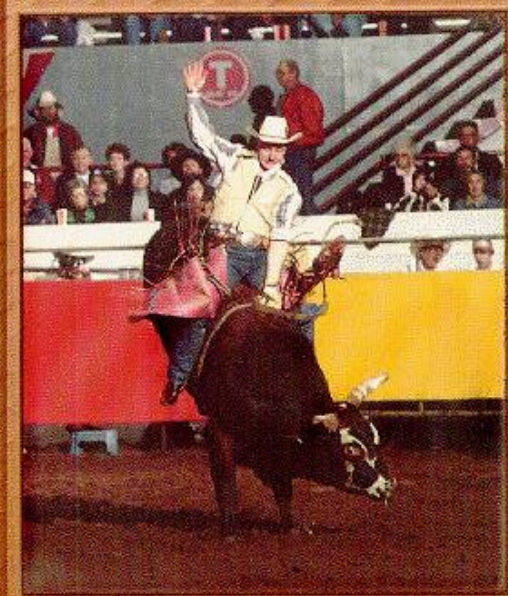


# OKLAHOMA



1997

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FOR THE FISCAL YEAR ENDED JUNE 30, 1997



---

## *History of* **RODEO**

Rodeo, the only national spectator sport originated entirely in the United States, started on the open range back in the 1860s and 1870s. Cowboys demonstrated their skills of herding, roping and bronc riding by pitting one ranch against another local ranch and by competing against each other during roundup. The word "rodeo" actually originated from the Spanish word "rodear," which literally means roundup.

The rodeo became known in Oklahoma when the cattle drives began in the late 1860s, but it took the various wild west shows to familiarize the rest of the United States with its rough and tumble events that require so much skill from the cowboys and well-trained horses. Oklahoma created its own breed of popular shows with some of the big ranches breathing life into the vivid portrayals of western life. The Mullball Ranch near Guthrie, the Pawnee Bill Ranch near Pawnee, and the Miller 101 Ranch near Ponca City became well-known throughout the country as they traveled with their combination western shows and rodeos. Wild west shows gradually lost their popularity, but the rodeo continued to grow.

Oklahoma's Bill Pickett is credited with originating the steer wrestling event in the early 1900s, which is often referred to as "bulldogging" because in the earlier days cowboys would bite the lip or nose of the steer to try and take control. Many Oklahomans have competed in rodeos over the years to become national champions and include Jim Shoulders from Henryetta, Oklahoma (1959 World Champion Bull Rider), Freckles Brown from Soper, Oklahoma (1962 World Champion Bull Rider), Lane Frost from Lane, Oklahoma (1987 World Champion Bull Rider), and Terry West from Henryetta, Oklahoma (1996 World Champion Bull Rider).

The National Finals Rodeo (NFR) made its debut in 1959 in Dallas, Texas, providing the perfect arena for deciding the all-around and individual event champions. Later Oklahoma City successfully hosted the NFR for 20 years before it was moved to Las Vegas, Nevada, where it remains today.

The International Professional Rodeo Association continues its tradition of showcasing the finest rodeo talent at the International Finals Rodeo (IFR). This event, which started in 1971 in Tulsa, Oklahoma, is now held in Oklahoma City and has become one of professional rodeo's most prestigious events.

Oklahoma is proud to be the home of the "Lazy E," located in Guthrie, which is known as the largest indoor rodeo arena in the world and hosts several of the more than 100 rodeo events held throughout the state each year.

The Rodeo is still alive and well in Oklahoma and a big part of our culture today.

---

### ON THE COVER:

**BULL RIDING** – Jimmy Morris of Sand Springs, OK at the 1997 89er Days PRCA Rodeo. (Photo by Fly Thomas and provided by the Lazy E Arena.)

# **OKLAHOMA 97**

**Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 1997**

Frank Keating  
Governor

Prepared by

Office of State Finance

Tom Daxon, Director  
Keith Johnson, State Comptroller

---

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.

This publication is issued under authority of the Office of State Finance. Pursuant to 74 O.S. 1992, Section 3105, 1,100 copies have been prepared and distributed at a cost of \$16,149. The Office of State Finance would appreciate credit for any reprint.

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

# TABLE OF CONTENTS

Page

## INTRODUCTORY SECTION

|   |    |
|---|----|
| Letter Of Transmittal .....   | 7  |
| Certificate of Achievement for Excellence in Financial Reporting..... | 18 |
| Selected Oklahoma State Officials.....                                | 21 |
| State Organizational Chart.....                                       | 22 |

## FINANCIAL SECTION

|                                   |    |
|-----------------------------------|----|
| INDEPENDENT AUDITOR'S REPORT..... | 23 |
|-----------------------------------|----|

## GENERAL PURPOSE FINANCIAL STATEMENTS

|   |    |
|---|----|
| Combined Balance Sheet  |    |
| All Fund Types, Account Groups And Discretely Presented Component Units .....                                 | 30 |
| Combined Statement Of Revenues, Expenditures And Changes In Fund Balances                                     |    |
| All Governmental Fund Types, Expendable Trust Fund And Discretely Presented Governmental Component Unit ..... | 34 |
| Combined Statement Of Revenues, Expenditures And Changes In Fund Balance                                      |    |
| Budget To Actual (Non-GAAP Budgetary Basis) - General Fund.....   | 37 |
| Combined Statement Of Revenues, Expenses And Changes In Retained Earnings/Fund Balances                       |    |
| Proprietary Fund Type, Nonexpendable Trust Funds And Discretely Presented Proprietary Component Units .....   | 38 |
| Combined Statement Of Cash Flows  |    |
| Proprietary Fund Type, Nonexpendable Trust Funds And Discretely Presented Proprietary Component Units .....   | 40 |
| Combined Statement Of Changes in Plan Net Assets  |    |
| Pension Trust Funds.....  | 45 |
| Combined Statement Of Changes In Fund Balances  |    |
| Component Unit - Higher Education Funds.....  | 46 |
| Combined Statement Of Current Funds, Revenues, Expenditures And Other Changes                                 |    |
| Component Unit - Higher Education Funds.....  | 48 |
| Notes To The Financial Statements .....   | 49 |

## REQUIRED SUPPLEMENTARY INFORMATION

|   |     |
|---|-----|
| Schedule of Expenditures and Intra-Agency Transfers-Detail                  |     |
| Budget to Actual Comparison (Non-GAAP Budgetary Basis) - General Fund ..... | 101 |

## COMBINING FINANCIAL STATEMENTS

|   |     |
|---|-----|
| Trust And Agency Funds:                               |     |
| Trust And Agency Funds - Descriptions.....            | 123 |
| Combining Balance Sheet - Trust And Agency Funds..... | 124 |



|   |     |
|---|-----|
| Combining Balance Sheet - Nonexpendable Trust Funds .....   | 126 |
| Combining Statement Of Revenues, Expenses And Changes In<br>Fund Balances - Nonexpendable Trust Funds ..... | 127 |
| Combining Statement Of Cash Flows - Nonexpendable Trust Funds .....   | 128 |
| Combining Statement Of Plan Net Assets - Pension Trust Funds .....  | 130 |
| Combining Statement Of Changes In Plan Net Assets - Pension Trust Funds .....                               | 132 |
| Combining Statement Of Assets And Liabilities - Agency Funds .....  | 134 |
| Combining Statement Of Changes In Assets And Liabilities - Agency Funds .....                               | 136 |

#### Component Units:

|   |     |
|---|-----|
| Component Units - Descriptions .....            | 141 |
| Combining Balance Sheet - Component Units ..... | 142 |

#### Component Units - Proprietary Funds:

|  |     |
|--|-----|
| Component Units - Proprietary Funds - Descriptions.....                          | 147 |
| Combining Balance Sheet .....  | 148 |
| Combining Statement Of Revenues, Expenses And Changes In Retained Earnings ..... | 152 |
| Combining Statement Of Cash Flows.....   | 154 |

#### Component Unit - Higher Education Funds:

|  |     |
|--|-----|
| Component Unit - Higher Education Funds - Descriptions ..... | 161 |
| Combining Balance Sheet .....                                | 162 |

### STATISTICAL SECTION

|   |     |
|---|-----|
| Cash Receipts And Disbursements .....   | 168 |
| Tax Collections .....   | 170 |
| Gross Sales Tax By Industry .....   | 172 |
| Bank Deposits .....   | 173 |
| Assessed Valuations .....   | 174 |
| Non-Agricultural Wage And Salary Employment .....   | 174 |
| State Colleges And Universities - Public.....   | 176 |
| State Colleges And Universities - Private.....  | 177 |
| School Enrollments .....  | 178 |
| Economic And Demographic Estimates .....  | 178 |
| Major Employers By Size .....   | 180 |
| Net General Obligation Bonds And Notes Per Capita.....  | 182 |
| Ratio Of Annual Debt Service Expenditures For General<br>Obligation Debt To Total General Governmental Expenditures ..... | 182 |
| Revenue Bond Coverage - Enterprise Fund And Proprietary Component Units .....   | 183 |

## **Bull Riding Picture**

## **INTRODUCTORY SECTION**





STATE OF OKLAHOMA  
OFFICE OF STATE FINANCE

December 29, 1997

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

The Office of State Finance is pleased to present the Comprehensive Annual Financial Report (CAFR) for the State of Oklahoma for the fiscal year ended June 30, 1997. This report, presented in three sections: Introductory, Financial, and Statistical, is the primary means of reporting the State government's financial activities. The Introductory Section contains an overview of the State's economic performance, a review of current initiatives, and summary financial data. The Financial Section contains the general purpose financial statements and the combining and individual fund and account group statements and schedules. The Statistical Section contains selected financial and demographic information.

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

## **ECONOMIC CONDITIONS AND OUTLOOK**

Oklahoma continues to be an attractive location in which to live and conduct commerce. In addition to a very low cost of doing business, Oklahoma has a highly skilled work force that exhibits the strong work ethic necessary for success and strives to improve its qualifications. For example, Oklahoma ranks 21st among the 50 states in full-time equivalent college enrollment as a percentage of population. At the same time, our pioneering Vo-Tech system is a national leader in developing training programs for industry. Oklahoma also enjoys a central location and abundant resources. Oklahoma remains a leading producer of oil and natural gas and Oklahoma manufacturers take advantage of some of the lowest energy prices in the nation. Oklahoma is also a leading producer of agricultural products, ranking in the top ten in production of wheat, peanuts, grain sorghum, pecans, rye, hogs and cattle.

Oklahoma's real gross state product for 1996 was \$65.3 billion, up 3.9% from the previous year. This compares with 3.8% growth in the national gross domestic product. Oklahoma's per capita income for 1996 was \$19,544, which is 80% of the national average, and ranks Oklahoma 45th among the states. Adjusting for

cost of living, Oklahoma is at 87% of the national average or 40th in the nation. Our per capita income was up 4.3% from 1995, trailing average gains nationally of 4.6%.

Oklahoma continues to enjoy an extremely low unemployment rate. Estimates for 1997 reflect a favorable 3.7% rate in Oklahoma versus a 5.0% rate nationally. With a population of approximately 3.3 million people, Oklahoma is the 27th most populous state.

Oklahoma is also home to a rich diversity of cultures. Most of what is now Oklahoma was originally set aside as Indian Territory. As a result, Oklahoma is home to 39 tribal headquarters and more people of Native American descent than any other state. Colorful pow-wows that keep alive sacred Native American traditions are a regular feature in all parts of the state. Oklahomans also enjoy many opportunities for outdoor recreation and, due to its many man-made reservoirs, Oklahoma has more miles of shoreline than any other state.

## **FINANCIAL CONDITION OF STATE GOVERNMENT**

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

The impact of these fiscally conservative rules, however, has been to some extent offset by the practice of granting pension benefits and incurring other liabilities without providing the long range funding required to assure that the State will be able to pay those amounts when they become due. The Teachers and Firefighters pension plans and the State's Special Indemnity Fund will all require future funding to meet existing liabilities. Meanwhile, Oklahoma continues to face the challenge presented by devolution of many federal programs. Significant changes in funding for major welfare and transportation programs are already under way and Oklahoma is responding.

In spite of these challenges, the State's overall financial condition is healthy. A small general obligation debt load, the heightened attention to our unfunded pension liabilities and the growing balance in the State's "Rainy Day Fund" provide ample room to address unforeseen emergencies.

## **CURRENT DEVELOPMENTS AND MAJOR INITIATIVES**

Despite many achievements, we are far from satisfied with our current situation. We enjoy many advantages that should enable Oklahomans to enjoy a higher standard of living. Our goal is to implement policies that will allow Oklahoma to realize its enormous potential.

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

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

Highlights of the fiscal 1997 and fiscal 1998 budgets include (expressed in millions):

|                            | Amount<br>Appropriated |                 | Percentage<br>of Total<br>Appropriations |             | Increase<br>(Decrease) from<br>Prior Year |               | Percentage<br>Increase<br>(Decrease) |           |
|----------------------------|------------------------|-----------------|--|-------------|---|---------------|--------------------------------------|-----------|
|                            | 1997                   | 1998            | 1997                                     | 1998        | 1997                                      | 1998          | 1997                                 | 1998      |
| Dept. of Education         | \$ 1,534               | \$ 1,626        | 37%                                      | 36%         | \$ 99                                     | \$ 92         | 7%                                   | 6%        |
| Regents for Higher Ed.     | 636                    | 693             | 15%                                      | 15%         | 71  | 57            | 13%                                  | 9%        |
| Dept. of Vo-Tech           | 96                     | 108             | 2%                                       | 2%          | 8   | 12            | 9%                                   | 13%       |
| Other education            | 16                     | 20              | 0%                                       | 0%          | 2   | 4             | 14%                                  | 25%       |
| Total Education            | 2,282                  | 2,447           | 55%                                      | 54%         | 180                                       | 165           | 9%                                   | 7%        |
| Dept. of Human Services    | 333                    | 336             | 8%                                       | 7%          | (5)                                       | 3             | (1%)                                 | 1%        |
| Office of Juvenile Affairs | 85                     | 88              | 2%                                       | 2%          | 6   | 3             | 8%                                   | 4%        |
| University Hospitals Auth. | 26                     | 27              | 1%                                       | 1%          | (1)                                       | 1             | (4%)                                 | 4%        |
| Dept. of Rehab. Services   | 22                     | 23              | 1%                                       | 1%          | 1   | 1             | 5%                                   | 5%        |
| Health Care Authority      | 290                    | 314             | 7%                                       | 7%          | 17  | 24            | 6%                                   | 8%        |
| Total Human Services       | 756                    | 788             | 18%                                      | 17%         | 18  | 32            | 2%                                   | 4%        |
| Dept. of Corrections       | 248                    | 297             | 6%                                       | 7%          | 46  | 49            | 23%                                  | 20%       |
| Dept. of Transportation    | 213                    | 293             | 5%                                       | 6%          | 29  | 80            | 16%                                  | 38%       |
| Dept. of Mental Health     | 119                    | 122             | 3%                                       | 3%          | 7   | 3             | 6%                                   | 3%        |
| Dept. of Health            | 47                     | 56              | 1%                                       | 1%          | 7   | 9             | 18%                                  | 19%       |
| Dept. of Public Safety     | 55                     | 56              | 1%                                       | 1%          | 4   | 1             | 8%                                   | 2%        |
| Other                      | 430                    | 460             | 11%                                      | 11%         | 78  | 30            | 22%                                  | 7%        |
| Total                      | <u>\$ 4,150</u>        | <u>\$ 4,519</u> | <u>100%</u>                              | <u>100%</u> | <u>\$ 369</u>                             | <u>\$ 369</u> | <u>10%</u>                           | <u>9%</u> |

Passage of Senate Bill 730 in 1997 enacted several reforms to the state's workers compensation insurance system providing rate relief to employers within the state while improving benefits to injured workers. These reforms include: 1) exemption of small, family-owned businesses from the requirement to carry workers compensation insurance, 2) increased benefits for surviving spouses and children, 3) limitation of attorney fees, and 4) the study of "sprain and strain" injuries which make up over 50% of all workers compensation claims. Additional recommendations to the legislature are expected to be enacted during 1998.

The State has embarked on a major highway construction and improvement effort. Over the next five years, Oklahoma will spend up to \$1 billion on state highway construction depending on economic conditions. The State will use a combination of bond financing, Rainy Day Fund money and appropriations to finance this expanded construction.

As a result of growth in collected revenues during fiscal 1997, the State increased the balance in its Constitutional Reserve, or "Rainy Day" Fund to \$308.9 million, half of which may be appropriated under restricted conditions. The fiscal year ended June 30, 1997 marked the second consecutive year in which the State made a deposit to this Fund.

The State continues the development of a modern telecommunications system, known as OneNet, that allows multi-directional video access for government agencies throughout the State. This project expands upon an existing system operated by the State's higher education institutions. While OneNet has many uses, perhaps the most exciting feature is the linking of several classrooms for a single course. OneNet will allow all schools, even those in rural areas, to offer a varied, rigorous curriculum.

During the 1996 legislative session, the school funding formula was amended to more adequately fund growing school districts. Previously, districts experiencing enrollment growth did not immediately receive credit for that growth in the calculation of state aid, which makes up more than 50% of common school funding in Oklahoma.

Both the 1996 and 1997 legislative sessions saw significant increases in funding for higher education. Oklahoma, with a system of two comprehensive universities, eleven four-year colleges, and twelve two-year colleges, has long been a leader in bringing higher education services to its citizens. Oklahoma ranks 24th in the nation for number of college degrees earned per 10,000 population.

Oklahoma recently mended several defects in its prison system. Facing a shortage of beds, the State had followed the dangerous practice of granting early release to convicts to manage its prison population and keep prison expenditures within the budget. At the same time, the ratio of secure to non-secure beds was out of balance, with many dangerous felons serving their time in minimum-security facilities. Recent legislation has approved the expansion of leased facilities as well as plans to construct additional bed space to relieve the strains on our prison system.

One problem that remains is the large unfunded liability of the Teachers' Retirement System (TRS). After the passing of the oil boom and the consequent decline in revenue growth, the legislature continued to provide additional benefits without adequately funding them. A major education initiative made the situation worse by adding thousands of new teachers at a time when contributions to TRS failed to cover normal cost. As a result, the System now has an actuarially estimated unfunded liability of \$4.7 billion. Under current projections, TRS needs will consume a substantial portion of the State's general fund growth revenue for the foreseeable future. A joint executive-legislative committee began studying the problem in 1996 and is scheduled to make recommendations for action in the upcoming session of the legislature.

In 1995, the Governor appointed a team of state employees to study state government and make recommendations as to how the government could be run more efficiently and effectively. In December of 1995, the Governor's Commission on Government Performance issued its report, listing nearly 300 recommendations for action. In response, the Governor has issued executive orders for improving several systems, including central purchasing, employee benefits, human resources, and employee classification and compensation systems. In addition, the Governor has asked the legislature to make several changes in current law.

## **FOR THE FUTURE**

The State continues to aggressively research and pursue solutions to improve the State's competitive economic performance. This issue is especially pressing in many rural areas of Oklahoma. Accordingly, the State is seeking to encourage new business development. Approaches under consideration include targeted tax reforms designed to spur entrepreneurship and business relocation, developing a leading educational system, and enactment of a right-to-work law.

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

## **FINANCIAL INFORMATION**

### **Internal Controls**

Management of the State of Oklahoma is responsible for the establishment and maintenance of internal accounting controls 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 does not exceed the benefit obtained.

### **Budget and Fiscal Policy**

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

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

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

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

### **General Governmental Functions**

Most financial operations of the State are reported in governmental fund types, which are the General Fund and Capital Projects Fund. Following are schedules of revenues and expenditures for these governmental funds. Note that the following tables present data according to generally accepted accounting principles for the fiscal year ended June 30, 1997, while previous tables have presented budgetary data for this and later periods. Transfers are primarily from the General Fund to support the public institutions of higher education.

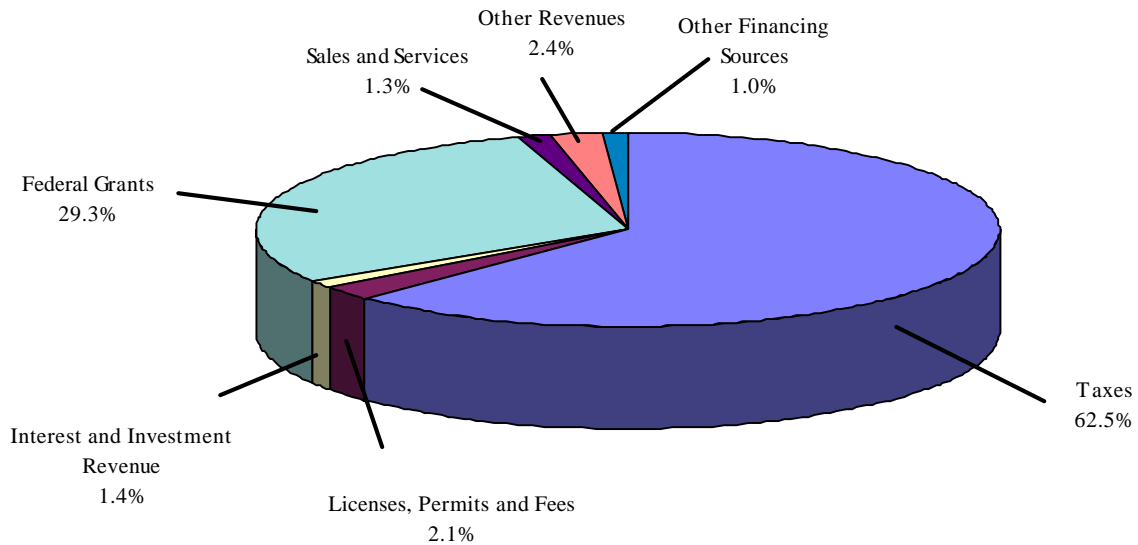
Governmental Funds: Revenues and Other Financing Sources - GAAP Basis  
(expressed in millions)

|  | 1997<br>Amount  | Percentage<br>of Total | Increase (Decrease)<br>from Prior Year | Percentage<br>Increase (Decrease) |
|--|-----------------|------------------------|--|-----------------------------------|
| Taxes                                      | \$ 4,964        | 62.5%                  | \$ 426                                 | 9.4%                              |
| Licenses, permits and fees                 | 167             | 2.1%                   | 18                                     | 12.1%                             |
| Interest and investment revenue            | 112             | 1.4%                   | 2                                      | 1.8%                              |
| Federal grants                             | 2,326           | 29.3%                  | (89)                                   | (3.7%)                            |
| Sales and services                         | 102             | 1.3%                   | 6                                      | 6.3%                              |
| Other revenues                             | 191             | 2.4%                   | (2)                                    | (1.0%)                            |
| Other financing sources:                   |                 |                        |  |                                   |
| Operating transfers                        | 73              | 0.9%                   | 27                                     | 58.7%                             |
| Bond proceeds                              | 3               | 0.0%                   | (31)                                   | (91.2%)                           |
| Other                                      | 9               | 0.1%                   | 2                                      | 28.6%                             |
| Total revenues and other financing sources | <u>\$ 7,947</u> | <u>100.00%</u>         | <u>\$ 359</u>                          | 4.7%                              |

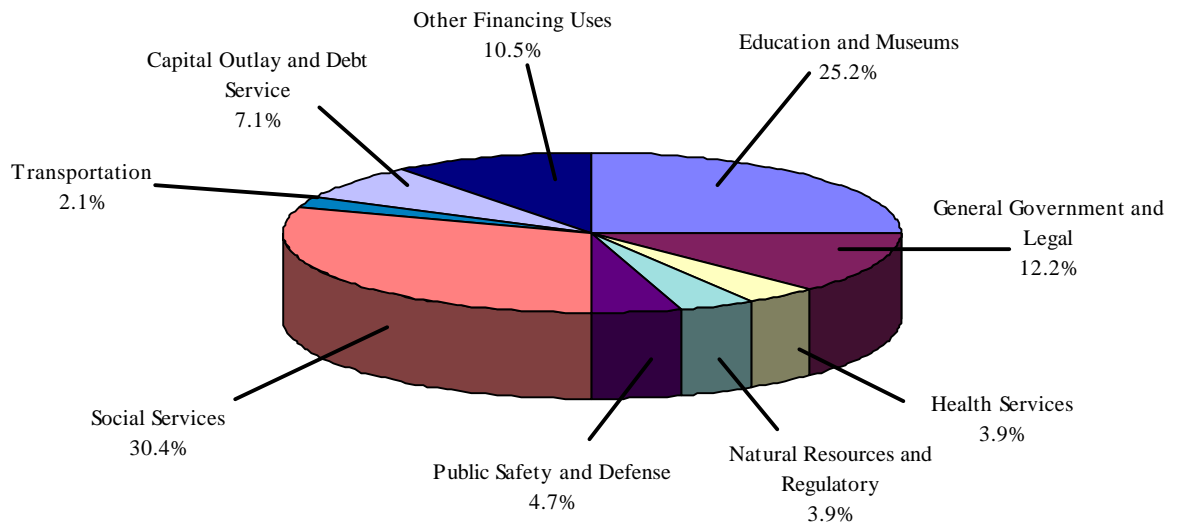
Governmental Funds: Expenditures and Other Financing Uses - GAAP Basis  
(expressed in millions)

|   | 1997<br>Amount  | Percentage<br>of Total | Increase (Decrease)<br>from Prior Year | Percentage<br>Increase (Decrease) |
|---|-----------------|------------------------|--|-----------------------------------|
| Education                                   | \$ 1,944        | 25.1%                  | \$ 98                                  | 5.3%                              |
| General government                          | 823             | 10.6%                  | 78                                     | 10.5%                             |
| Health services                             | 304             | 3.9%                   | 22                                     | 7.8%                              |
| Legal and judiciary                         | 122             | 1.6%                   | 13                                     | 11.9%                             |
| Museums                                     | 7               | 0.1%                   | 0                                      | 0.0%                              |
| Natural resources                           | 170             | 2.2%                   | 11                                     | 6.9%                              |
| Public safety and defense                   | 360             | 4.7%                   | 36                                     | 11.1%                             |
| Regulatory services                         | 134             | 1.7%                   | 4                                      | 3.1%                              |
| Social services                             | 2,359           | 30.4%                  | 8                                      | 0.3%                              |
| Transportation                              | 163             | 2.1%                   | 20                                     | 14.0%                             |
| Capital outlay                              | 512             | 6.6%                   | (40)                                   | (7.2%)                            |
| Debt service                                | 40              | 0.5%                   | 0                                      | 0.0%                              |
| Operating transfers                         | 811             | 10.5%                  | 65                                     | 8.7%                              |
| Total expenditures and other financing uses | <u>\$ 7,749</u> | <u>100.00%</u>         | <u>\$ 315</u>                          | 4.2%                              |
| Governmental Funds -                        |                 |                        |  |                                   |
| Net increase in fund balance                | <u>\$ 198</u>   |                        |  |                                   |

**Governmental Fund Revenues  
and Other Financing Sources (GAAP Basis) - Fiscal Year 1997**



**Governmental Funds Expenditures  
and Other Financing Uses (GAAP Basis) - Fiscal Year 1997**





## Revenue Collections and Estimates

As noted in a preceding subsection, the budget is prepared using cash available plus 95% of the itemized revenue estimate as approved by the State Board of Equalization. It should be noted that taxes deposited into the budgetary General Revenue Fund (GRF), as defined by Oklahoma law, are approximately 80% of the total tax revenues of the governmental funds, as defined by generally accepted accounting principles. However, the budgetary GRF should not be confused with the General Fund as presented in the accompanying GAAP-basis financial statements as the two terms are not interchangeable. For example, the GAAP-basis General Fund includes revenues deposited to the State Transportation Fund, federal grant proceeds, revolving fund revenues, fees and charges as well as other money used in the general operations of government which is not considered in the Board of Equalization's estimates of tax revenues. Oklahoma's budgetary GRF revenues were \$3.78 billion, or 107.0 % of the State's revenue estimate for the fiscal year ended June 30, 1997. This was an increase of \$352.2 million, or 9.4% above that of the prior year.

Receipts from each of the four major taxes exceeded revenues of the prior year, producing a combined total of \$3.23 billion, or 85% of total GRF receipts. The total of major taxes collected was \$289 million, or 9.8% above that of the prior year, an indication of increased business activity.

As compared to fiscal 1996, collections from income taxes increased by \$194 million, or 12.8%; sales taxes increased by \$52.1 million, or 5.1%; motor vehicle taxes increased by \$11.7 million, or 4.7%; and gross production taxes on oil and gas increased by \$31.7 million, or 20.3%.

Oklahoma has established an enviable record in recent years in its revenue forecasting results. Since enactment of a constitutional amendment in 1985 establishing new revenue estimating procedures, collections have exceeded the estimate in six years and dipped below the estimate six years, with actual collections averaging 101.0% of the estimate over the period. The comparison of estimated revenues to actual collections for fiscal 1997 is as follows:

|                      | Itemized<br>Estimate | Actual<br>Collections | Over (Under)<br>Estimate | Percentage<br>Collected |
|----------------------|----------------------|-----------------------|--------------------------|-------------------------|
| Income tax           | \$ 1,582.5           | \$ 1,715.2            | \$ 132.7                 | 108.4%                  |
| Sales tax            | 1,045.9              | 1,069.3               | 23.4                     | 102.2%                  |
| Motor vehicle tax    | 254.2                | 257.4                 | 3.2                      | 101.3%                  |
| Gross production tax | 131.8                | 187.8                 | 56.0                     | 142.5%                  |
| Subtotal Major Taxes | 3,014.4              | 3,229.7               | 215.3                    | 107.1%                  |
| Other sources        | 516.6                | 548.0                 | 31.4                     | 106.1%                  |
| Total                | <u>\$ 3,531.0</u>    | <u>\$ 3,777.7</u>     | <u>\$ 246.7</u>          | 107.0%                  |

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

| Budgetary General Revenue Fund Comparisons<br>(expressed in millions) |                      |                       |                          |                         |  |
|---|----------------------|-----------------------|--------------------------|-------------------------|--|
| Fiscal Year   | Itemized<br>Estimate | Actual<br>Collections | Over (Under)<br>Estimate | Percentage<br>Collected |  |
| 1986  | \$ 2,456.6           | \$ 2,271.3            | \$ (185.3)               | 92.5%                   |  |
| 1987  | \$ 2,166.7           | \$ 2,070.0            | \$ (96.7)                | 95.5%                   |  |
| 1988  | \$ 2,319.8           | \$ 2,397.8            | \$ 78.0                  | 103.4%                  |  |
| 1989  | \$ 2,499.8           | \$ 2,600.6            | \$ 100.8                 | 104.0%                  |  |
| 1990  | \$ 2,661.2           | \$ 2,735.1            | \$ 73.9                  | 102.8%                  |  |
| 1991  | \$ 3,034.4           | \$ 3,109.5            | \$ 75.1                  | 102.5%                  |  |
| 1992  | \$ 3,213.9           | \$ 3,161.2            | \$ (52.7)                | 98.4%                   |  |
| 1993  | \$ 3,365.2           | \$ 3,258.9            | \$ (106.3)               | 96.8%                   |  |
| 1994  | \$ 3,398.5           | \$ 3,341.5            | \$ (57.0)                | 98.3%                   |  |
| 1995  | \$ 3,515.3           | \$ 3,512.6            | \$ (2.7)                 | 99.9%                   |  |
| 1996  | \$ 3,613.6           | \$ 3,705.0            | \$ 91.4                  | 102.5%                  |  |
| 1997  | \$ 3,531.0           | \$ 3,777.7            | \$ 246.7                 | 107.0%                  |  |
| Twelve-Year Average   | \$ 2,981.3           | \$ 2,995.1            | \$ 13.8                  | 100.5%                  |  |

The status of two important fund balances affecting the new year's fiscal picture is explained below:

**Cash-Flow Reserve Fund** - At the close of fiscal 1997, the State set aside \$348.9 million to meet anticipated monthly cash-flow needs for the new fiscal year. The new total amounted to 9.5% of the GRF certified appropriation level, consistent with the prior year.

The Cash-Flow Reserve Fund's fiscal 1997 cash carryover available to the next Legislature was \$6.4 million, compared with \$45.8 million in the prior year. The carryover funds come from the difference between the 95% appropriation limit and actual receipts up to 100% of the estimate. Funds required to replenish or increase the cash-flow fund also come from this source.

**Constitutional Reserve "Rainy Day" Fund** - At the start of each fiscal year, collections that exceeded the estimate for the preceding year are automatically deposited in the Rainy Day Fund until the total balance equals 10% of the prior year's certified appropriation authority for the General Revenue Fund. On July 1, 1997, this fund had a balance of \$308.9 million.

### Proprietary Operations

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

## **Cash Management**

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

## **Debt Administration**

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

General obligation bonds are backed by the full faith and credit of the State, including the State's power to levy additional taxes to ensure repayment of the debt. Accordingly, all general obligation debt currently outstanding was approved by a vote of the citizens. The general obligation bonds of the State are rated "AA3" by Moody's Investors Service and "AA" by both Standard & Poor's Corporation and Fitch Investors Service. Prior to a 1993 general obligation bond program, except for refunding bonds, the State last issued general obligation bonds in 1968. Certain maturities of those bonds were advance refunded in 1977. As of June 30, 1997, the outstanding general obligation net debt of the State of Oklahoma was \$327 million. This figure excludes the self-supporting taxable bonds of the Oklahoma Industrial Finance Authority, which are secured by the repayment of loans made to private businesses. State revenues have never been required to support debt service payments on these obligations.

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

## **Risk Management and Insurance**

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

## **CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Oklahoma for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

## **ACKNOWLEDGMENTS**

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Daxon", is positioned above the printed name and title.

Tom Daxon  
Director of State Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Oklahoma

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1996

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



*Linda M. Savitsky*  
President

*Jeffrey L. Esser*  
Executive Director

# SELECTED OKLAHOMA STATE OFFICIALS

June 30, 1997

---

## LEGISLATIVE BRANCH

### Senate

Stratton Taylor  
President Pro Tempore

### House of Representatives

Lloyd L. Benson  
Speaker of the House

## EXECUTIVE BRANCH

### Governor

Frank Keating

### Lieutenant Governor

Mary Fallin

### \* Secretary of State

Tom Cole

### State Auditor and Inspector

Clifton Scott

### Attorney General

Drew Edmondson

### State Treasurer

Robert Butkin

### Superintendent of Public Instruction

Sandy Garrett

### Commissioner of Labor

Brenda Reneau

### Commissioner of Insurance

John P. Crawford

### Commissioners of the Corporation Commission

Bob Anthony  
Cody Graves  
Ed Apple

## JUDICIAL BRANCH

### \* State Supreme Court

Yvonne Kauger  
Chief Justice

### \* Court of Criminal Appeals

Charles S. Chapel  
Presiding Judge

\* Appointed Position

# Citizens of Oklahoma

## LEGISLATIVE

House of Representatives  
Legislative Service Bureau  
Senate

## EXECUTIVE

Governor  
Lieutenant Governor  
Secretary of State

## JUDICIAL

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

## STATE AGENCIES

### ADMINISTRATION

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

### ENERGY

Corporation Commission  
Energy Resources Board  
Interstate Oil and Gas Compact  
Commission  
Geological Survey  
Grand River Dam Authority  
Liquefied Petroleum Gas Board

### AGRICULTURE

Agriculture Department  
Conservation Commission  
Foresters Board  
Peanut Commission  
Sheep and Wool Commission  
Soybean Commission  
Wheat Commission

### ENVIRONMENT

Department of Environmental  
Quality  
Department of Mines  
Environmental Finance Authority  
LP Gas Research  
LP Gas Commission  
Marginally Producing Oil and  
Gas Wells  
Pollution Control Board  
Water Resources Board  
Wildlife Conservation Commission

### HEALTH & HUMAN SERVICES

Children and Youth Commission  
Handicapped Concerns  
Health Care Authority  
Health Department  
Human Services  
Indian Affairs Commission  
J.D. McCarty Center  
Juvenile Affairs  
Medicolegal Investigations Board  
Mental Health and Substance Abuse  
Rehabilitation Services  
University Hospitals Authority

### TRANSPORTATION

Transportation Department  
Turnpike Authority

### COMMERCE

Capital Investment Board  
Center for the Advancement of  
Science and Technology  
Commerce Department  
Labor Department  
Municipal Power Authority

### FINANCE & REVENUE

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

### HUMAN RESOURCES

Employment Security Commission  
Human Rights Commission  
Merit Protection Commission  
Office of Personnel Management  
State Group Health Insurance

### TOURISM & RECREATION

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

### EDUCATION

Anatomical Board  
Arts Council  
Commission for Teacher  
Preparation  
Department of Education  
Education Television Authority  
Library Department  
Medical Technology and  
Research Authority  
Physician's Manpower Training  
Private Vocational Schools  
Regents for Higher Education  
School of Science and  
Mathematics  
Student Loan Authority  
Vocational and Technical  
Education

### SAFETY & SECURITY

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

### VETERANS' AFFAIRS

Department of Veterans Affairs



## **Bareback Bronc Riding Picture**

## **FINANCIAL SECTION**



CLIFTON H. SCOTT  
State Auditor and Inspector

STATE OF OKLAHOMA  
OFFICE OF THE AUDITOR AND INSPECTOR  
OKLAHOMA CITY

2300 N. Lincoln Blvd.  
100 State Capitol  
Oklahoma City, OK 73105-4896  
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, 1997, 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 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 special revenue 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 56% of the agency fund. We did not audit 100% of the assets or 91% of the revenues of the proprietary component units. We did not audit the financial statements of the higher education component unit. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned entities, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

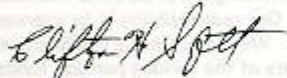
In our opinion, based upon our audit and the reports of other auditors, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Oklahoma as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 1997, on our consideration of the State of Oklahoma's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

As discussed in Note 18 to the financial statements, the Teachers' Retirement System faces possible difficulty in meeting its future obligations. The auditor for the Teachers' Retirement System reported "the System's actuary has determined that the System's unfunded actuarial accrued liability is approximately \$4,712,300,000. The funding of the actuarial accrued liabilities is predicated on a funding schedule mandated by Oklahoma Statutes and if any changes further reduce or delay the implementation of the funding schedule the funding period will increase." Note 2 to the System's financial statements discloses: "The System will experience difficulty in meeting long-term obligations at a point in time if not funded at a more appropriate level. . . ." The ultimate outcome of the ability of the System to meet its future obligations is dependent on funding established by Oklahoma Statutes, and cannot presently be determined.

Our audit was performed 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 is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

Sincerely,



CLIFTON H. SCOTT  
State Auditor and Inspector

December 29, 1997

FINANCIAL STATEMENTS

## **Bareback Bronc Riding Picture**

## **GENERAL PURPOSE FINANCIAL STATEMENTS**

*This Page Intentionally Left Blank*



Combined Balance Sheet  
All Fund Types, Account Groups and  
Discretely Presented Component Units  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Governmental<br>Fund Types |                     | Proprietary<br>Fund Type                          | Fiduciary<br>Fund Type |
|--|----------------------------|---------------------|---|------------------------|
|  | General                    | Capital<br>Projects | Enterprise -<br>Oklahoma Water<br>Resources Board | Trust and<br>Agency    |
| <b>Assets and Other Debits</b>             |                            |                     |   |                        |
| Assets                                     |                            |                     |   |                        |
| Cash/Cash Equivalents                      | \$ 1,620,851               | \$ 35,610           | \$ 1,177  | \$ 848,214             |
| Investments                                | 40,769                     | 0                   | 29,358  | 11,561,250             |
| Securities Lending Investments             | 0                          | 0                   | 0   | 1,109,418              |
| Accounts Receivable                        | 23,475                     | 0                   | 0   | 2,787                  |
| Interest and Investment Revenue Receivable | 21,221                     | 154                 | 3,414   | 62,113                 |
| Employer Contributions Receivable          | 0                          | 0                   | 0   | 13,215                 |
| Employee Contributions Receivable          | 0                          | 0                   | 0   | 14,917                 |
| Other Contributions Receivable             | 0                          | 0                   | 0   | 1,091                  |
| Federal Grants Receivable                  | 271,392                    | 452                 | 0   | 213                    |
| Taxes Receivable                           | 122,640                    | 0                   | 0   | 3,507                  |
| Lease Payments Receivable                  | 40,940                     | 0                   | 0   | 0                      |
| Other Receivables                          | 94                         | 0                   | 0   | 11,391                 |
| Notes and Loans Receivable                 | 0                          | 0                   | 163,174   | 0                      |
| Due from Brokers                           | 0                          | 0                   | 0   | 12,873                 |
| Due from Other Funds                       | 3                          | 0                   | 0   | 13,374                 |
| Due from Component Units                   | 43,526                     | 0                   | 0   | 771                    |
| Due from Primary Government                | 0                          | 0                   | 0   | 0                      |
| Inventory                                  | 112,157                    | 0                   | 0   | 4,285                  |
| Prepaid Items                              | 47,122                     | 0                   | 0   | 0                      |
| Fixed Assets, Net                          | 0                          | 0                   | 0   | 1,642                  |
| Other Assets                               | 3,893                      | 0                   | 729   | 8,453                  |
| Other Debits                               |                            |                     |   |                        |
| Amount Available for Debt Service          | 0                          | 0                   | 0   | 0                      |
| Amount to Be Provided For                  |                            |                     |   |                        |
| Retirement of Debt                         | 0                          | 0                   | 0   | 0                      |
| Compensated Absences                       | 0                          | 0                   | 0   | 0                      |
| Capital Leases                             | 0                          | 0                   | 0   | 0                      |
| Certificates of Participation              | 0                          | 0                   | 0   | 0                      |
| Claims and Judgments                       | 0                          | 0                   | 0   | 0                      |
| Pension Obligation                         | 0                          | 0                   | 0   | 0                      |
| Total Assets and Other Debits              | <u>\$ 2,348,083</u>        | <u>\$ 36,216</u>    | <u>\$ 197,852</u>                                 | <u>\$ 13,669,514</u>   |

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

| Account Groups |                | Total              |               | Total            |                   |               |
|----------------|----------------|--------------------|---------------|------------------|-------------------|---------------|
|                |                | Primary Government |               | Reporting Entity |                   |               |
| General        | General        | (Memorandum Only)  |               | Component        | (Memorandum Only) |               |
| Fixed Assets   | Long-Term Debt | 1997               | 1996          | Units            | 1997              | 1996          |
|                |                |                    |               |                  |                   |               |
| \$ 0           | \$ 0           | \$ 2,505,852       | \$ 2,691,966  | \$ 535,205       | \$ 3,041,057      | \$ 3,200,525  |
| 0              | 0              | 11,631,377         | 9,484,801     | 1,858,940        | 13,490,317        | 11,332,684    |
| 0              | 0              | 1,109,418          | 643,267       | 247,988          | 1,357,406         | 854,452       |
| 0              | 0              | 26,262             | 24,758        | 198,744          | 225,006           | 221,996       |
| 0              | 0              | 86,902             | 84,931        | 23,054           | 109,956           | 107,512       |
| 0              | 0              | 13,215             | 6,693         | 0                | 13,215            | 6,693         |
| 0              | 0              | 14,917             | 12,475        | 0                | 14,917            | 12,475        |
| 0              | 0              | 1,091              | 1,039         | 0                | 1,091             | 1,039         |
| 0              | 0              | 272,057            | 224,940       | 2,423            | 274,480           | 227,726       |
| 0              | 0              | 126,147            | 118,082       | 0                | 126,147           | 118,082       |
| 0              | 0              | 40,940             | 41,241        | 39,689           | 80,629            | 86,921        |
| 0              | 0              | 11,485             | 15,253        | 218              | 11,703            | 17,044        |
| 0              | 0              | 163,174            | 147,173       | 691,578          | 854,752           | 823,701       |
| 0              | 0              | 12,873             | 43,289        | 0                | 12,873            | 43,289        |
| 0              | 0              | 13,377             | 13,744        | 77,112           | 90,489            | 75,061        |
| 0              | 0              | 44,297             | 43,068        | 6,933            | 51,230            | 45,393        |
| 0              | 0              | 0                  | 0             | 8,447            | 8,447             | 14,434        |
| 0              | 0              | 116,442            | 134,279       | 60,076           | 176,518           | 187,948       |
| 0              | 0              | 47,122             | 4,881         | 6,682            | 53,804            | 10,651        |
| 914,833        | 0              | 916,475            | 1,461         | 3,245,169        | 4,161,644         | 3,098,254     |
| 0              | 0              | 13,075             | 859,663       | 324,938          | 338,013           | 1,177,150     |
|                |                |                    |               |                  |                   |               |
| 0              | 24,751         | 24,751             | 21,251        | 0                | 24,751            | 21,251        |
|                |                |                    |               |                  |                   |               |
| 0              | 408,131        | 408,131            | 421,094       | 0                | 408,131           | 421,094       |
| 0              | 99,650         | 99,650             | 94,378        | 0                | 99,650            | 94,378        |
| 0              | 6,809          | 6,809              | 9,245         | 0                | 6,809             | 9,245         |
| 0              | 11,466         | 11,466             | 12,785        | 0                | 11,466            | 12,785        |
| 0              | 1,309          | 1,309              | 2,898         | 143,357          | 144,666           | 130,473       |
| 0              | 2,385          | 2,385              | 2,232         | 0                | 2,385             | 2,232         |
| \$ 914,833     | \$ 554,501     | \$ 17,720,999      | \$ 15,160,887 | \$ 7,470,553     | \$ 25,191,552     | \$ 22,354,488 |

(continued)

Combined Balance Sheet  
All Fund Types, Account Groups and  
Discretely Presented Component Units  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

| (continued)                                       | Governmental<br>Fund Types |                     | Proprietary<br>Fund Type                          | Fiduciary<br>Fund Type |
|---|----------------------------|---------------------|---|------------------------|
|   | General                    | Capital<br>Projects | Enterprise -<br>Oklahoma Water<br>Resources Board | Trust and<br>Agency    |
| <b>Liabilities, Fund Equity and Other Credits</b> |                            |                     |   |                        |
| Liabilities                                       |                            |                     |   |                        |
| Accounts Payable and Accrued Liabilities          | \$ 396,491                 | \$ 1,719            | \$ 854  | \$ 2,286               |
| Payable Under Securities                          |                            |                     |   |                        |
| Lending Agreements                                | 0                          | 0                   | 0   | 1,109,418              |
| Claims and Judgments                              | 14,058                     | 0                   | 0   | 0                      |
| Interest Payable                                  | 4,495                      | 0                   | 2,338   | 0                      |
| Tax Refunds Payable                               | 0                          | 0                   | 0   | 3,329                  |
| Due to Brokers                                    | 0                          | 0                   | 0   | 66,415                 |
| Due to Other Funds                                | 13,375                     | 0                   | 0   | 3                      |
| Due to Component Units                            | 9,434                      | 0                   | 0   | 14                     |
| Due to Primary Government                         | 0                          | 0                   | 0   | 0                      |
| Due to Others                                     | 41,679                     | 0                   | 0   | 148,328                |
| Deferred Revenue                                  | 218,719                    | 0                   | 0   | 6,674                  |
| Pension Obligation                                | 0                          | 0                   | 0   | 0                      |
| Capital Leases                                    | 0                          | 0                   | 0   | 0                      |
| Compensated Absences                              | 0                          | 0                   | 0   | 189                    |
| Benefits in the Process of Payment                | 0                          | 0                   | 0   | 57,075                 |
| Deferred Compensation                             | 0                          | 0                   | 0   | 185,759                |
| Advances from Component Units                     | 0                          | 0                   | 0   | 0                      |
| Notes Payable                                     | 734                        | 0                   | 0   | 0                      |
| General Obligation Bonds                          | 25                         | 0                   | 0   | 0                      |
| Revenue Bonds                                     | 167                        | 0                   | 175,759   | 0                      |
| Certificates of Participation                     | 0                          | 0                   | 0   | 0                      |
| Other Liabilities                                 | 0                          | 146                 | 1,347   | 0                      |
| Total Liabilities                                 | 699,177                    | 1,865               | 180,298   | 1,579,490              |
| Fund Equity and Other Credits                     |                            |                     |   |                        |
| Investment in General Fixed Assets                | 0                          | 0                   | 0   | 0                      |
| Retained Earnings                                 |                            |                     |   |                        |
| Reserved  |                            |                     |   |                        |
| Debt Service                                      | 0                          | 0                   | 16,313  | 0                      |
| Unreserved  | 0                          | 0                   | 1,241   | 0                      |
| Net Unrealized Gain on Securities                 | 0                          | 0                   | 0   | 0                      |
| Fund Balances                                     |                            |                     |   |                        |
| Reserved  |                            |                     |   |                        |
| Encumbrances                                      | 116,798                    | 9,698               | 0   | 0                      |
| Inventory/Prepaid Items                           | 85,327                     | 0                   | 0   | 0                      |
| Unemployment Benefits                             | 0                          | 0                   | 0   | 593,969                |
| Debt Service                                      | 24,751                     | 0                   | 0   | 0                      |
| Preservation of Wildlife                          | 0                          | 0                   | 0   | 36,313                 |
| Employees Pension Benefits                        | 0                          | 0                   | 0   | 10,627,533             |
| Permanent Trust                                   | 0                          | 0                   | 0   | 822,690                |
| Undistributed Revenue                             | 0                          | 0                   | 0   | 9,519                  |
| Other Special Purposes                            | 875                        | 0                   | 0   | 0                      |
| Unreserved  |                            |                     |   |                        |
| Designated for Cash Flow Reserve Fund             | 348,942                    | 0                   | 0   | 0                      |
| Designated for Rainy Day Fund                     | 308,906                    | 0                   | 0   | 0                      |
| Designated for Other Special Purposes             | 0                          | 0                   | 0   | 0                      |
| Undesignated                                      | 763,307                    | 24,653              | 0   | 0                      |
| Total Fund Equity and Other Credits               | 1,648,906                  | 34,351              | 17,554  | 12,090,024             |
| Total Liabilities, Fund Equity and Other Credits  | \$ 2,348,083               | \$ 36,216           | \$ 197,852  | \$ 13,669,514          |

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

| Account Groups          |                              | Total<br>Primary Government |               | Total<br>Reporting Entity |                   |               |
|-------------------------|------------------------------|-----------------------------|---------------|---------------------------|-------------------|---------------|
| General<br>Fixed Assets | General<br>Long-Term<br>Debt | (Memorandum Only)           |               | Component<br>Units        | (Memorandum Only) |               |
|                         |                              | 1997                        | 1996          |                           | 1997              | 1996          |
| \$ 0                    | \$ 0                         | \$ 401,350                  | \$ 362,845    | \$ 145,844                | \$ 547,194        | \$ 480,838    |
| 0                       | 0                            | 1,109,418                   | 643,267       | 247,988                   | 1,357,406         | 854,452       |
| 0                       | 1,309                        | 15,367                      | 14,076        | 850,567                   | 865,934           | 875,510       |
| 0                       | 0                            | 6,833                       | 6,418         | 49,955                    | 56,788            | 56,266        |
| 0                       | 0                            | 3,329                       | 2,515         | 0                         | 3,329             | 2,515         |
| 0                       | 0                            | 66,415                      | 70,592        | 0                         | 66,415            | 70,592        |
| 0                       | 0                            | 13,378                      | 16,178        | 78,272                    | 91,650            | 76,115        |
| 0                       | 0                            | 9,448                       | 10,306        | 4,937                     | 14,385            | 12,684        |
| 0                       | 0                            | 0                           | 0             | 44,296                    | 44,296            | 42,371        |
| 0                       | 0                            | 190,007                     | 158,459       | 18,567                    | 208,574           | 173,603       |
| 0                       | 0                            | 225,393                     | 243,181       | 138,752                   | 364,145           | 345,460       |
| 0                       | 2,385                        | 2,385                       | 2,232         | 0                         | 2,385             | 2,232         |
| 0                       | 6,809                        | 6,809                       | 9,245         | 24,212                    | 31,021            | 26,252        |
| 0                       | 99,650                       | 99,839                      | 94,556        | 50,473                    | 150,312           | 144,250       |
| 0                       | 0                            | 57,075                      | 59,577        | 0                         | 57,075            | 59,577        |
| 0                       | 0                            | 185,759                     | 160,639       | 0                         | 185,759           | 160,639       |
| 0                       | 0                            | 0                           | 0             | 0                         | 0                 | 0             |
| 0                       | 36,920                       | 37,654                      | 37,737        | 55,209                    | 92,863            | 101,003       |
| 0                       | 326,540                      | 326,565                     | 334,680       | 68,498                    | 395,063           | 395,420       |
| 0                       | 69,422                       | 245,348                     | 257,986       | 2,800,229                 | 3,045,577         | 3,042,841     |
| 0                       | 11,466                       | 11,466                      | 12,785        | 0                         | 11,466            | 12,785        |
| 0                       | 0                            | 1,493                       | 1,215         | 58,165                    | 59,658            | 79,597        |
| 0                       | 554,501                      | 3,015,331                   | 2,498,489     | 4,635,964                 | 7,651,295         | 7,015,002     |
| 914,833                 | 0                            | 914,833                     | 847,442       | 1,694,588                 | 2,609,421         | 2,425,846     |
| 0                       | 0                            | 16,313                      | 16,344        | 15,711                    | 32,024            | 30,059        |
| 0                       | 0                            | 1,241                       | 711           | 533,531                   | 534,772           | 514,907       |
| 0                       | 0                            | 0                           | 0             | 29,222                    | 29,222            | 35,903        |
| 0                       | 0                            | 126,496                     | 149,108       | 0                         | 126,496           | 149,108       |
| 0                       | 0                            | 85,327                      | 41,661        | 0                         | 85,327            | 41,661        |
| 0                       | 0                            | 593,969                     | 547,533       | 0                         | 593,969           | 547,533       |
| 0                       | 0                            | 24,751                      | 25,556        | 0                         | 24,751            | 25,556        |
| 0                       | 0                            | 36,313                      | 35,246        | 0                         | 36,313            | 35,246        |
| 0                       | 0                            | 10,627,533                  | 8,934,578     | 0                         | 10,627,533        | 8,934,578     |
| 0                       | 0                            | 822,690                     | 784,019       | 0                         | 822,690           | 784,019       |
| 0                       | 0                            | 9,519                       | 11,152        | 0                         | 9,519             | 11,152        |
| 0                       | 0                            | 875                         | 1,071         | 0                         | 875               | 1,071         |
| 0                       | 0                            | 348,942                     | 318,677       | 0                         | 348,942           | 318,677       |
| 0                       | 0                            | 308,906                     | 114,301       | 0                         | 308,906           | 114,301       |
| 0                       | 0                            | 0                           | 0             | 582,843                   | 582,843           | 553,622       |
| 0                       | 0                            | 787,960                     | 834,999       | (21,306)                  | 766,654           | 816,247       |
| 914,833                 | 0                            | 14,705,668                  | 12,662,398    | 2,834,589                 | 17,540,257        | 15,339,486    |
| \$ 914,833              | \$ 554,501                   | \$ 17,720,999               | \$ 15,160,887 | \$ 7,470,553              | \$ 25,191,552     | \$ 22,354,488 |

Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types, Expendable Trust Fund and  
Discretely Presented Governmental Component Unit  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Governmental<br>Fund Types |                     | Fiduciary<br>Fund Type                                  |
|---|----------------------------|---------------------|---|
|   | General                    | Capital<br>Projects | Expendable Trust -<br>Employment Security<br>Commission |
| <b>Revenues</b>   |                            |                     |   |
| Taxes   | \$ 4,963,729               | \$ 0                | \$ 107,962  |
| Licenses, Permits and Fees  | 166,644                    | 0                   | 0   |
| Interest and Investment Revenue   | 107,340                    | 4,870               | 38,386  |
| Federal Grants  | 2,324,174                  | 2,148               | 5,860   |
| Sales and Services  | 101,891                    | 0                   | 0   |
| Other   | 190,898                    | 43                  | 1,328   |
| Total Revenues  | 7,854,676                  | 7,061               | 153,536   |
| <b>Expenditures</b>   |                            |                     |   |
| Current   |                            |                     |   |
| Education   | 1,943,966                  | 0                   | 0   |
| General Government  | 822,743                    | 0                   | 0   |
| Health Services   | 304,225                    | 0                   | 0   |
| Legal and Judiciary   | 122,338                    | 0                   | 0   |
| Museums   | 7,383                      | 0                   | 0   |
| Natural Resources   | 170,227                    | 0                   | 0   |
| Public Safety and Defense   | 360,492                    | 0                   | 0   |
| Regulatory Services   | 133,735                    | 0                   | 0   |
| Social Services   | 2,357,480                  | 0                   | 107,100   |
| Transportation  | 163,173                    | 0                   | 0   |
| Capital Outlay  | 495,951                    | 15,827              | 0   |
| Debt Service  |                            |                     |   |
| Principal Retirement  | 17,996                     | 0                   | 0   |
| Interest and Fiscal Charges   | 22,366                     | 0                   | 0   |
| Total Expenditures  | 6,922,075                  | 15,827              | 107,100   |
| Revenues in Excess of<br>(Less Than) Expenditures                                 | 932,601                    | (8,766)             | 46,436  |
| <b>Other Financing Sources (Uses)</b>   |                            |                     |   |
| Operating Transfers In  | 7,999                      | 0                   | 0   |
| Operating Transfers from Component Units  | 60,872                     | 3,665               | 0   |
| Operating Transfers from Primary Government                                       | 0                          | 0                   | 0   |
| Operating Transfers Out   | 0                          | 0                   | 0   |
| Operating Transfers to Component Units  | (740,829)                  | (70,497)            | 0   |
| Bond Proceeds   | 3,335                      | 0                   | 0   |
| Capital Leases and<br>Certificates of Participation                               | 3,672                      | 0                   | 0   |
| Sale of General Fixed Assets  | 5,831                      | 0                   | 0   |
| Total Other Financing Sources (Uses)  | (659,120)                  | (66,832)            | 0   |
| Revenue and Other Sources in Excess of<br>(Less Than) Expenditures and Other Uses | 273,481                    | (75,598)            | 46,436  |
| <b>Fund Balances - Beginning of Year</b>  | 1,375,425                  | 109,949             | 547,533   |
| <b>Fund Balances - End of Year</b>  | \$ 1,648,906               | \$ 34,351           | \$ 593,969  |

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

| Total<br>Primary Government |              | Governmental<br>Component Unit | Total<br>Reporting Entity |              |
|-----------------------------|--------------|--------------------------------|---------------------------|--------------|
| (Memorandum Only)           |              | Special<br>Indemnity Fund      | (Memorandum Only)         |              |
| 1997                        | 1996         |                                | 1997                      | 1996         |
| \$ 5,071,691                | \$ 4,653,544 | \$ 0                           | \$ 5,071,691              | \$ 4,653,544 |
| 166,644                     | 149,273      | 0                              | 166,644                   | 149,273      |
| 150,596                     | 147,115      | 0                              | 150,596                   | 147,115      |
| 2,332,182                   | 2,425,727    | 0                              | 2,332,182                 | 2,425,727    |
| 101,891                     | 95,686       | 0                              | 101,891                   | 95,686       |
| 192,269                     | 196,391      | 0                              | 192,269                   | 196,391      |
| 8,015,273                   | 7,667,736    | 0                              | 8,015,273                 | 7,667,736    |
| 1,943,966                   | 1,845,785    | 0                              | 1,943,966                 | 1,845,785    |
| 822,743                     | 745,333      | 0                              | 822,743                   | 745,333      |
| 304,225                     | 282,127      | 0                              | 304,225                   | 282,127      |
| 122,338                     | 108,642      | 0                              | 122,338                   | 108,642      |
| 7,383                       | 7,137        | 0                              | 7,383                     | 7,137        |
| 170,227                     | 159,692      | 0                              | 170,227                   | 159,692      |
| 360,492                     | 324,335      | 0                              | 360,492                   | 324,335      |
| 133,735                     | 129,778      | 22,361                         | 156,096                   | 154,414      |
| 2,464,580                   | 2,470,552    | 0                              | 2,464,580                 | 2,470,552    |
| 163,173                     | 142,818      | 0                              | 163,173                   | 142,818      |
| 511,778                     | 552,257      | 0                              | 511,778                   | 552,257      |
| 17,996                      | 18,210       | 0                              | 17,996                    | 18,210       |
| 22,366                      | 21,949       | 0                              | 22,366                    | 21,949       |
| 7,045,002                   | 6,808,615    | 22,361                         | 7,067,363                 | 6,833,251    |
| 970,271                     | 859,121      | (22,361)                       | 947,910                   | 834,485      |
| 7,999                       | 12,857       | 0                              | 7,999                     | 12,857       |
| 64,537                      | 33,704       | 0                              | 64,537                    | 33,704       |
| 0                           | 0            | 19,807                         | 19,807                    | 19,327       |
| 0                           | (22,931)     | 0                              | 0                         | (22,931)     |
| (811,326)                   | (722,834)    | 0                              | (811,326)                 | (722,834)    |
| 3,335                       | 33,560       | 0                              | 3,335                     | 33,560       |
| 3,672                       | 1,172        | 0                              | 3,672                     | 1,172        |
| 5,831                       | 5,451        | 0                              | 5,831                     | 5,451        |
| (725,952)                   | (659,021)    | 19,807                         | (706,145)                 | (639,694)    |
| 244,319                     | 200,100      | (2,554)                        | 241,765                   | 194,791      |
| 2,032,907                   | 1,832,807    | (18,752)                       | 2,014,155                 | 1,819,364    |
| \$ 2,277,226                | \$ 2,032,907 | \$ (21,306)                    | \$ 2,255,920              | \$ 2,014,155 |

*This Page Intentionally Left Blank*



Combined Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Budget to Actual (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1997  
(expressed in thousands)

| Budgetary General Fund  |                 |              |            |
|---|-----------------|--------------|------------|
|   | Final<br>Budget | Actual       | Variance   |
| <b>Revenues</b>   |                 |              |            |
| Taxes   | \$ 3,568,509    | \$ 3,822,281 | \$ 253,772 |
| Licenses, Permits and Fees  | 59,575          | 46,949       | (12,626)   |
| Interest and Investment Revenue                                       | 79,907          | 94,224       | 14,317     |
| Local Receipts and Reimbursements                                     | 25,234          | 26,691       | 1,457      |
| Other   | 23,627          | 17,593       | (6,034)    |
| Total Revenues  | 3,756,852       | 4,007,738    | 250,886    |
| <b>Expenditures</b>   |                 |              |            |
| Education   | 111,269         | 101,607      | (9,662)    |
| General Government  | 108,873         | 100,654      | (8,219)    |
| Health Services   | 161,354         | 157,211      | (4,143)    |
| Legal and Judiciary   | 88,445          | 85,019       | (3,426)    |
| Museums   | 6,904           | 6,642        | (262)      |
| Natural Resources   | 59,195          | 58,249       | (946)      |
| Public Safety and Defense   | 335,134         | 331,161      | (3,973)    |
| Regulatory Services   | 18,178          | 17,342       | (836)      |
| Social Services   | 131,314         | 129,536      | (1,778)    |
| Total Expenditures  | 1,020,666       | 987,421      | (33,245)   |
| Revenues in Excess of Expenditures                                    | 2,736,186       | 3,020,317    | 284,131    |
| <b>Other Financing Sources (Uses)</b>                                 |                 |              |            |
| Operating Transfers In  | 9,581           | 17,808       | 8,227      |
| Operating Transfers Out   | (747,135)       | (747,305)    | (170)      |
| Intra Agency Transfers to Continuing Funds                            | (2,129,614)     | (2,129,615)  | (1)        |
| Total Other Financing Sources (Uses)                                  | (2,867,168)     | (2,859,112)  | 8,056      |
| Revenue and Other Sources in Excess of<br>Expenditures and Other Uses | (130,982)       | 161,205      | 292,187    |
| <b>Budgetary Fund Balance - Beginning of Year</b>                     | 700,721         | 700,721      | 0          |
| <b>Budgetary Fund Balance - End of Year</b>                           | \$ 569,739      | \$ 861,926   | \$ 292,187 |

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

Combined Statement of Revenues, Expenses  
and Changes in Retained Earnings/Fund Balances  
Proprietary Fund Type, Nonexpendable Trust Funds and  
Discretely Presented Proprietary Component Units  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Proprietary<br>Fund Type                          | Fiduciary<br>Fund Type  |
|--|---|-------------------------|
|  | Enterprise -<br>Oklahoma Water<br>Resources Board | Nonexpendable<br>Trusts |
| <b>Operating Revenues</b>                                  |   |                         |
| Licenses, Permits and Fees                                 | \$ 0  | \$ 1,518                |
| Sales and Services   | 0   | 74                      |
| Interest and Investment Revenue                            | 10,061  | 67,126                  |
| Rental Revenue   | 0   | 9,661                   |
| Sale of Investments  | 0   | 18,150                  |
| Other  | 0   | 2                       |
| Total Operating Revenues                                   | 10,061  | 96,531                  |
| <b>Operating Expenses</b>                                  |   |                         |
| Operations and Maintenance of Facilities                   | 0   | 0                       |
| Losses and Loss Expense                                    | 0   | 0                       |
| Administrative and General Expense                         | 777   | 2,307                   |
| Interest Expense   | 7,807   | 0                       |
| Depreciation Expense                                       | 0   | 0                       |
| Benefit Payments and Refunds                               | 0   | 36,146                  |
| Total Operating Expenses                                   | 8,584   | 38,453                  |
| Operating Income   | 1,477   | 58,078                  |
| <b>Nonoperating Revenues (Expenses)</b>                    |   |                         |
| Interest and Investment Revenue                            | 0   | 0                       |
| Other Nonoperating Revenues                                | 0   | 0                       |
| Interest Expense   | 0   | 0                       |
| Amortization of Losses and Discounts                       | 0   | 0                       |
| Other Nonoperating Expenses                                | 0   | 0                       |
| Total Nonoperating Revenues (Expenses)                     | 0   | 0                       |
| Income Before Operating Transfers                          | 1,477   | 58,078                  |
| Operating Transfers from Primary Government                | 0   | 0                       |
| Operating Transfers Out                                    | (978)   | (7,021)                 |
| Operating Transfers to Component Units                     | 0   | (12,952)                |
| Operating Transfers to Primary Government                  | 0   | 0                       |
| Costs to be Recovered from Future Revenues                 | 0   | 0                       |
| Net Income (Loss)  | 499   | 38,105                  |
| <b>Retained Earnings/Fund Balances - Beginning of Year</b> | 17,055  | 830,417                 |
| <b>Retained Earnings/Fund Balances - End of Year</b>       | \$ 17,554   | \$ 868,522              |

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

| Total<br>Primary Government |            | Component<br>Units |              | Total<br>Reporting Entity |      |
|-----------------------------|------------|--------------------|--------------|---------------------------|------|
| (Memorandum Only)           |            |                    |              | (Memorandum Only)         |      |
| 1997                        | 1996       | Proprietary        |              | 1997                      | 1996 |
| \$ 1,518                    | \$ 955     | \$ 0               | \$ 1,518     | \$ 955                    |      |
| 74                          | 74         | 980,909            | 980,983      | 1,033,274                 |      |
| 77,187                      | 75,706     | 55,621             | 132,808      | 130,765                   |      |
| 9,661                       | 8,417      | 0                  | 9,661        | 8,417                     |      |
| 18,150                      | 6,901      | 0                  | 18,150       | 6,901                     |      |
| 2                           | 0          | 13,571             | 13,573       | 13,089                    |      |
| 106,592                     | 92,053     | 1,050,101          | 1,156,693    | 1,193,401                 |      |
| 0                           | 0          | 300,585            | 300,585      | 279,066                   |      |
| 0                           | 0          | 181,803            | 181,803      | 282,165                   |      |
| 3,084                       | 983        | 111,773            | 114,857      | 113,416                   |      |
| 7,807                       | 8,578      | 54,129             | 61,936       | 62,997                    |      |
| 0                           | 0          | 80,044             | 80,044       | 83,104                    |      |
| 36,146                      | 39,532     | 298,040            | 334,186      | 292,740                   |      |
| 47,037                      | 49,093     | 1,026,374          | 1,073,411    | 1,113,488                 |      |
| 59,555                      | 42,960     | 23,727             | 83,282       | 79,913                    |      |
| 0                           | 0          | 141,629            | 141,629      | 124,328                   |      |
| 0                           | 0          | 1,413              | 1,413        | 4,186                     |      |
| 0                           | 0          | (118,393)          | (118,393)    | (121,746)                 |      |
| 0                           | 0          | (17,645)           | (17,645)     | (17,891)                  |      |
| 0                           | 0          | (13,890)           | (13,890)     | (7,877)                   |      |
| 0                           | 0          | (6,886)            | (6,886)      | (19,000)                  |      |
| 59,555                      | 42,960     | 16,841             | 76,396       | 60,913                    |      |
| 0                           | 0          | 58,163             | 58,163       | 54,082                    |      |
| (7,999)                     | (12,857)   | 0                  | (7,999)      | (12,857)                  |      |
| (12,952)                    | (14,287)   | 0                  | (12,952)     | (14,287)                  |      |
| 0                           | 0          | (60,303)           | (60,303)     | (27,505)                  |      |
| 0                           | 0          | 6,630              | 6,630        | 9,124                     |      |
| 38,604                      | 15,816     | 21,331             | 59,935       | 69,470                    |      |
| 847,472                     | 831,656    | 527,911            | 1,375,383    | 1,305,913                 |      |
| \$ 886,076                  | \$ 847,472 | \$ 549,242         | \$ 1,435,318 | \$ 1,375,383              |      |

Combined Statement of Cash Flows  
Proprietary Fund Type, Nonexpendable Trust Funds and  
Discretely Presented Proprietary Component Units  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Proprietary<br>Fund Type                          | Fiduciary<br>Fund Types |
|---|---|-------------------------|
|   | Enterprise -<br>Oklahoma Water<br>Resources Board | Nonexpendable<br>Trusts |
| <b>Cash Flows from Operating Activities</b>   |   |                         |
| Operating Income  | \$ 1,477  | \$ 58,078               |
| Adjustments to Reconcile Operating Income to Net Cash Provided<br>by Operating Activities |   |                         |
| Depreciation Expense  | 0   | 0                       |
| Amortization (Accretion) and Other Noncash Expenses                                       | 191   | 9,921                   |
| Other   | 0   | 0                       |
| Reclassification of Investment Income   | 0   | (78,142)                |
| Decrease (Increase) in Assets   |   |                         |
| Accounts Receivable   | 0   | 0                       |
| Interest and Investment Revenue Receivable  | (19)  | 0                       |
| Interfund Receivable  | 0   | (10)                    |
| Inventory   | 0   | 0                       |
| Prepaid Items   | 0   | 0                       |
| Long-Term Notes Receivable  | 0   | 0                       |
| Other Current Assets  | 0   | 0                       |
| Other Noncurrent Assets   | 0   | 0                       |
| Increase (Decrease) in Liabilities  |   |                         |
| Accounts Payable and Accrued Liabilities  | 357   | 0                       |
| Claims and Judgments  | 0   | 0                       |
| Interest Payable  | (64)  | 0                       |
| Deferred Revenue  | 0   | (54)                    |
| Other Current Liabilities   | 0   | 0                       |
| Due to Primary Government   | 0   | 0                       |
| Other Noncurrent Liabilities  | 0   | 0                       |
| Net Cash Provided (Used) by Operating Activities  | 1,942   | (10,207)                |
| <b>Cash Flows from Noncapital Financing Activities</b>                                    |   |                         |
| Proceeds from Bonds and Notes Payable   | 0   | 0                       |
| Contributed Capital from Non-State Sources  | 0   | 0                       |
| Operating Transfers from Primary Government   | 0   | 0                       |
| Operating Transfers Out   | (978)   | (7,021)                 |
| Operating Transfers to Component Units  | 0   | (12,952)                |
| Operating Transfers to Primary Government   | 0   | 0                       |
| Principal Paid on Bonds and Notes Payable   | (11,560)  | 0                       |
| Other Noncapital Financing Activity   | 0   | 0                       |
| Net Cash Provided (Used) by Noncapital Financing Activities                               | \$ (12,538)                                       | \$ (19,973)             |

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

| Total<br>Primary Government |           | Component<br>Units |  | Total<br>Reporting Entity |           |
|-----------------------------|-----------|--------------------|--|---------------------------|-----------|
| (Memorandum Only)           |           |                    |  | (Memorandum Only)         |           |
| 1997                        | 1996      | Proprietary        |  | 1997                      | 1996      |
| \$ 59,555                   | \$ 42,960 | \$ 23,727          |  | \$ 83,282                 | \$ 79,913 |
| 0                           | 0         | 80,044             |  | 80,044                    | 83,104    |
| 10,112                      | 5,339     | 5,524              |  | 15,636                    | 9,459     |
| 0                           | 54        | 954                |  | 954                       | 620       |
| (78,142)                    | (71,035)  | 0                  |  | (78,142)                  | (71,035)  |
| 0                           | 0         | (4,393)            |  | (4,393)                   | 2,494     |
| (19)                        | (375)     | (1,498)            |  | (1,517)                   | (17,984)  |
| (10)                        | (3)       | 875                |  | 865                       | 4,044     |
| 0                           | 0         | (5,114)            |  | (5,114)                   | (2,064)   |
| 0                           | 0         | 83                 |  | 83                        | 197       |
| 0                           | 0         | (18,838)           |  | (18,838)                  | 2,553     |
| 0                           | 0         | 387                |  | 387                       | 0         |
| 0                           | 0         | 4,441              |  | 4,441                     | 3,652     |
| 357                         | 155       | (674)              |  | (317)                     | (1,344)   |
| 0                           | 0         | (27,754)           |  | (27,754)                  | 29,974    |
| (64)                        | 93        | 54                 |  | (10)                      | (387)     |
| (54)                        | 507       | (16,628)           |  | (16,682)                  | (14,342)  |
| 0                           | 0         | 29                 |  | 29                        | 5         |
| 0                           | 0         | 1,319              |  | 1,319                     | 0         |
| 0                           | 865       | (413)              |  | (413)                     | 3,715     |
| (8,265)                     | (21,440)  | 42,125             |  | 33,860                    | 112,574   |
| 0                           | 49,615    | 177,795            |  | 177,795                   | 215,605   |
| 0                           | 0         | 0                  |  | 0                         | 16        |
| 0                           | 0         | 58,163             |  | 58,163                    | 54,082    |
| (7,999)                     | (12,857)  | 0                  |  | (7,999)                   | (12,857)  |
| (12,952)                    | (14,287)  | 0                  |  | (12,952)                  | (14,287)  |
| 0                           | 0         | (60,303)           |  | (60,303)                  | (27,505)  |
| (11,560)                    | (8,450)   | (152,869)          |  | (164,429)                 | (143,668) |
| 0                           | 0         | (759)              |  | (759)                     | (303)     |
| \$ (32,511)                 | \$ 14,021 | \$ 22,027          |  | \$ (10,484)               | \$ 71,083 |

(continued)

Combined Statement of Cash Flows  
Proprietary Fund Type, Nonexpendable Trust Funds and  
Discretely Presented Proprietary Component Units  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

(continued)

|   | Proprietary<br>Fund Type                          | Fiduciary<br>Fund Types |
|---|---|-------------------------|
|   | Enterprise -<br>Oklahoma Water<br>Resources Board | Nonexpendable<br>Trusts |
| <b>Cash Flows from Capital and Related Financing Activities</b> |   |                         |
| Proceeds from Bonds and Notes Payable                           | \$ 0  | \$ 0                    |
| Payments for Acquisitions of Fixed Assets                       | 0   | 0                       |
| Principal Paid on Bonds, Notes, and Capital Leases              | 0   | 0                       |
| Interest Paid on Bonds, Notes, and Capital Leases               | 0   | 0                       |
| Increase in Payable Under Security Lending Agreement            | 0   | 0                       |
| Other Capital and Related Financing Activity                    | 0   | 0                       |
| Net Cash (Used) by Capital and Related Financing Activities     | 0   | 0                       |
| <b>Cash Flows from Investing Activities</b>                     |   |                         |
| Interest and Investment Revenue                                 | 0   | 69,144                  |
| Fees Paid Under Security Lending Agreement                      | 0   | 0                       |
| Increase in Security Lending Investment Pool                    | 0   | 0                       |
| Proceeds from Sale and Maturity of Investments                  | 25,617  | 246,719                 |
| Principal Received from Notes Receivable                        | 8,531   | 649                     |
| Payments to Purchase Investments                                | 0   | (462,860)               |
| Payments to Issue Notes Receivable                              | (24,530)  | 0                       |
| Net Cash Provided (Used) by Investing Activities                | 9,618   | (146,348)               |
| <b>Net Increase (Decrease) in Cash/Cash Equivalents</b>         | (978)   | (176,528)               |
| <b>Cash/Cash Equivalents - Beginning of Year</b>                | 2,155   | 195,391                 |
| Cash/Cash Equivalents - Fiduciary Activities                    | 0   | 0                       |
| <b>Cash/Cash Equivalents - End of Year</b>                      | <u>\$ 1,177</u>                                   | <u>\$ 18,863</u>        |

**Reconciliation of Cash/Cash Equivalents to Combined Balance Sheet**

Cash/Cash Equivalents per Combining Balance Sheets:

|                                 |                   |
|---------------------------------|-------------------|
| Expendable Trusts               | \$ 590,440        |
| Nonexpendable Trusts            | 18,863            |
| Pension Trusts                  | 76,941            |
| Agency Funds                    | 145,751           |
| Governmental Component Unit     |                   |
| Proprietary Component Units     |                   |
| Higher Education Component Unit |                   |
| Total                           | <u>\$ 831,995</u> |

**Noncash Capital and Related Financing Activities**

Donated Equipment  
Accounts Payable Incurred for Equipment

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

| Total<br>Primary Government |            | Component<br>Units |  | Total<br>Reporting Entity |             |
|-----------------------------|------------|--------------------|--|---------------------------|-------------|
| (Memorandum Only)           |            |                    |  | (Memorandum Only)         |             |
| 1997                        | 1996       | Proprietary        |  | 1997                      | 1996        |
| \$ 0                        | \$ 0       | \$ 10,664          |  | 10,664                    | \$ 178,212  |
| 0                           | 0          | (54,358)           |  | (54,358)                  | (67,499)    |
| 0                           | 0          | (51,995)           |  | (51,995)                  | (226,665)   |
| 0                           | 0          | (119,468)          |  | (119,468)                 | (120,488)   |
| 0                           | 0          | 36,803             |  | 36,803                    | 134,807     |
| 0                           | 0          | 184                |  | 184                       | 249         |
| 0                           | 0          | (178,170)          |  | (178,170)                 | (101,384)   |
| 69,144                      | 70,174     | 102,065            |  | 171,209                   | 160,937     |
| 0                           | 0          | (10,743)           |  | (10,743)                  | 0           |
| 0                           | 0          | (36,803)           |  | (36,803)                  | (134,807)   |
| 272,336                     | 412,101    | 1,615,546          |  | 1,887,882                 | 1,658,102   |
| 9,180                       | 85,752     | 5,213              |  | 14,393                    | 91,798      |
| (462,860)                   | (344,516)  | (1,573,227)        |  | (2,036,087)               | (1,625,433) |
| (24,530)                    | (23,383)   | (3,673)            |  | (28,203)                  | (26,501)    |
| (136,730)                   | 200,128    | 98,378             |  | (38,352)                  | 124,096     |
| (177,506)                   | 192,709    | (15,640)           |  | (193,146)                 | 206,369     |
| 197,546                     | 4,837      | 163,963            |  | 361,509                   | 155,140     |
| 0                           | 0          | 105                |  | 105                       | 0           |
| \$ 20,040                   | \$ 197,546 | \$ 148,428         |  | \$ 168,468                | \$ 361,509  |

\$ 206  
 148,428  
 386,571  
 \$ 535,205

\$ 120  
 303

*This Page Intentionally Left Blank*



Combined Statement of  
Changes In Plan Net Assets  
Pension Trust Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|                                     | Pension Trusts |              |
|-------------------------------------|----------------|--------------|
|                                     | 1997           | 1996         |
| <b>Additions</b>                    |                |              |
| Contributions                       |                |              |
| Employer Contributions              | \$ 295,020     | \$ 220,283   |
| Employee Contributions              | 230,871        | 200,299      |
| Other Contributions                 | 230,192        | 186,474      |
| Total Contributions                 | 756,083        | 607,056      |
| Investment Income                   |                |              |
| Net Appreciation                    |                |              |
| in fair value of investments        | 1,393,082      | 864,924      |
| Investment and Interest Revenue     | 375,512        | 334,060      |
|                                     | 1,768,594      | 1,198,984    |
| Less Investment Expense             | 59,033         | 38,053       |
| Net Investment Income               | 1,709,561      | 1,160,931    |
| Other Revenue                       | 197            | 85           |
| Total Additions                     | 2,465,841      | 1,768,072    |
| <b>Deductions</b>                   |                |              |
| Administrative and General Expenses | 6,738          | 6,149        |
| Benefit Payments and Refunds        | 766,148        | 719,024      |
| Total Deductions                    | 772,886        | 725,173      |
| Net Increase                        | 1,692,955      | 1,042,899    |
| <b>Fund Balance Reserved for</b>    |                |              |
| <b>Employees' Pension Benefits</b>  |                |              |
| Beginning of Year                   | 8,934,578      | 7,891,679    |
| End of Year                         | \$ 10,627,533  | \$ 8,934,578 |

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

Combined Statement of Changes in Fund Balances  
Component Unit - Higher Education Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Current Funds |            |
|---|---------------|------------|
|   | Unrestricted  | Restricted |
| <b>Revenues and Other Additions</b>                   |               |            |
| Unrestricted Current Fund Revenues                    | \$ 705,979    | \$ 0       |
| Endowment Income                                      | 0             | 3,049      |
| Federal Grants and Contracts                          | 0             | 226,165    |
| State and Local Grants and Contracts                  | 0             | 48,308     |
| Private Gifts, Grants and Contracts                   | 0             | 61,754     |
| Auxiliary Enterprises                                 | 0             | 1,132      |
| Investment and Interest Revenue                       | 0             | 3,707      |
| Retirement of Indebtedness                            | 0             | 0          |
| Expended for Plant Facilities                         | 0             | 0          |
| Other   | 0             | 3,718      |
| Total Revenues and Other Additions                    | 705,979       | 347,833    |
| <b>Expenditures and Other Deductions</b>              |               |            |
| Education and General Expenditures                    | 976,296       | 347,815    |
| Auxiliary Enterprises                                 | 218,440       | 256        |
| Professional Practice Plans and Clinics               | 94,866        | 0          |
| Expended for Plant Facilities                         | 0             | 0          |
| Indirect Cost Recoveries                              | 0             | 19,845     |
| Cancellation of Student Loans                         | 0             | 0          |
| Administrative and Collection Costs                   | 0             | 0          |
| Interest on Indebtedness                              | 0             | 0          |
| Retirement of Equipment                               | 0             | 0          |
| Retirement of Indebtedness                            | 0             | 0          |
| Disposal of Plant Facilities                          | 0             | 0          |
| Depreciation and Amortization                         | 0             | 0          |
| Other   | 0             | 313        |
| Total Expenditures and Other Deductions               | 1,289,602     | 368,229    |
| <b>Transfers Among Funds - Additions (Deductions)</b> |               |            |
| Mandatory Transfers                                   |               |            |
| Principal and Interest                                | (12,910)      | (168)      |
| Loan Fund Matching Grant                              | (169)         | (5)        |
| Other   | (545)         | 523        |
| Nonmandatory  | (3,755)       | 896        |
| Operating Transfers from Primary Government           | 617,179       | 29,059     |
| Total Transfers Among Funds                           | 599,800       | 30,305     |
| Net Increase (Decrease) in Fund Balances              | 16,177        | 9,909      |
| <b>Fund Balances - Beginning of Year</b>              | 245,262       | 56,106     |
| <b>Fund Balances - End of Year</b>                    | \$ 261,439    | \$ 66,015  |

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

| Loan Funds | Endowment Funds | Plant Funds  | Total             |              |
|------------|-----------------|--------------|-------------------|--------------|
|            |                 |              | (Memorandum Only) |              |
|            |                 |              | 1997              | 1996         |
| \$ 0       | \$ 0            | \$ 0         | \$ 705,979        | \$ 662,097   |
| 0          | 0               | 0            | 3,049             | 1,377        |
| 617        | 0               | 573          | 227,355           | 227,187      |
| 0          | 0               | 27,181       | 75,489            | 70,240       |
| 44         | 724             | 2,028        | 64,550            | 38,826       |
| 0          | 0               | 0            | 1,132             | 0            |
| 1,586      | 5,752           | 6,785        | 17,830            | 20,389       |
| 0          | 0               | 21,070       | 21,070            | 26,232       |
| 0          | 0               | 158,697      | 158,697           | 181,584      |
| 1,016      | 1,454           | 11,766       | 17,954            | 17,133       |
| 3,263      | 7,930           | 228,100      | 1,293,105         | 1,245,065    |
| 18         | 6,270           | 0            | 1,330,399         | 1,225,721    |
| 0          | 0               | 0            | 218,696           | 215,022      |
| 0          | 0               | 0            | 94,866            | 77,739       |
| 0          | 0               | 106,805      | 106,805           | 125,873      |
| 0          | 0               | 0            | 19,845            | 17,292       |
| 2,818      | 0               | 0            | 2,818             | 1,712        |
| 153        | 0               | 0            | 153               | 834          |
| 0          | 0               | 10,856       | 10,856            | 9,557        |
| 0          | 0               | 7,271        | 7,271             | 3,139        |
| 0          | 0               | 14,721       | 14,721            | 26,461       |
| 0          | 0               | 14,802       | 14,802            | 8,422        |
| 0          | 0               | 30,623       | 30,623            | 27,321       |
| 1,022      | 27              | 3,766        | 5,128             | 6,532        |
| 4,011      | 6,297           | 188,844      | 1,856,983         | 1,745,625    |
| 0          | 0               | 13,078       | 0                 | 0            |
| 174        | 0               | 0            | 0                 | 0            |
| 0          | 22              | 0            | 0                 | 0            |
| (33)       | (30)            | 2,922        | 0                 | 0            |
| 38         | 7,200           | 55,807       | 709,283           | 680,525      |
| 179        | 7,192           | 71,807       | 709,283           | 680,525      |
| (569)      | 8,825           | 111,063      | 145,405           | 179,965      |
| 49,998     | 91,467          | 1,689,193    | 2,132,026         | 1,952,061    |
| \$ 49,429  | \$ 100,292      | \$ 1,800,256 | \$ 2,277,431      | \$ 2,132,026 |

Combined Statement of Current Funds, Revenues,  
Expenditures and Other Changes  
Component Unit - Higher Education Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Current Funds |            | Total Current Funds |            |
|---|---------------|------------|---------------------|------------|
|   | Unrestricted  | Restricted | 1997                | 1996       |
| <b>Revenues</b>                             |               |            |                     |            |
| Tuition and Fees                            | \$ 244,054    | \$ 0       | \$ 244,054          | \$ 241,741 |
| Federal Appropriations                      | 10,519        | 0          | 10,519              | 11,161     |
| Federal Grants and Contracts                | 14,989        | 215,950    | 230,939             | 219,151    |
| State and Local Grants and Contracts        | 5,830         | 40,928     | 46,758              | 66,341     |
| Private Gifts, Grants and Contracts         | 25,203        | 56,434     | 81,637              | 51,975     |
| Investment and Interest Revenue             | 2,901         | 62         | 2,963               | 3,210      |
| Endowment Income                            | 1,849         | 2,662      | 4,511               | 3,117      |
| Sales and Services                          |               |            |                     |            |
| Educational Department                      | 18,539        | 2          | 18,541              | 18,672     |
| Auxiliary Enterprises                       | 215,655       | 1,132      | 216,787             | 212,588    |
| Professional Practice Plans and Clinics     | 108,063       | 0          | 108,063             | 81,163     |
| Other Sources                               | 58,377        | 2,878      | 61,255              | 58,071     |
| Total Revenues                              | 705,979       | 320,048    | 1,026,027           | 967,190    |
| <b>Expenditures and Mandatory Transfers</b> |               |            |                     |            |
| Educational and General                     |               |            |                     |            |
| Instruction                                 | 476,628       | 39,380     | 516,008             | 444,221    |
| Research                                    | 48,077        | 87,147     | 135,224             | 151,041    |
| Public Service                              | 43,324        | 55,572     | 98,896              | 97,897     |
| Academic Support                            | 124,930       | 2,249      | 127,179             | 116,622    |
| Student Services                            | 50,074        | 27,616     | 77,690              | 67,904     |
| Institutional Support                       | 102,437       | 7,986      | 110,423             | 99,113     |
| Operation/Maintenance of Plant              | 94,117        | 206        | 94,323              | 84,274     |
| Scholarships and Fellowships                | 36,709        | 127,659    | 164,368             | 159,767    |
| Other                                       | 0             | 97         | 97                  | 0          |
| Education and General Expenditures          | 976,296       | 347,912    | 1,324,208           | 1,220,839  |
| Mandatory Transfers                         |               |            |                     |            |
| Principal and Interest                      | 5,566         | 168        | 5,734               | 3,894      |
| Loan Fund Matching Grant                    | 162           | 5          | 167                 | 210        |
| Other                                       | 545           | (523)      | 22                  | 473        |
| Total Education and General                 | 982,569       | 347,562    | 1,330,131           | 1,225,416  |
| Auxiliary Enterprises                       | 218,440       | 256        | 218,696             | 199,429    |
| Mandatory Transfers                         |               |            |                     |            |
| Principal and Interest                      | 7,336         | 0          | 7,336               | 6,754      |
| Loan Fund Matching Grant                    | 7             | 0          | 7                   | (13)       |
| Other                                       | 0             | 0          | 0                   | 26         |
| Total Auxiliary Enterprises                 | \$ 225,783    | \$ 256     | \$ 226,039          | \$ 206,196 |

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

|   | Current Funds    |                 | Total Current Funds |                  |
|---|------------------|-----------------|---------------------|------------------|
|   | Unrestricted     | Restricted      | 1997                | 1996             |
| Professional Practice Plans and Clinics           | \$ 94,866        | \$ 0            | \$ 94,866           | \$ 77,739        |
| Mandatory Transfers                               | 8                | 0               | 8                   | 11               |
| Total Professional Practice Plans and Clinics     | 94,874           | 0               | 94,874              | 77,750           |
| Total Expenditures and Mandatory Transfers        | 1,303,226        | 347,818         | 1,651,044           | 1,509,362        |
| <b>Other Transfers and Additions (Deductions)</b> |                  |                 |                     |                  |
| Restricted Receipts in Excess of                  |                  |                 |                     |                  |
| Transfers to Revenues                             | 0                | 7,940           | 7,940               | 10,044           |
| Refunded to Grantors                              | 0                | (216)           | (216)               | (150)            |
| Nonmandatory                                      | (3,755)          | 896             | (2,859)             | (24,981)         |
| Operating Transfers from Primary Government       | 617,179          | 29,059          | 646,238             | 581,128          |
| Other Transfers and Additions, Net                | 613,424          | 37,679          | 651,103             | 566,041          |
| <b>Net Increase in Fund Balances</b>              | <b>\$ 16,177</b> | <b>\$ 9,909</b> | <b>\$ 26,086</b>    | <b>\$ 23,869</b> |

*This Page Intentionally Left Blank*

## Calf Roping Picture

## **NOTES TO THE FINANCIAL STATEMENTS**



## NOTES TO THE FINANCIAL STATEMENTS INDEX

|         |   |    |
|---------|---|----|
| Note 1. | Summary of Significant Accounting Policies.....     | 53 |
| A.      | Reporting Entity.....                               | 53 |
| B.      | Fund Accounting.....                                | 57 |
| 1.      | Governmental Fund Types .....                       | 57 |
| 2.      | Proprietary Fund Type .....                         | 58 |
| 3.      | Fiduciary Fund Types.....                           | 58 |
| 4.      | Account Groups .....                                | 58 |
| 5.      | Component Units .....                               | 58 |
| C.      | Basis of Accounting.....                            | 59 |
| D.      | Budgeting and Budgetary Control .....               | 60 |
| E.      | Cash and Cash Equivalents .....                     | 61 |
| F.      | Investments .....                                   | 61 |
| G.      | Receivables.....                                    | 61 |
| H.      | Inter/Intrafund Transactions.....                   | 62 |
| I.      | Inventories .....                                   | 62 |
| J.      | Fixed Assets.....                                   | 63 |
| K.      | Other Assets.....                                   | 63 |
| L.      | Deferred Revenue .....                              | 63 |
| M.      | Compensated Absences.....                           | 64 |
| N.      | Risk Management .....                               | 64 |
| O.      | Federal Grants.....                                 | 64 |
| P.      | Fund Balance Reserves and Designations.....         | 64 |
| Q.      | Deficit Fund Balance - Special Indemnity Fund ..... | 64 |
| R.      | Total (Memorandum Only).....                        | 65 |
| S.      | Comparative Data/Restatements .....                 | 65 |
| Note 2. | Budgetary Reporting .....                           | 65 |
| Note 3. | Deposits and Investments.....                       | 66 |
| Note 4. | Accounts Receivable.....                            | 69 |
| Note 5. | Interfund Accounts/Operating Transfers.....         | 69 |
| A.      | Due from Other Funds/Due to Other Funds .....       | 70 |
| B.      | Operating Transfers .....                           | 71 |
| Note 6. | Fixed Assets .....                                  | 71 |
| Note 7. | Risk Management and Insurance .....                 | 73 |
| A.      | Description of Plan .....                           | 74 |
| B.      | Unpaid Claims Liabilities .....                     | 75 |
| C.      | Reconciliation of Claims Liabilities.....           | 75 |
| D.      | Revenue and Claims Development Information .....    | 76 |
| Note 8. | Operating Lease Commitments .....                   | 76 |
| Note 9. | Lessor Agreements.....                              | 76 |

|  |    |
|--|----|
| Note 10. Long-Term Obligations - Primary Government, Governmental Funds .....  | 78 |
| A. General Obligation Bonds .....  | 78 |
| B. Revenue Bonds .....   | 78 |
| C. Note Payable .....  | 79 |
| D. Certificates of Participation .....   | 80 |
| E. Capital Leases .....  | 80 |
| F. Other Claims and Judgments .....  | 80 |
| G. Authorized Unissued Bonds .....   | 81 |
| Note 11. Long-Term Obligations - Primary Government, Proprietary Fund .....  | 81 |
| Note 12. Long-Term Obligations – Component Unit, Governmental Fund .....   | 81 |
| Note 13. Long-Term Obligations - Component Units, Proprietary Funds .....  | 82 |
| A. General Obligation Bonds .....  | 82 |
| B. Revenue Bonds .....   | 82 |
| C. Defeased Bonds .....  | 83 |
| D. Notes Payable .....   | 83 |
| E. Capital Leases .....  | 84 |
| Note 14. Long-Term Obligations - Component Unit, Higher Education Funds .....  | 84 |
| A. General Obligation Bonds .....  | 85 |
| B. Revenue Bonds .....   | 85 |
| C. Notes Payable .....   | 85 |
| D. Capital Leases .....  | 85 |
| Note 15. Deferred Compensation Plan .....  | 86 |
| Note 16. Beginning Fund Equity Adjustments and Other Changes .....   | 87 |
| Note 17. Oklahoma Development Finance Authority .....  | 87 |
| Note 18. Retirement and Pension Systems .....  | 88 |
| A. General Description of the Retirement Systems .....   | 88 |
| B. Funding Policy .....  | 89 |
| C. Annual Pension Cost and Net Pension Obligation .....  | 91 |
| D. Other Retirement Systems .....  | 92 |
| Note 19. Other Postemployment Benefits .....   | 92 |
| Note 20. On-Behalf Payments .....  | 93 |
| Note 21. Condensed Financial Statement Information for Discretely<br>Presented Proprietary Component Units and Enterprise Fund ..... | 94 |
| Note 22. Commitments .....   | 94 |
| Note 23. Litigation and Contingencies .....  | 96 |
| Note 24. Subsequent Events .....   | 97 |

# **NOTES TO THE FINANCIAL STATEMENTS**

## **FOR THE FISCAL YEAR ENDED JUNE 30, 1997**

### **Note 1.      Summary of Significant Accounting Policies**

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

The accompanying financial statements present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary and nonexpendable trust funds. The financial statements are presented as of June 30, 1997, and for the year then ended. The financial statements include the various agencies, boards, commissions, public trusts and authorities and any other organizational units governed by the Oklahoma State Legislature and/or Constitutional Officers of the State of Oklahoma.

#### **A.      Reporting Entity**

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

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

#### **Blended Component Units**

These component units are entities that are legally separate from the State, but are so intertwined with the State that they are, in substance, a part of the State. They are included in the fiduciary fund type.

The six Public Employee Retirement Systems (PERS) administer pension funds for the State and its political subdivisions. The six PERS are subject to state legislative and executive controls and the administrative expenses are subject to legislative budget controls. The Board of Trustees for each system is appointed pursuant to state statute. The six PERS were audited by independent auditors for the period ended June 30, 1997, and their reports, dated from August 29, 1997, to October 24, 1997, have been previously issued under separate covers.

#### **Discrete Component Units**

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

### **Governmental Component Unit**

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

**Special Indemnity Fund** provides additional compensation to a worker with a pre-existing injury who suffers a second injury. The State can impose its will on the Fund by its ability to remove management at will. The Fund was audited by other independent auditors for the period ended December 31, 1996, and their report, dated February 21, 1997, has been previously issued under separate cover.

### **Proprietary Component Units**

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

**Oklahoma Industrial Finance Authority** assists with the State's industrial development by making loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. These loans are secured by first or second mortgages on real estate and equipment. The Authority's loans are financed by issuance of general obligation bonds. The Board of Directors is comprised of seven members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1997, and their report, dated September 17, 1997, has been previously issued under separate cover.

**Health Insurance High Risk Pool (HIHRP)** provides health insurance to individuals who are unable to obtain coverage from independent insurers. HIHRP is financed by assessments levied on independent insurers. The Board consists of nine members appointed by the Insurance Commissioner. The State can impose its will on the Pool by its ability to modify the decisions of the Board.

**State Insurance Fund (SIF)** provides a source for workers' compensation insurance for all public and private employers within the State and operates similarly to an insurance company. SIF is financed through employer premiums. The Board of Managers is comprised of nine members: The Director of State Finance, the Lieutenant Governor, the State Auditor (or their designees), the Director of Central Services, and appointees by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The State can impose its will on the Fund by its ability to remove board members at will. The Fund was audited by other independent auditors for the year ended December 31, 1996, and their report, dated February 28, 1997, has been previously issued under separate cover.

**State and Education Employees Group Insurance Board** provides group health, life, dental, disability and other benefits to active employees and retirees of the State and certain other eligible participants. The Board is financed through employer and employee premiums. The Board consists of eight members: the State Insurance Commissioner, the Director of State Finance, and appointees by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. A financial benefit/burden relationship exists between the State and the Board. The Board was audited by other independent auditors for the year ended June 30, 1997, and their report, dated October 24, 1997, has been previously issued under separate cover.

**Oklahoma Student Loan Authority** provides loan funds to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations. The Authority is composed of five members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1997, and their report, dated September 15, 1997, has been previously issued under separate cover.

**University Hospitals Authority** consists of The University Hospital and Children's Hospital of Oklahoma, and their related clinics and other services. The Authority is affiliated with the University of Oklahoma Health Sciences Center whose medical school residents and staff provide patient care, in-service education, and certain administrative duties for the benefit of the Authority. The Authority is governed by a six-member board consisting of appointees of the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate, and officials from the state Medicaid Program, the University of Oklahoma Health Sciences Center and the Authority. A financial benefit/burden relationship exists between the State and the Authority. The Authority was audited by other independent auditors for the year ended June 30, 1997, and their report, dated November 5, 1997, has been previously issued under separate cover.

**Medical Technology and Research Authority** is authorized to promote and assist the development of medical technology and research benefiting the citizens of Oklahoma. The Authority obtains funds through parking revenue, lease revenue, and other services. The Authority is directed by an eight-member board. The two ex officio members include the President of the University of Oklahoma and the Chief Executive Officer of The University Hospitals, or their designees. Of the remaining members, two are appointed by the Governor and one is appointed by each of the following; Speaker of the House of Representatives, President Pro Tempore of the Senate, President of the University of Oklahoma and the Director of the Department of Human Services. The State can impose its will on the Authority by its ability to modify or approve the Authority's fee changes. The Authority was audited by the State Auditor and Inspector for the year ended June 30, 1997, and their report, dated September 26, 1997, has been previously issued under separate cover.

**Oklahoma Development Finance Authority** provides financing for both public and private entities in the State. The Authority obtains funds through the issuance of bonds and notes. Private entities qualifying for financing are generally agricultural, civic, educational, health care, industrial, or manufacturing enterprises. Financing is also provided to governmental agencies and instrumentalities of the State. The Governing Board is comprised of seven members, of which five are appointed by the Governor, with the advice and consent of the Senate, plus the Director of the Department of Commerce and the State Treasurer. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended June 30, 1997, and their report, dated September 5, 1997, has been previously issued under separate cover.

**Oklahoma Environmental Finance Authority** provides public and private entities financing for facilities necessary or useful to abate, control, and reduce air and water pollution. The Authority obtains funds through the issuance of bonds and notes. The three Trustees of the Authority are appointed by the Governor. The State can impose its will on the Authority by its ability to remove trustees at will. The Authority was audited by other independent auditors for the year ended June 30, 1997, and their report, dated September 11, 1997, has been previously issued under separate cover.

**Oklahoma Housing Finance Agency** is authorized to issue revenue bonds and notes in order to provide funds to promote the development of residential housing and other economic development for the benefit of the State. In addition, the Agency administers Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development. The Board of Trustees consists of five members appointed by the Governor. The State can impose its will on the Authority by its ability to veto or modify the Agency's decisions. The Agency was audited by other independent auditors for the year ended September 30, 1996, and their report, dated December 29, 1996, has been previously issued under separate cover.

**Oklahoma Turnpike Authority** constructs, maintains, repairs, and operates turnpike projects at locations authorized by the Legislature and approved by the State Department of Transportation. The Authority receives its revenues from turnpike tolls and a percentage of turnpike concession sales. The Authority issues revenue bonds to finance turnpike projects. The Authority consists of the Governor and six members appointed by the Governor, with the advise and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended December 31, 1996, and their report, dated March 25, 1997, has been previously issued under separate cover.

**Grand River Dam Authority** controls the waters of the Grand River system to develop and generate water power and electric energy, and to promote irrigation, conservation and development of natural resources. The Authority produces and distributes electrical power for sale to customers primarily located in northeastern Oklahoma. The customers consist of rural electric cooperatives, municipalities, industries and off-system sales. The Board of Directors consists of seven members appointed by the Governor, with the advice and consent of the Senate. The State can impose its will on the Authority by its ability to veto or modify the Authority's decisions. The Authority was audited by other independent auditors for the year ended December 31, 1996, and their report, dated March 14, 1997, 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, 1996, and their report, dated February 7, 1997, has been previously issued under separate cover.

### **Higher Education Component Unit**

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

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

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

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

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

**Rose State College Technical Area Education District, South Oklahoma City Area School District, and Tulsa Community College Area School District #18** were created to provide postsecondary vocational, technical, and adult education programs for persons within their defined geographical boundaries. The primary

source of operating funds is ad valorem taxes assessed against real property located in their districts. The Districts are component units of Rose State College, Oklahoma City Community College, and Tulsa Community College, respectively.

The entities included in the Higher Education Component Unit were audited by independent auditors, for the year ended June 30, 1997, and reports dated from August 1, 1997, to November 14, 1997, have been previously issued under separate cover. Because these entities are similar in nature and function, they have been combined and presented as a single component unit.

### **Related Organizations and Related Parties**

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

Oklahoma Education Television Authority Foundation, Inc. is a non-profit organization established to receive private donations and contributions that could be used for the benefit of the Oklahoma Education Television Authority (OETA), a part of the primary government. The Foundation does not meet the definition of a component unit but is considered a related party of OETA. During the fiscal year ended June 30, 1997, the foundation disbursed approximately \$4,000,000 for the benefit of OETA.

The colleges and universities included in the Higher Education Component Unit have various foundations organized for the purpose of receiving and administering gifts intended for the benefit of their respective college or university. These foundations do not meet the definition of a component unit but are considered a related party of the college or university. During the fiscal year ended June 30, 1997, these foundations expended, on-behalf of the State's colleges and universities, approximately \$43,500,000 for facilities and equipment, salary supplements, general educational assistance, faculty awards, and scholarships.

### **B. Fund Accounting**

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

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

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

#### **1. Governmental Fund Types**

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

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

## 2. Proprietary Fund Type

**Enterprise Fund** - This Fund accounts for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing goods or services to the general public, or where sound financial management dictates that periodic determinations of results of operations are appropriate. This Fund is comprised of Oklahoma Water Resources Board bond issues.

## 3. Fiduciary Fund Types

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

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

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

**Pension Trust Funds** - These Funds account for the transactions, assets, liabilities, and fund equity of the seven State retirement systems (six PERS and the Wildlife Conservation Retirement Plan).

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

## 4. Account Groups

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

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

## 5. Component Units

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

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

Special Revenue Fund – This fund is used to account for transactions in which the source of revenue is specific (other than expendable trust), the fund requires separate accounting because of the legal restriction, and the purpose of the expenditure is specific.

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

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

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



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

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

### Financial Statement Reporting Periods

The accompanying financial statements of the State are presented as of June 30, 1997, and for the year then ended, except for the following funds and entities which were audited by other independent auditors.

|                                    |          |
|------------------------------------|----------|
| Special Indemnity Fund             | 12-31-96 |
| State Insurance Fund               | 12-31-96 |
| Oklahoma Turnpike Authority        | 12-31-96 |
| Grand River Dam Authority          | 12-31-96 |
| Oklahoma Municipal Power Authority | 12-31-96 |
| Oklahoma Housing Finance Agency    | 9-30-96  |

### C. Basis of Accounting

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

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

All proprietary funds, nonexpendable trust funds, 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. Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The primary government enterprise fund has elected to not apply FASBs issued after the applicable date. Each proprietary component unit has individually made this election as disclosed in their separate audit reports.

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

All governmental funds, expendable trust and agency funds are maintained and reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues and related current assets are recognized when measurable and available to finance operations during the year or liquidate liabilities existing at the end of the year when such revenues are susceptible to accrual; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods and services. Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the State's present appropriation system. These revenues have been accrued in accordance with

Generally Accepted Accounting Principles since they have been earned and are expected to be collected within sixty days of the end of the period. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure when utilized. The amount of accumulated annual leave unpaid at June 30, 1997, has been reported in the general long-term debt account group (see Item M of this Note).
- Interest on general long-term obligations is recognized when paid.
- Executory purchase orders and contracts are recorded as a reservation of fund balance.

The accounts of the enterprise, nonexpendable trust, 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:

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

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

#### **D. Budgeting and Budgetary Control**

The State's annual budget is prepared on the cash basis utilizing encumbrance accounting. Encumbrances represent executed but unperformed purchase orders. In the accompanying financial statements, encumbrances are recorded as expenditures for budgetary purposes if expected to be presented for payment by November 15 following the end of the fiscal year and as reservations of fund balance for GAAP purposes. Since the budgetary basis differs from generally accepted accounting principles, budget and actual amounts in the accompanying Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual (Non-GAAP Budgetary Basis) are presented on the budgetary basis. A reconciliation of revenues in excess of (less than) expenditures and other financing sources (uses) on a budgetary basis at June 30, 1997, to revenues in excess of (less than) expenditures and other financing sources (uses) presented in conformity with generally accepted accounting principles is set forth in Note 2.

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

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

Current policy allows agencies to use unexpended moneys for one-time purchases or non-recurring expenditures in the next fiscal year. This policy provides an incentive for 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 appropriations, the Director 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. For fiscal year 1997, \$14,041,546 was approved by the Legislature for supplemental appropriation. All fiscal year 1997 appropriated line items were within their authorized spending level.

#### **E. Cash and Cash Equivalents**

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

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

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

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

#### **F. Investments**

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

Governmental fund type investments are generally stated at cost, which approximates market. Enterprise and nonexpendable trust funds' investments are generally recorded at cost, adjusted for premiums and discounts. Adjusted cost approximates market. Investments are recorded at fair value for pension trust funds. Agency fund investments, with the exception of the Deferred Compensation Plan, are generally stated at cost, which approximates market. However, investments in mutual funds are stated at their fair market value based on published prices. Deferred Compensation Plan assets are carried at market.

Proprietary component units' investments are recorded in accordance with their election under GASB 20 (see Item C). The Oklahoma Industrial Finance Authority, State Insurance Fund, Oklahoma State and Education Employees Group Insurance Board, Oklahoma Student Loan Authority, Oklahoma Development Finance Authority, and Grand River Dam Authority record investments at fair value. All other proprietary component units record investments at cost, adjusted for premiums and discounts, which approximates market.

Generally, the 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. The exception is the University of Oklahoma and the University of Oklahoma Health Sciences Center who both early implemented GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Statement 31 requires that investments be reported at fair value.

#### **G. Receivables**

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

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

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

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

## **H. Inter/Intrafund Transactions**

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

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

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

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

## **I. Inventories**

Inventories of materials and supplies are determined both by physical counts and through perpetual inventory systems. Generally, inventories are valued at cost and predominately on either the first-in first-out or weighted average basis. Inventories of federal surplus properties are valued at a percentage of federal acquisition cost. General fund inventories are recorded as expenditures when consumed rather than when purchased by recording adjustments to the inventory account on the balance sheet. The general fund inventories on hand at year-end are reflected as a reservation of fund balance on the balance sheet, except for \$73,952,000 in food stamps which is recorded as inventory and deferred revenue. Upon distribution, the food stamps are recognized as revenues and expenditures of the general fund.

The value of the inventory of food commodities in the agency fund is calculated by using a weighted average cost based on the U.S. Department of Agriculture commodity price list at the inventory receipt date. The value of the inventory of food stamps in the general fund is valued at coupon value. The food stamp inventory includes amounts at remote locations in the counties of the State. State statute provides that counties must participate in the food stamp program, have adequately qualified personnel, have suitable facilities for storing and issuing stamps, and provide bonding of personnel and insurance as required by the State. State statute also provides for the distribution of 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). Purchased and constructed general fixed assets are valued in the GFAAG at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation. The estimates of historical costs of buildings and other improvements were based on appraised value, as of August 4, 1994, indexed to the date of acquisition. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life are not capitalized. Significant general fixed assets which have a cost in excess of \$25,000 at the date of acquisition and have an expected useful life of five or more years are capitalized.

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

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

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

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

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

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

## K. Other Assets

Included in other assets (noncurrent for proprietary component units) are costs to be recovered from future revenues. Certain items included in the operating costs of **Grand River Dam Authority**, an unregulated enterprise, are recovered through rates set by the Board of Directors. Recognition of these costs, primarily depreciation on debt funded fixed assets, amortization of debt discount and expense, and amortization of losses on advance refunding of long-term debt, is deferred to the extent that such costs will be included in rates charged in future years. The **Oklahoma Municipal Power Authority** (OMPA) enters into power sales contracts with participating municipalities that provide for billings to those municipalities for output and services of the projects. Revenues from these contracts provide for payment of current

operating and maintenance expenses (excluding depreciation and amortization), as well as payment of scheduled debt principal and interest, and deposits into certain funds as prescribed in the bond resolutions. For financial reporting purposes, OMPA currently recognizes depreciation of assets financed by bond principal and amortization expense. The difference between current operating expenses and the amounts currently billed under the terms of the power sales contracts are deferred to future periods in which these amounts will be recovered through revenues.

## L. Deferred Revenue

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

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

#### **M.      Compensated Absences**

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

#### **N.      Risk Management**

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

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

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

#### **O.      Federal Grants**

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

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

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

#### **Q.      Deficit Fund Balance - Special Indemnity Fund**

The Special Indemnity Fund, a governmental component unit, has a deficit fund balance of \$21,306,000 at December 31, 1996. Management is not aware of any pending legislation to reduce this deficit.

**R. Total (Memorandum Only)**

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

**S. Comparative Data/Restatements**

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

**Note 2. Budgetary Reporting**

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

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

|  |                            |
|--|----------------------------|
| Education  | \$ 1,251,340               |
| General Government   | 5,078                      |
| Health Services  | 6,875                      |
| Legal and Judiciary  | 1,452                      |
| Natural Resources  | 849                        |
| Regulatory Services  | 75                         |
| Social Services  | 658,631                    |
| Transportation   | <u>205,315</u>             |
| Total Transfers to Continuing Funds  | 2,129,615                  |
| Total Expenditures per Combined Statement of<br>Revenues, Expenditures, and Changes in Fund<br>Balance - Budget to Actual (Non-GAAP Budgetary Basis) | <u>987,421</u>             |
| Total per Schedule of Expenditures and Intra-Agency<br>Transfers as Presented in the Required Supplementary Information                              | <u><u>\$ 3,117,036</u></u> |

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of resulting basis, perspective, and entity differences in the revenues in excess of (less than) expenditures and other financing sources (uses) between budgetary and GAAP presentations for the year ended June 30, 1997, is presented below (expressed in thousands) for the General Fund.

|  |                            |
|--|----------------------------|
| Budgetary Basis Fund Balance, June 30, 1996                                      | \$ 700,721                 |
| Excess of total sources over total uses of financial resources (Budgetary Basis) | <u>161,205</u>             |
| Budgetary Basis Fund Balance, June 30, 1997                                      | 861,926                    |
| Entity and Perspective Differences:  |                            |
| Non-budgeted Funds and Capital Funds   | 752,576                    |
| Encumbrances   | 51,011                     |
| Basis Differences:   |                            |
| Add: Net accrued revenues, related receivables, and deferred revenues            | 304,572                    |
| Less: Net accrued expenditures and related liabilities                           | <u>(321,179)</u>           |
| GAAP Basis Fund Balance, June 30, 1997   | <u><u>\$ 1,648,906</u></u> |

### Note 3. Deposits and Investments

The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the State in each such institution. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. In accordance with the Office of State Treasurer's policies, the amount of collateral securities to be pledged by financial institutions through the 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 respective policies.

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

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

#### Deposits

As of June 30, 1997, the State and its discretely presented component units' bank balances of deposits are fully insured or collateralized with securities held by an agent of the State or its discretely presented component units in their respective names. In addition to these deposits, the State has approximately \$593,000,000 on deposit with the U.S. Government. These funds represent unemployment insurance taxes collected from Oklahoma employers which are held by the U.S. Treasury.

#### Investments

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

Investments at June 30, 1997, by investment type, are listed below (expressed in thousands).



| Primary Government  | Carrying Amount Risk Categories |             |                   |                      | Market               |
|---|---------------------------------|-------------|-------------------|----------------------|----------------------|
|   | 1                               | 2           | 3                 | Total                | Value                |
| U.S. Government Securities                                | \$ 1,985,479                    | \$ -        | \$ -              | \$ 1,985,479         | \$ 1,978,621         |
| Repurchase Agreements                                     | 981,843                         | -           | 16,882            | 998,725              | 998,725              |
| Short Term Securities                                     | 210,763                         | -           | -                 | 210,763              | 210,763              |
| State Bond Issues   | 20,069                          | -           | -                 | 20,069               | 20,069               |
| Debt Securities   | 1,303,666                       | -           | -                 | 1,303,666            | 1,303,666            |
| Equity Securities   | 5,551,647                       | -           | -                 | 5,551,647            | 5,613,173            |
| Investments Held Under Securities Loans                   |                                 |             |                   |                      |                      |
| for Non-Cash Collateral:                                  |                                 |             |                   |                      |                      |
| U.S. Government Securities                                | 384,266                         | -           | 269,129           | 653,395              | 658,547              |
| Debt Securities   | -                               | -           | 16,354            | 16,354               | 16,354               |
| Equity Securities   | -                               | -           | 166,290           | 166,290              | 166,290              |
|   | <u>\$ 10,437,733</u>            | <u>\$ -</u> | <u>\$ 468,655</u> | <u>\$ 10,906,388</u> | <u>\$ 10,966,208</u> |
| Investments Not Subject to Categorization:                |                                 |             |                   |                      |                      |
| Guaranteed Investment Contracts                           |                                 |             |                   | 28,500               | 28,500               |
| Real Estate   |                                 |             |                   | 46,039               | 46,039               |
| Mutual Funds  |                                 |             |                   | 1,390,256            | 1,390,256            |
| Money Market Mutual Funds                                 |                                 |             |                   | 101,744              | 101,744              |
| Short Term Investments                                    |                                 |             |                   | 63,303               | 63,303               |
| Investments Held Under Securities Loans                   |                                 |             |                   |                      |                      |
| for Cash Collateral:                                      |                                 |             |                   |                      |                      |
| U.S. Government Securities                                |                                 |             |                   | 650,011              | 650,011              |
| Debt Securities   |                                 |             |                   | 46,141               | 46,141               |
| Equity Securities   |                                 |             |                   | 368,558              | 368,558              |
| Short Term Investments                                    |                                 |             |                   | 9,345                | 9,345                |
| Securities Lending Collateral-Short Term Investment Pools |                                 |             |                   | 1,109,418            | 1,109,418            |
| Less: Component Units' Investment in                      |                                 |             |                   |                      |                      |
| State Treasurer's Cash Management Program*                |                                 |             |                   | (187,417)            | (187,417)            |
| Total Investments   |                                 |             |                   | <u>\$ 14,532,286</u> | <u>\$ 14,592,106</u> |

\* Includes presentation and timing differences of \$31,722 attributable to proprietary component units.

| <del>Component Units-Proprietary</del>                    | Carrying Amount Risk Categories |                   |                  |                     | Market              |
|---|---------------------------------|-------------------|------------------|---------------------|---------------------|
|   | 1                               | 2                 | 3                | Total               | Value               |
| U.S. Government Securities                                | \$ 361,898                      | \$ 184,274        | \$ 11,501        | \$ 557,673          | \$ 556,868          |
| Repurchase Agreements                                     | 5,055                           | -                 | -                | 5,055               | 5,055               |
| Short Term Securities                                     | 8,218                           | -                 | -                | 8,218               | 8,218               |
| State Bond Issues   | 9,999                           | -                 | -                | 9,999               | 9,999               |
| Debt Securities   | 192,682                         | -                 | 3,214            | 195,896             | 195,904             |
| Equity Securities   | 207,339                         | -                 | -                | 207,339             | 207,339             |
| Investments Held Under Securities Loans                   |                                 |                   |                  |                     |                     |
| for Non-Cash Collateral:                                  |                                 |                   |                  |                     |                     |
| U.S. Government Securities                                | 948                             | -                 | 740              | 1,688               | 1,688               |
|   | <u>\$ 786,139</u>               | <u>\$ 184,274</u> | <u>\$ 15,455</u> | <u>\$ 985,868</u>   | <u>\$ 985,071</u>   |
| Investments Not Subject to Categorization:                |                                 |                   |                  |                     |                     |
| Guaranteed Investment Contracts                           |                                 |                   |                  | 210,209             | 210,209             |
| Negotiable Certificates of Deposit                        |                                 |                   |                  | 436                 | 436                 |
| Real Estate   |                                 |                   |                  | 2,135               | 190                 |
| Mutual Funds  |                                 |                   |                  | 60,629              | 60,629              |
| Money Market Mutual Funds                                 |                                 |                   |                  | 3,083               | 3,083               |
| Other Pooled Funds  |                                 |                   |                  | 16,318              | 16,318              |
| Investment in State Treasurer's Cash Management Program   |                                 |                   |                  | 15,174              | 15,174              |
| Investments Held Under Securities Loans                   |                                 |                   |                  |                     |                     |
| for Cash Collateral:                                      |                                 |                   |                  |                     |                     |
| U.S. Government Securities                                |                                 |                   |                  | 233,588             | 233,588             |
| Debt Securities   |                                 |                   |                  | 9,053               | 9,053               |
| Equity Securities   |                                 |                   |                  | 726                 | 726                 |
| Securities Lending Collateral-Short Term Investment Pools |                                 |                   |                  | 247,988             | 247,988             |
| Total Investments   |                                 |                   |                  | <u>\$ 1,785,207</u> | <u>\$ 1,782,465</u> |

| <del>Component Unit-Higher Education</del>              | Carrying Amount Risk Categories |                 |             | Market            |                   |
|---|---------------------------------|-----------------|-------------|-------------------|-------------------|
|   | 1                               | 2               | 3           | Total             | Value             |
| U.S. Government Securities                              | \$ 81,726                       | \$ 9,988        | \$ -        | \$ 91,714         | \$ 91,432         |
| State Bond Issues                                       | 5,700                           | -               | -           | 5,700             | 5,700             |
|   | <u>\$ 87,426</u>                | <u>\$ 9,988</u> | <u>\$ -</u> | <u>\$ 97,414</u>  | <u>\$ 97,132</u>  |
| Investments Not Subject to Categorization:              |                                 |                 |             |                   |                   |
| Real Estate   |                                 |                 |             | 347               | 347               |
| Mutual Funds  |                                 |                 |             | 97,195            | 129,652           |
| Money Market Mutual Funds                               |                                 |                 |             | 1,742             | 1,742             |
| Other Pooled Funds                                      |                                 |                 |             | 34,996            | 34,996            |
| Investment in State Treasurer's Cash Management Program |                                 |                 |             | 140,521           | 140,521           |
| Total Investments                                       |                                 |                 |             | <u>\$ 372,215</u> | <u>\$ 404,390</u> |

The governmental component unit, Special Indemnity Fund, did not hold any investments at June 30, 1997.

The following table reconciles the details included within this footnote to the Combined Balance Sheet at June 30, 1997 (expressed in thousands).

|   | Primary Government   | Component Units     |                   |
|---|----------------------|---------------------|-------------------|
|   |                      | Proprietary         | Higher Education  |
| Investments per Combined Balance Sheet:   |                      |                     |                   |
| Investments   | \$ 11,631,377        | \$ 1,564,242        | \$ 294,698        |
| Securities Lending Investments  | 1,109,418            | 247,988             | -                 |
| Total Investments   | 12,740,795           | 1,812,230           | 294,698           |
| Non-negotiable CDs classified as investments  | -                    | (27,109)            | (65,626)          |
| Pooled cash investments classified as cash equivalents                              | 1,791,491            | -                   | -                 |
| Short term investments classified as cash equivalents                               | -                    | 86                  | 2,622             |
| Investment in State Treasurer Cash Management Program classified as cash equivalent | -                    | -                   | 140,521           |
| Total Investments   | <u>\$ 14,532,286</u> | <u>\$ 1,785,207</u> | <u>\$ 372,215</u> |

### Securities Lending Transactions – Primary Government

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

During the fiscal year ended June 30, 1997, securities lending agents lent primarily U.S. Government securities, equity securities and debt securities. Cash, U.S. Government securities and letters of credit were provided as collateral for the securities lent. Generally, collateral must be provided in the amount of 102% of the fair value of the securities loaned. However, in certain instances collateral must be provided in the amount of 105% when the principal trading market for the loaned securities is outside the United States. At June 30, 1997, the carrying amount and market value of securities on loan was approximately \$1,910,094,000 and \$1,915,246,000, respectively. The underlying collateral for these securities had a market value of approximately \$1,985,660,000. Collateral of securities and letters of credit represented approximately \$876,242,000 of total collateral. Because these securities and letters of credit cannot be sold or pledged unless the borrower defaults, the collateral and related liability are not presented on the balance sheet. The remaining collateral represents cash collateral that is invested in short-term investments pools and is included as an asset on the balance sheet with an offsetting liability for the return of the collateral.

At June 30, 1997, there was no credit risk exposure to borrowers. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, resulting from the default of a borrower or the lending agent. Investment policies do not require the maturities of investments made with cash collateral to match the maturities of securities lent; however, investment policies may establish minimum levels of liquidity to minimize the interest rate risk associated with not matching the maturity of the investments with the loans.

### Securities Lending Transactions – Proprietary Component Units

The State Insurance Fund (SIF) and the Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) participate in securities lending transactions as provided by their respective investment policies. In a securities lending transaction, securities are loaned to approved brokers through a securities lending agreement with a simultaneous agreement to return collateral for the same security in the future. There are no restrictions regarding the amount of securities which may be lent.

During their respective fiscal year ends securities lending agents lent primarily U.S. Government securities, equity securities and debt securities. Cash and U.S. Government securities were provided as collateral for the securities lent. Collateral must be provided in the amount of 100% (OSEEGIB) or 102% (SIF) of the fair value of the securities loaned. At their respective year ends, the carrying amount and market value of securities on loan was approximately \$245,055,000. The underlying collateral for these securities had a market value of approximately \$249,720,000. Collateral of securities represented approximately \$1,732,000 of total collateral. Because these securities cannot be sold or pledged unless the borrower defaults, the collateral and related liability are not presented on the balance sheet. The remaining collateral represents cash collateral that is invested in short-term investments pools and is included as an asset on the balance sheet with an offsetting liability for the return of the collateral.

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

## Note 4. Accounts Receivable

Receivables as of June 30, 1997, including the applicable allowances for uncollectible accounts, are as follows (expressed in thousands).

| Receivables:            | Component Units   |                  |                   |                   |                   |                   | Total               |
|-------------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|                         | General           | Capital Projects | Enterprise        | Trust and Agency  | Proprietary       | Higher Education  |                     |
| Accounts                | \$ 39,973         | \$ -             | \$ -              | \$ 2,787          | \$ 117,764        | \$ 134,577        | \$ 295,101          |
| Interest                | 21,221            | 154              | 3,414             | 62,113            | 20,345            | 2,709             | 109,956             |
| Contributions           | -                 | -                | -                 | 29,223            | -                 | -                 | 29,223              |
| Federal                 | 271,392           | 452              | -                 | 213               | 1,008             | 1,415             | 274,480             |
| Taxes                   | 122,640           | -                | -                 | 3,507             | -                 | -                 | 126,147             |
| Lease Payments          | 40,940            | -                | -                 | -                 | 39,689            | -                 | 80,629              |
| Other                   | 94                | -                | -                 | 11,659            | 218               | -                 | 11,971              |
| Notes and Loans         | -                 | -                | 163,174           | -                 | 651,729           | 55,132            | 870,035             |
| Gross Receivables       | 496,260           | 606              | 166,588           | 109,502           | 830,753           | 193,833           | 1,797,542           |
| Less Uncollectibles:    |                   |                  |                   |                   |                   |                   |                     |
| Accounts Receivable     | 16,498            | -                | -                 | -                 | 14,323            | 39,274            | 70,095              |
| Notes, Loans, and Other | -                 | -                | -                 | 268               | 2,663             | 12,620            | 15,551              |
| Net Total Receivables   | <u>\$ 479,762</u> | <u>\$ 606</u>    | <u>\$ 166,588</u> | <u>\$ 109,234</u> | <u>\$ 813,767</u> | <u>\$ 141,939</u> | <u>\$ 1,711,896</u> |

## Note 5. Interfund Accounts/Operating Transfers

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

A summary of interfund obligations at June 30, 1997, is shown below (expressed in thousands).

|   | Due From         |                  | Due To           |                 |
|---|------------------|------------------|------------------|-----------------|
|   | Other Funds      | Component Units  | Other Funds      | Component Units |
| <b>Primary Government</b>                         |                  |                  |                  |                 |
| General Fund                                      | \$ 3             | \$ 43,526        | \$ 13,375        | \$ 9,434        |
| Nonexpendable Trust:                              |                  |                  |                  |                 |
| Department of Wildlife                            | 46               | -                | -                | -               |
| Pension Trusts:                                   |                  |                  |                  |                 |
| Firefighters Pension and Retirement System        | 813              | -                | -                | -               |
| Oklahoma Law Enforcement Retirement System        | 1,207            | -                | -                | -               |
| Oklahoma Public Employees Retirement System       | 113              | 250              | -                | -               |
| Uniform Retirement System for Justices and Judges | 105              | -                | -                | -               |
| Oklahoma Police Pension and Retirement System     | 335              | -                | -                | -               |
| Teachers' Retirement System of Oklahoma           | 10,269           | 92               | -                | -               |
| Wildlife Conservation Retirement Plan             | 27               | -                | -                | -               |
| Agency Funds:                                     |                  |                  |                  |                 |
| Assets Held for Beneficiaries                     | -                | -                | 3                | -               |
| Other   | 459              | 429              | -                | 14              |
| Total Primary Government                          | <u>\$ 13,377</u> | <u>\$ 44,297</u> | <u>\$ 13,378</u> | <u>\$ 9,448</u> |

|  | Due From           |                  |                       | Due To             |                  |                       |
|--|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|
|  | Primary Government | Other Funds      | Other Component Units | Primary Government | Other Funds      | Other Component Units |
| <b>Component Units</b>                       |                    |                  |                       |                    |                  |                       |
| Governmental Fund:                           |                    |                  |                       |                    |                  |                       |
| Special Indemnity Fund                       | \$ 929             | \$ -             | \$ -                  | \$ -               | \$ -             | \$ 63                 |
| Proprietary Funds:                           |                    |                  |                       |                    |                  |                       |
| Oklahoma Industrial Finance Authority        | -                  | -                | -                     | -                  | -                | 17                    |
| State Insurance Fund                         | 1,429              | -                | 1,075                 | 45                 | -                | 127                   |
| State & Education Emp. Group Insurance Board | 14                 | -                | -                     | 28                 | -                | 9                     |
| Student Loan Authority                       | -                  | -                | -                     | 12                 | -                | -                     |
| University Hospitals Authority               | 138                | -                | 559                   | 401                | -                | 846                   |
| Medical Technology and Research Authority    | 2                  | -                | 168                   | 11                 | -                | 34                    |
| Oklahoma Development Finance Authority       | 14                 | -                | 35                    | -                  | -                | -                     |
| Oklahoma Housing Finance Agency              | -                  | -                | -                     | -                  | -                | -                     |
| Oklahoma Turnpike Authority                  | -                  | -                | -                     | 43,085             | -                | 48                    |
| Grand River Dam Authority                    | 52                 | -                | 499                   | 422                | -                | 65                    |
| Oklahoma Municipal Power Authority           | -                  | -                | -                     | 20                 | -                | 499                   |
| Higher Education Funds:                      |                    |                  |                       |                    |                  |                       |
| Current, Unrestricted                        | 5,869              | 55,778           | 4,597                 | 272                | 34,715           | 3,229                 |
| Current, Restricted                          | -                  | 4,369            | -                     | -                  | 23,090           | -                     |
| Loan   | -                  | 3,122            | -                     | -                  | 1                | -                     |
| Endowment                                    | -                  | 1,440            | -                     | -                  | 17,981           | -                     |
| Plant  | -                  | 455              | -                     | -                  | 2,309            | -                     |
| Agency                                       | -                  | 11,948           | -                     | -                  | 176              | -                     |
| Total Component Units                        | <u>\$ 8,447</u>    | <u>\$ 77,112</u> | <u>\$ 6,933</u>       | <u>\$ 44,296</u>   | <u>\$ 78,272</u> | <u>\$ 4,937</u>       |

The amount of total interfund receivables of \$150,166,000 does not agree with total interfund payables of \$150,331,000 at June 30, 1997. This is due to timing differences between agencies with differing fiscal year ends.

## B. Operating Transfers

A summary of interfund operating transfers for the fiscal year ended June 30, 1997, follows (expressed in thousands).

| Operating Transfers              |                 |                      |                 |                    |
|----------------------------------|-----------------|----------------------|-----------------|--------------------|
| Primary Government               | In              | From Component Units | Out             | To Component Units |
| General Fund                     | \$ 7,999        | \$ 60,872            | \$ -            | \$ 740,829         |
| Capital Projects                 | -               | 3,665                | -               | 70,497             |
| Proprietary Funds:               |                 |                      |                 |                    |
| Oklahoma Water Resources Board   | -               | -                    | 978             | -                  |
| Nonexpendable Trust:             |                 |                      |                 |                    |
| Commissioners of the Land Office | -               | -                    | 3,952           | 12,952             |
| Department of Wildlife           | -               | -                    | 3,069           | -                  |
| Total Primary Government         | <u>\$ 7,999</u> | <u>\$ 64,537</u>     | <u>\$ 7,999</u> | <u>\$ 824,278</u>  |

| Operating Transfers                          |             |                         |             |                       |
|--|-------------|-------------------------|-------------|-----------------------|
| Component Units                              | In          | From Primary Government | Out         | To Primary Government |
| Governmental Fund:                           |             |                         |             |                       |
| Special Indemnity Fund                       | \$ -        | \$ 19,807               | \$ -        | \$ -                  |
| Proprietary Funds:                           |             |                         |             |                       |
| State & Education Emp. Group Insurance Board | -           | -                       | -           | 31,500                |
| Oklahoma Turnpike Authority                  | -           | 28,803                  | -           | 28,803                |
| University Hospitals Authority               | -           | 29,360                  | -           | -                     |
| Higher Education Funds:                      |             |                         |             |                       |
| Current, Unrestricted                        | -           | 617,179                 | -           | -                     |
| Current, Restricted                          | -           | 29,059                  | -           | -                     |
| Loan   | -           | 38                      | -           | -                     |
| Endowment                                    | -           | 7,200                   | -           | -                     |
| Plant  | -           | 55,807                  | -           | -                     |
| Total Component Units                        | <u>\$ -</u> | <u>\$ 787,253</u>       | <u>\$ -</u> | <u>\$ 60,303</u>      |

The amount of total Operating Transfers In of \$859,789,000 does not agree with total Operating Transfers Out of \$892,580,000 for the fiscal year ended June 30, 1997. The following presents a reconciliation of operating transfers reported in the financial statements (expressed in thousands).

|   |                   |
|---|-------------------|
| Operating Transfers In                                    | \$ 7,999          |
| Operating Transfers In - From Component Units             | 64,537            |
| Operating Transfers In - From Primary Government          | <u>787,253</u>    |
| Total Operating Transfers In Per Financial Statements     | 859,789           |
| Financial Statement Account Presentation Differences:     |                   |
| Higher Education Component Units                          | 35,805            |
| Proprietary Component Units                               | 26                |
| Timing Differences, Fiscal Year Ending December 31, 1996: |                   |
| Governmental Component Unit                               | 511               |
| Proprietary Component Units                               | <u>684</u>        |
| Total Operating Transfers In                              | <u>\$ 896,815</u> |
| Operating Transfers Out                                   | \$ 7,999          |
| Operating Transfers Out - To Component Units              | 824,278           |
| Operating Transfers Out - To Primary Government           | <u>60,303</u>     |
| Total Operating Transfers Out Per Financial Statements    | 892,580           |
| Financial Statement Account Presentation Differences:     |                   |
| Higher Education Component Units                          | 3,704             |
| Proprietary Component Units                               | 22                |
| Timing Differences, Fiscal Year Ending December 31, 1996: |                   |
| Proprietary Component Units                               | <u>509</u>        |
| Total Operating Transfers Out                             | <u>\$ 896,815</u> |

## Note 6. Fixed Assets

Fixed Assets by category, as of June 30, 1997 (December 31, 1996, or September 30, 1996, for those entities/funds identified in Item B of Note 1) are summarized as follows (expressed in thousands).

|                                  | Primary Government |                         | Component Units     |                     |                     |
|----------------------------------|--------------------|-------------------------|---------------------|---------------------|---------------------|
|                                  | Pension<br>Trusts  | General<br>Fixed Assets | Proprietary         | Higher<br>Education | Total               |
| Land                             | \$ 188             | \$ 52,953               | \$ 1,010,385        | \$ 130,244          | \$ 1,193,770        |
| Buildings and Other Improvements | -                  | 589,850                 | 1,296,304           | 1,185,859           | 3,072,013           |
| Machinery and Equipment          | 2,246              | 222,239                 | 154,857             | 668,533             | 1,047,875           |
| Construction in Progress         | -                  | 49,791                  | 12,397              | 235,725             | 297,913             |
| Total                            | 2,434              | 914,833                 | 2,473,943           | 2,220,361           | 5,611,571           |
| Less: Accumulated Depreciation   | 792                | -                       | 1,099,766           | 349,369             | 1,449,927           |
| Total                            | <u>\$ 1,642</u>    | <u>\$ 914,833</u>       | <u>\$ 1,374,177</u> | <u>\$ 1,870,992</u> | <u>\$ 4,161,644</u> |

Changes in general fixed assets for the year ended June 30, 1997, were as follows (expressed in thousands).

|                                  | Balance<br>July 1, 1996 | Additions        | Deletions/<br>Net Transfers | Balance<br>June 30, 1997 |
|----------------------------------|-------------------------|------------------|-----------------------------|--------------------------|
| Land                             | \$ 51,641               | \$ 1,312         | \$ 0                        | \$ 52,953                |
| Buildings and Other Improvements | 557,657                 | 32,287           | 94                          | 589,850                  |
| Machinery and Equipment          | 211,263                 | 22,124           | 11,148                      | 222,239                  |
| Construction in Progress         | 47,328                  | 17,560           | 15,097                      | 49,791                   |
| Total                            | <u>\$ 867,889</u>       | <u>\$ 73,283</u> | <u>\$ 26,339</u>            | <u>\$ 914,833</u>        |

Schedule of General Fixed Assets by Function for fiscal year ended June 30, 1997 (expressed in thousands).

|                           | Land             | Buildings<br>and Other<br>Improvements | Machinery<br>and<br>Equipment | Construction<br>in Progress | Total             |
|---------------------------|------------------|--|-------------------------------|-----------------------------|-------------------|
| Function                  |                  |  |                               |                             |                   |
| Education                 | \$ 148           | \$ 5,445                               | \$ 26,225                     | \$ 4,394                    | \$ 36,212         |
| General Government        | 1,819            | 100,273                                | 52,440                        | 2,293                       | 156,825           |
| Health Services           | 592              | 69,826                                 | 11,782                        | 2,186                       | 84,386            |
| Legal and Judiciary       | -                | -                                      | 2,981                         | -                           | 2,981             |
| Museums                   | 1,460            | 5,792                                  | 310                           | 464                         | 8,026             |
| Natural Resources         | 39,131           | 30,581                                 | 18,407                        | 2,820                       | 90,939            |
| Public Safety and Defense | 7,527            | 260,683                                | 27,466                        | 10,050                      | 305,726           |
| Regulatory Services       | -                | 41                                     | 2,834                         | -                           | 2,875             |
| Social Services           | 745              | 101,113                                | 13,901                        | 27,561                      | 143,320           |
| Transportation            | 1,531            | 16,096                                 | 65,893                        | 23                          | 83,543            |
| Total                     | <u>\$ 52,953</u> | <u>\$ 589,850</u>                      | <u>\$ 222,239</u>             | <u>\$ 49,791</u>            | <u>\$ 914,833</u> |

Schedule of changes in General Fixed Assets by Function for fiscal year ended June 30, 1997 (expressed in thousands).

|                           | Balance<br>July 1, 1996 | Additions        | Deletions/<br>Net Transfers | Balance<br>June 30, 1997 |
|---------------------------|-------------------------|------------------|-----------------------------|--------------------------|
| Function                  |                         |                  |                             |                          |
| Education                 | \$ 33,334               | \$ 5,310         | \$ 2,432                    | \$ 36,212                |
| General Government        | 151,245                 | 7,889            | 2,309                       | 156,825                  |
| Health Services           | 81,748                  | 3,314            | 676                         | 84,386                   |
| Legal and Judiciary       | 2,862                   | 119              | -                           | 2,981                    |
| Museums                   | 7,665                   | 361              | -                           | 8,026                    |
| Natural Resources         | 83,998                  | 13,565           | 6,624                       | 90,939                   |
| Public Safety and Defense | 288,440                 | 26,259           | 8,973                       | 305,726                  |
| Regulatory Services       | 2,082                   | 794              | 1                           | 2,875                    |
| Social Services           | 137,809                 | 7,234            | 1,723                       | 143,320                  |
| Transportation            | 78,706                  | 8,438            | 3,601                       | 83,543                   |
| Total                     | <u>\$ 867,889</u>       | <u>\$ 73,283</u> | <u>\$ 26,339</u>            | <u>\$ 914,833</u>        |

## **Note 7. Risk Management and Insurance**

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

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

The SIF administers claim payments and provides excess-of-loss reinsurance to certain governmental entities that are self-insured. The premiums and fees received in connection with these transactions are included in sales revenue and were approximately \$4,978,000 in 1996. The incurred claims in excess of the self-insured entities' respective retention limits were approximately \$3,893,000 in 1996. The liability for claims in excess of the self-insured entities' respective retention limits included in unpaid losses and loss adjustment expenses was approximately \$32,680,000 at December 31, 1996.

The SIF limits the maximum net loss that can arise from risks by entering into reinsurance agreements to assign risk to other insurers on a catastrophe basis. Premiums paid for this reinsurance were approximately \$126,000 in 1996. No losses have been ceded under these agreements. Reinsurance receivables with a single reinsurer of \$1,097,000 at December 31, 1996, have been recorded in anticipation of estimated amounts to be recovered from reinsurers in future years for losses ceded pursuant to certain prior year reinsurance agreements. These agreements do not relieve SIF from its obligation to policyholders. Failure of reinsurers to honor their obligations could result in losses to SIF. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations.

Coverage for second injury workers' compensation is provided by a discretely presented governmental component unit. The Special Indemnity Fund (SPIF) was created to encourage the hiring of individuals with a pre-existing disability and to protect those employers from liability for the pre-existing disability. SPIF records a liability for outstanding court awards only as those amounts are awarded by the Workers' Compensation Court for both permanent partial and permanent total disability awards. There is no provision for incurred but not reported claims or claims pending Court determination. Claims and Judgments which were due and owing at December 31, 1996, have been charged to operations for the year ended December 31, 1996. At year end, the SPIF loss liability exceeded expendable available financial resources; however, because these are adjudicated claims, the full amount of adjudicated claims is presented as a current liability in the component unit column. In addition to awards currently due and owing, SPIF has a noncurrent liability for court awarded future payments payable after December 31, in the amount of \$143,357,000 as reported in the General Long-Term Debt Account Group of the discretely presented component unit's separately issued financial statements.

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

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

The General Fund self-insurance loss liability for the Risk Management Division of the Department of Central Services represents an estimate of amounts to be paid from currently expendable available financial resources. The remaining \$1,309,000 of the liability is reported in the General Long-Term Debt Account Group.

The following table presents the changes in claims liability balances (both current and noncurrent) during the current fiscal year ended June 30, 1997 (December 31, 1996, for Special Indemnity Fund and State Insurance Fund) and the prior fiscal year, (expressed in thousands).

|  | Beginning<br>Balance | Plus: Current<br>Year Claims<br>and Changes<br>in Estimates | Less:<br>Claim<br>Payments | Ending<br>Balance | Noncurrent<br>Liability | Current<br>Liability |
|--|----------------------|---|----------------------------|-------------------|-------------------------|----------------------|
| <b>Current Fiscal Year</b>                             |                      |   |                            |                   |                         |                      |
| General Fund *-<br>Risk Management Division            | \$ 7,575             | \$ 3,008  | \$ (3,616)                 | \$ 6,967          | \$ 1,309                | \$ 5,658             |
| Governmental Component Unit:<br>Special Indemnity Fund | \$ 146,091           | \$ 36,559   | \$ (19,672)                | \$ 162,978        | \$ 143,357              | \$ 19,621            |
| Proprietary Component Units:<br>State Insurance Fund   | \$ 653,739           | \$ 154,915  | \$ (216,670)               | \$ 591,984        | \$ -                    | \$ 591,984           |
| State and Education Employees<br>Group Insurance Board | 61,605               | 297,500   | (263,500)                  | 95,605            | -                       | 95,605               |
| Total Proprietary Component Units                      | \$ 715,344           | \$ 452,415  | \$ (480,170)               | \$ 687,589        | \$ -                    | \$ 687,589           |

\* As discussed in Note 23. Litigation and Contingencies, general fund claims and judgments includes \$8,400,000 accrued for the payment of litigation losses.

|  | Beginning<br>Balance | Plus: Current<br>Year Claims<br>and Changes<br>in Estimates | Less:<br>Claim<br>Payments | Ending<br>Balance | Noncurrent<br>Liability | Current<br>Liability |
|--|----------------------|---|----------------------------|-------------------|-------------------------|----------------------|
| <b>Prior Fiscal Year</b>                               |                      |   |                            |                   |                         |                      |
| General Fund -<br>Risk Management Division             | \$ 6,864             | \$ 4,003  | \$ (3,292)                 | \$ 7,575          | \$ 2,897                | \$ 4,678             |
| Governmental Component Unit:<br>Special Indemnity Fund | \$ 116,283           | \$ 52,369   | \$ (22,561)                | \$ 146,091        | \$ 127,576              | \$ 18,515            |
| Proprietary Component Units:<br>State Insurance Fund   | \$ 633,350           | \$ 264,325  | \$ (243,936)               | \$ 653,739        | \$ -                    | \$ 653,739           |
| State and Education Employees<br>Group Insurance Board | 52,019               | 247,353   | (237,767)                  | 61,605            | -                       | 61,605               |
| Total Proprietary Component Units                      | \$ 685,369           | \$ 511,678  | \$ (481,703)               | \$ 715,344        | \$ -                    | \$ 715,344           |

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

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

##### A. Description of Plan

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

The coverages are funded by monthly premiums paid by individuals, the State, local governments, educational employers, and retirement systems. A participant may extend coverage to dependents for an additional monthly premium based on



the coverage requested. Of the 146,000 primary participants and dependents, approximately 18,000 primary participants and 15,000 dependents were covered by HMOs. These counts relate to health coverage only.

All state agencies are required to participate in the Plan. Eligible local governments may elect to participate in the Plan (246 local governments actually participate). Education entities may participate if a minimum of 50% of their eligible employees elect to join the Plan. Any education entity or local government which elects to withdraw from the Plan may do so with 30 days written notice.

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

|                           | State<br>Employee | Local<br>Government<br>Employee | Education<br>Employee | Teachers'<br>Retirement<br>System | Other<br>Retirement<br>Systems | 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                   | 21,000            | 6,000                           | 29,000                | ----- 35,000 -----                |                                |           |       |
| Dependents                |                   |                                 |                       | ----- 55,000 -----                |                                |           |       |

## B. Unpaid Claims Liabilities

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

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

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

## C. Reconciliation of Claims Liabilities

The following schedule 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       |                  |
|---|-------------------|------------------|-----------------|-----------------|------------------|------------------|
|   | 1997              | 1996             | 1997            | 1996            | 1997             | 1996             |
| Reserves at beginning of year                           | \$ 32,594         | \$ 29,560        | \$ 1,335        | \$ 907          | \$ 14,031        | \$ 19,516        |
| Included claims:  |                   |                  |                 |                 |                  |                  |
| Provision for insured events of current year            | 265,664           | 234,044          | 8,794           | 9,441           | 3,750            | 6,415            |
| Changes in provisions for insured events of prior years | (2,573)           | (5,453)          | (236)           | (223)           | (3,084)          | (8,480)          |
|   | <u>263,091</u>    | <u>228,591</u>   | <u>8,558</u>    | <u>9,218</u>    | <u>666</u>       | <u>(2,065)</u>   |
| Payments:   |                   |                  |                 |                 |                  |                  |
| Claims attributable to insured events of current year   | 222,344           | 201,715          | 7,525           | 8,106           | 574              | 652              |
| Claims attributable to insured events of prior years    | 29,445            | 23,842           | 1,099           | 684             | 2,513            | 2,768            |
|   | <u>251,789</u>    | <u>225,557</u>   | <u>8,624</u>    | <u>8,790</u>    | <u>3,087</u>     | <u>3,420</u>     |
| Reserves at end of year                                 | <u>\$ 43,896</u>  | <u>\$ 32,594</u> | <u>\$ 1,269</u> | <u>\$ 1,335</u> | <u>\$ 11,610</u> | <u>\$ 14,031</u> |

#### D. Revenue and Claims Development Information

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

### Note 8. Operating Lease Commitments

The State has commitments with non-state entities to lease certain buildings and equipment. Future minimum rental commitments for equipment operating leases as of June 30, 1997, follows (expressed in thousands).

|  | Component Units    |                 |                  |
|--|--------------------|-----------------|------------------|
|  | Primary Government | Proprietary     | Higher Education |
| 1998   | \$ 743             | \$ 486          | \$ 384           |
| 1999   | 321                | 399             | 79               |
| 2000   | 182                | 311             | 79               |
| 2001   | 111                | 295             | 79               |
| 2002   | 27                 | 254             | 51               |
| Later Years  | -                  | 254             | -                |
| Total Future Minimum Lease Payments  | <u>\$ 1,384</u>    | <u>\$ 1,999</u> | <u>\$ 672</u>    |
| Operating lease commitments for building rental for year ended June 30, 1998 | \$ 13,602          | \$ 3,947        | \$ 929           |
| Rent expenditures/expenses for operating leases for year ended June 30, 1997 | \$ 16,116          | \$ 4,937        | \$ 5,032         |

### Note 9. Lessor Agreements

#### Direct Financing Leases

The **Department of Transportation** (Primary Government) 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 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. Contingent rentals are not a part of any lease and uncollectible amounts are not expected. The total minimum lease payments to be received in future years is approximately \$40,700,000, which is also the net investment in direct financing leases at June 30, 1997.

The **Oklahoma Environmental Finance Authority** leases facilities necessary for the abatement, control and reduction of pollution to industrial and commercial entities and the **Oklahoma Municipal Power Authority** leases an electrical substation to one of its member municipalities. These leases are accounted for as direct financing leases. The following schedule lists the net investment in direct financing leases as of June 30, 1997 (expressed in thousands).

|   |                  |
|---|------------------|
| Total minimum lease payments to be received   |                  |
| - Gross investment in financing leases        | \$ 61,661        |
| Less: Cost of investments and unearned income | <u>21,972</u>    |
| Net investment in direct financing leases     | <u>\$ 39,689</u> |

At June 30, 1997, minimum lease payments receivable for the State as a whole for each of the five succeeding fiscal years follows (expressed in thousands).

|                                 | 1998            | 1999            | 2000            | 2001            | 2002            |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Primary Government              | <u>\$ 5,477</u> | <u>\$ 4,900</u> | <u>\$ 4,187</u> | <u>\$ 3,643</u> | <u>\$ 2,903</u> |
| Proprietary Component Units:    |                 |                 |                 |                 |                 |
| Municipal Power Authority       | \$ 112          | \$ 112          | \$ 112          | \$ 112          | \$ 112          |
| Environmental Finance Authority | <u>3,613</u>    | <u>5,733</u>    | <u>2,672</u>    | <u>2,673</u>    | <u>2,672</u>    |
| Total                           | <u>\$ 3,725</u> | <u>\$ 5,845</u> | <u>\$ 2,784</u> | <u>\$ 2,785</u> | <u>\$ 2,784</u> |

### Operating Leases

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

| 1998   | 1999  | 2000  | 2001  | 2002  | Total         |
|--------|-------|-------|-------|-------|---------------|
| \$ 304 | \$ 92 | \$ 41 | \$ 17 | \$ 17 | <u>\$ 471</u> |

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

| 1998     | 1999     | 2000     | 2001     | 2002     | Total            |
|----------|----------|----------|----------|----------|------------------|
| \$ 4,103 | \$ 7,369 | \$ 5,702 | \$ 4,092 | \$ 2,534 | <u>\$ 23,800</u> |

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

Long-term obligations at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

|  | Issue<br>Dates | Interest<br>Rates | Maturity<br>Through | Beginning<br>Balance | Additions        | Reductions       | Ending<br>Balance |
|--|----------------|-------------------|---------------------|----------------------|------------------|------------------|-------------------|
| <b>General Long-Term Debt Account Group</b>        |                |                   |                     |                      |                  |                  |                   |
| General Obligation Bonds Payable from Tax Revenue: |                |                   |                     |                      |                  |                  |                   |
| Institutional Bldg 1992A                           | 1993           | 4.25-5.20%        | 2018                | \$ 241,450           | \$ -             | \$ 4,500         | \$ 236,950        |
| Institutional Bldg 1992B                           | 1993           | 4.15-6.60%        | 2013                | 93,205               | -                | 3,615            | 89,590            |
| Total  |                |                   |                     | <u>334,655</u>       | <u>-</u>         | <u>8,115</u>     | <u>326,540</u>    |
| Revenue Bonds Payable from Lease Rentals:          |                |                   |                     |                      |                  |                  |                   |
| OCIA Series A of 1986                              | 1986           | 6.50%             | 2007                | 3,660                | -                | 246              | 3,414             |
| OCIA Series A of 1988                              | 1988           | 7.00%             | 1998                | 850                  | -                | 322              | 528               |
| OCIA Series A of 1994                              | 1994           | 3.00-4.65%        | 2003                | 6,595                | -                | 835              | 5,760             |
| OCIA Series B of 1994                              | 1994           | 4.85-7.15%        | 2010                | 16,750               | -                | 790              | 15,960            |
| OCIA Series B of 1995                              | 1995           | 3.60-5.30%        | 2016                | 33,560               | -                | 1,540            | 32,020            |
| OCIA Series B of 1996                              | 1996           | 3.75-5.50%        | 2021                | -                    | 3,335            | -                | 3,335             |
| Tourism 1990                                       | 1990           | 5.95%             | 2000                | 2,760                | -                | 515              | 2,245             |
| Tourism 1994                                       | 1994           | 5.30-7.20%        | 2012                | 5,250                | -                | -                | 5,250             |
| DHS-Tulsa Co. 1990 (ODFA)                          | 1990           | 6.15-7.00%        | 2000                | 1,105                | -                | 195              | 910               |
| Total  |                |                   |                     | <u>70,530</u>        | <u>3,335</u>     | <u>4,443</u>     | <u>69,422</u>     |
| Note Payable                                       |                |                   |                     | 37,160               | -                | 240              | 36,920            |
| Certificates of Participation                      |                |                   |                     | 14,837               | -                | 3,371            | 11,466            |
| Capital Leases*                                    |                |                   |                     | 5,091                | 3,672            | 1,954            | 6,809             |
| Compensated Absences                               |                |                   |                     | 94,378               | 5,272            | -                | 99,650            |
| Pension Obligation                                 |                |                   |                     | 2,232                | 153              | -                | 2,385             |
| Other Claims and Judgments                         |                |                   |                     | <u>2,897</u>         | <u>-</u>         | <u>1,588</u>     | <u>1,309</u>      |
| Total General Long-Term Debt Account Group         |                |                   |                     | <u>\$ 561,780</u>    | <u>\$ 12,432</u> | <u>\$ 19,711</u> | <u>\$ 554,501</u> |

\* \$127 of the reductions represents deletions of capital leases rather than capital lease payments

### A. General Obligation Bonds

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

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. The State's cumulative arbitrage rebate liability on general obligation bonds for the year ended June 30, 1997, is approximately \$146,000.

### B. Revenue Bonds

The **Oklahoma Capitol Improvement Authority** (OCIA) has six outstanding 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 that use the office buildings constructed with the bond proceeds.

The following table presents annual debt service requirements for those long-term debts outstanding at June 30, 1997 that have scheduled debt service amounts (expressed in thousands).

|  | 1998             | 1999             | 2000             | 2001             | 2002             | Maturity          | Total             |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| <b>General Long-Term Debt Account Group</b>    |                  |                  |                  |                  |                  |                   |                   |
| General Obligation Bonds:                      |                  |                  |                  |                  |                  |                   |                   |
| Institutional Bldg 1992A                       | \$ 16,335        | \$ 16,341        | \$ 16,358        | \$ 16,385        | \$ 16,420        | \$ 329,862        | \$ 411,701        |
| Institutional Bldg 1992B                       | 8,092            | 7,993            | 7,937            | 7,922            | 7,895            | 91,747            | 131,586           |
|  | 24,427           | 24,334           | 24,295           | 24,307           | 24,315           | 421,609           | 543,287           |
| Interest                                       | 15,982           | 15,529           | 15,105           | 14,707           | 14,285           | 141,139           | 216,747           |
| Total  | 8,445            | 8,805            | 9,190            | 9,600            | 10,030           | 280,470           | 326,540           |
| Revenue Bonds:                                 |                  |                  |                  |                  |                  |                   |                   |
| OCIA Series A of 1986                          | 477              | 477              | 477              | 477              | 476              | 2,224             | 4,608             |
| OCIA Series A of 1988                          | 384              | 193              | -                | -                | -                | -                 | 577               |
| OCIA Series A of 1994                          | 1,116            | 1,117            | 1,115            | 1,114            | 1,116            | 1,115             | 6,693             |
| OCIA Series B of 1994                          | 1,862            | 1,857            | 1,858            | 1,854            | 1,850            | 14,705            | 23,986            |
| OCIA Series B of 1995                          | 3,124            | 3,120            | 3,121            | 3,122            | 2,712            | 32,019            | 47,218            |
| OCIA Series B of 1996                          | 231              | 244              | 245              | 242              | 244              | 4,832             | 6,038             |
| Tourism 1990                                   | 692              | 692              | 1,194            | -                | -                | -                 | 2,578             |
| Tourism 1994                                   | 433              | 579              | 574              | 573              | 573              | 5,697             | 8,429             |
| DHS-Tulsa Co. 1990 (ODFA)                      | 261              | 261              | 261              | 259              | -                | -                 | 1,042             |
|  | 8,580            | 8,540            | 8,845            | 7,641            | 6,971            | 60,592            | 101,169           |
| Interest                                       | 3,770            | 3,518            | 3,256            | 2,953            | 2,726            | 15,524            | 31,747            |
| Total  | 4,810            | 5,022            | 5,589            | 4,688            | 4,245            | 45,068            | 69,422            |
| Note Payable                                   | 923              | 923              | 923              | 923              | 923              | 47,419            | 52,034            |
| Interest                                       | 690              | 681              | 671              | 661              | 651              | 11,760            | 15,114            |
| Total  | 233              | 242              | 252              | 262              | 272              | 35,659            | 36,920            |
| Certificates of Participation                  | 3,149            | 3,175            | 1,383            | 723              | 774              | 2,262             | 11,466            |
| Capital Leases                                 | 1,400            | 1,233            | 1,138            | 831              | 678              | 1,529             | 6,809             |
| Total Debt Service                             | <u>\$ 17,804</u> | <u>\$ 18,235</u> | <u>\$ 17,300</u> | <u>\$ 15,842</u> | <u>\$ 15,727</u> | <u>\$ 329,329</u> | <u>\$ 451,157</u> |
| Long-Term Debt without scheduled debt service: |                  |                  |                  |                  |                  |                   |                   |
| Compensated Absences                           |                  |                  |                  |                  |                  |                   | 99,650            |
| Pension Obligation                             |                  |                  |                  |                  |                  |                   | 2,385             |
| Other Claims and Judgments                     |                  |                  |                  |                  |                  |                   | 1,309             |
| Total General Long-Term Debt Account Group     |                  |                  |                  |                  |                  |                   | <u>\$ 554,501</u> |

The **Oklahoma Tourism and Recreation Department** has two revenue bond issues for the financing of capital projects of the Parks Division. The revenue generated by fees from the Parks Division is used to meet the bond obligations. Additional security is provided by a special "Bond Reserve Fund", which is maintained in the amount of \$500,000 and \$525,000 for the 1990 Series and 1994 Series, respectively.

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

### C. Note Payable

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

annual payments began in 1983. For further discussion of this note payable, refer to Note 23. Litigation and Contingencies.

#### **D. Certificates of Participation**

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

The following schedule presents, by fiscal year, future minimum lease payments in the General Long Term Debt Account Group, as of June 30, 1997 (expressed in thousands).

|   | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>Maturity</u> | <u>Total</u>     |
|---|-------------|-------------|-------------|-------------|-------------|-----------------|------------------|
|   | \$ 3,796    | \$ 3,663    | \$ 1,689    | \$ 964      | \$ 964      | \$ 2,483        | \$ 13,559        |
| Less: Interest                          |             |             |             |             |             |                 | <u>2,093</u>     |
| Present Value of Minimum Lease Payments |             |             |             |             |             |                 | <u>\$ 11,466</u> |

Leased buildings and equipment financed by certificates of participation in the general fixed asset account group at June 30, 1997, include the following (expressed in thousands).

|           |                  |
|-----------|------------------|
| Equipment | \$ 21,634        |
| Buildings | <u>16,870</u>    |
| Total     | <u>\$ 38,504</u> |

#### **E. Capital Leases**

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

The following schedule presents, by fiscal year, future minimum lease payments in the General Long-Term Debt Account Group, as of June 30, 1997 (expressed in thousands).

|  | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>2001</u> | <u>2002</u> | <u>Maturity</u> | <u>Total</u>    |
|--|-------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
|  | \$ 2,053    | \$ 1,752    | \$ 1,526    | \$ 1,030    | \$ 814      | \$ 1,760        | \$ 8,935        |
| Less: Executory costs included in minimum lease payments |             |             |             |             |             |                 | <u>661</u>      |
| Net Minimum Lease Payments                               |             |             |             |             |             |                 | 8,274           |
| Less: Interest   |             |             |             |             |             |                 | <u>1,465</u>    |
| Present Value of Minimum Lease Payments                  |             |             |             |             |             |                 | <u>\$ 6,809</u> |

Leased buildings and equipment under capital leases in the general fixed asset account group at June 30, 1997, include the following (expressed in thousands).

|           |                  |
|-----------|------------------|
| Equipment | \$ 7,218         |
| Buildings | <u>6,491</u>     |
| Total     | <u>\$ 13,709</u> |

#### **F. Other Claims and Judgments**

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

### G. Authorized Unissued Bonds

The State has authorized the Department of Corrections to issue bonds in the amount of \$1,500,000. Oklahoma Capitol Improvement Authority has been authorized to issue bonds for the benefit of the Department of Corrections in the amount of \$16,500,000 and the Department of Transportation in the amount of \$300,000,000.

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

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

Bonds payable at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

|                                       | Issue<br>Dates | Interest<br>Rates | Maturity<br>Through | Authorized<br>Unissued | Beginning<br>Balance | Additions   | Reductions       | Ending<br>Balance |
|---------------------------------------|----------------|-------------------|---------------------|------------------------|----------------------|-------------|------------------|-------------------|
| Revenue Bonds Payable from User Fees: |                |                   |                     |                        |                      |             |                  |                   |
| 1989-1995 Issues                      | 1989-1995      | 3.00-6.70%        | 2017-2023           | \$ -                   | \$ 188,015           | \$ -        | \$ 11,560        | \$ 176,455        |
| Less: Bond Discounts                  |                |                   |                     | -                      | 724                  | -           | 28               | 696               |
| Total Bonds Payable Net of Discounts  |                |                   |                     | <u>\$ -</u>            | <u>\$ 187,291</u>    | <u>\$ -</u> | <u>\$ 11,532</u> | <u>\$ 175,759</u> |

The following table presents estimated annual debt service requirements for bonds payable outstanding at June 30, 1997, (expressed in thousands).

|   | 1998            | 1999            | 2000            | 2001            | 2002            | Maturity          | Total             |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| Revenue Bonds Payable:                  |                 |                 |                 |                 |                 |                   |                   |
| 1989-1995 Issues Principal and Interest | \$ 12,150       | \$ 14,791       | \$ 13,128       | \$ 13,074       | \$ 13,125       | \$ 243,929        | \$ 310,197        |
| Less: Interest                          | 7,070           | 6,871           | 6,568           | 6,309           | 6,065           | 100,859           | 133,742           |
| Total Principal                         | <u>\$ 5,080</u> | <u>\$ 7,920</u> | <u>\$ 6,560</u> | <u>\$ 6,765</u> | <u>\$ 7,060</u> | <u>\$ 143,070</u> | <u>\$ 176,455</u> |

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

The **Special Indemnity Fund** (SPIF) is indebted to claimants for court awarded judgments. Only those judgments currently payable in arrears bear interest. Included in Long-Term Obligations are permanent total and permanent partial awards payable after December 31, 1996.

Awards payable at December 31, 1996, and changes for the fiscal year then ended are as follows (expressed in thousands).

|                      | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |
|----------------------|----------------------|-----------|------------|-------------------|
| Claims and Judgments | \$ 127,576           | \$ 15,781 | \$ -       | \$ 143,357        |

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

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

Bonds payable at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

|  | Issue Dates | Interest Rates | Maturity Through | Authorized Unissued | Beginning Balance   | Additions         | Reductions        | Ending Balance      |
|--|-------------|----------------|------------------|---------------------|---------------------|-------------------|-------------------|---------------------|
| General Obligation Bonds Payable from User Fees: |             |                |                  |                     |                     |                   |                   |                     |
| Industrial Finance Authority                     | 1961-1997   | 3.75-10.00%    | 2022             | \$ 28,503           | \$ 53,040           | \$ 12,048         | \$ 3,015          | \$ 62,073           |
| Revenue Bonds Payable from User Fees:            |             |                |                  |                     |                     |                   |                   |                     |
| Student Loan Authority                           | 1992-1995   | 3.70-6.70%     | 2025             | -                   | 75,850              | 77,785            | 6,230             | 147,405             |
| Development Finance Auth.                        | 1996        | 5.93-6.16%     | 2006             | -                   | -                   | 9,999             | -                 | 9,999               |
| Environmental Finance Auth.                      | 1973-1977   | 5.60-7.30%     | 2008             | -                   | 44,355              | -                 | 1,010             | 43,345              |
| Housing Finance Agency                           | 1980-1995   | 4.10-10.43%    | 2027             | -                   | 550,518             | 87,900            | 124,639           | 513,779             |
| Turnpike Authority                               | 1989-1992   | 3.15-7.88%     | 2022             | -                   | 676,542             | -                 | 11,184            | 665,358             |
| Grand River Dam Authority                        | 1987-1995   | 4.00-6.30%     | 2013             | -                   | 1,071,165           | -                 | 34,790            | 1,036,375           |
| Municipal Power Authority                        | 1985-1994   | 2.75-7.50%     | 2028             | -                   | 394,675             | -                 | 4,245             | 390,430             |
| Total Before Discounts/Deferrals                 |             |                |                  | 28,503              | 2,866,145           | 187,732           | 185,113           | 2,868,764           |
| Less: Bond Discounts                             |             |                |                  | -                   | 55,701              | 375               | 3,669             | 52,407              |
| Net Deferred Debits on Refundings                |             |                |                  | -                   | 132,620             | -                 | 13,498            | 119,122             |
| Total Bonds Payable Net of Discounts/Deferrals   |             |                |                  | <u>\$ 28,503</u>    | <u>\$ 2,677,824</u> | <u>\$ 187,357</u> | <u>\$ 167,946</u> | <u>\$ 2,697,235</u> |

The following table presents annual principal and interest payments (principal payments only for the revenue bonds of Oklahoma Housing Finance Agency) for bonds payable outstanding at June 30, 1997, (September 30, 1996, for Oklahoma Housing Finance Agency and December 31, 1996, for Oklahoma Turnpike Authority, and Grand River Dam Authority) (expressed in thousands).

|                              | 1998             | 1999             | 2000             | 2001             | 2002             | Maturity            | Total               |
|------------------------------|------------------|------------------|------------------|------------------|------------------|---------------------|---------------------|
| General Obligation Bonds:    |                  |                  |                  |                  |                  |                     |                     |
| Industrial Finance Authority | \$ 4,013         | \$ 4,080         | \$ 4,100         | \$ 4,095         | \$ 4,089         | \$ 110,820          | \$ 131,197          |
| Revenue Bonds:               |                  |                  |                  |                  |                  |                     |                     |
| Student Loan Authority       | 12,320           | 11,175           | 10,210           | 9,485            | 8,945            | 221,165             | 273,300             |
| Development Finance Auth.    | 616              | 616              | 616              | 616              | 616              | 12,466              | 15,546              |
| Environmental Finance Auth.  | 3,645            | 5,827            | 2,684            | 2,686            | 2,686            | 47,397              | 64,925              |
| Turnpike Authority           | 51,652           | 51,648           | 51,649           | 51,653           | 51,654           | 1,076,944           | 1,335,200           |
| Grand River Dam Authority    | 95,744           | 95,621           | 95,610           | 95,552           | 95,739           | 1,091,298           | 1,569,564           |
| Municipal Power Authority    | 25,698           | 28,313           | 28,284           | 28,269           | 28,249           | 614,166             | 752,979             |
| Total Principal and Interest | 193,688          | 197,280          | 193,153          | 192,356          | 191,978          | 3,174,256           | 4,142,711           |
| Less: Interest               | 131,138          | 127,669          | 124,182          | 120,583          | 117,052          | 1,167,102           | 1,787,726           |
| Subtotal: Principal          | 62,550           | 69,611           | 68,971           | 71,773           | 74,926           | 2,007,154           | 2,354,985           |
| Housing Finance Agency       | 5,630            | 7,666            | 6,398            | 7,613            | 5,724            | 480,748             | 513,779             |
| Total Principal              | <u>\$ 68,180</u> | <u>\$ 77,277</u> | <u>\$ 75,369</u> | <u>\$ 79,386</u> | <u>\$ 80,650</u> | <u>\$ 2,487,902</u> | <u>\$ 2,868,764</u> |

### A. General Obligation Bonds

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

### B. Revenue Bonds

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

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



The **Oklahoma Housing Finance Agency** (OHFA) has issued 36 series of revenue bonds with an original issue amount of \$902,879,000. The net proceeds of these bonds are used to provide financing for qualifying residences, provide interim and permanent financing for multifamily construction projects, and establish debt-service reserves as required by the various trust indentures.

The **Oklahoma Turnpike Authority** (OTA) has issued five series of revenue bonds with an original issue amount of \$1,217,524,000. The bonds are issued for the purpose of financing capital improvements and new projects relating to the State's turnpike system and are financed primarily by tolls assessed on users of the turnpikes.

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements and arbitrage rebate liability on issuers of tax-exempt debt. OTA's cumulative arbitrage rebate liability for the year ended December 31, 1996, is approximately \$1,656,000.

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

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

### C. Defeased Bonds

In prior years, proprietary component units have defeased bonds by placing assets in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trusts' assets and the liability for the defeased bonds are not included in the accompanying financial statements. The following defeased bonds were outstanding at June 30, 1997 (December 31, 1996 for OTA, GRDA, and OMPA) (expressed in thousands).

| General<br>Obligation<br>Bonds | Revenue Bonds |            |            |
|--------------------------------|---------------|------------|------------|
|                                | OIFA          | OTA        | GRDA       |
|                                | \$ 13,625     | \$ 610,250 | \$ 998,777 |
|                                |               |            | \$ 50,458  |

### D. Notes Payable

Notes payable at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

|  | Issue<br>Dates | Interest<br>Rates | Maturity<br>Through | Original<br>Amount | Beginning<br>Balance | Additions     | Reductions       | Ending<br>Balance |
|--|----------------|-------------------|---------------------|--------------------|----------------------|---------------|------------------|-------------------|
| Student Loan Authority                       | 1993, 1995     | 4.00-6.44%        | 2025                | \$ 78,600          | \$ 58,875            | \$ -          | \$ 17,975        | \$ 40,900         |
| Medical Technology and<br>Research Authority | 1995-1996      | 6.25-8.25%        | 2015                | 3,573              | 2,851                | 665           | 118              | 3,398             |
| Total  |                |                   |                     |                    | <u>\$ 61,726</u>     | <u>\$ 665</u> | <u>\$ 18,093</u> | 44,298            |
| Less: Current Portion                        |                |                   |                     |                    |                      |               |                  | 153               |
| Total Noncurrent Notes Payable               |                |                   |                     |                    |                      |               |                  | <u>\$ 44,145</u>  |

The following table presents annual debt service requirements for notes payable outstanding at June 30, 1997 (expressed in thousands).

|                                       | 1998          | 1999             | 2000          | 2001          | 2002          | Maturity         | Total            |
|---------------------------------------|---------------|------------------|---------------|---------------|---------------|------------------|------------------|
| Student Loan Authority                | \$ 1,935      | \$ 14,100        | \$ 1,150      | \$ 1,150      | \$ 1,150      | \$ 62,170        | \$ 81,655        |
| Medical Technology and Research Auth. | 486           | 486              | 486           | 486           | 486           | 3,418            | 5,848            |
| Total Principal and Interest          | 2,421         | 14,586           | 1,636         | 1,636         | 1,636         | 65,588           | 87,503           |
| Less: Interest                        | 2,213         | 2,063            | 1,397         | 1,380         | 1,361         | 34,791           | 43,205           |
| Total Principal                       | <u>\$ 208</u> | <u>\$ 12,523</u> | <u>\$ 239</u> | <u>\$ 256</u> | <u>\$ 275</u> | <u>\$ 30,797</u> | <u>\$ 44,298</u> |

Notes of the **Oklahoma Student Loan Authority** are issued to fund student loans and are primarily secured by the student loans receivable, related accrued interest and by the amounts on deposit in the accounts established under the respective financing agreements. Notes of the **Medical Technology and Research Authority** are issued for the purpose of financing the construction of facilities and equipment and are secured by a mortgage, security interest in properties, and revenues.

## E. Capital Leases

The State's proprietary component units have 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 their respective fiscal year ends (expressed in thousands).

|   | 1998     | 1999     | 2000     | 2001   | 2002   | Maturity | Total           |
|---|----------|----------|----------|--------|--------|----------|-----------------|
| Less: Interest                          | \$ 1,554 | \$ 1,554 | \$ 1,031 | \$ 770 | \$ 770 | \$ 1,186 | \$ 6,865        |
| Present Value of Minimum Lease Payments |          |          |          |        |        |          | <u>1,108</u>    |
|   |          |          |          |        |        |          | <u>\$ 5,757</u> |

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

|                           | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |
|---------------------------|----------------------|-----------|------------|-------------------|
| Capital Lease Obligations | \$ 7,134             | \$ -      | \$ 1,377   | \$ 5,757          |

The following is property under capital leases at the component units' respective fiscal year ends (expressed in thousands).

|                                |                 |
|--------------------------------|-----------------|
| Facilities and Equipment       | \$ 17,293       |
| Less: Accumulated Depreciation | <u>12,865</u>   |
| Net                            | <u>\$ 4,428</u> |

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

Long-term obligations at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

|                          | Issue<br>Dates | Interest<br>Rates | Maturity<br>Through | Authorized<br>Unissued | Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |
|--------------------------|----------------|-------------------|---------------------|------------------------|----------------------|-----------|------------|-------------------|
| General Obligation Bonds | 1971-1996      | 0.05-10.00%       | 2006                | -                      | \$ 7,700             | \$ -      | \$ 1,275   | \$ 6,425          |
| Revenue Bonds            | 1963-1997      | 3.00-12.00%       | 2023                | -                      | 160,071              | 15,600    | 10,604     | 165,067           |
| Notes Payable            |                |                   |                     |                        | 1,540                | 10,000    | 629        | 10,911            |

The following table presents annual principal and interest payments applicable to long-term debt outstanding at June 30, 1997 (expressed in thousands).

|                          | 1998            | 1999            | 2000            | 2001            | 2002            | Maturity          | Total             |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| General Obligation Bonds | \$ 1,927        | \$ 1,887        | \$ 564          | \$ 545          | \$ 526          | \$ 1,913          | \$ 7,362          |
| Less: Interest           | 242             | 157             | 134             | 115             | 96              | 193               | 937               |
| Total Principal          | <u>\$ 1,685</u> | <u>\$ 1,730</u> | <u>\$ 430</u>   | <u>\$ 430</u>   | <u>\$ 430</u>   | <u>\$ 1,720</u>   | <u>\$ 6,425</u>   |
| Revenue Bonds            | \$ 16,086       | \$ 16,346       | \$ 16,370       | \$ 16,141       | \$ 16,943       | \$ 182,837        | \$ 264,723        |
| Less: Interest           | 8,797           | 8,277           | 7,780           | 7,305           | 7,595           | 59,902            | 99,656            |
| Total Principal          | <u>\$ 7,289</u> | <u>\$ 8,069</u> | <u>\$ 8,590</u> | <u>\$ 8,836</u> | <u>\$ 9,348</u> | <u>\$ 122,935</u> | <u>\$ 165,067</u> |
| Notes Payable            | \$ 1,328        | \$ 1,320        | \$ 1,193        | \$ 837          | \$ 840          | \$ 11,746         | \$ 17,264         |
| Less: Interest           | 626             | 564             | 516             | 472             | 455             | 3,720             | 6,353             |
| Total Principal          | <u>\$ 702</u>   | <u>\$ 756</u>   | <u>\$ 677</u>   | <u>\$ 365</u>   | <u>\$ 385</u>   | <u>\$ 8,026</u>   | <u>\$ 10,911</u>  |

#### **A. General Obligation Bonds**

Rose State College Technical Area Education District and Tulsa Community College Area School District #18 have authorized and issued four series of general obligation bonds with an original issue amount of \$16,925,000. These bonds were issued for the financing of buildings, equipment, and related capital improvements. Ad valorem taxes levied upon taxable property within their respective specific areas have been pledged to retire these general obligation bonds.

#### **B. Revenue Bonds**

Sixteen of the State's colleges and universities have authorized and issued 41 series of revenue bonds with an original issue amount of \$201,227,000. These bonds were issued for the construction of student housing and other facilities. Student fees, revenues produced by the facilities constructed, and other revenues collateralize the revenue bonds.

In August 1996, Eastern Oklahoma State College defeased all outstanding Series 1959 and 1966 revenue bonds by placing funds available from reserve and sinking fund accounts in an irrevocable trust to provide for all future debt service payments of the the bonds. The trust account and the defeased bonds are not included in the accompanying financial statements. As of June 30, 1997, \$97,000 and \$359,000 of the Series 1959 and 1966 bonds, respectively, was outstanding. This defeasance reduced the total debt service payments over the next eight years by approximately \$128,000.

In March 1997, the University of Oklahoma legally defeased the 1964 and 1966 University of Oklahoma Housing System Revenue Bonds. The defeasance was accomplished using funds previously on deposit with the trustee bank for the 1964 and 1966 Housing Bonds. Defeased bonds outstanding at June 30, 1997 were \$3,865,000.

Other colleges and universities have defeased revenue bonds in prior years by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trusts' assets and the liability for the defeased bonds are not included in the accompanying financial statements. At June 30, 1997, \$22,185,000 of bonds defeased in prior years were outstanding.

#### **C. Notes Payable**

Oklahoma State University and Carl Albert State College each entered into a note payable to fund the construction of facilities. Lease payments, a pledge of "Section Thirteen Fund State Educational Institutions" monies, and the facilities constructed secure the notes. The University of Oklahoma Health Sciences Center has also entered into a note payable to provide start up costs for the Sooner Care HMO which is operated by the Center. The revenues produced by Sooner Care HMO will be used to retire the note.

#### **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, 1997 (expressed in thousands).

|   | 1998     | 1999     | 2000     | 2001     | 2002     | Maturity  | Total            |
|---|----------|----------|----------|----------|----------|-----------|------------------|
|   | \$ 3,809 | \$ 3,258 | \$ 2,191 | \$ 2,130 | \$ 1,808 | \$ 12,485 | \$ 25,681        |
| Less: Interest                          |          |          |          |          |          |           | <u>7,226</u>     |
| Present Value of Minimum Lease Payments |          |          |          |          |          |           | <u>\$ 18,455</u> |

Capital lease obligations at June 30, 1997, and changes for the fiscal year then ended are as follows (expressed in thousands).

| Beginning<br>Balance | Additions | Reductions | Ending<br>Balance |
|----------------------|-----------|------------|-------------------|
| \$ 9,873             | \$ 11,231 | \$ 2,649   | \$ 18,455         |

Leased equipment under capital leases in investment in fixed assets at June 30, 1997, included the following (expressed in thousands).

|                                |                  |
|--------------------------------|------------------|
| Facilities and Equipment       | \$ 29,041        |
| Less: Accumulated Depreciation | <u>8,475</u>     |
| Net                            | <u>\$ 20,566</u> |

## Note 15. Deferred Compensation Plan

The State offers its employees a Deferred Compensation Plan (Plan) as authorized by Section 457 of the Internal Revenue Code of 1954, and as amended by the Tax Reform Act of 1986. 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 or \$7,500 per year, with a minimum contribution of \$25 per month. The participants may direct investment of such funds 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 was eligible, but 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 with no reduced benefits.

Deferred compensation benefits are paid out to participants or beneficiaries 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 or beneficiaries 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 the year, some 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.

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 16. Beginning Fund Equity Adjustments and Other Changes

### Beginning Fund Equity Adjustments

During fiscal 1997, the State implemented Governmental Accounting Standards Board Statement 30 (GASB 30), *Risk Financing Omnibus-An Amendment of GASB Statement No. 10*. Governmental Accounting Standards Board Statement 31 (GASB 31), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* was early implemented by higher education institutions and proprietary component units. Although the new statements made numerous changes, most significant was to record investments at fair value. As a result, investments were increased by approximately \$15,000,000.

The Special Indemnity Fund was reclassified from an Expendable Trust Fund to a Governmental Component Unit. Detailed amounts for this fund is presented in the combining financial statements.

One university included in the Higher Education Component Unit reevaluated the carrying value of its plant assets.

The following schedule reconciles June 30, 1996, fund equity as previously reported, to beginning fund equity, as restated, to include the adoption of new pronouncements and other changes (expressed in thousands).

|  | General             | Capital<br>Projects | Enterprise       | Trust and<br>Agency  | Governmental<br>Component<br>Unit | Proprietary<br>Component<br>Units | Higher<br>Education<br>Component Unit |
|--|---------------------|---------------------|------------------|----------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| June 30, 1996, fund equity, as previously reported | \$ 1,360,519        | \$ 109,949          | \$ 17,055        | \$ 10,269,197        | \$ -                              | \$ 514,329                        | \$ 2,129,596                          |
| Reclassifications:                                 |                     |                     |                  |                      |                                   |                                   |                                       |
| Special Indemnity Fund                             | -                   | -                   | -                | 18,752               | (18,752)                          | -                                 | -                                     |
| Change in the application of accounting principle  | -                   | -                   | -                | 17,028               | -                                 | -                                 | -                                     |
| Prior period adjustments:                          |                     |                     |                  |                      |                                   |                                   |                                       |
| To record implementation of GASB 30 and 31         | -                   | -                   | -                | -                    | -                                 | 13,582                            | 1,519                                 |
| Plant inventory adjustments                        | -                   | -                   | -                | -                    | -                                 | -                                 | 911                                   |
| Other  | 14,906              | -                   | -                | 7,551                | -                                 | -                                 | -                                     |
| June 30, 1996, fund equity, as restated            | <u>\$ 1,375,425</u> | <u>\$ 109,949</u>   | <u>\$ 17,055</u> | <u>\$ 10,312,528</u> | <u>\$ (18,752)</u>                | <u>\$ 527,911</u>                 | <u>\$ 2,132,026</u>                   |

### Other Changes

During fiscal 1997, the State implemented Governmental Accounting Standards Board Statement 28 (GASB 28), *Accounting and Financial Reporting for Securities Lending Transactions*. As a result, the cash collateral received in security lending transactions, has been recorded as an asset and a corresponding liability on the balance sheet. Fiscal 1996 amounts have been restated for comparability purposes.

Additionally, Governmental Accounting Standards Board Interpretation No. 2, *Disclosure of Conduit Debt Obligations*, requires disclosure of certain conduit debt not reported on the financial statements. Oklahoma Development Finance Authority (ODFA) is responsible for issuing some types of conduit debt. Disclosure of this debt is made in Note 17.

## Note 17. Oklahoma Development Finance Authority

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

Financing agreements of Oklahoma Development Finance Authority (ODFA) are structured such that the debt is to be repaid solely from the revenues derived from the related facilities leased or acquired, or from the disposition of collateral. ODFA holds notes receivable and trust investments in amounts equal to the long-term financings. As of June 30, 1997, the aggregate principal amount payable for debt issued after July 1, 1996, was approximately \$38,000,000. The aggregate principal amount payable for debt issued prior to July 1, 1996, could not be determined; however, the original issue amounts totaled approximately \$113,000,000. These financings are not the general obligations of ODFA or the state, and it is the opinion of 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.

## Credit Enhancement Reserve Fund

Under the Constitution of the State of Oklahoma, ODFA may issue bonds of the State, to be known as Credit Enhancement Reserve Fund General Obligation Bonds, in a total principal amount of \$100,000,000 for the sole purpose of generating resources if there are insufficient assets to meet insurance obligations. The Fund is managed, administered, and utilized by ODFA solely to secure the payment of interest insurance on the revenue bonds and other financial obligations issued by the Authority for the specific purpose of enhancing and supporting the credit of such obligations. As of June 30, 1997, there were approximately \$14,800,000 of outstanding financial obligations insured by ODFA. Approximately \$3,300,000 of these obligations were more than 90 days delinquent as of June 30, 1997. The Fund has accrued a reserve for losses of approximately \$3,300,000 as of June 30, 1997, to cover potential losses from outstanding financial obligations insured by the Fund and a reserve for payments in lieu of interest of approximately \$100,000 as of June 30, 1997, for accrued interest on financial obligations insured by the Fund. Through June 30, 1997, there have been no Oklahoma Credit Enhancement Reserve Fund General Obligation Bonds issued since it is the intention of ODFA to utilize existing assets to meet obligations arising from losses reserved and accrued payments in lieu of interest by the Fund at June 30, 1997.

## Note 18. Retirement and Pension Systems

### A. General Description of the Retirement Systems

The State of Oklahoma has six Public Employee Retirement Systems (PERS) that administer pension plans: Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement System for Justices and Judges (URSJJ), Oklahoma Police Pension and Retirement System (OPPRS), and the Teachers' Retirement System of Oklahoma (TRS). The Department of Wildlife Conservation Commission administers the Wildlife Conservation Retirement Plan (WCRP). The Oklahoma Housing Finance Agency has a defined contribution retirement plan that is privately administered.

OFPRS, OPERS, OPPRS, AND TRS are cost-sharing multiple-employer defined benefit retirement systems. URSJJ, WCRP and OLERS are single-employer defined benefit retirement systems. Pension benefit provisions for all plans except WCRP were established by statute and benefit provisions are amended by the State Legislature. The WCRP was also established by statute; however, benefit provisions are established and amended by the Wildlife Conservation Commission. Each plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided to plan members and beneficiaries at the discretion of the State Legislature for the six PERS and at the discretion of the Wildlife Conservation Commission for the WCRP.

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

|   |  |  |
|---|--|--|
| Firefighters Pension and Retirement<br>4545 N. Lincoln Blvd., Suite 265<br>Oklahoma City, OK 73105-3414 | Law Enforcement Retirement<br>P.O. Box 11415<br>Oklahoma City, OK 73136                                  | Police Pension and Retirement<br>1001 N.W. 63rd St., Suite 305<br>Oklahoma City, OK 73116-7335 |
| Public Employees Retirement<br>6601 N. Broadway Ext., Suite 129<br>Oklahoma City, OK 73152-3007         | Uniform Retirement System for<br>Judges and Justices<br>2101 N. Lincoln Blvd.<br>Oklahoma City, OK 73116 | Teachers Retirement<br>P.O. Box 53524<br>Oklahoma City, OK 73105-4209                          |

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

Number of participating employers in cost-sharing multiple employer plans are as follows:

|       |       |       |     |
|-------|-------|-------|-----|
| OFPRS | OPERS | OPPRS | TRS |
| 471   | 131   | 114   | 633 |

During fiscal year 1997, funding for the Teachers' Retirement System improved slightly, primarily due to favorable returns on investments. However, at June 30, 1997, the System had an unfunded liability of \$4,710,000,000, a slight decrease from the \$4,740,000,000 unfunded liability at June 30, 1996. Joint executive-legislative recommendations are being proposed for the 1998 legislative session to address this significant problem.

## B. Funding Policy

The contribution requirements for the six PERS are an established rate determined by the Legislature each year and are not based on actuarial calculations. The Wildlife Conservation Retirement Plan required contribution is determined by the Wildlife Conservation Commission and is based on actuarial calculations.

Oklahoma Firefighters Pension and Retirement System (OFPRS) receives contributions from participating full-time firefighters equal to 8% of applicable earnings, while member cities contribute 13% of the member's applicable earnings. In addition, the member cities contribute \$60 for each volunteer firefighter unless their income in the general fund is less than \$25,000, in which case they are exempt. The State allocates to OFPRS 34% of the insurance premium tax collected from insurance companies on various types of insurance policies as required by statute. Insurance premium contributions to the plan for the years ended June 30, 1997, 1996, and 1995 totaled \$39,045,428, \$36,793,282, and \$35,345,474, respectively.

Oklahoma Law Enforcement Retirement System (OLERS) receives contributions from state agencies and members of 10% and 8%, respectively, of the actual paid base salary of each member. State employer contributions to the plan for the years ended June 30, 1997, 1996, and 1995 were \$3,601,498, \$3,548,000, and \$3,554,000, respectively. These contributions represent 100% of the contribution required. OLERS also receives 1.2% of all fees, taxes, and penalties collected by motor license agents, 50 cents per vehicle inspection sticker issued and 5% of the insurance premium taxes collected from insurance companies on various types of insurance policies as required by statute. The state contributions to the plan for years ended June 30, 1997, 1996, and 1995 totaled \$13,297,927, \$12,447,899, and \$11,880,094, respectively.

Oklahoma Public Employees Retirement System (OPERS) receives contributions from each member based on their gross salary earned (excluding overtime) up to the maximum annual salary caps for the fiscal years ended June 30 as follows: 1997 - \$70,000; 1998 - \$80,000; and thereafter - No Cap. Contributions are received from the following categories of employees: eligible officers, which includes employees of the Department of Corrections who are classified as a correction officer or a probation and parole officer; elected officials, which includes elected officials who serve the State and participating counties; State employees, which includes all state employees except employees covered by one of the six other plans sponsored by the State; and employees of participating county and local agencies.

State, County, and Local Agency Employees - The contribution rates in effect for state employees and agencies are summarized as follows:

| Year<br>ended<br>June 30 | State Employees   |                             | State Agencies |
|--------------------------|-------------------|-----------------------------|----------------|
|                          | First<br>\$25,000 | Above<br>\$25,000<br>To Cap | To Cap         |
| 1997                     | 2.50%             | 3.50%                       | 12.00%         |
| 1998                     | 3.00%             | 3.50%                       | 12.50%         |
| Thereafter               | 3.50%             | 3.50%                       | 12.50%         |

Percentages as set forth in the following table apply to participating county and local agencies:

| Year<br>ended<br>June 30 | First \$25,000 |          |        | To Cap   |          |
|--------------------------|----------------|----------|--------|----------|----------|
|                          | Maximum        |          | Total  | Employee | Employer |
|                          | Employee       | Employer |        |          |          |
| 1997                     | 7.50%          | 12.00%   | 14.50% | 3.50%    | 12.00%   |
| 1998                     | 8.00%          | 12.50%   | 15.50% | 3.50%    | 12.50%   |
| Thereafter               | 8.50%          | 12.50%   | 16.00% | 3.50%    | 12.50%   |

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

**Eligible Officers** - Eligible officers contribute 6.5% on the first \$25,000 of earned compensation and 8.0% for salaries over \$25,000 up to the applicable salary cap. Employer contributions are made on the same basis as for state agencies. Employee contributions of the first \$25,000 of eligible salaries will increase by 0.5% annually beginning July 1, 1998, to a maximum of 8.0%.

State agency employer contributions to OPERS for the year ended June 30, 1997, 1996, and 1995 were \$118,336,820, \$107,381,215, and \$103,506,658, respectively. These contributions represent 100% of the contribution required.

Uniform Retirement System for Justices and Judges (URSJJ) member contributions for fiscal 1997 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. These contributions are determined quarterly.

Oklahoma Police Pension and Retirement System (OPPRS) receives contributions from each participating municipality and each participant. Until July 1, 1991, each municipality contributed 10% of the actual base salary of each participant employed by the municipality. Beginning July 1, 1991, municipality contributions increased by 0.5% per year and continued until July 1, 1996, when the contribution level reached 13%. Each participant of OPPRS continues to contribute 8% of their actual paid base salary. In addition, the State allocates 14% of the insurance premium taxes collected from insurance companies on various types of insurance policies as required by statute. Insurance premium contributions to the plan for the years ended June 30, 1997, 1996, and 1995 totaled \$15,734,000, \$15,150,000, and \$14,555,000, respectively.

Teachers Retirement System (TRS) receives contributions from participating members and employers; however, an employer may elect to make all or part of the contribution for its employees. The contribution rates vary on pay up to \$25,000 and over \$25,000. The contribution rates for 1997 for members other than higher education was 6.5% on the first \$25,000 and 7.0% over \$25,000 with no pay maximum for the year ended June 30, 1997. Contribution rates for 1997 members of higher education was 6.5% on the first \$25,000 and 7.0% over \$25,000 up to the member's maximum compensation.

Beginning July 1, 1997 all members must contribute 7% of regular annual compensation, not to exceed the member's maximum compensation level. For members other than those employed by a comprehensive university on or before June 30, 1995, the maximum compensation level will be the member's regular annual compensation. For those members employed by a comprehensive university, the following table summarizes the maximum compensation level.

| <u>Fiscal Year</u> | <u>For Members Who Elected<br/>the \$25,000 Limit Prior to<br/>June, 30 1995</u> | <u>For All Oth<br/>Members</u> |
|--------------------|--|--------------------------------|
| 1997               | \$32,500   | 49,000                         |
| 1998               | 37,500   | 54,000                         |
| 1999               | 42,500   | 59,000                         |
| 2000               | 47,500   | 64,000                         |
| 2001               | 52,500   | 69,000                         |
| Thereafter         | No limit   | No limit                       |



Employers are required to contribute a fixed percentage of annual compensation on behalf of active members. The employer contribution rate of 9.5% for 1997 is applied to annual compensation up to defined caps depending upon the member's elections as previously described. Oklahoma statutes require the State to contribute 5/7ths of 78% of the natural and casinghead gas tax collected each year. These contributions received from the State are used to offset the percentage of the required employer contributions. TRS received approximately \$153,382,756 from the State and approximately \$8,732,368 from federal sources in fiscal year 1997. State employer contributions to TRS for the year ended June 30, 1997, 1996, and 1995 were \$2,256,922, \$1,103,617, and \$830,524, respectively. These contributions represent 100% of the contribution required.

Wildlife Conservation Retirement Plan receives contributions from each member based on their annual covered salary. The contribution requirements are established and amended by the Wildlife Conservation Commission. On July 1, 1996, the employee contribution rate increased from 2.5% to 3%. The Department of Wildlife Conservation is required to contribute at an actuarially determined rate. The required contribution for the year ended June 30, 1997 was \$1,483,000.

### C. Annual Pension Cost and Net Pension Obligation

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

|   | URSJJ                    | WCRP                   | OLERS                     |
|---|--------------------------|------------------------|---------------------------|
| Annual required contribution                  | \$ 1,168                 | \$ 1,483               | \$ 3,302                  |
| Interest on net pension obligation            | (359)                    | 219                    | (2,484)                   |
| Adjustment to annual required contribution    | 471                      | (262)                  | 4,318                     |
| Annual pension cost                           | 1,280                    | 1,440                  | 5,136                     |
| Contributions made                            | 4,775                    | 1,287                  | 13,298                    |
| Increase (decrease) in net pension obligation | (3,495)                  | 153                    | (8,162)                   |
| Net pension obligation-beginning of year      | (4,777)                  | 2,232                  | (35,496)                  |
| Net pension obligation-end of year            | <u><u>\$ (8,272)</u></u> | <u><u>\$ 2,385</u></u> | <u><u>\$ (43,658)</u></u> |
| Actuarial Assumptions:                        |                          |                        |                           |
| Investment rate of return                     | 7.5%                     | 8.0%                   | 7.0%                      |
| Annual salary increase                        | 1.0%                     | 5.0%                   | 5% to 9%                  |
| COLA increase                                 | 4.5%                     | 2.0%                   | none                      |

The annual required contribution for URSJJ and OLERS for the current year was determined as part of the July 1, 1996, actuarial valuation. Costs in the valuation were prepared using the entry age actuarial cost method, until July 1, 1994, for URSJJ and until July 1, 1997, for OLERS, which was when the unfunded actuarial liability was negative and the actuarial cost method was changed to the aggregate cost method. For actuarial purposes, assets are determined equal to the prior year's actuarial value of assets plus cash flow (excluding realized and unrealized gains or losses) for the year ended on the valuation date, assuming a 7.5% rate of return for URSJJ and 7% rate of return for OLERS. Prior year's unrecognized gains and losses are added to this amount to develop expected actuarial value. The expected actuarial value is then compared to the market value of the assets at the valuation date, and 20% of any gain (loss) for the last five years is added to the expected actuarial value. The gain (loss) is amortized over five years with the actuarial value of the assets being constrained to a range of 80% to 120% of the market value at the valuation date. The aggregate cost method does not identify or separately amortize unfunded actuarial liabilities. The Required Supplementary Information is not supplied for URSJJ and OLERS since contributions are determined under the aggregate method.

The annual required contribution for WCRP for the current year was determined as part of the July 1, 1996, actuarial valuation. Costs in the valuation were prepared using the entry age actuarial cost method. The actuarial value of assets is set equal to the market value of assets. The unfunded actuarial accrued liability is being amortized over a 15-year period.

### Three - Year Trend Information

(expressed in thousands)

|   | Fiscal<br>Year<br>Ending | Annual<br>Pension<br>Cost (APC) | Percentage<br>Of APC<br>Contributed | Net<br>Pension<br>Obligation |
|---|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| Uniform Retirement System for Justices and Judges | 6/30/97                  | \$1,280                         | 373%                                | (\$8,272)                    |
|   | 6/30/96                  | 2,547                           | 179%                                | (4,777)                      |
|   | 6/30/95                  | 2,817                           | 132%                                | (2,821)                      |
| Wildlife Conservation Retirement Plan             | 6/30/97                  | 1,440                           | 89%                                 | 2,385                        |
|   | 6/30/96                  | 1,354                           | 93%                                 | 2,232                        |
|   | 6/30/95                  | 1,305                           | 0%                                  | 2,142                        |
| Oklahoma Law Enforcement Retirement System        | 6/30/97                  | 5,135                           | 259%                                | (43,658)                     |
|   | 6/30/96                  | 5,933                           | 210%                                | (35,496)                     |
|   | 6/30/95                  | 6,505                           | 183%                                | (28,981)                     |

The following required supplementary schedule for the Wildlife Conservation Retirement Plan was determined as part of the actuarial valuations at the dates indicated.

### Schedule of Funding Progress

(expressed in thousands)

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>(b) | Unfunded<br>AAL<br>(UAAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|--------------------------------|--|---|-------------------------------------|--------------------------|---------------------------|--|
| 7/1/97                         | \$46,333                               | \$50,907                                    | \$4,574                             | 91.0%                    | \$11,389                  | 40.2%  |
| 7/1/96                         | 42,368                                 | 48,101                                      | 5,733                               | 88.1%                    | 10,808                    | 53.0%  |
| 7/1/95                         | 39,169                                 | 44,196                                      | 5,027                               | 88.6%                    | 10,330                    | 48.7%  |

## D. Other Retirement Systems

The Oklahoma Housing Finance Agency (OHFA), a component unit of the State, contributes to the Oklahoma Housing Finance Agency Retirement Plan, which is a defined contribution plan with 79 members. Under its provisions, employees become eligible for the plan after one year of service, at which time OHFA may contribute up to 10% of the employees' compensation to the Plan. OHFA's contribution amount is at the discretion of the Board of Trustees and does not have any limitations. Employees begin vesting after two years of service and become fully vested after six years of service. Employees are allowed to contribute to the plan on an after-tax basis with no limitations. Plan provisions were established and may be amended by the Board of Trustees. For the year ended September 30, 1996, OHFA's retirement plan expense was \$232,773. Contributions made by OHFA represent 10% of covered payroll for 1996, net of plan forfeitures.

In addition to the TRS, various institutions in the Higher Education Component Unit participate in other pension plans, primarily the Teachers Insurance and Annuity Association. These plans, are defined contribution plans. Contributions made by the institutions are based on a percentage of payroll for qualified employees as determined by each institution's contract. For those institutions providing these plans, the total covered payroll was \$421,727,000. The institution contributions were \$35,527,000 or 8.4% of covered payroll. Employees are not required to contribute to the plans.

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

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

## Note 19. Other Postemployment Benefits

In addition to the pension benefits described in Note 18, the State provides post-retirement health care benefits (OPEB). Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement System for Judges and Justices (URSJJ), and Wildlife Conservation Retirement Plan (WCRP) pay the Medicare supplement premium or \$75 per month, whichever is less, for all retirees who elect coverage at time of retirement through the Oklahoma State and Education Employee Group Insurance Board. Teachers' Retirement System of Oklahoma (TRS) pays between \$70 and \$75 per month for each retiree, depending on the member's years of service.

|       | <u>Current Year<br/>Expenditures</u> | <u>Eligible<br/>Participants</u> | <u>Enabling<br/>Legislation</u> |
|-------|--------------------------------------|----------------------------------|---------------------------------|
| OLERS | \$ 312,000                           | 369                              | Title 74, 1316.2                |
| OPERS | \$ 11,437,000                        | 12,831                           | Title 74, 1316.2                |
| URSJJ | \$ 65,500                            | 71                               | Title 74, 1316.2                |
| TRS   | \$ 19,580,000                        | 23,410                           | Title 74, 1316.2                |
| WCRP  | \$ 63,375                            | 69                               | Title 29, 3-306                 |

OLERS, OPERS, URSJJ, TRS and WCRP fund postemployment health care benefits as part of the overall retirement requirement. No separation of pension obligation and health insurance obligation is made and assets are not allocated between obligations. Disclosure information regarding OPEB is included in Note 17.

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

Fourteen of the colleges and universities included in the Higher Education Component Unit offer postemployment benefits upon the authorization of the institution's Board of Regents. These benefits primarily provide health, dental and life insurance benefits. The eligibility requirements differ depending on the college or university. Current year benefit expenditures, funded on a pay-as-you-go basis, totaled approximately \$2,080,000 for the estimated 1,900 eligible participants.

## **Note 20. On-Behalf Payments**

In 1992, legislation was passed which resulted in changes in the amount and manner in which employer contributions to the Teachers' Retirement System (TRS) are determined and made. For years beginning July 1, 1992, employer contributions are fixed at certain percentages of annual compensation. Contributions from the State, through the dedicated natural and casinghead gas tax, are used to pay a portion of the contributions required. The employer is responsible for providing any difference between the dedicated tax and the required employer contribution. During fiscal year 1997, the State contributed, through the dedicated natural and casinghead gas tax, approximately \$30,101,000 to TRS on-behalf of the Higher Education Component Unit. These contributions are recognized as tax revenue/operating transfers to component units in the General Fund and operating transfers from primary government/expenditures in the Higher Education Component Unit.

In addition, approximately \$10,174,000 in salary supplements were paid to employees of the State's colleges and universities by various foundations organized to promote the interests of these entities. These supplements are reflected in the financial statements as revenue and expenditures of the Higher Education Component Unit.

## Note 21. Condensed Financial Statement Information for Discretely Presented Proprietary Component Units and Enterprise Fund

Condensed financial statement information for the discretely presented proprietary component units for the fiscal year ended June 30, 1997 (unless a different fiscal year is indicated), follows (expressed in thousands). Descriptions of and goods or services provided by each component unit are disclosed in Item A of Note 1.

|                                  | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Fund | State<br>Insurance Fund<br>(12-31-96<br>Fiscal Year) | State and<br>Education<br>Employ. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
|----------------------------------|--|--|--|--|---------------------------------------|--------------------------------------|
| Operating Revenue                | \$ 4,435                                       | \$ 824                                   | \$ 205,439   | \$ 248,412   | \$ 11,948                             | \$ 165,641                           |
| Operating Expenses               |  |  |  |  |                                       |                                      |
| Depreciation                     | 63   | -  | 1,921  | 164  | 369                                   | 13,329                               |
| Other                            | 4,285  | 716                                      | 181,376  | 317,812  | 10,293                                | 192,016                              |
| Operating Income (Loss)          | 87   | 108                                      | 22,142   | (69,564)   | 1,286                                 | (39,704)                             |
| Operating Transfers:             |  |  |  |  |                                       |                                      |
| From Primary Government          | -  | -  | -  | -  | -                                     | 29,360                               |
| To Primary Government            | -  | -  | -  | (31,500)   | -                                     | -                                    |
| Nonoperating Revenues (Expenses) | 2  | -  | 54,249   | 30,840   | 2,425                                 | 1,795                                |
| Deferred Costs                   | -  | -  | -  | -  | -                                     | -                                    |
| Net Income (Loss)                | <u>\$ 89</u>                                   | <u>\$ 108</u>                            | <u>\$ 76,391</u>                                     | <u>\$ (70,224)</u>                                       | <u>\$ 3,711</u>                       | <u>\$ (8,549)</u>                    |
| Current Assets                   | \$ 13,059                                      | \$ 108                                   | \$ 978,098   | \$ 246,190   | \$ 74,374                             | \$ 79,593                            |
| Current Liabilities              | 1,662  | -  | 862,628  | 144,147  | 8,271                                 | 24,097                               |
| Net Working Capital              | <u>\$ 11,397</u>                               | <u>\$ 108</u>                            | <u>\$ 115,470</u>                                    | <u>\$ 102,043</u>  | <u>\$ 66,103</u>                      | <u>\$ 55,496</u>                     |
| Total Assets                     | \$ 64,522                                      | \$ 108                                   | \$ 987,994   | \$ 246,890   | \$ 227,694                            | \$ 195,659                           |
| Total Liabilities                | 63,391   | -  | 862,628  | 144,147  | 190,841                               | 27,582                               |
| Fund Equity                      | <u>\$ 1,131</u>                                | <u>\$ 108</u>                            | <u>\$ 125,366</u>                                    | <u>\$ 102,743</u>  | <u>\$ 36,853</u>                      | <u>\$ 168,077</u>                    |
| Long-term Liabilities            | <u>\$ 61,729</u>                               | <u>\$ -</u>                              | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 182,570</u>                     | <u>\$ 3,485</u>                      |
| Fixed Assets - Beginning of Year | \$ 187   | \$ -                                     | \$ 12,693  | \$ 1,546   | \$ 577                                | \$ 276,730                           |
| Additions                        | 16   | -  | 6,857  | 179  | 224                                   | 2,970                                |
| Deletions                        | -  | -  | (78)   | -  | -                                     | (10,660)                             |
| Fixed Assets - End of Year       | <u>\$ 203</u>                                  | <u>\$ -</u>                              | <u>\$ 19,472</u>                                     | <u>\$ 1,725</u>  | <u>\$ 801</u>                         | <u>\$ 269,040</u>                    |

The **Oklahoma Housing Finance Agency** (OHFA) received Federal financial assistance totaling \$36,347,000 in housing assistance payments during the year ended September 30, 1996, 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 22. Commitments

### Primary Government

The **Department of Transportation** had contractual commitments at June 30, 1997, of approximately \$385,200,000 for construction of various highway projects. Future appropriations will fund these commitments as work is performed.

The **Department of Human Services** (DHS) maintains a construction unit which engages in capital improvements of State buildings. At year end, DHS had long-term projects totaling \$22,215,000 for the General Fund and \$707,000 for the Capital Projects Fund.

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing Finance<br>Agency<br>(9-30-96<br>Fiscal Year) | Oklahoma<br>Turnpike<br>Authority<br>(12-31-96<br>Fiscal Year) | Grand River<br>Dam<br>Authority<br>(12-31-96<br>Fiscal Year) | Oklahoma<br>Municipal Power<br>Authority<br>(12-31-96<br>Fiscal Year) | Total               |
|--|---|---|---|--|--|---|---------------------|
| \$ 3,448   | \$ 715  | \$ 2,671  | \$ 44,307   | \$ 112,050   | \$ 173,221   | \$ 76,990   | \$ 1,050,101        |
| 178  | 28  | -   | 100   | 32,139   | 25,480   | 6,273   | 80,044              |
| <u>3,084</u>                                       | <u>1,009</u>                                    | <u>2,674</u>                                      | <u>47,487</u>   | <u>33,160</u>  | <u>93,054</u>  | <u>59,364</u>   | <u>946,330</u>      |
| 186  | (322)   | (3)   | (3,280)   | 46,751   | 54,687   | 11,353  | 23,727              |
| -  | -   | -   | -   | 28,803   | -  | -   | 58,163              |
| -  | -   | -   | -   | (28,803)   | -  | -   | (60,303)            |
| -  | 627   | 3   | 6,292   | (30,484)   | (56,504)   | (16,131)  | (6,886)             |
| -  | -   | -   | -   | -  | (215)  | 6,845   | 6,630               |
| <u>\$ 186</u>                                      | <u>\$ 305</u>                                   | <u>\$ -</u>                                       | <u>\$ 3,012</u>   | <u>\$ 16,267</u>   | <u>\$ (2,032)</u>  | <u>\$ 2,067</u>   | <u>\$ 21,331</u>    |
| \$ 712   | \$ 12,306                                       | \$ -  | \$ 72,203   | \$ 67,427  | \$ 108,661   | \$ 14,620   | \$ 1,667,351        |
| 364  | 85  | 1,342   | 13,058  | 43,361   | 56,627   | 20,628  | 1,176,270           |
| <u>\$ 348</u>                                      | <u>\$ 12,221</u>                                | <u>\$ (1,342)</u>                                 | <u>\$ 59,145</u>  | <u>\$ 24,066</u>   | <u>\$ 52,034</u>   | <u>\$ (6,008)</u>   | <u>\$ 491,081</u>   |
| \$ 4,017   | \$ 16,400                                       | \$ 43,530   | \$ 553,457  | \$ 769,306   | \$ 988,865   | \$ 416,538  | \$ 4,514,980        |
| 3,609  | 13,507  | 43,456  | 522,647   | 701,288  | 960,903  | 402,517   | 3,936,516           |
| <u>\$ 408</u>                                      | <u>\$ 2,893</u>                                 | <u>\$ 74</u>                                      | <u>\$ 30,810</u>  | <u>\$ 68,018</u>   | <u>\$ 27,962</u>   | <u>\$ 14,021</u>  | <u>\$ 578,464</u>   |
| <u>\$ 3,245</u>                                    | <u>\$ 13,422</u>                                | <u>\$ 42,114</u>                                  | <u>\$ 509,589</u>   | <u>\$ 657,927</u>  | <u>\$ 904,276</u>  | <u>\$ 381,889</u>   | <u>\$ 2,760,246</u> |
| \$ 2,983   | \$ 109  | \$ -  | \$ 1,076  | \$ 1,042,029   | \$ 891,203   | \$ 197,126  | \$ 2,426,259        |
| 986  | 15  | -   | 376   | 42,449   | 58,855   | 4,572   | 117,499             |
| (326)  | -   | -   | -   | (1,934)  | (56,745)   | (72)  | (69,815)            |
| <u>\$ 3,643</u>                                    | <u>\$ 124</u>                                   | <u>\$ -</u>                                       | <u>\$ 1,452</u>   | <u>\$ 1,082,544</u>  | <u>\$ 893,313</u>  | <u>\$ 201,626</u>   | <u>\$ 2,473,943</u> |

The enterprise fund presented in the combined financial statements is comprised solely of **Oklahoma Water Resources Board** bond issues. This enterprise fund has current assets totaling \$11,234,000 and current liabilities totaling \$8,272,000, leaving net working capital of \$2,962,000 for the fiscal year ended June 30, 1997.

### Component Units

The **Oklahoma Industrial Finance Authority** (OIFA) had outstanding loan commitments at June 30, 1997, approved by its Board of Directors totaling \$11,848,000. These loan agreements included a "pending clause" which stated that money would be disbursed upon availability of funds.

The **Oklahoma Student Loan Authority** (OSLA) has entered into various forward purchase and sale commitment agreements with certain Oklahoma financial institutions for which it performs interim status loan servicing. Under these forward purchase commitments, OSLA is required to purchase the Federal Family Education Loans (FFEL) under certain terms and conditions. As of June 30, 1997, OSLA was committed to purchase approximately \$14,460,000 of FFEL.

The **Oklahoma Turnpike Authority** (OTA) had commitments outstanding at December 31, 1996, relating to equipment orders and supplies of approximately \$461,000. At December 31, 1996, OTA had commitments outstanding relating to construction and maintenance contracts of approximately \$9,034,000.

The **Grand River Dam Authority** (GRDA) has entered into agreements to purchase and transport coal for future use. 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. Total purchases under the agreements were \$58,725,000 for 1996. GRDA also entered into a lime purchase agreement in 1996. 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) purchased approximately \$13,300,000 of power pursuant to several long-term purchase agreements during 1996. OMPA is obligated to purchase, at a minimum, approximately \$6,200,000 of power annually through 2000, decreasing to \$2,880,000 annually through 2003.

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

**Rose State College** (RSC), a member of the Higher Education Component Unit, has entered into a contract for the construction of a Communications Center. The total contract amount is approximately \$11,047,000 with an estimated completion date of December 1997. As of June 30, 1997, approximately \$7,618,000 has been expended and is in construction in progress. The construction of the Communications Center will be partially funded by the proceeds of General Obligation Bonds issued by the **Rose State College Technical Area Education District**, a component unit of RSC.

## **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. Such litigation includes, but is not limited to, claims assessed against the State for property damage and personal injury, alleged breaches of contract, condemnation proceedings, and other alleged violations of state and federal laws. Certain claims have been adjudicated against the State, but remained unpaid as of June 30, 1997. The State has accrued liabilities of approximately \$8,400,000 for the payment of such claims. This amount is reported in the General Fund.

Other litigation and civil actions have been filed against the State with an estimated loss of approximately \$12,000,000 to \$23,000,000. Because the outcome of these proceedings is in question, no liability has been recorded for any loss that may result from these claims.

The State receives significant financial assistance from the Federal Government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowances as a result of these audits could become a liability of the State. As of June 30, 1997, the State is unable to estimate what liabilities may result from such audits.

### **Primary Government**

The **Department of Transportation** (DOT) has incurred significant expenditures on construction projects that have exceeded the amounts approved by the federal grantor. These project expenditures are held in suspense until approved by the federal grantor and subsequently reimbursed. Based on prior years' experience, 82% of the amount held in suspense will be reimbursed. At June 30, 1997, DOT had project expenditures totaling \$5,600,000 of which an estimated \$4,592,000 will be reimbursed pending approval of the Federal Government.

The **Oklahoma Water Resources Board** (Board), pursuant to statute, assumed the obligations of the Oklahoma Water Conservation Storage Commission including a 1974 contractual obligation to repay the United States (through the Army Corps of Engineers) for the costs of constructing water supply storage at Sardis Reservoir in southeastern Oklahoma. Under the 1974 contract, annual payments are to be made for the reservoir construction, operation, and maintenance allocated to the present use water supply storage. Total unaudited construction costs of the Sardis Reservoir allocated to water supply storage are approximately \$38,400,000. Payments on the reservoir began in 1983 and are to continue for 50 years. As of June 30, 1997, the State has made payments of approximately \$3,240,000; however, the Board did not receive legislative authorization to pay the annual payments due in the fiscal years 1989 through 1995. The amount in arrears, including interest and penalty is approximately \$5,000,000. The Army Corps of Engineers has indicated that the obligation may be declared in default and remedies sought. However, as an alternative the State is considering making a proposal to extinguish the debt on the reservoir by making a single lump sum payment to the federal government in the amount of \$20,000,000. This lump sum payment would need approval by all parties involved and as of June 30, 1997, such approval for this payment had not yet been received.

The **Teachers' Retirement System of Oklahoma** (TRS) is a defendant in a class action lawsuit that challenges the method of calculating benefits established by Senate Bill 658. The plaintiffs are seeking increased benefits for retirees who retired prior to July 1, 1995. The estimated cost of additional benefits is approximately \$25,000,000. However, TRS believes it has a strong defense against the lawsuit. Accordingly, no accrual has been made in the accompanying financial statements.

### **Component Units**

The State Legislature enacted legislation which transferred \$31,500,000 of state employee insurance premiums during fiscal year 1997 to the **Oklahoma State Regents for Higher Education** to help fund higher education in the state. These premiums were originally designated to be paid to the **Oklahoma State Employees Group Insurance Board** to provide health insurance coverage for state employees. Of the \$31,500,000 transferred, an estimated \$7,100,000 was included in grant costs charged to the federal government. The federal government has questioned the allowability of these costs under OMB Circular A-87 and is seeking a refund of the costs charged. The state disagrees both with the federal government's characterization of the transfer and the amount in question and believes the amount, if any, to be immaterial. The state is continuing its negotiations with the federal government on this issue and it is expected to be resolved during the 1998 legislative session. Because the outcome of this situation is uncertain, no liability has been recorded in the accompanying financial statements for any loss that may occur.

## **Note 24. Subsequent Events**

### **Primary Government**

Legislation enacted in May 1997, created changes to the benefits paid by **Oklahoma Public Employees Retirement System**. Included in the changes were one-time payments to eligible members or their joint annuitants based on the number of years of credited service. On July 31, 1997, the system made payments, totaling approximately \$6,700,000, to eligible retired members. Additionally, the legislation established, effective January 1, 1998, a new qualified defined contribution plan pursuant to Section 401(a) of the Internal Revenue Code.

### **Component Units**

During November 1996, **Oklahoma Housing Finance Agency** issued \$20,000,000 of Single Family Mortgage Revenue Bonds 1996, Series C.

The 1997 Budget Reconciliation Act requires the return of \$1,000,000,000 in Federal reserves from FFELP guarantee agencies. The act requires the **Oklahoma State Regents for Higher Education** (Regents) to transfer approximately \$1,100,000 annually to a Regents controlled, restricted account in each of the four fiscal years 1999 to 2002, with the remittance to the US Treasury of the accumulated restricted account balance totaling approximately \$4,460,000 in fiscal year 2002. Interest earned on the investments of this restricted account will be available to fund default prevention activities.

Pursuant to legislation enacted in 1995, **University Hospitals Authority** (UHA), in September 1997, created the **University Hospitals Trust** (UHT). The members of the UHA board are the trustees of UHT. UHT is authorized to

negotiate with private entities for the operations of UHA. UHT has approved an agreement in principle to lease and jointly operate all or a portion of the operations of UHA to a subsidiary of Columbia/HCA. Negotiations are underway to enter into a lease and joint operating agreement. The parties intend to sign a definitive agreement by January 1, 1998; however, to date no definitive agreement has been signed by UHT.



## **Calf Roping Picture**

## **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Expenditures and Intra-Agency Transfers-Detail  
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)

|  | GENERAL FUND |           |          |
|--|--------------|-----------|----------|
|  | BUDGET       | ACTUAL    | VARIANCE |
| <b>EDUCATION</b>                                   |              |           |          |
| <b>State Arts Council</b>                          |              |           |          |
| 01 Duties  | \$3,036      | \$2,102   | \$934    |
| 11 Carryover from FY-96 (196-01)                   | 10           | 10        | 0        |
| Agency Totals                                      | 3,046        | 2,112     | 934      |
| <b>Department of Education</b>                     |              |           |          |
| 01 Purchase of Textbooks                           | 14,158       | 13,743    | 415      |
| 01 Public Schools (1)                              | 1,108,845    | 1,108,845 | 0        |
| 01 Public Schools (1)                              | 1,301        | 1,301     | 0        |
| 01 Public Schools (1)                              | 456          | 456       | 0        |
| 02 Office of Accountability                        | 213          | 207       | 6        |
| 02 Financial Support of Schools (1)                | 36,402       | 36,402    | 0        |
| 04 Hissom Compliance (Carryover from FY-96)        | 29           | 29        | 0        |
| 05 Administrative Support (Carryover from FY-96)   | 25           | 25        | 0        |
| 05 Purchase of Textbooks                           | 4,433        | 4,433     | 0        |
| 06 Advanced Placement Incentives (2)               | 2,000        | 2,000     | 0        |
| 07 Minority Recruitment (Carryover from FY-96)     | 1            | 1         | 0        |
| 07 School Lunch Matching (1)                       | 730          | 730       | 0        |
| 08 Develop Student Tracking System                 | 1,500        | 256       | 1,244    |
| 08 Mainframe (Carryover from FY-96)                | 4            | 4         | 0        |
| 08 Alternative Education Academies (1)             | 6,450        | 6,450     | 0        |
| 09 Administrative Support (Carryover from FY-96)   | 6            | 6         | 0        |
| 09 Early Intervention - SoonerStart (1)            | 426          | 426       | 0        |
| 10 Homebound Children (1)                          | 1,193        | 1,193     | 0        |
| 11 Accounting System (Carryover from FY-96)        | 11           | 11        | 0        |
| 11 Parent Training - Continuation/Expansion (1)    | 397          | 397       | 0        |
| 12 Parent Training - Public Housing                | 103          | 103       | 0        |
| 13 Special Education Assistance (1)                | 188          | 188       | 0        |
| 14 Summer Arts Institute                           | 67           | 67        | 0        |
| 15 Community Education Grants (1)                  | 300          | 300       | 0        |
| 17 Teacher Consultant Stipend (1)                  | 958          | 958       | 0        |
| 21 School Community Network Arts (1)               | 129          | 129       | 0        |
| 23 School Lunch Matching (1)                       | 2,759        | 2,759     | 0        |
| 24 School Lunch Programs(2)                        | 3,191        | 3,114     | 77       |
| 27 Adult Education Matching (1)                    | 863          | 863       | 0        |
| 28 Driver Education (1)                            | 1,605        | 1,605     | 0        |
| 32 Textbooks (Carryover from FY-96)                | 2            | 2         | 0        |
| 33 Early Intervention - SoonerStart (1)            | 5,932        | 5,932     | 0        |
| 34 Hissom Compliance                               | 316          | 183       | 133      |
| 35 Special Education Assistance (1)                | 291          | 291       | 0        |
| 36 Summer Arts Institute                           | 233          | 233       | 0        |
| 37 Parent Training - Continuation/Expansion (1)    | 1,777        | 1,777     | 0        |
| 39 Parent Training - Child Service Cntr Evaluation | 19           | 19        | 0        |
| 40 Parent Training - Public Housing                | 47           | 47        | 0        |
| 41 Parent Training - Early Child                   | 42           | 42        | 0        |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail  
Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1997  
(expressed in thousands)  
(continued)

|  | GENERAL FUND     |                  |              |
|--|------------------|------------------|--------------|
|  | BUDGET           | ACTUAL           | VARIANCE     |
| 45 Staff Development - Woodward (1)              | 93               | 93               | 0            |
| 46 Staff Development - McAlester (1)             | 93               | 93               | 0            |
| 50 Alternative Education Academies (2)           | 4,100            | 4,071            | 29           |
| 52 Psychometric Services (1)                     | 887              | 887              | 0            |
| 53 Alternative High Challenge Compet Applies (1) | 1,807            | 1,807            | 0            |
| 54 Staff Development per ADA (1)                 | 999              | 999              | 0            |
| 55 Staff Development - Ardmore (1)               | 93               | 93               | 0            |
| 56 Staff Development - Lawton (1)                | 93               | 93               | 0            |
| 57 Staff Development - Norman (1)                | 93               | 93               | 0            |
| 58 Staff Development - Stillwater (1)            | 93               | 93               | 0            |
| 59 Staff Development - Bartlesville (1)          | 93               | 93               | 0            |
| 61 ICTE -Small School Coop (1)                   | 463              | 463              | 0            |
| 62 Early Intervention - SoonerStart (1)          | 56               | 56               | 0            |
| 63 ICTE - Science and Eng Fair (1)               | 53               | 53               | 0            |
| 64 Agriculture in the Classroom (1)              | 47               | 47               | 0            |
| 65 ICTE - Telecommunication Curriculum (1)       | 280              | 280              | 0            |
| 66 Staff Development per ADA (1)                 | 3,312            | 3,312            | 0            |
| 70 Administration and Support Functions          | 15,025           | 14,446           | 579          |
| 71 Administration and Support Functions          | 1,643            | 1,643            | 0            |
| 72 Adult Education Federal Funding Match (1)     | 62               | 62               | 0            |
| 73 Oklahoma Cost Accounting System               | 203              | 202              | 1            |
| 74 Criterion Referenced Test                     | 475              | 475              | 0            |
| 76 Lease - Purchase of Mainframe Computer        | 251              | 251              | 0            |
| 77 Parent Training - Field Operations            | 75               | 6                | 69           |
| 78 Oklahoma Geographic Alliance                  | 48               | 48               | 0            |
| 80 School Lunch (Carryover from FY-96)           | 4                | 4                | 0            |
| 81 Hissom (Carryover from FY-96)                 | 199              | 78               | 121          |
| 82 Parents as Teachers (Carryover FY-96)         | 25               | 25               | 0            |
| 83 Parent Training (Carryover from FY-96)        | 18               | 4                | 14           |
| 84 Parent Training (Carryover from FY-96)        | 3                | 3                | 0            |
| 85 Alt. Ed. Academy (Carryover from FY-96)       | 51               | 34               | 17           |
| 86 Admin. and Support (Carryover from FY-96)     | 598              | 597              | 1            |
| 87 Accounting System (Carryover from FY-96)      | 35               | 34               | 1            |
| 88 Mainframe (Carryover from FY-96)              | 33               | 33               | 0            |
| 89 Okla. Geographic (Carryover from FY-96)       | 2                | 2                | 0            |
| Agency Totals                                    | <u>1,228,807</u> | <u>1,226,100</u> | <u>2,707</u> |

**Oklahoma Education Television Authority**

|                                  |              |              |          |
|----------------------------------|--------------|--------------|----------|
| 01 Duties                        | 2,422        | 2,414        | 8        |
| 02 Carryover from FY-96 (196-01) | 21           | 21           | 0        |
| 02 Duties                        | <u>96</u>    | <u>96</u>    | <u>0</u> |
| Agency Totals                    | <u>2,539</u> | <u>2,531</u> | <u>8</u> |

**Oklahoma Commission for Teacher Preparation**

|                                  |            |            |           |
|----------------------------------|------------|------------|-----------|
| 01 Duties                        | 147        | 119        | 28        |
| 02 Duties (Carryover from FY-96) | <u>47</u>  | <u>36</u>  | <u>11</u> |
| Agency Totals                    | <u>194</u> | <u>155</u> | <u>39</u> |

|   | GENERAL FUND |        |          |
|---|--------------|--------|----------|
|   | BUDGET       | ACTUAL | VARIANCE |
| <b>Commission of the Land Office</b>                    |              |        |          |
| 01 Duties   | 4,541        | 3,971  | 570      |
| Agency Totals   | 4,541        | 3,971  | 570      |
| <b>Department of Libraries</b>                          |              |        |          |
| 01 Duties   | 5,042        | 4,830  | 212      |
| 02 Duties   | 400          | 376    | 24       |
| 11 Duties (Carryover from FY-96)                        | 101          | 101    | 0        |
| 12 Data Processing (Carryover from FY-96)               | 57           | 57     | 0        |
| Agency Totals   | 5,600        | 5,364  | 236      |
| <b>Board of Private Vocational School</b>               |              |        |          |
| 01 Duties   | 113          | 110    | 3        |
| 02 Duties   | 7            | 7      | 0        |
| 11 Carryover from FY-96 (196-01)                        | 6            | 6      | 0        |
| Agency Totals   | 126          | 123    | 3        |
| <b>Physician Manpower Training Commission</b>           |              |        |          |
| 01 Duties   | 300          | 300    | 0        |
| 01 Duties   | 4,891        | 4,891  | 0        |
| 11 Carryover  | 58           | 58     | 0        |
| Agency Totals   | 5,249        | 5,249  | 0        |
| <b>Center for Advancement of Science and Technology</b> |              |        |          |
| 01 Duties   | 421          | 421    | 0        |
| 02 Research Revolving Fund (1)                          | 5,630        | 5,630  | 0        |
| 11 Duties (Carryover from FY-96)                        | 233          | 233    | 0        |
| Agency Totals   | 6,284        | 6,284  | 0        |
| <b>Oklahoma School of Science and Mathematics</b>       |              |        |          |
| 01 Duties   | 3,407        | 3,301  | 106      |
| 02 Duties   | 604          | 419    | 185      |
| 11 Duties (Carryover from FY-96)                        | 221          | 171    | 50       |
| 12 Duties (Carryover from FY-96)                        | 9            | 9      | 0        |
| Agency Totals   | 4,241        | 3,900  | 341      |
| <b>Vocational and Technical Education</b>               |              |        |          |
| 01 Duties (1)   | 3,597        | 3,597  | 0        |
| 02 Duties (1)   | 4,819        | 4,819  | 0        |
| 08 Duties (2)   | 87,761       | 82,938 | 4,823    |
| 11 Duties (Carryover from FY-96)                        | 88           | 88     | 0        |
| 18 Duties (Carryover from FY-96)                        | 5,716        | 5,716  | 0        |
| Agency Totals   | 101,981      | 97,158 | 4,823    |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail  
Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1997  
(expressed in thousands)  
(continued)

|   | GENERAL FUND     |                  |              |
|---|------------------|------------------|--------------|
|   | BUDGET           | ACTUAL           | VARIANCE     |
| <b>Education Total</b>                        | <u>1,362,608</u> | <u>1,352,947</u> | <u>9,661</u> |
| <b>GENERAL GOVERNMENT</b>                     |                  |                  |              |
| <b>Office of State Finance</b>                |                  |                  |              |
| 01 Duties                                     | 8,411            | 7,397            | 1,014        |
| 02 Duties                                     | <u>201</u>       | <u>201</u>       | <u>0</u>     |
| Agency Totals                                 | <u>8,612</u>     | <u>7,598</u>     | <u>1,014</u> |
| <b>Capitol Improvement Authority</b>          |                  |                  |              |
| 01 Retiring Bonds for Capital Improvement     | <u>144</u>       | <u>144</u>       | <u>0</u>     |
| Agency Totals                                 | <u>144</u>       | <u>144</u>       | <u>0</u>     |
| <b>Department of Commerce</b>                 |                  |                  |              |
| 01 Duties                                     | 10,242           | 9,392            | 850          |
| 02 Duties                                     | 1,135            | 849              | 286          |
| 03 Community Action Agency - General Missions | 757              | 742              | 15           |
| 04 Community Action Agency - Head Start       | 1,579            | 1,107            | 472          |
| 05 Minority Business Development Fund (1)     | 219              | 219              | 0            |
| 06 Rural Enterprise Inc.                      | 26               | 18               | 8            |
| 08 Little Dixie Community Action Agency       | 31               | 27               | 4            |
| 09 SE OSU Small Bus Develop Center            | 622              | 622              | 0            |
| 10 Community Development Centers Program (1)  | 131              | 131              | 0            |
| 11 Rural Regional Incubator                   | 49               | 41               | 8            |
| 12 Native American Cultural and Education     | 250              | 31               | 219          |
| 13 Dual Use Training Center                   | 213              | 89               | 124          |
| 14 Head Start                                 | 1,500            | 1,276            | 224          |
| 15 Moving Costs                               | 200              | 200              | 0            |
| 15 International Marketing                    | 365              | 224              | 141          |
| 16 Rural Enterprise Inc                       | 85               | 59               | 26           |
| 20 Capital Improvement Revolving Fund (1)     | 145              | 145              | 0            |
| 21 Duties (Carryover from FY-96)              | 525              | 457              | 68           |
| 21 Rural Regional Incubator                   | 120              | 80               | 40           |
| 24 Head Start Administration                  | 166              | 157              | 9            |
| 34 Community Action Agency Assoc. Head Start  | 65               | 51               | 14           |
| 35 Substate Grand Gateway                     | 37               | 34               | 3            |
| 36 Substate EODD                              | 37               | 34               | 3            |
| 37 Substate KEDDO                             | 37               | 34               | 3            |
| 38 Substate SODA                              | 37               | 28               | 9            |
| 39 Substate COEDD                             | 37               | 34               | 3            |
| 40 Substate INCOG                             | 40               | 37               | 3            |
| 41 Substate NODA                              | 37               | 34               | 3            |
| 42 Substate ACOG                              | 43               | 32               | 11           |
| 43 Substate ASCOG                             | 38               | 31               | 7            |
| 44 Substate SWODA                             | 36               | 28               | 8            |
| 45 Substate OEDA                              | 36               | 32               | 4            |
| 46 Central Oklahoma Develop District          | 25               | 25               | 0            |
| 47 Easter Oklahoma Development District       | 40               | 27               | 13           |
| 48 Grand Gateway Economic Development         | 15               | 0                | 15           |
| 49 Northern Oklahoma Development Association  | <u>13</u>        | <u>13</u>        | <u>0</u>     |
| Agency Totals                                 | <u>18,933</u>    | <u>16,340</u>    | <u>2,593</u> |

|   | GENERAL FUND |        |          |
|---|--------------|--------|----------|
|   | BUDGET       | ACTUAL | VARIANCE |
| <b>State Election Board</b>                     |              |        |          |
| 01 Duties                                       | 5,815        | 4,187  | 1,628    |
| 01 Elections                                    | 1,260        | 151    | 1,109    |
| 11 Carryover from FY-96                         | 1,442        | 1,442  | 0        |
| 12 Transfer for Election Expenses               | 1,260        | 1,260  | 0        |
| 21 Transfer for Election Expenses               | 389          | 389    | 0        |
| Agency Totals                                   | 10,166       | 7,429  | 2,737    |
| <b>Ethics Commission</b>                        |              |        |          |
| 01 State Ethics Commission                      | 320          | 320    | 0        |
| 03 FY-97 Supplemental - Special Investigations  | 26           | 14     | 12       |
| Agency Totals                                   | 346          | 334    | 12       |
| <b>Merit Protection Commission</b>              |              |        |          |
| 01 Duties                                       | 506          | 503    | 3        |
| 02 Legal Services                               | 15           | 6      | 9        |
| 12 Legal Services (Carryover from FY-96)        | 15           | 15     | 0        |
| Agency Totals                                   | 536          | 524    | 12       |
| <b>State Auditor and Inspector</b>              |              |        |          |
| 01 Duties                                       | 3,668        | 3,667  | 1        |
| 03 County Govt Personnel Education and Training | 384          | 384    | 0        |
| 04 Uniform Computer System Development          | 45           | 45     | 0        |
| 05 FY-97 Supplemental for Duties                | 266          | 266    | 0        |
| Agency Totals                                   | 4,363        | 4,362  | 1        |
| <b>Governor</b>                                 |              |        |          |
| 01 Duties                                       | 1,936        | 1,865  | 71       |
| 02 Secretary of Education and Expenses          | 200          | 138    | 62       |
| 03 Secretary of Veterans Affairs                | 75           | 75     | 0        |
| 04 Mansion Expenses                             | 58           | 58     | 0        |
| 05 Duties                                       | 66           | 66     | 0        |
| Agency Totals                                   | 2,335        | 2,202  | 133      |
| <b>Lieutenant Governor</b>                      |              |        |          |
| 01 Duties                                       | 344          | 286    | 58       |
| 02 Duties                                       | 15           | 0      | 15       |
| 11 Operations                                   | 174          | 163    | 11       |
| 21 Duties (Carryover from FY-96)                | 2            | 2      | 0        |
| Agency Totals                                   | 535          | 451    | 84       |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail  
Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1997  
(expressed in thousands)  
(continued)

|  | GENERAL FUND |        |          |
|--|--------------|--------|----------|
|  | BUDGET       | ACTUAL | VARIANCE |
| <b>Office of Personnel Management</b>          |              |        |          |
| 01 Duties                                      | 4,671        | 4,449  | 222      |
| 02 Duties                                      | 353          | 187    | 166      |
| 03 State Employee Comp Sys Reform              | 175          | 51     | 124      |
| 11 Duties                                      | 211          | 211    | 0        |
| Agency Totals                                  | 5,410        | 4,898  | 512      |
| <b>Department of Central Services</b>          |              |        |          |
| 01 Duties                                      | 5,146        | 4,642  | 504      |
| 01 Manville and Asbestos Abatement             | 933          | 847    | 86       |
| 02 Building Maintenance (1)                    | 3,838        | 3,838  | 0        |
| 03 Veteran's Memorial                          | 5            | 5      | 0        |
| 04 Hissom                                      | 195          | 166    | 29       |
| 05 Duties                                      | 1,537        | 1,478  | 59       |
| 06 OCIA Bond payments                          | 963          | 963    | 0        |
| 06 Centennial Commission                       | 25           | 0      | 25       |
| 07 Carryover from FY-96                        | 60           | 60     | 0        |
| 07 Duties                                      | 502          | 502    | 0        |
| 08 Duties                                      | 100          | 100    | 0        |
| 13 Veterans Memorial (Carryover from FY-96)    | 1            | 1      | 0        |
| 14 Hissom Memorial (Carryover from FY-96)      | 2            | 2      | 0        |
| Agency Totals                                  | 13,307       | 12,604 | 703      |
| <b>Secretary of State</b>                      |              |        |          |
| 01 Duties                                      | 312          | 288    | 24       |
| 03 Administrative Rules                        | 122          | 122    | 0        |
| 04 Ballot Titles                               | 10           | 6      | 4        |
| 05 Duties                                      | 52           | 52     | 0        |
| 11 Operations (Carryover from FY-96)           | 7            | 7      | 0        |
| 13 Administrative Rules (Carryover from FY-96) | 1            | 1      | 0        |
| 14 Ballot Titles (Carryover from FY-96)        | 6            | 6      | 0        |
| Agency Totals                                  | 510          | 482    | 28       |
| <b>Oklahoma Tax Commission</b>                 |              |        |          |
| 30 Duties                                      | 43,075       | 42,876 | 199      |
| 32 County Reimbursement Fund (1)               | 647          | 647    | 0        |
| 33 97 Supplemental - Tax Refund Processing     | 416          | 416    | 0        |
| Agency Totals                                  | 44,138       | 43,939 | 199      |



|   | GENERAL FUND   |                |              |
|---|----------------|----------------|--------------|
|   | BUDGET         | ACTUAL         | VARIANCE     |
| <b>State Treasurer</b>                      |                |                |              |
| 01 Duties                                   | 3,171          | 3,077          | 94           |
| 01 Payments to Counties (1)                 | 98             | 98             | 0            |
| 02 Bank Service Charges                     | 1,033          | 947            | 86           |
| 03 Duties                                   | 171            | 171            | 0            |
| 11 Duties                                   | 132            | 124            | 8            |
| 12 Bank Charges (Carryover from FY-96/95)   | 7              | 6              | 1            |
| 13 Add'l Bank Charge (Carryover from FY-96) | 4              | 3              | 1            |
| Agency Totals                               | <u>4,616</u>   | <u>4,426</u>   | <u>190</u>   |
| <b>General Government Total</b>             | <u>113,951</u> | <u>105,733</u> | <u>8,218</u> |
| <b>HEALTH SERVICES</b>                      |                |                |              |
| <b>Department of Health</b>                 |                |                |              |
| 01 Duties                                   | 28,711         | 27,719         | 992          |
| 02 Eldercare (1)                            | 5,254          | 5,254          | 0            |
| 03 Duties                                   | 3,147          | 3,129          | 18           |
| 04 Margaret Hudson Program                  | 43             | 43             | 0            |
| 05 Community Health Centers Inc.            | 173            | 173            | 0            |
| 06 Southeast Area Health Center             | 173            | 173            | 0            |
| 07 Morton Comp Health Services              | 312            | 312            | 0            |
| 08 Sickie Cell Research Found               | 104            | 104            | 0            |
| 09 Emerson Teen Parent Program              | 135            | 135            | 0            |
| 10 Alzheimer's Advisory Council             | 55             | 55             | 0            |
| 11 Tolliver Alternative Care                | 47             | 47             | 0            |
| 12 Child Abuse (1)                          | 1,481          | 1,481          | 0            |
| 14 Konawa Comm Health Center                | 125            | 125            | 0            |
| 15 Dental for Disabled/Elderly              | 150            | 150            | 0            |
| 16 OUHSC Women/Children Health              | 327            | 327            | 0            |
| 17 Carryover for Duties                     | 842            | 841            | 1            |
| 19 High Risk Perinatal Services             | 2,502          | 2,453          | 49           |
| 20 Perinatal Continuing Education           | 210            | 210            | 0            |
| 21 Perinatal Demonstration Project          | 64             | 60             | 4            |
| 22 Child Abuse (1)                          | 100            | 100            | 0            |
| 23 Kidney Health Program (1)                | 40             | 40             | 0            |
| 24 Konawa Community Health Center           | 25             | 25             | 0            |
| 25 Oklahoma City Indian Clinic              | 75             | 75             | 0            |
| 26 OUHSC Women/Children Health              | 2,100          | 2,100          | 0            |
| 27 Children First Program                   | 1,150          | 655            | 495          |
| 28 Carryover to OUHSC Prenatal              | 64             | 64             | 0            |
| 47 Carryover to Emerson Teen Prog           | 10             | 10             | 0            |
| Agency Totals                               | <u>47,419</u>  | <u>45,860</u>  | <u>1,559</u> |
|   |                |                | (continued)  |

Schedule of Expenditures and Intra-Agency Transfers-Detail  
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)  
 (continued)

|  | GENERAL FUND   |                |              |
|--|----------------|----------------|--------------|
|  | BUDGET         | ACTUAL         | VARIANCE     |
| <b>Mental Health and Substance Abuse</b>         |                |                |              |
| 01 Duties  | 108,710        | 107,026        | 1,684        |
| 02 Duties  | 5,766          | 5,377          | 389          |
| 03 Duties  | 3,000          | 3,000          | 0            |
| 03 Mobile Outreach and Crisis                    | 250            | 0              | 250          |
| 04 Area Prevention Resource Centers              | 250            | 243            | 7            |
| 05 Mobile Outreach and Crisis                    | 250            | 0              | 250          |
| 06 Clozapine/atypical Medications                | 650            | 645            | 5            |
| 07 Clozapine/atypical Medications                | 350            | 350            | 0            |
| 10 Duties (Carryover from FY-96)                 | 1,585          | 1,585          | 0            |
| Agency Totals                                    | <u>120,811</u> | <u>118,226</u> | <u>2,585</u> |
| <b>Health Services Total</b>                     | <u>168,230</u> | <u>164,086</u> | <u>4,144</u> |
| <b>LEGAL AND JUDICIARY</b>                       |                |                |              |
| <b>Indigent Defense System</b>                   |                |                |              |
| 01 Duties (2)                                    | 8,122          | 7,997          | 125          |
| 02 97 Supplemental for Court-appointed Attorneys | 796            | 796            | 0            |
| 03 97 Supplemental for Private Attorneys         | 1,314          | 1,122          | 192          |
| 04 97 Supplemental for 13 Temporary Employees    | 182            | 102            | 80           |
| 11 Duties  | 84             | 84             | 0            |
| 21 Duties  | 29             | 28             | 1            |
| Agency Totals                                    | <u>10,527</u>  | <u>10,129</u>  | <u>398</u>   |
| <b>Attorney General</b>                          |                |                |              |
| 01 Duties  | 4,086          | 3,975          | 111          |
| 02 Public Employee Relations Board               | 40             | 40             | 0            |
| 03 FY-97 Supplemental for Duties                 | 502            | 195            | 307          |
| 05 Evidence Fund                                 | 150            | 150            | 0            |
| 11 Duties  | 177            | 177            | 0            |
| 11 Computer Network                              | 180            | 180            | 0            |
| 12 Employee Relations (Carryover from FY-96)     | 0              | 0              | 0            |
| Agency Totals                                    | <u>5,135</u>   | <u>4,717</u>   | <u>418</u>   |
| <b>Court of Criminal Appeals</b>                 |                |                |              |
| 01 Duties  | 2,174          | 2,073          | 101          |
| 02 Duties  | 188            | 188            | 0            |
| 11 Duties  | 153            | 153            | 0            |
| 16 Computers                                     | 124            | 124            | 0            |
| Agency Totals                                    | <u>2,639</u>   | <u>2,538</u>   | <u>101</u>   |

|   | GENERAL FUND |        |             |
|---|--------------|--------|-------------|
|   | BUDGET       | ACTUAL | VARIANCE    |
| <b>District Courts</b>                          |              |        |             |
| 01 Duties                                       | 17,718       | 17,562 | 156         |
| 01 Duties                                       | 7,948        | 7,719  | 229         |
| 02 Duties                                       | 1,858        | 1,858  | 0           |
| 03 Duties                                       | 1,120        | 1,120  | 0           |
| 11 Duties                                       | 155          | 155    | 0           |
| 11 Duties (Carryover from FY-96)                | 261          | 261    | 0           |
| Agency Totals                                   | 29,060       | 28,675 | 385         |
| <b>District Attorneys Council</b>               |              |        |             |
| 01 Duties                                       | 25,107       | 24,256 | 851         |
| 02 Duties                                       | 861          | 861    | 0           |
| 03 Witness Fees                                 | 380          | 380    | 0           |
| 04 District Attorneys Evidence Fund (1)         | 25           | 25     | 0           |
| 05 FY-97 Supplemental for Murrah Bombing        | 139          | 37     | 102         |
| 11 Duties (Carryover from FY-96)                | 471          | 412    | 59          |
| 13 Duties (Carryover from FY-96)                | 137          | 137    | 0           |
| 14 Fed. Bldg Bomb Prosecution (Carryover FY-96) | 100          | 100    | 0           |
| Agency Totals                                   | 27,220       | 26,208 | 1,012       |
| <b>Workers Compensation Court</b>               |              |        |             |
| 01 Duties                                       | 260          | 238    | 22          |
| 01 Duties                                       | 3,368        | 3,037  | 331         |
| 01 Duties - FY-97 Supplemental                  | 230          | 230    | 0           |
| 03 Duties                                       | 801          | 800    | 1           |
| 11 Duties                                       | 20           | 20     | 0           |
| 11 Duties                                       | 4            | 4      | 0           |
| 12 Duties                                       | 2            | 2      | 0           |
| 31 Duties                                       | 9            | 9      | 0           |
| Agency Totals                                   | 4,694        | 4,340  | 354         |
| <b>Supreme Court</b>                            |              |        |             |
| 01 FY-97 Supplemental - Duties                  | 304          | 300    | 4           |
| 01 Duties                                       | 4,446        | 3,695  | 751         |
| 01 Duties                                       | 3,354        | 3,351  | 3           |
| 02 Supreme Court Revolving Fund                 | 900          | 900    | 0           |
| 03 Legal Services Revolving Fund (1)            | 450          | 450    | 0           |
| 04 Duties                                       | 240          | 240    | 0           |
| 05 Duties                                       | 350          | 350    | 0           |
| 11 Duties                                       | 380          | 380    | 0           |
| 11 Duties                                       | 22           | 22     | 0           |
| 13 Computers                                    | 176          | 176    | 0           |
| Agency Totals                                   | 10,622       | 9,864  | 758         |
|   |              |        | (continued) |

Schedule of Expenditures and Intra-Agency Transfers-Detail  
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)  
 (continued)

|  | GENERAL FUND  |               |              |
|--|---------------|---------------|--------------|
|  | BUDGET        | ACTUAL        | VARIANCE     |
| <b>Legal and Judiciary Total</b>               | <u>89,897</u> | <u>86,471</u> | <u>3,426</u> |
| <b>MUSEUMS</b>                                 |               |               |              |
| <b>J. M. Davis Memorial Commission</b>         |               |               |              |
| 01 Duties                                      | 338           | 333           | 5            |
| 02 Duties - Payplan                            | <u>17</u>     | <u>17</u>     | <u>0</u>     |
| Agency Totals                                  | <u>355</u>    | <u>350</u>    | <u>5</u>     |
| <b>Historical Society</b>                      |               |               |              |
| 01 Duties                                      | 4,573         | 4,456         | 117          |
| 02 Duties                                      | 1,196         | 1,057         | 139          |
| 11 Duties (Carryover from FY-96)               | 24            | 24            | 0            |
| 12 State Match (Carryover from FY-96)          | 87            | 86            | 1            |
| 21 Murrah Bld Archiving (Carryover from FY-96) | <u>6</u>      | <u>6</u>      | <u>0</u>     |
| Agency Totals                                  | <u>5,886</u>  | <u>5,629</u>  | <u>257</u>   |
| <b>Will Rogers Memorial Commission</b>         |               |               |              |
| 01 Duties                                      | 492           | 492           | 0            |
| 02 Duties                                      | <u>171</u>    | <u>171</u>    | <u>0</u>     |
| Agency Totals                                  | <u>663</u>    | <u>663</u>    | <u>0</u>     |
| <b>Museums Total</b>                           | <u>6,904</u>  | <u>6,642</u>  | <u>262</u>   |
| <b>NATURAL RESOURCES</b>                       |               |               |              |
| <b>Department of Agriculture</b>               |               |               |              |
| 01 Duties                                      | 15,155        | 15,131        | 24           |
| 02 Duties - Payplan                            | 693           | 693           | 0            |
| 03 McGee Creek Fire Protection                 | 188           | 188           | 0            |
| 20 Duties (Carryover from FY-96)               | 164           | 164           | 0            |
| 71 Mediation Program                           | 20            | 20            | 0            |
| 74 Rural Fire 80/20 Match                      | 496           | 496           | 0            |
| 75 Rural Fire Department Program - Operations  | 300           | 300           | 0            |
| 79 Duties                                      | <u>300</u>    | <u>285</u>    | <u>15</u>    |
| Agency Totals                                  | <u>17,316</u> | <u>17,277</u> | <u>39</u>    |
| <b>Department of Environmental Quality</b>     |               |               |              |
| 01 Duties                                      | 6,450         | 6,086         | 364          |
| 20 Duties (Carryover from FY-96)               | <u>444</u>    | <u>443</u>    | <u>1</u>     |
| Agency Totals                                  | <u>6,894</u>  | <u>6,529</u>  | <u>365</u>   |

| GENERAL FUND                                |               |               |            |
|---|---------------|---------------|------------|
|   | BUDGET        | ACTUAL        | VARIANCE   |
| <b>Department of Tourism and Recreation</b> |               |               |            |
| 01 Duties (2)                               | 21,791        | 21,615        | 176        |
| 02 Duties - Payplan                         | 1,089         | 1,047         | 42         |
| 03 Moving Expenses - Asbestos               | 100           | 97            | 3          |
| 04 Tourism Brochures and Materials          | 250           | 228           | 22         |
| 05 TRIP                                     | 200           | 77            | 123        |
| 07 Scenic Rivers Commission (1)             | 63            | 63            | 0          |
| 31 OCIA Debt Service                        | 1,563         | 1,563         | 0          |
| 32 Welcome Center Operations                | 100           | 100           | 0          |
| 41 Duties (Carryover from FY-96)            | 202           | 196           | 6          |
| Agency Totals                               | 25,358        | 24,986        | 372        |
| <b>Conservation Commission</b>              |               |               |            |
| 01 Duties                                   | 5,059         | 5,018         | 41         |
| 02 Operations / Maintenance Upstream Flood  | 450           | 450           | 0          |
| 03 Duties - Payplan                         | 352           | 346           | 6          |
| 04 Conservation Districts Operations        | 220           | 220           | 0          |
| Agency Totals                               | 6,081         | 6,034         | 47         |
| <b>Water Resources Board</b>                |               |               |            |
| 01 Duties                                   | 3,262         | 3,156         | 106        |
| 02 Duties (Carryover from FY-96)            | 194           | 183           | 11         |
| 03 High Plains Aquifer Study                | 100           | 100           | 0          |
| 04 Clean Lakes Program                      | 195           | 189           | 6          |
| 06 Duties                                   | 136           | 136           | 0          |
| 07 Water Supply Storage Payment (1)         | 508           | 508           | 0          |
| Agency Totals                               | 4,395         | 4,272         | 123        |
| <b>Natural Resources Total</b>              | <b>60,044</b> | <b>59,098</b> | <b>946</b> |
| <b>PUBLIC SAFETY AND DEFENSE</b>            |               |               |            |
| <b>Oklahoma Military Department</b>         |               |               |            |
| 01 Duties                                   | 4,420         | 4,117         | 303        |
| 02 Duties                                   | 996           | 991           | 5          |
| 03 Adjutant General Conference              | 20            | 19            | 1          |
| 04 Physical Asset Maintenance               | 200           | 200           | 0          |
| 11 Duties (Carryover from FY-96)            | 46            | 12            | 34         |
| 11 State Match/ Armory Maintenance          | 276           | 276           | 0          |
| 12 Armories (Carryover from FY-96)          | 1             | 1             | 0          |
| 14 D. P. Upgrade (Carryover from FY-96)     | 1             | 1             | 0          |
| Agency Totals                               | 5,960         | 5,617         | 343        |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail  
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)  
 (continued)

|  | GENERAL FUND |         |          |
|--|--------------|---------|----------|
|  | BUDGET       | ACTUAL  | VARIANCE |
| <b>Alcoholic Beverage Laws Enforcement</b> |              |         |          |
| 01 Duties                                  | 3,261        | 3,256   | 5        |
| Agency Totals                              | 3,261        | 3,256   | 5        |
| <b>Department of Corrections</b>           |              |         |          |
| 30 Duties                                  | 201,663      | 199,362 | 2,301    |
| 31 Duties                                  | 44,466       | 44,466  | 0        |
| 32 FY-97 Supplemental for Duties           | 836          | 836     | 0        |
| 33 Duties (Redesignated)                   | 1,000        | 938     | 62       |
| 40 Duties (Carryover from FY-96)           | 2,083        | 1,942   | 141      |
| 42 Duties (Carryover from FY-96)           | 78           | 78      | 0        |
| Agency Totals                              | 250,126      | 247,622 | 2,504    |
| <b>Pardon and Parole Board</b>             |              |         |          |
| 01 Duties                                  | 1,557        | 1,470   | 87       |
| 02 Duties                                  | 91           | 91      | 0        |
| 11 Duties (Carryover from FY-96)           | 55           | 52      | 3        |
| Agency Totals                              | 1,703        | 1,613   | 90       |
| <b>State Bureau of Investigation</b>       |              |         |          |
| 01 Duties                                  | 8,677        | 8,672   | 5        |
| 02 Duties                                  | 292          | 265     | 27       |
| 11 Duties (Carryover from FY-96)           | 45           | 45      | 0        |
| Agency Totals                              | 9,014        | 8,982   | 32       |
| <b>Department of Civil Emergency</b>       |              |         |          |
| 01 Duties                                  | 485          | 485     | 0        |
| 01 Volunteerism                            | 22           | 22      | 0        |
| 02 Duties                                  | 87           | 87      | 0        |
| Agency Totals                              | 594          | 594     | 0        |
| <b>State Fire Marshal</b>                  |              |         |          |
| 01 Duties                                  | 986          | 951     | 35       |
| 02 FY-97 Supplemental - Arson Invest/Ops   | 83           | 79      | 4        |
| 31 Duties (Carryover from FY-96)           | 2            | 2       | 0        |
| Agency Totals                              | 1,071        | 1,032   | 39       |

|   | GENERAL FUND   |                |              |
|---|----------------|----------------|--------------|
|   | BUDGET         | ACTUAL         | VARIANCE     |
| <b>Board of Medicolegal Investigation</b>                 |                |                |              |
| 01 Duties   | 2,391          | 2,340          | 51           |
| 02 Duties   | 86             | 86             | 0            |
| 03 Pathologist  | 117            | 0              | 117          |
| 04 Duties   | 100            | 100            | 0            |
| 11 Duties (Carryover from FY-96)                          | 2              | 2              | 0            |
| Agency Totals   | 2,696          | 2,528          | 168          |
| <b>Council on Law Enforcement, Education and Training</b> |                |                |              |
| 01 Duties   | 1,426          | 1,403          | 23           |
| 01 Duties   | 350            | 345            | 5            |
| 02 Duties   | 104            | 99             | 5            |
| 12 Duties (Carryover from FY-96)                          | 6              | 6              | 0            |
| 41 Duties   | 184            | 178            | 6            |
| Agency Totals   | 2,070          | 2,031          | 39           |
| <b>Bureau of Narcotics and Dangerous Drugs</b>            |                |                |              |
| 01 Duties   | 3,948          | 3,810          | 138          |
| 02 Duties   | 117            | 111            | 6            |
| Agency Totals   | 4,065          | 3,921          | 144          |
| <b>Department of Public Safety</b>                        |                |                |              |
| 01 Duties   | 358            | 358            | 0            |
| 01 Duties   | 49,256         | 48,758         | 498          |
| 01 Trooper Academy  | 1,193          | 1,132          | 61           |
| 02 Duties   | 1,665          | 1,665          | 0            |
| 23 Motor Vehicles   | 1,500          | 1,497          | 3            |
| 24 Aircraft Lease - Purchase and Operations               | 602            | 554            | 48           |
| Agency Totals   | 54,574         | 53,964         | 610          |
| <b>Public Safety and Defense Totals</b>                   | <b>335,134</b> | <b>331,160</b> | <b>3,974</b> |
| <b>REGULATORY SERVICES</b>                                |                |                |              |
| <b>State Banking Department</b>                           |                |                |              |
| 01 Duties   | 2,196          | 2,144          | 52           |
| Agency Totals   | 2,196          | 2,144          | 52           |

(continued)

Schedule of Expenditures and Intra-Agency Transfers-Detail  
 Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)  
 (continued)

|  | GENERAL FUND |              |            |
|--|--------------|--------------|------------|
|  | BUDGET       | ACTUAL       | VARIANCE   |
| <b>Department of Mines</b>                       |              |              |            |
| 01 Duties  | 427          | 427          | 0          |
| 02 Duties  | 300          | 300          | 0          |
| 03 Explosives and Blasting                       | 30           | 30           | 0          |
| Agency Totals                                    | <u>757</u>   | <u>757</u>   | <u>0</u>   |
| <b>Corporation Commission</b>                    |              |              |            |
| 01 Duties  | 2,272        | 2,227        | 45         |
| 02 Duties - Payplan                              | 558          | 558          | 0          |
| 04 Career Ladder System                          | 180          | 180          | 0          |
| 06 Duties (Carryover from FY-96)                 | 72           | 72           | 0          |
| 10 Duties (2)                                    | 2,000        | 1,996        | 4          |
| Agency Totals                                    | <u>5,082</u> | <u>5,033</u> | <u>49</u>  |
| <b>Oklahoma Horse Racing Commission</b>          |              |              |            |
| 02 FY-97 Supplemental for Audits and Motor Pool  | 29           | 29           | 0          |
| 03 Duties (Carryover from FY-96)                 | 35           | 35           | 0          |
| 87 Horse Racing Commission                       | 1,972        | 1,880        | 92         |
| Agency Totals                                    | <u>2,036</u> | <u>1,944</u> | <u>92</u>  |
| <b>Insurance Department</b>                      |              |              |            |
| 01 Duties  | 2,389        | 2,375        | 14         |
| 02 Duties  | 153          | 153          | 0          |
| 11 Duties (Carryover from FY-96)                 | 11           | 11           | 0          |
| Agency Totals                                    | <u>2,553</u> | <u>2,539</u> | <u>14</u>  |
| <b>Department of Labor</b>                       |              |              |            |
| 01 Duties  | 1,313        | 1,240        | 73         |
| 01 Duties  | 1,634        | 1,466        | 168        |
| 02 Prevailing Wage Unit                          | 222          | 87           | 135        |
| 02 Duties  | 111          | 111          | 0          |
| 03 Duties  | 214          | 214          | 0          |
| 11 Boxing, Boiler Inspect (Carryover from FY-96) | 110          | 110          | 0          |
| 12 Duties (Carryover from FY-96)                 | 292          | 291          | 1          |
| 13 Duties (Carryover from FY-96)                 | 70           | 69           | 1          |
| Agency Totals                                    | <u>3,966</u> | <u>3,588</u> | <u>378</u> |
| <b>Liquefied Petroleum Gas Board</b>             |              |              |            |
| 01 Duties  | 362          | 332          | 30         |
| 02 Duties (Carryover from FY-96)                 | 43           | 43           | 0          |
| Agency Totals                                    | <u>405</u>   | <u>375</u>   | <u>30</u>  |



|   | GENERAL FUND |        |             |
|---|--------------|--------|-------------|
|   | BUDGET       | ACTUAL | VARIANCE    |
| <b>Oklahoma Securities Commission</b>     |              |        |             |
| 01 Duties                                 | 514          | 422    | 92          |
| 02 Duties                                 | 51           | 0      | 51          |
| Agency Totals                             | 565          | 422    | 143         |
| <b>Commission on Consumer Credit</b>      |              |        |             |
| 01 Consumer Credit Duties                 | 684          | 605    | 79          |
| 03 Duties (Carryover from FY-96)          | 9            | 9      | 0           |
| Agency Totals                             | 693          | 614    | 79          |
| <b>Regulatory Services Total</b>          | 18,253       | 17,416 | 837         |
| <b>SOCIAL SERVICES</b>                    |              |        |             |
| <b>Commission on Children and Youth</b>   |              |        |             |
| 10 Operations                             | 1,269        | 1,193  | 76          |
| 20 Duties                                 | 234          | 209    | 25          |
| 40 Duties                                 | 85           | 85     | 0           |
| Agency Totals                             | 1,588        | 1,487  | 101         |
| <b>Office of Handicapped Concerns</b>     |              |        |             |
| 01 Duties                                 | 310          | 309    | 1           |
| 02 Duties                                 | 10           | 0      | 10          |
| 20 Duties (Carryover from FY-96)          | 30           | 30     | 0           |
| Agency Totals                             | 350          | 339    | 11          |
| <b>Oklahoma Human Rights Commission</b>   |              |        |             |
| 10 Duties                                 | 665          | 653    | 12          |
| 20 FY-97 Supplemental for Duties          | 35           | 35     | 0           |
| Agency Totals                             | 700          | 688    | 12          |
| <b>Oklahoma Indian Affairs Commission</b> |              |        |             |
| 10 Duties                                 | 169          | 167    | 2           |
| 20 Carryover from FY-96                   | 2            | 2      | 0           |
| 30 FY-97 Supplemental for Duties          | 14           | 14     | 0           |
| Agency Totals                             | 185          | 183    | 2           |
|   |              |        | (continued) |

Schedule of Expenditures and Intra-Agency Transfers-Detail  
Budget to Actual Comparison (Non-GAAP Budgetary Basis)  
General Fund  
For the Fiscal Year Ended June 30, 1997  
(expressed in thousands)  
(continued)

|  | GENERAL FUND   |                |              |
|--|----------------|----------------|--------------|
|  | BUDGET         | ACTUAL         | VARIANCE     |
| <b>Office of Juvenile Affairs</b>            |                |                |              |
| 01 Duties                                    | 1,800          | 1,800          | 0            |
| 01 Duties (2)                                | 75,301         | 74,158         | 1,143        |
| 02 Delinquency and Youth Gang Intervention   | 1,400          | 1,316          | 84           |
| 03 Duties (1)                                | 6,276          | 6,276          | 0            |
| 11 Delinquency and Youth Gang Intervention   | 0              | 0              | 0            |
| 11 Duties (Carryover from FY-96)             | 2,358          | 2,351          | 7            |
| Agency Totals                                | <u>87,135</u>  | <u>85,901</u>  | <u>1,234</u> |
| <b>Department of Veterans Affairs</b>        |                |                |              |
| 01 Duties                                    | 16,527         | 16,527         | 0            |
| 20 Duties                                    | 1,770          | 1,767          | 3            |
| Agency Totals                                | <u>18,297</u>  | <u>18,294</u>  | <u>3</u>     |
| <b>Department of Human Services</b>          |                |                |              |
| 04 Duties (1)                                | 295,980        | 295,980        | 0            |
| 01 Duties (1)                                | 15,000         | 15,000         | 0            |
| 02 Duties (1)                                | 21,896         | 21,896         | 0            |
| 03 Geriatric Day Care Services (1)           | 100            | 100            | 0            |
| Agency Totals                                | <u>332,976</u> | <u>332,976</u> | <u>0</u>     |
| <b>J.D. McCarty Center</b>                   |                |                |              |
| 10 Duties                                    | 850            | 850            | 0            |
| 11 Duties                                    | 500            | 500            | 0            |
| 12 Duties                                    | 186            | 186            | 0            |
| Agency Totals                                | <u>1,536</u>   | <u>1,536</u>   | <u>0</u>     |
| <b>Department of Rehabilitative Services</b> |                |                |              |
| 01 Duties (1)                                | 21,216         | 21,216         | 0            |
| 02 Duties (1)                                | 679            | 679            | 0            |
| Agency Totals                                | <u>21,895</u>  | <u>21,895</u>  | <u>0</u>     |
| <b>Health Care Authority</b>                 |                |                |              |
| 01 Duties (1)                                | 246,690        | 246,690        | 0            |
| 01 Duties (1)                                | 537            | 537            | 0            |
| 01 Medicaid (1)                              | 2,987          | 2,987          | 0            |
| 02 Duties (1)                                | 14,327         | 14,327         | 0            |
| 04 Duties (1)                                | 25,295         | 25,295         | 0            |
| 08 Medicaid Services (1)                     | 4,389          | 4,389          | 0            |
| 09 Medicaid Services (1)                     | 1,681          | 1,681          | 0            |
| Agency Totals                                | <u>295,906</u> | <u>295,906</u> | <u>0</u>     |

|   | GENERAL FUND |              |           |
|---|--------------|--------------|-----------|
|   | BUDGET       | ACTUAL       | VARIANCE  |
| <b>University Hospitals Authority</b>       |              |              |           |
| 01 Duties                                   | 26,577       | 26,528       | 49        |
| 02 97 Supplemental - OU College of Medicine | 1,500        | 1,500        | 0         |
| 03 97 Supplemental - Medi-Flight Services   | 700          | 628          | 72        |
| 04 97 Supplemental - Child Study Center     | 400          | 107          | 293       |
| 05 97 Supplemental - Poison Control Center  | 200          | 200          | 0         |
| Agency Totals                               | 29,377       | 28,963       | 414       |
| <b>Social Services Total</b>                | 789,945      | 788,168      | 1,777     |
| <b>TRANSPORTATION</b>                       |              |              |           |
| <b>Department of Transportation</b>         |              |              |           |
| 01 Highway Construction and Maint. Fund (1) | 175,066      | 175,066      | 0         |
| 01 Duties (1)                               | 1,412        | 1,412        | 0         |
| 01 Duties (1)                               | 2,500        | 2,500        | 0         |
| 01 Highway Construction and Maint. Fund (1) | 15,549       | 15,549       | 0         |
| 01 Duties (1)                               | 9,614        | 9,614        | 0         |
| 01 Duties (1)                               | 500          | 500          | 0         |
| 01 Duties (1)                               | 674          | 674          | 0         |
| Agency Totals                               | 205,315      | 205,315      | 0         |
| <b>Transportation Total</b>                 | 205,315      | 205,315      | 0         |
| <b>General Fund Total</b>                   | \$ 3,150,281 | \$ 3,117,036 | \$ 33,245 |

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

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

## **Steer Wrestling Picture**



## **COMBINING FINANCIAL STATEMENTS**

## **Steer Wrestling Picture**

# **COMBINING FINANCIAL STATEMENTS**

## **TRUST AND AGENCY FUNDS**



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

#### EXPENDABLE TRUST FUND

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

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

#### NONEXPENDABLE TRUST FUNDS

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

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

**Department of Wildlife** 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.

#### PENSION TRUST FUNDS

Pension Trust Funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various state retirement systems. See the Notes to the Financial Statements, 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 monies and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units, organizations, or individuals.

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

**Deferred Compensation Plan** is used to account for 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: (1) Cash Performance Bonds maintained by the Department of Mines until mining is complete and reclamation meets specifications, (2) Unlocated Mineral Owner's Fund maintained by the Corporation Commission as an escrow account for royalties due unlocated owners, (3) Workers' Compensation Claims Under Appeal contains money being held in trust for an injured worker whose claim is on appeal. This fund is maintained by the Workers' Compensation Court, (4) Unsettled Premium Tax Suits is an escrow account being maintained by the Oklahoma Insurance Department for the purpose of depositing protested taxes and/or fees imposed under Oklahoma law, (5) Other 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.

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

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

Combining Balance Sheet  
Trust and Agency Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Expendable Trust -<br>Employment Security<br>Commission | Nonexpendable<br>Trusts |
|---|---|-------------------------|
| <b>Assets</b>                               |   |                         |
| Cash/Cash Equivalents                       | \$ 590,440  | \$ 18,863               |
| Investments                                 | 0   | 834,139                 |
| Securities Lending Investments              | 0   | 0                       |
| Accounts Receivable                         | 2,723   | 0                       |
| Interest and Investments Revenue Receivable | 0   | 0                       |
| Employer Contributions Receivable           | 0   | 0                       |
| Employee Contributions Receivable           | 0   | 0                       |
| Other Contributions Receivable              | 0   | 0                       |
| Taxes Receivable                            | 3,236   | 0                       |
| Federal Grants Receivable                   | 213   | 0                       |
| Other Receivables                           | 0   | 11,283                  |
| Due from Brokers                            | 0   | 0                       |
| Due from Other Funds                        | 0   | 46                      |
| Due from Component Units                    | 0   | 0                       |
| Inventory                                   | 0   | 0                       |
| Fixed Assets, Net                           | 0   | 0                       |
| Other Assets                                | 0   | 8,438                   |
| <b>Total Assets</b>                         | <b>\$ 596,612</b>                                       | <b>\$ 872,769</b>       |
| <b>Liabilities and Fund Balances</b>        |   |                         |
| <b>Liabilities</b>                          |   |                         |
| Accounts Payable and Accrued Liabilities    | \$ 180  | \$ 0                    |
| Payable Under Securities Lending Agreement  | 0   | 0                       |
| Claims and Judgments                        | 0   | 0                       |
| Interest Payable                            | 0   | 0                       |
| Tax Refunds Payable                         | 36  | 0                       |
| Due to Brokers                              | 0   | 0                       |
| Due to Other Funds                          | 0   | 0                       |
| Due to Component Units                      | 0   | 0                       |
| Due to Others                               | 0   | 0                       |
| Deferred Revenue                            | 2,427   | 4,247                   |
| Compensated Absences                        | 0   | 0                       |
| Benefits in the Process of Payment          | 0   | 0                       |
| Deferred Compensation                       | 0   | 0                       |
| <b>Total Liabilities</b>                    | <b>2,643</b>  | <b>4,247</b>            |
| <b>Fund Balances</b>                        |   |                         |
| <b>Reserved</b>                             |   |                         |
| Unemployment Benefits                       | 593,969   | 0                       |
| Preservation of Wildlife                    | 0   | 36,313                  |
| Employees' Pension Benefits                 | 0   | 0                       |
| Permanent Trust                             | 0   | 822,690                 |
| Undistributed Revenue                       | 0   | 9,519                   |
| <b>Unreserved</b>                           |   |                         |
| Undesignated                                | 0   | 0                       |
| <b>Total Fund Balances</b>                  | <b>593,969</b>  | <b>868,522</b>          |
| <b>Total Liabilities and Fund Balances</b>  | <b>\$ 596,612</b>                                       | <b>\$ 872,769</b>       |

| Pension<br>Trusts    | Agency            | Total                |                      |
|----------------------|-------------------|----------------------|----------------------|
|                      |                   | 1997                 | 1996                 |
| \$ 93,160            | \$ 145,751        | \$ 848,214           | \$ 1,189,185         |
| 10,541,354           | 185,757           | 11,561,250           | 9,372,372            |
| 1,109,418            | 0                 | 1,109,418            | 643,267              |
| 0                    | 64                | 2,787                | 3,174                |
| 61,583               | 530               | 62,113               | 64,242               |
| 13,215               | 0                 | 13,215               | 6,693                |
| 14,917               | 0                 | 14,917               | 12,475               |
| 1,091                | 0                 | 1,091                | 1,039                |
| 0                    | 271               | 3,507                | 3,070                |
| 0                    | 0                 | 213                  | 194                  |
| 108                  | 0                 | 11,391               | 15,253               |
| 12,873               | 0                 | 12,873               | 43,289               |
| 12,869               | 459               | 13,374               | 13,739               |
| 342                  | 429               | 771                  | 749                  |
| 0                    | 4,285             | 4,285                | 3,882                |
| 1,642                | 0                 | 1,642                | 1,461                |
| 15                   | 0                 | 8,453                | 9,108                |
| <u>\$ 11,862,587</u> | <u>\$ 337,546</u> | <u>\$ 13,669,514</u> | <u>\$ 11,383,192</u> |

|                  |                |                  |                  |
|------------------|----------------|------------------|------------------|
| \$ 1,957         | \$ 149         | \$ 2,286         | \$ 3,170         |
| 1,109,418        | 0              | 1,109,418        | 643,267          |
| 0                | 0              | 0                | 0                |
| 0                | 0              | 0                | 0                |
| 0                | 3,293          | 3,329            | 2,515            |
| 66,415           | 0              | 66,415           | 70,592           |
| 0                | 3              | 3                | 20               |
| 0                | 14             | 14               | 3,611            |
| 0                | 148,328        | 148,328          | 120,538          |
| 0                | 0              | 6,674            | 6,557            |
| 189              | 0              | 189              | 178              |
| 57,075           | 0              | 57,075           | 59,577           |
| 0                | 185,759        | 185,759          | 160,639          |
| <u>1,235,054</u> | <u>337,546</u> | <u>1,579,490</u> | <u>1,070,664</u> |

|                      |                   |                      |                      |
|----------------------|-------------------|----------------------|----------------------|
| 0                    | 0                 | 593,969              | 547,533              |
| 0                    | 0                 | 36,313               | 35,246               |
| 10,627,533           | 0                 | 10,627,533           | 8,934,578            |
| 0                    | 0                 | 822,690              | 784,019              |
| 0                    | 0                 | 9,519                | 11,152               |
| <u>0</u>             | <u>0</u>          | <u>0</u>             | <u>0</u>             |
| <u>10,627,533</u>    | <u>0</u>          | <u>12,090,024</u>    | <u>10,312,528</u>    |
| <u>\$ 11,862,587</u> | <u>\$ 337,546</u> | <u>\$ 13,669,514</u> | <u>\$ 11,383,192</u> |

Combining Balance Sheet  
Nonexpendable Trust Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|                                      | Commissioners of<br>the Land<br>Office | Department<br>Of Wildlife | Total             |                   |
|--------------------------------------|--|---------------------------|-------------------|-------------------|
|                                      |  |                           | 1997              | 1996              |
| <b>Assets</b>                        |  |                           |                   |                   |
| Cash/Cash Equivalents                | \$ 18,034                              | \$ 829                    | \$ 18,863         | \$ 195,391        |
| Investments                          | 798,708                                | 35,431                    | 834,139           | 616,233           |
| Other Receivables                    | 11,283                                 | 0                         | 11,283            | 13,950            |
| Due from Other Funds                 | 0                                      | 46                        | 46                | 36                |
| Other Assets                         | 8,431                                  | 7                         | 8,438             | 9,108             |
| Total Assets                         | <u>\$ 836,456</u>                      | <u>\$ 36,313</u>          | <u>\$ 872,769</u> | <u>\$ 834,718</u> |
| <b>Liabilities and Fund Balances</b> |  |                           |                   |                   |
| Liabilities                          |  |                           |                   |                   |
| Deferred Revenue                     | \$ 4,247                               | \$ 0                      | \$ 4,247          | \$ 4,301          |
| Total Liabilities                    | <u>4,247</u>                           | <u>0</u>                  | <u>4,247</u>      | <u>4,301</u>      |
| Fund Balances                        |  |                           |                   |                   |
| Reserved                             |  |                           |                   |                   |
| Preservation of Wildlife             | 0                                      | 36,313                    | 36,313            | 35,246            |
| Permanent Trust                      | 822,690                                | 0                         | 822,690           | 784,019           |
| Undistributed Revenue                | 9,519                                  | 0                         | 9,519             | 11,152            |
| Total Fund Balances                  | <u>832,209</u>                         | <u>36,313</u>             | <u>868,522</u>    | <u>830,417</u>    |
| Total Liabilities and Fund Balances  | <u>\$ 836,456</u>                      | <u>\$ 36,313</u>          | <u>\$ 872,769</u> | <u>\$ 834,718</u> |

Combining Statement of Revenues, Expenses  
and Changes in Fund Balances  
Nonexpendable Trust Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Commissioners of<br>the Land<br>Office | Department<br>Of Wildlife | Total             |                   |
|---|--|---------------------------|-------------------|-------------------|
|   |  |                           | 1997              | 1996              |
| <b>Operating Revenues</b>                 |  |                           |                   |                   |
| Licenses, Permits and Fees                | \$ 0                                   | \$ 1,518                  | \$ 1,518          | \$ 955            |
| Sales and Services                        | 0                                      | 74                        | 74                | 74                |
| Interest and Investment Revenue           | 64,582                                 | 2,544                     | 67,126            | 65,615            |
| Rental Revenue                            | 9,661                                  | 0                         | 9,661             | 8,417             |
| Sales of Investments                      | 18,150                                 | 0                         | 18,150            | 6,901             |
| Other                                     | 2                                      | 0                         | 2                 | 0                 |
| <b>Total Operating Revenues</b>           | <b>92,395</b>                          | <b>4,136</b>              | <b>96,531</b>     | <b>81,962</b>     |
| <b>Operating Expenses</b>                 |  |                           |                   |                   |
| Administrative Expense                    | 2,307                                  | 0                         | 2,307             | 237               |
| Benefit Payments and Refunds              | 36,146                                 | 0                         | 36,146            | 39,532            |
| <b>Total Operating Expenses</b>           | <b>38,453</b>                          | <b>0</b>                  | <b>38,453</b>     | <b>39,769</b>     |
| Income Before Operating Transfers         | 53,942                                 | 4,136                     | 58,078            | 42,193            |
| Operating Transfers Out                   | (3,952)                                | (3,069)                   | (7,021)           | (7,707)           |
| Operating Transfers To<br>Component Units | (12,952)                               | 0                         | (12,952)          | (14,287)          |
| <b>Net Income</b>                         | <b>37,038</b>                          | <b>1,067</b>              | <b>38,105</b>     | <b>20,199</b>     |
| <b>Fund Balances - Beginning of Year</b>  | <b>795,171</b>                         | <b>35,246</b>             | <b>830,417</b>    | <b>810,218</b>    |
| <b>Fund Balances - End of Year</b>        | <b>\$ 832,209</b>                      | <b>\$ 36,313</b>          | <b>\$ 868,522</b> | <b>\$ 830,417</b> |

Combining Statement of Cash Flows  
Nonexpendable Trust Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Commissioners<br>of the<br>Land Office | Department<br>Of Wildlife | Total     |            |
|---|--|---------------------------|-----------|------------|
|   |  |                           | 1997      | 1996       |
| <b>Cash Flows from Operating Activities</b>                                     |  |                           |           |            |
| Operating Income  | \$ 53,942                              | \$ 4,136                  | \$ 58,078 | \$ 42,193  |
| Adjustments to Reconcile Operating Income<br>to Net Cash Provided by Operations |  |                           |           |            |
| Amortization (Accretion) and Other Noncash Expenses                             | 9,921                                  | 0                         | 9,921     | 5,339      |
| Reclassification of Investment Income   | (75,598)                               | (2,544)                   | (78,142)  | (71,035)   |
| Decrease (Increase) in Assets   |  |                           |           |            |
| Interfund Receivable  | 0                                      | (10)                      | (10)      | (3)        |
| Increase (Decrease) in Liabilities  |  |                           |           |            |
| Deferred Revenue  | (54)                                   | 0                         | (54)      | 507        |
| Net Cash Provided (Used) by Operating Activities                                | (11,789)                               | 1,582                     | (10,207)  | (22,999)   |
| <b>Cash Flows from Noncapital Financing Activities</b>                          |  |                           |           |            |
| Operating Transfers Out   | (3,952)                                | (3,069)                   | (7,021)   | (7,707)    |
| Operating Transfers to Component Units  | (12,952)                               | 0                         | (12,952)  | (14,287)   |
| Net Cash (Used) by Noncapital Financing Activities                              | (16,904)                               | (3,069)                   | (19,973)  | (21,994)   |
| <b>Cash Flows from Investing Activities</b>                                     |  |                           |           |            |
| Interest and Investment Revenue   | 66,600                                 | 2,544                     | 69,144    | 70,174     |
| Proceeds from Sale/Maturities of Investments                                    | 246,719                                | 0                         | 246,719   | 407,283    |
| Principal Received from Notes Receivable  | 649                                    | 0                         | 649       | 76,483     |
| Payments to Purchase Investments  | (462,509)                              | (351)                     | (462,860) | (314,083)  |
| Net Cash Provided (Used) by Investing Activities                                | (148,541)                              | 2,193                     | (146,348) | 239,857    |
| <b>Net Increase (Decrease) in Cash/Cash Equivalents</b>                         | (177,234)                              | 706                       | (176,528) | 194,864    |
| <b>Cash/Cash Equivalents - Beginning of Year</b>                                | 195,268                                | 123                       | 195,391   | 527        |
| <b>Cash/Cash Equivalents - End of Year</b>                                      | \$ 18,034                              | \$ 829                    | \$ 18,863 | \$ 195,391 |

*This Page Intentionally Left Blank*

Combining Statement of Plan Net Assets  
Pension Trust Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Oklahoma<br>Firefighters<br>Pension and Retirement<br>System | Oklahoma<br>Law Enforcement<br>Retirement<br>System | Oklahoma<br>Public Employees<br>Retirement<br>System |
|--|--|---|--|
| <b>Assets</b>  |  |   |  |
| Cash/Cash Equivalents  | \$ 2,308   | \$ 13,771   | \$ 480   |
| Investments  | 1,045,897  | 384,015   | 3,744,227  |
| Securities Lending Investments                                   | 118,264  | 108,377   | 353,449  |
| Interest and Investment Revenue Receivable                       | 4,131  | 2,100   | 22,707   |
| Employer Contributions Receivable                                | 637  | 0   | 1,225  |
| Employee Contributions Receivable                                | 325  | 0   | 397  |
| Other Contributions Receivable                                   | 0  | 0   | 0  |
| Other Receivables  | 104  | 0   | 0  |
| Due from Broker  | 8,518  | 0   | 2,872  |
| Due from Other Funds   | 813  | 1,207   | 113  |
| Due from Component Units   | 0  | 0   | 250  |
| Fixed Assets, Net  | 56   | 0   | 1,272  |
| Other Assets   | 0  | 0   | 15   |
| Total Assets   | <u>1,181,053</u>   | <u>509,470</u>                                      | <u>4,127,007</u>                                     |
| <b>Liabilities</b>   |  |   |  |
| Accounts Payable   | 902  | 81  | 0  |
| Securities Lending Payable                                       | 118,264  | 108,377   | 353,449  |
| Due to Broker  | 15,563   | 442   | 5,976  |
| Due to Other Funds   | 0  | 0   | 0  |
| Compensated Absences   | 61   | 0   | 0  |
| Benefits in the Process of Payment                               | 3,909  | 11,300  | 0  |
| Total Liabilities  | <u>138,699</u>   | <u>120,200</u>                                      | <u>359,425</u>                                       |
| <b>Fund Balance Reserved for<br/>Employees' Pension Benefits</b> | <u>\$ 1,042,354</u>  | <u>\$ 389,270</u>                                   | <u>\$ 3,767,582</u>                                  |



| Uniform<br>Retirement System<br>for<br>Justices and Judges | Oklahoma<br>Police Pension<br>and Retirement<br>System | Teachers'<br>Retirement System<br>of Oklahoma | Wildlife<br>Conservation<br>Retirement<br>Plan | Total         |              |
|--|--|---|--|---------------|--------------|
|  |  |   |  | 1997          | 1996         |
| \$ 3   | \$ 55,530  | \$ 21,068                                     | \$ 0   | \$ 93,160     | \$ 328,034   |
| 128,944  | 916,521  | 4,272,576                                     | 49,174   | 10,541,354    | 8,595,501    |
| 14,100   | 173,867  | 341,361                                       | 0  | 1,109,418     | 643,267      |
| 798  | 6,456  | 25,391  | 0  | 61,583        | 63,748       |
| 1,280  | 293  | 9,780   | 0  | 13,215        | 6,693        |
| 0  | 339  | 13,856  | 0  | 14,917        | 12,475       |
| 0  | 0  | 1,091   | 0  | 1,091         | 1,039        |
| 4  | 0  | 0   | 0  | 108           | 1,303        |
| 106  | 0  | 1,377   | 0  | 12,873        | 43,289       |
| 105  | 335  | 10,269  | 27   | 12,869        | 13,300       |
| 0  | 0  | 92  | 0  | 342           | 288          |
| 0  | 0  | 314   | 0  | 1,642         | 1,461        |
| 0  | 0  | 0   | 0  | 15            | 0            |
| 145,340  | 1,153,341  | 4,697,175                                     | 49,201   | 11,862,587    | 9,710,398    |
| 0  | 974  | 0   | 0  | 1,957         | 2,188        |
| 14,100   | 173,867  | 341,361                                       | 0  | 1,109,418     | 643,267      |
| 892  | 12,911   | 30,631  | 0  | 66,415        | 70,592       |
| 0  | 0  | 0   | 0  | 0             | 18           |
| 0  | 0  | 128   | 0  | 189           | 178          |
| 0  | 26,326   | 15,540  | 0  | 57,075        | 59,577       |
| 14,992   | 214,078  | 387,660                                       | 0  | 1,235,054     | 775,820      |
| \$ 130,348   | \$ 939,263   | \$ 4,309,515                                  | \$ 49,201                                      | \$ 10,627,533 | \$ 8,934,578 |

# Combining Statement of Changes in Plan Net Assets

## Pension Trust Funds

For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Oklahoma<br>Firefighters<br>Pension and Retirement<br>System | Oklahoma<br>Law Enforcement<br>Retirement<br>System | Oklahoma<br>Public Employees<br>Retirement<br>System |
|--|--|---|--|
| <b>Additions</b>   |  |   |  |
| Contributions  |  |   |  |
| Employer Contributions   | \$ 17,967  | \$ 3,601  | \$ 135,398   |
| Employee Contributions   | 9,313  | 2,460   | 35,065   |
| Other Contributions  | 39,045   | 13,298  | 0  |
| Total Contributions  | 66,325   | 19,359  | 170,463  |
| Investment Income  |  |   |  |
| Net Appreciation   |  |   |  |
| in Fair Value of Investments                                     | 138,503  | 43,957  | 489,865  |
| Interest and Investment Revenue                                  | 32,238   | 17,566  | 123,200  |
|  | 170,741  | 61,523  | 613,065  |
| Less Investment Expenses   | 10,535   | 5,349   | 22,443   |
| Net Investment Income  | 160,206  | 56,174  | 590,622  |
| Other Revenue  | 0  | 0   | 0  |
| Total Additions  | 226,531  | 75,533  | 761,085  |
| <b>Deductions</b>  |  |   |  |
| Administrative and General Expenses                              | 675  | 296   | 2,049  |
| Benefit Payments and Refunds                                     | 67,641   | 20,299  | 173,085  |
| Total Deductions   | 68,316   | 20,595  | 175,134  |
| Net Increase   | 158,215  | 54,938  | 585,951  |
| <b>Fund Balance Reserved for<br/>Employees' Pension Benefits</b> |  |   |  |
| Beginning of Year  | 884,139  | 334,332   | 3,181,631  |
| End of Year  | \$ 1,042,354   | \$ 389,270  | \$ 3,767,582   |

| Uniform<br>Retirement System<br>for<br>Justices and Judges | Oklahoma<br>Police Pension<br>and Retirement<br>System | Teachers'<br>Retirement System<br>of Oklahoma | Wildlife<br>Conservation<br>Retirement<br>Plan | Total                |                     |
|--|--|---|--|----------------------|---------------------|
|  |  |   |  | 1997                 | 1996                |
| \$ 4,775   | \$ 17,251  | \$ 114,627                                    | \$ 1,401                                       | \$ 295,020           | \$ 220,283          |
| 1,201  | 9,501  | 173,003                                       | 328  | 230,871              | 200,299             |
| 0  | 15,734   | 162,115                                       | 0  | 230,192              | 186,474             |
| 5,976  | 42,486   | 449,745                                       | 1,729  | 756,083              | 607,056             |
| 17,138   | 110,312  | 588,477                                       | 4,830  | 1,393,082            | 864,924             |
| 4,124  | 41,430   | 155,311                                       | 1,643  | 375,512              | 334,060             |
| 21,262   | 151,742  | 743,788                                       | 6,473  | 1,768,594            | 1,198,984           |
| 590  | 12,526   | 7,590   | 0  | 59,033               | 38,053              |
| 20,672   | 139,216  | 736,198                                       | 6,473  | 1,709,561            | 1,160,931           |
| 0  | 0  | 197   | 0  | 197                  | 85                  |
| 26,648   | 181,702  | 1,186,140                                     | 8,202  | 2,465,841            | 1,768,072           |
| 76   | 920  | 2,401   | 321  | 6,738                | 6,149               |
| 3,824  | 46,732   | 452,649                                       | 1,918  | 766,148              | 719,024             |
| 3,900  | 47,652   | 455,050                                       | 2,239  | 772,886              | 725,173             |
| 22,748   | 134,050  | 731,090                                       | 5,963  | 1,692,955            | 1,042,899           |
| 107,600  | 805,213  | 3,578,425                                     | 43,238   | 8,934,578            | 7,891,679           |
| <u>\$ 130,348</u>  | <u>\$ 939,263</u>                                      | <u>\$ 4,309,515</u>                           | <u>\$ 49,201</u>                               | <u>\$ 10,627,533</u> | <u>\$ 8,934,578</u> |

# Combining Statement of Assets and Liabilities

## Agency Funds

June 30, 1997

(with comparative totals for June 30, 1996)

(expressed in thousands)

|  | Taxes<br>Held For<br>Outside Entities | Deferred<br>Compensation<br>Plan | Funds Held For<br>Other<br>Governments |
|--|---------------------------------------|----------------------------------|--|
| <b>Assets</b>                            |                                       |                                  |  |
| Cash/Cash Equivalents                    | \$ 100,648                            | \$ 2                             | \$ 10,600                              |
| Investments                              | 0                                     | 185,757                          | 0                                      |
| Accounts Receivable                      | 26                                    | 0                                | 0                                      |
| Interest Receivable                      | 469                                   | 0                                | 45                                     |
| Taxes Receivable                         | 271                                   | 0                                | 0                                      |
| Due from Other Funds                     | 0                                     | 0                                | 0                                      |
| Due from Component Units                 | 0                                     | 0                                | 0                                      |
| Inventory                                | 0                                     | 0                                | 0                                      |
| Total Assets                             | <u>\$ 101,414</u>                     | <u>\$ 185,759</u>                | <u>\$ 10,645</u>                       |
| <b>Liabilities</b>                       |                                       |                                  |  |
| Accounts Payable and Accrued Liabilities | \$ 2                                  | \$ 0                             | \$ 0                                   |
| Tax Refunds Payable                      | 3,293                                 | 0                                | 0                                      |
| Due to Other Funds                       | 0                                     | 0                                | 0                                      |
| Due to Component Units                   | 0                                     | 0                                | 0                                      |
| Due to Others                            | 98,119                                | 0                                | 10,645                                 |
| Deferred Compensation                    | 0                                     | 185,759                          | 0                                      |
| Total Liabilities                        | <u>\$ 101,414</u>                     | <u>\$ 185,759</u>                | <u>\$ 10,645</u>                       |

| Funds<br>Held In<br>Escrow | Assets<br>Held For<br>Beneficiaries | Other            | Total             |                   |
|----------------------------|-------------------------------------|------------------|-------------------|-------------------|
|                            |                                     |                  | 1997              | 1996              |
| \$ 6,802                   | \$ 13,853                           | \$ 13,846        | \$ 145,751        | \$ 121,217        |
| 0                          | 0                                   | 0                | 185,757           | 160,638           |
| 14                         | 12                                  | 12               | 64                | 908               |
| 10                         | 6                                   | 0                | 530               | 494               |
| 0                          | 0                                   | 0                | 271               | 62                |
| 0                          | 0                                   | 459              | 459               | 403               |
| 0                          | 0                                   | 429              | 429               | 461               |
| 0                          | 915                                 | 3,370            | 4,285             | 3,882             |
| <u>\$ 6,826</u>            | <u>\$ 14,786</u>                    | <u>\$ 18,116</u> | <u>\$ 337,546</u> | <u>\$ 288,065</u> |
| \$ 146                     | \$ 1                                | \$ 0             | \$ 149            | \$ 951            |
| 0                          | 0                                   | 0                | 3,293             | 2,324             |
| 0                          | 3                                   | 0                | 3                 | 2                 |
| 0                          | 0                                   | 14               | 14                | 3,611             |
| 6,680                      | 14,782                              | 18,102           | 148,328           | 120,538           |
| 0                          | 0                                   | 0                | 185,759           | 160,639           |
| <u>\$ 6,826</u>            | <u>\$ 14,786</u>                    | <u>\$ 18,116</u> | <u>\$ 337,546</u> | <u>\$ 288,065</u> |

# Combining Statement of Changes in Assets and Liabilities

## Agency Funds

For the Fiscal Year Ended June 30, 1997

(expressed in thousands)

|  | Balance<br>June 30, 1996 | Additions           | Deletions           | Balance<br>June 30, 1997 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| <b>Taxes Held for Outside Entities</b>   |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 91,151                | \$ 1,390,244        | \$ 1,380,747        | \$ 100,648               |
| Accounts Receivable                      | 25                       | 26                  | 25                  | 26                       |
| Interest Receivable                      | 428                      | 469                 | 428                 | 469                      |
| Taxes Receivable                         | 62                       | 271                 | 62                  | 271                      |
| Total Assets                             | <u>\$ 91,666</u>         | <u>\$ 1,391,010</u> | <u>\$ 1,381,262</u> | <u>\$ 101,414</u>        |
| Liabilities                              |                          |                     |                     |                          |
| Accounts Payable and Accrued Liabilities | \$ 7                     | \$ 2                | \$ 7                | \$ 2                     |
| Tax Refunds Payable                      | 2,324                    | 3,293               | 2,324               | 3,293                    |
| Due to Others                            | 89,335                   | 1,387,715           | 1,378,931           | 98,119                   |
| Total Liabilities                        | <u>\$ 91,666</u>         | <u>\$ 1,391,010</u> | <u>\$ 1,381,262</u> | <u>\$ 101,414</u>        |
| <b>Deferred Compensation</b>             |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 1                     | \$ 1                | \$ 0                | \$ 2                     |
| Investments                              | 160,638                  | 80,542              | 55,423              | 185,757                  |
| Total Assets                             | <u>\$ 160,639</u>        | <u>\$ 80,543</u>    | <u>\$ 55,423</u>    | <u>\$ 185,759</u>        |
| Liabilities                              |                          |                     |                     |                          |
| Deferred Compensation                    | \$ 160,639               | \$ 80,543           | \$ 55,423           | \$ 185,759               |
| Total Liabilities                        | <u>\$ 160,639</u>        | <u>\$ 80,543</u>    | <u>\$ 55,423</u>    | <u>\$ 185,759</u>        |
| <b>Funds Held for Other Governments</b>  |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 6,600                 | \$ 10,600           | \$ 6,600            | \$ 10,600                |
| Interest Receivable                      | 27                       | 45                  | 27                  | 45                       |
| Total Assets                             | <u>\$ 6,627</u>          | <u>\$ 10,645</u>    | <u>\$ 6,627</u>     | <u>\$ 10,645</u>         |
| Liabilities                              |                          |                     |                     |                          |
| Due to Others                            | \$ 6,627                 | \$ 10,645           | \$ 6,627            | \$ 10,645                |
| Total Liabilities                        | <u>\$ 6,627</u>          | <u>\$ 10,645</u>    | <u>\$ 6,627</u>     | <u>\$ 10,645</u>         |
| <b>Funds Held in Escrow</b>              |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 6,466                 | \$ 4,131            | \$ 3,795            | \$ 6,802                 |
| Accounts Receivable                      | 7                        | 14                  | 7                   | 14                       |
| Interest Receivable                      | 38                       | 10                  | 38                  | 10                       |
| Total Assets                             | <u>\$ 6,511</u>          | <u>\$ 4,155</u>     | <u>\$ 3,840</u>     | <u>\$ 6,826</u>          |
| Liabilities                              |                          |                     |                     |                          |
| Accounts Payable and Accrued Liabilities | \$ 246                   | \$ 146              | \$ 246              | \$ 146                   |
| Due to Others                            | 6,265                    | 4,009               | 3,594               | 6,680                    |
| Total Liabilities                        | <u>\$ 6,511</u>          | <u>\$ 4,155</u>     | <u>\$ 3,840</u>     | <u>\$ 6,826</u>          |

|  | Balance<br>June 30, 1996 | Additions           | Deletions           | Balance<br>June 30, 1997 |
|--|--------------------------|---------------------|---------------------|--------------------------|
| <b>Assets Held for Beneficiaries</b>     |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 14,148                | \$ 141,910          | \$ 142,205          | \$ 13,853                |
| Accounts Receivable                      | 694                      | 12                  | 694                 | 12                       |
| Interest Receivable                      | 1                        | 6                   | 1                   | 6                        |
| Inventory                                | 1,765                    | 915                 | 1,765               | 915                      |
| Total Assets                             | <u>\$ 16,608</u>         | <u>\$ 142,843</u>   | <u>\$ 144,665</u>   | <u>\$ 14,786</u>         |
| Liabilities                              |                          |                     |                     |                          |
| Accounts Payable and Accrued Liabilities | \$ 697                   | \$ 1                | \$ 697              | \$ 1                     |
| Due to Other Funds                       | 2                        | 3                   | 2                   | 3                        |
| Due to Others                            | 15,909                   | 142,839             | 143,966             | 14,782                   |
| Total Liabilities                        | <u>\$ 16,608</u>         | <u>\$ 142,843</u>   | <u>\$ 144,665</u>   | <u>\$ 14,786</u>         |
| <b>Other</b>                             |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 2,851                 | \$ 131,539          | \$ 120,544          | \$ 13,846                |
| Investments                              | 0                        | 0                   | 0                   | 0                        |
| Accounts Receivable                      | 182                      | 12                  | 182                 | 12                       |
| Due from Other Funds                     | 403                      | 459                 | 403                 | 459                      |
| Due from Component Units                 | 461                      | 429                 | 461                 | 429                      |
| Inventory                                | 2,117                    | 11,763              | 10,510              | 3,370                    |
| Total Assets                             | <u>\$ 6,014</u>          | <u>\$ 144,202</u>   | <u>\$ 132,100</u>   | <u>\$ 18,116</u>         |
| Liabilities                              |                          |                     |                     |                          |
| Accounts Payable and Accrued Liabilities | \$ 1                     | \$ 0                | \$ 1                | \$ 0                     |
| Due to Component Units                   | 3,611                    | 14                  | 3,611               | 14                       |
| Due to Others                            | 2,402                    | 144,188             | 128,488             | 18,102                   |
| Total Liabilities                        | <u>\$ 6,014</u>          | <u>\$ 144,202</u>   | <u>\$ 132,100</u>   | <u>\$ 18,116</u>         |
| <b>Total - All Agency Funds</b>          |                          |                     |                     |                          |
| Assets                                   |                          |                     |                     |                          |
| Cash/Cash Equivalents                    | \$ 121,217               | \$ 1,678,425        | \$ 1,653,891        | \$ 145,751               |
| Investments                              | 160,638                  | 80,542              | 55,423              | 185,757                  |
| Accounts Receivable                      | 908                      | 64                  | 908                 | 64                       |
| Interest Receivable                      | 494                      | 530                 | 494                 | 530                      |
| Taxes Receivable                         | 62                       | 271                 | 62                  | 271                      |
| Due from Other Funds                     | 403                      | 459                 | 403                 | 459                      |
| Due from Component Units                 | 461                      | 429                 | 461                 | 429                      |
| Inventory                                | 3,882                    | 12,678              | 12,275              | 4,285                    |
| Total Assets                             | <u>\$ 288,065</u>        | <u>\$ 1,773,398</u> | <u>\$ 1,723,917</u> | <u>\$ 337,546</u>        |
| Liabilities                              |                          |                     |                     |                          |
| Accounts Payable and Accrued Liabilities | \$ 951                   | \$ 149              | \$ 951              | \$ 149                   |
| Tax Refunds Payable                      | 2,324                    | 3,293               | 2,324               | 3,293                    |
| Due to Other Funds                       | 2                        | 3                   | 2                   | 3                        |
| Due to Component Units                   | 3,611                    | 14                  | 3,611               | 14                       |
| Due to Others                            | 120,538                  | 1,689,396           | 1,661,606           | 148,328                  |
| Deferred Compensation                    | 160,639                  | 80,543              | 55,423              | 185,759                  |
| Total Liabilities                        | <u>\$ 288,065</u>        | <u>\$ 1,773,398</u> | <u>\$ 1,723,917</u> | <u>\$ 337,546</u>        |

*This Page Intentionally Left Blank*

## **Barrel Racing Picture**



## **COMBINING FINANCIAL STATEMENTS COMPONENT UNITS**

## GOVERNMENTAL COMPONENT UNIT

### SPECIAL INDEMNITY FUND

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

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

## PROPRIETARY COMPONENT UNITS

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

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

## HIGHER EDUCATION COMPONENT UNIT

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

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

Combining Balance Sheet  
Component Units  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|                                      | Governmental              |                     |                     | Total               |                     |
|--------------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | Special<br>Indemnity Fund | Proprietary         | Higher<br>Education | 1997                | 1996                |
| <b>Assets and Other Debits</b>       |                           |                     |                     |                     |                     |
| Assets                               |                           |                     |                     |                     |                     |
| Cash/Cash Equivalents                | \$ 206                    | \$ 148,428          | \$ 386,571          | \$ 535,205          | \$ 508,559          |
| Investments                          | 0                         | 1,564,242           | 294,698             | 1,858,940           | 1,847,883           |
| Securities Lending Investments       | 0                         | 247,988             | 0                   | 247,988             | 211,185             |
| Accounts Receivable                  | 0                         | 103,441             | 95,303              | 198,744             | 197,238             |
| Interest and Investment              |                           |                     |                     |                     |                     |
| Revenue Receivable                   | 0                         | 20,345              | 2,709               | 23,054              | 22,581              |
| Federal Grants Receivable            | 0                         | 1,008               | 1,415               | 2,423               | 2,786               |
| Lease Payments Receivable            | 0                         | 39,689              | 0                   | 39,689              | 45,680              |
| Other Receivables                    | 0                         | 218                 | 0                   | 218                 | 1,791               |
| Notes and Loans Receivable           | 0                         | 649,066             | 42,512              | 691,578             | 676,528             |
| Due from Other Funds                 | 0                         | 0                   | 77,112              | 77,112              | 61,317              |
| Due from Component Units             | 0                         | 2,336               | 4,597               | 6,933               | 2,325               |
| Due from Primary Government          | 929                       | 1,649               | 5,869               | 8,447               | 14,434              |
| Inventory                            | 0                         | 39,989              | 20,087              | 60,076              | 53,669              |
| Prepaid Items                        | 0                         | 805                 | 5,877               | 6,682               | 5,770               |
| Fixed Assets, Net                    | 0                         | 1,374,177           | 1,870,992           | 3,245,169           | 3,096,793           |
| Other Assets                         | 0                         | 321,599             | 3,339               | 324,938             | 317,487             |
| Other Debits                         |                           |                     |                     |                     |                     |
| Amount to Be Provided                |                           |                     |                     |                     |                     |
| For Claims and Judgments             | 143,357                   | 0                   | 0                   | 143,357             | 127,575             |
| <b>Total Assets and Other Debits</b> | <b>\$ 144,492</b>         | <b>\$ 4,514,980</b> | <b>\$ 2,811,081</b> | <b>\$ 7,470,553</b> | <b>\$ 7,193,601</b> |

|   | Governmental              |              |                     | Total        |              |
|---|---------------------------|--------------|---------------------|--------------|--------------|
|   | Special<br>Indemnity Fund | Proprietary  | Higher<br>Education | 1997         | 1996         |
| <b>Liabilities, Fund Equity<br/>and Other Credits</b> |                           |              |                     |              |              |
| Liabilities   |                           |              |                     |              |              |
| Accounts Payable and<br>Accrued Liabilities           | \$ 54                     | \$ 61,725    | \$ 84,065           | \$ 145,844   | \$ 117,993   |
| Payable Under Securities                              |                           |              |                     |              |              |
| Lending Agreement                                     | 0                         | 247,988      | 0                   | 247,988      | 211,185      |
| Claims and Judgments                                  | 162,978                   | 687,589      | 0                   | 850,567      | 861,434      |
| Interest Payable                                      | 2,703                     | 44,324       | 2,928               | 49,955       | 49,848       |
| Due to Other Funds                                    | 0                         | 0            | 78,272              | 78,272       | 59,937       |
| Due to Component Units                                | 63                        | 1,645        | 3,229               | 4,937        | 2,378        |
| Due to Primary Government                             | 0                         | 44,024       | 272                 | 44,296       | 42,371       |
| Due to Others   | 0                         | 0            | 18,567              | 18,567       | 15,144       |
| Deferred Revenue                                      | 0                         | 47,793       | 90,959              | 138,752      | 102,279      |
| Capital Leases  | 0                         | 5,757        | 18,455              | 24,212       | 17,007       |
| Compensated Absences                                  | 0                         | 10,965       | 39,508              | 50,473       | 49,694       |
| Notes Payable   | 0                         | 44,298       | 10,911              | 55,209       | 63,266       |
| General Obligation Bonds                              | 0                         | 62,073       | 6,425               | 68,498       | 60,740       |
| Revenue Bonds   | 0                         | 2,635,162    | 165,067             | 2,800,229    | 2,784,855    |
| Other Liabilities                                     | 0                         | 43,173       | 14,992              | 58,165       | 78,382       |
| Total Liabilities                                     | 165,798                   | 3,936,516    | 533,650             | 4,635,964    | 4,516,513    |
| Fund Equity and Other Credits                         |                           |              |                     |              |              |
| Investment in General Fixed Assets                    | 0                         | 0            | 1,694,588           | 1,694,588    | 1,578,404    |
| Retained Earnings                                     |                           |              |                     |              |              |
| Reserved  |                           |              |                     |              |              |
| Debt Service  | 0                         | 15,711       | 0                   | 15,711       | 13,715       |
| Unreserved  | 0                         | 533,531      | 0                   | 533,531      | 514,196      |
| Net Unrealized Gain on Securities                     | 0                         | 29,222       | 0                   | 29,222       | 35,903       |
| Fund Balances   |                           |              |                     |              |              |
| Unreserved  |                           |              |                     |              |              |
| Designated  |                           |              |                     |              |              |
| Other Special Purposes                                | 0                         | 0            | 582,843             | 582,843      | 553,622      |
| Undesignated  | (21,306)                  | 0            | 0                   | (21,306)     | (18,752)     |
| Total Fund Equity and Other Credits                   | (21,306)                  | 578,464      | 2,277,431           | 2,834,589    | 2,677,088    |
| Total Liabilities, Fund Equity<br>and Other Credits   | \$ 144,492                | \$ 4,514,980 | \$ 2,811,081        | \$ 7,470,553 | \$ 7,193,601 |

*This Page Intentionally Left Blank*

## **Saddle Bronc Riding Picture**

# **COMBINING FINANCIAL STATEMENTS**

## **COMPONENT UNITS – PROPRIETARY FUNDS**

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

#### OKLAHOMA INDUSTRIAL FINANCE AUTHORITY

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

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

#### HEALTH INSURANCE HIGH RISK POOL

3814 N. Santa Fe, Oklahoma City, Oklahoma 73118

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

#### STATE INSURANCE FUND

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

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

#### STATE AND EDUCATION EMPLOYEES GROUP INSURANCE BOARD

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

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

#### OKLAHOMA STUDENT LOAN AUTHORITY

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

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

#### MEDICAL TECHNOLOGY AND RESEARCH AUTHORITY

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

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

#### UNIVERSITY HOSPITALS AUTHORITY

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

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

#### OKLAHOMA DEVELOPMENT FINANCE AUTHORITY

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

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

#### OKLAHOMA ENVIRONMENTAL FINANCE AUTHORITY

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

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

#### OKLAHOMA HOUSING FINANCE AGENCY

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

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

#### OKLAHOMA TURNPIKE AUTHORITY

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

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

#### GRAND RIVER DAM AUTHORITY

P.O. Box 409, Vinita, Oklahoma 74301

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

#### OKLAHOMA MUNICIPAL POWER AUTHORITY

P.O. Box 1960, Edmond, Oklahoma 73083

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



Combining Balance Sheet  
Component Units - Proprietary Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|                             | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Pool | State<br>Insurance<br>Fund | State and<br>Education<br>Empl. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
|-----------------------------|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| <b>Assets</b>               |  |  |                            |  |                                       |                                      |
| Current Assets              |  |  |                            |  |                                       |                                      |
| Cash/Cash Equivalents       | \$ 786   | \$ 108                                   | \$ 1,224                   | \$ 4,100   | \$ 760                                | \$ 38,778                            |
| Investments                 | 9,916  | 0  | 720,992                    | 189,797  | 69,352                                | 0                                    |
| Securities Lending          |  |  |                            |  |                                       |                                      |
| Investments                 | 0  | 0  | 211,323                    | 36,665   | 0                                     | 0                                    |
| Accounts Receivable         | 35   | 0  | 32,603                     | 13,602   | 0                                     | 31,303                               |
| Interest and Investment     |  |  |                            |  |                                       |                                      |
| Revenue Receivable          | 495  | 0  | 8,020                      | 1,794  | 4,262                                 | 0                                    |
| Federal Grants Receivable   | 0  | 0  | 0                          | 0  | 0                                     | 1,008                                |
| Other Receivables           | 0  | 0  | 0                          | 218  | 0                                     | 0                                    |
| Notes Receivable            | 1,827  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Due from Component Units    | 0  | 0  | 1,075                      | 0  | 0                                     | 559                                  |
| Due from Primary Government | 0  | 0  | 1,429                      | 14   | 0                                     | 138                                  |
| Inventory                   | 0  | 0  | 0                          | 0  | 0                                     | 7,807                                |
| Prepaid Items               | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Other Current Assets        | 0  | 0  | 1,432                      | 0  | 0                                     | 0                                    |
| Total Current Assets        | 13,059   | 108                                      | 978,098                    | 246,190  | 74,374                                | 79,593                               |
| Restricted Assets           |  |  |                            |  |                                       |                                      |
| Cash/Cash Equivalents       | 84   | 0  | 0                          | 0  | 0                                     | 0                                    |
| Investments                 | 126  | 0  | 0                          | 0  | 0                                     | 5,132                                |
| Long-Term Notes             |  |  |                            |  |                                       |                                      |
| Receivable, Net             | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Other Restricted Assets     | 1  | 0  | 0                          | 0  | 0                                     | 341                                  |
| Total Restricted Assets     | 211  | 0  | 0                          | 0  | 0                                     | 5,473                                |
| Other Assets                |  |  |                            |  |                                       |                                      |
| Fixed Assets, Net           | 69   | 0  | 9,896                      | 566  | 391                                   | 110,593                              |
| Long-Term Notes             |  |  |                            |  |                                       |                                      |
| Receivable, Net             | 23,595   | 0  | 0                          | 0  | 151,420                               | 0                                    |
| Long-Term Investments       | 26,317   | 0  | 0                          | 0  | 0                                     | 0                                    |
| Lease Payments Receivable   | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Other Noncurrent Assets     | 1,271  | 0  | 0                          | 134  | 1,509                                 | 0                                    |
| Total Other Assets          | 51,252   | 0  | 9,896                      | 700  | 153,320                               | 110,593                              |
| Total Assets                | \$ 64,522                                      | \$ 108                                   | \$ 987,994                 | \$ 246,890   | \$ 227,694                            | \$ 195,659                           |

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing<br>Finance<br>Agency | Oklahoma<br>Turnpike<br>Authority | Grand<br>River Dam<br>Authority | Oklahoma<br>Municipal<br>Power<br>Authority | Total        |              |
|--|---|---|--|-----------------------------------|---------------------------------|---|--------------|--------------|
|  |   |   |  |                                   |                                 |   | 1997         | 1996         |
| \$ 339   | \$ 3,771  | \$ 0  | \$ 17,839                                | \$ 9,119                          | \$ 5,878                        | \$ 1,877                                    | \$ 84,579    | \$ 95,318    |
| 0  | 8,218   | 0   | 50,428                                   | 55,307                            | 53,076                          | 4,525                                       | 1,161,611    | 1,169,106    |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 247,988      | 211,185      |
| 132  | 166   | 0   | 120                                      | 757                               | 17,954                          | 6,769                                       | 103,441      | 104,505      |
| 0  | 102   | 0   | 3,769                                    | 545                               | 1,358                           | 0   | 20,345       | 19,571       |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 1,008        | 1,889        |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 218          | 1,791        |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 1,827        | 2,541        |
| 168  | 35  | 0   | 0  | 0                                 | 499                             | 0   | 2,336        | 1,275        |
| 2  | 14  | 0   | 0  | 0                                 | 52                              | 0   | 1,649        | 9,346        |
| 0  | 0   | 0   | 0  | 1,620                             | 29,236                          | 1,326                                       | 39,989       | 34,876       |
| 71   | 0   | 0   | 47                                       | 79                                | 608                             | 0   | 805          | 1,338        |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 123   | 1,555        | 577          |
| 712  | 12,306  | 0   | 72,203                                   | 67,427                            | 108,661                         | 14,620                                      | 1,667,351    | 1,653,318    |
| 0  | 0   | 2,058   | 0  | 36,740                            | 0                               | 24,967                                      | 63,849       | 68,645       |
| 0  | 0   | 2,363   | 0  | 105,671                           | 184,704                         | 38,321                                      | 336,317      | 380,953      |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 0            | 121,340      |
| 0  | 0   | 0   | 0  | 3,477                             | 0                               | 0   | 3,819        | 5,334        |
| 0  | 0   | 4,421   | 0  | 145,888                           | 184,704                         | 63,288                                      | 403,985      | 576,272      |
| 3,305  | 32  | 0   | 488                                      | 546,932                           | 544,379                         | 157,526                                     | 1,374,177    | 1,392,059    |
| 0  | 758   | 0   | 471,466                                  | 0                                 | 0                               | 0   | 647,239      | 509,856      |
| 0  | 3,214   | 0   | 8,633                                    | 0                                 | 0                               | 28,150                                      | 66,314       | 18,608       |
| 0  | 0   | 39,109  | 0  | 0                                 | 0                               | 580   | 39,689       | 45,680       |
| 0  | 90  | 0   | 667                                      | 9,059                             | 151,121                         | 152,374                                     | 316,225      | 309,712      |
| 3,305  | 4,094   | 39,109  | 481,254                                  | 555,991                           | 695,500                         | 338,630                                     | 2,443,644    | 2,275,915    |
| \$ 4,017   | \$ 16,400                                       | \$ 43,530   | \$ 553,457                               | \$ 769,306                        | \$ 988,865                      | \$ 416,538                                  | \$ 4,514,980 | \$ 4,505,505 |

(continued)

Combining Balance Sheet  
Component Units - Proprietary Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   |  |  |                            |  |                                       |                                      |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| (continued)                                   | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Pool | State<br>Insurance<br>Fund | State and<br>Education<br>Empl. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
| <b>Liabilities and Fund Equity</b>            |  |  |                            |  |                                       |                                      |
| Liabilities                                   |  |  |                            |  |                                       |                                      |
| Current Liabilities                           |  |  |                            |  |                                       |                                      |
| Accounts Payable and<br>Accrued Liabilities   | \$ 2   | \$ 0                                     | \$ 18,145                  | \$ 11,334  | \$ 573                                | \$ 15,788                            |
| Payable Under Securities<br>Lending Agreement | 0  | 0  | 211,323                    | 36,665   | 0                                     | 0                                    |
| Claims and Judgments                          | 0  | 0  | 591,984                    | 95,605   | 0                                     | 0                                    |
| Interest Payable                              | 917  | 0  | 0                          | 0  | 1,878                                 | 0                                    |
| Due to Component Units                        | 17   | 0  | 127                        | 9  | 0                                     | 846                                  |
| Due to Primary Government                     | 0  | 0  | 45                         | 28   | 12                                    | 401                                  |
| Deferred Revenue                              | 250  | 0  | 40,037                     | 0  | 0                                     | 0                                    |
| Capital Leases                                | 0  | 0  | 0                          | 0  | 0                                     | 1,030                                |
| Compensated Absences                          | 64   | 0  | 967                        | 506  | 73                                    | 6,032                                |
| Notes Payable                                 | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| General Obligation Bonds                      | 400  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Revenue Bonds                                 | 0  | 0  | 0                          | 0  | 5,735                                 | 0                                    |
| Other Current Liabilities                     | 12   | 0  | 0                          | 0  | 0                                     | 0                                    |
| Total Current Liabilities                     | 1,662  | 0  | 862,628                    | 144,147  | 8,271                                 | 24,097                               |
| Other Liabilities                             |  |  |                            |  |                                       |                                      |
| Due to Primary Government                     | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Capital Leases                                | 0  | 0  | 0                          | 0  | 0                                     | 3,291                                |
| Notes Payable                                 | 0  | 0  | 0                          | 0  | 40,900                                | 0                                    |
| General Obligation Bonds                      | 61,673   | 0  | 0                          | 0  | 0                                     | 0                                    |
| Revenue Bonds                                 | 0  | 0  | 0                          | 0  | 141,670                               | 0                                    |
| Other Noncurrent Liabilities                  | 56   | 0  | 0                          | 0  | 0                                     | 194                                  |
| Total Other Liabilities                       | 61,729   | 0  | 0                          | 0  | 182,570                               | 3,485                                |
| Total Liabilities                             | 63,391   | 0  | 862,628                    | 144,147  | 190,841                               | 27,582                               |
| Fund Equity                                   |  |  |                            |  |                                       |                                      |
| Retained Earnings                             |  |  |                            |  |                                       |                                      |
| Reserved                                      |  |  |                            |  |                                       |                                      |
| Debt Service                                  | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Unreserved                                    | 1,131  | 108                                      | 96,908                     | 102,743  | 36,853                                | 168,077                              |
| Total Retained Earnings                       | 1,131  | 108                                      | 96,908                     | 102,743  | 36,853                                | 168,077                              |
| Net Unrealized Gain<br>on Securities          | 0  | 0  | 28,458                     | 0  | 0                                     | 0                                    |
| Total Fund Equity                             | 1,131  | 108                                      | 125,366                    | 102,743  | 36,853                                | 168,077                              |
| Total Liabilities and Fund Equity             | \$ 64,522                                      | \$ 108                                   | \$ 987,994                 | \$ 246,890   | \$ 227,694                            | \$ 195,659                           |

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing<br>Finance<br>Agency | Oklahoma<br>Turnpike<br>Authority | Grand<br>River Dam<br>Authority | Oklahoma<br>Municipal<br>Power<br>Authority | Total        |              |
|--|---|---|--|-----------------------------------|---------------------------------|---|--------------|--------------|
|  |   |   |  |                                   |                                 |   | 1997         | 1996         |
| \$ 125   | \$ 69   | \$ 0  | \$ 1,295                                 | \$ 361                            | \$ 9,162                        | \$ 4,871                                    | \$ 61,725    | \$ 60,578    |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 247,988      | \$ 211,185   |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 687,589      | 715,344      |
| 0  | 0   | 312   | 5,979                                    | 19,814                            | 4,750                           | 10,674                                      | 44,324       | 44,862       |
| 34   | 0   | 0   | 0  | 48                                | 65                              | 499   | 1,645        | 1,722        |
| 11   | 0   | 0   | 0  | 935                               | 422                             | 20  | 1,874        | 2,067        |
| 0  | 16  | 0   | 0  | 7,490                             | 0                               | 0   | 47,793       | 64,419       |
| 0  | 0   | 0   | 0  | 0                                 | 1,436                           | 0   | 2,466        | 2,813        |
| 41   | 0   | 0   | 254                                      | 1,032                             | 1,897                           | 99  | 10,965       | 10,796       |
| 153  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 153          | 30,409       |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 400          | 3,040        |
| 0  | 0   | 1,030   | 5,530                                    | 12,025                            | 38,895                          | 4,465                                       | 67,680       | 79,354       |
| 0  | 0   | 0   | 0  | 1,656                             | 0                               | 0   | 1,668        | 1,584        |
| 364  | 85  | 1,342   | 13,058                                   | 43,361                            | 56,627                          | 20,628                                      | 1,176,270    | 1,228,173    |
| 0  | 0   | 0   | 0  | 42,150                            | 0                               | 0   | 42,150       | 40,137       |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 3,291        | 4,321        |
| 3,245  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 44,145       | 31,317       |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 61,673       | 50,000       |
| 0  | 9,999   | 42,114  | 507,084                                  | 615,777                           | 879,407                         | 371,431                                     | 2,567,482    | 2,545,430    |
| 0  | 3,423   | 0   | 2,505                                    | 0                                 | 24,869                          | 10,458                                      | 41,505       | 42,313       |
| 3,245  | 13,422  | 42,114  | 509,589                                  | 657,927                           | 904,276                         | 381,889                                     | 2,760,246    | 2,713,518    |
| 3,609  | 13,507  | 43,456  | 522,647                                  | 701,288                           | 960,903                         | 402,517                                     | 3,936,516    | 3,941,691    |
| 0  | 0   | 0   | 15,711                                   | 0                                 | 0                               | 0   | 15,711       | 13,715       |
| 408  | 2,893   | 74  | 15,099                                   | 68,018                            | 27,198                          | 14,021                                      | 533,531      | 514,196      |
| 408  | 2,893   | 74  | 30,810                                   | 68,018                            | 27,198                          | 14,021                                      | 549,242      | 527,911      |
| 0  | 0   | 0   | 0  | 0                                 | 764                             | 0   | 29,222       | 35,903       |
| 408  | 2,893   | 74  | 30,810                                   | 68,018                            | 27,962                          | 14,021                                      | 578,464      | 563,814      |
| \$ 4,017   | \$ 16,400                                       | \$ 43,530   | \$ 553,457                               | \$ 769,306                        | \$ 988,865                      | \$ 416,538                                  | \$ 4,514,980 | \$ 4,505,505 |

Combining Statement of Revenues, Expenses  
and Changes in Retained Earnings  
Component Units - Proprietary Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Pool | State<br>Insurance<br>Fund | State and<br>Education<br>Empl. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
|--|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| <b>Operating Revenues</b>                        |  |  |                            |  |                                       |                                      |
| Sales and Services                               | \$ 0   | \$ 822                                   | \$ 205,339                 | \$ 248,412   | \$ 0                                  | \$ 158,237                           |
| Interest Revenue                                 | 4,347  | 2  | 0                          | 0  | 11,948                                | 0                                    |
| Other  | 88   | 0  | 100                        | 0  | 0                                     | 7,404                                |
| Total Operating Revenues                         | 4,435  | 824                                      | 205,439                    | 248,412  | 11,948                                | 165,641                              |
| <b>Operating Expenses</b>                        |  |  |                            |  |                                       |                                      |
| Operations and Maintenance<br>of Facilities      | 17   | 0  | 0                          | 0  | 0                                     | 126,039                              |
| Losses and Loss Expense                          | 0  | 0  | 160,053                    | 0  | 0                                     | 21,750                               |
| Administrative and General                       | 655  | 175                                      | 21,323                     | 20,313   | 2,401                                 | 43,912                               |
| Interest Expense                                 | 3,613  | 0  | 0                          | 0  | 7,892                                 | 315                                  |
| Depreciation Expense                             | 63   | 0  | 1,921                      | 164  | 369                                   | 13,329                               |
| Benefit Payments and Refunds                     | 0  | 541                                      | 0                          | 297,499  | 0                                     | 0                                    |
| Total Operating Expenses                         | 4,348  | 716                                      | 183,297                    | 317,976  | 10,662                                | 205,345                              |
| Operating Income (Loss)                          | 87   | 108                                      | 22,142                     | (69,564)   | 1,286                                 | (39,704)                             |
| <b>Nonoperating Revenues (Expenses)</b>          |  |  |                            |  |                                       |                                      |
| Interest and Investment<br>Revenue               | 0  | 0  | 64,991                     | 33,603   | 2,425                                 | 1,665                                |
| Other Nonoperating Revenues                      | 67   | 0  | 0                          | 0  | 0                                     | 356                                  |
| Interest Expense                                 | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Amortization of Losses<br>and Discounts          | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Other Nonoperating Expenses                      | (65)   | 0  | (10,742)                   | (2,763)  | 0                                     | (226)                                |
| Total Nonoperating<br>Revenues (Expenses)        | 2  | 0  | 54,249                     | 30,840   | 2,425                                 | 1,795                                |
| Income (Loss) Before<br>Operating Transfers      | 89   | 108                                      | 76,391                     | (38,724)   | 3,711                                 | (37,909)                             |
| Operating Transfers:                             |  |  |                            |  |                                       |                                      |
| From Primary Government                          | 0  | 0  | 0                          | 0  | 0                                     | 29,360                               |
| To Primary Government                            | 0  | 0  | 0                          | (31,500)   | 0                                     | 0                                    |
| Costs to be Recovered from<br>Future Revenues    | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Net Income (Loss)                                | 89   | 108                                      | 76,391                     | (70,224)   | 3,711                                 | (8,549)                              |
| <b>Retained Earnings -<br/>Beginning of Year</b> | 1,042  | 0  | 20,517                     | 172,967  | 33,142                                | 176,626                              |
| <b>Retained Earnings -<br/>End of Year</b>       | \$ 1,131                                       | \$ 108                                   | \$ 96,908                  | \$ 102,743   | \$ 36,853                             | \$ 168,077                           |

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing<br>Finance<br>Agency | Oklahoma<br>Turnpike<br>Authority | Grand<br>River Dam<br>Authority | Oklahoma<br>Municipal<br>Power<br>Authority | Total             |                   |
|--|---|---|--|-----------------------------------|---------------------------------|---|-------------------|-------------------|
|  |   |   |  |                                   |                                 |   | 1997              | 1996              |
| \$ 3,448   | \$ 420  | \$ 2,405  | \$ 0                                     | \$ 112,050                        | \$ 172,786                      | \$ 76,990                                   | \$ 980,909        | \$ 1,033,200      |
| 0  | 0   | 254   | 39,070                                   | 0                                 | 0                               | 0   | 55,621            | 55,059            |
| 0  | 295   | 12  | 5,237                                    | 0                                 | 435                             | 0   | 13,571            | 13,089            |
| <u>3,448</u>                                       | <u>715</u>                                      | <u>2,671</u>                                      | <u>44,307</u>                            | <u>112,050</u>                    | <u>173,221</u>                  | <u>76,990</u>                               | <u>1,050,101</u>  | <u>1,101,348</u>  |
| 2,659  | 0   | 0   | 3,802                                    | 30,042                            | 82,171                          | 55,855                                      | 300,585           | 279,066           |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 181,803           | 282,165           |
| 425  | 523   | 18  | 4,518                                    | 3,118                             | 10,883                          | 3,509                                       | 111,773           | 112,433           |
| 0  | 486   | 2,656   | 39,167                                   | 0                                 | 0                               | 0   | 54,129            | 54,419            |
| 178  | 28  | 0   | 100                                      | 32,139                            | 25,480                          | 6,273                                       | 80,044            | 83,104            |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 298,040           | 253,208           |
| <u>3,262</u>                                       | <u>1,037</u>                                    | <u>2,674</u>                                      | <u>47,587</u>                            | <u>65,299</u>                     | <u>118,534</u>                  | <u>65,637</u>                               | <u>1,026,374</u>  | <u>1,064,395</u>  |
| <u>186</u>   | <u>(322)</u>                                    | <u>(3)</u>  | <u>(3,280)</u>                           | <u>46,751</u>                     | <u>54,687</u>                   | <u>11,353</u>                               | <u>23,727</u>     | <u>36,953</u>     |
| 0  | 627   | 3   | 6,301                                    | 10,713                            | 15,451                          | 5,850                                       | 141,629           | 124,328           |
| 0  | 0   | 0   | 0  | 821                               | 169                             | 0   | 1,413             | 4,186             |
| 0  | 0   | 0   | 0  | (42,018)                          | (57,908)                        | (18,467)                                    | (118,393)         | (121,746)         |
| 0  | 0   | 0   | 0  | 0                                 | (14,216)                        | (3,429)                                     | (17,645)          | (17,891)          |
| 0  | 0   | 0   | (9)                                      | 0                                 | 0                               | (85)  | (13,890)          | (7,877)           |
| <u>0</u>   | <u>627</u>                                      | <u>3</u>  | <u>6,292</u>                             | <u>(30,484)</u>                   | <u>(56,504)</u>                 | <u>(16,131)</u>                             | <u>(6,886)</u>    | <u>(19,000)</u>   |
| 186  | 305   | 0   | 3,012                                    | 16,267                            | (1,817)                         | (4,778)                                     | 16,841            | 17,953            |
| 0  | 0   | 0   | 0  | 28,803                            | 0                               | 0   | 58,163            | 54,082            |
| 0  | 0   | 0   | 0  | (28,803)                          | 0                               | 0   | (60,303)          | (27,505)          |
| <u>0</u>   | <u>0</u>  | <u>0</u>  | <u>0</u>                                 | <u>0</u>                          | <u>(215)</u>                    | <u>6,845</u>                                | <u>6,630</u>      | <u>9,124</u>      |
| 186  | 305   | 0   | 3,012                                    | 16,267                            | (2,032)                         | 2,067                                       | 21,331            | 53,654            |
| <u>222</u>   | <u>2,588</u>                                    | <u>74</u>   | <u>27,798</u>                            | <u>51,751</u>                     | <u>29,230</u>                   | <u>11,954</u>                               | <u>527,911</u>    | <u>474,257</u>    |
| <u>\$ 408</u>                                      | <u>\$ 2,893</u>                                 | <u>\$ 74</u>                                      | <u>\$ 30,810</u>                         | <u>\$ 68,018</u>                  | <u>\$ 27,198</u>                | <u>\$ 14,021</u>                            | <u>\$ 549,242</u> | <u>\$ 527,911</u> |

Combining Statement of Cash Flows  
Component Units - Proprietary Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|   | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Pool | State<br>Insurance<br>Fund | State and<br>Education<br>Empl. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| <b>Cash Flows from Operating Activities</b>   |  |  |                            |  |                                       |                                      |
| Operating Income (Loss)   | \$ 87  | \$ 108                                   | \$ 22,142                  | \$ (69,564)  | \$ 1,286                              | \$ (39,704)                          |
| Adjustments to Reconcile Operating Income<br>(Loss) to Net Cash Provided<br>(Used) by Operating Activities: |  |  |                            |  |                                       |                                      |
| Depreciation Expense  | 63   | 0  | 1,921                      | 164  | 369                                   | 13,329                               |
| Amortization (Accretion) and<br>Other Noncash Expenses  | (199)  | 0  | 6,196                      | 0  | 0                                     | 0                                    |
| Other   | 0  | 0  | 0                          | 0  | 0                                     | 133                                  |
| Decrease (Increase) in Assets   |  |  |                            |  |                                       |                                      |
| Accounts Receivable   | 9  | 0  | 2,744                      | (445)  | 0                                     | (2,580)                              |
| Interest and Investment<br>Revenue Receivable   | (155)  | 0  | 11                         | 0  | (1,660)                               | 0                                    |
| Interfund Receivable  | 0  | 0  | 0                          | 0  | 0                                     | 875                                  |
| Inventory   | 0  | 0  | 0                          | 0  | 0                                     | (2,394)                              |
| Prepaid Items   | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Long-Term Notes Receivable  | 0  | 0  | 0                          | 0  | (23,569)                              | 0                                    |
| Other Current Assets  | 0  | 0  | (67)                       | 0  | 0                                     | 0                                    |
| Other Noncurrent Assets   | 0  | 0  | 0                          | (128)  | 0                                     | 0                                    |
| Increase (Decrease) in Liabilities  |  |  |                            |  |                                       |                                      |
| Accounts Payable and<br>Accrued Liabilities   | (5)  | 0  | (3,771)                    | 1,490  | 314                                   | 436                                  |
| Claims and Judgments  | 0  | 0  | (61,754)                   | 34,000   | 0                                     | 0                                    |
| Interest Payable  | 274  | 0  | 0                          | 0  | 97                                    | 0                                    |
| Deferred Revenue  | 0  | 0  | (17,435)                   | 0  | 0                                     | 0                                    |
| Other Current Liabilities   | 29   | 0  | 0                          | 0  | 0                                     | 0                                    |
| Due to Primary Government   | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Other Noncurrent Liabilities  | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Net Cash Provided (Used) by<br>Operating Activities   | 103  | 108                                      | (50,013)                   | (34,483)   | (23,163)                              | (29,905)                             |
| <b>Cash Flows from Noncapital Financing Activities</b>  |  |  |                            |  |                                       |                                      |
| Proceeds from Bonds and Notes   | 12,110   | 0  | 0                          | 0  | 77,785                                | 0                                    |
| Contributed Capital from<br>Non-State Sources   | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Operating Transfers:  |  |  |                            |  |                                       |                                      |
| From Primary Government   | 0  | 0  | 0                          | 0  | 0                                     | 29,360                               |
| To Primary Government   | 0  | 0  | 0                          | (31,500)   | 0                                     | 0                                    |
| Principal Paid on Bonds and Notes   | (3,015)  | 0  | 0                          | 0  | (24,205)                              | 0                                    |
| Other Noncapital Financing Activity   | 0  | 0  | 0                          | 0  | (759)                                 | 0                                    |
| Net Cash Provided (Used) by Noncapital<br>Financing Activities  | \$ 9,095                                       | \$ 0                                     | \$ 0                       | \$ (31,500)  | \$ 52,821                             | \$ 29,360                            |

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing<br>Finance<br>Agency | Oklahoma<br>Turnpike<br>Authority | Grand<br>River Dam<br>Authority | Oklahoma<br>Municipal<br>Power<br>Authority | Total     |           |
|--|---|---|--|-----------------------------------|---------------------------------|---|-----------|-----------|
|  |   |   |  |                                   |                                 |   | 1997      | 1996      |
| \$ 186   | \$ (322)  | \$ (3)  | \$ (3,280)                               | \$ 46,751                         | \$ 54,687                       | \$ 11,353                                   | \$ 23,727 | \$ 36,953 |
| 178  | 28  | 0   | 100                                      | 32,139                            | 25,480                          | 6,273                                       | 80,044    | 83,104    |
| 0  | 0   | (2,367)   | (177)                                    | 0                                 | 0                               | 2,071                                       | 5,524     | 4,120     |
| 0  | 0   | 0   | 0  | 821                               | 0                               | 0   | 954       | 566       |
| (59)   | (47)  | 0   | 37                                       | (116)                             | (2,717)                         | (1,219)                                     | (4,393)   | 2,494     |
| 0  | 0   | 12  | 294                                      | 0                                 | 0                               | 0   | (1,498)   | (17,609)  |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 875       | 4,047     |
| 0  | 0   | 0   | 0  | 1,196                             | (4,609)                         | 693   | (5,114)   | (2,064)   |
| (69)   | 3   | 0   | 9  | 4                                 | 136                             | 0   | 83        | 197       |
| 0  | 0   | 0   | 4,731                                    | 0                                 | 0                               | 0   | (18,838)  | 2,553     |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 454   | 387       | 0         |
| 0  | 0   | 3,976   | 0  | 593                               | 0                               | 0   | 4,441     | 3,652     |
| (310)  | (2)   | 0   | 1,156                                    | (3,891)                           | 2,723                           | 1,186                                       | (674)     | (1,499)   |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | (27,754)  | 29,974    |
| 0  | 0   | (15)  | (302)                                    | 0                                 | 0                               | 0   | 54        | (480)     |
| 0  | 0   | 0   | 0  | 807                               | 0                               | 0   | (16,628)  | (14,849)  |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 29        | 5         |
| 0  | 0   | 0   | 0  | 1,319                             | 0                               | 0   | 1,319     | 0         |
| 0  | 4   | 0   | (2,590)                                  | 76                                | (3)                             | 2,100                                       | (413)     | 2,850     |
| (74)   | (336)   | 1,603   | (22)                                     | 79,699                            | 75,697                          | 22,911                                      | 42,125    | 134,014   |
| 0  | 0   | 0   | 87,900                                   | 0                                 | 0                               | 0   | 177,795   | 165,990   |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 0         | 16        |
| 0  | 0   | 0   | 0  | 28,803                            | 0                               | 0   | 58,163    | 54,082    |
| 0  | 0   | 0   | 0  | (28,803)                          | 0                               | 0   | (60,303)  | (27,505)  |
| 0  | 0   | (1,010)   | (124,639)                                | 0                                 | 0                               | 0   | (152,869) | (135,218) |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | (759)     | (303)     |
| \$ 0   | \$ 0  | \$ (1,010)  | \$ (36,739)                              | \$ 0                              | \$ 0                            | \$ 0  | \$ 22,027 | \$ 57,062 |

(continued)



Combining Statement of Cash Flows  
Component Units - Proprietary Funds  
For the Fiscal Year Ended June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

(continued)

|   | Oklahoma<br>Industrial<br>Finance<br>Authority | Health<br>Insurance<br>High Risk<br>Pool | State<br>Insurance<br>Fund | State and<br>Education<br>Empl. Group<br>Insurance Bd. | Oklahoma<br>Student Loan<br>Authority | University<br>Hospitals<br>Authority |
|---|--|--|----------------------------|--|---------------------------------------|--------------------------------------|
| <b>Cash Flows from Capital and Related<br/>Financing Activities</b>     |  |  |                            |  |                                       |                                      |
| Proceeds from Bonds and<br>Notes Payable                                | \$ 0   | \$ 0                                     | \$ 0                       | \$ 0   | \$ 0                                  | \$ 0                                 |
| Payments for Acquisition<br>of Fixed Assets                             | (16)   | 0  | (1,786)                    | (178)  | (224)                                 | (2,745)                              |
| Principal Paid on Bonds, Notes,<br>and Capital Leases                   | 0  | 0  | 0                          | 0  | 0                                     | (1,247)                              |
| Interest Paid on Bonds, Notes,<br>and Capital Leases                    | 0  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Increase in Payable Under<br>Securities Lending Agreement               | 0  | 0  | 55,345                     | (18,542)   | 0                                     | 0                                    |
| Other Capital and Related<br>Financing Activity                         | 0  | 0  | 13                         | 0  | 0                                     | 0                                    |
| Net Cash Provided (Used) by Capital and<br>Related Financing Activities | (16)   | 0  | 53,572                     | (18,720)   | (224)                                 | (3,992)                              |
| <b>Cash Flows from Investing Activities</b>                             |  |  |                            |  |                                       |                                      |
| Interest and Investment Revenue   | 0  | 0  | 49,677                     | 10,764   | 2,297                                 | 1,665                                |
| Fees Paid Under Security<br>Lending Agreement                           | 0  | 0  | (10,743)                   | 0  | 0                                     | 0                                    |
| Increase in Security Lending<br>Investment Pool                         | 0  | 0  | (55,345)                   | 18,542   | 0                                     | 0                                    |
| Proceeds from Sale and<br>Maturity of Investments                       | 42,155   | 0  | 842,334                    | 153,921  | 111,868                               | 2,128                                |
| Principal Received from<br>Notes Receivable                             | 5,090  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Payments to Purchase Investments  | (55,515)                                       | 0  | (828,629)                  | (104,120)  | (143,485)                             | 0                                    |
| Payments to Issue<br>Notes Receivable                                   | (255)  | 0  | 0                          | 0  | 0                                     | 0                                    |
| Net Cash Provided (Used) by<br>Investing Activities                     | (8,525)  | 0  | (2,706)                    | 79,107   | (29,320)                              | 3,793                                |
| <b>Net Increase (Decrease) in<br/>Cash/Cash Equivalents</b>             | 657  | 108                                      | 853                        | (5,596)  | 114                                   | (744)                                |
| <b>Cash/Cash Equivalents -<br/>Beginning of Year</b>                    | 213  | 0  | 371                        | 9,591  | 646                                   | 39,522                               |
| Cash/Cash Equivalents -<br>Fiduciary Activities                         | 0  | 0  | 0                          | 105  | 0                                     | 0                                    |
| <b>Cash/Cash Equivalents -<br/>End of Year</b>                          | <u>\$ 870</u>                                  | <u>\$ 108</u>                            | <u>\$ 1,224</u>            | <u>\$ 4,100</u>  | <u>\$ 760</u>                         | <u>\$ 38,778</u>                     |

| Medical<br>Technology<br>and Research<br>Authority | Oklahoma<br>Development<br>Finance<br>Authority | Oklahoma<br>Environmental<br>Finance<br>Authority | Oklahoma<br>Housing<br>Finance<br>Agency | Oklahoma<br>Turnpike<br>Authority | Grand<br>River Dam<br>Authority | Oklahoma<br>Municipal<br>Power<br>Authority | Total       |             |
|--|---|---|--|-----------------------------------|---------------------------------|---|-------------|-------------|
|  |   |   |  |                                   |                                 |   | 1997        | 1996        |
| \$ 665   | \$ 9,999  | \$ 0  | \$ 0                                     | \$ 0                              | \$ 0                            | \$ 0  | \$ 10,664   | \$ 178,212  |
| (662)  | (15)  | 0   | (376)                                    | (41,935)                          | (4,077)                         | (2,344)                                     | (54,358)    | (67,499)    |
| (118)  | 0   | 0   | 0  | (11,465)                          | (34,920)                        | (4,245)                                     | (51,995)    | (226,665)   |
| 0  | 0   | 0   | 0  | (39,907)                          | (58,078)                        | (21,483)                                    | (119,468)   | (120,488)   |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 36,803      | 134,807     |
| 2  | 0   | 0   | 0  | 0                                 | 169                             | 0   | 184         | 249         |
| (113)  | 9,984   | 0   | (376)                                    | (93,307)                          | (96,906)                        | (28,072)                                    | (178,170)   | (101,384)   |
| 0  | 577   | 3   | 6,301                                    | 10,456                            | 15,038                          | 5,287                                       | 102,065     | 90,763      |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | (10,743)    | 0           |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | (36,803)    | (134,807)   |
| 0  | 1,210   | 2,218   | 150,336                                  | 99,295                            | 126,883                         | 83,198                                      | 1,615,546   | 1,246,001   |
| 0  | 95  | 0   | 0  | 0                                 | 0                               | 28  | 5,213       | 6,046       |
| 0  | (8,215)   | 0   | (123,475)                                | (113,535)                         | (125,316)                       | (70,937)                                    | (1,573,227) | (1,280,917) |
| 0  | (498)   | (2,312)   | 0  | 0                                 | 0                               | (608)                                       | (3,673)     | (3,118)     |
| 0  | (6,831)   | (91)  | 33,162                                   | (3,784)                           | 16,605                          | 16,968                                      | 98,378      | (76,032)    |
| (187)  | 2,817   | 502   | (3,975)                                  | (17,392)                          | (4,604)                         | 11,807                                      | (15,640)    | 13,660      |
| 526  | 954   | 1,556   | 21,814                                   | 63,251                            | 10,482                          | 15,037                                      | 163,963     | 150,303     |
| 0  | 0   | 0   | 0  | 0                                 | 0                               | 0   | 105         | 0           |
| \$ 339   | \$ 3,771  | \$ 2,058  | \$ 17,839                                | \$ 45,859                         | \$ 5,878                        | \$ 26,844                                   | \$ 148,428  | \$ 163,963  |

(continued)

Combining Statement of Cash Flows  
 Component Units - Proprietary Funds  
 For the Fiscal Year Ended June 30, 1997  
 (expressed in thousands)  
 (continued)

|   |    | University<br>Hospitals<br>Authority |
|---|----|--------------------------------------|
| <b>Noncash Capital and Related Financing Activities</b> |    |                                      |
| Donated Equipment                                       | \$ | 120                                  |
| Accounts Payable Incurred for Equipment                 |    | 303                                  |

Saddle Bronc Riding Picture

**COMPONENT UNIT – HIGHER  
EDUCATION FUNDS**

**COMBINING FINANCIAL  
STATEMENTS**

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

#### COMPREHENSIVE UNIVERSITIES

University of Oklahoma  
Oklahoma State University

#### OTHER FOUR YEAR UNIVERSITIES

University of Central Oklahoma  
East Central University  
Northeastern State University  
Northwestern Oklahoma State University  
Southeastern Oklahoma State University  
Southwestern Oklahoma State University  
Cameron University  
Langston University  
Oklahoma Panhandle State University  
Rogers 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  
Rose State College  
Seminole State College  
Western Oklahoma State College

Tulsa Community College

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

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

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

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

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

Combining Balance Sheet  
Component Unit - Higher Education Funds  
June 30, 1997  
(with comparative totals for June 30, 1996)  
(expressed in thousands)

|  | Current Funds     |                   | Loan Funds       |
|--|-------------------|-------------------|------------------|
|  | Unrestricted      | Restricted        |                  |
| <b>Assets</b>                              |                   |                   |                  |
| Cash/Cash Equivalents                      | \$ 223,053        | \$ 49,036         | \$ 3,308         |
| Investments                                | 109,348           | 20,582            | 65               |
| Accounts Receivable                        | 50,319            | 42,991            | 388              |
| Interest and Investment Revenue Receivable | 1,226             | 69                | 298              |
| Federal Grants Receivable                  | 18                | 1,101             | 0                |
| Notes and Loans Receivable                 | 0                 | 0                 | 42,512           |
| Due from Other Funds                       | 55,778            | 4,369             | 3,122            |
| Due from Component Units                   | 4,597             | 0                 | 0                |
| Due from Primary Government                | 5,869             | 0                 | 0                |
| Inventory                                  | 20,087            | 0                 | 0                |
| Prepaid Items                              | 5,194             | 1                 | 0                |
| Fixed Assets, Net                          | 0                 | 0                 | 0                |
| Other Assets                               | 1,090             | 69                | 13               |
| Total Assets                               | <u>\$ 476,579</u> | <u>\$ 118,218</u> | <u>\$ 49,706</u> |
| <b>Liabilities and Fund Balances</b>       |                   |                   |                  |
| Liabilities                                |                   |                   |                  |
| Accounts Payable and Accrued Liabilities   | \$ 64,200         | \$ 8,460          | \$ 276           |
| Interest Payable                           | 0                 | 0                 | 0                |
| Due to Other Funds                         | 34,715            | 23,090            | 1                |
| Due to Component Units                     | 3,229             | 0                 | 0                |
| Due to Primary Government                  | 272               | 0                 | 0                |
| Due to Others                              | 0                 | 0                 | 0                |
| Deferred Revenue                           | 75,323            | 15,448            | 0                |
| Capital Leases                             | 0                 | 0                 | 0                |
| Compensated Absences                       | 36,514            | 2,994             | 0                |
| Notes Payable                              | 824               | 0                 | 0                |
| General Obligation Bonds                   | 0                 | 0                 | 0                |
| Revenue Bonds                              | 0                 | 0                 | 0                |
| Other Liabilities                          | 63                | 2,211             | 0                |
| Total Liabilities                          | <u>215,140</u>    | <u>52,203</u>     | <u>277</u>       |
| Fund Balances                              |                   |                   |                  |
| Unrestricted                               | 261,439           | 0                 | 0                |
| Restricted                                 | 0                 | 66,015            | 49,429           |
| Unexpended Plant Funds                     | 0                 | 0                 | 0                |
| Renewals and Replacements                  | 0                 | 0                 | 0                |
| Retirement of Indebtedness                 | 0                 | 0                 | 0                |
| Investment in Fixed Assets                 | 0                 | 0                 | 0                |
| Total Fund Balances                        | <u>261,439</u>    | <u>66,015</u>     | <u>49,429</u>    |
| Total Liabilities and Fund Balances        | <u>\$ 476,579</u> | <u>\$ 118,218</u> | <u>\$ 49,706</u> |

| Endowment<br>Funds | Plant<br>Funds      | Agency<br>Funds  | Total               |                     |
|--------------------|---------------------|------------------|---------------------|---------------------|
|                    |                     |                  | 1997                | 1996                |
| \$ 10,176          | \$ 96,046           | \$ 4,952         | \$ 386,571          | \$ 344,248          |
| 117,879            | 45,089              | 1,735            | 294,698             | 279,216             |
| 978                | 450                 | 177              | 95,303              | 92,733              |
| 375                | 741                 | 0                | 2,709               | 3,010               |
| 0                  | 296                 | 0                | 1,415               | 897                 |
| 0                  | 0                   | 0                | 42,512              | 42,791              |
| 1,440              | 455                 | 11,948           | 77,112              | 59,937              |
| 0                  | 0                   | 0                | 4,597               | 1,050               |
| 0                  | 0                   | 0                | 5,869               | 5,088               |
| 0                  | 0                   | 0                | 20,087              | 18,793              |
| 0                  | 682                 | 0                | 5,877               | 4,432               |
| 0                  | 1,870,992           | 0                | 1,870,992           | 1,704,734           |
| 8                  | 2,144               | 15               | 3,339               | 1,864               |
| <u>\$ 130,856</u>  | <u>\$ 2,016,895</u> | <u>\$ 18,827</u> | <u>\$ 2,811,081</u> | <u>\$ 2,558,793</u> |
|                    |                     |                  |                     |                     |
| \$ 22              | \$ 11,023           | \$ 84            | \$ 84,065           | \$ 57,382           |
| 0                  | 2,928               | 0                | 2,928               | 3,120               |
| 17,981             | 2,309               | 176              | 78,272              | 59,937              |
| 0                  | 0                   | 0                | 3,229               | 590                 |
| 0                  | 0                   | 0                | 272                 | 167                 |
| 0                  | 0                   | 18,567           | 18,567              | 15,144              |
| 0                  | 188                 | 0                | 90,959              | 37,860              |
| 0                  | 18,455              | 0                | 18,455              | 9,873               |
| 0                  | 0                   | 0                | 39,508              | 38,898              |
| 0                  | 10,087              | 0                | 10,911              | 1,540               |
| 0                  | 6,425               | 0                | 6,425               | 7,700               |
| 0                  | 165,067             | 0                | 165,067             | 160,071             |
| 12,561             | 157                 | 0                | 14,992              | 34,485              |
| <u>30,564</u>      | <u>216,639</u>      | <u>18,827</u>    | <u>533,650</u>      | <u>426,767</u>      |
|                    |                     |                  |                     |                     |
| 0                  | 0                   | 0                | 261,439             | 246,781             |
| 100,292            | 0                   | 0                | 215,736             | 196,122             |
| 0                  | 81,924              | 0                | 81,924              | 84,509              |
| 0                  | 1,752               | 0                | 1,752               | 2,985               |
| 0                  | 21,992              | 0                | 21,992              | 23,225              |
| 0                  | 1,694,588           | 0                | 1,694,588           | 1,578,404           |
| <u>100,292</u>     | <u>1,800,256</u>    | <u>0</u>         | <u>2,277,431</u>    | <u>2,132,026</u>    |
| <u>\$ 130,856</u>  | <u>\$ 2,016,895</u> | <u>\$ 18,827</u> | <u>\$ 2,811,081</u> | <u>\$ 2,558,793</u> |

*This Page Intentionally Left Blank*



## Team Roping Picture

## **STATISTICAL SECTION**

## STATISTICAL SECTION INDEX

|   |     |
|---|-----|
| Cash Receipts And Disbursements .....   | 167 |
| Tax Collections .....   | 169 |
| Gross Sales Tax By Industry .....   | 171 |
| Bank Deposits .....   | 172 |
| Assessed Valuations .....   | 173 |
| Non-Agricultural Wage And Salary Employment .....   | 173 |
| State Colleges And Universities - Public.....   | 175 |
| State Colleges And Universities - Private.....  | 176 |
| School Enrollments .....  | 177 |
| Economic And Demographic Estimates .....  | 177 |
| Major Employers By Size .....   | 179 |
| Net General Obligation Bonds And Notes Per Capita.....  | 181 |
| Ratio Of Annual Debt Service Expenditures<br>For General Obligation Debt To Total<br>General Governmental Expenditures..... | 181 |
| Revenue Bond Coverage -<br>Enterprise Fund And Proprietary Component Units.....   | 182 |

# CASH RECEIPTS AND DISBURSEMENTS

(For all fund types combined)

by Category

For the Fiscal Years Ended June 30, 1988 through June 30, 1997

|   | 1997                        | 1996                        | 1995                        | 1994                        |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash Receipts by Source:</b>                     |                             |                             |                             |                             |
| Taxes   | \$ 4,951,517,415            | \$ 4,533,832,681            | \$ 4,292,825,694            | \$ 4,171,399,330            |
| Licenses, Permits, and Fees                         | 144,622,951                 | 126,746,123                 | 125,546,800                 | 114,190,748                 |
| Fines, Forfeits, and Penalties                      | 9,603,493                   | 9,712,974                   | 12,922,896                  | 12,713,597                  |
| Income from Money and Property                      | 218,405,052                 | 200,299,903                 | 189,470,710                 | 160,427,452                 |
| Grants, Refunds, and Reimbursements                 | 2,598,674,805               | 2,664,011,649               | 2,342,091,497               | 2,230,459,216               |
| Higher Education                                    | 142,535,049                 | 163,733,815                 | 150,907,027                 | 155,495,049                 |
| Sales and Services                                  | 405,156,027                 | 349,726,346                 | 353,614,351                 | 350,148,435                 |
| Non-Revenue Receipts                                | <u>414,275,218</u>          | <u>428,531,083</u>          | <u>600,562,290</u>          | <u>664,277,305</u>          |
| <br>Total Collections                               | <br><u>\$ 8,884,790,010</u> | <br><u>\$ 8,476,594,574</u> | <br><u>\$ 8,067,941,265</u> | <br><u>\$ 7,859,111,132</u> |
| <br><b>Disbursements by Function of Government:</b> |                             |                             |                             |                             |
| Education   | \$ 3,768,208,810            | \$ 3,479,049,093            | \$ 3,363,972,223            | \$ 3,243,011,505            |
| General Government                                  | 285,182,151                 | 258,065,326                 | 232,779,824                 | 217,894,423                 |
| Health Services                                     | 335,120,001                 | 313,345,235                 | 295,676,766                 | 285,088,005                 |
| Legal and Judiciary                                 | 118,916,855                 | 107,889,849                 | 103,062,230                 | 98,207,598                  |
| Museums   | 7,798,223                   | 8,029,357                   | 7,103,208                   | 7,787,539                   |
| Natural Resources                                   | 191,578,397                 | 174,284,377                 | 165,215,892                 | 145,877,414                 |
| Public Safety and Defense                           | 473,378,027                 | 428,385,545                 | 394,732,689                 | 376,683,833                 |
| Regulatory Services                                 | 102,733,288                 | 99,065,119                  | 94,526,541                  | 93,424,312                  |
| Social Services                                     | 2,485,060,196               | 2,447,007,338               | 2,316,200,744               | 2,219,811,291               |
| Transportation                                      | 774,131,933                 | 776,979,475                 | 680,440,719                 | 649,409,416                 |
| Other Local Apportionments                          | 40,524,674                  | 39,104,818                  | 38,215,192                  | 38,434,483                  |
| Sinking Fund Payments on Bonded Debt                | <u>49,468,807</u>           | <u>42,485,191</u>           | <u>48,670,759</u>           | <u>47,876,004</u>           |
| <br>Total Disbursements                             | <br><u>\$ 8,632,101,362</u> | <br><u>\$ 8,173,690,723</u> | <br><u>\$ 7,740,596,787</u> | <br><u>\$ 7,423,505,823</u> |

Prepared on a cash basis to aid in budgetary analysis.

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

| 1993                    | 1992                    | 1991                    | 1990                    | 1989                    | 1988                    |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 4,004,262,875        | \$ 3,767,112,946        | \$ 3,732,786,561        | \$ 3,402,334,194        | \$ 3,271,621,248        | \$ 3,076,626,386        |
| 113,409,593             | 111,042,458             | 100,840,990             | 97,319,103              | 71,901,507              | 69,981,362              |
| 11,975,799              | 6,980,944               | 6,216,510               | 6,357,738               | 4,594,677               | 4,194,923               |
| 184,869,454             | 218,903,029             | 234,014,771             | 206,658,787             | 194,064,413             | 311,809,310             |
| 2,149,710,999           | 2,144,771,088           | 1,900,189,845           | 1,792,878,154           | 1,836,159,992           | 1,533,990,868           |
| 132,592,295             | 111,400,434             | 130,120,595             | 135,360,114             | 116,253,845             | 95,090,396              |
| 396,832,644             | 383,543,021             | 390,263,499             | 261,543,572             | 257,067,619             | 236,706,735             |
| 763,837,201             | 500,503,475             | 432,251,486             | 371,527,999             | 320,755,068             | 170,319,444             |
| <u>\$ 7,757,490,860</u> | <u>\$ 7,244,257,395</u> | <u>\$ 6,926,684,257</u> | <u>\$ 6,273,979,661</u> | <u>\$ 6,072,418,369</u> | <u>\$ 5,498,719,424</u> |
| \$ 3,094,920,009        | \$ 2,934,689,937        | \$ 2,759,703,679        | \$ 2,427,560,944        | \$ 2,317,485,881        | \$ 2,089,671,253        |
| 230,095,993             | 222,111,235             | 229,921,339             | 212,881,881             | 245,470,408             | 215,286,547             |
| 297,114,426             | 295,806,883             | 260,821,678             | 249,065,028             | 221,851,629             | 197,251,821             |
| 96,169,096              | 89,485,986              | 78,796,103              | 71,645,627              | 64,349,921              | 58,278,344              |
| 7,285,465               | 7,076,222               | 5,963,354               | 5,315,985               | 4,803,043               | 4,548,471               |
| 131,516,482             | 126,076,211             | 109,614,320             | 102,106,584             | 93,364,416              | 87,111,726              |
| 353,878,439             | 351,705,324             | 342,336,219             | 265,849,343             | 247,220,558             | 220,239,334             |
| 85,222,082              | 74,985,759              | 83,769,888              | 63,973,681              | 62,004,860              | 78,806,091              |
| 2,262,275,215           | 2,345,644,915           | 2,227,481,279           | 1,845,726,015           | 1,680,023,498           | 1,567,836,371           |
| 634,285,372             | 641,074,879             | 635,104,373             | 645,154,749             | 644,184,846             | 623,666,821             |
| 33,679,675              | 15,680,219              | 13,037,225              | 10,832,876              | 14,836,687              | 9,896,998               |
| 41,946,165              | 42,543,878              | 21,796,136              | 19,186,264              | 18,806,600              | 21,272,670              |
| <u>\$ 7,268,388,419</u> | <u>\$ 7,146,881,448</u> | <u>\$ 6,768,345,593</u> | <u>\$ 5,919,298,977</u> | <u>\$ 5,614,402,347</u> | <u>\$ 5,173,866,447</u> |

# TAX COLLECTIONS

For the Fiscal Years Ended June 30, 1988 through June 30, 1997

| Taxes                                       | 1997                    | 1996                    | 1995                    | 1994                    |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Aircraft Excise Tax                         | \$ 2,453,179            | \$ 1,681,776            | \$ 1,853,999            | \$ 1,402,816            |
| Alcoholic Beverage Excise Tax               | 20,987,501              | 20,845,359              | 20,211,389              | 21,133,027              |
| Alternative Fuel Surcharge                  | 166,328                 | 182,018                 | 133,284                 | 198,749                 |
| Beverage Tax                                | 22,588,694              | 22,978,605              | 22,461,075              | 22,827,056              |
| Bingo Tax                                   | 12,289,463              | 12,359,983              | 11,816,705              | 10,883,377              |
| Charity Games Tax                           | 1,138,144               | 1,196,451               | 1,039,031               | 1,515,757               |
| Cigarette Tax                               | 59,748,356              | 60,527,991              | 58,332,155              | 58,251,171              |
| City Use Tax - Collect/Deposit              | 377,102                 | 346,360                 | 295,570                 | 251,529                 |
| Coin Operated Device Decal                  | 2,436,631               | 3,814,318               | 3,404,098               | 3,972,441               |
| Conservation Excise Tax                     | -                       | 75,193                  | 873,542                 | 501,863                 |
| Diesel Fuel Excise Tax                      | 66,156,283              | 76,058,267              | 62,902,742              | 56,987,746              |
| Documentary Stamp Tax                       | 6,885,045               | 6,604,360               | 5,961,293               | 6,281,264               |
| Franchise Tax                               | 37,983,444              | 36,264,543              | 36,721,223              | 32,817,309              |
| Freight Car Tax                             | 1,051,553               | 970,565                 | 1,515,736               | 1,135,505               |
| Fuels Excise Tax                            | 539,333                 | 1,494,378               | 1,460,982               | 1,456,769               |
| Gasoline Excise Tax                         | 280,344,427             | 263,258,712             | 267,138,186             | 268,605,663             |
| Gross Production Tax - Oil and Gas          | 398,743,724             | 315,549,773             | 301,524,689             | 367,736,133             |
| Income Tax (Corporate and Individual)       | 1,918,772,165           | 1,700,792,804           | 1,592,915,946           | 1,490,180,078           |
| Inheritance and Estate Tax                  | 80,513,845              | 67,881,873              | 68,789,242              | 58,052,250              |
| Insurance Premium Tax                       | 113,819,384             | 108,625,507             | 103,957,280             | 105,344,076             |
| Mixed Beverage Gross Receipts Tax           | 12,618,051              | 12,018,242              | 11,395,625              | 11,338,883              |
| Occupational Health and Safety Tax          | 1,797,088               | 1,895,164               | 1,819,752               | 1,811,543               |
| Pari-Mutuel Taxes                           | 3,744,615               | 3,312,299               | 3,151,651               | 3,600,525               |
| Pari-Mutuel Exotic Wager                    | -                       | -                       | -                       | 3,535                   |
| Pari-Mutuel - Other Tax                     | 27,753                  | 66,363                  | 129,878                 | 161,939                 |
| Petroleum Excise Tax                        | 5,306,110               | 4,279,030               | 4,072,789               | 5,086,869               |
| Rural Electric Co-operative Tax             | 13,758,308              | 13,401,177              | 13,154,486              | 13,404,328              |
| Sales Tax                                   | 1,193,727,537           | 1,135,594,213           | 1,076,970,533           | 1,033,687,832           |
| Sales Tax - City                            | 8,071,662               | 7,792,195               | 7,360,330               | 6,848,307               |
| Sales Tax - County                          | 771,848                 | 615,674                 | 632,306                 | 297,025                 |
| Self-Insurance Premium Tax                  | -                       | -                       | 88,739                  | 148,189                 |
| Special Fuel Decal                          | 497,380                 | 558,653                 | 594,524                 | 650,516                 |
| Special Fuel Use Tax                        | 94,774                  | 92,598                  | 136,419                 | 222,505                 |
| Tag Agent Remittance Tax                    | 541,334,368             | 516,519,709             | 490,213,416             | 472,071,427             |
| Telephone Surcharge                         | 1,006,694               | 997,902                 | 951,735                 | 930,015                 |
| Tobacco Products Tax                        | 11,198,865              | 11,256,079              | 11,303,560              | 10,622,404              |
| Tourism Gross Receipt Tax                   | 3,466,923               | 3,077,388               | 2,978,677               | 2,638,751               |
| Tribal Compact in Lieu of Tax Payments      | 6,888,623               | 6,172,567               | 4,829,309               | 3,790,436               |
| Unclaimed Property Tax                      | 4,465,704               | 10,116,730              | 5,760,279               | 6,901,353               |
| Unclassified Tax Receipts                   | -                       | -                       | 98,332                  | 75,339                  |
| Use Tax                                     | 78,877,952              | 66,388,592              | 59,630,927              | 51,880,903              |
| Vehicle Revenue Tax Stamps                  | 45,005                  | 44,800                  | 41,592                  | 41,555                  |
| Workers' Compensation Awards - Assessments  | 22,677,854              | 23,386,339              | 20,129,038              | 21,160,528              |
| Workers' Compensation Insurance Premium Tax | 6,037,222               | 7,245,625               | 7,042,702               | 6,880,624               |
| Other Taxes                                 | 8,108,478               | 7,492,506               | 7,030,928               | 7,609,420               |
| Total                                       | <u>\$ 4,951,517,415</u> | <u>\$ 4,533,832,681</u> | <u>\$ 4,292,825,694</u> | <u>\$ 4,171,399,330</u> |

Prepared on a cash basis to aid in budgetary analysis.

| 1993                    | 1992                    | 1991                    | 1990                    | 1989                    | 1988                    |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 1,630,073            | \$ 1,778,536            | \$ 1,533,394            | \$ 2,619,952            | \$ 2,287,367            | \$ 1,015,552            |
| 20,947,382              | 22,147,248              | 20,917,099              | 20,408,760              | 21,536,591              | 22,214,581              |
| 170,892                 | 98,846                  | -                       | -                       | -                       | -                       |
| 21,810,405              | 21,487,488              | 21,503,791              | 20,561,344              | 20,008,678              | 19,919,603              |
| 5,026,496               | -                       | -                       | -                       | -                       | -                       |
| 1,146,840               | -                       | -                       | -                       | -                       | -                       |
| 60,456,532              | 60,339,722              | 61,058,310              | 65,306,944              | 71,983,400              | 77,888,675              |
| 207,169                 | 196,043                 | 161,228                 | 146,516                 | 110,031                 | 100,280                 |
| 4,071,043               | 3,377,121               | 4,518,184               | 3,315,589               | 3,871,644               | 724,381                 |
| 844,262                 | 2,687,396               | 1,967,459               | 2,810,606               | 2,708,157               | 3,656,930               |
| 53,640,018              | 51,035,710              | 49,756,094              | 49,793,751              | 52,348,344              | 49,494,439              |
| 5,032,770               | 4,485,783               | 4,256,584               | 4,523,067               | 4,470,220               | 5,040,471               |
| 34,341,621              | 33,900,715              | 31,387,096              | 29,880,117              | 31,229,430              | 28,931,715              |
| 853,410                 | 808,281                 | 819,329                 | 910,183                 | 924,943                 | 1,126,371               |
| 1,379,576               | 1,344,661               | 1,359,443               | 1,400,990               | 1,493,381               | 1,414,686               |
| 258,493,935             | 249,822,104             | 246,342,350             | 255,570,383             | 255,760,913             | 258,242,792             |
| 404,905,673             | 342,177,274             | 404,143,185             | 384,510,644             | 362,252,512             | 376,687,550             |
| 1,453,295,598           | 1,369,734,220           | 1,357,169,347           | 1,117,562,159           | 1,070,523,781           | 900,283,045             |
| 50,943,472              | 46,962,269              | 39,465,754              | 67,189,006              | 36,016,804              | 39,851,538              |
| 92,916,758              | 91,363,715              | 85,450,248              | 85,439,519              | 130,254,455             | 124,877,675             |
| 11,176,891              | 11,345,355              | 11,297,842              | 11,274,726              | 11,033,139              | 11,006,317              |
| 1,601,694               | 1,487,888               | 1,216,596               | 1,019,501               | 954,296                 | 967,327                 |
| 3,845,857               | 4,282,925               | 5,231,046               | 5,081,419               | 4,095,103               | 1,016,656               |
| 66,612                  | 2,189,171               | 2,340,059               | 2,313,262               | 1,626,526               | 483,115                 |
| 160,441                 | 775,809                 | 773,269                 | 935,992                 | 617,371                 | 124,095                 |
| 5,409,358               | 4,641,228               | 5,318,067               | 4,663,049               | 4,390,949               | 4,556,465               |
| 12,927,846              | 13,195,104              | 13,041,716              | 12,531,764              | 12,381,751              | 12,026,972              |
| 957,681,580             | 909,604,940             | 909,774,294             | 795,599,133             | 737,982,515             | 719,501,500             |
| 6,265,328               | 6,107,216               | 5,836,086               | 5,525,657               | 5,258,013               | 5,069,927               |
| 236,598                 | 224,793                 | 170,159                 | 150,969                 | 332,159                 | 328,241                 |
| 139,114                 | 125,936                 | 110,072                 | 89,309                  | 77,983                  | 55,840                  |
| 665,844                 | 567,501                 | 555,056                 | 519,208                 | 548,963                 | 580,677                 |
| 473,876                 | 556,052                 | 589,029                 | 615,611                 | 581,359                 | 641,682                 |
| 428,320,724             | 408,854,360             | 389,604,571             | 375,972,305             | 359,026,573             | 346,570,940             |
| 878,254                 | 77,478                  | 61,631                  | 850,367                 | 839,508                 | 834,843                 |
| 9,664,544               | 9,010,579               | 8,604,570               | 8,231,987               | 7,773,135               | 7,588,428               |
| 2,505,566               | 2,455,025               | 2,245,474               | 2,171,809               | 1,985,331               | 1,073,877               |
| 1,787,138               | -                       | -                       | -                       | -                       | -                       |
| 7,659,463               | 9,073,096               | 4,399,862               | 2,750,647               | 4,014,133               | 3,247,327               |
| 28,477                  | 48,838                  | 59,924                  | 9,825                   | 42,736                  | 897,732                 |
| 49,323,050              | 48,267,881              | 46,940,425              | 42,324,689              | 34,155,843              | 31,916,562              |
| 38,138                  | 36,187                  | 46,552                  | 34,364                  | 34,605                  | 32,047                  |
| 17,779,633              | 11,626,131              | 9,452,730               | 8,084,668               | 7,586,525               | 7,681,032               |
| 6,550,637               | 5,396,592               | 4,352,553               | 4,230,596               | 3,731,544               | 3,625,584               |
| 6,962,261               | 7,415,703               | 8,198,857               | 4,678,214               | 4,137,096               | 5,029,881               |
| <u>\$ 4,004,262,849</u> | <u>\$ 3,761,112,920</u> | <u>\$ 3,762,029,335</u> | <u>\$ 3,401,608,601</u> | <u>\$ 3,270,987,807</u> | <u>\$ 3,076,327,351</u> |

# GROSS SALES TAX BY INDUSTRY

For the Fiscal Year Ended June 30, 1997

| Industry   | Gross Sales Tax         |
|--|-------------------------|
| General Merchandise Stores   | 204,450,788             |
| Food Stores  | 188,315,922             |
| Eating and Drinking Establishments   | 114,435,001             |
| Miscellaneous Retail Stores  | 96,038,178              |
| Wholesale Trade-Durable Goods  | 91,360,139              |
| Furniture, Home Furnishings, and Equipment Stores                          | 77,123,410              |
| Communications   | 72,841,515              |
| Building Materials, Hardware, Garden Supply, and Mobile Home Dealers       | 73,565,115              |
| Automotive Dealers and Gasoline Service Stations                           | 45,950,186              |
| Electric, Gas, and Sanitary Services                                       | 37,708,243              |
| Business Services  | 36,551,572              |
| Apparel and Accessory Stores   | 34,732,507              |
| Wholesale Trade-Nondurable Goods   | 21,587,472              |
| Hotels, Rooming Houses, Camps, and Other Lodging Places                    | 17,899,531              |
| Automotive Services  | 13,367,266              |
| Amusement and Recreation Services, except Motion Pictures                  | 9,141,768               |
| Non-Classifiable Establishments  | 8,134,875               |
| Personal Services  | 8,011,859               |
| Stone, Clay, Glass, and Concrete Products                                  | 6,350,682               |
| Electrical and Electronic Machinery, Equipment, and Supplies               | 6,146,932               |
| Motion Pictures  | 5,520,502               |
| Printing, Publishing, and Allied Industries                                | 4,015,197               |
| Machinery, except Electrical   | 3,444,778               |
| Miscellaneous Repair Services  | 2,648,598               |
| Fabricated Metal Products, except Machinery and Transportation Equipment   | 1,724,682               |
| Construction-Special Trade Contractors                                     | 1,458,505               |
| Membership Organizations   | 1,454,955               |
| Oil and Gas Extraction   | 1,260,238               |
| Educational Services   | 1,122,869               |
| Lumber and Wood Products, except Furniture                                 | 841,420                 |
| Measuring, Analyzing, and Controlling Instruments                          | 838,790                 |
| Health Services  | 831,187                 |
| Chemicals and Allied Products  | 704,045                 |
| Local and Suburban Transit and Interurban Highway Passenger Transportation | 676,055                 |
| Petroleum Refining and Related Industries                                  | 650,833                 |
| Miscellaneous Manufacturing Industries                                     | 647,545                 |
| Food and Kindred Products  | 646,270                 |
| Agricultural Services  | 555,950                 |
| Transportation Equipment   | 507,394                 |
| Engineering, Architectural, and Surveying Services                         | 417,755                 |
| Furniture and Fixtures   | 350,557                 |
| Other Industries   | 2,491,662               |
| Total  | <u>\$ 1,196,522,748</u> |

Source: Oklahoma Tax Commission



## **BANK DEPOSITS**

for the Years 1987 through 1996

---

| <u>Year</u> | <u># of Banks</u> | <u>\$ Amount of Deposits</u> |
|-------------|-------------------|------------------------------|
| 1996        | 332               | 29,934,157,000               |
| 1995        | 342               | 26,686,783,000               |
| 1994        | 350               | 27,406,069,000               |
| 1993        | 371               | 26,881,835,000               |
| 1992        | 394               | 26,591,862,000               |
| 1991        | 411               | 24,745,757,000               |
| 1990        | 419               | 23,598,333,000               |
| 1989        | 430               | 23,014,286,000               |
| 1988        | 465               | 23,036,009,000               |
| 1987        | 487               | 23,651,171,000               |

Source: Federal Reserve Bank of Kansas City

## ASSESSED VALUATIONS

For the Years 1988 through 1997

|                                  | 1997                     | 1996                     | 1995                     | 1994                     |
|----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Real Estate and Improvements     | \$ 9,134,059,265         | \$ 8,738,449,049         | \$ 8,395,607,977         | \$ 8,037,465,631         |
| Personal Property Subject to Tax | <u>2,301,719,971</u>     | <u>2,086,267,080</u>     | <u>2,057,628,937</u>     | <u>2,028,445,909</u>     |
| Total Locally Assessed           | 11,435,779,236           | 10,824,716,129           | 10,453,236,914           | 10,065,911,540           |
| Homestead Exemptions Allowed     | <u>694,938,232</u>       | <u>691,944,964</u>       | <u>689,302,818</u>       | <u>685,897,647</u>       |
| Net Assessed Locally             | 10,740,841,004           | 10,132,771,165           | 9,763,934,096            | 9,380,013,893            |
| Public Service Assessment        | <u>2,066,005,099</u>     | <u>2,063,227,985</u>     | <u>2,023,137,118</u>     | <u>1,980,070,550</u>     |
| Net Assessed Valuation           | <u>\$ 12,806,846,103</u> | <u>\$ 12,195,999,150</u> | <u>\$ 11,787,071,214</u> | <u>\$ 11,360,084,443</u> |

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

Source: Oklahoma Tax Commission

## NON-AGRICULTURAL WAGE AND SALARY EMPLOYMENT

Annual Average Number of Employees  
For the Years 1987 through 1996

| INDUSTRY GROUP                      | 1996             | 1995             | 1994             | 1993             |
|-------------------------------------|------------------|------------------|------------------|------------------|
| Wholesale and Retail Trade          | 318,500          | 312,400          | 300,900          | 289,600          |
| Services                            | 364,300          | 344,000          | 317,300          | 305,900          |
| Manufacturing                       | 173,600          | 170,700          | 171,100          | 168,600          |
| Local Government                    | 151,500          | 150,100          | 148,100          | 146,100          |
| State Government                    | 76,300           | 76,100           | 76,600           | 76,400           |
| Transportation and Public Utilities | 77,200           | 73,900           | 72,900           | 72,400           |
| Finance, Insurance, and Real Estate | 67,300           | 65,400           | 64,100           | 62,200           |
| Federal Government                  | 43,700           | 43,500           | 45,300           | 47,300           |
| Mining                              | 31,500           | 31,700           | 35,000           | 35,700           |
| Construction                        | <u>50,300</u>    | <u>48,300</u>    | <u>47,400</u>    | <u>42,800</u>    |
| Totals                              | <u>1,354,200</u> | <u>1,316,100</u> | <u>1,278,700</u> | <u>1,247,000</u> |

Source: Oklahoma Employment Security Commission - Research and Planning Division

| <u>1993</u>              | <u>1992</u>              | <u>1991</u>              | <u>1990</u>              | <u>1989</u>              | <u>1988</u>              |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| \$ 7,843,783,897         | \$ 7,742,345,977         | \$ 7,680,130,611         | \$ 7,690,654,189         | \$ 7,816,492,107         | \$ 7,623,203,694         |
| <u>2,014,749,962</u>     | <u>1,991,659,840</u>     | <u>1,921,683,561</u>     | <u>1,812,267,835</u>     | <u>1,787,889,265</u>     | <u>1,716,774,988</u>     |
| 9,858,533,859            | 9,734,005,817            | 9,601,814,172            | 9,502,922,024            | 9,604,381,372            | 9,339,978,682            |
| <u>682,717,943</u>       | <u>681,931,910</u>       | <u>710,235,908</u>       | <u>715,210,089</u>       | <u>719,857,032</u>       | <u>717,189,569</u>       |
| 9,175,815,916            | 9,052,073,907            | 8,891,578,264            | 8,787,711,935            | 8,884,524,340            | 8,622,789,113            |
| <u>1,868,033,971</u>     | <u>1,835,701,692</u>     | <u>1,905,964,059</u>     | <u>1,904,133,857</u>     | <u>1,904,198,506</u>     | <u>1,908,965,655</u>     |
| <u>\$ 11,043,849,887</u> | <u>\$ 10,887,775,599</u> | <u>\$ 10,797,542,323</u> | <u>\$ 10,691,845,792</u> | <u>\$ 10,788,722,846</u> | <u>\$ 10,531,754,768</u> |

| <u>1992</u>      | <u>1991</u>      | <u>1990</u>      | <u>1989</u>      | <u>1988</u>      | <u>1987</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| 286,200          | 285,300          | 280,500          | 276,100          | 273,300          | 270,400          |
| 293,100          | 279,800          | 272,900          | 263,600          | 246,700          | 232,600          |
| 163,800          | 168,900          | 168,800          | 164,400          | 161,400          | 156,800          |
| 142,300          | 135,900          | 132,800          | 132,700          | 128,100          | 124,700          |
| 78,000           | 76,900           | 75,600           | 72,600           | 69,200           | 67,800           |
| 70,600           | 70,400           | 68,700           | 65,600           | 63,700           | 63,200           |
| 60,700           | 60,900           | 60,300           | 58,800           | 58,700           | 59,800           |
| 49,800           | 49,600           | 50,800           | 51,900           | 51,200           | 52,900           |
| 37,500           | 41,900           | 43,300           | 42,200           | 44,600           | 46,000           |
| <u>39,800</u>    | <u>38,800</u>    | <u>39,600</u>    | <u>36,100</u>    | <u>35,200</u>    | <u>34,500</u>    |
| <u>1,221,800</u> | <u>1,208,400</u> | <u>1,193,300</u> | <u>1,164,000</u> | <u>1,132,100</u> | <u>1,108,700</u> |

# STATE COLLEGES AND UNIVERSITIES - PUBLIC

| <u>Four Year Universities (Location)</u>  | <u>Student<br/>Enrollment<br/>1997</u> |
|---|--|
| University of Oklahoma (Norman Campus, Health Sciences Center, Law Center, and Geological Survey)   | 30,046                                 |
| Oklahoma State University (Stillwater Campus, School of Technical Training at Okmulgee,<br>the College of Veterinary Medicine, the Oklahoma City Technical Institute, the<br>Agricultural Experiment Station, the Agricultural Extension Division, and Oklahoma<br>College of Osteopathic Medicine and Surgery) | 32,774                                 |
| University of Central Oklahoma (Edmond)   | 19,221                                 |
| East Central University (Ada)   | 5,604                                  |
| Northeastern State University (Tahlequah)   | 10,527                                 |
| Northwestern Oklahoma State University (Alva)   | 2,487                                  |
| Southeastern Oklahoma State University (Durant)   | 4,866                                  |
| Southwestern Oklahoma State University (Weatherford and Sayre)  | 6,337                                  |
| Cameron University (Lawton)   | 7,563                                  |
| Langston University (Langston)  | 4,277                                  |
| Oklahoma Panhandle State University (Goodwell)  | 1,768                                  |
| Rogers University (Claremore and Tulsa)   | 4,501                                  |
| University of Science and Arts of Oklahoma (Chickasha)  | 1,938                                  |
| Total - Four Year Universities  | <u>131,909</u>                         |
| <u>Two Year Junior Colleges (Location)</u>  |  |
| Carl Albert State College (Poteau)  | 2,817                                  |
| Connors State College (Warner)  | 3,067                                  |
| Eastern Oklahoma State College (Wilburton)  | 2,650                                  |
| Redlands Community College (El Reno)  | 2,840                                  |
| Murray State College (Tishomingo)   | 2,295                                  |
| Northeastern Oklahoma A&M College (Miami)   | 3,162                                  |
| Northern Oklahoma College (Tonkawa)   | 3,186                                  |
| Oklahoma City Community College (Oklahoma City)   | 14,132                                 |
| Rose State College (Midwest City)   | 12,040                                 |
| Seminole State College (Seminole)   | 2,052                                  |
| Tulsa Community College (Tulsa)   | 28,157                                 |
| Western Oklahoma State College (Altus)  | 2,517                                  |
| Total - Two Year Junior Colleges  | <u>78,915</u>                          |

Source: Oklahoma State Regents for Higher Education

## STATE COLLEGES AND UNIVERSITIES - PRIVATE

---

| Higher Education Institutions (Location)                          | Student<br>Enrollment<br>1997 |
|---|-------------------------------|
| Bacone College (Muskogee)   | 527                           |
| Bartlesville Wesleyan College (Bartlesville)                      | 713                           |
| Hillsdale Freewill Baptist College (Moore)                        | 174                           |
| Mid-America Bible College (Oklahoma City)                         | 586                           |
| National Education Center: Spartan School of Aeronautics (Tulsa)  | 1,500                         |
| Oklahoma Baptist University (Shawnee)                             | 2,588                         |
| Oklahoma Christian University of Science and Arts (Oklahoma City) | 1,692                         |
| Oklahoma City University (Oklahoma City)                          | 5,849                         |
| Oral Roberts University (Tulsa)                                   | 3,359                         |
| Phillips University (Enid)  | 700                           |
| St. Gregory's College (Shawnee)                                   | 70                            |
| Southern Nazarene University (Bethany)                            | 2,175                         |
| Southwestern College of Christian Ministries (Bethany)            | 160                           |
| University of Tulsa (Tulsa)                                       | 4,756                         |
| Totals  | 24,849                        |

Source: Oklahoma State Regents for Higher Education

# SCHOOL ENROLLMENTS

For the Years 1988 through 1997

| Public School Enrollments:             | 1997    | 1996    | 1995    | 1994    |
|--|---------|---------|---------|---------|
| Early Childhood                        | 3,644   | 5,069   | 4,911   | 5,304   |
| Kindergarten                           | 55,037  | 52,150  | 49,839  | 47,698  |
| Elementary School                      | 269,928 | 273,429 | 274,994 | 278,076 |
| Junior High School                     | 132,568 | 130,208 | 127,750 | 124,610 |
| Senior High School                     | 172,962 | 167,359 | 161,933 | 157,291 |
| Non-High School Districts (Grades 1-8) | 18,035  | 17,883  | 17,473  | 17,538  |
| Special Education (Ungraded)           | 3,367   | 3,279   | 3,224   | 2,808   |
| Total                                  | 655,541 | 649,377 | 640,124 | 633,325 |
| Higher Education:                      |         |         |         |         |
| Public Institutions                    | 210,824 | 216,400 | 223,279 | 224,829 |
| Private Institutions                   | 24,849  | 25,401  | 24,627  | 25,839  |
| Total                                  | 235,673 | 241,801 | 247,906 | 250,668 |
| Vocational-Technical Education:        |         |         |         |         |
| Secondary                              | 130,856 | 122,271 | 120,481 | 107,894 |
| Adult                                  | 273,022 | 248,094 | 222,384 | 191,261 |
| Total                                  | 403,878 | 370,365 | 342,865 | 299,155 |

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

# ECONOMIC AND DEMOGRAPHIC ESTIMATES

For the Years 1987 through 1996

|   | 1996      | 1995      | 1994      | 1993      |
|---|-----------|-----------|-----------|-----------|
| Population  | 3,301,000 | 3,277,700 | 3,258,100 | 3,232,900 |
| Labor Force   | 1,576,630 | 1,547,530 | 1,544,260 | 1,529,460 |
| Total Employment  | 1,512,600 | 1,474,820 | 1,454,360 | 1,435,790 |
| Oklahoma Unemployment Rate  | 4.10%     | 4.70%     | 5.80%     | 6.10%     |
| U.S. Unemployment Rate  | 5.40%     | 5.60%     | 6.10%     | 6.80%     |
| Oklahoma Per Capita Income  | \$19,350  | \$18,580  | \$17,880  | \$17,360  |
| Oklahoma Per Capita Income Expressed<br>As a Percentage of the U.S. Average | 79.86%    | 80.06%    | 81.10%    | 81.79%    |

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

| 1993           | 1992           | 1991           | 1990           | 1989           | 1988           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 4,765          | 4,034          | 3,075          | -              | -              | -              |
| 48,041         | 48,469         | 49,121         | 49,727         | 50,920         | 52,037         |
| 282,749        | 278,772        | 277,626        | 271,554        | 262,553        | 259,075        |
| 118,516        | 119,495        | 117,259        | 113,604        | 108,369        | 107,227        |
| 150,405        | 142,837        | 144,459        | 147,282        | 151,096        | 157,539        |
| 17,259         | 17,575         | 17,347         | 18,167         | 18,455         | 18,170         |
| 2,817          | 2,246          | 2,647          | 3,942          | 14,378         | 13,690         |
| <u>624,552</u> | <u>613,428</u> | <u>611,534</u> | <u>604,276</u> | <u>605,771</u> | <u>607,738</u> |

|                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 238,244        | 228,718        | 218,601        | 216,290        | 220,719        | 218,389        |
| <u>25,433</u>  | <u>27,336</u>  | <u>28,836</u>  | <u>23,894</u>  | <u>24,569</u>  | <u>25,506</u>  |
| <u>263,677</u> | <u>256,054</u> | <u>247,437</u> | <u>240,184</u> | <u>245,288</u> | <u>243,895</u> |

|                |                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 102,852        | 96,275         | 91,039         | 82,763         | 84,215         | 83,022         |
| <u>191,137</u> | <u>218,072</u> | <u>300,533</u> | <u>296,091</u> | <u>266,503</u> | <u>249,997</u> |
| <u>293,989</u> | <u>314,347</u> | <u>391,572</u> | <u>378,854</u> | <u>350,718</u> | <u>333,019</u> |

| 1992      | 1991      | 1990      | 1989      | 1988      | 1987      |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 3,206,200 | 3,167,700 | 3,145,585 | 3,150,300 | 3,167,100 | 3,210,100 |
| 1,520,840 | 1,499,930 | 1,513,830 | 1,523,000 | 1,524,000 | 1,563,000 |
| 1,433,460 | 1,399,170 | 1,427,880 | 1,438,000 | 1,422,000 | 1,448,000 |
| 5.70%     | 6.70%     | 5.70%     | 5.60%     | 6.70%     | 7.40%     |
| 7.40%     | 6.70%     | 5.50%     | 5.30%     | 5.50%     | 6.20%     |
| \$16,837  | \$16,064  | \$15,584  | \$14,187  | \$13,310  | \$12,507  |
| 81.81%    | 81.81%    | 81.41%    | 80.20%    | 80.13%    | 79.98%    |

# MAJOR EMPLOYERS BY SIZE

Non-Government (Listed Alphabetically)  
1997

---

## 5,001 OR MORE EMPLOYEES

---

|                         |                       |
|-------------------------|-----------------------|
| AMR, Corp.              | Integris Health       |
| W. H. Braum, Inc.       | Wal-Mart Stores, Inc. |
| Columbia HCA Healthcare |                       |

---

## 3,001 TO 5,000 EMPLOYEES

---

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

---

## 1,001 TO 3,000 EMPLOYEES

---

|  |  |
|--|--|
| Albertson's                            | Muskogee Regional Medical              |
| America On-Line                        | Nordam                                 |
| American Nursery Products, Inc.        | Norman Regional Hospital               |
| Amity Care Corporation                 | Northrop Grumman Corporation           |
| Amoco Corporation                      | Oklahoma Gas & Electric Co.            |
| Arrow Trucking Co.                     | OneOK, Inc.                            |
| Avis Rent-A-Car System, Inc.           | On-Line Communication                  |
| BOK Financial Group                    | Oklahoma City University               |
| Brinker International, Inc.            | The Oklahoma Publishing Company        |
| CMI Corporation                        | Oral Roberts University                |
| Central and South West                 | Parker Drilling Company                |
| Cherokee Nation of Oklahoma            | J. C. Penney Co., Inc.                 |
| CITGO Petroleum Corp. (Cities Service) | Prudential Insurance of America        |
| Commercial Financial Services          | QuikTrip Corporation                   |
| Conoco, Inc.                           | Remington Park, Inc.                   |
| Dayton Tire, Division of Bridgestone   | Rockwell International Corporation     |
| Deaconess Hospital                     | St. Anthony Hospital                   |
| Eateries, Inc.                         | Saint Francis Hospital                 |
| First Data Resources, Inc.             | Seaboard Farms                         |
| Fleming Companies, Inc.                | Seagate Technology                     |
| Flint Industries, Inc.                 | Sears, Roebuck and Co.                 |
| Food Brands America, Inc.              | Snappy Car Rental                      |
| Fort Howard Paper Company              | Southwest Airlines Reservation Center  |
| Fred Jones Manufacturing Co.           | Southwest Cupid                        |
| Goodyear Tire and Rubber Company       | State Farm Mutual Automobile Insurance |
| Hale-Halsell Co.                       | Sykes Enterprise                       |
| Halliburton Services                   | Target Stores                          |
| Helmerich & Payne, Inc.                | Thrifty Rent-a-Car System, Inc.        |
| Hillcrest Health Center, Inc.          | Tyson Foods, Inc.                      |
| Hillcrest Medical Center               | The Uniroyal Goodrich Tire Co.         |

---



---

1,001 TO 3,000 EMPLOYEES (continued)

|   |  |
|---|--|
| Horner Foods, Inc.                        | UNC Lear Siegler Management Services Corp        |
| ITI Telemarketing                         | Unit Parts Co.                                   |
| K-Mart Corporation                        | United Parcel Service of America, Inc.           |
| Kerr-McGee Corporation                    | United Supermarkets of Oklahoma, Inc.            |
| L.S.B. Industries, Inc.                   | Warren Petroleum Company                         |
| Liberty National Bancorp.                 | Warehouse Market                                 |
| McDonald's Restaurants of Okla., Inc.     | Weyerhaeuser Company                             |
| Mercruiser                                | Whirlpool Corp.                                  |
| Mercy Health Center                       | Worldcom Network Services, Inc.                  |
| Midwest City Regional Hospital            | Wangler, Inc.                                    |
| Montgomery Ward & Co., Inc.               | York International Central Environmental Systems |
| Musket Corporation (Love's Country Store) |  |

500 TO 1000 EMPLOYEES

(Oklahoma-based Employers Only)

|   |                                    |
|---|------------------------------------|
| American Fidelity Group                           | Mazzio's Corporation, Inc.         |
| Candid Color Systems/Glamour Shots                | Oklahoma Baptist University        |
| Charles Machine Works (Ditch Witch International) | Oklahoma Fixture Company           |
| Crest Discount Foods, Inc.                        | Oklahoma Nursing Homes Ltd.        |
| Dolese Bros. Co.                                  | St. Mary's Hospital                |
| Farm Fresh, Inc.                                  | Sonic Industries, Inc.             |
| Harold's Stores, Inc.                             | United Design Corporation          |
| Jane Phillips Episcopal Hospital                  | United Video Satellite Group, Inc. |
| Lowrance Electronics, Inc.                        | Valley View Regional Hospital      |
| Macklanburg-Duncan                                | Whitlock Packaging Corp            |
| Mapco, Inc.                                       | World Publishing Company           |

Source: Oklahoma Department of Commerce

## NET GENERAL OBLIGATION BONDS AND NOTES PER CAPITA

For the Years 1991 through 1997

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

| Fiscal<br>Year<br>Ended<br>June 30 | Population | Total<br>General<br>Bonded<br>Debt (1) | Debt Payable<br>From<br>Proprietary<br>Component<br>Units | Debt Payable<br>From Higher<br>Education<br>Component<br>Units | Net<br>General<br>Bonded<br>Debt | General<br>Bonded<br>Debt Per<br>Capita |
|------------------------------------|------------|--|---|--|----------------------------------|---|
| 1997                               | est. 3,301 | \$ 395,038                             | \$ 62,073   | \$ 6,425   | \$ 326,540                       | \$ 99.01                                |
| 1996                               | est. 3,298 | 395,420                                | 53,040  | 7,700  | 334,680                          | 101.48                                  |
| 1995                               | 3,278      | 404,715                                | 55,085  | 5,150  | 344,480                          | 105.09                                  |
| 1994                               | 3,258      | 428,925                                | 67,320  | 6,475  | 355,130                          | 109.00                                  |
| 1993                               | 3,233      | 340,745                                | 81,030  | -  | 259,715                          | 80.33                                   |
| 1992                               | 3,206      | 95,665                                 | 81,115  | -  | 14,550                           | 4.54                                    |
| 1991                               | 3,168      | 96,345                                 | 72,660  | -  | 23,685                           | 7.48                                    |

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

Notes:

Comparable data for the fiscal years June 30, 1988 through June 30, 1990 is not available.

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

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

For the Years 1991 through 1997

(amounts expressed in thousands)

| Fiscal<br>Year<br>Ended<br>June 30 | Principal | Interest  | Total<br>Debt<br>Service | General<br>Governmental<br>Expenditures | Ratio of<br>Debt Service to<br>General Governmental<br>Expenditures |
|------------------------------------|-----------|-----------|--------------------------|---|---|
| 1997                               | \$ 8,115  | \$ 16,417 | \$ 24,532                | \$ 6,937,186                            | 0.35%   |
| 1996                               | 9,800     | 16,930    | 26,730                   | 6,688,130                               | 0.40%   |
| 1995                               | 10,580    | 17,480    | 28,060                   | 6,338,769                               | 0.44%   |
| 1994                               | 4,670     | 9,638     | 14,308                   | 5,675,628                               | 0.25%   |
| 1993                               | 4,510     | 613       | 5,123                    | 5,171,373                               | 0.10%   |
| 1992                               | 7,400     | 1,359     | 8,759                    | 5,112,494                               | 0.17%   |
| 1991                               | 11,250    | 1,282     | 12,532                   | 4,636,483                               | 0.27%   |

General Governmental Expenditures include the General and Capital Projects Funds.

Comparable data for the fiscal years June 30, 1988 through June 30, 1990 is not available.

# REVENUE BOND COVERAGE

## ENTERPRISE FUND AND PROPRIETARY COMPONENT UNITS

(amounts expressed in thousands)

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

(1) Gross revenues including interest and investment income

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

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

- Comparable data for the fiscal years June 30, 1988 through June 30, 1990 is not available.

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

Report Prepared by  
the Office of State Finance

Administration - Tom Daxon, CPA, Director  
- Douglas Enevoldsen, Deputy Director  
- Shawn Ashley, Public Information Officer  
Division of Central Accounting and Reporting - Keith Johnson, CPA, State Comptroller  
Accounting and Financial Reporting Section - Mark Meadors, CPA, Manager  
- Steve Funck, CPA, Financial Reporting Supervisor  
- Kevin Wright, CPA, Financial Reporting Analyst  
- Rhonda Bruno, CPA, Financial Reporting Analyst  
- Jennie Pratt, CPA, Financial Reporting Analyst  
- Katherine McCraw, CPA, Accounting Supervisor  
- Michael Miller, Senior Accountant  
- Jerry Carter, Accountant  
- Carol Sims, Accountant  
- Susan Perry, Executive Secretary  
- Beth Brox, Administrative Assistant

With Assistance From

Office of State Finance

Budget Division - Rollo Redburn, Director, and Staff  
Information Services Division - William Shafer, Director, and Staff

State Auditor and Inspector's Office

State Auditor and Inspector - Clifton Scott  
State Agency Audit Division - Steve Tinsley, CPA, Director, and Staff

Department of Central Services

Office of State Bond Advisor - James Joseph, State Bond Advisor, and Staff

State Agency Finance Officers and Staff

Special Thanks To

Public Strategies Printing Services

JoAnne Wayne, Senior Account Manager, and Staff  
Nicole LeWand, Writer/Account Manager, and Staff

Lazy E. Arena, Inc.

Heather M. Ruffin, Assistant Event Coordinator, for providing  
pictures and information used in this report

International Professional Rodeo Association

Todd Newville, Editor of Pro Rodeo World, for providing  
pictures and information used in this report

# GENERAL INFORMATION

OKLAHOMA means "Land of the Red People" in the Choctaw language.

Admitted to Union (46th State) ..... 1907  
Capitol.....Oklahoma City  
1996 Population .....3,301,000  
Population per square mile.....47.2  
Counties ..... 77

## State Symbols

Nickname .....Sooner State  
Motto.....Labor Omnia Vincit (Labor Conquers All Things)  
Colors.....Green and White  
Flower ..... Mistletoe  
Tree ..... Redbud  
Bird .....Scissor-tailed Flycatcher  
Animal..... American Buffalo  
Fish.....White Bass (Sand Bass)  
Butterfly .....Black Swallowtail  
Reptile ..... Mountain Boomer (Collared Lizard)  
Rock .....Rose Rock

Total Area ..... 69,957 square miles  
Land Area..... 68,656 square miles  
Water Area ..... 1,301 square miles

## Recreation

Number of State Parks .....52  
Number of State Trails.....47  
Number of Lakes.....48

## Back Cover