

OKLAHOMA 95

Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 1995





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Frank Keating
Governor

Thomas E. Daxon
Secretary of Finance and Revenue

Prepared by
Office of State Finance
Thomas E. Daxon, Director
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On the Cover:

"FLIGHT OF SPIRIT"

"Flight of Spirit" by Oklahoma artist Mike Larsen portrays five world-renowned Native American ballerinas born in Oklahoma and includes numerous representations of the contributions of Native Americans to the rich cultural heritage of the State. The mural, located in the State Capitol Rotunda was dedicated November 17, 1991, with all five dancers in attendance. The ballerinas are: Yvonne Chouteau, Cherokee, born in Vinita; Rosella Hightower, Choctaw, born in Ardmore; Moscelyne Larsen, Shawnee-Peoria, born in Miami; Maria Tallchief, Osage, born in Fairfax; and her sister Marjorie Tallchief, also from Fairfax. Mr. Larsen is of Chickasaw descent.

Use of this artwork was authorized by Mike Larsen and the State Arts Council of Oklahoma for publication in the Comprehensive Annual Financial Report. The reproduction was taken from a photograph by Fred Marvel, Photographer for the Oklahoma Tourism and Recreation Department. Their contribution is greatly appreciated.

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, printed by the Oklahoma Department of Central Services, Division of Central Printing, is issued under authority of the Office of State Finance. Pursuant to 74 O.S. 1991,

Section 3105, 800 copies have been prepared and distributed at a cost of \$4,527.65. The Office of State Finance would appreciate credit for any reprint.

Requests for additional copies, comments or questions may be directed to Harry Culver, Office of State Finance, Public Information Officer, 122 State Capitol Building, Oklahoma City, Oklahoma 73105.

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INTRODUCTORY SECTION

OKLAHOMA 95

**Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 1995**

INTRODUCTORY SECTION



STATE OF OKLAHOMA
OFFICE OF STATE FINANCE

December 29, 1995

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, 1995. 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 includes an overview of the State's economic performance, a review of current initiatives, and summary financial data. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group statements and schedules. The Statistical Section includes selected financial and demographic information.

Management of the State, through the Office of State Finance, 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 activities. The Governor and Legislature exercise oversight responsibility for all funds and accounts, and 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 thirteen component units. One component unit, the Special Indemnity Fund, is blended within the State's General Fund. The remaining component units, eleven proprietary activities and the State's higher education institutions, are discretely presented within the financial statements.

ECONOMIC CONDITIONS AND OUTLOOK

The State's economic and financial performance, although improving, lags behind much of the country. Some steps have been taken to ensure that revenues are adequate to meet expenditure requirements, however much more needs to be done to ensure that the State remains competitive and enhances both the quality of life and the level of service from government that Oklahomans expect.

Despite growth in the actual number of jobs, personal income growth in Oklahoma is lower than national comparisons. In fiscal years 1995 and 1994, personal income in Oklahoma grew 4.5% and 4.1% respectively, compared to 6.1% and 5.2% nationally. Currently, Oklahoma's per capita income is approximately 80% of the national average and declining. This is strong evidence of the need for Oklahoma to raise its sights in terms of competitive comparisons with other states.

On April 19, 1995, the eyes of the world focused on Oklahoma. We sustained a terrible loss in terms of human life, emotional suffering and property damage. The bombing of the federal building in Oklahoma City left an indelible impression in the minds of all who witnessed this event both from the catastrophic losses incurred as well as the generous outpouring of goodwill from all those seeking to alleviate the suffering which occurred. Although the healing process may take a long period of time, the financial impact to the State government entity has actually been minimal and is not expected to result in a direct material impact to the State's financial position.

Oklahoma is located near the geographic center of the United States and is well situated to enjoy the benefits of being located on major transportation corridors with access to national and international markets. Our climate is

moderate and we have great diversity in terrain ranging from mountains in the southeast to plains in the west. Its culture derives from the unique heritage of being the state with the greatest number of native Americans while at the same time having two large metropolitan centers with attendant levels of commercial, educational, recreational, and artistic activities.

The Oklahoma economy has undergone significant economic diversification over the past 15 years, and now more closely resembles the national economy. As a consequence, rather than moving in a countercyclical fashion, as was often the case in past years, the Oklahoma economy has come to move in tandem with the rest of the country. It is expected that these trends will continue to mirror developments nationally.

Oklahoma has a highly skilled, productive labor force which continues to show significant growth. During 1994, the State experienced an increase in 32,000 jobs or 2.6%, with 80% of those jobs in the service sector. 1995 is expected to result in another increase of approximately 32,000 jobs and 1996 should remain consistent with this trend. Historically, Oklahoma's unemployment rate has been lower than the national level and this is expected to continue.

Oklahoma had a population of 3.3 million in 1994, an increase of 3.6% from the 1990 census. The majority of this growth is in the metropolitan counties which averaged a rate of growth double that of the state in its entirety. The projection for Oklahoma's population for the year 2000 is 3.4 million, or an increase of 6.9% from the 1990 census.

Oklahoma's General Revenue Fund, the major source of state appropriations, collected \$3.512 billion in fiscal 1995, representing a growth rate of 5.1% above the prior year.

Real Gross State Product, a measure of value added, had a growth rate slightly lower than the rate experienced in the national Gross Domestic Product for 1994. In 1994, the Real Gross State Product grew 2.7%, compared to a 3.6% growth rate in the national Gross Domestic Product. This was followed by a projected rate of growth for 1995 of 3.0% in Real Gross State Product and 3.7% in national Gross Domestic Product. The 1996 Oklahoma State University College of Business Administration forecast for both state and national growth rates is comparable at approximately 2.7% and 2.9%, respectively.

Manufactured exports to foreign countries, including electronic equipment, industrial machinery and fabricated metals have continued to rise, with Mexico, Canada and Eastern Europe as large and growing buyers of Oklahoma products.

STATE GOVERNMENT FINANCIAL CONDITION

State government is currently facing significant financial issues which, if ignored, will result in severe negative consequences for its citizens. The first, and most serious is the underfunding of 5 of the 6 pension systems financed by the State. The pension benefit obligation is an actuarially determined estimate of the present value of amounts to be paid to current and future retirees. This amount is compared to the net assets available for benefits to measure the soundness of a pension plan. When the obligation is greater than the net assets available for benefits, the result is an unfunded pension benefit obligation or unfunded liability.

As noted in the table below, the Teachers Retirement System alone currently has an unfunded liability of \$4.2 billion, an amount exceeding all General Revenue Fund appropriations for the entire year. The total unfunded liability for all retirement systems exceeds \$4.9 billion, an increase of 17% over the prior year. Only the Uniform Justices and Judges Retirement System currently has net assets available for benefits exceeding the present value of the expected liability. This means that without dramatic changes in the way these systems are financed, there will eventually be insufficient assets to pay retiree benefits as they become due.

The six retirement systems are as follows: The Teachers' Retirement System of Oklahoma (TRS), the Oklahoma Public Employees Retirement System (OPERS), the Oklahoma Firefighters Pension and Retirement System (OFPRS), the Oklahoma Police Pension and Retirement System (OPPRS), the

Oklahoma Law Enforcement Retirement System (OLERS), and the Uniform Justices and Judges Retirement System (URSJJ).

Key actuarial amounts for the systems (expressed in millions) at fiscal year end 1995 were:

	<u>TRS</u>	<u>OPERS</u>	<u>OFPRS</u>	<u>OPPRS</u>	<u>OLERS</u>	<u>URSJJ</u>	<u>TOTAL</u>
Pension benefit obligation	\$ 6,893	\$ 2,725	\$ 1,110	\$ 779	\$ 290	\$ 75	\$ 11,872
Net assets available for benefits	<u>2,693</u>	<u>2,457</u>	<u>712</u>	<u>714</u>	<u>253</u>	<u>79</u>	<u>6,908</u>
Unfunded pension benefit obligations	<u>\$ 4,200</u>	<u>\$ 268</u>	<u>\$ 398</u>	<u>\$ 65</u>	<u>\$ 37</u>	<u>\$ (4)</u>	<u>\$ 4,964</u>

In addition, national political trends are resulting in the reassignment to the states of programs currently administered by the federal government. However, these programs often contain continuing federal requirements without related financial support. Accordingly, the State will be responsible for assuring the continued financing of these programs, absorbing the economic impact that results, or discontinuing the related services. Elimination or reductions in subsidies and adjustments in Medicaid are primary examples of federal changes that are likely to impact Oklahomans directly. These changes may require the State to appropriate money currently used for education, infrastructure and crime prevention for programs which historically have been financed through the federal budget. Consequently, we have no intelligent choice but to seek creative and conservative methods to deliver services.

MAJOR PROGRAM INITIATIVES

Fiscal 1995 was an election year, resulting in a mid-year change in the executive administration of the State, with its related changes in priorities for state agencies. The fiscal 1995 budget had been adopted prior to the change of administrations.

The Legislature appropriated a \$3.696 billion budget for fiscal 1995 that provided an increase of 3%, or \$108 million above fiscal 1994. The fiscal 1995 budget was balanced by using \$45.6 million from the State's Rainy Day Fund. More than half of the increase went to public schools. Highlights of the fiscal 1995 budget were as follows (expressed in millions).

Government Function	<u>Amount Appropriated</u>	<u>Percentage of Total Appropriations</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percentage Increase (Decrease)</u>
Public Schools	\$ 1,421	38%	\$ 57	4%
Higher Education	557	15%	1	0%
Vo-Tech	88	2%	3	4%
Other Education	14	0%	0	2%
Total Education	<u>2,080</u>	<u>55%</u>	<u>61</u>	<u>3%</u>
Human Services	702	19%	27	3%
Corrections	185	5%	13	8%
Transportation	170	5%	(9)	(6%)
Mental Health	114	3%	4	4%
Public Health	40	1%	1	3%
Public Safety	51	1%	2	4%
Other	354	11%	9	0%
Total Appropriations	<u>\$ 3,696</u>	<u>100%</u>	<u>\$ 108</u>	<u>3%</u>

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

- **Workers' Compensation Reform:** Legislation was enacted to increase funding as well as services, including the Physicians Advisory Committee, the Independent Medical Examiner System, and the Workers' Compensation Court Counselor's Program.

- **Internet Information:** Further expansion of the State government's use of electronic information. Modernization of computer equipment and programs have made budgeting, accounting and other records instantly available. Oklahoma went on line in September 1994, with the State of Oklahoma Information Server, a public access area on the Internet. Oklahoma's Home Page continues to grow and now includes information from numerous state agencies. As an example, this document, the CAFR, can also be accessed through our Internet address: <http://www.oklaosf.state.ok.us/>.
- **Telemedicine Network:** Further expansion of what has become the nation's largest medical network for rural communities.
- **Park Bonds:** The Legislature authorized the Oklahoma Tourism and Recreation Commission to issue \$7.4 million in revenue bonds for the construction of several capital projects, including an 18-hole championship golf course at Lake Texoma.

CURRENT DEVELOPMENTS

During the 1995 legislative session, the Legislature approved a modest increase of \$90 million, or 2.4% in appropriations for the 1996 fiscal year, for a total appropriation of \$3.781 billion. While many agencies underwent across-the-board 2.5% cuts, education funding was increased by 1.3%, corrections by 8.9% and transportation by 8.3%. For the first time in six years, Rainy Day Fund monies were not used to balance the budget.

Prior to adjournment of the regular session, the Legislature enacted its regular budget as well as compromise reform measures on workers compensation, limitations on tort damages, and restrictions on welfare benefits. The Republican governor and the Legislature, which had Democratic majorities in both Houses, failed to reach agreement in regular session on funding for growing school districts, corrections, Medicaid and other measures. Gubernatorial vetoes left a balance of approximately \$19 million in fiscal 1996 appropriations authority for use at some future date.

Highlights of the fiscal 1996 budget include (expressed in millions):

Government Function	Amount Appropriated	Percentage of Total Appropriations	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Public Schools	\$ 1,435	38%	\$ 15	1%
Higher Education	565	15%	10	2%
Vo-Tech	88	2%	2	2%
Other Education	14	0%	0	2%
Total Education	2,102	55%	27	1%
Human Services	737	20%	34	5%
Corrections	202	6%	17	9%
Transportation	184	5%	13	8%
Mental Health	112	3%	(1)	(1%)
Public Health	40	1%	0	0%
Public Safety	51	1%	1	1%
Other	353	9%	(1)	0%
Total Appropriations	\$ 3,781	100%	\$ 90	2%

As a result, the State had a balance of \$45.6 million in its Constitutional Reserve "Rainy Day" Fund, half of which may be appropriated under restricted conditions. The 1995 legislative session was the first time since 1988 that there has not been an appropriation from the "Rainy Day" Fund, which received its first deposit on July 1, 1988, under a constitutional amendment enacted in 1985.

Later in the year, two major initiatives got under way. The Contingency Review Board, comprised of the Governor, Senate President Pro Tempore and Speaker of the House, approved bi-partisan

agreements in the areas of corrections and telecommunications. The first agreement approved procedures for the Department of Corrections to acquire 560 additional prison bed spaces through contracts with private prisons and county jails. It also included increasing the Corrections staff and committed leadership support for a \$6.8 million supplemental appropriation when the Legislature reconvenes.

The Telecommunications agreement approved expenditures of \$8 million to develop and upgrade the state communications network known as OneNet. Financing will come from a state bond issue approved by voters in 1992.

FOR THE FUTURE

Shortly after taking office, Governor Keating commissioned a group of 50 state employees along with consultants and Executive Branch officials to study state government and propose recommendations for improvements in efficiency and effective delivery of government services. This group, known as the "Governor's Commission on Government Performance," is in the process of issuing final recommendations to the Governor.

In addition, the State is aggressively researching and pursuing solutions to the many issues affecting the economic and financial vitality of Oklahoma. This includes the potential sale of assets, privatization of functions and programs, elimination or consolidation of duplicate services, changes to the State's taxation and fee structure, and recommendations to the Legislature regarding better use of state resources. This agenda seeks to maximize the economic well-being of the State and its citizens, and place Oklahoma in a position of national leadership regarding friendliness to business and superior fiscal management 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 State budget 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 recommendations in the form of an "Executive Budget" which is presented to the State Legislature on the first day of the legislative session. During the legislative session, agency needs are reviewed by legislative committees, and appropriation legislation is enacted for state agencies for operations during the ensuing fiscal year. Prior to encumbering or spending funds for the fiscal year, each agency submits a Budget Work Program to OSF. In this document, the agency outlines by object of expenditure category, fund source, and program category, how they plan to spend the various resources available to them either by legislative appropriation or through other available funding sources.

Oklahoma's Constitution imposes an annual growth limit on appropriations of 12%, restricts total appropriations to 95% of estimated revenues, and establishes the Constitutional Reserve "Rainy Day" Fund to protect the State against fiscal emergencies and variations in receipts. The State Board of Equalization, comprised of six elected officials and the president of the State Board of Agriculture, is responsible for approving the official itemized estimate of revenues, based upon information provided by the Office of State Finance. The six elected officials include the Governor, the State Auditor and Inspector, the State Treasurer, the Lieutenant Governor, the Attorney General, and the Superintendent of Public Instruction.

The Constitution requires that collections in excess of the itemized estimate for General Revenue Fund revenues shall be deposited to the Constitutional Reserve Fund each year until it 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 provide for the review and approval of all debt issued by the State, its agencies and public trusts, including 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. Please note that the following tables present data according to generally accepted accounting principles for the fiscal year ended June 30, 1995, while previous tables have presented budgetary data for later periods. The transfers out amount is primarily monies transferred to support the higher education institutions.

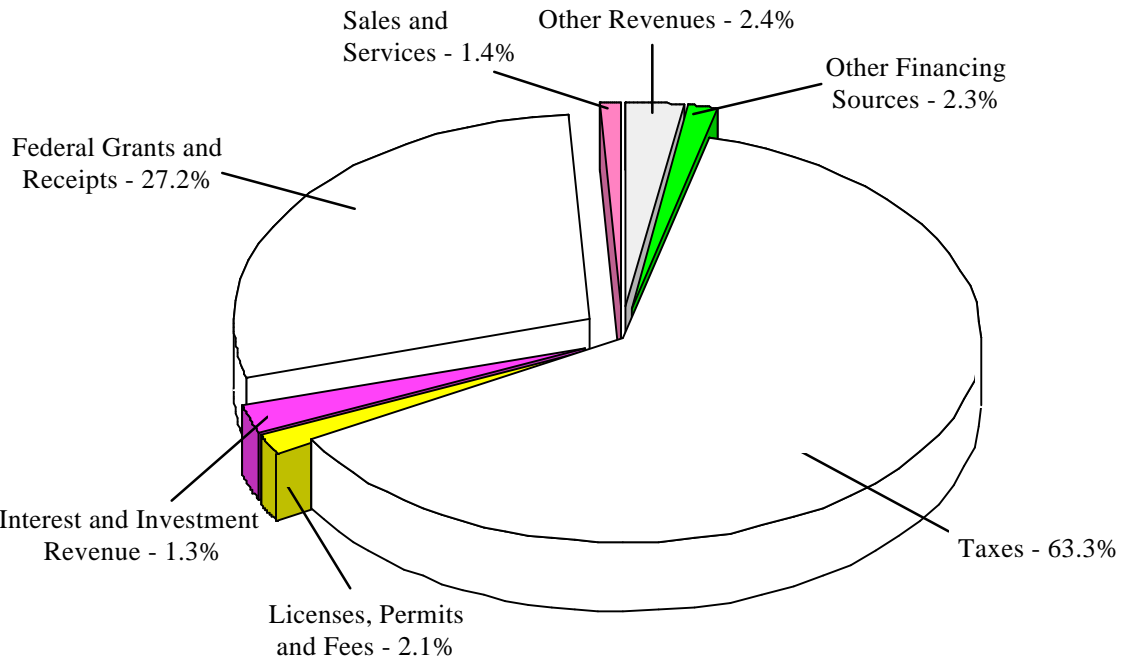
Governmental Funds Revenues and Other Financing Sources - GAAP Basis
(expressed in millions)

	1995 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Taxes	\$ 4,303	62.9%	\$ 135	3.2%
Licenses, Permits and Fees	152	2.2%	15	10.9%
Interest and Investment Revenue	104	1.5%	26	33.3%
Federal Grants	1,950	28.5%	156	8.7%
Sales and Services	89	1.3%	0	0.0%
Other Revenues	177	2.6%	16	9.9%
Other Financing Sources:				
Operating Transfers In	42	0.6%	4	10.5%
Bond Proceeds	19	0.3%	(94)	(83.2%)
Capital Leases and Certificates of Participation	5	0.1%	4	400.0%
Total Revenues and Other Financing Sources	\$ 6,841	100.0%	\$ 262	4.0%

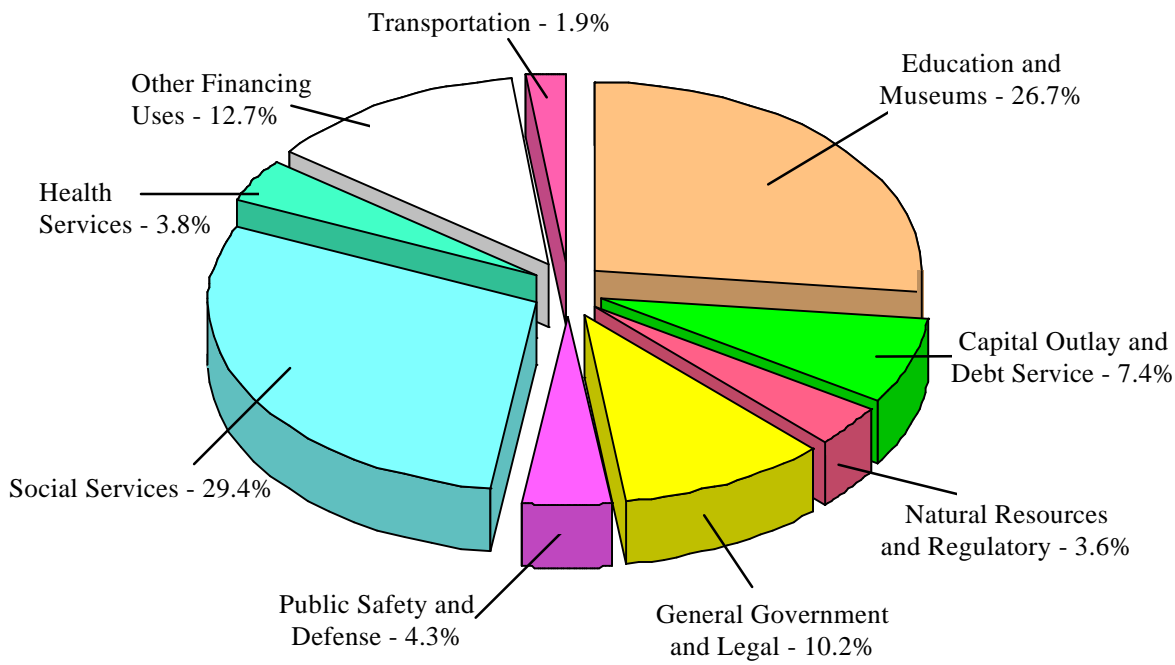
Governmental Funds Expenditures and Other Financing Uses - GAAP Basis
(expressed in millions)

	1995 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Education	\$ 1,829	26.6%	\$ 79	4.5%
General Government	600	8.7%	(16)	(2.6%)
Health Services	261	3.8%	3	1.2%
Legal and Judiciary	102	1.5%	5	5.2%
Museums	8	0.1%	1	14.3%
Natural Resources	158	2.3%	27	20.6%
Public Safety and Defense	292	4.3%	8	2.8%
Regulatory Services	88	1.3%	8	10.0%
Social Services	2,018	29.4%	124	6.5%
Transportation	131	1.9%	(16)	(10.9%)
Capital Outlay	467	6.8%	94	25.2%
Debt Service	41	0.6%	3	7.9%
Other Financing Uses:				
Operating Transfers Out	869	12.7%	(4)	(0.5%)
Bond Refunding	0	0.0%	(8)	(100.0%)
Total Expenditures and Other Financing Uses	\$ 6,864	100.0%	\$ 308	4.7%
Governmental Funds -Net Decrease in Fund Balance	\$ (23)			

**Governmental Funds Revenues
and Other Financing Sources - 1995**



**Governmental Funds Expenditures
and Other Financing Uses - 1995**



Revenue Collections and Estimates

As noted in a preceding subsection, Oklahoma's Legislature budgets on the basis of 95% of the itemized revenue estimate of the State's budgetary General Revenue Fund (GRF) and certain special funds. It should be noted that taxes deposited into the budgetary GRF, as defined by Oklahoma law, are approximately 85% of the total tax revenues of the governmental funds, as defined by generally accepted accounting principles. Oklahoma's budgetary GRF revenues were \$3.51 billion, or 99.9% of the State's revenue estimate for the fiscal year ended June 30, 1995. This was an increase of \$171.1 million, or 5.1% above that of the prior year.

Income taxes, sales taxes and motor vehicle taxes each exceeded revenues of the prior year, while gross production taxes on oil and gas showed an 8.1% decline. On a combined basis the four major taxes produced \$3.03 billion, or 86% of total revenues of \$3.51 billion in fiscal 1995. The major tax total was \$144 million, or 5% above that of the prior year.

Individual income taxes increased \$98.5 million, or 7.5% over the prior year. Corporate income taxes increased by 2.6% during the same period. Sales taxes for fiscal 1995 increased 4.2% over the prior year. Motor vehicle taxes showed an increase of 4.9% above the prior year. These increases were indicative of improved business activity, although the rates of increase were significantly lower than those in the prior fiscal year. Sales taxes are levied on retail sales while motor vehicle taxes come from motor vehicle sales, licenses and other fees.

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 4 years and dipped below the estimate 6 years, producing average revenue of 99.4% of the estimate over the period. The comparison of estimated revenues to actual collections for fiscal 1995 is as follows.

Revenue Collections Compared to Itemized Estimate for Fiscal 1995
(expressed in millions)

	Itemized Estimate	Actual Collections	Over (Under) Estimate	Percentage Collected
Income Tax	\$ 1,590.2	\$ 1,569.6	\$ (20.6)	98.7%
Gross Production	173.0	149.0	(24.0)	86.1%
Sales Tax	1,073.2	1,077.0	3.8	100.3%
Motor Vehicle	233.0	232.0	(1.0)	99.7%
Subtotal Major Taxes	3,069.4	3,027.6	(41.8)	98.6%
Other Sources	446.0	485.0	39.0	108.8%
Total General Revenue	\$ 3,515.4	\$ 3,512.6	\$ (2.8)	99.9%

The ten-year comparative history of estimates to collections is shown on the following table.

General Revenue Fund Comparisons
(expressed in millions)

Fiscal Year	Itemized Estimate	Actual Collections	Over (Under) Estimate	Percentage Collected
1986	\$ 2,456.6	\$ 2,271.3	\$ (185.3)	92.5%
1987	2,166.7	2,070.0	(96.7)	95.5%
1988	2,319.8	2,397.8	78.0	103.4%
1989	2,499.8	2,600.6	100.8	104.0%
1990	2,661.2	2,735.1	73.9	102.8%
1991	3,034.4	3,109.5	75.1	102.5%
1992	3,213.9	3,161.2	(52.7)	98.4%
1993	3,365.2	3,258.9	(106.3)	96.8%
1994	3,398.5	3,341.5	(57.0)	98.3%
1995	3,515.3	3,512.6	(2.7)	99.9%
Ten-Year Average	\$ 2,863.1	\$ 2,845.9	\$ (17.3)	99.4%

At June 30, 1995, the status of two important fund balances affecting the new year's fiscal picture follows:

General Revenue Cash-Flow Reserve Fund - The State set aside \$328.5 million to meet anticipated monthly cash-flow needs for the new fiscal year. This was a decrease of \$5.5 million from the prior year. The new total amounted to 9.5% of the Fund's certified appropriation level, consistent with the prior year.

The General Revenue Cash-Flow Reserve Fund's cash carryover from fiscal 1995 available to the next Legislature was \$96.2 million, compared with a balance of \$19.4 million in the prior year. The carryover funds come from the 5% difference between the 95% appropriation limit and actual receipts up to 100% of the estimate. Funds required to replenish or increase the cash-flow fund also come from this source. As stated earlier, actual receipts were 4.9% above the 95% level in fiscal 1995.

Constitutional Reserve "Rainy Day" Fund - At the start of each fiscal year, collections that exceed the estimate for the preceding year are automatically deposited in the Constitutional Reserve "Rainy Day" Fund until the amount deposited equals 10% of the prior year's certified appropriation authority for the General Revenue Fund. This fund had a July 1, 1995, balance of \$45.6 million, reflecting no change from July 1, 1994, since revenue collections were just below estimates. The balance remained at its lowest level since the first deposit of \$78 million in fiscal 1989. The balance was as high as \$196.9 million as recently as fiscal 1992.

Higher Education Funds

The State's higher education system consists of 2 comprehensive universities, 10 other four-year universities, 14 two-year colleges and constituent agencies.

Over the past five years, enrollment at Oklahoma's public colleges and universities increased by approximately 9,000 students or 4.2%, from 216,000 in 1990 to 225,000 in 1995. During the same period, appropriations for public colleges and universities increased by \$99.1 million or 21.6% -- from \$458.6 million in fiscal 1990 to \$557.7 million in fiscal 1995.

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 and Legislative Bond Oversight Commissions which meet jointly to review all proposed debt issuances and must approve each financing plan before state obligations can be issued. The legislation which created the Bond Oversight Commissions also created the position of State Bond Advisor. The State Bond Advisor serves as staff to the Bond Oversight Commissions and has the authority to approve the pricing and fees associated with any debt issuance. The State Bond Advisor also administers the Oklahoma Private Activity Bond Program.

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 "Aa" by Moody's Investors Service and "AA" by both Standard & Poor's Corporation and Fitch Investors Service. Prior to the 1993 general obligation program, the State's last new-money general obligation bond issue was in 1968. Certain maturities of those bonds were advance refunded in 1977. As of June 30, 1995, the outstanding tax-supported general obligation net debt of the State of Oklahoma was \$344 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. These obligations are supported solely by the revenues of the issuing entities.

Cash Management

State law requires full collateralization of all State Treasurer bank balances. The amount of collateral securities to be pledged for the security of public deposits is generally established by rules promulgated by the State Treasurer. 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 80% or more of the available cash invested during each fiscal year.

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 State and Education Employees' Group Insurance Board provides group health, life, and dental benefits to the State's employees and certain other eligible participants. The State Insurance Fund provides workers' compensation coverage for the State's employees.

ACKNOWLEDGMENTS

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Daxon", is centered below the text "Respectfully submitted,". The signature is written in a cursive style with a large loop at the end.

Tom Daxon
Director of State Finance

SELECTED OKLAHOMA STATE OFFICIALS

June 30, 1995

LEGISLATIVE BRANCH

Senate
Stratton Taylor
President Pro Tempore

House of Representatives
Glen D. Johnson
Speaker of the House

EXECUTIVE BRANCH

Governor
Frank Keating

Lieutenant Governor
Mary Fallin

* Secretary of State
Tom Cole

State Auditor & 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
Alma Wilson
Chief Justice

* Court of Criminal Appeals
Charles A. Johnson
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
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 Bd.
Used Motor Vehicle Commission
Veterinary Medical Examiners Board

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 and 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
Oklahoma Municipal Power Authority

FINANCE and REVENUE

Auditor and Inspector
Building Bond Commission
Commissioners of the Land Office
Oklahoma Development Finance Authority
Oklahoma Housing Finance Agency
Oklahoma 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 and 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
Educational Television Authority
Library Department
Medical Research Authority
Physician's Manpower Training
Private Vocational Schools
Regents for Higher Education
School of Science and Mathematics
Special Indemnity Fund
Student Loan Authority
Vocational and Technical Education

SAFETY and 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

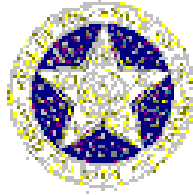
Department of Veterans Affairs

FINANCIAL SECTION

OKLAHOMA 95

**Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 1995**

FINANCIAL SECTION



STATE OF OKLAHOMA

OFFICE OF THE AUDITOR AND INSPECTOR

OKLAHOMA CITY

CLIFTON H. SCOTT
State Auditor and Inspector

100 State Capital
Oklahoma City, OK 73105
405/521-3495

INDEPENDENT AUDITOR'S REPORT

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

We have audited the general purpose financial statements of the State of Oklahoma as of and for the year ended June 30, 1995, 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 Oklahoma State Employees Deferred Compensation Plan or the Oklahoma Insurance Department, which statements reflect total assets consisting of 40% of the agency fund. We did not audit the financial statements of the Special Indemnity Fund, which statements reflect total assets consisting of 19% of the General Long-term Debt Account Group. We did not audit the financial statements of the higher education component unit or the proprietary component units. 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 standard *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Government*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 the financial position of the State of Oklahoma as of June 30, 1995, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 1995, on our consideration of the State of Oklahoma's internal control structure and a report dated December 29, 1995, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Oklahoma. Such information, except for the statistical schedules and the information in the introduction which are unaudited, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Sincerely,

A handwritten signature in cursive script, reading "Clifton H. Scott". The signature is written in dark ink and is positioned above the typed name.

CLIFTON H. SCOTT
State Auditor and Inspector

December 29, 1995

**General Purpose
Financial Statements**

OKLAHOMA

Combined Balance Sheet
 All Fund Types, Account Groups and
 Discretely Presented Component Units
 June 30, 1995
 (with comparative totals for June 30, 1994
 (expressed in thousands))

	Governmental Fund Types		Proprietary Fund Type	Fiduciary Fund Types
	General	Capital Projects	Enterprise - Oklahoma Water Resources Board	Trust and Agency
Assets and Other Debits				
Assets				
Cash/Cash Equivalents	\$ 1,028,925	\$ 2,309	\$ 4,310	\$ 542,146
Investments	194,532	188,435	28,431	8,091,445
Accounts Receivable	36,712	0	0	2,803
Interest and Investment Revenue Receivable	12,562	449	3,039	59,578
Contributions Receivable	0	0	0	4,027
Federal Grants Receivable	209,561	3,500	0	304
Taxes Receivable	108,470	0	0	3,095
Lease Payments Receivable	40,570	0	0	0
Other Receivables	1,421	0	0	95,026
Notes and Loans Receivable	0	0	133,971	0
Due from Brokers	0	0	0	81,734
Due from Other Funds	36	0	0	20,501
Due from Component Units	41,956	0	0	1,556
Due from Primary Government	0	0	0	0
Advances to Primary Government	0	0	0	0
Inventory	34,514	0	0	88,164
Prepaid Items	32,874	0	0	0
Fixed Assets, Net	0	0	0	2,307
Other Assets	946	0	567	8,755
Other Debits				
Amount Available for Debt Service	0	0	0	0
Amount To Be Provided For				
Retirement of Debt	0	0	0	0
Compensated Absences	0	0	0	0
Capital Lease Payments	0	0	0	0
Claims and Judgements Payable	0	0	0	0
Total Assets and Other Debits	\$ 1,743,079	\$ 194,693	\$ 170,318	\$ 9,001,441

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

OKLAHOMA

Account Groups		Total Primary Government		Component Units		Total Reporting Entity	
General Fixed Assets	General Long-Term Debt	(Memorandum Only)		Proprietary	Higher Education	(Memorandum Only)	
		1995	1994			1995	1994
\$ 0	\$ 0	\$ 1,577,690	\$ 1,503,525	\$ 150,261	\$ 289,759	\$ 2,017,710	\$ 1,936,942
0	0	8,502,843	8,166,203	1,437,453	298,639	10,238,935	9,790,941
0	0	39,515	35,960	96,554	76,849	212,918	220,806
0	0	75,628	66,250	19,783	2,460	97,871	86,821
0	0	4,027	3,559	0	0	4,027	3,559
0	0	213,365	162,291	5,838	1,985	221,188	167,000
0	0	111,565	107,972	0	0	111,565	107,972
0	0	40,570	43,150	0	0	40,570	43,150
0	0	96,447	103,020	4,262	0	100,709	105,860
0	0	133,971	114,994	623,047	42,327	799,345	846,863
0	0	81,734	31,276	0	0	81,734	31,276
0	0	20,537	22,933	0	58,599	79,136	68,746
0	0	43,512	3,745	1,357	754	45,623	5,047
0	0	0	0	9,488	10,633	20,121	8,878
0	0	0	0	0	210	210	210
0	0	122,678	117,023	32,812	18,607	174,097	169,399
0	0	32,874	4,631	1,535	3,716	38,125	9,523
803,357	0	805,664	777,654	1,401,641	1,652,627	3,859,932	3,701,647
0	0	10,268	9,932	356,485	9,022	375,775	458,464
0	19,345	19,345	19,385	0	0	19,345	19,385
0	384,686	384,686	378,769	0	0	384,686	378,769
0	91,771	91,771	86,679	0	0	91,771	86,679
0	11,029	11,029	12,192	0	0	11,029	12,192
0	105,970	105,970	102,204	0	0	105,970	102,204
<u>\$ 803,357</u>	<u>\$ 612,801</u>	<u>\$ 12,525,689</u>	<u>\$ 11,873,347</u>	<u>\$ 4,140,516</u>	<u>\$ 2,466,187</u>	<u>\$ 19,132,392</u>	<u>\$ 18,362,333</u>

(continued)

OKLAHOMA

Combined Balance Sheet
 All Fund Types, Account Groups and
 Discretely Presented Component Units
 June 30, 1995
 (with comparative totals for June 30, 1994)
 (expressed in thousands)

(continued)

	Governmental Fund Types		Proprietary Fund Type	Fiduciary Fund Types
	General	Capital Projects	Enterprise - Oklahoma Water Resources Board	Trust and Agency
Liabilities, Fund Equity and Other Credits				
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 361,265	\$ 5,345	\$ 342	\$ 2,169
Claims and Judgements Payable	17,176	0	0	0
Interest Payable	1,587	0	2,308	0
Tax Refunds Payable	232	0	0	3,079
Due to Brokers	0	0	0	81,380
Due to Other Funds	21,391	0	0	26
Due to Component Units	11,089	1,022	0	0
Due to Primary Government	0	0	0	0
Due to Others	38,071	0	0	213,026
Deferred Revenue	158,200	0	0	6,068
Capital Leases	0	0	0	0
Compensated Absences	0	0	0	166
Benefits in the Process of Payment	0	0	0	55,281
Deferred Compensation	0	0	0	140,662
Advances from Component Unit	210	0	0	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	25	0	0	0
Revenue Bonds Payable	150	0	145,882	0
Certificates of Participation	0	0	0	0
Other Liabilities	0	0	348	0
Total Liabilities	609,396	6,367	148,880	501,857
Fund Equity and Other Credits				
Investment in Fixed Assets	0	0	0	0
Retained Earnings				
Reserved				
Debt Service	0	0	16,373	0
Castastrophe/Rate Stabilization	0	0	0	0
Other Special Purposes	0	0	0	0
Unreserved	0	0	5,065	0
Net Unrealized Gain on Securities	0	0	0	0
Fund Balances				
Reserved				
Encumbrances	104,168	12,749	0	0
Inventory/Prepaid Items	39,347	0	0	0
Unemployment Benefits	0	0	0	502,248
Debt Service	19,345	0	0	0
Preservation of Wildlife	0	0	0	34,066
Pension Benefits	0	0	0	7,187,748
Permanent Trust	0	0	0	754,249
Undistributed Revenue	0	0	0	21,273
Cash Flow Reserve Fund	328,510	0	0	0
Other Special Purposes	2,690	0	0	0
Unreserved				
Designated for Rainy Day Fund	45,575	0	0	0
Designated for Other Special Purposes	0	0	0	0
Undesignated	594,048	175,577	0	0
Total Fund Equity and Other Credits	1,133,683	188,326	21,438	8,499,584
Total Liabilities, Fund Equity and Other Credits	\$ 1,743,079	\$ 194,693	\$ 170,318	\$ 9,001,441

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

OKLAHOMA

Account Groups		Total Primary Government		Component Units		Total Reporting Entity	
General Fixed Assets	General Long-Term Debt	(Memorandum Only)		Proprietary	Higher Education	(Memorandum Only)	
		1995	1994			1995	1994
\$ 0	\$ 0	\$ 369,121	\$ 302,524	\$ 50,223	\$ 54,428	\$ 473,772	\$ 394,535
0	105,970	123,146	114,470	685,369	0	808,515	765,267
0	0	3,895	2,350	45,858	1,772	51,525	63,039
0	0	3,311	2,673	0	0	3,311	2,673
0	0	81,380	85,781	0	0	81,380	85,781
0	0	21,417	22,918	0	58,599	80,016	68,731
0	0	12,111	1,462	1,374	686	14,171	2,774
0	0	0	0	42,406	454	42,860	41,328
0	0	251,097	240,423	0	12,656	263,753	252,330
0	0	164,268	118,000	79,885	66,832	310,985	232,508
0	11,029	11,029	12,192	0	8,580	19,609	15,821
0	91,771	91,937	86,794	12,694	37,004	141,635	132,642
0	0	55,281	43,312	0	0	55,281	43,312
0	0	140,662	124,057	0	0	140,662	124,057
0	0	210	210	0	0	210	210
0	0	0	0	33,419	930	34,349	49,506
0	344,455	344,480	355,130	55,085	5,150	404,715	428,925
0	41,976	188,008	229,595	2,644,990	124,813	2,957,811	3,117,310
0	17,600	17,600	16,745	0	2,408	20,008	19,388
0	0	348	909	48,308	21,845	70,501	54,829
0	612,801	1,879,301	1,759,545	3,699,611	396,157	5,975,069	5,894,966
803,357	0	803,357	775,677	0	1,549,776	2,353,133	2,192,589
0	0	16,373	17,653	20,167	0	36,540	35,483
0	0	0	0	86,177	0	86,177	78,863
0	0	0	0	80,353	0	80,353	4,443
0	0	5,065	7,017	286,654	0	291,719	330,865
0	0	0	0	(32,446)	0	(32,446)	28,563
0	0	116,917	107,333	0	0	116,917	107,333
0	0	39,347	36,383	0	0	39,347	36,383
0	0	502,248	457,866	0	0	502,248	457,866
0	0	19,345	19,385	0	0	19,345	19,385
0	0	34,066	29,476	0	0	34,066	29,476
0	0	7,187,748	6,735,943	0	0	7,187,748	6,735,943
0	0	754,249	724,878	0	0	754,249	724,878
0	0	21,273	20,326	0	0	21,273	20,326
0	0	328,510	333,951	0	0	328,510	333,951
0	0	2,690	2,282	0	272,254	274,944	237,354
0	0	45,575	45,574	0	0	45,575	45,574
0	0	0	0	0	0	0	64
0	0	769,625	800,058	0	248,000	1,017,625	1,048,028
803,357	0	10,646,388	10,113,802	440,905	2,070,030	13,157,323	12,467,367
<u>\$ 803,357</u>	<u>\$ 612,801</u>	<u>\$ 12,525,689</u>	<u>\$ 11,873,347</u>	<u>\$ 4,140,516</u>	<u>\$ 2,466,187</u>	<u>\$ 19,132,392</u>	<u>\$ 18,362,333</u>

OKLAHOMA

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Funds
For the Fiscal Year Ended June 30, 1995
(with comparative totals for June 30, 1994
(expressed in thousands)

	Governmental Fund Types		Fiduciary Fund Type	Total	
	General	Capital Projects	Expendable Trusts	(Memorandum Only)	
				1995	1994
Revenues					
Taxes	\$ 4,303,449	\$ 0	\$ 125,031	\$ 4,428,480	\$ 4,291,863
Licenses, Permits and Fees	151,855	0	6,672	158,527	139,578
Interest and Investment Revenue	90,709	13,592	33,554	137,855	110,297
Federal Grants	1,939,562	10,308	12,827	1,962,697	1,841,571
Sales and Services	88,931	0	0	88,931	88,832
Other	176,528	13	219	176,760	161,393
Total Revenues	6,751,034	23,913	178,303	6,953,250	6,633,534
Expenditures					
Current					
Education	1,823,048	6,048	0	1,829,096	1,749,797
General Government	599,888	403	0	600,291	616,001
Health Services	258,834	1,847	0	260,681	257,804
Legal and Judiciary	102,494	0	0	102,494	97,097
Museums	7,015	503	0	7,518	7,330
Natural Resources	154,689	3,053	4,067	161,809	134,876
Public Safety and Defense	291,341	663	0	292,004	284,320
Regulatory Services	88,498	0	0	88,498	80,407
Social Services	2,016,899	1,006	125,269	2,143,174	2,060,341
Transportation	131,488	0	0	131,488	147,286
Capital Outlay	441,982	24,662	0	466,644	372,452
Debt Service					
Principal Retirement	18,971	0	0	18,971	22,563
Interest and Fiscal Charges	21,526	0	0	21,526	15,649
Total Expenditures	5,956,673	38,185	129,336	6,124,194	5,845,923
Revenues in Excess of (Less Than) Expenditures	794,361	(14,272)	48,967	829,056	787,611
Other Financing Sources (Uses)					
Operating Transfers In	3,684	0	3	3,687	5,464
Operating Transfers from Component Units	32,399	5,706	0	38,105	32,659
Operating Transfers Out	(170,239)	0	0	(170,239)	(217,830)
Operating Transfers to Component Units	(612,260)	(86,249)	0	(698,509)	(655,195)
Bond Proceeds	18,590	0	0	18,590	113,425
Bond Refunding	0	0	0	0	(8,175)
Capital Leases and Certificates of Participation	5,588	0	0	5,588	1,368
Total Other Financing Sources (Uses)	(722,238)	(80,543)	3	(802,778)	(728,284)
Revenue and Other Sources in Excess of (Less Than) Expenditures and Other Uses	72,123	(94,815)	48,970	26,278	59,327
Fund Balances - Beginning of Year	1,061,560	283,141	487,344	1,832,045	1,772,981
Fund Balances - End of Year	\$ 1,133,683	\$ 188,326	\$ 536,314	\$ 1,858,323	\$ 1,832,308

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

OKLAHOMA

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 1995
(expressed in thousands)

	Budgetary General Fund		
	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 3,580,750	\$ 3,575,824	\$ (4,926)
Licenses, Permits and Fees	40,475	39,561	(914)
Interest and Investment Revenue	59,357	76,151	16,794
Local Receipts and Reimbursements	22,142	21,957	(185)
Other	20,364	22,673	2,309
Total Revenues	3,723,088	3,736,166	13,078
Expenditures			
Education	1,529,135	1,519,050	10,085
General Government	128,131	116,905	11,226
Health Services	148,204	146,587	1,617
Legal and Judiciary	77,768	76,416	1,352
Museums	5,349	5,251	98
Natural Resources	54,217	53,345	872
Public Safety and Defense	267,259	264,512	2,747
Regulatory Services	17,481	16,852	629
Social Services	46,597	43,929	2,668
Total Expenditures	2,274,141	2,242,847	31,294
Revenues in Excess of Expenditures	1,448,947	1,493,319	44,372
Other Financing Sources (Uses)			
Operating Transfers In	40,283	41,419	1,136
Operating Transfers Out	(558,666)	(558,666)	0
Intra Agency Transfers to Continuing Funds	(878,632)	(878,632)	0
Total Other Financing Sources (Uses)	(1,397,015)	(1,395,879)	1,136
Revenue and Other Sources in Excess of Expenditures and Other Uses	51,932	97,440	45,508
Budgetary Fund Balance - Beginning of Year	490,172	490,172	0
Budgetary Fund Balance - End of Year	\$ 542,104	\$ 587,612	\$ 45,508

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

OKLAHOMA

Combined Statement of Revenues, Expenses
and Changes in Retained Earnings/Fund Balances
Proprietary Fund Type, Similar Trust Funds and
Discretely Presented Proprietary Component Units
For the Fiscal Year Ended June 30, 1995
(with comparative totals for June 30, 1994
(expressed in thousands)

	Proprietary Fund Type	Fiduciary Fund Types	
	Enterprise - Oklahoma Water Resources Board	Nonexpendable Trust	Pension Trusts
Operating Revenues			
Sales and Services	\$ 0	\$ 0	\$ 0
Interest and Investment Revenue	12,566	66,672	566,625
Contributions	0	0	410,282
Rental Revenue	0	8,433	0
Sale of Investments	0	14,648	0
Other	11	4	115
Total Operating Revenues	12,577	89,757	977,022
Operating Expenses			
Operations and Maintenance of Facilities	0	0	0
Losses and Loss Expense	0	2	0
Administrative and General Expense	835	0	8,665
Interest Expense	10,220	0	0
Depreciation Expense	0	0	0
Benefit Payments and Refunds	0	40,551	685,780
Total Operating Expenses	11,055	40,553	694,445
Operating Income	1,522	49,204	282,577
Nonoperating Revenues (Expenses)			
Interest and Investment Revenue	0	0	0
Other Nonoperating Revenues	0	0	0
Interest Expense	0	0	0
Amortization of Losses and Discounts	0	0	0
Loss on Investments	0	0	(1,008)
Other Nonoperating Expenses	0	0	0
Total Nonoperating Revenues (Expenses)	0	0	(1,008)
Income Before Operating Transfers	1,522	49,204	281,569
Operating Transfers In	0	0	170,236
Operating Transfers from Primary Government	0	0	0
Operating Transfers Out	(4,754)	(3,684)	0
Operating Transfers to Component Units	0	(15,202)	0
Operating Transfers to Primary Government	0	0	0
Costs to be Recovered from Future Revenues	0	0	0
Net Income (Loss)	(3,232)	30,318	451,805
Retained Earnings/Fund Balances - Beginning of Year	24,670	745,204	6,735,943
Retained Earnings/Fund Balances - End of Year	\$ 21,438	\$ 775,522	\$ 7,187,748

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

OKLAHOMA

Total Primary Government		Component Units		Total Reporting Entity	
(Memorandum Only)		Proprietary		(Memorandum Only)	
1995	1994	1995	1994	1995	1994
\$ 0	\$ 0	\$ 1,034,897		\$ 1,034,897	\$ 972,442
645,863	620,729	56,995		702,858	687,353
410,282	393,925	0		410,282	393,925
8,433	8,291	0		8,433	8,291
14,648	34,240	0		14,648	34,240
130	278	11,832		11,962	12,446
<u>1,079,356</u>	<u>1,057,463</u>	<u>1,103,724</u>		<u>2,183,080</u>	<u>2,108,697</u>
0	0	273,375		273,375	270,055
2	74	348,922		348,924	361,196
9,500	9,647	130,880		140,380	142,313
10,220	9,550	57,262		67,482	77,534
0	0	83,965		83,965	81,662
726,331	658,711	153,261		879,592	861,795
<u>746,053</u>	<u>677,982</u>	<u>1,047,665</u>		<u>1,793,718</u>	<u>1,794,555</u>
333,303	379,481	56,059		389,362	314,142
0	0	95,650		95,650	108,286
0	0	3,629		3,629	28,049
0	0	(123,081)		(123,081)	(125,694)
0	0	(18,110)		(18,110)	(17,334)
(1,008)	(3,219)	0		(1,008)	(3,219)
0	(1,666)	(4,296)		(4,296)	(3,713)
<u>(1,008)</u>	<u>(4,885)</u>	<u>(46,208)</u>		<u>(47,216)</u>	<u>(13,625)</u>
332,295	374,596	9,851		342,146	300,517
170,236	215,606	0		170,236	215,606
0	0	54,375		54,375	51,339
(8,438)	(5,464)	0		(8,438)	(5,464)
(15,202)	(14,426)	0		(15,202)	(14,426)
0	0	(27,898)		(27,898)	(25,262)
<u>0</u>	<u>0</u>	<u>12,039</u>		<u>12,039</u>	<u>6,738</u>
478,891	570,312	48,367		527,258	529,048
<u>7,505,817</u>	<u>6,935,505</u>	<u>424,984</u>		<u>7,930,801</u>	<u>7,401,753</u>
<u>\$ 7,984,708</u>	<u>\$ 7,505,817</u>	<u>\$ 473,351</u>		<u>\$ 8,458,059</u>	<u>\$ 7,930,801</u>

OKLAHOMA

Combined Statement of Cash Flows
 Proprietary Fund Type, Nonexpendable Trust Fund
 and Discretely Presented Proprietary Component Units
 For the Fiscal Year Ended June 30, 1995
 (with comparative totals for June 30, 1994
 (expressed in thousands))

	Proprietary Fund Type	Fiduciary Fund Type
	Enterprise - Oklahoma Water Resources Board	Nonexpendable Trust
Cash Flows from Operating Activities		
Operating Income	\$ 1,522	\$ 49,204
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation Expense	0	0
Amortization (Accretion) and Other Noncash Expenses	165	2,778
Other	0	(12,882)
Decrease (Increase) in Assets		
Investments (Held for Trading)	0	0
Accounts Receivable	0	0
Interest and Investment Revenue Receivable	(202)	(2,148)
Other Receivables	0	0
Interfund Receivable	0	0
Inventory	0	0
Prepaid Items	0	0
Long-Term Notes Receivable	0	0
Other Noncurrent Assets	42	0
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Liabilities	(24)	0
Claims and Judgements Payable	0	0
Interest Payable	(29)	0
Interfund Payable	0	0
Deferred Revenue	0	193
Other Current Liabilities	(835)	0
Other Noncurrent Liabilities	275	0
Net Cash Provided by Operating Activities	<u>914</u>	<u>37,145</u>
Cash Flows from Noncapital Financing Activities		
Proceeds from Bonds and Notes Payable	0	0
Contributed Capital from Non-State Sources	0	0
Operating Transfers In	0	0
Operating Transfers from Primary Government	0	0
Operating Transfers Out	0	(3,684)
Operating Transfers to Component Units	0	(15,202)
Operating Transfers to Primary Government	(4,754)	0
Principal Paid on Bonds and Notes Payable	(57,225)	0
Other Noncapital Financing Activity	0	0
Net Cash Used by Noncapital Financing Activities	<u>\$ (61,979)</u>	<u>\$ (18,886)</u>

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

OKLAHOMA

Total Primary Government		Component Units		Total Reporting Entity	
(Memorandum Only)				(Memorandum Only)	
1995	1994	Proprietary		1995	1994
\$ 50,726	\$ 69,676	\$ 56,059		\$ 106,785	\$ 4,337
0	0	83,965		83,965	81,662
2,943	2,190	1,628		4,571	5,122
(12,882)	(33,701)	(3,415)		(16,297)	(32,991)
0	0	0		0	13,471
0	0	(7,182)		(7,182)	(13,724)
(2,350)	2,550	(14,987)		(17,337)	5,467
0	0	0		0	(174)
0	0	(2,469)		(2,469)	9,159
0	0	1,397		1,397	3,412
0	34	(371)		(371)	(263)
0	0	77,454		77,454	76,283
42	419	(38,832)		(38,790)	4,860
(24)	217	3,295		3,271	(2,413)
0	0	34,572		34,572	140,465
(29)	825	(13,153)		(13,182)	445
0	0	0		0	(171)
193	87	7,624		7,817	14,257
(835)	444	(50)		(885)	(549)
275	0	(12,758)		(12,483)	(2,456)
38,059	42,741	172,777		210,836	306,199
0	122,984	193,327		193,327	136,349
0	0	484		484	1,034
0	5,798	0		0	5,798
0	0	54,375		54,375	51,339
(3,684)	(5,464)	0		(3,684)	(5,464)
(15,202)	(14,426)	0		(15,202)	(14,426)
(4,754)	0	(27,898)		(32,652)	(25,262)
(57,225)	(81,530)	(247,777)		(305,002)	(239,873)
0	0	(259)		(259)	(15,365)
\$ (80,865)	\$ 27,362	\$ (27,748)		\$ (108,613)	\$ (105,870)

(continued)

OKLAHOMA

Combined Statement of Cash Flows
 Proprietary Fund Type, Nonexpendable Trust Fund
 and Discretely Presented Proprietary Component Units
 For the Fiscal Year Ended June 30, 1995
 (with comparative totals for June 30, 1994
 (expressed in thousands)

(continued)

	Proprietary Fund Type	Fiduciary Fund Type
	Enterprise - Oklahoma Water Resources Board	Nonexpendable Trust
Cash Flows from Capital and Related Financing Activities		
Proceeds from Sale and Maturity of Investments	\$ 0	\$ 0
Contributions for Purchase of Fixed Assets	0	0
Payments for Acquisition of Fixed Assets	0	0
Payments for Refunding and Defeasance of Debt	0	0
Principal Paid on Bonds, Notes, and Capital Leases	0	0
Interest Paid on Bonds, Notes, and Capital Leases	0	0
Other Capital and Related Financing Activity	0	0
	<hr/>	<hr/>
Net Cash (Used) by Capital and Related Financing Activities	0	0
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Interest and Investment Revenue	0	0
Proceeds from Sale and Maturity of Investments	78,774	217,203
Principal Received from Notes Receivable	10,702	8,275
Payments to Purchase Investments	0	(244,423)
Payments to Issue Notes Receivable	(29,680)	0
	<hr/>	<hr/>
Net Cash Provided (Used) by Investing Activities	59,796	(18,945)
	<hr/>	<hr/>
Net Increase (Decrease) in Cash/Cash Equivalents	(1,269)	(686)
Cash/Cash Equivalents - Beginning of Year	5,579	1,119
	<hr/>	<hr/>
Cash/Cash Equivalents - End of Year	<u>\$ 4,310</u>	<u>\$ 433</u>
 Reconciliation of Fiduciary Fund Type Cash/Cash Equivalents to Combined Balance Sheet:		
Cash/Cash Equivalents per Combining Balance Sheet:		
Expendable Trusts		\$ 499,944
Nonexpendable Trust		433
Pension Trusts		5,007
Agency Funds		36,762
		<hr/>
Total Fiduciary Fund Types		<u>\$ 542,146</u>

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

OKLAHOMA

Total Primary Government		Component Units	Total Reporting Entity	
(Memorandum Only)		Proprietary	(Memorandum Only)	
1995	1994		1995	1994
\$ 0	\$ 0	\$ 142,701	\$ 142,701	\$ 745,414
0	0	28	28	32
0	0	(60,692)	(60,692)	(56,066)
0	0	(95,690)	(95,690)	(739,330)
0	0	(34,323)	(34,323)	(38,128)
0	0	(122,829)	(122,829)	(121,313)
0	0	(776)	(776)	251
<u>0</u>	<u>0</u>	<u>(171,581)</u>	<u>(171,581)</u>	<u>(209,140)</u>
0	0	86,744	86,744	84,605
295,977	471,628	1,032,331	1,328,308	1,236,910
18,977	18,927	7,324	26,301	29,787
(244,423)	(527,536)	(1,103,530)	(1,347,953)	(1,286,510)
<u>(29,680)</u>	<u>(30,065)</u>	<u>(6,657)</u>	<u>(36,337)</u>	<u>(40,691)</u>
<u>40,851</u>	<u>(67,046)</u>	<u>16,212</u>	<u>57,063</u>	<u>24,101</u>
(1,955)	3,057	(10,340)	(12,295)	15,290
<u>6,698</u>	<u>3,641</u>	<u>160,601</u>	<u>167,299</u>	<u>174,424</u>
<u>\$ 4,743</u>	<u>\$ 6,698</u>	<u>\$ 150,261</u>	<u>\$ 155,004</u>	<u>\$ 189,714</u>

OKLAHOMA

Combined Statement of Changes in Fund Balances Component Unit - Higher Education Funds For the Fiscal Year Ended June 30, 1995 (with comparative totals for June 30, 1994 (expressed in thousands)

	Current Funds	
	Unrestricted	Restricted
Revenues and Other Additions		
Unrestricted Current Fund Revenues	\$ 601,298	\$ 0
Endowment Income	0	1,357
Federal Grants and Contracts	0	212,191
State and Local Grants and Contracts	0	43,438
Private Gifts, Grants and Contracts	0	55,688
Auxiliary Enterprises	0	39
Investment and Interest Revenue	0	2,468
Retirement of Indebtedness	0	0
Expended for Plant Facilities	0	0
Other	0	1,816
Total Revenues and Other Additions	601,298	316,997
Expenditures and Other Deductions		
Education and General Expenditures	838,010	321,370
Auxiliary Enterprises	199,134	295
Professional Practice Plans and Clinics	60,268	0
Expended for Plant Facilities	0	0
Indirect Cost Recoveries	0	16,501
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	229
Total Expenditures and Other Deductions	1,097,412	338,395
Transfers Among Funds -Additions (Deductions)		
Mandatory Transfers		
Principal and Interest	(8,727)	(215)
Loan Fund Matching Grant	(674)	448
Other	(1,457)	0
Nonmandatory	(21,922)	(74)
Operating Transfers From Primary Government	529,079	24,796
Total Transfers Among Funds	496,299	24,955
Net Increase in Fund Balances	185	3,557
Fund Balances - Beginning of Year	247,815	42,850
Fund Balances - End of Year	\$ 248,000	\$ 46,407

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

OKLAHOMA

Loan Funds	Endowment Funds	Plant Funds	Total (Memorandum Only)	
			1995	1994
\$ 0	\$ 0	\$ 0	\$ 601,298	\$ 580,478
0	0	0	1,357	198,113
802	0	760	213,753	61,077
0	0	1,000	44,438	37,509
35	475	12,181	68,379	8,954
0	0	0	39	1,256
1,409	3,489	5,184	12,550	186
0	0	11,719	11,719	20,171
0	0	158,585	158,585	107,834
730	0	13,787	16,333	16,933
2,976	3,964	203,216	1,128,451	1,032,511
14	3,723	0	1,163,117	1,095,610
0	0	0	199,429	196,067
0	0	0	60,268	59,648
0	0	112,568	112,568	72,520
0	0	0	16,501	14,171
1,705	0	32	1,737	1,762
68	0	3	71	79
0	0	8,139	8,139	8,671
0	0	3,622	3,622	2,863
0	0	11,758	11,758	15,971
0	0	8,156	8,156	9,289
0	0	19,302	19,302	17,434
658	2,268	6,163	9,318	12,209
2,445	5,991	169,743	1,613,986	1,506,294
9	0	8,933	0	0
226	0	0	0	0
0	0	1,457	0	0
(3)	923	21,076	0	0
0	7,500	96,778	658,153	618,393
232	8,423	128,244	658,153	618,393
763	6,396	161,717	172,618	144,610
48,435	72,979	1,485,333	1,897,412	1,755,408
\$ 49,198	\$ 79,375	\$ 1,647,050	\$ 2,070,030	\$ 1,900,018

OKLAHOMA

Combined Statement of Current Funds, Revenues,
Expenditures and Other Changes
Component Unit - Higher Education Funds
For the Fiscal Year Ended June 30, 1995
(with comparative totals for June 30, 1994
(expressed in thousands)

	Current Funds		Total Current Funds	
	Unrestricted	Restricted	1995	1994
Revenues				
Tuition and Fees	\$ 218,514	\$ 0	\$ 218,514	\$ 212,052
Federal Appropriations	10,709	0	10,709	10,631
Federal Grants and Contracts	11,419	204,208	215,627	196,911
State and Local Grants and Contracts	1,824	39,387	41,211	57,269
Private Gifts, Grants and Contracts	15,073	51,011	66,084	45,034
Investment and Interest Revenue	2,569	112	2,681	1,827
Endowment Income	1,200	1,219	2,419	2,007
Sales and Services				
Educational Department	17,189	0	17,189	15,811
Auxiliary Enterprises	199,904	39	199,943	196,683
Professional Practice Plans and Clinics	65,257	0	65,257	67,213
Other Sources	57,640	1,114	58,754	52,074
Total Revenue	601,298	297,090	898,388	857,512
Expenditures and Mandatory Transfers				
Educational and General				
Instruction	381,295	44,201	425,496	414,199
Research	66,460	73,917	140,377	119,230
Public Service	40,980	47,677	88,657	75,365
Academic Support	104,561	2,595	107,156	100,627
Student Services	41,688	30,150	71,838	68,469
Institutional Support	91,786	8,272	100,058	92,482
Operation/Maintenance of Plant	81,139	255	81,394	80,730
Scholarships and Fellowships	29,653	114,298	143,951	142,267
Other	448	5	453	330
Educational and General Expenditures	838,010	321,370	1,159,380	1,093,699
Mandatory Transfers				
Principal and Interest	2,695	215	2,910	5,654
Loan Fund Matching Grant	687	(448)	239	136
Other	1,454	0	1,454	1,629
Total Educational and General	842,846	321,137	1,163,983	1,101,118
Auxiliary Enterprises				
Mandatory Transfers	199,134	295	199,429	196,067
Principal and Interest	6,032	0	6,032	6,143
Loan Fund Matching Grant	(13)	0	(13)	(2)
Other	(11)	0	(11)	12
Total Auxiliary Enterprises	205,142	295	205,437	202,220

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

	Current Funds		Total Current Funds	
	Unrestricted	Restricted	1995	1994
Professional Practice Plans and Clinics	\$ 60,268	\$ 0	\$ 60,268	\$ 59,648
Mandatory Transfers - Other	14	0	14	14
Total Professional Practice Plans and Clinics	60,282	0	60,282	59,662
Total Expenditures and Mandatory Transfers	1,108,270	321,432	1,429,702	1,363,000
Other Transfers and Additions (Deductions)				
Restricted Receipts in Excess of				
Transfers to Revenues	0	3,406	3,406	4,153
Refunded to Grantors	0	(229)	(229)	(96)
Nonmandatory	(21,922)	(74)	(21,996)	(5,085)
Operating Transfers From Primary Government	529,079	24,796	553,875	544,063
Other Transfers and Additions, Net	507,157	27,899	535,056	543,035
Net Increase in Fund Balances	\$ 185	\$ 3,557	\$ 3,742	\$ 37,547

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Notes to Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 1995

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Oklahoma (State) have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board. The financial statements of the Higher Education 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, 1995, 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.

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

Blended Component Unit

The Special Indemnity Fund is an entity within the State Insurance Fund, a discretely presented component unit of the State. The Special Indemnity Fund's purpose is to provide services exclusively to the State and in substance is the same as the State, therefore, it is reported as part of the State and blended into the General Fund. The purpose of the Special Indemnity Fund is to provide additional compensation to a worker with a pre-existing injury who suffers a second injury. The Fund was audited by other independent auditors for the period ended December 31, 1994, and their report, dated March 1, 1995, has been previously issued under separate cover. It is available from the Special Indemnity Fund, P.O. Box 53505, Oklahoma City, Oklahoma 73104.

Discrete Component Units

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

Proprietary Component Units

Separately issued independent audit reports may be obtained from 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 Authority was audited by other independent auditors for the year ended June 30, 1995, and their report, dated September 19, 1995, has been previously issued under separate cover.

State Insurance Fund provides a source for workers' compensation insurance for all employers within the State including state agencies and other governmental units. The Fund operates similarly to other insurance companies and is financed through employer premiums. The Board of Managers is comprised of nine members: The Director of Finance, the Lieutenant Governor, the State Auditor (or their designees), the Director of Central Purchasing, and appointees by the Governor, Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The Fund was audited by other independent auditors for the year ended December 31, 1994, and their report, dated February 17, 1995, has been previously issued under separate cover.

State and Education Employees Group Insurance Board provides group health, life, and dental benefits to active employees and retirees of the State and certain other eligible participants. The Board is financed through employer and employee premiums. The Board consists of eight members: the State Insurance Commissioner, the Director of Finance, and appointees by the Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The Board was audited by other independent auditors for the year ended June 30, 1995, and their report, dated November 30, 1995, has been previously issued under separate cover.

Oklahoma Student Loan Authority provides loan funds to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations. The Authority is composed of five members appointed by the Governor, with the advise and consent of the Senate. The Authority was audited by other independent auditors for the year ended June 30, 1995, and their report, dated September 1, 1995, 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 University Hospitals Authority is affiliated with the University of Oklahoma Health Sciences Center whose medical school residents and staff provide patient care, in-service education, and certain administrative duties for the benefit of the University Hospitals Authority. 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. The Authority was audited by other independent auditors for the year ended June 30, 1995, and their report, dated October 6, 1995, has been previously issued under separate cover.

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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 Authority was audited by other independent auditors for the year ended June 30, 1995, and their report, dated August 18, 1995, 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 Authority was audited by other independent auditors for the year ended June 30, 1995, and their report, dated September 14, 1995, 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 Agency was audited by other independent auditors for the year ended September 30, 1994, and their report, dated December 20, 1994, 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 Authority was audited by other independent auditors for the year ended December 31, 1994, and their report, dated March 31, 1995, 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 Authority was audited by other independent auditors for the year ended December 31, 1994, and their report, dated March 10, 1995, 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, 1994, and their report, dated February 8, 1995, 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, 122 State Capitol Building, Oklahoma City, Oklahoma 73105.

This component unit is primarily comprised of colleges and universities which 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 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.

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.

Ardmore Higher Education Program, Enid Higher Education Program and **McCurtain 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 education. 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.

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 District's governing bodies are the same as the governing bodies of Rose State College, Oklahoma City Community College, and Tulsa Junior College, respectively.

With the exception of the Board of Regents of Oklahoma Colleges, the entities included in the Higher Education Component Unit were audited by independent auditors, for the year ended June 30, 1995, and reports dated from August 9, 1995, to December 7, 1995, have been previously issued under separate cover. Because these entities are similar in nature and function, they have been combined and presented as a single component unit.

Other local school districts and local authorities of various kinds which may meet only one of the criteria for inclusion in this report, have not been included. The State's support of the public education system is reported in the General Fund. The Higher Education Component Unit does not include the various foundations organized for the purpose of receiving and administering gifts intended for the benefit of the State's colleges and universities. During the year ended June 30, 1995, these foundations expended on behalf of the State's colleges and universities approximately \$31,000,000 for facilities and equipment, salary supplements, general educational assistance, faculty awards, and scholarships.

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Related Organization

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

B. Fund Accounting

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

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

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 - Account for all activities of the State not specifically required to be accounted for in other Funds. Included are transactions for services such as education, general government, health services, legal and judiciary, museums, natural resources, public safety and defense, regulatory services, 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 - Account for financial resources used for the acquisition, construction, or improvement of major capital facilities other than those financed by proprietary funds, similar trust funds, or higher education funds. These resources are derived from proceeds of the general obligation bond issues on March 9, 1993, and July 21, 1993.

2. Proprietary Fund Type

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

3. Fiduciary Fund Types

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

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

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

Pension Trust Funds - Account for the transactions, assets, liabilities, and fund equity of the six state retirement systems.

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

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

5. Component Units

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

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

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

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

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

Plant 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, 1995, and for the year then ended, except for the following entities which were audited by other independent auditors.

Special Indemnity Fund	12-31-94
State Insurance Fund	12-31-94
Oklahoma Turnpike Authority	12-31-94
Grand River Dam Authority	12-31-94
Oklahoma Municipal Power Authority	12-31-94
Oklahoma Housing Finance Agency	9-30-94

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C. Basis of Accounting

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

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

All proprietary funds, nonexpendable trust funds, pension trust funds and proprietary component units are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund equity (i.e., net total assets) is segregated into retained earnings components. Proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. 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 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; expenditures and liabilities are recognized when obligations are incurred as a result of receipt of goods and services. Some revenue items which 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 Governmental Accounting Standards 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, 1995, has been reported in the General Long-Term Debt Account Group (see Item L of this Note).
- Interest on general long-term obligations is recognized when paid.
- Executory purchase orders and contracts are recorded as a reservation of fund balance.

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

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

- Twelve of the State's colleges and universities report depreciation expenses related to Plant Fund assets.

- Revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the program is predominantly conducted.

The Higher Education Component Unit is an aggregate of financial statements from the 34 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 Balances - Budget to Actual (Non-GAAP Budgetary Basis) are presented on the budgetary basis. A reconciliation of revenues in excess of (less than) expenditures and other financing sources (uses) on a budgetary basis at June 30, 1995, 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, Personal Services, Duties, etc.) identified in the appropriation acts. Budgets may be modified subject to statutory limits on transfers. The Director of the Office of State Finance can approve transfers between line items up to 25%. Agencies can obtain approval from the Contingency Review Board to transfer up to an additional 15%; however, 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 monies for one-time purchases or non-recurring expenditures in the next fiscal year. This policy provides an incentive for management to distribute resources efficiently; however, it is subject to annual approval by the Legislature. Unexpended balances not carried forward to the new fiscal year by November 15 may: 1) lapse to unrestricted balances and be available for future appropriation, 2) lapse to restricted balances and be available for future appropriations restricted for specific purposes as defined by statute, or 3) be non-fiscal, and may be spent from one to 30 months from the date of appropriation.

If funding sources are not sufficient to cover appropriations, the Director of the Office of State Finance is required to reduce the budget by the amount of such deficiency. Any other changes to the budget must be approved by the Legislature in a supplemental appropriation. For fiscal year 1995, \$8,300,000 was approved by the Legislature for supplemental appropriation. All 1995 appropriated line items of the State were within their authorized spending level.

E. Cash and Deposits

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

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

Governmental fund type investments are generally stated at cost, which approximates market.

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

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

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

G. **Receivables**

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

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

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

H. Inter/Intrafund Transactions

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

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

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

Amounts reported as Due to Other Funds and Due from Other Funds, and amounts reported as Operating Transfers In and Operating Transfers Out are compiled partially from annual reports of entities audited by external auditors. The entities that do not have fiscal periods ending on June 30 create timing differences which have been reconciled.

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 monies are apportioned to OTA monthly to fund debt service, to the extent monies 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). The balance owed to DOT at year end 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. Governmental fund inventories are recorded as expenditures when consumed rather than when purchased by recording adjustments to the inventory account on the balance sheet. In addition, the inventories on hand at year-end are reflected as a reservation of fund balance on the balance sheet.

The value of the inventory of food commodities in the Agency Fund is calculated by using 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 Agency 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 adequate qualified personnel, suitable facilities for storing and issuing stamps, and bonding of personnel and insurance as required by the State. State statute also provides for the State to distribute food stamps within a county through one or more issuing offices, through local banks, or through other means. Regardless of the distribution means, the food stamp inventory at remote locations remains under State jurisdiction until issued to eligible recipients.

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

J. Fixed Assets

General Fixed Assets - Fixed assets used in governmental-type operations (general fixed assets) are recorded as expenditures in the governmental funds and the related assets are reported in the General Fixed Assets Account Group (GFAAG). Purchased and constructed general fixed assets are valued in the GFAAG at historical cost or estimated historical cost. Donated fixed assets are recorded at their fair market value at the date of donation. The estimates of historical costs of buildings and other improvements were based on appraised value, as of August 4, 1994, indexed to the date of acquisition. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend as asset's useful life are not capitalized. Significant general fixed assets which have a cost in excess of \$25,000 at the date of acquisition and have an expected useful life of five or more years are capitalized.

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

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

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

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

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

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

K. Deferred Revenue

Deferred revenues arise when a potential revenue does not meet the "available" criterion for recognition in the current period. "Available" is defined as due (or past due) at June 30, and collected thereafter to pay obligations due at June 30. Deferred revenues also arise when resources are received by the 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.

L. Compensated Absences

Employees 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 20 years, and 13.3 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 480 hours. All accrued

annual leave is payable upon termination, resignation, retirement, or death. The General Fund records expenditures when employees are paid for leave, and the cost of accumulated vacation leave is recorded in the General Long-Term Debt Account Group.

M. Risk Management

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

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

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

N. Grants

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

O. Fund Balance Reserves and Designations

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

P. Total (Memorandum Only)

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

Q. 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 government's financial position and operations. Certain amounts presented have been reclassified to be consistent with the current year presentation.

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Note 2. Budgetary Reporting

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

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

Education	\$ 18,860
General Government	6,044
Health Services	6,870
Legal & Judiciary	922
Natural Resources	276
Regulatory Services	67
Social Services	675,716
Transportation	169,877
	<u>\$ 878,632</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, 1995, is presented below (expressed in thousands) for the General Fund.

Fund Balance, (Budgetary Basis), June 30, 1994	\$ 479,372
Prior Year Adjustment	<u>10,800</u>
Adjusted Fund Balance, (Budgetary Basis), July 1, 1994	490,172
Excess of total sources over total uses of financial resources (Budgetary Basis)	<u>97,440</u>
Fund Balance, (Budgetary Basis), June 30, 1995	587,612
Entity and Perspective Differences:	
Non-budgeted Funds and Capital Funds	635,925
Encumbrances	865
Basis Differences:	
Add: Net accrued revenues, related receivables, and deferred revenues	293,088
Less: Net accrued expenditures and related liabilities	<u>(383,807)</u>
Fund Balance, GAAP Basis	<u>\$ 1,133,683</u>

Note 3. Cash and Investments

The State Treasurer requires that financial institutions must deposit collateral securities to secure the deposits of the State in each such institution. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. In accordance with State Treasurer's Office Security for Public Deposits Rules and Regulations, the amount of collateral securities to be pledged by financial institutions through the State Treasurer's Office are pledged at market value and must be at 110% of value to collateralize the amount on deposit, less any federal insurance coverage. This percentage may vary for political subdivisions according to their 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; negotiable certificates of deposit; prime banker's acceptances; prime commercial paper; investment grade obligations of state and local governments; repurchase agreements; and money market funds.

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Deposits

As of June 30, 1995, the State and its discretely presented component units' bank balances of deposits are fully insured or collateralized with securities held by the State's or its discretely presented component units' agent in their respective names. In addition to these deposits, the State has approximately \$502,000,000 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, 1995, by investment type, are listed below (expressed in thousands).

Primary Government	Carrying Amount Risk Categories			Total	Market Value
	1	2	3		
U.S. Government Securities	\$ 3,119,069	\$ -	\$ -	\$ 3,119,069	\$ 3,166,912
Repurchase Agreements	899,071	-	15,955	915,026	915,160
Short Term Securities	499,552	-	-	499,552	500,801
State Bond Issues	23,761	-	-	23,761	23,766
Debt Securities	1,024,042	-	-	1,024,042	1,032,434
Equity Securities	3,630,595	9	-	3,630,604	4,200,532
	<u>\$ 9,196,090</u>	<u>\$ 9</u>	<u>\$ 15,955</u>	<u>9,212,054</u>	<u>9,839,605</u>

Investments Not Subject to Categorization:

Guaranteed Investment Contracts				76,411	76,411
Real Estate				108,879	118,537
Mutual Funds				32,736	32,736
Money Market/Savings Accounts				83,394	83,394
Securities Lending Program:					
U.S. Government Securities				234,810	241,643
Debt Securities				41,068	42,103
Equity Securities				17,563	18,709
Less: Component Unit's Investment in State Treasurer Pool				(147,825)	(147,959)
Total Investments				<u>\$ 9,659,090</u>	<u>\$ 10,305,179</u>

Component Units - Proprietary

Component Units - Proprietary	Carrying Amount Risk Categories			Total	Market Value
	1	2	3		
U.S. Government Securities	\$ 581,695	\$ 202,697	\$ 9,082	\$ 793,474	\$ 785,655
Repurchase Agreements	61,673	-	42,880	104,553	104,553
Short Term Securities	72,423	-	-	72,423	72,625
Debt Securities	167,833	3,015	-	170,848	169,865
Equity Securities	119,349	-	-	119,349	119,349
	<u>\$ 1,002,973</u>	<u>\$ 205,712</u>	<u>\$ 51,962</u>	<u>1,260,647</u>	<u>1,252,047</u>

Investments Not Subject to Categorization:

Guaranteed Investment Contracts				183,185	183,185
Real Estate				4,601	4,601
Mutual Funds				3,106	3,106
Money Market				17,604	17,604
Investment in State Treasurer Pool				46,791	46,925
Total Investments				<u>\$ 1,515,934</u>	<u>\$ 1,507,468</u>

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Component Unit-Higher Education	Carrying Amount Risk Categories			Total	Market Value
	1	2	3		
U.S. Government Securities	\$ 40,811	\$ 24,107	\$ -	\$ 64,918	\$ 65,974
Short Term Securities	525	-	-	525	525
State Bond Issues	5,950	-	-	5,950	5,950
Debt Securities	98	-	-	98	103
Equity Securities	7,857	-	-	7,857	10,660
	<u>\$ 55,241</u>	<u>\$ 24,107</u>	<u>\$ -</u>	<u>79,348</u>	<u>83,212</u>
Investments Not Subject to Categorization:					
Real Estate				347	347
Mutual Funds				86,806	94,553
Money Market				306	306
Investment in State Treasurer Pool				101,034	101,034
Total Investments				<u>\$ 267,841</u>	<u>\$ 279,452</u>

The following display reconciles the details included within this footnote to the Combined Balance Sheet at June 30, 1995 (expressed in thousands).

	Primary Government	Component Unit	
		Proprietary	Higher Education
Investments per Combined Balance Sheet	\$ 8,502,843	\$ 1,437,453	\$ 298,639
Non-negotiable certificates of deposit classified as investments on balance sheet	(9,298)	-	(71,063)
Pooled cash investments classified as cash on balance sheet	1,165,545	59,456	-
Investment in State Treasurer Pool classified as cash on balance sheet	-	19,025	40,265
Total Investments	<u>\$ 9,659,090</u>	<u>\$ 1,515,934</u>	<u>\$ 267,841</u>

State statute authorizes securities lending programs within the State's investment policy. The securities subject to the agreement are commingled with the securities of other lenders. Under an agreement entered into by the Teachers Retirement System, the loaned securities are initially collateralized at a minimum of 102% of their market values. Collateral consists of U.S. government securities, certificates of deposit, commercial paper, bankers' acceptances, repurchase agreements, floating rate notes, participation notes, money market funds, and bank letters of credit. The collateral is marked-to-market daily such that at the close of trading on any business day the value of collateral shall not be less than 100% plus accrued interest on the loaned securities. The market value of the securities on loan was \$302,455,000 at June 30, 1995, and the collateral under the agreement had a market value of \$338,850,000 at June 30, 1995. The loan premium paid by the borrower of the securities and the proceeds received from the invested collateral is apportioned among the parties to the agreement in accordance with the agreement.

Note 4. Accounts Receivable

Receivables as of June 30, 1995, including the applicable allowances for uncollectible accounts, are as follows (expressed in thousands).

Receivables:	General	Capital Projects	Enterprise	Trust & Agency	Component Unit		Total
					Proprietary	Higher Education	
Accounts	\$ 54,621	\$ -	\$ -	\$ 2,803	\$ 114,559	\$ 106,222	\$ 278,205
Interest	12,562	449	3,039	59,578	19,783	2,460	97,871
Contributions	-	-	-	4,026	-	-	4,026
Federal	209,561	3,500	-	304	5,838	1,985	221,188
Taxes	108,470	-	-	3,096	-	-	111,566
Lease Payment	40,570	-	-	-	-	-	40,570
Other	1,421	-	-	95,026	4,262	-	100,709
Notes and Loans	-	-	133,971	-	625,688	53,046	812,705
Gross Receivables	<u>427,205</u>	<u>3,949</u>	<u>137,010</u>	<u>164,833</u>	<u>770,130</u>	<u>163,713</u>	<u>1,666,840</u>
Less: allowance for uncollectibles	(17,909)	0	0	0	(20,646)	(40,092)	(78,647)
Net Total Receivables	<u>\$ 409,296</u>	<u>\$ 3,949</u>	<u>\$ 137,010</u>	<u>\$ 164,833</u>	<u>\$ 749,484</u>	<u>\$ 123,621</u>	<u>\$ 1,588,193</u>

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 1995

Note 5. Interfund Accounts/Operating Transfers

A. Due from Other Funds/Due to Other Funds

A summary of interfund obligations at June 30, 1995, is shown below (expressed in thousands).

	Due From		Due To	
	Other Funds	Component Units	Other Funds	Component Units
Primary Government				
General Fund	\$ 36	\$ 41,956	\$ 21,391	\$ 11,089
Capital Projects	-	-	-	1,022
Trust and Agency Funds:				
Oklahoma Law Enforcement Retirement System	774	-	-	-
Oklahoma Public Employees Retirement System	8,576	1,266	-	-
Uniform Retirement System for Justices and Judges	692	-	-	-
Oklahoma Police Pension and Retirement System	367	-	-	-
Teachers' Retirement System of Oklahoma	9,717	-	-	-
Assets Held for Beneficiaries	-	-	26	-
Other	375	290	-	-
Total Primary Government	\$ 20,537	\$ 43,512	\$ 21,417	\$ 12,111

	Due From			Due To		
	Primary Government	Other Funds	Other Component Units	Primary Government	Other Funds	Other Component Units
Component Units						
Proprietary Funds:						
Oklahoma Industrial Finance Authority	\$ 8	\$ -	\$ 11	\$ 4	\$ -	\$ -
State Insurance Fund	1,228	-	189	186	-	-
State and Education Employees Group Insurance Board	8,011	-	-	99	-	30
Oklahoma Student Loan Authority	-	-	-	-	-	1
University Hospitals Authority	218	-	637	2,022	-	725
Oklahoma Development Finance Authority	-	-	-	-	-	11
Oklahoma Housing Finance Agency	-	-	-	2	-	-
Oklahoma Turnpike Authority	-	-	-	39,894	-	40
Grand River Dam Authority	23	-	520	189	-	47
Oklahoma Municipal Power Authority	-	-	-	10	-	520
Higher Education Funds:						
Current, Unrestricted	9,611	43,626	754	454	27,225	686
Current, Restricted	-	2,669	-	-	17,122	-
Loan	-	2,724	-	-	19	-
Endowment	-	1,669	-	-	11,839	-
Plant	1,022	1,155	-	-	2,225	-
Agency	-	6,756	-	-	169	-
Total Component Units	\$ 20,121	\$ 58,599	\$ 2,111	\$ 42,860	\$ 58,599	\$ 2,060

The amount of total interfund receivables of \$144,880,000 does not agree with total interfund payables of \$137,047,000 at June 30, 1995. The following presents a reconciliation of interfund accounts reported at June 30, 1995 (expressed in thousands).

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NOTES TO THE FINANCIAL STATEMENTS

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Due From Other Funds	\$ 79,136
Due From Component Units	45,623
Due From Primary Government	20,121
Total Interfund Receivables Per Financial Statements	<u>144,880</u>
Financial Statement Account Presentation Differences	
Trust and Agency Funds	890
Total Interfund Receivables	<u>\$ 145,770</u>
Due To Other Funds	\$ 80,016
Due To Component Units	14,171
Due To Primary Government	42,860
Total Interfund Payables Per Financial Statements	<u>137,047</u>
Financial Statement Account Presentation Differences	
Trust and Agency Funds	8,021
Timing Differences, Fiscal Years Ending December 31, 1994 - Proprietary Component Units	702
Total Interfund Payables	<u>\$ 145,770</u>

B. Operating Transfers

A summary of interfund operating transfers for the fiscal year ended June 30, 1995, follows (expressed in thousands).

Primary Government	Operating Transfers			
	In	From Component Units	Out	To Component Units
General Fund	\$ 3,684	\$ 32,399	\$ 170,239	\$ 612,260
Capital Projects	-	5,706	-	86,249
Expendable Trust:				
Employment Security Commission	3	-	-	-
Proprietary Funds:				
Oklahoma Water Resources Board - Bond Issues	-	-	4,754	-
Nonexpendable Trust:				
Commissioners of the Land Office	-	-	3,684	15,202
Pension Trust:				
Oklahoma Firefighters Pension and Retirement System	35,345	-	-	-
Oklahoma Law Enforcement Retirement System	10,926	-	-	-
Oklahoma Police Pension and Retirement System	14,555	-	-	-
Teachers' Retirement System of Oklahoma	109,410	-	-	-
Total Primary Government	<u>\$ 173,923</u>	<u>\$ 38,105</u>	<u>\$ 178,677</u>	<u>\$ 713,711</u>

Component Units	Operating Transfers			
	In	From Primary Government	Out	To Primary Government
Proprietary Funds:				
Oklahoma Turnpike Authority	\$ -	\$ 27,898	\$ -	\$ 27,898
University Hospitals Authority	-	26,477	-	-
Higher Education Funds:				
Current, Unrestricted	-	529,079	-	-
Current, Restricted	-	24,796	-	-
Endowment	-	7,500	-	-
Plant	-	96,778	-	-
Total Component Units	<u>\$ -</u>	<u>\$ 712,528</u>	<u>\$ -</u>	<u>\$ 27,898</u>

OKLAHOMA
NOTES TO THE FINANCIAL STATEMENTS
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The amount of total Operating Transfers In of \$924,556,000 does not agree with total Operating Transfers Out of \$920,286,000 for the fiscal year ended June 30, 1995. The following presents a reconciliation of operating transfers reported in the financial statements (expressed in thousands).

Operating Transfers In - All Funds	\$ 173,923
Operating Transfers In - From Component Units	38,105
Operating Transfers In - From Primary Government	712,528
Total Operating Transfers In Per Financial Statements	924,556
Financial Statement Account Presentation Differences	
Higher Education Component Unit	1,413
Proprietary Component Units	23
Total Operating Transfers In	\$ 925,992
Operating Transfers Out - All Funds	\$ 178,677
Operating Transfers Out - To Component Units	713,711
Operating Transfers Out - To Primary Government	27,898
Total Operating Transfers Out Per Financial Statements	920,286
Financial Statement Account Presentation Differences	
Higher Education Component Unit	5,706
Total Operating Transfers Out	\$ 925,992

Note 6. Fixed Assets

Fixed Assets by category, as of June 30, 1995 (December 31, 1994, or September 30, 1994, for those entities/funds identified in Item B of Note 1) are summarized below (expressed in thousands).

	Primary Government		Component Units		Total
	Pension Trusts	General Fixed Assets	Proprietary	Higher Education	
Land	\$ 188	\$ 48,697	\$ 929,540	\$ 129,502	\$ 1,107,927
Buildings and Other Improvements	-	545,927	1,218,617	1,062,874	2,827,418
Machinery and Equipment	2,206	184,553	173,546	592,429	952,734
Construction in Progress	-	24,180	40,527	82,677	147,384
Total	2,394	803,357	2,362,230	1,867,482	5,035,463
Less: Accumulated Depreciation	87	-	960,589	214,855	1,175,531
Total	\$ 2,307	\$ 803,357	\$ 1,401,641	\$ 1,652,627	\$ 3,859,932

Changes in general fixed assets for the year ended June 30, 1995, were as follows (expressed in thousands)

	Balance July 1, 1994	Additions	Deletions/ Net Transfers	Balance June 30, 1995
Land	\$ 46,017	\$ 2,680	\$ -	\$ 48,697
Buildings and Other Improvements	542,056	4,413	542	545,927
Machinery and Equipment	175,236	15,650	6,333	184,553
Construction in Progress	3,877	22,811	2,508	24,180
Total	\$ 767,186	\$ 45,554	\$ 9,383	\$ 803,357

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

Note 7. Risk Management and Insurance

It is the policy of the State of Oklahoma to cover the risk of losses to which it may be exposed through risk management activities. In general, the State is self-insured for health care claims (except for participation in certain health maintenance organizations), workers' compensation, tort liability (except for excess coverage for certain losses in excess of \$1,000,000), 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, and dental benefits to the State's employees and certain other eligible participants. The State Insurance Fund provides workers' compensation coverage for the State's employees (and private and local government employees).

The State Insurance Fund administers claim payments and provides excess-of-loss reinsurance to certain governmental entities that are self-insured. The premiums and fees received in connection with these transactions are included in sales and were approximately \$6,481,000 in 1994. The incurred claims in excess of the self-insured entities' respective retention limits were approximately \$9,653,000 in 1994. The liability for claims in excess of the self-insured entities' respective retention limits included in unpaid losses and loss adjustment expenses were approximately \$24,903,000 at December 31, 1994.

The State Insurance Fund limits the maximum net loss that can arise from risks by entering into reinsurance agreements to assign risk to other insurers on a catastrophe basis. Premiums paid for this reinsurance were approximately \$152,000 in 1994. No losses have been ceded under these agreements. Reinsurance receivables with a single reinsurer of \$651,000 at December 31, 1994, 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 the Fund from its obligation to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Fund. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations.

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

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

The following table presents the changes in claims liabilities balances (short and long-term combined) during the fiscal year ended June 30, 1995 (December 31, 1994, for State Insurance Fund), (expressed in thousands).

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	Beginning Balance	Current Year Claims and Changes in Estimates	Claim Payments	Ending Balance
Risk Management - Total	\$ 6,728	\$ 1,697	\$ (1,561)	\$ 6,864
General Fund				(3,734)
General Long-Term Debt Account Group				<u>3,130</u>
Proprietary Component Units:				
State Insurance Fund	531,194	322,461	(220,305)	633,350
State and Education Employees Group Insurance Board	119,603	153,261	(220,845)	52,019
Total Proprietary Component Units	<u>\$ 650,797</u>	<u>\$ 475,722</u>	<u>\$ (441,150)</u>	<u>\$ 685,369</u>

The General Fund self-insurance loss liability represents an estimate of payments to be made from currently expendable available financial resources for liabilities arising on or before June 30, 1995 .

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

The health, dental, life, and disability coverages for governmental participants are funded by monthly premiums paid by OPERS, TRS, the State, school districts, local governmental units, and individuals. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested. Of the 171,000 primary participants and dependents, approximately 16,000 primary participants and 12,000 dependents were covered by HMOs. These counts relate to health coverage only.

All state agencies are required to participate in the Plan. Eligible local government entities may elect to participate in the Plan (651 local government entities actually participate). Education entities may participate if a minimum of 50% of their eligible employees elect to join the Plan. Any education entity or local government entity which elects to withdraw from the Plan may do so with 30 days written notice.

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

	State Employee	Education Employee	Local Government Employee	OPERS	TRS	Survivors	COBRA
Health	X	X	X	X	X	X	X
Dental	X	X	X	X	X	X	X
Life	X	X	X	X			
Disability	X		X				
Medicare supplement				X	X	X	
Health Care Participants:							
Primary	23,000	26,000	5,000	----- 34,000 -----			
Dependents				----- 55,000 -----			

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NOTES TO THE FINANCIAL STATEMENTS

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B. Unpaid Claims Liabilities

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

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

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

Liabilities include premium deficiency reserves for disability coverages. Premium deficiency reserves are required to be recorded as a liability if a probable loss relating to the future gross premiums and benefits is estimable. A probable loss was estimable at June 30, 1995. Anticipated investment income is not considered in determining whether a premium deficiency exists.

C. Reconciliation of Claims Liabilities

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

	Health and Dental		Life		Disability	
	1995	1994	1995	1994	1995	1994
Reserves at beginning of year	\$ 30,553	\$ 42,009	\$ 1,555	\$ 648	\$ 14,432	\$ 11,453
Incurred claims:						
Provision for insured events of current year	217,181	201,461	6,553	7,309	8,073	10,506
Changes in provisions for insured events of prior years	(7,507)	(16,819)	(722)	114	710	(5,088)
	<u>209,674</u>	<u>184,642</u>	<u>5,831</u>	<u>7,423</u>	<u>8,783</u>	<u>5,418</u>
Payments:						
Claims attributable to insured events of current year	187,946	171,036	5,664	5,755	1,063	1,425
Claims attributable to insured events of prior years	22,721	25,062	815	761	2,636	1,014
	<u>210,667</u>	<u>196,098</u>	<u>6,479</u>	<u>6,516</u>	<u>3,699</u>	<u>2,439</u>
Reserves at end of year	<u>\$ 29,560</u>	<u>\$ 30,553</u>	<u>\$ 907</u>	<u>\$ 1,555</u>	<u>\$ 19,516</u>	<u>\$ 14,432</u>

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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. Deficit Fund Equity and Outstanding Court Awards

Funds reporting a deficit fund balance or retained earnings position at June 30, 1995, or other fiscal year ends for component units are (expressed in thousands):

Proprietary Component Unit:	
State Insurance Fund (December 31, 1994)	\$ 41,517

The State Insurance Fund has increased its rates in 1995 to help cover the deficit. Additionally the fund is investigating the possibility of other arrangements to reduce the deficit through management or operating changes.

The Special Indemnity Fund 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 Judgements Payable include permanent partial awards which were due and owing at December 31, 1994. These amounts, which have been charged to operations for the year ended December 31, 1994, would have been paid during the year had resources been available. During calendar year 1994, the amount of awards in arrears has increased \$4,450,439, from \$8,992,000 to \$13,442,439.

Note 9. 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, 1995, follows (expressed in thousands).

	Primary Government	Component Units	
		Proprietary	Higher Education
1996	\$ 1,043	\$ 103	\$ 38
1997	585	48	39
1998	416	5	39
1999	399	-	35
2000	398	-	33
Later Years	401	-	-
Total Future Minimum Lease Payments	\$ 3,242	\$ 156	\$ 184
Operating lease commitments for building rental for year ended June 30, 1996	\$ 13,465	\$ 4,368	\$ 926
Rent expenditures/expenses for operating leases for year ended June 30, 1995	\$ 14,257	\$ 4,602	\$ 3,741

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NOTES TO THE FINANCIAL STATEMENTS

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Note 10. 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. Unearned income and allowances for uncollectibles are not computed, and contingent rentals are not a part of any lease. The total minimum lease payments to be received in future years is \$40,447,080, which is also the net investment in direct financing leases at June 30, 1995.

The **Oklahoma Environmental Finance Authority** (Proprietary Component Unit) has non-current assets consisting of net investment in direct financing leases. The following schedule lists the components of the net investment in direct financing leases as of June 30, 1995 (expressed in thousands).

Total minimum lease payments to be received	
- Gross investment in financing leases	\$ 68,666
Less: Cost of investments and unearned income	26,876
Net investment in direct financing leases	<u>\$ 41,790</u>

At June 30, 1995, minimum lease payments receivable for the State as a whole for each of the five succeeding fiscal years follows (expressed in thousands).

	1996	1997	1998	1999	2000
Primary Government	\$ 4,912	\$ 4,661	\$ 3,933	\$ 3,328	\$ 2,611
Proprietary Component Unit	3,786	3,655	3,613	5,733	2,672
Total	<u>\$ 8,698</u>	<u>\$ 8,316</u>	<u>\$ 7,546</u>	<u>\$ 9,061</u>	<u>\$ 5,283</u>

Operating Leases

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

1996	1997	1998	1999	2000	Total
\$ 299	\$ 66	\$ 16	\$ 2	\$ 2	<u>\$ 385</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. The lease year is on a calendar year basis with rents prepaid one year in advance. The annual rental amount is determined based on the maximum amount bid by the lessee.

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June 30, 1995

Note 11. Long Term Obligations-Primary Government, Governmental Funds

Long term obligations at June 30, 1995, and changes for the fiscal year then ended are as follows (expressed in thousands).

	<u>Issue Dates</u>	<u>Interest Rates</u>	<u>Maturity Through</u>	<u>Authorized Unissued</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Long-Term Debt Account Group								
General Obligation Bonds Payable from Tax Revenue:								
Institutional Bldg 1968D	1973	4.80-5.00%	1995	\$ -	\$ 1,115	\$ -	\$ 1,115	\$ -
Refunding Series R	1977	4.20-4.65%	1996	-	3,920	-	1,930	1,990
Institutional Bldg 1992A	1993	4.25-5.20%	2018	-	250,000	-	4,215	245,785
Institutional Bldg 1992B	1993	4.15-6.60%	2013	-	100,000	-	3,320	96,680
Total				<u>-</u>	<u>355,035</u>	<u>-</u>	<u>10,580</u>	<u>344,455</u>
Revenue Bonds Payable from Lease Rentals:								
OCIA Series A of 1972	1972	4.50-6.50%	1994	-	130	-	130	-
OCIA Series A of 1973	1973	4.00-6.00%	1994	-	305	-	270	35
OCIA Series A of 1986	1986	9.00%	2001	-	4,072	-	181	3,891
OCIA Series A of 1988	1988	7.00%	1998	-	1,432	-	282	1,150
OCIA Series A of 1994	1994	3.00-4.65%	2003	-	8,175	-	770	7,405
OCIA Series B of 1994	1994	4.85-7.15%	2009	-	-	17,500	-	17,500
Tourism 1990	1990	5.95%	1999	-	3,245	-	485	2,760
Tourism 1994	1994	5.30-7.20%	2011	-	5,250	-	-	5,250
Department of Corrections	-	-	-	1,500	-	-	-	-
MTRA Series 1995	1995	5.38-7.45%	2015	850	-	1,090	-	1,090
Series 1986A (ODFA)	1986	4.50-7.75%	1996	-	1,900	-	295	1,605
DHS Series 1987A (ODFA)	1987	5.50-7.40%	1995	-	405	-	405	-
DHS -Tulsa Co 1990 (ODFA)	1990	6.15-7.00%	2000	-	1,460	-	170	1,290
Total				<u>2,350</u>	<u>26,374</u>	<u>18,590</u>	<u>2,988</u>	<u>41,976</u>
Certificates of Participation:								
DHS 1988A (ODFA)	1990	6.30-7.30%	2000	-	1,165	-	160	1,005
Election Bd 1989A (ODFA)	1989	5.50-7.25%	1999	-	9,260	-	1,480	7,780
Corrections 1990	1990	6.10-6.40%	1994	-	280	-	280	-
Mental Health 1993 Refunding	1993	3.10-4.20%	1996	-	790	-	385	405
Mental Health 1993	1993	4.50-6.90%	2003	-	1,085	-	85	1,000
Mental Health 1993A	1993	3.60-5.10%	2004	-	2,725	-	-	2,725
State Finance 1994	1993	3.00-3.80%	1996	-	1,440	-	430	1,010
DHS Series 1994	1994	4.60-5.10%	1997	-	-	875	-	875
Military Dept 1994	1994	5.25-6.50%	2005	-	-	2,800	-	2,800
Total				<u>-</u>	<u>16,754</u>	<u>3,675</u>	<u>2,820</u>	<u>17,600</u>
Other General Long-Term Obligations:								
Capital Leases				-	11,850	1,913	* 2,734	11,029
Compensated Absences				-	86,679	5,092	-	91,771
Other Claims and Judgements				-	102,204	15,373	11,607	105,970
Total				<u>-</u>	<u>200,733</u>	<u>22,378</u>	<u>14,341</u>	<u>208,770</u>
Total General Long-Term Debt Account Group				<u>\$ 2,350</u>	<u>\$ 598,887</u>	<u>\$ 44,643</u>	<u>\$ 30,729</u>	<u>\$ 612,801</u>

* \$151 of this amount represents a deletion of a capital lease rather than capital lease payments.

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June 30, 1995

The following table presents annual debt service requirements for long-term debt outstanding at June 30, 1995 (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
General Long-Term Debt Account Group							
General Obligation Bonds:							
Institutional Bldg 1968D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refunding Series R	2,082	-	-	-	-	-	2,082
Institutional Bldg 1992A	16,363	16,340	16,335	16,341	16,358	362,667	444,404
Institutional Bldg 1992B	8,285	8,193	8,092	7,993	7,937	107,735	148,235
	<u>26,730</u>	<u>24,533</u>	<u>24,427</u>	<u>24,334</u>	<u>24,295</u>	<u>470,402</u>	<u>594,721</u>
Interest	16,930	16,418	15,982	15,529	15,105	170,302	250,266
Total	<u>9,800</u>	<u>8,115</u>	<u>8,445</u>	<u>8,805</u>	<u>9,190</u>	<u>300,100</u>	<u>344,455</u>
Revenue Bonds:							
OCIA Series A of 1972	-	-	-	-	-	-	-
OCIA Series A of 1973	35	-	-	-	-	-	35
OCIA Series A of 1986	477	477	477	476	476	3,178	5,561
OCIA Series A of 1988	380	382	384	193	-	-	1,339
OCIA Series A of 1994	1,119	1,117	1,116	1,117	1,115	3,345	8,929
OCIA Series B of 1994	1,840	1,888	1,885	1,883	1,887	18,859	28,242
Tourism 1990	696	692	692	1,194	-	-	3,274
Tourism 1994	345	435	585	582	582	6,423	8,952
Department of Corrections	-	-	-	-	-	-	-
MTRA Series 1995	128	211	211	206	211	1,415	2,382
Series 1986A (ODFA)	1,711	-	-	-	-	-	1,711
DHS Series 1987A (ODFA)	-	-	-	-	-	-	-
DHS-Tulsa Co 1990 (ODFA)	273	270	267	269	269	268	1,616
	<u>7,004</u>	<u>5,472</u>	<u>5,617</u>	<u>5,920</u>	<u>4,540</u>	<u>33,488</u>	<u>62,041</u>
Interest	3,123	2,342	2,169	1,974	1,743	8,714	20,065
Total	<u>3,881</u>	<u>3,130</u>	<u>3,448</u>	<u>3,946</u>	<u>2,797</u>	<u>24,774</u>	<u>41,976</u>
Certificates of Participation							
DHS 1988A (ODFA)	240	238	239	240	238	-	1,195
Election Bd 1989A (ODFA)	2,062	2,086	2,030	2,000	994	-	9,172
Corrections 1990	-	-	-	-	-	-	-
Mental Health 1993 Refunding	414	-	-	-	-	-	414
Mental Health 1993	149	144	144	144	147	588	1,316
Mental Health 1993A	329	346	351	346	345	1,705	3,422
State Finance 1994	509	540	-	-	-	-	1,049
DHS Series 1994	311	313	318	-	-	-	942
Military Dept 1994	170	355	369	367	363	2,355	3,979
	<u>4,184</u>	<u>4,022</u>	<u>3,451</u>	<u>3,097</u>	<u>2,087</u>	<u>4,648</u>	<u>21,489</u>
Interest	994	817	636	467	287	688	3,889
Total	<u>3,190</u>	<u>3,205</u>	<u>2,815</u>	<u>2,630</u>	<u>1,800</u>	<u>3,960</u>	<u>17,600</u>
Other General Long-Term Obligations:							
Capital Leases	2,423	2,303	1,744	1,531	1,990	1,038	11,029
Compensated Absences *	6,500	6,500	6,500	6,500	6,500	59,271	91,771
Other Claims and Judgements *	23,698	20,568	20,568	20,568	20,568	-	105,970
Total	<u>32,621</u>	<u>29,371</u>	<u>28,812</u>	<u>28,599</u>	<u>29,058</u>	<u>60,309</u>	<u>208,770</u>
Total General Long-Term Debt Account Group	<u>\$ 49,492</u>	<u>\$ 43,821</u>	<u>\$ 43,520</u>	<u>\$ 43,980</u>	<u>\$ 42,845</u>	<u>\$ 389,143</u>	<u>\$ 612,801</u>

* Payment schedule is based on estimates.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 1995

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.

B. **Revenue Bonds**

The **Oklahoma Capitol Improvement Authority** (OCIA) has five 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 which use the office buildings constructed with the bond proceeds.

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 are used to meet the bond obligation. 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 **Medical Technology and Research Authority** (MTRA) issued revenue bonds for the financing of the construction of a child day care center and associated playground and parking space near the campus of Oklahoma Health Sciences Center, Oklahoma City, Oklahoma. Principal and interest payments on this bond issue are paid from rents collected from the operation of the facility. The bonds are limited and special obligations of MTRA. They are secured by a mortgage covering the building site and facility, a security interest covering all equipment, fixtures, chattels, building materials, supplies, inventory, gross revenues derived from the operation of the facility and other items of tangible and intangible personal property.

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

C. **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.

Leased buildings and equipment financed by certificates of participation in the General Fixed Asset Account Group at June 30, 1995, include the following (expressed in thousands).

Equipment	\$	23,705
Buildings		1,670
Total	\$	<u>25,375</u>

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

D. Capital Leases

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

The following schedule presents, by fiscal year, future minimum lease payments in the General Long Term Debt Account Group, as of June 30, 1995 (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
	\$ 3,271	\$ 2,978	\$ 2,208	\$ 1,861	\$ 2,182	\$ 1,279	\$ 13,779
Less: Executory costs included in minimum lease payments							691
Net Minimum Lease Payments							13,088
Less: Interest							2,059
Present Value of Minimum Lease Payments							<u>\$ 11,029</u>

Leased buildings and equipment under capital leases in the General Fixed Asset Account Group at June 30, 1995, include the following (expressed in thousands).

Equipment	\$ 5,698
Buildings	21,691
Total	<u>\$ 27,389</u>

E. Other Claims and Judgements

Included in other claims and judgements are permanent total and permanent partial awards payable after December 31, 1994, from the Special Indemnity Fund and Risk Management liabilities that will not be paid with currently expendable available financial resources.

Note 12. Long Term Obligations - Primary Government, Proprietary Fund

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

Bonds payable at June 30, 1995, 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	
Revenue Bonds Payable from User Fees:									
Water Resources Board									
	1985 - 1994 Issues	1985-1994	2.55-14.00%	2010- 2023					
Total Before Discounts					\$ -	\$ 203,690	\$ -	\$ 57,225	\$ 146,465
Less: Bond Discounts					-	607	-	23	584
Total Bonds Payable Net of Discounts					<u>\$ -</u>	<u>\$ 203,083</u>	<u>\$ -</u>	<u>\$ 57,202</u>	<u>\$ 145,881</u>

The following table presents estimated annual debt service requirements for bonds payable outstanding at June 30, 1995 (expressed in thousands).

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June 30, 1995

	1996	1997	1998	1999	2000	Maturity	Total
Revenue Bonds Payable:							
Water Resources Board 1985 - 1994B Issues							
Total Principal and Interest	\$ 9,597	\$ 15,174	\$ 11,702	\$ 13,219	\$ 11,853	\$ 185,772	\$ 247,317
Less: Interest	6,957	6,714	6,402	6,144	5,903	68,732	100,852
Total Principal	\$ 2,640	\$ 8,460	\$ 5,300	\$ 7,075	\$ 5,950	\$ 117,040	\$ 146,465

Provisions of the 1985 Series bond indenture specified that on June 1, 1995, any portion of the bond proceeds not used to originate loans to local entities would be used to redeem 1985 Series outstanding bonds. Such redemption was made during fiscal year 1995 at face value plus accrued interest and in inverse order of maturity.

During fiscal year 1994, the Board defeased a portion of its 1989 Series Bonds. The outstanding balance of the defeased bonds at June 30, 1995, was \$12,710,000.

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

Bonds payable at June 30, 1995, 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	1961-1989	3.38-6.50%	2022	\$ 37,061	\$ 67,320	\$ -	\$ 12,235	\$ 55,085
Revenue Bonds Payable from User Fees:								
Student Loan Authority	1992-1994	4.15-6.70%	2020	-	41,680	32,200	2,010	71,870
Environmental Finance Auth.	1973-1977	5.60-7.30%	2008	-	46,325	-	975	45,350
Housing Finance Agency	1980-1994	4.25-10.43%	2025	-	603,140	146,639	203,638	546,141
Turnpike Authority	1989, 1992	3.15-7.88%	2022	-	691,084	-	4,400	686,684
Grand River Dam Authority	1987, 1993	3.90-8.00%	2013	-	1,130,510	-	28,670	1,101,840
Municipal Power Authority	1985-1994	2.75-8.60%	2028	-	340,250	150,130	92,180	398,200
Total Before Discounts/Deferrals				37,061	2,920,309	328,969	344,108	2,905,170
Less: Bond Discounts				-	66,556	3,861	6,794	63,623
Net Deferred Debit on Refundings				-	24,283	130,719	13,530	141,472
Total Bonds Payable Net of Discounts/Deferrals				\$ 37,061	\$ 2,829,470	\$ 194,389	\$ 323,784	\$ 2,700,075

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, 1995, (September 30, 1994, for Oklahoma Housing Finance Agency and December 31, 1994, for Oklahoma Turnpike Authority, and Grand River Dam Authority) (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
General Obligation Bonds:							
Industrial Finance Authority	\$ 5,205	\$ 6,120	\$ 3,019	\$ 3,019	\$ 3,019	\$ 107,730	\$ 128,112
Revenue Bonds Payable:							
Student Loan Authority	5,117	9,247	8,718	7,571	6,635	76,437	113,725
Environmental Finance Authority	2,392	3,685	3,645	5,827	2,684	52,769	71,002
Turnpike Authority	51,651	51,653	51,652	51,648	51,649	1,179,156	1,437,409
Grand River Dam Authority	93,788	95,417	96,125	96,003	95,992	1,286,549	1,763,874
Municipal Power Authority	25,259	25,728	25,698	28,313	28,284	670,684	803,966
Total Principal and Interest	183,412	191,850	188,857	192,381	188,263	3,373,325	4,318,088
Less: Interest	131,527	131,110	126,707	123,266	119,843	1,326,606	1,959,059
Subtotal: Principal	51,885	60,740	62,150	69,115	68,420	2,046,719	2,359,029
Housing Finance Agency	4,039	20,789	4,970	6,836	5,563	503,944	546,141
Total Principal	\$ 55,924	\$ 81,529	\$ 67,120	\$ 75,951	\$ 73,983	\$ 2,550,663	\$ 2,905,170

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

A. General Obligation Bonds

Oklahoma Industrial Finance Authority (OIFA) has issued fifteen 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 four 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 Housing Finance Agency (OHFA)** has issued 31 series of revenue bonds with an original issue amount of \$812,494,000. 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.

During the year ended September 30, 1994 , OHFA issued \$49,344,000 in the 1993 Series A, Series B and Series A Subordinate (taxable) Single Family Mortgage Revenue Bonds, and \$39,370,000 in the 1994 Series B Single Family Mortgage Revenue Bonds . These bonds were issued to redeem 1983 Series A and 1983 Series C Single Family Mortgage Revenue Bonds and 1984 Series A Single Family Mortgage Revenue Bonds. These redemptions resulted in the recognition of an extraordinary accounting loss on redemption of bonds of \$785,808 for the 1983 Series A Bonds, \$1,004,846 for the 1983 Series C Bonds, and \$1,110,258 for the 1984 Series A Bonds for the year ended September 30, 1994. OHFA in effect, reduced its aggregate debt service payments by \$128 million over the next 21 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of \$42 million.

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, 1994, is approximately \$1,553,000.

The **Grand River Dam Authority (GRDA)** has issued two series of revenue bonds with an original issue amount of \$1,917,625,000. 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 nine 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.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 1995

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, 1995 (December 31, 1994, for OTA, GRDA, and OMPA) (expressed in thousands).

General Obligation Bonds	Revenue Bonds		
OIFA	OTA	GRDA	OMPA
\$ 13,625	\$ 640,195	\$ 1,036,402	\$ 448,403

D. Notes Payable

Notes payable at June 30, 1995 (September 30, 1994, for the Oklahoma Housing Finance Agency) and changes for the fiscal year then ended are as follows (expressed in thousands).

	Issue Dates	Interest Rates	Maturity Through	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance
Student Loan Authority	1987-1993	5.41-6.81%	1999	\$ 150,000	\$ 47,449	\$ 15,582	\$ 29,695	\$ 33,336
Housing Finance Agency	1984	9.00%	1994		714	-	714	-
Environmental Finance Authority	1976	7.50%	1996		167	-	84	83
Total					<u>\$ 48,330</u>	<u>\$ 15,582</u>	<u>\$ 30,493</u>	<u>33,419</u>
Less: Current Portion								19,344
Total Noncurrent Notes Payable								<u>\$ 14,075</u>

The following table presents annual debt service requirements for notes payable outstanding at June 30, 1995 (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
Student Loan Authority	\$ 20,892	\$ 9,316	\$ 391	\$ 391	\$ 6,107	\$ -	\$ 37,097
Environmental Finance Authority	86	-	-	-	-	-	86
Total Principal and Interest	<u>20,978</u>	<u>9,316</u>	<u>391</u>	<u>391</u>	<u>6,107</u>	<u>-</u>	<u>37,183</u>
Less: Interest	1,634	1,216	391	391	132	-	3,764
Total Principal	<u>\$ 19,344</u>	<u>\$ 8,100</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,975</u>	<u>\$ -</u>	<u>\$ 33,419</u>

Pursuant to financing agreements and loan sale agreements, the Student Loan Marketing Association (SMLA) will purchase certain SLS, PLUS, and HEAL loans when they reach repayment status. The Student Loan Authority (SLA) has an obligation to repurchase the loans should SLMA's collection efforts determine any SLA representations or warranties with regards to the loans to be materially incorrect. The amount of loans repurchased by SLA was approximately \$40,000 for the fiscal year ended June 30, 1995. The total amount of loans sold to SLMA was approximately \$3,300,000 for the year ended June 30, 1995.

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 the funds' fiscal year ends (expressed in thousands).

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

	1996	1997	1998	1999	2000	Maturity	Total
	\$ 1,861	\$ 1,809	\$ 1,554	\$ 1,554	\$ 1,031	\$ 2,990	\$ 10,799
Less: Interest							2,242
Present Value of Minimum Lease Payments							<u>\$ 8,557</u>

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

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Lease Obligations	\$ 6,122	\$ 3,493	\$ 1,058	\$ 8,557

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

Facilities and Equipment	\$ 18,774
Less: Accumulated Depreciation	11,617
Net	<u>\$ 7,157</u>

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

Long term obligations at June 30, 1995, and changes for the fiscal year then ended are as follows (expressed in thousands).

	Issue Dates	Interest Rates	Maturity Through	Authorized Unissued	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Bonds	1971-1989	0.05-10.00%	1999	-	\$ 6,475	\$ -	\$ 1,325	\$ 5,150
Revenue Bonds	1959-1995	3.00-12.00%	2023	26,675	125,565	5,255	6,007	124,813
Certificates of Participation	1991-1993	3.75-6.50%	2009	-	2,643	-	235	2,408
Notes Payable					1,047	-	117	930

The following table presents annual principal and interest payments applicable to long-term debt outstanding at June 30, 1995 (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
General Obligation Bonds	\$ 1,432	\$ 1,356	\$ 1,255	\$ 1,300	\$ -	\$ -	\$ 5,343
Less: Interest	107	81	5	-	-	-	193
Total Principal	<u>\$ 1,325</u>	<u>\$ 1,275</u>	<u>\$ 1,250</u>	<u>\$ 1,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,150</u>
Revenue Bonds	\$ 12,988	\$ 13,060	\$ 12,803	\$ 12,765	\$ 13,130	\$ 135,444	\$ 200,190
Less: Interest	6,976	6,602	6,230	5,842	5,345	44,382	75,377
Total Principal	<u>\$ 6,012</u>	<u>\$ 6,458</u>	<u>\$ 6,573</u>	<u>\$ 6,923</u>	<u>\$ 7,785</u>	<u>\$ 91,062</u>	<u>\$ 124,813</u>
Certificates of Participation	\$ 394	\$ 392	\$ 393	\$ 390	\$ 391	\$ 1,401	\$ 3,361
Less: Interest	159	143	124	105	84	338	953
Total Principal	<u>\$ 235</u>	<u>\$ 249</u>	<u>\$ 269</u>	<u>\$ 285</u>	<u>\$ 307</u>	<u>\$ 1,063</u>	<u>\$ 2,408</u>
Notes Payable	\$ 220	\$ 220	\$ 220	\$ 220	\$ 220	\$ 158	\$ 1,258
Less: Interest	92	78	62	44	24	28	328
Total Principal	<u>\$ 128</u>	<u>\$ 142</u>	<u>\$ 158</u>	<u>\$ 176</u>	<u>\$ 196</u>	<u>\$ 130</u>	<u>\$ 930</u>

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A. General Obligation Bonds

Rose State College Technical Area Education District and Tulsa Community College Area School District #18 have authorized and issued three series of general obligation bonds with an original issue amount of \$13,050,000. 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

Nineteen of the State's colleges and universities have authorized and issued 46 series of revenue bonds with an original issue amount of \$528,171,000. These bonds were issued for the acquisition of student housing and other facilities. Student fees, revenues produced by the facilities constructed, and other revenues collateralize the revenue bonds.

Revenue bonds were defeased by Oklahoma State University during 1995. The University advance refunded its Housing System Revenue Bonds, Series 1987A, by placing proceeds of the Housing System Refunding Revenue Bonds, Series 1994A, in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust accounts and defeased bonds are not included in the accompanying financial statements. At June 30, 1995, the balance of the defeased 1987A Series bonds was \$1,540,000. The University advance refunded the 1987A Series bonds to reduce its total debt service payments over the next 10 years by approximately \$168,000 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$91,000.

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. On June 30, 1995, \$13,205,000 of bonds defeased in prior years were outstanding.

C. Certificates of Participation

Southeastern Oklahoma State University and University of Central Oklahoma were parties to lease purchase agreements during fiscal year 1995 funded through certificates of participation. These leases are for the purchase of energy saving equipment. Third-party leasing companies have assigned their interest in the lease to underwriters who have issued certificates for the funding of these obligations. The certificates of participation represent an ownership interest of the certificate holder in a lease purchase agreement.

Investment in fixed assets at June 30, 1995, includes \$2,404,000 of equipment funded through these certificates of participation.

D. Notes Payable

Oklahoma State University and Carl Albert State College each entered into a note payable to fund the construction of facilities which have since been leased. The lease payments and the facilities constructed secure the notes.

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

E. 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, 1995 (expressed in thousands).

	1996	1997	1998	1999	2000	Maturity	Total
	\$ 2,019	\$ 2,105	\$ 1,565	\$ 1,202	\$ 828	\$ 2,559	\$ 10,278
Less: Interest							1,698
Present Value of Minimum Lease Payments							<u>\$ 8,580</u>

Capital lease obligations at June 30, 1995, and changes for the fiscal year then ended are as follows (expressed in thousands).

	Beginning Balance	Additions	Reductions	Ending Balance
Capital Lease Obligations	\$ 3,629	\$ 6,850	\$ 1,899	\$ 8,580

Leased equipment under capital leases in investment in fixed assets at June 30, 1995, included the following (expressed in thousands).

Facilities and Equipment	\$ 20,223
Less: Accumulated Depreciation	9,139
Net	<u>\$ 11,084</u>

Note 15. Costs to be Recovered from Future Revenues

Certain items included in 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 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.

Note 16. 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 did not participate in the Plan or was not contributing at the maximum allowable level. To be eligible for the catch-up program, the participant must be within three years of retirement from Oklahoma Public Employees Retirement System with no reduced benefits.

Deferred compensation benefits are paid out to participants or beneficiary upon termination, retirement, death, or unforeseeable emergency. Such benefits are based on a participant's account balance and are disbursed in a lump sum or periodic payments, at the option of the participant in accordance with Plan provisions.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the State (without being restricted to the provisions of benefits under the Plan), and are subject to the claims of the State's general creditors. Participants' rights under the Plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant. During 1995 and 1994, 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 17. Nonrecourse Debt, Notes Receivable, and Funds in Trust of
the Oklahoma Development Finance Authority**

The Oklahoma Development Finance Authority (ODFA) holds notes receivable and trust investments in amounts equal to the long-term financings. The financing agreements are structured such that the debt is to be repaid solely from the revenues derived from the related facilities leased or acquired, or from the disposition of collateral. As of June 30, 1995, the aggregate amount of these financings is approximately \$104,000,000 for all Public and Private Programs. The financings are not the general obligations of ODFA, and it is the opinion of the ODFA's management and its legal counsel that, in the event of default by a borrower, ODFA has no responsibility for repayment of such financings. Accordingly, the nonrecourse debt and the related notes receivable and trust investments have been excluded from the financial statements.

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Under the Constitution of the State of Oklahoma, ODFA may issue bonds, 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 monies to be deposited to the Fund if there is insufficient assets to meet insurance obligations. The ODFA can provide insurance for payment of the principal and interest on authority revenue bonds or other financial obligations under certain conditions. As of June 30, 1995, there were approximately \$13,700,000 of outstanding financial obligations insured by the ODFA. Approximately \$4,400,000 of these obligations were more than 90 days delinquent as of June 30, 1995. ODFA has accrued a reserve for loan losses of approximately \$4,200,000 to cover potential losses from outstanding financial obligations insured by ODFA. Through June 30, 1995, there have been no Oklahoma Credit Enhancement Reserve Fund General Obligation Bonds issued.

Note 18. Beginning Fund Balance Adjustments

During fiscal 1995, the State implemented a new accounting standard for the recognition of taxpayer-assessed tax revenue. This new standard established by the Governmental Accounting Standards Board Statement 22 (GASB 22), *Accounting for Taxpayer-Assessed Tax Revenue in Governmental Funds*, requires the recognition of taxpayer-assessed tax revenue on a modified accrual basis. The State now recognizes the taxes collected by merchants at June 30, as a receivable if collected within sixty (60) days. Previously, only taxes due to the State by June 30 were recognized as revenue. Beginning Fund Balance for the governmental funds have been increased to reflect June 30, 1994 and 1993, sales taxes receivable of \$94,182,000 and \$87,256,000, respectively.

The following schedule reconciles June 30, 1994, 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 Projects	Enterprise	Trust and Agency	Proprietary Component Units	Higher Education Component Unit
June 30, 1994, fund equity, as previously reported	\$ 967,643	\$ 283,141	\$ 24,670	\$ 7,968,489	\$ 424,984	\$ 1,900,018
Prior period adjustments:						
To record implementation of GASB 22	94,182	-	-	-	-	-
Correction of Error	(248)	-	-	-	-	(2,606)
Other	(17)	-	-	2	-	-
June 30, 1994, fund equity, as restated	<u>\$ 1,061,560</u>	<u>\$ 283,141</u>	<u>\$ 24,670</u>	<u>\$ 7,968,491</u>	<u>\$ 424,984</u>	<u>\$ 1,897,412</u>

The following schedule reconciles June 30, 1993, 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 Projects	Enterprise	Trust and Agency	Proprietary Component Units	Higher Education Component Unit
June 30, 1993, fund equity, as previously reported	\$ 986,346	\$ 241,319	\$ 21,347	\$ 7,372,218	\$ 466,248	\$ 1,755,408
Prior period adjustments:						
To record implementation of GASB 22	87,256	-	-	-	-	-
June 30, 1993, fund equity, as restated	<u>\$ 1,073,602</u>	<u>\$ 241,319</u>	<u>\$ 21,347</u>	<u>\$ 7,372,218</u>	<u>\$ 466,248</u>	<u>\$ 1,755,408</u>

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NOTES TO THE FINANCIAL STATEMENTS
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**Note 19. Condensed Financial Statement Information for
Discretely Presented Proprietary Component Units**

Condensed financial statement information for the discretely presented proprietary component units for the fiscal year ended June 30, 1995 (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 Industrial Finance Authority	State Insurance Fund (12-31-94 Fiscal Year)	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority	Oklahoma Development Finance Authority
Operating Revenue	\$ 4,499	\$ 289,945	\$ 231,883	\$ 8,731	\$ 181,605	\$ 376
Operating Expenses						
Depreciation	114	1,341	183	211	13,885	10
Other	3,909	350,439	171,176	8,267	202,875	532
Operating Income (Loss)	476	(61,835)	60,524	253	(35,155)	(166)
Operating Transfers In (Out)	-	-	-	-	26,477	-
Nonoperating Revenues (Expenses)	(332)	36,540	20,309	1,593	1,455	572
Deferred Costs	-	-	-	-	-	-
Net Income (Loss)	144	(25,295)	80,833	1,846	(7,223)	406
Current Assets	17,164	665,567	230,665	15,551	69,283	1,587
Current Liabilities	3,210	713,671	68,012	23,263	24,904	37
Net Working Capital	13,954	(48,104)	162,653	(7,712)	44,379	1,550
Total Assets	56,367	672,154	231,360	137,474	210,582	5,835
Total Liabilities	56,210	713,671	68,012	107,208	30,954	4,379
Fund Equity	157	(41,517)	163,348	30,266	179,628	1,456
Long-Term Liabilities	53,000	-	-	83,945	6,050	4,342
Fixed Assets - Beginning of Year	179	9,178	1,486	725	267,659	95
Additions	6	2,817	13	31	12,638	12
Deletions	-	(101)	-	(273)	(7,303)	-
Fixed Assets - End of Year	\$ 185	\$ 11,894	\$ 1,499	\$ 483	\$ 272,994	\$ 107

	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency (9-30-94 Fiscal Year)	Oklahoma Turnpike Authority (12-31-94 Fiscal Year)	Grand River Dam Authority (12-31-94 Fiscal Year)	Oklahoma Municipal Power Authority (12-31-94 Fiscal Year)	Total
Operating Revenue	\$ 2,797	\$ 48,326	\$ 98,697	\$ 165,835	\$ 71,030	\$ 1,103,724
Operating Expenses						
Depreciation	-	94	36,534	26,748	4,845	83,965
Other	2,772	53,036	33,117	84,315	53,262	963,700
Operating Income (Loss)	25	(4,804)	29,046	54,772	12,923	56,059
Operating Transfers In (Out)	-	-	-	-	-	26,477
Nonoperating Revenues (Expenses)	(25)	2,584	(31,805)	(60,332)	(16,767)	(46,208)
Deferred Costs	-	-	-	6,887	5,152	12,039
Net Income (Loss)	-	(2,220)	(2,759)	1,327	1,308	48,367
Current Assets	2	97,795	81,486	110,094	18,665	1,307,859
Current Liabilities	1,421	11,642	43,598	48,612	19,165	957,535
Net Working Capital	(1,419)	86,153	37,888	61,482	(500)	350,324
Total Assets	45,595	578,215	760,477	1,025,666	416,791	4,140,516
Total Liabilities	45,521	553,685	714,802	999,451	405,718	3,699,611
Fund Equity	74	24,530	45,675	26,215	11,073	440,905
Long-Term Liabilities	44,100	542,043	671,204	950,839	386,553	2,742,076
Fixed Assets - Beginning of Year	-	1,051	956,140	891,295	175,432	2,303,240
Additions	-	99	36,184	29,884	14,918	96,602
Deletions	-	-	(188)	(29,435)	(313)	(37,613)
Fixed Assets - End of Year	\$ -	\$ 1,150	\$ 992,136	\$ 891,744	\$ 190,037	\$ 2,362,229

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The **Oklahoma Housing Finance Agency** (OHFA) received Federal financial assistance totaling \$31,228,098 in housing assistance payments during the year ended September 30, 1994, under the Housing Assistance Payments Program. This Federal assistance was netted against applicable Federal expenditures on the financial statements. Therefore, no Federal revenue is presented for the OHFA operating statement.

Note 20. Retirement and Pension Systems

A. General Description of the Retirement Systems

The State of Oklahoma administers six Public Employee Retirement Systems (PERS): Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement and the Teachers' Retirement System of Oklahoma (TRS). The Wildlife Conservation Commission and Oklahoma Housing Finance Agency have Retirement Systems that are privately administered. Information pertinent to each system is stated below.

OFPRS, OLERS, OPERS, OPPRS, AND TRS are cost-sharing multiple-employer defined benefit retirement systems. URSJJ is a single-employer, cost-sharing defined benefit retirement system. Pension benefit provisions for all systems have been established by statute.

At June 30, 1995, each Plan's membership consisted of:

	<u>OFPRS</u>	<u>OLERS</u>	<u>OPERS</u>	<u>URSJJ</u>	<u>OPPRS</u>	<u>TRS</u>
Retirees and Beneficiaries						
currently receiving benefits	6,523	704	17,207	149	1,582	29,007
Terminated Vested Participants	368	24	3,563	17	31	2,532
Deferred Option Plan Participants	489	168	-	-	362	-
Active Participants	<u>9,346</u>	<u>998</u>	<u>43,987</u>	<u>246</u>	<u>3,478</u>	<u>79,044</u>
Total	<u>16,726</u>	<u>1,894</u>	<u>64,757</u>	<u>412</u>	<u>5,453</u>	<u>110,583*</u>

* In addition, TRS had 6,583 nonvested inactive participants at June 30, 1995, who are entitled to a refund of their accumulated contributions. Such amounts are included in the determination of the pension benefit obligation and are accounted for by the System in the Suspense Fund which amounted to approximately \$8,216,000 at June 30, 1995.

B. Membership and Benefit Provisions

Oklahoma Firefighters Pension and Retirement System (OFPRS) provides defined retirement benefits based on members' final average salary, age and term of service. In addition, the retirement program provides for certain death and disability benefits. Retirement provisions are as follows:

- Full-time firefighters become 100% vested in retirement benefits earned to date after 10 years of credited service. Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 2.5% of the member's final average compensation for each year of credited service, not to exceed 30 years. Final average compensation is defined as the average base salary over the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit is \$5.46 for each year of credited service, not to exceed 30 years.

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- Upon withdrawal from OFPRS, members' contributions are refundable without interest if less than 10 years of service. If the withdrawal is after 10 years of service, the member may receive a refund without interest, or he is entitled to receive a vested benefit based on 2.5% of final average salary for each year of service, payable at age 50 or the date the member would have completed 20 years of service, if later.
- Firefighters with 20 or more years of service may elect to participate in the Oklahoma Deferred Retirement Option Plan (Plan) in lieu of normal or late retirement. Membership in the Deferred Retirement Option Plan shall not exceed five years. Under the Plan, retirement benefits are calculated based on compensation and service at the time of election. The retirement benefits plus half of the municipal contributions on behalf of the participant are deposited into a deferred retirement account, which earns interest. The participant is no longer required to make contributions. Upon retirement, the firefighter receives his monthly retirement benefit as calculated at the time of election. In addition, the amount accumulated in the deferred retirement account is payable either as a lump sum or as monthly payments.

The Oklahoma Law Enforcement Retirement System (OLERS) was established for the purpose of providing retirement allowances and certain death and disability benefits for qualified law enforcement officers as defined by statute. Currently, agencies and/or departments who are members of OLERS are the Oklahoma Highway Patrol and Capitol Patrol of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Alcoholic Beverage Law Enforcement Commission, members of the Department of Public Safety (DPS) Communications Division, DPS Waterways Lake Patrol Division, Park Rangers of the Oklahoma Tourism and Recreation Department and inspectors of the Oklahoma State Board of Pharmacy.

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

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

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

OLERS will contribute \$75 per month or the Medicare supplement premium, if less, toward the cost of health insurance for members receiving retirement benefits. These benefits commence upon retirement. As of June 30, 1995, 310 members have elected this benefit.

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

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The Oklahoma Public Employees Retirement System (OPERS) covers substantially all state employees, except employees covered by six other plans sponsored by the State, and employees of participating county and local agencies. Agencies and/or participants not included in OPERS are as follows: Teachers, Municipal Police, Municipal Firemen, Judicial, Wildlife, Oklahoma Housing Finance Agency, and State Law Enforcement. In addition to retirement benefits, OPERS also provides certain death and disability benefits.

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

State, County, and Local Agency Employees - Benefits are determined at 2% of the average highest 3 years' annual covered compensation received during the last 10 years of participating service multiplied by the number of years of credited service determined for earnings prior to and after July 1, 1994, and combined for the purpose of determining maximum benefit. Normal retirement age under OPERS is 62. To qualify for purchase of "incentive credit", a member must be within 2 years of reaching their normal retirement date or eligible for or within 2 years of being eligible for early retirement. Members become eligible to vest fully upon termination of employment after attaining 8 years of credited service or the members' contributions may be withdrawn upon termination of employment.

Elected Officials - Benefits are determined as the greater of the calculation described in the preceding paragraph or based on the official's contribution election, a range from 1.9% to 4% of the highest annual covered compensation during the elected officials' participating service, but not to exceed the applicable annual salary cap, multiplied by the number of years of credited service. Normal retirement age under OPERS is 60. Members become eligible to vest fully upon termination of employment after attaining 6 years of credited service or the members' contributions may be withdrawn upon termination of employment.

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

Members qualify for full retirement benefits at their specified normal retirement age or, for any person who became a member prior to July 1, 1992, when the sum of the members' age and years of credited service equals or exceeds 80, and for any person who became a member after June 30, 1992, when the members' age and years of credited service equals or exceeds 90. Normal retirement date is further qualified to require that all members employed on or after January 1, 1983 must have 6 or more years of full-time equivalent employment with a participating employer before being eligible to receive benefits. Credited service is the sum of participating and prior year

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service. Prior service includes nonparticipating service before January 1, 1975, or the entry date of the employee and active wartime military service. A member with a minimum of 9 years, 6 months of participating service may elect early retirement with reduced benefits beginning at age 55.

OPERS remits \$75 per month per eligible retirant, excluding beneficiaries and survivors, for health insurance benefits to the Oklahoma State and Education Employees Group Insurance Board. The amount remitted for the year ended June 30, 1995, was approximately \$11,061,000.

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

Benefits are determined at 4% of the retirant's average monthly compensation for covered active service over the last 5 years times the total years of service in URSJJ, not to exceed 70% of a retirant's average monthly salary received as a justice or judge for the last 5 years. Normal retirement ages under URSJJ are as follows:

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

Members are eligible to vest fully upon termination of judicial service after accumulating 8 years of credited service or the members' contributions may be withdrawn at the time such member ceases to be a justice or judge of a court within URSJJ. URSJJ also provides certain death and disability benefits.

URSJJ remits \$75 per month per eligible retirant, excluding beneficiaries and surviving spouses, for health insurance benefits to the Oklahoma State and Education Employees Group Insurance Board. The amount remitted for the year ended June 30, 1995, was approximately \$59,000.

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

The normal retirement date under the plan is the date upon which the participant completes 20 years of credited service, regardless of age. Participants become vested upon completing 10 years of credited service as a contributing participant of OPPRS. No vesting occurs prior to completing 10 years of credited service. Participants' contributions are refundable, without interest, upon termination prior to normal retirement. Participants who have completed 10 years of credited service may elect a vested benefit in lieu of having their accumulated contributions refunded. If the vested benefit is elected, the participant is entitled to a monthly retirement benefit commencing on the date he reaches 50 years of age or the date he would have had 20 years of credited service had his employment continued uninterrupted, whichever is later.

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

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

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

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

Members become 100% vested in retirement benefits earned to date after 10 years of credited Oklahoma service. Members who joined TRS on June 30, 1992, or prior, are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining TRS after June 30, 1992, are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may, at age 62, receive full benefits or reduced benefits as early as age 55. The maximum retirement benefit is equal to 2% of final compensation for each year of credited service. Final compensation for members who joined TRS on June 30, 1992, or prior, is defined as the average salary for the 3 highest years of compensation. Final compensation for members joining TRS after June 30, 1992, is defined as the average of the highest 5 consecutive years of annual compensation in which contributions have been made. The maximum final average compensation is \$25,000, unless the member elects to make contributions on amounts above \$25,000 in which case the maximum final average compensation is \$40,000.

Upon separation from TRS, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the Internal Revenue Code. Members may also elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the Internal Revenue Code under Code Section 403(b).

For retirees that elect to obtain health insurance coverage through the Oklahoma State and Education Employees Group Insurance Board, TRS pays between \$70 and \$75 per month for each retiree, depending on the members' years of service. This amount was approximately \$21,000,000 in 1995, and is included in retirement, death and survivor benefits.

C. **Employee and Employer Obligations to Contribute**

The contribution requirements for each of the PERS are an established rate determined by the Legislature and are not 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 12% of the member's applicable earnings. The contribution rate for paid firefighters is scheduled to increase on July 1, 1995, to 12.5%, and increase 0.5% on July 1, 1996. In addition, the member cities contribute \$60 a year 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 34% of the insurance premium

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tax collected from insurance companies on all types of insurance policies to OFPRS. The State may also allocate additional funds annually as needed to pay current costs and to amortize the unfunded actuarial present value of accumulated plan benefits.

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. OLERS also receives 1.2% of all fees, taxes, and penalties collected by motor license agents, 50 cents per vehicle inspection sticker issued and 5% of the insurance premium taxes collected by the State Insurance Commissioner. Additional funds are also provided to OLERS by the net investment income generated on assets held by OLERS.

Oklahoma Public Employees Retirement System (OPERS) receives contributions based on the following categories of employees:

State, County, and Local Agency Employees - In fiscal year 1994, state employees contributed 2% and other participants contributed between 2% and 7% of the first \$25,000 of earned compensation. The employee whose annual salary exceeded \$25,000 could elect to contribute 10% of salary in excess of \$25,000 to a maximum of \$40,000. State agencies contributed 11.5% in 1994 of active employees' earned compensation up to the first \$25,000 of wages, and other employing agencies contributed between 6.5% and 11.5% of the first \$25,000 of salary. The State and other employing agencies also contributed 11.5% in 1994 of participants' annual earned compensation in excess of \$25,000 not to exceed \$40,000, for participants who elected to pay contributions on their earned compensation in excess of \$25,000.

House Bill 2228, effective July 1, 1994, included a provision eliminating the option for employees to elect to pay contributions on their annual salaries up to \$40,000 in excess of \$25,000. Accordingly, each member participates based on their gross salary earned (excluding overtime) up to the maximum annual salary cap for the fiscal years ended June 30 as follows: 1995 - \$50,000; 1996 - \$60,000; 1997 - \$70,000; 1998 - \$80,000; and thereafter - No Cap.

The contribution rates in effect for the year ended June 30, 1995, and the rates in effect for subsequent years as established by House Bill 2228 for state employees and agencies are summarized as follows:

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

House Bill 2228 also provided that participating county and local agencies may elect to divide their total contributions between the employer and employee on annual salaries up to \$25,000 in varying ratios. However, the sum of the percentage contributions of the employer and employee must equal the required combined percentage of such contributions for state agencies and employees, and the employer and the employee must fall within allowed maximum and minimums. House Bill 1312, effective July 1, 1995, specified the minimum and maximum percentages allowed.

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Elected Officials - During fiscal years ended June 30, 1995 and 1994, elected officials contributed between 4.5% and 10% of the first \$25,000 of earned compensation. In accordance with House Bill 2228, effective July 1, 1994, elected officials' employee contributions were 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. Prior to the effective date of House Bill 2228, elected officials whose annual salary exceeded \$25,000 could elect to contribute 10% of salary in excess of \$25,000 to a maximum of \$40,000 and the employer contributed 10% of the total salary amount that the elected official elected for contributions, up to the \$40,000 maximum.

Eligible Officers - In accordance with the provision of House Bill 2228, contributions on the first \$25,000 of eligible salaries will increase by 0.5% annually from 6.5% to 8.0% for the fiscal year beginning July 1, 1998. Beginning with the fiscal year ended June 30, 1995, eligible officer contributions for salaries over \$25,000 up to the applicable salary cap will be made at 8% for all periods and employer contributions will be made on the same basis as for state agencies.

Uniform Retirement System for Justices and Judges (URSJJ) member contributions for fiscal 1995 are 5% of members' monthly salary. If a member elects to extend the provisions of URSJJ to a surviving spouse, contributions are 8% of a member's monthly salary. Contributions from the participating courts are 10% of all fines, forfeitures and penalties received by the courts. Such contributions are determined every 2 months.

Until July 1, 1991, each municipality contributed to OPPRS 10% of the actual base salary of each participant employed by the municipality. Beginning July 1, 1991, municipality contributions increased by 0.5% per year and will continue until July 1, 1996, when the contribution level reaches 13%. Each participant of OPPRS contributes 8% of their actual paid base salary. Additional funds are provided to OPPRS by the State through an allocation of the tax on premiums collected by insurance companies operating in Oklahoma, and by the net investment income generated on assets held by OPPRS.

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 will continue until July 1, 1996, when the contribution level reaches 13%. Each participant of OPPRS will continue to contribute 8% of their actual paid base salary. Additional funds are provided to the OPPRS by the State through an allocation of the tax on premiums collected by insurance companies operating in Oklahoma, and by the net investment income generated on assets held by OPPRS.

Teachers Retirement System (TRS) participating members are required to contribute 6% of their applicable earnings up to a maximum of \$25,000 and may elect to contribute 8% on the earnings in excess of \$25,000 limited to \$40,000. In 1995, employers are required to contribute 8% of a member's earnings up to the maximum compensation level. Contributions received by TRS from the State are used to offset required employer contributions. In 1995, employers contributed 2% of member earnings while the State contributed the remaining 6%. Oklahoma statutes require the State to contribute 5/7ths of 78% of the natural and casinghead gas tax collected each year. TRS received approximately \$109,000,000 from the State and approximately \$8,000,000 from federal sources in 1995.

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D. Funding Status and Progress

The total pension benefit obligation is stated below for each retirement system. These totals are based on a standardized disclosure measure as required by Governmental Accounting Standards Board Statement 5 (GASB 5), *Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Governmental Employers*. The standardized disclosure measure is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. Use of the standardized measure enables readers of the State's financial statements to: (a) assess on an ongoing basis the funding status of each system, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons with other states or retirement systems. The standardized disclosure method is independent of the actuarial funding method used to determine contributions to the retirement systems. The assumptions used to determine the contribution rates are the same as/similar to those used in determining the pension benefit obligation.

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

Actuarial determinations are made for the various retirement systems by independent consulting actuaries for each respective system.

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

Pension Benefit Obligation (expressed in thousands):

	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS
Actuarial Valuation Date	7-1-95	7-1-95	6-30-95	6-30-95	6-30-95	6-30-95
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 629,019	\$ 146,137	\$ 1,470,733	\$ 32,827	\$ 353,025	\$ 3,505,943
Deferred Option Plan Participants: Member						
Employee-financed-vested	123,928	50,003	-	-	110,823	-
Current Employee:						
Accumulated employee contributions	60,037	*	189,498	7,987	58,284	1,628,397
Employer-financed vested	129,404	51,225	651,368	6,127	111,201	1,668,635
Employer-financed non-vested	167,281	43,199	413,349	28,363	145,287	90,715
Total pension benefit obligation	1,109,669	290,564 ⁺	2,724,948 ⁺	75,304 ⁺	778,620	6,893,690 ⁺
Net Assets available for benefits:						
Cost	-	253,442	2,456,590	79,707	-	2,693,237
Market	711,816	**	**	**	713,957	**
Unfunded pension benefit obligation	\$ 397,853 ^{***}	\$ 37,122	\$ 268,358	\$ (4,403)	\$ 64,663	\$ 4,200,453

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

** Market value of net assets available for benefits is:

OLERS - \$282,963; OPERS - \$2,779,107; URSJJ - \$91,152; TRS - \$2,978,530

*** Presented net of monies currently held in the deferred option plan accounts, which amounts to \$52,575,559.

+ The OLERS, OPERS, URSJJ, and TRS provide a contribution toward the cost of health insurance for electing members. Funding for such health insurance benefit is considered as part of the overall System requirement. No separation of pension obligation and health insurance obligation is made by the System and assets are not allocated between obligations. The pension benefit obligation disclosed above for OLERS includes \$7,874,392 at July 1, 1995, relating to the System's health insurance obligation. The actuarial valuation for these obligations assumes that all active, deferred vested and deferred option plan members elect the health insurance benefit upon retirement

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The Pension Benefit Obligation for each of the PERS was determined as part of an actuarial valuation at the dates noted in the table above. Changes in the TRS actuarial assumptions increased the June 30, 1995 unfunded Pension Benefit Obligation by approximately \$449,000,000.

Significant actuarial assumptions	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS
Rate of return on investments	7.5%	7.0%	7.5%	7.5%	7.5%	8%
Annual salary increase for inflation	Sliding scale in 5 yr increments starting with 7.4% at age 25 and ending with 5.7% at age 55. Benefit levels for Voluntary firefighters are assumed to increase 5.5% per year.	5% combined for inflation and merit	4.7%	4.5%	No breakout for inflation, merit and cola. The total is 6%.	4% inflation rate and 0.5% for productivity.
Annual salary increase for merit	None		0.1% to 2.8%	1.0%		Descending scale starting at 3.25% during the first year and descending to 0% after 15yrs.
Cost of living adjustments	2.75% increase for employees fully vested by May, 1983	None	None	None		None
Retirement Age	Volunteer firefighter - later of current age or age when first eligible. Full-time firefighter is eligible after 20 yrs of service. Retirement ages vary by accumulated credited service e.g. 20 yrs - 50%, 21-29 - 20% 30 yrs - 100%	Retirement ages vary by accumulated credited service e.g. 20 yrs - 50%, 21-29 - 20% 30 yrs - 100%	Age 62 for non elected members and age 60 for elected members	The earlier of age 65 with 10 years of service or the first age at which the Rule of 80 occurs.	After 20 years of service, regardless of age.	Rates based on the 1995 Experience Study. Rates range from age 50 to 70.
Mortality basis	1975 Group annuity Mortality Table	Post-retirement based on 1983 Group Annuity Mortality Table. Pre-retirement based on 1971 Group Annuity Mortality Table.	Active and nondisabled retirees - 1983 Annuity Mortality Table. Disabled reitrants - 1983 Railroad Retirement Ultimate Mortality Table	Active and non - disabled retirees are 1983 Annuity Mortality Table. Disabled retirees are 1983 Railroad Retirement Ultimate Mortality Table.	Pre-retirement 1971 Group Annuity Mortality Table projected to 1975. Post-Retirement 1983 Annuity Mortality Table	Rates based on 1990 Experience Study. Rates range from age 25 to 65.
Rate of turnover	A high scale that becomes progressively lower as age advances	Graduated rates by age.	Graduated select and ultimate rates. Attained age 20 to 70, rates range from 12.04 to 0.	None	Graduated rates by age.	Rates of turnover based on 1995 Experience Study. Rates range from age 25 to 65.

E. Effects of Current Year Changes on Pension Benefit Obligation and Contribution Requirements

State law requires each of the PERS to have an actuarial report every year. The report determines the system's funding requirements which may be affected by changes in actuarial assumptions, benefit provisions, actuarial funding method or other significant factors since the preceding valuation .

Oklahoma Law Enforcement Retirement System - As a result of Senate Bill 615, beginning July 1, 1994, members who retired or were eligible to retire before July 1, 1980, (or their surviving spouses) will receive a monthly benefit equal to the greater of their current benefit or 2.5% of the gross salary currently paid to a highway patrol officer times the member's years of service. In addition, all retirees receiving benefits as of June 30, 1993, will receive a 2.5% increase in benefits on July 1, 1994.

Oklahoma Public Employees Retirement System - As a result of House Bill 2228, effective July 1, 1994, the following changes were made:

- The bill provided for an increase in retirement payments, effective July 1, 1994, for persons receiving benefits from OPERS as of June 30, 1993. The annual increase was computed by multiplying \$9.94 (\$497 x 2%) times the number of years of the retired members' credited service. The increase reflected the impact of any survivor benefits selected by the member at the time of retirement. A minimum final average salary for all members retiring after July 1, 1994 was set at \$13,800.
- In addition to the changes to the contribution requirement as discussed in Item C of this Note, the bill removed the 3 year period for electing the over \$25,000 salary cap and allows members who failed to make the election prior to June 30, 1994, to make such an election at any time prior to retirement by paying the back employee contributions plus 7.5% compounded interest.
- Effective July 1, 1995, increases in retirement benefits which would cause the funded ratio of the system after payment of the increases to be less than 70% are prohibited. The funded ratio is defined as the actuarial value of assets divided by the actuarial accrued liability.

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

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

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

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

As a result of House Bill 1312, effective July 1, 1995, the following changes to OPERS were made:

- In addition to the changes to the contribution requirement as discussed in Item C of this Note, the final average compensation used to compute service accrued prior to July 1, 1994, is changed to using the highest three years out of the last ten years of participating service prior to retirement or termination as opposed to service prior to July 1, 1994, as provided in House Bill 2228 enacted in fiscal year 1994. OPERS is required, prior to January 1, 1996, to pay any members retiring on or after July 1, 1994, and prior to July 1, 1995, any retroactive increase in benefits due to this change. Such retroactive payments are not expected to be material.

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- Current contributing members who, as former members, withdrew their accumulated contributions, contributing elected members who at the time of initial eligibility to participate as a member of OPERS elected not to participate, and/or contributing elected members who at the time of eligibility to participate as a member of OPERS elected to participate but did not elect to participate the maximum contribution rate may amortize the cost of returning the withdrawn or unremitted contributions over a period not to exceed 60 months, through payroll deduction. The amortization includes interest in an amount not exceed the actuarial interest rate adopted by OPERS for investment earnings each year.

Uniform Retirement System for Justices and Judges - The decrease in the surplus of net assets available for benefits over the total pension benefit obligation from June 30, 1995, to July 1, 1995, of approximately \$1,737,000 is due to legislated plan provisions which changed the basis for the final average salary used in the benefit calculation to the last three years of active service instead of the last five years, effective July 1, 1995.

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

Oklahoma Police Pension and Retirement System - Certain retirees are entitled to receive a cost of living allowance (COLA) when a COLA is granted to active police officers in the retiree's city. Participants eligible to receive a COLA and a legislative increase are to receive the greater of the legislative increase or the benefit increase the participant would receive pursuant to the COLA provision. The Legislature granted a 2.5% increase in benefits to retirees receiving benefits as of June 30, 1993, effective July 1, 1994. Retirees receiving automatic COLAs will have this amount offset by the cumulative increases received after July 1, 1990.

Teachers Retirement System - Senate Bill 568 provided the following changes to the Plan:

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

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

In 1995, the Legislature passed Senate Bill 527 which becomes effective July 1, 1995. The bill modified the provisions for members in higher education who were members prior to July 1, 1995. The salary caps for contribution payments of \$25,000 up to \$40,000 remained in place for two additional years; however, were indexed to \$27,500 and \$44,000 for 1996 and to \$30,000 and \$48,000 for 1997. These members' contribution rate was also changed to 6% and 6.5% for 1996 and 1997, respectively. The benefit provisions were also modified so that benefits would only be paid up to the maximum contribution level for these years. Beginning July 1, 1997, these members will contribute 7% of total compensation consistent with those members who joined the TRS after July 1, 1995. In addition, the bill modified Senate Bill 568 employer's contribution rate schedule. The new employer rates are 50 basis points lower in each year until the rate reaches 18%. This bill has no effect on the June 30, 1995, unfunded Pension Benefit Obligation.

F. Contributions Required and Contributions Made

As noted above, contribution requirements for each of the PERS are an established rate determined by the Legislature and are not based on actuarial calculations. Actuarially determined contribution requirements consist of an amount for normal cost that is the estimated amount necessary to finance benefits earned by the members during the current service year and an amount for amortization of the unfunded actuarially accrued liability over the remainder of the amortization period applicable for each system.

Total covered payrolls, actual contributions for each of the PERS and plan contributions for all participants for the year ended June 30, 1995, are as follows (expressed in thousands).

	OPFRS		OLERS		OPERS		URSJ		OPPRS		TRS	
	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll	Amount	Percentage of current covered payroll
Total Covered Payrolls:	\$110,295		\$29,300		\$1,095,907		\$16,888		\$129,702		\$2,336,116	
Contributions:												
Actuarially determined contribution requirement	66,633	60.4%	10,159	34.7%	159,204	14.5%	3,609	21.4%	39,984	35.4%	434,729	18.6%
Employee' contribution	8,271	7.5%	2,306	7.9%	29,203	2.7%	1,093	6.5%	9,040	8.0%	152,294	6.5%
Employers' contribution	15,068	13.7%	3,554	12.1%	118,787	10.8%	3,704	21.9%	15,168	13.4%	43,390	1.9%
Other dedicated revenues	35,345	32.0%	11,880	40.5%	0	0%	0	0%	14,555	13.5%	117,607	5.0%
Total	58,684		17,740		147,990		4,797		38,763		313,291	
Contribution Allocations:												
Normal cost	25,542		6,593		86,653		3,292		23,536		61,580	
Amortization of unfunded actuarial accrued liability	41,091		3,366		61,353		0		15,814		373,149	
Administrative Expense	0		200		11,198		317		634		0	
Total	\$ 66,633		\$10,159		\$ 159,204		\$ 3,609		\$ 39,984		\$ 434,729	
Actuarial funding method	Entry Age		Entry Age		Entry Age		Entry Age		Entry Age		Entry Age	
Method for amortizing unfunded actuarial accrued liability	Level dollar		Level dollar		Level dollar		Does not apply		Level dollar		Level dollar	
Period for amortizing unfunded actuarial accrued liability	30 years beginning July 1, 1988		20 years beginning July 1, 1988		25 years beginning July 1, 1987		Does not apply		20 years beginning July 1, 1988		40 years beginning July 1, 1987	

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G. Other Retirement Systems

The **Wildlife Conservation Commission Retirement System**, a privately administered defined contribution retirement plan, provides lifetime benefits for each eligible member. Eligible members consist of all full-time employees of the Department of Wildlife Conservation who have completed one year of service and agreed in writing to make member contributions equal to 2% of their base salary. Benefits to retired employees are generally based on the final average earnings and continuous years of service. Contribution requirements are based on total annual compensation rather than total covered compensation. Total annual compensation included in the valuation at June 30, 1995, was \$9,443,019. The Department periodically contributes an amount necessary to keep the plan funded, however did not make a contribution for the year ended June 30, 1995. Total employee contributions totaled \$188,781 for the year ended June 30, 1995.

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. 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. For the year ended September 30, 1994, OHFA's retirement plan expense for the year was \$227,696. Total payroll was \$2,316,857, and total covered payroll was \$2,276,961.

The entities included in the **Higher Education Component Unit** are all participants in TRS. However, some employees, depending on job classification, are covered by other retirement plans. The specific disclosures regarding these retirement plans can be found in each of the entities independent audit report which has been previously issued under separate cover.

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

Note 21. Other Postemployment Benefits

In addition to the pension benefits described in Note 20, the State provides post-retirement health care benefits (OPEB). Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS) and Uniform Retirement System for Judges and Justices (URSJJ) pay the medicare supplement 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.

	Current Year Expenditures	Eligible Participants	Enabling Legislation
OLERS	\$ 284,475	310	Title 74, 1316.2
OPERS	\$ 11,061,000	12,513	Title 74, 1316.2
URSJJ	\$ 59,000	71	Title 74, 1316.2
TRS	\$ 21,000,000	29,007	Title 74, 1316.2

OLERS, OPERS, and TRS fund postemployment health care benefits as part of the overall retirement requirement. No separation of pension obligation and health insurance obligation are made by OLERS, OPERS, URSJJ and TRS and assets are not allocated between obligations. The Pension Benefit Obligation for OLERS included \$7,874,392 relating to their health insurance obligation for the fiscal year 1995. Disclosure information regarding OPEB is included in Note 20.

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

Fifteen of the colleges and universities included in the Higher Education Component Unit offer post-employment benefits which primarily provide health, dental and life insurance benefits. The eligibility requirements differ depending on the college or university. The benefits are funded on a pay-as-you-go basis and approximately \$1,643,000 was expended for these benefits during the year ended June 30, 1995.

Note 22. Commitments

A. Primary Government

The **Department of Transportation** had contractual commitments at June 30, 1995, of approximately \$374,400,000 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 totalling \$44,800,000 for the General Fund and \$4,200,000 for the Capital Projects Fund. The **Department of Rehabilitation Services** had long term projects totalling \$720,000 for the General Fund.

The **Oklahoma Center for the Advancement of Science and Technology** (OCAST) has contracts with various institutions and organizations for the purpose of funding the specific objectives authorized by its Board of Directors within the scope of the programs it administers. Fund Balance, Reserved for Other Special Purposes, includes commitments to grantees, in the amount of \$429,000. Substantially all of this amount will be paid to grantees over the next year. For the year ended June 30, 1995, OCAST made payments to the grantees in the amount of \$2,323,000.

B. Component Units

The **Oklahoma Industrial Finance Authority** (OIFA) had outstanding loan commitments at June 30, 1995, approved by its Board of Directors totaling \$2,930,000. Subsequent to June 30, 1995, OIFA has issued additional commitments of \$463,000. These loan agreements included a "pending clause" which stated that money would be disbursed upon availability of funds.

The **Oklahoma Turnpike Authority** (OTA) had commitments at December 31, 1994, outstanding relating to equipment orders and maintenance projects of approximately \$10,416,000. At December 31, 1994, OTA had commitments outstanding relating to construction contracts of approximately \$2,285,000.

The **Grand River Dam Authority** (GRDA) has entered into agreements to purchase and transport coal for future use in Unit No. 1 and Unit No 2. Under the agreements, GRDA is committed to purchase and transport a specified number of tons of coal each year over the remaining lives of the agreements. Under terms of the agreements, the price of the coal and transportation costs are subject to escalation and prices may be renegotiated at specified times. Total purchases under the agreements was \$59,912,000 for 1994. GRDA also entered into a lime purchase agreement in 1993. Under the agreement, GRDA is committed to purchase a specified number of tons of lime each year over the remaining life of the agreement. The price per ton increases yearly as specified by the contract.

The **Oklahoma Municipal Power Authority** (OMPA) has entered into an agreement with the City of Ponca City, a member municipality, under which OMPA will complete repowering of the existing Ponca City Power Plant. As of December 31, 1994, OMPA's commitments for the construction of the repowering project and other projects total approximately \$7,000,000. Amounts budgeted, not yet committed, approximate \$14,000,000.

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NOTES TO THE FINANCIAL STATEMENTS

June 30, 1995

During 1994, approximately \$12,560,000 of power was purchased pursuant to several long-term purchase agreements. OMPA is obligated to purchase, at a minimum, approximately \$6,100,000 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 otherwise charge and collect rents, rates and charges for the use or sale of the output, capacity or service of its system which, together with other available revenues, are reasonably expected to yield net revenues for the 12 month period commencing with the effective date of such rents, rates and charges equal to at least 110% of the aggregate debt service for such period and, in any event, as are required, together with other available funds, to pay or discharge all other indebtedness, charges and liens payable out of revenues under the resolutions.

Note 23. Litigation and Contingencies

The State and its component units are parties to numerous legal proceedings, many of which normally occur in governmental operations. Based on information provided by the Attorney General and various state agency's General Counsel, the legal proceedings are not likely to have a material adverse impact on the State's financial position.

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, 1995, 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, the reimbursement of expenditures held in suspense is highly probable. At June 30, 1995, DOT had project expenditures totalling \$25,000,000 that 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. The Board has not received legislative authorization to pay the annual payments due in years 1989 through 1996. The Army Corps of Engineers has indicated that the obligation may be declared in default and remedies sought. No further action has been taken by the Army Corps of Engineers pending pursuit of the possible sale of water from Sardis Reservoir to an out of state water district. The proceeds from the sale of water would be used to make annual payments to the United States. Total unaudited construction costs of the Sardis Reservoir allocated to water supply storage, as last estimated by the Army Corps of Engineers, are approximately \$37,000,000, repayment of which is governed by the 1974 contract. It is unknown at this time what the final outcome and/or annual payment schedule, if any, will be.

Note 24. Subsequent Events

Component Units

Between November 1994 and March 1995, the **Oklahoma Housing Finance Agency** authorized or issued four series of revenue bonds. A summary of the primary purposes follows.

<u>Issue</u>	<u>Purpose</u>
\$35,000,000 Single Family Mortgage Revenue Bonds 1994 Series D	Partially refund 1988 Series A Bonds
\$16,670,000 Single Family Mortgage Revenue Bonds 1994 Series A-2 and Series C-1	Remarket to a long-term fixed rate of interest, a portion of 1994 Series A and Series C Bonds
\$26,600,000 Single Family Mortgage Revenue Bonds 1994 Series C-2 and Series D-1	Remarket to a long-term fixed rate of interest, a portion of 1994 Series C and Series D Bonds
Approved issuance of \$22,940,000 1995 Series A Bonds	Purchase Single Family Mortgage Loans

Between June 1995 and September 1995, the **Board of Regents of the University of Oklahoma** authorized the issuance of four series of revenue bonds. These bonds are payable solely from the revenues and assets pledged for their issue. A summary of the primary purposes follows.

<u>Issue</u>	<u>Purpose</u>
\$26,675,000 Oklahoma Development Finance Authority Public Facilities Program Revenue Bonds 1995 Series A	Construct, renovate and improve a variety of buildings and facilities
\$6,050,000 Board of Regents Parking Revenue Bonds Series 1995	Construct new covered parking facility and two surface lots
\$2,000,000 Board of Regents Student Center Revenue Bonds Series 1995	Construct new Student Center
\$8,985,000 Board of Regents Utility System Revenue Refunding Bonds Series 1995	Refund 1987 Utility Bonds

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Required Supplementary
Information

REQUIRED SUPPLEMENTARY INFORMATION

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OKLAHOMA PUBLIC EMPLOYEE RETIREMENT SYSTEMS

Analysis of the pension benefit obligation, or the unfunded portion of the pension benefit obligation can be misleading. Expressing net assets available for benefits as a percentage of the pension benefit obligation provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of funding progress. Generally, the smaller the unfunded percentages, the stronger the system.

Oklahoma Firefighters Pension and Retirement System (OFPRS)

Revenues by Source and Expenses by Type
Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993	1992
Revenues By Source:				
Contributions	\$ 23,339,057	\$ 22,257,293	\$ 20,820,119	\$ 19,409,512
Investment Income	102,962,313	16,356,511	81,387,749	67,228,411
Insurance Premium Taxes	35,345,474	35,003,931	31,591,698	31,063,669
State Appropriation	-	-	-	-
Total	\$ 161,646,844	\$ 73,617,735	\$ 133,799,566	\$ 117,701,592
Expenses by Type:				
Benefits and Refunds	\$ 58,188,691	\$ 46,896,671	\$ 45,958,809	\$ 44,558,249
Investment Expenses	2,910,753	3,167,395	2,788,867	2,279,757
Administrative Expenses	647,137	602,307	607,667	567,602
Total	\$ 61,746,581	\$ 50,666,373	\$ 49,355,343	\$ 47,405,608

Administrative expenses reflected in the above summary represent expenses paid by the System's operating and administrative accounts. All revenues and expenses in the above summary, are for the years ended June 30.

Analysis of Funding Progress
Fiscal Years Ended June 30, 1988, through June 30, 1995

	1995 (3)	1994	1993
Net Assets Available for Benefits	\$ 711,816,019	\$ 623,115,195	\$ 613,104,605
Pension Benefit Obligation	\$ 1,109,669,166	\$ 1,069,218,837	\$ 1,018,861,653
Percentage Funded	64%	58%	60%
Unfunded Pension Benefit Obligation	\$ 397,853,147	\$ 446,103,642	\$ 405,757,048
(Unaudited) Annual Covered Payroll	\$ 110,295,311	\$ 104,451,106	\$ 101,656,857
(Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	361%	427%	399%

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

Analysis of Funding Progress - Footnotes

- (1) For the July 1, 1991, valuation, the assumption regarding retirement age for full-time firefighters was changed from the later of current age, or age first eligible to rates that vary by accumulated credited service.
- To reflect the expected increase in the number of members retiring under the Deferred Option Plan, the valuation retirement assumptions for the July 1, 1991, valuation were changed. The assumption regarding eligibility for retirement was changed by eliminating the minimum age assumption of 45. Retirement rates were added and are applied on a select basis based on first eligibility service.
- The Deferred Option Plan participants are valued in a manner similar to retired members. The primary difference is the continuation of the employer contributions to OFPRS based on the compensation rate of the Deferred Option Plan participants.
- The total impact of the changes in the valuation of the Deferred Option Plan and the change in retirement rate assumption is a decrease of the pension benefit obligation of approximately \$21,751,000. The impact on the required State contribution for fiscal year 1992 is a decrease of approximately \$161,000.

1991	1990	1989	1988	1987	1986
\$ 18,047,600	\$ 16,736,835	\$ 15,510,891	\$ 15,314,958	\$ 14,252,285	\$ 14,089,247
35,104,652	40,601,249	49,852,091	9,609,547	19,514,016	42,874,016
29,053,084	28,201,622	30,266,715	21,514,977	15,168,256	14,436,894
-	-	-	-	-	17,684,430
<u>\$ 82,205,336</u>	<u>\$ 85,539,706</u>	<u>\$ 95,629,697</u>	<u>\$ 46,439,482</u>	<u>\$ 48,934,557</u>	<u>\$ 89,084,587</u>
\$ 42,043,935	\$ 40,068,939	\$ 37,174,950	\$ 32,254,563	\$ 29,532,458	\$ 26,061,374
2,081,875	1,793,833	1,283,791	1,132,614	768,969	356,371
601,519	616,905	465,734	386,079	439,256	390,222
<u>\$ 44,727,329</u>	<u>\$ 42,479,677</u>	<u>\$ 38,924,475</u>	<u>\$ 33,773,256</u>	<u>\$ 30,740,683</u>	<u>\$ 26,807,967</u>

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

Analysis of Funding Progress - Footnotes (continued)

- (2) Effective July 1, 1990, retirees receiving benefits as of June 30, 1989, received a 5% increase in the payments. Those retirees eligible for cost-of-living increases received an adjusted increase that takes into account the cost-of-living adjustments. The impact of the retiree benefit increase was to add \$5,544,599 to the pension benefit obligation. This increased the contribution (amortizing the unfunded over 30 years from July 1, 1988) by \$479,082. The Deferred Option Plan was created effective September 1, 1990, or upon IRS approval, if later. The impact of this change was incorporated into the July 1, 1990, actuarial valuation. The pension benefit obligation was increased by \$11,674,626 due to the creation of the Deferred Option Plan. This increased the contribution (amortizing the unfunded over 30 years from July 1, 1988) by \$1,745,910.
- (3) While not reflected in the Pension Benefit Obligation, there is a potential legal case outstanding regarding the granting of ~~data~~ for military service before employment, which would increase the obligation by approximately \$17,000,000 to \$22,000,000. The increase in the obligation for this case is not reflected in the Pension Benefit Obligation as of June 30, 1995.

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Oklahoma Law Enforcement Retirement System (OLERS)

Revenues by Source and Expenses by Type
Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993 (6)	1992
Revenues By Source:				
Member Contributions	\$ 2,306,199	\$ 2,275,809	\$ 2,305,693	\$ 2,448,120
Employer State Agencies Contributions	3,553,905	3,383,511	3,252,908	3,217,359
Other State Sources	11,880,094	11,628,520	11,839,739	10,291,318
Legislative Appropriations	-	-	-	-
Net Investment Income	9,775,119	17,498,093	24,276,176	20,872,130
Total	\$ 27,515,317	\$ 34,785,933	\$ 41,674,516	\$ 36,828,927
Expenses by Type:				
Benefits	\$ 17,824,865	\$ 15,650,663	\$ 14,273,168	\$ 12,434,496
Administrative Expenses	169,781	212,207	217,283	210,296
Refunds	224,735	150,991	143,902	175,673
Total	\$ 18,219,381	\$ 16,013,861	\$ 14,634,353	\$ 12,820,465

- (1) Amounts shown for this year are unaudited.
- (2) Effective July 1, 1986, the Legislature determined that the law enforcement officers of the Park Rangers of the Oklahoma Tourism and Recreation Department could be covered by the System. Additionally, effective July 1, 1986, all persons receiving benefits as of June 30, 1986, received a 6% increase in benefit payments.
- (3) Effective April 1, 1988, the Legislature passed HB 2013 which apportioned 5% of the insurance premium taxes collected by the State to the System.

Analysis of Funding Progress
Fiscal Years Ended June 30, 1988 through June 30, 1995

	1995	1994 (4)	1993
Net Assets Available for Benefits (at cost)	\$ 253,441,738	\$ 244,145,802	\$ 225,373,730
Pension Benefit Obligation	\$ 290,564,290	\$ 278,430,398	\$ 242,360,874
Percentage Funded	87.2%	87.7%	93.0%
Unfunded Pension Benefit Obligation (at cost)	\$ 37,122,552	\$ 34,284,596	\$ 16,987,144
Annual Covered Payroll	\$ 29,300,000	\$ 27,300,000	\$ 29,400,000
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	127%	126%	58%

- (1) The actuarial valuation as of July 1, 1989, included certain changes in actuarial assumptions. The rate of return on investments was increased to 7.5% from 6.5% and salary rate increases were increased to 5.9% from 4.5%. These assumption changes resulted in a net reduction of the pension benefit obligation of approximately \$21,000,000.
- (2) The actuarial valuation as of July 1, 1990, included the effects of the new Deferred Option Plan provisions and a 5% increase in benefit payments effective July 1, 1990, for members who were retired as of June 30, 1989. These changes resulted in a net increase of the pension benefit obligation of approximately \$7,200,000.

1991 (5)	1990	1989 (4)	1988 (3)	1987 (2)	1986 (1)
\$ 2,518,344	\$ 2,359,780	\$ 2,336,946	\$ 2,082,138	\$ 2,063,076	\$ 2,305,561
3,147,662	2,949,733	2,681,389	2,505,033	2,578,883	2,860,961
9,816,325	9,476,045	9,385,505	6,155,408	4,971,869	5,796,169
-	-	-	-	5,714,695	5,323,000
12,475,361	15,321,862	11,555,840	7,818,862	7,497,805	12,625,435
<u>\$ 27,957,692</u>	<u>\$ 30,107,420</u>	<u>\$ 25,959,680</u>	<u>\$ 18,561,441</u>	<u>\$ 22,826,328</u>	<u>\$ 28,911,126</u>
\$ 10,881,923	\$ 9,745,048	\$ 9,284,939	\$ 7,715,605	\$ 7,064,782	\$ 5,342,549
177,487	117,853	117,287	86,608	59,947	29,654
102,020	174,496	171,602	143,683	245,768	125,727
<u>\$ 11,161,430</u>	<u>\$ 10,037,397</u>	<u>\$ 9,573,828</u>	<u>\$ 7,945,896</u>	<u>\$ 7,370,497</u>	<u>\$ 5,497,930</u>

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

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

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

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

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Oklahoma Public Employees Retirement Plan (OPERS)

Revenues by Source and Expenses by Type Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993	1992
Revenues By Source:				
Legislative Appropriations	\$ -	\$ -	\$ -	\$ -
Member Contributions	29,202,934	29,113,352	28,816,149	27,767,268
State and Local Agency Contributions	118,786,354	111,615,426	112,654,847	111,910,058
(Unaudited) State and Local Agency Contributions as a Percentage of Annual Covered Payroll	10.8%	10.4%	11.1%	10.8%
Net Investment Income	112,203,245	250,756,324	128,885,707	220,559,282
Total	\$ 260,192,533	\$ 391,485,102	\$ 270,356,703	\$ 360,236,608
Expenses by Type:				
Benefits	\$ 152,327,223	\$ 140,780,790	\$ 132,464,583	\$ 125,243,459
Administrative Expenses	2,107,563	1,862,570	1,747,546	1,596,348
Refunds and Withdrawals	5,639,341	4,709,756	3,335,837	2,906,668
Total	\$ 160,074,127	\$ 147,353,116	\$ 137,547,966	\$ 129,746,475

Analysis of Funding Progress Fiscal Years Ended June 30, 1989 through June 30, 1995

	1995	1994	1993
Net Assets Available for Benefits	\$ 2,456,590,108	\$ 2,357,479,409	\$ 2,116,566,793
Pension Benefit Obligation	\$ 2,724,947,977	\$ 2,506,279,056	\$ 2,427,419,423
Percentage Funded	90.15%	94.06%	87.19%
Unfunded Pension Benefit Obligation	\$ 268,357,869	\$ 148,799,648	\$ 310,852,630
(Unaudited) Annual Covered Payroll	\$ 1,095,906,991	\$ 1,077,456,734	\$ 1,011,112,988
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	24.48%	13.81%	30.74%

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

1991	1990	1989	1988	1987	1986
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000
26,161,627	23,619,110	21,334,889	4,663,385	18,921,515	16,266,908
100,194,525	117,919,178	111,891,841	65,309,077	116,296,844	96,832,804
9.9%	12.1%	12.2%	8.2%	14.6%	12.9%
163,218,204	160,480,814	100,759,064	119,117,015	116,444,706	102,852,232
<u>\$ 289,574,356</u>	<u>\$302,019,102</u>	<u>\$ 233,985,794</u>	<u>\$189,089,477</u>	<u>\$251,663,065</u>	<u>\$ 219,451,944</u>
\$ 117,949,923	\$106,852,371	\$ 99,070,128	\$ 83,869,717	\$ 73,986,974	\$ 59,136,955
1,629,914	1,718,150	1,232,462	797,820	785,851	803,562
3,173,521	3,205,502	2,340,999	2,856,473	3,399,733	3,438,628
<u>\$ 122,753,358</u>	<u>\$111,776,023</u>	<u>\$ 102,643,589</u>	<u>\$ 87,524,010</u>	<u>\$ 78,172,558</u>	<u>\$ 63,379,145</u>

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

OKLAHOMA

Uniform Retirement System for Justices and Judges (URSJJ)

Revenues by Source and Expenses by Type Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993	1992
Revenues By Source:				
Member Contributions	\$ 1,093,153	\$ 1,053,418	\$ 1,039,428	\$ 991,639
Participating Court Contributions (Unaudited) Participating Court Contributions as a Percentage of Annual Covered Payroll	3,703,891 21.9%	3,703,055 22.7%	3,330,655 20.8%	3,470,218 22.9%
Net Investment Income	3,182,423	7,051,882	4,855,703	6,143,055
Total	\$ 7,979,467	\$ 11,808,355	\$ 9,225,786	\$ 10,604,912
Expenses by Type:				
Benefits	\$ 3,311,529	\$ 3,003,301	\$ 3,141,817	\$ 2,898,735
Administrative Expenses	94,391	72,199	79,264	197,949
Refunds and Withdrawals	265,212	139,653	64,193	47,874
Total	\$ 3,671,132	\$ 3,215,153	\$ 3,285,274	\$ 3,144,558

Analysis of Funding Progress Fiscal Years Ended June 30, 1988 through June 30, 1995

	1995	1994	1993
Net Assets Available for Benefits	\$ 79,707,241	\$ 75,398,906	\$ 66,805,704
Pension Benefit Obligation	\$ 75,304,515	\$ 71,133,585	\$ 68,208,081
Percentage Funded	105.8%	106.0%	97.9%
(Surplus) Unfunded Pension Benefit Obligation	\$ (4,402,726)	\$ (4,265,321)	\$ 1,402,377
Annual Covered Payroll	\$ 16,887,572	\$ 16,341,843	\$ 15,984,212
(Surplus) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	(26.07%)	(26.10%)	8.77%

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

1991	1990	1989	1988	1987	1986
\$ 1,076,433	\$ 903,148	\$ 870,365	\$ 812,970	\$ 794,851	\$ 799,618
3,864,488	3,856,758	3,527,863	4,149,011	3,296,922	3,502,321
26.8%	28.2%	26.6%	34.5%	29.2%	29.0%
4,205,425	3,655,054	3,336,138	3,021,588	4,031,520	2,266,821
<u>\$ 9,146,346</u>	<u>\$ 8,414,960</u>	<u>\$ 7,734,366</u>	<u>\$ 7,983,569</u>	<u>\$ 8,123,293</u>	<u>\$ 6,568,760</u>
\$ 2,712,342	\$ 2,613,347	\$ 2,114,662	\$ 1,983,966	\$ 1,849,268	\$ 1,688,236
99,564	84,268	76,794	51,778	45,491	44,424
198,968	24,933	54,318		181,141	73,012
<u>\$ 3,010,874</u>	<u>\$ 2,722,548</u>	<u>\$ 2,245,774</u>	<u>\$ 2,108,968</u>	<u>\$ 2,075,900</u>	<u>\$ 1,805,672</u>

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

OKLAHOMA

Oklahoma Police Pension and Retirement System (OPPRS)

Revenues by Source and Expenses by Type
Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993	1992
Revenues By Source:				
Employee Contributions	\$ 8,693,000	\$ 8,538,000	\$ 7,987,000	\$ 7,783,000
Employer Contributions	14,469,000	13,345,000	11,776,000	10,670,000
State Contribution	14,555,000	14,413,000	13,008,000	12,791,000
Investment Income	110,550,000	7,396,000	82,340,000	65,972,000
Total	\$ 148,267,000	\$ 43,692,000	\$ 115,111,000	\$ 97,216,000
Expenses by Type:				
Benefits (1)	\$ 39,878,000	\$ 39,140,000 (3)	\$ 30,415,000	\$ 28,139,000
Administrative Expenses (2)	3,455,000	3,039,000	2,343,000	2,134,000
Refunds	656,000	687,000	789,000	721,000
Total	\$ 43,989,000	\$ 42,866,000	\$ 33,547,000	\$ 30,994,000

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

Analysis of Funding Progress
Fiscal Years Ended June 30, 1987, through June 30, 1995

	1995	1994	1993	1992
Net Assets Available for Benefits	\$ 714,000,000	\$ 610,000,000	\$ 609,000,000	\$ 527,000,000
Pension Benefit Obligation	\$ 779,000,000	\$ 740,000,000	\$ 669,000,000	\$ 635,000,000
Percentage Funded	92%	82%	91%	83%
Unfunded Pension Benefit Obligation	\$ 65,000,000	\$ 130,000,000	\$ 60,000,000	\$ 108,000,000
(Unaudited) Annual Covered Payroll	\$ 113,000,000	\$ 108,000,000	\$ 106,000,000	\$ 100,000,000
(Unaudited) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	58%	120%	57%	108%

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

1991	1990	1989	1988	1987	1986
\$ 7,814,000	\$ 7,514,000	\$ 6,482,000	\$ 6,060,000	\$ 5,754,000	\$ 5,699,000
9,530,000	8,902,000	8,103,000	7,575,000	7,192,000	7,123,000
11,963,000	11,612,000	12,198,000	10,725,000	20,382,000	21,250,000
36,159,000	37,054,000	54,205,000	1,288,000	28,428,000	42,218,000
<u>\$ 65,466,000</u>	<u>\$ 65,082,000</u>	<u>\$ 80,988,000</u>	<u>\$ 25,648,000</u>	<u>\$ 61,756,000</u>	<u>\$ 76,290,000</u>
\$ 22,964,000	\$ 20,524,000	\$ 18,683,000	\$ 15,365,000	\$ 13,866,000	\$ 12,190,000
1,747,000	1,793,000	1,278,000	1,165,000	632,000	473,000
804,000	1,139,000	986,000	904,000	949,000	926,000
<u>\$ 25,515,000</u>	<u>\$ 23,456,000</u>	<u>\$ 20,947,000</u>	<u>\$ 17,434,000</u>	<u>\$ 15,447,000</u>	<u>\$ 13,589,000</u>

1991	1990	1989	1988	1987
\$ 461,000,000	\$ 421,000,000	\$ 379,000,000	\$ 320,000,000	\$ 311,000,000
\$ 593,000,000	\$ 529,000,000	\$ 468,000,000	\$ 425,000,000	\$ 386,000,000
78%	80%	81%	75%	81%
\$ 132,000,000	\$ 108,000,000	\$ 88,000,000	\$ 105,000,000	\$ 75,000,000
\$ 96,000,000	\$ 91,000,000	\$ 83,000,000	\$ 76,000,000	\$ 70,000,000
138%	119%	106%	138%	107%

OKLAHOMA

Teachers' Retirement System of Oklahoma (TRS)

Revenues by Source and Expenses by Type
Fiscal Years Ended June 30, 1986, through June 30, 1995

	1995	1994	1993	1992
Revenues By Source:				
Member Contributions	\$ 152,294,253	\$ 147,887,923	\$ 147,016,766	\$ 139,602,837
Employer Contributions	43,689,553	41,762,035	39,596,167	28,255,158
State Appropriations and Various Federal Sources	117,606,990	157,752,704	159,199,746	121,671,483
(Unaudited) Contributions from Employers and State and Federal Sources As a Percentage of Annual Covered Payroll	6.9%	9.1%	9.4%	7.5%
Net Investment Income	231,789,717	246,892,624	243,037,507	240,490,995
Other	115,290	275,097	-	21,598
Total	\$ 545,495,803	\$ 594,570,383	\$ 588,850,186	\$ 530,042,071
Expenses by Type:				
Benefits	\$ 377,520,148	\$ 348,889,153	\$ 332,087,795	\$ 317,540,438
Expenses	2,191,722	2,136,808	2,137,540	2,049,436
Refunds and Annuity Payments	29,946,427	19,208,770	19,809,556	20,287,267
Other	-	-	-	-
Total	\$ 409,658,297	\$ 370,234,731	\$ 354,034,891	\$ 339,877,141

Analysis of Funding Progress
Fiscal Years Ended June 30, 1988, through June 30, 1995

	1995	1994	1993
Net Assets Available for Retirement Benefits (at Cost)	\$ 2,693,237,571	\$ 2,576,753,605	\$ 2,369,782,704
Pension Benefit Obligation	\$ 6,893,690,381	\$ 6,076,229,889	\$ 5,783,086,176
Percentage Funded	39.1%	42.4%	41.0%
Unfunded Pension Benefit Obligation	\$ 4,200,452,810	\$ 3,499,476,284	\$ 3,413,303,472
Annual Covered Payroll	\$ 2,336,000,000	\$ 2,190,000,000	\$ 2,122,000,000
Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll	179.5%	159.8%	160.9%

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

OKLAHOMA

1991	1990	1989	1988	1987	1986
\$ 140,467,139	\$119,666,636	\$ 100,893,240	\$ 95,552,682	\$ 82,432,408	\$ 96,442,486
17,408,243	7,571,476	-	-	-	-
133,090,790	138,731,872	132,469,504	121,426,909	123,465,244	128,211,082
7.8%	8.4%	8.2%	8.1%	8.2%	9.2%
156,698,023	186,573,312	147,123,656	129,199,232	176,721,547	141,679,312
9,342	221,342	-	-	-	-
<u>\$ 447,673,537</u>	<u>\$452,764,638</u>	<u>\$ 380,486,400</u>	<u>\$346,178,823</u>	<u>\$382,619,199</u>	<u>\$ 366,332,880</u>
\$ 304,806,218	\$274,568,647	\$ 265,550,823	\$230,144,148	\$187,782,384	\$ 154,528,142
1,977,323	1,840,350	1,653,034	1,733,829	1,323,488	1,559,251
21,075,707	17,918,413	18,334,612	15,865,723	15,293,433	12,704,866
-	-	36,300,000	3,300,000	-	-
<u>\$ 327,859,248</u>	<u>\$294,327,410</u>	<u>\$ 321,838,469</u>	<u>\$251,043,700</u>	<u>\$204,399,305</u>	<u>\$ 168,792,259</u>

1992	1991	1990	1989	1988
\$ 2,151,334,330	\$ 1,975,196,222	\$ 1,867,353,855	\$ 1,722,681,239	\$ 1,678,430,905
\$ 5,472,154,977	\$ 5,275,409,236	\$ 4,834,566,801	\$ 4,108,284,000	\$ 3,326,151,000
39.3%	37.4%	38.6%	41.9%	50.5%
\$ 3,320,820,647	\$ 3,300,213,014	\$ 2,967,212,946	\$ 2,385,602,761	\$ 1,647,720,095
\$ 2,002,000,000	\$ 1,921,000,000	\$ 1,745,000,000	\$ 1,610,000,000	\$ 1,500,000,000
165.8%	171.8%	170.1%	148.2%	109.8%

OKLAHOMA

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, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
EDUCATION			
State Arts Council			
01 Personal Services	\$ 495,934	\$ 483,019	\$ 12,915
02 Other Operating Expenses	116,626	99,980	16,646
03 Artists-in-Communities	57,211	56,382	829
04 Community Arts Programs	2,274,843	2,232,752	42,091
05 Artists-in-Residence	167,481	165,202	2,279
06 Carryover from FY94 (194-04)	38,000	0	38,000
Agency Totals	3,150,095	3,037,335	112,760
Center for Advancement of Science and Technology			
01 Duties (1)	11,516	11,516	0
02 Applied Research (1)	2,843,764	2,843,764	0
03 Health Research (1)	2,263,818	2,263,818	0
04 Technology Transfer (1)	60,000	60,000	0
05 Admin and DP Functions (1)	697,157	697,157	0
06 President's Salary (1)	75,695	75,695	0
07 Transfer - Research Fund (1)	500,000	500,000	0
Agency Totals	6,451,950	6,451,950	0
Department of Education			
01 Financial Support of Schools	1,331,488,026	1,331,392,726	95,300
01 Financial Support of Schools	1,210,167	1,210,167	0
02 Financial Support of Schools	101,312	101,312	0
02 Financial Support of Schools	489,784	489,784	0
02 Financial Support of Schools	28,170,951	28,170,951	0
04 Alt. Education Academies	1,000,000	956,558	43,442
10 Homebound Children	1,278,696	1,278,693	3
11 Library Resources	676,077	671,220	4,857
17 Teacher Consultant Stipend	1,026,854	1,026,120	734
21 Schl/Comm. Network-Arts in Educ	138,776	138,776	0
23 School Lunch Matching (1)	2,612,123	2,612,123	0
24 School Lunch Program (1)	3,618,375	3,618,375	0
27 Adult Education Matching	795,121	795,121	0
28 Driver Education	1,720,000	1,683,586	36,414
30 Purchase of Textbooks	14,158,441	12,712,271	1,446,170
33 Early Intervention (1)	6,177,991	6,177,991	0
34 Hissom Compliance	339,200	72,897	266,303
35 Special Education Assistance	172,000	20,422	151,578
36 Summer Arts Programs	250,000	250,000	0
37 Parent Trng./Parents as Teachers	1,885,000	1,830,335	54,665
38 Parent Trng./ Parent Awareness	20,000	20,000	0
39 Parent Trng./ Program Evaluation	20,000	1,601	18,399
40 Parent Trng./ Public Housing Project	50,000	50,000	0
41 Parent Trng./Early Child Technical Assistance	45,000	44,803	197
44 Staff Development - Bartlesville	7,735	7,735	0
45 Staff Development - Woodward	99,456	99,456	0
46 Staff Development - McAlester	99,456	99,456	0
50 Alternative Educ. Academies	1,000,000	1,000,000	0
52 Psychometric Services	950,818	950,818	0
53 Alternative & High Challenge Grants	1,832,209	1,832,209	0
54 Staff Dev. Allocated by ADA	1,070,747	1,070,741	6
55 Staff Development - Ardmore	99,456	99,456	0

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Education - continued			
56 Staff Development - Lawton	99,456	99,456	0
57 Staff Development - Norman	99,456	99,456	0
58 Staff Development - Stillwater	99,456	99,456	0
59 Staff Development - Bartlesville	91,721	91,721	0
61 ICTE - Small School Co-ops	500,000	500,000	0
62 ICTE - Jane Brooks School for the Deaf	59,975	59,975	0
63 ICTE - Okla. Science & Engineering Fair	54,000	54,000	0
64 Agriculture Education Grants	50,000	50,000	0
65 ICTE - Telecommunications Curriculum	300,500	300,500	0
70 Admin. & Supp. Functions - State Dept. of Educ.	15,216,323	14,525,029	691,294
73 Okla. Cost Accounting System	203,400	182,236	21,164
74 Criterion Referenced Test	787,592	787,592	0
75 Minority Recruitment Center	350,000	184,972	165,028
76 Lease/Purchase Mainframe Upgrade	200,000	158,184	41,816
77 State Dept. Educ. - Parent Training Program	80,000	80,000	0
80 SDE - Admin. & Support Function	80,427	80,150	277
80 SDE - Admin. & Support Function	26,013	21,033	4,980
81 Purchase of Textbooks	1,531,169	1,531,169	0
82 SDE - Admin. & Support Function	39,799	13,579	26,220
87 Homebound Children	274	274	0
88 Library Resources	4,857	4,857	0
88 SDE - Admin. & Support Function	10,404	10,392	12
89 Teacher Consultant Stipends	820	820	0
89 Okla. Cost Accounting System	4,997	4,997	0
90 Criterion Referenced Test	32,161	31,005	1,156
90 Driver Education	106,305	106,305	0
91 Minority Recruitment Center	32,662	32,662	0
91 Special Education Assistance	455,874	454,132	1,742
92 Carryover from FY-93 (193-70/71)	39,579	37,560	2,019
93 Carryover from FY-94 (193-76)	79,824	79,824	0
94 Hissom Compliance	146,178	73,420	72,758
94 Carryover from FY-93 (193-34)	49,396	42,960	6,436
95 Carryover from FY-93 (193-37)	4,070	4,070	0
96 Parent Training Program	56,374	56,374	0
97 Carryover from FY-94 (192-83,86,97)	70,623	70,623	0
Agency Totals	1,423,567,456	1,420,414,486	3,152,970
Oklahoma Educational Television Authority			
01 Net SB 896 Oper. Appropriation	2,422,847	2,405,687	17,160
02 Duties	47,333	46,826	507
02 Carryover from FY-94 (194-02)	1,608	1,576	32
Agency Totals	2,471,788	2,454,089	17,699
Oklahoma Commission for Teacher Preparation			
01 Duties	150,000	91,037	58,963
Agency Totals	150,000	91,037	58,963
Commissioners of the Land Office			
01 Operations	5,136,851	4,622,596	514,255
Agency Totals	5,136,851	4,622,596	514,255

OKLAHOMA

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, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Education - continued			
Department of Libraries			
01 Personal Services	2,049,206	2,038,361	10,845
02 Other Operating Expenses	494,534	482,769	11,765
03 Carryover from FY-94 (191-02)	40,327	40,176	151
03 Dev. & Exp. of Public Library Svcs.	1,592,755	1,592,751	4
04 Books, etc., & Visual Materials	384,903	384,534	369
11 Payroll - c/o from FY94 (194-01)	616	616	0
12 Operations - FY-94 c/o (194-02)	756	754	2
14 Books - c/o from FY94 (194-04)	703	700	3
Agency Totals	4,563,800	4,540,661	23,139
Board of Private Vocational Schools			
01 Net SB 896 Oper. Appropriations	113,134	106,267	6,867
02 Duties	2,181	0	2,181
03 Carryover from FY-94 (194-01)	6,000	6,000	0
Agency Totals	121,315	112,267	9,048
Physician Manpower Training Commission			
01 SB 896 - Operations	5,254,795	5,184,674	70,121
01 Adjustment to SB 896	300,000	300,000	0
02 Duties	2,866	0	2,866
40 Carryover from FY-94	248,489	248,489	0
Agency Totals	5,806,150	5,733,163	72,987
School of Science & Mathematics			
01 Net SB 896 Oper. Appropriations	3,442,330	3,177,247	265,083
02 Duties	31,624	0	31,624
02 Carryover from FY-94 (194-01)	297,500	217,872	79,628
Agency Totals	3,771,454	3,395,119	376,335
Department of Vocational & Technical Education			
02 Duties	952,324	952,324	0
08 Duties	890,724	890,724	0
08 Duties	5,000,000	5,000,000	0
08 Capital Expenditures & Duties	3,000,000	2,982,047	17,953
08 SB 896 Oper. Appropriation	72,558,643	66,829,532	5,729,111
10 Truck Driver Training	1,405,058	1,405,058	0
11 Equine Training Program	22,563	22,563	0
12 Carryover from FY-94 (100-02)	29,254	29,254	0
12 Statewide Diesel Program	175,423	175,423	0
13 Duties	535,733	535,733	0
15 Carryover from FY-94 (194-05)	398,585	398,585	0
16 Opportunities Industrial Center	5,209	5,209	0
18 Carryover from FY-94 (194-08)	1,337,335	1,337,334	1
21 Carryover from FY-94 (194-01)	3,290,548	3,290,548	0
23 Carryover from FY-94 (194-03)	1,203,492	1,203,492	0
30 Duties	2,000,000	2,000,000	0
Agency Totals	92,804,891	87,057,826	5,747,065
Education Totals	1,547,995,750	1,537,910,529	10,085,221

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
GENERAL GOVERNMENT			
Office of State Finance			
01 Duties	8,328,838	7,439,596	889,242
01 Intergovernmental Assessments	627,810	627,037	773
02 Transition Cost - Governor	30,000	30,000	0
03 Transition Cost - Lt. Governor	10,000	9,134	866
Agency Totals	8,996,648	8,105,767	890,881
Capitol Improvement Authority			
01 Bond Retirement	143,867	143,867	0
Agency Totals	143,867	143,867	0
Department of Commerce			
01 General Operations	9,764,061	9,448,607	315,454
01 General Operations	609,443	609,206	237
02 ORIGINS	225,000	225,000	0
03 Community Action Agencies	2,587,769	2,578,185	9,584
04 Inventors Assistance Program	162,355	157,771	4,584
05 Minority Business (1)	225,000	225,000	0
06 Rural Enterprises, Inc.	27,000	25,805	1,195
07 Substate Planning Districts	426,604	426,604	0
08 Little Dixie CAA (Youth Prog.)	31,500	31,500	0
09 SEOSU (Small Bus. Dev. Ctrs. Prog.)	639,028	639,028	0
10 Community Development (1)	135,000	135,000	0
11 Rural Regional Inc. Program	50,000	50,000	0
12 Community Development Inst.	75,000	66,747	8,253
13 Capital Inv. Bd. - Assoc. Program	50,000	0	50,000
14 Aerospace Cont. Asst. Program	114,443	114,443	0
21 Carryover from FY-94	460,041	459,894	147
Agency Totals	15,582,244	15,192,790	389,454
State Election Board			
01 Special Elections	850,000	0	850,000
01 Duties	5,917,321	3,899,472	2,017,849
02 Duties	57,700	57,560	140
11 Duties	1,552,218	1,552,139	79
12 Duties	1,259,880	1,146,044	113,836
21 Duties	1,348,000	1,208,919	139,081
44 Election Expenses	778,355	778,340	15
Agency Totals	11,763,474	8,642,474	3,121,000
Merit Protection Commission			
01 Duties	502,167	489,340	12,827
11 Duties	70,044	70,044	0
12 Duties	15,000	15,000	0
21 Legal Services	15,000	0	15,000
Agency Totals	602,211	574,384	27,827

OKLAHOMA

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, 1995

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
General Government - continued			
Ethics Commission			
01 Duties	318,693	312,922	5,771
11 Duties	<u>3,933</u>	<u>3,932</u>	<u>1</u>
Agency Totals	<u>322,626</u>	<u>316,854</u>	<u>5,772</u>
Auditor & Inspector			
01 Duties	3,432,469	3,432,468	1
02 County Gov. Pers. Educ. & Trng.	383,591	383,591	0
03 Uniform Computer System	45,000	45,000	0
04 Purchase of Computer Equipment	25,000	24,152	848
11 Purchase of Computer Equipment	125,000	124,997	3
12 Duties	365	365	0
13 Duties	<u>762</u>	<u>762</u>	<u>0</u>
Agency Totals	<u>4,012,187</u>	<u>4,011,335</u>	<u>852</u>
Governor			
01 Duties	1,978,924	1,978,922	2
02 Mansion Allowance	<u>35,000</u>	<u>35,000</u>	<u>0</u>
Agency Totals	<u>2,013,924</u>	<u>2,013,922</u>	<u>2</u>
Senate			
01 Operations	7,470,831	6,837,885	632,946
02 Duties	<u>109,380</u>	<u>0</u>	<u>109,380</u>
Agency Totals	<u>7,580,211</u>	<u>6,837,885</u>	<u>742,326</u>
House of Representatives			
01 Operations	11,082,178	9,918,705	1,163,473
02 Statutes	350,000	89,725	260,275
03 Duties	<u>82,928</u>	<u>0</u>	<u>82,928</u>
Agency Totals	<u>11,515,106</u>	<u>10,008,430</u>	<u>1,506,676</u>
Legislative Service Bureau			
01 Operations	2,847,709	238,097	2,609,612
02 Duties	<u>17,658</u>	<u>0</u>	<u>17,658</u>
Agency Totals	<u>2,865,367</u>	<u>238,097</u>	<u>2,627,270</u>
Lieutenant Governor			
01 Duties	277,912	229,856	48,056
11 Duties	213,290	211,850	1,440
21 Duties	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Agency Totals	<u>511,202</u>	<u>441,706</u>	<u>69,496</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
General Government - continued			
Office of Personnel Management			
01 Duties	4,307,878	4,157,878	150,000
11 Duties	300,000	300,000	0
Agency Totals	4,607,878	4,457,878	150,000
Department of Central Services			
01 Asbestos Abatement	936,403	926,889	9,514
01 Duties	5,366,078	4,797,999	568,079
02 Building and Facility Revolving Fund (1)	3,936,037	3,936,037	0
03 Duties	376,554	376,554	0
04 Veterans Memorial	5,000	5,000	0
05 Hissom Memorial	200,000	187,544	12,456
11 Duties	529,673	485,714	43,959
11 Duties	208,554	208,554	0
51 Arch. & Engin. for Sears Bldg.	100,000	100,000	0
Agency Totals	11,658,299	11,024,291	634,008
Secretary of State			
01 Operations	197,314	187,619	9,695
02 Volunteerism	122,400	72,974	49,426
03 Administrative Rules	135,000	85,578	49,422
11 Duties	92,558	92,558	0
12 Duties	120,984	20,984	100,000
13 Duties	47,248	33,627	13,621
22 Ballot Titles	10,000	10,000	0
Agency Totals	725,504	503,340	222,164
Tax Commission			
01 Visual Inspection/Mass Appraisal (1)	1,000,000	1,000,000	0
02 Revenue Estimates	100,000	100,000	0
03 County Reimbursement (1)	647,543	647,543	0
12 Revenue Estimating System	2,122	2,122	0
30 Duties	44,939,065	44,215,382	723,683
31 Duties	363,924	363,924	0
Agency Totals	47,052,654	46,328,971	723,683
State Treasurer			
01 Duties	3,211,139	3,107,068	104,071
01 State Land Reimbursement (1)	100,000	100,000	0
02 Bank Service Charges	615,000	607,177	7,823
11 Duties	210,000	207,210	2,790
13 Bank Service Charges	85,000	85,000	0
Agency Totals	4,221,139	4,106,455	114,684
General Government Totals	134,174,541	122,948,446	11,226,095

OKLAHOMA

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, 1995

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
HEALTH SERVICES			
Health Department			
01 Operations	30,717,898	29,629,042	1,088,856
02 Eldercare Program (1)	5,388,995	5,388,995	0
04 Margaret Hudson Program	42,977	42,977	0
05 Mary Mahoney Center	172,910	172,910	0
06 S.E. Area Health Center	172,910	172,910	0
07 Morton Comp. Health Services	311,902	311,902	0
08 Sickle Cell Research Foundation	104,000	104,000	0
09 Emerson Teen Program	135,360	135,360	0
10 Alzheimer's Research Advisory Com.	55,475	55,475	0
11 Tolliver Alternative Care Center	46,599	46,597	2
12 Child Abuse Prevention (1)	1,481,221	1,481,221	0
13 Duties	1,222,679	1,219,207	3,472
30 Operations	390,000	385,614	4,386
45 Duties and Responsibilities	430,735	413,172	17,563
47 Emerson Teen Parent	8,048	8,048	0
Agency Totals	<u>40,681,709</u>	<u>39,567,430</u>	<u>1,114,279</u>
Department of Mental Health			
01 Operations	106,915,931	106,414,560	501,371
02 Duties	3,927,791	3,927,791	0
21 Central Office	18,878	18,878	0
22 State Hospitals	76,326	76,326	0
23 State Community Mental Health Centers (CMCH)	4,248	4,248	0
24 Alcohol & Drug	16,574	16,574	0
25 Private CMHC's	39,625	39,625	0
26 Private Alcohol & Drug Prog.	91,060	91,060	0
27 Domestic Programs	5	5	0
28 Data Processing	81,739	81,739	0
29 Residential Care Programs	9,575	9,575	0
30 Operations	2,800,000	2,800,000	0
30 Duties	410,000	409,321	679
Agency Totals	<u>114,391,752</u>	<u>113,889,702</u>	<u>502,050</u>
Health Services Totals	<u>155,073,461</u>	<u>153,457,132</u>	<u>1,616,329</u>
LEGAL AND JUDICIARY			
Attorney General			
01 Duties	4,037,501	3,875,915	161,586
02 Public Relations Board	40,000	40,000	0
03 Duties	60,737	60,737	0
04 Civil Litigation Division	89,830	85,927	3,903
11 Duties	292,135	292,135	0
12 Duties	16,252	16,252	0
22 Evidence Fund	150,000	150,000	0
44 Census Litigation	99,379	14,922	84,457
Agency Totals	<u>4,785,834</u>	<u>4,535,888</u>	<u>249,946</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Legal and Judiciary - continued			
Court of Criminal Appeals			
01 Duties	1,736,022	1,692,364	43,658
02 Duties	30,631	30,631	0
03 FY-93 Legal Fees	178,665	178,665	0
04 Court Backlog	301,420	301,420	0
05 Update Jury Instructions	30,000	24,155	5,845
11 Duties	21,483	21,483	0
11 Harris Case Backlog	128	128	0
12 Duties	67,638	67,638	0
Agency Totals	2,365,987	2,316,484	49,503
District Courts			
01 Duties	8,765,175	8,765,175	0
01 Duties	10,153,354	9,797,084	356,270
02 Duties	2,257,440	2,257,440	0
11 Duties	318,666	318,660	6
11 Duties	4,223,027	4,223,027	0
22 Duties	1,736	1,736	0
Agency Totals	25,719,398	25,363,122	356,276
District Attorneys Council			
01 Duties	23,668,102	23,420,737	247,365
01 Witness Fees	380,000	380,000	0
02 Duties	146,071	0	146,071
02 Evidence Fund (1)	25,000	25,000	0
11 Duties	269,008	269,008	0
11 Duties	29,358	29,358	0
Agency Totals	24,517,539	24,124,103	393,436
Workers' Compensation Court			
01 Duties	3,428,968	3,427,544	1,424
02 Duties	200,533	191,528	9,005
10 Physician Advisory Committee	86,957	84,480	2,477
20 Independent Medical Examiners	14,442	14,103	339
23 Duties	44,345	44,317	28
30 Counselor's Program	101,589	101,393	196
40 Judges Per diem	25,000	24,902	98
Agency Totals	3,901,834	3,888,267	13,567
Supreme Court			
01 Duties	3,685,499	3,470,496	215,003
01 Duties	304,000	304,000	0
01 Operations	3,546,169	3,516,186	29,983
01 Supreme Court Revolving Fund (1)	896,567	896,567	0
02 Duties	333,824	321,689	12,135
11 Duties	234,392	234,242	150
Agency Totals	9,000,451	8,743,180	257,271

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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, 1995

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Legal and Judiciary - continued			
Indigent Defense System			
01 Duties	8,297,624	8,264,830	32,794
02 Duties	36,795	36,795	0
11 Duties	<u>64,526</u>	<u>64,346</u>	<u>180</u>
Agency Totals	<u>8,398,945</u>	<u>8,365,971</u>	<u>32,974</u>
Legal and Judiciary Totals	<u>78,689,988</u>	<u>77,337,015</u>	<u>1,352,973</u>
MUSEUMS			
J. M. Davis Memorial Commission			
01 Operations	336,919	336,896	23
02 Duties	<u>6,687</u>	<u>6,687</u>	<u>0</u>
Agency Totals	<u>343,606</u>	<u>343,583</u>	<u>23</u>
Historical Society			
01 Gen. Ops. - Personal Services	1,224,037	1,205,587	18,450
02 Gen. Ops. - Personal Services	133,570	128,942	4,628
03 Sites & Museums - Personal Services	2,367,615	2,334,704	32,911
04 Sites & Museums - Other Operating Expenses	551,484	542,598	8,886
05 Historical Preservation - Personal Service	114,064	112,570	1,494
06 Historical Preservation - Other Operating Expenses	9,544	8,993	551
07 Living History Grants	50,000	39,688	10,312
08 Battlefield Survey	20,000	0	20,000
11 Carryover from FY-94 (194-01)	18,775	18,775	0
12 Carryover from FY-94 (194-02)	1,522	1,522	0
13 Carryover from FY-94 (194-03)	698	698	0
14 Carryover from FY-94 (194-04)	10,270	10,266	4
15 Carryover from FY-94 (194-05)	942	942	0
16 Carryover from FY-94 (194-06)	443	443	0
Agency Totals	<u>4,502,964</u>	<u>4,405,728</u>	<u>97,236</u>
Will Rogers Memorial Commission			
01 Operations	487,932	487,929	3
02 Duties	<u>13,936</u>	<u>13,859</u>	<u>77</u>
Agency Totals	<u>501,868</u>	<u>501,788</u>	<u>80</u>
Museums Totals	<u>5,348,438</u>	<u>5,251,099</u>	<u>97,339</u>
NATURAL RESOURCES			
Department of Agriculture			
01 Administration Division	2,045,417	2,018,511	26,906
04 AGLINK/Mediation Program	163,386	163,386	0
05 National Wheat Harvest Festival	10,000	10,000	0
06 Poultry Show	5,000	5,000	0
07 Center for Intl. Trade Program	80,000	60,000	20,000
09 Statistical Reporting	72,731	72,731	0

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Natural Resources - continued			
10 Animal Diagnostic Lab.	47,525	47,525	0
11 Forestry Division	4,401,979	4,401,793	186
14 Dry Fire Hydrant Program	50,000	50,000	0
15 Rural Fire Protection Program	200,000	199,519	481
16 Wheat Root Rot & Field Dem. Research	20,645	17,488	3,157
17 Tick Research	50,970	50,970	0
18 Peanut Pod Rot/Field Demo. Research	35,001	35,001	0
19 Rural Fire Dept. Operational Grants	200,000	199,492	508
21 Animal Industry Division	3,589,422	3,517,011	72,411
22 Brucellosis Depopulation & related expenses	142,575	120,641	21,934
24 Statewide Fin. Mgmt. Assistance Program	117,562	117,562	0
27 Poultry Research & Dis. Ctrl. & Vet.	237,625	237,625	0
30 Carryover from FY-94	165,238	165,238	0
31 Market Development Division	554,133	551,441	2,692
36 Rural Firefighter Coordinator	494,000	494,000	0
37 Rural Development Services	49,489	49,489	0
41 Plant Ind. and Consumer Serv. Division	1,017,192	1,017,192	0
51 Predatory Animal Control Division	517,174	517,174	0
67 Agricultural Laboratory Division	1,319,311	1,229,809	89,502
Agency Totals	15,586,375	15,348,598	237,777
Department of Environmental Quality			
01 Operations	7,072,726	6,869,512	203,214
02 Adjustment to SB 896	275,004	221,502	53,502
03 Carryover from FY-94	200,700	195,837	4,863
Agency Totals	7,548,430	7,286,851	261,579
Tourism & Recreation			
01 Division of Administration	1,917,328	1,917,328	0
02 Data Processing	526,849	522,549	4,300
03 Division of Parks	12,830,112	12,827,945	2,167
04 Division of Planning & Development	801,677	753,934	47,743
05 Division of State Resorts	1,259,777	1,231,147	28,630
06 Division of Marketing Services	2,062,087	2,062,086	1
07 Traveler Information Centers	794,597	752,238	42,359
08 Oklahoma Today Magazine	231,153	231,123	30
09 Multi-County Organizations	764,745	762,245	2,500
10 Scenic River Commission (1)	276,554	276,554	0
11 Tsa-La-Gi "Theme" Park	37,575	37,575	0
12 Nat'l Indian Arts and Crafts	30,000	30,000	0
13 Red Man Bass Festival	25,000	25,000	0
14 Summer Arts Institute	39,600	39,600	0
15 North Cent. Amer. OK Botanical	25,000	25,000	0
16 Western Plains Indians Promotion	44,000	44,000	0
17 Jazz Hall of Fame	125,000	125,000	0
18 Shakespearean Festival	30,000	30,000	0
19 Comp. Fin. Mgmt. Reporting System	342,000	290,788	51,212
40 Carryover from FY-94	139,051	138,995	56
Agency Totals	22,302,105	22,123,107	178,998

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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, 1995

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Natural Resources - continued			
Conservation Commission			
01 Watershed Maint. and Safety	600,000	600,000	0
01 Administration	370,761	370,761	0
02 Watershed Planning and Development	80,714	80,714	0
03 District Employees Benefits	791,000	791,000	0
04 Field Service	3,652,872	3,652,872	0
05 Complaint Database Mgmt. System	36,000	36,000	0
06 Water Quality Cost Share Program	65,000	65,000	0
07 Carryover	13,499	13,499	0
Agency Totals	<u>5,609,846</u>	<u>5,609,846</u>	<u>0</u>
Water Resources Board			
01 Operations	<u>3,447,074</u>	<u>3,253,022</u>	<u>194,052</u>
Agency Totals	<u>3,447,074</u>	<u>3,253,022</u>	<u>194,052</u>
Natural Resources Totals	<u>54,493,830</u>	<u>53,621,424</u>	<u>872,406</u>
PUBLIC SAFETY AND DEFENSE			
Military Department			
10 Personal Services	2,675,696	2,675,529	167
30 Other Operating Expenses	<u>1,338,369</u>	<u>1,150,771</u>	<u>187,598</u>
Agency Totals	<u>4,014,065</u>	<u>3,826,300</u>	<u>187,765</u>
A.B.L.E. Commission			
10 Personal Services	2,664,970	2,664,970	0
30 Other Operating Expenses	<u>624,940</u>	<u>624,940</u>	<u>0</u>
Agency Totals	<u>3,289,910</u>	<u>3,289,910</u>	<u>0</u>
Department of Corrections			
01 Community Sentencing Program	1,600,000	1,596,405	3,595
02 Expand Work Centers	400,000	392,390	7,610
03 General Operating Expenses	5,000,000	5,000,000	0
11 General Operating Expenses	793,000	793,000	0
30 General Operating Expenses	167,183,728	165,417,288	1,766,440
31 General Operating Expenses	10,982,993	10,982,923	70
34 General Expenditures	479,536	479,525	11
50 General Operations	1,944,273	1,942,544	1,729
51 Fully fund FY-95 Payroll	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>
Agency Totals	<u>189,383,530</u>	<u>187,604,075</u>	<u>1,779,455</u>
Pardon & Parole Board			
10 Personal Services	1,412,692	1,235,225	177,467
20 General Operations	30,656	30,656	0
30 Other Operating Expenses	<u>108,277</u>	<u>108,096</u>	<u>181</u>
Agency Totals	<u>1,551,625</u>	<u>1,373,977</u>	<u>177,648</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Public Safety and Defense - continued			
State Bureau of Investigation			
10 Personal Services	6,618,668	6,611,985	6,683
30 Other Operating Expenses	1,620,955	1,585,697	35,258
31 General Operating Expenses	19,500	19,490	10
Agency Totals	8,259,123	8,217,172	41,951
Civil Emergency Management			
10 Personal Services	330,000	329,989	11
30 Other Operating Expenses	166,329	166,329	0
Agency Totals	496,329	496,318	11
State Fire Marshall			
10 Personal Services	801,556	784,216	17,340
11 Personal Services	5,019	5,019	0
30 Other Operating Expenses	204,514	125,893	78,621
31 Other Operating Expenses	94,981	94,981	0
Agency Totals	1,106,070	1,010,109	95,961
Board of Medicolegal Investigations			
01 Operations	2,279,961	2,273,613	6,348
03 Duties	31,665	9,596	22,069
50 Duties	8,669	8,669	0
Agency Totals	2,320,295	2,291,878	28,417
Council on Law Enforcement, Education & Training			
	273,413	260,736	12,677
10 Personal Services	1,068,694	1,046,463	22,231
11 Personal Services	42,661	36,950	5,711
12 General Expenses	97,301	65,921	31,380
30 Other Operating Expenses	460,339	382,901	77,438
31 Other Operating Expenses	72,195	64,062	8,133
31 General Expenses	128,941	114,236	14,705
32 Other Operating Expenses	73,170	68,187	4,983
34 General Expenses			
Agency Totals	2,216,714	2,039,456	177,258
Bureau of Narcotics & Dangerous Drugs			
10 Personal Services	2,962,481	2,706,191	256,290
11 Personal Services	116,958	116,958	0
30 Other Operating Expenses	725,120	725,120	0
Agency Totals	3,804,559	3,548,269	256,290
Department of Public Safety			
02 Purchase Motor Vehicles	1,500,000	1,497,566	2,434
21 General Operations	47,001,150	47,001,150	0
22 General Operations	1,770,072	1,770,072	0

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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, 1995

	GENERAL FUND		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Public Safety and Defense - continued			
31 General Operations	174,914	174,914	0
32 General Operating Expenses	<u>371,174</u>	<u>371,174</u>	<u>0</u>
Agency Totals	<u>50,817,310</u>	<u>50,814,876</u>	<u>2,434</u>
Public Safety and Defense Totals	<u>267,259,530</u>	<u>264,512,340</u>	<u>2,747,190</u>
REGULATORY SERVICES			
State Banking Department			
01 SB 896 - Operations Adjustment	2,187,427	2,187,413	14
02 Duties	28,442	28,442	0
03 Carryover from FY-94	<u>140,703</u>	<u>140,703</u>	<u>0</u>
Agency Totals	<u>2,356,572</u>	<u>2,356,558</u>	<u>14</u>
Department of Mines			
01 Net SB 896 Operating Approp.	<u>907,321</u>	<u>907,321</u>	<u>0</u>
Agency Totals	<u>907,321</u>	<u>907,321</u>	<u>0</u>
Corporation Commission			
01 Operations	1,721,188	1,658,666	62,522
02 Operations (2)	2,000,000	2,000,000	0
03 Carryover from FY-94	17,154	17,154	0
04 Supplemental for Prev. Furlough	<u>388,000</u>	<u>388,000</u>	<u>0</u>
Agency Totals	<u>4,126,342</u>	<u>4,063,820</u>	<u>62,522</u>
Horse Racing Commission			
01 Operations	1,974,737	1,889,295	85,442
02 Operations	38,551	38,551	0
03 Carryover from FY-94	<u>34,772</u>	<u>34,748</u>	<u>24</u>
Agency Totals	<u>2,048,060</u>	<u>1,962,594</u>	<u>85,466</u>
State Insurance Department			
01 Operations	2,407,024	2,199,560	207,464
02 General Operations	70,608	70,608	0
03 Carryover from FY-94	<u>450,000</u>	<u>450,000</u>	<u>0</u>
Agency Totals	<u>2,927,632</u>	<u>2,720,168</u>	<u>207,464</u>
Department of Labor			
01 Operations	1,710,000	1,580,243	129,757
01 Operations	1,062,783	1,045,435	17,348
02 Operations	188,386	188,386	0
02 Prevailing Wage Unit	275,000	252,071	22,929
03 Operations	159,785	159,781	4
04 Carryover from FY-94	12,038	11,751	287
11 General Operations	<u>79,356</u>	<u>77,105</u>	<u>2,251</u>
Agency Totals	<u>3,487,348</u>	<u>3,314,772</u>	<u>172,576</u>

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Regulatory Services - continued			
Liquified Petroleum Gas Board			
01 Operations	390,868	349,736	41,132
Agency Totals	390,868	349,736	41,132
Securities Commission			
01 Operations	520,279	520,279	0
12 Carryover from FY-94	69,000	69,000	0
Agency Totals	589,279	589,279	0
Commission on Consumer Credit			
01 Operations	665,643	628,332	37,311
02 Operations	10,009	7,427	2,582
03 Carryover from FY-94	38,466	19,130	19,336
Agency Totals	714,118	654,889	59,229
Regulatory Services Total	17,547,540	16,919,137	628,403
SOCIAL SERVICES			
Commission on Children and Youth			
10 Operations	1,281,333	1,227,425	53,908
30 Operations	14,271	14,271	0
40 Carryover for FY-95	42,900	42,900	0
Agency Totals	1,338,504	1,284,596	53,908
Office of Handicapped Concerns			
01 Operations	283,570	251,131	32,439
20 Duties	11,936	7,089	4,847
Agency Totals	295,506	258,220	37,286
Human Rights Commission			
10 Operations	676,634	676,634	0
Agency Totals	676,634	676,634	0
Indian Affairs Commission			
02 Duties	29,432	26,213	3,219
10 Operations	172,262	144,902	27,360
30 Duties	4,500	4,500	0
Agency Totals	206,194	175,615	30,579

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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, 1995

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
Social Services - continued			
Department of Veterans Affairs			
02 Operations	1,000,000	1,000,000	0
10 Operations	14,700,507	14,700,507	0
30 Duties	531,176	531,176	0
Agency Totals	16,231,683	16,231,683	0
Department of Human Services			
01 Operations - DHS (1)	607,330,288	607,330,288	0
02 Duties (1)	13,958,381	13,958,381	0
03 Medicaid Program (1)	200,000	200,000	0
03 Operations - DHS (1)	10,000,000	10,000,000	0
05 Juvenile Justice Detention Beds (1)	500,000	500,000	0
06 Delinquency & Youth Gang Inter. (1)	500,000	500,000	0
03 Operations - DHS (1)	15,000,000	15,000,000	0
Agency Totals	647,488,669	647,488,669	0
J. D. McCarty Center for Handicapped Children			
02 Operations	500,000	500,000	0
10 Operations	460,000	460,000	0
30 Duties	412,126	412,126	0
Agency Totals	1,372,126	1,372,126	0
Department of Rehabilitative Services			
03 Operations - Rehab. Svcs. (1)	18,153,177	18,153,177	0
04 Duties - Rehab. Svcs. (1)	474,222	474,222	0
04 Operations - Rehab. Svcs. (1)	3,000,000	3,000,000	0
Agency Totals	21,627,399	21,627,399	0
Health Care Authority			
01 Operations (1)	422,800	422,800	0
02 Duties (1)	6,176,957	6,176,957	0
Agency Totals	6,599,757	6,599,757	0
University Hospitals Authority			
01 Operations	26,076,815	23,830,025	2,246,790
02 Duties	299,806	0	299,806
03 Poison Control Center	100,000	100,000	0
Agency Totals	26,476,621	23,930,025	2,546,596
Social Services Total	722,313,093	719,644,724	2,668,369

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
TRANSPORTATION			
Department of Transportation			
01 Other Operating Expenses (1)	169,877,376	169,877,376	0
02 Other Operating Expenses (1)	37	37	0
Agency Totals	169,877,413	169,877,413	0
Transportation Total	169,877,413	169,877,413	0
GENERAL FUND TOTALS	<u>\$ 3,152,773,584</u>	<u>\$ 3,121,479,259</u>	<u>\$ 31,294,325</u>

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

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Combining Financial Statements

Combining Financial Statements
- Trust and Agency Funds

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

EXPENDABLE TRUST FUNDS

Expendable Trust Funds account for assets held by the State in a trustee capacity where the principal and income may be expended in the course of the funds' designated operations. A brief description of each fund follows:

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

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

NONEXPENDABLE TRUST FUND

The Nonexpendable Trust Fund accounts for the assets held by the State in a trustee capacity where only income derived from the trust principal may be expended for designated operations. The principal must be preserved intact. A brief description of the Fund follows:

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

PENSION TRUST FUNDS

Pension Trust Funds account for transactions, assets, liabilities, and net assets available for plan benefits of the various state Public Employee Retirement Systems. See 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. A brief description of each of Oklahoma's Agency Funds follows:

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

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

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

Workers' Compensation Claims Under Appeal contains money being held in trust for an injured worker whose claim is on appeal. This fund is maintained by the Workers' Compensation Court.

Unsettled Premium Tax Suits is an escrow account being maintained by the Oklahoma Insurance Department for the purpose of depositing protested taxes and/or fees imposed under Oklahoma law.

Other monies accounted for by the State Department of Health for bond requirements for disposal sites, by the Department of Public Safety for the retention and refund of financial responsibility security amounts and sign deposits for motor vehicle inspection stations.

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

Other is monies accounted for (1) by the 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, and (4) donations held by the District Attorney's Council for the Murrah Crime Victims Compensation Fund.

OKLAHOMA

Combining Balance Sheet Trust and Agency Funds

June 30, 1995

(with comparative totals for June 30, 1994)

(expressed in thousands)

	Expendable Trusts	Nonexpendable Trust Commissioners of the Land Office
	<u> </u>	<u> </u>
Assets		
Cash/Cash Equivalents	\$ 499,944	\$ 433
Investments	32,905	675,136
Accounts Receivable	2,456	0
Interest and Investment Revenue Receivable	0	0
Contributions Receivable	0	0
Federal Grants Receivable	304	0
Taxes Receivable	3,032	0
Other Receivables	0	94,992
Due from Broker s	0	0
Due from Other Funds	0	0
Due from Component Units	0	0
Inventory	0	0
Fixed Assets , Net	0	0
Other Assets	0	8,755
	<u> </u>	<u> </u>
Total Assets	<u>\$ 538,641</u>	<u>\$ 779,316</u>
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 0	\$ 0
Tax Refunds Payable	53	0
Due to Broker s	0	0
Due to Other Funds	0	0
Due to Others	0	0
Deferred Revenue	2,274	3,794
Compensated Absences	0	0
Benefits in the Process of Payment	0	0
Deferred Compensation	0	0
	<u> </u>	<u> </u>
Total Liabilities	<u>2,327</u>	<u>3,794</u>
Fund Balances		
Reserved		
Unemployment Benefits	502,248	0
Preservation of Wildlife	34,066	0
Pension Benefits	0	0
Permanent Trust	0	754,249
Undistributed Revenue	0	21,273
	<u> </u>	<u> </u>
Total Fund Balances	<u>536,314</u>	<u>775,522</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 538,641</u>	<u>\$ 779,316</u>

OKLAHOMA

Pension Trusts	Agency	Total	
		1995	1994
\$ 5,007 7,153,246 0 58,990 4,027 0 0 34 81,734 20,126 1,266 0 2,307 0 <hr/> \$ 7,326,737	\$ 36,762 230,158 347 588 0 0 63 0 0 375 290 0 0 0 <hr/> \$ 356,747	\$ 542,146 8,091,445 2,803 59,578 4,027 304 3,095 95,026 81,734 20,501 1,556 88,164 2,307 8,755 <hr/> \$ 9,001,441	\$ 496,916 7,625,169 3,207 52,156 3,559 242 4,796 101,135 31,276 22,703 483 85,272 1,977 8,230 <hr/> \$ 8,437,121
\$ 2,162 0 81,380 0 0 0 166 55,281 0 <hr/> 138,989 0 0 7,187,748 0 0 <hr/> 7,187,748 <hr/> \$ 7,326,737	\$ 7 3,026 0 26 213,026 0 0 0 140,662 <hr/> 356,747 0 0 0 0 0 <hr/> 0 <hr/> \$ 356,747	\$ 2,169 3,079 81,380 26 213,026 6,068 166 55,281 140,662 <hr/> 501,857 502,248 34,066 7,187,748 754,249 21,273 <hr/> 8,499,584 <hr/> \$ 9,001,441	\$ 1,724 2,599 85,781 215 202,798 8,031 115 43,312 124,057 <hr/> 468,632 457,866 29,476 6,735,943 724,878 20,326 <hr/> 7,968,489 <hr/> \$ 8,437,121

OKLAHOMA

Combining Balance Sheet Expendable Trust Funds

June 30, 1995

(with comparative totals for June 30, 1994)

(expressed in thousands)

	Employment Security Commission	Department Of Wildlife	Total	
			1995	1994
Assets				
Cash/Cash Equivalents	\$ 498,783	\$ 1,161	\$ 499,944	\$ 457,994
Investments	0	32,905	32,905	26,104
Accounts Receivable	2,456	0	2,456	2,735
Federal Grants Receivable	304	0	304	242
Taxes Receivable	3,032	0	3,032	4,697
Total Assets	<u>\$ 504,575</u>	<u>\$ 34,066</u>	<u>\$ 538,641</u>	<u>\$ 491,772</u>
Liabilities and Fund Balances				
Liabilities				
Tax Refunds Payable	\$ 53	\$ 0	\$ 53	\$ 0
Deferred Revenue	2,274	0	2,274	4,430
Total Liabilities	<u>2,327</u>	<u>0</u>	<u>2,327</u>	<u>4,430</u>
Fund Balances				
Reserved				
Unemployment Benefits	502,248	0	502,248	457,866
Preservation of Wildlife	0	34,066	34,066	29,476
Total Fund Balances	<u>502,248</u>	<u>34,066</u>	<u>536,314</u>	<u>487,342</u>
Total Liabilities and Fund Balances	<u>\$ 504,575</u>	<u>\$ 34,066</u>	<u>\$ 538,641</u>	<u>\$ 491,772</u>

OKLAHOMA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Expendable Trust Funds

For the Fiscal Year Ended June 30, 1995
(with comparative totals for June 30, 1994)
(expressed in thousands)

	Employment Security Commission	Department Of Wildlife	Total	
			1995	1994
Revenues				
Taxes	\$ 125,031	\$ 0	\$ 125,031	\$ 117,085
Licenses, Permits and Fees	0	6,672	6,672	2,600
Interest and Investment Revenue	31,573	1,981	33,554	32,582
Federal Grants and Receipts	12,827	0	12,827	47,216
Other	216	3	219	94
Total Revenues	169,647	8,656	178,303	199,577
Expenditures				
Current				
Natural Resources	0	4,067	4,067	3,562
Social Services	125,269	0	125,269	166,733
Total Expenditures	125,269	4,067	129,336	170,295
Revenues Over Expenditures	44,378	4,589	48,967	29,282
Other Financing Sources				
Operating Transfers In	3	0	3	0
Other Financing Sources	3	0	3	0
Revenues and Other Sources Over Expenditures	44,381	4,589	48,970	29,282
Fund Balances - Beginning of Year	457,867	29,477	487,344	458,060
Fund Balances - End of Year	\$ 502,248	\$ 34,066	\$ 536,314	\$ 487,342

OKLAHOMA

Combining Statement of Revenues, Expenses
and Changes in Fund Balance
Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 1995
(with comparative amounts for June 30, 1994)
(expressed in thousands)

	Commissioners of the Land Office	
	1995	1994
Operating Revenues		
Interest and Investment Revenue	\$ 66,672	\$ 66,174
Rental Revenue	8,433	8,291
Sale of Investments	14,648	34,240
Other	4	3
Total Operating Revenues	<u>89,757</u>	<u>108,708</u>
Operating Expenses		
Losses and Loss Expense	2	74
Benefit Payments and Refunds	40,551	39,456
Total Operating Expenses	<u>40,553</u>	<u>39,530</u>
Operating Income	49,204	69,178
Operating Transfers Out	(3,684)	(4,157)
Operating Transfers To Component Units	(15,202)	(14,426)
Net Income	30,318	50,595
Fund Balance - Beginning of Year	<u>745,204</u>	<u>694,609</u>
Fund Balance - End of Year	<u>\$ 775,522</u>	<u>\$ 745,204</u>

OKLAHOMA

Combining Statement of Cash Flows
 Nonexpendable Trust Fund
 For the Fiscal Year Ended June 30, 1995
 (with comparative amounts for June 30, 1994)
 (expressed in thousands)

	Commissioners of the Land Office	
	1995	1994
Cash Flows from Operating Activities		
Operating Income	\$ 49,204	\$ 69,178
Adjustments to Reconcile Operating Income to Net Cash Provided by Operations		
Amortization (Accretion) and Other Noncash Expenses	2,778	1,990
Other	(12,882)	(33,701)
Decrease (Increase) in Assets		
Interest and Investment Revenue Receivable	(2,148)	3,441
Increase in Liabilities		
Deferred Revenue	193	87
Net Cash Provided by Operating Activities	<u>37,145</u>	<u>40,995</u>
Cash Flows from Noncapital Financing Activities		
Operating Transfers Out	(3,684)	(4,157)
Operating Transfers to Component Units	(15,202)	(14,426)
Net Cash Used by Noncapital Financing Activities	<u>(18,886)</u>	<u>(18,583)</u>
Cash Flows from Investing Activities		
Proceeds from Sale/Maturities of Investments	217,203	449,105
Principal Received from Notes Receivable	8,275	12,343
Payments to Purchase Investments	(244,423)	(482,933)
Net Cash Used by Investing Activities	<u>(18,945)</u>	<u>(21,485)</u>
Net Increase (Decrease) in Cash/Cash Equivalents	(686)	927
Cash/Cash Equivalents - Beginning of Year	<u>1,119</u>	<u>192</u>
Cash/Cash Equivalents - End of Year	<u><u>\$ 433</u></u>	<u><u>\$ 1,119</u></u>

OKLAHOMA

Combining Balance Sheet

Pension Trust Funds

June 30, 1995

(with comparative totals for June 30, 1994)

(expressed in thousands)

	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System
Assets			
Cash/Cash Equivalents	\$ 1,065	\$ 123	\$ 587
Investments	762,433	265,548	2,430,099
Interest and Investment Revenue Receivable	4,942	1,823	18,726
Contributions Receivable	797	356	2,316
Other Receivables	34	0	0
Due from Brokers	3,050	0	1,638
Due from Component Units	0	0	1,266
Due from Other Funds	0	774	8,576
Fixed Assets, Net	42	0	1,177
Total Assets	<u>\$ 772,363</u>	<u>\$ 268,624</u>	<u>\$ 2,464,385</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 957	\$ 320	\$ 0
Due to Brokers	6,957	3,702	7,794
Compensated Absences	45	0	0
Benefits in the Process of Payment	12	11,160	0
Total Liabilities	<u>7,971</u>	<u>15,182</u>	<u>7,794</u>
Fund Balances			
Reserved			
Pension Benefits	<u>764,392</u>	<u>253,442</u>	<u>2,456,591</u>
Total Liabilities and Fund Balances	<u>\$ 772,363</u>	<u>\$ 268,624</u>	<u>\$ 2,464,385</u>

OKLAHOMA

Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total	
			1995	1994
\$ 2	\$ 61	\$ 3,169	\$ 5,007	\$ 3,238
78,271	751,686	2,865,209	7,153,246	6,751,708
584	4,946	27,969	58,990	51,915
93	465	0	4,027	3,559
0	0	0	34	16
352	0	76,694	81,734	31,276
0	0	0	1,266	483
692	367	9,717	20,126	22,703
0	0	1,088	2,307	1,977
<u>\$ 79,994</u>	<u>\$ 757,525</u>	<u>\$ 2,983,846</u>	<u>\$ 7,326,737</u>	<u>\$ 6,866,875</u>
\$ 0	\$ 885	\$ 0	\$ 2,162	\$ 1,724
287	13,962	48,678	81,380	85,781
0	0	121	166	115
0	28,721	15,388	55,281	43,312
287	43,568	64,187	138,989	130,932
79,707	713,957	2,919,659	7,187,748	6,735,943
<u>\$ 79,994</u>	<u>\$ 757,525</u>	<u>\$ 2,983,846</u>	<u>\$ 7,326,737</u>	<u>\$ 6,866,875</u>

OKLAHOMA

Combining Statement of Revenues, Expenses and Changes in Fund Balances Pension Trust Funds

For the Fiscal Year Ended June 30, 1995
(with comparative totals for June 30, 1994)
(expressed in thousands)

	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System
Operating Revenues			
Interest and Investment Revenue	\$ 99,125	\$ 9,775	\$ 112,203
Contributions	23,339	6,814	147,989
Other	0	0	0
Total Operating Revenues	<u>122,464</u>	<u>16,589</u>	<u>260,192</u>
Operating Expenses			
Administrative and General Expense	647	170	2,107
Benefit Payments and Refunds	58,188	18,049	157,966
Total Operating Expenses	<u>58,835</u>	<u>18,219</u>	<u>160,073</u>
Operating Income (Loss)	63,629	(1,630)	100,119
Nonoperating Revenues (Expenses)			
Loss on Investments	0	0	(1,008)
Total Nonoperating Revenues (Expenses)	<u>0</u>	<u>0</u>	<u>(1,008)</u>
Income (Loss) Before Operating Transfers	63,629	(1,630)	99,111
Operating Transfers In	35,345	10,926	0
Net Income	98,974	9,296	99,111
Fund Balances - Beginning of Year	<u>665,418</u>	<u>244,146</u>	<u>2,357,480</u>
Fund Balances - End of Year	<u>\$ 764,392</u>	<u>\$ 253,442</u>	<u>\$ 2,456,591</u>

OKLAHOMA

Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total	
			1995	1994
\$ 3,182	\$ 110,550	\$ 231,790	\$ 566,625	\$ 543,084
4,797	23,162	204,181	410,282	393,925
<u>0</u>	<u>0</u>	<u>115</u>	<u>115</u>	<u>275</u>
7,979	133,712	436,086	977,022	937,284
94	3,455	2,192	8,665	8,224
<u>3,577</u>	<u>40,534</u>	<u>407,466</u>	<u>685,780</u>	<u>619,255</u>
3,671	43,989	409,658	694,445	627,479
4,308	89,723	26,428	282,577	309,805
<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,008)</u>	<u>(3,219)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,008)</u>	<u>(3,219)</u>
4,308	89,723	26,428	281,569	306,586
<u>0</u>	<u>14,555</u>	<u>109,410</u>	<u>170,236</u>	<u>209,808</u>
4,308	104,278	135,838	451,805	516,394
<u>75,399</u>	<u>609,679</u>	<u>2,783,821</u>	<u>6,735,943</u>	<u>6,219,549</u>
<u>\$ 79,707</u>	<u>\$ 713,957</u>	<u>\$ 2,919,659</u>	<u>\$ 7,187,748</u>	<u>\$ 6,735,943</u>

OKLAHOMA

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 1995

(with comparative totals for June 30, 1994)

(expressed in thousands)

	<u>Taxes Held For Outside Entities</u>	<u>Deferred Compensation Plan</u>	<u>Funds Held For Other Governments</u>
Assets			
Cash/Cash Equivalents	\$ 14,299	\$ 0	\$ 0
Investments	68,240	140,662	19,958
Accounts Receivable	30	0	0
Interest Receivable	445	0	143
Taxes Receivable	63	0	0
Due from Other Funds	0	0	0
Due from Component Units	0	0	0
Inventory	0	0	0
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 83,077</u>	<u>\$ 140,662</u>	<u>\$ 20,101</u>
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 0	\$ 0	\$ 0
Tax Refunds Payable	3,026	0	0
Due to Other Funds	0	0	0
Due to Others	80,051	0	20,101
Deferred Compensation	0	140,662	0
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 83,077</u>	<u>\$ 140,662</u>	<u>\$ 20,101</u>

OKLAHOMA

Funds Held in Escrow	Assets Held For Beneficiaries	Other	Total																
			1995	1994															
\$ 5,902 0 3 0 0 0 0 0 <hr style="width: 100%;"/>	\$ 13,353 1,298 254 0 0 0 0 85,975 <hr style="width: 100%;"/>	\$ 3,208 0 60 0 0 375 290 2,189 <hr style="width: 100%;"/>	\$ 36,762 230,158 347 588 63 375 290 88,164 <hr style="width: 100%;"/>	\$ 34,565 209,020 472 241 99 0 0 85,272 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>	\$ 5 0 0 5,900 0 <hr style="width: 100%;"/>	\$ 0 0 26 100,854 0 <hr style="width: 100%;"/>	\$ 2 0 0 6,120 0 <hr style="width: 100%;"/>	\$ 7 3,026 26 213,026 140,662 <hr style="width: 100%;"/>	\$ 0 2,599 215 202,798 124,057 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>
<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>	\$ 5 0 0 5,900 0 <hr style="width: 100%;"/>	\$ 0 0 26 100,854 0 <hr style="width: 100%;"/>	\$ 2 0 0 6,120 0 <hr style="width: 100%;"/>	\$ 7 3,026 26 213,026 140,662 <hr style="width: 100%;"/>	\$ 0 2,599 215 202,798 124,057 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>					
\$ 5 0 0 5,900 0 <hr style="width: 100%;"/>	\$ 0 0 26 100,854 0 <hr style="width: 100%;"/>	\$ 2 0 0 6,120 0 <hr style="width: 100%;"/>	\$ 7 3,026 26 213,026 140,662 <hr style="width: 100%;"/>	\$ 0 2,599 215 202,798 124,057 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>										
<hr style="width: 100%;"/> \$ 5,905 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 100,880 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 6,122 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 356,747 <hr style="width: 100%;"/>	<hr style="width: 100%;"/> \$ 329,669 <hr style="width: 100%;"/>															

OKLAHOMA

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Fiscal Year Ended June 30, 1995 (expressed in thousands)

	Balance 6-30-94	Additions	Deletions	Balance 6-30-95
Taxes Held for Outside Entities				
Assets				
Cash/Cash Equivalents	\$ 16,599	\$ 1,220,959	\$ 1,223,259	\$ 14,299
Investments	63,777	4,463	0	68,240
Accounts Receivable	43	30	43	30
Interest Receivable	133	445	133	445
Taxes Receivable	99	63	99	63
	<u>80,651</u>	<u>1,225,960</u>	<u>1,223,534</u>	<u>83,077</u>
Total Assets	<u>\$ 80,651</u>	<u>\$ 1,225,960</u>	<u>\$ 1,223,534</u>	<u>\$ 83,077</u>
Liabilities				
Tax Refunds Payable	\$ 2,599	\$ 3,026	\$ 2,599	\$ 3,026
Due to Others	78,052	1,222,934	1,220,935	80,051
	<u>80,651</u>	<u>1,225,960</u>	<u>1,223,534</u>	<u>83,077</u>
Total Liabilities	<u>\$ 80,651</u>	<u>\$ 1,225,960</u>	<u>\$ 1,223,534</u>	<u>\$ 83,077</u>
Deferred Compensation				
Assets				
Investments	\$ 124,057	\$ 29,641	\$ 13,036	\$ 140,662
	<u>124,057</u>	<u>29,641</u>	<u>13,036</u>	<u>140,662</u>
Total Assets	<u>\$ 124,057</u>	<u>\$ 29,641</u>	<u>\$ 13,036</u>	<u>\$ 140,662</u>
Liabilities				
Deferred Compensation	\$ 124,057	\$ 29,641	\$ 13,036	\$ 140,662
	<u>124,057</u>	<u>29,641</u>	<u>13,036</u>	<u>140,662</u>
Total Liabilities	<u>\$ 124,057</u>	<u>\$ 29,641</u>	<u>\$ 13,036</u>	<u>\$ 140,662</u>
Funds Held for Other Governments				
Assets				
Cash/Cash Equivalents	\$ 28	\$ 0	\$ 28	\$ 0
Investments	19,871	34,564	34,477	19,958
Interest Receivable	65	143	65	143
	<u>19,964</u>	<u>34,707</u>	<u>34,570</u>	<u>20,101</u>
Total Assets	<u>\$ 19,964</u>	<u>\$ 34,707</u>	<u>\$ 34,570</u>	<u>\$ 20,101</u>
Liabilities				
Due to Others	\$ 19,964	\$ 34,707	\$ 34,570	\$ 20,101
	<u>19,964</u>	<u>34,707</u>	<u>34,570</u>	<u>20,101</u>
Total Liabilities	<u>\$ 19,964</u>	<u>\$ 34,707</u>	<u>\$ 34,570</u>	<u>\$ 20,101</u>

OKLAHOMA

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Fiscal Year Ended June 30, 1995

(expressed in thousands)

	Balance 6-30-94	Additions	Deletions	Balance 6-30-95
Funds Held in Escrow				
Assets				
Cash/Cash Equivalents	\$ 5,954	\$ 3,321	\$ 3,373	\$ 5,902
Accounts Receivable	96	3	96	3
Interest Receivable	26	0	26	0
	<u>6,076</u>	<u>3,324</u>	<u>3,495</u>	<u>5,905</u>
Total Assets	<u>\$ 6,076</u>	<u>\$ 3,324</u>	<u>\$ 3,495</u>	<u>\$ 5,905</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 0	\$ 5	\$ 0	\$ 5
Due to Others	6,076	3,319	3,495	5,900
	<u>6,076</u>	<u>3,324</u>	<u>3,495</u>	<u>5,905</u>
Total Liabilities	<u>\$ 6,076</u>	<u>\$ 3,324</u>	<u>\$ 3,495</u>	<u>\$ 5,905</u>
Assets Held for Beneficiaries				
Assets				
Cash/Cash Equivalents	\$ 10,271	\$ 114,296	\$ 111,214	\$ 13,353
Investments	1,315	0	17	1,298
Accounts Receivable	333	254	333	254
Interest Receivable	17	0	17	0
Inventory	84,054	331,094	329,173	85,975
	<u>95,990</u>	<u>445,644</u>	<u>440,754</u>	<u>100,880</u>
Total Assets	<u>\$ 95,990</u>	<u>\$ 445,644</u>	<u>\$ 440,754</u>	<u>\$ 100,880</u>
Liabilities				
Due to Other Funds	\$ 215	\$ 26	\$ 215	\$ 26
Due to Others	95,775	445,618	440,539	100,854
	<u>95,990</u>	<u>445,644</u>	<u>440,754</u>	<u>100,880</u>
Total Liabilities	<u>\$ 95,990</u>	<u>\$ 445,644</u>	<u>\$ 440,754</u>	<u>\$ 100,880</u>
Other				
Assets				
Cash/Cash Equivalents	\$ 1,713	\$ 127,465	\$ 125,970	\$ 3,208
Accounts Receivable	0	60	0	60
Due from Other Funds	0	375	0	375
Due from Component Units	0	290	0	290
Inventory	1,670	1,345	826	2,189
	<u>3,383</u>	<u>129,535</u>	<u>126,796</u>	<u>6,122</u>
Total Assets	<u>\$ 3,383</u>	<u>\$ 129,535</u>	<u>\$ 126,796</u>	<u>\$ 6,122</u>
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 0	\$ 2	\$ 0	\$ 2
Due to Others	3,383	129,533	126,796	6,120
	<u>3,383</u>	<u>129,535</u>	<u>126,796</u>	<u>6,122</u>
Total Liabilities	<u>\$ 3,383</u>	<u>\$ 129,535</u>	<u>\$ 126,796</u>	<u>\$ 6,122</u>

(continued)

OKLAHOMA

Combining Statement of Changes in Assets and Liabilities Agency Funds For the Fiscal Year Ended June 30, 1995 (expressed in thousands)

	Balance 6-30-94	Additions	Deletions	Balance 6-30-95
(continued)				
Total - All Agency Funds				
Assets				
Cash/Cash Equivalents	\$ 34,565	\$ 1,466,041	\$ 1,463,844	\$ 36,762
Investments	209,020	68,668	47,530	230,158
Accounts Receivable	472	347	472	347
Interest Receivable	241	588	241	588
Taxes Receivable	99	63	99	63
Due from Other Funds	0	375	0	375
Due from Component Units	0	290	0	290
Inventory	85,724	332,439	329,999	88,164
	<u>330,121</u>	<u>1,868,811</u>	<u>1,842,185</u>	<u>356,747</u>
Total Assets	\$ 330,121	\$ 1,868,811	\$ 1,842,185	\$ 356,747
Liabilities				
Accounts Payable and Accrued Liabilities	\$ 0	\$ 7	\$ 0	\$ 7
Tax Refunds Payable	2,599	3,026	2,599	3,026
Due to Other Funds	215	26	215	26
Due to Others	203,250	1,836,111	1,826,335	213,026
Deferred Compensation	124,057	29,641	13,036	140,662
	<u>330,121</u>	<u>1,868,811</u>	<u>1,842,185</u>	<u>356,747</u>
Total Liabilities	\$ 330,121	\$ 1,868,811	\$ 1,842,185	\$ 356,747

General Fixed Assets
Account Group

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

OKLAHOMA

Schedule of General Fixed Assets by Function June 30, 1995 (expressed in thousands)

Function	Land	Buildings and Other Improvements	Machinery and Equipment	Construction in Progress	Total
Education	\$ 425	\$ 6,427	\$ 26,926	\$ 738	\$ 34,516
General Government	1,819	94,447	49,231	983	146,480
Health Services	592	69,059	11,335	77	81,063
Legal and Judiciary	0	0	2,783	0	2,783
Museums	1,260	5,133	310	961	7,664
Natural Resources	34,803	15,719	7,183	302	58,007
Public Safety and Defense	7,522	241,963	14,139	4,294	267,918
Regulatory Services	0	41	2,010	0	2,051
Social Services	745	97,543	11,142	16,447	125,877
Transportation	1,531	15,595	59,494	378	76,998
Total	\$ 48,697	\$ 545,927	\$ 184,553	\$ 24,180	\$ 803,357

OKLAHOMA

Schedule of Changes in General Fixed Assets by Function/ Activity

For the Fiscal Year Ended June 30, 1995
(expressed in thousands)

	<u>Balance July 1, 1994</u>	<u>Additions</u>	<u>Deletions/ Net Transfers</u>	<u>Balance June 30, 1995</u>
Function/Activity				
Education	\$ 32,606	\$ 3,273	\$ 1,363	\$ 34,516
General Government	143,562	4,620	1,702	146,480
Health Services	80,436	701	74	81,063
Legal and Judiciary	2,745	38	0	2,783
Museums	6,681	983	0	7,664
Natural Resources	55,246	4,482	1,721	58,007
Public Safety and Defense	258,871	10,283	1,236	267,918
Regulatory Services	2,076	129	154	2,051
Social Services	111,029	15,514	666	125,877
Transportation	73,934	5,531	2,467	76,998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 767,186</u>	<u>\$ 45,554</u>	<u>\$ 9,383</u>	<u>\$ 803,357</u>

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Combining Financial Statements

- Component Units
- Proprietary Funds

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

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
301 N.W. 63rd Street, Suite 225, Oklahoma City, Oklahoma 73116

The Oklahoma Industrial Finance Authority assists with the State's industrial development. The Authority makes loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. These loans are secured by first or second mortgages on real estate and equipment. The loans are financed by issuance of general obligation bonds.

STATE INSURANCE FUND
P.O. Box 53505, Oklahoma City, Oklahoma 73152

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

STATE AND EDUCATION EMPLOYEES
GROUP INSURANCE BOARD
3545 N.W. 58th Street, Suite 1000, Oklahoma City, Oklahoma 73112

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

OKLAHOMA STUDENT LOAN AUTHORITY
4545 N. Lincoln Blvd., Suite 66, Oklahoma City, Oklahoma 73105

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

UNIVERSITY HOSPITALS AUTHORITY
940 N.E. 13th Street, Oklahoma City, Oklahoma 73104

The University Hospitals 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 whose medical school staff and residents provide patient care, in-service education, and administrative duties within The University Hospital. The University Hospital is financed primarily through patient service charges.

OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
301 N.W. 63rd Street, Suite 225, Oklahoma City, Oklahoma 73116

The 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.

OKLAHOMA ENVIRONMENTAL FINANCE AUTHORITY

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

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

OKLAHOMA HOUSING FINANCE AGENCY

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

The Oklahoma Housing Finance Agency is authorized to issue revenue bonds and notes in order to provide funds to promote the development of adequate residential housing and other economic development for the benefit of the State of Oklahoma. In addition, OHFA administers Section 8 Housing Assistance Payments Programs for the U.S. Department of Housing and Urban Development.

OKLAHOMA TURNPIKE AUTHORITY

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

The Oklahoma Turnpike 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 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.

OKLAHOMA MUNICIPAL POWER AUTHORITY

P.O. Box 1960, Edmond, Oklahoma 73083

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

OKLAHOMA

Combining Balance Sheet
 Component Units - Proprietary Funds
 June 30, 1995
 (with comparative totals for June 30, 1994)
 (expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Assets					
Current Assets					
Cash/Cash Equivalents	\$ 78	\$ 482	\$ 686	\$ 349	\$ 34,394
Investments	14,101	608,166	211,751	11,699	0
Accounts Receivable	33	48,845	4,130	0	22,814
Interest and Investment Revenue Receivable	638	6,057	1,969	3,503	0
Federal Grants Receivable	0	0	0	0	5,838
Other Receivables	0	0	4,118	0	0
Notes Receivable	2,295	0	0	0	0
Due from Component Units	11	189	0	0	637
Due from Primary Government	8	1,228	8,011	0	218
Inventory	0	0	0	0	5,382
Prepaid Items	0	600	0	0	0
Other Current Assets	0	0	0	0	0
Total Current Assets	17,164	665,567	230,665	15,551	69,283
Restricted Assets					
Cash/Cash Equivalents	171	0	0	0	0
Investments	2,146	0	0	10,067	11,519
Long-Term Notes Receivable, Net	0	0	0	100,438	0
Other Restricted Assets	10	0	0	0	269
Total Restricted Assets	2,327	0	0	110,505	11,788
Other Assets					
Fixed Assets, Net	86	6,587	695	178	129,511
Long-Term Notes Receivable, Net	30,212	0	0	10,603	0
Long-Term Investments	2,643	0	0	0	0
Other Noncurrent Assets	3,935	0	0	637	0
Total Other Assets	36,876	6,587	695	11,418	129,511
Total Assets	\$ 56,367	\$ 672,154	\$ 231,360	\$ 137,474	\$ 210,582

OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total	
						1995	1994
\$ 1,432	\$ 0	\$ 21,382	\$ 17,351	\$ 17,041	\$ 5,128	\$ 98,323	\$ 82,510
0	0	72,142	59,659	50,383	7,310	1,035,211	997,101
0	2	25	307	15,421	4,977	96,554	92,708
10	0	4,187	1,658	1,761	0	19,783	19,003
0	0	0	0	0	0	5,838	3,675
144	0	0	0	0	0	4,262	2,840
0	0	0	0	0	0	2,295	3,199
0	0	0	0	520	0	1,357	1,302
0	0	0	0	23	0	9,488	8,697
0	0	0	2,426	24,155	849	32,812	34,209
1	0	59	85	790	0	1,535	1,277
0	0	0	0	0	401	401	352
<u>1,587</u>	<u>2</u>	<u>97,795</u>	<u>81,486</u>	<u>110,094</u>	<u>18,665</u>	<u>1,307,859</u>	<u>1,246,873</u>
797	1,536	0	42,247	0	7,187	51,938	100,506
3,214	2,267	0	102,841	180,059	71,103	383,216	347,550
0	0	0	0	0	0	100,438	87,766
2	0	0	3,802	0	0	4,083	20,145
<u>4,013</u>	<u>3,803</u>	<u>0</u>	<u>148,890</u>	<u>180,059</u>	<u>78,290</u>	<u>539,675</u>	<u>555,967</u>
40	0	253	520,335	588,708	155,248	1,401,641	1,418,864
75	0	479,424	0	0	0	520,314	599,868
0	0	0	0	0	16,383	19,026	1,618
120	41,790	743	9,766	146,805	148,205	352,001	419,490
<u>235</u>	<u>41,790</u>	<u>480,420</u>	<u>530,101</u>	<u>735,513</u>	<u>319,836</u>	<u>2,292,982</u>	<u>2,439,840</u>
<u>\$ 5,835</u>	<u>\$ 45,595</u>	<u>\$ 578,215</u>	<u>\$ 760,477</u>	<u>\$ 1,025,666</u>	<u>\$ 416,791</u>	<u>\$ 4,140,516</u>	<u>\$ 4,242,680</u>

(continued)

OKLAHOMA

Combining Balance Sheet Component Units - Proprietary Funds June 30, 1995 (with comparative totals for June 30, 1994) (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Liabilities and Fund Equity					
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	\$ 1	\$ 5,968	\$ 15,428	\$ 332	\$ 15,057
Claims and Judgments Payable	0	633,350	52,019	0	0
Interest Payable	722	0	0	1,610	0
Due to Component Units	0	0	30	1	725
Due to Primary Government	4	186	99	0	2,022
Deferred Revenue	340	73,139	0	0	0
Compensated Absences	58	1,028	436	59	7,100
Notes Payable	0	0	0	19,261	0
General Obligation Bonds Payable	2,085	0	0	0	0
Revenue Bonds Payable	0	0	0	2,000	0
Other Current Liabilities	0	0	0	0	0
Total Current Liabilities	3,210	713,671	68,012	23,263	24,904
Other Liabilities					
Due to Primary Government	0	0	0	0	0
Notes Payable	0	0	0	14,075	0
General Obligation Bonds Payable	53,000	0	0	0	0
Revenue Bonds Payable	0	0	0	69,870	0
Other Noncurrent Liabilities	0	0	0	0	6,050
Total Other Liabilities	53,000	0	0	83,945	6,050
Total Liabilities	56,210	713,671	68,012	107,208	30,954
Fund Equity					
Retained Earnings					
Reserved					
Debt Service	0	0	0	7,833	0
Castastrophe/Rate Stabilization	0	21,950	64,227	0	0
Other Special Purposes	0	0	75,750	0	269
Unreserved	157	(32,447)	22,505	22,433	179,359
Total Retained Earnings	157	(10,497)	162,482	30,266	179,628
Net Unrealized Gain (Loss) on Securities	0	(31,020)	866	0	0
Total Fund Equity	157	(41,517)	163,348	30,266	179,628
Total Liabilities and Fund Equity	\$ 56,367	\$ 672,154	\$ 231,360	\$ 137,474	\$ 210,582

OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total	
						1995	1994
\$ 14	\$ 0	\$ 763	\$ 2,839	\$ 6,229	\$ 3,592	\$ 50,223	\$ 42,131
0	0	0	0	0	0	685,369	650,797
0	343	6,838	20,348	5,072	10,925	45,858	58,893
11	0	0	40	47	520	1,374	580
0	0	2	1,072	189	10	3,584	3,626
12	0	0	5,864	0	530	79,885	75,695
0	0	0	927	3,023	63	12,694	11,118
0	83	0	0	0	0	19,344	22,533
0	0	0	0	0	0	2,085	85
0	995	4,039	10,955	32,325	3,525	53,839	44,638
0	0	0	1,553	1,727	0	3,280	6,139
<u>37</u>	<u>1,421</u>	<u>11,642</u>	<u>43,598</u>	<u>48,612</u>	<u>19,165</u>	<u>957,535</u>	<u>916,235</u>
0	0	0	38,822	0	0	38,822	37,583
0	0	0	0	0	0	14,075	25,797
0	0	0	0	0	0	53,000	67,235
0	44,100	541,012	632,382	924,880	378,907	2,591,151	2,717,512
4,342	0	1,031	0	25,959	7,646	45,028	24,771
<u>4,342</u>	<u>44,100</u>	<u>542,043</u>	<u>671,204</u>	<u>950,839</u>	<u>386,553</u>	<u>2,742,076</u>	<u>2,872,898</u>
<u>4,379</u>	<u>45,521</u>	<u>553,685</u>	<u>714,802</u>	<u>999,451</u>	<u>405,718</u>	<u>3,699,611</u>	<u>3,789,133</u>
0	0	12,334	0	0	0	20,167	17,830
0	0	0	0	0	0	86,177	78,863
4,334	0	0	0	0	0	80,353	4,443
(2,878)	74	12,196	45,675	28,507	11,073	286,654	323,848
<u>1,456</u>	<u>74</u>	<u>24,530</u>	<u>45,675</u>	<u>28,507</u>	<u>11,073</u>	<u>473,351</u>	<u>424,984</u>
0	0	0	0	(2,292)	0	(32,446)	28,563
<u>1,456</u>	<u>74</u>	<u>24,530</u>	<u>45,675</u>	<u>26,215</u>	<u>11,073</u>	<u>440,905</u>	<u>453,547</u>
<u>\$ 5,835</u>	<u>\$ 45,595</u>	<u>\$ 578,215</u>	<u>\$ 760,477</u>	<u>\$ 1,025,666</u>	<u>\$ 416,791</u>	<u>\$ 4,140,516</u>	<u>\$ 4,242,680</u>

OKLAHOMA

Combining Statement of Revenues, Expenses and Changes in Retained Earnings

Component Units - Proprietary Funds

For the Fiscal Year Ended June 30, 1995

(with comparative totals for June 30, 1994)

(expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Operating Revenues					
Sales and Services	\$ 0	\$ 289,920	\$ 231,883	\$ 0	\$ 175,061
Interest Revenue	4,306	0	0	8,731	0
Other	193	25	0	0	6,544
Total Operating Revenues	4,499	289,945	231,883	8,731	181,605
Operating Expenses					
Operations and Maintenance of Facilities	79	0	0	0	133,991
Losses and Loss Expense	0	325,738	0	0	23,096
Administrative and General Expense	637	24,701	17,915	2,134	45,399
Interest Expense	3,193	0	0	6,133	389
Depreciation Expense	114	1,341	183	211	13,885
Benefit Payments and Refunds	0	0	153,261	0	0
Total Operating Expenses	4,023	351,780	171,359	8,478	216,760
Operating Income (Loss)	476	(61,835)	60,524	253	(35,155)
Nonoperating Revenues (Expenses)					
Interest and Investment Revenue	0	36,540	20,309	1,593	1,235
Other Nonoperating Revenues	0	0	0	0	704
Interest Expense	0	0	0	0	0
Amortization of Losses and Discounts	0	0	0	0	0
Other Nonoperating Expenses	(332)	0	0	0	(484)
Total Nonoperating Revenues (Expenses)	(332)	36,540	20,309	1,593	1,455
Income (Loss) Before Operating Transfers	144	(25,295)	80,833	1,846	(33,700)
Operating Transfers from Primary Government	0	0	0	0	26,477
Operating Transfers to Primary Government	0	0	0	0	0
Costs to be Recovered from Future Revenues	0	0	0	0	0
Net Income (Loss)	144	(25,295)	80,833	1,846	(7,223)
Retained Earnings - Beginning of Year	13	14,798	81,649	28,420	186,851
Retained Earnings - End of Year	\$ 157	\$ (10,497)	\$ 162,482	\$ 30,266	\$ 179,628

OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total	
						1995	1994
\$ 273	\$ 2,620	\$ 0	\$ 98,697	\$ 165,413	\$ 71,030	\$ 1,034,897	\$ 972,442
0	167	43,791	0	0	0	56,995	66,624
103	10	4,535	0	422	0	11,832	12,168
<u>376</u>	<u>2,797</u>	<u>48,326</u>	<u>98,697</u>	<u>165,835</u>	<u>71,030</u>	<u>1,103,724</u>	<u>1,051,234</u>
0	0	3,973	10,991	74,409	49,932	273,375	270,055
88	0	0	0	0	0	348,922	361,122
444	13	4,275	22,126	9,906	3,330	130,880	132,666
0	2,759	44,788	0	0	0	57,262	67,984
10	0	94	36,534	26,748	4,845	83,965	81,662
0	0	0	0	0	0	153,261	203,084
<u>542</u>	<u>2,772</u>	<u>53,130</u>	<u>69,651</u>	<u>111,063</u>	<u>58,107</u>	<u>1,047,665</u>	<u>1,116,573</u>
(166)	25	(4,804)	29,046	54,772	12,923	56,059	(65,339)
88	3	5,485	11,580	14,916	3,901	95,650	108,286
484	0	0	0	922	1,519	3,629	28,049
0	0	0	(42,806)	(61,597)	(18,678)	(123,081)	(125,694)
0	(28)	0	0	(14,573)	(3,509)	(18,110)	(17,334)
0	0	(2,901)	(579)	0	0	(4,296)	(2,047)
<u>572</u>	<u>(25)</u>	<u>2,584</u>	<u>(31,805)</u>	<u>(60,332)</u>	<u>(16,767)</u>	<u>(46,208)</u>	<u>(8,740)</u>
406	0	(2,220)	(2,759)	(5,560)	(3,844)	9,851	(74,079)
0	0	0	27,898	0	0	54,375	51,339
0	0	0	(27,898)	0	0	(27,898)	(25,262)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,887</u>	<u>5,152</u>	<u>12,039</u>	<u>6,738</u>
406	0	(2,220)	(2,759)	1,327	1,308	48,367	(41,264)
<u>1,050</u>	<u>74</u>	<u>26,750</u>	<u>48,434</u>	<u>27,180</u>	<u>9,765</u>	<u>424,984</u>	<u>466,248</u>
<u>\$ 1,456</u>	<u>\$ 74</u>	<u>\$ 24,530</u>	<u>\$ 45,675</u>	<u>\$ 28,507</u>	<u>\$ 11,073</u>	<u>\$ 473,351</u>	<u>\$ 424,984</u>

OKLAHOMA

Combining Statement of Cash Flows Component Units - Proprietary Funds For the Fiscal Year Ended June 30, 1995 (with comparative totals for June 30, 1994) (expressed in thousands)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Cash Flows from Operating Activities					
Operating Income (Loss)	\$ 476	\$ (61,835)	\$ 60,524	\$ 253	\$ (35,155)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities :					
Depreciation Expense	114	1,341	183	211	13,885
Amortization (Accretion) and Other Noncash Expenses	(10)	1,866	0	0	0
Other	0	0	0	0	165
Decrease (Increase) in Assets					
Investments (Held for Trading)	0	0	0	0	0
Accounts Receivable	(28)	(8,346)	(653)	0	1,054
Interest and Investment Revenue Receivable	(161)	67	0	(16,235)	0
Other Receivables	0	0	0	0	0
Interfund Receivable	2	0	0	0	(2,471)
Inventory	0	0	0	0	(289)
Prepaid Items	0	(159)	0	0	0
Long-Term Notes Receivable	0	0	0	0	0
Other Noncurrent Assets	0	0	359	0	0
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Liabilities	0	612	1,092	(201)	3,226
Claims and Judgements Payable	0	102,156	(67,584)	0	0
Interest Payable	(172)	0	0	(181)	0
Interfund Payable	0	0	0	0	0
Deferred Revenue	0	5,437	0	0	0
Other Current Liabilities	(5)	0	0	0	(45)
Other Noncurrent Liabilities	0	0	0	0	0
Net Cash Provided (Used) by Operating Activities	216	41,139	(6,079)	(16,153)	(19,630)
Cash Flows from Noncapital Financing Activities					
Proceeds from Bonds and Notes Payable	0	0	0	47,782	0
Contributed Capital from Non-State Sources	0	0	0	0	0
Operating Transfers from Primary Government	0	0	0	0	26,477
Operating Transfers to Primary Government	0	0	0	0	0
Principal Paid on Bonds and Notes Payable	(12,235)	0	0	(31,704)	0
Other Noncapital Financing Activity	0	0	0	(259)	0
Net Cash Provided (Used) by Noncapital Financing Activities	\$ (12,235)	\$ 0	\$ 0	\$ 15,819	\$ 26,477

OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total	
						1995	1994
\$ (166)	\$ 25	\$ (4,804)	\$ 29,046	\$ 54,772	\$ 12,923	\$ 56,059	\$ (65,339)
10	0	94	36,534	26,748	4,845	83,965	81,662
0	(2,622)	280	1,239	217	658	1,628	2,932
(100)	0	(2,901)	(579)	0	0	(3,415)	710
0	0	0	0	0	0	0	13,471
294	(1)	43	(62)	244	273	(7,182)	(13,724)
0	0	1,342	0	0	0	(14,987)	2,917
0	0	0	0	0	0	0	(174)
0	0	0	0	0	0	(2,469)	9,159
0	0	0	562	(37)	1,161	1,397	3,412
(1)	0	(117)	(11)	(83)	0	(371)	(297)
0	0	77,454	0	0	0	77,454	76,283
15	4,249	0	(874)	0	(42,581)	(38,832)	4,441
(1)	0	(300)	1,634	(597)	(2,170)	3,295	(2,630)
0	0	0	0	0	0	34,572	140,465
0	(15)	(12,785)	0	0	0	(13,153)	(380)
0	0	0	0	0	0	0	(171)
(12)	0	0	886	0	1,313	7,624	14,170
0	0	0	0	0	0	(50)	(993)
(4)	0	272	(13,024)	(2)	0	(12,758)	(2,456)
<u>35</u>	<u>1,636</u>	<u>58,578</u>	<u>55,351</u>	<u>81,262</u>	<u>(23,578)</u>	<u>172,777</u>	<u>263,458</u>
0	0	145,545	0	0	0	193,327	13,365
484	0	0	0	0	0	484	1,034
0	0	0	27,898	0	0	54,375	51,339
0	0	0	(27,898)	0	0	(27,898)	(25,262)
0	(1,060)	(202,778)	0	0	0	(247,777)	(158,343)
0	0	0	0	0	0	(259)	(15,365)
<u>\$ 484</u>	<u>\$ (1,060)</u>	<u>\$ (57,233)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (27,748)</u>	<u>\$ (133,232)</u>

(continued)

OKLAHOMA

Combining Statement of Cash Flows Component Units - Proprietary Funds For the Fiscal Year Ended June 30, 1995 (with comparative totals for June 30, 1994) (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	State Insurance Fund	State and Education Empl. Group Insurance Bd.	Oklahoma Student Loan Authority	University Hospitals Authority
Cash Flows from Capital and Related Financing Activities					
Proceeds from Sale and Maturity of Investments	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions for Purchase of Fixed Assets	0	0	0	0	28
Payments for Acquisition of Fixed Assets	(6)	(2,594)	(13)	(31)	(5,257)
Payments for Refunding and Defeasance of Debt	0	0	0	0	0
Principal Paid on Bonds, Notes, and Capital Leases	0	0	0	0	(896)
Interest Paid on Bonds, Notes, and Capital Leases	0	0	0	0	0
Other Capital and Related Financing Activity	0	28	0	0	0
	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6)</u>	<u>(2,566)</u>	<u>(13)</u>	<u>(31)</u>	<u>(6,125)</u>
Cash Flows from Investing Activities					
Interest and Investment Revenue	0	35,989	11,002	1,516	1,235
Proceeds from Sale and Maturities of Investments	12,136	400,778	158,611	72,802	4,145
Principal Received from Notes Receivable	7,324	0	0	0	0
Payments to Purchase Investments	(16,097)	(476,451)	(163,147)	(73,753)	0
Payments to Issue Notes Receivable	(2,316)	0	0	0	0
	<u>1,047</u>	<u>(39,684)</u>	<u>6,466</u>	<u>565</u>	<u>5,380</u>
Net Cash Provided (Used) by Investing Activities	<u>1,047</u>	<u>(39,684)</u>	<u>6,466</u>	<u>565</u>	<u>5,380</u>
Net Increase (Decrease) in Cash/Cash Equivalents	(10,978)	(1,111)	374	200	6,102
Cash/Cash Equivalents - Beginning of Year	11,227	1,593	312	149	28,292
Cash/Cash Equivalents - End of Year	<u>\$ 249</u>	<u>\$ 482</u>	<u>\$ 686</u>	<u>\$ 349</u>	<u>\$ 34,394</u>

OKLAHOMA

Oklahoma Development Finance Authority	Oklahoma Environmental Finance Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Total	
						1995	1994
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 142,701	\$ 142,701	\$ 745,414
0	0	0	0	0	0	28	32
(11)	0	(99)	(35,996)	(2,610)	(14,075)	(60,692)	(56,066)
0	0	0	0	0	(95,690)	(95,690)	(739,330)
0	0	0	(4,400)	(28,832)	(195)	(34,323)	(38,128)
0	0	0	(40,783)	(61,730)	(20,316)	(122,829)	(121,313)
0	0	0	0	922	(1,726)	(776)	251
<u>(11)</u>	<u>0</u>	<u>(99)</u>	<u>(81,179)</u>	<u>(92,250)</u>	<u>10,699</u>	<u>(171,581)</u>	<u>(209,140)</u>
85	3	5,485	11,468	13,891	6,070	86,744	84,605
577	4,227	117,183	154,339	58,020	49,513	1,032,331	765,282
0	0	0	0	0	0	7,324	10,860
0	0	(133,271)	(131,259)	(61,883)	(47,669)	(1,103,530)	(758,974)
0	(4,341)	0	0	0	0	(6,657)	(10,626)
<u>662</u>	<u>(111)</u>	<u>(10,603)</u>	<u>34,548</u>	<u>10,028</u>	<u>7,914</u>	<u>16,212</u>	<u>91,147</u>
1,170	465	(9,357)	8,720	(960)	(4,965)	(10,340)	12,233
<u>1,059</u>	<u>1,071</u>	<u>30,739</u>	<u>50,878</u>	<u>18,001</u>	<u>17,280</u>	<u>160,601</u>	<u>170,783</u>
<u>\$ 2,229</u>	<u>\$ 1,536</u>	<u>\$ 21,382</u>	<u>\$ 59,598</u>	<u>\$ 17,041</u>	<u>\$ 12,315</u>	<u>\$ 150,261</u>	<u>\$ 183,016</u>

(continued)

OKLAHOMA

Combining Statement of Cash Flows
 Component Units - Proprietary Funds
 For the Fiscal Year Ended June 30, 1995
 (expressed in thousands)

(continued)

	Oklahoma Industrial Finance Authority	University Hospitals Authority	Oklahoma Development Finance Authority
	<u> </u>	<u> </u>	<u> </u>
Noncash Capital and Related Financing Activities *			
Real Estate and Equipment Acquired Through Foreclosed Notes Receivable	\$ 69	\$ 0	\$ 0
Capital Lease Obligation Incurred for New Equipment	0	3,494	0
Donated Equipment	0	451	0
Accounts Payable Incurred for Equipment	0	702	0
Noncash Investing Activities *			
Increase in Notes Receivable	0	0	75

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

Combining Financial Statements
- Component Unit
- Higher Education Funds

The Higher Education Component Unit is primarily comprised of colleges and universities which are members of the state system of higher education. The state system of higher education includes the following colleges and universities:

COMPREHENSIVE UNIVERSITIES

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

OTHER FOUR YEAR UNIVERSITIES

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

TWO YEAR COLLEGES

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

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

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

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.

Ardmore Higher Education Program, Enid Higher Education Program and **McCurtain 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 education. 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.

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 District's governing bodies are the same as the governing bodies of Rose State College, Oklahoma City Community College, and Tulsa Junior College, respectively.

OKLAHOMA

Combining Balance Sheet
 Component Unit - Higher Education Funds
 June 30, 1995
 (with comparative totals for June 30, 1994)
 (expressed in thousands)

	Current Funds		Loan
	Unrestricted	Restricted	Funds
Assets			
Cash/Cash Equivalent	\$ 201,106	\$ 14,617	\$ 2,407
Investments	92,382	34,700	1,563
Accounts Receivable	30,694	41,281	406
Interest and Investment Revenue Receivable	1,046	34	207
Federal Receivable	0	1,985	0
Notes and Loans Receivable	60	0	42,267
Due from Other Funds	43,626	2,669	2,724
Due from Component Units	754	0	0
Due from Primary Government	9,611	0	0
Advances to Primary Government	210	0	0
Inventory	18,607	0	0
Prepaid Items	3,699	10	7
Fixed Assets, Net	0	0	0
Other Assets	1,499	18	0
Total Assets	\$ 403,294	\$ 95,314	\$ 49,581
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 30,858	\$ 9,847	\$ 219
Interest Payable	0	0	0
Due to Other Funds	27,225	17,122	19
Due to Component Units	686	0	0
Due to Primary Government	454	0	0
Due to Others	0	0	0
Deferred Revenue	49,254	17,399	0
Capital Leases	0	0	0
Compensated Absences	34,235	2,769	0
Notes Payable	0	0	0
General Obligation Bonds Payable	0	0	0
Revenue Bonds Payable	0	0	0
Certificates of Participation	0	0	0
Other Liabilities	12,582	1,770	145
Total Liabilities	155,294	48,907	383
Fund Balances			
Unrestricted	248,000	0	0
Restricted	0	46,407	49,198
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	248,000	46,407	49,198
Total Liabilities and Fund Balances	\$ 403,294	\$ 95,314	\$ 49,581

OKLAHOMA

Endowment Funds	Plant Funds	Agency Funds	Total	
			1995	1994
\$ 694	\$ 66,668	\$ 4,267	\$ 289,759	\$ 250,401
87,544	81,030	1,420	298,639	278,469
804	3,134	530	76,849	92,138
234	939	0	2,460	1,568
0	0	0	1,985	1,034
0	0	0	42,327	41,036
1,669	1,155	6,756	58,599	45,813
0	0	0	754	0
0	1,022	0	10,633	181
0	0	0	210	210
0	0	0	18,607	18,167
0	0	0	3,716	3,615
0	1,652,627	0	1,652,627	1,505,129
6,803	681	21	9,022	8,545
<u>\$ 97,748</u>	<u>\$ 1,807,256</u>	<u>\$ 12,994</u>	<u>\$ 2,466,187</u>	<u>\$ 2,246,306</u>
\$ 5	\$ 13,330	\$ 169	\$ 54,428	\$ 49,880
0	1,772	0	1,772	1,796
11,839	2,225	169	58,599	45,813
0	0	0	686	119
0	0	0	454	732
0	0	12,656	12,656	11,907
0	179	0	66,832	38,813
0	8,580	0	8,580	3,629
0	0	0	37,004	34,730
0	930	0	930	1,176
0	5,150	0	5,150	6,475
0	124,813	0	124,813	125,565
0	2,408	0	2,408	2,643
6,529	819	0	21,845	23,010
<u>18,373</u>	<u>160,206</u>	<u>12,994</u>	<u>396,157</u>	<u>346,288</u>
0	0	0	248,000	247,970
79,375	0	0	174,980	164,260
0	71,854	0	71,854	46,558
0	3,557	0	3,557	3,692
0	21,863	0	21,863	20,562
0	1,549,776	0	1,549,776	1,416,976
<u>79,375</u>	<u>1,647,050</u>	<u>0</u>	<u>2,070,030</u>	<u>1,900,018</u>
<u>\$ 97,748</u>	<u>\$ 1,807,256</u>	<u>\$ 12,994</u>	<u>\$ 2,466,187</u>	<u>\$ 2,246,306</u>

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STATISTICAL SECTION

OKLAHOMA 95

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 1995

STATISTICAL SECTION

STATISTICAL SECTION

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OKLAHOMA

CASH RECEIPTS AND DISBURSEMENTS

(For all fund types combined)

by Category

For the Fiscal Years Ended June 30, 1986 through June 30, 1995

	1995	1994	1993	1992
Cash Receipts by Source:				
Taxes	\$ 4,292,825,694	\$ 4,171,399,330	\$ 4,004,262,875	\$ 3,767,112,946
Licenses, Permits, and Fees	125,546,800	114,190,748	113,409,593	111,042,458
Fines, Forfeits, and Penalties	12,922,896	12,713,597	11,975,799	6,980,944
Income from Money and Property	189,470,710	160,427,452	184,869,454	218,903,029
Grants, Refunds, and Reimbursements	2,342,091,497	2,230,459,216	2,149,710,999	2,144,771,088
Higher Education	150,907,027	155,495,049	132,592,295	111,400,434
Sales and Services	353,614,351	350,148,435	396,832,644	383,543,021
Non-Revenue Receipts	<u>600,562,290</u>	<u>664,277,305</u>	<u>763,837,201</u>	<u>500,503,475</u>
Total Collections	<u>\$ 8,067,941,265</u>	<u>\$ 7,859,111,132</u>	<u>\$ 7,757,490,860</u>	<u>\$ 7,244,257,395</u>
Disbursements by Function of Government:				
Education	\$ 3,363,972,223	\$ 3,243,011,505	\$ 3,094,920,009	\$ 2,934,689,937
General Government	232,779,824	217,894,423	230,095,993	222,111,235
Health Services	295,676,766	285,088,005	297,114,426	295,806,883
Legal and Judiciary	103,062,230	98,207,598	96,169,096	89,485,986
Museums	7,103,208	7,787,539	7,285,465	7,076,222
Natural Resources	165,215,892	145,877,414	131,516,482	126,076,211
Public Safety and Defense	394,732,689	376,683,833	353,878,439	351,705,324
Regulatory Services	94,526,541	93,424,312	85,222,082	74,985,759
Social Services	2,316,200,744	2,219,811,291	2,262,275,215	2,345,644,915
Transportation	680,440,719	649,409,416	634,285,372	641,074,879
Other Local Apportionments	38,215,192	38,434,483	33,679,675	15,680,219
Sinking Fund Payments on Bonded Debt	<u>48,670,759</u>	<u>47,876,004</u>	<u>41,946,165</u>	<u>42,543,878</u>
Total Disbursements	<u>\$ 7,740,596,787</u>	<u>\$ 7,423,505,823</u>	<u>\$ 7,268,388,419</u>	<u>\$ 7,146,881,448</u>

Prepared on cash basis to aid in budgetary analysis.

1991	1990	1989	1988	1987	1986
\$ 3,732,786,561	\$ 3,402,334,194	\$ 3,271,621,248	\$ 3,076,626,386	\$ 2,592,351,781	\$ 2,931,627,154
100,840,990	97,319,103	71,901,507	69,981,362	66,898,468	58,491,223
6,216,510	6,357,738	4,594,677	4,194,923	3,628,559	2,455,858
234,014,771	206,658,787	194,064,413	311,809,310	302,472,930	252,650,592
1,900,189,845	1,792,878,154	1,836,159,992	1,533,990,868	1,566,600,976	1,504,856,048
130,120,595	135,360,114	116,253,845	95,090,396	77,497,692	70,544,426
390,263,499	261,543,572	257,067,619	236,706,735	209,719,082	207,912,544
432,251,486	371,527,999	320,755,068	170,319,444	199,068,098	227,636,252
<u>\$ 6,926,684,257</u>	<u>\$ 6,273,979,661</u>	<u>\$ 6,072,418,369</u>	<u>\$ 5,498,719,424</u>	<u>\$ 5,018,237,586</u>	<u>\$ 5,256,174,097</u>
\$ 2,759,703,679	\$ 2,427,560,944	\$ 2,317,485,881	\$ 2,089,671,253	\$ 2,018,172,787	\$ 2,148,421,375
229,921,339	212,881,881	245,470,408	215,286,547	202,267,659	207,481,887
260,821,678	249,065,028	221,851,629	197,251,821	197,301,960	208,086,040
78,796,103	71,645,627	64,349,921	58,278,344	54,841,235	56,301,640
5,963,354	5,315,985	4,803,043	4,548,471	4,645,803	4,809,975
109,614,320	102,106,584	93,364,416	87,111,726	94,813,794	98,371,754
342,336,219	265,849,343	247,220,558	220,239,334	215,267,893	216,482,727
83,769,888	63,973,681	62,004,860	78,806,091	79,007,020	77,558,978
2,227,481,279	1,845,726,015	1,680,023,498	1,567,836,371	1,594,523,265	1,527,803,818
635,104,373	645,154,749	644,184,846	623,666,821	558,520,524	594,706,533
13,037,225	10,832,876	14,836,687	9,896,998	10,158,745	10,198,216
21,796,136	19,186,264	18,806,600	21,272,670	23,348,846	22,170,570
<u>\$ 6,768,345,593</u>	<u>\$ 5,919,298,977</u>	<u>\$ 5,614,402,347</u>	<u>\$ 5,173,866,447</u>	<u>\$ 5,052,869,531</u>	<u>\$ 5,172,393,513</u>

OKLAHOMA

TAX COLLECTIONS

For the Fiscal Years Ended June 30, 1986 through June 30, 1995

Taxes	1995	1994	1993	1992
Aircraft Excise Tax	\$ 1,853,999	\$ 1,402,816	\$ 1,630,073	\$ 1,778,536
Alcoholic Beverage Excise Tax	20,211,389	21,133,027	20,947,382	22,147,248
Alternative Fuel Surcharge	133,284	198,749	170,892	98,846
Beverage Tax	22,461,075	22,827,056	21,810,405	21,487,488
Bingo Tax	11,816,705	10,883,377	5,026,496	0
Charity Games Tax	1,039,031	1,515,757	1,146,840	0
Cigarette Tax	58,332,155	58,251,171	60,456,532	60,339,722
City Use Tax - Collect/Deposit	295,570	251,529	207,169	196,043
Coin Operated Device Decal	3,404,098	3,972,441	4,071,043	3,377,121
Conservation Excise Tax	873,542	501,863	844,262	2,687,396
Diesel Fuel Excise Tax	62,902,742	56,987,746	53,640,018	51,035,710
Documentary Stamp Tax	5,961,293	6,281,264	5,032,770	4,485,783
Franchise Tax	36,721,223	32,817,309	34,341,621	33,900,715
Freight Car Tax	1,515,736	1,135,505	853,410	808,281
Fuels Excise Tax	1,460,982	1,456,769	1,379,576	1,344,661
Gasoline Excise Tax	267,138,186	268,605,663	258,493,935	249,822,104
Gift Tax	0	0	0	0
Gross Production Tax - Oil & Gas	301,524,689	367,736,133	404,905,673	342,177,274
Income Tax (Corporate and Individual)	1,592,915,946	1,490,180,078	1,453,295,598	1,369,734,220
Inheritance & Estate Tax	68,789,242	58,052,250	50,943,472	46,962,269
Insurance Premium Tax	103,957,280	105,344,076	92,916,758	91,363,715
Mixed Beverage Gross Receipts Tax	11,395,625	11,338,883	11,176,891	11,345,355
Occupational Health and Safety Tax	1,819,752	1,811,543	1,601,694	1,487,888
Pari-Mutuel Taxes	3,151,651	3,600,525	3,845,857	4,282,925
Pari-Mutuel Exotic Wager	0	3,535	66,612	2,189,171
Pari-Mutuel - Other Tax	129,878	161,939	160,441	775,809
Petroleum Excise Tax	4,072,789	5,086,869	5,409,358	4,641,228
Rural Electric Co-operative Tax	13,154,486	13,404,328	12,927,846	13,195,104
Sales Tax	1,076,970,533	1,033,687,832	957,681,580	909,604,940
Sales Tax - City	7,360,330	6,848,307	6,265,328	6,107,216
Sales Tax - County	632,306	297,025	236,598	224,793
Self-Insurance Premium Tax	88,739	148,189	139,114	125,936
Special Fuel Decal	594,524	650,516	665,844	567,501
Special Fuel Use Tax	136,419	222,505	473,876	556,052
Tag Agent Remittance Tax	490,213,416	472,071,427	428,320,724	408,854,360
Telephone Surcharge	951,735	930,015	878,254	77,478
Tobacco Products Tax	11,303,560	10,622,404	9,664,544	9,010,579
Tourism Gross Receipt Tax	2,978,677	2,638,751	2,505,566	2,455,025
Tribal Compact in Lieu of Tax Payments	4,829,309	3,790,436	1,787,138	0
Unclaimed Property Tax	5,760,279	6,901,353	7,659,463	9,073,096
Unclassified Tax Receipts	98,332	75,339	28,477	48,838
Use Tax	59,630,927	51,880,903	49,323,050	48,267,881
Vehicle Revenue Tax Stamps	41,592	41,555	38,138	36,187
Workers' Compensation Awards - Assessments	20,129,038	21,160,528	17,779,633	11,626,131
Workers' Compensation Insurance Premium Tax	7,042,702	6,880,624	6,550,637	5,396,592
Other Taxes	7,030,928	7,609,420	6,962,261	7,415,703
Total	\$ 4,292,825,694	\$ 4,171,399,330	\$ 4,004,262,849	\$ 3,761,112,920

Prepared on cash basis to aid in budgetary analysis.

OKLAHOMA

1991	1990	1989	1988	1987	1986
\$ 1,533,394	\$ 2,619,952	\$ 2,287,367	\$ 1,015,552	\$ 1,017,326	\$ 1,149,716
20,917,099	20,408,760	21,536,591	22,214,581	21,881,705	21,120,555
0	0	0	0	0	0
21,503,791	20,561,344	20,008,678	19,919,603	18,136,392	18,413,386
0	0	0	0	0	0
0	0	0	0	0	0
61,058,310	65,306,944	71,983,400	77,888,675	65,865,910	68,981,588
161,228	146,516	110,031	100,280	91,566	77,727
4,518,184	3,315,589	3,871,644	724,381	0	0
1,967,459	2,810,606	2,708,157	3,656,930	6,482,791	7,177,378
49,756,094	49,793,751	52,348,344	49,494,439	37,023,003	40,508,808
4,256,584	4,523,067	4,470,220	5,040,471	5,351,399	5,758,091
31,387,096	29,880,117	31,229,430	28,931,715	31,545,284	31,169,123
819,329	910,183	924,943	1,126,371	750,665	1,184,426
1,359,443	1,400,990	1,493,381	1,414,686	1,542,794	1,505,930
246,342,350	255,570,383	255,760,913	258,242,792	164,540,443	164,639,197
0	0	0	0	6,210	900,000
404,143,185	384,510,644	362,252,512	376,687,550	354,297,027	566,304,982
1,357,169,347	1,117,562,159	1,070,523,781	900,283,045	764,353,909	816,500,830
39,465,754	67,189,006	36,016,804	39,851,538	47,392,660	39,545,439
85,450,248	85,439,519	130,254,455	124,877,675	64,474,663	71,905,261
11,297,842	11,274,726	11,033,139	11,006,317	9,910,126	9,793,850
1,216,596	1,019,501	954,296	967,327	1,049,230	904,783
5,231,046	5,081,419	4,095,103	1,016,656	1,020,283	1,471,348
2,340,059	2,313,262	1,626,526	483,115	436,006	208,312
773,269	935,992	617,371	124,095	90,198	0
5,318,067	4,663,049	4,390,949	4,556,465	4,219,168	6,818,829
13,041,716	12,531,764	12,381,751	12,026,972	11,795,434	12,440,523
909,774,294	795,599,133	737,982,515	719,501,500	581,637,904	617,443,790
5,836,086	5,525,657	5,258,013	5,069,927	5,013,423	5,236,020
170,159	150,969	332,159	328,241	208,452	0
110,072	89,309	77,983	55,840	23,084	0
555,056	519,208	548,963	580,677	570,865	708,578
589,029	615,611	581,359	641,682	454,941	453,117
389,604,571	375,972,305	359,026,573	346,570,940	333,223,446	360,230,338
61,631	850,367	839,508	834,843	633,910	0
8,604,570	8,231,987	7,773,135	7,588,428	7,469,570	6,942,518
2,245,474	2,171,809	1,985,331	1,073,877	0	0
0	0	0	0	0	0
4,399,862	2,750,647	4,014,133	3,247,327	4,375,908	3,464,839
59,924	9,825	42,736	897,732	0	0
46,940,425	42,324,689	34,155,843	31,916,562	26,819,926	33,207,742
46,552	34,364	34,605	32,047	27,318	15,062
9,452,730	8,084,668	7,586,525	7,681,032	8,248,480	6,644,239
4,352,553	4,230,596	3,731,544	3,625,584	3,914,455	3,613,584
8,198,857	4,678,214	4,137,096	5,029,881	5,644,290	4,526,371
<u>\$ 3,762,029,335</u>	<u>\$ 3,401,608,601</u>	<u>\$ 3,270,987,807</u>	<u>\$ 3,076,327,351</u>	<u>\$ 2,591,540,164</u>	<u>\$ 2,930,966,280</u>

OKLAHOMA

GROSS SALES TAX BY INDUSTRY

For the Fiscal Year Ended June 30, 1995

<u>Industry</u>	<u>Gross Sales Tax</u>
General Merchandise Stores	\$ 192,283,751
Food Stores	180,460,298
Eating and Drinking Establishments	107,072,541
Miscellaneous Retail	85,215,891
Wholesale Trade - Durable Goods	84,201,292
Furniture, Home Furnishings and Equipment Stores	73,997,487
Communications	62,304,931
Building Materials, Hardware, Garden Supply and Mobile Homes	59,649,684
Automotive Dealers and Gasoline Service Stations	42,660,860
Electric, Gas, and Sanitary Services	34,578,382
Apparel and Accessory Stores	31,774,964
Business Services	29,820,191
Wholesale Trade - Non-Durable Goods	17,817,104
Hotels, Rooming Houses, Camps, and Other Lodging Places	16,371,009
Automotive Services	10,716,376
Amusement and Recreation Services, except Motion Pictures	8,669,543
Personal Services	7,660,825
Non-Classifiable Establishments	7,324,151
Motion Pictures	4,920,603
Stone, Clay, Glass and Concrete Products	4,698,680
Printing, Publishing and Allied Industries	2,838,226
Repair Services	2,284,519
Machinery, except Electrical	2,004,367
Oil and Gas Extraction	1,791,937
Educational Services	1,081,413
Membership Organizations	1,352,409
Electrical and Electronic Machinery, Equipment and Supplies	870,741
Construction - Special Trade Contractors	811,546
Fabricated Metal Products, except Machinery and Transportation Equipment	761,302
Chemicals and Allied Products	557,585
Measuring, Analyzing, and Controlling Instruments	525,640
Local and Suburban Transit and Interurban Highway Passenger Transit	524,853
Lumber and Wood Products, except Furniture	472,498
Miscellaneous Manufacturing Industries	458,482
Food and Kindred Products	425,877
Transportation Equipment	366,922
Petroleum Refining and Related Industries	330,082
Rubber and Miscellaneous Plastics Products	315,582
Agricultural Services	270,349

Source: Oklahoma Tax Commission

GROSS SALES TAX (continued)

<u>Industry</u>	<u>Gross Sales Tax</u>
Agricultural Production Crops	194,360
Building Construction - General Contractors and Operative Builders	177,062
Health Services	158,241
Engineering, Architectural, and Surveying Services	147,791
Apparel and Other Finished Products made from Fabrics	147,497
Furniture and Fixtures	146,602
Credit Agencies other than Banks	145,489
Security and Commodity Brokers, Dealers, Exchanges, and Services	132,808
Primary Metal Industries	125,439
Paper and Allied Products	110,596
Air Transportation	93,624
Construction other than Building Construction - General Contractors	88,371
Transportation Services	83,440
Textile Mill Products	83,328
Motor Freight Transportation and Warehousing	79,531
Mining and Quarrying of Non-Metallic Minerals, except Fuels	78,124
Real Estate	57,825
Holding and Other Investment Offices	52,111
Museums, Art Galleries, Botanical and Zoological Gardens	50,495
Banking	43,410
Livestock, except Dairy and Poultry	34,830
Miscellaneous Services	28,912
Water Transportation	26,535
Insurance, Insurance Agents, Brokers, and Service	14,517
Railroad Transportation	12,937
Private Households	10,955
Bituminous Coal and Lignite Mining	10,800
Administration of Human Resources Programs	8,217
Social Services	3,634
Leather and Leather Products	3,028
Pipelines, except Natural Gas	2,975
Timber Tracts	2,573
Justice, Public Order, and Safety	2,419
Tobacco Manufacturers	2,219
Metal Mining	1,736
Executive, Legislative and General Government, except Financial	599
Legal Services	91
Administration of Economic Programs	11
Total	<u>\$ 1,082,606,025</u>

OKLAHOMA

ASSESSED VALUATIONS

For the Years 1986 through 1995

	1995	1994	1993	1992
Real Estate and Improvements	\$ 8,395,607,977	\$ 8,037,465,631	\$ 7,843,783,897	\$ 7,742,345,977
Personal Property Subject to Tax	2,057,628,937	2,028,445,909	2,014,749,962	1,991,659,840
Total Locally Assessed	10,453,236,914	10,065,911,540	9,858,533,859	9,734,005,817
Homestead Exemptions Allowed	689,302,818	685,897,647	682,717,943	681,931,910
Net Assessed Locally	9,763,934,096	9,380,013,893	9,175,815,916	9,052,073,907
Public Service Assessment	2,023,137,118	1,980,070,550	1,868,033,971	1,835,701,692
Net Assessed Valuation	\$ 11,787,071,214	\$ 11,360,084,443	\$ 11,043,849,887	\$ 10,887,775,599

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 Averages of Employees

For the Years 1985 through 1994

<u>INDUSTRY GROUP</u>	1994	1993	1992	1991
Wholesale and Retail Trade	300,900	289,600	286,200	285,300
Services	317,300	305,900	293,100	279,800
Manufacturing	171,100	168,600	163,800	168,900
Local Government	148,100	146,100	142,300	135,900
State Government	76,600	76,400	78,000	76,900
Transportation and Public Utilities	72,900	72,400	70,600	70,400
Finance, Insurance and Real Estate	64,100	62,200	60,700	60,900
Federal Government	45,300	47,300	49,800	49,600
Mining	35,000	35,700	37,500	41,900
Construction	47,400	42,800	39,800	38,800
Totals	1,278,700	1,247,000	1,221,800	1,208,400

Source: Oklahoma Employment Security Commission - Research and Planning Division

OKLAHOMA

1991	1990	1989	1988	1987	1986
\$ 7,680,130,611	\$ 7,690,654,189	\$ 7,816,492,107	\$ 7,623,203,694	\$ 7,618,401,728	\$ 7,300,023,487
<u>1,921,683,561</u>	<u>1,812,267,835</u>	<u>1,787,889,265</u>	<u>1,716,774,988</u>	<u>1,791,565,856</u>	<u>1,787,727,758</u>
9,601,814,172	9,502,922,024	9,604,381,372	9,339,978,682	9,409,967,584	9,087,751,245
<u>710,235,908</u>	<u>715,210,089</u>	<u>719,857,032</u>	<u>717,189,569</u>	<u>721,778,553</u>	<u>724,000,251</u>
8,891,578,264	8,787,711,935	8,884,524,340	8,622,789,113	8,688,189,031	8,363,750,994
<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>1,894,166,293</u>	<u>1,873,102,144</u>
<u><u>\$ 10,797,542,323</u></u>	<u><u>\$ 10,691,845,792</u></u>	<u><u>\$ 10,788,722,846</u></u>	<u><u>\$ 10,531,754,768</u></u>	<u><u>\$ 10,582,355,324</u></u>	<u><u>\$ 10,236,853,138</u></u>

1990	1989	1988	1987	1986	1985
280,500	276,100	273,300	270,400	276,200	286,500
272,900	263,600	246,700	232,600	224,700	222,900
168,800	164,400	161,400	156,800	160,300	171,400
132,800	132,700	128,100	124,700	124,600	124,300
75,600	72,600	69,200	67,800	68,800	69,700
68,700	65,600	63,700	63,200	64,200	64,700
60,300	58,800	58,700	59,800	62,400	63,200
50,800	51,900	51,200	52,900	53,400	51,400
43,300	42,200	44,600	46,000	51,800	65,400
<u>39,600</u>	<u>36,100</u>	<u>35,200</u>	<u>34,500</u>	<u>38,000</u>	<u>45,000</u>
<u><u>1,193,300</u></u>	<u><u>1,164,000</u></u>	<u><u>1,132,100</u></u>	<u><u>1,108,700</u></u>	<u><u>1,124,400</u></u>	<u><u>1,164,500</u></u>

OKLAHOMA

STATE COLLEGES AND UNIVERSITIES - PUBLIC

<u>Higher Education Institutions - Public (Location)</u>	<u>Student Enrollment 1995</u>
1. University of Oklahoma (Norman Campus, Law Center, and Geological Survey)	27,157
2. University of Oklahoma Health Sciences Center (Oklahoma City)	3,436
3. Oklahoma State University (Stillwater Campus, School of Technical Training at Okmulgee, the College of Veterinary Medicine, the Oklahoma City Technical Institute, the Agricultural Experiment Station, the Agricultural Extension Division and Oklahoma College of Osteopathic Medicine and Surgery)	32,784
4. University of Central Oklahoma (Edmond)	21,138
5. East Central University (Ada)	5,939
6. Northeastern State University (Tahlequah)	11,339
7. Northwestern Oklahoma State University (Alva)	2,566
8. Southeastern Oklahoma State University (Durant)	5,153
9. Southwestern Oklahoma State University (Weatherford and Sayre)	7,061
10. Cameron University (Lawton)	8,564
11. Langston University (Langston)	4,467
12. Oklahoma Panhandle State University (Goodwell)	1,706
13. University of Science and Arts of Oklahoma (Chickasha)	2,169
14. Carl Albert State College (Poteau)	2,391
15. Connors State College (Warner)	3,354
16. Eastern Oklahoma State College (Wilburton)	2,884
17. Redlands Community College (El Reno)	3,042
18. Murray State College (Tishomingo)	2,230
19. Northeastern Oklahoma A&M College (Miami)	3,135
20. Northern Oklahoma College (Tonkawa)	3,336
21. Oklahoma City Community College (Oklahoma City)	15,130
22. Rogers State College (Claremore)	6,001
23. Rose State College (Midwest City)	13,816
24. Seminole Junior College (Seminole)	2,283
25. Tulsa Junior College (Tulsa)	29,628
26. Western Oklahoma State College (Altus)	2,570
Totals	<u>223,279</u>

Source: State Regents for Higher Education

STATE COLLEGES AND UNIVERSITIES - PRIVATE

<u>Higher Education Institutions - Private (Location)</u>	<u>Student Enrollment 1995</u>
1. Bacone College (Muskogee)	708
2. Bartlesville Wesleyan College (Bartlesville)	606
3. Hillsdale Freewill Baptist College (Moore)	175
4. Mid-America Bible College (Oklahoma City)	549
5. National Education Center: Spartan School of Aeronautics (Tulsa)	1,500
6. Oklahoma Baptist University (Shawnee)	2,099
7. Oklahoma Christian University of Science and Arts (Oklahoma City)	1,570
8. Oklahoma City University (Oklahoma City)	5,343
9. Oral Roberts University (Tulsa)	3,722
10. Phillips University (Enid)	686
11. St. Gregory's College (Shawnee)	321
12. Southern Nazarene University (Bethany)	2,201
13. Southwestern College of Christian Ministries (Bethany)	163
14. University of Tulsa (Tulsa)	4,984
Totals	24,627

Source: State Regents for Higher Education

OKLAHOMA

SCHOOL ENROLLMENTS

For the Years 1986 through 1995

<u>Public School Enrollments:</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
Early Childhood	4,911	5,304	4,765	4,034
Kindergarten	49,839	47,698	48,041	48,469
Elementary School	274,994	278,076	282,749	278,772
Junior High School	127,750	124,610	118,516	119,495
Senior High School	161,933	157,291	150,405	142,837
Non-High School Districts (Grades 1-8)	17,473	17,538	17,259	17,575
Special Education (Ungraded)	3,224	2,808	2,817	2,246
Total	<u>640,124</u>	<u>633,325</u>	<u>624,552</u>	<u>613,428</u>
<u>Higher Education:</u>				
Public Institutions	223,279	224,829	238,244	228,718
Private Institutions	24,627	25,839	25,433	27,336
Total	<u>247,906</u>	<u>250,668</u>	<u>263,677</u>	<u>256,054</u>
<u>Vocational-Technical Education:</u>				
Secondary	111,256	107,894	102,852	96,275
Adult	190,619	191,261	191,137	218,072
Total	<u>301,875</u>	<u>299,155</u>	<u>293,989</u>	<u>314,347</u>

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

POPULATION ESTIMATE

For the Years 1985 through 1994

	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>
Population (estimates)	3,258,100	3,232,900	3,206,200	3,167,700
Labor Force	1,541,000	1,525,010	1,518,000	1,499,000
Total Employment	1,451,000	1,433,000	1,432,000	1,399,000
Oklahoma Unemployment Rate	5.8%	6.0%	5.7%	6.7%
U.S. Unemployment Rate	6.1%	6.8%	7.4%	6.7%

Source: Oklahoma Employment Security Commission - Research and Planning Division

OKLAHOMA

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>
3,075	0	0	0	0	0
49,121	49,727	50,920	52,037	51,672	51,988
277,626	271,554	262,553	259,075	257,744	257,670
117,259	113,604	108,369	107,227	111,556	117,200
144,459	147,282	151,096	157,539	160,274	158,543
17,347	18,167	18,455	18,170	17,924	18,455
<u>2,647</u>	<u>3,942</u>	<u>14,378</u>	<u>13,690</u>	<u>13,553</u>	<u>14,075</u>
<u>611,534</u>	<u>604,276</u>	<u>605,771</u>	<u>607,738</u>	<u>612,723</u>	<u>617,931</u>
218,601	216,290	220,719	218,389	217,163	218,190
<u>28,836</u>	<u>23,894</u>	<u>24,569</u>	<u>25,506</u>	<u>23,335</u>	<u>21,199</u>
<u>247,437</u>	<u>240,184</u>	<u>245,288</u>	<u>243,895</u>	<u>240,498</u>	<u>239,389</u>
91,039	82,656	84,705	83,022	79,692	78,412
<u>300,533</u>	<u>296,633</u>	<u>266,722</u>	<u>249,997</u>	<u>221,552</u>	<u>162,321</u>
<u>391,572</u>	<u>379,289</u>	<u>351,427</u>	<u>333,019</u>	<u>301,244</u>	<u>240,733</u>

<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
3,145,585	3,150,300	3,167,100	3,210,100	3,252,700	3,271,300
1,512,000	1,523,000	1,524,000	1,563,000	1,605,000	1,565,000
1,428,000	1,438,000	1,422,000	1,448,000	1,473,000	1,453,000
5.6%	5.6%	6.7%	7.4%	8.2%	7.2%
5.5%	5.3%	5.5%	6.2%	7.0%	7.2%

OKLAHOMA

MAJOR EMPLOYERS BY SIZE

Non-Government (Listed Alphabetically)
1995

5,001 OR MORE EMPLOYEES

AMR, Corp.	Integris Health
C.R. Anthony Co.	Phillips Petroleum Co.
W. H. Braum, Inc.	Wal-Mart Stores, Inc.

3,001 TO 5,000 EMPLOYEES

AT&T Network Systems	Oklahoma Gas & Electric Co.
CITGO Petroleum Corp. (Cities Service)	St. John Medical Center, Inc.
Conoco, Inc.	Southwestern Bell Telephone Co.
Dillard Department Stores	SWO Holding Co. - Homeland Stores
General Motors Corporation	The Williams Companies, Inc.
McDonald's Restaurants of Okla., Inc.	

1,001 TO 3,000 EMPLOYEES

Albertson's	Montgomery Ward & Co., Inc.
American Fidelity Group	Musket Corporation (Love's)
Amity Care Corporation	Muskogee Regional Medical
Amoco Corporation	Nordam
Avis Rent-A-Car System, Inc.	Norman Regional Hospital
BOK Financial Group	Northrop Grumman Corporation
Brinker International, Inc.	OneOK, Inc.
Central and South West	Parker Drilling Company
Charles Machine Works (Ditch Witch Int.)	J. C. Penney Co., Inc.
Cherokee Nation of Oklahoma	Presbyterian Hospital
Dayton Tire, Div. of Bridgestone	Prudential Insurance of America
Deaconess Hospital	QuikTrip Corporation
First Data Resources, Inc.	Remington Park, Inc.
Flint Industries, Inc.	Rockwell International Corporation
Fort Howard Paper Company	
Goodyear Tire and Rubber Company	Saint Francis Hospital
Halliburton Services	Seagate Technology
The Hertz Corporation	Sears, Roebuck and Co.
Hillcrest Health Center, Inc.	State Farm Mutual Automobile Insurance
Hillcrest Medical Center	Target Stores
Hilti, Inc.	Tulsa Regional Medical Center
Horner Foods, Inc.	Tyson Foods Inc.
K-Mart Corporation	The Uniroyal Goodrich Tire Co.
Kerr-McGee Corporation	Unit Parts Co.
L.S.B. Industries, Inc.	United Parcel Service of America, Inc.
Liberty National Bancorp.	United Supermarkets of Oklahoma, Inc.
Mazzio's Corporation, Inc.	Warren Petroleum Company
Mercuriser	Warehouse Market
Mercy Health Center	Wrangler, Inc.
Midwest City Regional Hospital	

Source: Department of Commerce

Major Employers by Size

500 TO 1000 EMPLOYEES
(Oklahoma-based Companies Only)

American Nursery Products, Inc.	Oklahoma Baptist University
CMI Corporation	Oklahoma City University
Crest Discount Foods, Inc.	Oklahoma Fixture Company
Dolese Bros. Co.	Oklahoma Nursing Homes Ltd.
Eateries, Inc.	The Oklahoma Publishing Company
Farm Fresh Inc.	Oral Roberts University
Fleming Companies, Inc.	St. Mary's Hospital
Fred Jones Manufacturing Co.	Sonic Industries, Inc.
Candid Color Systems/Glamour Shots	Thrifty Rent-A-Car System, Inc.
Jane Phillips Episcopal Hospital	United Design Corporation
Lowrance Electronics, Inc.	Valley View Regional Hospital
Macklanburg-Duncan	World Publishing Company
Mapco, Inc.	

BANK DEPOSITS

for the Years 1985 through 1994

<u>Year</u>	<u># of Banks</u>	<u>\$ Amount of Deposits</u>
1994	350	27,404,941,000
1993	371	26,881,754,000
1992	394	27,313,414,000
1991	411	24,740,365,000
1990	419	23,689,810,000
1989	428	22,983,403,000
1988	458	22,755,315,000
1987	485	23,539,958,000
1986	510	25,170,602,000
1985	533	27,353,988,000

Source: Federal Reserve Bank of Kansas City

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GENERAL INFORMATION

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

Admitted to the Union November 16, 1907, as the 46th state

State Nickname: Sooner State

State Motto: Labor Omnia Vincit (Labor Conquers All Things)

State Colors: Green and White

State Tree: Redbud (*Cercis Canadensis*)

State Flower: Mistletoe (*Phoradendron Serotinum*)

State Animal: American Buffalo (Bison)

State Bird: Scissor-tailed Flycatcher (*Muscivora Forficata*)

State Reptile: Mountain Boomer (Collared Lizard)

State Fish: White Bass (Sand Bass) (*Morone Chrysops*)

State Rock: Rose Rock (Barite Rose)

1994 Population: 3,258,100

Population per square mile: 46.6 people

Divided into 77 counties

Ranks 18th in area at 69,957 square miles:

68,656 square miles of land, 7.5 million acres of forest

1,301 square miles of water, and more coastline than the Atlantic and Gulf together

Bordered by six states: Texas, Kansas, New Mexico, Colorado, Missouri and Arkansas

Equidistant from Los Angeles and New York, and within 500 miles of 71 million people