	827,125
Equity Securities	3,206,083	8	-	3,206,091	3,402,888
	<u>\$ 8,520,402</u>	<u>\$ 8</u>	<u>\$ 104,541</u>	8,624,951	8,690,426

#### Investments Not Subject to Categorization:

Guaranteed Investment Contracts	28,641	28,641
Real Estate	101,852	105,302
Growth Equity Mortgage Pool	189	189
Mutual Funds	71,952	71,952
Money Market/Savings Accounts	52,605	52,605
Securities Lending Program:		
U.S. Government Securities	248,700	242,815
Debt Securities	47,259	45,773
Equity Securities	25,509	27,163
Total Investments	<u>\$ 9,201,658</u>	<u>\$ 9,264,866</u>

**OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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<u>Component Units - Proprietary</u>	Carrying Amount			Total	Market Value
	Risk Categories				
	1	2	3		
U.S. Government Securities	\$ 567,569	\$ 273,349	\$ 5,100	\$ 846,018	\$ 851,033
Repurchase Agreements	2,500	-	622	3,122	3,122
Short Term Securities	49,046	-	-	49,046	49,046
Debt Securities	179,079	5,557	-	184,636	184,270
Equity Securities	135,103	-	-	135,103	135,103
	<u>\$ 933,297</u>	<u>\$ 278,906</u>	<u>\$ 5,722</u>	1,217,925	1,222,574

Investments Not Subject to Categorization:

Guaranteed Investment Contracts	115,275	115,275
Real Estate	4,808	4,808
Mutual Funds	2,802	2,802
Money Market	28,598	28,598

Total Investments \$ 1,369,408 \$ 1,374,057

<u>Component Unit-Higher Education</u>	Carrying Amount			Total	Market Value
	Risk Categories				
	1	2	3		
U.S. Government Securities	\$ 33,149	\$ 22,069	\$ -	\$ 55,218	\$ 55,512
Repurchase Agreements	59,059	-	-	59,059	59,059
Short Term Securities	120	-	-	120	120
State Bond Issues	4,010	-	-	4,010	4,010
Debt Securities	98	-	-	98	99
Equity Securities	7,699	-	-	7,699	8,966
	<u>\$ 104,135</u>	<u>\$ 22,069</u>	<u>\$ -</u>	126,204	127,766

Investments Not Subject to Categorization:

Real Estate	447	447
Mutual Funds	75,051	75,035

Total Investments \$ 201,702 \$ 203,248

Title 70, Section 17-106.1 authorizes securities lending programs within the State investment policy. The securities subject to the agreement are commingled with the securities of other lenders. Under an agreement entered into by the Teachers Retirement System, the loaned securities are initially collateralized at a minimum of 102% of their market values. Collateral consists of U.S. government securities, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements, floating rate notes, participation notes, money market funds, and bank letters of credit. The collateral is marked-to-market daily such that at the close of trading on any business day the value of collateral shall not be less than 100% plus accrued interest on the loaned securities. The market value of the securities on loan was \$315,750,507 at June 30, 1994, and the collateral under the agreement had a market value of \$329,512,313 at June 30, 1994. The loan premium paid by the borrower of the securities and the proceeds received from the invested collateral is apportioned among the parties to the agreement in accordance with the agreement.



# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

### Note 4. Interfund Accounts/Operating Transfers

#### A. Due from Other Funds/Due to Other Funds

A summary of interfund short term obligations at June 30, 1994, is shown below (expressed in thousands).

	Due From		Due To	
	Other Funds	Component Units	Other Funds	Component Units
<b>Primary Government</b>				
General Fund	\$ 230	\$ 3,262	\$ 22,703	\$ 1,462
Trust and Agency Funds				
Oklahoma Firefighters Pension and Retirement System	712	-	-	-
Oklahoma Law Enforcement Retirement System	668	-	-	-
Oklahoma Public Employees Retirement System	8,541	483	-	-
Uniform Retirement System for Justices and Judges	947	-	-	-
Oklahoma Police Pension and Retirement System	293	-	-	-
Teachers' Retirement System of Oklahoma	11,542	-	-	-
Assets Held for Beneficiaries	-	-	215	-
<b>Total Primary Government</b>	<b>\$ 22,933</b>	<b>\$ 3,745</b>	<b>\$ 22,918</b>	<b>\$ 1,462</b>

	Due From			Due To		
	Primary Government	Other Funds	Other Component Units	Primary Government	Other Funds	Other Component Units
<b>Component Units</b>						
Proprietary Funds						
Oklahoma Industrial Finance Authority	\$ -	\$ -	\$ 13	\$ 5	\$ -	\$ -
State Insurance Fund	1,220	-	166	250	-	-
State and Education Employees Group Insurance Board	7,326	-	-	71	-	2
University Hospitals Authority	120	-	643	1,086	-	-
Oklahoma Development Finance Authority	-	-	-	-	-	13
Oklahoma Environmental Finance Authority	-	-	-	4	-	-
Oklahoma Turnpike Authority	7	-	-	2,018	-	36
Grand River Dam Authority	24	-	480	185	-	49
Oklahoma Municipal Power Authority	-	-	-	7	-	480
Higher Education Funds						
Current, Unrestricted	181	-	-	119	-	732
Current, Restricted	-	33,861	-	-	16,680	-
Loan	-	1,186	-	-	15,019	-
Endowment	-	2,853	-	-	32	-
Plant	-	762	-	-	10,857	-
Agency	-	1,169	-	-	2,631	-
		5,982			594	
<b>Total Component Units</b>	<b>\$ 8,878</b>	<b>\$ 45,813</b>	<b>\$ 1,302</b>	<b>\$ 3,745</b>	<b>\$ 45,813</b>	<b>\$ 1,312</b>

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The amount of total interfund receivables of \$82,671,000 does not agree with total interfund payables of \$75,250,000 at June 30, 1994. The following presents a reconciliation of interfund accounts reported at June 30, 1994 (expressed in thousands).

Due From Other Funds	\$ 68,746
Due From Primary Government	8,878
Due From Component Units	5,047
Total Interfund Receivables Per Financial Statements	82,671
Timing Differences, Fiscal Years Ending December 31, 1993 - Proprietary Component Units	(80)
Total Interfund Receivables	\$ 82,591
Due To Other Funds	\$ 68,731
Due To Primary Government	3,745
Due To Component Units	2,774
Total Interfund Payables Per Financial Statements	75,250
Financial Statement Account Presentation Differences Trust and Agency Funds	7,341
Total Interfund Payables	\$ 82,591

**B. Operating Transfers**

A summary of interfund operating transfers for the fiscal year ended June 30, 1994 follows (expressed in thousands).

	Operating Transfers			
	In	From Component Units	Out	To Component Units
<b>Primary Government</b>				
General Fund	\$ 5,464	\$ 27,487	\$ 212,830	\$ 608,206
Capital Projects	-	5,172	5,000	46,989
Proprietary Funds:				
Oklahoma Water Resources Board - 1985 Bond Issue	-	-	694	-
Oklahoma Water Resources Board - 1986 Bond Issue	-	-	422	-
Oklahoma Water Resources Board - 1989 Bond Issue	-	-	36	-
Oklahoma Water Resources Board - 1992 Bond Issue	5,000	-	155	-
Oklahoma Water Resources Board - 1994 Bond Issue	798	-	-	-
Nonexpendable Trust:				
Commissioners of the Land Office	-	-	4,157	14,426
Pension Trust:				
Oklahoma Firefighters Pension and Retirement System	35,004	-	-	-
Oklahoma Law Enforcement Retirement System	10,667	-	-	-
Oklahoma Police Pension and Retirement System	14,413	-	-	-
Teachers' Retirement System of Oklahoma	149,724	-	-	-
Total Primary Government	\$ 221,070	\$ 32,659	\$ 223,294	\$ 669,621

# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

Component Units	Operating Transfers			
	In	From Primary Government	Out	To Primary Government
<b>Proprietary Funds:</b>				
Oklahoma Turnpike Authority	\$ -	\$ 25,262	\$ -	\$ 25,262
University Hospitals Authority	-	26,077	-	-
<b>Higher Education Fund</b>				
Current, Unrestricted	-	519,155	-	-
Current, Restricted	-	24,216	-	-
Loan	-	44	-	-
Endowment	-	7,500	-	-
Plant	-	67,478	-	-
<b>Total Component Units</b>	<b>\$ -</b>	<b>\$ 669,732</b>	<b>\$ -</b>	<b>\$ 25,262</b>

The amount of total Operating Transfers In of \$923,461,000 does not agree with total Operating Transfers Out of \$918,177,000 for the fiscal year ended June 30, 1994. The following presents a reconciliation of operating transfers reported in the financial statements (expressed in thousands).

Operating Transfers In - All Funds	\$ 221,070
Operating Transfers In - From primary government	669,732
Operating Transfers In - From component units	32,659
Subtotal - Operating Transfers In Per Financial Statements	923,461
Financial Statement Account Presentation Differences	
Higher Education Funds Component Unit	(5,172)
<b>Total Operating Transfers In</b>	<b>\$ 918,289</b>
Operating Transfers Out - All Funds	
Operating Transfers Out - From primary government	\$ 223,294
Operating Transfers Out - From component units	25,262
Operating Transfers Out - From component units	669,621
Subtotal - Operating Transfers Out Per Financial Statements	918,177
Timing Differences	
Higher Education Funds Component Unit	112
<b>Total Operating Transfers Out</b>	<b>\$ 918,289</b>

### Note 5. Fixed Assets

Fixed Assets by category, as of June 30, 1994 (December 31, 1993, or September 30, 1993, for those entities/funds identified in Note 1, B, 5.) are summarized below (expressed in thousands).

	Primary Government		Component Units		Total
	Pension Trusts	General Fixed Assets	Proprietary	Higher Education	
Land	\$ 188	\$ 45,912	\$ 900,101	\$ 126,534	\$ 1,072,735
Buildings and Other Improvements	-	544,310	1,212,964	1,000,087	2,757,361
Machinery and Equipment	1,866	180,837	161,893	537,794	882,390
Construction in Progress	-	4,618	28,282	36,600	69,500
<b>Total</b>	<b>2,054</b>	<b>775,677</b>	<b>2,303,240</b>	<b>1,701,015</b>	<b>4,781,986</b>
Less: Accumulated Depreciation	77	-	884,376	195,886	1,080,339
<b>Total</b>	<b>\$ 1,977</b>	<b>\$ 775,677</b>	<b>\$ 1,418,864</b>	<b>\$ 1,505,129</b>	<b>\$ 3,701,647</b>

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Changes in general fixed assets for the year ended June 30, 1994, were as follows (expressed in thousands).

	Balance July 1, 1993	Additions	Deletions/ Net Transfers	Balance June 30, 1994
Land	\$ 45,456	\$ 456	\$ 0	\$ 45,912
Buildings and Other Improvements	535,871	8,628	189	544,310
Machinery and Equipment	163,605	25,198	7,966	180,837
Construction in Progress	7,550	5,057	7,989	4,618
Total	<u>\$ 752,482</u>	<u>\$ 39,339</u>	<u>\$ 16,144</u>	<u>\$ 775,677</u>

**Note 6. Risk Management and Insurance**

It is the policy of the State of Oklahoma 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 participation in certain health maintenance organizations), workers' compensation, tort liability (except for excess coverage for certain losses in excess of \$1 million), 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 billion.

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, and dental benefits to the State's employees and certain other eligible participants. The State Insurance Fund provides workers' compensation coverage for the State's employees (and private and local government employees).

The State Insurance Fund 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 and were approximately \$5,779,000 in 1993. The incurred claims in excess of the self-insured entities' respective retention limits were approximately \$8,548,000 in 1993. The liability for claims in excess of the self-insured entities' respective retention limits included in unpaid losses and loss adjustment expenses were approximately \$23,136,000 at December 31, 1993.

The State Insurance Fund 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 \$526,000 in 1993. No losses have been ceded under these treaties. Reinsurance receivables with a single reinsurer of \$726,000 at December 31, 1993, 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 treaties. Reinsurance contracts do not relieve the Fund from its obligation to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Fund. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations.

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).

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.

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## NOTES TO THE FINANCIAL STATEMENTS

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At June 30, 1994, the following amounts of self-insurance loss liabilities are included in accrued liabilities of each Fund (expressed in thousands).

General Fund	\$	3,274
Proprietary Component Units		650,797

The General Fund self-insurance loss liability represents an estimate of payments to be made from currently expendable available financial resources for liabilities arising on or before June 30, 1994. It is anticipated that this portion of the estimated self-insurance loss liability will be liquidated with currently expendable available financial resources. This leaves \$3,450,000 of the total estimated liability reported in the General Long-Term Debt Account Group.

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

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

#### A. Description of Fund

The Plan provides group health, dental and life benefits to participants of the Oklahoma Public Employees Retirement System (OPERS) and Teachers' Retirement System of Oklahoma (TRS), active employees of the State and school districts, persons covered by COBRA, survivors, and certain local government employees. The Plan is self-insured and provides participants with the option of electing coverage from certain health maintenance organizations (HMOs). Disability coverage is not available to educational participants. Premium rates for active, nonactive, non-Medicare, and Medicare participants are separately established.

The health, dental, life, and disability coverages for governmental participants are funded by monthly premiums paid by the OPERS, the TRS, the State, school districts, local governmental units, and individuals. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested. Of the 160,000 primary participants and dependents, approximately 14,000 primary participants and 11,000 dependents were covered by HMOs. These counts relate to health coverage only.

All State agencies are required to participate in the Plan. Eligible local government entities may elect to participate in the Plan (431 local government entities 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 entity which elects to withdraw from the Plan may do so with 30 days written notice.

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

	State Employee	Education Employee	Local Government Employee	OPERS	TRS	Survivors	COBRA
Health	X	X	X	X	X	X	X
Dental	X	X	X	X	X	X	X
Life	X	X	X	X			
Disability	X		X				
Medicare supplement				X	X	X	
Health Care Participants:							
Primary	24,000	33,000	5,000	-----	36,000	-----	
Dependents	-----			62,000	-----		

**OKLAHOMA**  
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**B. Unpaid Claims Liabilities**

The Plan establishes policy and contract claim reserves based on the ultimate estimated 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.

Liabilities include health and dental, and life reserves for future policy benefits of conversion coverages. Conversion coverages represent insurance coverage for participants of the Plan who are retired or inactive. Reserves for future policy benefits are required to be recorded as a liability for long-duration contracts. Because the Plan does not have the right to cancel conversion coverage as long as premiums are paid, conversion coverages have been determined to be long-duration contracts. All other coverages have been determined to be short-duration contracts (non-conversion coverages).

Liabilities include premium deficiency reserves for conversion health and dental coverages. Premium deficiency reserves are required to be recorded as a liability if a probable loss relating to the future gross premiums and benefits is estimable. A probable loss was estimable at June 30, 1994. Anticipated investment income is not 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	
	1994	1993	1994	1993	1994	1993
Reserves at beginning of year	\$ 42,009	\$ 30,133	\$ 648	\$ 939	\$ 11,453	\$ 10,797
Incurred claims:						
Provision for insured events of current year	201,461	178,274	7,309	5,735	10,506	7,622
Changes in provisions for insured events of prior years	(16,819)	(9,024)	114	(529)	(5,088)	(4,869)
	<u>184,642</u>	<u>169,250</u>	<u>7,423</u>	<u>5,206</u>	<u>5,418</u>	<u>2,753</u>
Payments:						
Claims attributable to insured events of current year	171,036	136,808	5,755	5,093	1,425	1,200
Claims attributable to insured events of prior years	25,062	20,566	761	404	1,014	897
	<u>196,098</u>	<u>157,374</u>	<u>6,516</u>	<u>5,497</u>	<u>2,439</u>	<u>2,097</u>
Reserves at end of year	<u>\$ 30,553</u>	<u>\$ 42,009</u>	<u>\$ 1,555</u>	<u>\$ 648</u>	<u>\$ 14,432</u>	<u>\$ 11,453</u>

# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

### D. Revenue and Claims Development Information

The separately issued audited Component Unit Financial Statements for the Plan include Required Supplementary Information regarding revenue and claims development.

### Note 7. Special Indemnity Fund - Court Awards

The Special Indemnity Fund records its 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 Judgements Payable include permanent partial awards which were due and owing at December 31, 1993. These amounts, which have been charged to operations for the year ended December 31, 1993, would have been paid during the year had resources been available. During the year 1993, the amount of awards in arrears has been reduced \$1,391,000 from \$10,383,000 to \$8,992,000.

### Note 8. Operating Lease Commitments

The State has commitments to lease certain buildings and equipment. Future minimum rental commitments for operating leases as of June 30, 1994, follows (expressed in thousands).

	Primary Governmen t	Component Units	
		Proprietary	Higher Education
1995	\$ 1,069	\$ 155	\$ 1,081
1996	933	61	30
1997	494	5	30
1998	429	-	9
1999	412	-	2
Later Years	595	-	-
Total Future Minimum Lease Payments	<u>\$ 3,932</u>	<u>\$ 221</u>	<u>\$ 1,152</u>
Operating lease committments for building rental for year ending June 30, 1995	\$ 12,986	\$ 2,818	\$ 553
Rent expenditures/expenses for all operating leases for year ended June 30, 1994	\$ 13,654	\$ 3,058	\$ 5,410

### Note 9. Lessor Agreements

#### Direct Financing Leases

The Department of Transportation maintains leases classified as direct financing leases. The State leases heavy equipment and machinery to counties within the State. No interest or executory costs are charged, and lease terms are determined by the depreciation schedules published by the American Association of State Highway Transportation Officials. Title to this equipment passes to the counties

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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 and equipment, and railroad lines are not estimated by the State. Unearned income and allowances for uncollectibles are not computed, and contingent rentals are not a part of any lease. The total minimum lease payments to be received in future years is \$42,989,802, which is also the net investment in direct financing leases at June 30, 1994.

The Oklahoma Environmental Finance Authority has non-current assets consisting of net investment in direct financing leases. The following schedule lists the components of the net investment in direct financing leases as of June 30, 1994 (expressed in thousands).

Total minimum lease payments to be received		
- Gross investment in financing leases	\$	72,920
Less: Cost of investments and unearned income		29,501
Net investment in direct financing leases	\$	43,419

At June 30, 1994, minimum lease payments receivable for the State as a whole for each of the five succeeding fiscal years follows (expressed in thousands).

	Primary Government	Proprietary Component Unit	Total
1995	\$ 4,940	\$ 3,833	\$ 8,773
1996	4,413	3,786	8,199
1997	4,038	3,655	7,693
1998	3,308	3,613	6,921
1999	4,746	5,733	10,479

**Operating Leases**

Operating leases maintained by State agencies consist primarily of building space and land owned by the State. The following schedule presents minimum future rentals receivable from operating leases (expressed in thousands).

1995	\$	254
1996		70
1997		3
1998		7
1999		6
Total Future Minimum Rentals	\$	368

In addition, the leasing operations of the Commissioners of the Land Office consist of leasing approximately 796,000 acres of land principally for agricultural purposes. The lease terms are principally for five-year periods. The lease year is on a calendar year basis with rents prepaid one year in advance. The annual rental amount is determined based on the maximum amount bid by the lessee.



# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

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

Long term obligations at June 30, 1994, and changes for the fiscal year then ended are as follows (expressed in thousands).

	Issue Dates	Maturity Interest Rates	Bonds Dates Through	Authorized But Unissued	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Long-Term Debt Account Group</b>								
General Obligation Bonds Payable from Tax Revenue:								
Institutional Bldg 1965D	1968	3.75-5.00%	1993	\$ -	\$ 1,525	\$ -	\$ 1,525	\$ -
Institutional Bldg 1968C	1973	3.90-4.45%	1994	-	225	-	225	-
Institutional Bldg 1968D	1973	4.80-5.00%	1995	-	2,170	-	1,055	1,115
Refunding Series R	1977	4.20-4.65%	1996	-	5,785	-	1,865	3,920
Institutional Bldg 1992A	1993	4.25-5.20%	2018	-	250,000	-	-	250,000
Institutional Bldg 1992B	1993	4.15-6.60%	2013	-	-	100,000	-	100,000
Total				-	259,705	100,000	4,670	355,035
Revenue Bonds Payable from Lease Rentals:								
OCIA Series A of 1972	1972	4.50-6.50%	1994	-	10,125	-	9,995	130
OCIA Series A of 1973	1973	4.00-6.00%	1994	-	8,365	-	8,060	305
OCIA Series A of 1986	1986	9.00%	2001	-	4,237	-	165	4,072
OCIA Series A of 1988	1988	7.00%	1998	-	1,697	-	265	1,432
OCIA Revenue Refunding	1994	3.00-4.65%	2003	-	-	8,175	-	8,175
Tourism 1990	1990	5.95%	1999	-	3,700	-	455	3,245
Tourism 1993	1994	5.30-7.20%	2011	-	-	5,250	-	5,250
Department of Corrections	-	-	-	1,500	-	-	-	-
Total				1,500	28,124	13,425	18,940	22,609
Certificates of Participation\Lease Revenue Bonds:								
Series 1986A (ODFA)	1986	4.50-7.75%	1996	-	2,185	-	285	1,900
DHS Series 1987A (ODFA)	1987	5.50-7.40%	1995	-	805	-	400	405
DHS 1988A (ODFA)	1990	6.30-7.30%	2000	-	1,315	-	150	1,165
Election Bd 1989A (ODFA)	1989	5.50-7.25%	1999	-	10,525	-	1,265	9,260
DHS-Tulsa Co 1990 (ODFA)	1990	6.15-7.00%	2000	-	1,620	-	160	1,460
State Finance 1988	1988	5.75-6.60%	1993	-	675	-	675	-
DPS-Series 1988A	1988	6.00-7.00%	1993	-	115	-	115	-
Corrections 1990	1990	6.10-6.40%	1994	-	525	-	245	280
Tax Commission	1990	6.00-6.50%	1994	-	855	-	855	-
Mental Health 1993 Refunding	1993	3.10-4.20%	1996	-	990	-	200	790
Mental Health 1993	1993	4.50-6.90%	2003	-	1,085	-	-	1,085
Mental Health 1993A	1993	3.60-5.10%	2004	-	-	2,725	-	2,725
State Finance 1994	1993	3.00-3.80%	1996	-	-	1,440	-	1,440
Total				-	20,695	4,165	4,350	20,510
Other General Long-Term Obligations:								
Capital Leases				-	13,879	1,368	3,055	12,192
Compensated Absences				-	86,117	562	-	86,679
Other Claims and Judgements				-	123,169	-	20,965	102,204
Total				-	223,165	1,930	15,820	201,075
Total General Long-Term Debt Account Group				\$ 1,500	\$ 531,689	\$ 119,520	\$ 51,980	\$ 599,229

**OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The following table presents annual debt service requirements for long-term debt outstanding at June 30, 1994 (expressed in thousands).

	1995	1996	1997	1998	1999	Maturity	Total
<b>General Long-Term Debt Account Group</b>							
General Obligation Bonds:							
Institutional Bldg 1965D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Institutional Bldg 1968C	-	-	-	-	-	-	-
Institutional Bldg 1968D	1,171	-	-	-	-	-	1,171
Refunding Series R	2,111	2,082	-	-	-	-	4,193
Institutional Bldg 1992A	16,425	16,363	16,340	16,335	16,341	379,025	460,829
Institutional Bldg 1992B	8,353	8,285	8,193	8,092	7,993	115,672	156,588
	<u>28,060</u>	<u>26,730</u>	<u>24,533</u>	<u>24,427</u>	<u>24,334</u>	<u>494,697</u>	<u>622,781</u>
Interest	17,480	16,930	16,418	15,982	15,529	185,407	267,746
Total	<u>10,580</u>	<u>9,800</u>	<u>8,115</u>	<u>8,445</u>	<u>8,805</u>	<u>309,290</u>	<u>355,035</u>
Revenue Bonds:							
OCIA Series A of 1972	130	-	-	-	-	-	130
OCIA Series A of 1973	305	-	-	-	-	-	305
OCIA Series A of 1986	540	540	540	540	540	4,139	6,839
OCIA Series A of 1988	383	380	382	384	192	-	1,721
OCIA Revenue Refunding	1,117	1,119	1,117	1,117	1,117	4,459	10,046
Tourism 1990	696	696	692	692	1,194	-	3,970
Tourism 1993	-	-	435	585	582	7,006	8,608
Department of Corrections	-	-	-	-	-	-	-
	<u>3,171</u>	<u>2,735</u>	<u>3,166</u>	<u>3,318</u>	<u>3,625</u>	<u>15,604</u>	<u>31,619</u>
Interest	1,017	913	1,157	1,044	912	3,967	9,010
Total	<u>2,154</u>	<u>1,822</u>	<u>2,009</u>	<u>2,274</u>	<u>2,713</u>	<u>11,637</u>	<u>22,609</u>
Certificates of Participation\Lease Revenue Bonds:							
Series 1986A (ODFA)	402	1,711	-	-	-	-	2,113
DHS Series 1987A (ODFA)	427	-	-	-	-	-	427
DHS 1988A (ODFA)	237	240	238	239	240	238	1,432
Election Bd 1989A (ODFA)	2,084	2,062	2,086	2,030	2,000	994	11,256
DHS-Tulsa Co 1990 (ODFA)	269	273	270	267	269	537	1,885
State Finance 1988	-	-	-	-	-	-	-
DPS Series 1988A	-	-	-	-	-	-	-
Corrections 1990	298	-	-	-	-	-	298
Tax Commission	-	-	-	-	-	-	-
Mental Health 1993 Refunding	409	414	-	-	-	-	823
Mental Health 1993	148	149	144	144	144	735	1,464
Mental Health 1993A	123	329	346	351	346	2,050	3,545
State Finance 1994	473	509	540	-	-	-	1,522
	<u>4,870</u>	<u>5,687</u>	<u>3,624</u>	<u>3,031</u>	<u>2,999</u>	<u>4,554</u>	<u>24,765</u>
Interest	1,180	982	704	536	374	479	4,255
Total	<u>3,690</u>	<u>4,705</u>	<u>2,920</u>	<u>2,495</u>	<u>2,625</u>	<u>4,075</u>	<u>20,510</u>
Other General Long-Term Obligations:							
Capital Leases	2,336	1,848	1,772	1,416	1,259	3,561	12,192
Compensated Absences	6,100	6,100	6,100	6,100	6,100	56,179	86,679
Other Claims and Judgements	32,230	17,493	17,493	17,494	17,494	-	102,204
Total	<u>40,666</u>	<u>25,441</u>	<u>25,365</u>	<u>25,010</u>	<u>24,853</u>	<u>59,740</u>	<u>201,075</u>
Total General Long-Term Debt Account Group	<u>\$ 57,090</u>	<u>\$ 41,768</u>	<u>\$ 38,409</u>	<u>\$ 38,224</u>	<u>\$ 38,996</u>	<u>\$ 384,742</u>	<u>\$ 599,229</u>

# OKLAHOMA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

### 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.

A \$350 million capital improvement bond issue was approved by a vote of the people at the November 1992 general election. These bonds were issued in two series. Series A, for \$250 million, was issued through a competitive sale on March 9, 1993. Series B, for \$100 million, was issued through negotiated sale on July 21, 1993.

### B. **Revenue Bonds**

#### **Oklahoma Capitol Improvement Authority**

The Oklahoma Capitol Improvement Authority (the "Authority") has issued four series of Building Bonds to construct and equip State office buildings. Principal and interest payments on these bond issues are paid from rents collected from the various State and Federal agencies which use the office buildings constructed with the bond proceeds.

The Authority issued the State Office Building Revenue Bonds Series A of 1972, in the amount of \$17,500,000, to finance the construction of the M.C. Connors, Oliver Hodge and Transportation buildings in the State Capitol Complex in Oklahoma City. State Office Building Revenue Bonds Series A, in the amount of \$13,500,000, were issued in 1973 to finance the construction of the J. Howard Edmondson and Robert S. Kerr buildings in Tulsa. Interim Revenue Bonds, in the amount of \$5,000,000, were issued in 1986 to finance the construction of the George Nigh Rehabilitation Center in Okmulgee. Lease Payment Revenue Bonds, in the amount of \$2,500,000, were issued in 1988 to finance the construction of the Library for the Blind and Physically Handicapped in Oklahoma City.

On February 15, 1994, the Authority issued \$8,175,000 State Office Building Revenue Refunding Bonds, Series 1994A (the "1994A Bonds"). Proceeds of the issue, together with certain reserves and excess sinking fund monies, were used to refund the Authority's outstanding Series 1972A and 1973A obligations. Monies had accumulated in the sinking fund due to language in the original bond resolution that prohibited the application of such monies to Authority debt service requirements. It was determined that a refunding was needed to access the monies and reduce the outstanding indebtedness of the Authority.

Net proceeds of the 1994A Bonds of \$8,139,949, together with \$9,400,000 of prior reserve funds and excess sinking fund monies were utilized to pay costs of issuance and the \$17,463,226 redemption price of the Series 1972A and 1973A obligations. As a result of the transaction, the Authority's total debt service requirements over the remaining term of the issue were reduced from \$21,912,023 to \$10,046,084, a reduction of \$11,865,938. As noted previously, \$9.4 million of this savings was achieved by applying reserves and excess sinking fund monies to the prior obligations. These monies would not have been available for use unless a refunding was undertaken. Using a discount rate of 4.3854%, the present value of net debt service savings was \$149,605, or 1.83% of the par value of the refunding bonds.

**OKLAHOMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Oklahoma Tourism and Recreation Department**

The Oklahoma Tourism and Recreation Department issued revenue bonds for the financing of capital projects of the Parks Division. The revenue generated by fees from the Parks Division are used to meet the bond obligation.

On June 23, 1994, the Oklahoma Tourism and Recreation Department issued \$5,250,000 Oklahoma Tourism and Recreation Commission Subordinated Revenue Bonds, Series 1994. Proceeds of the issue were earmarked for capital improvements and expansions at various State lodges, resorts and parks. Project costs were estimated at \$4,074,742.

The Bonds are limited and special obligations of the Tourism and Recreation Department. They are secured by a pledge of the gross revenues of the projects, subject to a prior lien of such revenues in favor of the holders of the senior lien bonds. Additional security is provided by a special "Bond Reserve Fund", which shall be maintained in the amount of \$525,000.

**C. Certificates of Participation\Lease Revenue Bonds**

The Department of Human Services, Department of Corrections, Department of Mental Health, Oklahoma Tax Commission, Department of Public Safety, State Election Board, Oklahoma State Bureau of Investigation, and the Office of State Finance had lease purchase agreements during the 1994 fiscal year funded through certificates of participation and lease revenue bonds. 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.

The Oklahoma Development Finance Authority issued lease revenue bonds to benefit lease financing for the Department of Human Services and the Oklahoma Tax Commission. The actual lease payments are divided and remitted on a "pass through" basis to individual investors, usually by a trustee.

Leased buildings and equipment financed by certificates of participation and lease revenue bonds in the General Fixed Asset Account Group at June 30, 1994, include the following (expressed in thousands).

Certificates of Participation	
Equipment	\$ 21,131
Buildings	1,670
	<u>\$ 22,801</u>
Lease Revenue Bonds	
Buildings	\$ 4,580

**D. 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 whose annual payments equal \$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, 1994 (expressed in thousands).

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## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

	Minimum Lease Payments
1995	\$ 3,366
1996	2,693
1997	2,462
1998	1,907
1999	1,618
Later Years	4,050
Total Minimum Lease Payments	<u>16,096</u>
Less: Executory costs included in minimum lease payments	<u>567</u>
Net Minimum Lease Payments	15,529
Less: Interest	3,337
Present value of Minimum Lease Payments	<u>\$ 12,192</u>

Leased buildings and equipment under capital leases in the General Fixed Asset Account Group at June 30, 1994 include the following (expressed in thousands).

Equipment	\$ 7,663
Buildings	21,691
Total	<u>\$ 29,354</u>

### E. Other Claims and Judgements

Included in other claims and judgements are permanent total and permanent partial awards payable after December 31, 1993, from the Special Indemnity Fund; contingent liabilities from litigation incurred by the Oklahoma Tax Commission; and Risk Management liabilities that will not be paid with currently expendable available financial resources.

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

### A. Revenue Bonds

#### Oklahoma Water Resources Board

The Oklahoma Water Resources Board has issued revenue bonds to provide monies to implement its Statewide financial assistance program to make loans to local governmental units to be utilized to provide for the acquisition, development, and utilization of storage and control facilities for water and sewage systems.

Bonds payable at June 30, 1994, and changes for the fiscal year then ended are as follows (expressed in thousands).

	Issue Dates	Maturity Interest Rates	Bonds Dates Through	Authorized But Unissued	Beginning Balance	Additions	Reductions	Ending Balance
Revenue Bonds Payable from User Fees:								
Water Resources Board								
WRB 1985	1985	7.75-8.70%	2010	\$ -	\$ 44,450	\$ -	\$ 1,180	\$ 43,270
WRB 1986	1986	-	-	-	13,950	-	13,950	-
WRB 1989	1989	4.00-6.70%	2019	-	47,090	-	31,385	15,705
WRB 1992	1992	2.55-6.35%	2017	-	50,000	-	29,365	20,635
WRB 1994A	1994	2.30-14.0%	2023	-	-	109,845	650	109,195
WRB 1994B	1994	2.55-5.38%	2019	-	-	14,885	-	14,885
Total Before Discounts				-	155,490	124,730	76,530	203,690
Less: Bond Discounts				-	586	474	453	607
Total Bonds Payable Net of Discounts				<u>\$ -</u>	<u>\$ 154,904</u>	<u>\$ 124,256</u>	<u>\$ 76,077</u>	<u>\$ 203,083</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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The following table presents annual debt service requirements for bonds payable outstanding at June 30, 1994, (expressed in thousands).

	1995	1996	1997	1998	1999	Maturity	Total
Revenue Bonds Payable:							
Water Resources Board							
WRB 1985	\$ 44,225	\$ 1,578	\$ 1,440	\$ -	\$ -	\$ -	\$ 47,243
WRB 1986	-	-	-	-	-	-	-
WRB 1989	1,432	1,428	1,427	1,419	1,423	20,801	27,930
WRB 1992	1,756	1,754	1,752	1,752	1,758	27,242	36,014
WRB 1994A	10,770	8,037	8,308	4,834	6,310	130,678	168,937
WRB 1994B	1,459	1,236	1,243	1,236	1,238	18,996	25,408
Total Principal and Interest	59,642	14,033	14,170	9,241	10,729	197,717	305,532
Less: Interest	9,702	5,953	5,620	5,351	5,179	70,037	101,842
Total Principal	<u>\$ 49,940</u>	<u>\$ 8,080</u>	<u>\$ 8,550</u>	<u>\$ 3,890</u>	<u>\$ 5,550</u>	<u>\$ 127,680</u>	<u>\$ 203,690</u>

Series 1985:

All bonds due December 1, 1995, and thereafter are subject to optional redemption, at the option of the program, on 30 days' notice, from available monies on and after June 1, 1995, as specified in the bond indenture. Such optional redemptions will be in the amount of the bond principal to be redeemed, plus accrued interest to the date fixed for such redemptions.

Provisions of the bond indenture specify that, on June 1, 1995, any portion of the bond proceeds not used to originate loans to local entities shall be used to redeem outstanding bonds. Such redemption is to be made at face value plus accrued interest, and will be made in inverse order of maturity. The debt service schedule has been modified to reflect an estimated \$39,240,000 in bonds subject to early redemption at June 1, 1995. Additionally, this amount is reflected in current maturities of long-term debt. The Program has purchased a municipal bond insurance policy guaranteeing the payment of principal and interest on the bonds in the event of default.

In October 1992, the Board issued its \$50,000,000 Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 1992 ("1992 Bonds"), and \$5,000,000 Oklahoma Water Resources Board State Loan Program Notes, Series 1992 ("1992 Notes"). The 1992 Notes were issued to fund a deposit to a debt service reserve fund established for the 1992 Bonds. The monies in the Series 1985 Debt Service Reserve Fund have been pledged to the 1992 Notes. In January 1994, the Board issued its \$109,845,000 Oklahoma Water Resources Board State Loan Program Bonds, Series 1994A ("1994A Bonds"), \$14,885,000 Oklahoma Water Resources Board State Loan Program Bonds, Series 1994B ("1994B Bonds"), and \$1,935,000 Oklahoma Water Resources Board State Loan Program Notes, Series 1994 ("1994 Notes"). The 1994 Notes were primarily issued to fund costs of issuance for the 1994A and B Bonds. The monies in the Series 1985 Debt Service Reserve Fund were pledged to the 1994 Notes.

Series 1986A:

In January 1994, the Board issued its \$109,845,000 Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 1994A, with an initial variable interest rate of 2.3% in part to refund \$13,435,000 of outstanding 1986A Series bonds with an interest rate of 2.7%.

The refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$341,601. This difference has been reflected in the Series 1994A Bond Program's separate financial statements as a deduction from bonds payable and is being charged to operations in the Series 1994A Bond Program through the year 2011 on a straight-line basis, in accordance with Statement No.

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## NOTES TO THE FINANCIAL STATEMENTS

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23 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

### Series 1989:

In January 1994, the Board issued its \$109,845,000 Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 1994A ("1994A Bonds"), with an initial variable interest rate of 2.3% in part to refund \$16,770,000 of outstanding 1989 Series bonds with a variable interest rate of 2.7%. The refunding of variable rate bonds resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$135,840. This difference has been reflected in the Series 1994A Bond Program's separate financial statements as a deduction from bonds payable and is being charged to operations in the Series 1994A Bond Program through the year 2019 on a straight-line basis.

Also in January 1994, the Board issued its \$14,885,000 Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series B ("1994B Bonds"), with an average fixed rate of 5.02% to defease \$13,140,000 of outstanding 1989 Series bonds with an average fixed interest rate of 6.43%. The defeasance of fixed note bonds resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$106,731. This difference has been reflected in the Series 1994B Bond Program's separate financial statements as a deduction from bonds payable and is being charged to operations in the Series 1994B Bond Program through the year 2019 on a straight-line basis, in accordance with Statement No. 23 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The Board, through this defeasance, reduced its aggregate debt service payments relating to the Program by approximately \$565,992 over the next 25 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$196,810.

In addition to their normal scheduled maturity dates, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

### Series 1992:

In January 1994, the Board issued its \$109,845,000 Oklahoma Water Resources Board State Loan Program Revenue Bonds, Series 1994A ("1994A Bonds"), with an initial variable interest rate of 2.3% in part to refund \$27,481,000 of outstanding 1992 Series bonds with a variable interest rate of 2.7%. The refunding resulted in a difference between the reacquisition price and net carrying amount of the old debt of \$228,516. This difference has been reflected in the Series 1994A Bond Program's separate financial statements as a deduction from bonds payable and is being charged to operations in the Series 1994A Bond Program through the year 2022 on a straight-line basis, in accordance with Statement No. 23 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

### Series 1994A:

Certain of the bonds bear interest at a variable rate, initially set a 2.3% and periodically adjusted pursuant to the provisions of the bond indenture, to a maximum rate of 14% per year. The interest rate on the bonds was 2.85% at June 30, 1994. At the option of the Board and subject to applicable provisions of the bond indenture, which require, among other things, that all bonds be successfully remarketed, the variable interest rate may be converted to a term rate that would stay fixed until maturity of the bonds. During the period from January 20, 1994 (date of inception), to June 30, 1994, \$10,360,000 of the bonds were converted to a term rate. These bonds bear interest at fixed rates ranging from 2.65% to 6.50%. Interest rates are set periodically, as specified by the bond indenture, by the Program's remarketing agent.

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**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 1994

Interest on the bonds is payable semiannually on March 1 and September 1 of each year. While the bonds bear interest at an adjustable, variable rate, the bonds are to be repurchased at each such interest payment date at a price equal to the unpaid principal amount, unless such repurchase is waived in writing by the bond holder. The bonds are also subject to mandatory tender upon conversion to a term interest rate.

In addition to their normal scheduled maturity dates, the bonds may be redeemed at the option of the Board, in whole or in part, on any interest payment date prior to conversion to a term interest rate, for their principal amount plus accrued interest to the date of redemption. Following any conversion to a term rate, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

Series 1994B:

Interest on the bonds is payable semiannually on March 1 and September 1 of each year. These bonds bear interest at fixed rates ranging from 2.55% to 5.375%.

In addition to their normal scheduled maturity dates, the bonds may also be redeemed at the option of the Board, in whole or in part, at such dates and for such prices, plus accrued interest as are set forth in the bond indenture.

The transfers of unamortized bond issuance costs and bond discount from the Series 1989 Bond Program were made in accordance with Statement No. 23 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. These costs are being charged to operations of the Program through the year 2019 on a straight-line basis.

**B. Notes Payable**

In November 1992, voters of the State of Oklahoma approved the issuance of \$350,000,000 State of Oklahoma General Obligation Bonds, of which \$5,700,000 was allocated to the Oklahoma Water Resources Board. This amount was received by the Board and during the 1994 fiscal year \$5,000,000 was used to redeem the 1992 notes payable as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Water Resources Board:				
Temporary Notes Payable	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -

**Note 12. Long Term Obligations - Component Units, Proprietary Funds**

Bonds payable at June 30, 1994 (September 30, 1993, for Oklahoma Housing Finance Agency and December 31, 1993 for Oklahoma Turnpike Authority, Grand River Dam Authority, and Oklahoma Municipal Power Authority), and changes for the fiscal year then ended are as follows (expressed in thousands).

	Issue Dates	Maturity Interest Rates	Bonds Dates Through	Authorized But Unissued	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Bonds								
Payable from User Fees:								
Industrial Finance Authority	1961-1989	3.35-8.88%	2022	\$ 35,031	\$ 81,030	\$ -	\$ 13,710	\$ 67,320
Revenue Bonds Payable from User Fees:								
Student Loan Authority	1980-1992	4.65-6.85%	2006	-	42,425	-	745	41,680
Environmental Finance Auth.	1973-1977	5.40-7.30%	2008	-	47,285	-	960	46,325
Housing Finance Agency	1980-1992	4.10-11.75%	2025	-	743,144	-	140,004	603,140
Turnpike Authority	1989, 1992	3.15-7.88%	2022	-	691,084	-	-	691,084
Grand River Dam Authority	1987, 1993	2.70-8.00%	2013	-	1,084,600	753,210	707,300	1,130,510
Municipal Power Authority	1985-1992	3.00-8.60%	2028	-	340,435	-	185	340,250
Total Before Discounts/Deferrals				35,031	3,030,003	753,210	862,904	2,920,309
Less: Bond Discounts				-	72,864	-	6,308	66,556
Net Deferred Debit on Refundings				-	-	26,393	2,110	24,283
Total Bonds Payable Net of Discounts/Deferrals				\$ 35,031	\$ 2,957,139	\$ 726,817	\$ 854,486	\$ 2,829,470



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## NOTES TO THE FINANCIAL STATEMENTS

June 30, 1994

The following table presents annual debt service requirements (principal payments only for the revenue bonds of Oklahoma Housing Finance Agency) for bonds payable outstanding at June 30, 1994, (September 30, 1993, for Oklahoma Housing Finance Agency and December 31, 1993, for Oklahoma Turnpike Authority, Grand River Dam Authority, and Oklahoma Municipal Power Authority) (expressed in thousands).

	1995	1996	1997	1998	1999	Maturity	Total
General Obligation Bonds:							
Industrial Finance Authority	\$ 14,610	\$ 4,221	\$ 5,221	\$ 2,120	\$ 2,120	\$ 92,610	\$ 120,902
Revenue Bonds Payable:							
Student Loan Authority	4,420	4,300	8,320	7,500	6,340	25,010	55,890
Environmental Finance Authority	3,768	3,730	3,685	3,645	5,827	55,512	76,167
Turnpike Authority	45,270	51,651	51,653	51,652	51,648	1,230,805	1,482,679
Grand River Dam Authority	92,334	93,788	95,417	96,125	96,003	1,382,542	1,856,209
Municipal Power Authority	20,649	23,348	23,344	22,644	25,068	658,862	773,915
Total Principal and Interest	181,051	181,038	187,640	183,686	187,006	3,445,341	4,365,762
Less: Interest	132,481	129,858	128,030	123,351	120,011	1,414,862	2,048,593
Subtotal: Principal	48,570	51,180	59,610	60,335	66,995	2,030,479	2,317,169
Housing Finance Agency	8,317	5,406	35,272	6,488	8,502	539,155	603,140
Total Principal	<u>\$ 56,887</u>	<u>\$ 56,586</u>	<u>\$ 94,882</u>	<u>\$ 66,823</u>	<u>\$ 75,497</u>	<u>\$ 2,569,634</u>	<u>\$ 2,920,309</u>

### A. General Obligation Bonds

Oklahoma Industrial Finance Authority (OIFA) general obligation bonds are authorized and 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.

On March 17, 1994, OIFA permanently transferred \$5,891,804 and \$9,729,235 to special irrevocable trust fund accounts, thereby providing for an in-substance defeasance of the Series K and Series O Bond issues of which the amounts outstanding at June 30, 1994, were \$5,000,000 and \$8,625,000, respectively. The amounts set aside in trust, which are comprised of the proceeds from the sale of zero coupon bonds and excess cash reserves, are invested in direct obligations of the United States Government and are sufficient to meet future interest and principal payments through redemption. The special trust funds are held by and administered by a bank which is responsible for handling all future interest payments and the final bond redemption. Pursuant to the bond resolution, the Series K Bonds have been called for redemption on December 1, 2000. Their due date was December 1, 2015. Pursuant to the bond resolution, the Series O Bonds have been called for redemption on May 1, 1999. Their due date was May 1, 2004.

As a result of the in-substance defeasance, the OIFA reduced its interest payments by approximately \$10,020,000 over the next 21 years. On July 1, 1994, the OIFA called Series D through J Bonds. As a result of the bonds being called, the OIFA reduced its interest payments by approximately \$2,414,000 over the next 10 years.

### B. Revenue Bonds

#### Oklahoma Student Loan Authority

The Student Loan Authority (SLA) has at various times issued bonds for the purpose of funding student loans. Under various circumstances, and at various times, each bond series is callable at the option of SLA, in whole or in part, on any business day. The SLA's obligation for the bonds is secured by specific Federal Family Education Loan Program loans financed. The SLA is in compliance with all significant bond covenants, which primarily consist of maintaining required amounts of collateral in each bond's trust estate.

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In 1993, a portion of the Series 1992 Bonds was used to extinguish the SLA's obligations under the Series 1991 Notes and 1984 Note. The resulting loss from extinguishment consisted of prepayment penalties and expensing the remaining capitalized financing costs.

**Oklahoma Housing Finance Agency**

The net proceeds of the bonds and note issued by the Oklahoma Housing Finance Agency (OHFA) were used to provide financing for qualifying residences through the purchase of mortgage-backed certificates or eligible residential mortgage loans, or to provide interim and permanent financing for multifamily construction projects, and to establish debt-service reserves as required by the various trust indentures.

Such indentures generally provide that principal and interest are collateralized by pledges of all loans acquired, all revenues and collections with respect to such loans, all funds established by the indentures and by such other guarantees including bond insurance for a portion of the outstanding principal balance as may be required under each specific indenture.

These principal payments are to be made solely from funds available in each respective program.

Multifamily Housing Finance Programs - As of September 30, 1993, OHFA had \$20,050,022 of program loans receivable related to Multifamily Revenue Bond and Note programs, of which \$16,541,324 are not covered by mortgage insurance. The uninsured programs include Go Ye Village, a retirement center, and Park Terrace Apartments.

In 1990, the trustee for Go Ye Village issued a notice of default to the management of Go Ye Village for numerous events of default including failure to make monthly payments. The debt service reserve has been exhausted to make interest payments due on the bonds payable. In 1991, the two bondholders, the trustee and Go Ye Village, Inc., the project owner, entered into a restructuring agreement which provided, among other things, for the trustee to cancel \$1,265,000 in bonds payable, and to forebear exercising its default remedies. Program loan interest is being recorded when received and bond interest was accrued in the current year.

Because the bonds payable for the Multifamily Revenue Bond programs, including Go Ye Village and Park Terrace, are special, limited obligations of OHFA payable solely from revenues and assets pledged as collateral under the terms of the indentures and related documents, it is OHFA's opinion that defaults on the program loans receivable will not have a material effect on the combined financial statements of OHFA taken as a whole. Accordingly, no allowance for loss has been established.

In prior years, the trustee bank of the Golden Oaks project had issued notices of default because the program developer had failed to make loan payments. The project was in receivership in fiscal year 1991 awaiting sale. During fiscal year 1992, as a result of the troubled debt restructuring, the program loan was sold. The proceeds from the sale of the loan were less than the carrying value of the loan. Because the program loan is the sole asset for payment of the bonds, the bondholders received less than the full amount of bonds outstanding plus accrued interest when the bonds were called in December 1992.

The Golden Oaks program loan and the bonds payable were written down on September 30, 1992, to reflect the amounts received prior to year end and the amount actually paid subsequent to year end. The following is an analysis of the net loss incurred as a result of the debt restructuring and repayment.

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Loss on Transfer of Assets:

Carrying amount of loan	\$ 8,775,000
Fair value of loan	(1,250,000)
Expenses associated with sale	327,083
Loss on transfer of assets	<u>\$ 7,852,083</u>

Gain on Restructuring of Debt:

Carrying amount of bonds outstanding	\$ 8,775,000
Accrued interest on bonds	1,191,942
Assets available to pay debt	(2,156,092)
Gain on Restructuring of debt	<u>\$ 7,810,850</u>
Net loss on restructuring of debt	<u>\$ 41,233</u>

### Oklahoma Turnpike Authority

The Oklahoma Turnpike Authority (OTA) issues revenue bonds for the purpose of financing capital improvements and new projects. On February 1, 1989, OTA issued \$385,400,000 of 1989 Series First Senior Revenue Bonds and \$173,000,000 of Series 1989 Subordinate Revenue Bonds. The purpose of the Series 1989 Revenue Bonds was to (1) finance the cost of constructing the John Kilpatrick, Creek, Cherokee and Chickasaw Turnpikes, (2) finance the cost of making certain improvements to the existing turnpikes, and (3) advance refund all of the outstanding OTA bonds from the 1966 and 1971 issues. The Series 1989 Bonds' interest rates ranged from 6.0% to 7.875%.

The 1989 Series Revenue Bonds defeased all OTA revenue bonds from the 1966 and 1971 issues through the escrow deposit of approximately \$131,300,000 with Boatmen's First National Bank of Oklahoma and Liberty National Bank of Tulsa. Consequently, the liability for the 1966 Series A, 1966 Series B, and the 1971 Series C Revenue Bonds has been removed from the balance sheet. This advance refunding was undertaken primarily to restructure OTA's debt in order to enable financing of new projects in the most economically efficient manner. At December 31, 1993, the defeased bonds outstanding were \$122,410,000.

The Series 1989 Revenue Bonds were issued pursuant to provisions of a Trust Agreement dated February 1, 1989, with Liberty National Bank and Trust Company of Oklahoma City as Trustee. Interest is payable semiannually on January 1 and July 1 of each year, commencing July 1, 1989. The payment of interest and principal on the 1989 Series First Senior Revenue Bonds in the principal amount of \$40,000,000 maturing on January 1, 2013, is guaranteed by an insurance policy issued by the AMBAC Indemnity Corporation. The payment of interest and principal on the 1989 Series Subordinate Revenue Bonds in the amount of \$173,000,000 is guaranteed by an insurance policy issued by the Bond Investors Guaranty Insurance Company.

On October 1, 1991, OTA issued \$22,000,000 of 6.60% 1991 Series First Senior Revenue Bonds and \$28,000,000 of 1991 Series Second Senior Revenue Bonds, \$13,000,000 of which is at rates ranging from 4.50% to 6.30% and \$15,000,000 of which were variable rate bonds. The Series 1991 bonds were issued to provide funds sufficient, together with other available funds of the OTA, for the completion of the Portland Interchange on the Kilpatrick Turnpike and certain other improvements to the Oklahoma Turnpike System.

In May 1992, OTA issued \$392,265,000 of Series 1992 First Senior Revenue Bonds, \$20,655,000 of Series 1992 Second Senior Revenue Bonds and \$195,400,000 of Series 1992 Subordinated Revenue Bonds, with interest rates ranging from 4.35% to 6.30%, 4.25% to 6.25% and 4.25% to 6.25%, respectively. These Series 1992A-E Bonds were issued for the purpose of (1) refunding

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approximately 94% of the OTA's Oklahoma Turnpike System Series 1989 Revenue Bonds, (2) funding capital costs of certain turnpike projects and (3) paying certain costs of issuance, including underwriters' discount of approximately \$4.7 million, and capitalized interest. Although the advance refunding resulted in the recognition of an accounting loss of approximately \$50,856,000 for the year ended December 31, 1992, OTA in effect decreased its aggregate debt service payments by approximately \$36,803,000 over the next 30 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$29,380,000. During the year, OTA adopted GASB 23 which modifies the presentation of advance refunding transactions. The principal amount of the bonds advance refunded and considered defeased was \$526,440,000, and the liability for these bonds was removed from the balance sheet. Approximately 94% of the Series 1989 bonds were defeased through an escrow deposit with Liberty National Bank and Trust Company. Defeased bonds outstanding at December 31, 1993, were \$526,440,000. At December 31, 1993, the fair value of the Series 1992A-E and remaining Series 1989 bonds was \$644,627,176 and \$35,612,074, respectively.

The Series 1992A-E Bonds were issued pursuant to provisions of the Trust Agreement dated February 1, 1989, including supplements thereto, with Bank of Oklahoma, N.A., as Trustee. Interest is payable semiannually on January 1 and July 1 of each year, commencing on January 1, 1993.

On October 1, 1992, OTA issued \$22,786,862.40 of 1992 Series First Senior Revenue Bonds (1992 F Bonds) and \$28,017,387.55 of 1992 Series Second Senior Revenue Bonds (1992 G Bonds), both with interest rates ranging from 3.15% to 5.30%. The Bonds were issued to (1) provide funds, combined with other available funds of the OTA, to refund OTA's Oklahoma Turnpike System Series 1991 First and Second Senior Revenue Bonds, (2) pay costs of issuance, and (3) make a deposit to the Second Senior Bond Reserve Account established under the Trust Agreement. Although the advance refunding resulted in the recognition of an accounting loss of approximately \$771,000 for the year ended December 31, 1992, OTA decreased its aggregate debt services payments by approximately \$4,494,000 over the next 25 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$1,410,000. During the year, OTA adopted GASB 23 which modifies the presentation of advance refunding transactions. The principal amount of the bonds advance refunded and considered defeased was \$49,350,000, and the liability was removed from the balance sheet. At December 31, 1993, the fair market value of the Series 1992 F and G Bonds was \$52,137,597.

The Series 1992 F and G Bonds were issued pursuant to provisions of the Trust Agreement dated February 1, 1989, including supplements thereto, with Bank of Oklahoma, N.A., as Trustee. The bonds are dated October 1, 1992, with interest payable on January 1 and July 1 of each year, commencing on January 1, 1993.

In December 1993, the Governmental Accounting Standards Board issued Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities* ("Statement 23"). Statement 23 changes the presentation of any resulting accounting losses or gains from the defeasance of proprietary debt to recognize a deferred debit or credit which is amortized as a component of interest expense over the remaining life of the old debt or the new debt, whichever is shorter. The deferred debit or credit is reflected in the Balance Sheet as a component of long-term debt. Statement 23 is effective for financial statements issued for periods beginning after June 15, 1994, but retroactive application is permitted. When Statement 23 is applied retroactively, it is to be applied to all advance refundings for which deferred amounts would have remained unamortized in the period Statement 23 is adopted. The impact of restating the 1989 Revenue Bond refunding resulted in the recognition of a deferred credit as of January 1, 1992, of approximately \$23,639,000.

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The amortization of this deferred credit decreased interest expense by approximately \$1,747,000 in both 1993 and 1992. The impact of restating the May 1992 Revenue Bond refunding resulted in the recognition of a deferred debit at the time of the issue of approximately \$50,856,000. The impact of restating the October 1992 Revenue Bond refunding resulted in the recognition of a deferred debit at the time of the issue of approximately \$771,000. The amortization of these deferred debits increased interest expense by approximately \$3,856,000 and \$3,342,000 in 1993 and 1992, respectively.

The financial statements reflect the retroactive application of Statement 23. Beginning retained earnings at January 1, 1992, was \$77,128,121 before adoption and was \$53,489,123 after the adoption of Statement 23, due to the gain on the defeasance of the 1989 revenue bonds being deferred and amortized. The effect on net income at January 1, 1992, was an increase of \$23,338,998 after the adoption of Statement 23. Retained earnings at December 31, 1992, was \$9,820,267 before adoption and was \$36,213,206 after the adoption of Statement 23. The change in retained earnings for each year is due to the gain and loss on the defeasance of revenue bonds being deferred and amortized. As of December 31, 1993, the Balance Sheet reflects a net deferred debit of approximately \$24,283,000 as a component of debt. The Statement of Revenues, Expenses and Changes in Retained Earnings reflects the amortization of this deferral in 1993 of approximately \$2,110,000.

The Interest and Sinking, and Reserve Accounts required by the Trust Agreement have been established with the Trustee. The balances as of December 31, 1993, were (expressed in thousands).

First Senior Bond Reserve Account	\$ 33,913
Subordinate Bond Reserve Account	15,273
Second Senior Bond Reserve Account	4,639

As required by section 501(d) of the Trust Agreement, net revenues, as defined below (which is greater than net income in accordance with GAAP), of \$66,713,650 for 1993, (1) together with the motor fuel excise taxes apportioned to OTA in the amount of \$25,262,223 for 1993 exceeded 120% of the amount of the debt service requirements on all senior indebtedness outstanding for the year, and (2) exceeded the sum of 105% of the debt service requirements on all bonds and parity indebtedness then outstanding and 100% of amounts required to be deposited into the Reserve Maintenance Fund and to make up deficiencies in the various bond reserve accounts. Net revenue is defined by the Trust Agreement as the excess of tolls and other revenues of the Oklahoma Turnpike System deposited to the credit of the Revenue Fund over the current expenses of the Revenue Fund for the year. Said revenues shall not include payments or transfers from the Reserve Maintenance Fund or General Fund nor any payments received pursuant to the issuance of any subsequent parity indebtedness. Depreciation is not considered in the current expense for purposes of calculating net revenue.

### **Grand River Dam Authority**

On February 23, 1993, the Grand River Dam Authority (GRDA) issued \$764,585,000 Revenue Bonds, Refunding Series 1993 (the "1993 Bonds") to advance refund \$681,190,000 of the outstanding 1987 bonds. The 1993 Bonds were issued under the General Bond Resolution No. 4800, pursuant to the provisions of Third Supplemental Resolution No. 4851 and authorized by Resolution No. 4854 adopted by the Board of Directors in October 1992 and within the guidelines and approval of the Oklahoma Bond Commission granted August 1992. The 1993 Bonds have an average interest rate of 5.88% as compared to the defeased 1987 Bonds with stated rates ranging from 6.45% to 7% maturing 1998 through 2010 and were issued primarily to provide debt service savings.

Upon issuance of the 1993 Bonds, the net proceeds were applied to the purchase of obligations of the United States which were placed in an irrevocable trust and which, with the interest earned thereon, will be used to pay the principal, interest and any redemption premium on the defeased 1987 bonds.

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Sources and applications of the proceeds were as follows (expressed in thousands).

Sources of funds:	
Principal amount of the 1993 Bonds	\$ 764,585
Application of funds:	
Purchase of defeasance obligations and cash deposits	\$ 739,309
Costs of issuance and bond insurance premium	1,175
Underwriting discount	6,002
Net original issuance discount	18,099
Total	\$ 764,585

GRDA recorded an accounting loss of approximately \$113.7 million which was recorded as a deferred asset and will be amortized over the life of the new bonds. The difference between the present values of the old and new debt service payments is \$18.2 million, including \$6.1 million from an investment contract premium on the bond reserve funds, and GRDA will realize \$20.1 million in decreased aggregate debt service payments.

In March 1987, Revenue Bonds, Refunding Series 1987 (the "1987 Bonds") of \$1,153,040,000 were issued to provide a portion of the funds necessary to advance refund \$1,009,616,500 of previously-issued Revenue Bonds and Refunding Revenue Bonds, Series 1978, 1982, 1983A, 1983B, 1983C, 1984 and 1985, which constitute all of the GRDA's outstanding indebtedness issued under General Resolution No. 4545. The 1987 Bonds were issued under the provisions of General Bond Resolution No. 4800 and pursuant to the provisions of Supplemental Resolution No. 4801 and No. 4828 adopted by the Board of Directors on March 6, 1987, and August 7, 1991, respectively. The 1987 Bonds have an average interest rate of 6.995% and were issued to provide for essentially level debt service payments over the life of the issue and to provide debt service savings.

The advance refunding resulted in an accounting loss of \$110.9 million, which was recorded as a deferred asset and will be amortized over the life of the new bonds, and an increase in aggregate debt service payments of \$207.2 million over a 26-year period. This transaction resulted in a net reduction between the present values of the old and new debt service payments of \$32.2 million.

A portion of the proceeds of the 1987 Bonds, together with other monies available to GRDA for such purposes, was applied to the purchase of United States Government and United States Government Agency securities. The securities, which were placed in an irrevocable trust, and the interest earned thereon, will be used to pay, when due, the principal, interest and redemption premium, if any, on the defeased bonds.

Monies placed in escrow for the payment of principal and interest on all the bonds which have been defeased have been deposited in irrevocable trusts with recourse against the trustee if funds are not available to pay principal and interest on a timely basis. Since the revenue bonds which have been defeased are no longer direct liabilities of GRDA, they are not reflected on the accompanying balance sheets.

Defeased bonds of \$1,106,122,000 were outstanding at December 31, 1993. At December 31, 1993, the defeased bonds were a portion of the 1987 Refunding Series, 1985 and 1984 Refunding Series, 1983B, 1982 and 1978 Series, the 1977 Refunding Series, and the 1976, 1969, 1966 and 1961 Series.

**Oklahoma Municipal Power Authority**

The Oklahoma Municipal Power Authority (OMPA) has issued Power Supply System Revenue Bonds to finance portions of its acquisition and construction activities.

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On January 11, 1994, OMPA issued its Power Supply System Revenue Bonds, Series 1994A, totaling \$104,420,000, advance refunding \$91,985,000 principal amount of OMPA's Series 1992A and 1986C bonds. The 1994A Bonds bear interest at rates ranging from 2.75% to 5.00% and are payable from January 1, 1995 to January 1, 2028. The difference between the net carrying amount of the refunded bonds and the net proceeds to the OMPA from the Series 1994A bonds was approximately \$12,400,000, which has been deferred and will be amortized over the life of the Series 1994A bonds. OMPA reduced its aggregate debt service payments by approximately \$11,367,000 over the next 31 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$5,980,000.

The net proceeds of the Series 1994A bonds, along with \$347,200 from debt service reserve funds of the bonds refunded, have been irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States government. The principal and interest on these obligations will be sufficient to pay the refunded bonds at their maturity and to pay interest to such date. Upon establishment of the escrow account, the refunded bonds are no longer considered outstanding obligations of OMPA.

On January 27, 1994, OMPA issued its Power Supply System Revenue Bonds, Series 1994B, totaling \$45,710,000, issued primarily for the purpose of preparing certain capacity and related transmission costs and is expected to reduce annual operating costs by approximately \$800,000. The 1994B Bonds bear interest at rates ranging from 2.80% to 5.15% and are payable from January 1, 1995 to January 1, 2014.

The 1994B 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 the assets in the funds established by the respective bond resolution. Interest is payable semiannually on January 1 and July 1 each year. Neither the State nor any political subdivision thereof nor any participating municipality which has contracted with OMPA, is obligated to pay principal or interest on the bonds. OMPA does not have any taxing authority.

The Power Supply System Revenue Bonds, Series 1986A, were issued to refund OMPA's Power Supply System Revenue Bonds, Series 1985A, which matured in 1988 in the aggregate principal amount of \$25,000,000. The difference of approximately \$235,000 between the net carrying amount of the Series 1985A bonds and the net proceeds to OMPA from the Series 1986A bonds was deferred and is being amortized to expense over the life of the Series 1986A bonds. This transaction resulted in a net reduction of debt service cost over the life of the refunding bonds.

The Power Supply System Revenue Bonds, Series 1986C, were issued to refund OMPA's Power Supply System Revenue Bonds, Series 1985C maturing in 2005, 2015 and 2023 in the aggregate principal amount of \$148,760,000. The difference between the net carrying amount of the Series 1985C bonds and the net proceeds to OMPA from the Series 1986C bonds is approximately \$29,646,000 which has been deferred and is being amortized to expense over the life of the Series 1986C bonds. This transaction has resulted in a net reduction of debt service cost over the life of the refunding bonds.

The net proceeds of the Series 1986C bonds have been irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States government. The principal and interest on these obligations will be sufficient to pay the refunded bonds at their maturity and to pay interest to such date. Upon establishment of the escrow account, the refunded bonds were no longer considered outstanding obligations of OMPA.

On October 31, 1990, excess construction funds were irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States government in order to defease a portion of the outstanding Series 1985C, 1986A, 1986B and 1986C bonds. The

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principal and interest on the obligations purchased were sufficient to pay principal and interest on the defeased bonds, which were paid on January 1, 1994.

On January 3, 1991, OMPA issued its Power Supply System Revenue Bonds, Series 1990A, totaling \$71,020,000, advance refunding \$62,385,000 principal amount of Series 1986A and 1986B bonds. The difference between the net carrying amount of the refunded bonds and the net proceeds to OMPA from the Series 1990A bonds is approximately \$5,716,000, which has been deferred and is being amortized to expense over the life of the Series 1990A bonds. This transaction resulted in a net reduction of debt service cost over the life of the refunding bonds.

The net proceeds of the Series 1990A bonds along with \$282,360 from debt service reserve funds of the bonds refunded, have been irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States government. The principal and interest on these obligations will be sufficient to pay the refunded bonds at their maturity and to pay interest to such date. Upon establishment of the escrow account the refunded bonds are no longer considered outstanding obligations of OMPA.

On May 20, 1992, OMPA issued its Power Supply System Revenue Bonds, Series 1992A, totaling \$54,000,000 to pay part of the costs of acquisition and construction of the Ponca City Repowering Project and installation of certain facilities relating to demand-side management programs.

On July 24, 1992, OMPA issued its Power Supply System Revenue Bonds, Series 1992B, totaling \$166,675,000, advance refunding the following principal amounts of OMPA bonds (expressed in thousands).

Series 1985C	\$	6,685
Series 1986A		1,610
Series 1986B		2,220
Series 1986C		134,335

The difference between the net carrying amount of the refunded bonds and the net proceeds to OMPA from the Series 1992B bonds was approximately \$17,427,000 which has been deferred and is being amortized over the life of the Series 1992B bonds. This transaction resulted in an economic gain (difference between the present values of old and new debt service payments) of approximately \$4,080,000. Aggregate debt service payments increased by approximately \$6,550,000 over the next 31 years.

The net proceeds of the Series 1992B bonds have been irrevocably deposited with an escrow agent and have been used to purchase direct obligations of the United States government. The principal and interest on these obligations will be sufficient to pay the refunded bonds at their maturity and to pay interest to such date. Upon establishment of the escrow account the refunded bonds are no longer considered outstanding obligations of OMPA.

The following defeased bonds are no longer considered outstanding obligations of OMPA (expressed in thousands).

Series 1985C	\$	157,660
Series 1986A		28,565
Series 1986B		39,335
Series 1986C		135,725

**C. Notes Payable**

Notes payable at June 30, 1994 (September 30, 1993, for the Oklahoma Housing Finance Agency) and changes for the fiscal year then ended are as follows (expressed in thousands).



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Description/Security	Issue Dates	Current Variable Interest Rate	Notes Date Through	Original Note Amount	Beginning Balance	Additions	Reductions	Ending Balance
Student Loan Authority:								
SLMA/Specific Stafford loans	1987	4.61%	1999	\$ 15,000	\$ 6,975	\$ -	\$ 1,000	\$ 5,975
SLMA/Specific SLS & PLUS loans	1988	-	-	25,000	8,306	-	8,306	-
SLMA/Specific Stafford loans	1990	5.46%	2005	75,000	27,926	-	4,451	23,475
SLMA/Specific HEAL loans	1992	5.04%	2000	10,000	6,414	-	2,665	3,749
Liberty Bank/Specific FFEL loans	1993	5.31%	1996	30,000	885	13,365	-	14,250
Subtotal					50,506	13,365	16,422	47,449
Housing Finance Agency:								
1984 Terrace Project/program loans	1984	9.00%	2004		763	-	49	714
		Fixed Interest Rate						
Environmental Finance Authority:								
First Tulsa - A Bank of Mid-America		7.50%	1996		246	-	79	167
Total					<u>\$ 51,515</u>	<u>\$ 13,365</u>	<u>\$ 16,550</u>	48,330
Less: Current Portion								22,533
Total Noncurrent Notes Payable								<u>\$ 25,797</u>

The following table presents annual principal payments (excludes interest) for notes payable outstanding at June 30, 1994 (September 30, 1993 for Oklahoma Housing Finance Agency) (expressed in thousands):

	1995	1996	1997	1998	1999	Maturity	Total
Student Loan Authority	\$ 22,449	\$ 4,450	\$ 4,450	\$ 4,450	\$ 10,425	\$ 1,225	\$ 47,449
Housing Finance Agency	71	72	71	72	71	357	714
Environmental Finance Authority	84	83	-	-	-	-	167
Total	<u>\$ 22,604</u>	<u>\$ 4,605</u>	<u>\$ 4,521</u>	<u>\$ 4,522</u>	<u>\$ 10,496</u>	<u>\$ 1,582</u>	<u>\$ 48,330</u>

Pursuant to financing agreements and loan sale agreements, SLMA will purchase certain SLS, PLUS, and HEAL loans when they reach repayment status. The Student Loan Authority (SLA) has an obligation to repurchase the loans should SLMA's collection efforts determine any SLA representations or warranties with regards to the loans to be materially incorrect. The amount of loans repurchased by SLA was approximately \$18,000 for the fiscal year ended June 30, 1994. The total amount of loans sold to SLMA was approximately \$10,700,000 for the year ended June 30, 1994.

### D. Capital Leases

The State's proprietary component units have entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The following schedule presents, by fiscal year, future minimum lease payments in the proprietary component units as of the funds' fiscal year ends (expressed in thousands).

	Minimum Lease Payments
1995	\$ 1,029
1996	1,024
1997	938
1998	649
1999	649
Later Years	3,966
Total Minimum Lease Payments	8,255
Less: Interest	2,133
Present value of Minimum Lease Payments	<u>\$ 6,122</u>

Capital lease obligations at the component units' year ends, and changes for the fiscal years then ended are as follows (expressed in thousands).

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	Beginning Balance	Additions	Reductions	Ending Balance
Capital Lease Obligations	\$ 3,094	\$ 3,486	\$ 458	\$ 6,122

The following is property under capital leases at the component unit s' year ends (expressed in thousands).

Facilities and Equipment	\$ 15,230
Less: Accumulated Depreciation	10,383
Net	\$ 4,847

**Grand River Dam Authority**

The Grand River Dam Authority (GRDA) is a party to an electric service agreement, dated December 4, 1950, with KAMO Electric Cooperative. Among other provisions, the agreement provides for the construction of transmission facilities by the cooperative which are leased to, and operated and maintained by GRDA. The lease was accounted for as an operating lease until 1978 when, in accordance with the guidelines established by Statement of Financial Accounting Standards No. 13, " *Accounting for Leases*," GRDA capitalized this lease.

GRDA has an option to purchase the facilities for the balance of the mortgage debt (principal and interest) incurred by the Cooperative to finance the facilities which the Board of Directors voted to exercise in December 1993. Thus, the principal balance of the lease is classified as current as of December 31, 1993.

**Note 13. Long Term Obligations - Component Unit, Higher Education Funds**

Long term obligations at June 30, 1994, 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
<b>General Obligation Bonds:</b>							
Rose State College Technical District	1969-1971	4.65-5.125%	1997	\$ 275	\$ -	\$ 100	\$ 175
Tulsa Junior College	1982-1989	.05-10.00%	1999	7,550	-	1,250	6,300
Total				\$ 7,825	\$ -	\$ 1,350	\$ 6,475
<b>Revenue Bonds:</b>							
East Central University	1993	4.90-10.00%	2013	\$ -	\$ 3,175	\$ -	\$ 3,175
Oklahoma State University	1964-1993	3.00-10.00%	2012	31,715	1,035	4,820	27,930
Seminole Junior College	1972	8.00%	1997	130	-	25	105
Southeastern Okla. State University	1969	3.00%	2009	1,085	-	55	1,030
Northwestern Okla. State University	1968	5.00%	1998	135	-	135	0
Northeastern State University	1966	4.90-5.00%	1997	715	-	125	590
University of Oklahoma	1964-1993	3.00-9.15%	2012	26,959	6,000	2,099	30,860
O.U. Health Sciences Center	1977-1979	5.50-6.30%	2008	8,295	-	455	7,840
Tulsa Junior College	1976-1994	3.60-10.00%	2014	4,020	4,735	2,585	6,170
Carl Albert Junior College	1974	8.00%	1994	22	-	22	0
Redlands Community College	1972-1993	5.00-9.50%	2014	268	1,325	24	1,569
Oklahoma City Community College	1993	4.65-12.00%	2013	4,130	4,235	4,130	4,235
University of Science & Arts	1966-1967	5.00%	1996	107	-	41	66
Murray State College	1964	4.00%	2004	452	-	40	412
Langston University	1963-1967	3.00-3.375%	2007	2,259	-	145	2,114
Eastern State College	1959-1966	3.00-4.00%	2006	776	-	77	699
Rose State College	1972-1993	5.40-8.00%	2008	2,180	-	85	2,095
Northern Oklahoma College	1965	3.00-4.00%	1996	230	-	60	170
University of Central Oklahoma	1993	4.20-7.00%	2023	32,000	4,910	405	36,505
Total				\$ 115,478	\$ 25,415	\$ 15,328	\$ 125,565
<b>Certificates of Participation:</b>							
Southeastern Okla. State University	1993	3.75-6.50%	2009	\$ -	\$ 1,300	\$ -	\$ 1,300
University of Central Oklahoma	1991	4.75-6.00%	2001	1,500	-	157	1,343
Total				\$ 1,500	\$ 1,300	\$ 157	\$ 2,643

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The following table presents annual principal and interest payments (principal payments only for the general obligation bonds of Tulsa Junior College, and the revenue bonds of East Central University, Oklahoma State University, O.U. Health Sciences Center, and Langston University) applicable to long-term debt outstanding at June 30, 1994 (expressed in thousands):

	1995	1996	1997	1998	1999	Maturity	Total
General Obligation Bonds:							
Rose State College							
Technical District	\$ 81	\$ 78	\$ 26	\$ -	\$ -	\$ -	\$ 185
Less: Interest	6	3	1	-	-	-	10
Subtotal: Principal	75	75	25	-	-	-	175
Tulsa Junior College	1,250	1,250	1,250	1,250	1,300	-	6,300
Total Principal	<u>\$ 1,325</u>	<u>\$ 1,325</u>	<u>\$ 1,275</u>	<u>\$ 1,250</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ 6,475</u>
Revenue Bonds:							
Seminole Junior College	\$ 33	\$ 31	\$ 60	\$ -	\$ 87	\$ -	\$ 124
Southeastern Okla. State University	84	87	86	84	-	832	1,260
Northeastern State University	155	164	321	-	3,598	-	640
University of Oklahoma	4,791	3,619	3,619	3,593	669	23,962	43,182
Tulsa Junior College	530	855	858	671	157	5,519	9,102
Redlands Community College	159	156	158	154	385	1,814	2,598
OKC Community College	279	384	393	394	-	4,909	6,744
University of Science & Arts	35	35	0	-	53	-	70
Murray State College	55	53	57	55	100	211	484
Eastern State College	99	98	102	102	234	310	811
Rose State College	231	228	230	236	-	1,815	2,974
Northern Oklahoma College	70	107	-	-	2,578	-	177
University of Central Oklahoma	2,567	2,577	2,579	2,583	-	60,325	73,209
Total Principal and Interest	9,088	8,394	8,463	7,872	7,861	99,697	141,375
Less: Interest	4,501	4,407	4,150	3,905	3,648	36,258	56,869
Subtotal: Principal	4,587	3,987	4,313	3,967	4,213	63,439	84,506
East Central University	85	95	105	110	120	2,660	3,175
Oklahoma State University	1,505	1,423	1,503	1,623	1,641	20,235	27,930
O.U. Health Sciences Center	200	210	225	565	600	6,040	7,840
Langston University	150	150	170	170	170	1,304	2,114
Total Principal	<u>\$ 6,527</u>	<u>\$ 5,865</u>	<u>\$ 6,316</u>	<u>\$ 6,435</u>	<u>\$ 6,744</u>	<u>\$ 93,678</u>	<u>\$ 125,565</u>
Certificates of Participation:							
Southeastern Okla. State University	\$ 136	\$ 138	\$ 135	\$ 137	\$ 134	\$ 1,350	\$ 2,030
University of Central Oklahoma	264	265	264	268	261	382	1,704
Total Principal and Interest	400	403	399	405	395	1,732	3,734
Less: Interest	165	148	134	120	105	419	1,091
Total Principal	<u>\$ 235</u>	<u>\$ 255</u>	<u>\$ 265</u>	<u>\$ 285</u>	<u>\$ 290</u>	<u>\$ 1,313</u>	<u>\$ 2,643</u>

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**A. General Obligation Bonds**

Rose State College Technical District and Tulsa Junior College have authorized and issued general obligation bonds for the financing of buildings, equipment, and related capital improvements. Ad valorem taxes levied upon taxable property within their respective specific areas have been pledged to retire these general obligation bonds.

**B. Revenue Bonds**

Certain State colleges and universities have authorized and issued revenue bonds for the acquisition of student housing and other facilities. Student fees, revenues produced by the facilities constructed, and other revenues collateralize the revenue bonds.

Revenue bonds have been defeased at certain colleges and universities as follows.

Tulsa Junior College - On May 1, 1994, the College issued \$2,235,000 in Student Center Revenue Refunding Bonds, Series 1994, to advance refund \$2,215,000 of outstanding Student Center Revenue Bonds, Series 1984. The net proceeds plus additional Series 1984 Reserve fund monies and other non-bond proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 1984 bonds upon early redemption, which occurred on July 1, 1994. The College completed the advance refunding to reduce its total debt service payments over the next 10 years by \$378,704 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$214,822.

Oklahoma City Community College - In 1993, the College issued the Student Facility Revenue Bonds, Refunding Series 1993 in the amount of \$4,235,000. The Bonds were issued to advance refund the College's Student Facility Revenue Bonds, Series 1987, the College's Student Facility Bonds, Refunding Series 1988, establish a Bond Fund Reserve, and pay the issuance costs of the 1993 Bonds. The entire issues of the Student Facility Revenue Bonds, Series 1987, and Student Facility Revenue Bonds, Series 1988 were defeased through the escrow deposit of approximately \$4,130,000. The liability for the Series 1987 and Series 1988 issues is not reflected in the accompanying financial statements. At June 30, 1994, the defeased bonds outstanding were \$4,130,000. The advance refunding decreased the College's aggregate debt service payments by approximately \$1,100,000 over the next 20 years and resulted in an economic gain (difference between the present values of the old and new debt service payments) of approximately \$319,000.

In prior years, colleges and universities defeased certain revenue bonds 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. On June 30, 1994, \$10,595,000 of bonds outstanding are considered defeased.

**C. Certificates of Participation**

Southeastern Oklahoma State University and University of Central Oklahoma were parties to lease purchase agreements during fiscal year 1994 funded through certificates of participation. These leases are for the purchase of energy saving equipment. Third-party leasing companies have assigned their interest in the lease to underwriters who have 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.

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Investment in fixed assets at June 30, 1994, includes \$3,046,000 of equipment funded through these certificates of participation.

### 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, 1994 (expressed in thousands).

	Minimum Lease Payments
1995	\$ 1,449
1996	878
1997	574
1998	519
1999	260
Later Years	625
Total Minimum Lease Payments	4,305
Less: Interest	676
Present value of Minimum Lease Payments	<u>\$ 3,629</u>

Capital lease obligations at June 30, 1994, and changes for the fiscal year then ended are as follows (expressed in thousands).

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Lease Obligations	\$ 6,414	\$ 365	\$ 3,150	\$ 3,629

Leased equipment under capital leases in investment in fixed assets at June 30, 1994, included the following (expressed in thousands).

Facilities and Equipment	\$ 19,867
Less: Accumulated Depreciation	7,784
Net	<u>\$ 12,083</u>

### Note 14. Advances From Motor Fuel Tax Trust Fund - Oklahoma Turnpike Authority

By virtue of the "Enabling Act" of 1971 and amendments thereto, a portion of the motor fuel excise taxes collected on fuels consumed on the turnpikes is made available to the Oklahoma Turnpike Authority (OTA) from the Oklahoma Tax Commission. Prior to July 1, 1992, this amount was not to exceed \$3,000,000 during a fiscal year. In 1992, Title 69, § 1730 was amended. Beginning July 1, 1992, the motor fuel tax monies due to OTA are apportioned to OTA on the first day of each calendar month. All motor fuel taxes apportioned to OTA are available to fund debt service, to the extent monies are not otherwise available to OTA for such purpose. If such motor fuel excise taxes apportioned to OTA are not necessary in such month, the motor fuel excise tax monies shall be paid over to the Oklahoma Department of Transportation (ODOT). During 1993, OTA received, and subsequently remitted to ODOT, \$25,262,223 of motor fuel excise taxes.

The available funds (\$20,217,349 at December 31, 1993) are invested in interest-bearing obligations and, with the interest earned thereon (\$1,283,333 during the calendar year ended December 31, 1993)

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are used to eliminate deficiencies, if any, in available monies to meet revenue bond interest and principal requirements. No transfers were required in 1993.

Prior to the issuance of the Series 1989 Bonds, the OTA had not received apportionments from the Oklahoma Tax Commission since 1979 because the maximum amount that could be retained by OTA in accordance with the Enabling Act was deposited with the prior Trustee.

When all Senior and Subordinate Revenue Bonds, together with interest thereon, have been paid, OTA will be required to pay all amounts that have been received from the Tax Commission and any interest earned on amounts invested to ODOT. The accumulated liability to ODOT as of December 31, 1993, is \$37,583,001. The following provides a cumulative breakdown of receipts, disbursements and cash balance, and reconciles the monies received from apportionments, monies received as interest on investments, monies remitted to ODOT, and accrued interest earnings with the accumulated liability (expressed in thousands).

	Reconciliation of Cash and Investments	Reconciliation of Cumulative Liability
Apportionments received from 1960 to date	\$ 97,250	\$ 97,250
Interest received on investment of monies	59,967	59,967
Accrued interest paid on purchase of U.S. T-notes	(13)	-
Monies remitted to ODOT from 1960 to date	(85,504)	(85,504)
Monies remitted to ODOT from other sources	-	(10,000)
Reduction in Payable to ODOT	-	(24,036)
Monies used to pay debt service and expenses	(51,483)	-
Cash and investment balances as of Dec. 31, 1993	\$ 20,217	
Difference of interest earned and interest received		(94)
Cumulative liability as of December 31, 1993		\$ 37,583

The Federal Intermodal Surface Transportation Efficiency Act of 1991 ("ISTEA") was signed into law December 1991. ISTEA permits a state to use certain toll revenue expenditures as a credit toward the non-Federal matching share of all programs under Title 23 and ISTEA. According to the Federal Highway Administration, "this is in essence a 'soft match' provision that allows the state's Federal share to be increased up to 100% to the extent that credits are available."

OTA has an agreement with ODOT that any toll revenue expenditures which are utilized as a "soft match" credit by ODOT will result in a dollar-for-dollar reduction in the Payable to Department of Transportation. OTA received notification from ODOT that in 1993, ODOT utilized approximately \$24,036,000 in "soft match" credits. ODOT's utilization of these credits is reflected as non-operating revenue in the Statement of Revenues, Expenses and Changes in Retained Earnings, with a corresponding reduction in the Payable to Department of Transportation in the Balance Sheet.

**Note 15. Costs to be Recovered from Future Revenues**

**Grand River Dam Authority**

Certain items included in operating costs of an unregulated enterprise are recovered by the Grand River Dam Authority (GRDA) through rates set by the Board of Directors. Recognition of these costs, primarily depreciation on debt funded plant, 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 by the GRDA in future years.

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### **Oklahoma Municipal Power Authority**

The Power Sales Contracts with the participating municipalities provide for billings to those municipalities for output and services of the projects, funds to the Oklahoma Municipal Power Authority (OMPA) for payment of its current operating and maintenance expenses (excluding depreciation and amortization), payment of scheduled debt principal and interest and deposits in certain funds, all in compliance with the bond resolutions. For financial reporting purposes, OMPA currently recognizes depreciation of assets financed by bond principal and amortization expense. The difference between current expenses and 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.

### **Note 16. Deferred Compensation Plan**

The State offers its employees a deferred compensation plan as authorized by Section 457 of the Internal Revenue Code of 1954, and as amended by the Tax Reform Act of 1986, in accordance with the provisions of Sections 1701 through 1706 of Title 74 of the Oklahoma Statutes.

The Plan is available to all full-time State employees, as well as any elected officials receiving a salary from the State. Participants may defer until future years up to the lesser of 25% of their gross taxable income as defined by Plan documents not to exceed \$7,500 per year, with a minimum contribution of \$25 per month. The participants invest such deferred salaries in available investment options offered by the Plan. All interest, dividends and administrative fees are allocated to participants' accounts.

The Plan offers a catch-up program to participants, which allows them to defer up to \$15,000 annually for the three years prior to their year of retirement. The additional contribution, in excess of the normal maximum to the Plan, is accounted for as catch-up contributions for the years in which the participant did not participate in the Plan or was not contributing at the maximum allowable level. To be eligible for the catch-up program, the participant must be within three years of retirement from Oklahoma Public Employees Retirement System with no reduced benefits.

Deferred compensation benefits are paid out to participants upon termination, retirement, death, or unforeseeable emergency. Such benefits are based on a participant's account balance and are disbursed in a lump sum or periodic payments, at the option of the participant in accordance with Plan provisions. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the State (without being restricted to the provisions of benefits under the Plan), and are subject to the claims of the State's general creditors. Participants' rights under the Plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. During 1994 and 1993, Plan assets were used to pay participant deferred compensation benefits and certain administrative fees charged by the investment carriers. Such administrative fees are charged to individual participant balances.

The Plan offers participants several investment options. These include a savings account with Great Western Bank, a guaranteed interest contract with Metropolitan Life Insurance Company consisting of a fixed interest-bearing account and annuity contracts, and 33 mutual funds of T. Rowe Price.

It is the opinion of Plan management that the State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. Plan management believes that it is unlikely that the State will use the assets of the Plan to satisfy the claims of the State's general creditors in the future.

**Note 17. Nonrecourse Debt, Notes Receivable, and Funds in Trust of the Oklahoma Development Finance Authority**

The Oklahoma Development Finance Authority (ODFA) holds notes receivable and trust investments in amounts equal to the long-term financings. The financing agreements 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. As of June 30, 1994, the aggregate amount of these financings is approximately \$161,000,000 for all Public and Private Programs.

The financings are not the general obligations of the ODFA, and it is the opinion of the ODFA's management and its legal counsel that, in the event of default by a borrower, ODFA has no responsibility for repayment of such financings. Accordingly, the nonrecourse debt and the related notes receivable and trust investments have been excluded from the financial statements.

**Note 18. Beginning Fund Balance Adjustments**

The following schedule reconciles June 30, 1993, fund equity, as previously reported, to beginning fund equity, as restated (expressed in thousands).

	General	Special Revenue	Capital Projects	Enterprise	Trust and Agency	Proprietary Component Units	Higher Education Component Unit	Total
June 30, 1993, fund equity, as previously reported	\$ 830,314	\$ 154,324	\$ 241,319	\$ 440,027	\$ 7,372,218	\$ -	\$ 1,793,674	\$ 10,831,876
To record consolidation/change of fund types	156,010	(154,324)	-	-	-	-	-	1,686
Prior period adjustments:								
Plant inventory and depreciation adjustments	-	-	-	-	-	-	(69,755)	(69,755)
Record supplemental retirement plan liability	-	-	-	-	-	-	2,898	2,898
Implementation of GASB 14	-	-	-	(418,680)	-	439,854	28,858	50,032
Implementation of GASB 23	-	-	-	-	-	26,394	-	26,394
Other	22	-	-	-	-	-	(267)	(245)
June 30, 1993, fund equity, as restated	<u>\$ 986,346</u>	<u>\$ -</u>	<u>\$ 241,319</u>	<u>\$ 21,347</u>	<u>\$ 7,372,218</u>	<u>\$ 466,248</u>	<u>\$ 1,755,408</u>	<u>\$ 10,842,886</u>

**Note 19. Condensed Financial Statement Information for Discretely Presented Proprietary Component Units**

The State has eleven proprietary component units which are described below.

- A. **Oklahoma Industrial Finance Authority (OIFA)** - assists with the State's industrial development. The OIFA makes 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 OIFA's loans are financed by issuance of general obligation bonds.
- B. **State Insurance Fund** - provides a source for workers' compensation insurance for all employers within the State including State agencies and other governmental units. The Fund operates similarly to other insurance companies and is financed through employer premiums.



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- C. **State and Education Employees Group Insurance Board** - provides group health, life, and dental benefits to active employees and retirees of the State and certain other eligible participants. The Board is financed through employer and employee premiums.
- D. **Oklahoma Student Loan Authority** - provides loan funds to qualified persons (persons who are citizens of the State or are attending participating schools in the State) at participating educational institutions (post-secondary proprietary institutions and higher education institutions) through the issuance of tax-exempt revenue bonds or other debt obligations.
- E. **University Hospitals Authority** - consists of the University Hospital, Children's Hospital of Oklahoma, O'Donoghue Rehabilitation Institute, and their related clinics and other services. The University Hospitals 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 University Hospitals Authority.
- F. **Oklahoma Development Finance Authority (ODFA)** - provides financing for both public and private entities in the State. The ODFA obtains funds through the issuance of bonds and notes. Private entities qualifying for ODFA financing are generally agricultural, civic, educational, health care, industrial, or manufacturing enterprises. Financing is also provided to governmental agencies and instrumentalities of the State.
- G. **Oklahoma Environmental Finance Authority (OEFA)** - provides financing for both public and private entities in the State. The OEFA obtains funds through the issuance of bonds and notes. Qualifying entities are provided a method of financing facilities necessary or useful to abate, control and lessen air and water pollution.

Condensed financial statement information for the discretely presented proprietary component units for the fiscal year ended June 30, 1994 (unless a different fiscal year is indicated), follows (expressed in thousands).

	Oklahoma Industrial Finance Authority	State Insurance Fund (12-31-93 Fiscal Year)	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Operating Revenue	\$ 5,301	\$ 254,253	\$ 218,139	\$ 7,401	\$ 190,243
Operating Expenses					
Depreciation	82	925	180	211	13,899
Other	4,412	360,137	223,080	7,050	209,279
Operating Income (Loss)	807	(106,809)	(5,121)	140	(32,935)
Operating Transfers In (Out)	-	-	-	-	26,077
Nonoperating Revenues (Expenses)	(1,284)	59,014	9,943	1,131	647
Deferred Costs	-	-	-	-	-
Net Income (Loss)	<u>(477)</u>	<u>(47,795)</u>	<u>4,822</u>	<u>1,271</u>	<u>(6,211)</u>
Current Assets	15,325	644,476	207,612	14,679	61,475
Current Liabilities	1,436	605,233	128,333	27,061	20,693
Net Working Capital	<u>13,889</u>	<u>39,243</u>	<u>79,279</u>	<u>(12,382)</u>	<u>40,782</u>
Total Assets	68,685	649,741	208,835	120,151	211,720
Total Liabilities	68,672	605,233	128,333	91,731	24,869
Fund Equity	<u>13</u>	<u>44,508</u>	<u>80,502</u>	<u>28,420</u>	<u>186,851</u>
Long-Term Liabilities	67,236	-	-	64,670	4,176
Fixed Assets - Beginning of Year	178	6,787	1,421	632	263,543
Additions	1	3,220	65	93	18,649
Deletions	-	(829)	-	-	(14,533)
Fixed Assets - End of Year	<u>\$ 179</u>	<u>\$ 9,178</u>	<u>\$ 1,486</u>	<u>\$ 725</u>	<u>\$ 267,659</u>

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- H. **Oklahoma Housing Finance Agency (OHFA)** - is authorized, in the furtherance of public purposes, to issue its 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. In addition to its revenue bond and note programs, OHFA administers Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development.
- I. **Oklahoma Turnpike Authority (OTA)** - is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature of the State and approved by the State Department of Transportation. The OTA receives its revenues from turnpike tolls and a percentage of the turnpike concessions sales. The OTA issues revenue bonds to finance the cost of turnpike projects.
- J. **Grand River Dam Authority (GRDA)** - 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 GRDA produces and distributes electrical power for sale to customers primarily located in northeastern Oklahoma. The GRDA's customers consist of rural electric cooperatives, municipalities, industries and off-system sales. Sales to these customers are made on account.
- K. **Oklahoma Municipal Power Authority (OMPA)** - 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. Also, the OMPA sells electric power to its member municipalities.

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency (9-30-93 Fiscal Year)	Oklahoma Turnpike Authority (12-31-93 Fiscal Year)	Grand River Dam Authority (12-31-93 Fiscal Year)	Oklahoma Municipal Power Authority (12-31-93 Fiscal Year)	Total
\$ 341	\$ 2,866	\$ 59,829	\$ 84,632	\$ 161,383	\$ 66,846	\$ 1,051,234
6	-	73	35,524	25,928	4,834	81,662
1,335	2,835	66,466	31,477	76,799	52,041	1,034,411
(1,000)	31	(6,710)	17,631	58,656	9,971	(65,339)
-	-	-	-	-	-	26,077
1,025	(32)	7,179	(5,411)	(63,902)	(17,050)	(8,740)
-	-	-	-	(1,800)	8,538	6,738
25	(1)	469	12,220	(7,046)	1,459	(41,264)
1,480	-	92,420	102,258	71,589	35,559	1,246,873
4,789	1,417	29,077	33,058	45,850	19,288	916,235
(3,309)	(1,417)	63,343	69,200	25,739	16,271	330,638
5,839	46,641	650,719	774,093	1,148,156	358,100	4,242,680
4,789	46,567	623,969	725,659	1,120,976	348,335	3,789,133
1,050	74	26,750	48,434	27,180	9,765	453,547
-	45,150	594,892	692,601	1,075,126	329,047	2,872,898
59	-	908	931,969	891,975	158,227	2,255,699
36	-	143	24,811	40,977	17,231	105,226
-	-	-	(640)	(41,657)	(26)	(57,685)
\$ 95	\$ -	\$ 1,051	\$ 956,140	\$ 891,295	\$ 175,432	\$ 2,303,240

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### Oklahoma Housing Finance Agency's Federal Financial Assistance

The Oklahoma Housing Finance Agency (OHFA) received Federal financial assistance totaling \$29,379,522 in housing assistance payments during the year ended September 30, 1993, under the Housing Assistance Payments Program. This Federal assistance was netted against applicable Federal expenditures on the financial statements. Therefore, no Federal revenue is presented for the OHFA operating statement.

## Note 20. Retirement and Pension Systems

### A. General Description of the Retirement Systems

The State administers six Public Employee Retirement Systems (PERS): 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). The Wildlife Conservation Commission and Oklahoma Housing Finance Agency have Retirement Systems that are privately administered. Information pertinent to each system is stated below.

OFPRS, OLERS, OPERS, OPPRS, and TRS are cost-sharing multiple-employer defined benefit PERS. URSJJ is a single-employer, cost-sharing defined benefit PERS. Pension benefit provisions for all PERS have been established by statute. Vesting information for each PERS is disclosed on an individual basis (Item C - System Details).

At June 30, 1994, the Plan's membership consisted of:

	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS
Retirees and Beneficiaries						
Currently Receiving Benefits	6,282	686	16,582	135	1,538	28,012
Terminated Vested Participants	332	16	2,913	13	26	2,774
Deferred Option Plan Participants	-	162	-	-	328	-
Active Participants	9,756	983	44,853	246	3,405	76,280
Total	<u>16,370</u>	<u>1,847</u>	<u>64,348</u>	<u>394</u>	<u>5,297</u>	<u>107,066*</u>

\* In addition, TRS had 7,993 of nonvested inactive participants at June 30, 1994, who are entitled to a refund of their accumulated contributions. Such amounts are included in the determination of the pension benefit obligation and are accounted for by TRS in the Suspense Fund which amounted to approximately \$6,953,017 at June 30, 1994.

### B. Funding Status and Progress

The total pension benefit obligation (PBO) is stated below on an individual basis. These totals are based on a standardized disclosure measure as required by GASB Statement 5. The standardized measure is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. Use of the standardized measure enables readers of the State financial statements to (1) assess on an ongoing basis the funding status of each system, (2) assess progress made in accumulating sufficient assets to pay benefits when due, and (3) make comparisons with other states or retirement systems. The standardized disclosure method is independent of the actuarial funding method used to determine contributions to the retirement systems. The assumptions used to

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determine the contribution rates are the same as/similar to those used in determining the pension benefit obligation.

Historical Trend Information for the six State administered PERS is found in the Other Required Supplementary Information of this report. This will provide information about the progress made by the State in accumulating sufficient assets to pay benefits when due.

Actuarial determinations are made for the six PERS by independent consulting actuaries for each respective PERS.

The following summary of selected actuarial data has been compiled in accordance with GASB Statement 5.

Pension Benefit Obligation (expressed in thousands):

	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS
Actuarial Valuation Date	7-1-94	7-1-94	6-30-94	6-30-94	6-30-94	6-30-94
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits\$	582,690	\$ 142,041	\$ 1,345,477	\$ 25,611	\$ 345,129	\$ 3,290,081
Deferred Option Plan						
Participants: Member						
Employee-financed-vested	144,724	48,988	-	-	97,353	-
Current Employee:						
Accumulated employee contributions	56,184	*	172,724	8,309	53,777	1,467,903
Employer-financed vested	125,783	48,452	616,967	7,671	105,655	1,258,700
Employer-financed non-vested	159,838	38,949	371,111	29,543	137,903	59,546
Total pension benefit obligation	1,069,219	278,430 <sup>+</sup>	2,506,279 <sup>+</sup>	71,134	739,817	6,076,230 <sup>+</sup>
Net Assets available for benefits:						
Cost	-	244,146	2,357,479	75,399	-	2,576,754
Market	623,115	**	**	**	609,679	**
Unfunded pension benefit obligation	\$ 446,104 <sup>***</sup>	\$ 34,284	\$ 148,800	\$ (4,265)	\$ 130,138	\$ 3,499,476

\* Accumulated employee contributions is reported in the amount listed as employer-financed vested.

\*\* Market value of net assets available for benefits is:  
OLERS - \$242,990; OPERS - \$2,396,968; URSJJ - \$77,222; TRS - \$2,658,124.

\*\*\* Presented net of monies currently held in the deferred option plan accounts, which amounts to \$42,302,594.

+ OLERS, OPERS, and TRS provide a contribution toward the cost of health insurance for electing members. Funding for such health insurance benefit is considered as part of the overall PERS requirement. No separation of pension obligation and health insurance obligation is made by the PERS and assets are not allocated between obligations. The pension benefit obligation disclosed above for OLERS includes \$7,731,467 at July 1, 1994, relating to OLERS's health insurance obligation. The actuarial valuation for these obligations assumes that all active, deferred vested and deferred option plan members elect the health insurance benefit upon retirement

The pension benefit obligation for each of the six PERS was determined as part of an actuarial valuation at the dates noted in the table above.

Oklahoma Law Enforcement Retirement System

As a result of legislation enacted during fiscal 1994, beginning July 1, 1994, OLERS members who retired or were eligible to retire before July 1, 1980 (or their surviving spouses), will receive a monthly benefit equal to the greater of their current benefit or 2.5% of the gross salary currently paid to a highway patrol officer times the member's years of service. In addition, all retirees receiving benefits as of June 30, 1993, will receive a 2.5% increase in benefits on July 1, 1994. This legislation resulted in an increase to the pension benefit obligation at July 1, 1994, of approximately \$6.5 million.

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### Oklahoma Public Employees Retirement System

The increase in the unfunded pension benefit obligation from June 30, 1994, to July 1, 1994, of approximately \$37,700,000 is attributable to changes in OPERS provisions as mandated by House Bill 2228. Approximately \$30.4 million of this increase is due to the impact of benefit cost of living increases provided by this bill. The remaining \$7.3 million increase is due to the modification of the contribution rates and covered compensation limits, and changes in the benefit determination method as set forth in the bill. The provisions of House Bill 2228 affecting OPERS are more fully described in the Plan Amendments for OPERS.

The decrease in the unfunded pension benefit obligation from June 30, 1993, to July 1, 1993, is primarily attributable to changes in assumptions (\$3,506,000) and changes in OPERS provisions (\$275,000). Changes in assumptions related mainly to (1) salary increases on a graded scale ranging from 4.8% to 7.5% changed from a range of 5.2% to 8.0%, (2) adjustment of annual retirement rates, and (3) adjustment of the assumed rate of return on investments. The total benefit obligation and net assets available for benefits has also been adjusted to reflect the pro forma effect of the transfer of 74 members of the Capitol Patrol from OPERS to OLERS effective July 1, 1993, as mandated by Senate Bill 491. The actual transfer of \$1,144,109 representing the Capitol Patrol members' pension benefit obligation was made in December 1993, and is included in refunds and withdrawals in the accompanying statement of revenue, expenses, and changes in fund balance.

### Uniform Retirement System for Justices and Judges

The decrease in the surplus of net assets available for benefits over the total pension benefit obligation from June 30, 1994, to July 1, 1994, of approximately \$350,000 is due primarily to the provisions of legislated plan amendments regarding eligibility for full retirement benefits and cost of living increases to retirement benefits as more fully described in the Plan Amendments for URSJJ.

## C. **System Details**

### **Oklahoma Firefighters Pension and Retirement System**

#### **System Information**

The Oklahoma Firefighters Pension and Retirement System (OFPRS) was established by legislative act and became effective on January 1, 1981.

In general, OFPRS provides defined retirement benefits based on members' final average salary, age and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. Retirement provisions are as follows.

- Full-time firefighters become 100% vested in retirement benefits earned to date after 10 years of credited service. Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 2.5% of the member's final average compensation for each year of credited service, not to exceed 30 years. Final average compensation is defined as the average base salary over the highest 30 consecutive months of the last 60 months of participation. For volunteer firefighters, the monthly pension benefit is \$5.33 for each year of credited service, not to exceed 30 years.
- A member is eligible for disability benefits after approval by the Board of Trustees based upon a medical examiner's report. Disability benefits are determined the same as retirement benefits.

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- A \$4,000 lump sum death benefit is payable to the beneficiary or estate of an active or retired participant upon the participant's death. For the years ended June 30, 1994, total death benefits of \$564,000 were paid from OFPRS.
- Upon withdrawal from OFPRS, members' contributions are refundable without interest if less than 10 years of service. If the withdrawal is after 10 years of service, the member may receive a refund without interest, or is entitled to receive a vested benefit based on 2.5% of final average salary for each year of service, payable at age 50 or the date the member would have completed 20 years of service, if later.
- Firefighters with 20 or more years of service may elect to participate in the Oklahoma Deferred Retirement Option Plan in lieu of normal or late retirement. Under the Deferred Retirement Option Plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the participant are deposited into a deferred retirement account, which earns interest. The participant is no longer required to make contributions. Upon retirement, the firefighter receives his monthly retirement benefit as calculated at the time of election. In addition, the amount accumulated in the deferred retirement account is payable either as a lump sum or as monthly payments. As of June 30, 1994, there were 589 members electing to participate in the Deferred Option Plan.

**Contributions Required and Contributions Made**

The contribution requirements of OFPRS are an established rate determined by the Oklahoma Legislature and are not based on actuarial calculations.

Participating full-time firefighters contribute 8% of applicable earnings, while participating municipalities contribute 11.5% of the member's applicable earnings. The contribution rate for paid firefighters is scheduled to increase on July 1, 1994, to 12%, and increasing .5% each year through July 1996. In addition, the participating municipalities contribute \$60 for each volunteer firefighter. The State allocates 34% of the insurance premium tax collected from insurance companies on all types of insurance policies to OFPRS. The State may also allocate additional funds annually as needed to pay current costs and to amortize the unfunded actuarial present value of accumulated plan benefits.

Actuarially determined contribution requirements consist of an amount for normal cost that is the estimated amount necessary to finance benefits earned by the members during the current service year and an amount for amortization of the unfunded actuarially accrued liability over a period of the remainder of the 30-year amortization period. The actuarial determined amounts were calculated as of July 1, which did not significantly differ from June 30. The following actuarial information represents selected information relating to contribution requirements.

	July 1, 1994
Unfunded actuarial accrued liability	\$ 468,230,426
Contribution requirement:	
Normal cost, mid-year	25,541,609
Amortization of unfunded actuarial accrued liability	41,091,486
Total required contribution	\$ 66,633,095

Based on the actuarial valuation prepared July 1, 1993, the total contribution requirement for fiscal 1994 was \$64,602,263. Of this amount, the contribution requirement for the State totalled \$43,296,794, to cover normal cost and to amortize the unfunded obligation over a 30 year period for the year ending June 30, 1994. Actual contributions to OFPRS for the year ended June 30, 1994, consisted of employer contributions of \$14,250,041, employee contributions of \$8,007,252 and insurance premium taxes of \$35,003,931. No State appropriations were received during the year.

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### Significant Actuarial Assumptions

An independent actuary has performed the actuarial valuation of the fund for the periods presented in the financial statements. The actuarial valuation, which was prepared using June 30, 1994, information, is based upon the "entry-age actuarial cost method" of funding. The more significant assumptions underlying the actuarial computations are as follows.

- Rate of return on investments      7.5%
- Annual salary increase              Increases are assumed according to a sliding scale in five-year increments, starting at age 25 with a 7.4% increase and ending at 55 with a 5.7% increase. Benefit levels for voluntary firefighters are assumed to increase 5.5% per year.
- Cost of living adjustments          For employees not fully vested by May 1983: None.  
  
For employees fully vested by May 1983: Based on 2.75% increase in base salary.
- Retirement age                        For volunteer firefighters, the later of current age or age when first eligible.  
  
Full-time firefighters are eligible for retirement after 20 years of service. Retirement ages vary by accumulated credited service as follows:

<u>Service</u>	<u>Retirement Rate</u>
20 years	50%
21-29 years	20%
30 years	100%
- Mortality basis                        Active and retired employees:  
    1975 Group Annuity Mortality Table  
  
Disabled employees:  
    1965 Railroad Retirement Board Totally Disabled Annuity
- Rate of turnover                        A high scale at younger age levels becoming progressively lower as age advances, based upon a sample of 1,000 full-time and 1,000 volunteer firefighters.

The foregoing actuarial assumptions are based upon the presumption that OFPRS will continue. Were OFPRS to terminate, different assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

### Oklahoma Law Enforcement Retirement System

#### System Information

The Oklahoma Law Enforcement Retirement System (OLERS) was established July 1, 1947, for the purpose of providing retirement allowances and other benefits for qualified law enforcement officers as defined by Oklahoma statutes. Currently, agencies and/or departments who are members of OLERS are the Oklahoma Highway Patrol and Capitol Patrol of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous

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Drugs Control, the Alcoholic Beverage Law Enforcement Commission, members of the Department of Public Safety (DPS) Communications Division, DPS Waterways Lake Patrol Division, Park Rangers of the Oklahoma Tourism and Recreation Department, and inspectors of the Oklahoma State Board of Pharmacy.

The normal retirement date when the member is eligible to receive retirement benefits is when the member completes 20 years of service or age 62 with 10 years of service.

Members become vested upon completing 10 years of credited service as a contributing member of OLERS. No vesting occurs prior to completing 10 years of credited service. Members' contributions are refundable, without interest, upon termination prior to normal retirement. Members who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the member is entitled to a monthly retirement benefit commencing on the member's normal retirement date as if the member's employment continued uninterrupted.

Monthly retirement benefits are calculated at 2.5% of the highest 30 consecutive complete months of actual paid base salary multiplied by the years of credited service.

Members who became disabled prior to the member's normal retirement date, and by direct reason of the performance of the member's duties as an officer, receive a monthly benefit equal to the greater of 50% of the average of the highest 30 consecutive complete months of actual paid base salary or 2.5% of the average of the highest 30 consecutive complete months of actual paid base salary multiplied by the number of years of the member's credited service.

Members who became disabled prior to the member's normal retirement date but after completing 3 years of vesting service and not by reason of the performance of the member's duties as an officer or as a result of the member's willful negligence, receive a monthly benefit equal to 2.5% of the average of the highest 30 consecutive complete months of actual paid base salary multiplied by the number of years of the member's credited service.

Upon the death of a member, retirement benefits are paid, with certain limitations, to named beneficiaries. A \$4,000 death benefit is also paid to the member's beneficiary.

OLERS will contribute \$75 per month or the Medicare supplement premium, if less, toward the cost of health insurance for members receiving retirement benefits. These benefits commence upon retirement. As of June 30, 1994, 320 members have elected this benefit. The pension benefit obligation includes \$7,731,467 at July 1, 1994, relating to OLERS's health insurance obligation. The actuarial valuation for these obligations assumes that all active, deferred vested and deferred option plan members elect the health insurance benefit upon retirement.

The Oklahoma State Legislature has the authority to grant percentage increases to persons receiving benefits from OLERS.

OLERS receives contributions from State agencies and members of 10% and 8%, respectively, of the actual paid base salary of each member. 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 by the Insurance Commissioner. Additional funds are also provided to OLERS by the net investment income generated on assets held by OLERS.

#### **Contributions Required and Contributions Made**

Contributions to OLERS are generated from established agency and employee contribution rates, and certain revenues dedicated by the Oklahoma Legislature and are not based on an actuarially calculated contribution amount.



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Actuarially determined contribution requirements consist of an amount for normal cost which is the estimated amount necessary to finance benefits earned by the members during the current service year and an amount for amortization of the unfunded actuarially accrued liability over a 20-year period beginning July 1, 1988. Such requirement is intended to guide the Legislature in funding OLEERS in a reasonable manner over a 20-year period. The actuarially determined contribution requirement for the 1994 fiscal year was \$10,726,300, and was determined using the entry age actuarial cost method and actuarial assumptions that are similar to those used to calculate the pension benefit obligation. Contributions actually received by OLEERS during fiscal year 1994 were \$2,275,000 from member contributions, \$3,384,000 from employer contributions and \$11,628,000 from dedicated revenues which represented 8%, 12% and 43% of annual covered payroll, respectively.

### **Significant Actuarial Assumptions**

Significant actuarial assumptions used in the valuation were (1) the assumed rate of return on investment of present and future assets of 7.0% per year compounded annually, (2) life expectancy of post-retirement participants based upon published mortality tables, (3) retirement age and turnover assumptions consistent with the experience of OLEERS, and (4) salary rate increases at 5.0% per year. Actuarial assumption changes caused the July 1, 1994, pension benefit obligation to increase by approximately \$21.6 million from July 1, 1993.

### **Deferred Option Plan**

Beginning September 1, 1991, active participants had the option to elect the Oklahoma Law Enforcement Retirement System Deferred Option Plan. The Deferred Option Plan allows members who have 20 or more years of service to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Deferred Option Plan, a separate account is set up for each member. During the participation period, the member's retirement benefit that would have been payable to the member is credited to the member's account along with a portion of the employer's contribution and interest as specified in the Deferred Option Plan provisions. Member contributions cease once participation in the Deferred Option Plan begins. At the conclusion of participation in the Deferred Option Plan, the member will receive the balance in the member's separate account under payment terms allowed by the Deferred Option Plan and will then begin receiving normal retirement benefit payments.

## **Oklahoma Public Employees Retirement System**

### **System Information**

The Oklahoma Public Employees Retirement System (OPERS) covers substantially all State employees, except employees covered by the five other PERS sponsored by the State of Oklahoma (the State), and employees of participating county and local agencies. Agencies and/or participants not included in OPERS are as follows: Teachers, Municipal Police, Municipal Firemen, Judicial, Wildlife, and State Law Enforcement.

For purposes of the discussion on benefits and contributions, the members are described in the following categories: eligible officers, which includes certain employees of the Department of Corrections who are classified as a correction officer or a probation and parole officer; elected officials, which includes all elected officials who serve the State and participating counties except those officials covered by the other five PERS sponsored by various agencies of the State as outlined above; and State, county, and local agency employees, which includes all other employees described above. If the member category is not specifically identified, the attributes of OPERS discussed apply to all members.

State, County, and Local Agency Employees

Benefits are determined at 2% of the average highest 3 years' annual covered compensation received during the last 10 years of participating service multiplied by the number of years of credited service. Normal retirement age under OPERS is 62. To qualify for "incentive credit" a member must be within two years of reaching their normal retirement date or eligible for or within two years of being eligible for early retirement. Members become eligible to vest fully upon completing 8 years of credited service. Members' contributions may be withdrawn upon termination of employment.

Elected Officials

Benefits are determined as the greater of the calculation described in the preceding paragraph or on a range from 1.9% to 4% of the highest annual covered compensation during the elected officials' participating service, but not to exceed \$40,000, multiplied by the number of years of credited service. Normal retirement age under OPERS is 60. Members become eligible to vest fully upon completing 6 years of credited service. Members' contributions are may be withdrawn upon termination of employment.

Eligible Officers

Benefits are determined at (1) 2.5% of the final average compensation not to exceed \$25,000 and 2% of the final average compensation in excess of \$25,000 up to \$40,000 multiplied by the number of years of service as an eligible officer accrued July 1, 1990, and after, (2) 2.25% of the final average compensation not to exceed \$25,000 multiplied by the number of years of service accrued as an eligible officer prior to July 1, 1990, and (3) 2% of the final average compensation multiplied by the number of years of service in excess of 20 years and any other years of service creditable. Normal retirement age under OPERS is 50 with 20 years of creditable service as an eligible officer. However, members who contribute but do not qualify for normal retirement shall receive benefits computed at 2.5% of the final compensation for those full time years as an officer after July 1, 1990, 2.25% before July 1, 1990, and 2% for all other years of credited service. Members become eligible to vest fully after 20 years of full time service as an officer.

Members qualify for full retirement benefits at their specified normal retirement age or when the sum of the members' age and their years of credited service equals or exceeds 80. Credited service is the sum of participating and prior year service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employee and active wartime military service. A member with a minimum of 9 years, 6 months of participating service may elect early retirement with reduced benefits beginning at age 55.

As mandated by Senate Bill 568, all individuals who become members of OPERS subsequent to June 30, 1992, will qualify for full retirement benefits at the age of 62 or when the sum of the member's age and their years of credited service equals or exceeds 90.

Disability retirement benefits are available for members having 8 years of credited service whose disability benefit has been certified by the Social Security Administration and are determined in the same manner as retirant benefits, but payable immediately without an actuarial reduction.

Upon the death of an active member, the accumulated contributions of the member are paid to the member's named beneficiary(ies) in a single lump sum payment. If a retired member elected a joint annuitant survivor option or an active member was eligible to retire with either reduced or unreduced benefits or eligible to vest a retirement benefit at the time of death and the spouse is the named beneficiary, benefits can be paid in monthly payments over the remaining life of the spouse if the spouse so elects. Benefits are payable to the surviving spouse of a statutory elected official only if the elected official had at least 6 years of elected service and was married at least 3 years immediately

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preceding death. Survivor benefits are terminated upon death and, for elected officials, remarriage of the surviving spouse. Upon the death of a retired member, with no survivor benefits payable, the member's beneficiary(ies) are paid the excess, if any, of the member's accumulated contributions over the sum of all retirement benefit payments made.

Upon the death of a retired member, OPERS will pay \$4,000 to the member's beneficiary or to the estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary. Death benefits paid for the year ended June 30, 1994, totaled approximately \$2,406,000.

OPERS remits \$75 per month per eligible retiree, excluding beneficiaries, for health benefits to the Oklahoma State and Education Employees Group Insurance Board. The amount remitted for the year ended June 30, 1994, was approximately \$10,754,000.

### **Contributions Required and Contributions Made**

The contribution requirements of OPERS are an established rate determined by the Oklahoma State Legislature and are not an actuarial calculation.

#### State, County, and Local Agency Employees

In fiscal year 1994, State employees contributed 2% and other participants contributed between 2% and 7% of the first \$25,000 of earned compensation. The employee whose annual salary exceeded \$25,000 could elect to contribute 10% of salary in excess of \$25,000 to a maximum of \$40,000.

State agencies contributed 11.5% in 1994 of active employees' earned compensation up to the first \$25,000 of wages, and other employing agencies contributed between 6.5% and 11.5% of the first \$25,000 of salary.

The State and the other employing agencies also contributed 11.5% in 1994 of participants' annual earned compensation in excess of \$25,000, not to exceed \$40,000, for participants who elected to pay contributions on their earned compensation in excess of \$25,000.

#### Elected Officials

Elected officials for both State and other employing agencies contributed between 4.5% and 10% of the first \$25,000 of earned compensation. Elected officials whose annual salary exceeded \$25,000 could elect to contribute 10% of salary in excess of \$25,000 to a maximum of \$40,000. State and other employing agencies contributed 10% of the total salary amount that the elected official elected for contributions, up to a maximum of \$40,000.

#### Eligible Officers

Eligible officers contributed 6.5% in 1994 of the first \$25,000 of earned compensation. An eligible officer whose annual salary exceeded \$25,000 could elect to contribute 10% of salary in excess of \$25,000 to a maximum of \$40,000. The employing agency contributed 11.5% of the total salary amount that the eligible officer elected for contributions, up to a maximum of \$40,000 in 1994 .

Actuarially determined contribution requirements consist of an amount for normal cost that is the estimated amount necessary to finance benefits earned by the members during the current service year and an amount for amortization of the unfunded actuarially accrued liability over a period of the remainder of the 25-year amortization period. The unfunded actuarially accrued liability and the actuarially determined contribution requirement at July 1, 1994 , as determined by the Plan's consulting

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actuary, were \$634,191,302 and \$161,843,510, respectively. The actuarially determined contribution requirement for normal cost for the years ending June 30, 1995, and 1994, respectively is \$85,614,712 and \$78,806,146 and the amount for amortization of the unfunded actuarially accrued liability is \$63,060,764 and \$37,794,607. Included in the required contribution at July 1, 1994, is \$13,168,034 for the year ending June 30, 1995, for estimated administrative expenses.

**Significant Actuarial Assumptions**

Significant actuarial assumptions used in the valuation as of June 30, 1994, were (1) the assumed rate of return on investments, 7.5% compounded annually, (2) life expectancy of participants based upon published mortality tables, (3) retirement age assumptions consistent with the normal retirement age assumptions under OPERS, (4) salary increases on a graded scale ranging from 4.8% to 7.5% per year, and (5) the percentage married assumption is 85% and males are assumed to be 4 years older than their spouses.

**Plan Amendments**

The following is a summary of significant plan provision changes that have been enacted during the fiscal year ended June 30, 1994, and their effective date.

As a result of Senate Bill 2228, effective July 1, 1994, the following changes to OPERS have been made:

○ Contributions

The option for each employee to elect whether or not contributions are made on annual salaries up to \$40,000 in excess of \$25,000 has been eliminated. Each member will participate based on their gross salary earned (excluding overtime) up to the maximum annual salary cap as set forth in the following table. The new contribution rates established in the bill for State employees and agencies are summarized in the table below.

Year Ended June 30	State Employees			State Agencies			Salary Cap
	First \$25,000	Next \$15,000	Above \$40,000 To Cap	First \$25,000	Next \$15,000	Above \$40,000 To Cap	
1995	2.0%	3.5%	10.0%	11.5%	11.5%	0.0%	\$ 50,000
1996	2.0%	3.5%	3.5%	11.5%	11.5%	11.5%	60,000
1997	2.5%	3.5%	3.5%	12.0%	12.0%	12.0%	70,000
1998	3.0%	3.5%	3.5%	12.5%	12.5%	12.5%	80,000
Thereafter	3.5%	3.5%	3.5%	12.5%	12.5%	12.5%	No Cap

County and local agencies and their employees may elect to divide their total contribution between the employer and employee on annual salaries up to \$25,000 in varying ratios. However, the sum of the percentage contributions of the employer and employee must equal the required combined percentage of such contributions for State agencies and employees, and the employer and the employee share must fall within allowed maximums and minimums, as determined by OPERS. Contributions for salaries over \$25,000 for both employer and employee are to be determined on the same basis as for State employers and employees set forth above.

Eligible officers will contribute 6.5% for the year ended June 30, 1995 and 1996, on the first \$25,000 of eligible salaries. This amount will increase by 0.5% annually to a maximum of 8.0% for the fiscal year beginning July 1, 1998. Eligible officers' contributions for salaries over \$25,000 up to the applicable salary cap will be made at 8.0% for all periods. Employer contributions for eligible officers will be made on the same basis as for State agencies, as set forth in the preceding table.

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Effective July 1, 1994, elected officials' member contributions will be subject to the maximum compensation levels set forth for State employees, although their option to select a contribution factor ranging from 4.5% to 10.0% remained unchanged. The participating employers will contribute on the elected official's covered salary using the same percentages and limits as State agencies.

- Cost of Living Increase

The bill provides for an increase in retirement payments, effective July 1, 1994, for persons receiving benefits from OPERS as of June 30, 1993. The annual increase will be computed by multiplying \$9.94 times the number of years of the retired members' credited service. The increase will be adjusted to reflect the impact of any survivor benefits selected by the member at the time of retirement. A minimum final average salary for all members receiving benefits as of June 30, 1994, is set at \$13,800 effective July 1, 1994. The \$13,800, adjusted as defined in the bill for years of credited service, may be used as the base for calculating the increase in retirement benefits.

- Limit on Increases in Retirement Benefits

Effective July 1, 1995, increases in retirement benefits which would cause the funded ratio of OPERS after payment of the increases to be less than 70% are prohibited. The funded ratio is defined as the actuarial value of assets divided by the actuarial accrued liability of OPERS.

- Other

The three-year period for electing the over \$25,000 salary cap is eliminated and those members who failed to make the election prior to June 30, 1994, may make such an election at any time prior to retirement by paying the back employee contributions plus 7.5% compounded interest.

For benefit determination purposes, credited service and final average salary will be bifurcated between those earned prior to and after July 1, 1994. Benefits will be determined for each period and combined for the purpose of determining the maximum benefit.

As a result of Senate Bill 786, effective July 1, 1994, the following change to OPERS has been made.

- Members who retire under one of the two survivor benefit options will be allowed to change their benefit selection from the chosen option back to the maximum benefit (no option, no reduction in benefits) upon the death of the member's selected joint annuitant (survivor).

As a result of Senate Bill 767, effective July 1, 1994, the following change to OPERS has been made.

- Members will be provided with an alternative to purchasing service credit for transfers of qualified service credit between OPERS and TRS. The transferring PERS will transfer funds to the receiving PERS for service credit on an unescalated salary basis. The receiving PERS will price the service credit on an escalated salary basis with the member paying the receiving PERS an amount equal to the difference.

As a result of House Bill 2331, effective July 1, 1994, the following change to OPERS has been made:

- OPERS will withhold dues for qualified organizations from retired members monthly benefit payment as authorized by the member.

## **Uniform Retirement System for Justices and Judges**

### **System Information**

The Uniform Retirement System for Justices and Judges (URSJJ) covers all justices and judges of the Oklahoma Supreme Court, Court of Criminal Appeals, Workers Compensation Court, Court of Appeals, and District Courts.

Benefits are determined at 4% of the retirant's average monthly compensation for covered active service over the last five years times the total years of service in URSJJ, not to exceed 70% of a retirant's average monthly compensation for the last five years. Normal retirement ages under URSJJ are as follows.

- When the sum of years served and age equals or exceeds 80
- Age 70 with 8 years of service
- Age 65 with 10 years of service
- Age 60 with 20 years of service

All members that enter URSJJ on or after July 1, 1992, will be eligible for full retirement benefits when the sum of years of credited service and age equals or exceeds 90. Legislation effective July 1, 1994, eliminated this provision (see Plan amendments).

Members are eligible to vest fully upon completing eight years of credited service. Members' contributions may be withdrawn at the time such member ceases to be a justice or judge of a court within URSJJ.

Any justice or judge who becomes a member of URSJJ when first eligible will receive credit for all years service in any court of record.

Disability retirement benefits are available for members who have attained age 55 and have 15 years of credited service and are determined in the same manner as the normal retirement benefit. The Court on the Judiciary may override these requirements if it is determined that any judge or justice is no longer capable of performing regular duties.

Upon the death of an active member, URSJJ will pay to the designated beneficiary the sum of the active member's accumulated employee contributions. However, if the deceased member contributed to survivor benefits, the spouse of the member may choose to vest the member's service (8 years required) until the spouse is age 60 and monthly survivor benefits as defined by URSJJ are payable.

Upon the death of a retired member, URSJJ will pay a supplemental death benefit of \$4,000 to the member's beneficiary or to the estate of the member if there is no living beneficiary. The death benefit will be paid in addition to any excess employee contributions or survivor benefits due to the beneficiary.

Survivor benefits are paid to a member's spouse provided the member makes the contribution requirements and the spouse qualifies under URSJJ provisions. These payments are made in a monthly payment at the later of his or her current age or age 60 over the remaining life of the spouse. If the member has ten years of service and the death is determined by the Workers' Compensation Court to be employment related, the benefit is payable immediately to the spouse. Members must have eight years of credited service before their spouses are eligible for normal survivor benefits. The benefit payment is equal to 50% of the normal retirement benefit.

URSJJ remits \$75 per month per eligible retiree, excluding beneficiaries, for health insurance benefits to the Oklahoma State and Education Employees Group Insurance Board. The amount remitted for the year ended June 30, 1994, was approximately \$56,000.

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## NOTES TO THE FINANCIAL STATEMENTS

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### Contributions Required and Contributions Made

The contribution requirements of URSJJ are an established rate determined by the Oklahoma Legislature and are not an actuarial calculation. Member contributions for fiscal 1994 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. Contributions from the participating courts are 10% of all fines, forfeitures and penalties received by the courts. Such contributions are determined each quarter.

Actuarially determined contribution requirements consist of an amount for normal cost that is the estimated amount necessary to finance benefits earned by the members during the current service year and the amount required, if any, for amortization of the unfunded actuarially accrued liability over a period of the remainder of the original 20 year amortization period from July 1, 1988. The actuarially determined contributions requirement as of July 1, 1994, are computed as follows.

	July 1, 1994
Unfunded actuarial accrued liability	\$ -
Contribution requirement for normal cost	3,479,178
Amortization of unfunded actuarially accrued liability	-
Estimated administrative expense for subsequent plan year	372,741
Actuarially determined contribution requirements	\$ 3,851,919

### Significant Actuarial Assumptions

Significant actuarial assumptions used in the valuation as of June 30, 1994, were (1) assumed rate of return on investments, 7.5% compounded annually, (2) life expectancy of participants based upon published mortality tables, (3) retirement age assumptions consistent with the normal retirement age assumptions under URSJJ, (4) salary increases at 5.5% per year, and (5) the percentage married assumption is 85% and males are assumed to be 4 years older than their spouses.

### Plan Amendments

Effective July 1, 1994, Senate Bill 615 removes the provision from the statute which provided that all members who entered URSJJ on or July 1, 1992, would be eligible for full retirement benefits when the sum of their years of credited service and age equaled or exceeded 90. Subsequent to the effective date, in addition to the age and years of service method of determining normal retirement age, all members will be eligible for full retirement benefits when the sum of their years of credited service and age equal or exceed 80.

House Bill 2228 provides for an increase in retirement payments, effective July 1, 1994, for persons receiving benefits from URSJJ as of June 30, 1993. The annual increase will be computed by multiplying \$31.20 times the number of years of the retiree's credited service. The increase will be adjusted, as applicable, to reflect the 50% reduction for retirees receiving survivor benefits. Effective July 1, 1995, this bill also prohibited increases in retirement benefits which would cause the funded ratio of URSJJ after payment of the increases to be less than 70%. The funded ratio is defined as the actuarial value of assets divided by the actuarial accrued liability of URSJJ.

## Oklahoma Police Pension and Retirement System

### System Information

The Oklahoma Police Pension and Retirement System (OPPRS) covers substantially all police officers employed by the 107 participating municipalities within the State. Police officers employed in participating municipalities are required to participate in OPPRS. Police officers are required to pass physical and medical examinations, and must be at least 21 years of age.

The normal retirement date under OPPRS is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing ten years of credited service as a contributing participant of OPPRS. No vesting occurs prior to completing ten years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed ten years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date he reaches 50 years of age or the date he would have had 20 years of credited service had his employment continued uninterrupted, whichever is later.

Monthly retirement benefits are calculated at 2.5% of the final average salary (defined as the average paid base salary of the officer over the highest 30 consecutive months of the last 60 months of credited service) multiplied by the years of credited service, with a maximum of 30 years of credited service considered.

Monthly benefits for participants due to permanent disability incurred in the line of duty are 2.5% of the participants' final average salary multiplied by 20 years or actual service if greater than 20 years. This disability benefit is reduced by stated percentages for partial disability based on the percentage impairment. After 10 years of credited service, participants who retire due to disability incurred from any cause are eligible for a monthly benefit based on 2.5% of their final average salary multiplied by the years of service, not to exceed 30 years. This disability benefit is also reduced by stated percentages for partial disability based on the percentage impairment.

Survivor's benefits are payable in full to the participant's beneficiary upon the death of a retired participant. The beneficiary of any active participant killed in the line of duty is also entitled to a pension benefit. A \$4,000 death benefit is also paid, in addition to any survivor's pension benefits under OPPRS, to the participant's beneficiary or estate.

Beginning in fiscal year 1991, active participants had the option to elect the Oklahoma Police Deferred Option Plan (the "Plan"). The Plan allows participants otherwise eligible for a normal retirement benefit to defer terminating employment and drawing retirement benefits for a period not to exceed 5 years. Under the Plan, a separate account is established for each participant. During the participation period, the employee's retirement benefit that would have been payable to the participant is credited to his account along with a portion of the employer's contribution and interest as specified in the Plan provisions. Employee contributions cease once participation in the Plan is elected. At the conclusion of participation in the Plan, the participant will receive the balance in his separate account under payment terms allowed by the Plan and will then begin receiving retirement benefit payments currently.

#### **Contributions Required and Contributions Made**

Until July 1, 1991, each municipality contributed to OPPRS 10% of the actual base salary of each participant employed by the municipality. Beginning July 1, 1991, municipality contributions increased by .5% per year and will continue until July 1, 1996, when the contribution levels reach 13%. Each participant of OPPRS contributes 8% of actual paid base salary. Additional funds are provided to OPPRS by the State through an allocation of the tax on premiums collected by insurance companies operating within the State, and by the net investment income generated on assets held by OPPRS.

#### **Significant Actuarial Assumptions**

Significant actuarial assumptions used include (1) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (2) projected salary increases of 6% per year compounded annually, (3) life expectancy of post-retirement participants estimated by the 1983 Group Annuity Mortality Table and (4) retirement, termination and disability assumptions are based on graduated rates.



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The Oklahoma State Legislature has the authority to grant percentage increases to persons receiving benefits to retirees receiving benefits from OPPRS. Additionally, certain retirees are entitled to receive cost of living allowance (COLA) when a COLA is granted to active police officers in the retiree's municipality. Participants eligible to receive both types of benefit increases are to receive the greater of the legislative increase or the benefit increase the participant would receive pursuant to the COLA provision. The Oklahoma State Legislature granted a 2.5% increase in benefits to retirees receiving benefits as of June 30, 1993, effective July 1, 1994. Retirees receiving automatic COLAs will have this amount offset by the cumulative increases received after July 1, 1990. This legislation increased the pension benefit obligation as of July 1, 1994, by \$4.6 million.

### **Contingencies**

Subsequent to June 30, 1994, OPPRS reached a settlement with a group of participants requesting increased benefits due to the application of prior COLAs. The settlement resulted in OPPRS paying increased prior benefits plus interest. This settlement, estimated at \$3,250,000, was recorded as retirement benefits payable at June 30, 1994, in the accompanying statement of net assets available for plan benefits.

OPPRS also reached a settlement, during fiscal 1994, with all participants related to military service. OPPRS now considers military service prior to becoming a participant in OPPRS as credited service for benefits. The settlement was recorded as retirement benefits payable at June 30, 1994, in the amount of \$3,154,000, in the accompanying statement of net assets available for plan benefits. This settlement increased the June 30, 1994, pension benefit obligation by approximately \$13.8 million.

## **Teachers' Retirement System of Oklahoma**

### **System Information**

The Teachers' Retirement System of Oklahoma (TRS) was legislatively established as of July 1, 1943, for the purpose of providing retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions.

TRS provides defined retirement benefits based on members' final compensation, age and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Benefit and funding provisions include:

Members become 100% vested in retirement benefits earned to date after 10 years of credited State service. Members who joined TRS on June 30, 1992, or prior, are eligible to retire at maximum benefits when age and years of creditable service total eighty. Members joining TRS after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total ninety. Members whose age and service do not equal the eligible limit may, at age 62, receive full benefits or reduced benefits as early as age 55. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service. Final compensation for members who joined TRS on June 30, 1992, or prior, is defined as the average salary for the three highest years of compensation. Final compensation for members joining TRS after June 30, 1992, is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The maximum final average compensation is \$25,000, unless the member elects to make contributions on amounts above \$25,000 in which case the maximum final average compensation is \$40,000.

A member is eligible for disability benefits after 10 years of credited State service. The disability benefit is equal to 2% of final compensation for each year of credited service.

Upon separation from TRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the Internal Revenue Code.

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Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the Internal Revenue Code under Code Section 403(b).

The contribution requirements of TRS are an established rate determined by the Oklahoma Legislature and are not an actuarial calculation. Participating members are required to contribute 6.0% of their applicable earnings up to a maximum of \$25,000 and may elect to contribute 9 % on the earnings in excess of \$25,000 limited to \$40,000. In 1994 , employers are required to contribute 7.5% of a member's earnings up to the maximum compensation level. Contributions received by TRS from the State are used to offset required employer contributions. In 1994 , employers contributed 2% of member earnings while the State contributed the remaining 5.5%. Current appropriations require the State to contribute 5/7ths of 78% of the natural and casinghead gas tax collected each year to a maximum of \$152,000,000. TRS received approximately \$150,000,000 from the State and approximately \$8,000,000 from Federal sources in 1994. Member contributions were approximately \$148 ,000,000 in 1994, while employer contributions were approximately \$42 ,000,000 in 1994.

For retirees that elect to obtain health insurance coverage through the Oklahoma State and Education Employees Group Insurance Board (the "Board"), TRS pays between \$70 and \$75 per month to the Board for each retiree, depending on the members' years of service. Such amounts were approximately \$19,000,000 and \$18,500,000 in 1994 and 1993, respectively, and are included in retirement, death and survivor benefits.

**Contributions Required and Contributions Made**

As noted above, the Oklahoma Legislature determines contribution requirements. Actuarially determined employer contributions, which include contributions from the various school districts, Federal sources, and the State, are calculated in accordance with Section 17-106 of the Oklahoma Statutes; however, such amounts are not used for the purpose of determining actual contributions made.

Actuarially determined employer contribution requirements consist of an amount for normal cost which is the estimated amount necessary to finance benefits earned by the members during the current service year and an amount for amortization of the unfunded actuarial accrued liability over a period of the original 40-year amortization period, beginning July 1, 1987. Such amounts are determined using the entry-age-normal cost method adopted in 1990 which assumes similar actuarial assumptions that were used to calculate the pension benefit obligation. To the extent that TRS's actual experience does not match the actuarial assumptions, gains or losses occur. Such gains or losses reduce or increase the unfunded actuarial accrued liability.

The actuarially determined employer contribution requirements, as determined by TRS's consulting actuary in their actuarial valuations as of June 30, 1994 , was \$386,000,000. This amount represents the required employer contributions, determined in accordance with Section 17-106 of the Oklahoma Statutes, projected at the beginning of the year ending June 30, 1995 . Actuarially determined employer contributions for the year ended June 30, 1994 , were approximately 16.5% of covered payroll. Actual employer contributions made during 1994 of approximately \$199,500,000 were approximately 9.1% of covered payroll.

In 1992, the Oklahoma Legislature passed Senate Bill 568 which resulted in changes in the amount and manner in which employer contributions 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, will be used to reimburse the employers for a portion of the contributions required under Senate Bill 568. The employer is now responsible for making up any difference in the dedicated tax from the State of Oklahoma and the required employer contribution. Because the employer contribution rates are fixed under Senate Bill 568, the period of amortization of the unfunded actuarial accrued liability is considered a more meaningful indicator of contribution requirements than the actuarilly determined contribution requirement in accordance with Section 17-106 of the Oklahoma Statutes.

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The actuarial accrued liability is the difference between the total present value of future benefits and the actuarial present value of future normal costs. The unfunded actuarial accrued liability is the excess of the actuarial accrued liability over the actuarial value of assets. An analysis of the unfunded actuarial accrued liability is as follows (expressed in thousands).

Unfunded actuarial accrued liability at the beginning of the year	\$ 3,887,700
Expected increase based on required contribution	
from prior actuarial valuation	210,200
Gain on assets	37,500
Difference between actual and expected contributions	(50,600)
Experience loss	(113,400)
Impact of Legislative changes	67,400
	<hr/>
Unfunded actuarial accrued liability at the end of year	<u>\$ 4,038,800</u>

In their actuarial valuation as of June 30, 1994, TRS's consulting actuaries have determined that the funding period to amortize the unfunded actuarial accrued liability is approximately 19.5 years.

### Significant Actuarial Assumptions

Significant actuarial assumptions used in the valuation were: (1) the assumed rate of return on investments, which was 8% per year, compounded annually, (2) retirement age and termination assumptions consistent with the experience of TRS, (3) life expectancy of participants based upon published mortality tables for retired participants and consistent with the experience of TRS for active participants, (4) salary rate increases based on a merit and promotional component consistent with the experience of TRS, plus a 5% inflation component, and (5) a payroll growth rate assumption of 5%.

### Plan Amendments

In 1994, the Oklahoma Legislature passed Senate Bills 767 and 768 and House Bill 2228. These bills become effective July 1, 1994. Senate Bill 767 provides for the transfer of service credit between TRS and the OPERS. Senate Bill 768 changes the joint options to "pop-up" options. This change was made for both current and future retirees. Under a pop-up option, if the joint annuitant predeceases the member, the member's benefit is increased to the amount the benefit would have been if the member had elected a life only annuity. House Bill 2228 provided for an ad hoc COLA payable to members receiving benefits. The average increase is about 2.5%. The future effect of the legislation passed in 1994 on the unfunded actuarial accrued liability is shown above.

### The Wildlife Conservation Commission Retirement System

The Wildlife Conservation Commission Retirement System, a privately administered defined-contribution retirement plan, provides lifetime benefits for each eligible member. Eligible members consist of all full-time employees of the Department of Wildlife Conservation who have completed one year of service and agreed in writing to make member contributions. Benefits to retired employees are generally based on the final average earnings and continuous years of service. Contribution requirements are based on total annual compensation rather than total covered compensation. Total annual compensation included in the valuation was \$9,230,214. The Department contributes an amount necessary to keep the plan funded. The Commission contributed \$687,743 for the year ended June 30, 1994. Employees contribute 2% of their base salary. Total employee contributions totaled \$184,280 for the year ended June 30, 1994.

**Oklahoma Housing Finance Agency Retirement Plan**

The Oklahoma Housing Finance Agency (OHFA), a component unit, contributes to the Oklahoma Housing Finance Agency Retirement Plan, which is a defined contribution plan. 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. OHFA's retirement plan expense for the year ended September 30, 1993, was \$223,976. The total payroll was \$2,367,984 and total covered payroll was \$2,239,780 for the year ended September 30, 1993. Contributions made by OHFA represent 10% of covered payroll for 1993.

**Other Retirement Systems**

**Higher Education Component Unit**

The entities included in the Higher Education Component Unit are all participants in the Teachers Retirement System of Oklahoma. However, some employees, depending on job classification, are covered by other retirement plans. The specific disclosures regarding these retirement plans can be found in each entity's financial statements, which has been previously issued under separate cover.

**Public Beneficiary Trusts**

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

**D. Investments**

The following is a summary of the investments of the six State PERS (amounts are rounded and expressed in thousands).

	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS
Debt Securities:						
U.S. Government, cost	\$ -	\$ 76,841	\$ -	\$ -	\$ -	\$ 931,562
U.S. Government, FMV	138,004	-	-	-	165,414	-
Foreign Corporate, FMV	308	-	-	-	-	-
Corporate Bonds and Indentures, cost	-	19,925	-	-	-	376,550
Corporate Bonds, FMV	26,750	-	-	-	48,448	-
Short-Term Investments, cost	-	17,692	-	-	-	211,885
Short-Term Investments, FMV	159,590	-	-	-	71,440	-
Common and Preferred Stocks, cost	-	134,765	983,750	34,177	-	1,092,152
Common and Preferred Stocks, FMV	288,095	-	-	-	348,685	-
Temporary Investments, cost	-	-	154,434	6,184	-	-
Foreign Equity Securities, cost	-	-	226,964	7,500	-	58,091
Foreign Equity Securities, FMV	57,165	-	-	-	-	-
Fixed Income Securities, cost	-	-	876,660	26,962	-	-
Foreign Fixed Income Securities, cost	-	-	2,825	-	-	78,208
Growth Equity Mortgage Pool, FMV	-	-	-	-	189	-
Guaranteed Investment Contracts, cost	-	-	-	-	-	28,641
Real Estate Funds	-	-	101,852	-	-	-
Total	<u>\$ 669,912</u>	<u>\$ 249,223</u>	<u>\$ 2,346,485</u>	<u>\$ 74,823</u>	<u>\$ 634,176</u>	<u>\$ 2,777,089</u>

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### Note 21. Other Postemployment Benefits

In addition to the pension benefits described in Note 19, the State provides post-retirement health care benefits (OPEB). OLERS, OPERS and URSJJ pay the Medicare supplement premium or \$75 per month, whichever is less, for all retirees who elect coverage at time of retirement. 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	\$ 7,731,467	320	Title 74, 1316.2
OPERS	\$ 10,754,000	12,077	Title 74, 1316.2
URSJJ	\$ 56,000	59	Title 74, 1316.2
TRS	\$ 19,000,000	22,069	Senate Bill 535

OLERS, OPERS, and TRS advance fund postemployment health care benefits on an actuarially determined basis through the respective PERS. Disclosure information regarding OPEB is included in Note 20.

OPFRS and OPPRS provide no other postemployment benefits.

### Note 22. Commitments

#### A. Primary Government

The **Department of Transportation** had contractual commitments at June 30, 1994, of approximately \$310 million 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 totalling \$20 million for the General Fund and \$7.1 million for the Capital Projects Fund. The **Department of Rehabilitation Services** had long term projects totalling \$1.1 million for the General Fund.

The **Oklahoma Center for the Advancement of Science and Technology** (OCAST) has contracts with various institutions and organizations for the purpose of funding the specific objectives authorized by its Board of Directors within the scope of the programs it administers. Fund Balance, Reserved for Other Special Purposes, includes commitments to grantees, in the amount of \$409,678. Substantially all of this amount will be paid to grantees over the next year. For the year ended June 30, 1994, OCAST made payments to the grantees in the amount of \$2,495,931.

#### B. Component Units

The **Oklahoma Industrial Finance Authority** had outstanding loan commitments at June 30, 1994, approved by its Board of Directors totaling \$1,616,000. Subsequent to June 30, 1994, OIFA has issued additional commitments of \$930,000. These loan agreements included a "pending clause" which stated that money would be disbursed upon availability of funds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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The **Oklahoma Turnpike Authority** (OTA) had commitments at December 31, 1993, outstanding relating to equipment orders and maintenance projects of approximately \$1,159,000. At December 31, 1993, OTA had commitments outstanding relating to construction contracts of approximately \$5,865,000.

The **Grand River Dam Authority** (GRDA) has entered into agreements to purchase and transport coal for future use in Unit No. 1 and Unit No 2. Under the agreements, GRDA is committed to purchase and transport a specified number of tons of coal each year over the remaining lives of the agreements. Under terms of the agreements, the price of the coal and transportation costs are subject to escalation and prices may be renegotiated at specified times. GRDA also entered into a lime purchase agreement in 1993. Under the agreement, GRDA is committed to purchase a specified number of tons of lime each year over the remaining life of the agreement. The price per ton increases yearly as specified by the contract.

The **Oklahoma Municipal Power Authority** (OMPA) has entered into an agreement with the City of Ponca City, a member municipality, under which OMPA will complete repowering of the existing Ponca City Power Plant. As of December 31, 1993, OMPA's commitments for the construction of the repowering project and other projects total approximately \$11 million.

Under the bond resolutions, OMPA has covenanted that it will establish and collect rents, rates and charges under the power sales contracts and will otherwise charge and collect rents, rates and charges for the use or sale of the output, capacity or service of its System which, together with other available revenues, are reasonably 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 1.10 times the aggregate debt service for such period and, in any event, as are required, together with other available funds, to pay or discharge all other indebtedness, charges and liens payable out of revenues under the resolutions.

## Note 23. Litigation and Contingencies

The State and its component units are parties to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not likely to have a material adverse impact on the State's financial position, based on information provided by the Attorney General, with respect to litigation being handled by that office.

The State receives significant financial assistance from the U.S. 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 the Federal agencies. Any disallowances as a result of these audits could become a liability of the State. As of June 30, 1994, the State is unable to estimate what liabilities may result from such audits.

### A. Primary Government

The **Department of Transportation** has contingent arbitration and inverse condemnation cases that may result in a loss to the State.

At year end, the Department of Transportation considers the \$37.5 million cumulative liability of the Oklahoma Turnpike Authority, as discussed in Note 14, to be in question. An analysis of the liability and the method of payment is forthcoming.

The Department of Transportation 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, the reimbursement of expenditures held in suspense is highly probable. At June 30, 1994,

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the Department of Transportation had project expenditures totalling \$32.4 million that will be reimbursed pending approval of the Federal government.

The **Oklahoma Tax Commission** has a contingent litigation loss of approximately \$9 million in a case involving claims for refund on disputed assessment percentage from workers' compensation awards for the State's Special Indemnity Fund.

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 with the United States, annual payments are to be made for the reservoir construction, operation, and maintenance allocated to the present use water supply storage. The Board has not received legislative authorization to pay the annual payments due in years 1989 through 1995. The Army Corps of Engineers has indicated that the obligation may be declared in default and remedies sought. No further action has been taken by the Army Corps of Engineers pending pursuit of the possible sale of water from Sardis Reservoir to an out of state water district. The proceeds from the sale of water would be used to make annual payments to the United States. Total unaudited construction costs of the Sardis Reservoir allocated to water supply storage, as last estimated by the Corps, are approximately \$37.5 million, repayment of which is governed by the 1974 contract. It is unknown at this time what the final outcome and/or annual payment schedule, if any, will be.

### B. Component Units

Title 70, Section 17-108.1 required the transfer of \$39,600,000 to the **State and Education Employees Group Insurance Board** (the "Plan") from the **Teachers' Retirement System of Oklahoma** (TRS). The Plan is a defendant in a lawsuit in which plaintiffs allege that this transfer violates the constitution of the State. The plaintiffs seek transfer of the \$39,600,000 plus interest from the Plan to a trust set up for the benefit of participants of TRS. During fiscal year 1993, the Plan was awarded summary judgement in this matter. The plaintiffs appealed the summary judgement to the Oklahoma Supreme Court, which assigned the lawsuit to the Oklahoma Court of Appeals. As a result of the appeal, an estimate of potential loss, if any, as a result of this lawsuit cannot be made at the current time.

The **Workers Compensation Court** began to issue orders in late 1992 recognizing interest payable on past due awards under Title 85, Oklahoma Statutes, Section 42. Since then, numerous claims have been filed against the Special Indemnity Fund for interest alleged as due under the statute on certain awards against the Fund accrued but not paid as due. Management considers it probable that additional awards for interest will be made under the above statute. The number and amount of these awards cannot be estimated until certain issues are resolved. Management believes that the aggregate amount of such awards may have a material adverse effect upon the financial position and results of operations of the Fund for the year or years in which the liability for such awards is recorded.

The **Oklahoma Housing Finance Agency** (OHFA) was notified by the Department of Housing and Urban Development ("HUD") that HUD may make demand for alleged overpayments to project owners under the Coinsured Section 8, Moderate Rehabilitation Rental Subsidy Program ("Rent Rollback"). HUD also asserts that OHFA would be required to repay HUD if the overpayments could not be collected from the rental owner. On July 24, 1992, a project owner filed suit against HUD and OHFA seeking to enjoin the intended Rent Rollback on a certain project and seeking reimbursement for costs and expenses. During May 1993, the Court permanently enjoined HUD and OHFA from reducing the contract rents.

HUD and OHFA subsequently filed a "Notice of Appeal." In addition to this certain project, HUD has questioned the initial contract rents on other projects. However, OHFA has not received any claims or demands from HUD in regard to these other projects. Since the ultimate outcome of this matter cannot presently be determined, OHFA has not accrued any liability in the accompanying financial statements.

Note 24. Subsequent Events

**Component Units**

The **Oklahoma Student Loan Authority** has expanded its operations to include internal loan servicing on all student loans effective July 1, 1994. With this expansion, the obligation of the Authority's loan servicer for the Stafford loans pertains only to due diligence and loan servicing functions through and including June 30, 1994. Additionally, in July 1994, the Authority started servicing student loans for another Oklahoma lender participating in the FFEL Program.

The **Oklahoma Housing Finance Authority** (OHFA) issued Single Family Mortgage Revenue Refunding Bonds 1993 Series A (Taxable) and B (Taxable) during December 1993 in the approximate aggregate amount of \$45,000,000 to refund the 1983 Series A and C bonds. In addition, OHFA issued Subordinate Lien Single Family Mortgage Revenue Capital Appreciation Bonds 1993 Series A (Taxable) in the amount of approximately \$4,300,000.

As a result of the passage of Oklahoma Title 74, Section 5062.6, the **Oklahoma Industrial Finance Authority** will share a common Board of Directors with the **Oklahoma Development Finance Authority**. Both Authorities will remain separate legal entities.

**Tulsa Junior College** received bids from four contractors on August 23, 1994, for the furnishing of all labor and materials for the West Campus Phase I and Student Center, per bid specifications and plans. The College accepted the bid from Lowry & Hemphill Construction Co., Inc. The total amount of the contract is \$12,553,800 and will be financed with funds approved for this purpose by the Oklahoma State Regents for Higher Education.



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Required Supplementary  
Information



# REQUIRED SUPPLEMENTARY INFORMATION

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**OKLAHOMA  
PUBLIC EMPLOYEE RETIREMENT SYSTEMS**

**Oklahoma Firefighters Pension and Retirement System (OFPRS)**

Revenues by Source and Expenses by Type  
Fiscal Years Ended June 30, 1985, through June 30, 1994

	1994	1993	1992	1991
<b>Revenues By Source:</b>				
Contributions	\$ 22,257,292	\$ 20,820,119	\$ 19,409,512	\$ 18,047,600
Investment Income	16,356,511	81,387,749	67,228,411	35,104,652
Insurance Premium Taxes	35,003,931	31,591,698	31,063,669	29,053,084
State Appropriation	-	-	-	-
Total	<u>\$ 73,617,734</u>	<u>\$ 133,799,566</u>	<u>\$ 117,701,592</u>	<u>\$ 82,205,336</u>
<b>Expenses by Type:</b>				
Benefits and Refunds	\$ 46,896,671	\$ 45,958,809	\$ 44,558,249	\$ 42,043,935
Investment Expenses	3,167,395	2,788,867	2,279,757	2,081,875
Administrative Expenses	608,039	607,667	567,602	601,519
Total	<u>\$ 50,672,105</u>	<u>\$ 49,355,343</u>	<u>\$ 47,405,608</u>	<u>\$ 44,727,329</u>

Administrative expenses reflected in the above summary represent expenses paid by the Fund's operating and administrative accounts. All revenues and expenses in the above summary, other than administrative expenses, are for the years ended June 30, except for 1985, which is for the six months ended June 30, 1985, and 1984, which is for the year ended December 31, 1984. All administrative expenses shown are for the years ended June 30.

Analysis of Funding Progress  
Fiscal Years Ended June 30, 1988, through June 30, 1994

	July 1, 1994 (3)	July 1, 1993
Net Assets Available for Benefits	\$ 623,115,195	\$ 613,104,605
Pension Benefit Obligation	\$ 1,069,218,837	\$ 1,018,861,653
Percentage Funded	58%	60%
Unfunded Pension Benefit Obligation	\$ 446,103,642	\$ 405,757,048
(Unaudited) Annual Covered Payroll	\$ 104,451,106	\$ 101,656,857
(Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	427%	399%

The summary above is shown only for years available. Additional years will be added as data becomes available.

Analysis of Funding Progress - Footnotes

- (1) For the July 1, 1991, valuation, the assumption regarding retirement age for full-time firefighters was changed from the later of current age, or age first eligible to rates that vary by accumulated credited service.

To reflect the expected increase in the number of members retiring under the Deferred Option Plan, the valuation retirement assumptions for the July 1, 1991, valuation were changed. The assumption regarding eligibility for retirement was changed by eliminating the minimum age assumption of 45. Retirement rates were added and are applied on a select basis based on first eligibility service.

The Deferred Option Plan participants are valued in a manner similar to retired members. The main difference is the continuation of the employer contributions to the Firefighters Pension and Retirement System based on the compensation rate of the Deferred Option Plan participants.

1990	1989	1988	1987	1986	1985
\$ 16,736,835	\$ 15,510,891	\$ 15,314,958	\$ 14,252,285	\$ 14,089,247	\$ 6,528,229
40,601,249	49,852,091	9,609,547	19,514,016	42,874,016	19,466,162
28,201,622	30,266,715	21,514,977	15,168,256	14,436,894	12,724,135
-	-	-	-	17,684,430	18,802,000
<u>\$ 85,539,706</u>	<u>\$ 95,629,697</u>	<u>\$ 46,439,482</u>	<u>\$ 48,934,557</u>	<u>\$ 89,084,587</u>	<u>\$ 57,520,526</u>
\$ 40,068,939	\$ 37,174,950	\$ 32,254,563	\$ 29,532,458	\$ 26,061,374	\$ 11,503,447
1,793,833	1,283,791	1,132,614	768,969	356,371	128,342
616,905	465,734	386,079	439,256	390,222	329,988
<u>\$ 42,479,677</u>	<u>\$ 38,924,475</u>	<u>\$ 33,773,256</u>	<u>\$ 30,740,683</u>	<u>\$ 26,807,967</u>	<u>\$ 11,961,777</u>

July 1, 1992	July 1, 1991 (1)	July 1, 1990 (2)	July 1, 1989	July 1, 1988
\$ 542,214,951	\$ 479,462,949	\$ 448,637,509	\$ 407,945,389	\$ 351,240,167
\$ 949,592,465	\$ 923,188,724	\$ 907,108,487	\$ 836,264,589	\$ 762,038,449
57%	52%	49%	49%	46%
\$ 407,377,514	\$ 443,725,775	\$ 458,470,978	\$ 428,319,200	\$ 410,798,282
\$ 99,812,462	\$ 96,211,776	\$ 90,544,566	\$ 83,053,812	\$ 79,834,938
408%	461%	506%	516%	515%

Analysis of Funding Progress - Footnotes (continued)

The total impact of the changes in the valuation of the Deferred Option Plan and the change in retirement rate assumption is a decrease of the pension benefit obligation of approximately \$21,751,000. The impact on the required State contribution for fiscal year 1992 is a decrease of approximately \$161,000.

- (2) Effective July 1, 1990, retirees receiving benefits as of June 30, 1989, received a 5% increase in the payments. Those retirees eligible for cost-of-living increases received an adjusted increase that takes into account the cost-of-living adjustments. The impact of the retiree benefit increase was to add \$5,544,599 to the pension benefit obligation. This increased the contribution (amortizing the unfunded over 30 years from July 1, 1988) by \$479,082.

The Deferred Option Plan was created effective September 1, 1990, or upon IRA approval, if later. The impact of this change was incorporated into the July 1, 1990, actuarial valuation. The pension benefit obligation was increased by \$11,674,626 due to the creation of the Deferred Option Plan. This increased the contribution (amortizing the unfunded over 30 years from July 1, 1988) by \$1,745,910.

- (3) While not reflected in the Pension Benefit Obligation, there is a potential legal case outstanding regarding the granting of credit for military service before employment, which would increase the obligation by approximately \$17 to \$22 million. The increase in the obligation for this case is not reflected in the Pension Benefit Obligation as of June 30, 1994.

# OKLAHOMA

## Oklahoma Law Enforcement Retirement System (OLERS)

Revenues by Source and Expenses by Type  
Fiscal Years Ended June 30, 1985, through June 30, 1994

	1994	1993 (7)	1992	1991 (6)
<b>Revenues By Source:</b>				
Member Contributions	\$ 2,275,809	\$ 2,305,693	\$ 2,448,120	\$ 2,518,344
Employer State Agencies Contributions	3,383,511	3,252,908	3,217,359	3,147,662
Other State Sources	11,628,520	11,839,739	10,291,318	9,816,325
Legislative Appropriations	-	-	-	-
Net Investment Income	17,498,093	24,276,176	20,872,130	12,475,361
<b>Total</b>	<b>\$ 34,785,933</b>	<b>\$ 41,674,516</b>	<b>\$ 36,828,927</b>	<b>\$ 27,957,692</b>
<b>Expenses by Type:</b>				
Benefits	\$ 15,650,663	\$ 14,273,168	\$ 12,434,496	\$ 10,881,923
Administrative Expenses	212,207	217,283	210,296	177,487
Refunds	150,991	143,902	175,673	102,020
<b>Total</b>	<b>\$ 16,013,861</b>	<b>\$ 14,634,353</b>	<b>\$ 12,820,465</b>	<b>\$ 11,161,430</b>

- (1) Amounts shown for these years are unaudited.
- (2) Effective July 1, 1985, the final average salary on which retirement benefits are computed was raised to \$2,117 for members who retired prior to July 1, 1982. All other members receiving benefits as of June 30, 1985, received a 6% increase in benefits on July 1, 1985.
- (3) Effective July 1, 1986, the Oklahoma Legislature determined that the law enforcement officers of the Park Rangers of the Oklahoma Tourism and Recreation Department could be covered by the System. Additionally, effective July 1, 1986, all persons receiving benefits as of June 30, 1986, received a 6% increase in benefit payments.

Analysis of Funding Progress  
Fiscal Years Ended June 30, 1988 through June 30, 1994

	1994 (4)	1993
Net Assets Available for Benefits (at cost)	\$ 244,145,802	\$ 225,373,730
Pension Benefit Obligation	\$ 278,430,398	\$ 242,360,874
Percentage Funded	87.7%	93.0%
Unfunded Pension Benefit Obligation (at cost)	\$ 34,284,596	\$ 16,987,144
Annual Covered Payroll	\$ 27,300,000	\$ 29,400,000
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	126%	58%

- (1) The actuarial valuation as of July 1, 1989, included certain changes in actuarial assumptions. The rate of return on investments was increased to 7½% from 6½% and salary rate increases were increased to 5½% from 4½%. These assumption changes resulted in a net reduction of the pension benefit obligation of approximately \$21,000,000.
- (2) The actuarial valuation as of July 1, 1990, included the effects of the new Deferred Option Plan provisions and a 5% increase in benefit payments effective July 1, 1990, for members who were retired as of June 30, 1989. These changes resulted in a net increase of the pension benefit obligation of approximately \$7,200,000.

## OKLAHOMA

1990	1989 (5)	1988 (4)	1987 (3)	1986 (1)	1985 (1)(2)
\$ 2,359,780	\$ 2,336,946	\$ 2,082,138	\$ 2,063,076	\$ 2,305,561	\$ 1,861,940
2,949,733	2,681,389	2,505,033	2,578,883	2,860,961	2,305,887
9,476,045	9,385,505	6,155,408	4,971,869	5,796,169	5,322,063
-	-	-	5,714,695	5,323,000	2,642,000
<u>15,321,862</u>	<u>11,555,840</u>	<u>7,818,862</u>	<u>7,497,805</u>	<u>12,625,435</u>	<u>5,732,342</u>
<u>\$ 30,107,420</u>	<u>\$ 25,959,680</u>	<u>\$ 18,561,441</u>	<u>\$ 22,826,328</u>	<u>\$ 28,911,126</u>	<u>\$ 17,864,232</u>
\$ 9,745,048	\$ 9,284,939	\$ 7,715,605	\$ 7,064,782	\$ 5,342,549	\$ 3,725,789
117,853	117,287	86,608	59,947	29,654	49,128
<u>174,496</u>	<u>171,602</u>	<u>143,683</u>	<u>245,768</u>	<u>125,727</u>	<u>154,506</u>
<u>\$ 10,037,397</u>	<u>\$ 9,573,828</u>	<u>\$ 7,945,896</u>	<u>\$ 7,370,497</u>	<u>\$ 5,497,930</u>	<u>\$ 3,929,423</u>

- (4) Effective April 1, 1988, the Oklahoma Legislature passed HB 2013 which apportioned 5% of the insurance premium taxes collected by the State to the System.
- (5) Effective July 1, 1988, the Oklahoma Legislature removed the 30-year maximum allowable service credit for those members who came on the System after July 1, 1980. Additionally, effective July 1, 1988, the final average salary on which retirement benefits are computed was increased \$100 to \$2,344 for members who retired prior to July 1, 1985. In addition, all other members receiving benefits as of June 30, 1988, received a 3% increase in benefits effective July 1, 1988.
- (6) Effective July 1, 1990, members who were retired as of June 30, 1989, received a 5% increase in their benefit payments.
- (7) Revenue from other State sources includes \$1,138,313 transfer from OPERS to the System for a group of participants who are moving to the System's retirement plan.

1992	1991 (3)	1990 (2)	1989 (1)	1988
\$ 198,333,567	\$ 174,325,105	\$ 157,528,843	\$ 137,458,820	\$ 121,072,968
\$ 229,747,140	\$ 219,955,124	\$ 206,655,833	\$ 190,614,261	\$ 196,225,295
86.3%	79.3%	76.2%	72.1%	61.7%
\$ 31,413,573	\$ 45,630,019	\$ 49,126,990	\$ 53,155,441	\$ 75,152,327
\$ 29,500,000	\$ 32,000,000	\$ 29,500,000	\$ 27,800,000	\$ 25,800,000
106%	143%	167%	191%	291%

- (3) The actuarial valuation as of July 1, 1991, included a change in the valuation method for the Deferred Option Plan, a change in the retirement assumption and a change in the deferral age for vested benefits. These changes resulted in an increase of the pension benefit obligation of approximately \$1,900,000.
- (4) The actuarial valuation as of July 1, 1994, included the effects of legislative changes and actuarial assumption changes. These changes resulted in an increase of the pension benefit obligation of approximately \$28 million.

The summary is shown only for years available. Additional years will be added as data becomes available.



# OKLAHOMA

## Oklahoma Public Employees Retirement Plan (OPERS)

Revenues by Source and Expenses by Type  
Fiscal Years Ended June 30, 1985, through June 30, 1994

	1994	1993	1992	1991
<b>Revenues By Source:</b>				
Legislative Appropriations	\$ -	\$ -	\$ -	\$ -
Member Contributions	29,113,352	28,816,149	27,767,268	26,161,627
State and Local Agency Contributions	111,615,426	112,654,847	111,910,058	100,194,525
(Unaudited) State and Local Agency Contributions as a Percentage of Annual Covered Payroll	10.4%	11.1%	10.8%	9.9%
Net Investment Income	250,756,324	128,885,707	220,559,282	163,218,204
<b>Total</b>	<b>\$ 391,485,102</b>	<b>\$ 270,356,703</b>	<b>\$ 360,236,608</b>	<b>\$ 289,574,356</b>
<b>Expenses by Type:</b>				
Benefits	\$ 140,780,790	\$ 132,464,583	\$ 125,243,459	\$ 117,949,923
Administrative Expenses	1,862,570	1,747,546	1,596,348	1,629,914
Refunds and Withdrawals	4,709,756	3,335,837	2,906,668	3,173,521
<b>Total</b>	<b>\$ 147,353,116</b>	<b>\$ 137,547,966</b>	<b>\$ 129,746,475</b>	<b>\$ 122,753,358</b>

Analysis of Funding Progress  
Fiscal Years Ended June 30, 1988, through June 30, 1994

	1994	1993
Net Assets Available for Benefits	\$ 2,357,479,409	\$ 2,116,566,793
Pension Benefit Obligation	\$ 2,506,279,056	\$ 2,427,419,423
Percentage Funded	94.06%	87.19%
Unfunded Pension Benefit Obligation	\$ 148,799,648	\$ 310,852,630
(Unaudited) Annual Covered Payroll	\$ 1,077,456,734	\$ 1,011,112,988
(Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	13.81%	30.74%

These summaries are shown for the years available. Additional years will be added as data becomes available.

## OKLAHOMA

1990	1989	1988	1987	1986	1985
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,619,110	21,334,889	4,663,385	18,921,515	3,500,000	15,191,218
117,919,178	111,891,841	65,309,077	116,296,844	16,266,908	89,222,383
				96,832,804	
12.1%	12.2%	8.2%	14.6%		12.7%
160,480,814	100,759,064	119,117,015	116,444,706	12.9%	78,596,028
				102,852,232	
<u>\$ 302,019,102</u>	<u>\$233,985,794</u>	<u>\$ 189,089,477</u>	<u>\$251,663,065</u>	<u>\$219,451,944</u>	<u>\$ 183,009,629</u>
\$ 106,852,371	\$ 99,070,128	\$ 83,869,717	\$ 73,986,974	\$ 59,136,955	\$ 44,254,633
1,718,150	1,232,462	797,820	785,851	803,562	676,634
3,205,502	2,340,999	2,856,473	3,399,733	3,438,628	6,737,188
<u>\$ 111,776,023</u>	<u>\$102,643,589</u>	<u>\$ 87,524,010</u>	<u>\$ 78,172,558</u>	<u>\$ 63,379,145</u>	<u>\$ 51,668,455</u>

1992	1991	1990	1989	1988
\$ 1,994,665,067	\$ 1,796,607,179	\$ 1,629,786,181	\$ 1,439,543,102	\$ 1,308,200,897
\$ 2,319,011,101	\$ 2,178,395,365	\$ 1,931,219,782	\$ 1,737,096,858	\$ 1,551,922,433
86.01%	82.47%	84.39%	82.87%	84.30%
\$ 324,346,034	\$ 381,788,186	\$ 301,433,601	\$ 297,553,756	\$ 243,721,536
\$ 1,035,195,092	\$ 1,007,551,003	\$ 972,410,671	\$ 918,306,232	\$ 787,048,635
31.33%	37.89%	31.00%	32.40%	30.97%

# OKLAHOMA

## Uniform Retirement System for Justices and Judges (URSJJ)

Revenues by Source and Expenses by Type  
Fiscal Years Ended June 30, 1985, through June 30, 1994

	1994	1993	1992	1991
<b>Revenues By Source:</b>				
Member Contributions	\$ 1,053,418	\$ 1,039,428	\$ 991,639	\$ 1,076,433
Participating Court Contributions	3,703,055	3,330,655	3,470,218	3,864,488
(Unaudited) Participating Court Contributions as a Percentage of Annual Covered Payroll	22.7%	20.8%	22.9%	26.8%
Net Investment Income	7,051,882	4,855,703	6,143,055	4,205,425
<b>Total</b>	<b>\$ 11,808,355</b>	<b>\$ 9,225,786</b>	<b>\$ 10,604,912</b>	<b>\$ 9,146,346</b>
<b>Expenses by Type:</b>				
Benefits	\$ 3,003,301	\$ 3,141,817	\$ 2,898,735	\$ 2,712,342
Administrative Expenses	72,199	79,264	197,949	99,564
Refunds and Withdrawals	139,653	64,193	47,874	198,968
<b>Total</b>	<b>\$ 3,215,153</b>	<b>\$ 3,285,274</b>	<b>\$ 3,144,558</b>	<b>\$ 3,010,874</b>

Analysis of Funding Progress  
Fiscal Years Ended June 30, 1988 through June 30, 1994

	1994	1993
Net Assets Available for Benefits	\$ 75,398,906	\$ 66,805,704
Pension Benefit Obligation	\$ 71,133,585	\$ 68,208,081
Percentage Funded	106.0%	97.9%
Unfunded Pension Benefit Obligation	\$ (4,265,321)	\$ 1,402,377
(Unaudited) Annual Covered Payroll	\$ 16,341,843	\$ 15,984,212
(Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	26.1%	8.77%

These summaries are shown only for the periods available. Additional years will be added as data becomes available.

1990	1989	1988	1987	1986	1985
\$ 903,148	\$ 870,365	\$ 812,970	\$ 794,851	\$ 799,618	\$ 683,663
3,856,758	3,527,863	4,149,011	3,296,922	3,502,321	3,183,929
28.2%	26.6%	34.5%	29.2%	29.0%	(1)
3,655,054	3,336,138	3,021,588	4,031,520	2,266,821	2,630,676
<u>\$ 8,414,960</u>	<u>\$ 7,734,366</u>	<u>\$ 7,983,569</u>	<u>\$ 8,123,293</u>	<u>\$ 6,568,760</u>	<u>\$ 6,498,268</u>
\$ 2,613,347	\$ 2,114,662	\$ 1,983,966	\$ 1,849,268	\$ 1,688,236	\$ 1,437,563
84,268	76,794	51,778	45,491	44,424	43,681
24,933	54,318	73,224	181,141	73,012	137,439
<u>\$ 2,722,548</u>	<u>\$ 2,245,774</u>	<u>\$ 2,108,968</u>	<u>\$ 2,075,900</u>	<u>\$ 1,805,672</u>	<u>\$ 1,618,683</u>

(1) Covered payroll information is not available for this year.

1992	1991	1990	1989	1988
\$ 60,865,192	\$ 53,404,838	\$ 47,269,366	\$ 41,576,954	\$ 36,088,362
\$ 64,325,327	\$ 57,399,528	\$ 55,324,775	\$ 49,300,509	\$ 37,174,192
94.6%	93.0%	85.4%	84.3%	97.1%
\$ 3,460,135	\$ 3,994,690	\$ 8,055,409	\$ 7,723,555	\$ 1,085,830
\$ 15,139,445	\$ 14,407,761	\$ 13,661,596	\$ 13,233,697	\$ 12,027,588
22.86%	27.72%	58.96%	58.36%	9.03%

# OKLAHOMA

## Oklahoma Police Pension and Retirement System (OPPRS)

Revenues by Source and Expenses by Type  
 Fiscal Years Ended June 30, 1985, through June 30, 1994  
 (dollars in thousands)

	1994	1993	1992	1991
<b>Revenues By Source:</b>				
Employee Contributions	\$ 8,538	\$ 7,987	\$ 7,783	\$ 7,814
Employer Contributions	13,345	11,776	10,670	9,530
State Contribution	14,413	13,008	12,791	11,963
Investment Income	7,396	82,340	65,972	36,159
<b>Total</b>	<b>\$ 43,692</b>	<b>\$ 115,111</b>	<b>\$ 97,216</b>	<b>\$ 65,466</b>
<b>Expenses by Type:</b>				
Benefits (1)	\$ 39,140 (3)	\$ 30,415	\$ 28,139	\$ 22,964
Administrative Expenses (2)	3,039	2,343	2,134	1,747
Refunds	687	789	721	804
<b>Total</b>	<b>\$ 42,866</b>	<b>\$ 33,547</b>	<b>\$ 30,994</b>	<b>\$ 25,515</b>

All revenues and expenses in the above summary are for the years ended June 30, except for 1985, which is for the six months ended June 30, 1985 and 1984.

- (1) Includes deferred options benefits.
- (2) Includes fees paid to investment managers.
- (3) Includes settlement of benefit claims of \$6,404.

Analysis of Funding Progress  
 Fiscal Years Ended June 30, 1987, through June 30, 1994  
 (dollars in millions)

	1994	1993	1992
Net Assets Available for Benefits	\$ 610	\$ 609	\$ 527
Pension Benefit Obligation	\$ 740	\$ 669	\$ 635
Percentage Funded	82%	91%	83%
Unfunded Pension Benefit Obligation	\$ 130	\$ 60	\$ 108
Annual Covered Payroll	\$ 108	\$ 106	\$ 100
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	120%	57%	108%

The summary is shown only for the years available. Additional years will be added as data becomes available.

## OKLAHOMA

1990	1989	1988	1987	1986	1985
\$ 7,514	\$ 6,482	\$ 6,060	\$ 5,754	\$ 5,699	\$ 2,729
8,902	8,103	7,575	7,192	7,123	3,411
11,612	12,198	10,725	20,382	21,250	6,498
37,054	54,205	1,288	28,428	42,218	19,530
<u>\$ 65,082</u>	<u>\$ 80,988</u>	<u>\$ 25,648</u>	<u>\$ 61,756</u>	<u>\$</u>	<u>\$</u>
				76,290	32,168
<u>\$ 20,524</u>	<u>\$ 18,683</u>	<u>\$ 15,365</u>	<u>\$ 13,866</u>	<u>\$ 12,190</u>	<u>\$ 5,450</u>
1,793	1,278	1,165	632	473	181
1,139	986	904	949	926	453
<u>\$ 23,456</u>	<u>\$ 20,947</u>	<u>\$ 17,434</u>	<u>\$ 15,447</u>	<u>\$ 13,589</u>	<u>\$ 6,084</u>

1991	1990	1989	1988	1987
\$ 461	\$ 421	\$ 379	\$ 320	\$ 311
\$ 593	\$ 529	\$ 468	\$ 425	\$ 386
78%	80%	81%	75%	81%
\$ 132	\$ 108	\$ 88	\$ 105	\$ 75
\$ 96	\$ 91	\$ 83	\$ 76	\$ 70
138%	119%	106%	138%	107%

# OKLAHOMA

## Teachers' Retirement System of Oklahoma (TRS)

### Revenues by Source and Expenses by Type

Fiscal Years Ended June 30, 1985, through June 30, 1994

	1994 (1)	1993 (1)	1992 (2)	1991 (2)
<b>Revenues By Source:</b>				
Member Contributions	\$ 147,887,923	\$ 147,016,766	\$ 139,602,837	\$ 140,467,139
Employer Contributions	41,762,035	39,596,167	28,255,158	17,408,243
State Appropriations and Various Federal Sources	157,752,704	159,199,746	121,671,483	133,090,790
(Unaudited) Contributions from Employers and State and Federal Sources As a Percentage of Annual Covered Payroll	9.1%	9.4%	7.5%	7.8%
Net Investment Income	247,192,624	243,037,507	240,490,995	156,698,023
Other	275,097	-	21,598	9,342
<b>Total</b>	<b>\$ 594,870,383</b>	<b>\$ 588,850,186</b>	<b>\$ 530,042,071</b>	<b>\$ 447,673,537</b>
<b>Expenses by Type:</b>				
Benefits	\$ 348,889,153	\$ 332,087,795	\$ 317,540,438	\$ 304,806,218
Expenses	2,436,808	2,137,540	2,049,436	1,977,323
Refunds and Annuity Payments	19,208,770	19,809,556	20,287,267	21,075,707
Other	-	-	-	-
<b>Total</b>	<b>\$ 370,534,731</b>	<b>\$ 354,034,891</b>	<b>\$ 339,877,141</b>	<b>\$ 327,859,248</b>

(1) Senate Bill 568 provided the following changes to the Plan:

- Employer contribution rates increase to 7% of annual compensation on July 1, 1992, 7.5% on July 1, 1993, and 8% on July 1, 1994. On July 1 of each year after July 1, 1994, employer contribution rates increase by 1% each year through July 1, 2004, in which employer contribution rates reach a maximum of 18% of annual compensation. Contributions received by the System from the State of Oklahoma will be used to offset employer contributions.
- Effective July 1, 1995, the maximum salary cap of \$40,000 is eliminated.
- Employee contribution rates are changed to 7% of annual compensation effective July 1, 1997, through a phased-in approach according to the following:
  - For compensation up to \$25,000, employee contribution rates are increased to 6.5% on July 1, 1996, and 7% on July 1, 1997, and thereafter.
  - For compensation between \$25,000 and \$40,000, employee contribution rates are decreased to 9% on July 1, 1993, 8% on July 1, 1994, and 7% on July 1, 1995, and thereafter.
- For members joining the System after June 30, 1992, final compensation has been changed to the average of the highest five consecutive years of annual compensation in which contributions have been made.
- Members joining the System after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total ninety.

(2) In May 1990, the Oklahoma Legislature adopted certain changes to the Teacher's Retirement Law through passage of Senate Bill 810. The new legislation includes the following amendments:

- Beginning July 1, 1990, through June 30, 1991, the employer is required to make contributions based on 1% of the regular annual compensation of the member not in excess of the maximum compensation level of the member. This rate increases to 1.5%, 2%, and 2.5% beginning July 1, 1991, 1992, and 1993, respectively.
- Beginning July 1, 1990, an ad hoc benefit increase was granted to retirees and beneficiaries who have been receiving benefits for at least one year. The increase was determined by adding an amount to the final average compensation for the member, and then redetermining the benefit due. The amount added ranged from \$475 to \$950, depending on the retirees' classification. In all cases, final average compensation, before the benefit increase, was capped at \$40,000.

1990 (3)	1989	1988	1987	1986	1985
\$ 119,666,636	\$100,893,240	\$ 95,552,682	\$ 82,432,408	\$ 96,442,486	\$ 69,140,739
7,571,476	-	-	-	-	-
138,731,872	132,469,504	121,426,909	123,465,244	128,211,082	127,870,696
8.4%	8.2%	8.1%	8.2%	9.2%	10.7%
186,573,312	147,123,656	129,199,232	176,721,547	141,679,312	129,580,681
221,342	-	-	-	-	-
<u>\$ 452,764,638</u>	<u>\$380,486,400</u>	<u>\$ 346,178,823</u>	<u>\$382,619,199</u>	<u>\$366,332,880</u>	<u>\$ 326,592,116</u>
\$ 274,568,647	\$265,550,823	\$ 230,144,148	\$187,782,384	\$154,528,142	\$ 128,647,044
1,840,350	1,653,034	1,733,829	1,323,488	1,559,251	1,787,389
17,918,413	18,334,612	15,865,723	15,293,433	12,704,866	13,182,332
-	36,300,000	3,300,000	-	-	-
<u>\$ 294,327,410</u>	<u>\$321,838,469</u>	<u>\$ 251,043,700</u>	<u>\$204,399,305</u>	<u>\$168,792,259</u>	<u>\$ 143,616,765</u>

- Beginning January 1, 1991, the purchase price for service credit will be based upon the actuarial cost of the incremental projected benefits to be purchased.

In May 1988, the Oklahoma Legislature adopted certain changes to the Teacher's Retirement Law through passage of House Bill 1582, which included the following amendments:

- Beginning July 1, 1990, the members' contribution rate increased from 5.5% to 6% of the regular annual compensation of the member but not in excess of \$25,000.
- Beginning July 1, 1990, the members' optional contribution rate increased from 10.5% to 11% of regular annual compensation in excess of \$25,000 but limited to \$40,000.

(3) The Oklahoma Legislature, in May, 1988, and July, 1988, adopted certain changes to the Teachers' Retirement Law through passage of House Bills 1582 and 1731. This new legislation includes the following amendments:

- Beginning July 1, 1989, through June 30, 1990, the employer is required to make contributions based on 0.5% of the regular annual compensation of the member not in excess of the maximum compensation level.
- Beginning July 1, 1989, through June 30, 1990, the members' contribution rate increased from 5% to 5.5% of the regular annual compensation of the member but not in excess of \$25,000.
- Beginning July 1, 1989, through June 30, 1990, the members contributed 10.5% of regular annual compensation in excess of \$25,000 but limited to \$40,000.

In April, 1989, through passage of House Bill 1533, the calculation of retirement benefits which had been based upon the average salary for the three highest years of compensation during the last five years of service was changed to the average of the three highest years of compensation. This amendment was effective July 1, 1989.

In May, 1989, Senate Bill 417 was passed which includes the following legislative amendments:

- Beginning January 1, 1990, the interest rate on repayment of withdrawn contributions increased to 10% from 5%.
- Beginning January 1, 1990, the interest rate on contributions for the purchase of service with other Oklahoma public retirement systems increased to 10% from 5%.



# OKLAHOMA

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## Teachers' Retirement System of Oklahoma (TRS) - (continued)

### Analysis of Funding Progress

Fiscal Years Ended June 30, 1987, through June 30, 1994

	1994	1993	1992
Net Assets Available for Retirement Benefits (at Cost)	\$ 2,576,753,605	\$ 2,369,782,704	\$ 2,151,334,330
Pension Benefit Obligation	42.4%	41.0%	39.3%
Percentage Funded	\$ 3,499,476,284	\$ 3,413,303,472	\$ 3,320,820,647
Unfunded Pension Benefit Obligation	\$ 2,190,000,000	\$ 2,122,000,000	\$ 2,002,376,000
Annual Covered Payroll			
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	159.8%	160.9%	165.8%

These summaries are shown only for the years for which audited information is available. Additional years will be added as data becomes available.

1991	1990	1989	1988	1987
\$ 1,975,196,222	\$ 1,867,353,855	\$ 1,722,681,239	\$ 1,678,430,905	\$ 1,593,430,517
\$ 5,275,409,236	\$ 4,834,566,801	\$ 4,108,284,000	\$ 3,326,151,000	\$ 2,992,093,000
37.4%	38.6%	41.9%	50.5%	53.3%
\$ 3,300,213,014	\$ 2,967,212,946	\$ 2,385,602,761	\$ 1,647,720,095	\$ 1,398,662,483
\$ 1,921,000,000	\$ 1,745,000,000	\$ 1,610,000,000	\$ 1,500,000,000	\$ 1,500,000,000
171.8%	170.1%	148.2%	109.8%	93.2%

# OKLAHOMA

## Schedule of Expenditures and Intra-Agency Transfers - Detail

### Budget to Actual Comparison (Budgetary Basis)

#### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>EDUCATION</b>			
<b>State Arts Council</b>			
01 Personal Services	\$ 484,404	\$ 484,404	\$ 0
02 Other Operating Expenses	116,626	108,498	8,128
03 Artists-in-Communities	57,211	46,675	10,536
04 Community Arts Programs	2,274,843	2,222,473	52,370
05 Artists-in-Residence	167,481	167,438	43
06 Carryover from FY-93 (193-04)	12,000	12,000	0
Agency Totals	3,112,565	3,041,488	71,077
<b>Center for Advancement of Science and Technology</b>			
01 Applied Research (1)	2,843,764	2,843,764	0
02 Health Research (1)	2,263,818	2,263,818	0
03 Technology Transfer (1)	60,000	60,000	0
04 Admin and DP Functions (1)	698,705	698,705	0
06 President's Salary (1)	74,147	74,147	0
08 Transfer - Research Fund (1)	500,000	500,000	0
Agency Totals	6,440,434	6,440,434	0
<b>Department of Education</b>			
01 Financial Support of Schools	1,210,167	1,210,167	0
01 SDE - Admin. & Support Functions	1,608,665	1,582,651	26,014
01 Financial Support of Schools	1,284,005,083	1,283,903,771	101,312
03 Mid-Term Adjustment	5,451,775	5,451,775	0
11 Library Resources	2,112,202	2,107,345	4,857
12 Homebound Children	1,278,696	1,278,422	274
13 Teacher Consultant Stipends	1,026,854	1,026,034	820
14 School Lunch Matching (1)	2,612,123	2,612,123	0
16 Staff Development - Alloc by ADA	1,070,747	1,070,699	48
19 Psychometric Services	950,818	950,818	0
21 Schl/Comm. Network-Arts in Educ	138,776	138,776	0
24 School Lunch Programs (1)	3,266,908	3,266,908	0
24 School Lunch Programs (1)	351,467	351,467	0
27 Adult Education Matching	681,535	681,535	0
28 Driver Education	1,720,000	1,613,695	106,305
30 Purchase of Textbooks	14,154,781	12,623,611	1,531,170
33 Early Intervention (1)	4,994,171	4,994,171	0
34 Hissom Compliance	439,200	293,021	146,179
35 Special Education Assistance	500,000	44,126	455,874
37 Parent Training Program	1,600,000	1,543,625	56,375
40 Staff Development - Ardmore	99,456	99,456	0
41 Staff Development - Lawton	99,456	99,456	0
42 Staff Development - Norman	99,456	99,456	0
43 Staff Development - Stillwater	99,456	99,456	0
44 Staff Development - Bartlesville	99,456	99,456	0
45 Staff Development - Woodward	99,456	99,456	0
46 Staff Development - McAlester	99,456	99,456	0
53 Alternative & At-Risk Grants	1,832,209	1,832,209	0
61 Small School Co-operative Education	500,000	500,000	0
62 Jane Brooks School for the Deaf	59,975	59,975	0
63 Science & Engineering Fair	54,000	54,000	0
65 Telecommunications Curriculum	300,500	300,500	0
70 Purchase of Textbooks	3,660	3,660	0
70 SDE - Admin. & Support Functions	9,480,811	9,400,380	80,431

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>Education - continued</b>			
70 SDE - Admin. & Support Functions	2,470,133	2,430,332	39,801
72 SDE - Admin. & Support Functions	269,987	259,582	10,405
73 Okla. Cost Accounting System	203,400	198,402	4,998
74 Criterion Referenced Test	619,370	587,208	32,162
75 Minority Recruitment Center	250,000	217,337	32,663
76 Carryover from FY-93 (193-34)	152,426	72,601	79,825
77 Carryover from FY-93 (193-37)	4,070	0	4,070
80 Carryover from FY-93 (091-02)	11,447	1,490	9,957
80 Carryover from FY-93 (553-01)	171,225	171,225	0
80 Carryover from FY-93 (193-70)	844,028	809,301	34,727
80 Carryover from FY-93 (191-30)	1,516,170	1,515,209	961
81 Carryover from FY-93 (193-71)	66,419	61,565	4,854
81 Carryover from FY-93 (091-27)	11,897	11,897	0
82 Carryover from FY-93 (193-01)	39,324	39,324	0
83 Carryover from FY-93 (193-10)	1,721	1,721	0
83 Carryover from FY-93 (192-91)	63,739	61,326	2,413
84 Carryover from FY-93 (193-17)	143	143	0
84 Carryover from FY-93 (192-92)	385,297	384,877	420
85 Carryover from FY-93 (192-93)	146,399	99,776	46,623
85 Carryover from FY-93 (193-27)	42,445	42,445	0
86 Carryover from FY-93 (192-95)	50,815	34,147	16,668
86 Carryover from FY-93 (193-28)	3,813	3,813	0
87 Carryover from FY-93 (193-35)	147,422	147,422	0
96 Carryover from FY-93 (192-83)	65,227	48,249	16,978
97 Carryover from FY-93 (192-94)	12,000	7,500	4,500
Agency Totals	1,349,650,232	1,346,798,548	2,851,684
<b>Oklahoma Educational Television Authority</b>			
01 Duties	2,422,847	2,421,239	1,608
04 General Operating Expenses	47,633	47,616	17
Agency Totals	2,470,480	2,468,855	1,625
<b>Commissioners of the Land Office</b>			
01 Duties	5,301,606	4,623,697	677,909
Agency Totals	5,301,606	4,623,697	677,909
<b>Department of Libraries</b>			
01 Personal Services	1,996,535	1,995,918	617
02 Other Operating Expenses	494,534	494,232	302
02 Carryover from FY-93 (191-01)	215,105	204,036	11,069
03 Dev. & Exp. of Public Library Svcs.	1,357,559	1,357,559	0
04 Books, Mags, News, & Audio-Vis	384,903	384,841	62
05 Carryover from FY-93 (193-01)	43,769	43,769	0
05 Dev & Exp. of Public Library Svcs.	235,196	235,196	0
Agency Totals	4,727,601	4,715,551	12,050
<b>Board of Private Vocational Schools</b>			
01 Duties	113,134	106,469	6,665
03 Carryover from FY-93	6,000	6,000	0
Agency Totals	119,134	112,469	6,665

# OKLAHOMA

## Schedule of Expenditures and Intra-Agency Transfers - Detail

### Budget to Actual Comparison (Budgetary Basis)

#### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Education - continued			
<b>Physician Manpower Training Commission</b>			
02 Physician Placement	90,000	72,626	17,374
03 Comm. Match Rural Scholarship	325,509	323,642	1,867
05 M.D. Residency (OUHSC)	944,284	944,284	0
06 Fam. Prac. Residency (OUHSC)	906,881	878,881	28,000
07 Fam. Prac. Residency (OUTMC)	876,683	757,416	119,267
08 Osteopathic Intern (COM)	1,587,950	1,532,594	55,356
09 Perinatal (OTH)	327,106	327,106	0
10 Admin. & Personal Services	220,949	191,484	29,465
15 Nursing Assistance	200,000	200,000	0
15 Nursing Assistance	52,312	52,312	0
30 Other Operating Expenses	23,121	23,083	38
33 Community Match Incentive Prog.	629,858	627,858	2,000
Agency Totals	<u>6,184,653</u>	<u>5,931,286</u>	<u>253,367</u>
<b>School of Science &amp; Mathematics</b>			
01 Duties	<u>3,442,330</u>	<u>3,129,733</u>	<u>312,597</u>
Agency Totals	<u>3,442,330</u>	<u>3,129,733</u>	<u>312,597</u>
<b>Department of Vocational &amp; Technical Education</b>			
01 Local Schools Fin. Support Formula	48,356,068	45,060,436	3,295,632
02 Duties	2,102,530	2,074,071	28,459
02 AVT Equip Formula AVTS Prog.	2,256,180	2,256,180	0
03 Business & Industry Training	9,885,267	8,763,129	1,122,138
04 Displaced Homemaker	71,250	71,250	0
05 Inmate and Skill Centers	3,598,215	3,191,552	406,663
06 Opportunities Industr. Center	190,426	185,217	5,209
07 Program Support Svcs.	2,204,097	2,204,097	0
08 State Department of Vo-Tech	11,826,848	10,572,899	1,253,949
09 Fixed Cost Increases	2,850,000	2,850,000	0
10 Truck Driver Training	1,335,058	1,335,058	0
11 Carryover from FY-93 (193-10)	2,185,253	2,185,253	0
11 Equine Training Program	22,563	22,563	0
12 Statewide Diesel Program	175,423	175,423	0
13 Carryover from FY-93 (193-03)	1,053,932	1,053,932	0
15 Carryover from FY-93 (193-05)	211,190	211,190	0
18 Carryover from FY-93 (193-08)	1,129,785	1,129,785	0
21 Carryover from FY-93 (193-01)	1,515,673	1,515,673	0
Agency Totals	<u>90,969,758</u>	<u>84,857,708</u>	<u>6,112,050</u>
<b>Education Totals</b>	<u>1,472,418,793</u>	<u>1,462,119,769</u>	<u>10,299,024</u>
<b>GENERAL GOVERNMENT</b>			
<b>Office of State Finance</b>			
01 Operations	8,334,114	7,763,399	570,715
02 Assessments	<u>544,670</u>	<u>535,637</u>	<u>9,033</u>
Agency Totals	<u>8,878,784</u>	<u>8,299,036</u>	<u>579,748</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
General Government - continued			
<b>Capitol Improvement Authority</b>			
01 Bond Retirement	143,867	143,867	0
02 Vacancy Subsidy (1)	35,000	35,000	0
Agency Totals	178,867	178,867	0
<b>Department of Commerce</b>			
01 General Operations	9,864,201	9,497,981	366,220
02 Origins	225,000	225,000	0
03 Community Action Agencies	777,855	777,855	0
04 Headstart	809,914	806,105	3,809
05 Inventors Asst. Prog. Rev. Fd. (1)	212,355	212,355	0
06 Minority Bus. Dev. Rev. Fd. (1)	225,000	225,000	0
07 CIAC Rural Enterprises, Inc.	27,000	26,981	19
08 Sub-State Planning Districts	426,604	426,604	0
09 Little Dixie CAA (Youth Prog.)	31,500	31,500	0
10 Community Devel. Centers (1)	135,000	135,000	0
11 SEOSU Small Bus. Dev. Ctrs.	639,028	639,028	0
12 General Operations	704,301	704,294	7
12 Telemedicine	100,000	10,000	90,000
Agency Totals	14,177,758	13,717,703	460,055
<b>State Election Board</b>			
01 General Operations	5,378,490	3,826,272	1,552,218
02 Election Expenses	1,260,000	120	1,259,880
11 Election Expenses	1,494,270	1,406,208	88,062
21 General Operations	14,570	14,570	0
22 General Operations	43,497	43,497	0
25 Election Expenses	307,660	307,660	0
33 Election Expenses	582	582	0
34 Election Expenses	1,372,982	594,627	778,355
62 Election Expenses	95,151	95,148	3
Agency Totals	9,967,202	6,288,684	3,678,518
<b>Ethics Commission</b>			
01 General Operations	317,522	313,589	3,933
11 General Operations	36	0	36
12 General Operations	4,960	4,927	33
Agency Totals	322,518	318,516	4,002
<b>Merit Protection Commission</b>			
01 General Operations	510,634	440,369	70,265
02 Legal Services	15,000	15,000	0
11 General Operations	58,544	58,385	159
12 General Operations	7,500	7,454	46
33 Operations	15,000	15,000	0
Agency Totals	606,678	536,208	70,470

# OKLAHOMA

## Schedule of Expenditures and Intra-Agency Transfers - Detail

### Budget to Actual Comparison (Budgetary Basis)

#### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
General Government - continued			
<b>Auditor &amp; Inspector</b>			
01 Comm. Co. Gov. Pers. Educ. & Trng.	245,891	245,891	0
01 Duties	100,000	100,000	0
02 Computer System Development	45,000	44,634	366
03 General Operations	3,312,290	3,311,528	762
04 Temporary Employees	15,750	15,750	0
11 General Operations	5,358	5,358	0
13 Operations	20,485	20,485	0
15 General Operations	2,302	2,302	0
Agency Totals	<u>3,747,076</u>	<u>3,745,948</u>	<u>1,128</u>
<b>Governor</b>			
01 Operations	1,978,924	1,972,855	6,069
02 Mansion	35,000	35,000	0
Agency Totals	<u>2,013,924</u>	<u>2,007,855</u>	<u>6,069</u>
<b>Senate</b>			
01 General Operations	<u>7,470,831</u>	<u>6,200,956</u>	<u>1,269,875</u>
Agency Totals	<u>7,470,831</u>	<u>6,200,956</u>	<u>1,269,875</u>
<b>House of Representatives</b>			
01 General Operations	11,082,178	9,652,856	1,429,322
02 Statutes, Laws and Supplements	<u>350,000</u>	<u>58,101</u>	<u>291,899</u>
Agency Totals	<u>11,432,178</u>	<u>9,710,957</u>	<u>1,721,221</u>
<b>Legislative Service Bureau</b>			
01 General Operations	<u>2,847,709</u>	<u>0</u>	<u>2,847,709</u>
Agency Totals	<u>2,847,709</u>	<u>0</u>	<u>2,847,709</u>
<b>Lieutenant Governor</b>			
01 General Operations	421,351	83,060	338,291
11 General Operations	270,138	245,917	24,221
21 General Operations	11,877	0	11,877
22 General Operations	<u>28,737</u>	<u>5,878</u>	<u>22,859</u>
Agency Totals	<u>732,103</u>	<u>334,855</u>	<u>397,248</u>
<b>Office of Personnel Management</b>			
01 Operations	4,225,175	3,885,318	339,857
21 Operations	407,000	407,000	0
22 Total Quality Management	<u>18,000</u>	<u>18,000</u>	<u>0</u>
Agency Totals	<u>4,650,175</u>	<u>4,310,318</u>	<u>339,857</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
General Government - continued			
<b>Department of Central Services</b>			
01 Operations	5,302,481	4,772,805	529,676
01 Asbestos Abatement	890,301	681,746	208,555
02 Building and Facility Revolving Fund (1)	3,936,037	3,936,037	0
03 Asbestos Abatement	109,699	109,699	0
21 Operations	262,224	262,132	92
23 Asbestos Abatement	32,451	32,450	1
23 General Operations	39,000	39,000	0
Agency Totals	10,572,193	9,833,869	738,324
<b>Secretary of State</b>			
01 Duties	377,353	284,795	92,558
02 Office of Administrative Rules	135,000	14,016	120,984
03 Office of Volunteerism	122,400	75,151	47,249
11 Duties	80,000	79,892	108
12 Office of Administrative Rules	96,000	96,000	0
13 Office of Volunteerism	45,772	45,734	38
Agency Totals	856,525	595,588	260,937
<b>Tax Commission</b>			
02 Revenue Estimating System	100,000	97,877	2,123
03 County Reimbursement (1)	647,543	647,543	0
04 General Operations	97,612	97,612	0
11 CAMA Revolving Fund (1)	4,175,000	4,175,000	0
30 General Operations	41,958,398	41,594,471	363,927
Agency Totals	46,978,553	46,612,503	366,050
<b>State Treasurer</b>			
01 Operations	3,166,100	2,945,180	220,920
02 State Land Reimbursement (1)	100,000	100,000	0
03 Bank Service Charges	700,000	609,512	90,488
12 General Operations	143,000	143,000	0
Agency Totals	4,109,100	3,797,692	311,408
<b>General Government Totals</b>	129,542,174	116,489,555	13,052,619
<b>HEALTH SERVICES</b>			
<b>Health Department</b>			
01 Operations	30,051,897	28,572,139	1,479,758
02 Eldercare (1)	5,388,995	5,388,995	0
03 Vaccine (1)	900,000	900,000	0
04 Margaret Hudson Program	42,977	42,977	0
05 Mary Mahoney Center	172,910	172,910	0
06 S.E. Area Health Center	172,910	172,910	0
07 Morton Comp. Health Services	311,902	311,902	0
08 Sickie Cell Research Foundation	70,000	70,000	0
09 Emerson Teen Program	135,360	127,312	8,048
10 Alzheimer's Research Advisory Co	55,475	55,475	0



# OKLAHOMA

## Schedule of Expenditures and Intra-Agency Transfers - Detail

### Budget to Actual Comparison (Budgetary Basis)

#### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Health Services - continued			
11 Black Social Workers Assn.	46,599	46,596	3
12 Child Abuse Prevention (1)	1,281,221	1,281,221	0
20 Operations	1,000,000	1,000,000	0
41 Eldercare	<u>150,621</u>	<u>150,620</u>	<u>1</u>
Agency Totals	<u>39,780,867</u>	<u>38,293,057</u>	<u>1,487,810</u>
<b>Department of Mental Health</b>			
01 Central Office	3,691,854	3,672,851	19,003
02 State Hospitals	47,369,049	47,292,722	76,327
03 State Community Mental Health Centers (CMCH)	14,880,111	14,875,861	4,250
04 Alcohol & Drug	5,278,309	5,261,733	16,576
05 Private CMHC's	24,308,868	24,269,243	39,625
06 Private Alcohol & Drug Prog.	5,727,827	5,636,766	91,061
07 Domestic Programs	2,195,556	2,195,550	6
08 Data Processing	2,380,505	2,298,765	81,740
09 Residential Care Programs	1,849,852	1,840,276	9,576
11 Central Office	202,655	202,655	0
12 State Hospitals	1,384,985	1,384,985	0
13 State CMHC's	381,194	381,194	0
14 Alcohol & Drug	89,750	89,750	0
18 Data Processing	41,416	41,416	0
21 Central Office	20,864	20,864	0
22 State Hospitals	180,887	180,887	0
23 State CMHC's	4,628	4,628	0
24 State Alcohol & Drug Program	143,634	143,634	0
25 Private CMCH's	160,544	157,817	2,727
26 Private Alcohol & Drug	4,493	1,498	2,995
27 Domestic Programs	135	135	0
28 Data Processing	<u>40,978</u>	<u>40,978</u>	<u>0</u>
Agency Totals	<u>110,338,094</u>	<u>109,994,208</u>	<u>343,886</u>
<b>Health Services Totals</b>	<u>150,118,961</u>	<u>148,287,265</u>	<u>1,831,696</u>
<b>LEGAL AND JUDICIARY</b>			
<b>Indigent Defense</b>			
01 Duties (2)	8,228,649	7,687,134	541,515
11 General Operations	64,184	36,170	28,014
12 General Operations	<u>112,060</u>	<u>86,312</u>	<u>25,748</u>
Agency Totals	<u>8,404,893</u>	<u>7,809,616</u>	<u>595,277</u>
<b>Attorney General</b>			
01 Evidence Fund	150,000	150,000	0
01 Operations	4,005,001	3,712,864	292,137
02 Operations	32,500	16,248	16,252
03 Public Employees Rel. Bd.	40,000	40,000	0
11 General Operations	242,563	242,005	558
22 General Operations	2,045	0	2,045
43 Census Litigation	106,014	6,634	99,380
52 Harris Case Supplemental	<u>131,761</u>	<u>121,177</u>	<u>10,584</u>
Agency Totals	<u>4,709,884</u>	<u>4,288,928</u>	<u>420,956</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Legal and Judiciary - continued			
<b>Court of Criminal Appeals</b>			
01 Duties	1,668,384	1,646,900	21,484
01 Harris Case Backlog	200,000	199,872	128
02 Duties	67,638	0	67,638
03 Duties	99,875	99,875	0
12 General Operations	660	660	0
Agency Totals	2,036,557	1,947,307	89,250
<b>District Courts</b>			
01 Duties	14,989,586	14,670,920	318,666
01 Duties	6,518,045	6,518,045	0
02 Duties	1,277,385	1,277,385	0
05 State Judicial Fund	1,520,380	1,520,380	0
10 Duties	3,662	3,662	0
10 Duties	189,430	189,430	0
11 General Operations	59,741	59,741	0
12 General Operations	63,340	63,340	0
12 General Operations	153,248	153,248	0
Agency Totals	24,774,817	24,456,151	318,666
<b>District Attorneys Council</b>			
01 Operations	22,537,873	22,268,864	269,009
01 Witness Fees	380,000	350,642	29,358
02 Operations	725,229	725,229	0
02 Evidence Fund (1)	25,000	25,000	0
11 General Operations	277,324	277,324	0
12 General Operations	20,112	20,112	0
Agency Totals	23,965,538	23,667,171	298,367
<b>Workers' Compensation Court</b>			
01 Duties	644,485	642,860	1,625
01 Operations	82,977	82,977	0
02 Duties	265,766	265,766	0
10 Duties	2,438,025	2,438,025	0
10 Duties	42,060	42,060	0
Agency Totals	3,473,313	3,471,688	1,625
<b>Supreme Court</b>			
01 Duties	6,921,764	6,687,367	234,397
11 Duties	237,864	237,864	0
11 General Operations	26,780	26,780	0
12 Duties	300,000	299,762	238
12 General Operations	2,356	2,356	0
14 General Operations	171,909	171,583	326
Agency Totals	7,660,673	7,425,712	234,961
<b>Legal and Judiciary Totals</b>	<b>75,025,675</b>	<b>73,066,573</b>	<b>1,959,102</b>

# OKLAHOMA

## Schedule of Expenditures and Intra-Agency Transfers - Detail

### Budget to Actual Comparison (Budgetary Basis)

#### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>MUSEUMS</b>			
<b>J. M. Davis Memorial Commission</b>			
01 Duties	336,919	336,911	8
03 Carryover from FY-93 (193-01/02)	49,100	49,100	0
Agency Totals	386,019	386,011	8
<b>Historical Society</b>			
01 Duties (Sites & Museums)			
01 General Administration - Personal Services	100,000	100,000	0
01 Personal Services	1,192,407	1,173,632	18,775
02 General Administration - Other Operating Expenses	33,611	33,611	0
02 Other Operating Expenses	133,570	132,047	1,523
03 Sites & Museums - Personal Services	49,722	46,758	2,964
04 Sites & Museums - Other Operating Expenses	2,245,273	2,244,574	699
05 Historical Preservation - Personal Service	512,484	502,178	10,306
06 Historical Preservation - Other Operating Expenses	111,189	110,246	943
11 Carryover from FY-93 (193-01)	9,544	9,101	443
12 Carryover from FY-93 (193-02)	607	607	0
13 Carryover from FY-93 (193-03)	6,021	6,021	0
14 Carryover from FY-93 (193-04)	4,596	4,531	65
15 Carryover from FY-93 (193-05)	68,564	68,564	0
16 Carryover from FY-93 (193-06)	1,578	1,578	0
	137	137	0
Agency Totals	4,469,303	4,433,585	35,718
<b>Will Rogers Memorial Commission</b>			
01 Duties	487,932	487,932	0
Agency Totals	487,932	487,932	0
<b>Museums Totals</b>	<b>5,343,254</b>	<b>5,307,528</b>	<b>35,726</b>
<b>NATURAL RESOURCES</b>			
<b>Department of Agriculture</b>			
01 Administration Division			
03 Forestry Division	1,585,832	1,566,701	19,131
04 AGLINK/Agri. Mediation Prog.	150,000	150,000	0
05 Administration Division	163,386	163,386	0
06 Animal Industry Division	100,000	100,000	0
07 Plant Ind. and Consumer Serv.	100,000	100,000	0
09 Statistical Division	150,000	150,000	0
10 OSU Animal Diagnostic Lab.	70,910	70,910	0
11 Forestry Division	47,525	47,525	0
14 Statewide Dry Fire Hydrant Prog.	4,155,460	4,154,341	1,119
15 Rural Fire Protect. Coord. Dist.	50,000	49,843	157
16 Wheat Root Rot	200,000	200,000	0
17 Tick Research	20,645	20,645	0
18 Peanut Pod Rot Field Research	20,970	17,827	3,143
19 Rural Fire Dept. Operational Grants	35,001	35,001	0
20 General Operations	200,000	199,998	2
20 FY-93 Carryover from 191-01	221,166	214,665	6,501
	117	117	0
GENERAL FUND			

GENERAL FUND			
	BUDGET	ACTUAL	VARIANCE
<b>Natural Resources - continued</b>			
21 Animal Industry Division	3,408,383	3,408,383	0
22 Brucellosis Depopulation, etc.	142,575	27,800	114,775
24 Statewide Assistance Program	117,562	117,562	0
27 Poultry Research	237,625	237,625	0
31 Market Development Division	647,456	635,416	12,040
36 Rural Firefighter Coordinator	494,000	494,000	0
37 Rural Development Service	48,882	48,636	246
41 Plant Ind. and Consumer Serv.	503,328	503,328	0
51 Predatory Animal Control Div.	504,730	504,729	1
67 Agricultural Laboratory Div.	1,121,481	1,106,850	14,631
Agency Totals	<u>14,497,034</u>	<u>14,325,288</u>	<u>171,746</u>
<b>Department of Environmental Quality</b>			
01 Operations	7,072,726	6,861,317	211,409
02 Operations	171,168	166,684	4,484
Agency Totals	<u>7,243,894</u>	<u>7,028,001</u>	<u>215,893</u>
<b>Tourism &amp; Recreation</b>			
10 Division of Parks	12,769,197	12,767,956	1,241
20 Division of Marketing Service	2,101,594	2,088,979	12,615
21 Oklahoma Today Magazine	223,510	223,475	35
23 Traveler Information Centers	800,495	757,738	42,757
30 Western Plains Indians Promotion	44,000	44,000	0
33 Summer Arts Institute	39,600	39,600	0
34 Tsa-La-Gi "Theme" Park	37,575	37,575	0
35 Scenic River Commission (1)	276,220	276,220	0
36 Shakespearean Festival	30,000	30,000	0
37 Nat'l Indian Arts and Crafts	30,000	30,000	0
40 Data Processing	344,793	344,624	169
50 Multi-County Organizations	764,745	764,745	0
60 Division of State Resorts	1,246,178	1,228,888	17,290
61 Cent. Okla. Development Effort	35,000	0	35,000
63 Division of Planning & Development	773,759	765,979	7,780
67 Division of Administration	1,890,468	1,871,143	19,325
88 Data Processing	524,422	521,345	3,077
Agency Totals	<u>21,931,556</u>	<u>21,792,267</u>	<u>139,289</u>
<b>Conservation Commission</b>			
10 Administration	316,000	316,000	0
11 Reappropriation	90,379	90,379	0
11 Field Service	324	324	0
20 Watershed Planning and Development	280,000	266,500	13,500
30 District Employees Benefits	791,000	791,000	0
31 Field Service	3,431,135	3,431,135	0
32 Roadside Erosion Program	100,000	100,000	0
33 Water Quality Cost Share	65,000	65,000	0
40 Complaint Dbase Mgmnt. System	36,000	36,000	0
Agency Totals	<u>5,109,838</u>	<u>5,096,338</u>	<u>13,500</u>

# OKLAHOMA

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

### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Natural Resources - continued			
<b>Water Resources Board</b>			
02 Rural Water Association	139,500	139,500	0
02 Federal Clean Lakes Program	37,131	22,154	14,977
10 General Operations	<u>3,021,807</u>	<u>3,021,807</u>	<u>0</u>
Agency Totals	<u>3,198,438</u>	<u>3,183,461</u>	<u>14,977</u>
<b>Natural Resources Totals</b>	<u>51,980,760</u>	<u>51,425,355</u>	<u>555,405</u>
<b>PUBLIC SAFETY AND DEFENSE</b>			
<b>Military Department</b>			
10 Personal Services	2,750,300	2,750,287	13
11 Personal Services	86,534	86,534	0
30 Other Operating Expenses	1,205,400	1,205,397	3
31 Other Operating Expenses	<u>95,658</u>	<u>95,658</u>	<u>0</u>
Agency Totals	<u>4,137,892</u>	<u>4,137,876</u>	<u>16</u>
<b>A.B.L.E. Commission</b>			
10 Personal Services	2,246,303	2,246,303	0
11 Personal Services	23,000	23,000	0
30 Other Operating Expenses	564,940	564,940	0
40 Oklahoma Charity Gaming Act	<u>390,450</u>	<u>390,448</u>	<u>2</u>
Agency Totals	<u>3,224,693</u>	<u>3,224,691</u>	<u>2</u>
<b>Department of Corrections</b>			
10 Personal Services	129,863,095	128,997,750	865,345
11 Personal Services	1,240,000	1,240,000	0
30 Other Operating Expenses	42,320,633	41,902,633	418,000
31 General Operations	957,040	955,246	1,794
41 Assessment and Evaluation Program	<u>35,490</u>	<u>35,465</u>	<u>25</u>
Agency Totals	<u>174,416,258</u>	<u>173,131,094</u>	<u>1,285,164</u>
<b>Pardon &amp; Parole Board</b>			
10 Personal Services	1,338,449	1,241,596	96,853
20 FY-93 Carryover Funds	61,300	61,300	0
30 Other Operating Expenses	170,967	156,400	14,567
31 Other Operating Expenses	<u>16,547</u>	<u>16,533</u>	<u>14</u>
Agency Totals	<u>1,587,263</u>	<u>1,475,829</u>	<u>111,434</u>
<b>State Bureau of Investigation</b>			
10 Personal Services	6,343,219	6,339,844	3,375
30 Other Operating Expenses	1,600,801	1,584,523	16,278
31 Other Operating Expenses	<u>29,551</u>	<u>29,211</u>	<u>340</u>
Agency Totals	<u>7,973,571</u>	<u>7,953,578</u>	<u>19,993</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Public Safety and Defense - continued			
<b>Civil Emergency Management</b>			
10 Personal Services	321,273	321,273	0
30 Other Operating Expenses	125,444	125,437	7
31 Other Operating Expenses	26,284	26,284	0
Agency Totals	473,001	472,994	7
<b>State Fire Marshal</b>			
10 Personal Services	786,813	740,041	46,772
30 Other Operating Expenses	204,514	144,730	59,784
31 Other Operating Expenses	57,783	57,780	3
Agency Totals	1,049,110	942,551	106,559
<b>Board of Medicolegal Investigations</b>			
01 Duties	2,237,451	2,236,189	1,262
02 Duties	218,106	210,696	7,410
50 Duties	11,333	11,322	11
50 Duties	7,667	7,580	87
Agency Totals	2,474,557	2,465,787	8,770
<b>Council on Law Enforcement, Education &amp; Training</b>			
01 Other Operating Expenses	1	1	0
10 Personal Services	252,699	227,111	25,588
11 Personal Services	1,062,817	1,003,513	59,304
12 Other Operating Expenses	40,000	35,245	4,755
30 Other Operating Expenses (P/S)	82,450	56,551	25,899
31 Other Operating Expenses	20,000	19,090	910
33 Other Operating Expenses	565,164	505,047	60,117
34 Other Operating Expenses (P/S)	119,453	113,300	6,153
40 Other Operating Expenses	47,539	26,784	20,755
Agency Totals	2,190,123	1,986,642	203,481
<b>Narcotics &amp; Dangerous Drugs Control</b>			
10 Personal Services	2,794,639	2,704,276	90,363
11 Personal Services	159,836	159,836	0
30 Other Operating Expenses	787,632	761,036	26,596
31 Other Operating Expenses	170,721	170,721	0
Agency Totals	3,912,828	3,795,869	116,959
<b>Department of Public Safety</b>			
01 Purchase Motor Vehicles	1,500,000	1,500,000	0
10 Personal Services	42,575,724	42,477,134	98,590
30 Other Operating Expenses	4,725,806	4,453,222	272,584
31 Other Operations	521,663	521,663	0
Agency Totals	49,323,193	48,952,019	371,174
<b>Public Safety and Defense Totals</b>	<b>250,762,489</b>	<b>248,538,930</b>	<b>2,223,559</b>

# OKLAHOMA

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

### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REGULATORY SERVICES</b>			
<b>State Banking Department</b>			
10 General Operations	2,187,427	2,046,724	140,703
20 General Operations	<u>183,052</u>	<u>183,048</u>	<u>4</u>
Agency Totals	<u>2,370,479</u>	<u>2,229,772</u>	<u>140,707</u>
<b>Department of Mines</b>			
10 Personal Services	799,502	799,502	0
30 Other Operating Expenses	<u>120,000</u>	<u>120,000</u>	<u>0</u>
Agency Totals	<u>919,502</u>	<u>919,502</u>	<u>0</u>
<b>Corporation Commission</b>			
10 Personal Services	1,263,388	1,259,757	3,631
10 Personal Services (2)	1,957,000	1,957,000	0
20 General Operations	38,782	37,965	817
30 Other Operating Expenses	171,757	158,233	13,524
40 CC Plugging Fund (1)	<u>43,000</u>	<u>43,000</u>	<u>0</u>
Agency Totals	<u>3,473,927</u>	<u>3,455,955</u>	<u>17,972</u>
<b>Horse Racing Commission</b>			
10 Personal Services	1,515,216	1,493,855	21,361
20 General Operations	33,128	33,128	0
30 Other Operating Expenses	<u>459,524</u>	<u>446,110</u>	<u>13,414</u>
Agency Totals	<u>2,007,868</u>	<u>1,973,093</u>	<u>34,775</u>
<b>State Insurance Department</b>			
10 Personal Services	1,626,228	1,430,872	195,356
20 General Operations	336,125	336,125	0
30 Other Operating Expenses	<u>780,796</u>	<u>526,151</u>	<u>254,645</u>
Agency Totals	<u>2,743,149</u>	<u>2,293,148</u>	<u>450,001</u>
<b>Department of Labor</b>			
01 Duties - DOL	1,785,812	1,733,835	51,977
01 Duties - DOL	889,362	878,549	10,813
01 Duties - DOL	256,495	256,495	0
02 Prevailing Wage Unit	224,500	223,295	1,205
20 General Operations	15,817	14,844	973
20 General Operations	<u>31,257</u>	<u>30,414</u>	<u>843</u>
Agency Totals	<u>3,203,243</u>	<u>3,137,432</u>	<u>65,811</u>
<b>Liquified Petroleum Gas Board</b>			
10 Personal Services	295,429	288,772	6,657
20 General Operations	13,656	13,656	0
30 Other Operating Expenses	<u>92,259</u>	<u>90,233</u>	<u>2,026</u>
Agency Totals	<u>401,344</u>	<u>392,661</u>	<u>8,683</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Regulatory Services - continued			
<b>Securities Commission</b>			
10 Personal Services	614,353	331,737	282,616
20 General Operations	133,742	133,734	8
30 Other Operating Expenses	83,775	83,340	435
Agency Totals	831,870	548,811	283,059
<b>Commission on Consumer Credit</b>			
10 Personal Services	533,987	516,287	17,700
20 General Operations	87,782	33,958	53,824
30 Other Operating Expenses	131,656	110,890	20,766
Agency Totals	753,425	661,135	92,290
<b>Regulatory Services Total</b>	<b>16,704,807</b>	<b>15,611,509</b>	<b>1,093,298</b>
<b>SOCIAL SERVICES</b>			
<b>Commission on Children and Youth</b>			
01 OASIS Program	70,875	70,833	42
04 OUJPTP	179,000	179,000	0
07 CASA Program	67,500	67,500	0
10 Personal Services	760,488	737,468	23,020
30 Other Operations	203,470	170,891	32,579
40 General Operating	65,000	65,000	0
Agency Totals	1,346,333	1,290,692	55,641
<b>Office of Handicapped Concerns</b>			
01 Duties	297,745	285,809	11,936
Agency Totals	297,745	285,809	11,936
<b>Human Rights Commission</b>			
01 Duties	666,142	664,208	1,934
11 Duties	1,016	1,016	0
30 Duties	35,000	35,000	0
Agency Totals	702,158	700,224	1,934
<b>Indian Affairs Commission</b>			
01 Duties	182,056	148,124	33,932
30 Duties	4,658	4,658	0
Agency Totals	186,714	152,782	33,932
<b>Department of Veterans Affairs</b>			
01 Duties	1,345,051	1,345,051	0
01 Duties	14,355,456	14,355,456	0
Agency Totals	15,700,507	15,700,507	0



# OKLAHOMA

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

### General Fund

For the Fiscal Year Ended June 30, 1994

(Agencies Listed by Function of Government)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Social Services - continued			
<b>J. D. McCarty Center for Handicapped Children</b>			
01 Duties	317,847	317,847	0
10 Duties	442,153	442,153	0
30 Duties	<u>200,000</u>	<u>200,000</u>	<u>0</u>
Agency Totals	<u>960,000</u>	<u>960,000</u>	<u>0</u>
<b>Department of Human Services</b>			
01 Duties (1)	557,541,865	557,541,865	0
02 Duties (1)	62,354,394	62,354,394	0
02 Duties (1)	11,892,960	11,892,960	0
02 Duties (1)	<u>541,069</u>	<u>541,069</u>	<u>0</u>
Agency Totals	<u>632,330,288</u>	<u>632,330,288</u>	<u>0</u>
<b>Department of Rehabilitative Services</b>			
01 Duties of Rehab. Svcs. Dept. (1)	19,653,177	19,653,177	0
01 Duties of Rehab. Svcs. Dept. (1)	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
Agency Totals	<u>21,153,177</u>	<u>21,153,177</u>	<u>0</u>
<b>Health Care Authority</b>			
01 Duties of the Authority (1)	<u>241,256</u>	<u>241,256</u>	<u>0</u>
Agency Totals	<u>241,256</u>	<u>241,256</u>	<u>0</u>
<b>University Hospitals Authority</b>			
01 Duties of the Authority (1)	<u>26,076,815</u>	<u>26,076,815</u>	<u>0</u>
Agency Totals	<u>26,076,815</u>	<u>26,076,815</u>	<u>0</u>
<b>Social Services Total</b>	<u>698,994,993</u>	<u>698,891,550</u>	<u>103,443</u>
<b>TRANSPORTATION</b>			
<b>Department of Transportation</b>			
01 State Transportation Fund (1)	174,129,057	174,129,057	0
02 State Transportation Fund (1)	<u>5,658,028</u>	<u>5,658,028</u>	<u>0</u>
Agency Totals	<u>179,787,085</u>	<u>179,787,085</u>	<u>0</u>
<b>Transportation Total</b>	<u>179,787,085</u>	<u>179,787,085</u>	<u>0</u>
<b>GENERAL FUND TOTALS</b>	<u>\$ 3,030,678,991</u>	<u>\$ 2,999,525,119</u>	<u>\$ 31,153,872</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



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Combining Financial Statements  
- Trust and Agency Funds

**T**rusted and Agency Funds account for assets Oklahoma holds in a trustee capacity or as an agent for individuals, private organizations, other governmental organizations, or other funds. These include: Expendable Trust Funds, Nonexpendable Trust Funds, Pension Trust Funds, and Agency Funds.

#### EXPENDABLE TRUST FUNDS

Expendable Trust Funds account 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. A brief description of each fund follows:

**Employment Security Commission Fund** accounts for the deposit of monies requisitioned from the Oklahoma Unemployment Insurance Trust Fund in the U.S. Treasury and for the payment of unemployment benefits.

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

#### 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. A brief description of the Fund follows:

**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 the Common Schools of Oklahoma and other beneficiaries.

#### PENSION TRUST FUNDS

Pension Trust Funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various state Public Employee Retirement Systems. See Note 20, Retirement and Pension Systems, for a description of the individual Pension Trust Funds.

#### AGENCY FUNDS

Agency Funds account for the receipt and disbursement of various taxes, deposits, deductions, and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units, organizations, or individuals. A brief description of each of Oklahoma's Agency Funds follows:

**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, (4) that have been intercepted by the Tax Commission to be disbursed to agencies with claims.

**Deferred Compensation Plan** is used to account for the amount of compensation deferred by state employees electing to participate in a deferred compensation plan in accordance with Internal Revenue Code Section 457. This plan is administered by the Oklahoma Public Employees Retirement System.

**Funds Held for Other Governments** are monies invested by the Office of the State Treasurer for other local governments. This includes Federal Farm Credit, county governments, and several school districts.

**Funds Held in Escrow** are monies held in an account until certain conditions or requirements are met. These include:

Cash Performance Bonds maintained by the Department of Mines until mining is complete and reclamation meets specifications.

Unlocated Mineral Owner's Fund maintained by the Corporation Commission as an escrow account for royalties due unlocated owners.

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.

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.

Other monies 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, and by the State Treasurer's Office for textbook bid deposits.

**Assets Held for Beneficiaries** are monies maintained for: (1) clients in institutions under the jurisdiction of the Department of Human Services, the Department of Corrections, the Department of Veterans Affairs and the Department of Mental Health, (2) canteen funds at the Department of Human Services and the Department of Correction institutions, (3) DHS custodial parents from the collection from absent parents, (4) DHS clients placed in agency custody and (5) the inventory maintained for food stamps and commodities.

**Other** is monies accounted for (1) by the Oklahoma State and Education Employees' Group Insurance Board and the Office of Personnel Management 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, and (3) deposits held by the Department of Central Services for bid process documents.

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# OKLAHOMA

## Combining Balance Sheet Trust and Agency Funds June 30, 1994 (expressed in thousands)

	Expendable Trusts	Nonexpendable Trust Commissioners of the Land Office	Pension Trusts	Agency	Total
<b>Assets</b>					
Cash/Cash Equivalents	\$ 457,994	\$ 1,119	\$ 3,238	\$ 34,565	\$ 496,916
Investments	26,104	638,337	6,751,708	209,020	7,625,169
Accounts Receivable	2,735	0	0	472	3,207
Interest and Investment Revenue Receivables	0	0	51,915	241	52,156
Contributions Receivable	0	0	3,559	0	3,559
Federal Receivable	242	0	0	0	242
Taxes Receivable	4,697	0	0	99	4,796
Other Receivables	0	101,119	16	0	101,135
Due from Brokers	0	0	31,276	0	31,276
Due from Other Funds	0	0	22,703	0	22,703
Due from Component Units	0	0	483	0	483
Inventory	0	0	0	85,272	85,272
Fixed Assets, Net	0	0	1,977	0	1,977
Other Assets	0	8,230	0	0	8,230
<b>Total Assets</b>	<b><u>\$ 491,772</u></b>	<b><u>\$ 748,805</u></b>	<b><u>\$ 6,866,875</u></b>	<b><u>\$ 329,669</u></b>	<b><u>\$ 8,437,121</u></b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 0	\$ 0	\$ 1,724	\$ 0	\$ 1,724
Tax Refunds Payable	0	0	0	2,599	2,599
Due to Brokers	0	0	85,781	0	85,781
Due to Other Funds	0	0	0	215	215
Due to Others	0	0	0	202,798	202,798
Deferred Revenue	0	0	0	0	8,031
Compensated Absences	4,430	3,601	115	0	115
Benefits in the Process of Payment	0	0	43,312	0	43,312
Deferred Compensation	0	0	0	124,057	124,057
<b>Total Liabilities</b>	<b><u>4,430</u></b>	<b><u>3,601</u></b>	<b><u>130,932</u></b>	<b><u>329,669</u></b>	<b><u>468,632</u></b>
<b>Fund Balances</b>					
<b>Reserved</b>					
Unemployment Benefits	457,866	0	0	0	457,866
Preservation of Wildlife	29,476	0	0	0	29,476
Pension Benefits	0	0	6,735,943	0	6,735,943
Permanent Trust	0	724,878	0	0	724,878
Undistributed Revenue	0	20,326	0	0	20,326
<b>Total Fund Balances</b>	<b><u>487,342</u></b>	<b><u>745,204</u></b>	<b><u>6,735,943</u></b>	<b><u>0</u></b>	<b><u>7,968,489</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 491,772</u></b>	<b><u>\$ 748,805</u></b>	<b><u>\$ 6,866,875</u></b>	<b><u>\$ 329,669</u></b>	<b><u>\$ 8,437,121</u></b>

# OKLAHOMA

Combining Balance Sheet  
 Expendable Trust Funds  
 June 30, 1994  
 (expressed in thousands)

	Employment Security Commission	Department Of Wildlife	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets</b>			
Cash/Cash Equivalents	\$ 454,622	\$ 3,372	\$ 457,994
Investments	0	26,104	26,104
Accounts Receivable	2,735	0	2,735
Federal Receivable	242	0	242
Taxes Receivable	4,697	0	4,697
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 462,296</u>	<u>\$ 29,476</u>	<u>\$ 491,772</u>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Deferred Revenue	\$ 4,430	\$ 0	\$ 4,430
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>4,430</u>	<u>0</u>	<u>4,430</u>
Fund Balances			
Reserved			
Unemployment Benefits	457,866	0	457,866
Preservation of Wildlife	0	29,476	29,476
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>457,866</u>	<u>29,476</u>	<u>487,342</u>
Total Liabilities and Fund Balances	<u>\$ 462,296</u>	<u>\$ 29,476</u>	<u>\$ 491,772</u>

# OKLAHOMA

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Expendable Trust Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Employment Security Commission	Department Of Wildlife	Total
<b>Revenues</b>			
Taxes	\$ 117,085	\$ 0	\$ 117,085
Licenses, Permits and Fees	0	2,600	2,600
Interest and Investment Revenue	30,296	2,286	32,582
Federal Grants and Receipts	47,216	0	47,216
Other	87	7	94
	<u>194,684</u>	<u>4,893</u>	<u>199,577</u>
Total Revenues			
<b>Expenditures</b>			
Current			
Natural Resources	0	3,562	3,562
Social Services	166,733	0	166,733
	<u>166,733</u>	<u>3,562</u>	<u>170,295</u>
Total Expenditures			
Revenues Over (Under) Expenditures	<u>27,951</u>	<u>1,331</u>	<u>29,282</u>
<b>Fund Balances - Beginning of Year</b>	<u>429,915</u>	<u>28,145</u>	<u>458,060</u>
<b>Fund Balances - End of Year</b>	<u>\$ 457,866</u>	<u>\$ 29,476</u>	<u>\$ 487,342</u>

# OKLAHOMA

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Combining Statement of Revenues, Expenses  
and Changes in Fund Balance  
Nonexpendable Trust Fund  
For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	Commissioners of the Land Office
<b>Operating Revenues</b>	
Interest and Investment Revenue	\$ 66,174
Rental Revenue	8,291
Sale of Investments	34,240
Other	3
	<hr/>
Total Operating Revenues	108,708
	<hr/>
<b>Operating Expenses</b>	
Losses and Loss Expense	74
Benefit Payments and Refunds	39,456
	<hr/>
Total Operating Expenses	39,530
	<hr/>
Operating Income	69,178
Operating Transfers Out	(4,157)
Operating Transfers To Component Units	(14,426)
	<hr/>
Net Income	50,595
<b>Fund Balance-Beginning of Year</b>	694,609
	<hr/>
<b>Fund Balance-End of Year</b>	<u>\$ 745,204</u>

# OKLAHOMA

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## Combining Statement of Cash Flows Nonexpendable Trust Fund For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Commissioners of the Land Office
<b>Cash Flows from Operating Activities</b>	
Operating Income	\$ 69,178
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations	
Amortization (Accretion) and Other Noncash Expenses	1,990
Other	(33,701)
Decrease (Increase) in Assets	
Interest and Investment Revenue Receivable	3,441
Increase in Liabilities	
Deferred Revenue	87
	<hr/>
Net Cash Provided by Operating Activities	40,995
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Transfers Out	(4,157)
Operating Transfers to Component Units	(14,426)
	<hr/>
Net Cash Used by Noncapital Financing Activities	(18,583)
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale/Maturities of Investments	449,105
Principal Received from Notes Receivable	12,343
Payments to Purchase Investments	(482,933)
	<hr/>
Net Cash Used by Investing Activities	(21,485)
	<hr/>
<b>Net Increase in Cash/Cash Equivalents</b>	927
<b>Cash/Cash Equivalents - Beginning of Year</b>	192
	<hr/>
<b>Cash/Cash Equivalents - End of Year</b>	<u>\$ 1,119</u>

# OKLAHOMA

Combining Balance Sheet  
Pension Trust Funds  
June 30, 1994  
(expressed in thousands)

	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System
<b>Assets</b>			
Cash/Cash Equivalents	\$ 445	\$ 1	\$ 127
Investments	669,912	249,223	2,346,485
Interest and Investment Revenue Receivable	3,620	1,647	15,504
Contributions Receivable	25	421	2,356
Other Receivables	16	0	0
Due from Brokers	922	0	11,288
Due from Component Units	0	0	483
Due from Other Funds	712	668	8,541
Fixed Assets, Net	45	0	892
Total Assets	<u>\$ 675,697</u>	<u>\$ 251,960</u>	<u>\$ 2,385,676</u>
<b>Liabilities and Fund Balances</b>			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 809	\$ 264	\$ 0
Due to Brokers	9,470	649	28,196
Compensated Absences	0	0	0
Benefits in the Process of Payment	0	6,901	0
Total Liabilities	<u>10,279</u>	<u>7,814</u>	<u>28,196</u>
Fund Balances			
Reserved			
Pension Benefits	<u>665,418</u>	<u>244,146</u>	<u>2,357,480</u>
Total Liabilities and Fund Balances	<u>\$ 675,697</u>	<u>\$ 251,960</u>	<u>\$ 2,385,676</u>

Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total
\$ 15	\$ 675	\$ 1,975	\$ 3,238
74,823	634,176	2,777,089	6,751,708
470	4,095	26,579	51,915
88	669	0	3,559
0	0	0	16
949	0	18,117	31,276
0	0	0	483
947	293	11,542	22,703
0	0	1,040	1,977
<u>\$ 77,292</u>	<u>\$ 639,908</u>	<u>\$ 2,836,342</u>	<u>\$ 6,866,875</u>
\$ 0	\$ 651	\$ 0	\$ 1,724
1,893	8,352	37,221	85,781
0	0	115	115
0	21,226	15,185	43,312
<u>1,893</u>	<u>30,229</u>	<u>52,521</u>	<u>130,932</u>
<u>75,399</u>	<u>609,679</u>	<u>2,783,821</u>	<u>6,735,943</u>
<u>\$ 77,292</u>	<u>\$ 639,908</u>	<u>\$ 2,836,342</u>	<u>\$ 6,866,875</u>

# OKLAHOMA

Combining Statement of Revenues, Expenses  
and Changes in Fund Balances  
Pension Trust Funds  
For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System
<b>Operating Revenues</b>			
Interest and Investment Revenue	\$ 13,189	\$ 17,498	\$ 250,756
Contributions	22,257	6,621	140,729
Other	0	0	0
Total Operating Revenues	<u>35,446</u>	<u>24,119</u>	<u>391,485</u>
<b>Operating Expenses</b>			
Administrative and General Expense	602	212	1,862
Benefit Payments	46,706	15,650	140,781
Refunds	190	151	4,709
Total Operating Expenses	<u>47,498</u>	<u>16,013</u>	<u>147,352</u>
Operating Income (Loss)	(12,052)	8,106	244,133
<b>Nonoperating Revenues (Expenses)</b>			
Operating Transfers In	35,004	10,667	0
Loss on Investments	0	0	(3,219)
Total Nonoperating Revenues (Expenses)	<u>35,004</u>	<u>10,667</u>	<u>(3,219)</u>
Net Income	22,952	18,773	240,914
<b>Fund Balances - Beginning of Year</b>	<u>642,466</u>	<u>225,373</u>	<u>2,116,566</u>
<b>Fund Balances - End of Year</b>	<u>\$ 665,418</u>	<u>\$ 244,146</u>	<u>\$ 2,357,480</u>



Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total
\$ 7,052	\$ 7,396	\$ 247,193	\$ 543,084
4,756	21,883	197,679	393,925
<u>0</u>	<u>0</u>	<u>275</u>	<u>275</u>
11,808	29,279	445,147	937,284
72	3,039	2,437	8,224
3,003	39,140	348,889	594,169
<u>140</u>	<u>687</u>	<u>19,209</u>	<u>25,086</u>
3,215	42,866	370,535	627,479
8,593	(13,587)	74,612	309,805
0	14,413	149,724	209,808
<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,219)</u>
0	14,413	149,724	206,589
8,593	826	224,336	516,394
<u>66,806</u>	<u>608,853</u>	<u>2,559,485</u>	<u>6,219,549</u>
<u>\$ 75,399</u>	<u>\$ 609,679</u>	<u>\$ 2,783,821</u>	<u>\$ 6,735,943</u>

# OKLAHOMA

## Combining Statement of Assets and Liabilities Agency Funds June 30, 1994 (expressed in thousands)

	<u>Taxes Held For Outside Entities</u>	<u>Deferred Compensation Plan</u>	<u>Funds Held For Other Governments</u>
<b>Assets</b>			
Cash/Cash Equivalents	\$ 16,599	\$ 0	\$ 28
Investments	63,777	124,057	19,871
Accounts Receivable	43	0	0
Interest Receivable	133	0	65
Taxes Receivable	99	0	0
Inventory	0	0	0
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 80,651</u>	<u>\$ 124,057</u>	<u>\$ 19,964</u>
<b>Liabilities</b>			
Tax Refunds Payable	\$ 2,599	\$ 0	\$ 0
Due to Other Funds	0	0	0
Due to Others	78,052	0	19,964
Deferred Compensation	0	124,057	0
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>\$ 80,651</u>	<u>\$ 124,057</u>	<u>\$ 19,964</u>

<u>Funds Held in Escrow</u>	<u>Assets Held For Beneficiaries</u>	<u>Other</u>	<u>Total</u>
\$ 5,954	\$ 10,271	\$ 1,713	\$ 34,565
0	1,315	0	209,020
96	333	0	472
26	17	0	241
0	0	0	99
<u>0</u>	<u>83,602</u>	<u>1,670</u>	<u>85,272</u>
<u><u>\$ 6,076</u></u>	<u><u>\$ 95,538</u></u>	<u><u>\$ 3,383</u></u>	<u><u>\$ 329,669</u></u>
\$ 0	\$ 0	\$ 0	\$ 2,599
0	215	0	215
6,076	95,323	3,383	202,798
<u>0</u>	<u>0</u>	<u>0</u>	<u>124,057</u>
<u><u>\$ 6,076</u></u>	<u><u>\$ 95,538</u></u>	<u><u>\$ 3,383</u></u>	<u><u>\$ 329,669</u></u>

# OKLAHOMA

## Combining Statement of Changes in Assets and Liabilities

### Agency Funds

For the Fiscal Year Ended June 30, 1994

(expressed in thousands)

	Balance 6-30-93	Additions	Deletions	Balance 6-30-94
<b>Taxes Held for Outside Entities</b>				
Assets				
Cash/Cash Equivalents	\$ 57,782	\$ 394,454	\$ 435,637	\$ 16,599
Investments	54,638	705,055	695,916	63,777
Accounts Receivable	8	43	8	43
Interest Receivable	89	133	89	133
Taxes Receivable	74	99	74	99
	<u>112,591</u>	<u>1,099,784</u>	<u>1,131,724</u>	<u>80,651</u>
Total Assets	<u>\$ 112,591</u>	<u>\$ 1,099,784</u>	<u>\$ 1,131,724</u>	<u>\$ 80,651</u>
Liabilities				
Tax Refunds Payable	\$ 3,867	\$ 2,599	\$ 3,867	\$ 2,599
Due to Others	108,724	1,097,185	1,127,857	78,052
	<u>112,591</u>	<u>1,099,784</u>	<u>1,131,724</u>	<u>80,651</u>
Total Liabilities	<u>\$ 112,591</u>	<u>\$ 1,099,784</u>	<u>\$ 1,131,724</u>	<u>\$ 80,651</u>
<b>Deferred Compensation</b>				
Assets				
Investments	\$ 113,649	\$ 23,052	\$ 12,644	\$ 124,057
	<u>113,649</u>	<u>23,052</u>	<u>12,644</u>	<u>124,057</u>
Total Assets	<u>\$ 113,649</u>	<u>\$ 23,052</u>	<u>\$ 12,644</u>	<u>\$ 124,057</u>
Liabilities				
Deferred Compensation	\$ 113,649	\$ 23,052	\$ 12,644	\$ 124,057
	<u>113,649</u>	<u>23,052</u>	<u>12,644</u>	<u>124,057</u>
Total Liabilities	<u>\$ 113,649</u>	<u>\$ 23,052</u>	<u>\$ 12,644</u>	<u>\$ 124,057</u>
<b>Funds Held for Other Governments</b>				
Assets				
Cash/Cash Equivalents	\$ 0	\$ 28	\$ 0	\$ 28
Investments	27,393	36,746	44,268	19,871
Interest Receivable	28	65	28	65
	<u>27,421</u>	<u>36,839</u>	<u>44,296</u>	<u>19,964</u>
Total Assets	<u>\$ 27,421</u>	<u>\$ 36,839</u>	<u>\$ 44,296</u>	<u>\$ 19,964</u>
Liabilities				
Due to Others	\$ 27,421	\$ 36,839	\$ 44,296	\$ 19,964
	<u>27,421</u>	<u>36,839</u>	<u>44,296</u>	<u>19,964</u>
Total Liabilities	<u>\$ 27,421</u>	<u>\$ 36,839</u>	<u>\$ 44,296</u>	<u>\$ 19,964</u>

# OKLAHOMA

## Combining Statement of Changes in Assets and Liabilities Agency Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Balance 6-30-93	Additions	Deletions	Balance 6-30-94
(continued)				
<b>Funds Held in Escrow</b>				
Assets				
Cash/Cash Equivalents	\$ 8,351	\$ 4,691	\$ 7,088	\$ 5,954
Accounts Receivable	64	32	0	96
Interest Receivable	0	26	0	26
	<u>8,415</u>	<u>4,749</u>	<u>7,088</u>	<u>6,076</u>
Total Assets	<u>\$ 8,415</u>	<u>\$ 4,749</u>	<u>\$ 7,088</u>	<u>\$ 6,076</u>
Liabilities				
Due to Others	\$ 8,415	\$ 4,749	\$ 7,088	\$ 6,076
	<u>8,415</u>	<u>4,749</u>	<u>7,088</u>	<u>6,076</u>
Total Liabilities	<u>\$ 8,415</u>	<u>\$ 4,749</u>	<u>\$ 7,088</u>	<u>\$ 6,076</u>
<b>Assets Held for Beneficiaries</b>				
Assets				
Cash/Cash Equivalents	\$ 8,078	\$ 105,544	\$ 103,351	\$ 10,271
Investments	1,456	0	141	1,315
Accounts Receivable	220	333	220	333
Interest Receivable	7	17	7	17
Inventory	82,861	594,345	593,604	83,602
	<u>92,622</u>	<u>700,239</u>	<u>697,323</u>	<u>95,538</u>
Total Assets	<u>\$ 92,622</u>	<u>\$ 700,239</u>	<u>\$ 697,323</u>	<u>\$ 95,538</u>
Liabilities				
Due to Other Funds	\$ 0	\$ 215	\$ 0	\$ 215
Due to Others	92,622	700,024	697,323	95,323
	<u>92,622</u>	<u>700,239</u>	<u>697,323</u>	<u>95,538</u>
Total Liabilities	<u>\$ 92,622</u>	<u>\$ 700,239</u>	<u>\$ 697,323</u>	<u>\$ 95,538</u>
<b>Other</b>				
Assets				
Cash/Cash Equivalents	\$ 525	\$ 119,738	\$ 118,550	\$ 1,713
Investments	485	49	534	0
Inventory	646	1,715	691	1,670
Other Assets	135	85	220	0
	<u>1,791</u>	<u>121,587</u>	<u>119,995</u>	<u>3,383</u>
Total Assets	<u>\$ 1,791</u>	<u>\$ 121,587</u>	<u>\$ 119,995</u>	<u>\$ 3,383</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 480	\$ 110	\$ 590	\$ 0
Due to Other Funds	229	1,123	1,352	0
Due to Others	1,082	120,968	118,667	3,383
	<u>1,791</u>	<u>122,201</u>	<u>120,609</u>	<u>3,383</u>
Total Liabilities	<u>\$ 1,791</u>	<u>\$ 122,201</u>	<u>\$ 120,609</u>	<u>\$ 3,383</u>

# OKLAHOMA

## Combining Statement of Changes in Assets and Liabilities Agency Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Balance 6-30-93	Additions	Deletions	Balance 6-30-94
(continued)				
<b>Total - All Agency Funds</b>				
Assets				
Cash/Cash Equivalents	\$ 74,736	\$ 624,455	\$ 664,626	\$ 34,565
Investments	197,621	764,902	753,503	209,020
Accounts Receivable	292	408	228	472
Interest Receivable	124	241	124	241
Taxes Receivable	74	99	74	99
Inventory	83,507	596,060	594,295	85,272
Other Assets	135	85	220	0
	<u>356,489</u>	<u>1,986,250</u>	<u>2,013,070</u>	<u>329,669</u>
<b>Total Assets</b>	<b>\$ 356,489</b>	<b>\$ 1,986,250</b>	<b>\$ 2,013,070</b>	<b>\$ 329,669</b>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 480	\$ 110	\$ 590	\$ 0
Tax Refunds Payable	3,867	2,599	3,867	2,599
Due to Other Funds	229	1,338	1,352	215
Due to Others	238,264	1,959,765	1,995,231	202,798
Deferred Compensation	113,649	23,052	12,644	124,057
	<u>356,489</u>	<u>1,986,864</u>	<u>2,013,684</u>	<u>329,669</u>
<b>Total Liabilities</b>	<b>\$ 356,489</b>	<b>\$ 1,986,864</b>	<b>\$ 2,013,684</b>	<b>\$ 329,669</b>

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General Fixed Assets  
Account Group





The General Fixed Assets Account Group is used to account for fixed assets acquired or constructed for general governmental purposes other than those of the enterprise fund type, similar trusts, proprietary component units, and higher education component unit.

# OKLAHOMA

## Schedule of General Fixed Assets by Function June 30, 1994 (expressed in thousands)

Function	Land	Buildings and Other Improvements	Machinery and Equipment	Construction in Progress	Total
Education	\$ 195	\$ 6,175	\$ 26,236	\$ 0	\$ 32,606
General Government	1,820	93,148	48,972	0	143,940
Health Services	592	69,059	12,608	77	82,336
Legal and Judiciary	0	0	2,745	0	2,745
Museums	1,177	5,134	0	0	6,311
Natural Resources	32,549	18,925	10,580	1,065	63,119
Public Safety and Defense	7,522	241,681	10,701	190	260,094
Regulatory Services	0	41	1,888	0	1,929
Social Services	700	96,088	10,313	2,513	109,614
Transportation	1,357	14,059	56,794	773	72,983
Total	<u>\$ 45,912</u>	<u>\$ 544,310</u>	<u>\$ 180,837</u>	<u>\$ 4,618</u>	<u>\$ 775,677</u>

# OKLAHOMA

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## Schedule of Changes in General Fixed Assets by Function

For the Fiscal Year Ended June 30, 1994  
(expressed in thousands)

	<u>Balance July 1, 1993</u>	<u>Additions</u>	<u>Deletions/ Net Transfers</u>	<u>Balance June 30, 1994</u>
Function				
Education	\$ 30,925	\$ 2,359	\$ 678	\$ 32,606
General Government	137,071	11,213	4,344	143,940
Health Services	79,430	3,001	95	82,336
Legal and Judiciary	2,424	371	50	2,745
Museums	5,875	508	72	6,311
Natural Resources	62,925	2,971	2,777	63,119
Public Safety and Defense	255,888	10,915	6,709	260,094
Regulatory Services	1,897	194	162	1,929
Social Services	106,994	2,845	225	109,614
Transportation	69,053	4,962	1,032	72,983
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 752,482</u>	<u>\$ 39,339</u>	<u>\$ 16,144</u>	<u>\$ 775,677</u>

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## Combining Financial Statements

- Component Units
- Proprietary Funds

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

#### OKLAHOMA INDUSTRIAL FINANCE AUTHORITY

The Oklahoma Industrial Finance Authority assists with the State's industrial development. They make 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 loans are financed by issuance of general obligation bonds.

#### STATE INSURANCE FUND

The Oklahoma State Insurance 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

The State and Education Employees Group Insurance Board provides group health, life, and dental benefits to active employees and retirees of the State and certain other eligible participants. The Board is financed through employer and employee premiums.

#### OKLAHOMA STUDENT LOAN AUTHORITY

The Oklahoma Student Loan Authority provides loans to qualified persons (persons who are citizens of the State or are attending participating schools in the State) at participating educational institutions (postsecondary proprietary institutions and higher education institutions) through the issuance of tax-exempt revenue bonds or other debt obligations.

#### UNIVERSITY HOSPITALS AUTHORITY

The University Hospitals Authority consists of the University Hospital, Children's Hospital of Oklahoma and O'Donoghue Rehabilitation Institute. The University Hospital is affiliated with the University of Oklahoma Health Sciences Center whose medical school staff and residents provide patient care, in-service education, and administrative duties within the University Hospital. The University Hospital is financed primarily through patient service charges.

#### OKLAHOMA DEVELOPMENT FINANCE AUTHORITY

The Oklahoma Development Finance Authority provides financing for both public and private entities in the State. They obtain funds through the issuance of bonds and notes.

#### OKLAHOMA ENVIRONMENTAL FINANCE AGENCY

The Oklahoma Environmental Finance Authority provides financing for both public and private entities in the State. They obtain funds through the issuance of bonds and notes. Qualifying entities are provided a method of financing facilities necessary or useful to abate, control, and lessen air and water pollution.

#### OKLAHOMA HOUSING FINANCE AGENCY

The Oklahoma Housing Finance Authority 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. In addition, they administer Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development.

#### OKLAHOMA TURNPIKE AUTHORITY

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

#### GRAND RIVER DAM AUTHORITY

The 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. They produce and distribute electrical power for sale to customers primarily located in northeastern Oklahoma.

#### OKLAHOMA MUNICIPAL POWER AUTHORITY

The 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 necessary to meet the electrical energy requirements of their consumers. They also sell electric power to its member municipalities.

# OKLAHOMA

## Combining Balance Sheet Component Units - Proprietary Funds June 30, 1994 (expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
<b>Assets</b>					
Current Assets					
Cash/Cash Equivalents	\$ 1,216	\$ 1,593	\$ 312	\$ 149	\$ 28,292
Investments	10,407	591,972	191,766	12,237	0
Accounts Receivable	13	42,960	4,163	0	23,652
Interest and Investment Revenue Receivable s	477	6,124	2,086	1,767	0
Federal Receivable	0	0	0	0	3,675
Other Receivables	0	0	1,959	526	0
Notes Receivable	3,199	0	0	0	0
Due from Primary Government	0	1,220	7,326	0	120
Due from Component Units	13	166	0	0	643
Inventory	0	0	0	0	5,093
Prepaid Items	0	441	0	0	0
Other Current Assets	0	0	0	0	0
<b>Total Current Assets</b>	<b>15,325</b>	<b>644,476</b>	<b>207,612</b>	<b>14,679</b>	<b>61,475</b>
Restricted Assets					
Cash/Cash Equivalents	10,011	0	0	0	0
Investments	2,839	0	0	8,577	0
Long-Term Notes Receivable, Net	0	0	0	87,766	0
Other Restricted Assets	9	0	0	0	15,927
<b>Total Restricted Assets</b>	<b>12,859</b>	<b>0</b>	<b>0</b>	<b>96,343</b>	<b>15,927</b>
Other Assets					
Fixed Assets, Net	98	5,265	865	201	134,318
Long-Term Notes Receivable, Net	34,468	0	0	8,496	0
Long-Term Investments	1,618	0	0	0	0
Other Noncurrent Assets	4,317	0	358	432	0
<b>Total Other Assets</b>	<b>40,501</b>	<b>5,265</b>	<b>1,223</b>	<b>9,129</b>	<b>134,318</b>
<b>Total Assets</b>	<b>\$ 68,685</b>	<b>\$ 649,741</b>	<b>\$ 208,835</b>	<b>\$ 120,151</b>	<b>\$ 211,720</b>



# OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environment al Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total
\$ 482	\$ 0	\$ 31,369	\$ 17,036	\$ 0	\$ 2,061	\$ 82,510
200	0	55,398	80,553	28,681	25,887	997,101
443	0		238	15,922	5,249	92,708
0	0	5,529	1,362	1,658	0	19,003
0	0	0	0	0	0	3,675
355	0	0	0	0	0	2,840
0	0	0	0	0	0	3,199
0	0	0	7	24	0	8,697
0	0	0	0	480	0	1,302
0	0	0	2,988	24,118	2,010	34,209
0	0	56	74	706	0	1,277
0	0	0	0	0	352	352
<u>1,480</u>	<u>0</u>	<u>92,420</u>	<u>102,258</u>	<u>71,589</u>	<u>35,559</u>	<u>1,246,873</u>
577	1,071	0	33,842	39,786	15,219	100,506
3,216	2,151	0	105,027	155,481	70,259	347,550
0	0	0	0	0	0	87,766
393	0	0	3,112	0	704	20,145
<u>4,186</u>	<u>3,222</u>	<u>0</u>	<u>141,981</u>	<u>195,267</u>	<u>86,182</u>	<u>555,967</u>
38	0	248	519,725	612,847	145,259	1,418,864
0	0	556,904	0	0	0	599,868
0	0	0	0	0	0	1,618
135	43,419	1,147	10,129	268,453	91,100	419,490
<u>173</u>	<u>43,419</u>	<u>558,299</u>	<u>529,854</u>	<u>881,300</u>	<u>236,359</u>	<u>2,439,840</u>
<u>\$ 5,839</u>	<u>\$ 46,641</u>	<u>\$ 650,719</u>	<u>\$ 774,093</u>	<u>\$ 1,148,156</u>	<u>\$ 358,100</u>	<u>\$ 4,242,680</u>

(continued)

# OKLAHOMA

## Combining Balance Sheet Component Units - Proprietary Funds June 30, 1994 (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
<b>Liabilities and Fund Equity</b>					
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	\$ 0	\$ 5,103	\$ 8,267	\$ 791	\$ 12,332
Claims and Judgments Payable	895	0	0	1,758	0
Interest Payable	5	250	71	0	1,086
Due to Primary Government	0	0	2	0	0
Due to Component Units	388	67,702	0	0	0
Deferred Revenue	63	984	390	53	7,275
Compensated Absences	0	0	0	22,449	0
Notes Payable	85	0	0	0	0
General Obligation Bonds Payable	0	0	0	2,010	0
Revenue Bonds Payable	0	0	0	0	0
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>1,436</b>	<b>605,233</b>	<b>128,333</b>	<b>27,061</b>	<b>20,693</b>
Other Liabilities					
Refundable Motor Fuels Tax Payable	0	0	0	0	0
Notes Payable	0	0	0	25,000	0
General Obligation Bonds Payable	67,235	0	0	0	0
Revenue Bonds Payable	0	0	0	39,670	0
Other Noncurrent Liabilities	1	0	0	0	4,176
<b>Total Other Liabilities</b>	<b>67,236</b>	<b>0</b>	<b>0</b>	<b>64,670</b>	<b>4,176</b>
<b>Total Liabilities</b>	<b>68,672</b>	<b>605,233</b>	<b>128,333</b>	<b>91,731</b>	<b>24,869</b>
Fund Equity					
Retained Earnings					
Reserved					
Debt Service	0	0	0	2,398	0
Castastrophe/Rate Stabilization	0	21,950	56,913	0	0
Other Special Purposes	0	0	0	0	262
Unreserved	13	(7,152)	24,736	26,022	186,589
<b>Total Retained Earnings</b>	<b>13</b>	<b>14,798</b>	<b>81,649</b>	<b>28,420</b>	<b>186,851</b>
Net Unrealized Gain (Loss) on Securities	0	29,710	(1,147)	0	0
<b>Total Fund Equity</b>	<b>13</b>	<b>44,508</b>	<b>80,502</b>	<b>28,420</b>	<b>186,851</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 68,685</b>	<b>\$ 649,741</b>	<b>\$ 208,835</b>	<b>\$ 120,151</b>	<b>\$ 211,720</b>

# OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total
\$ 16	\$ 0	\$ 1,065	\$ 376	\$ 8,366	\$ 5,815	\$ 42,131
0	0	0	0	0	0	650,797
393	354	19,624	20,436	5,206	10,227	58,893
0	4	0	2,018	185	7	3,626
13	0	0	36	49	480	580
117	0	0	4,978	0	2,510	75,695
0	0	0	814	1,485	54	11,118
0	84	0	0	0	0	22,533
0	0	0	0	0	0	85
0	975	8,388	4,400	28,670	195	44,638
4,250	0	0	0	1,889	0	6,139
<u>4,789</u>	<u>1,417</u>	<u>29,077</u>	<u>33,058</u>	<u>45,850</u>	<u>19,288</u>	<u>916,235</u>
0	0	0	37,583	0	0	37,583
0	83	714	0	0	0	25,797
0	0	0	0	0	0	67,235
0	45,067	593,419	640,442	1,074,190	324,724	2,717,512
0	0	759	14,576	936	4,323	24,771
<u>0</u>	<u>45,150</u>	<u>594,892</u>	<u>692,601</u>	<u>1,075,126</u>	<u>329,047</u>	<u>2,872,898</u>
<u>4,789</u>	<u>46,567</u>	<u>623,969</u>	<u>725,659</u>	<u>1,120,976</u>	<u>348,335</u>	<u>3,789,133</u>
0	0	15,432	0	0	0	17,830
0	0	0	0	0	0	78,863
4,181	0	0	0	0	0	4,443
(3,131)	74	11,318	48,434	27,180	9,765	323,848
<u>1,050</u>	<u>74</u>	<u>26,750</u>	<u>48,434</u>	<u>27,180</u>	<u>9,765</u>	<u>424,984</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,563</u>
<u>1,050</u>	<u>74</u>	<u>26,750</u>	<u>48,434</u>	<u>27,180</u>	<u>9,765</u>	<u>453,547</u>
<u>\$ 5,839</u>	<u>\$ 46,641</u>	<u>\$ 650,719</u>	<u>\$ 774,093</u>	<u>\$ 1,148,156</u>	<u>\$ 358,100</u>	<u>\$ 4,242,680</u>

# OKLAHOMA

## Combining Statement of Revenues, Expenses and Changes in Retained Earnings Component Units - Proprietary Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
<b>Operating Revenues</b>					
Sales and Services	\$ 0	\$ 254,203	\$ 218,139	\$ 0	\$ 184,755
Interest Revenue	5,060	0	0	7,401	0
Other	241	50	0	0	5,488
<b>Total Operating Revenues</b>	<b>5,301</b>	<b>254,253</b>	<b>218,139</b>	<b>7,401</b>	<b>190,243</b>
<b>Operating Expenses</b>					
Operations/Maintenance of Facilities	79	0	0	0	137,677
Losses and Loss Expense	0	337,541	0	0	22,940
Administrative and General Expense	627	22,596	19,996	2,358	48,308
Interest Expense	3,706	0	0	4,692	354
Depreciation Expense	82	925	180	211	13,899
Benefit Payments and Refunds	0	0	203,084	0	0
<b>Total Operating Expenses</b>	<b>4,494</b>	<b>361,062</b>	<b>223,260</b>	<b>7,261</b>	<b>223,178</b>
<b>Operating Income (Loss)</b>	<b>807</b>	<b>(106,809)</b>	<b>(5,121)</b>	<b>140</b>	<b>(32,935)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest and Investment Revenue	0	59,014	9,943	1,131	55
Other Nonoperating Revenues	755	0	0	0	600
Interest Expense	0	0	0	0	0
Amortization of Losses and Discounts	0	0	0	0	0
Other Nonoperating Expenses	(2,039)	0	0	0	(8)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,284)</b>	<b>59,014</b>	<b>9,943</b>	<b>1,131</b>	<b>647</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>(477)</b>	<b>(47,795)</b>	<b>4,822</b>	<b>1,271</b>	<b>(32,288)</b>
Operating Transfers from Primary Government	0	0	0	0	26,077
Operating Transfers to Primary Government	0	0	0	0	0
Costs to be Recovered from Future Revenues	0	0	0	0	0
<b>Net Income (Loss)</b>	<b>(477)</b>	<b>(47,795)</b>	<b>4,822</b>	<b>1,271</b>	<b>(6,211)</b>
<b>Retained Earnings-Beginning of Year</b>	<b>490</b>	<b>62,593</b>	<b>76,827</b>	<b>27,149</b>	<b>193,062</b>
<b>Retained Earnings-End of Year</b>	<b>\$ 13</b>	<b>\$ 14,798</b>	<b>\$ 81,649</b>	<b>\$ 28,420</b>	<b>\$ 186,851</b>

# OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total
\$ 193	\$ 2,711	\$ 0	\$ 84,632	\$ 160,963	\$ 66,846	\$ 972,442
0	146	54,017	0	0	0	66,624
148	9	5,812	0	420	0	12,168
<u>341</u>	<u>2,866</u>	<u>59,829</u>	<u>84,632</u>	<u>161,383</u>	<u>66,846</u>	<u>1,051,234</u>
0	0	6,103	9,831	67,555	48,810	270,055
641	0	0	0	0	0	361,122
694	12	3,954	21,646	9,244	3,231	132,666
0	2,823	56,409	0	0	0	67,984
6	0	73	35,524	25,928	4,834	81,662
0	0	0	0	0	0	203,084
<u>1,341</u>	<u>2,835</u>	<u>66,539</u>	<u>67,001</u>	<u>102,727</u>	<u>56,875</u>	<u>1,116,573</u>
(1,000)	31	(6,710)	17,631	58,656	9,971	(65,339)
261	2	7,179	12,766	13,859	4,076	108,286
1,034	0	0	24,803	857	0	28,049
(270)	0	0	(42,980)	(64,242)	(18,202)	(125,694)
0	(34)	0	0	(14,376)	(2,924)	(17,334)
0	0	0	0	0	0	(2,047)
<u>1,025</u>	<u>(32)</u>	<u>7,179</u>	<u>(5,411)</u>	<u>(63,902)</u>	<u>(17,050)</u>	<u>(8,740)</u>
25	(1)	469	12,220	(5,246)	(7,079)	(74,079)
0	0	0	25,262	0	0	51,339
0	0	0	(25,262)	0	0	(25,262)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,800)</u>	<u>8,538</u>	<u>6,738</u>
25	(1)	469	12,220	(7,046)	1,459	(41,264)
<u>1,025</u>	<u>75</u>	<u>26,281</u>	<u>36,214</u>	<u>34,226</u>	<u>8,306</u>	<u>466,248</u>
<u>\$ 1,050</u>	<u>\$ 74</u>	<u>\$ 26,750</u>	<u>\$ 48,434</u>	<u>\$ 27,180</u>	<u>\$ 9,765</u>	<u>\$ 424,984</u>

# OKLAHOMA

## Combining Statement of Cash Flows Component Units - Proprietary Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
<b>Cash Flows from Operating Activities</b>					
Operating Income (Loss)	\$ 807	\$ (106,809)	\$ (5,121)	\$ 140	\$ (32,935)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities :					
Depreciation Expense	82	925	180	211	13,899
Amortization (Accretion) and Other Noncash Expenses	(502)	3,669	0	0	0
Other	0	0	0	0	710
Decrease (Increase) in Assets					
Investments (held for trading)	0	0	13,471	0	0
Accounts Receivable	(13)	(12,153)	(1,067)	0	540
Interest and Investment Revenue	(94)	(615)	0	1,924	0
Receivables	0	0	0	155	0
Other Receivables	173	0	229	0	8,757
Interfund Receivable	0	0	0	0	(851)
Inventory	0	(356)	0	0	0
Prepaid Items	0	0	0	(7,113)	0
Long-Term Notes Receivable	0	0	(27)	0	0
Other Noncurrent Assets					
Increase (Decrease) in Liabilities	(4)	1,633	(3,877)	89	650
Accounts Payable and Accrued Liabilities	0	142,434	(1,969)	0	0
Claims and Judgements Payable	(75)	0	0	(1,684)	0
Interest Payable	0	0	0	0	0
Interfund Payable	0	13,835	0	0	0
Deferred Revenue	7	0	0	0	(1,000)
Other Current Liabilities	0	0	0	0	0
Other Noncurrent Liabilities					
Net Cash Provided (Used) by Operating Activities	381	42,563	1,819	(6,278)	(10,230)
<b>Cash Flows from Noncapital Financing Activities</b>					
Proceeds from Bonds and Notes Payable	0	0	0	13,365	0
Contributed Capital from Non-State Sources	0	0	0	0	0
Operating Transfers from Primary Government	0	0	0	0	26,077
Operating Transfers to Primary Government	(85)	0	0	(17,168)	0
Principal Paid on Bonds and Notes Payable	(15,235)	0	0	(21)	0
Other Noncapital Financing Activity					
Net Cash Provided (Used) by Noncapital Financing Activities	\$ (15,320)	\$ 0	\$ 0	\$ (3,824)	\$ 26,077

# OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total
\$ (1,000)	\$ 31	\$ (6,710)	\$ 17,631	\$ 58,656	\$ 9,971	\$ (65,339)
6	0	73	35,524	25,928	4,834	81,662
0	(2,704)	1,064	1,227	0	178	2,932
0	0	0	0	0	0	710
0	0	0	0	0	0	13,471
(194)	0	(19)	(21)	(937)	140	(13,724)
0	0	1,221	481	0	0	2,917
(329)	0	0	0	0	0	(174)
0	0	0	0	0	0	9,159
0	0	0	(157)	3,387	1,033	3,412
0	0	141	(31)	(51)	0	(297)
0	0	83,396	0	0	0	76,283
1,182	2,891	0	621	0	(226)	4,441
(23)	0	(1,139)	(2,521)	1,132	1,430	(2,630)
0	0	0	0	0	0	140,465
0	(15)	1,394	0	0	0	(380)
(171)	0	0	0	0	0	(171)
117	0	0	531	0	(313)	14,170
0	0	0	0	0	0	(993)
(850)	0	(260)	(1,100)	(280)	34	(2,456)
<u>(1,262)</u>	<u>203</u>	<u>79,161</u>	<u>52,185</u>	<u>87,835</u>	<u>17,081</u>	<u>263,458</u>
0	0	0	0	0	0	13,365
1,034	0	0	0	0	0	1,034
0	0	0	25,262	0	0	51,339
0	0	0	(25,262)	0	0	(25,262)
0	(1,038)	(140,052)	0	0	0	(158,343)
(109)	0	0	0	0	0	(15,365)
<u>\$ 925</u>	<u>\$ (1,038)</u>	<u>\$ (140,052)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (133,232)</u>

(continued)

# OKLAHOMA

## Combining Statement of Cash Flows Component Units - Proprietary Funds For the Fiscal Year Ended June 30, 1994 (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from Sale/Maturity of Securities/Bonds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions for Purchase of Fixed Assets	0	0	0	0	32
Payments for Acquisition of Fixed Assets	(1)	(3,220)	(65)	0	(10,286)
Payments for Refunding/Defeasance of Debt	0	0	0	(93)	0
Principal Paid on Bonds, Notes, and Capital Leases	0	0	0	0	(283)
Interest Paid on Bonds, Notes, and Capital Leases	0	0	0	0	0
Other Capital and Related Financing Activity				0	
Net Cash Provided (Used) by Capital and Related Financing Activities	(1)	(3,220)	(65)	(93)	(10,537)
<b>Cash Flows from Investing Activities</b>					
Interest and Investment Revenue	0	32,012	9,349	1,151	0
Proceeds from Sale/Maturities of Investments	25,024	391,025	59,105	42,079	0
Principal Received from Notes Receivable	10,860	0	0	0	0
Payments to Purchase Investments	(1,915)	(462,224)	(78,772)	(33,273)	(4,913)
Payments to Issue Notes Receivable	(8,538)	0	0	0	0
Net Cash Provided (Used) by Investing Activities	25,431	(39,187)	(10,318)	9,957	(4,913)
<b>Net Increase (Decrease) in Cash/Cash Equivalents</b>	10,491	156	(8,564)	(238)	397
<b>Cash/Cash Equivalents - Beginning of Year</b>	736	1,437	8,876	387	27,895
<b>Cash/Cash Equivalents - End of Year</b>	<u>\$ 11,227</u>	<u>\$ 1,593</u>	<u>\$ 312</u>	<u>\$ 149</u>	<u>\$ 28,292</u>



# OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total
\$ 0	\$ 0	\$ 0	\$ 0	\$ 745,414	\$ 0	\$ 745,414
0	0	0	0	0	0	32
(36)	0	(143)	(24,170)	(1,309)	(16,743)	(56,066)
0	0	0	(21)	(739,309)	0	(739,330)
0	0	0	0	(37,660)	(185)	(38,128)
0	0	0	(46,261)	(54,042)	(21,010)	(121,313)
0	0	0	0	251	0	251
<u>(36)</u>	<u>0</u>	<u>(143)</u>	<u>(70,452)</u>	<u>(86,655)</u>	<u>(37,938)</u>	<u>(209,140)</u>
261	2	7,179	13,533	14,137	6,981	84,605
0	1,945	89,569	109,445	0	47,090	765,282
0	0	0	0	0	0	10,860
0	0	(38,688)	(97,898)	(11,422)	(29,869)	(758,974)
0	(2,088)	0	0	0	0	(10,626)
<u>261</u>	<u>(141)</u>	<u>58,060</u>	<u>25,080</u>	<u>2,715</u>	<u>24,202</u>	<u>91,147</u>
(112)	(976)	(2,974)	6,813	3,895	3,345	12,233
<u>1,171</u>	<u>2,047</u>	<u>34,343</u>	<u>44,065</u>	<u>35,891</u>	<u>13,935</u>	<u>170,783</u>
<u>\$ 1,059</u>	<u>\$ 1,071</u>	<u>\$ 31,369</u>	<u>\$ 50,878</u>	<u>\$ 39,786</u>	<u>\$ 17,280</u>	<u>\$ 183,016</u>

(continued)

Combining Statement of Cash Flows  
 Component Units - Proprietary Funds  
 For the Fiscal Year Ended June 30, 1994  
 (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	University Hospitals Authority
<b>Noncash Capital and Related Financing Activities *</b>		
Real Estate and Equipment Acquired Through Foreclosed Notes Receivable	\$ 2,936	\$ 0
Revenue Notes Payable Combined into New Revenue Note Payable	0	0
Capital Lease Obligation Incurred for New Equipment	0	3,486
Donated Equipment	0	27
Accounts Payable Incurred for Equipment	0	396
Bond Issue Costs on Revenue Bonds Refunded	0	0

\* Only the proprietary component units presenting "noncash activities" in their respective audit reports are presented here.

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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 State system of higher education. The State system of higher education includes the following colleges and universities:

COMPREHENSIVE UNIVERSITIES

University of Oklahoma  
University of Oklahoma Health Sciences Center  
Oklahoma State University

OTHER FOUR YEAR UNIVERSITIES

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

TWO YEAR COLLEGES

Carl Albert Junior 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  
Rogers State College  
Rose State College  
Seminole Junior College  
Tulsa Junior College  
University Center at Tulsa  
Western Oklahoma State College

Each Institution which is a member of the Oklahoma State System of Higher Education as specified in Title 70 O.S., Section 3201, 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:

**Oklahoma State Regents for Higher Education** was created by Article XIII-A of the Oklahoma state constitution and 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.

**Ardmore Higher Education Program** was established in accordance with Title 70 O.S., Section 3213. A board of ten trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the Ardmore Higher Education Program are: East Central University, Murray State College, and Southeastern Oklahoma State University.

**Enid Higher Education Program** was established in accordance with Title 70 O.S., Section 4430. A board of ten trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the Enid Higher Education Program are: Northern Oklahoma College, Northwestern Oklahoma State University, and Oklahoma State University.

**McCurtain Higher Education Program** was established in accordance with Title 70 O.S., Section 4424. A board of nine trustees, appointed by the Governor with the advice and consent of the Senate, serves as the administrative agency for the program. This program was established to make higher education available to those persons who cannot otherwise attend an institution of higher education. Institutions authorized to provide courses in the McCurtain Higher Education Program are: Carl Albert State College, Eastern Oklahoma State College, and Southeastern Oklahoma State University.

**Board of Regents of Oklahoma Colleges** was created by Article XIII-B of the Oklahoma state constitution. The Board consists of nine members appointed by the Governor with the advice and consent of the Senate. The Board 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.

**Rose State College Technical Area Education District** was formed in 1969 as a technical area school district to provide postsecondary technical education for persons within defined geographical boundaries. The District levies ad valorem taxes on real property within the District for vocational technical education and is empowered to issue general obligation bonds. The District's Board of Trustees is comprised of the same individuals who serve as Regents for Rose State College.

**Tulsa Community College Area School District #18** was created by an Act of the Oklahoma Legislature, effective May 30, 1973. The District's primary purpose is the supplementing of post-secondary vocational and technical or adult education programs offered by Tulsa Junior College. The District levies ad valorem taxes on all taxable property within the District and is empowered to issue general obligation bonds. The District's governing body is the same as the governing body of Tulsa Junior College.

**South Oklahoma City Area School District** was formed in the early 1970's to provide postsecondary technical education to the people of the District. The primary source of operating funds is ad valorem taxes assessed against real property located in the District. The District is empowered to issue general obligation bonds. The Board of Trustees of the District and the Board of Regents of Oklahoma City Community College consist of the same individuals.

# OKLAHOMA

## Combining Balance Sheet Component Unit - Higher Education Funds June 30, 1994 (expressed in thousands)

	Current Funds		Loan
	Unrestricted	Restricted	Funds
<b>Assets</b>			
Cash/Cash Equivalent	\$ 181,053	\$ 12,925	\$ 2,429
Investments	84,016	33,789	1,856
Accounts Receivable	44,191	40,770	340
Interest and Investment Revenue Receivable	612	22	205
Federal Receivable	0	1,021	0
Notes and Loans Receivables	0	0	41,036
Due from Other Funds	33,861	1,186	2,853
Due from Primary Government	181	0	0
Advances to Other Funds	210	0	0
Inventory	18,167	0	0
Prepaid Items	3,586	18	11
Fixed Assets, Net	0	0	0
Other Assets	1,117	144	0
<b>Total Assets</b>	<b>\$ 366,994</b>	<b>\$ 89,875</b>	<b>\$ 48,730</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	\$ 32,398	\$ 9,413	\$ 265
Interest Payable	0	0	0
Due to Other Funds	16,680	15,019	32
Due to Primary Government	119	0	0
Due to Component Units	732	0	0
Due to Others	0	0	0
Deferred Revenue	20,616	18,016	0
Capital Leases	0	0	0
Compensated Absences	32,342	2,388	0
Notes Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Revenue Bonds Payable	0	0	0
Certificates of Participation	0	0	0
Other Liabilities	16,073	2,190	0
<b>Total Liabilities</b>	<b>118,960</b>	<b>47,026</b>	<b>297</b>
<b>Fund Equity</b>			
Investment in Fixed Assets	0	0	0
Fund Balances			
Reserved			
Other Special Purposes	0	42,849	48,433
Unreserved			
Designated for Other Special Purposes	64	0	0
Undesignated	247,970	0	0
<b>Total Fund Equity</b>	<b>248,034</b>	<b>42,849</b>	<b>48,433</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 366,994</b>	<b>\$ 89,875</b>	<b>\$ 48,730</b>

# OKLAHOMA

Endowment Funds	Plant Funds	Agency Funds	Total
\$ 271 80,055 606 182 0 0 762 0 0 0 0 0 6,508 <hr style="border: 0.5px solid black;"/> \$ 88,384 <hr style="border: 1px solid black;"/>	\$ 49,891 76,360 5,904 547 13 0 1,169 0 0 0 0 1,505,129 769 <hr style="border: 0.5px solid black;"/> \$ 1,639,782 <hr style="border: 1px solid black;"/>	\$ 3,832 2,393 327 0 0 0 5,982 0 0 0 0 0 0 7 <hr style="border: 0.5px solid black;"/> \$ 12,541 <hr style="border: 1px solid black;"/>	\$ 250,401 278,469 92,138 1,568 1,034 41,036 45,813 181 210 18,167 3,615 1,505,129 8,545 <hr style="border: 0.5px solid black;"/> \$ 2,246,306 <hr style="border: 1px solid black;"/>
\$ 2 0 10,857 0 0 0 0 0 0 0 0 0 0 4,547 <hr style="border: 0.5px solid black;"/> 15,406 <hr style="border: 0.5px solid black;"/> 0  72,978 0 0 <hr style="border: 0.5px solid black;"/> 72,978 <hr style="border: 1px solid black;"/> \$ 88,384 <hr style="border: 1px solid black;"/>	\$ 7,762 1,796 2,631 0 0 0 181 3,629 0 1,176 6,475 125,565 2,643 200 <hr style="border: 0.5px solid black;"/> 152,058 <hr style="border: 0.5px solid black;"/> 1,416,912  70,812 0 0 <hr style="border: 0.5px solid black;"/> 1,487,724 <hr style="border: 1px solid black;"/> \$ 1,639,782 <hr style="border: 1px solid black;"/>	\$ 40 0 594 0 0 11,907 0 0 0 0 0 0 0 0 <hr style="border: 0.5px solid black;"/> 12,541 <hr style="border: 0.5px solid black;"/> 0  0 0 0 <hr style="border: 0.5px solid black;"/> 0 <hr style="border: 1px solid black;"/> \$ 12,541 <hr style="border: 1px solid black;"/>	\$ 49,880 1,796 45,813 119 732 11,907 38,813 3,629 34,730 1,176 6,475 125,565 2,643 23,010 <hr style="border: 0.5px solid black;"/> 346,288 <hr style="border: 0.5px solid black;"/> 1,416,912  235,072 64 247,970 <hr style="border: 0.5px solid black;"/> 1,900,018 <hr style="border: 1px solid black;"/> \$ 2,246,306 <hr style="border: 1px solid black;"/>

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# STATISTICAL SECTION

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OKLAHOMA 94

Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 1994

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# STATISTICAL SECTION

# STATISTICAL SECTION

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# OKLAHOMA

## CASH RECEIPTS AND DISBURSEMENTS

by Category

For the Fiscal Years Ended June 30, 1985 through June 30, 1994

	1994	1993	1992	1991
<b>Cash Receipts by Source:</b>				
Taxes	\$ 4,171,399,330	\$ 4,004,262,875	\$ 3,767,112,946	\$ 3,732,786,561
Licenses, Permits, and Fees	114,190,748	113,409,593	111,042,458	100,840,990
Fines, Forfeits, and Penalties	12,713,597	11,975,799	6,980,944	6,216,510
Income from Money and Property	160,427,452	184,869,454	218,903,029	234,014,771
Grants, Refunds, and Reimbursements	2,230,459,216	2,149,710,999	2,144,771,088	1,900,189,845
Higher Education	155,495,049	132,592,295	111,400,434	130,120,595
Sales and Services	350,148,435	396,832,644	383,543,021	390,263,499
Non-Revenue Receipts	<u>664,277,305</u>	<u>763,837,201</u>	<u>500,503,475</u>	<u>432,251,486</u>
Total Collections	<u>\$ 7,859,111,132</u>	<u>\$ 7,757,490,860</u>	<u>\$ 7,244,257,395</u>	<u>\$ 6,926,684,257</u>
<b>Disbursements by Function</b>				
of Government:				
Education	\$ 3,243,011,505	\$ 3,094,920,009	\$ 2,934,689,937	\$ 2,759,703,679
General Government	217,894,423	230,095,993	222,111,235	229,921,339
Health Services	285,088,005	297,114,426	295,806,883	260,821,678
Legal and Judiciary	98,207,598	96,169,096	89,485,986	78,796,103
Museums	7,787,539	7,285,465	7,076,222	5,963,354
Natural Resources	145,877,414	131,516,482	126,076,211	109,614,320
Public Safety and Defense	376,683,833	353,878,439	351,705,324	342,336,219
Regulatory Services	93,424,312	85,222,082	74,985,759	83,769,888
Social Services	2,219,811,291	2,262,275,215	2,345,644,915	2,227,481,279
Transportation	649,409,416	634,285,372	641,074,879	635,104,373
Other Local Apportionments	38,434,483	33,679,675	15,680,219	13,037,225
Sinking Fund Payments on Bonded Debt	<u>47,876,004</u>	<u>41,946,165</u>	<u>42,543,878</u>	<u>21,796,136</u>
Total Disbursements	<u>\$ 7,423,505,823</u>	<u>\$ 7,268,388,419</u>	<u>\$ 7,146,881,448</u>	<u>\$ 6,768,345,593</u>

1990	1989	1988	1987	1986	1985
\$ 3,402,334,194	\$ 3,271,621,248	\$ 3,076,626,386	\$ 2,592,351,781	\$ 2,931,627,154	\$ 2,716,759,876
97,319,103	71,901,507	69,981,362	66,898,468	58,491,223	237,296,692
6,357,738	4,594,677	4,194,923	3,628,559	2,455,858	1,885,395
206,658,787	194,064,413	311,809,310	302,472,930	252,650,592	254,887,589
1,792,878,154	1,836,159,992	1,533,990,868	1,566,600,976	1,504,856,048	1,331,198,100
135,360,114	116,253,845	95,090,396	77,497,692	70,544,426	72,616,274
261,543,572	257,067,619	236,706,735	209,719,082	207,912,544	204,579,313
371,527,999	320,755,068	170,319,444	199,068,098	227,636,252	177,988,359
<u>\$ 6,273,979,661</u>	<u>\$ 6,072,418,369</u>	<u>\$ 5,498,719,424</u>	<u>\$ 5,018,237,586</u>	<u>\$ 5,256,174,097</u>	<u>\$ 4,997,211,598</u>
\$ 2,427,560,944	\$ 2,317,485,881	\$ 2,089,671,253	\$ 2,018,172,787	\$ 2,148,421,375	\$ 1,928,473,960
212,881,881	245,470,408	215,286,547	202,267,659	207,481,887	174,477,281
249,065,028	221,851,629	197,251,821	197,301,960	208,086,040	197,500,414
71,645,627	64,349,921	58,278,344	54,841,235	56,301,640	50,383,373
5,315,985	4,803,043	4,548,471	4,645,803	4,809,975	4,776,388
102,106,584	93,364,416	87,111,726	94,813,794	98,371,754	86,727,389
265,849,343	247,220,558	220,239,334	215,267,893	216,482,727	197,270,436
63,973,681	62,004,860	78,806,091	79,007,020	77,558,978	64,883,569
1,845,726,015	1,680,023,498	1,567,836,371	1,594,523,265	1,527,803,818	1,375,043,159
645,154,749	644,184,846	623,666,821	558,520,524	594,706,533	542,219,334
10,832,876	14,836,687	9,896,998	10,158,745	10,198,216	11,169,133
19,186,264	18,806,600	21,272,670	23,348,846	22,170,570	40,604,829
<u>\$ 5,919,298,977</u>	<u>\$ 5,614,402,347</u>	<u>\$ 5,173,866,447</u>	<u>\$ 5,052,869,531</u>	<u>\$ 5,172,393,513</u>	<u>\$ 4,673,529,265</u>

## OKLAHOMA

### ASSESSED VALUATIONS

For the Years 1985 through 1994

	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Real Estate and Improvements	\$ 8,037,465,631	\$ 7,843,783,897	\$ 7,742,345,977	\$ 7,680,130,611
Personal Property Subject to Tax	<u>2,028,445,909</u>	<u>2,014,749,962</u>	<u>1,991,659,840</u>	<u>1,921,683,561</u>
Total Locally Assessed	10,065,911,540	9,858,533,859	9,743,005,817	9,601,814,172
Homestead Exemptions Allowed	<u>685,897,647</u>	<u>682,717,943</u>	<u>681,931,910</u>	<u>710,235,908</u>
Net Assessed Locally	9,380,013,893	9,175,815,916	9,052,073,907	8,891,578,264
Public Service Assessment	<u>1,980,070,550</u>	<u>1,868,033,971</u>	<u>1,835,701,692</u>	<u>1,905,964,059</u>
Net Assessed Valuation	<u><u>\$ 11,360,084,443</u></u>	<u><u>\$ 11,043,849,887</u></u>	<u><u>\$ 10,887,775,599</u></u>	<u><u>\$ 10,797,542,323</u></u>

Source: Oklahoma Tax Commission

### NON-AGRICULTURAL WAGE & SALARY EMPLOYMENT

Annual Averages of Employees

For the Years 1984 through 1993

<u>INDUSTRY GROUP</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
Wholesale and Retail Trade	289,145	288,099	272,721	276,800
Services	278,679	264,931	240,988	272,400
Manufacturing	167,958	162,469	155,301	165,700
Local Government	*	*	*	137,100
State Government	217,273	216,456	207,673	75,000
Transportation and Public Utilities	70,442	68,723	66,459	67,700
Finance, Insurance and Real Estate	60,295	58,972	57,787	59,300
Federal Government	47,274	49,875	48,808	50,800
Mining	36,121	37,735	37,246	43,500
Construction	<u>42,652</u>	<u>39,608</u>	<u>35,964</u>	<u>37,800</u>
Totals	<u><u>1,209,839</u></u>	<u><u>1,186,868</u></u>	<u><u>1,122,947</u></u>	<u><u>1,186,100</u></u>

Source: Oklahoma Employment Security Commission - Research & Planning Division

# OKLAHOMA

1990	1989	1988	1987	1986	1985
\$ 7,690,654,189	\$ 7,816,492,107	\$ 7,623,203,694	\$ 7,618,401,728	\$ 7,300,023,487	\$ 7,047,987,592
<u>1,812,267,835</u>	<u>1,787,889,265</u>	<u>1,716,774,988</u>	<u>1,791,565,856</u>	<u>1,787,727,758</u>	<u>1,757,107,925</u>
9,502,922,024	9,604,381,372	9,339,978,682	9,409,967,584	9,087,751,245	8,805,095,517
<u>715,210,089</u>	<u>719,857,032</u>	<u>717,189,569</u>	<u>721,778,553</u>	<u>724,000,251</u>	<u>723,131,619</u>
8,787,711,935	8,884,524,340	8,622,789,113	8,688,189,031	8,363,750,994	8,081,963,898
<u>1,904,133,857</u>	<u>1,904,198,506</u>	<u>1,908,965,655</u>	<u>1,894,166,293</u>	<u>1,873,102,144</u>	<u>1,801,904,755</u>
<u><u>\$ 10,691,845,792</u></u>	<u><u>\$ 10,788,722,846</u></u>	<u><u>\$ 10,531,754,768</u></u>	<u><u>\$ 10,582,355,324</u></u>	<u><u>\$ 10,236,853,138</u></u>	<u><u>\$ 9,883,868,653</u></u>

1989	1988	1987	1986	1985	1984
275,500	274,000	270,400	276,200	286,500	287,900
259,000	248,000	232,600	224,700	222,900	221,100
163,200	162,900	156,800	160,300	171,400	175,000
129,800	128,600	124,700	124,600	124,300	122,700
73,100	69,200	67,800	68,800	69,700	69,000
65,000	62,100	63,200	64,200	64,700	66,300
58,200	59,000	59,800	62,400	63,200	64,300
51,200	49,800	52,900	53,400	51,400	49,800
43,200	44,900	46,000	51,800	65,400	72,000
<u>35,000</u>	<u>34,500</u>	<u>34,500</u>	<u>38,000</u>	<u>45,000</u>	<u>52,300</u>
<u><u>1,153,200</u></u>	<u><u>1,133,000</u></u>	<u><u>1,108,700</u></u>	<u><u>1,124,400</u></u>	<u><u>1,164,500</u></u>	<u><u>1,180,400</u></u>

\* State and Local Government combined.

# OKLAHOMA

## STATE COLLEGES AND UNIVERSITIES - PUBLIC

<u>Higher Education Institutions - Public (Location)</u>	<u>Student Enrollment 1992-1993</u>
1. University of Oklahoma (Norman Campus, Law Center, and Geological Survey)	26,948
2. University of Oklahoma Health Sciences Center (Oklahoma City)	3,561
3. Oklahoma State University (Stillwater 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)	34,369
4. University of Central Oklahoma (Edmond)	20,630
5. East Central University (Ada)	5,901
6. Northeastern State University (Tahlequah)	11,808
7. Northwestern Oklahoma State University (Alva)	2,789
8. Southeastern Oklahoma State University (Durant)	5,336
9. Southwestern Oklahoma State University (Weatherford and Sayre)	7,098
10. Cameron University (Lawton)	8,571
11. Langston University (Langston)	4,415
12. Oklahoma Panhandle State University (Goodwell)	1,749
13. University of Science and Arts of Oklahoma (Chickasha)	2,062
14. Carl Albert State College (Poteau)	2,757
15. Connors State College (Warner)	3,437
16. Eastern Oklahoma State College (Wilburton)	3,021
17. Redlands Community College (El Reno)	2,916
18. Murray State College (Tishomingo)	2,330
19. Northeastern Oklahoma A&M College (Miami)	3,531
20. Northern Oklahoma College (Tonkawa)	3,216
21. Oklahoma City Community College (Oklahoma City)	18,014
22. Rogers State College (Claremore)	5,282
23. Rose State College (Midwest City)	14,753
24. Seminole Junior College (Seminole)	2,428
25. Tulsa Junior College (Tulsa)	31,335
26. Western Oklahoma State College (Altus)	2,660
27. University Center at Tulsa	7,327
Totals	<u>238,244</u>

Source: State Regents for Higher Education



## STATE COLLEGES AND UNIVERSITIES - PRIVATE

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<u>Higher Education Institutions - Private (Location)</u>	<u>Student Enrollment 1992-1993</u>
1. University of Tulsa (Tulsa)	5,778
2. Bartlesville Wesleyan College (Bartlesville)	645
3. Southern Nazarene University (Bethany)	1,995
4. Flaming Rainbow / UWW (Stilwell)	*
5. Oklahoma Baptist University (Shawnee)	2,656
6. Oklahoma Christian University of Science and Arts (Oklahoma City)	1,837
7. Oklahoma City University (Oklahoma City)	6,687
8. Oklahoma Missionary Baptist College (Marlow)	298
9. Oral Roberts University (Tulsa)	3,296
10. Phillips University (Enid)	*
11. Bacone College (Muskogee)	945
12. Hillsdale Freewill Baptist College (Moore)	176
13. St. Gregory's College (Shawnee)	347
14. Southwestern College of Christian Ministries (Bethany)	*
15. Spartan College of Aeronautics (Tulsa)	*
16. Oklahoma Junior Colleges of Business and Technology (Oklahoma City)	424
17. Mid-America Bible College (Oklahoma City)	349
Totals	25,433

\* No report

Source: State Regents for Higher Education

# OKLAHOMA

## SCHOOL ENROLLMENTS

For the Years 1985 through 1994

<u>Public School Enrollments:</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Early Childhood	5,304	4,765	4,034	3,075
Kindergarten	47,698	48,041	48,469	49,121
Elementary School	278,076	282,749	278,772	277,626
Junior High School	124,610	118,516	119,495	117,259
Senior High School	157,291	150,405	142,837	144,459
Non-High School Districts (Grades 1-8)	17,538	17,259	17,575	17,347
Special Education (Ungraded)	2,808	2,817	2,246	2,647
Total	<u>633,325</u>	<u>624,552</u>	<u>613,428</u>	<u>611,534</u>
<u>Higher Education:</u>				
Public Institutions	*	238,244	228,718	218,601
Private Institutions	*	25,433	27,336	28,836
Total	<u>*</u>	<u>263,677</u>	<u>256,054</u>	<u>247,437</u>
<u>Vocational-Technical Education:</u>				
29 Schools, 49 Campuses	<u>*</u>	<u>33,963</u>	<u>36,130</u>	<u>34,400</u>

\* Unavailable

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

## POPULATION ESTIMATE

For the Years 1984 through 1993

	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>
Population (estimates)	3,237,724	3,207,011	3,176,298	3,145,585
Labor Force	1,524,000	1,526,000	1,517,000	1,518,900
Total Employment	1,432,000	1,196,845	1,142,819	1,440,800
Oklahoma Unemployment Rate	6%	5.6%	6.7%	5.1%
U.S. Unemployment Rate	6.8%	7.4%	6.7%	5.4%

Source: Oklahoma Employment Security Commission - Research & Planning Division

<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
0	0	0	0	0	0
49,727	50,920	52,037	51,672	51,988	50,639
271,554	262,553	259,075	257,744	257,670	256,571
113,604	108,369	107,227	111,556	117,200	125,604
147,282	151,096	157,539	160,274	158,543	149,556
18,167	18,455	18,170	17,924	18,455	18,536
3,942	14,378	13,690	13,553	14,075	13,176
<u>604,276</u>	<u>605,771</u>	<u>607,738</u>	<u>612,723</u>	<u>617,931</u>	<u>614,082</u>
216,290	220,719	218,389	217,163	218,190	214,588
<u>23,894</u>	<u>24,569</u>	<u>25,506</u>	<u>23,335</u>	<u>21,199</u>	<u>21,133</u>
<u>240,184</u>	<u>245,288</u>	<u>243,895</u>	<u>240,498</u>	<u>239,389</u>	<u>235,721</u>
<u>33,238</u>	<u>31,618</u>	<u>30,139</u>	<u>28,944</u>	<u>27,236</u>	<u>25,300</u>

<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>
3,281,000	3,278,000	3,272,000	3,305,000	3,301,000	3,310,000
1,504,100	1,517,100	1,564,000	1,593,000	1,573,000	1,555,000
1,392,704	1,419,200	1,449,000	1,462,000	1,462,000	1,446,000
7.4%	6.5%	7.4%	8.2%	7.1%	7.0%
6.2%	6.2%	6.1%	7.0%	7.2%	7.5%

# OKLAHOMA

## TAX COLLECTIONS

For the Fiscal Years Ended June 30, 1985 through 1994

Taxes	1994	1993	1992	1991
Aircraft Excise Tax	\$ 1,402,816	\$ 1,630,073	\$ 1,778,536	\$ 1,533,394
Alcoholic Beverage Excise Tax	21,133,027	20,947,382	22,147,248	20,917,099
Alternative Fuel Surcharge	198,749	170,892	98,846	0
Beverage Tax	22,827,056	21,810,405	21,487,488	21,503,791
Bingo Tax	10,883,377	5,026,496	0	0
Boat and Motor Excise Tax	0	0	0	0
Bus Mileage Tax	0	0	0	0
Charity Games Tax	1,515,757	1,146,840	0	0
Cigarette Tax	58,251,171	60,456,532	60,339,722	61,058,310
City Use Tax - Collect/Deposit	251,529	207,169	196,043	161,228
Coin Operated Device Decal	3,972,441	4,071,043	3,377,121	4,518,184
Conservation Excise Tax	501,863	844,262	2,687,396	1,967,459
Diesel Fuel Excise Tax	56,987,746	53,640,018	51,035,710	49,756,094
Documentary Stamp Tax	6,281,264	5,032,770	4,485,783	4,256,584
Franchise Tax	32,817,309	34,341,621	33,900,715	31,387,096
Freight Car Tax	1,135,505	853,410	808,281	819,329
Fuels Excise Tax	1,456,769	1,379,576	1,344,661	1,359,443
Gasoline Excise Tax	268,605,663	258,493,935	249,822,104	246,342,350
Gift Tax	0	0	0	0
Gross Production Tax - Oil & Gas	367,736,133	404,905,673	342,177,274	404,143,185
Income Tax (Corporate and Individual)	1,490,180,078	1,453,295,598	1,369,734,220	1,357,169,347
Inheritance & Estate Tax	58,052,250	50,943,472	46,962,269	39,465,754
Insurance Premium Tax	105,344,076	92,916,758	91,363,715	85,450,248
Mixed Beverage Gross Receipts Tax	11,338,883	11,176,891	11,345,355	11,297,842
Motor Vehicle Excise Tax	0	0	0	0
Occupational Health and Safety Tax	1,811,543	1,601,694	1,487,888	1,216,596
Pari-Mutuel Taxes	3,600,525	3,845,857	4,282,925	5,231,046
Pari-Mutuel Exotic Wager	3,535	66,612	2,189,171	2,340,059
Pari-Mutuel - Other Tax	161,939	160,441	775,809	773,269
Petroleum Excise Tax	5,086,869	5,409,358	4,641,228	5,318,067
Rental Tax on Motor Vehicles	0	0	0	0
Rural Electric Co-operative Tax	13,404,328	12,927,846	13,195,104	13,041,716
Sales Tax	1,033,687,832	957,681,580	909,604,940	909,774,294
Sales Tax - City	6,848,307	6,265,328	6,107,216	5,836,086
Sales Tax - County	297,025	236,598	224,793	170,159
Self-Insurance Premium Tax	148,189	139,114	125,936	110,072
Special Fuel Decal	650,516	665,844	567,501	555,056
Special Fuel Use Tax	222,505	473,876	556,052	589,029
Tag Agent Remittance Tax	472,071,427	428,320,724	408,854,360	389,604,571
Telephone Surcharge	930,015	878,254	77,478	61,631
Tobacco Products Tax	10,622,404	9,664,544	9,010,579	8,604,570
Tourism Gross Receipt Tax	2,638,751	2,505,566	2,455,025	2,245,474
Unclaimed Property Tax	6,901,353	7,659,463	9,073,096	4,399,862
Unclassified Tax Receipts	75,339	28,477	48,838	59,924
Use Tax	51,880,903	49,323,050	48,267,881	46,940,425
Vehicle Revenue Tax Stamps	41,555	38,138	36,187	46,552
Workers' Compensation Awards - Assessments	21,160,528	17,779,633	11,626,131	9,452,730
Workers' Compensation Insurance Premium Tax	6,880,624	6,550,637	5,396,592	4,352,553
Other Taxes	11,399,856	8,749,399	7,415,703	8,198,857
<b>Total</b>	<b>\$ 4,171,399,330</b>	<b>\$ 4,004,262,849</b>	<b>\$ 3,761,112,920</b>	<b>\$ 3,762,029,335</b>

1990	1989	1988	1987	1986	1985
\$ 2,619,952	\$ 2,287,367	\$ 1,015,552	\$ 1,017,326	\$ 1,149,716	\$ 1,103,044
20,408,760	21,536,591	22,214,581	21,881,705	21,120,555	23,328,848
0	0	0	0	0	0
20,561,344	20,008,678	19,919,603	18,136,392	18,413,386	18,232,271
0	0	0	0	0	0
0	0	0	0	0	1,370,859
0	0	0	0	5,968	109,032
0	0	0	0	0	0
65,306,944	71,983,400	77,888,675	65,865,910	68,981,588	72,046,774
146,516	110,031	100,280	91,566	77,727	12,508
3,315,589	3,871,644	724,381	0	0	0
2,810,606	2,708,157	3,656,930	6,482,791	7,177,378	9,035,706
49,793,751	52,348,344	49,494,439	37,023,003	40,508,808	34,594,940
4,523,067	4,470,220	5,040,471	5,351,399	5,758,091	6,596,630
29,880,117	31,229,430	28,931,715	31,545,284	31,169,123	30,840,958
910,183	924,943	1,126,371	750,665	1,184,426	1,240,982
1,400,990	1,493,381	1,414,686	1,542,794	1,505,930	1,514,196
255,570,383	255,760,913	258,242,792	164,540,443	164,639,197	152,641,088
0	0	0	6,210	900,000	0
384,510,644	362,252,512	376,687,550	354,297,027	566,304,982	691,359,849
1,117,562,159	1,070,523,781	900,283,045	764,353,909	816,500,830	833,002,927
67,189,006	36,016,804	39,851,538	47,392,660	39,545,439	38,075,279
85,439,519	130,254,455	124,877,675	64,474,663	71,905,261	69,355,505
11,274,726	11,033,139	11,006,317	9,910,126	9,793,850	0
0	0	0	0	0	59,273,625
1,019,501	954,296	967,327	1,049,230	904,783	896,376
5,081,419	4,095,103	1,016,656	1,020,283	1,471,348	2,098,760
2,313,262	1,626,526	483,115	436,006	208,312	25,144
935,992	617,371	124,095	90,198	0	0
4,663,049	4,390,949	4,556,465	4,219,168	6,818,829	8,397,877
0	0	0	0	0	606,828
12,531,764	12,381,751	12,026,972	11,795,434	12,440,523	12,537,918
795,599,133	737,982,515	719,501,500	581,637,904	617,443,790	595,013,537
5,525,657	5,258,013	5,069,927	5,013,423	5,236,020	4,884,412
150,969	332,159	328,241	208,452	0	0
89,309	77,983	55,840	23,084	0	0
519,208	548,963	580,677	570,865	708,578	770,605
615,611	581,359	641,682	454,941	453,117	460,058
375,972,305	359,026,573	346,570,940	333,223,446	360,230,338	0
850,367	839,508	834,843	633,910	0	0
8,231,987	7,773,135	7,588,428	7,469,570	6,942,518	3,220,197
2,171,809	1,985,331	1,073,877	0	0	0
2,750,647	4,014,133	3,247,327	4,375,908	3,464,839	3,790,489
9,825	42,736	897,732	0	0	0
42,324,689	34,155,843	31,916,562	26,819,926	33,207,742	30,024,918
34,364	34,605	32,047	27,318	15,062	12,636
8,084,668	7,586,525	7,681,032	8,248,480	6,644,239	4,599,960
4,230,596	3,731,544	3,625,584	3,914,455	3,613,584	2,805,809
4,678,214	4,137,096	5,029,881	5,644,290	4,520,403	2,899,331
<u>\$ 3,401,608,601</u>	<u>\$ 3,270,987,807</u>	<u>\$ 3,076,327,351</u>	<u>\$ 2,591,540,164</u>	<u>\$ 2,930,966,280</u>	<u>\$ 2,716,779,876</u>

# OKLAHOMA

## GROSS SALES TAX BY INDUSTRY

For the Fiscal Year Ended June 30, 1994

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<u>Industry</u>	<u>Gross Sales Tax</u>
Food Stores	\$ 179,576,855
General Merchandise Stores	177,625,938
Eating and Drinking Establishments	100,908,808
Miscellaneous Retail	82,504,596
Wholesale Trade - Durable Goods	81,912,767
Furniture, Home Furnishings and Equipment Stores	67,656,826
Building Materials, Hardware, Garden Supply and Mobile Homes	61,366,597
Communications	58,502,679
Automotive Dealers and Gasoline Service Stations	41,739,952
Electric, Gas, and Sanitary Services	34,931,936
Apparel and Accessory Stores	32,093,665
Business Services	26,446,844
Wholesale Trade - Non-Durable Goods	18,041,147
Hotels, Rooming Houses, Camps, and Other Lodging Places	14,977,420
Automotive Services	10,327,358
Amusement and Recreation Services, except Motion Pictures	8,078,108
Personal Services	7,528,782
Non-Classifiable Establishments	6,065,769
Motion Pictures	4,618,766
Stone, Clay, Glass and Concrete Products	3,807,335
Printing, Publishing and Allied Industries	2,781,423
Machinery, except Electrical	2,229,415
Repair Services	2,051,011
Oil and Gas Extraction	1,827,574
Educational Services	1,199,236
Membership Organizations	1,185,942
Construction - Special Trade Contractors	939,955
Local and Suburban Transit and Interurban Highway Passenger Transit	577,540
Chemicals and Allied Products	518,992
Fabricated Metal Products, except Machinery and Transportation Equipment	472,342
Measuring, Analyzing, and Controlling Instruments	468,441
Miscellaneous Manufacturing Industries	428,110
Lumber and Wood Products, except Furniture	407,177
Petroleum Refining and Related Industries	387,190
Transportation Equipment	355,563
Food and Kindred Products	331,874
Agricultural Services	297,054
Primary Metal Industries	285,397

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Source: Oklahoma Tax Commission

GROSS SALES TAX (continued)

<u>Industry</u>	<u>Gross Sales Tax</u>
Rubber and Miscellaneous Plastics Products	271,990
Museums, Art Galleries, Botanical and Zoological Gardens	259,994
Electrical and Electronic Machinery, Equipment and Supplies	216,909
Credit Agencies other than Banks	213,605
Building Construction - General Contractors and Operative Builders	197,916
Agricultural Production Crops	152,919
Paper and Allied Products	127,287
Health Services	125,119
Engineering, Architectural, and Surveying Services	107,469
Furniture and Fixtures	94,578
Construction other than Building Construction - General Contractors	79,876
Apparel and Other Finished Products made from Fabrics	79,798
Air Transportation	77,386
Mining and Quarrying of Non-Metallic Minerals, except Fuels	76,099
Textile Mill Products	70,158
Transportation Services	66,574
Security and Commodity Brokers, Dealers, Exchanges, and Services	64,097
Motor Freight Transportation and Warehousing	60,514
Real Estate	44,028
Livestock, except Dairy and Poultry	24,030
Water Transportation	21,998
Banking	20,486
Insurance	20,355
Service	
Holding and Other Investment Offices	18,118
Miscellaneous Services	13,147
Railroad Transportation	12,087
Private Households	10,702
Timber Tracts	3,183
Pipelines, except Natural Gas	2,942
Leather and Leather Products	2,576
Metal Mining	1,095
Justice, Public Order, and Safety	662
Tobacco Manufacturers	530
U.S. Postal Service	526
Social Services	190
Administration of Economic Programs	33
Total	<u><u>\$ 1,037,995,360</u></u>

# OKLAHOMA

## MAJOR EMPLOYERS BY SIZE

Non-Government  
1994 (Listed Alphabetically)

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### 5,000 OR MORE EMPLOYEES

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W. H. Braum, Inc.	Phillips Petroleum Co.
SWO Holding Co. - Homeland Stores	Wal-Mart Stores, Inc.

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### 3,000 TO 4,999 EMPLOYEES

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AMR, Corp.	General Motors Corporation
C.R. Anthony Co.	McDonald's Restaurants of Okla. , Inc.
AT&T Network Systems	Oklahoma Gas & Electric Co.
Charles Machine Works (Ditch Witch Int.)	Oklahoma Healthcare Corp.
CITGO Petroleum Corp. (Cities Service)	Saint Francis Hospital
Conoco, Inc.	Southwestern Bell Telephone Co.
Flint Industries, Inc.	

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### 1,000 TO 2,999 EMPLOYEES

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Albertson's	Musket Corporation (Love's)
Amity Care Corporation	Northrop Corporation
American Fidelity Group	The Oklahoma Publishing Company
American Nursery Products, Inc.	OneOK, Inc.
Amoco Corporation	Parker Drilling Company
Arby's Roast Beef	J. C. Penney Co., Inc.
Avis Rent-A-Car System, Inc.	Public Service of Oklahoma
BOK Financial Group	QuikTrip Corporation
Brinker International, Inc.	Red Lobster USA
Casa Bonita, Inc.	Remington Park, Inc.
Deaconess Hospital	Rockwell International Corporation
Dillard Department Stores	St. Anthony Hospital
Fort Howard Paper Company	St. John Medical Center, Inc.
Goodyear Tire and Rubber Company	Seagate Technology
Hadson Corporation	Sears, Roebuck and Co.
Halliburton Services	South Community Hospital
Hardee's Food Systems, Inc.	Southwest Medical Center
HCA Presbyterian Hospital	Target Stores
The Hertz Corporation	Teleservice Resources
Hillcrest Medical Center	Texaco, Inc.
Hilti, Inc.	Tulsa Regional Medical Center
Hinderliter Industries, Inc.	Tyson Foods Inc.
K-Mart Corporation	The Uniroyal Goodrich Tire Co.
Kerr-McGee Corporation	United Parcel Service of America, Inc.
L.S.B. Industries, Inc.	United Supermarkets of Oklahoma, Inc
Little Caesar's Pizza	Warehouse Market
Mazzio's Corporation, Inc.	The Williams Companies, Inc.
Mer cruiser	Wrangler, Inc.
Mercy Health Center	John Zink Company
Midwest City Regional Hospital	

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Source: Department of Commerce



Major Employers by Size

500 TO 999 EMPLOYEES  
(Oklahoma-based Companies Only)

Acme Engineering and Mfg. Corp.	Macklanburg-Duncan
Cherokee Nation of Oklahoma	Mapco, Inc.
CMI Corporation	Muskogee Regional Medical
Comanche Co. Memorial Hospital	Nordam
Crest Discount Foods, Inc.	Norman Regional Hospital
Dolese Bros. Co.	Oklahoma Baptist University
Eateries, Inc.	Oklahoma City University
Farm Fresh Inc.	Oklahoma Fixture Company
Fleming Companies, Inc.	Oklahoma Nursing Homes Ltd.
Fred Jones Manufacturing Co.	St. Mary's Hospital
Frontier Engineering	Southern Nazarene University
Glamour Shots	Stik-Strip Laminating Co., Inc.
Hillcrest Health Center, Inc.	Unit Parts Co.
Horner Foods, Inc.	United Design Corporation
International Environmental Corp.	Val Gene Associates
Jane Phillips Episcopal Hospital	Valley View Regional Hospital
Liberty National Bank & Trust Co.	Vinson Supply Co.
Lowrance Electronics, Inc.	World Publishing Company

**BANK DEPOSITS**

for the Years 1984 through 1993

<u>Year</u>	<u># of Banks</u>	<u>\$ Amount of Deposits</u>
1993	371	26,881,754,000
1992	394	27,313,414,000
1991	411	24,740,365,000
1990	419	23,689,810,000
1989	428	22,983,403,000
1988	458	22,755,315,000
1987	485	23,539,958,000
1986	510	25,170,602,000
1985	533	27,353,988,000
1984	535	27,408,618,000

Source: Federal Reserve Bank of Kansas City

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## GENERAL INFORMATION

OKLAHOMA means "Land of the Red People" in the Choctaw language.

Admitted to the Union November 16, 1907, the 46th state

Nickname: Sooner State

Motto: Labor Omnia Vincit (Labor Conquers All Things)

Colors: Green and White

Population 1993: 3,237,724

Ranks 18th in area at 69,957 square miles:

68,656 square miles of land, 7.5 million acres of forest

1,301 square miles of water, and more coastline than the Atlantic and Gulf together

Population per square mile, 45.8 people

Divided into 77 counties

Bordered by six states: Texas, Kansas, New Mexico, Colorado, Missouri and Arkansas

Equidistant from Los Angeles and New York, and within 500 miles of 71 million people

State Tree: Redbud (*Cercis Canadensis*)

State Flower: Mistletoe (*Phoradendron Serotinum*)

State Animal: American Buffalo (Bison)

State Bird: Scissor-tailed Flycatcher (*Muscivora Forficata*)

State Reptile: Mountain Boomer (Collared Lizard)

State Fish: White Bass (Sand Bass) (*Morone Chrysops*)

State Rock: Rose Rock (Barite Rose)