THE STATE OF

OKLAHOMA

CAFR 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

A herd of longhorns leaves the Oklahoma National Stockyards during the Stockyards Stampede in October.

OKLAHOMA NATIONAL STOCKYARDS

Oklahoma City found its first major industry in livestock marketing when stockyards and meatpacking plants opened for business in the fall of 1910.

The first meatpacking titan to arrive in Oklahoma City was Thomas E. Wilson, the executive vice president of Nelson Morris Company. Wilson built the Oklahoma National Stockyards Company on 120 acres of land adjacent to downtown OKC and the North Canadian River, which led to other meatpacking companies moving to Oklahoma City. The area rapidly evolved into a market with more than 4,000 employees, 17 commission firms, a livestock exchange and a coliseum that held stock shows, rodeos and other agricultural events.

Cattle drives were the inaugural means of transporting livestock to the area before railroads took over. By the mid-1900s, both declined with the advent and popularity of automobiles. The stockyards' central location, near Historic Route 66 and U.S. Highway 77, enabled the stockyards to stay in business as farmers began hauling livestock to market via pickup trucks.

By the '50s, the Oklahoma National Stockyards was a major stocker and feeder cattle market, adding a cattle auction in 1961 and a hog auction in 1973. By the early '80s, as the bulk of Oklahoma's agriculture revenue shifted to livestock, the stockyards became the nation's leading cattle market, handling more than a million animals each year.

Although the 21st century introduced direct purchases and video sales of livestock, the Oklahoma National Stockyards is still going strong and has managed to outlive more than two dozen other large stockyards across the United States. Over 100 years after its founding, over 102 million head of livestock have passed through the stockyards' gates, with roughly half a million animals sold there every year.

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OKLAHOMA 2019

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2019

J. Kevin Stitt
Governor

Prepared by

Office of Management and Enterprise Services

John Budd, Director
Lynne Bajema, State Comptroller

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

Requests for additional copies, comments or questions may be directed to Stephanie Brown, Office of Management and Enterprise Services, 5005 North Lincoln Blvd., Suite 100, Oklahoma City, Oklahoma 73105.

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Top: Longhorns are gathered in a parking lot near the Oklahoma National Stockyards after a cattle drive in October during the Stockyards Stampede.

Left: Visitors to the Stockyards Stampede negotiate a hay bale maze.

Right: A cook stirs a large pot of beans to be served at lunch during the Stockyards Stampede.

Report photos by Ben Bigler, OMES Public Affairs.

Lynne Bajema
State Comptroller
Central Accounting & Reporting

John Budd
Director

December 29, 2019

To the Honorable J. Kevin Stitt, Governor
Members of the Legislature, and
Citizens of the State of Oklahoma

The Office of Management and Enterprise Services (OMES) is pleased to present the Comprehensive Annual Financial Report (CAFR) for the State of Oklahoma for the fiscal year ended June 30, 2019. This report is presented in three sections — introductory, financial and statistical — as the primary means of reporting the state government's financial activities. Its objectives are to provide a clear picture of the government as a single, unified entity and to provide traditional fund based financial statements. The CAFR has been prepared in conformity with relevant Governmental Accounting Standards Board statements.

The Introductory Section contains an overview of the state's economic performance, a review of current initiatives and summary financial data. The Financial Section contains Management's Discussion and Analysis, Government-wide Financial Statements and Fund Financial Statements for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. The Financial Section also includes the Notes to the Financial Statements, Required Supplementary Information and Other Supplementary Information. The Statistical Section contains selected financial and demographic information. Management's Discussion and Analysis contains complementary information, and readers are encouraged to review this section.

PROFILE OF THE GOVERNMENT

Management of the state, through OMES, is responsible for the accuracy, fairness and completeness of the financial statements presented in this report. The statements are prepared in accordance with generally accepted accounting principles. To the best of our knowledge and belief, the information presented is accurate in all material respects and includes all disclosures necessary for an understanding of the state's financial position and activities. The governor and Legislature govern all funds and accounts for every executive agency, board, commission, public trust, authority, college and university whose data are presented in this report. The financial reporting entity, the State of Oklahoma, includes these funds, organizations, agencies, boards, commissions and authorities. In accordance with Governmental Accounting Standards Board Statement number 61, the state financial reporting entity includes 19 component units. There are six major component units, seven nonmajor component units, and six fiduciary component units. The major and nonmajor component units are discretely presented in the financial statements. The fiduciary component units are presented in the fiduciary fund and similar component units' financial statements, along with the other fiduciary activities of the state. The fiduciary activities are not included in the Government-wide Financial Statements because the resources of these funds are not available to support the state's own programs.

State finances are governed by rules designed to ensure sound, conservative management. The Legislature cannot appropriate more than 95 percent of the general revenue expected to be collected in the coming year. The state Board of Equalization, an independent board not subject to legislative control, establishes the legislative appropriation authority. Unlike many states that use seasonal borrowing to meet cash demands, Oklahoma maintains a cash flow reserve sufficient to meet fluctuating cash needs. General obligation indebtedness is prohibited without a vote of the people. When revenue receipts are less than estimated, the Director of the Office of Management and Enterprise Services is mandated by the Oklahoma Constitution to declare a revenue shortfall and reduce appropriations, as required, to allow appropriations to be covered by current year tax collections.

The state's financial statements are audited by the Office of the State Auditor and Inspector. The goal of the independent audit is to provide reasonable assurance that the financial statements of the state for the fiscal year ended June 30, 2019, are free of material misstatement. The audit is conducted in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded that, based upon the audit, there is a reasonable basis for rendering an unmodified opinion and that the State of Oklahoma's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditor's report is presented as the first component of the Financial Section of this report.

Internal Controls

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

Budget and Fiscal Policy

The budget process begins when each agency, other than the Legislature, that expends money through the state treasury submits an annual budget request to OMES. Copies are also provided to the legislative fiscal staffs. These requests are reviewed and analyzed for the governor by OMES. The governor then makes formal recommendations in the executive budget which is presented to the Legislature on the first day of the legislative session. During the legislative session, legislative committees review agency needs and recommend appropriation levels. Then the Legislature must approve all appropriation bills to fund agency operations for the next fiscal year. Appropriation bills provide for state appropriated funds and establish spending limits for state agencies. The governor can accept, reject or line-item veto particular legislative appropriations. Before encumbering or spending money in the fiscal year, each agency must submit a budget work program to OMES. The program outlines, by account, fund source and program category, how the agency plans to spend the available state, federal and revolving funds during the fiscal year. OMES must approve an agency's budget work program before agencies can encumber or spend available funds.

Oklahoma's Constitution restricts total appropriations to 95 percent of estimated general revenues. The Oklahoma State Board of Equalization is responsible for approving the official itemized estimate of revenues based upon information provided by OMES and the Oklahoma Tax Commission and sets the amount of legislative appropriations authority. The board is comprised of six elected officials and the president of the state Board of Agriculture. The six elected officials are 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 Oklahoma State Board of Equalization's itemized estimate of general revenue fund revenues be deposited to the Constitutional Reserve or "Rainy Day" Fund each year until the balance of the "Rainy Day" Fund equals 15 percent of the prior fiscal year's General Revenue Fund certified appropriations authority. In November 2004, Oklahoma voters enacted restrictions on the use of the "Rainy Day" Fund. Up to one-fourth of the July 1 balance each year may be appropriated upon an emergency declaration by the governor with concurrence of two-thirds of the House and Senate, or by a declaration of an emergency by the House of Representatives' speaker and Senate's president pro tempore with concurrence of three-fourths of the members of each legislative body. Up to three-eighths of the fund may be accessed if the Oklahoma State Board of Equalization is forecasting a decline in state revenues for the coming fiscal year and up to three-eighths may be utilized in the event of a current year revenue shortfall.

The state also has an oversight process for the issuance of debt. The Council on Bond Oversight is responsible for the review and approval of all debt issued by the state, its agencies and public trusts, and performs an assessment of all capital leases.

Proprietary Operations

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

Capital Assets

These financial statements include the capital assets of the state. A discussion of capital assets accounting is included in the Management Discussion and Analysis that are part of the basic financial statements. More detailed information about capital assets can be found in the notes to the financial statements.

ECONOMIC CONDITIONS AND OUTLOOK

Oklahoma's economy continued to grow over the first three quarters of 2019, even as lower oil and gas prices impacted state revenues in the first four months of the 2020 fiscal year. The state's labor force continues to grow, unemployment remains below the national rate, and nominal personal income is keeping pace with the nation. Oklahoma's gross domestic product (GDP) is strong, diversification efforts continue to reduce dependence on oil and natural gas revenues, and the state's debt burden is low.

Data from the United States (U.S.) Bureau of Labor Statistics and the Oklahoma Employment Security Commission reports that October 2019 job growth in Oklahoma was flat year-over-year, with an unemployment level of 3.3%. Oklahoma's unemployment rate is currently outperforming the national average of 3.6%. The state added more than 13,000 jobs through October 2019 year-to-date. Metropolitan areas grew at a more rapid pace compared to non-metro regions and were the primary job growth drivers for the state. For October 2019, Oklahoma City's unemployment rate stood at 2.9% and Tulsa's at 3.5%.

The *Oklahoma Economic Indicators* report published in October by the Oklahoma Employment Security Commission indicates that Oklahoma's personal income earnings are keeping pace with the nation and increased by 5% year-over-year, as the U.S. increased by 4.9%.

According to the most recent real GDP data released by the U.S. Bureau of Economic Analysis, Oklahoma's annualized GDP grew by 2.6% in the first quarter and 2.7% in the second quarter, while the U.S. economy grew 3.1% and 2%, respectively. Oklahoma ranked ninth in the nation for GDP growth through the second quarter of calendar year 2019.

In August, *Business Insider* ranked Oklahoma's 3.9% GDP growth as tied for sixth highest in the nation and as ninth highest for wage growth of 6.7%.

According to the October *Oklahoma Economist* publication of the Kansas City branch of the Federal Reserve, Oklahoma's global exports outpaced the U.S. by increasing 1.7% over the first three quarters of 2019.

The energy sector remains an important driver of the Oklahoma economy. After weathering a significant two-year downturn in energy prices, Oklahoma's economy continued to expand throughout 2018 and into the first half of 2019. The recent slump in energy prices, however, has caused growth to moderate and revenues to fall behind estimates for the beginning of the 2020 fiscal year.

According to the Baker Hughes Rig Count, as of November 22, 2019, 52 rigs were drilling in the state, a decrease of 92 rigs, or 63.9% from a year ago. During this same period, the U.S. rig count is down by 276 rigs, or 25.6%, and the number of rigs has declined 13 of the last 14 weeks. Although concerning and a trend to watch, it is important to note that energy production has remained somewhat steady to date. It is commonly reported that technology and drilling, as well as production improvements by the oil and gas industry, enable many companies to operate leaner without slashing production goals.

Current Energy Information Administration estimates expect spot prices for West Texas Intermediate crude oil to average $60 a barrel in 2020. This is lower than the $64 average in 2019, primarily because of expected rising global inventories. Henry Hub natural gas prices are forecast to average $2.48/MMBtu in 2020, down 13 cents from the 2019 average.

The aerospace industry continues to be one of the most important contributors to Oklahoma's economy. Tinker Air Force Base is the world's largest military aircraft repair facility and the American Airlines maintenance base in Tulsa is the world's largest commercial aircraft repair facility. This year, Oklahoma has seen significant investment and growth in the aerospace sector. Governor J. Kevin Stitt commented, "Aerospace has a $44 billion impact on our state, and we are working to further strengthen and grow this industry."

Tinker Air Force Base has been chosen to maintain the newest aircraft in the U.S. Air Force, the KC-46A Pegasus refueling and military transport aircraft. The base recently unveiled the new 156-acre maintenance campus that will add an estimated 1,300 new jobs at Tinker. Additionally, the aircraft will be used for training at Altus Air Force Base, reaching deeper into the Oklahoma economy and securing the prosperity of both bases for many years to come.

In April of 2019, the first Firejet tactical aerial drone was unveiled by Kratos at the security contractor's new Oklahoma City facility. The unmanned aerial target is designed to replicate enemy threat aircraft and cruise missiles to allow our military to train for defense against true targets. Another drone will also be produced at the Oklahoma City facility and the company anticipates hiring an additional 350 to 550 new positions over the next few years.

Also expanding aerospace activities in the Oklahoma City area, Pratt and Whitney announced in July 2019 that they will be making a multimillion-dollar investment to expand its Military Aftermarket Services in support of the Oklahoma City Air Logistics Complex based at Tinker Air Force Base. The expansion is expected to create about 100 new jobs.

Another company, Duncan Machine Products, is expanding into the aerospace sector after about 11 years of manufacturing oil field equipment. In November, Duncan Machine Products held a ribbon cutting and dedication for their new facility in Duncan set to bring new jobs to the area.

Over the first four months of 2019, Oklahoma's revenue collections reflected a modestly growing economy despite struggling energy markets. According to the *Oklahoma Economic Report* published by the State Treasurer, monthly gross receipts for October 2019 were $1.1 billion, up by $6.1 million, or 0.5%, from October 2018. Running 12-month gross receipts were $13.7 billion, and all major revenue streams grew over the last 12 months. Individual income tax collections reflected continuing strong employment growth with receipts growing 6.4% in the past year.

Receipts to the General Revenue Fund are trending slightly positive over the first four months of fiscal year 2020. OMES reports collections to the fund to be $19.7 million, or 1%, above the year-to-date estimate through October 2019, and $89.4 million, or 4.5%, above prior year collections. For fiscal year 2020, increased revenues are anticipated, and target estimates are higher than actuals from the previous year – meaning that collections constantly above the prior year are not only expected but necessary just to meet current year state allocations.

Comparisons of treasury gross receipts include all collections received through the Oklahoma Tax Commission before refunds and rebates, and include taxes levied by cities and counties which are not state revenues. This report, according to the State Treasurer, is meant to reflect general state macro-economic activity and present snapshots in time to indicate rising or falling economic conditions. General Revenue Fund collections, as reported by OMES, and other state revenues funding the state budget do not correlate directly to gross receipts.

For this reason, Oklahoma state government, pursuant to the state Constitution, builds a 5% cushion into every appropriated state budget to reduce the risk of mandatory budget reductions if revenues fall below the 100% estimate. If collections to the General Revenue Fund are projected to fall more than 5% below the official estimate during any fiscal year, a revenue failure is declared, and mandatory appropriation reductions must occur to maintain a balanced budget.

Fiscal year 2019 collections to the General Revenue Fund totaled 5.5%, or $354.6 million, above the 100% official estimate, resulting in the surplus being deposited to the Oklahoma Constitutional Reserve ("Rainy Day") Fund, bringing the reserve fund balance to just over $806 million.

Additionally, spearheaded by leadership of Oklahoma's new governor, the Legislature, during the 2019 session, enacted measures to place $200 million into the Oklahoma Revenue Stabilization Fund, building total emergency reserves to over $1 billion for the first time in state history. The stabilization fund was created by the Legislature in 2016 to receive revenues

above calculated five-year averages from the volatile revenue sources of gross production and corporate income taxes and is expected to receive additional deposits at the end of fiscal year 2020.

In October 2019, Moody's Investors Service affirmed Oklahoma's Aa2 credit rating and revised the state's outlook from stable to positive. Moody's press release stated, "The positive outlook reflects our expectation that strong fiscal management and a commitment to increasing reserves will continue, in line with the state's goal of strengthening its preparedness for the next cyclical economic downturn. We also expect the state's debt and pension burden will continue to run well below the 50-state median."

Oklahoma carries a low tax-supported debt burden overall, with continued declining annual debt service payments. The state constitution requires voter approval of all state general obligation bonds with the stipulation that they be secured by a specific tax revenue stream. Currently, the state's only general obligation bonds of this type matured in July of 2018.

State pension plans recently reported excellent investment performance and continuing funding level improvements. Oklahoma has seven pension systems of which the Teachers' Retirement System (TRS) and the Oklahoma Public Employees Retirement System (OPERS) compose 80% of total pension fund assets. At the end of November, the Oklahoma State Pension Commission reported strong returns for fiscal year 2019. The funded ratio for TRS was reported at 72.4%. It is the largest state pension system, accounting for just over one-half of all pension assets. The second largest system, OPERS, holds nearly 30% of all assets and ended fiscal year 2019 with a funded ratio of 98.6%. Combined, all state systems currently have a funded ratio of just over 81%.

Some other highlights of Oklahoma's economy include:

- During the 2019 legislative session, state policymakers increased teachers' pay, as well as state employees' pay in Oklahoma for a second consecutive year.
- Amazon.com, Inc., officially opened its new robotics fulfillment center in August, accepting applications for approximately 1,500 new jobs in Oklahoma City. The positions pay between $15 and $17.80 per hour and offer health care on day one, up to 20 weeks of paid parental leave, a 401(k) and company stock awards.
  The company also announced plans to open a second Oklahoma facility in Tulsa sometime during the second quarter of 2020, creating an estimated 1,500 new full-time jobs and another 2,500 to 3,500 part-time, seasonal positions.
- Oklahoma-based American Fidelity Assurance (55) is among Fortune's 100 Best Companies to Work For in 2019.
- Five Oklahoma-based companies earned spots on the Fortune 500 List: NGL Energy Partners (179), Oneok (256), Devon Energy (297), Chesapeake Energy (309) and Williams (348).
- Three companies made it on the Forbes America's Largest Private Companies list: Love's Travel Stops and Country Stores (16), QuikTrip (29), and Hobby Lobby Stores (91).

Highlights of the fiscal year 2019 and fiscal year 2020 executive branch budgets include (expressed in millions):

	Amount Appropriated		Percentage of Total Appropriations		Increase (Decrease) from Prior Year		Percentage Increase (Decrease)	
	2019	2020	2019	2020	2019	2020	2019	2020
Department of Education	$ 2,913	$ 3,071	39%	39%	$ 465	$ 158	19%	5%
Regents for Higher Education	777	802	10%	10%	3	25	0%	3%
Career & Technical Education	124	143	2%	2%	11	19	10%	15%
Other Education	40	41	1%	1%	1	1	3%	3%
Total Education	$ 3,854	$ 4,057	52%	52%	$ 480	$ 203	14%	5%
Department of Health	$ 55	$ 61	1%	1%	$ 2	$ 6	4%	11%
Health Care Authority	1132	1,000	14%	13%	106	(132)	10%	(12%)
Department of Mental Health	337	351	4%	4%	9	14	3%	4%
Other Health	49	112	1%	1%	1	63	2%	129%
Total Health	$ 1,573	$ 1,524	20%	19%	$ 118	$ (49)	8%	(3%)
Department of Human Services	$ 729	$ 741	10%	10%	$ 29	$ 12	4%	2%
Office of Juvenile Affairs	93	97	1%	1%	1	4	1%	4%
Other Human Services	74	87	1%	1%	5	13	7%	18%
Total Human Services	$ 896	$ 925	12%	12%	$ 35	$ 29	4%	3%
Department of Corrections	$ 517	$ 556	7%	7%	$ 31	$ 39	6%	8%
Department of Transportation	166	169	2%	2%	11	3	7%	2%
Department of Public Safety	98	104	1%	1%	3	6	3%	6%
Other	441	583	6%	7%	19	142	5%	32%
Total	$ 7,545	$ 7,918	100%	100%	$ 697	$ 373	10%	5%

FINANCIAL INFORMATION

Governmental Functions

Most financial operations of the state are reported in governmental fund types, which are the general fund and the permanent funds. Following are schedules of revenues and expenditures for these governmental funds. Note that the following tables present data according to GAAP for the fiscal year ended June 30, 2019, while previous tables have presented budgetary data for this and later periods. Transfers are primarily from the general fund to support public institutions of higher education.

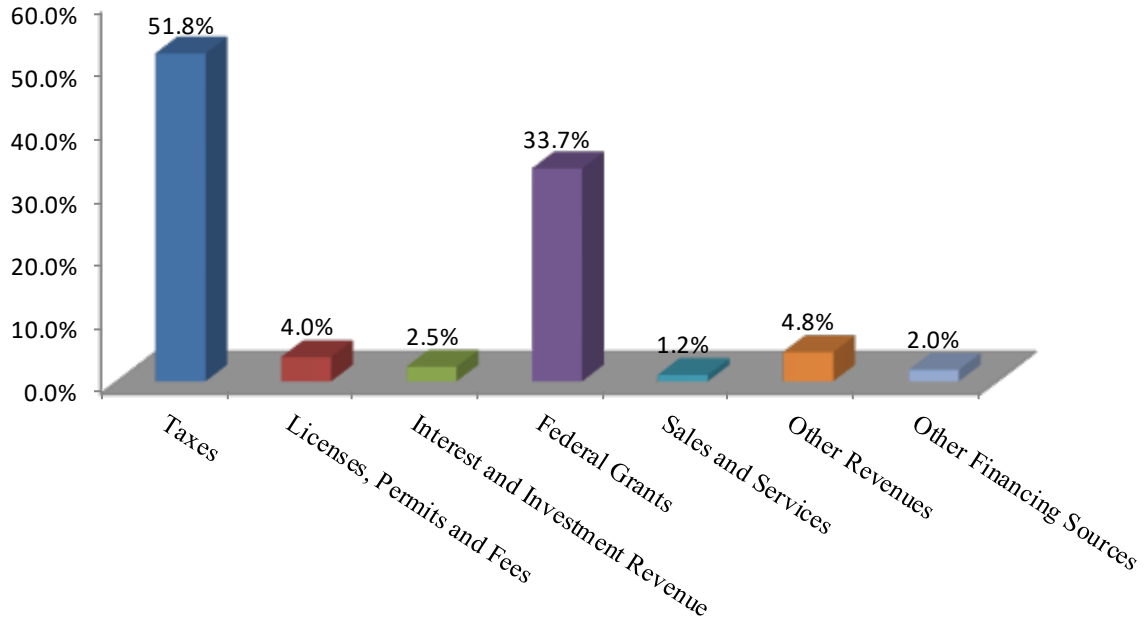
Governmental Funds: Revenues and Other Financing Sources - GAAP Basis
(expressed in millions)

	2019 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Taxes	$ 10,452	51.8%	$ 921	9.7%
Licenses, permits and fees	809	4.0%	24	3.1%
Interest and investment revenue	497	2.5%	55	12.4%
Federal grants	6,811	33.7%	382	5.9%
Sales and services	237	1.2%	20	9.2%
Other revenues	977	4.8%	436	80.6%
Other financing sources:				
Transfers	91	0.5%	12	15.2%
Issuance of debt	268	1.3%	241	892.6%
Other	47	0.2%	(35)	(42.7%)
Total revenues and other financing sources	$ 20,189	100.0%	$ 2,056	11.3%

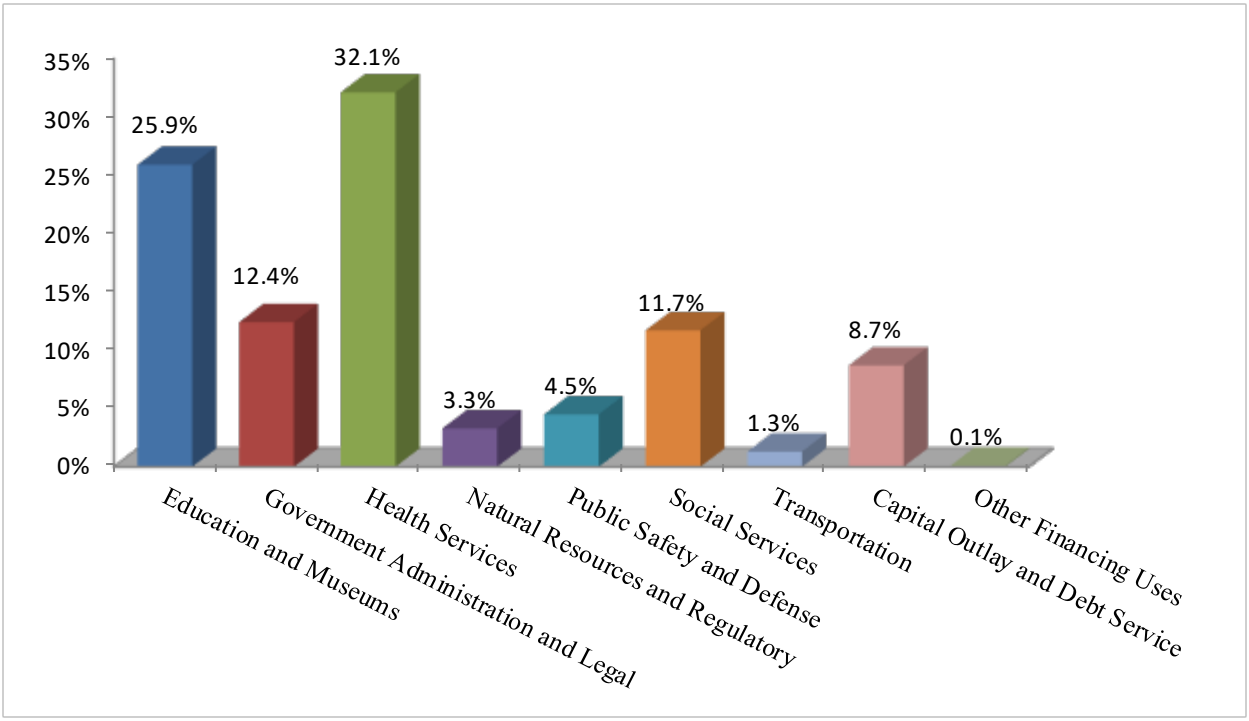
Governmental Funds: Expenditures and Other Financing Uses - GAAP Basis
(expressed in millions)

	2019 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Education	$ 4,799	25.8%	$ 543	12.8%
Government administration	2,043	11.0%	332	19.4%
Health services	5,955	32.1%	336	6.0%
Legal and judiciary	263	1.4%	5	1.9%
Museums	13	0.1%	5	62.5%
Natural resources	449	2.4%	205	84.1%
Public safety and defense	833	4.5%	(5)	(0.6%)
Regulatory services	151	0.9%	31	25.9%
Social services	2,179	11.7%	43	2.0%
Transportation	233	1.3%	70	43.1%
Capital outlay	1,401	7.6%	(258)	(15.5%)
Debt service	210	1.1%	11	5.5%
Other Financing Uses:				
Transfers	23	0.1%	7	43.8%
Total expenditures and other financing uses	$ 18,552	100.0%	$ 1,325	7.7%
Governmental Funds -				
Net increase in fund balance	$ 1,637			

Governmental Fund Revenues and Other Financing Sources (GAAP Basis) – Fiscal Year 2019



Governmental Funds Expenditures and Other Financing Uses (GAAP Basis) – Fiscal Year 2019



Revenue Collections and Estimates

As noted in a preceding subsection, the budget is prepared using cash available plus 95 percent of the itemized revenue estimate as approved by the Oklahoma State Board of Equalization. It should be noted that taxes deposited into the budgetary General Revenue Fund, as defined by Oklahoma law, are approximately 75 percent of the total tax revenues of the governmental funds, as defined by GAAP. However, the budgetary General Revenue Fund should not be confused with the general fund as presented in the accompanying GAAP-basis financial statements, as the two terms are not interchangeable. For example, the GAAP-basis general fund includes revenues deposited to the state Transportation Fund, federal grant proceeds, revolving fund revenues, fees and charges as well as other money used in the general operations of government which are not considered in the Board of Equalization's estimates of tax revenues.

During 2018, the most recent data available, receipts all five major taxes were more than revenues of the prior year. The taxes combined for $5.0 billion, or 117.7 percent of total receipts for the same categories in the prior year. The total of major taxes collected increased $749 million or 17.7 percent from that of the previous year. As compared to fiscal year 2017, collections from income taxes increased by $265 million, or 13.1 percent; sales taxes increased by $286 million, or 15.5 percent; motor vehicle taxes increased $3 million, or 1.3 percent; and gross production taxes on gas and oil increased by $196 million, or 124.5 percent.

Oklahoma has established an enviable record in recent years for its revenue forecasting results. Since enactment of a constitutional amendment in 1985 establishing new revenue estimating procedures, collections have exceeded the estimate in 18 years and dipped below the estimate 15 years. The comparison of estimated revenues to actual collections for fiscal year 2018 is as follows:

Revenue Collections Compared to Itemized Estimate for Fiscal Year 2018
(expressed in millions)

	Itemized Estimate	Actual Collections	Over (Under) Estimate	Percentage Collected
Individual and Corporate				
Income tax	$ 2,000.5	$ 2,276.6	$ 276.1	113.8%
Sales tax	2,047.3	2,136.0	88.7	104.3%
Motor vehicle tax	220.4	215.6	(4.8)	97.8%
Gross production tax	373.4	353.4	(20.0)	94.6%
Subtotal Major Taxes	$ 4,641.6	$ 4,981.6	$ 340.0	107.3%
Other sources	831.2	872.8	41.6	105.0%
Total	$ 5,472.8	$ 5,854.4	$ 381.6	107.0%

The 15-year comparative history of estimated to actual collections is shown in the following table:

Budgetary General Revenue Fund Comparisons
(expressed in millions)

Fiscal Year	Itemized Estimate	Actual Collections	Over (Under) Estimate	Percentage Collected
2004	$ 4,396	$ 4,613	$ 217	104.9%
2005	4,545	4,957	412	109.1%
2006	5,149	5,715	566	111.0%
2007	5,708	5,966	258	104.5%
2008	5,845	5,981	136	102.3%
2009	5,981	5,544	(437)	92.7%
2010	5,415	4,622	(793)	85.4%
2011	4,889	5,138	249	105.1%
2012	5,236	5,564	328	106.3%
2013	5,601	5,604	3	100.1%
2014	5,889	5,627	(262)	95.6%
2015	5,857	5,727	(130)	97.8%
2016	5,746	5,205	(541)	90.6%
2017	5,220	5,044	(176)	96.6%
2018	5,473	5,854	381	107.0%
Fifteen-Year Average	$ 5,397	$ 5,411	$ 14	100.3%

The status of three important fund balances affecting the new year's fiscal picture is explained as follows:

Cash-Flow Committed Fund – Each year, 10 percent of the General Revenue Fund's certified appropriation level is set aside to meet anticipated monthly cash flow needs for the new fiscal year. At the close of fiscal year 2019, the amount the state set aside was $917.1 million.

General Revenue Fund – In fiscal year 2019, there were amendments to the budget that netted an additional $264.1 million. Carried-over amounts from prior years of $17.0 million were added to the budget compared to a $39.4 million carry-over in fiscal year 2018. Carry-over funds reflect the difference between the 95 percent appropriation limit and actual receipts up to 100 percent of the estimate. Funds required to replenish or increase the cash-flow committed fund also come from this source. An additional $99.6 million was added to fund a portion of the ad valorem reimbursement to schools. Oklahoma Health Care Authority was awarded an additional $110.0 million to replace federal funding for the state sponsored medical schools. In addition, the Department of Transportation was given $30.0 million in supplementary funding for improvements to roads and bridges.

Constitutional Reserve "Rainy Day" Fund - At the start of each fiscal year, collections that exceed the estimate for the preceding year are automatically deposited in the "Rainy Day" Fund until the total balance equals 15 percent of the prior year's certified collections for the General Revenue Fund. As a result of different triggers for making the funds available for use, any amounts deposited to the fund are split between unassigned and restricted fund balance. For the fiscal year beginning July 1, 2019, the restricted portion had a balance of $604.7 million and the unassigned portion had a balance of $201.6 million, giving the total Constitutional Reserve Fund a balance of $806.3 million.

FOR THE FUTURE

State government will focus on critical issues to ensure Oklahoma capitalizes on its potential for growth. Immediate goals will include continued efforts to grow and diversify the state's economy through growing new jobs and creating a more business friendly environment. The state will take steps to increase efficiencies, reducing the cost of recurring expenditures; create a more structurally balanced budget; build financial reserves and improve the state credit rating.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Oklahoma for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

A Certificate of Achievement is valid for a period of one year only. The State of Oklahoma has received the Certificate of Achievement for each year since 1996. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS

OMES is pleased to recognize and commend the efforts of the numerous individuals across the state that made this CAFR possible. Questions or requests for additional information related to this report can be directed to our office at 405-521-2141.

Respectfully submitted,

John Budd
Director

Lynne Bajema
State Comptroller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Selected Oklahoma State Officials

2019

LEGISLATIVE BRANCH

Senate
Greg Treat, President Pro Tempore

House of Representatives
Charles McCall, Speaker of the House

EXECUTIVE BRANCH

Governor
J. Kevin Stitt

Lieutenant Governor
Matt Pinnell

Secretary of State
* Michael Rogers

State Auditor and Inspector
Cindy Byrd

Attorney General
Mike Hunter

State Treasurer
Randy McDaniel

Superintendent of Public Instruction
Joy Hofmeister

Commissioner of Labor
Leslie Osborn

Commissioner of Insurance
Glen Mulready

Commissioners of the Corporation Commission
Todd Hiett
Bob Anthony
Dana Murphy

JUDICIAL BRANCH

* State Supreme Court
Noma Gurich, Chief Justice

* Court of Criminal Appeals
Gary Lumpkin, Presiding Judge

* Appointed to position

CABINET DEPARTMENT SECRETARIES

Agency Accountability	Energy & Environment	Science & Innovation
Agriculture	Health & Mental Health	State & Education
Budget	Human Services & Early Childhood Initiatives	Tourism & Branding
Commerce & Workforce Development	Native American Affairs	Transportation
Digital Transformation & Administration	Public Safety	Veterans Affairs & Military

The cabinet secretaries are appointed by the governor with the approval of the Senate. Many of the secretaries are also heads of the executive branch agencies. State agencies are assigned to a cabinet department by the governor. The specific agency assignments to each cabinet are shown on the next page. Agency numbers are listed to the left of the agency name.

State Agencies by Cabinet

305 Office of the Governor
440 Office of the Lieutenant Governor

Agency Accountability
300 Auditor & Inspector *
90 Office of Mgmt. & Enterprise Services

Agriculture
40 Agriculture, Department of
39 Boll Weevil Eradication Org.
645 Conservation Commission
353 Horse Racing Commission
790 Veterinary Medical Examiners Board

Commerce & Workforce Dev.
20 Accountancy Board
160 Commerce, Department of
170 Construction Industries Bd.
900 Development Finance Authority
290 Employment Security Commission
922 Housing Finance Authority
370 Industrial Finance Authority
385 Insurance Department *
405 Labor, Department of
45 Licensed Architects, Board of Gov.
475 Motor Vehicle Commission
563 Private Vocational School, Board of
570 Prof. Engin. & Land Surveyors Bd.
588 Real Estate Commission
755 Prof. Engin. & Land Surveyors Bd.

Digital Transformation & Admin.
22 Abstractor's Board
65 Banking Department
91 Building Bonds Commission
915 Capital Investment Board
635 Consumer Credit, Comm. for
296 Ethics Commission
315 Firefighters Pension & Retirement
678 Judicial Complaints, Council on
416 Law Enforcement Retirement
435 Lottery Commission
298 Merit Protection Commission
557 Police Pension & Retirement System
515 Public Employees' Retirement System
630 Securities Commission
675 Self-Insurance Guaranty Board
695 Tax Commission
715 Teachers Retirement System
740 Treasurer *

Energy and Environment
185 Corporation Commission *
359 Energy Resources Board
292 Dept. of Environmental Quality
980 Grand River Dam Authority
307 Interstate Oil Comp. Com.
445 LPG Board
125 Mines, Department of
981 Municipal Power Authority
835 Water Resources Board
320 Wildlife Conservation, Dept. of

Health and Mental Health
44 Anatomical Board
448 Alcohol and Drug Coun., Bd. of Lic.
148 Behavioral Health Lic., Board of
145 Chiropractic Examiners Board
783 Community Hospitals Authority
190 Cosmetology and Barbering Board
215 Dentistry, Board of
285 Funeral Board
807 Health Care Authority
340 Health, Department of
509 Long-Term Care Admin., Bd. of Exam.
450 Medical Licensure & Supv., Bd. of
452 Mental Health and Sub. Abuse Svc.
510 Nursing Board
775 Oklahoma State Univ. Medical Auth.
520 Optometry Board
525 Osteopathic Examiners Board
343 Perfusionists, State Bd. of Examiners
560 Pharmacy Board
619 Physicians Manpower Trng. Comm
140 Podiatric Medical Examiners, Bd. Of
575 Psychologists, Bd. of Examiners
632 Speech Pathology & Audiology Bd.
92 Tobacco Settlement Endow. Trust Fund
825 University Hospitals Authority

Human Svc & Early Childhood Init
127 Children & Youth, Commission
326 Disability Concerns, Office of
830 Human Services, Department of
670 J.D. McCarty Center
400 Juvenile Affairs, Office of
622 Licensed Social Workers, Board of
805 Rehabilitation Services

Native American Affairs
361 Native American Cultural/Ed. Auth.

Public Safety
30 Alcohol Beverage Laws Enforcement
772 Alcohol/Drug Influence, Bd. of Tests
49 Attorney General *
131 Corrections Department of
220 District Attorney's Council
309 Emergency Management, Dept. of
47 Indigent Defense System
308 Investigation, Bureau of
415 Law Enf. Educ. & Trng., Council on
342 Medicolegal Investigations, Bd. of
477 Narcotics & Dang. Drugs, Bureau of
306 Pardon and Parole Board
585 Public Safety, Department of
310 State Fire Marshal, Office of

Science and Technology
628 Center f/t Adv. of Sci. & Technology
346 Space Industry Development Auth.

State and Education
800 Career & Technology Education
605 Regents for Higher Education
265 Education, Department of
266 Educational Television Authority
275 Educ. Qual. & Account., Comm. for
270 Election Board
410 Land Office, Commissioners of the
430 Library Department
391 Multiple Injury Trust Fund
629 School of Science & Mathematics
625 Secretary of State
618 Student Loan Authority
803 Virtual Charter School Board
865 Workers' Compensation Commission

Colleges and Universities:
100 Cameron University
108 Carl Albert State College
165 Connors State College
230 East Central University
240 Eastern Oklahoma State College
420 Langston University
470 Murray State College
480 Northeastern Okla. A & M College
485 Northeastern State University
490 Northern Oklahoma College
505 Northwestern Oklahoma State Univ.
530 Oklahoma Panhandle State Univ.
10 Oklahoma State University
761 Oklahoma University Law Center
633 Oklahoma City Community College
770 Okla. University Health Science Ctr.
773 OSU -College of Osteopathic Medicine
14 OSU -College of Veterinary Medicine
11 OSU -Experiment Station
12 OSU -Extension Division
13 OSU -School of Tech. Training
15 OSU -Technical Institute of OKC
16 OSU -Tulsa
771 OU Health Sci. Ctr. Prof. Prac. Plan
241 Redlands Community College
610 Regional University System of Ok
461 Rogers State University
531 Rose State College
606 University Center of Southern Ok
623 Seminole State College
660 Southeastern Oklahoma State Univ.
665 Southwestern Oklahoma State Univ.
750 Tulsa Community College
758 University Center at Ponca City
120 University of Central Oklahoma
760 University of Oklahoma
761 University of Oklahoma Law School
765 University of Oklahoma - Tulsa
150 Univ. of Science and Arts of Okla.
41 Western Oklahoma State College

Tourism and Branding
55 Arts Council
350 Historical Society
204 J.M. Davis Memorial Commission
620 Qtz Mtn. Arts/Conf. Cntr/Nat. Pk.
566 Tourism & Recreation, Dept. of
.

Transportation
060 Aeronautics Commission
978 Turnpike Authority
345 Transportation, Department of

Veterans Affairs & Military
650 Veterans Affairs, Department of

* Agency is headed by a statewide elected official or their controlling board is made up of elected officials. They are assigned to a cabinet department for purposes of coordinating services and programs only.

Men talk on the walkway that leads to the auction arena of the Oklahoma National Stockyards.

OKLAHOMA SAI
STATE AUDITOR & INSPECTOR
Cindy Byrd, CPA | State Auditor & Inspector
2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oklahoma, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State of Oklahoma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit:

- the financial statements of the Water Resources Board which represent fifty percent of the assets, thirty-two percent of the net position and five percent of the revenues of the proprietary funds;
- the financial statements of the Oklahoma Municipal Power Authority, Oklahoma Housing Finance Agency, Grand River Dam Authority, Oklahoma Turnpike Authority, University of Oklahoma, University of Oklahoma – Foundation, Oklahoma State University, Oklahoma State University – Foundation, the Regents for Higher Education, and University of Oklahoma – Health Sciences Center which in the aggregate represent eighty-two percent of the assets, eighty-six percent of the net position and seventy-three percent of the revenues for the aggregate discretely presented component units;
- the financial statements of the Commissioners of the Land Office permanent fund, and the Tobacco Settlement Endowment permanent fund, which in the aggregate represent ninety-eight percent of the assets, ninety-eight percent of the fund balance and ninety-nine percent of the revenues of the permanent funds;
- the financial statements of the Oklahoma Teachers Retirement System, the Oklahoma Public Employees Retirement System, and the Oklahoma Firefighters Pension and Retirement System which in the aggregate represent eighty-seven percent of the assets, eighty-eight percent of the net position and ninety-one percent of the additions of the aggregate remaining fund information;
- the financial statements of the Department of Commerce, and the Department of Wildlife, which in the aggregate represent one percent of the assets, one percent of the fund balance and one percent of the revenues of the general fund.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the above-mentioned entities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the

Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oklahoma, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the Multiple Injury Trust Fund (MITF) had a net deficit or negative net position of approximately $485,782,000 at December 31, 2018 primarily due to court awards exceeding the apportionment of special tax revenue collected.

As discussed in Note 1, effective July 1, 2018 the State of Oklahoma has adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*; and GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.*

Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule-Budget to Actual (Non-GAAP Budgetary Basis) General Fund, the Notes to Required Supplementary Information-Budgetary Reporting, the Pension Data Required by GASB 68, and the OPEB Data required by GASB 75 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Oklahoma's basic financial statements. The introductory section, combining financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2019, on our consideration of the State of Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State of Oklahoma's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State of Oklahoma's internal control over financial reporting and compliance.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

December 29, 2019

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Riders push cattle from the Oklahoma National Stockyards pens toward the auction arena.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the State of Oklahoma provides this *Management's Discussion and Analysis* of the State of Oklahoma's Comprehensive Annual Financial Report (CAFR) for readers of the state's financial statements. This narrative overview and analysis of the financial activities of the State of Oklahoma is for the fiscal year ended June 30, 2019. We encourage readers to consider this information in conjunction with the additional information that is furnished in the Letter of Transmittal, which can be found preceding this narrative, and with the state's financial statements which follow.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

Government-Wide Highlights:

Net Position - The assets plus deferred outflows of resources of the state exceeded its liabilities and deferred inflows of resources at fiscal year ending June 30, 2019 by $22.2 billion (presented as "net position"). Of this amount, $4.0 billion was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the state's ongoing obligations to citizens and creditors.

Changes in Net Position - The state's total net position increased by $2.1 billion (a 10.4% increase) in fiscal year 2019 after a 5.9% increase during the previous fiscal year. Net position of governmental activities increased by $2.0 billion (a 10.9% increase), while net position of the business-type activities showed an increase of $121.0 million (a 5.9% increase).

Fund Highlights:

Governmental Funds - Fund Balances - As of the close of fiscal year 2019, the state's governmental funds reported a combined ending fund balance of $9.3 billion, an increase of $1.6 billion in comparison with the prior year. Of this total amount, $3.9 billion represents nonspendable fund balance, with $106.7 million being in the General Fund. Amounts that can be spent include $1.3 billion of restricted fund balance, $3.8 billion of committed fund balance, $61.6 million of assigned fund balance, and $201.6 million of unassigned fund balance. The portion of fund balance which is available is roughly 29.1% of the total governmental expenditures for the year.

Long-term Debt:

The state's total long-term debt obligations showed a net increase of $120.0 million (9.0%) in governmental type activities and a net increase of $96.2 million (10.5%) in business type activities during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the State of Oklahoma's Basic Financial Statements. The state's basic financial statements include three components: 1) *Government-Wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains additional *Required Supplementary Information* (budgetary, pension and other postemployment benefit schedules) and *Other Supplementary Information* (Combining Financial Statements) in addition to the basic financial statements themselves. These components are described below:

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the state – the *Government-Wide Financial Statements* and the *Fund Financial Statements and Combining Major Component Unit Financial Statements*. These financial statements also include the *Notes to the Financial Statements* that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* provide a broad view of the state's operations in a manner like a private-sector business. The statements provide both short-term and long-term information about the state's financial position, which assists in assessing the state's economic condition at the end of the fiscal year. These are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. This means they follow methods that are like

those used by most businesses. They consider all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The *Government-Wide Financial Statements* include two statements:

The *Statement of Net Position* presents all the government's assets and liabilities in addition to deferred inflows and outflows, with the difference between the four reported as "net position". Over time, increases or decreases in the state's net position may serve as a useful indicator of whether the financial position of the state is improving or deteriorating.

The S*tatement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (such as uncollected taxes and earned but unused vacation leave). This statement also presents a comparison between direct expenses and program revenues for each function of the state.

Both above financial statements have separate sections for three different types of state programs or activities. These three types of activities are:

Governmental Activities – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal grants). Most services normally associated with state government fall into this category, including education (support for both common public schools and higher education), government administration, health services, legal and judiciary services, museums, natural resources, public safety and defense, regulatory services, social services, and transportation.

Business-Type Activities – These functions normally are intended to recover all or a significant portion of their costs through user fees and charges to external users of goods and services. These business-type activities of the state include the operations of the Oklahoma Unemployment Insurance Trust Fund (by the Oklahoma Employment Security Commission), the state's program for making loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems (by the Oklahoma Water Resources Board), administering the insurance benefits for state employees and education workers (by the Employees Group Insurance Division of the Office of Management and Enterprise Services), and the Oklahoma Lottery Commission. These four programs operate with minimal assistance from the governmental activities of the state.

Discretely Presented Component Units – These are operations that have certain independent qualities but for which the state has financial accountability. For the most part, these entities operate like private-sector businesses and the business-type activities described above. The state's discretely presented component units are presented in two categories, major and nonmajor. This separation is determined by the relative size of the entities' assets, liabilities, revenues and expenses in relation to the total of all component units.

The state's six discretely presented major component units are:

Oklahoma Student Loan Authority
Oklahoma Housing Finance Agency
Oklahoma Turnpike Authority
Grand River Dam Authority
Oklahoma Municipal Power Authority
Higher Education Component Unit

The state's seven other (or nonmajor) component units are combined into a single column for reporting in the *Fund Financial Statements*. These nonmajor component units are:

Oklahoma Educational Television Authority
Oklahoma Industrial Finance Authority
Multiple Injury Trust Fund
University Hospitals Authority
Oklahoma Development Finance Authority
Oklahoma Capital Investment Board
Oklahoma State University Medical Authority

Complete financial statements of the individual component units can be obtained from their respective administrative offices. Addresses and other additional information about the state's component units are presented in the *Notes to the Financial Statements*.

The *Government-Wide Financial Statements* can be found immediately following this discussion and analysis.

Fund Financial Statements and Major Component Unit Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The state, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The *Fund Financial Statements* focus on individual parts of the state government, reporting the state's operations in more detail than the *Government-Wide Financial Statements*. All the funds of the state can be divided into three categories. It is important to note that these fund categories use different accounting approaches and should be interpreted differently. The three categories of funds are:

Governmental Funds Financial Statements – Most of the basic services provided by the state are financed through governmental funds. Governmental funds are essentially used to account for the same functions as governmental activities in the *Government-Wide Financial Statements*. However, unlike the *Government-Wide Financial Statements*, the *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources. They also focus on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements. This is known as using the flow of current financial resources measurement focus approach and the modified accrual basis of accounting. These statements provide a detailed short-term view of the state's finances that assist in determining whether there will be adequate financial resources available to meet the current needs of the state.

Because the focus of governmental funds is narrower than that of the *Government-Wide Financial Statements*, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the *Government-Wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* both provide a reconciliation to facilitate this comparison between governmental funds and the governmental activities. These reconciliations are presented on the page immediately following each *Governmental Fund Financial Statement*.

The state has four governmental funds. All four governmental funds are considered major funds for financial reporting purposes. These four major funds are – the General Fund, the Commissioners of the Land Office Permanent Fund, the Department of Wildlife Conservation Permanent Fund, and the Tobacco Settlement Endowment Permanent Fund. Each major fund is presented in a separate column in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances*.

The basic *Governmental Funds Financial Statements* can be found immediately following the *Government-Wide Financial Statements*.

Proprietary Funds Financial Statements – These funds are used to show activities that operate more like those of commercial enterprises. Because these funds charge fees for services provided to outside customers including local governments, they are known as enterprise funds. Proprietary funds provide the same type of information as the *Government-Wide Financial Statements*, only in more detail. Like the *Government-Wide Financial Statements*, *Proprietary Fund Financial Statements* use the accrual basis of accounting. There is no reconciliation needed between the *Government-Wide Financial Statements* for business-type activities and the *Proprietary Fund Financial Statements*.

The state has four enterprise funds, with all four being considered major proprietary funds for presentation purposes. As previously mentioned, they are the operations of the Oklahoma Unemployment Insurance Trust Fund (by the Oklahoma Employment Security Commission), the state's program for making loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems (by the Oklahoma Water Resources Board), the administration of insurance benefits for state employees by the Employees Group Insurance Division (EGID) of the Office of Management and Enterprise Services, and the Oklahoma Lottery Commission.

The basic *Proprietary Funds Financial Statements* can be found immediately following the *Governmental Fund Financial Statements*.

Fiduciary Funds and Similar Component Unit Financial Statements – These funds are used to account for resources held for the benefit of parties outside the state government. Fiduciary funds are not reflected in the *Government-Wide Financial Statements* because the resources of these funds are not available to support the state's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. They use the accrual basis of accounting.

The state's fiduciary funds are the Pension Trust Funds, seven separate retirement plans for employees, and the agency funds, which account for the assets held for distribution by the state as an agent for other governmental units, other organizations or individuals. Individual fund detail can be found in the *Combining Financial Statements* described below.

The basic *Fiduciary Funds and Similar Component Units' Financial Statements* can be found immediately following the *Proprietary Fund Financial Statements*.

Component Unit Financial Statements – As mentioned above, these are operations for which the state has financial accountability, but they have certain independent qualities as well, and they operate similar to private-sector businesses. The *Government-Wide Financial Statements* present information for the component units in a single column of the *Statement of Net Position*. Also, some information on the *Statement of Activities* is aggregated for component units. The *Combining Statement of Net Position* and *Combining Statement of Activities* provide detail for each major component unit and the nonmajor component units in aggregate. Individual nonmajor component unit detail can be found in the *Combining Financial Statements* described below.

The basic *Combining Financial Statements* for major component units can be found immediately following the *Fiduciary Fund and Similar Component Unit's Financial Statements*.

Notes to the Financial Statements

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the *Government-Wide* and the *Fund Financial Statements*. The *Notes to the Financial Statements* can be found immediately following *Component Unit Financial Statements*.

Required Supplementary Information

The basic financial statements are followed by a section of *Required Supplementary Information*. This section includes the *Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Budgetary Basis)*, which includes a schedule of reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the General Fund as presented in the *Governmental Fund Financial Statements*. In addition, schedules required by GASB Statement number 68 (pension) and GASB Statement number 75 (other postemployment benefits) are presented.

Budgetary Detail

The *Schedule of Expenditures and Intra-Agency Transfers – Detail Budget to Actual Comparison* is presented in this section. It provides detail comparisons of expenditures and intra-agency transfers at the legal level of control. Comparisons can be made between the original budget, final budget, and actual.

Pension Detail

With the implementation of GASB Statement number 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement number 27*, certain information related to Net Pension Liability and funding of pension plans is reported in the *Required Supplementary Information* section.

Other Postemployment Benefits Detail

With the implementation of GASB Statement number 75, *Accounting and Financial Reporting for Other Postemployment Benefits (OPEB)*, certain information related to Net OPEB Liability and funding of OPEB plans is reported in the *Required Supplementary Information* section.

Combining Financial Statements

The *Combining Financial Statements* referred to earlier in connection with fiduciary funds and nonmajor component units are presented following the *Required Supplementary Information*. The total of the columns of these *Combining Financial Statements* carry to the applicable fund financial statement.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The state's combined net position (government and business-type activities) totaled $22.2 billion at the end of 2019 compared to $20.1 billion at the end of the previous year.

The largest portion of the state's net position (51.4%) reflects its investment in capital assets such as land, buildings, equipment, and infrastructure (road, bridges, and other immovable assets), less any related outstanding debt used to acquire those assets. The state uses these capital assets to provide services to citizens; consequentially, these assets are not available for future spending. Although the state's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

State of Oklahoma's Net Position-Primary Government
(expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets	$ 7,107,886	$ 5,486,387	$ 1,943,697	$ 1,827,487	$ 9,051,583	$ 7,313,874
Capital Assets	12,418,936	12,259,359	1,543	2,085	12,420,479	12,261,444
Other Assets	4,370,408	4,180,569	1,480,427	1,321,885	5,850,835	5,502,454
Total Assets	$ 23,897,230	$ 21,926,315	$ 3,425,667	$ 3,151,457	$ 27,322,897	$ 25,077,772
Deferred Outflows	$ 363,927	$ 521,219	$ 1,092	$ 2,902	$ 365,019	$ 524,121
Noncurrent Liabilities	$ 1,950,076	$ 2,078,470	$ 957,288	$ 870,906	$ 2,907,364	$ 2,949,376
Other Liabilities	2,131,620	2,194,008	297,368	232,203	2,428,988	2,426,211
Total Liabilities	$ 4,081,696	$ 4,272,478	$ 1,254,656	$ 1,103,109	$ 5,336,352	$ 5,375,587
Deferred Inflows	$ 170,941	$ 128,066	$ 2,955	$ 3,108	$ 173,896	$ 131,174
Net Investment in Capital Assets	$ 11,401,782	$ 11,365,332	$ 1,543	$ 2,085	$ 11,403,325	$ 11,367,417
Restricted	5,238,284	4,554,212	1,554,235	1,471,069	6,792,519	6,025,281
Unrestricted	3,368,454	2,127,446	613,370	574,988	3,981,824	2,702,434
Total Net Position	$ 20,008,520	$ 18,046,990	$ 2,169,148	$ 2,048,142	$ 22,177,668	$ 20,095,132

A portion of the state's net position (30.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the state's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

At the end of the current fiscal year, the state can report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Changes in Net Position

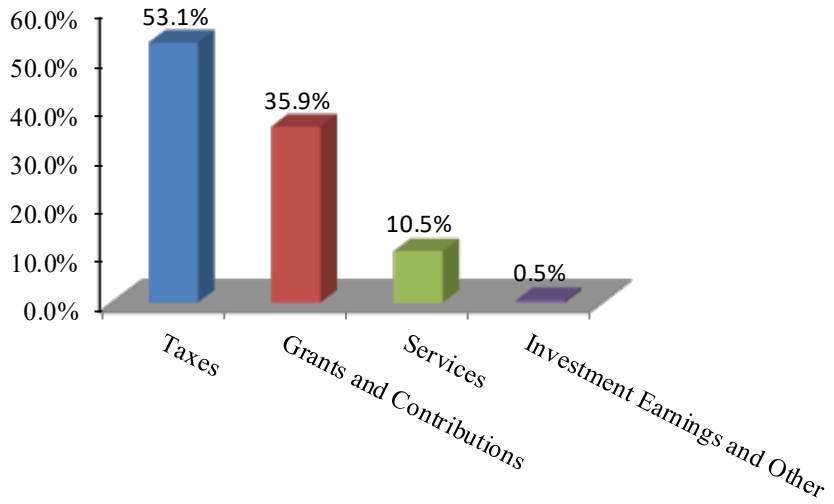
The state's governmental net position increased by $2.1 billion, or 10.4%. Approximately 53.1% of the state's total revenue came from taxes, while 35.9% resulted from grants and contributions including federal aid. Charges for various goods, services and investments provided 11.0% of the total revenues. The state's expenses cover a range of services. The largest expenses were for health services, general education, government administration and social services. In 2019, governmental activity expenses exceeded program revenues, resulting in the use of $8.8 billion in general revenues, mostly taxes. The business-type activities' program revenues exceeded their expenses for 2019 by $188.6 million.

State of Oklahoma's Changes in Net Position-Primary Government

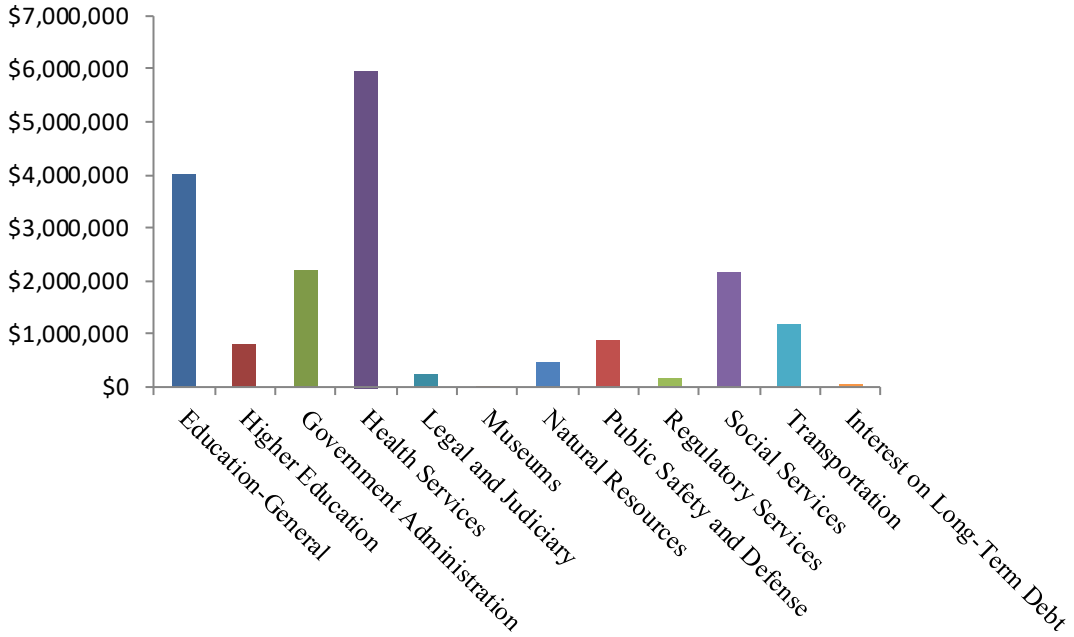
(expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	$ 2,095,547	$ 1,745,063	$ 1,702,757	$ 1,637,696	$ 3,798,304	$ 3,382,759
Operating Grants and Contributions	7,152,628	6,681,680	16,137	15,620	7,168,765	6,697,300
General Revenues:						
Income Taxes-Individual	3,543,993	3,227,685	-	-	3,543,993	3,227,685
Income Taxes-Corporate	319,021	246,718	-	-	319,021	246,718
Sales Taxes	3,092,047	3,045,928	-	-	3,092,047	3,045,928
Gross Production Taxes	1,037,656	619,066	-	-	1,037,656	619,066
Motor Vehicle Taxes	887,074	889,623	-	-	887,074	889,623
Fuel Taxes	539,168	464,261	-	-	539,168	464,261
Other Taxes	1,131,875	1,036,845	-	-	1,131,875	1,036,845
Investment Earnings	97,978	58,075	-	-	97,978	58,075
Total Revenues	$ 19,896,987	$ 18,014,944	$ 1,718,894	$ 1,653,316	$ 21,615,881	$ 19,668,260
Expenses:						
Education-General	$ 4,009,839	$ 3,507,277	$ -	$ -	$ 4,009,839	$ 3,507,277
Education-Payments to Higher Education	790,651	761,036	-	-	790,651	761,036
Government Administration	2,193,051	2,109,640	-	-	2,193,051	2,109,640
Health Services	5,965,780	5,603,631	-	-	5,965,780	5,603,631
Legal and Judiciary	254,928	252,845	-	-	254,928	252,845
Museums	12,914	11,281	-	-	12,914	11,281
Natural Resources	457,332	281,016	-	-	457,332	281,016
Public Safety and Defense	885,374	886,189	-	-	885,374	886,189
Regulatory Services	152,337	115,590	-	-	152,337	115,590
Social Services	2,180,094	2,136,952	-	-	2,180,094	2,136,952
Transportation	1,096,785	1,104,502	-	-	1,096,785	1,104,502
Interest on Long-Term Debt	58,197	56,493	-	-	58,197	56,493
Unemployment Insurance Trust Fund	-	-	225,242	250,465	225,242	250,465
State Loan Program to Local Governments	-	-	41,106	37,489	41,106	37,489
Group Insurance Program	-	-	1,089,343	1,051,302	1,089,343	1,051,302
Lottery Commission	-	-	174,641	161,388	174,641	161,388
Total Expenses	$ 18,057,282	$ 16,826,452	$ 1,530,332	$ 1,500,644	$ 19,587,614	$ 18,327,096
Increase (Decrease) in Net Position Before Transfers and Contribution to Permanent Funds	$ 1,839,705	$ 1,188,492	$ 188,562	$ 152,672	$ 2,028,267	$ 1,341,164
Contribution to Permanent Funds	54,269	54,765	-	-	54,269	54,765
Transfers	67,556	63,001	(67,556)	(63,001)	-	-
Change in Net Position	$ 1,961,530	$ 1,306,258	$ 121,006	$ 89,671	$ 2,082,536	$ 1,395,929
Net Position, Beginning of Year	17,726,329	16,740,732	2,048,775	1,958,471	19,775,104	18,699,203
Adjustments to Beginning Net Position	320,661	-	(633)	-	320,028	-
Net Position, End of Year	$ 20,008,520	$ 18,046,990	$ 2,169,148	$ 2,048,142	$ 22,177,668	$ 20,095,132

Revenues – Governmental Activities
Fiscal Year 2019



Expenses – Governmental Activities
Fiscal Year 2019
(expressed in thousands)



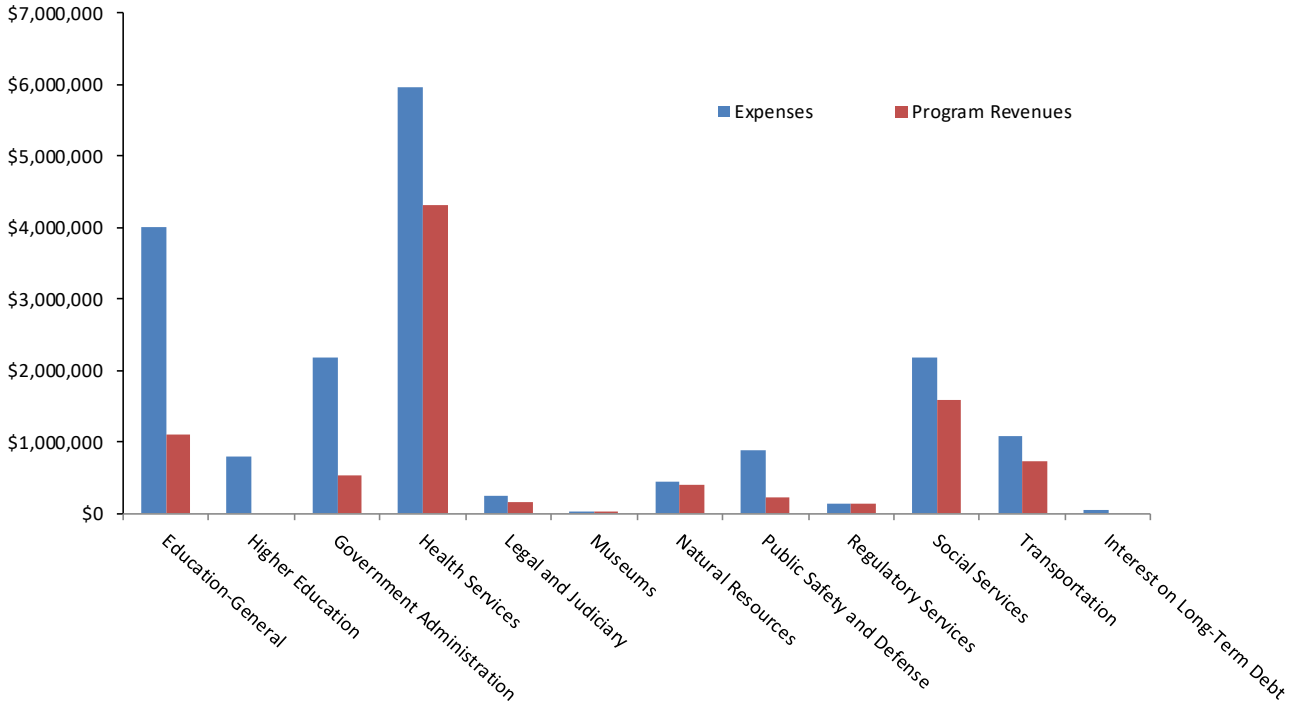
Governmental Activities

Governmental activities increased the state's net position by $2.0 billion. Tax revenues were up in four of the five major types. Total revenues for governmental activities were up by $2.2 billion, or 12.4%, in 2019. The state showed a $312.9 million increase in individual income taxes, a $19.2 million increase in sales taxes, a $2.5 million decrease in motor vehicle taxes, a $68.3 million increase in corporate income taxes, and a $418.6 million increase in gross production taxes during 2019. Additionally, there was a $470.9 million increase in federal grant revenue.

A comparison of the cost of services by function for the state's governmental activities is shown below, along with the revenues used to cover the net expenses of the governmental activities (expressed in thousands):

		Governmental Activities
Expenses Net of Program Revenues:		
Education-General	$	(2,901,538)
Education-Payment to Higher Education		(790,651)
Government Administration		(1,645,581)
Health Services		(1,652,405)
Legal and Judiciary		(81,444)
Museums		(8,728)
Natural Resources		(53,276)
Public Safety and Defense		(660,925)
Regulatory Services		(1,687)
Social Services		(587,681)
Transportation		(366,994)
Interest on Long-Term Debt		(58,197)
Total Governmental Activities Expenses	$	(8,809,107)
General Revenues:		
Taxes	$	10,550,834
Investment Earnings		97,978
Contributions to Permanent Funds		54,269
Transfers		67,556
Increase in Governmental Activities Net Position	$	1,961,530

Expenses and Program Revenues – Governmental Activities
Fiscal Year 2019
(expressed in thousands)



Business-Type Activities

The business-type activities increased the state's net position by $121.0 million, a 5.9% increase, to $2.2 billion. This increase follows an increase of 4.6% in the prior year. The increase primarily resulted from a reduction in benefit payments, and claims submitted to the Oklahoma Unemployment Insurance Trust Fund (OUITF). The OUITF net position increased by $72.5 million, the Oklahoma Water Resources Board's (OWRB) net position increased by $37.8 million, EGID of OMES increased by $10.3 million, and the Oklahoma Lottery Commission had an increase in net position of $0.4 million.

FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

As noted earlier, the state uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the state's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the state's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the state's governmental funds reported combined ending fund balances of $9.3 billion, an increase of $1.6 billion from the prior year. The largest portion $3.9 billion (41.9%) of this total amount constitutes nonspendable fund balance, which includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Additionally, $1.3 billion (14.3%) of fund balance is classified as restricted, meaning that the funds can only be used for specific purposes defined by enabling legislation or externally imposed limitations. Amounts that can only be used for specific purposes pursuant to constraints of the government's highest level of decision-making authority are reported as committed fund balance. Committed fund balance represents $3.8 billion (40.9%) of total fund balance. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted, nor committed, are reported as assigned fund balance. Assigned fund balance represents $61.6 million (0.7%) of total fund balance. The remaining funds that are not classified in any of the other four categories represent unassigned fund balance. For the fiscal year ended June 30, 2019, the state has $201.6 million (2.2%) classified as unassigned fund balance.

The General Fund is the chief operating fund of the state. At the end of the current fiscal year, the total fund balance increased $1.5 billion to $5.4 billion. This 37.4% increase is primarily related to improved tax collections and increases in operating grant revenue.

As a measure of the General Fund's liquidity, it may be useful to compare the portion of fund balance not classified as nonspendable (spendable) and total fund balance to total fund expenditures. Spendable fund balance represents 29.1% of total Governmental Fund expenditures, while total fund balance represents 50.1% of that same amount.

The Commissioners of the Land Office manages land and cash set aside by the federal government for the use and benefit of public education in Oklahoma to generate maximum earnings for trust beneficiaries. The trust beneficiaries are common education and thirteen Oklahoma colleges and universities. This year total program revenues were $239.0 million compared to $188.0 million for the prior year. Distributions to beneficiaries totaled $129.0 million for fiscal year 2019 with $31.2 million disbursed to universities and colleges and $94.3 million disbursed to public schools, and $3.5 million disbursed for public buildings. This was a decrease of $404.9 thousand from the apportionments of fiscal year 2018.

The Department of Wildlife's Lifetime Licenses' fund balance increased by 2.6% to $90.1 million. This increase occurred due to collections for licenses.

The Tobacco Settlement Endowment Permanent Fund holds certain monies that are received in settlement of claims by the state against tobacco manufacturers. Earnings from these monies are utilized for research, education, prevention and treatment of tobacco related diseases and certain other health programs. This fund reported $71.2 million net increase in fund balance with $52.3 million coming from the settlement payment by tobacco manufacturers for 2019. The prior year's payment was about $53.7 million. The state now has $1.3 billion in this permanent fund.

Proprietary Funds

The state's *Proprietary Fund Financial Statements* provide the same type of information found in the *Government-Wide Financial Statements* for business-type activities. This information is presented on the same basis of accounting but provides more detail.

As discussed in the business-type activities section above, the state's net position increased by $121.0 million as a result of operations in the proprietary funds. This resulted from a $72.5 million increase in net position by OUITF, an increase in net position of $37.8 million by OWRB's program for making loans to local government units for drinking and waste water facilities, an increase of $10.3 million by EGID for insurance benefit administration, and an increase in net position of $0.4 million by the Oklahoma Lottery Commission.

OUITF increased in net position primarily as a result of a decrease in benefit payments, and claims submitted to the OUITF.

OWRB increased net position by $37.8 million which was $22.7 million more than the $15.1 million in the prior year. This was primarily due to an increase in non-operating federal grant revenues.

EGID increased net position by $10.3 million, which was less than the $32.1 million increase during the prior year. This was due to a net loss in investment income.

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget amounted to $264.1 million with $17.0 million coming from budget carried over from prior years. To reimburse school districts for ad valorem tax shortfalls related to state property, the Department of Education was transferred $99.6 million. Oklahoma Health Care Authority was awarded an additional $110.0 million for graduate medical education to the state sponsored medical schools. In addition, the Department of Transportation was given $30.0 million in supplementary funding for improvements to roads and bridges.

The difference between the final budget and the actual collections amounted to $246.3 million less than the budget. This variance was caused by timing differences between assignment and disbursement of budget amendments.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The state's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to $25.1 billion, less accumulated depreciation of $12.6 billion, leaving a net book value of $12.4 billion. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction in progress. Infrastructure assets are items that are normally immovable and of value only to the state, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items.

The total increase in the state's investment in capital assets for the current fiscal year was about 1.3% in terms of net book value. Actual expenditures to purchase or construct assets that are capitalized were $868.2 million for the year, a $33.5 million (3.7%) decrease from the prior year. Most of this amount was used to construct or reconstruct roads and bridges. Depreciation charges for the year totaled $580.8 million. Additional information on the state's capital assets can be found in Note 5 of the *Notes to the Financial Statements* of this report.

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 Council of Bond Oversight. The Council meets to review all proposed debt issuances. The Council must approve each financing plan before obligations are issued. The legislation that created the Council of Bond Oversight also created the position of State Bond Advisor, who advises the Council and must approve the pricing and fees associated with any debt issuance.

The State of Oklahoma's total debt increased by $120.0 million, or 9.0%, during the current fiscal year. Business-type activities' debt increased by $96.2 million or 10.5%.

Additional information on the state's long-term debt obligations can be found in Notes 9, 10, and 11 of the *Notes to the Financial Statements* of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Oklahoma unemployment rate was consistently lower than that for the nation between 1997 and 2018. The national unemployment rate is currently 3.6% while Oklahoma's is at 3.3% for the same time period.

Inflationary trends in the region continue to compare favorably to national indices.

These factors are considered by legislative leaders and management in preparing the state's budget for future years. (See below.)

Budget and Revenue Collections

The State Constitution requires adoption of a balanced budget. The revenue certification provided by the State Board of Equalization is the basis for development of the state's General Revenue Fund (GRF) budget. The GRF is a budgetary cash account included in the state's General Fund.

If new laws or changes in existing laws are passed that affect revenues, the State Board of Equalization meets to certify the effects of these changes on the official estimate. Appropriations in any fiscal year may not exceed 95.0% of the official revenue estimate (plus any cash funds on-hand and available for appropriation).

If collections to a certified cash account are insufficient to cover the appropriations from that account, the Constitution requires that appropriations be reduced proportionately to all agencies receiving an appropriation from that source. OMES has the statutory duty to monitor revenue collections and, if warranted, to make reductions in appropriations to prevent deficit spending.

The Legislature may, in regular or special session, make selective reductions in spending or consider revenue increases.

Fiscal Year 2020

General revenue collections have outpaced estimates over the first four months of the fiscal year. At the end of October 2019, fiscal year 2020 collections were $19.7 million, or 1.0%, above the estimate, and $89.4 million, or 4.5%, above prior year collections for the same period.

"Contributions to the GRF from income tax collections in the month of October, which were above the estimate offset the below estimate contributions of gross production taxes and sales taxes," said Director of the Office of Management and Enterprise Services John Budd. "While the year-to-date collections remain above the estimate, 1.0% is a slight margin and should remain our focus as fiscal year 2020 continues to unfold."

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State of Oklahoma's finances for all of Oklahoma's citizens, taxpayers, customers, and investors and creditors. This financial report seeks to demonstrate the state's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: State of Oklahoma, Office of Management and Enterprise Services, 5005 N. Lincoln, Suite 100, Oklahoma City, OK 73105 or helpdesk@omes.ok.gov.

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Workers move cattle through the brick-paved aisles of the Oklahoma National Stockyards.

Buyers and sellers watch the action in the auction arena of the Oklahoma National Stockyards.

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State of Oklahoma
Government-Wide Statement of Net Position
June 30, 2019
(expressed in thousands)

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Assets				
Current Assets				
Cash/Cash Equivalents	$ 5,461,876	$ 1,401,096	$ 6,862,972	$ 1,903,587
Investments	49,557	226,325	275,882	1,310,928
Securities Lending Investments	214,889	0	214,889	0
Accounts Receivable	77,186	122,167	199,353	683,516
Interest and Investment Revenue Receivable	27,277	19,624	46,901	13,926
Federal Grants Receivable	522,862	754	523,616	13,275
Taxes Receivable	647,688	79,168	726,856	0
Leases Receivable	5,626	0	5,626	0
Leases Receivable - Component Units	9,925	0	9,925	0
Other Receivables	94	6	100	35,751
Notes Receivable	0	74,496	74,496	8,130
Internal Balances	4,285	(4,285)	0	6
Receivable from External Parties	73	0	73	1
Due from Component Units	653	0	653	12,739
Due from Primary Government	0	0	0	52,510
Inventory	83,225	0	83,225	107,056
Prepaid Items	1,076	0	1,076	15,805
Other Current Assets	1,594	24,346	25,940	31,742
Total Current Assets	$ 7,107,886	$ 1,943,697	$ 9,051,583	$ 4,188,972
Noncurrent Assets				
Cash/Cash Equivalents, Restricted	$ 105,710	$ 16,135	$ 121,845	$ 1,218,082
Short Term Investments, Restricted	3,788,725	0	3,788,725	2,636,441
Long Term Investments	0	12,585	12,585	1,830,284
Long Term Investments, Restricted	0	51,873	51,873	0
Leases Receivable	17,203	0	17,203	0
Leases Receivables Component Units	318,584	0	318,584	0
Long-Term Notes Receivable, Net	0	1,394,686	1,394,686	37,665
Net Pension Asset	44,646	0	44,646	0
Net OPEB Asset	10,653	43	10,696	16,251
Long-Term Due from Comp Units	54,402	0	54,402	0
Capital Assets-Depreciable, Net	10,297,113	1,543	10,298,656	8,174,459
Capital Assets-Land	1,894,003	0	1,894,003	528,771
Capital Assets-Construction in Progress	227,820	0	227,820	849,800
Other Noncurrent Assets	0	5,105	5,105	227,700
Other Noncurrent Assets-Restricted	30,485	0	30,485	314
Total Noncurrent Assets	$ 16,789,344	$ 1,481,970	$ 18,271,314	$ 15,519,767
Total Assets	$ 23,897,230	$ 3,425,667	$ 27,322,897	$ 19,708,739
Deferred Outflows				
Deferred Outflows from Pensions	$ 329,819	$ 1,031	$ 330,850	$ 372,971
Deferred Outflows from OPEB	33,688	61	33,749	32,051
Unamortized Loss on Bond Refundings	420	0	420	0
Lease Restructuring	0	0	0	2,612
Advance Refunding of Bonds	0	0	0	111,765
Defeasance of Bonds	0	0	0	35,581
Accumulated Decrease in Fair Value of Derivatives	0	0	0	2,835
Deferred Outflows from Asset Retirement Obligations	0	0	0	201
Total Deferred Outflows	$ 363,927	$ 1,092	$ 365,019	$ 558,016

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

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Liabilities				
Current Liabilities				
Accounts Payable and Accrued Liabilities	$ 1,097,530	$ 195,706	$ 1,293,236	$ 517,444
Unearned Revenue	83,299	1,289	84,588	196,233
Payable Under Securities Lending Agreements	214,889	0	214,889	0
Claims and Judgements	23,039	0	23,039	48,446
Interest Payable	30,049	10,307	40,356	78,714
Tax Refunds Payable	1,056	0	1,056	0
Payable to External Parties	85,164	1,380	86,544	741
Due to Component Units	53,794	6	53,800	12,599
Due to Primary Government	0	0	0	653
Due to Others	348,650	0	348,650	0
Capital Leases	466	0	466	50,413
Capital Leases-Primary Government	0	0	0	9,925
Compensated Absences	92,050	256	92,306	90,940
Notes Payable	2,145	0	2,145	33,595
Revenue Bonds (Net)	99,489	55,625	155,114	171,478
Other Current Liabilities	0	32,799	32,799	569,521
Total Current Liabilities	$ 2,131,620	$ 297,368	$ 2,428,988	$ 1,780,702
Noncurrent Liabilities				
Claims and Judgements	$ 42,371	$ 0	$ 42,371	$ 452,708
Due to Primary Government	0	0	0	54,402
Net Pension Liability	325,929	838	326,767	1,592,010
Capital Leases	0	0	0	764,265
Capital Leases-Primary Government	78	0	78	318,584
Compensated Absences	66,473	749	67,222	39,703
Notes Payable	59,360	0	59,360	96,646
General Obligation Bonds	0	0	0	30,000
Revenue Bonds (including Premiums)	1,291,542	946,790	2,238,332	5,473,512
Net OPEB Liability	164,323	493	164,816	557,516
Other Noncurrent Liabilities	0	8,418	8,418	158,350
Total Noncurrent Liabilities	$ 1,950,076	$ 957,288	$ 2,907,364	$ 9,537,696
Total Liabilities	$ 4,081,696	$ 1,254,656	$ 5,336,352	$ 11,318,398
Deferred Inflows				
Restructured Debt	$ 0	$ 2,329	$ 2,329	$ 9,722
Deferred Inflows from Pensions	139,878	499	140,377	275,087
Deferred Inflows from OPEB	31,063	127	31,190	61,425
Derivative Instruments	0	0	0	326
Accumulated Increase in Fair Value	0	0	0	733
Deferred Regulation Inflows	0	0	0	51,087
Service Concession Arrangements	0	0	0	25,347
Total Deferred Inflows	$ 170,941	$ 2,955	$ 173,896	$ 423,727
Net Position				
Net Investment in Capital Assets	$ 11,401,782	$ 1,543	$ 11,403,325	$ 4,054,137
Restricted for:				
Debt Service	583,318	325,360	908,678	355,167
Preservation of Wildlife	90,127	0	90,127	0
Lottery Benefits	0	10,980	10,980	0
Educational Systems	2,520,919	0	2,520,919	0
Unemployment Benefits	0	1,217,895	1,217,895	0
Stabilization	604,679	0	604,679	0
Federal Grant Programs	143,240	0	143,240	0
Tobacco Cessation and Public Health				
Nonexpendable	1,174,235	0	1,174,235	958,193
Expendable	121,766	0	121,766	3,024,360
Unrestricted	3,368,454	613,370	3,981,824	132,773
Total Net Position	$ 20,008,520	$ 2,169,148	$ 22,177,668	$ 8,524,630

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

State of Oklahoma
Government-Wide Statement of Activities
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government							
Governmental Activities:							
Education-General	$ 4,009,839	$ 111,002	$ 997,299	$ (2,901,538)		$ (2,901,538)	
Education-Payment to Higher Education	790,651	0	0	(790,651)		(790,651)	
Government Administration	2,193,051	442,407	105,063	(1,645,581)		(1,645,581)	
Health Services	5,965,780	666,742	3,646,633	(1,652,405)		(1,652,405)	
Legal and Judiciary	254,928	135,135	38,349	(81,444)		(81,444)	
Museums	12,914	3,273	913	(8,728)		(8,728)	
Natural Resources	457,332	331,107	72,949	(53,276)		(53,276)	
Public Safety and Defense	885,374	110,459	113,990	(660,925)		(660,925)	
Regulatory Services	152,337	142,898	7,752	(1,687)		(1,687)	
Social Services	2,180,094	35,236	1,557,177	(587,681)		(587,681)	
Transportation	1,096,785	117,288	612,503	(366,994)		(366,994)	
Interest on Long-Term Debt	58,197	0	0	(58,197)		(58,197)	
Total Governmental Activities	$ 18,057,282	$ 2,095,547	$ 7,152,628	$ (8,809,107)		$ (8,809,107)	
Business-Type Activities							
Employment Security Commission	$ 225,242	$ 285,617	$ 12,100		$ 72,475	$ 72,475	
Water Resources Board	41,106	74,888	4,037		37,819	37,819	
Office of Management and Enterprise Services	1,089,343	1,099,660	0		10,317	10,317	
Lottery Commission	174,641	242,592	0		67,951	67,951	
Total Business-Type Activities	$ 1,530,332	$ 1,702,757	$ 16,137		$ 188,562	$ 188,562	
Total Primary Government	$ 19,587,614	$ 3,798,304	$ 7,168,765	$ (8,809,107)	$ 188,562	$ (8,620,545)	
Component Units:							
Oklahoma Student Loan Authority	$ 19,478	$ 22,218	$ 0				$ 2,740
Oklahoma Housing Finance Agency	155,509	13,765	136,219				(5,525)
Oklahoma Turnpike Authority	233,790	342,507	0				108,717
Grand River Dam Authority	426,453	456,583	0				30,130
Oklahoma Municipal Power Authority	193,213	194,884	0				1,671
Higher Education	4,860,147	2,847,263	1,698,141				(314,743)
Nonmajor Component Units	518,261	382,354	19,012				(116,895)
Total Component Units	$ 6,406,851	$ 4,259,574	$ 1,853,372				$ (293,905)
General Revenues							
Taxes:							
Income Taxes-Individual				$ 3,543,993	$ 0	$ 3,543,993	$ 0
Income Taxes-Corporate				319,021	0	319,021	0
Sales Tax				3,092,047	0	3,092,047	0
Gross Production Taxes				1,037,656	0	1,037,656	0
Motor Vehicle Taxes				887,074	0	887,074	0
Fuel Taxes				539,168	0	539,168	0
Tobacco Taxes				360,894	0	360,894	0
Other Business Taxes				264,372	0	264,372	0
Insurance Taxes				176,198	0	176,198	0
Beverage Taxes				141,043	0	141,043	0
Other Taxes				189,368	0	189,368	0
Payments from Primary Government				0	0	0	879,123
Investment Earnings				97,978	0	97,978	0
Contributions to Permanent Funds				54,269	0	54,269	0
Transfers				67,556	(67,556)	0	0
Total General Revenues and Transfers				$ 10,770,637	$ (67,556)	$ 10,703,081	$ 879,123
Change in Net Position				$ 1,961,530	$ 121,006	$ 2,082,536	$ 585,218
Net Position - Beginning of Year (as restated)				18,046,990	2,048,142	20,095,132	7,939,412
Net Position - End of Year				$ 20,008,520	$ 2,169,148	$ 22,177,668	$ 8,524,630

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

Cattle crowd the floor of the Oklahoma National Stockyards auction arena while the audience waits for bidding to begin.

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State of Oklahoma
Balance Sheet
Governmental Funds
June 30, 2019
(expressed in thousands)

	General	Permanent Funds: Commissioners of the Land Office	Permanent Funds: Department of Wildlife Lifetime Licenses	Permanent Funds: Tobacco Settlement Endowment	Total Governmental Funds
Assets					
Assets					
Cash/Cash Equivalents	$ 5,433,981	$ 94,464	$ 5,075	$ 34,066	$ 5,567,586
Investments	49,557	2,428,650	84,956	1,275,119	3,838,282
Security Lending Investments	125,688	0	0	89,201	214,889
Accounts Receivable	77,186	0	0	0	77,186
Interest and Investment Revenue Receivable	27,277	12,735	0	3,901	43,913
Federal Grants Receivable	522,862	0	0	0	522,862
Taxes Receivable	647,688	0	0	0	647,688
Leases Receivable	22,829	0	0	0	22,829
Leases Receivable-Component Units	328,509	0	0	0	328,509
Other Receivables	94	13,295	0	554	13,943
Due from Other Funds	4,374	0	89	0	4,463
Due from Fiduciary Funds	73	0	0	0	73
Due from Component Units	653	0	0	0	653
Due From Component Units-Noncurrent	54,402	0	0	0	54,402
Inventory	83,225	0	0	0	83,225
Prepaid Items	1,076	0	0	0	1,076
Other Assets	1,397	190	7	0	1,594
Total Assets	$ 7,380,871	$ 2,549,334	$ 90,127	$ 1,402,841	$ 11,423,173
Liabilities					
Accounts Payable and Accrued Liabilities	$ 1,061,789	$ 20,933	$ 0	$ 14,808	$ 1,097,530
Payable Under Securities Lending Agreements	125,688	0	0	89,201	214,889
Unearned Revenue	83,299	0	0	0	83,299
Tax Refunds Payable	1,056	0	0	0	1,056
Due to Other Funds	163	0	0	46	209
Due to Fiduciary Funds	85,164	0	0	0	85,164
Due to Component Units	51,009	0	0	2,785	53,794
Due to Others	348,650	0	0	0	348,650
Total Liabilities	$ 1,756,818	$ 20,933	$ 0	$ 106,840	$ 1,884,591
Deferred Inflows					
Unavailable Revenue	$ 248,602	$ 7,482	$ 0	$ 0	$ 256,084
Total Deferred Inflows	$ 248,602	$ 7,482	$ 0	$ 0	$ 256,084
Fund Balances					
Nonspendable	$ 106,736	$ 2,520,919	$ 90,127	$ 1,174,235	$ 3,892,017
Restricted	1,331,237	0	0	0	1,331,237
Committed	3,735,918	0	0	60,210	3,796,128
Assigned	0	0	0	61,556	61,556
Unassigned	201,560	0	0	0	201,560
Total Fund Balances	$ 5,375,451	$ 2,520,919	$ 90,127	$ 1,296,001	$ 9,282,498

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

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Total Fund Balance - Governmental Funds		$ 9,282,498
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	$ 1,894,003	
Buildings and Improvements	1,682,760	
Equipment	572,264	
Infrastructure	20,680,593	
Construction in Progress	227,820	
Accumulated Depreciation	(12,638,504)	
		12,418,936
Some of the state's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are considered to be unearned.		256,084
The state's portion of the net pension asset ($44,646), net pension liability ($325,929), deferred inflows ($139,878), and deferred outflows ($329,819) as determined by the actuarial calculations of the pension systems created by statute.		(91,342)
The state's portion of the net other postemployment benefit asset ($10,653), net other postemployment benefit liability ($164,323), deferred inflows ($31,063), and deferred outflows ($33,688) as determined by the actuarial calculations of the pension systems created by statute.		(151,045)
Certain bonds issued by the state are for the purpose of refunding older bond issues. Some bonds that are refunded are done so at a loss to the state. These losses are costs in the funds, but are amortized over the life of the refunding bonds on the statement of net position.		420
Timing differences caused by the component units with alternative year end dates resulted in differences in due to/from other funds.		31
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Notes Payable	$ (61,505)	
Revenue Bonds	(1,283,614)	
Capital Leases and Certificates of Participation	(544)	
Bond Issue Premiums	(107,417)	
Accrued Interest on Bonds	(30,049)	
Compensated Absences	(158,523)	
Claims and Judgments	(65,410)	
		(1,707,062)
Net Position of Governmental Activities		$ 20,008,520

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

State of Oklahoma
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

	General	Permanent Funds: Commissioners of the Land Office	Permanent Funds: Department of Wildlife Lifetime Licenses	Permanent Funds: Tobacco Settlement Endowment	Total Governmental Funds
Revenues					
Taxes					
Income Taxes-Individual	$ 3,469,633	$ 0	$ 0	$ 0	$ 3,469,633
Sales Tax	3,076,488	0	0	0	3,076,488
Gross Production Tax	1,037,656	0	0	0	1,037,656
Income Taxes-Corporate	312,862	0	0	0	312,862
Motor Vehicle Taxes	887,074	0	0	0	887,074
Fuel Taxes	539,150	0	0	0	539,150
Tobacco Taxes	360,886	0	0	0	360,886
Other Business Taxes	264,372	0	0	0	264,372
Insurance Taxes	176,198	0	0	0	176,198
Beverage Taxes	139,737	0	0	0	139,737
Other Taxes	188,842	0	0	0	188,842
Licenses, Permits and Fees	806,433	0	2,272	0	808,705
Interest and Investment Revenue	185,254	240,927	0	70,670	496,851
Federal Grants	6,811,030	0	0	0	6,811,030
Sales and Services	236,892	0	0	0	236,892
Other Grants and Reimbursements	550,333	0	0	0	550,333
Fines and Penalties	60,391	0	0	0	60,391
Other	314,647	(1,927)	0	54,269	366,989
Total Revenues	$ 19,417,878	$ 239,000	$ 2,272	$ 124,939	$ 19,784,089
Expenditures					
Education	$ 4,667,479	$ 131,667	$ 0	$ 0	$ 4,799,146
Government Administration	2,001,609	0	0	41,512	2,043,121
Health Services	5,954,945	0	0	0	5,954,945
Legal and Judiciary	263,275	0	0	0	263,275
Museums	12,553	0	0	0	12,553
Natural Resources	449,324	0	0	0	449,324
Public Safety and Defense	833,423	0	0	0	833,423
Regulatory Services	150,625	0	0	0	150,625
Social Services	2,179,379	0	0	0	2,179,379
Transportation	233,357	0	0	0	233,357
Capital Outlay	1,388,291	0	0	12,236	1,400,527
Debt Service					
Principal Retirement	157,460	0	0	0	157,460
Interest and Fiscal Charges	53,036	0	0	0	53,036
Total Expenditures	$ 18,344,756	$ 131,667	$ 0	$ 53,748	$ 18,530,171
Revenues in Excess of (Less Than) Expenditures	$ 1,073,122	$ 107,333	$ 2,272	$ 71,191	$ 1,253,918
Other Financing Sources (Uses)					
Transfers In	$ 86,093	$ 4,798	$ 0	$ 0	$ 90,891
Transfers Out	(12,150)	(11,185)	0	0	(23,335)
Bonds Issued	268,105	0	0	0	268,105
Bond Issue Premiums	23,381	0	0	0	23,381
Sale of Capital Assets	23,870	0	0	0	23,870
Total Other Financing Sources (Uses)	$ 389,299	$ (6,387)	$ 0	$ 0	$ 382,912
Net Change in Fund Balances	$ 1,462,421	$ 100,946	$ 2,272	$ 71,191	$ 1,636,830
Fund Balances - Beginning of Year (as restated)	3,913,030	2,419,973	87,855	1,224,810	7,645,668
Fund Balances - End of Year	$ 5,375,451	$ 2,520,919	$ 90,127	$ 1,296,001	$ 9,282,498

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

Reconciliation of the Governmental Funds Schedule of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

Net Change in Fund Balances - Total Governmental Funds		$	1,636,830
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statements of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($754,124) exceeded depreciation ($580,036) in the current period.			174,088
In the statement of activities, only the gain on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.			(14,511)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			168,573
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which bond proceeds ($268,105) exceeded payments ($156,678).			(111,427)
Bond issuance premiums and discounts are other financing sources or uses to governmental funds, but are deferred liabilities in the statement of net position. This is the amount of bond issue premiums.			(23,381)
The amount by which the state's portion of net pension asset ($9,221) increased, net pension liability ($285,529) decreased, deferred inflows from pensions ($157,177) decreased, and deferred outflows from pensions ($37,549) decreased compared to the prior fiscal year.			100,024
The amount by which the state's portion of net other postemployment benefit asset ($9,929) increased, net other postemployment benefit liability ($12,325) decreased, deferred inflows from other postemployment benefits ($5,326) increased, and deferred outflows from other postemployment benefits ($305) increased compared to the prior fiscal year.			17,233
For assets acquired as capital leases, the amount financed is reported in the governmental funds as a source of financing. However, capital leases are long-term liabilities in the statement of net position. This is the amount by which the payment of principal ($782) exceeded the addition of new capital leases ($0).			782
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Accretion of bond premiums	$ 14,063		
Increase in entity-wide interest payable	(5,161)		
Increase in compensated absences	(506)		
Amortization of losses on refunded bonds	(420)		
Timing difference of due from/to other funds	68		
Decrease in claims and judgments payable	5,275		
			13,319
Change in Net Position of Governmental Activities		$	1,961,530

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

State of Oklahoma
Statement of Net Position
Proprietary Funds
June 30, 2019
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	Total
Assets					
Current Assets					
Cash/Cash Equivalents	$ 1,130,439	$ 139,542	$ 96,080	$ 35,036	$ 1,401,097
Investments	0	17,842	208,483	0	226,325
Accounts Receivable	2,702	0	112,003	7,462	122,167
Interest and Investment Revenue Receivable	6,717	11,957	950	0	19,624
Federal Grants Receivable	25	729	0	0	754
Taxes Receivable	79,168	0	0	0	79,168
Notes Receivable	0	74,496	0	0	74,496
Due from Other Funds	0	0	43	0	43
Other Receivables	0	6	0	0	6
Other Current Assets	0	8	24,338	0	24,346
Total Current Assets	$ 1,219,051	$ 244,580	$ 441,897	$ 42,498	$ 1,948,026
Noncurrent Assets					
Cash/Cash Equivalents, Restricted	$ 0	$ 16,135	$ 0	$ 0	$ 16,135
Long-Term Investments	0	12,585	0	0	12,585
Long-Term Investments, Restricted	0	51,873	0	0	51,873
Long-Term Notes Receivable	0	1,394,686	0	0	1,394,686
Net Other Postemployment Benefits	0	0	43	0	43
Capital Assets, Net	0	478	965	100	1,543
Other Noncurrent Assets	0	0	0	5,105	5,105
Total Noncurrent Assets	$ 0	$ 1,475,757	$ 1,008	$ 5,205	$ 1,481,970
Total Assets	$ 1,219,051	$ 1,720,337	$ 442,905	$ 47,703	$ 3,429,996
Deferred Outflows of Resources					
Deferred Other Postemployment Benefits	$ 0	$ 0	$ 61	$ 0	$ 61
Deferred Pension Plan Outflows	0	0	697	334	1,031
Total Deferred Outflows	$ 0	$ 0	$ 758	$ 334	$ 1,092
Liabilities					
Current Liabilities					
Accounts Payable and Accrued Liabilities	$ 1,156	$ 45	$ 165,085	$ 30,710	$ 196,996
Interest Payable	0	10,307	0	0	10,307
Compensated Absences	0	109	0	147	256
Revenue Bonds (Net)	0	55,625	0	0	55,625
Due to Fiduciary Funds	0	0	0	1,380	1,380
Due to Component Units	0	0	6	0	6
Due to Other Funds	0	0	0	4,328	4,328
Other Current Liabilities	0	911	31,888	0	32,799
Total Current Liabilities	$ 1,156	$ 66,997	$ 196,979	$ 36,565	$ 301,697
Noncurrent Liabilities					
Revenue Bonds (including Premiums)	$ 0	$ 946,790	$ 0	$ 0	$ 946,790
Compensated Absences	0	47	629	73	749
Other Noncurrent Liabilities	0	0	8,418	0	8,418
Pension Obligation	0	0	651	187	838
Other Postemployment Benefits	0	0	493	0	493
Total Noncurrent Liabilities	$ 0	$ 946,837	$ 10,191	$ 260	$ 957,288
Total Liabilities	$ 1,156	$ 1,013,834	$ 207,170	$ 36,825	$ 1,258,985
Deferred Inflows of Resources					
Deferred Inflows from Pensions	$ 0	$ 0	$ 367	$ 132	$ 499
Deferred Inflows from OPEB	0	0	127	0	127
Refinancing of Debt	0	2,329	0	0	2,329
Total Deferred Inflows	$ 0	$ 2,329	$ 494	$ 132	$ 2,955
Net Position					
Invested in Capital Assets	$ 0	$ 478	$ 965	$ 100	$ 1,543
Restricted for:					
Debt Service	0	325,360	0	0	325,360
Lottery Benefits	0	0	0	10,980	10,980
Unemployment Benefits	1,217,895	0	0	0	1,217,895
Unrestricted	0	378,336	235,034	0	613,370
Total Net Position	$ 1,217,895	$ 704,174	$ 235,999	$ 11,080	$ 2,169,148

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

State of Oklahoma
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	Total
Operating Revenues					
Sales and Services	$ 255,785	$ 0	$ 1,100,035	$ 241,693	$ 1,597,513
Federal Grants	12,100	4,037	0	0	16,137
Interest and Investment Revenue	0	38,385	0	0	38,385
Other	0	0	1,973	294	2,267
Total Operating Revenues	$ 267,885	$ 42,422	$ 1,102,008	$ 241,987	$ 1,654,302
Operating Expenses					
Facilities Operations and Maintenance	$ 0	$ 0	$ 0	$ 153	$ 153
Administration and General	0	4,629	50,044	6,692	61,365
Prizes, Commissions and Other	0	0	0	167,003	167,003
Interest	0	36,335	0	0	36,335
Depreciation	0	142	604	43	789
Benefit Payments and Refunds	225,242	0	1,038,695	0	1,263,937
Total Operating Expenses	$ 225,242	$ 41,106	$ 1,089,343	$ 173,891	$ 1,529,582
Operating Income (Loss)	$ 42,643	$ 1,316	$ 12,665	$ 68,096	$ 124,720
Nonoperating Revenues (Expense)					
Interest and Investment Revenue	$ 25,585	$ 7,294	$ (2,348)	$ 605	$ 31,136
Other Nonoperating Revenues	4,247	1,262	0	0	5,509
Nonoperating Federal Grants	0	27,947	0	0	27,947
Other Nonoperating Expenses	0	0	0	(750)	(750)
Total Nonoperating Revenues (Expenses)	$ 29,832	$ 36,503	$ (2,348)	$ (145)	$ 63,842
Income (Loss) Before Transfers	$ 72,475	$ 37,819	$ 10,317	$ 67,951	$ 188,562
Transfers In	0	7,352	0	0	7,352
Transfers Out	0	(7,354)	0	(67,554)	(74,908)
Change in Net Position	$ 72,475	$ 37,817	$ 10,317	$ 397	$ 121,006
Total Net Position - Beginning of Year (as restated)	1,145,420	666,357	225,682	10,683	2,048,142
Total Net Position - Ending	$ 1,217,895	$ 704,174	$ 235,999	$ 11,080	$ 2,169,148

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

State of Oklahoma
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	Total
Cash Flows from Operating Activities					
Receipts from Customers and Users	$ 261,822	$ 0	$ 1,332,996	$ 225,808	$ 1,820,626
Receipts from Federal Grants	9,265	4,281	0	0	13,546
Payments of Benefits	(225,242)	(21)	(1,261,298)	0	(1,486,561)
Payments to Suppliers	0	(2,551)	(20,967)	(15,358)	(38,876)
Payments to Employees	0	(2,234)	(8,934)	(2,988)	(14,156)
Payments to Prize Winners	0	0	0	(139,760)	(139,760)
Payments to fund deposit with Multi-State Lottery	0	0	0	(614)	(614)
Payments of Operating Interest Expense	0	(37,706)	0	0	(37,706)
Collections of Interest on Loans to Governmental Units	0	35,356	0	0	35,356
Net Cash Provided (Used) by Operating Activities	$ 45,845	$ (2,875)	$ 41,797	$ 67,088	$ 151,855
Cash Flows from Noncapital Financing Activities					
Federal Grants and Other Contributions	$ 4,086	$ 178,937	$ 0	$ 0	$ 183,023
Transfers In	0	6,858	0	0	6,858
Transfers Out	0	(6,860)	0	(63,980)	(70,840)
Principal Paid on Bonds and Notes Payable	0	(50,140)	0	0	(50,140)
Net Cash Provided (Used) by Noncapital Financing Activities	$ 4,086	$ 128,795	$ 0	$ (63,980)	$ 68,901
Cash Flows from Capital and Related Financing Activities					
Payments for Acquistion of Capital Assets	$ 0	$ (205)	0	$ (42)	$ (247)
Net Cash Used by Capital and Related Financing Activities	$ 0	$ (205)	$ 0	$ (42)	$ (247)
Cash Flows from Investing Activities					
Interest and Investment Revenue	$ 24,933	$ 8,541	3,817	$ 584	$ 37,875
Proceeds from Sale and Maturity of Investments	0	(4,179)	141,158	0	136,979
Payments to Purchase Investments	0	86,528	(178,717)	0	(92,189)
Collections of Principal on Loans to Governmental Units	0	77,593	0	0	77,593
Payments to Issue Notes Receivable	0	(305,802)	0	0	(305,802)
Net Cash Provided by Investing Activities	$ 24,933	$ (137,319)	$ (33,742)	$ 584	$ (145,544)
Net Increase in Cash/Cash Equivalents	$ 74,864	$ (11,604)	$ 8,055	$ 3,650	$ 74,965
Cash/Cash Equivalents - Beginning of Year	1,055,575	167,281	88,025	31,386	1,342,267
Cash/Cash Equivalents - End of Year	$ 1,130,439	$ 155,677	$ 96,080	$ 35,036	$ 1,417,232
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities					
Operating Income (Loss)	$ 42,643	$ 1,316	$ 12,665	$ 68,096	$ 124,720
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	0	142	604	43	789
Amortization (Accretion) and Other Noncash Expenses	0	(3,123)	0	17	(3,106)
Decrease (Increase) in Assets					
Accounts Receivable	3,492	0	(13,530)	(932)	(10,970)
Federal Receivable	(19)	0	0	0	(19)
Interest and Investment Receivable	0	(2,285)	0	0	(2,285)
Deposit with Multi-State Lottery	0	0	0	(614)	(614)
Other Receivables	0	(21)	(12,632)	0	(12,653)
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Liabilities	0	2	32,880	(948)	31,934
Interest Payable	0	1,252	0	0	1,252
Prizes Payable	0	0	0	1,610	1,610
Compensated Absences	0	16	0	0	16
Due to Other Funds	0	0	0	(46)	(46)
Unavailable Revenue	(271)	0	0	(30)	(301)
Other Current Liabilities	0	(174)	21,810	(108)	21,528
Net Cash Provided (Used) by Operating Activities	$ 45,845	$ (2,875)	$ 41,797	$ 67,088	$ 151,855

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

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State of Oklahoma
Statement of Fiduciary Net Position
Fiduciary Funds and Similar Component Units
June 30, 2019
(expressed in thousands)

	Pension Trust Funds	Agency Fund
Assets		
Cash/Cash Equivalents	$ 756,879	$ 367,893
Investments, at fair value		
Equity Securities	17,566,079	0
Governmental Securities	3,926,010	0
Debt Securities	4,323,054	0
Mutual Funds	3,458,364	0
Other Investments	4,297,571	0
Securities Lending Investments	2,052,213	0
Taxes Receivable	0	147,652
Accounts Receivable	0	102
Interest and Investment Revenue Receivable	98,142	0
Employer Contributions Receivable	53,393	0
Employee Contributions Receivable	31,827	0
Other Receivables	46	0
Due from Brokers	431,830	0
Due from Primary Government	86,544	0
Due from Component Units	741	0
Inventory	0	7,603
Capital Assets, Net	6,177	0
Other Assets	1,046	0
Total Assets	$ 37,089,916	$ 523,250
Liabilities		
Account Payable	$ 42,694	$ 553
Tax Refunds Payable	0	114,111
Securities Lending Payable	2,052,213	0
Due to Brokers	870,265	0
Due to Other Funds	73	0
Due to Component Units	1	0
Due to Others	0	408,586
Benefits in the Process of Payment	98,998	0
Other Liabilities	11,508	0
Total Liabilities	$ 3,075,752	$ 523,250
Net Position		
Net Position Restricted for Pensions	$ 34,014,164	

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

State of Oklahoma
Statement of Changes in Fiduciary Net Position
Fiduciary Funds and Similar Component Units
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

		Pension Trust Funds
Additions		
Contributions		
Employer Contributions	$	835,087
Employee Contributions		455,814
Other Contributions		536,971
Total Contributions	$	1,827,872
Investment Earnings		
Net Increase (Decrease) in Fair Value of Investments	$	1,208,772
Interest and Investment Revenue		660,043
Total Investment Earnings	$	1,868,815
Less Investment Expenses		135,482
Net Investment Earnings	$	1,733,333
Total Additions	$	3,561,205
Deductions		
Administrative and General Expenses	$	23,659
Benefit Payments and Refunds		2,589,272
Total Deductions	$	2,612,931
Change in Net Position Restricted for Pensions	$	948,274
Net Position - Beginning of Year		33,065,890
Net Position - End of Year	$	34,014,164

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

Description of Major Component Units

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

OKLAHOMA STUDENT LOAN AUTHORITY
525 Central Park Drive, Suite 600, Oklahoma City, Oklahoma 73105
www.osla.org
The Authority provides loans to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations.

OKLAHOMA HOUSING FINANCE AGENCY
100 N.W. 63rd Street, Suite 200, Oklahoma City, Oklahoma 73116
www.ohfa.org
The Agency is authorized to issue revenue bonds and notes in order to provide funds to promote the development of adequate residential housing and other economic development for the benefit of the State of Oklahoma.

OKLAHOMA TURNPIKE AUTHORITY
P.O. Box 11357, Oklahoma City, Oklahoma 73111
www.pikepass.com
The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature and approved by the Department of Transportation. The Authority receives revenues from turnpike tolls and a percentage of the turnpike concessions sales. The Authority issues revenue bonds to finance the cost of turnpike projects.

GRAND RIVER DAM AUTHORITY
P.O. Box 409, Vinita, Oklahoma 74301
www.grda.com
The Authority controls the waters of the Grand River system to generate waterpower into 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
www.ompa.com
The Authority provides a means for the municipal electric systems in the state to jointly plan, finance, acquire, and operate electrical power supply facilities necessary to meet the electrical energy requirements of their consumers. The Authority also sells electric power to its member municipalities.

HIGHER EDUCATION
Higher education is primarily comprised of colleges and universities which are members of the Oklahoma State System of Higher Education. The system includes the following colleges and universities:

COMPREHENSIVE UNIVERSITIES
University of Oklahoma
Oklahoma State University

OTHER FOUR-YEAR UNIVERSITIES
University of Central Oklahoma
East Central University
Northeastern State University
Northwestern Oklahoma State University
Southeastern Oklahoma State University
Southwestern Oklahoma State University
Cameron University
Langston University
Oklahoma Panhandle State University
Rogers State University
University of Science and Arts of Oklahoma

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

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

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

Regional University System of Oklahoma Regents 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.

University Center of Southern Oklahoma was established to make higher education available to those persons who might otherwise not be able to attend an institution of higher learning in southern Oklahoma. Students enrolled in the program earn credit applicable toward academic degrees and certificates at participating institutions in the system.

University Center at Ponca City was established to make higher education available to those persons who might otherwise not be able to attend an institution of higher learning in northern Oklahoma. Students enrolled in the program earn credit applicable toward academic degrees and certificates at participating institutions in the system.

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

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State of Oklahoma
Combining Statement of Net Position
Major Component Units
June 30, 2019
(expressed in thousands)

	Oklahoma Student Loan Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Higher Education Component Unit	Nonmajor Component Units Total	All Component Units Total
Assets								
Current Assets								
Cash/Cash Equivalents - Unrestricted	$ 0	$ 5,310	$ 151,573	$ 20,798	$ 15,001	$ 1,505,895	$ 205,010	$ 1,903,587
Investments	17,367	14,970	9,412	93,057	5,964	1,128,568	41,590	1,310,928
Accounts Receivable	0	57	8,569	40,677	15,629	537,768	80,816	683,516
Interest and Investment Revenue Receivable	6,745	1,076	1,864	1,560	202	2,224	255	13,926
Federal Grants Receivable	0	876	0	0	0	12,399	0	13,275
Other Receivables	0	0	0	0	0	34,812	939	35,751
Notes Receivable	0	1,551	0	0	249	5,336	994	8,130
Due from Fiduciary Funds	0	0	0	0	0	1	0	1
Due from Component Units	0	0	0	1,253	0	11,192	294	12,739
Due from Primary Government	0	0	6,924	0	0	14,036	31,556	52,516
Inventory	0	0	8,863	74,647	4,685	18,861	0	107,056
Prepaid Items	0	404	315	5,490	0	5,928	3,668	15,805
Other Current Assets	0	0	0	0	13,496	3,777	14,469	31,742
Total Current Assets	$ 24,112	$ 24,244	$ 187,520	$ 237,482	$ 55,226	$ 3,280,797	$ 379,591	$ 4,188,972
Noncurrent Assets								
Cash/Cash Equivalents - Restricted	$ 81	$ 12,237	$ 871,477	$ 4,156	$ 44,917	$ 281,900	$ 3,314	$ 1,218,082
Investments - Restricted	40,270	213,084	167,047	128,810	62,713	2,023,606	911	2,636,441
Long-Term Investments Unrestricted	191,350	62,649	0	198,797	29,465	1,332,690	15,333	1,830,284
Net OPEB asset	0	0	149	0	0	16,102	0	16,251
Long-Term Notes Receivable, Net Unrestricted	0	0	0	0	1,146	34,142	2,377	37,665
Capital Assets								
Depreciable, Net	591	2,209	914,991	1,154,361	451,062	5,355,806	295,439	8,174,459
Land	0	550	274,040	38,239	0	211,546	4,396	528,771
Construction in Progress	0	0	557,720	25,650	4,878	257,306	4,246	849,800
Other Noncurrent Assets								
Unrestricted	391	0	0	1,773	112,535	72,718	40,283	227,700
Restricted	0	0	0	0	278	0	36	314
Total Noncurrent Assets	$ 232,683	$ 290,729	$ 2,785,424	$ 1,551,786	$ 706,994	$ 9,585,816	$ 366,335	$ 15,519,767
Total Assets	$ 256,795	$ 314,973	$ 2,972,944	$ 1,789,268	$ 762,220	$ 12,866,613	$ 745,926	$ 19,708,739
Deferred Outflow of Resources								
Deferred Outflows from Pensions	$ 1,418	$ 1,527	$ 2,963	$ 8,395	$ 683	$ 356,909	$ 1,076	$ 372,971
Accumulated Decrease in Fair Value of Derivatives	0	0	0	0	2,835	0	0	2,835
Lease Restructuring	0	0	0	0	0	2,612	0	2,612
Advance Refunding of Bonds	0	0	86,491	0	16,495	8,766	13	111,765
Deferred Outflows from OPEB	0	75	92	0	0	31,884	0	32,051
Asset Retirement Obligations	0	0	0	0	0	201	0	201
Defeasance of Bonds	0	0	0	34,523	0	1,058	0	35,581
Total Deferred Outflows	$ 1,418	$ 1,602	$ 89,546	$ 42,918	$ 20,013	$ 401,430	$ 1,089	$ 558,016

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

	Oklahoma Student Loan Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Higher Education Component Unit	Nonmajor Component Units Total	All Component Units Total
Liabilities								
Current Liabilities								
Accounts Payable and Accrued Liabilities	$ 1,073	$ 1,552	$ 79,967	$ 36,453	$ 25,631	$ 256,157	$ 116,611	$ 517,444
Claims and Judgments	0	0	0	0	0	2,457	45,989	48,446
Interest Payable	341	453	37,382	3,872	13,870	22,506	290	78,714
Unearned Revenue	0	659	34,620	0	15,354	145,458	142	196,233
Due to Other Component Units	0	3	0	25	1,109	11,294	168	12,599
Due to Fiduciary Funds	0	72	0	589	78	2	0	741
Due to Primary Government	1	0	87	111	0	440	14	653
Capital Leases	0	0	0	143	0	50,020	250	50,413
Capital Leases-Primary Govt.	0	0	0	0	0	9,925	0	9,925
Compensated Absences	0	879	2,316	3,378	0	83,814	553	90,940
Notes Payable	0	10,500	15,000	0	2,522	1,073	4,500	33,595
Revenue Bonds	0	9,624	56,645	26,205	22,465	56,539	0	171,478
Other Current Liabilities	0	0	0	8,093	1,122	535,867	24,439	569,521
Total Current Liabilities	$ 1,415	$ 23,742	$ 226,017	$ 78,869	$ 82,151	$ 1,175,552	$ 192,956	$ 1,780,702
Noncurrent Liabilities								
Claims and Judgments	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,198	$ 449,510	$ 452,708
Due to Primary Government	0	0	54,402	0	0	0	0	54,402
Capital Leases	0	0	0	0	0	764,201	64	764,265
Capital Leases-Primary Govt.	0	0	0	0	0	318,584	0	318,584
Compensated Absences	0	0	0	1,538	0	38,106	59	39,703
Net Pension Liability	6,246	1,491	2,239	6,713	638	1,573,928	755	1,592,010
Notes Payable	42,432	0	0	0	30,721	12,229	11,264	96,646
General Obligation Bonds	0	0	0	0	0	0	30,000	30,000
Net OPEB Liability	0	32	2,115	17,669	0	537,700	0	557,516
Revenue Bonds	145,091	135,871	1,810,940	941,365	599,880	1,471,697	9,999	5,114,843
Unamortized Premium (Discount) on refunding	(512)	3,509	172,753	108,371	25,669	48,879	0	358,669
Other Noncurrent Liabilities	462	0	1,681	3,949	1,713	149,831	714	158,350
Total Noncurrent Liabilities	$ 193,719	$ 140,903	$ 2,044,130	$ 1,079,605	$ 658,621	$ 4,918,353	$ 502,365	$ 9,537,696
Total Liabilities	$ 195,134	$ 164,645	$ 2,270,147	$ 1,158,474	$ 740,772	$ 6,093,905	$ 695,321	$ 11,318,398
Deferred Inflow of Resources								
Accumulated Increase in Fair Value	$ 0	$ 33	$ 0	$ 700	$ 0	$ 0	$ 0	$ 733
Restructured Debt	0	0	0	0	0	9,722	0	9,722
Derivative Instruments	0	0	0	0	0	326	0	326
Deferred pension plan inflows	886	362	1,630	3,574	464	267,863	308	275,087
Deferred OPEB plan inflows	0	0	913	0	0	60,512	0	61,425
Deferred Regulation inflows	0	0	0	46,948	4,139	0	0	51,087
Service Concession Arrangements	0	0	0	0	0	25,347	0	25,347
Total Deferred Inflows	$ 886	$ 395	$ 2,543	$ 51,222	$ 4,603	$ 363,770	$ 308	$ 423,727
Net Position								
Net Investment in Capital Assets	$ 591	$ 2,759	$ 373,119	$ 239,876	$ (25,115)	$ 3,168,700	$ 294,207	$ 4,054,137
Restricted for:								
Debt Service	0	76,573	187,943	15,286	22,865	52,500	0	355,167
Other Special Purpose								
Expendable	46,673	591	76,937	2,202	11,374	2,883,077	3,506	3,024,360
Nonexpendable	0	0	0	0	0	958,193	0	958,193
Unrestricted	14,929	71,612	151,801	365,126	27,734	(252,102)	(246,327)	132,773
Total Net Position	$ 62,193	$ 151,535	$ 789,800	$ 622,490	$ 36,858	$ 6,810,368	$ 51,386	$ 8,524,630

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

State of Oklahoma
Combining Statement of Activities
Major Component Units
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

		Program Revenues			General Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from Primary Government	Change in Net Position	Net Position Beginning of Year	Net Position End of Year
Component Units:								
Oklahoma Student Loan Authority	$ 19,478	$ 22,218	$ 0	$ 2,740	$ 0	$ 2,740	$ 59,453	$ 62,193
Oklahoma Housing Finance Agency	155,509	13,765	136,219	(5,525)	0	(5,525)	157,060	151,535
Oklahoma Turnpike Authority	233,790	342,507	0	108,717	0	108,717	681,083	789,800
Grand River Dam Authority	426,453	456,583	0	30,130	0	30,130	592,360	622,490
Oklahoma Municipal Power Authority	193,213	194,884	0	1,671	0	1,671	35,187	36,858
Higher Education Component Unit	4,860,147	2,847,263	1,698,141	(314,743)	790,651	475,908	6,334,460	6,810,368
Nonmajor Component Units Total	518,261	382,354	19,012	(116,895)	88,472	(28,423)	79,809	51,386
Total Component Units	$ 6,406,851	$ 4,259,574	$ 1,853,372	$ (293,905)	$ 879,123	$ 585,218	$ 7,939,412	$ 8,524,630

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

Auctioneer Bailey Ballou takes bids from the middle of the Oklahoma National Stockyards auction arena. Ballou is the 2012 World Livestock Auctioneering Champion.

Above: Cattle crowd the sales floor during an auction.

Right: Sellers review lot cards before entering the arena floor during an auction.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the State of Oklahoma (the state) are prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

In November of 2016, GASB issued Statement number 83, *Certain Asset Retirement Obligations.* This statement addresses accounting and financial reporting for certain asset retirement obligations. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations.

The state was required to implement this standard for the fiscal year ended June 30, 2019.

In April of 2018, GASB issued Statement number 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement requires that additional essential information related to debt be disclosed in notes to the financial statements including unused lines of credit, assets pledged as collateral for the debt, and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

The state was required to implement this standard for the fiscal year ended June 30, 2019.

New accounting statements issued but not yet adopted:

GASB Statement number 84, *Fiduciary Activities,* establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists.

GASB Statement number 87, *Leases,* requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contracts. The statement also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement number 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of the construction period.

GASB Statement number 90, *Majority Equity Interests - An Amendment of GASB Statement numbers 14 and 61,* is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement number 91, *Conduit Debt Obligations,* is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations and related note disclosures.

The accompanying financial statements present the financial position of the state and the various funds and fund types, results of operations of the state and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2019, and for the year then ended. The financial statements include the various agencies, boards, commissions, public trusts, authorities and 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 GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the state to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state. Local school districts (the state's support of the public education system is reported in the general fund) and other local authorities of various kinds that may meet only one of the criteria for inclusion in this report have not been included.

As required by GAAP, these financial statements present the State of Oklahoma, the primary government, and its component units.

Discretely Presented Component Units

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. Separately issued independent audit reports may be obtained from the Office of Management and Enterprise Services, 5005 North Lincoln Blvd., Suite 100, Oklahoma City, Oklahoma 73105. The audit reports may also be obtained from the respective component units at the addresses presented on the description page of the fund financial statements section for the major component units, and the description page in the combining financial statement section of this report for the non-major component units.

The component units' column of the *Government-Wide Financial Statements* includes the financial data of the following entities:

MAJOR COMPONENT UNITS

Oklahoma Student Loan Authority provides loan funds to qualified persons at participating educational institutions through the issuance of tax-exempt revenue bonds or other debt obligations. The authority is composed of five members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the authority by its ability to veto or modify the authority's decisions. The authority was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 30, 2019, and has been previously issued under separate cover.

Oklahoma Housing Finance Agency is authorized to issue revenue bonds and notes in order to provide funds to promote the development of residential housing and other economic development for the benefit of citizens. In addition, the Agency administers Section 8 Housing Assistance Payments programs for the U.S. Department of Housing and Urban Development. The board of trustees consists of five members appointed by the governor. The state can impose its will on the agency by its ability to veto or modify the agency's decisions. The agency was audited by other independent auditors for the year ended September 30, 2018, and their report, dated January 28, 2019, and has been previously issued under separate cover.

Oklahoma Turnpike Authority constructs, maintains, repairs, and operates turnpike projects at locations authorized by the Legislature and approved by the state Department of Transportation. The authority receives its revenues from turnpike tolls and a percentage of turnpike concession sales. The authority issues revenue bonds to finance turnpike projects. The authority consists of the governor and six members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the authority by its ability to veto or modify the authority's decisions. The authority was audited by other independent auditors for the

year ended December 31, 2018, and their report, dated March 28, 2019, and has been previously issued under separate cover.

Grand River Dam Authority controls the waters of the Grand River system to develop and generate waterpower 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 seven-member board of directors consists of the general manager of the Oklahoma Association of Electric Cooperatives, the executive director of the Municipal Electric Systems of Oklahoma, and appointees by the governor, the Speaker of the House of Representatives, and the president pro tempore of the Senate. The state can impose its will on the authority by its ability to veto or modify the authority's decisions. The authority was audited by other independent auditors for the year ended December 31, 2018, and their report, dated March 28, 2019, and 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, 2018, and their report, dated March 29, 2019, and has been previously issued under separate cover.

Higher Education Component Unit - This component unit is primarily comprised of the 25 colleges and universities that are members of the Oklahoma State System of Higher Education (the system). All of the colleges and universities have foundations that receive and hold economic resources for the benefit of their associated entity. These foundations are component units of their respective college or university and are included as part of the higher education component unit. Separately issued independent audit reports for each college, university, foundation, or other included entity may be obtained from the Office of Management and Enterprise Services, 5005 North Lincoln Blvd., Suite 100, Oklahoma City, Oklahoma 73105. Each institution in the system is governed by a board of regents. The boards of regents consist of five to ten members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on each institution by its ability to modify and approve their budget. The colleges and universities are funded through state appropriations, tuition, federal grants, and private donations and grants.

For fiscal year ending June 30, 2019, the foundation for Murray State College received an adverse opinion from its independent auditors. The foundation's financial information included in the higher education component unit is measured as of June 30, 2016.

Also included in the Higher Education Component Unit are the following entities:

- **Oklahoma State Regents for Higher Education** serves as the coordinating board of control for the system. The board of regents for higher education consists of nine members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the state regents for higher education by its ability to modify and approve their budget.
- **Regional University System of Oklahoma** 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 the State Superintendent of Public Instruction and eight members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the board of regents by its ability to modify and approve their budget. Each of the six regional state universities has one or more foundations that are component units of their respective university and are included in the higher education component unit.
- **University Center of Southern Oklahoma** was established to make higher education available to those persons who might otherwise not be able to attend an institution of higher learning. Students enrolled in the center earn credit applicable toward academic degrees and certificates at participating institutions in the system. Participating Institutions are: East Central University, Murray State College, and Southeastern Oklahoma State University. The center is administered by a board of trustees appointed by the governor,

with the advice and consent of the Senate. The state can impose its will on the center by its ability to modify and approve their budget.

- **Rose State College Technical Area Education District, South Oklahoma City Area School District,** and **Tulsa Community College Area School District #18** were created to provide postsecondary vocational, technical, and adult education programs for persons within their defined geographical boundaries. The primary source of operating funds is ad valorem taxes assessed against real property located in their districts. The districts are component units of Rose State College, Oklahoma City Community College, and Tulsa Community College, respectively.
- **University Center at Ponca City** was established to make educational program resources in the Oklahoma State System of Higher Education available to the citizens in Northern Oklahoma and the Ponca City community. The Center is administered by a Board of Trustees consisting of nine members appointed by the governor with the advice and consent of the Senate. The state can impose its will on the Center by its ability to modify and approve their budget.

NON-MAJOR COMPONENT UNITS

Oklahoma Educational Television Authority (OETA) was created to "make educational television services available to all Oklahoma citizens on a coordinated statewide basis." The Board of Directors is comprised of thirteen members, seven of which are appointed by the governor, with the advice and consent of the Senate. A financial benefit/burden relationship exists between the state and OETA. OETA also has a non-profit foundation that was established to receive private donations and contributions for the benefit of OETA. This foundation qualifies as a component unit of OETA and is combined with OETA. During fiscal year 2019, OETA severed ties with the OETA Foundation. A new entity, Friends of OETA, was created to replace the functions of the previous foundation. OETA was unable to complete financial reporting by the state's statutory deadline and the information reported is measured as of June 30, 2018. OETA was audited by other independent auditors for the year ended June 30, 2018, and their report, dated October 18, 2018, was previously issued under separate cover. Refer to Note 20, *Subsequent Events,* for more information.

Oklahoma Industrial Finance Authority assists with the state's industrial development by making loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. These loans are secured by first or second mortgages on real estate and equipment. The authority's loans are financed by issuance of general obligation bonds. The Board of Directors is comprised of seven members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the authority by its ability to veto or modify the authority's decisions. The authority was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 21, 2019, and has been previously issued under separate cover.

Multiple Injury Trust Fund provides benefits to a worker with a pre-existing disability who suffers a second on-the-job injury. The state can impose its will on the Fund by its ability to remove management (appointees) at will. The fund was audited by other independent auditors for the period ended December 31, 2018, and their report, dated June 14, 2019, and has been previously issued under separate cover.

University Hospitals Authority consists of The University Hospital and Children's Hospital of Oklahoma, and their related clinics and other services. The authority is affiliated with the University of Oklahoma Health Sciences Center whose medical school residents and staff provide patient care, in-service education, and certain administrative duties for the benefit of the authority. The authority is governed by a six-member board consisting of appointees of the governor, Speaker of the House of Representatives, and the president pro tempore of the Senate, and officials from the state Medicaid program, the University of Oklahoma Health Sciences Center and the authority. A financial benefit/burden relationship exists between the state and the authority. The authority was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 31, 2019, and has been previously issued under separate cover.

Oklahoma Development Finance Authority provides financing for both public and private entities in the state. The authority obtains funds through the issuance of bonds and notes. Private entities qualifying for financing are generally agricultural, civic, educational, health care, industrial, or manufacturing enterprises. Financing is also provided to governmental agencies and instrumentalities of the state. The governing board,

appointed by the governor, with the advice and consent of the Senate, is comprised of seven members: one person selected from each of the six congressional districts of the state as they existed in 1960 and the Director of the Department of Commerce. The state can impose its will on the authority by its ability to veto or modify the authority's decisions. The authority was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 21, 2019, and has been previously issued under separate cover.

Oklahoma Capital Investment Board assists the state with industrial development by mobilizing equity and near-equity capital making investments for the potential creation of jobs and growth that will diversify and stabilize the economy. The board of directors is comprised of five members appointed by the governor, with the advice and consent of the Senate. The state can impose its will on the board by its ability to veto or modify the board's decisions. The board, in order to mobilize investments, owns the Oklahoma Capital Formation Company LLC (OCFC), a formerly independent corporation. During fiscal year 2006, the board purchased 100% of the ownership of the OCFC. In fiscal year 2007, OCFC changed its corporate structure and name from a corporation to an Oklahoma limited liability company. Operations of the OCFC are included in the financial results of the board. The board was audited by other independent auditors for the year ended June 30, 2019, and their report, dated August 26, 2019, and has been previously issued under separate cover.

Oklahoma State University Medical Authority is affiliated with the Oklahoma State University Center for Health Sciences to provide funding, teaching and training for graduate medical students. It also serves as a site for conducting medical research by faculty and providing patient care. The board is governed by seven members which consists of the following: a member appointed by the governor, with the advice and consent of the Senate, a member appointed by the president pro tempore of the Senate, a member appointed by the Speaker of the House of Representatives, the chief executive officer of the Oklahoma Health Care Authority, or his or her designee, the president of the OSU Center for Health Sciences, chief executive officer of the Oklahoma State University Medical Authority and an appointee of the president of Oklahoma State University. A financial benefit/burden exists between the authority and the state. The authority was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 30, 2019, and has been issued under separate cover. In October 2013, Oklahoma State University Medical Trust, Oklahoma State University Medical Center Trust, and the authority entered into a Tripartite Agreement and Plan of Merger. Under the terms of the merger agreement the Oklahoma State University Medical Center Trust merged with the Oklahoma State University Medical Trust. Oklahoma State University Medical Trust, the surviving entity, is deemed to be a component unit of the authority due to the common governance.

FIDUCIARY COMPONENT UNITS

Six public employee retirement systems (PERS) administer pension funds for the state and its political subdivisions. The six PERS are subject to state legislative and executive controls and the administrative expenses are subject to legislative budget controls. These legally separate component units, while meeting the definition of a component unit, are presented in the fund financial statements along with other primary government fiduciary funds of the state. They have been omitted from the *Government-Wide Financial Statements*.

Separately issued independent audit reports are available even though they are excluded from the *Government-Wide Financial Statements*. They may be obtained from the Office of Management and Enterprise Services, 5005 North Lincoln Blvd., Suite 100, Oklahoma City, Oklahoma 73105, or the respective fiduciary component units at the addresses presented on the description page of the Combining Financial Statement section of this report.

Oklahoma Firefighters Pension and Retirement System provides retirement benefits for municipal firefighters. The system is administered by a board comprised of thirteen members: The president of the Professional Firefighters of Oklahoma, the president of the Oklahoma State Retired Firefighters Association, the State Insurance Commissioner, and the director of the Office of Management and Enterprise Services (or their designee), the five members of the board of trustees of the Oklahoma Firefighters Association, and appointees by the Speaker of the House of Representatives, the president pro tempore of the Senate, and the president of the Oklahoma Municipal League. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 10, 2019, and has been previously issued under separate cover.

Oklahoma Law Enforcement Retirement System provides retirement benefits for qualified law enforcement officers. The system is administered by a board comprised of thirteen members: The Commissioner of Public Safety (or designee), the Director of the Office of Management and Enterprise Services (or designee), members of the Department of Public Safety, the Oklahoma State Bureau of Investigation, the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, and the Alcoholic Beverage Laws Enforcement Commission, and appointees by the governor, the Speaker of the House of Representatives, and the president pro tempore of the Senate. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 14, 2019, and has been previously issued under separate cover.

Oklahoma Public Employees Retirement System administers the Oklahoma Public Employee Retirement Plan which provides retirement benefits for state, county and local employees. The board is comprised of fourteen members: the State Insurance Commissioner (or designee), and the Director of the Office of Management and Enterprise Services (or designee), a member of the Oklahoma Corporation Commission (or designee) selected by the Oklahoma Corporation Commission, the director of Human Capital Management of the Office of Management and Enterprise Services, a member of the Oklahoma Tax Commission selected by the Tax Commission, the State Treasurer (or designee), three appointees by the governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives, and two members appointed by the president pro tempore of the Senate. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 11, 2019, and has been previously issued under separate cover.

Uniform Retirement System for Justices and Judges is administered by the Oklahoma Public Employee Retirement System and provides retirement benefits for justices and judges. The board of trustees is comprised of fourteen members: the State Insurance Commissioner (or designee), and the director of the Office of Management and Enterprise Services (or designee), a member of the Oklahoma Corporation Commission (or designee) selected by the Oklahoma Corporation Commission, the director of Human Capital Management of the Office of Management and Enterprise Services, a member of the Oklahoma Tax Commission selected by the Oklahoma Tax Commission, the State Treasurer (or designee), three appointees by the governor, one member appointed by the Supreme Court, two members appointed by the Speaker of the House of Representatives, and two members appointed by the president pro tempore of the Senate. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 11, 2019, and has been previously issued under separate cover.

Oklahoma Police Pension and Retirement System provides retirement benefits for police officers employed by participating municipalities. The system is administered by a board comprised of thirteen members: seven members elected from the seven board districts, the State Insurance Commissioner (or designee) and the director of the Office of Management and Enterprise Services (or designee), and appointees by the governor, the Speaker of the House of Representatives, the president pro tempore of the Senate, and the president of the Oklahoma Municipal League. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated September 18, 2019, and has been previously issued under separate cover.

Teachers' Retirement System of Oklahoma provides retirement allowances and benefits for qualified persons employed by state-supported educational institutions. The system is administered by a board consisting of fifteen members: State Superintendent of Public Instruction (or designee), director of the Office of Management and Enterprise Services (or designee), director of the Oklahoma Department of Career and Technology Education (or designee), State Treasurer (or designee), two appointed by the governor with Senate approval, three appointed by the governor, two appointed by the president pro tempore of the Senate, two appointed by the speaker of the House of Representatives and one retired educators representative. The system was audited by other independent auditors for the year ended June 30, 2019, and their report, dated October 18, 2019, and has been previously issued under separate cover.

Related Organizations and Related Parties

Organizations, for which a primary government is accountable because the state appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The Oklahoma Ordnance Works Authority is

a related organization of the state. The state appoints a voting majority of the Trustees of the Oklahoma Ordnance Works Authority but has no further accountability.

B. Government-Wide and Fund Financial Statements

The *Government-Wide Financial Statements* (the *Statement of Net Position* and the *Statement of Activities*) report information for all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these *Government-Wide Financial Statements*. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function, segment, or component unit are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function, segment, or component unit. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function, segment, or component unit. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, segment, or component unit. Taxes and other items not properly included among program revenues are reported instead as general revenues. Resources that are dedicated internally are reported as general revenues rather than as program revenues. The state does not allocate general government (indirect) expenses to other functions.

Net position is restricted when constraints placed on it is either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the state's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds and similar component units, and major component units. However, the fiduciary funds are not included in the *Government-Wide Financial Statements*. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements – The *Government-Wide Financial Statements* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Interfund services provided and used are not eliminated in the process of consolidation.

Governmental Fund Financial Statements – The *Governmental Fund Financial Statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the state considers revenues to be available if they are collected within sixty days of the end of the current fiscal year end. Principal revenue sources considered susceptible to accrual include federal grants, interest on investments, sales and income taxes, and lease payments receivable. Some revenue items that are considered measurable and available to finance operations during the year from an accounting perspective are not available for expenditure due to the state's present appropriation system. These revenues have been accrued in accordance with GAAP since they have been earned and are expected to be collected within sixty days of the end of the period. Other revenues are considered measurable and available only when cash is received by the state.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Modifications to the accrual basis of accounting include:

- Employees' vested annual leave is recorded as an expenditure as it is utilized. Unused reimbursable leave following an employee's resignation or retirement that is unpaid at year end is recognized as an expenditure and a liability of the fund.

- Interest on general long-term obligations is recognized when paid.
- Executory purchase orders and contracts are recorded as a commitment of fund balance.
- Debt service expenditures and claims and judgments are recorded only when payment is due.

Proprietary Funds, Fiduciary Funds and Similar Component Units, and Component Unit Financial Statements – The financial statements of the proprietary funds, fiduciary funds and similar component units, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the *Government-Wide Financial Statements* described above.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the state's enterprise funds are requisitioned from the Oklahoma Unemployment Insurance Trust Fund held by the U.S. Treasury for payment of unemployment benefits, monthly premiums for self-funded insurance benefits provided to statutorily defined state employees by the Employees Group Insurance Department, interest revenue charges for loans made to local entities by the Oklahoma Water Resources Board, and the sale of lottery tickets and related chance games by the Lottery Commission. The Oklahoma Water Resources Board reports federal grants as both operating and nonoperating, depending on the types of grants received.

D. Fund Accounting

The financial activities of the state are recorded in individual funds, each of which is deemed to be a separate accounting entity. The state uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The financial activities of the state that are reported in the accompanying financial statements have been classified into the following major governmental and proprietary funds. In addition, a description of the fiduciary and component units follows:

1. Governmental Funds

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

Commissioners of the Land Office Permanent Fund – This fund 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. This fund's assets are held by the state and only the income derived from the principal may be expended for designated operations. The principal must be preserved intact.

Department of Wildlife Conservation Permanent Fund – This 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. This fund's assets are held by the state and only the income derived from the principal may be expended for designated operations. The principal must be preserved intact.

Tobacco Settlement Endowment Permanent Fund – This fund accounts for certain monies transferred from the general fund that were received in settlement of claims by the state against tobacco manufacturers. The earnings from these monies are to be utilized for research, education, prevention and treatment of tobacco related diseases and certain other health programs. The principal must be preserved intact.

2. Proprietary Funds

These funds 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.

Employees Group Insurance Division of the Office of Management and Enterprise Services provides group health, life, dental, disability and other benefits to active state employees and local government employees, as well as varying coverages for active education employees and certain participants of the state's retirement systems, survivors, and persons covered by the Consolidated Omnibus Reconciliation Act of 1985. Coverages are funded by monthly premiums paid by employers and employees.

Employment Security Commission Enterprise Fund - This fund accounts for the deposit of monies requisitioned from the Unemployment Insurance Trust Fund held by the U.S. Treasury for payment of unemployment benefits and administrative costs.

Oklahoma Water Resources Board Enterprise Fund - This fund is comprised of Oklahoma Water Resources Board and the Department of Environmental Quality bond issues and revolving loan programs. These programs make loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems.

Oklahoma Lottery Commission Enterprise Fund – This fund operates the state-wide lottery program and related chance games, seeking to generate additional revenues for the benefit of the state's educational system.

3. Fiduciary Funds and Similar Component Units

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 or other governmental units.

Pension Trust Funds - These funds account for the transactions, assets, liabilities, and net position of the Wildlife Conservation Retirement Plan in the primary government, and six PERS that meet the definition of a component unit of the state.

Agency Funds - These funds account for the assets held, primarily taxes collected, for distribution by the state as an agent for other governmental units, other organizations or individuals.

4. Component Units

These entities are legally separate from the state but are considered part of the reporting entity. These funds meet the definition of both a component unit and that of an enterprise fund as previously described. The six PERS meet the definition of a component unit but are presented with the other fiduciary funds of the state.

5. Financial Statement Reporting Periods

The accompanying financial statements of the state are presented as of June 30, 2019, and for the year then ended, except for the following funds and entities which were audited by other independent auditors.

Multiple Injury Trust Fund	12-31-18
Employees Group Insurance Department	12-31-18
Oklahoma Turnpike Authority	12-31-18
Grand River Dam Authority	12-31-18
Oklahoma Municipal Power Authority	12-31-18
Oklahoma Housing Finance Agency	09-30-18
Oklahoma Educational Television Authority	06-30-18

E. 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 a component of either restricted or committed fund balance for GAAP purposes. Since the budgetary basis differs from GAAP, budget and actual amounts in the accompanying Required Supplementary Information – Budgetary Schedules 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, 2019, to revenues in excess of (less than) expenditures and other financing sources (uses) presented in conformity with GAAP is set forth in the Notes to Required Supplementary Information.

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

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

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

If revenue collections from appropriated funding sources are not sufficient to cover appropriations from the general revenue fund, the Director of the Office of Management and Enterprise Services is required to reduce the budget by the amount of such deficiency as verified by the Oklahoma State Board of Equalization. Any other changes to the budget must be approved by the Legislature. All fiscal year 2019 appropriated line items were within their authorized spending level.

F. Cash and Cash Equivalents

The state uses a pooled cash concept in maintaining its bank accounts. All cash is pooled for operating and investment purposes and each fund has relative equity in the pooled amount. For reporting purposes, cash and related time deposits have been allocated to each fund based on its equity in the pooled amount. Interest earned on investments is allocated to the general fund except for those investments made specifically for the 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 State Treasurer also promulgates all rules and regulations regarding the amount of collateral securities that must be pledged to secure public deposits.

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 with a maturity of three months or less that are readily convertible to cash.

G. Investments

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

Generally accepted accounting principles establish a fair value hierarchy for the determination and measurement of fair value. This hierarchy is based on the type of valuation inputs needed to measure the fair value of an asset. The hierarchy generally is as follows:

1. Level 1 – Unadjusted quoted prices in active markets for identical assets
2. Level 2 – Quoted prices for similar assets, or inputs that are observable or other forms of market corroborated inputs
3. Level 3 – Pricing based on best available information, including primarily unobservable inputs and assumptions market participants would use in pricing the asset

H. Receivables

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

Governmental fund type receivables consist primarily of amounts due from the federal government. Interest and investment revenue receivable in all funds consist of revenues due on each investment. Taxes receivable in governmental funds represent taxes subject to accrual, primarily income taxes and sales taxes. Lease payments receivable in the general fund consists primarily of capital lease payments due for equipment and railroad lines owned by the Department of Transportation. Collectability of these lease payments is reasonably assured and no allowance for uncollectible amounts has been established.

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

I. Inter/Intrafund Transactions

Interfund Transactions - The state has two 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 transfers in the funds involved.

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 contracted for budgetary purposes. The Required Supplementary Information – Budgetary Schedules includes these transactions. However, as a general rule recorded intrafund revenues and expenditures have been eliminated in the GAAP-basis *Government-Wide Financial Statements*. A portion of motor fuel excise taxes collected on fuels consumed on the state's turnpikes is made available to the Oklahoma Turnpike Authority (OTA) from the Oklahoma Tax Commission. These taxes are apportioned to OTA monthly to fund debt service, but only to the extent amounts are not otherwise available to OTA. If the motor fuel excise taxes apportioned to OTA are not needed in the month of apportionment, the taxes are transferred to the Department of Transportation (DOT). Before these monthly transfers were mandated, a balance owed to DOT had accumulated and at year end this balance is presented as a noncurrent due to other funds on the financial statements of OTA.

J. Inventories and Prepaid Expenses

Inventories of materials and supplies are determined both by physical counts and through perpetual inventory systems. Generally, inventories are valued at cost and predominantly on either the first-in first-out or weighted average basis.

Inventories of federal surplus properties are valued at a percentage of federal acquisition cost. General fund inventories are recorded as expenditures when consumed rather than when purchased by recording adjustments to the inventory account on the balance sheet. The general fund inventories on hand at year-end are reflected as a component of nonspendable fund balance on the balance sheet, except for $543,000 in food commodities which is recorded as inventory and unearned revenue. Upon distribution, the food commodities are recognized as revenues and expenditures of the general fund.

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

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

Prepaid expenses are recorded using the "purchases method," meaning that they are initially recorded as expenditures. At fiscal year-end, significant amounts of prepaid expenditures are shown as a component of nonspendable fund balance, indicating they do not constitute available expendable resources.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (which are normally immovable and of value only to the state, such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type activities columns in the *Government-Wide Financial Statements*. Capital assets are defined by the state as assets which have a cost of $25,000 or more at the date of acquisition and have an expected useful life of five or more years. Purchased and constructed capital assets are valued at historical cost or estimated historical cost. Donated capital assets are recorded at their fair market value at the date of donation, unless received as part of a service concession arrangement at which point, they would be recorded at acquisition cost.

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. Infrastructure constructed prior to July 1, 2000, was recorded at estimated historical cost. The estimated historical cost for years 1916-2000 was based on capital outlay expenditures reported by DOT and the Federal Highway Administration, less an amount estimated for the historical cost of the acquisition of land for right-of-way. The costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life are not capitalized. Interest incurred during construction of capital facilities is not capitalized.

Capital assets utilized in the governmental funds are recorded as expenditures in the *Governmental Fund Financial Statements*. Depreciation expense is recorded in the *Government-Wide Financial Statements*, as well as the proprietary funds and component unit's financial statements. Capital assets, donated works of art, and similar items received in a service concession arrangement are reported at acquisition, rather than fair value.

Capital assets of the primary government and the component units are depreciated on the straight-line method over the assets' estimated useful life. There is no depreciation recorded for land and construction in progress. Generally, estimated useful lives are as follows:

Machinery and Equipment	3 - 20 years
Buildings and Other Improvements	7 - 60 years
Infrastructure	30 years

Collections and works of art are not included in capital assets of the primary government on the *Government-Wide Statement of Net Position*. GASB Statement number 34 does not require capitalization of collections if they meet all of the following criteria; held for public exhibition, education, or research in furtherance of service, rather than financial gain; protected, kept unencumbered, cared for, and preserved; and subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. The state elected not to capitalize collections and works of art since they meet all of the above conditions.

L. Other Assets

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

M. Unearned/Unavailable Revenue

Unearned revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Unearned revenues also arise when resources are received by the state before it has a legal claim to them. Also included in unearned revenue at both levels are the undistributed food commodity inventories. In subsequent periods, when the revenue recognition criterion is met, or when the state has a legal claim to the resources, the liability for unearned revenue is removed from the combined statement of net position or statement of fund balance, and revenue is recognized.

Available revenue is defined as due (or past due) at June 30 and collected within sixty days thereafter to pay obligations due at June 30. Revenue that is not collected within sixty days of fiscal year end is classified as unavailable and recorded as a deferred inflow on the statement of fund balance.

N. Compensated Absences

Employees earn annual vacation leave at the average rate of 10 hours per month for the first 5 years of service, 12 hours per month for service of 5 to 10 years, 13.33 hours per month for service of 10 to 20 years, and 16.67 hours per month for over 20 years of service. Unused annual leave may be accumulated to a maximum of 240 hours for employees with less than 5 years of continuous service or 480 hours for employees with 5 years or more of continuous service. All accrued annual leave is payable upon termination, resignation, retirement, or death. The *Governmental Fund Financial Statements* record expenditures when employees are paid for leave. The *Government-Wide Financial Statements* present the cost of accumulated vacation leave as a liability. The liability is valued based on current rate of pay. There is no liability for unpaid accumulated sick leave since the state does not have a policy to pay this amount when employees separate from service.

O. Risk Management

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

The Risk Management Division is authorized to settle claims of the state and oversee the dispensation and/or settlement of claims against a state political subdivision. In no event shall self-insurance coverage exceed the limitations on the maximum dollar amount of liability specified by the Oklahoma Governmental Tort Claims Act. The Risk Management Department 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 Risk Management.

P. Federal Grants

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

Q. Long-Term Obligations

Premiums, Discounts and Issuance Costs – In the *Government-Wide Financial Statements*, long-term debt and other long-term obligations are presented in the columns for governmental and business-type activities. The same is presented in the *Proprietary Fund Financial Statements*. Bond and note premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported in the period incurred.

In the *Governmental Fund Financial Statements*, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the period incurred.

Arbitrage Rebate Liability – The enterprise funds and component units account for any arbitrage rebate payable as a liability of the fund.

R. Governmental Fund – Fund Balance

The *Governmental Fund Financial Statements* present fund balance at the aggregate level of detail within the categories defined by GASB Statement number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Refer to Note 12 for further discussion.

S. Deficit Fund Balance – Multiple Injury Trust Fund

The Multiple Injury Trust Fund (MITF), a component unit, continues to operate in a deficit situation. MITF had total net liabilities (negative net position) of $485,782,000 at December 31, 2018. Legislation was passed in May 2000 providing new funding for MITF through an assessment on gross premiums on workers compensation policies written by insurance carriers and an assessment on disability awards paid by self-insured employers, and further limits future awards against MITF to claimants that timely filed injury claims that occurred before June 1, 2000, against their employer. These claimants have no time limitation for filing against MITF. No new claims related to injuries subsequent to June 1, 2000, can be filed. Funding is to continue until the Workers' Compensation Commission certifies that there are sufficient funds to satisfy all outstanding obligations of MITF.

T. Pollution Remediation Obligations

During the fiscal year ended June 30, 2019, two agencies incurred expenses of $521,000 for pollution obligations related to hazardous material on highways and asbestos removal, where clean-up is generally required to comply with federal regulations. This type of remediation is generally a control obligation performed as part of current operations during road construction or building renovation. There was also a liability incurred of $2,455,000 which is included in accounts payable on the *Government-Wide Financial Statements*.

Pollution remediation obligation is determined by the agency responsible for performing the remediation. These estimates are subject to revision because of price increases or reductions, changes in technology, or changes in applicable laws or regulations. There are currently no expectations of cost recoveries from ongoing projects.

Note 2. Deposits and Investments

The State Treasurer maintains two investment portfolios. The treasurer's portfolio is used to manage the investments of all state monies that are under the control of the treasurer where earnings accrue to the general fund of the state. The State Agency Portfolio is used for the investment of a limited number of state agencies specifically authorized by statute to direct the activities of certain funds and accounts where the earnings accrue to those funds and accounts. Ancillary to the treasurer's portfolio is an internal investment pool, OK INVEST, for all state funds and agencies that are considered part of the State of Oklahoma. All cash balances held through the State Treasurer for the primary government, component units and fiduciary funds earn a return through the OK INVEST pool program.

In accordance with statutes, the State Treasurer's investment policy allows for investments in the following categories:

United States Treasury bills, notes and bonds
United States government agency securities
Prime banker's acceptances
Investment grade obligations of state and local governments
Short-term bond funds
Foreign bonds
Collateralized or insured certificates of deposit
Negotiable certificates of deposit
Prime commercial paper
Repurchase agreements
Money market funds

The State Treasurer's investment policy attempts to reduce portfolio risk through diversification by security, institution and maturity. Except for U.S. Treasury securities, no more than 50% of the state's total funds available for investment will be invested in a single security or with a single financial institution. In addition, the treasurer's investments will not have an average maturity greater than 4 years unless otherwise specifically designated by the treasurer. The following table outlines the State Treasurer's diversification limits designed to control various types of risk:

Investment Type	Percentage of Total Invested	Percentage of Total by Issuer	Maturity Limit	Rating
Treasuries	No Limit	No Limit	10 Years	Aaa,AAA
U.S. Government Agency Securities	50%	35%	10 Years	Aaa,AAA
U.S. Government Agency Mortgage Backed Securities	45%	No Limit	7 Years	Aaa,AAA
Collateralized or Insured Certificates of Deposit	Limit of $20 Million per financial institution		365 Days	No Limit
Negotiable Certificates of Deposit	7.5%	2.5%	180 Days	A-1 & P-1
Banker's Acceptance	7.5%	2.5%	270 Days	A-1 & P-1
Commercial Paper	7.5%	2.5%	180 Days	A-1 & P-1
State and Local Government Obligations	10%	5.0%	30 Years	Securities must not be less than investment grade at purchase
Repurchase and Tri-party Repurchase Agreements	30%	10%	14 Days	A-1 minimum rating or equivalent
Money Market Mutual Funds	30%	10%	N/A	AAAm
Foreign Bonds	2.5%	Must be listed as an industrialized country by the International Monetary Fund	5 Years	A-/A3 or better

The primary government's three permanent funds, Commissioners of the Land Office, Department of Wildlife Lifetime Licenses and the Tobacco Settlement Endowment all have investment goals and horizons that differ from the State Treasurer. Accordingly, the investment policies for the permanent funds allow for broader classes of investments as well as extended dates of maturity.

The Employment Security Commission, Water Resources Board, Office of Management and Enterprise Services-Employees Group Insurance Division and Lottery Commission are the four business-type activities within the primary government. These agencies generally have investment policies that correlate to the operations and services that they perform. The Employment Security Commission generally will not invest outside of U.S. government securities and typically maintains deposit balances only. The Water Resources Board, Employees Group Insurance Division and Lottery Commission all operate with longer investment horizons, and as part of normal operations, will attempt to match maturities of investments with the approaching maturity of liabilities.

Due to the nature of the internal investment pool, ownership of investments cannot be assigned to individual funds, including the pension trust funds and component units. The investment pool also holds securities purchased with cash collateral from securities lending, which are not assigned to individual funds. For these reasons, total investments will not

agree to the financial statements for the primary government. The following table details the investments held by the primary government at June 30, 2019 (expressed in thousands):

Investments - Primary Government

Investment Type	Government Administration	Permanent Funds	Business-Type Activities	Total Primary Government
POOLED INVESTMENTS				
U.S. Agency & Treasury	$ 6,282,706	$ 3,487	$ -	$ 6,286,193
Money Market Mutual Funds	720,784	9,104	-	729,888
Securities Lending Collateral Pool	125,688	89,201	-	214,889
Mutual Funds	-	67,740	-	67,740
Certificates of Deposit & Commercial Paper	160,130	-	-	160,130
State & Muni Bond Issues	43,438	358	-	43,796
Foreign Corporate Bonds	29,540	-	-	29,540
NON-POOLED INVESTMENTS				
U.S. Agency & Treasury	15,761	527,107	83,577	626,445
Domestic Corporate Bonds	-	747,835	68,040	815,875
Foreign Corporate Bonds	-	221,178	-	221,178
Domestic Equities	21,720	1,207,342	84,327	1,313,389
Foreign Equities	-	456,043	-	456,043
Other	-	548,531	70,974	619,505
Money Market Mutual Funds	56,643	-	-	56,643
Totals	$ 7,456,410	$ 3,877,926	$ 306,918	$ 11,641,254

The primary government categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The primary government uses the market approach for valuation purposes. The following table details the fair value of investments held by the primary government at June 30, 2019 (expressed in thousands):

		Primary Government Fair Value Measurements at Reporting Date Using		
	Amounts Measured At Fair Value	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments Measured by Fair Value				
Debt Securities				
U.S. Treasury, Agency & Municipal Securities	$ 6,956,434	$ 1,350,742	$5,605,692	$ -
Certificates of Deposit & Commercial Paper	160,130	160,130	-	-
U.S. Corporate Debt	815,875	-	815,875	-
Foreign Corporate Bonds	250,718	-	221,178	29,540
Equity Securities				
U.S. Domestic Equities	1,059,853	1,059,803	49	1
Foreign Equities	214,036	214,036	-	-
Mutual Funds	67,740	67,740	-	-
Other	459,647	194,456	186,079	79,112
Total Investments Measured at Fair Value	$ 9,984,433			
Investments Measured at Amortized Cost	$ 786,531			
Investments Measured at Net Asset Value	$ 655,401			

Fiduciary Funds and Similar Component Units

The fiduciary funds of the state have investment goals that vary significantly from the primary government. Due to the long-term nature of these funds, investment options are broader, and maturities can be longer than that of the primary government. These funds generally have investment policies allowing for investments in stocks, bonds, fixed income securities and other investment securities including commingled, mutual and index funds. Generally, policies allow for a portion of investments to be held in securities of foreign companies and countries. Policies also allow for portions of the total portfolio to be held in derivatives and derivative like investments such as U.S. Treasury Strips, collateralized mortgage obligations, convertible securities and variable rate instruments.

The fiduciary funds categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment. The following table details the fair value of investments held by the fiduciary funds at June 30, 2019 (expressed in thousands):

		Pension Trust Funds Fair Value Measurements at Reporting Date Using		
	Amounts Measured At Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured by Fair Value				
Debt Securities				
U.S. Treasury, Agency & Municipal Securities	$ 3,673,744	$ 324,569	$ 3,349,175	$ -
U.S. Corporate Debt	3,853,359	-	3,822,783	30,576
Foreign Corporate Bonds	386,300	-	174,634	211,666
Equity Securities				
U.S. Domestic Equities	14,887,326	13,570,053	980,256	337,017
Foreign Equities	1,891,268	1,267,076	624,192	-
Other	521,647	5,950	-	515,697
Total Investments Measured at Fair Value	$ 25,213,644			
Investments Measured at Amortized Cost	$ -			
Investments Measured at Net Asset Value	$ 8,357,434			

Component Units

The component units of the state have varied investment goals based on the demands of their specific enterprise, and commonly have investment policies that allow for broader asset classes and longer maturities than that of the primary government. Various finance authorities invest in attempt to match targeted returns to the maturity of liabilities. The higher education component unit is comprised of numerous foundations that invest in order to maximize gains for the institutions that they support. These foundations may also hold assets of different classes as part of donor restrictions and covenants. The component units categorize fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment. The following table details the fair value of investments held by component units at June 30, 2019 (expressed in thousands):

		Component Units Fair Value Measurements at Reporting Date Using		
	Amounts Measured At Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments Measured by Fair Value				
Debt Securities				
U.S. Treasury, Agency & Municipal Securities	$ 1,032,752	$ 786,392	$ 246,333	$ 27
U.S. Corporate Debt	116,391	102,564	13,827	-
Foreign Corporate Bonds	99,788	99,788	-	-
Equity Securities				
U.S. Domestic Equities	937,575	681,236	153	256,186
Foreign Equities	108,796	108,796	-	-
Other	985,902	77,874	568,861	339,167
Total Investments Measured at Fair Value	$ 3,281,204			
Investments Measured at Amortized Cost	$ 309,155			
Investments Measured at Net Asset Value	$ 2,187,269			

A. Custodial Credit Risk

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the state will not be able to recover the value of its investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, not registered in the name of the state, or held by the counterparty or its trust department but not in the state's name.

Primary Government

The State Treasurer requires that financial institutions deposit collateral securities to secure the deposits of the state in each such institution. The amount of collateral securities to be pledged for the security of public deposits is established by rules promulgated by the State Treasurer. In accordance with the Office of State Treasurer's policies, the collateral securities to be pledged by financial institutions through the Office of the State Treasurer are pledged at market value and must be at 110% of value to collateralize the amount on deposit, less any federal insurance coverage. All investments held by the State Treasurer are insured, registered, or held in the name of the State Treasurer.

As of June 30, 2019, the primary government's bank balances of deposits are fully insured or collateralized with securities held by an agent of the state in the state's name. In addition to these deposits, the state has approximately $1,132,994,000 on deposit with the U.S. government. These funds represent unemployment insurance taxes collected from Oklahoma employers that are held by the U.S. Treasury. The book value of deposits does not materially differ from the bank balance.

Fiduciary Funds and Similar Component Units

The pension trust funds, fiduciary component units of the state, have investment policies that do not specifically address custodial credit risk of deposits and investments. However, each pension trust fund utilizes multiple investment managers and limits cash and short-term investments to no more than 5% of each investment manager's portfolio. At June 30, 2019, the pension trust funds had deposits and cash equivalents of $756,879,000 of which $17,185,000 were uninsured and uncollateralized.

Component Units

Generally, the component units of the state have investment policies that do not specifically address or limit custodial credit risk of deposits and investments. All component units typically follow the diversification and securitization of deposit policies defined by the State Treasurer in an effort to minimize custodial credit risk.

B. Credit Risk

Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the debt instrument issuer's ability to meet its obligation. The state, its fiduciary funds and component units utilize the credit quality ratings issued by Moody's, Standard and Poor's (S&P), or Fitch in determining the risk associated with its fixed-income investments. Obligations of the U.S. government or those explicitly guaranteed by the U.S. government are not considered to have credit risk. Certain debt instruments are commingled investments that do not have an applicable credit risk rating. These investments are presented as not rated in the accompanying tables.

Primary Government

As outlined in an earlier table, the State Treasurer seeks to hold investments with a rating of A or higher as rated by Moody's. Generally, the Permanent Funds and the business-type activities seek to maintain the same or higher rating. The Water Resources Board, which has a high concentration of investments with one issuer, requires that issuer to maintain an average credit rating of AA or higher. Should this issuer's rating fall below AA, it is required to collateralize the guaranteed investments sufficient to maintain an AA rating on the contracts. At June 30, 2019, the primary government had the following investments subject to credit risk (expressed in thousands):

Credit Risk - Primary Government

Investment Rating Moody's/S&P/Fitch	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Aaa/AAA/AAA	$ 5,449,465	$ -	$ 63,295	$ -	$ 5,512,760
Aa/AA/AA	2,206,711	1,060	33,966	4,475	2,246,212
A/A/A	3,827	849	137,165	44,196	186,037
Baa/BBB/BBB	2,080	2,534	246,179	66,255	317,048
Ba/BB/BB	-	180	151,223	61,285	212,688
B/B/B	-	2,514	144,474	28,219	175,207
Caa/CCC/CCC	-	368	13,716	5,802	19,886
Ca/CC/CC	-	-	649	21	670
C/C/C	-	-	350	-	350
Not Rated/Not Applicable	14,354	-	90,605	33,741	138,700
Total	$ 7,676,437	$ 7,505	$ 881,622	$ 243,994	$ 8,809,558

Fiduciary Funds and Similar Component Units

The pension trust funds typically hold a significant portion of assets in the form of debt instruments. Each pension trust fund has an investment policy governing their credit risk exposure. Generally, at the time of purchase, investments in domestic fixed-income investments must carry the highest rating either Aaa, (Moody's) or AAA, (S&P, Fitch) as determined by the national rating organizations. International debt instruments must be Baa or BBB at the time of purchase. Overall, each investment policy generally requires that an average credit quality rating of A or higher be maintained for total debt instrument holdings. At June 30, 2019, the pension trust funds had the following credit risk exposure (expressed in thousands):

Credit Risk - Pension Trust Funds

Investment Rating Moody's/S&P/Fitch	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Aaa/AAA/AAA	$ 3,194,258	$ -	$ 408,955	$ 7,295	$ 3,610,508
Aa/AA/AA	14,562	-	207,670	3,624	225,856
A/A/A	24,133	568	698,150	124,209	847,060
Baa/BBB/BBB	15,600	14,543	1,360,933	14,294	1,405,370
Ba/BB/BB	1,128	-	455,764	137,424	594,316
B/B/B	17,367	-	231,177	1,033	249,577
Caa/CCC/CCC	9,894	-	44,228	-	54,122
Ca/CC/CC	-	-	918	-	918
D/D/D	-	-	1,906	-	1,906
Not Rated/Not Applicable	732,463	-	443,658	83,310	1,259,431
Total	$ 4,009,405	$ 15,111	$ 3,853,359	$ 371,189	$ 8,249,064

Component Units

The component units usually hold a significant portion of their respective portfolios in debt instruments. Each component unit has an investment policy governing credit risk. As a general rule, the component units have more liberal investment policies than the primary government that allow for greater levels of credit risk regarding debt securities. Foundations within the higher education component unit also hold a significant portion of their total debt portfolio as either bond funds or money market mutual funds. These debt instruments are generally pooled or commingled investments and are not subject to credit risk disclosures. Investments in U.S. government securities are not subject to credit risk. At June 30, 2019, the component units had the following credit risk exposure (expressed in thousands):

Credit Risk - Component Units

Investment Rating Moody's/S&P/Fitch	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Aaa/AAA/AAA	$ 757,233	$ -	$ 41,632	$ -	$ 798,865
Aa/AA/AA	26	-	40,187	-	40,213
Ba/BB/BB	-	-	45,914	-	45,914
Not Rated/Not Applicable	285,551	-	295,872	99,788	681,211
Total	$ 1,042,810	$ -	$ 423,605	$ 99,788	$ 1,566,203

C. Concentration of Credit Risk

Primary Government

The State Treasurer's investment policy seeks to mitigate concentration of credit risk through targeted diversification limits as outlined earlier in this note. With the exception of U.S. Treasury securities, no more than 50% of the state's total funds available for investment will be invested in a single security type or with a single financial institution. The Water Resources Board, a business-type activity of the primary government, has no policy limiting amounts that may be invested in one issuer.

D. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. Duration is a measure of a debt instrument's exposure to fair value changes arising from changes in interest rates based on the present value of future cash flows, weighted for those cash flows as a percentage of the investment's full price. Modified duration estimates the sensitivity of a bond's price to interest rate changes. The state, its fiduciary funds, and component units use either duration, modified duration or weighted average years outstanding as the standard measures for assessing interest rate risk. Generally, the longer the duration or years outstanding, the greater sensitivity an investment has to interest rate risk.

Primary Government

As outlined in a previous table, the State Treasurer follows an investment policy seeking to keep the average maturity for its entire portfolio to less than four years. The permanent funds and the business-type activities of the primary government do not have the same liquidity demands as the treasurer, and as a matter of policy are not as restrictive regarding maturities. At June 30, 2019, the primary government had the following investments with maturities (expressed in thousands):

Interest Rate Risk - Primary Government

Weighted Average Years to Maturity	U.S. Treasury, Agency and Municipal Securities	International Government Instruments	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Less than 1 year Weighted Average to Maturity	$ 722,988	$ -	$ 9,562	$ -	$ 732,550
1 - 5 years	6,718,487	-	755,157	54,694	7,528,338
6 - 10 years	120,520	7,505	59,978	189,300	377,303
10 or more years	46,294	-	437	-	46,731
No Maturity or Not Applicable	68,148	-	56,488	-	124,636
Total	$ 7,676,437	$ 7,505	$ 881,622	$ 243,994	$ 8,809,558

Fiduciary Funds and Similar Component Units

The pension trust funds generally do not have a formal investment policy on interest rate risk. However, interest rate risk is generally controlled through diversification of portfolio management styles. Each pension trust fund reviews the performance of each investment manager, and monitors the interest rate risk as part of the performance assessment. At June 30, 2019, the pension trust funds had the following exposure to interest rate risk (expressed in thousands):

Interest Rate Risk - Pension Trust Funds

Duration or Weighted Average Years	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Less than 1 year duration	$ 3,104	$ -	$ 24,893	$ 143,827	$ 171,824
1 - 5 years	1,458,513	-	946,815	98,968	2,504,296
6 - 10 years	378,038	15,111	2,631,746	16,926	3,041,821
10 or more years	2,169,545	-	161,642	28,952	2,360,139
No Duration	205	-	88,263	82,516	170,984
Total	$ 4,009,405	$ 15,111	$ 3,853,359	$ 371,189	$ 8,249,064

Component Units

The state's component units typically have board approved investment policies designed to manage exposure to fair value losses that arise from interest rate risk. The policies of the various component units can differ significantly since each investment policy is designed to match the portfolio objectives for that component unit. A substantial portion of the component units' holdings in debt instruments is in money market mutual funds and bond mutual funds with demand maturities which are presented below as not having an applicable maturity. On June 30, 2019, the component units had the following interest rate risk exposure (expressed in thousands):

Interest Rate Risk - Component Units

Weighted Average Years to Maturity	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Less than 1 year Weighted Average to Maturity	$ 187,295	$ -	$ 21,238	$ -	$ 208,533
1 - 5 years	422,373	-	62,444	-	484,817
6 - 10 years	109,842	-	47,908	-	157,750
10 or more years	20,172	-	3,443	-	23,615
No Maturity or Not Applicable	303,128	-	288,572	99,788	691,488
Total	$ 1,042,810	$ -	$ 423,605	$ 99,788	$ 1,566,203

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of a deposit or investment. The state, its fiduciary funds and component units typically make investments in foreign securities to achieve an additional level of diversification within the various portfolios under management. Foreign currencies held as cash and cash equivalents are usually held to limit losses in foreign investments due to fluctuations in currency values.

Primary Government

The general government is not invested in securities that are exposed to foreign currency risk; however, the permanent funds have policies that will typically allow a portion of the total portfolio to be invested in international securities in an effort to improve diversification and total returns. The business-type activity's investing policies do not specifically address foreign investments, and they will typically not hold any international securities. At June 30, 2019, the primary government had the following foreign currency risk (expressed in thousands):

Foreign Currency Risk - Primary Government

Currency	Equities	Debt Instruments	Cash and Equivalents	Total
Australian dollar	$ -	$ 127	$ -	$ 127
Argentine peso	-	1,661	49	1,710
Brazilian real	6,720	180	1	6,901
British pound sterling	32,443	3,881	31	36,355
Bermudian dollar	384	311	-	695
Canadian dollar	-	4,156	48	4,204
Cayman dollar	11,675	817	-	12,492
Columbian peso	-	93	2	95
Danish krone	2,963	-	-	2,963
Egyptian pound	-	211	-	211
Euro	69,359	9,579	552	79,490
Ghana cedi	-	254	-	254
Honduran lempira	-	221	-	221
Hong Kong dollar	6,671	-	-	6,671
Indian rupee	5,223	-	-	5,223
Indonesian rupiah	-	751	89	840
Japanese yen	23,798	-	-	23,798
Jersey pound	16	180	-	196
Korean won	6,203	912	-	7,115
Liberian dollar	-	1,318	-	1,318
Mexican nuevo peso	-	1,974	53	2,027
Multiple	-	294	-	294
Netherlands Antillean guilder	1,865	203	-	2,068
New Taiwan dollar	5,435	-	-	5,435
New Zealand dollar	3,374	-	-	3,374
Nigerian naira	-	199	-	199
Norwegian krone	6,461	-	-	6,461
Peruvian nuevo sol	-	230	-	230
Russian ruble	-	1,092	130	1,222
Saudi riyal	-	1,510	-	1,510
Singapore dollar	-	3,884	-	3,884
South African rand	-	687	63	750
Swiss franc	25,095	222	-	25,317
Turkish lira	-	617	112	729
UAE Dirham	-	233	-	233
Virgin Islands dollar	21	265	-	286
Yuan renminbi	2,446	-	-	2,446
Totals	$ 210,152	$ 36,062	$ 1,130	$ 247,344

Fiduciary Funds and Similar Component Units

The pension and other employee benefit trust funds generally have investment policies regarding limits on the amount of foreign securities that can be held within their respective portfolios. The trust funds have a significantly longer time frame for achieving their investment goals, and investments in foreign securities offer an additional level of diversification, as well as provide the opportunity for increased returns. Typically, holdings in foreign currencies are used to limit losses on foreign securities due to currency fluctuations. The trust funds had the following foreign currency risk at June 30, 2019, (expressed in thousands):

Foreign Currency Risk - Pension Trust Funds

Currency	Equities	Debt Instruments	Cash and Equivalents	Total
Argentine peso	$ 1,600	$ 2,016	$ 173	$ 3,789
Australian dollar	127,256	8,635	11	135,902
Bermudian dollar	2,380	-	-	2,380
Brazilian real	52,701	8,683	101	61,485
British pound sterling	603,170	(32)	152	603,290
Canadian dollar	130,371	298	103	130,772
Chilean peso	1,345	-	-	1,345
Chinese yuan	38,293	-	15	38,308
Czech koruna	1,308	-	-	1,308
Danish krone	53,523	-	-	53,523
Euro	954,748	952	1,046	956,746
Hong Kong dollar	293,590	-	533	294,123
Hungarian forint	6,547	4,768	106	11,421
Indian rupee	12,691	-	-	12,691
Indonesian rupiah	21,796	6,335	126	28,257
Israeli shekel	6,697	-	-	6,697
Japanese yen	673,164	(273)	1,507	674,398
Malaysian ringgit	15,192	18,173	-	33,365
Mexican peso	24,402	23,341	90	47,833
New Israeli shekel	8,608	-	-	8,608
New Taiwan dollar	97,826	(791)	-	97,035
New Turkish lira	-	-	137	137
New Zealand dollar	645	-	-	645
Norwegian krone	19,255	9,383	-	28,638
Philippines peso	3,736	-	-	3,736
Polish zloty	2,594	14,299	-	16,893
Puerto Rican dollar	899	-	-	899
Qatari rial	1,587	-	-	1,587
Singapore dollar	62,421	-	236	62,657
South African rand	30,888	7,960	-	38,848
South Korean won	118,224	(174)	43	118,093
Swedish krona	62,786	109	-	62,895
Swiss franc	243,368	-	442	243,810
Thai baht	18,299	371	-	18,670
Turkish lira	9,456	-	-	9,456
UAE dirham	2,221	-	-	2,221
Totals	$ 3,703,587	$ 104,053	$ 4,821	$ 3,812,461

Securities Lending Definition

In a securities lending transaction, securities are loaned to approved brokers through a securities lending agreement with a simultaneous agreement to return collateral for the same security in the future.

Securities Lending Activity - Primary Government

Oklahoma State Statute Title 62, Section 90 authorizes the Office of the State Treasurer to participate in securities lending transactions. All securities held by Northern Trust, as trustee or custodian, may be lent in the securities lending program unless specifically excluded by the Office of the State Treasurer.

During the fiscal year ended June 30, 2019, securities lending agents lent primarily U.S. government securities. Cash and U.S. government securities were provided as collateral for the securities lent. Generally, collateral must equal at least 100% of the fair value of the securities loaned. At June 30, 2019, there were no securities on loan. The collateral balance of $125,688,000 represents cash collateral that is invested in U.S. government securities and is included as an asset on the balance sheet with an offsetting liability for the return of collateral.

At June 30, 2019, there was no credit risk exposure to borrowers because the amounts the primary government owes the borrowers exceed the amounts the borrowers owe the primary government. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, that resulted from the default of a borrower or the lending agent. Because these transactions are terminable at will, their duration generally did not match the duration of the investments made with cash collateral.

The Tobacco Settlement Endowment Trust Fund, a permanent fund, participates in securities lending as defined by its investment policy. During the year, the Tobacco Trust lent U.S. government securities, corporate debt, and domestic and foreign equities. Collateral was provided as cash for securities lent. Collateral must equal at least 102% of the market value of securities lent unless the principal market for the collateral is outside the United States, in which case a margin of 105% must be maintained. At June 30, 2019, the fair value of securities on loan was $85,932,000. The collateral for securities lent had a market value of $89,201,000. The investment made with cash collateral had an average maturity of one day and did not match the duration of the security on loan since the loans are terminable at will. There was no credit risk to borrowers.

Securities Lending Activity - Fiduciary Funds and Similar Component Units

The six Public Employees Retirement Systems (PERS) participate in securities lending transactions as provided by their respective investment policies. During the fiscal year ended June 30, 2019, securities lending agents lent primarily U.S. government securities, equity securities, and debt securities. Cash, U.S. government securities, and letters of credit were provided as collateral for the securities lent. Generally, collateral must be provided in the amount of 102% of the fair value of the securities loaned. In certain instances collateral must be provided in the amount of 105% when the principal trading market for the loaned securities is outside the United States. At June 30, 2019, the carrying amount and fair value of securities on loan was approximately $2,234,048,000. The underlying collateral for these securities had a fair value of approximately $2,270,637,000. Collateral of securities and letters of credit represented approximately $218,424,000 of total collateral. These securities and letters of credit cannot be sold or pledged unless the borrower defaults, therefore the collateral and related liability is not presented on the balance sheet. The remaining collateral represents cash collateral that is invested in short-term investment pools and is included as an asset on the balance sheet with an offsetting liability for the return of the collateral.

At June 30, 2019, there was no credit risk exposure to borrowers because the amounts the fiduciary funds owe the borrowers exceed the amounts the borrowers owe the fiduciary funds. Contracts with securities lending agents require them to indemnify the lender if the borrower fails to return the securities or otherwise fails to pay the lender for income while the securities are on loan. There were no losses on security lending transactions, or recoveries from prior period losses, resulting from the default of a borrower or the lending agent. Investment policies do not require the maturities of investments made with cash collateral to match the maturities of securities lent; however, investment policies may establish minimum levels of liquidity to minimize the interest rate risk associated with not matching the maturity of the investments with the loans. Generally, their duration did not match the duration of the investments made with cash collateral.

Derivative Investments Definition

Derivatives are often complex financial arrangements used to manage specific risks or to act as investments. Derivatives can act as hedges to more effectively manage cash flow or act as investments thereby increasing or decreasing exposure to certain types of investments.

Derivative Investments - Primary Government

Certain state agencies utilize derivative investments as tools to efficiently and effectively manage domestic, international and fixed income investments within their respective portfolios. Investments for the Tobacco Settlement Endowment Trust Fund are reported at fair value based on the cash flows from interest and principal payments. The notional amount, financial statement classification and fair value balance of derivatives outstanding at June 30, 2019, and the change in fair value of such derivatives for the year then ended are as follows (expressed in thousands):

Permanent Fund	Derivative Instrument	Notional Amount	Fair Value		Change in Fair Value	
			Classification	Amount	Classification	Amount
Tobacco Settlement Trust	Foreign Currency Forward Contracts	$ (8,142)	Net Receivable	$ 62	Investment Income	$ (665)

Derivative Investments - Fiduciary Funds and Similar Component Units

Several of the state's PERS utilize derivative investments as tools to efficiently and effectively manage domestic, international and fixed income investments within their respective portfolios. The notional amount, financial statement classification and fair value balance of derivatives outstanding at June 30, 2019, and the change in fair value of such derivatives for the year then ended are as follows (expressed in thousands):

Pension System	Derivative Instrument	Notional Amount	Fair Value		Change in Fair Value	
			Classification	Amount	Classification	Amount
Firefighters Pension and Retirement System (OFPRS)	Foreign Currency Forward Contracts	$ 105,596	Net Payable	$ 226	Investment Income	$ (4,436)
Teachers' Retirement System (TRS)	Foreign Currency Forward Contracts	247,336	Investment	248,934	Investment Income	1,597

The OFPRS system uses foreign currency forward contracts primarily to hedge foreign currency exposure. The fair values of all OFPRS derivative instruments are determined from market quotes of the instruments or similar instruments. The receivable is net of gross receivables of $879,000 and liabilities of $653,000. The gross receivables are supported by collateral in investments valued at $879,000 with a credit risk rating of A by S&P and A2 by Moody's. The foreign currency forward contracts for the TRS subject the system to foreign currency risk because the investments are denominated in foreign currencies. The fair values of foreign currency forward contracts for TRS are estimated based on the present value of their estimated cash flows.

Derivative Investments - Component Units

The component units of the state have varied investment goals based on the demands of their specific operations and commonly have investment policies allowing for greater investment diversity and risk. Certain component units and foundations with the higher education component unit will utilize derivative investments on occasion to secure specific returns matched to maturing liabilities to mitigate overall portfolio risk.

Note 3. Accounts Receivable

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables with allowances for uncollectible accounts as of June 30, 2019, including the applicable allowances for uncollectible accounts, are presented below (expressed in thousands):

	General Fund	Proprietary Fund	Component Units	
	Accounts Receivable	Taxes Receivable	Accounts Receivable	Notes Receivable
Gross Receivables	$ 127,545	$ 148,834	$ 981,659	$ 48,394
Less: Allowance for Uncollectibles	(50,359)	(69,666)	(298,143)	(2,599)
Net Receivables	$ 77,186	$ 79,168	$ 683,516	$ 45,795

Note 4. Interfund Accounts and Transfers

A. Due from Other Funds/Due to Other Funds

A summary of interfund obligations at June 30, 2019, is shown below (expressed in thousands):

	Due From Other Funds					Due to Other Funds				
	General Fund	Permanent Funds	Enterprise Funds	Due From Fiduciary Funds	Due From Other Component Units	General Fund	Wildlife Permanent Funds	Enterprise Funds	Due To Fiduciary Funds	Due To Component Units
Governmental Funds										
General Fund	$ -	$ 46	$ 4,328	$ 73	$ 55,055	$ -	$ 89	$ 74	$ 85,164	$ 51,009
Dept of Wildlife Conservation Permanent Fund	89	-	-	-	-	-	-	-	-	-
Tobacco Settlement Permanent Fund	-	-	-	-	-	46	-	-	-	2,785
Total Governmental Funds	$ 89	$ 46	$ 4,328	$ 73	$ 55,055	$ 46	$ 89	$ 74	$ 85,164	$ 53,794
Enterprise Funds										
Office of Management and Enterprise Services	$ 43	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6
Oklahoma Lottery Commission	-	-	-	-	-	4,328	-	-	1,380	-
Total Enterprise Funds	$ 43	$ -	$ -	$ -	$ -	$ 4,328	$ -	$ -	$ 1,380	$ 6
Fiduciary Funds										
Pension Trust Funds:										
Firefighters Pension and Retirement System	$ 21,622	$ -	$ -	$ -	$ -	$ 3	$ -	$ -	$ -	$ -
Oklahoma Law Enforcement Retirement System	4,683	-	-	-	-	1	-	-	-	-
Oklahoma Public Employees Retirement System	9,815	-	-	-	741	29	-	-	-	1
Judges and Justices Retirement System	5	-	-	-	-	-	-	-	-	-
Oklahoma Police Pension and Retirement System	8,408	-	-	-	-	7	-	-	-	-
Teachers' Retirement System of Oklahoma	40,631	-	1,380	-	-	33	-	-	-	-
Total Fiduciary Funds	$ 85,164	$ -	$ 1,380	$ -	$ 741	$ 73	$ -	$ -	$ -	$ 1

	Due From Primary Government					Due To Primary Government				
	General Fund	Permanent Funds	Enterprise Funds	Due From Fiduciary Funds	Due From Other Component Units	General Fund	Permanent Funds	Enterprise Funds	Due To Fiduciary Funds	Due To Other Component Units
Major Component Units:										
Oklahoma Student Loan Authority	$ -	$ -	$ -	$ -	$ -	$ 1	$ -	$ -	$ -	$ -
Oklahoma Housing Finance Agency	-	-	-	-	-	-	-	-	72	3
Oklahoma Turnpike Authority	6,924	-	-	-	-	54,489	-	-	-	-
Grand River Dam Authority	-	-	-	-	1,253	111	-	-	589	25
Oklahoma Municipal Power Authority	-	-	-	-	-	-	-	-	78	1,109
Higher Education	11,245	2,785	6	1	11,192	440	-	-	2	11,294
Nonmajor Component Units:										
Oklahoma Education Television Authority	-	-	-	-	-	3	-	-	-	31
Multiple Injury Trust Fund	10,150	-	-	-	-	11	-	-	-	-
University Hospitals Authority	21,379	-	-	-	-	-	-	-	-	137
Oklahoma Development Finance Authority	27	-	-	-	294	-	-	-	-	-
Total Component Units	$ 49,725	$ 2,785	$ 6	$ 1	$ 12,739	$ 55,055	$ -	$ -	$ 741	$ 12,599

A reconciliation of interfund receivables and interfund payables at June 30, 2019 follows. Timing differences occur between agencies with a June 30 year end and the component units with years ending September 30 or December 31.

Total Due From Other Funds:		**Total Due To Other Funds:**	
Wildlife Lifetime Licenses	$ 89	Tobacco Settlement Endowment	$ 46
Enterprise Funds	43	Enterprise Funds	4,328
Fiduciary Funds	85,164	Fiduciary Funds	73
Component Unit Funds	49,725	Component Unit Funds	55,055
General Fund Due From Permanent Funds	46	General Fund Due To Permanent Funds	89
Component Units Due From Permanent Funds	2,785	Due To Enterprise Funds	
Due From Enterprise Funds		General Fund	74
General Fund	4,328	Due To Fiduciary Funds	
Fiduciary	1,380	General Fund	85,164
Component Unit Funds	6	Proprietary Funds	1,380
Due From Fiduciary Funds		Component Unit Funds	741
General Fund	73	Due To Component Units	
Component Unit Funds	1	General Fund	51,009
Due From Component Units		Permanent Funds	2,785
General Fund	55,055	Proprietary Funds	6
Fiduciary Funds	741	Fiduciary	1
Other Component Unit Funds	12,739	Component Unit Funds	12,599
Total Interfund Receivables per Financial Statements	$ 212,175	Total Interfund Payables per Financial Statements	$ 213,350
		Timing Differences, Fiscal Year Ending December 31, 2018: Component Units	(1,175)
		Total Interfund Payables	$ 212,175

The general fund due from other funds includes $52,603,000 from Oklahoma Turnpike Authority ($54,402,000 at December 31, 2018) for a portion of motor fuel excise taxes collected on fuels consumed on turnpikes. The balance accumulates and is payable when certain Oklahoma Turnpike Authority revenue bonds payable have been paid in full. The Wildlife Lifetime Licenses Permanent Fund is due $89,000 from the general fund for legislative mandated transfer of earnings on certain funds.

Remaining interfund balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded, and payment between funds are made.

B. Notes Payable and Capital Leases

The higher education component unit has entered into capital lease agreements with the general fund's Oklahoma Capital Improvement Authority to lease various facilities, equipment and improvements. The capital lease outstanding balances are $328,509,000.

C. Interfund Transfers

A summary of interfund transfers for the fiscal year ended June 30, 2019, follows (expressed in thousands):

Transfers From (Out)	Transfers To (In)	For (Purpose)	Amount
Governmental Funds:			
General Fund	Oklahoma Water Resources Board	Payment for administrative costs	$ 7,352
		Total transfers out of the General Fund	$ 7,352
Proprietary Funds:			
Oklahoma Water Resources Board	General Fund	Restricted investment revenue	$ 7,354
Oklahoma Lottery Commission	General Fund	Transfer for expendible earnings	67,554
		Total Transfers in to the General Fund	$ 74,908
		Net Transfers In/Out - General Fund	$ 67,556

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2019, is as follows (expressed in thousands):

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, nondepreciable				
Land	$ 1,837,263	$ 58,852	$ (2,112)	$ 1,894,003
Construction in progress	269,580	72,092	(113,852)	227,820
Total capital assets, nondepreciable	$ 2,106,843	$ 130,944	$ (115,964)	$ 2,121,823
Capital assets, depreciable:				
Buildings and improvements	$ 1,661,530	$ 25,106	$ (3,876)	$ 1,682,760
Equipment	564,702	32,862	(25,300)	572,264
Infrastructure	20,003,313	679,064	(1,784)	20,680,593
Total capital assets, depreciable	$ 22,229,545	$ 737,032	$ (30,960)	$ 22,935,617
Less accumulated depreciation for:				
Buildings and improvements	$ (785,707)	$ (32,257)	$ 1,538	$ (816,426)
Equipment	(419,340)	(34,211)	16,012	(437,539)
Infrastructure	(10,871,982)	(513,568)	1,011	(11,384,539)
Total accumulated depreciation	$ (12,077,029)	$ (580,036)	$ 18,561	$ (12,638,504)
Total capital assets, depreciable, net	$ 10,152,516	$ 156,996	$ (12,399)	$ 10,297,113
Governmental activities capital assets, net	$ 12,259,359	$ 287,940	$ (128,363)	$ 12,418,936
Business-type activities:				
Capital assets, depreciable:				
Equipment	$ 6,719	$ 247	$ -	$ 6,966
Total capital assets, depreciable	$ 6,719	$ 247	$ -	$ 6,966
Less accumulated depreciation for:				
Equipment	(4,634)	(789)	-	(5,423)
Total accumulated depreciation	$ (4,634)	$ (789)	$ -	$ (5,423)
Business-type activities capital assets, net	$ 2,085	$ (542)	$ -	$ 1,543

Current period depreciation expense was charged to functions of the primary government as follows (expressed in thousands):

Government Activities:		
Education	$	942
General government		12,109
Health services		7,534
Legal and judiciary		316
Museums		139
Natural resources		11,709
Public safety and defense		18,783
Regulatory services		164
Social services		3,601
Transportation		524,739
Total depreciation expense - Governmental Activities	$	580,036
Business-type Activities:		
Government administration	$	647
Natural resources		142
Total depreciation expense - Business-type Activities	$	789

Component Units

Capital asset activity for the year ended June 30, 2019, (December 31, 2018, or September 30, 2018, for those entities identified in Item D of Note 1) was as follows (expressed in thousands):

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, nondepreciable:				
Land	$ 475,467	$ 56,023	$ (2,719)	$ 528,771
Construction in progress	665,523	606,087	(421,810)	849,800
Total capital assets, nondepreciable	$ 1,140,990	$ 662,110	$ (424,529)	$ 1,378,571
Capital assets, depreciable				
Buildings and improvements	$ 10,737,633	$ 372,453	$ (30,175)	$ 11,079,911
Equipment	1,854,422	110,228	(100,902)	1,863,748
Infrastructure	2,787,584	139,980	(26,172)	2,901,392
Total capital assets, depreciable	$ 15,379,639	$ 622,661	$ (157,249)	$ 15,845,051
Less accumulated depreciation for:				
Buildings and improvements	$ (4,148,827)	$ (294,540)	$ 18,017	$ (4,425,350)
Equipment	(1,349,415)	(97,744)	81,467	(1,365,692)
Infrastructure	(1,807,228)	(95,117)	22,795	(1,879,550)
Total accumulated depreciation	$ (7,305,470)	$ (487,401)	$ 122,279	$ (7,670,592)
Total capital assets, depreciable,net	$ 8,074,169	$ 135,260	$ (34,970)	$ 8,174,459
Capital assets, net	$ 9,215,159	$ 797,370	$ (459,499)	$ 9,553,030

Note 6. Risk Management and Insurance

It is the policy of the state to cover the risk of losses to which it may be exposed through risk management activities. In general, the state is self-insured for health care claims (except for employee participation in certain health maintenance organizations), workers' compensation, and second injury workers' compensation. The state is also self-insured against tort and auto liability and property losses, with commercial insurance policies for losses that fall outside of coverage limits or are in excess of the self-insured retention.

Coverage for health care claims and workers' compensation is provided by two entities of the state. The Employees Group Insurance Division (EGID), a division of the Office of Management and Enterprise Services (OMES), manages a legal trust which provides group health, life, dental, and disability benefits to the state's employees and certain other eligible participants. Effective January 1, 2015, the Risk Management Division (RMD), part of Capital Assets Management, a division of OMES, was authorized to handle Workers' Compensation for all state agencies when House Bill 2009 was signed into law during 2014. RMD Consolidated Workers' Compensation Program began operating on July 1, 2015.

Coverage for second injury workers' compensation is provided by a discretely presented component unit. The Multiple Injury Trust Fund (MITF) was created to encourage the hiring of individuals with a pre-existing disability and to protect those employers from liability for the pre-existing disability. MITF records a liability for outstanding court awards only as those amounts are awarded by the Workers' Compensation Court of Existing Claims (WCCEC) for permanent total disability awards. There is no provision for incurred but not reported claims or claims pending WCCEC determination. Claims and Judgments which were due and owing at December 31, 2018, have been charged to operations for the year ended December 31, 2018. At year end, the MITF loss liability exceeded net position. MITF was indebted to claimants for court awarded judgments. Only those judgments currently payable in arrears bear interest. The rate, set by the state, is the Treasury bill rate plus 4% to be updated annually.

Coverage for liability and property losses is provided by RMD. RMD administers a self-insurance program to protect the state, its agencies, colleges, and universities against tort and auto liability claims. Coverage and limits under this program correspond directly with the Oklahoma Governmental Tort Claims Act. RMD purchases commercial liability insurance for losses that fall outside of the Oklahoma Governmental Tort Claims Act. RMD also provides a property insurance program for all agencies, colleges, and universities through a combination of a high self-insured retention and commercial insurance policies in excess of the self-insured retention. Coverage limits are $1 billion for each occurrence subject to coverage terms and conditions. Commercial insurance is purchased to protect the state's fine arts and physical damage to its automobiles. Additionally, RMD purchases a government crime policy, i.e., employee dishonesty policy.

The amount of settlements from commercial insurance did not exceed insurance coverage in any of the past three fiscal years.

Except for MITF, estimates relating to incurred but not reported claims, as well as other probable and estimable losses are included in accrued liabilities for each fund. None of the funds have included non-incremental claims adjustment expense as part of accrued liabilities. Because actual claims liabilities are impacted by complex factors including inflation, changes in legal doctrines, and unanticipated damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, and other economic and social factors.

The general fund self-insurance loss liability for RMD represents an estimate of amounts to be paid from economic financial resources.

The following table presents the changes in claims liability balances (both current and noncurrent) during the current fiscal year ended June 30, 2019, (December 31, 2018, for EGID and MITF) and the prior fiscal year, (expressed in thousands):

	Beginning Balance	Plus: Current Year Claims and Changes in Estimates	Less: Claim Payments	Ending Balance	Noncurrent Liability	Current Liability
Current Fiscal Year						
General Fund -						
Office of Management and Enterprise Services (RMD)	$ 70,685	$ 17,764	$ (23,039)	$ 65,410	$ 42,371	$ 23,039
Proprietary Fund -						
Office of Management and Enterprise Services (EGID)	$ 120,449	$ 1,031,515	$ (1,005,522)	$ 146,442	$ 8,418	$ 138,024
Component Unit - *						
Multiple Injury Trust Fund	$ 471,363	$ 69,155	$ (45,019)	$ 495,499	$ 449,510	$ 45,989

* The higher education component unit's claims and judgments ($3,198 – noncurrent) are for accrued liabilities not related to risk management.

	Beginning Balance	Plus: Current Year Claims and Changes in Estimates	Less: Claim Payments	Ending Balance	Noncurrent Liability	Current Liability
Prior Fiscal Year						
General Fund -						
Office of Management and Enterprise Services (RMD)	$ 66,783	$ 20,500	$ (16,598)	$ 70,685	$ 54,087	$ 16,598
Proprietary Fund -						
Office of Management and Enterprise Services (EGID)	$ 135,216	$ 1,012,148	$ (1,026,915)	$ 120,449	$ 9,731	$ 110,718
Component Unit -						
Multiple Injury Trust Fund	$ 424,131	$ 87,704	$ (40,472)	$ 471,363	$ 427,723	$ 43,640

Public Entity Risk Pool – Employees Group Insurance Division

The state operates EGID, a public entity risk pool.

A. Description of Plan

EGID provides group health, dental, life, and disability benefits to active state employees and local government employees, as well as varying coverages for active education employees and certain participants of the state's retirement systems, survivors, and persons covered by the Consolidated Omnibus Budget Reconciliation Act of 1985. Disability coverage is available only to active state employees and local government employees. EGID is self-insured and provides participants with the option of electing coverage from certain health maintenance organizations. Premium rates for the various groups are established separately.

The coverages are funded by monthly premiums paid by individuals, the state, local governments, educational employers, and retirement systems. A participant may extend coverage to dependents for an additional monthly premium based on the coverage requested. Of the 220,000 primary participants and dependents, approximately 22,000 primary participants and 11,000 dependents are covered by health maintenance organizations. These counts relate to health coverage only.

All state agencies are required to participate in EGID. Eligible local governments may elect to participate in EGID (320 local governments actually participate). Any education entity or local government which elects to withdraw from EGID may do so with 30 days written notice and must withdraw both its active and inactive participants.

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

	State Employee	Local Government Employee	Education Employee	Teachers' Retirement System	OPERS	COBRA
Health	X	X	X	X	X	X
Dental	X	X	X	X	X	X
Life	X	X	X	X	X	
Disability	X					
Medicare Supplement		X		X	X	X
Health Care Participants:						
Primary	24,000	9,000	56,000	---------- 37,000 ----------		
Dependents	---------- 72,000 ----------					

B. Unpaid Claims Liabilities

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

The reserves are determined using EGID's historical benefit payment experience. The length of time for which costs must be estimated depends on the coverages involved. Although such estimates are EGID's best estimates of the incurred claims to be paid, due to the complex nature of the factors involved in the calculation, the actual results may be more or less than the estimate. The claim liabilities are recomputed on a periodic basis using actuarial and statistical techniques which consider the effects of general economic conditions, such as inflation, and other factors of past experience, such as changes in participant counts. Adjustments to claim liabilities are recorded in the periods in which they are made. Premium deficiency reserves are required to be recorded when the anticipated costs of settling claims for the following fiscal year are in excess of the anticipated premium receipts for the following year. Anticipated investment income is considered in determining whether a premium deficiency exists.

C. Reconciliation of Claims Liabilities

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

	Health and Dental	Life	Disability	Total
	Fiscal Year 12/31/2018	Fiscal Year 12/31/2018	Fiscal Year 12/31/2018	Fiscal Year 12/31/2018
Reserves at beginning of period	$ 101,759	$ 6,176	$ 12,514	$ 120,449
Incurred claims:				
Provision for insured events of current period	$ 999,691	$ 33,513	$ 2,673	$ 1,035,877
Changes in provisions for insured events of prior periods	(5,484)	1,888	(766)	(4,362)
	$ 994,207	$ 35,401	$ 1,907	$ 1,031,515
Payments:				
Claims attributable to insured events of current period	$ 864,369	$ 29,768	$ 505	$ 894,642
Claims attributable to insured events of prior periods	103,150	5,137	2,593	110,880
	$ 967,519	$ 34,905	$ 3,098	$ 1,005,522
Reserves at end of period	$ 128,447	$ 6,672	$ 11,323	$ 146,442

D. Revenue and Claims Development Information

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

Note 7. 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, 2019, are as follows (expressed in thousands):

	General Fund	Fiduciary Funds	Component Units
2020	$ 3,881	$ 93	$ 17,775
2021	1,613	-	414
2022	1,359	-	63
2023	1,230	-	51
2024	686	-	1,066
2025-2029	12,300	-	282
2030-2034	326	-	
2035-2039	367	-	-
2040-2044	168	-	-
Total	$ 21,930	$ 93	$ 19,651
Operating lease commitments for building rental for year ended June 30, 2019	$ 23,683	$ 460	$ 1,141
Rent expenditures/expenses for operating leases for year ended June 30, 2019	$ 26,500	$ 648	$ 20,122

Operating leases with an agreement of less than one year or a value less than $10,000 are not included in the general fund total due to state-wide accounting policy.

Note 8. Lessor Agreements

Primary Government

Direct Financing Leases

The Department of Transportation maintains leases classified as direct financing leases. The state leases heavy equipment and machinery to counties within the state. The lease terms are determined by the depreciation schedules published by the American Association of State Highway Transportation Officials. All new county equipment leases were charged an interest amount equivalent to 3% of the equipment cost. Title to this equipment passes to the counties at the end of the lease term. The Department of Transportation also leases railroad lines within the state to various railroad companies with the longest lease term ending in 2026. No interest or executory costs are charged, and the leases include bargain purchase options. The unguaranteed residual values of the machinery, equipment, and railroad lines are not estimated by the state. Contingent rentals are not a part of any lease and uncollectible amounts are not expected. The total minimum lease payments to be received by the Department of Transportation in future years are approximately $22,627,000 which is also the net investment in direct financing leases at June 30, 2019. The following schedule represents minimum lease payments receivable for direct financing leases for each of the five succeeding fiscal years (expressed in thousands):

	2020	2021	2022	2023	2024	Thereafter	Total
Department of Transportation	$ 5,402	$ 4,580	$ 3,895	$ 3,243	$ 2,591	$ 2,894	$ 22,605
Oklahoma Capital Improvement Authority	9,925	10,405	26,275	27,985	28,095	225,825	328,510
Total	$ 15,327	$ 14,985	$ 30,170	$ 31,228	$ 30,686	$ 228,719	$ 351,115

The Oklahoma Capital Improvement Authority (OCIA) has capital lease agreements with the higher education component unit for the lease of various facilities, equipment and improvements. At June 30, 2019, the total minimum lease payments

to be received by OCIA from the higher education component unit are $328,510,000. These lease agreements end in fiscal year 2035.

Operating Leases

The state has operating leases maintained by various state agencies consisting primarily of state land leased to non-state entities, as well as a small amount of state-owned buildings which are also leased to non-state entities. Due to the passage of time, the state's historical cost of the leased land is not reasonably determinable. The leased buildings consist of sub-leased office space under an operating lease. Since the state does not have a cost basis in the building, no depreciation expense is recognized. The primary government's total operating leases receivable recognized in the current fiscal year is approximately $201,000. Minimum future rentals receivable from these operating leases is presented in the following schedule (expressed in thousands):

2020	2021	2022	2023	2024	Total
$ 1,459	$ 228	$ 170	$ 151	$ 122	$ 2,130

In addition, the leasing operations of the Commissioners of the Land Office consist of leasing approximately 740,000 acres of land principally for agricultural purposes. The lease terms are generally for five-year periods with one-fifth of the leases expiring each year. The lease year is on a calendar year basis with rents prepaid one year in advance. The rental amount is determined based on the maximum amount bid by the lessee. The following schedule presents minimum future rentals receivable from the noncancelable leasing of these lands (expressed in thousands):

2020	2021	2022	2023	2024	Total
$ 12,225	$ 9,275	$ 6,391	$ 3,392	$ 190	$ 31,473

The Oklahoma Department of Tourism and Recreation has various contracts with concessionaires to provide patron services within state parks. Contract expiration terms vary, as well as renewal options. The Oklahoma Department of Tourism and Recreation receives concession revenue that is generally based on sales volume. The following schedule presents estimated minimum future concession revenue from these contracts (expressed in thousands):

2020	2021	2022	2023	2024	Thereafter	Total
$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 6,600

Component Units

The Oklahoma Municipal Power Authority (Authority) executed a Power Purchase Agreement with FPL Energy Oklahoma Wind, LLC (FPLE Oklahoma), for the development of a wind generation facility in northwestern Oklahoma. Under the agreement, FPLE Oklahoma was responsible for acquiring, constructing and installing the wind project. The Authority issued taxable limited obligation notes which were payable solely from lease payments made by FPLE Oklahoma. The Authority used the proceeds of the notes to finance the Authority's acquisition of the wind project and has leased the wind project to FPLE Oklahoma under a long-term capital lease agreement for an amount sufficient to pay the debt service, principal and interest, on the notes. The Power Purchase Agreement has a term of approximately 25 years and power is sold on a take and pay basis. FPLE Oklahoma retains the operational risk related to the wind project. The following schedule lists the components of the lease agreement as of December 31, 2018, (expressed in thousands):

Total minimum lease payments to be received	$ 45,167
Less: Amounts representing interest included in total minimum lease payments	(11,924)
Net investment in direct financing leases	$ 33,243

Operating Leases

The Oklahoma Educational Television Authority leases excess capacity on various channels to a wireless communications provider. The leases will expire in February 2047. Oklahoma Development Finance Authority leases a portion of its office space with a private company. The lease is in effect through February 2021. The Oklahoma Turnpike Authority (OTA) has various noncancelable contracts with concessionaires to provide patron services on the state's turnpike system. The contracts are generally for five-year terms, with two five-year renewal options. OTA receives

concession revenue that includes minimum rentals plus contingent rentals based on sales volume. OTA also leases antenna space under noncancelable contracts with a 20-year term. Higher education institutions have entered into various agreements for land and building space leases. The leases expire between 2024 and 2068. The following schedule presents minimum future rentals receivable from these contracts (expressed in thousands):

	2020	2021	2022	2023	2024	Thereafter	Total
Oklahoma Educational Television Authority	$ 204	$ 204	$ 204	$ 204	$ 204	$ 4,811	$ 5,831
Oklahoma Development Finance Authority	10	6	-	-	-	-	16
Oklahoma Turnpike Authority	1,023	1,023	1,049	1,055	1,056	11,045	16,251
Higher Education	6,673	4,199	891	639	642	20,576	33,620
Total	$ 7,910	$ 5,432	$ 2,144	$ 1,898	$ 1,902	$ 36,432	$ 55,718

The cost, carrying amount and accumulated depreciation of the Oklahoma Turnpike Authority leased property for the year ended December 31, 2018, is $42,500,000, $29,700,000 and $12,800,000, respectively. The cost and carrying amount of the higher education institutions leased property for the year ended June 30, 2019, (expressed in thousands):

Land	$ 596
Buildings	34,639
Cost	$ 35,235
Less Accumulated Depreciation	(3,699)
Net Leased Property	$ 31,536

Note 9. Long-Term Obligations As Related to Governmental Activities

Long-term obligations at June 30, 2019, and changes for the fiscal year then ended (expressed in thousands):

	Issue Date	Interest Rates	Maturity Through	Beginning Balance	Additions	Reductions	Ending Balance	DueWithin One Year
General Obligation Bonds Payable from Tax Revenue:								
Oklahoma Bldg 2010A, Refunding	2011	2.00%-5.00%	2019	$ 21,460	$ -	$ 21,460	$ -	$ -
Oklahoma Bldg 2013, Refunding	2013	2.00%-5.00%	2019	7,070	-	7,070	-	-
Total				$ 28,530	$ -	$ 28,530	$ -	$ -
Revenue Bonds Payable from Lease Rentals:								
OCIA Series 2009A	2009	1.00%-4.20%	2025	$ 13,320	$ -	$ 11,560	$ 1,760	$ 1,760
OCIA Series 2009AA	2010	2.00%-4.00%	2025	10,160	-	10,160	-	-
OCIA Series 2009B	2010	5.04%-5.34%	2025	68,830	-	-	68,830	10,550
OCIA Series 2010, Refunding\Revenue	2011	1.77%-5.61%	2031	105,265	-	5,930	99,335	6,205
OCIA Series 2010A, Refunding	2011	2.00%-5.00%	2019	32,140	-	32,140	-	-
OCIA Series 2010A DOT	2011	2.00%-5.00%	2021	41,090	-	13,125	27,965	13,680
OCIA Series 2010B DOT	2011	4.24%-4.79%	2026	92,075	-	-	92,075	-
OCIA Series 2012 DOT	2012	2.00%-2.54%	2026	38,735	-	4,130	34,605	4,305
OCIA Series 2013A	2013	2.00%-4.00%	2025	13,605	-	2,250	11,355	2,325
OCIA Series 2014A	2014	2.00%-5.00%	2031	202,090	-	3,730	198,360	3,605
OCIA Series 2014B	2015	2.00%-5.00%	2025	20,237	-	9,384	10,853	9,754
OCIA Series 2014C	2015	2.00%-5.00%	2035	76,720	-	2,695	74,025	3,260
OCIA Series 2015A	2015	2.00%-5.00%	2025	24,970	-	3,185	21,785	3,275
OCIA Series 2015B	2016	3.00%-5.00%	2027	36,220	-	3,420	32,800	3,535
OCIA Series 2016 DOT	2017	2.00%-5.00%	2035	170,000	-	-	170,000	7,430
OCIA Series 2017A, Refunding\Revenue	2017	2.00%-4.00%	2030	22,310	-	2,215	20,095	2,255
OCIA Series 2017B	2017	2.00%-5.00%	2026	66,120	-	6,735	59,385	7,005
OCIA Series 2017C	2018	2.00%-5.00%	2051	27,215	-	-	27,215	-
OCIA Series 2018A	2019	3.00%-4.00%	2049	-	9,000	-	9,000	150
OCIA Series 2018B	2019	3.71%-4.35%	2049	-	25,205	-	25,205	-
OCIA Series 2018C	2019	3.00%-5.00%	2039	-	65,105	-	65,105	1,420
OCIA Series 2018D	2019	2.00%-5.00%	2039	-	113,035	-	113,035	-
OCIA Series 2019A	2019	2.00%-5.00%	2035	-	13,765	-	13,765	-
OCIA Series 2019B	2019	3.00%-5.00%	2046	-	41,995	-	41,995	-
Dept of Corrections 2013, Central OK (ODFA)	2013	1.40%-5.00%	2023	11,006	-	2,147	8,859	2,185
Dept of Corrections 2016A, Central OK (ODFA)	2017	2.00%-3.00%	2027	2,135	-	245	1,890	250
DHS-2008 (ODFA)	2008	3.25%-4.15%	2023	9,025	-	1,670	7,355	1,730
DHS-2012 (ODFA)	2012	4.00%-5.00%	2022	6,120	-	1,525	4,595	1,600
DHS-2014 (ODFA)	2014	2.00%	2019	915	-	915	-	-
Law Enforcement Education/Train (ODFA)	2013	2.38%-5.00%	2025	11,244	-	1,092	10,152	1,123
OMES 2009 (ODFA)	2009	3.00%-3.25%	2035	33,620	-	1,405	32,215	1,445
Total				$ 1,135,167	$ 268,105	$ 119,658	$1,283,614	$ 88,847
Notes Payable from Grant Revenue:								
ODOT 2008A, Grant Anticipation	2009	3.00%-5.00%	2019	$ 8,490	$ -	$ 8,490	$ -	$ -
ODOT 2018A, Grant Anticipation	2018	3.00%-5.00%	2034	61,505	-	-	61,505	2,145
Total				$ 69,995	$ -	$ 8,490	$ 61,505	$ 2,145
Capital Leases				$ 1,326	$ -	$ 782	$ 544	$ 466
Compenstated Absences				158,017	92,556	92,050	158,523	92,050
Net Pension Liability				611,458	-	285,529	325,929	-
Bond Issue Premiums				98,099	23,381	14,063	107,417	10,642
Claims and Judgments Payable				70,685	17,764	23,039	65,410	23,039
Other Postemployment Benefits				176,648	-	12,325	164,323	-
Total Long-Term Obligations				$ 2,349,925	$ 401,806	$ 584,466	$2,167,265	$ 217,189

The following table presents annual debt service requirements for those long-term obligations outstanding at June 30, 2019, which have scheduled debt service amounts (expressed in thousands):

	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2049	2049-2053	Total
Revenue Bonds:												
OCIA 2009A Revenue	$ 1,986	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,986
OCIA 2009B DOT	13,872	13,671	13,464	13,246	13,018	12,782	-	-	-	-	-	80,053
OCIA Series 2010, Refunding\Revenue	11,340	11,332	11,311	11,303	11,292	56,243	22,379	-	-	-	-	135,200
OCIA 2010A DOT	14,656	14,622	-	-	-	-	-	-	-	-	-	29,278
OCIA 2010B DOT	4,229	4,229	18,872	18,626	18,370	48,459	-	-	-	-	-	112,785
OCIA 2012 DOT	5,811	5,812	5,810	5,810	5,811	11,616	-	-	-	-	-	40,670
OCIA 2013A Revenue	2,670	2,653	2,236	2,234	1,413	1,177	-	-	-	-	-	12,383
OCIA 2014A Revenue	12,796	12,568	12,036	26,985	26,988	129,030	47,325	-	-	-	-	267,728
OCIA 2014B Revenue	9,995	229	232	243	244	245	-	-	-	-	-	11,188
OCIA 2014C Revenue	6,376	6,373	6,370	6,382	6,387	31,802	31,691	6,352	-	-	-	101,733
OCIA 2015A Revenue	4,228	4,228	4,230	4,233	4,229	4,230	-	-	-	-	-	25,378
OCIA 2015B Revenue	4,949	4,944	4,944	4,934	4,925	14,754	-	-	-	-	-	39,450
OCIA Series 2016	14,901	14,903	14,902	14,900	14,903	74,508	74,515	14,903	-	-	-	238,435
OCIA Series 2017A	2,884	2,872	2,872	2,870	2,853	8,002	761	-	-	-	-	23,114
OCIA Series 2017B	9,604	9,599	9,601	9,596	9,599	23,427	-	-	-	-	-	71,426
OCIA Series 2017C	1,090	1,585	1,584	1,581	1,583	7,898	7,879	7,859	7,837	7,807	3,109	49,812
OCIA Series 2018A	495	515	515	519	518	2,579	2,561	2,563	2,558	2,548	-	15,371
OCIA Series 2018B	1,068	1,068	1,068	1,068	1,068	6,103	9,148	9,119	9,093	9,056	-	47,859
OCIA Series 2018C	5,225	5,227	5,228	5,225	5,227	26,131	26,133	26,126	-	-	-	104,522
OCIA Series 2018D	3,332	9,004	9,006	9,003	9,005	45,029	45,022	45,027	-	-	-	174,428
OCIA Series 2019A	-	2,541	2,533	2,539	2,539	4,218	2,101	422	-	-	-	16,893
OCIA Series 2019B	1,109	2,678	2,677	2,676	2,678	13,388	13,386	13,386	13,393	5,358	-	70,729
Corrections 2013, Central OK (ODFA)	2,651	2,653	2,648	2,096	-	-	-	-	-	-	-	10,048
Corrections 2016A, Central OK (ODFA)	297	297	295	297	294	594	-	-	-	-	-	2,074
DHS-2008	2,029	2,030	2,034	2,031	-	-	-	-	-	-	-	8,124
DHS-2012A	1,794	1,794	1,345	-	-	-	-	-	-	-	-	4,933
Law Enforcement Education/Train (ODFA)	1,464	1,465	1,462	1,462	1,466	4,267	-	-	-	-	-	11,586
OMES 2009 (ODFA)	2,912	2,912	2,907	2,906	2,904	14,461	14,381	2,870	-	-	-	46,253
	143,763	141,804	140,182	152,765	147,314	540,943	297,282	128,627	32,881	24,769	3,109	1,753,439
Less: Interest	54,916	53,755	49,983	45,619	40,533	133,920	58,516	21,680	8,005	2,760	138	469,825
Total Principal	$ 88,847	$ 88,049	$ 90,199	$ 107,146	$ 106,781	$ 407,023	$ 238,766	$ 106,947	$ 24,876	$ 22,009	$ 2,971	$ 1,283,614
Notes Payable:												
ODOT 2018A, Grant Anticipation	$ 5,167	$ 5,922	$ 5,917	$ 5,914	$ 5,908	$ 29,473	$ 29,337	$ -	$ -	$ -	$ -	$ 87,638
Less: Interest	3,022	2,892	2,737	2,574	2,403	9,133	3,372	-	-	-	-	26,133
Total Principal	$ 2,145	$ 3,030	$ 3,180	$ 3,340	$ 3,505	$ 20,340	$ 25,965	$ -	$ -	$ -	$ -	$ 61,505
Capital Leases	$ 498	$ 85	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 583
Less: Interest	26	1	-	-	-	-	-	-	-	-	-	27
Less: Executory Cost	6	6	-	-	-	-	-	-	-	-	-	12
Total Principal	$ 466	$ 78	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 544
Total	$ 91,458	$ 91,157	$ 93,379	$ 110,486	$ 110,286	$ 427,363	$ 264,731	$ 106,947	$ 24,876	$ 22,009	$ 2,971	$ 1,345,663
Compensated Absences												158,523
Net Pension Liability												325,929
Bond Issue Premiums												107,417
Claims and Judgments Payable												65,410
Other Postemployment Benefits												164,323
Total Long-Term Obligations												$ 2,167,265

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 has twenty-two outstanding series of building bonds to construct and equip state office buildings and prisons. Principal and interest payments on these bond issues are paid from rents collected from the various state and federal agencies that occupy the buildings constructed with the bond proceeds.

The sale of series 2018A bonds for $9,000,000 was issued for acquisition of real property, together with improvements located thereon, and personal property to provide office space for the Oklahoma Department of Tourism and Recreation.

The sale of series 2018B bonds for $25,205,000 was issued to provide funding for improvements to real and personal property and for funding of further construction, improvements, development and enhancement of the American Indian Cultural Center and Museum for the Native American Cultural and Educational Authority or its successor.

The sale of series 2018C bonds for $65,105,000 was issued to acquire real property, together, with improvements thereon, and personal property to construct improvements to real property and provide funding for repairs, refurbishments, and improvements to real and personal property of the State Capitol building and associated furniture, fixtures, and equipment.

The sale of series 2018D bonds for $113,035,000 was issued for the purpose of the financing of maintenance, repairs, equipment, and improvements of existing correctional facilities for the Oklahoma Department of Corrections.

The sale of series 2019A bonds for $13,765,000 was issued to currently refund the outstanding amount of the authority's state facilities revenue bonds, series 2009A (Oklahoma Conservation Commission Project) and acquire real property or

interests therein, together with improvements located thereon, and personal property and invest capital into improvements for purposes of construction, repair and rehabilitation of flood-control dams through and with the assistance of local conservation districts.

The sale of series 2019B bonds for $41,995,000 was issued for the purpose of providing funding to acquire real property, together with improvements located thereon, and personal property to construct improvements to real property and to provide funding for repairs, refurbishments and improvements to real and personal property of the Oklahoma Office of Juvenile Affairs.

The Oklahoma Development Finance Authority has issued lease revenue bonds to provide lease financing for the Department of Corrections, the Department of Human Services, the Council for Law Enforcement Education and Training, and the Office of Management and Enterprise Services. The actual lease payments are made to a trustee who is responsible for payments to individual investors.

C. Notes Payable

The Oklahoma Department of Transportation has issued several series of Grant Anticipation Notes for the purpose of financing certain qualified federal aid transportation projects in the state. The notes are secured by federal revenue received from the Federal Highway Administration and have a final maturity in 2034. Total revenue received from the Federal Highway Administration in fiscal year 2019 was $594,196,000 with a portion of that amount, $87,638,000, reserved as security for the notes. Current year note obligations for principal and interest totaled $5,167,000.

D. Capital Leases

The state has entered into agreements to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. Capital lease obligations are reported for those leases where the fair market value of the leased asset at inception of the lease is $25,000 or more.

Leased equipment under capital leases in capital assets at June 30, 2019, includes the following (expressed in thousands):

	Buildings	Equipment	Total
Cost	$ 5,793	$ 487	$ 6,280
Less: Accumulated depreciation	(2,752)	(301)	(3,053)
Total	$ 3,041	$ 186	$ 3,227

For fiscal year 2019, $366,000 was recognized as depreciation expense for leased assets.

E. Other Liabilities

Compensated absences are liquidated by the general fund and do not have scheduled future debt service requirements beyond one year. The pension obligation is for the Oklahoma Law Enforcement Retirement System, Oklahoma Public Employees Retirement System, Oklahoma Police Pension and Retirement System, Oklahoma Teachers Retirement System and Oklahoma Wildlife Conservation Retirement Plan. These plans provide retirement, disability, and death benefits to the plan members and their beneficiaries. These pension obligations do not have scheduled future debt service requirements. The Oklahoma Wildlife Conservation Retirement Plan obligation will be liquidated by the general fund. The pension liability for all other plans will be liquidated by the respective pensions.

F. Authorized Unissued Bonds

During 2017, the legislature authorized OCIA to issue $58,555,000 for the Department of Health to construct a new state health laboratory. During 2018, the legislative authorized Oklahoma Capital Improvement Authority to issue $35,000,000 for the Oklahoma Department of Veteran's Affairs to construct new long-term care facilities.

Note 10. Long-Term Obligations As Related to Business-Type Activities

The Oklahoma Water Resources Board along with the Department of Environmental Quality has issued 41 series of revenue bonds. These bonds provide resources to implement statewide financial assistance programs. These programs make loans to local government units for the acquisition, development, and utilization of storage and control facilities for water and sewage systems. Three of the revenue bonds have a variable or floating rate and are also subject to mandatory sinking fund redemption. The remaining revenue bonds are held at a fixed rate.

Long-term obligations at June 30, 2019, and changes for the fiscal year then ended are as follows (expressed in thousands):

	Issue Dates	Issue Amount	Interest Rates	Maturity Through	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Revenue Bonds Payable from User Fees:									
1999-2019 Issues	1999-2019	$1,478,035	0.19-5.25%	2049	$ 840,500	$ 150,990	$ 50,139	$ 941,351	$ 55,625
Adjusted for: Bond Premiums and Discounts					64,408	6	3,350	61,064	-
Revenue Bonds Payable Net of Bond Premiums and Discounts					$ 904,908	$ 150,996	$ 53,489	$ 1,002,415	$ 55,625
Other Noncurrent Liabilities					$ 9,731	$ -	$ 1,313	$ 8,418	$ -
Net Pension Liability					2,385	-	1,547	838	-
Other Postemployment Benefits					-	493	-	493	-
Compensated Absences					939	212	146	1,005	256
Total Long-Term Obligations					$ 917,963	$ 151,701	$ 56,495	$ 1,013,169	$ 55,881

The following table presents annual debt service requirements for those long-term obligations outstanding at June 30, 2019, which have scheduled debt service amounts (expressed in thousands):

	2020	2021	2022	2023	2024	2024-2028	2029-2033	2034-2038	2039-2043	2044-2048	Total
Revenue Bonds:											
1999-2019 Issues	$ 93,381	$94,283	$91,557	$90,367	$ 75,925	$335,599	$266,381	$156,290	$79,053	$42,928	$1,325,764
Less: Interest	37,756	35,213	32,572	29,842	27,050	108,924	63,966	31,500	13,747	3,843	384,413
Principal	$ 55,625	$59,070	$58,985	$60,525	$ 48,875	$226,675	$202,415	$124,790	$65,306	$39,085	$ 941,351
Adjusted for: Bond and Note Premium and Discounts											61,064
Long-Term Obligations without scheduled debt service:											
Other Noncurrent Liabilities											8,418
Net Pension Liability											838
Other Postemployment Benefits											493
Compensated Absences											1,005
Total Long-Term Obligations											$ 1,013,169

Several of the bonds bear interest at variable rates, initially set at 0.87% to 2.90% and are periodically adjusted, pursuant to the provisions of the bond indentures, to a maximum rate of 12% per year. Variable rates are reset semiannually by the remarketing agent. The interest rate on the bonds was 2.0% at June 30, 2019. At the option of the Oklahoma Water Resources Board and subject to applicable provisions of the bond indenture, which require, among other things, that all bonds be successfully remarketed, the variable interest rate may be converted to a term rate that would stay fixed until maturity.

Note 11. Long-Term Obligations As Related to Component Units

Long-term obligations at June 30, 2019 (September 30, 2018, for Oklahoma Housing Finance Agency and December 31, 2018, for Oklahoma Turnpike Authority, Grand River Dam Authority and Municipal Power Authority), and changes for the fiscal year then ended are as follows (expressed in thousands):

	Issue Dates	Interest Rates	Maturity Through	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General Obligation Bonds Payable from User Fees:								
Industrial Finance Authority	2001-2005	2.60%	2027	$ 40,000	$ -	$ 10,000	$ 30,000	$ -
Total General Obligation Bonds Payable				$ 40,000	$ -	$ 10,000	$ 30,000	$ -
Revenue Bonds Payable from User Fees:								
Student Loan Authority	2010-2013	2.90 - 3.70%	2040	$ 180,832	$ -	$ 35,741	$ 145,091	$ -
Development Finance Auth.	1996	2.60%	2031	9,999	-	-	9,999	-
Housing Finance Agency	1991-2013	1.75 - 7.35%	2044	175,226	-	29,731	145,495	9,624
Turnpike Authority	2011-2018	0.20 - 5.00%	2048	1,581,315	344,310	58,040	1,867,585	56,645
Grand River Dam Authority	2010-2017	1.80 - 7.16%	2040	982,330	-	14,760	967,570	26,205
Municipal Power Authority	1992-2016	1.71 - 6.44%	2047	645,120	-	22,775	622,345	22,465
Higher Education	1993-2019	0.40 - 7.00%	2048	1,552,704	75,545	100,013	1,528,236	56,539
Total Before Discounts/Deferrals				$ 5,127,526	$ 419,855	$ 261,060	$ 5,286,321	
Adjusted for: Bond (Discount) Premiums				333,029	44,572	18,932	358,669	
Total Revenue Bonds Payable Net of Bond (Discounts) Premiums and Deferrals				$ 5,460,555	$ 464,427	$ 279,992	$ 5,644,990	$ 171,478
Notes Payable:								
Multiple Injury Trust Fund	2000-2001	7.00%	2023	$ 11,199	$ -	$ 2,198	$ 9,001	$ 2,356
Housing Finance Agency	2018	2.35%	2020	-	125,000	114,500	10,500	10,500
Oklahoma Turnpike Authority	2019	3.46%	2020	15,000	15,000	15,000	15,000	15,000
Student Loan Authority	2016-2017	3.20%	2032	52,849	-	10,417	42,432	-
OSU Medical Authority	2014	4.12%	2021	8,738	-	1,975	6,763	2,144
Municipal Power Authority	2003	6.00%	2028	35,623	-	2,380	33,243	2,522
Higher Education	2001-2019	1.00-6.00%	2046	14,126	653	1,477	13,302	1,073
Total				$ 137,535	$ 140,653	$ 147,947	$ 130,241	$ 33,595
Capital Leases:								
Grand River Dam Authority				$ 235	$ -	$ 92	$ 143	$ 143
OSU Medical Authority				555	-	241	314	250
Higher Education				1,265,613	30,240	153,123	1,142,730	59,945
Total				$ 1,266,403	$ 30,240	$ 153,456	$ 1,143,187	$ 60,338
Claims and Judgments				$ 476,518	$ 72,112	$ 47,476	$ 501,154	$ 48,446
Due to Primary Government				53,706	696	-	54,402	-
Compensated Absences				133,420	95,284	98,061	130,643	90,940
Net Pension Liability				1,764,334	5,782	178,106	1,592,010	-
Other Postemployment Benefits				519,492	42,768	4,744	557,516	-
Other Noncurrent Liabilities				959,528	856,127	812,837	1,002,818	844,921
Total Long-Term Obligations				$10,811,491	$1,708,089	$1,732,619	$10,786,961	$1,249,718

The following table presents annual debt service requirements for those long-term obligations outstanding at June 30, 2019 (September 30, 2018, for Oklahoma Housing Finance Agency and December 31, 2018, for Oklahoma Transportation Authority, Grand River Dam Authority and Oklahoma Municipal Power Authority), which have scheduled debt service amounts (expressed in thousands):

	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045-2049	2050-2054	Total
General Obligation Bonds:												
Industrial Finance Authority	$ 780	$ 780	$ 10,650	$ 520	$ 520	$ 20,715	$ -	$ -	$ -	$ -	$ -	$ 33,965
Less: Interest	780	780	650	520	520	715	-	-	-	-	-	3,965
Total Principal	$ -	$ -	$ 10,000	$ -	$ -	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ 30,000
Revenue Bonds:												
Student Loan Authority	$ 4,941	$ 4,941	$ 4,941	$ 4,941	$ 4,941	$ 24,705	$ 68,500	$ 71,006	$ 43,112	$ -	$ -	$ 232,028
Development Finance Auth.	260	260	260	260	260	1,300	10,519	-	-	-	-	13,119
Housing Finance Agency	14,413	10,197	8,465	8,447	10,551	49,404	38,727	37,155	26,081	460	-	203,900
Turnpike Authority	128,770	140,108	138,069	138,283	137,531	685,177	503,910	435,345	435,347	435,351	-	3,177,891
Grand River Dam Authority	72,146	82,053	82,047	82,687	82,130	412,811	395,044	208,659	54,760	-	-	1,472,337
Municipal Power Authority	49,975	49,748	47,769	47,823	47,915	202,313	160,588	145,087	150,945	120,804	-	1,022,967
University Hospitals Authority	-	-	-	-	-	-	-	-	-	-	-	-
Higher Education	119,597	120,699	120,407	120,745	118,474	564,084	481,713	391,020	240,026	59,883	-	2,336,648
	$390,102	$408,006	$401,958	$403,186	$401,802	$1,939,794	$1,659,001	$1,288,272	$ 950,271	$616,498	$ -	$ 8,458,890
Less: Interest	218,624	225,012	216,885	208,702	199,816	852,813	602,513	387,780	197,265	63,159	-	3,172,569
Total Principal	$171,478	$182,994	$185,073	$194,484	$201,986	$1,086,981	$1,056,488	$ 900,492	$ 753,006	$553,339	$ -	$ 5,286,321
Notes Payable:												
Multiple Injury Trust Fund	$ 2,925	$ 2,925	$ 2,925	$ 1,451	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,226
Housing Finance Agency	10,747	-	-	-	-	-	-	-	-	-	-	10,747
Oklahoma Turnpike Authority	15,519	-	-	-	-	-	-	-	-	-	-	15,519
Student Loan Authority	1,302	1,302	1,302	1,302	1,302	13,135	38,138	-	-	-	-	57,783
OSU Medical Authority	2,425	2,425	2,483	-	-	-	-	-	-	-	-	7,333
Municipal Power Authority	4,517	4,517	4,517	4,517	4,517	22,581	-	-	-	-	-	45,166
Higher Education	1,789	2,402	2,348	2,185	2,094	3,459	1,166	1,087	1,087	1,087	-	18,704
	$ 39,224	$ 13,571	$ 13,575	$ 9,455	$ 7,913	$ 39,175	$ 39,304	$ 1,087	$ 1,087	$ 1,087	$ -	$ 165,478
Less: Interest	5,629	4,412	3,882	3,334	3,020	10,436	3,618	463	314	129	-	35,237
Total Principal	$ 33,595	$ 9,159	$ 9,693	$ 6,121	$ 4,893	$ 28,739	$ 35,686	$ 624	$ 773	$ 958	$ -	$ 130,241
Capital Leases:												
Grand River Dam Authority	$ 158	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 158
OSU Medical Authority	259	65	-	-	-	-	-	-	-	-	-	324
Higher Education	106,880	102,900	104,928	111,670	121,479	496,501	301,507	134,181	107,729	31,770	-	1,619,545
	$107,297	$102,965	$104,928	$111,670	$121,479	$ 496,501	$ 301,507	$ 134,181	$ 107,729	$ 31,770	$ -	$ 1,620,027
Less: Interest	46,959	44,957	42,695	40,317	39,961	140,473	68,511	35,180	16,179	1,608	-	476,840
Total Principal	$ 60,338	$ 58,008	$ 62,233	$ 71,353	$ 81,518	$ 356,028	$ 232,996	$ 99,001	$ 91,550	$ 30,162	$ -	$ 1,143,187
Total	$265,411	$250,161	$266,999	$271,958	$288,397	$1,491,748	$1,325,170	$1,000,117	$ 845,329	$584,459	$ -	$ 6,589,749
Adjusted for: Net Discounts and Deferred Debits on Refundings												358,669
Long-Term Obligations without scheduled debt service:												
Claims and Judgments												501,154
Due to Primary Government												54,402
Compensated Absences												130,643
Net Pension Liability												1,592,010
Other Postemployment Benefits												557,516
Other Noncurrent Liabilities												1,002,818
Total Long-Term Obligations												$ 10,786,961

A. General Obligation Bonds

Oklahoma Industrial Finance Authority has four series of general obligation bonds outstanding. 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 has issued four series of revenue bonds with outstanding balances. The bonds were 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. Variable interest rates are adjusted periodically based on prevailing market rates of various instruments as prescribed in bond indentures. At June 30, 2019, the variable interest rates ranged from 2.9% to 3.7%.

The Oklahoma Development Finance Authority has issued revenue bonds to fund loans to various investment enterprises in connection with the Quality Jobs Investment Program. The bonds are payable solely from and secured by the revenues and funds in the Quality Jobs Investment Program and a Credit Enhancement Reserve Fund guarantee insurance policy. The interest rates are variable and equal to the Oklahoma Industrial Finance Authority's cost of funds on its outstanding variable rate bond issues. The interest rate at June 30, 2019 was 2.6%.

The Oklahoma Housing Finance Agency has issued nine series of revenue bonds with outstanding balances at year end. The net proceeds of these bonds are used to provide financing for qualifying residences, provide interim and permanent financing for multifamily construction projects, and establish debt service reserves as required by the various trust indentures.

The Oklahoma Turnpike Authority has eight series of revenue bonds outstanding with an original issue amount of $2,192,365,000. 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 Grand River Dam Authority has seven series of revenue bonds outstanding with an original issue amount of $1,201,655,000. Oklahoma statutes have authorized Grand River Dam Authority to issue revenue bonds with the aggregate outstanding indebtedness not to exceed $1,410,000,000.

The Oklahoma Municipal Power Authority (OMPA) has nine series of revenue bonds outstanding. The bonds were 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. Certain series of the bonds have a variable interest rate which is established either by auction or a weekly index. The maximum rate is 14%.

Eight of the state's colleges and universities within the higher education component unit have authorized and issued 58 series of revenue bonds with an original issue amount of $2,406,675,000. These bonds were issued for the construction of student housing and other facilities. Student fees, revenues produced by the constructed facilities, and other revenues collateralize the revenue bonds.

C. Defeased Bonds

In prior years, 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 assets of the trusts and the liabilities for the defeased bonds are not included in the accompanying financial statements. OMPA had defeased bonds outstanding at June 30, 2019 (December 31, 2018 for OMPA), totaling $28,925,000.

D. Notes Payable

The Multiple Injury Trust Fund (MITF) component unit reports a note payable to CompSource Oklahoma of $9,001,000 as permitted by statute. Included in this note payable is a $6,000,000 advance on a line of credit. The note and line of credit bear interest at a 7% rate and are payable over 30 years in quarterly installments. The note and line of credit are collateralized by MITF revenues and any equity or other interests available to MITF.

Notes for the Oklahoma Student Loan Authority are issued to fund student loans and are primarily secured by the student loans receivable, related accrued interest and by the amounts on deposit in the accounts established under the respective financing agreements. Variable interest rates are adjusted periodically based on prevailing market rates of various instruments as prescribed in lending agreements. At year end the variable interest rate was 3.2%.

OMPA has issued $57,739,000 in a taxable limited obligation note. The note is payable solely from lease payments made by FPL Energy Oklahoma Wind, LLC, with no recourse to OMPA. The note bears an interest rate of 6%, and annual principal and interest payments are due through December 31, 2028.

The higher education component unit entered into various notes payable agreements. Lease payments, a pledge of “Section Thirteen Fund State Educational Institutions” monies, the equipment purchased, and the facilities constructed are pledged as collateral on the notes.

E. Capital Leases

The higher education component unit has entered into agreements with unrelated parties as well as agreements with the Oklahoma Capital Improvement Authority (OCIA) to lease various facilities, equipment and improvements. In fiscal year 1999, the higher education component unit signed capital lease agreements with OCIA totaling $49,178,000 and additional

agreements totaling $515,350,000 during fiscal year 2006. In fiscal year 2011, additional agreements with OCIA totaling $249,440,000 were added. In fiscal year 2014, lease agreements for $177,055,000 were added. During fiscal year 2015, lease agreements for $95,713,000 were added. The outstanding principal balance for the OCIA leases at June 30, 2019, is $328,509,000. Only the principal balance of the leases is recognized since it is equivalent to the value of the items leased. The OCIA agreements are aggregated with the other capital lease obligations on the statement of net position for year end.

Oklahoma State University Medical Authority has capital leases totaling $315,000 for equipment through fiscal year 2021.

Leased assets under capital leases in capital assets at June 30, 2019, included the following (expressed in thousands):

	Construction In Progress	Buildings	Equipment	Total
Cost	$ 7,674	$ 488,837	$ 458,951	$ 955,462
Less: Accumulated depreciation	-	(109,772)	(144,449)	(254,221)
Total	$ 7,674	$ 379,065	$ 314,502	$ 701,241

F. Other Liabilities

Claims and judgments, due to primary government, compensated absences, and other noncurrent liabilities of each component unit, as presented in the financial statements, will be liquidated by the reporting component unit. Other noncurrent liabilities include unearned revenue and other miscellaneous liability amounts. These liabilities do not have scheduled future debt service requirements beyond one year.

G. Authorized Unissued Bonds

By statute, Oklahoma Industrial Finance Authority has authority to issue general obligation bonds not to exceed $90,000,000 plus the balance in its bond redemption account. This results in $60,000,000 of authorized but unissued general obligation bonds. Certain institutions within the higher education component unit have been authorized to issue revenue bonds in the amount of $35,000,000 for various construction projects, renovation and acquisition of property.

Note 12. Net Position/Fund Balance

Beginning Net Position and Other Restatements

Primary Government

Beginning committed fund balance related to the general fund on the *Statement of Revenues, Expenditures and Changes in Fund Balances* increased $302,752,000 at July 1, 2018, due to reclassification of fiduciary funds ($242,319,000) and corrections of errors ($60,433,000).

Beginning net position related to governmental activities on the *Statement of Activities* was restated due to corrections of accounting errors ($78,342,000) and reclassification of fiduciary funds ($242,319,000). This resulted in an increase of $320,661,000 at July 1, 2018.

Proprietary Funds

Beginning net position for proprietary funds was restated due to cumulative change in accounting principle (adoption of Government Accounting Standards Board (GASB) Statement number 75 resulting in a decrease of $633,000 as of July 1, 2018.

Component Units

Beginning net position for component units was restated due to corrections to accounting errors (increase of $2,344,000) and cumulative change in accounting principle (adoption of GASB Statement number 75 resulting in a decrease of $14,954,000). The net effect of the restatements decreased beginning net position by $12,610,000 as of July 1, 2018.

Governmental Fund Balance

The *Governmental Fund Financial Statements* present fund balance at the aggregate level of detail within the categories defined by GASB Statement number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The table below represents the detailed amount of fund balance available to each functional level of government within those categories. This table also contains a separate detailed categorization for the state's Constitutional Reserve ("Rainy Day") fund if a balance is available at the end of fiscal year (expressed in thousands):

		Permanent Funds			
	General	Commisioners of the Land Office	Department of Wildlife Lifetime Licenses	Tobacco Settlement Endowment	Total Governmental Funds
Nonspendable					
Inventories	$ 106,466	$ -	$ -	$ -	$ 106,466
Prepaids	270	-	-	-	270
Permanent Fund Principal	-	2,520,919	90,127	1,174,235	3,785,281
Restricted					
Education	20,622	-	-	-	20,622
Government Administration	506,653	-	-	-	506,653
Health Services	72,104	-	-	-	72,104
Legal and Judiciary	16,506	-	-	-	16,506
Museums	1,110	-	-	-	1,110
Natural Resources	8,744	-	-	-	8,744
Safety and Defense	11,413	-	-	-	11,413
Regulatory Services	6,638	-	-	-	6,638
Social Services	10,118	-	-	-	10,118
Transportation	72,650	-	-	-	72,650
Stabilization Fund (Rainy Day)	604,679	-	-	-	604,679
Committed					
Education	(4,072,261)	-	-	-	(4,072,261)
Government Administration	6,041,623	-	-	60,210	6,101,833
Health Services	(600,605)	-	-	-	(600,605)
Legal and Judiciary	77,523	-	-	-	77,523
Museums	20,442	-	-	-	20,442
Natural Resources	253,977	-	-	-	253,977
Safety and Defense	61,977	-	-	-	61,977
Regulatory Services	217,252	-	-	-	217,252
Social Services	1,022,215	-	-	-	1,022,215
Transportation	713,775	-	-	-	713,775
Assigned	-	-	-	61,556	61,556
Unassigned					
Constitutional Reserve ("Rainy Day")	201,560	-	-	-	201,560
Total Fund Balances	$ 5,375,451	$ 2,520,919	$ 90,127	$ 1,296,001	$ 9,282,498

Nonspendable fund balance represents amounts that are not in spendable form. These amounts are not expected to be converted to cash. The state's primary forms of nonspendable fund balance are inventories and prepaid items such as rent or postage. Nonspendable fund balance also includes principal amounts within each respective permanent fund that is legally required to be maintained into perpetuity.

Restricted fund balance represents amounts that have constraints upon their use through either outside creditors, grantors, contributors or other governments as well as those amounts restricted through constitutional provisions or enabling legislation that can be legally enforced by parties outside the government. The state's general fund restricted fund balance is primarily comprised of amounts yet to be expended under federal grant awards, imminent payments on outstanding bond issues, long-term receivables that must be used for debt repayment, and 75% of any available balance in the Constitutional or "Rainy Day" fund. The Commissioners of the Land Office Permanent Fund is restricted for educational systems. Fund

balance as restricted by the various constraints in the general fund for the fiscal year ended June 30, 2019, were as follows (expressed in thousands):

	General Fund - Restricted			
	For Debt Service Only	Federal Cash	By Enabling Legislation	Restricted Fund Balance
Restricted				
Education	$ -	$ 20,622	$ -	$ 20,622
Government Administration	496,900	9,753	-	506,653
Health Services	220	71,884	-	72,104
Legal and Judiciary	-	16,506	-	16,506
Museums	-	1,110	-	1,110
Natural Resources	4,567	4,177	-	8,744
Safety and Defense	142	11,271	-	11,413
Regulatory Services	6,594	44	-	6,638
Social Services	3,701	6,417	-	10,118
Transportation	71,194	1,456	-	72,650
Constitutional Reserve ("Rainy Day")	-	-	604,679	604,679
Total Restricted Fund Balance	$ 583,318	$ 143,240	$ 604,679	$ 1,331,237

Committed fund balance is presented for each respective function of government as directed by the state's highest level of decision-making authority. Along with ratification by the governor, the Senate and the House of Representatives write, prepare and approve legislative bills to allocate the state's available resources each fiscal year. This process is a formal legislative action constituting the highest level of decision-making authority. Once this authority is exercised, the same action must be taken to modify or rescind a previously approved bill or allocation of resources.

Under generally accepted accounting principles reporting, the nonspendable and restricted fund balance categories are considered restricted fund balance. The committed, assigned and unassigned fund balances are considered unrestricted fund balance. Generally, when the state has both restricted and unrestricted resources available, the restricted balances will be used first as expenditures are incurred if conditions that created the restriction are met. When unrestricted fund balance is used, the order of use would generally be committed, then assigned, and finally unassigned.

Article 10, Section 23, of the state Constitution establishes a stabilization arrangement (Constitutional Reserve or "Rainy Day" Fund) under certain conditions where revenues collected exceed estimates made by the Oklahoma State Board of Equalization (board). Each year the board determines the amount available for allocation by the legislature not to exceed 95% of the board's estimate, or general revenue fund certification amount. In any year in which amounts collected exceed 100% of the board's estimated revenues, the excess is placed in the Constitutional Reserve Fund (CRF) until the fund reaches 15% of the general revenue fund certification amount for the preceding fiscal year.

Up to 37.5% of the balance in the fund at the beginning of the year may be appropriated for the forthcoming fiscal year when the board's estimate is lower than the current fiscal year certification. An additional 37.5% of the CRF at the beginning of the year may be appropriated for the current year if the board determines that a revenue failure has occurred with respect to the general revenue fund for the current year. The remaining 25% of the balance in the CRF may be appropriated upon a declaration by the governor that emergency conditions exist with concurrence by a two-thirds vote within the Senate and House of Representatives. This same 25% may also be appropriated through a joint declaration of emergency by both the Senate and House of Representatives with a concurrent 3/4ths vote by each legislative body.

Due to the different methods for accessing the CRF, any balance with the fund at year end is presented as 75% restricted and 25% unassigned. This split in presentation most closely aligns the government's ability to access these funds with the proper fund balance classification. The total CRF balance at June 30, 2019, was $806,239,000, with $604,679,000 presented as restricted fund balance and $201,560,000 as unassigned fund balance.

The Tobacco Settlement Endowment Trust Fund's assigned fund balance classification reflects amounts that are constrained by the fund's intent to be used for specific purposes. For purposes of assigned fund balance, the fund's board of directors has authority to assign funds for specific purposes. Prior to 2012, the board of directors determined that 10% of the unassigned fund balance would be designated as a reserve for future periods, should annual earnings prove insufficient to

cover expenses. In November 2011, the board of directors chose to limit yearly expenditures of certified earnings to no more than 5% of the corpus of the fund, with any unexpended certified earnings added to the reserve. For the fiscal year ended June 30, 2019, the assigned fund balance was $61,556,000.

As explained in Note 1, *Summary of Significant Accounting Policies,* section J, the general fund inventory includes $543,000 in food commodities which is also included in unearned revenue. Therefore, nonspendable fund balance for inventory/prepaid on the balance sheet is $543,000 less than the total of inventory and prepaid items.

Note 13. Nonrecourse Debt and Debt Guarantees

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

Financing agreements of Oklahoma Development Finance Authority (ODFA) and Oklahoma Housing Finance Agency (OHFA) are structured such that the debt is to be repaid solely from the revenues derived from the related facilities leased or acquired, or from the disposition of collateral. ODFA and OHFA do not hold notes receivable and trust investments in amounts equal to the long-term financings. As of September 30, 2018, OHFA had six series of multifamily bonds outstanding with an aggregate principal amount payable of approximately $71,345,000. These financings are not general obligations of the state or state agencies, and it is the opinion of agency management and its legal counsel that, in the event of default by a borrower, the state has no responsibility for repayment of such financings. Accordingly, the nonrecourse debt and the related notes receivable and trust investments of ODFA and OHFA's multifamily bond programs have been excluded from the financial statements. The debt and other obligations and the related notes receivable and other assets of OHFA's single family bonds are presented in the financial statements, since any assets remaining when the single-family bond programs are liquidated are transferred to OHFA.

Credit Enhancement Reserve Fund

Under the State Constitution, ODFA may issue bonds of the state, to be known as Credit Enhancement Reserve Fund General Obligation Bonds, in a total principal amount of $100,000,000, for the sole purpose of generating resources if there are insufficient assets to meet insurance obligations. The fund is managed, administered, and utilized by ODFA solely to secure the payment of interest insurance on the revenue bonds and other financial obligations issued by the Authority for the specific purpose of enhancing and supporting the credit of such obligations. As of June 30, 2019, there were approximately $27,380,000 of outstanding financial obligations insured by ODFA. At year end, the fund has accrued a reserve for losses of approximately $633,000 to cover potential losses from outstanding financial obligations insured by the fund. Through June 30, 2019, there have been no Oklahoma Credit Enhancement Reserve Fund General Obligation Bonds issued since, and it is the full intention of ODFA to utilize the fund's existing available net assets to meet obligations arising from losses insured by the fund.

Note 14. Retirement and Pension Systems

A. Plan Description

The State of Oklahoma has six public employee retirement systems (PERS) that administer pension plans: Oklahoma Firefighters Pension and Retirement System (OFPRS), Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement System for Justices and Judges (URSJJ), Oklahoma Police Pension and Retirement System (OPPRS), and the Teachers Retirement System of Oklahoma (TRS). These plans are all fiduciary component units of the state. The Department of Wildlife Conservation (ODWC) administers the Wildlife Conservation Retirement Plan (WCRP), which is part of the primary government.

OFPRS, OPERS, OPPRS, and TRS are all cost-sharing, multi-employer defined benefit retirement systems. URSJJ, OLERS and WCRP are single-employer, defined benefit retirement systems. Pension benefit provisions for all plans are established by statute and benefit provisions are amended by the state Legislature. Each plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments are provided to plan members at the discretion of the state Legislature. The information and schedules which follow are the representation of the respective state and local governmental employer pension plans which are administered through trusts.

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

Firefighters Pension and Retirement 6601 Broadway Extension, Suite 100 Oklahoma City, OK 73116 http://www.ok.gov/fprs	Law Enforcement Retirement 421 NW 13th Street, Suite 100 Oklahoma City, OK 73103 http://www.olers.state.ok.us	Police Pension and Retirement 1001 NW 63rd Street, Suite 305 Oklahoma City, OK 73116 http://www.ok.gov/OPPRS
Public Employees Retirement PO Box 53007 Oklahoma City, OK 73152 http://www.opers.ok.gov	Uniform Retirement System for Justices and Judges PO Box 53007 Oklahoma City, OK 73152 https://www.opers.ok.gov	Teachers' Retirement System PO Box 53524 Oklahoma City, OK 73152 http://www.ok.gov/TRS
	Department of Wildlife Conservation PO Box 53465 Oklahoma City, OK 73152 http://www.wildlifedepartment.com	

B. Summary of Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the respective pension plans and additions to/deductions from plans fiduciary net position is determined on the same basis as they are reported by each pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Component units of the State of Oklahoma may participate in additional pension plans that are not reported as part of the state's structure. As a result, net pension asset/liability and deferred inflows/outflows related to pensions on the related financial statements may exceed that reported in the *Notes to the Financial Statements*. For further information, component unit separately audit financial statements may be obtained by contacting the Office of Management and Enterprise Services, 5005 N. Lincoln Blvd., Suite 100, Oklahoma City, OK 73105.

C. Eligibility Factors and Benefit Provisions

Provisions	OFPRS as of July 1, 2018
a. Eligible to Participate	All eligible firefighters of a participating municipality or a fire protection district who perform the essential functions of fire suppression, prevention and life safety duties in a fire department
b. Period Required to Vest	Ten years of credited service if employed prior to November 1, 2013; eleven years of credited service if employed after November 1, 2013
c. Eligibility for Distribution	Normal retirement 20 years of service if employed prior to November 1, 2013; age 50 with 22 years of service if employed after November 1, 2013; disability retirement upon disability; death benefit of $5,000 payable to the qualified spouse or designated recipient upon the participant's death
d. Benefit Determination Base	Final average salary - the average paid gross salary of the firefighter for normally scheduled hours over the highest salaried thirty consecutive months of the last 60 months of credited service

e. Benefit Determination Methods:	
Normal Retirement	Paid firefighters: 50% of the firefighter's final average salary. Volunteer firefighters: $150.60 per month, effective July 1, 2008
Disability Retirement Paid Firefighters	2.5% of the firefighter's final average salary per year of service, with a minimum service credit of twenty years and maximum of thirty years; for disabilities not in the line of duty, final average monthly compensation is based on 60 months instead of 30 months
Volunteer Firefighters	$7.53 per month per years of service, with a maximum of 30 years; for disabilities or deaths in the line of duty, there is a minimum service credit of 20 years
f. Benefit Authorization	Benefits are established in accordance with Title 11 of the Oklahoma Statutes, Section 49-100.1 through 49-143.6 as amended
g. Form of Benefit Payments	Straight life annuity; survivor benefit: joint and 100% survivor annuity if firefighter was married 30 months prior to death
Provisions	OLERS as of July 1, 2018
a. Eligible to Participate	All law enforcement officers of the Oklahoma Highway Patrol and Capitol Patrol of Department of Public Safety (DPS), Oklahoma State Bureau of Investigation, Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, Alcoholic Beverage Laws Enforcement Commission, members of the DPS Communications Division, DPS Waterways Lake Patrol, Tourism and Recreation Department, Inspectors of the Oklahoma State Board of Pharmacy, and Gun Smiths of DPS are eligible upon employment
b. Period Required to Vest	Ten years of credited service
c. Eligibility for Distribution	Normal retirement 20 years of service or age 62 with 10 years of service; maximum of age 60 with 20 years of service, unless considered physically able to continue; disability benefit upon determination of disability incurred in the line of duty; for disability not in the line of duty after three years of service; death benefit of $5,000 payable to the designated beneficiary
d. Benefit Determination Base	Final average salary – the average of the highest 30 consecutive complete months of compensation
e. Benefit Determination Methods:	
Normal Retirement	2.5% of member's final average salary multiplied by the years of credited service; no maximum on service

Disability Retirement:	
Duty	The greater of 1) 2.5% of the greater of the final average salary times years and completed months of credited service, or 2) 50% of final average salary
Non-Duty	2.5% of the final average salary times years and completed months of credited service
f. Benefit Authorization	Benefits are established in accordance with Title 47 of the Oklahoma Statutes, Chapter 2, Article III, Section 2-300 through 2-315 as amended
g. Form of Benefit Payments	100% Joint and Survivor Annuity
Provisions	OPERS as of July 1, 2018
a. Eligible to Participate	All permanent employees of the State of Oklahoma, and any other employer such as a county, county hospital, city or town, conservation districts, circuit engineering districts, and any trust in which a county, city, or town participates and is the primary beneficiary, are eligible to join if: • The employee is not eligible for or participating in another retirement system authorized under Oklahoma law, is covered by Social Security and not participating in the U.S. Civil Service Retirement System • The employee is scheduled for 1,000 hours per year and salary is not less than the hourly rate of the monthly minimum wage for state employees (for employees of local government employers, not less than the hourly rate of the monthly minimum wage for such employees)
b. Period Required to Vest	Eight years of credited service
c. Eligibility for Distribution	Normal retirement: • Member before November 1, 2011, one of the following: Age 62 with 6 years of credited service; for elected officials age 60 80 points - The sum of age and years of service equals 80 if member before July 1, 1992 90 points - The sum of age and years of service equals 90 if member after July 1, 1992 • Member on or after November 1, 2011, one of the following: Age 65 with 6 years of credited service; for elected officials age 65 with 8 years of elected service

90 points – At least age 60 and the sum of age and years of service equals 90

Disability benefit after 8 years of service, provided member qualifies for disability benefits from the Social Security Administration or the Railroad Retirement Board

Death benefit of $5,000 payable upon death of retiree to the designated beneficiary

d. Benefit Determination Base

Final average salary – member before July 1, 2013, the average of the 36 highest months of compensation earned within the last 10 years of service (including highest 3 longevity payments); member after July 1, 2013, the average highest 60 months of compensation earned within the last 10 years of service (including highest 5 longevity payments)

e. Benefit Determination Methods:

Normal Retirement

2% of member's final average salary multiplied by the years of credited service

Disability Retirement

Same as normal retirement

f. Benefit Authorization

Benefits are established in accordance with Title 74 of the Oklahoma Statutes, Chapter 29, Section 901 through 935 as amended

g. Form of Benefit Payments

Life Annuity, Joint and 50% Survivor, Joint and 100% Survivor Annuity, Life Annuity with a minimum of 120 monthly payments, and Medicare Gap Benefit option

Provisions

USRJJ as of July 1, 2018

a. Eligible to Participate

Any Justice or Judge of the Supreme Court, Court of Criminal Appeals, Workers' Compensation Court of Existing Claims, Court of Appeals or District Court who serves as justice or judge of any of said courts in the State of Oklahoma

b. Period Required to Vest

Eight years of credited service

c. Eligibility for Distribution

Normal retirement:

- Member before January 1, 2012, one of the following:

  Age 60 with 10 years of credited service

  Age 65 with 8 years of credited service

  80 points - The sum of age and years of service equals 80

- Member after January 1, 2012, one of the following:

  Age 62 with 10 years of credited service

	Age 67 with 8 years of credited service
	Disability benefit at age 55 and 15 years of continuous judicial service
	Death benefit of $5,000 payable upon death of retiree to the designated beneficiary
d. Benefit Determination Base	Final average salary – average monthly salary based on the highest 36 months of active service
e. Benefit Determination Methods:	
Normal Retirement	4% of member's final average compensation multiplied by years of credited service not to exceed 100% of final average salary
Disability Retirement	Same as normal retirement
f. Benefit Authorization	Benefits are established in accordance with Title 20 of the Oklahoma Statutes, Chapter 16, Section 1101 through 1111 as amended
g. Form of Benefit Payments	Single-life, Joint and 50% Survivor, Joint and 100% Survivor
Provisions	OPPRS as of July 1, 2018
a. Eligible to Participate	All eligible officers of a participating municipality and any person hired by a participating municipality who is undergoing police training to become a permanent police officer; works more than 25 hours per week and is not less than 21 or more than 45 years of age when accepting membership
b. Period Required to Vest	Ten years of credited service
c. Eligibility for Distribution	Normal retirement upon completing 20 years of credited service
	Total Disability (Duty): upon determination of total disability; Total Disability (Non-Duty): upon determination of disability after 10 years of service
	Death benefit of $5,000 payable upon death of retiree to the designated beneficiary
d. Benefit Determination Base	Final average salary – average base salary for normally scheduled hours over the highest salaried 30 consecutive months of the last 60 months of credited service.
e. Benefit Determination Methods:	
Normal Retirement	2.5% of member's final average salary multiplied by years of credited service not to exceed 30 years
Disability Retirement	Total Disability (Duty): 50% of final average salary

	Total Disability (Non-Duty): 2.5% of final average salary multiplied by years of credited service not to exceed 30 years Partial Disability (Duty): final average salary reduced by the percent of impairment, as outlined in the "American Medical Association's Guide to the Evaluation of Permanent Impairment" Partial Disability (Non-Duty): 2.5% of final average salary multiplied by years of credited service (maximum of 30 years) reduced by the percentage of impairment, as outlined in the "American Medical Association's Guide to the Evaluation of Permanent Impairment"
f. Benefit Authorization	Benefits are established in accordance with Title 11 of the Oklahoma Statutes, Chapter 1, Section 50-101 through 50-136.8 as amended
g. Form of Benefit Payments	Joint and 100% Survivor Annuity
Provisions	TRS as of July 1, 2018
a. Eligible to Participate	All employees of any public school in Oklahoma, including public colleges and universities
b. Period Required to Vest	Five years of credited service. Seven years of credited service for members joining after October 31, 2017.
c. Eligibility for Distribution	Normal retirement: • Member before November 1, 2011 – age 62 with 5 years of service • Member after October 31, 2011 – age 65 with 5 years of service or age 60 and the number of years of service totals 90 • Member before July 1, 1992 – age and the number of years of creditable service total 80 • Member on or after July 1, 1992 but prior to November 1, 2011 – age and the number of years totals 90 • Members joining after October 31, 2017, must have credit for seven or more years of service. Early retirement: • Member prior to November 1, 2011 – Age 55 and 5 years of service or upon completion of 30 years of service • Member after October 31, 2011 – Age 60 and 5 years of service • Members joining after October 31, 2017, must have credit for seven or more years of service. Disability benefit after 10 years of service Death benefit of $5,000 payable upon death of retiree to the designated beneficiary

d. Benefit Determination Base	Final average salary – For those becoming members before July 1, 1992, the compensation for the three years on which the highest contributions are paid; for persons becoming members after June 30, 1992, the compensation for the five years on which the highest contributions are paid
e. Benefit Determination Methods:	
Normal Retirement	2% of member's final average salary subject to the compensation limits in Title 70, Chapter 1, Article 17, Section 17-101(28) and 17-116.2C.
Disability Retirement	Same as normal retirement
f. Benefit Authorization	Benefits are established in accordance with Title 70 of the Oklahoma Statutes, Chapter 1, Article 17, Section 17-101 through 17-122.1 as amended
g. Form of Benefit Payments	Straight Life Annuity, Joint and 50% Survivor, Joint and 100% Survivor
Provisions	WCRP as of July 1, 2018
a. Eligible to Participate	Employees with a hire date prior to July 1, 2010; plan was frozen as of July 1, 2010
b. Period Required to Vest	Ten years of credited service
c. Eligibility for Distribution	Normal retirement – Age 65 Early retirement: • Age 55 and 15 years of service; benefit reduced 2% for each year benefit received prior to age 62 • Age 55 and sum of age and years of continuous service equals 85
d. Benefit Determination Base	Final average salary – Highest three years annual covered compensation received during the last 10 years of participating service
e. Benefit Determination Methods:	
Normal Retirement	2.5% of member's final average salary multiplied by years of credited service; employees hired after July 1, 1995, the maximum benefit is 85% of final average salary with minimum benefit of $50 per month
Disability Retirement	Same as normal retirement
f. Benefit Authorization	Benefits are established in accordance with Title 29 of the Oklahoma Statutes, Chapter 1, Article 3, Section 3-306
g. Form of Benefit Payments	Lifetime benefit

D. Employees Covered by Benefit Terms

	OFPRS	OLERS	OPERS	URSJJ	OPPRS	TRS	ODWC
Active Employees	12,352	1,267	36,329	265	4,791	88,534	212
Deferred Vested Former Employees	2,127	23	6,024	14	937	12,243	27
Retirees or Retiree Beneficiaries	11,093	1,424	35,260	272	3,720	63,796	219
Total	25,572	2,714	77,613	551	9,448	164,573	458

E. Contribution Requirements

Oklahoma Firefighters Pension and Retirement System: The authority to set and amend contribution rates is established by ordinance for OFPRS defined benefit plan in accordance with Title 11 of the Oklahoma Statutes, Section 49-100.6. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate is 9% for employees of their covered salary and 14% for employers of covered payroll as of July 1, 2018. Municipalities with revenues in excess of $25,000 contribute $60 per year for each volunteer firefighter. Prior to November 1, 2013, the rate was 8% for employees, 13% for employers, and municipalities contributed $60 per year for each volunteer firefighter. The state contributes a portion of the insurance premium tax collected through its taxing authority. Currently, this contribution is 36% of insurance premium tax collected by the state. Prior to November 1, 2013, the contribution rate was 34%. For the year ended June 30, 2018, OFPRS recognized $168,011,000 in contributions to the plan based on covered payroll of $330,091,000.

Oklahoma Law Enforcement Retirement System: The authority to set and amend contribution rates is established by ordinance for OLERS defined benefit plan in accordance with Title 47 of the Oklahoma Statutes, Chapter 2, Article 3, Section 2-303.1. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate is 8% for employees of their covered salary and 11% for employers of covered payroll as of July 1, 2018. The state contributes a portion of driver's license taxes, and insurance premium tax collected through its taxing authority. Currently, this contribution is 1.2% of driver's license taxes, and 5% of insurance premium tax. For the year ended June 30, 2018, OLERS recognized $39,423,000 in contributions to the plan based on covered payroll of $86,121,000.

Oklahoma Public Employees Retirement System: The authority to set and amend contribution rates is established by ordinance for OPERS defined benefit plan in accordance with Title 74 of the Oklahoma Statutes, Chapter 29, Section 908. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate for state employees is 3.5% of their covered salary and 16.5% of covered payroll for state agencies as of July 1, 2018. Contributions for participating county and local agencies total 20% for employees and employers as of July 1, 2018. For the year ended June 30, 2018, OPERS recognized $325,837,000 in contributions to the plan based on covered payroll of $1,601,075,000.

Uniform Retirement System for Justices and Judges: The authority to set and amend contribution rates is established by ordinance for URSJJ defined benefit plan in accordance with Title 20 of the Oklahoma Statutes, Chapter 16, Section 1108. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate for employees is 8% of their covered salary and 20.5% of covered payroll for employers as of July 1, 2018. For the year ended June 30, 2018, URSJJ recognized $9,113,000 in contributions to the plan based on covered payroll of $33,839,000.

Oklahoma Police Pension and Retirement System: The authority to set and amend contribution rates is established by ordinance for OPPRS defined benefit plan in accordance with Title 11 of the Oklahoma Statutes, Chapter 1, Article 50, Section 50-106. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate is 8% for employees of their covered salary and 13% for employers of covered payroll as of July 1, 2018. The state contributes a portion of the insurance premium tax collected through its taxing authority. Currently, this contribution is 14% of insurance premium tax collected by the state. For the year ended June 30, 2018, OPPRS recognized $103,910,000 in contributions to the plan based on covered payroll of $324,190,000.

Teachers Retirement System: The authority to set and amend contribution rates is established by ordinance for TRS defined benefit plan in accordance with Title 70 of the Oklahoma Statutes, Chapter 1, Article 17, Section 17-106. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate is 7% for employees of their covered salary and 9.5% for employer entities other than comprehensive and four-year universities as of July 1, 2018. The rate for comprehensive and four-year universities is 8.55% as of July 1, 2018. The state contributes 5% of revenues from sales taxes, use taxes, corporate and individual income taxes. The system receives 1% of the cigarette taxes collected by the state

and 5% net lottery proceeds. For the year ended June 30, 2018, TRS recognized $1,070,545,000 in contributions to the plan based on covered payroll of $4,223,226,000.

Wildlife Conservation Retirement Plan: The authority to set and amend contribution rates is established by ordinance for WCRP defined benefit plan in accordance with Title 29 of the Oklahoma Statutes, Chapter 1, Article 3, Section 3-306. The contribution rates for the current fiscal year are made in accordance with Oklahoma statute. The rate is 5% for employees of their covered salary. For the year ended June 30, 2018, WCRP recognized $3,710,000 in contributions to the plan based on covered payroll of $12,208,000.

F. Actuarial Assumptions

Oklahoma Firefighters Pension and Retirement System

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.5%
c. Projected salary increases	3.5% - 9.0%
d. Post retirement cost-of-living increase	Half of the dollar amount of a 3% assumed increase in base pay for firefighters with 20 years of service as of May 26, 1983; no cost-of-living adjustment assumed for members not eligible for this increase
e. Inflation Rate	3%
f. Mortality table	Active employees (pre and post retirement): RP-2000 Blue Collar Healthy Combined with generational mortality improvement using Scale AA; disabled pensioners: RP-2000 Blue Collar Healthy Combined
g. Percent of married employees	85% Males; 85% Females
h. Spouse age difference	Males three years older than females
i. Turnover	Varies from 0.4% to 3.5%
j. Date of last experience study	June 30, 2012, for the period from July 1, 2007, to June 30, 2012

Oklahoma Law Enforcement Retirement System

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.5%
c. Projected salary increases	3.5% - 9.75%
d. Post retirement cost-of-living increase	3%
e. Inflation Rate	2.75%
f. Mortality table	Active employees (pre and post retirement): RP-2014 Blue Collar Healthy Table with Generational Projection using Scale MP-2016; Disabled pensioners: RP-2014 Blue Collar Table with no projection from 2006 rates.
g. Percent of married employees	85% Males; 85% Females
h. Spouse age difference	Males three years older than females
i. Turnover	Varies from 1.5% to 15%
j. Date of last experience study	July 2012 to June 2016

Oklahoma Public Employees Retirement System

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.0%
c. Projected salary increases	3.5% - 9.5%
d. Post retirement cost-of-living increase	None
e. Inflation Rate	2.75%
f. Mortality table	Active employees (pre and post retirement): RP-2014 Blue Collar Healthy Employees with base rates projected to 2025 using Scale MP-2016; Disabled pensioners: Nondisabled retiree mortality set forward 12 years for disabled experience.
g. Percent of married employees	85% Males; 85% Females
h. Spouse age difference	Males four years older than females
i. Turnover	Varies from 1%-24%
j. Date of last experience study	July 1, 2013, to June 30, 2016

Uniform Retirement System for Justices and Judges

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.0%
c. Projected salary increases	3.75%
d. Post retirement cost-of-living increase	None
e. Inflation Rate	2.75%
f. Mortality table	Active employees (pre and post retirement): RP-2014 Blue Collar Active/Retiree Healthy Mortality Table with base rate projected to 2025 using Scale MP-2016; Disabled pensioners: Nondisabled retiree mortality set forward 12 years for disabled experience
g. Percent of married employees	85% Males; 85% Females
h. Spouse age difference	Males four years older than females
i. Turnover	2%
j. Date of last experience study	July 1, 2013, to June 30, 2016

Oklahoma Police Pension and Retirement System

Date of Last Actuarial Valuation	July 1, 2018
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.5%
c. Projected salary increases	3.5% to 10.0%
d. Post retirement cost-of-living increase	Officers eligible to receive cost of living adjustments according to repealed Section 50-120 of Title 11 of the Oklahoma Statutes pursuant to a court order receive an adjustment of 1/3 to 1/2 of the increase or decrease of any adjustment to the base salary of a regular police officer, based on an increase in base salary of 3.5%
e. Inflation Rate	2.75%
f. Mortality table	Active employees' pre-retirement: RP-2000 Blue Collar Healthy Combined fully generational using Scale AA with age set back 4 years; Post-retirement: RP-2000 Blue Collar Healthy Combined fully generational using Scale AA; Disabled pensioners: RP-2000 Blue Collar Healthy Combined with age set forward 4 years

g.	Percent of married employees	85% Males; 85% Females
h.	Spouse age difference	Males three years older than females
i.	Turnover	Varies from 1% to 15%
j.	Date of last experience study	Five-year period from July 1, 2012, to June 30, 2017

Teachers Retirement System

Date of Last Actuarial Valuation		June 30, 2018
a.	Actuarial cost method	Entry age normal
b.	Rate of return on investments and discount rate	7.5%
c.	Projected salary increases	3.25%, plus step-rate promotional increases for members with less than 25 years of service
d.	Post retirement cost-of-living increase	None
e.	Inflation Rate	2.5%
f.	Mortality table	Active employees - pre-retirement: RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, with male rates multiplied by 60% and females rates multiplied by 50%; Post-retirement: RP-2000 Combined Healthy Mortality table for males with White Collar Adjustments; Generational mortality improvements in accordance with Scale BB from the table's base year of 2000; For females the GRS Southwest Region Teacher Mortality Table, scaled at 105%; Generational mortality improvements in accordance with Scale BB from the table's base year of 2012; Disabled pensioners: RP-2000 Mortality tables with male rates multiplied by 75%, no set back, and female rates multiplied by 100%, no set back
g.	Percent of married employees	80% Males; 80% Females
h.	Spouse age difference	Males three years older than females
i.	Turnover	Varies from 1.5% to 23.0%
j.	Date of last experience study	May 2015, for a five-year period ending June 30, 2014

Wildlife Conservation Retirement Plan

Date of Last Actuarial Valuation		July 1, 2018
a.	Actuarial cost method	Entry age normal
b.	Rate of return on investments and discount rate	7%
c.	Projected salary increases	3% to 8%
d.	Post retirement cost-of-living increase	none
e.	Inflation Rate	3%
f.	Mortality table	Active Members: RP-2014 Employee Mortality Table with Blue Collar Adjustment projected to 2030 with Scale BB; Retired Members: RP-2014 Mortality Table for Healthy Annuitants with Blue Collar Adjustment projected to 2030 with Scale BB; Disabled members: RP-2014 Mortality Table for Disabled Annuitants, projected to 2030 with Scale BB
g.	Percent of married employees	85% Males; 85% Females
h.	Spouse age difference	Males three years older than females
i.	Turnover	Varies from 1% to 8%
j.	Date of last experience study	July 1, 2010, to June 30, 2015

G. Discount Rate

Oklahoma Firefighters Pension and Retirement System

The projection of cash flows used to determine the discount rate assumed that contributions from plan members are made at the current contribution rate and that contributions from employers are made at contractually required rates. Projected cash flows also assume insurance premium taxes are contributed as determined by state statutes.

Based on these assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.5% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	20%	4.37%
Equity	62%	7.92%
Alternative Investments	18%	6.14%
Total	100%	

Oklahoma Law Enforcement Retirement System

The projection of cash flows used to determine the discount rate assumed that plan contributions from members, state agencies, insurance premium taxes and other state sources are made at the current contribution rates as set out in state statute.

Based on those assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.5% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	30%	6.43%
Equity	60%	11.58%
Alternative Investments	10%	8.27%
Total	100%	

Oklahoma Public Employees Retirement System

The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers are made at the current contribution rate as set out in state statute.

Based on those assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.0% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments is determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	32%	0.79%
Equity	44%	5.34%
Alternative Investments	24%	5.80%
Total	100%	

Uniform Retirement System for Justices and Judges

The projection of cash flows used to determine the discount rate assumed that contributions from plan members and the employers are made at the current contribution rate as set out in state statute.

Based on those assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.0% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	32%	0.79%
Equity	44%	5.34%
Alternative Investments	24%	5.80%
Total	100%	

Oklahoma Police Pension and Retirement System

The projection of cash flows used to determine the discount rate assumed that plan contributions from members, state agencies, insurance premium taxes and other state sources are made at the contractually required rates. Projected cash flows also assume insurance premium taxes are contributed as determined by state statutes.

Based on these assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.5% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected

inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	25%	4.53%
Equity	60%	7.97%
Alternative Investments	15%	5.82%
Total	100%	

Teachers Retirement System

The projection of cash flows used to determine the single discount rate assumed that plan member and employer contributions are made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the state's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Based on these assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7.5% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	24%	2.50%
Equity	57%	7.83%
Alternative Investments	19%	5.34%
Total	100%	

Wildlife Conservation Retirement Plan

The projection of cash flows used to determine the discount rate assumed that contributions from plan members are made at the current contribution rate and that contributions from the department are at least 100% of the department's required contribution.

Based on these assumptions, the pension plan's fiduciary net position is projected to be sufficient for projected benefit payments. Therefore, the discount rate used is 7% which is the long-term expected rate of return on plan investments.

The long-term expected rate of return on pension plan investments is determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	40%	2.68%
Equity	50%	8.02%
Alternative Investments	10%	3.07%
Total	100%	

H. Changes in Net Pension Liability

The total pension liability for the various pension systems is determined based on actuarial valuations performed as of July 1, 2018, which is also the measurement date. There are no changes in assumptions or changes between the measurement date of July 1, 2018, and the state's report ending date of June 30, 2019, that would have a significant impact on the net pension liability. The following tables report the components of changes in net pension liability (in thousands):

Oklahoma Law Enforcement Retirement System

Schedule of Changes in Net Pension Liability
Increases (Decreases)

	Total Pension Liability (a)	**Plan Net Position (b)**	**Net Pension Liability (a) - (b)**
Balance Beginning of Year	$ 1,069,287	$ 939,345	$ 129,942
Changes for the Year:			
Service Cost	22,654	-	22,654
Interest	78,022	-	78,022
Difference between expected and actual experience	(5,997)	-	(5,997)
Changes in assumptions	832		832
Contributions-Employer	-	9,083	(9,083)
Contributions-State of Oklahoma, non-employer contributing entity	-	23,673	(23,673)
Contributions-Employee	-	6,667	(6,667)
Net Investment Income	-	80,005	(80,005)
Benefit payments, including refunds	(59,048)	(59,048)	-
Administrative expense	-	(1,092)	1,092
Net Changes	$ 36,463	$ 59,288	$ (22,825)
Balances at June 30, 2018	$ 1,105,750	$ 998,633	$ 107,117

Uniform Retirement System for Justices and Judges

Schedule of Changes in Net Pension Liability
Increases (Decreases)

	Total Pension Liability (a)	Plan Net Position (b)	Liability (Asset) (a) - (b)
Balance Beginning of Year	$ 282,838	$ 318,263	$ (35,425)
Changes for the Year:			
Service Cost	8,897	-	8,897
Interest	19,162	-	19,162
Difference between expected and actual experience	(2,004)	-	(2,004)
Changes in Assumptions	-	-	-
Contributions-Employer	-	6,504	(6,504)
Contributions-Employee	-	2,608	(2,608)
Net Investment Income	-	26,189	(26,189)
Benefit payments, including refunds	(18,513)	(18,513)	-
Administrative expense	-	(154)	154
Net Changes	$ 7,542	$ 16,634	$ (9,092)
Balances at June 30, 2018	$ 290,380	$ 334,897	$ (44,517)

Wildlife Conservation Retirement Plan

Schedule of Changes in Net Pension Liability
Increases (Decreases)

	Total Pension Liability (a)	Plan Net Position (b)	Net Pension Liability (a) - (b)
Balance Beginning of Year	$ 121,351	$ 108,981	$ 12,370
Changes for the Year:			
Service Cost	1,550	-	1,550
Interest	8,363	-	8,363
Difference between expected and actual experience	689	-	689
Changes in Assumptions	-	-	-
Contributions-Employer	-	3,100	(3,100)
Contributions-Employee	-	610	(610)
Net Investment Income	-	8,500	(8,500)
Benefit payments, including refunds	(6,843)	(6,843)	-
Administrative expense	-	(58)	58
Net Changes	$ 3,759	$ 5,309	$ (1,550)
Balances at June 30, 2018	$ 125,110	$ 114,290	$ 10,820

I. Sensitivity of Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate, as well as what net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current rate (in thousands):

Oklahoma Law Enforcement Retirement System

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability (Asset)	$ 244,831	$ 107,117	$ (5,853)

Oklahoma Public Employees Retirement System

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability (Asset)	$ 976,969	$ 152,266	$ (546,625)

Uniform Retirement System for Justices and Judges

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability (Asset)	$ (17,603)	$ (44,517)	$ (67,902)

Oklahoma Police Pension and Retirement System

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability (Asset)	$ 591	$ (129)	$ (1)

Teachers Retirement System

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
Net Pension Liability (Asset)	$ 2,277,213	$ 1,601,476	$ 1,035,784

Wildlife Conservation Retirement Plan

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Net Pension Liability (Asset)	$ 24,800	$ 10,820	$ (1,087)

J. Deferred Outflows/Inflows of Resources

Reported deferred outflows of resources resulting from contributions subsequent to the measurement date are recognized as a decrease of the net pension liability in the year ended June 30, 2020.

Oklahoma Law Enforcement Retirement System

At June 30, 2018, OLERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 17,711	$ 7,602
Net difference between projected and actual plan investment earnings	7,349	-
Changes in assumptions	702	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-
Contributions made since measurement date	8,923	-
Total	$ 34,685	$ 7,602

Oklahoma Public Employees Retirement System

At June 30, 2018, OPERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 85,754
Net difference between projected and actual plan investment earnings	-	24,908
Changes in assumptions	65,482	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	3,318
Contributions made since measurement date	205,888	-
Total	$ 271,370	$ 113,980

Uniform Retirement State Justices and Judges

At June 30, 2018, URSJJ reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 7,017
Net difference between projected and actual plan investment earnings	-	1,555
Changes in assumptions	3,563	-
Contributions made since measurement date	7,146	-
Total	$ 10,709	$ 8,572

Oklahoma Police Pension and Retirement System

At June 30, 2018, OPPRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 118
Net difference between projected and actual plan investment earnings	66	-
Changes in assumptions	56	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	38
Contributions made since measurement date	70	-
Total	$ 192	$ 156

Teachers Retirement System

At June 30, 2018, TRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ -	$ 110,570
Net difference between projected and actual plan investment earnings	-	27,805
Changes in assumptions	149,953	81,929
Changes in proportion and differences between employer contributions and proportionate share of contributions	33,046	-
Contributions made since measurement date	118,076	-
Total	$ 301,075	$ 220,304

Wildlife Conservation Retirement Plan

At June 30, 2018, WCRP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 854	$ 714
Net difference between projected and actual plan investment earnings	-	11
Changes in assumptions	98	-
Contributions made since measurement date	2,500	-
Total	$ 3,452	$ 725

K. Amortization of Pension Deferrals

Amounts reported as deferred outflows of resources (excluding deferred outflows of resources related to contributions made subsequent to the measurement date) and deferred inflows of resources are recognized in pension expense as follows (in thousands):

	For the year ended June 30, 2018					
	Law Enforcement Retirement System	Public Employees Retirement System	Retirement System Justices and Judges	Police Pension and Retirement System	Teachers' Retirement System	Wildlife Conservation
2019	$ 20,756	$ 65,670	$ 1,306	$ 30	$ 113,937	$ (1,307)
2020	12,617	(9,562)	(965)	26	(3,654)	358
2021	(11,341)	(85,728)	(4,439)	(71)	(100,005)	897
2022	(3,239)	(18,878)	(911)	(23)	(49,886)	216
2023	(633)	-	-	4	1,395	63
2024	-	-	-	-	908	-
Total	$ 18,160	$ (48,498)	$ (5,009)	$ (34)	$ (37,305)	$ 227

L. Payables to the Pension Plans – The amounts presented below represent the amount, in thousands, payable from the State of Oklahoma to the pension plans at June 30, 2019. This includes both contributions payable and dedicated taxes that had yet to be paid.

	Payable at Fiscal Year End
Firefighters Pension and Retirement Plan	$ 21,622
Law Enforcement Retirement System	4,683
Public Employees Retirement System	9,675
Retirement System Judges and Justices	5
Police Pension and Retirement System	8,985
Teachers Retirement System	53,650
Total	$ 98,620

M. State General Fund Portion -- The amounts presented below represent net pension liability, deferred inflows, deferred outflows, and pension expense related to the various pension systems recorded to governmental activities on the *Government-Wide Statement of Net Position*. These amounts (in thousands) are determined based on actuarial valuations performed as of July 1, 2018, which is also the measurement date.

	General Fund Portion	Pension Assets	Pension Liabilities	Net Pension Liability (Asset)	Deferred Inflows	Deferred Outflows	Pension Expense
Law Enforcement Retirement System	91.176%	$ 910,509	$ 1,008,175	$ 97,666	$ 9,309	$ 31,625	$ 30,744
Public Employees Retirement System	75.819%	7,097,405	7,245,286	$ 147,881	111,545	263,554	104,726
Justices and Judges Retirement System	100.000%	334,897	290,380	(44,517)	8,572	10,709	1,686
Police Pension and Retirement System	0.268%	6,858	6,729	(129)	157	192	90,000
Teachers Retirement System	1.150%	185,597	255,159	69,562	9,570	20,287	5,412
Wildlife Commission Retirement Plan	100.000%	114,290	125,110	10,820	725	3,452	1,466
Total		$ 8,649,556	$ 8,930,839	$ 281,283	$ 139,878	$ 329,819	$ 234,034

N. Changes Subsequent to Measurement Date

The following changes were made to pension plan policy since the measurement date. These changes could potentially change the calculation of net pension liability:

Oklahoma Law Enforcement Retirement System:

Senate Bill 584 updates the requirement for an information security audit for all state agencies with an information technology system not consolidated under the State. The bill also outlines the requirement for a listing of findings and related remedies. This provision became effective May 9, 2019.

Oklahoma Police Pension and Retirement System:

House Bill 2269 provides that participants in the deferred option plan can name a designated recipient; if there is no such designation, the surviving spouse (having been married to the participant for the 30 continuous months preceding death) will be the eligible recipient. The 30-month requirement does not apply in the event of a duty related death. If neither a named recipient nor a surviving spouse is an eligible recipient, payment will be made to the estate of the participant. House Bill 2269 further provides that the Council on Law Enforcement Education and Training will grant the Board access to records regarding actively working police officers in participating agencies and municipalities. Lastly House Bill 2269 allows for the final benefit payment due a member in the month they are deceased to be paid to a successor-in-interest provided it is less than the limits set in Title 58 § 393 of the state statutes. This provision became effective May 13, 2019.

O. Defined Contribution Plans

The ODWC's defined contribution plan (DC plan) is a single-employer plan that covers the employees of ODWC with a hire date of July 1, 2010, or later. The DC plan provides retirement benefits to plan members and their beneficiaries. At June 30, 2019, there were 127 plan members. DC Plan members are required to contribute 5% of compensation annually.

The ODWC's annual contribution is based on the employee's number of completed years of credited service with the ODWC, defined as follows:

Years of Credited Service	Compensation Contributed by Employer
Less than 5	6%
At least 5, but less than 10	8%
At least 10, but less than 15	10%
At least 15 or more	12%

Employees vest in 100% of ODWC's contributions after 5 years of credited service.

For the year ended June 30, 2019, the ODWC contributed $360,000, and eligible employees contributed $275,000 to the DC Plan.

House Bill 2630 and Senate Bill 2120 directed OPERS to establish a defined contribution retirement system for members first employed by a participating employer of the system on or after November 1, 2015, including statewide elected officials and legislators. The provisions of this bill are not applicable to hazardous duty members, district attorneys, assistant district attorneys or other employees of the district attorney's office who will continue to participate in the defined benefit plan. Also excluded are employees of a county, county elected officials, county hospital, city or town, conservation district, circuit engineering district, and any public or private trust in which a county, city or town participates and is the primary beneficiary.

This defined contribution plan was created and implemented during the year ended June 30, 2016. Under this plan, participating employees contribute a minimum of 4.5% of their compensation. Participating employers match employee contributions up to 7%. In addition to the matching contributions, participating employers are required to remit to OPERS the difference between the matching contributions for defined contribution plan members and the amount the participating employer would have contributed for a defined benefit plan member.

At June 30, 2019, there were 9,208 plan members. For the year ended June 30, 2019, OPERS contributed $14,121,000 and eligible employees contributed $9,895,000 to the plan.

Note 15. Other Postemployment Benefits (OPEB)

1. General Description of the Other Postemployment Benefits

The Employees Group Insurance Division (EGID), a division of the Office of Management and Enterprise Services (OMES) manages a legal insurance trust which provides group health, life, dental and disability benefits for active employees and retirees (should they so elect) of state agencies, school districts and other governmental units. EGID, as a multi-line insurance provider, allows for retirees that are not yet eligible for Medicare benefits to participate in the insurance plans available to active employees. Current and retired employees participate in the same plans with blended premium rates creating an implicit rate subsidy for the retirees in the plan. This plan is not administered through a trust, and as a result, there are no assets to net against the total liability. Separately issued reports for the EGID plan can be obtained at https://omes.ok.gov/services/accounting-reporting.

The Oklahoma Department of Wildlife Conservation (ODWC), part of the primary government, at its expense, provides a health insurance allowance to retirees for the payment of health insurance premiums at retirement where the retiree elects continued coverage through EGID. This allowance is reduced when the retiree is eligible for Medicare. The coverage amount is established by ODWC on an annual basis and can be discontinued at the board's discretion.

As mandated by statute, the Oklahoma Law Enforcement Retirement System (OLERS), Oklahoma Public Employees Retirement System (OPERS), Uniform Retirement System for Justices and Judges (URSJJ) and Teachers' Retirement System (TRS) provide an OPEB benefit to retirees should a retiree make such an election at retirement to continue health coverage through the state's provider, EGID. This contribution is for a fixed amount that varies slightly from pension to pension, and the contribution is included in the employer pension contribution. Methods for obtaining separately issued independent audit reports, a summary of significant accounting policies of the pension plans and the statutory authority under which OPEB benefits are required to be paid are discussed in Note 14.

Component units of the State of Oklahoma may participate in additional OPEB plans that are not reported as part of the state's structure. As a result, net OPEB asset/liability and deferred inflows/outflows related to pensions on the related financial statements may exceed that reported in the *Notes to the Financial Statements*. For further information, component unit separately audit financial statements may be obtained by contacting the Office of Management and Enterprise Services, 5005 N. Lincoln Blvd., Suite 100, Oklahoma City, OK 73105.

2. Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms:

	Plans Outside of Trusts		OPEB Trust Funds			
	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Uniform Retirement System for Justices and Judges	Public Employees Retirement System	Teachers' Retirement System
Active employees	31,971	201	1,267	265	36,329	88,534
Inactive participants	3,038	254	630	158	20,022	63,013
Total	35,009	455	1,897	423	56,351	151,547

3. Net OPEB Liability

The State of Oklahoma measured a net OPEB asset of $27,622,000 and a net OPEB liability of $167,158,000 as of June 30, 2018, as determined by actuarial valuations of that date.

The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Uniform Retirement System for Judges and Justices	Public Employees Retirement System	Teachers' Retirement System
Inflation	0%	3.00%	2.75%	2.75%	2.75%	2.50%
Salary Increases	3.00-11.25%	N/A	3.50-9.75%	3.75%	3.50-9.50%	3.25%
Discount Rate	3.87%	2.79%	7.50%	7.00%	7.00%	7.50%
Healthcare cost trend	7.10% - 4.60%	5.00%	N/A	N/A	N/A	N/A
Retirees' share of benefit-related costs	0%	0%	0%	0%	0%	0%

Discount Rates

The discount rate was determined using the Bond Buyer GO 20-Bond Municipal Bond Index for EGID. The discount rate for ODWC was measured using a Fidelity 20-year municipal bond index rate (AA/Aa or higher) as of June 30, 2019. For the remainder of OPEB plans, the discount rate is determined by the expected rate of return on assets of the associated pension plan as referenced in Note 14.

Mortality Rates

Mortality rates for EGID are based on Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2018.

The ODWC based mortality rates for active and retired members on RP-2014 Employee Mortality Tables with Blue Collar Adjustment, projected to 2030 with Scale BB (separate rates for males and females). Disabled members of the ODWC plan have mortality rates calculated using the RP-2014 Mortality Table for Disabled Annuitants with Blue Collar Adjustment, projected to 2030 with Scale BB (separate rates for males and females).

OLERS uses RP-2014 Blue Collar Healthy Table with Generational Projection using Scale MP-2016 for both pre-retirement and post-retirement for retiree mortality rates. For disability mortality rates, OLERS uses RP-2014 Blue Collar Table with no projection from the 2006 base rates.

For the actuarial report prepared as of June 30, 2018, URSJJ determined mortality rates using RP-2014 Blue Collar Active Healthy Mortality Table with base rates projected to 2025 using scale MP-2016 rates set back one year. URSJJ uses RP-2014 Blue Collar Retiree Healthy Mortality Table with base rates projected to 2025 using Scale MP-2016 for retirees, and disability mortality rates were based on the post-retirement mortality rates with rates set forward twelve years.

OPERS uses RP-2014 Mortality Tables projected to 2025 by Scale MP-2016. Disabled pensioners are set forward twelve years.

TRS determines discount rate using RP-2000 Combined Healthy mortality table for males with White Collar adjustments for male retirees. Generational mortality improvements are in accordance with Scale BB from the table's base year of 2000. For female retirees, TRS uses GRS Southwest Region Teacher Mortality Table, scaled at 105%. Generational mortality improvements are in accordance with Scale BB from the table's base year of 2012.

Actuarial Assumptions

EGID Implicit Rate Subsidy valuation report dated July 1, 2018, was based on a measured date of July 1, 2018, with a measurement period of July 1, 2017, to July 1, 2018.

ODWC actuarial assumptions in the actuarial report dated June 30, 2018, are prepared on a measured date of June 30, 2018, based on the results of an actuarial experience study for the period July 1, 2010, to June 30, 2015.

The actuarial assumptions used in the June 30, 2018, valuation report by OLERS are measured as of June 30, 2018, and are based on the results of the most recent actuarial experience study, which covered the five-year period ending June 30, 2016. The experience study report is dated May 10, 2017.

URSJJ was measured as of June 30, 2018, in the valuation report of the same date, and based the actuarial assumptions on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The actuarial assumptions used in the July 1, 2018, valuation report measured at July 1, 2018, by OPERS are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2016. The experience study report is dated April 13, 2017.

The actuarial assumptions used in the July 1, 2018, valuation report by TRS were measured July 1, 2018, and are based on the results of the most recent actuarial experience study, which covered the five-year period ending June 30, 2014.

4. Changes in the OPEB Liability

	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Uniform Retirement System for Justices and Judges	Public Employees Retirement System	Teachers' Retirement System	Total
Total Liability at June 30, 2017	$ 148,496	$ 7,736	$ 12,856	$ 2,699	$ 255,262	$ 113,471	$ 540,520
Change for the year:							
Service cost	5,190	211	343	113	6,532	1,701	14,090
Interest	5,307	273	933	183	17,362	8,208	32,266
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,242)	(63)	(335)	(88)	(8,274)	(2,597)	(12,599)
Changes in assumptions or other inputs	(540)	695	-	-	-	-	155
Benefit Payments	(11,009)	(408)	(855)	(183)	(14,708)	(9,782)	(36,945)
Change in Total Liability	$ (2,294)	$ 708	$ 86	$ 25	$ 912	$ (2,470)	$ (3,033)
Total Liability at June 30, 2018	$ 146,202	$ 8,444	$ 12,942	$ 2,724	$ 256,174	$ 111,001	$ 537,487
Plan Net Position at June 30, 2017	$ -	$ -	$ -	$ 2,891	$ 246,320	$ 125,273	$ 374,484
Change for the year:							
Contributions - Employer	11,009	-	1,285	180	14,895	771	28,140
Net investment income	-	-	-	251	19,909	11,846	32,006
Benefit payments	(11,009)	-	(855)	(182)	(14,708)	(9,782)	(36,536)
Administrative expense	-	-	-	(1)	(139)	(3)	(143)
Change in Net Position	$ -	$ -	$ 430	$ 248	$ 19,957	$ 2,832	$ 23,467
Total Net Position at June 30, 2018	$ -	$ -	$ 430	$ 3,139	$ 266,277	$ 128,105	$ 397,951
Total OPEB Liability (Asset)	$ 146,202	$ 8,444	$ 12,512	$ (415)	$ (10,103)	$ (17,104)	$ 139,536

(Balances are shown, in thousands, as of the measurement date.)

Changes in Assumptions and Other Inputs:

Employees Group Insurance Division: The discount rate to calculate liabilities was changed from 3.58% as of July 1, 2017, to 3.87% as of July 1, 2018.

The mortality assumption used to calculate liabilities was changed from the RP-2006 combined healthy mortality table with a fully generational projection using Scale MP-2017 as of July 1, 2017, to the Pub-2010 Public Retirement Plans General Mortality Table weighted by headcount projected by MP-2018 as of July 1, 2018.

Oklahoma Department of Wildlife Conservation: The discount rate to calculate liabilities was changed from 3.62% as of July 1, 2018, to 2.79% as of July 1, 2019.

5. Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the State of Oklahoma, as well as what the state's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (in thousands):

Employees Group Insurance Division

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB Liability	$ 156,005	$ 146,202	$ 137,078

Department of Wildlife Conservation

	1% Decrease (1.79%)	Discount Rate (2.79%)	1% Increase (3.79%)
Total OPEB Liability	$ 9,416	$ 8,444	$ 7,617

Law Enforcement Retirement System

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB Liability	$ 13,968	$ 12,512	$ 11,287

Uniform Retirement System for Justices and Judges

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	$ (188)	$ (415)	$ (613)

Public Employees Retirement System

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	$ 16,085	$ (10,103)	$ (32,627)

Teachers Retirement System

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB Liability	$ (6,007)	$ (17,104)	$ (26,584)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the net OPEB liability at June 30, 2019, calculated using the healthcare trend rate, as well as what the trend rate increasing or decreasing by 1-percentage-point. Only the EGID implicit rate subsidy and ODWC are affected by the healthcare trend rate.

Employee Group Insurance Division

	1% Decrease (6.10% - 3.60%)	Discount Rate (7.10% - 4.60%)	1% Increase (8.10% - 5.60%)
Total OPEB Liability	$ 133,040	$ 146,202	$ 161,480

Oklahoma Department of Wildlife Conservation

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Total OPEB Liability	$ 8,416	$ 8,444	$ 8,469

6. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

The following tables illustrate the deferred inflows and outflows as of June 30, 2019, based on the requirements of GASB Statement number 75 (in thousands):

	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Uniform Retirement System for Justices and Judges	Public Employees Retirement System	Teachers' Retirement System	Total
Deferred Outflows:							
Changes of assumptions or other inputs	$ -	$ 704	$ 207	$ -	$ 5,813	$ 267	$ 6,991
Subsequent contributions	11,698	408	1,285	187	14,633	232	28,443
Total deferred outflows	$ 11,698	$ 1,112	$ 1,492	$ 187	$ 20,446	$ 499	$ 35,434
Deferred Inflows:							
Changes of assumptions or other inputs	$ (5,581)	$ (72)	$ (225)	$ -	$ -	$ -	$ (5,878)
Changes in proportion	-	-	(194)	-	-	-	(194)
Differences between expected and actual experience	-	-	(664)	-	(15,884)	(4,766)	(21,314)
Differences between projected and actual investment earnings	-	-	-	-	(9,368)	(7,086)	(16,454)
Total deferred inflows	$ (5,581)	$ (72)	$ (1,083)	$ -	$ (25,252)	$ (11,852)	$ (43,840)
OPEB Expense	$ 8,500	$ 408	$ 1,116	$ 182	$ 1,794	$ (2,320)	$ 9,680

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows (in thousands):

	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Uniform Retirement System for Justices and Judges	Public Employees Retirement System	Teachers' Retirement System	Total
Year ended June 30:							
2020	$ (1,996)	$ 133	$ (144)	$ -	$ (4,996)	$ (3,175)	$ (10,178)
2021	(1,996)	133	(144)	-	(5,017)	(3,125)	(10,149)
2022	(1,352)	133	(144)	-	(5,017)	(3,125)	(9,505)
2023	(237)	133	(144)	-	(2,605)	(1,507)	(4,360)
2024	-	81	(147)	-	(1,618)	(597)	(2,281)
Thereafter	-	19	(153)	-	(186)	(56)	(376)

Note 16. On-Behalf Payments

The Oklahoma Teachers Retirement System (TRS) receives 5% of the state's sales, use, corporate and individual income taxes collected as dedicated tax. Senate Bill 1376, which became law in July 2002, provides that the percentage of the state's collected dedicated taxes allocated to TRS increased from 4.5% to 5.0% on July 1, 2007, and thereafter. TRS receives 1% of the cigarette taxes and 5% of the net lottery proceeds collected by the state. TRS received approximately $371,671,000 from the state for the year ended June 30, 2019.

The Oklahoma Firefighters Pension and Retirement System receives 36% of the state's insurance premium tax revenue. The Oklahoma Firefighters Pension and Retirement System received approximately $101,700,000 from the state for the year ended June 30, 2019. Of the same insurance premium tax revenue, the Oklahoma Police Pension and Retirement System and Oklahoma Law Enforcement Retirement System receive 14% and 5%, respectively. Oklahoma Police Pension and Retirement System and Oklahoma Law Enforcement Retirement System received approximately $39,559,000 and $14,125,000 from the state for the year ended June 30, 2019, respectively.

Note 17. Commitments

Primary Government

For the year ended June 30, 2019, the general fund had encumbrances of $877,442,000 within the restricted and committed fund balances of the governmental funds.

The Department of Transportation had contractual commitments at June 30, 2019, of approximately $931,435,000 for the construction of various highway projects. Future appropriations will fund these commitments as work is performed.

The Department of Human Services maintains a construction unit which engages in capital improvements of state buildings. At year end, the Department of Human Services had long-term projects totaling $7,732,000 for the general fund.

The Oklahoma Capital Improvement Authority has issued bonds in the aggregate principal amount of $120,000,000 for the Office of Management and Enterprise Services to provide funding for repairs, refurbishments and improvements to the State Capitol Building. This bond issuance is the first series of obligations sold under two authorizations totaling $245,000,000 for the Capitol Repair Project.

Component Units

The University of Oklahoma had outstanding commitments under construction contracts totaling $8,396,000 at June 30, 2019.

Oklahoma State University had outstanding commitments under construction contracts of approximately $17,460,000 at June 30, 2019.

The Oklahoma Turnpike Authority had commitments outstanding at December 31, 2018, relating to equipment orders and supplies of approximately $22,700,000. At December 31, 2018, the Oklahoma Turnpike Authority had commitments outstanding relating to construction and maintenance contracts of approximately $260,200,000.

The Oklahoma Municipal Power Authority purchased approximately $15,643,000 of power pursuant to several long-term purchase agreements during 2018. The Oklahoma Municipal Power Authority is obligated to purchase, at a minimum, approximately $15,711,000 of power in 2019.

The Grand River Dam Authority (GRDA) makes and receives commitments for purchases of coal and other materials. The authority had contractual commitments at December 31, 2019 for long-term coal and freight purchases under contracts through 2025. The estimated minimum obligations are $42,586,000 for the next fiscal year ending December 31, 2019, and total obligations are $327,115,000 through 2025.

Note 18. Litigation and Contingencies

The state and its component units are parties to numerous legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the state for property damage and personal injury, alleged breaches of contract, condemnation proceedings, and other alleged violations of state and federal laws. Certain claims have been adjudicated against the state but remained unpaid as of June 30, 2019.

The state receives significant financial assistance from the federal government in the form of grants and entitlements, which are generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by federal agencies. Any disallowance as a result of these audits could become a liability of the state.

Primary Government

Through the normal course of operations there are many legal cases which involve the state as a party. Most of these cases are currently deemed to have a remote chance of loss or will result in a gain to the state. The assessment of several cases indicates there is the reasonably possible or probable chance of a loss occurring to the state. Current estimates for these losses range from $1,000 to $943,000.

The Department of Transportation has incurred significant expenditures on construction projects that have exceeded the amounts approved by the federal grantor. These project expenditures are held in suspense until approved by the federal grantor and subsequently reimbursed. Based on prior years' experience, the reimbursement of expenditures is highly probable. At June 30, 2019, Department of Transportation has project expenditures totaling $22,471,000 that will be reimbursed pending approval of the federal government.

Component Units

The Oklahoma Capital Investment Board (OCIB), as a public trust of the State of Oklahoma, has authority to transfer tax credits to public entities. Tax credits can be transferred by OCIB in conjunction with a legitimate call on an OCIB guarantee. As of June 30, 2019, OCIB had a maximum commitment line of credit of $4,000,000. As of June 30, 2019, the line of credit had an outstanding balance of $3,972,000. All the outstanding balance is classified as long-term debt.

The credits and OCIB's right to transfer the credits expire if not utilized by July 1, 2020. As of June 30, 2019, $39,215,000 of tax credits were transferred. Four entities currently have signed agreements to purchase up to an aggregate of $8,000,000 of tax credits per year at the sole discretion of OCIB. OCIB has the authority to issue up to $20,000,000 of tax credits per year with an overall maximum of $100,000,000. Of the remaining $60,785,000, an allowance of $40,785,000 was written off as expiring. If the legislature extends the tax credits at a future date, OCIB will record an amount to recapture the allowance.

Note 19. Tax Abatements

The State of Oklahoma provides tax abatements under six programs: Historic Rehabilitation tax credits, Quality Jobs programs (Quality Jobs, Small Employer and 21st Century), Oklahoma Film Enhancement rebates, the Quality Events Program, Small Business Incubators (Sponsors and Tenants) and New Products Development Income Tax Exemptions. Tribal compacts with Native American tribes also provide abatements to cigarette tax collections.

The Historic Rehabilitation Tax Credits Program established by the Legislature (68 O.S. § 2357.41) promotes the rehabilitation of historic structures of every period. These credits can be claimed at any time after the relevant local governmental body responsible for doing so issues a certificate of occupancy or other document that is a precondition for the applicable use of the building or structure. During the fiscal year ended June 30, 2019, estimated tax credits in the amount of $24,337,000 were approved for 27 structures. Historic Rehabilitation tax credits used to reduce tax liability in 2018 was $5,736,000.

Three quality jobs programs are administered by the Oklahoma Department of Commerce (ODOC) for which the state provides incentive payments that are paid from income tax collections:

The Oklahoma Quality Jobs Program was established by the Legislature (68 O.S. § 3601) to provide an incentive for companies to expand or relocate jobs to Oklahoma. Companies meeting certain statutory requirements can receive a rebate up to 5% of new taxable payroll for up to 10 years. The requirements include creating jobs within a qualifying industry as noted by the North American Industry Classification System description; paying wages on the newly created jobs equal to the average county wage or state threshold wage, whichever is lower; achieving $2,500,000 in new annual taxable payroll within three years; and offering basic health insurance to employees within 180 days of employment. Companies can receive up to a 6% rebate if at least 10% of new payroll is comprised of qualified military veterans.

Under certain circumstances, some program requirements may be amended or waived.

A company that participates in the Oklahoma Quality Jobs Program but fails to maintain a business presence in the state of Oklahoma within three years of start date must repay all program benefits they received and may not re-apply for the program for one year following dismissal.

The Small Employer Quality Jobs Program (68 O.S. §3901) was established to provide appropriate incentives to support the creation of quality jobs, particularly for small businesses, in basic industries in the state. Companies applying for the Small Employer program must have 90 employees or less at the time of application to the program. Rebates under the program are received for up to seven years. Program requirements include creating a minimum number of new jobs based on the population of the community where the company is located; having 35% out-of-state sales for the first two years and subsequently 60% out-of-state sales; paying the newly created jobs at 110% of the average county wage; and offering basic health insurance within 180 days of employment (the employee must not pay more than 50% of the premium).

The 21st Century Quality Jobs Program (68 O.S. §3911-3920) was established to provide appropriate incentives to attract growth industries and sectors to Oklahoma in the 21st century through a policy of rewarding businesses with a highly skilled, knowledge-based workforce. The program allows a net benefit rate of up to ten percent of payroll for up to ten years and requires at least ten full-time jobs at an annual average wage of the lesser of $95,243 (the state wage, which is indexed every year) or 300% of the county's average wage. Out-of-state sales for the company must be at least 50% for most participants. The program targets industries, such as knowledge-based service industries, including professional, scientific and technical services; music, film and performing arts; and specialty hospitals.

During the fiscal year ended June 30, 2019, 97 companies received payments totaling $69,629,000 as part of Quality Jobs Programs.

To increase the attractiveness of Oklahoma as a location for the film industry, the Oklahoma Film Enhancement rebate was established by the Legislature (68 O.S. §§ 3621-3626). A rebate, of up to 35% of documented expenditures made in Oklahoma directly attributable to the production of film, television production, or television commercials, may be paid to the production company. The Oklahoma Film and Music Commission and the Oklahoma Tax Commission (OTC) administer the program. During the fiscal year ended June 30, 2019, fifteen film companies were rebated corporate income tax amounting to $5,315,000.

The Quality Events Incentive (68 O.S. §4301-4311) was designed to promote certain quality events that have a significant positive economic impact. A quality event is a new event of a meeting of a nationally recognized organization, a new or existing event that is a national, international or world championship, or a new or existing event that is managed or produced by an Oklahoma based national or international organization. The host community must submit a resolution and information pertaining to the event (geographic area, length of time for revenue capture, expenses, event history, and economic impact) to OTC within 30 days of the date on which the host community adopts the ordinance or resolution. OTC will then approve or disapprove the impact study. ODOC and the Oklahoma Tourism and Recreation Department provide assistance and information, as requested, by OTC to approve or disapprove an economic impact study.

During the fiscal year ended June 30, 2019, nine events were certified by the Quality Events Incentive Program, and $448,000 in sales tax was abated.

A business incubator is a facility in which small businesses may rent space and where management provides business development services, such as financial consulting and marketing assistance. The Small Business Incubators program offers tax exemptions for both sponsors (74 O.S. §5075) and tenants (74 O.S. §5078) of business incubators that register with ODOC.

The income of a sponsor of a certified incubator is exempt from Oklahoma income taxes on income earned from rental fees, other income derived from services provided to the tenants, or for providing funding for an incubator site.

The tenant is exempt from state tax liability on income earned as a result of activities conducted as an occupant in a certified incubator for up to ten years from the occupancy date in an incubator site in accordance with rules of OTC. The exemption remains in effect after the date the tenant is no longer an occupant in an incubator, but not to exceed a total of ten years.

Reporting for tax exemptions related to business incubator tenants and sponsors is commingled with other tax exemptions on the forms provided to OTC. As a result, it is not possible to determine the amount of tax abated during the fiscal year ended June 30, 2019.

Under the New Products Development Income Tax Exemption (74 O.S. § 5064.7), royalties earned by an inventor from a product developed and manufactured in the State of Oklahoma shall be exempt from state income tax for a period of seven years from the first year in which such royalty is received as long as the manufacturer remains in the state. In addition, such manufacturer may exclude from Oklahoma taxable income, or in the case of an individual, the Oklahoma adjusted gross income, 65% of the cost of depreciable property purchased and utilized directly in manufacturing the product. To qualify for the incentives, the product shall be patented or have patent pending pursuant to federal law and shall be registered with Oklahoma Center for the Advancement of Science and Technology.

The reporting for tax exemptions related to New Products Development Income Tax Exemptions are commingled with other tax exemptions on the forms provided to OTC. As a result, it is not possible to determine the amount of tax abated during the fiscal year ended June 30, 2019.

Thirty-four Native American tribes, governed within the state's borders, collect cigarette taxes on behalf of the state through compact agreements. Only a portion of the taxes are remitted to the state, with the tribe retaining the remainder as defined by the compact agreement. During the fiscal year ending June 30, 2019, the amount of tax retained by tribes ranged from 50-75% and resulted in $60,801,000 of tax abatements.

Information relevant to disclosure of those programs for the fiscal year ended June 30, 2019 is:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Historic Rehabilitation Tax Credits Used	$ 5,736
Quality Jobs Programs	69,629
Oklahoma Film Enhancement Rebate	5,315
Quality Events Program	448
Cigarette Tax Tribal Compacts	60,801

Note 20. Subsequent Events

Oklahoma Capital Improvement Authority authorized tax-backed bonds totaling $189,450,000 for outstanding tax-exempt issues. Oklahoma Capital Improvement Authority issued $59,895,000 from this authorization after June 30, 2019.

Component Unit

Oklahoma State University has authorized but unissued tax-backed bonds totaling $35,000,000 for the construction of facilities to expand telemedicine to rural areas in Oklahoma.

Oklahoma Development Finance Authority issued three series of tax-backed bonds since June 30, 2019, for a total of $14,380,000.

Oklahoma Housing Finance Authority (OHFA) issued two series of single-family revenue bonds since its fiscal year end of September 30, 2018, in the amount of $111,065,000. These bonds are obligations of OHFA.

OHFA also issued four series of multi-family revenue bonds which are considered nonrecourse (conduit) debt in the amount of $63,500,000. These bonds are not financial obligations of OHFA or the state.

Oklahoma Municipal Power Authority issued revenue bonds for $59,105,000 since June 30, 2019.

During fiscal year 2019, the Oklahoma Educational Television Authority (OETA), a non-major component unit of the state, severed ties with the OETA Foundation (Foundation), a component unit of the entity. Friends of OETA was created to replace the functions previously provided by the Foundation. Due to complications from the change in structure, OETA was unable to complete financial reporting by the state's statutory deadline. As a result, the information reported in the Component Unit financial statements for OETA is measured as of June 30, 2018.

On December 6, 2019, Grand River Dam Authority and a coal provider reached a legal settlement for disputed liquidated damages, as well as terminating existing contracts, in the amount of $24,000,000. Of this amount, $4,351,000 was accrued and included in the year-end financial statements dated December 31, 2018.

Proprietary

Oklahoma Water Resources Board has authorization to issue general obligation bonds up to $300,000,000 for the state loan program.

Oklahoma Water Resources Board issued revenue bonds in the amount of $25,635,000 subsequent to the fiscal year end of June 30, 2019.

Cattle stream through the exit after an auction at the Oklahoma National Stockyards.

Buyers and sellers keep tabs on the auction action from the seats in the auction arena.

Budgetary Comparison Schedule
Budget to Actual (Non-GAAP Budgetary Basis)
General Fund

For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

		GENERAL FUND				
		BUDGET				
		ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
EDUCATION						
State Arts Council						
01	Duties	$ 2,799	$ -	$ 2,799	$ 1,435	$ 1,364
	Agency Total	$ 2,799	$ -	$ 2,799	$ 1,435	$ 1,364
Department Of Education						
01	Financial support of Public Schools	$ 1,373,201	$ -	$ 1,373,201	$ 1,372,472	$ 729
01	Financial support of Public Schools (Min Lea)	2,850	-	2,850	2,850	-
02	Financial support of Public Schools (Min Lea)	211	-	211	211	-
03	Financial support of Public Schools (Min Lea)	910	-	910	910	-
02	Public School Activities	91,319	-	91,319	74,193	17,126
03	Textbooks	33,000	-	33,000	33,000	-
04	Certified Employee Health Benefit Allowance	315,478		315,478	315,478	-
05	Support Personnel Health Benefit Allowance	171,905	-	171,905	171,905	-
06	Administrative and Support Functions	15,980	-	15,980	10,262	5,718
01	Ad Valorem Reimbursement Fund	-	99,600	99,600	99,600	-
	Agency Total	$ 2,004,854	$ 99,600	$ 2,104,454	$ 2,080,881	$ 23,573
Office of Educational Quality and Accountability						
01	Duties	$ 500	$ -	$ 500	$ 498	$ 2
01	Duties	1,125	-	1,125	511	614
	Agency Total	$ 1,625	$ -	$ 1,625	$ 1,009	$ 616
Commission of the Land Office						
01	Duties	$ 8,654	$ -	$ 8,654	$ 7,368	$ 1,286
11	FY18 Carryover	-	350	350	177	173
	Agency Total	$ 8,654	$ 350	$ 9,004	$ 7,545	$ 1,459
Department of Libraries						
01	Duties	$ 4,483	$ -	$ 4,483	$ 4,190	$ 293
11	FY18 Carryover	-	36	36	36	-
	Agency Total	$ 4,483	$ 36	$ 4,519	$ 4,226	$ 293
Physician Manpower Training Commission						
01	Duties	$ 2,901	$ -	$ 2,901	$ 2,278	$ 623
01	Duties	400	-	400	317	83
	Agency Total	$ 3,301	$ -	$ 3,301	$ 2,595	$ 706

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
Center for Advancement of Science and Technology					
01 Duties	$ 13,357	$ -	$ 13,357	$ 12,369	$ 988
Agency Total	$ 13,357	$ -	$ 13,357	$ 12,369	$ 988
Oklahoma School of Science and Math					
01 Duties	$ 6,205	$ -	$ 6,205	$ 5,235	$ 970
11 FY18 Carryover	-	744	744	739	5
Agency Total	$ 6,205	$ 744	$ 6,949	$ 5,974	$ 975
Department of Career and Technology Education					
01 Duties	$ 120,388	$ -	$ 120,388	$ 110,906	$ 9,482
18 FY18 Carryover	-	7,303	7,303	7,303	-
Agency Total	$ 120,388	$ 7,303	$ 127,691	$ 118,209	$ 9,482
Education Total	$ 2,165,666	$ 108,033	$ 2,273,699	$ 2,234,243	$ 39,456
GENERAL GOVERNMENT					
Office of Management and Enterprise Services					
01 Duties	$ 31,710	$ -	$ 31,710	$ 27,187	$ 4,523
01 For transfer to Bldg & Fac Revolv (Fund 245)	2,902	-	2,902	2,902	-
02 For transfer to Bldg & Fac Revolv (Fund 245)	1,476	-	1,476	1,476	-
02 Duties-NACEA	5,962	-	5,962	5,962	-
11 FY18 Carryover	-	249	249	237	12
Agency Total	$ 42,050	$ 249	$ 42,299	$ 37,764	$ 4,535
Department of Commerce					
01 Duties	$ 15,392	$ -	$ 15,392	$ 12,296	$ 3,096
02 Duties - NACEA	-	5,000	5,000	-	5,000
11 FY18 Carryover	-	89	89	60	29
21 FY17 Carryover	-	722	722	722	-
Agency Total	$ 15,392	$ 5,811	$ 21,203	$ 13,078	$ 8,125
State Election Board					
01 Duties	$ 5,347	$ -	$ 5,347	$ 4,267	$ 1,080
01 Duties	2,500	-	2,500	1,366	1,134
11 FY18 Carryover	-	906	906	906	-
14 FY18 Carryover	-	1,259	1,259	1,259	-
Agency Total	$ 7,847	$ 2,165	$ 10,012	$ 7,798	$ 2,214
Ethics Commission					
01 Duties	$ 710	$ -	$ 710	$ 708	$ 2
Agency Total	$ 710	$ -	$ 710	$ 708	$ 2
Merit Protection Commission					
01 Duties	$ 361	$ -	$ 361	$ 242	$ 119
Agency Total	$ 361	$ -	$ 361	$ 242	$ 119
State Auditor and Inspector					
01 Duties	$ 3,426	$ -	$ 3,426	$ 3,402	$ 24
02 County Govt Personnel Educ & Trng	223	-	223	205	18
11 FY18 Carryover	-	9	9	9	-
Agency Total	$ 3,649	$ 9	$ 3,658	$ 3,616	$ 42
Governor					
01 Duties	$ 1,676	$ -	$ 1,676	$ 1,543	$ 133
Agency Total	$ 1,676	$ -	$ 1,676	$ 1,543	$ 133

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
Lieutenant Governor					
01 Duties	$ 379	$ -	$ 379	$ 359	$ 20
11 FY18 Carryover	-	107	107	66	41
21 FY17 Carryover	-	2	2	2	-
Agency Total	$ 379	$ 109	$ 488	$ 427	$ 61
Tax Commission					
01 Duties	$ 45,525	$ -	$ 45,525	$ 40,598	$ 4,927
Agency Total	$ 45,525	$ -	$ 45,525	$ 40,598	$ 4,927
Treasurer					
01 Duties	$ 2,684	$ -	$ 2,684	$ 1,067	$ 1,617
01 State Land Reimbursements	95	-	95	95	-
11 FY18 Carryover	-	1,239	1,239	1,072	167
21 FY17 Carryover	-	269	269	269	-
Agency Total	$ 2,779	$ 1,508	$ 4,287	$ 2,503	$ 1,784
General Government Total	$ 120,368	$ 9,851	$ 130,219	$ 108,277	$ 21,942
HEALTH SERVICES					
Department of Health					
01 Duties	$ 54,875	$ -	$ 54,875	$ 38,308	$ 16,567
Agency Total	$ 54,875	$ -	$ 54,875	$ 38,308	$ 16,567
Mental Health and Substance Abuse					
01 Duties	$ 337,108	$ -	$ 337,108	$ 286,155	$ 50,953
Agency Total	$ 337,108	$ -	$ 337,108	$ 286,155	$ 50,953
Health Care Authority					
01 Duties (to Disbursing Funds 200 and 340)	$ 973,842	$ -	$ 973,842	$ 973,842	$ -
02 OSU and OU for GME	-	110,044	110,044	110,044	-
05 Duties (to Disbursing Funds 200 and 340)	30,000	-	30,000	30,000	-
Agency Total	$ 1,003,842	$ 110,044	$ 1,113,886	$ 1,113,886	$ -
Health Services Total	$ 1,395,825	$ 110,044	$ 1,505,869	$ 1,438,349	$ 67,520
LEGAL AND JUDICIARY					
Indigent Defense System					
01 Duties	$ 17,129	$ -	$ 17,129	$ 14,100	$ 3,029
Agency Total	$ 17,129	$ -	$ 17,129	$ 14,100	$ 3,029
Attorney General					
01 Duties	$ 9,362	$ -	$ 9,362	$ 8,866	$ 496
02 For transfer to the Legal Services Rev Fund	899	-	899	899	-
14 FY18 Carryover	-	343	343	-	343
Agency Total	$ 10,261	$ 343	$ 10,604	$ 9,765	$ 839
Court of Criminal Appeals					
01 Duties	$ 3,952	$ -	$ 3,952	$ 3,666	$ 286
Agency Total	$ 3,952	$ -	$ 3,952	$ 3,666	$ 286
District Courts					
01 Duties - District Courts	$ 14,423	$ -	$ 14,423	$ 14,423	$ -
02 Duties - District Courts	-	2,500	2,500	2,500	-
Agency Total	$ 14,423	$ 2,500	$ 16,923	$ 16,923	$ -

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
Supreme Court					
01 Duties	$ 8,198	$ -	$ 8,198	$ 7,535	$ 663
11 FY18 Carryover	-	1,414	1,414	1,414	-
Agency Total	$ 8,198	$ 1,414	$ 9,612	$ 8,949	$ 663
Legal and Judiciary Total	$ 53,963	$ 4,257	$ 58,220	$ 53,403	$ 4,817
MUSEUMS					
J.M. Davis Arms and Historical Museum					
01 Duties	$ 243	$ -	$ 243	$ 242	$ 1
Agency Total	$ 243	$ -	$ 243	$ 242	$ 1
Historical Society					
01 Duties	$ 11,407	$ -	$ 11,407	$ 11,078	$ 329
Agency Total	$ 11,407	$ -	$ 11,407	$ 11,078	$ 329
Museums Total	$ 11,650	$ -	$ 11,650	$ 11,320	$ 330
NATURAL RESOURCES					
Department of Agriculture					
01 Duties	$ 22,734	$ -	$ 22,734	$ 21,098	$ 1,636
01 Duties	2,093	-	2,093	2,093	-
Agency Total	$ 24,827	$ -	$ 24,827	$ 23,191	$ 1,636
Department of Environmental Quality					
01 Duties	$ 6,494	$ -	$ 6,494	$ 6,248	$ 246
Agency Total	$ 6,494	$ -	$ 6,494	$ 6,248	$ 246
Department of Tourism and Recreation					
01 Duties	$ 18,096	$ -	$ 18,096	$ 15,692	$ 2,404
Agency Total	$ 18,096	$ -	$ 18,096	$ 15,692	$ 2,404
Conservation Commission					
01 Duties	$ 9,726	$ -	$ 9,726	$ 8,113	$ 1,613
11 FY18 Carryover	-	915	915	-	915
Agency Total	$ 9,726	$ 915	$ 10,641	$ 8,113	$ 2,528
Water Resources Board					
01 Duties	$ 5,343	$ -	$ 5,343	$ 5,068	$ 275
11 FY18 Carryover	-	151	151	151	-
Agency Total	$ 5,343	$ 151	$ 5,494	$ 5,219	$ 275
Natural Resources Total	$ 64,486	$ 1,066	$ 65,552	$ 58,463	$ 7,089
PUBLIC SAFETY AND DEFENSE					
Oklahoma Military Department					
01 Duties	$ 10,195	$ -	$ 10,195	$ 9,012	$ 1,183
Agency Total	$ 10,195	$ -	$ 10,195	$ 9,012	$ 1,183
Alcohol Beverage Laws Enforcement					
01 Duties	$ 2,490	$ -	$ 2,490	$ 2,467	$ 23
01 Duties	500	-	500	498	2
Agency Total	$ 2,990	$ -	$ 2,990	$ 2,965	$ 25
Department of Corrections					
01 Duties	$ 512,876	$ -	$ 512,876	$ 481,780	$ 31,096
02 Duties	4,380	-	4,380	4,380	-
31 FY18 Carryover	-	295	295	295	-
Agency Total	$ 517,256	$ 295	$ 517,551	$ 486,455	$ 31,096

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
District Attorney's Council					
01 Duties (w / allowance to transfer $491,014 to 22500)	$ 36,073	$ -	$ 36,073	$ 35,909	$ 164
Agency Total	$ 36,073	$ -	$ 36,073	$ 35,909	$ 164
Pardon and Parole Board					
01 Duties	$ 2,333	$ -	$ 2,333	$ 1,192	$ 1,141
Agency Total	$ 2,333	$ -	$ 2,333	$ 1,192	$ 1,141
State Bureau of Investigation					
01 Duties	$ 12,364	$ -	$ 12,364	$ 12,364	$ -
Agency Total	$ 12,364	$ -	$ 12,364	$ 12,364	$ -
Department of Emergency Management					
01 Duties	$ 496	$ -	$ 496	$ 415	$ 81
Agency Total	$ 496	$ -	$ 496	$ 415	$ 81
Board of Medicolegal Investigations					
01 Duties	$ 11,131	$ -	$ 11,131	$ 9,644	$ 1,487
Agency Total	$ 11,131	$ -	$ 11,131	$ 9,644	$ 1,487
Council on Law Enforcement, Education, and Training					
01 Duties	$ 2,765	$ -	$ 2,765	$ 2,587	$ 178
02 Duties	83	-	83	-	83
Agency Total	$ 2,848	$ -	$ 2,848	$ 2,587	$ 261
Bureau of Narcotics and Dangerous Drugs					
01 Duties	$ 3,142	$ -	$ 3,142	$ 3,142	$ -
Agency Total	$ 3,142	$ -	$ 3,142	$ 3,142	$ -
Department of Public Safety					
01 Duties	$ 74,962	$ -	$ 74,962	$ 60,829	$ 14,133
01 Duties (from HB 3208 St Public Safety fund)	21,744	-	21,744	21,475	269
01 Duties (From CLEET Fund)	494	-	494	475	19
02 Duties (from HB 3208 St Public Safety fund)	411	-	411	411	-
Agency Total	$ 97,611	$ -	$ 97,611	$ 83,190	$ 14,421
Public Safety and Defense Total	$ 696,439	$ 295	$ 696,734	$ 646,875	$ 49,859
REGULATORY SERVICES					
Department of Mines					
01 Duties	$ 776	$ -	$ 776	$ 720	$ 56
21 FY17 Carryover	-	34	34	34	-
Agency Total	$ 776	$ 34	$ 810	$ 754	$ 56
Corporation Commission					
01 Duties	$ 10,628	$ -	$ 10,628	$ 10,026	$ 602
Agency Total	$ 10,628	$ -	$ 10,628	$ 10,026	$ 602
Department of Labor					
01 Duties	$ 2,306	$ -	$ 2,306	$ 1,782	$ 524
01 Duties (Special OSHA Fund)	1,330	-	1,330	840	490
14 FY18 Carryover	-	341	341	150	191
Agency Total	$ 3,636	$ 341	$ 3,977	$ 2,772	$ 1,205
Regulatory Services Total	$ 15,040	$ 375	$ 15,415	$ 13,552	$ 1,863

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
SOCIAL SERVICES					
Commission on Children and Youth					
10 Duties	$ 1,678	$ -	$ 1,678	$ 1,176	$ 502
11 FY18 Carryover	-	209	209	209	-
Agency Total	$ 1,678	$ 209	$ 1,887	$ 1,385	$ 502
Office of Disability Concerns					
01 Duties	$ 241	$ -	$ 241	$ 195	$ 46
Agency Total	$ 241	$ -	$ 241	$ 195	$ 46
Office of Juvenile Affairs					
01 Duties	$ 92,784	$ -	$ 92,784	$ 77,538	$ 15,246
Agency Total	$ 92,784	$ -	$ 92,784	$ 77,538	$ 15,246
Department of Veterans Affairs					
01 Duties	$ 30,357	$ -	$ 30,357	$ 26,909	$ 3,448
Agency Total	$ 30,357	$ -	$ 30,357	$ 26,909	$ 3,448
J.D. McCarty Center					
01 Duties	$ 4,507	$ -	$ 4,507	$ 4,089	$ 418
Agency Total	$ 4,507	$ -	$ 4,507	$ 4,089	$ 418
Department of Rehabilitation Services					
01 Duties (to disbursing funds)	$ 32,027	$ -	$ 32,027	$ 32,027	$ -
Agency Total	$ 32,027	$ -	$ 32,027	$ 32,027	$ -
University Hospitals Authority					
01 Duties	$ 37,419	$ -	$ 37,419	$ 33,607	$ 3,812
Agency Total	$ 37,419	$ -	$ 37,419	$ 33,607	$ 3,812
Department of Human Services					
01 Duties (to Disbursing Funds)	$ 722,809	$ -	$ 722,809	$ 722,809	$ -
06 Duties (to Disbursing Funds)	6,623	-	6,623	6,623	-
Agency Total	$ 729,432	$ -	$ 729,432	$ 729,432	$ -
Social Services Total	$ 928,445	$ 209	$ 928,654	$ 905,182	$ 23,472
TRANSPORTATION					
Department of Transportation					
01 CIRB	$ -	$ 30,000	$ 30,000	$ -	$ 30,000
Agency Total	$ -	$ 30,000	$ 30,000	$ -	$ 30,000
Oklahoma Space Industry Development Auth.					
01 Duties to Space Industries Dev.	$ 301	$ -	$ 301	$ 301	$ -
Agency Total	$ 301	$ -	$ 301	$ 301	$ -
Transportation Total	$ 301	$ 30,000	$ 30,301	$ 301	$ 30,000
General Fund Total	$ 5,452,183	$ 264,130	$ 5,716,313	$ 5,469,965	$ 246,348

	GENERAL FUND				
	BUDGET				
	ORIGINAL	*Amendments*	FINAL	ACTUAL	VARIANCE
SUMMARY OF REVENUE BY FUNCTION OF GOVERNMENT					
Education Revenue Total	$ 86,802	$ -	$ 86,802	$ 89,140	$ (2,338)
General Government Revenue Total	$ 6,684,636	$ -	$ 6,684,636	$ 7,041,374	$ (356,738)
Public Safety and Defense Total	$ 26,319	$ -	$ 26,319	$ 33,966	$ (7,647)
Regulatory Services Total	$ 1,400	$ -	$ 1,400	$ 1,325	$ 75
Revenue Total	$ 6,799,157	$ -	$ 6,799,157	$ 7,165,805	$ (366,648)

Notes to Required Supplementary Information - Budgetary Reporting

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The *Budgetary Comparison Schedule - Budget to Actual (Non-GAAP Budgetary Basis)* presents comparisons of the original and final legally adopted budget with actual data on a budgetary basis. The schedule represents budgetary comparisons at the legal level of budgetary control (i.e. line item level). The schedule is prepared on a cash basis plus encumbrances where the expenditures are expected to be presented by November 15th in the following fiscal year. Certain appropriations are transferred to continuing funds for expenditure. Unexpended amounts may then be budgeted again in subsequent fiscal years. These transfers are not included in the total expenditures on the *Budgetary Comparison Schedule - Budget to Actual (Non-GAAP Budgetary Basis).*

Reconciliation of Budgetary Fund Balance to GAAP Fund Balance

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, 2019, is presented below (expressed in thousands) for the general fund:

Budgetary Basis Fund Balance, June 30, 2018	$ 2,192,499
Total revenues	7,165,805
Total expenditures	(5,469,965)
Net transfers in (out) of funds	(61,081)
Budgetary Basis Fund Balance, June 30, 2019	$ 3,827,258
Entity and Perspective Differences:	
Non-budgeted Funds and Capital Funds	1,636,320
Encumbrances	145,648
Basis Differences:	
Add: Net accrued revenues, related receivables, and deferred revenues	1,355,443
Less: Net accrued expenditures and related liabilities	(1,589,218)
GAAP Basis Fund Balance, June 30, 2019	$ 5,375,451

Pension Schedules
Required by GASB Statement number 68

For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

The following information presented for pension plans that are reported as fiduciary component units of the State of Oklahoma are required by the Governmental Accounting Standards Board, Statement 68. For more complete information, including the annual money-weighted rate of return, and schedule of funding progress, audited annual statements can be acquired by contacting the pension plan:

Firefighters Pension and Retirement
6601 Broadway Extension, Suite 100
Oklahoma City, OK 73116
http://www.ok.gov/fprs/

Law Enforcement Retirement
421 N.W. 13th Street, Suite 100
Oklahoma City, OK 73103-3701
http://www.olers.state.ok.us/

Police Pension and Retirement
1001 N.W. 63rd Street, Suite 305
Oklahoma City, OK 73116-7335
http://www.ok.gov/OPPRS/

Public Employees Retirement
P.O. Box 53007
Oklahoma City, OK 73152-3007
http://www.opers.ok.gov/

Uniform Retirement System for Justices and Judges
P.O. Box 53007
Oklahoma City, OK 73152-3007
http://www.opers.ok.gov/

Teachers' Retirement System
2500 N. Lincoln Boulevard, 5th Floor
Oklahoma City, OK 73105-4209
http://www.ok.gov/TRS/

Department of Wildlife Conservation
P.O. Box 53465
Oklahoma City, OK 73152
http://www.wildlifedepartment.com

Schedules of Contributions and Related Ratios

Single Employer Plans

General Fund

Schedule of Contributions
Wildlife Commission Retirement Plan
Last Ten Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 2,308	$ 2,494	$ 2,988	$ 3,197	$ 3,691	$ 4,307	$ 4,267	$ 3,802	$ 3,180	$ 4,414
Contributions in relation to the actuarially determined contribution	2,500	3,100	4,780	3,700	4,307	4,300	4,100	4,100	3,180	4,414
Contribution deficiency (excess)	$ (192)	$ (606)	$ (1,792)	$ (503)	$ (616)	$ 7	$ 167	$ (298)	$ -	$ -
Covered payroll	$ 12,082	$ 12,208	$ 12,806	$ 13,388	$ 13,667	$ 13,599	$ 14,300	$ 14,662	$ 14,633	$ 14,839
Contributions as percentage of covered payroll	20.69%	25.39%	37.33%	27.64%	31.51%	31.62%	28.67%	27.96%	21.73%	29.74%

Schedule of Net Pension Liability
Wildlife Commission Retirement Plan
Last Six Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014	2013
Total Pension Liability						
Service cost	$ 1,550	$ 1,627	$ 1,848	$ 1,840	$ 1,930	$ 1,988
Interest	8,364	8,203	7,832	7,586	7,296	7,057
Differences between expected and actual experience	688	(883)	456	(357)	293	(844)
Changes in benefit terms	-	-	1,156	-	-	-
Changes of assumptions	-	-	195	-	-	-
Benefit payments	(6,843)	(6,315)	(5,594)	(5,540)	(5,032)	(4,445)
Net Change in Total Pension Liability	$ 3,759	$ 2,632	$ 5,893	$ 3,529	$ 4,487	$ 3,756
Total Pension Liability - Beginning	121,351	118,719	112,826	109,297	104,810	101,054
Total Pension Liability - Ending	$ 125,110	$ 121,351	$ 118,719	$ 112,826	$ 109,297	$ 104,810
Plan Fiduciary Net Position						
Contributions - employer	$ 3,100	$ 4,780	$ 3,700	$ 4,307	$ 4,300	$ 4,100
Contributions - member	610	633	663	655	681	698
Net investment income	8,500	10,797	492	4,097	12,370	7,483
Benefit payments	(6,843)	(6,315)	(5,593)	(5,540)	(5,032)	(4,445)
Administrative expense	(58)	(52)	(55)	(49)	(38)	(38)
Net change in plan fiduciary net position	$ 5,309	$ 9,843	$ (793)	$ 3,470	$ 12,281	$ 7,798
Plan fiduciary net position - beginning	108,981	99,138	99,931	96,461	84,180	76,382
Plan fiduciary net position - ending	$ 114,290	$ 108,981	$ 99,138	$ 99,931	$ 96,461	$ 84,180
Net pension liability	$ 10,820	$ 12,370	$ 19,581	$ 12,895	$ 12,836	$ 20,630
Total pension liability	$ 125,110	$ 121,352	$ 118,720	$ 112,826	$ 109,297	$ 104,810
Plan fiduciary net position	114,290	108,981	99,138	99,931	96,461	84,180
Net pension liability (asset)	$ 10,820	$ 12,371	$ 19,582	$ 12,895	$ 12,836	$ 20,630
Ratio of plan fiduciary net position to total pension liability	91.35%	89.81%	83.51%	88.57%	88.26%	80.32%
Covered payroll	$ 12,208	$ 12,806	$ 13,388	$ 13,667	$ 13,599	$ 14,300
Net pension liability as a percentage of covered payroll	88.63%	96.60%	146.26%	94.35%	94.39%	144.27%

Notes to Schedules:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Actuarially Determined Contributions:

The annual required contribution for fiscal year 2019 was determined as part of the July 1, 2019, actuarial valuation using the entry age normal method. The actuarial assumptions included a) a 7.0% investment rate of return (net of administrative expense) and b) projected salary increases of 3.0%-8.0%. The assumptions did not include cost-of-living allowances for active, disabled, or retired members.

Benefit Changes: Information to present a 10-year history is not readily available

Changes in Actuarial Assumptions: Information to present a 10-year history is not readily available

Component Units

Schedule of Contributions
Oklahoma Law Enforcement Retirement System
Last Ten Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 31,265	$ 32,467	$ 33,110	$ 33,291	$ 31,838	$ 43,775	$ 44,734	$ 48,634	$ 50,094	$ 48,103
Contributions in relation to the actuarially determined contribution	$ 8,922	$ 9,083	$ 9,262	$ 10,219	$ 9,438	$ 8,566	$ 8,296	$ 7,414	$ 7,694	$ 7,779
Contributions--State of Oklahoma insurance premium tax	24,040	23,673	21,843	22,981	22,861	21,165	19,807	18,836	16,965	15,456
Total Contribution	$ 32,962	$ 32,756	$ 31,105	$ 33,200	$ 32,299	$ 29,731	$ 28,103	$ 26,250	$ 24,659	$ 23,235
Contribution deficiency (excess)	$ (1,697)	$ (289)	$ 2,005	$ 91	$ (461)	$ 14,044	$ 16,631	$ 22,384	$ 25,435	$ 24,868
Covered payroll	$ 85,407	$ 86,121	$ 86,496	$ 88,683	$ 84,880	$ 76,838	$ 73,423	$ 71,598	$ 70,967	$ 73,400
Contributions as percentage of covered payroll	38.59%	38.03%	35.96%	37.44%	38.05%	38.69%	38.28%	36.66%	34.75%	31.66%

Schedule of Net Pension Liability
Oklahoma Law Enforcement Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 22,654	$ 23,670	$ 23,126	$ 22,087	$ 20,294
Interest	78,022	75,080	72,766	66,613	64,959
Changes in benefit terms	832	-	-	-	-
Differences between expected and actual experience	(5,997)	(2,307)	6,137	51,090	(9,771)
Changes in assumptions	-	1,107	-	-	-
Benefit payments	(59,048)	(57,612)	(58,348)	(57,187)	(49,777)
Net Change in Total Pension Liability	$ 36,463	$ 39,938	$ 43,681	$ 82,603	$ 25,705
Total Pension Liability - Beginning	1,069,287	1,029,349	998,863	916,260	890,555
Total Pension Liability - Ending	$ 1,105,750	$ 1,069,287	$ 1,042,544	$ 998,863	$ 916,260
Plan Fiduciary Net Position					
Contributions - employer	$ 9,083	$ 9,262	$ 10,219	$ 9,438	$ 8,566
Contributions - nonemployer	23,673	21,843	22,981	22,861	21,165
Contributions - member	6,667	6,832	6,866	6,390	5,787
Net investment income	80,005	106,519	(22,244)	34,802	121,403
Benefit payments	(59,048)	(57,612)	(58,348)	(57,187)	(49,777)
Administrative expense	(1,092)	(1,083)	(1,031)	(1,069)	(927)
Net change in plan fiduciary net position	$ 59,288	$ 85,761	$ (41,557)	$ 15,235	$ 106,217
Plan fiduciary net position - beginning	939,345	853,584	895,141	879,906	773,689
Plan fiduciary net position - ending	$ 998,633	$ 939,345	$ 853,584	$ 895,141	$ 879,906
Net pension liability	$ 107,117	$ 129,942	$ 188,960	$ 103,722	$ 36,354
Total pension liability	$ 1,105,750	$ 1,069,287	$ 1,042,544	$ 998,863	$ 916,260
Plan fiduciary net position	998,633	939,345	853,584	895,141	879,906
Net pension liability (asset)	$ 107,117	$ 129,942	$ 188,960	$ 103,722	$ 36,354
Ratio of plan fiduciary net position to total pension liability	90.31%	87.85%	81.88%	89.62%	96.03%
Covered payroll	$ 86,121	$ 86,496	$ 88,683	$ 84,880	$ 76,838
Net pension liability as a percentage of covered payroll	124.38%	150.23%	213.07%	122.20%	47.31%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Actuarially Determined Contributions:

The annual required contribution for fiscal year 2019 was determined as part of the July 1, 2019, actuarial valuation using the individual entry age normal method. The actuarial assumptions included: a) a 7.5% investment rate of return (net of administrative expense), b) projected salary increases of 3.50%-9.75%, c) a cost-of-living allowance of 3% for eligible participants, and d) an inflation rate of 2.75%.

Benefit Changes:

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

House Bill 2517 clarifies that all benefits payable from the plan, including payments from deferred option plans, shall be paid from general assets of the fund, effective April 12, 2018.

2014: House Bill 2622 reset the amortization period of the unfunded actuarial liability to 15 years effective July 1, 2014.

2012: Senate Bill 1001 was enacted, which increased the agency contribution to 11% of pay as of November 1, 2012. In addition, the bill eliminated the half-pay benefit for certain members hired on or after November 1, 2012.

2011: The Oklahoma Pension Legislation Actuarial Analysis Act was modified to change the definition of non-fiscal retirement bill and by removing a certain provision that allows a Cost-of-living adjustment to be considered non-fiscal, thereby requiring that cost-of-living adjustments be concurrently funded by the Legislature at the time they are enacted.

2010: Senate Bill 2130 eliminated the mandatory retirement age of 60 years for members.

2008: House Bill 3112 provides a 4% cost-of-living adjustments for retired members. Senate Bill 565 states that beginning July 1, 2010, the amount of insurance premium tax revenue apportioned to the system will be applied prior to calculation of the home office credit.

2007: Senate Bill 695 brings the system into compliance with Internal Revenue Service requirements as it relates to the direct payment of qualified health insurance premiums and the rollover of distributions of a non-spouse beneficiary. House Bill 2070 subjects the system to the Oklahoma Pension Legislation Actuarial Analysis Act.

Changes in Actuarial Assumptions:

July 1, 2017 Valuation:

- The cost of living assumption used was 3% for eligible participants. The inflation assumption was 3%.
- Beginning with the July 1, 2017, valuation, there will be a salary experience reserve. When base pay raises are small or non-existent, the reserve will be credited with the liability gain resulting from this experience. When pay raises are granted, the reserve will be released to offset any loss (or completely released, if less than the loss).

July 1, 2012 Valuation:

- Healthy mortality was changed from the RP-2000 Table with Blue Collar adjustment (Active rates before age 50, Annuitant rates after age 49) with generational mortality improvement to the RP-2000 Combined Table with Blue Collar adjustment with generational mortality improvement.

- The mortality table used for disabled pensioners was changed from RP-2000 Table with Blue Collar Adjustment set forward seven years to RP-2000 Combined Table with Blue Collar adjustment.
- The retirement, disability, and withdrawal rates were changed. The inflation assumption was changed from 3.25% to 3.00%. The salary increase assumption was changed.

July 1, 2007 Valuation:

- The retirement, disability, and withdrawal rates were changed. The salary increase assumption was changed. The rate of inflation assumption was increased to 3.25% per year.
- A cost-of-living adjustments assumption of 4% every other year was added.

Uniform Retirement System for Justices and Judges
Schedule of Contributions
Last Six Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 352	$ 1,638	$ 3,626	$ 3,454	$ 4,897	$ 7,215
Actual Employer Contributions	7,146	6,504	6,013	5,832	5,295	4,611
Contribution deficiency (excess)	$ (6,794)	$ (4,866)	$ (2,387)	$ (2,378)	$ (398)	$ 2,604
Covered payroll	$ 33,839	$ 33,359	$ 34,811	$ 34,537	$ 34,282	$ 34,325
Contributions as percentage of employee payroll	21.12%	19.50%	17.27%	16.89%	15.45%	13.43%

Schedule of Net Pension Liability
Uniform Retirement System for Justices and Judges
Last Five Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	$ 8,897	$ 10,085	$ 9,689	$ 9,602	$ 9,489
Interest	19,162	19,229	19,341	18,812	18,529
Differences between expected and actual experience	(2,004)	(6,664)	(7,480)	(4,598)	(7,597)
Changes of assumptions	-	3,979	5,843	-	(1,046)
Benefit payments	(18,461)	(17,648)	(17,198)	(16,093)	(14,939)
Refunds of contributions	(52)	(89)	(161)	(111)	(57)
Net Change in Total Pension Liability	$ 7,542	$ 8,892	$ 10,034	$ 7,612	$ 4,379
Total Pension Liability - Beginning	282,838	276,434	266,400	258,788	254,409
Adoption of GASB 74	-	(2,488)	-	-	-
Total Pension Liability - Ending	$ 290,380	$ 282,838	$ 276,434	$ 266,400	$ 258,788
Plan Fiduciary Net Position					
Contributions - employer	$ 6,504	$ 6,013	$ 5,832	$ 5,295	$ 4,611
Contributions - member	2,608	2,664	2,666	2,706	2,544
Net investment income	26,189	36,312	1,441	8,174	46,211
Benefit payments	(18,461)	(17,648)	(17,198)	(16,093)	(14,939)
Administrative expense	(154)	(153)	(149)	(144)	(132)
Refunds of contributions	(52)	(89)	(161)	(111)	(57)
Net change in plan fiduciary net position	$ 16,634	$ 27,099	$ (7,569)	$ (173)	$ 38,238
Plan fiduciary net position - beginning	318,263	293,727	301,296	301,469	263,231
Adoption of GASB 74	-	(2,563)	-	-	-
Plan fiduciary net position - ending	$ 334,897	$ 318,263	$ 293,727	$ 301,296	$ 301,469
Net pension liability	$ (44,517)	$ (35,425)	$ (17,293)	$ (34,896)	$ (42,681)
Total pension liability	$ 290,380	$ 282,838	$ 276,434	$ 266,400	$ 258,788
Plan fiduciary net position	334,897	318,263	293,727	301,296	301,469
Net pension liability (asset)	$ (44,517)	$ (35,425)	$ (17,293)	$ (34,896)	$ (42,681)
Ratio of plan fiduciary net position to total pension liability	115.33%	112.52%	106.26%	113.10%	116.49%
Covered payroll	$ 33,359	$ 34,811	$ 34,537	$ 34,282	$ 34,325
Net pension asset as a percentage of covered payroll	133.45%	101.76%	50.07%	101.79%	124.34%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Actuarially Determined Contributions:

The annual required contribution for fiscal year 2019 was determined as part of the July 1, 2018, actuarial valuation using the entry age normal method. The actuarial assumptions included a) a 7.00% investment rate of return (net of administrative expense) b) projected salary increases of 3.75%. The assumptions did not include a cost-of-living allowance for active, disabled, or retired members, and c) an inflation rate of 2.75%.

Benefit Changes:

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

2011: With the passage of House Bill 2132, benefits are not assumed to increase due to future ad hoc cost-of-living increases.

Under House Bill 1010, the retirement age for judges taking office on or after January 1, 2012, increases from the current age 65 to age 67 with eight years of service. In addition, the current Rule of 80 or age 60 changes to age 62 with 10 or more years of service.

Senate Bill 782 amends 62 O.S § 3109 to move the deadline for completion of an actuarial investigation from November 1 to December 1. The final bill deletes the requirement that the state pension systems submit reports annually to the Pension Commission using standard actuarial assumptions.

2009: Effective July 1, 2009, Senate Bill 212 provides the funded ratio of the URSJJ should be at or near 90%. The bill also authorizes the board of trustees of the Oklahoma Public Employees Retirement System to establish and adjust the employer contribution rate annually up to the actuarially required contribution rate. If the increase to the full actuarially required contribution rate is in excess of 3%, the board may adopt a plan to raise the rate to the actuarially required contribution rate over a period of up to five years. The Board may consider the availability of funds to the Administrative Director of the Courts, the Court of Civil Appeals, the Court of Criminal Appeals, and the Workers' Compensation Court of Existing Claims in establishing the annual contribution rate.

House Bill 1254 provides for a payment of $6 million, in addition to the regular employer contributions, to be paid into the URSJJ for the fiscal year ending June 30, 2010.

2008: House Bill 3112 was passed by the 2008 Oklahoma Legislature and included a 4% cost-of-living adjustments for members who are retired as of June 30, 2007, and still receiving a benefit as of July 1, 2008.

Changes in Actuarial Assumptions:

- July 1, 2017 Valuation: Decreased the investment return from 7.25% to 7.00%. Projected salary increases decreased from 5.00% to 3.75%. Inflation rate decreased from 3.00% to 2.75%.

- July 1, 2016 Valuation: Decreased the investment return from 7.5% to 7.25%

- July 1, 2014 Valuation: Salary scale assumption was decreased. Retirement rates were adjusted.

- July 1, 2011 Valuation: Salary increase assumption was revised. Payroll increase assumption was revised.

- July 1, 2008 Valuation: Inflation assumption was increased from 2.5% to 3.0%. Investment return was increased from 7.25% to 7.5%. General wage growth assumption was set at 4.25%. Retirement rates were increased for ages before 65 and rates were lowered for ages above 67. Post-retirement mortality was changed to RP-2000 Combined Active/Retired Healthy Mortality Table projected to 2010, setback one year. Amortization methodology was changed for the unfunded actuarial accrued liability from level dollar to level percent of payroll. The Board reset the amortization period to 20 years from July 1, 2007. The previous amortization period was 40 years from July 1, 1987.

Cost Sharing Pension Plans

Component Units

Schedule of Related Ratios
Oklahoma Firefighters Pension and Retirement System
Last Ten Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Plan fiduciary position as a percentage of the total pension liability	70.73%	66.61%	64.87%	68.27%	68.12%	61.62%	59.22%	63.18%	46.99%	45.20%
Covered payroll	$ 303,091	$ 285,073	$ 273,621	$ 270,536	$ 271,572	$ 253,955	$ 256,250	$ 243,684	$ 248,520	$ 246,816
Net pension liability as a percentage of covered payroll	371.39%	441.19%	446.50%	392.34%	378.66%	465.75%	459.40%	417.04%	671.78%	682.74%
State portion of net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State employer portion of net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Schedule of Contributions
Oklahoma Firefighters Pension and Retirement System
Last Ten Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Contractually required employer contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Statutorily required employer contributions	101,700	100,333	88,134	92,330	91,236	79,545	76,311	68,246	59,876	54,159
Total required contributions	$ 101,700	$ 100,333	$ 88,134	$ 92,330	$ 91,236	$ 79,545	$ 76,311	$ 68,246	$ 59,876	$ 54,159
Actual employer contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Oklahoma, non employer contributions	101,700	100,333	88,134	92,330	91,236	79,545	76,311	68,246	59,876	54,159
Total Contributions	$ 101,700	$ 100,333	$ 88,134	$ 92,330	$ 91,236	$ 79,545	$ 76,311	$ 68,246	$ 59,876	$ 54,159
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer portion of net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Actual contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Benefit Changes:

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

2017: House Bill 1705 modified certain provisions of eligible rollover distributions, provided treatment of certain mandatory distributions occurring on or after a certain date.

2016: Senate Bill 1021 modified the termination date of local boards. The termination date was extended from December 31, 2000, to December 31, 2016.

Senate Bill 1022 clarified certain forms of payments made to members of the Oklahoma Firefighters Pension and Retirement System.

2015: House Bill 2005 prevents any volunteer firefighter who begins service on or after age 45 from becoming a participant in the Oklahoma Firefighters Pension and Retirement System.

House Bill 1002 directs the Oklahoma Firefighters Pension and Retirement System Board of Trustees to use Internal Revenue Service guidelines to determine if a potential rollover from another system may be rolled into the Oklahoma Firefighters Pension and Retirement System. The Board is required to use Internal Revenue Service guidelines to determine the taxable portion of a distribution from the system.

2013: House Bill 2078 and SB 1101 made certain changes to the benefits of members hired on or after November 1, 2013, including the following:

- Increased the eligibility to retire to age 50 with 22 years of service.
- Increased the eligibility for a vested benefit to 11 years.
- Changed the interest earned to Deferred Retirement Option Plan accounts to be the rate earned by system assets, less one percentage point, once the member has left active the Deferred Retirement Option Plan.

Changes in Actuarial Assumptions:

July 1, 2013 Valuation:

- The retirement, disability, and withdrawal rates were changed.
- The salary increase assumption was changed.
- The mortality rates were changed.

July 1, 2011 Valuation:

- No assumption for future ad-hoc cost-of-living adjustments due to the adoption of the Oklahoma Pension Legislation Actuarial Analysis Act.

Changes in Actuarial Funding Methods:

2013: House Bill 2078 increased the amount of gross salary contributed by paid firefighters from 8% to 9%, effective November 1, 2013. In addition, the bill increased the amount of gross salary contributed by municipalities and fire districts from 13% to 14%, effective November 1, 2013. The bill also increased the portion of statewide insurance premium tax allocated to the system from 34% to 36%.

Schedule of Related Ratios
Oklahoma Public Employees Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	97.96%	94.28%	89.48%	96.00%	97.90%
Covered payroll	$ 1,318,207	$ 1,406,150	$ 1,443,199	$ 1,391,397	$ 1,359,348
Net pension liability as a percentage of covered payroll	11.55%	30.19%	54.85%	20.62%	10.83%
State portion of net pension liability	$ 152,266	$ 424,531	$ 793,756	$ 286,962	$ 147,158
State employer portion of net pension liability	78.07%	78.52%	79.99%	79.78%	80.17%

Schedule of Contributions
Oklahoma Public Employees Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 263,730	$ 258,907	$ 269,511	$ 296,249	$ 292,197
Actual employer contribution	263,730	258,907	269,511	296,249	292,197
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer portion of net pension liability	78.07%	78.52%	79.99%	79.78%	80.17%
Covered payroll	$ 1,249,922	$ 1,318,207	$ 1,406,150	$ 1,443,199	$ 1,391,397
Actual contributions as a percentage of covered payroll	21.10%	19.64%	19.17%	20.53%	21.00%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Covered payroll beginning in 2017 is for the defined benefit plan members only although employer contributions toward the net pension liability are being received on behalf of defined contribution plan members.

2017 was the first year to exclude health insurance subsidy.

Benefit Changes: Information to present a 10-year history is not readily available

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

House Bill 2516 clarifies certain system provisions related to billing employers for sick leave and early retirement for elected officials, effective April 12, 2018.

Senate Bill 527 states that a statewide elected official or legislator who is first elected or appointed on or after November 1, 2018, and who has participating service in the Oklahoma Public Employees Retirement System defined benefit plan prior to November 1, 2015, shall be a member of the defined benefit plan, effective April 17, 2018.

Changes in Actuarial Assumptions: Information to present a 10-year history is not readily available

Schedule of Related Ratios
Oklahoma Police Pension and Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	101.89%	99.68%	93.50%	99.82%	101.53%
Covered payroll	$ 826	$ 871	$ 862	$ 632	$ 608
Net pension liability as a percentage of covered payroll	(15.43%)	2.57%	51.67%	1.38%	(11.63%)
State portion of net pension liability	$ (127)	$ 22	$ 446	$ 12	$ (72)
State Employer portion of NPL	0.27%	0.29%	0.29%	0.29%	0.21%

Schedule of Contributions
Oklahoma Police Pension and Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015
Contractually required employer contributions	$ 113	$ 117	$ 113	$ 112	$ 173
Statutorily required employer contributions	39,559	39,028	34,283	35,915	35,490
Total required contributions	$ 39,672	$ 39,145	$ 34,396	$ 36,027	$ 35,663
Actual employer contribution	$ 113	$ 117	$ 113	$ 112	$ 173
State of Oklahoma, non employer contributions	39,559	39,028	34,283	35,915	35,490
Total contributions	$ 39,672	$ 39,145	$ 34,396	$ 36,027	$ 35,663
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer portion of net pension liability	0.27%	0.29%	0.29%	0.29%	0.21%
Covered payroll	$ 867	$ 826	$ 871	$ 862	$ 632
Actual contributions as a percentage of covered payroll	4575.78%	4739.10%	3947.35%	4179.47%	5642.88%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Benefit Changes: Information to present a 10-year history is not readily available

2019: House Bill 2269 provides that participants in the Deferred Option Plan can name a designated recipient; if there is no such designation, the surviving spouse (having been married to the participant for the 30 continuous months preceding death) will be the eligible recipient. The 30-month requirement does not apply in the event of a duty related death. If neither a named recipient nor a surviving spouse is an eligible recipient, payment will be made to the estate of the participant. House Bill 2269 further provides that the Council on Law Enforcement Education and Training will grant the board access to records regarding actively working police officers in participating agencies and municipalities. Lastly House Bill 2269 allows for the final benefit payment due a member in the month they are deceased to be paid to a successor-in-interest provided it is less than the limits set in Title 58 § 393 of the state statutes. This provision became effective May 13, 2019.

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

House Bill 2515 clarifies that all benefits payable from the plan, including payments from deferred option plans, shall be paid from general assets of the fund. House Bill 2515 further provides that a permanent and total impairment equates to 100% of the accrued retirement benefits, effective April 12, 2018.

2017: House Bill 1119 updates the rules for distributions to include rollover contributions for savings incentive match plan for employees individual retirement accounts that are structured and timed in accordance with the Internal Revenue Service savings incentive match plan for employees individual retirement accounts regulations.

2016: House Bill 2273 amends the computation of final average salary to be based specifically on paid base salary in which required contributions have been made. Amends and clarifies the definition of paid base salary, including its components and exclusions. Adds additional language regarding the purchase of transferred credited service to comply with Internal Revenue Service rules regarding the use of Roth and non-Roth type individual retirement accounts.

2015: Senate Bill 345 authorizes the Oklahoma Police Pension and Retirement System Board of Trustees to adopt rules for computation of the purchase price for transferred service credit and the purchase methods available, including time periods available to complete the purchase; additional required language regarding distributions necessary for the system to remain an Internal Revenue Service qualified plan.

Changes in Actuarial Assumptions: Information to present a 10-year history is not readily available

July 1, 2018 Valuation:

- The price inflation assumption was decreased from 3.00% to 2.75%.
- The interest credit on deferred option plan balances were increased from 7.75% to 11.00%.
- The real wage growth assumption was set at 0.75%
- The cost-of-living adjustment basis assumption was increased from 3.00% to 3.50%.
- The retirement and termination rates were adjusted to better reflect observed experience.
- The salary scale was adjusted to better reflect observed experience.
- The expected severity of disability was increased from 25%-49% to 50%-74%.
- Surplus unfunded actuarially accrued liability was amortized over an open 30-year period.

Schedule of Related Ratios
Teachers' Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	72.74%	69.32%	62.24%	70.31%	72.43%
Covered payroll	$ 1,098,170	$ 1,103,585	$ 1,111,204	$ 1,079,239	$ 1,070,909
Net pension liability as a percentage of covered payroll	145.82%	163.00%	199.19%	140.65%	125.85%
State portion of net pension liability	$ 1,601,483	$ 1,764,704	$ 2,248,905	$ 1,611,824	$ 1,347,638
State employer portion of net pension liability	26.46%	26.60%	26.84%	26.42%	24.88%

Schedule of Contributions
Teachers' Retirement System
Last Five Fiscal Years
(expressed in thousands)

	2019	2018	2017	2016	2015
Contractually required employer contributions	$ 118,076	$ 109,857	$ 106,483	$ 108,240	$ 184,726
Statutorily required employer contributions	371,671	344,610	301,952	315,672	336,391
Total required contributions	$ 489,747	$ 454,467	$ 408,435	$ 423,912	$ 521,117
Actual employer contribution	$ 118,076	$ 109,857	$ 106,483	$ 108,240	$ 184,726
State of Oklahoma, non employer contributions	371,671	344,610	301,952	315,672	336,391
Total Contributions	$ 489,747	$ 454,467	$ 408,435	$ 423,912	$ 521,117
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Employer portion of net pension liability	26.46%	26.60%	26.84%	26.42%	24.88%
Covered payroll	$ 1,183,904	$ 1,098,170	$ 1,103,585	$ 1,111,204	$ 1,079,239
Actual contributions as a percentage of covered payroll	41.37%	41.38%	37.01%	38.15%	48.29%

Notes to Schedule:

GASB Statement number 68 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 68 and is the latest available at the date of publication.

Benefit Changes:

2018: House Bill 1340 provides for a single, one-time, non-permanent increase in the payment of retirement benefits. A single payment of 2% of the gross annual retirement benefit will be paid to qualifying members, subject to a cap and floor on the payment, effective May 8, 2018.

2011: Senate Bill 377 changes the eligibility conditions for both normal and early retirement for members hired on or after November 1, 2011. Members will be eligible for normal retirement at the earlier of age 65 with five years of service or when their age plus service equals 90 with a minimum age of 60. Members will be eligible for early (reduced) retirement at age 60 with five years of service.

House Bill 2132 changes the definition of a nonfiscal retirement bill to exclude cost-of-living adjustments even if such cost-of-living adjustments are assumed in the annual actuarial valuation.

Senate Bill 782 eliminates the requirement that statewide retirement systems report a second set of actuarial valuation results to the Oklahoma State Pension Commission using specified actuarial assumptions.

2010: House Bill 1935 allows a retiree electing one of the optional benefit forms, i.e. not life only, to make a one-time irrevocable change in the benefit option within 60 days of retirement. The beneficiary may not be changed.

Senate Bill 859-allows a retiree who chose a life annuity at retirement to change retirement options to either 100% joint survivor annuity or 50% joint survivor annuity within a year of marriage.

2008: A 2% ad hoc cost-of-living adjustments was provided, effective July 1, 2008. All retirees who retired before July 1, 2007, were eligible, including disabled retirees, special retirees and beneficiaries receiving payments.

Changes in Actuarial Assumptions:

June 30, 2017 Valuation:

- Change in the election rate of the supplemental medical insurance benefit.

June 30, 2016 Valuation:

- Inflation rate was decreased from 3% to 2.5%
- Assumed investment return was decreased from 8% to 7.5%
- Wage inflation was decreased from 3.75% to 3.25%
- Payroll growth was decreased from 3.25% to 2.75%

Other Postemployment Benefits Schedules
Required by GASB Statement number 75

For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

The following information presented for other postemployment benefit plans that are reported as fiduciary component units of the State of Oklahoma are required by the Governmental Accounting Standards Board (GASB), Statement number 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*. For more complete information, including the annual money-weighted rate of return and schedule of funding progress, audited annual statements can be acquired by contacting the administering plans:

Law Enforcement Retirement 421 N.W. 13th Street, Suite 100 Oklahoma City, OK 73103-3701 http://www.olers.state.ok.us/	Public Employees Retirement P.O. Box 53007 Oklahoma City, OK 73152-3007 http://www.opers.ok.gov/	Office of Management and Enterprise Services 5005 N. Lincoln Blvd, Suite 100 Oklahoma City, OK 73105 http://omes.ok.gov
Department of Wildlife Conservation P.O. Box 53465 Oklahoma City, OK 73152 http://www.wildlifedepartment.com	Teachers' Retirement System 2500 N. Lincoln Boulevard, 5th Floor Oklahoma City, OK 73105-4209 http://www.ok.gov/TRS/	Uniform Retirement System for Justices and Judges P.O. Box 53007 Oklahoma City, OK 73152-3007 http://www.opers.ok.gov/

Schedules of Contributions and Related Ratios

General Fund

Schedule of Contributions
Employee Group Insurance Division – Implicit Rate Subsidy
Last Two Fiscal Years
(expressed in thousands)

	2019	2018
Actuarially required contributions	$ 11,008	$ 12,706
Contributions in relation to the Actuarially required contributions	$ 11,008	$ 12,706
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 1,537,569	$ 1,521,794
Contributions as a percentage of covered employee payroll	0.72%	0.83%

Schedule of Total Other Postemployment Benefit Liability
Employee Group Insurance Division – Implicit Rate Subsidy
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 5,190	$ 5,920
Interest	5,307	4,497
Difference between expected and actual experience	(1,242)	-
Changes of assumption or other inputs	(540)	(7,404)
Benefit payments	(11,009)	(12,706)
Net change in total OPEB liability	$ (2,294)	$ (9,693)
Total OPEB Liability-beginning	148,496	158,189
Total OPEB Liability-ending	$ 146,202	$ 148,496
Covered employee payroll	$ 1,537,569	$ 1,521,794
Total OPEB Liability as a percentage of covered employee payroll	9.51%	9.76%

Notes to Schedules:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

There are no assets in a trust compliant with GASB Statement number 75 from which to pay benefits.

Schedule of Contributions
Wildlife Commission Health Insurance Allowance
Last Two Fiscal Years
(expressed in thousands)

	2019	2018
Actuarially required contributions	$ 408	$ 236
Contributions in relation to the Actuarially required contributions	$ 408	$ 236
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	$ 12,082	$ 12,208
Contributions as a percentage of covered employee payroll	3.38%	1.93%

Schedule of Total Other Postemployment Benefit Liability
Wildlife Commission Retirement Plan
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 211	$ 121
Interest	273	177
Changes of benefit terms	-	2,992
Difference between expected and actual experience	(63)	(28)
Changes of assumption or other inputs	695	180
Benefit payments	(408)	(238)
Net change in total OPEB liability	$ 708	$ 3,204
Total OPEB Liability-beginning	7,736	4,532
Total OPEB Liability-ending	$ 8,444	$ 7,736
Covered employee payroll	$ 12,082	$ 12,208
Total OPEB Liability as a percentage of covered employee payroll	69.89%	63.37%

Notes to Schedules:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

There are no assets in a trust compliant with GASB Statement number 75 from which to pay benefits.

Schedule of Contributions
Oklahoma Law Enforcement Retirement System
Last Three Fiscal Years
(expressed in thousands)

	2019	2018	2017
Actuarially determined contribution	$ 344	$ 380	$ 398
Contributions in relation to the contractually required contribution: State Agencies	$ 1,285	$ 1,285	$ 849
Contribution deficiency (excess)	$ (941)	$ (905)	$ (451)
Covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A

Schedule of Net Other Postemployment Benefit Liability
Oklahoma Law Enforcement Retirement System
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 343	$ 357
Interest	933	958
Difference between expected and actual experience	(335)	(501)
Changes of assumption or other inputs	-	(304)
Benefit payments	(855)	(849)
Net change in total OPEB liability	$ 86	$ (339)
Total OPEB Liability-beginning	12,856	13,195
Total OPEB Liability-ending	$ 12,942	$ 12,856
Plan fiduciary net position (OPEB)		
Contributions - state agencies	$ 1,285	$ 849
Health insurance premiums paid	(855)	(849)
Net change in fiduciary net position	$ 430	$ -
Fiduciary net position OPEB-beginning	-	-
Fiduciary net position OPEB-ending	$ 430	$ -
Net OPEB Liability	$ 12,512	$ 12,856
Fiduciary net position as a percentage of the total OPEB liability	3.32%	0.00%
Covered payroll	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A

Notes to Schedules:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

As of June 30, 2018, OPEB had allocated assets of approximately $428,000 and no allocated assets as of June 30, 2017. As such the return for both years is 0%. The return in future years will be the same for both OPEB and the pension plan.

Covered payroll is not meaningful to formulate a ratio of net OPEB liability as a percentage of covered payroll. Contributions are only received from employers.

Uniform Retirement System for Justices and Judges
Schedule of Contributions
Last Three Fiscal Years
(expressed in thousands)

	2019	2018	2017
Actuarially determined contribution	$ 3	$ 15	$ 35
Actual employer contributions	$ 187	$ 180	$ 178
Contribution deficiency (excess)	$ (184)	$ (165)	$ (143)
Covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A

Schedule of Net Other Postemployment Benefit Liability
Uniform Retirement System for Justices and Judges
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 113	$ 122
Interest	183	174
Difference between expected and actual experience	(88)	(13)
Changes of assumption or other inputs	-	107
Benefit payments	(183)	(179)
Net change in total OPEB liability	$ 25	$ 211
Total OPEB Liability-beginning	2,699	2,488
Total OPEB Liability-ending	$ 2,724	$ 2,699
Plan fiduciary net position (OPEB)		
Contributions - state agencies	$ 180	$ 178
Net investment (loss) income	251	330
Health insurance premiums paid	(182)	(179)
Administrative expense	(1)	(1)
Net change in fiduciary net position	$ 248	$ 328
Fiduciary net position OPEB-beginning	2,891	2,563
Fiduciary net position OPEB-ending	$ 3,139	$ 2,891
Net OPEB Liability (Asset)	$ (415)	$ (192)
Fiduciary net position as a percentage of the total OPEB liability	115.23%	107.11%
Covered payroll	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A

Notes to Schedule:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

Covered payroll is not meaningful to formulate a ratio of net OPEB liability as a percentage of covered payroll. Contributions are only received from employers.

Cost Sharing Other Postemployment Plans

Component Units

Schedule of Contributions
Oklahoma Public Employees Retirement System
Last Three Fiscal Years
(expressed in thousands)

	2019	2018	2017
Actuarially determined contribution	$ 3,342	$ 4,517	$ 4,780
Actual employer contributions	$ 14,633	$ 14,895	$ 14,784
Contribution deficiency (excess)	$ (11,291)	$ (10,378)	$ (10,004)
State portion of liability	78.07%	78.07%	78.52%
Covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A

Schedule of Net Other Postemployment Benefit Liability
Oklahoma Public Employees Retirement System
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 6,532	$ 6,713
Interest	17,362	17,717
Difference between expected and actual experience	(8,274)	(13,158)
Changes of assumption or other inputs		8,695
Benefit payments	(14,708)	(14,918)
Net change in total OPEB liability	$ 912	$ 5,049
Total OPEB Liability-beginning	$ 256,742	$ 251,693
Change in prior year allocation	(1,480)	-
Adjusted OPEB Liability-beginning	255,262	251,693
Total OPEB Liability-ending	$ 256,174	$ 256,742
Plan fiduciary net position (OPEB)		
Contributions - state agencies	$ 14,895	$ 14,784
Net investment (loss) income	19,909	28,068
Health insurance premiums paid	(14,708)	(14,918)
Administrative expense	(139)	(144)
Net change in fiduciary net position	$ 19,957	$ 27,790
Fiduciary net position OPEB-beginning	$ 247,748	$ 219,958
Change in prior year allocation	(1,428)	-
Adjusted fiduciary net position OPEB-beginning	$ 246,320	$ 219,958
Fiduciary net position OPEB-ending	$ 266,277	$ 247,748
Net OPEB Liability (Asset)	$ (10,103)	$ 8,994
State portion of liability	78.07%	78.52%
Fiduciary net position as a percentage of the total OPEB liability	103.94%	96.50%
Covered payroll	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A

Notes to Schedule:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

Covered payroll is not meaningful to formulate a ratio of net OPEB liability as a percentage of covered payroll. Contributions are only received from employers.

Schedule of Contributions
Teachers' Retirement System
Last Three Fiscal Years
(expressed in thousands)

	2019	2018	2017
Actuarially determined contribution	$ 232	$ 771	$ 1,698
Actual employer contributions	$ 232	$ 771	$ 1,698
Contribution deficiency (excess)	$ -	$ -	$ -
State portion of liability	26.46%	26.46%	26.07%
Covered employee payroll	$ 1,183,904	$ 1,098,170	$1,061,401
Contributions as a percentage of covered employee payroll	0.02%	0.07%	0.16%

Schedule of Net Other Postemployment Benefit Liability
Teachers' Retirement System
Last Two Fiscal Years
(expressed in thousands)

	2018	2017
Total OPEB liability		
Service cost	$ 1,701	$ 1,733
Interest	8,208	8,274
Difference between expected and actual experience	(2,597)	(3,699)
Benefit payments	(9,782)	(7,903)
Net change in total OPEB liability	$ (2,470)	$ (1,595)
Total OPEB Liability-beginning	$ 111,796	$ 113,391
Change in prior year allocation	1,675	-
Adjusted OPEB Liability-beginning	$ 113,471	$ 113,391
Total OPEB Liability-ending	$ 111,001	$ 111,796
Plan fiduciary net position (OPEB)		
Contributions-employer	$ 771	$ 1,698
Net investment (loss) income	11,846	16,244
Health insurance premiums paid	(9,782)	(7,903)
Administrative expense	(3)	(7)
Net change in fiduciary net position	$ 2,832	$ 10,032
Fiduciary net position OPEB-beginning	$ 123,423	$ 113,391
Change in prior year allocation	1,850	-
Adjusted fiduciary net position OPEB-beginning	$ 125,273	$ 113,391
Fiduciary net position OPEB-ending	$ 128,105	$ 123,423
Net OPEB Liability (Asset)	$ (17,104)	$ (11,627)
State portion of liability	26.46%	26.07%
Fiduciary net position as a percentage of the total OPEB liability	115.41%	110.40%
Covered employee payroll	$ 1,098,170	$ 1,061,401
Net OPEB Liability (Asset) as a percentage of covered employee payroll	-1.56%	-1.10%

Notes to Schedule:

GASB Statement number 75 requires the information presented in the "Schedules of Required Supplementary Information" cover the 10 most recent fiscal years. The information above covers the period retroactive to the adoption of GASB Statement number 75 and is the latest available at the date of publication.

A man watches the sales floor from the entrance level of the auction arena at the Oklahoma National Stockyards.

Description of Fiduciary Funds and Similar Component Units

Fiduciary funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governmental organizations, and/or other funds.

PENSION TRUST FUNDS

The pension trust funds account for the transactions, assets, liabilities, and net position held in a trustee capacity for the benefit of the plan members.

WILDLIFE CONSERVATION RETIREMENT PLAN
P.O. Box 53465, Oklahoma City, Oklahoma 73152
www.wildlifedepartment.com
This Plan is part of the primary government. The Plan accounts for transactions, assets, liabilities, and net position available for payment of plan benefits to employees of the Department of Wildlife Conservation.

The State of Oklahoma has six public employee retirement systems that meet the definition of a component unit, but are presented with the fiduciary funds of the state:

OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM
6601 Broadway Ext Suite 100, Oklahoma City, Oklahoma 73105
www.ok.gov/fprs
The system provides retirement benefits for municipal firefighters in the State of Oklahoma.

OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM
421 NW 13th St., Suite 100, Oklahoma City, Oklahoma 73103
www.olers.state.ok.us
The system provides retirement benefits for qualified law enforcement officers in the State of Oklahoma.

OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM
P.O Box 53007, Oklahoma City, Oklahoma 73152
www.opers.ok.gov
The system administers the Oklahoma public employee retirement plan, which provides retirement benefits for state, county and local employees in the State of Oklahoma.

UNIFORM RETIREMENT SYSTEM FOR JUSTICES AND JUDGES
P.O. Box 53007, Oklahoma City, Oklahoma 73152
www.opers.ok.gov
The system provides retirement benefits for justices and judges in the State of Oklahoma.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM
1001 N.W. 63rd Street, Suite 305, Oklahoma City, Oklahoma 73116
www.ok.gov/opprs
The system provides retirement benefits for police officers employed by participating municipalities in the State of Oklahoma.

TEACHERS' RETIREMENT SYSTEM OF OKLAHOMA
P.O. Box 53524, Oklahoma City, Oklahoma 73152
www.ok.gov/trs
The system provides retirement allowances and benefits for qualified persons employed by state-supported educational institutions in the State of Oklahoma.

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 non-state parties.

Taxes Held for Outside Entities is maintained by the Oklahoma Tax Commission to account for taxes: (1) 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 were intercepted by the Tax Commission to be disbursed to claimants.

Funds Held in Escrow are monies held in an account until certain conditions or requirements are met. These include: (1) Cash Performance Bonds maintained by the Department of Mines until mining is complete and reclamation meets specifications, (2) Unlocated Mineral Owner's Fund maintained by the Corporation Commission (3) Workers' Compensation Claims Under Appeal maintained by the Workers' Compensation Court of Existing Claims, (4) Unsettled Premium Tax Suits, an escrow account maintained by the Oklahoma Insurance Department for depositing of protested taxes and/or fees imposed under Oklahoma law, (5) Other monies accounted for by the State Department of Health for bond requirements for disposal sites, by the Department of Public Safety for the retention and refund of financial responsibility security amounts, and (6) funds in escrow at the Attorney General's Office received as a result of litigation.

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

Other is monies accounted for (1) by the Department of Human Capital Management for the Office of Management and Enterprise Services for payment of employee claims against SoonerFlex flexible spending accounts, (2) deposits held by Capital Asset Management of the Office of Management and Enterprise Services for bid process documents, (3) donations held by the District Attorney's Council for the Murrah Crime Victims Compensation Fund, and (4) funds held by the Department of Transportation which had accrued to its former health insurance rate stabilization account and are being returned to the accounts contributors.

State of Oklahoma
Combining Statement of Fiduciary Net Position
Pension Trust Funds
(Including Similar Component Units)

For the fiscal year ended June 30, 2019
(expressed in thousands)

	Primary Government	Fiduciary Component Units						
	Wildlife Conservation Retirement Plan	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System	Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total
Assets								
Cash/Cash Equivalents	$ 1,959	$ 60,440	$ 16,841	$ 134,274	$ 4,322	$ 18,026	$ 521,017	$ 756,879
Investments, at fair value								
Equity Securities	74,072	1,745,501	588,408	3,264,004	238,737	1,527,876	10,127,481	17,566,079
Governmental Securities	22,775	100,601	62,292	2,128,205	74,053	41,383	1,496,701	3,926,010
Debt Securities	13,027	285,186	212,462	980,766	32,703	387,573	2,411,337	4,323,054
Mutual Funds	0	0	0	3,458,364	0	0	0	3,458,364
Other Investments	5,950	665,734	135,683	11,750	0	635,100	2,843,354	4,297,571
Securities Lending Investments	0	88,123	71,354	480,169	12,506	0	1,400,061	2,052,213
Interest and Investment Revenue Receivable	0	4,758	1,043	24,018	549	1,844	65,930	98,142
Contributions Receivable:								
Employer	0	1,466	0	4,508	0	2,156	45,263	53,393
Employee	0	937	551	1,345	0	1,358	27,636	31,827
Other Receivables	0	46	0	0	0	0	0	46
Due from Broker	0	0	0	293,589	9,899	40	128,302	431,830
Due from Component Units	0	0	0	741	0	0	0	741
Due from Other Funds	0	21,622	4,683	9,815	5	8,408	42,011	86,544
Capital Assets, Net	0	948	809	0	0	0	4,420	6,177
Other Assets	0	0	57	989	0	0	0	1,046
Total Assets	$ 117,783	$ 2,975,362	$ 1,094,183	$ 10,792,537	$ 372,774	$ 2,623,764	$ 19,113,513	$ 37,089,916
Liabilities								
Accounts Payable and Accrued Liabilities	$ 0	$ 41,437	$ 733	$ 0	$ 0	$ 524	$ 0	$ 42,694
Securities Lending Payable	0	88,123	71,354	480,169	12,506	0	1,400,061	2,052,213
Due to Broker	0	10,299	4,054	359,278	12,744	428	483,462	870,265
Due to Component Units	0	0	0	1	0	0	0	1
Due to Other Funds	0	3	1	29	0	7	33	73
Benefits in the Process of Payment	0	0	475	0	0	3,796	94,727	98,998
Other Liabilities	0	119	43	0	0	152	11,194	11,508
Total Liabilities	$ 0	$ 139,981	$ 76,660	$ 839,477	$ 25,250	$ 4,907	$ 1,989,477	$ 3,075,752
Net Position Restricted for Employees' Pension Benefits	$ 117,783	$ 2,835,381	$ 1,017,523	$ 9,953,060	$ 347,524	$ 2,618,857	$ 17,124,036	$ 34,014,164

State of Oklahoma
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
(Including Similar Component Units)
June 30, 2019
(expressed in thousands)

	Primary Government	Fiduciary Component Units						
	Wildlife Conservation Retirement Plan	Oklahoma Firefighters Pension and Retirement System	Oklahoma Law Enforcement Retirement System	Oklahoma Public Employees Retirement System	Uniform Retirement System for Justices and Judges	Oklahoma Police Pension and Retirement System	Teachers' Retirement System of Oklahoma	Total
Additions								
Contributions								
Employer Contributions	$ 2,500	$ 43,379	$ 10,207	$ 282,474	$ 7,333	$ 42,154	$ 447,040	$ 835,087
Employee Contributions	604	27,347	6,691	66,566	2,667	26,173	325,766	455,814
Other Contributions	0	101,700	24,041	0	0	39,559	371,671	536,971
Total Contributions	$ 3,104	$ 172,426	$ 40,939	$ 349,040	$ 10,000	$ 107,886	$ 1,144,477	$ 1,827,872
Investment Income								
Net Appreciation in Fair Value of Investments	$ 5,404	$ 173,663	$ 30,811	$ 414,354	$ 17,450	$ 104,266	$ 462,824	$ 1,208,772
Interest and Investment Revenue	2,570	33,288	15,943	174,625	3,331	16,489	413,797	660,043
	$ 7,974	$ 206,951	$ 46,754	$ 588,979	$ 20,781	$ 120,755	$ 876,621	$ 1,868,815
Less Investment Expenses	221	18,107	6,599	25,901	476	15,873	68,305	135,482
Net Investment Income	$ 7,753	$ 188,844	$ 40,155	$ 563,078	$ 20,305	$ 104,882	$ 808,316	$ 1,733,333
Total Additions	$ 10,857	$ 361,270	$ 81,094	$ 912,118	$ 30,305	$ 212,768	$ 1,952,793	$ 3,561,205
Deductions								
Administrative and General Expenses	$ 7,338	$ 2,195	$ 1,131	$ 5,755	$ 170	$ 1,871	$ 5,199	$ 23,659
Benefit Payments and Refunds	25	243,590	61,503	655,335	20,646	155,486	1,452,687	2,589,272
Total Deductions	$ 7,363	$ 245,785	$ 62,634	$ 661,090	$ 20,816	$ 157,357	$ 1,457,886	$ 2,612,931
Net Increase	$ 3,494	$ 115,485	$ 18,460	$ 251,028	$ 9,489	$ 55,411	$ 494,907	$ 948,274
Net Position Reserved for Employees' Pension Benefits								
Beginning of Year	114,289	2,719,896	999,063	9,702,032	338,035	2,563,446	16,629,129	33,065,890
End of Year	$ 117,783	$ 2,835,381	$ 1,017,523	$ 9,953,060	$ 347,524	$ 2,618,857	$ 17,124,036	$34,014,164

State of Oklahoma
Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2019
(expressed in thousands)

	Taxes Held for Outside Entity	Assets Held in Escrow	Assets Held for Beneficiaries	Other	Total
Assets					
Cash/Cash Equivalents	$ 228,160	$ 85,268	$ 10,103	$ 44,362	$ 367,893
Accounts Receivable	0	102	0	0	102
Taxes Receivable	147,652	0	0	0	147,652
Inventory	0	0	0	7,603	7,603
Total Assets	$ 375,812	$ 85,370	$ 10,103	$ 51,965	$ 523,250
Liabilities					
Accounts Payable	$ 0	$ 61	$ 492	$ 0	$ 553
Tax Refunds Payable	114,111	0	0	0	114,111
Due to Others	261,701	85,309	9,611	51,965	408,586
Total Liabilities	$ 375,812	$ 85,370	$ 10,103	$ 51,965	$ 523,250

State of Oklahoma
Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Taxes Held for Outside Entities				
Assets				
Cash/Cash Equivalents	$ 233,826	$ 662,395	$ 681,562	$ 228,160
Taxes Receivable	127,835	147,652	127,835	147,652
Total Assets	$ 361,661	$ 810,047	$ 809,397	$ 375,812
Liabilities				
Tax Refunds Payable	$ 97,616	$ 114,111	$ 97,616	$ 114,111
Due to Others	264,045	695,936	711,781	261,701
Total Liabilities	$ 361,661	$ 810,047	$ 809,397	$ 375,812
Funds Held in Escrow				
Assets				
Cash/Cash Equivalents	$ 81,051	$ 24,418	$ 20,201	$ 85,268
Accounts Receivable	18	102	18	102
Total Assets	$ 81,069	$ 24,520	$ 20,219	$ 85,370
Liabilities				
Accounts Payable	$ 0	$ 61	$ 0	$ 61
Due to Others	81,069	24,459	20,219	85,309
Total Liabilities	$ 81,069	$ 24,520	$ 20,219	$ 85,370
Assets Held for Beneficiaries				
Assets				
Cash/Cash Equivalents	$ 9,604	$ 435,688	$ 435,189	$ 10,103
Accounts Receivable	157	0	157	0
Total Assets	$ 9,761	$ 435,688	$ 435,346	$ 10,103
Liabilities				
Accounts Payable	$ 649	$ 492	$ 649	$ 492
Due to Others	9,112	435,196	434,697	9,611
Total Liabilities	$ 9,761	$ 435,688	$ 435,346	$ 10,103
Other				
Assets				
Cash/Cash Equivalents	$ 44,234	$ 10,254	$ 10,126	$ 44,362
Inventory	8,594	7,603	8,594	7,603
Total Assets	$ 52,828	$ 17,857	$ 18,720	$ 51,965
Liabilities				
Due to Others	$ 52,828	$ 17,857	$ 18,720	$ 51,965
Total Liabilities	$ 52,828	$ 17,857	$ 18,720	$ 51,965
Total - All Agency Funds				
Assets				
Cash/Cash Equivalents	$ 368,715	$ 1,132,755	$ 1,147,078	$ 367,893
Accounts Receivable	175	102	175	102
Taxes Receivable	127,835	147,652	127,835	147,652
Inventory	8,594	7,603	8,594	7,603
Total Assets	$ 505,319	$ 1,288,112	$ 1,283,682	$ 523,250
Liabilities				
Accounts Payable	$ 649	$ 553	$ 649	$ 553
Tax Refunds Payable	97,616	114,111	97,616	114,111
Due to Others	407,054	1,173,448	1,185,417	408,586
Total Liabilities	$ 505,319	$ 1,288,112	$ 1,283,682	$ 523,250

Description of Nonmajor Component Units

The State of Oklahoma has seven nonmajor component units which are described below:

OKLAHOMA EDUCATIONAL TELEVISION AUTHORITY
7403 N. Kelley Ave., Oklahoma City, OK 73111
www.oeta.tv
The authority provides educational television services to all Oklahoma citizens on a coordinated statewide basis.

OKLAHOMA INDUSTRIAL FINANCE AUTHORITY
9220 N. Kelley Ave., Oklahoma City, OK 73131
The authority assists with the state's industrial development by making loans to authorized industrial development agencies or trusts and new or expanding industries within Oklahoma. The loans are financed by issuance of general obligation bonds.

MULTIPLE INJURY TRUST FUND
421 NW 13th Street Suite 105, Oklahoma City, OK 73103
The fund provides additional compensation to a worker with a pre-existing injury who suffers a second injury.

UNIVERSITY HOSPITALS AUTHORITY & TRUST
P.O Box 26307, Oklahoma City, OK 73126
https://uhatok.com
The authority consists of The University Hospital and Children's Hospital of Oklahoma. The University Hospital is affiliated with the University of Oklahoma Health Sciences Center. The University Hospital is financed primarily through patient service charges.

OKLAHOMA DEVELOPMENT FINANCE AUTHORITY
9220 N. Kelley Ave., Oklahoma City, OK 73131
The authority provides financing for both public and private entities in the state. The authority obtains funds through the issuance of bonds and notes.

OKLAHOMA CAPITAL INVESTMENT BOARD
13905 Quail Pointe Drive, Suite A, Oklahoma City, OK 73134
www.ocib.org
The authority assists the state with industrial development by mobilizing equity and near-equity capital for investment to potential creation of jobs and growth that will diversify and stabilize the economy.

OKLAHOMA STATE UNIVERSITY MEDICAL AUTHORITY
1111 W. 17th Street, Tulsa, OK 74107
https://health.okstate.edu
The Authority is charged with overseeing the 50-year Academic Affiliation Agreement signed between Tulsa Regional Medical Center and OSU Center for Health Sciences. The agreement provides for funding, teaching and training facilities to the graduate medical program associated with the Oklahoma State University Center for Health Sciences.

State of Oklahoma
Combining Statement of Net Position
Nonmajor Component Units

June 30, 2019
(expressed in thousands)

	Oklahoma Educational Televison Authority	Oklahoma Industrial Finance Authority	Multiple Injury Trust Fund	University Hospitals Authority	Oklahoma Development Finance Authority	Oklahoma Capital Investment Board	Oklahoma State Univ. Medical Authority	Nonmajor Component Units Total
Assets								
Current Assets								
Cash/Cash Equivalents								
Unrestricted	$ 7,505	$ 30,353	$ 8,838	$ 109,002	$ 17,149	$ 16	$ 32,147	$ 205,010
Investments	29,401	0	0	2,321	0	9,868	0	41,590
Accounts Receivable	722	0	0	68,651	0	0	11,443	80,816
Interest and Investment Revenue Receivable	30	180	25	20	0	0	0	255
Other Receivables	0	0	0	0	0	0	939	939
Notes Receivable	0	965	0	0	29	0	0	994
Due from Other Component Units	0	0	0	0	294	0	0	294
Due from Primary Government	0	0	10,150	21,379	27	0	0	31,556
Prepaid Items	465	0	0	2	0	0	3,201	3,668
Other Current Assets	0	0	0	0	1,081	0	13,388	14,469
Total Current Assets	$ 38,123	$ 31,498	$ 19,013	$ 201,375	$ 18,580	$ 9,884	$ 61,118	$ 379,591
Noncurrent Assets								
Cash/Cash Equivalents - Restricted	$ 3,064	$ 0	$ 0	$ 250	$ 0	$ 0	$ 0	$ 3,314
Investments - Restricted	0	0	0	900	11	0	0	911
Long-Term Notes Receivable, Net	0	2,377	0	0	0	0	0	2,377
Long-Term Investments-Unrestricted	0	15,333	0	0	0	0	0	15,333
Capital Assets								
Depreciable, Net	9,251	34	10	249,619	1,163	0	35,362	295,439
Land	26	75	0	4,009	286	0	0	4,396
Construction in Progress	0	0	0	107	0	0	4,139	4,246
Other Noncurrent Assets								
Unrestricted	0	0	0	40,000	0	0	283	40,283
Restricted	0	0	0	36	0	0	0	36
Total Noncurrent Assets	$ 12,341	$ 17,819	$ 10	$ 294,921	$ 1,460	$ 0	$ 39,784	$ 366,335
Total Assets	$ 50,464	$ 49,317	$ 19,023	$ 496,296	$ 20,040	$ 9,884	$ 100,902	$ 745,926
Deferred Outflows								
Advance Refunding of Bonds	$ 0	$ 13	$ 0	$ 0	$ 0	$ 0	$ 0	$ 13
Deferred Outflows from Pensions	552	91	0	433	0	0	0	1,076
Total Deferred Outflows	$ 552	$ 104	$ 0	$ 433	$ 0	$ 0	$ 0	$ 1,089
Liabilities								
Liabilities								
Current Liabilities								
Accounts Payable and Accrued Liabilities	$ 141	$ 0	$ 46	$ 100,910	$ 812	$ 65	$ 14,637	$ 116,611
Claims and Judgements	0	0	45,989	0	0	0	0	45,989
Interest Payable	0	132	158	0	0	0	0	290
Unearned Revenue	139	0	0	3	0	0	0	142
Due to Other Component Units	31	0	0	137	0	0	0	168
Due to Fiduciary Funds	0	0	0	0	0	0	0	0
Due to Primary Government	3	0	11	0	0	0	0	14
Capital Leases	0	0	0	0	0	0	250	250
Compensated Absences	236	48	90	179	0	0	0	553
Notes Payable	0	0	2,356	0	0	0	2,144	4,500
Gen Obligation Bonds Payable	0	0	0	0	0	0	0	0
Revenue Bonds	0	0	0	0	0	0	0	0
Other Current Liabilities	1	15,658	0	0	180	3,973	4,627	24,439
Total Current Liabilities	$ 551	$ 15,838	$ 48,650	$ 101,229	$ 992	$ 4,038	$ 21,658	$ 192,956
Noncurrent Liabilities								
Claims and Judgements	$ 0	$ 0	$ 449,510	$ 0	$ 0	$ 0	$ 0	$ 449,510
Net Pension Liability	565	59	0	131	0	0	0	755
Compensated Absences	59	0	0	0	0	0	0	59
Notes Payable	0	0	6,645	0	0	0	4,619	11,264
General Obligation Bonds	0	30,000	0	0	0	0	0	30,000
Capital Leases	0	0	0	0	0	0	64	64
Revenue Bonds	0	0	0	0	9,999	0	0	9,999
Unamortized Premium (Discount)	0	0	0	0	0	0	0	0
Other Noncurrent Liabilities	310	0	0	0	98	0	306	714
Total Noncurrent Liabilities	$ 934	$ 30,059	$ 456,155	$ 131	$ 10,097	$ 0	$ 4,989	$ 502,365
Total Liabilities	$ 1,485	$ 45,897	$ 504,805	$ 101,360	$ 11,089	$ 4,038	$ 26,647	$ 695,321
Deferred Inflows of Resources								
Deferred Inflows from Pensions	$ 136	$ 43	$ 0	$ 129	$ 0	$ 0	$ 0	$ 308
Total Deferred Inflows	$ 136	$ 43	$ 0	$ 129	$ 0	$ 0	$ 0	$ 308
Net Position								
Net Investment in Capital Assets	$ 9,277	$ 0	$ 0	$ 253,735	$ 1,449	$ 0	$ 29,746	$ 294,207
Restricted for:								
Other Special Purpose Expendable	2,320	0	0	1,186	0	0	0	3,506
Unrestricted	37,798	3,481	(485,782)	140,319	7,502	5,846	44,509	(246,327)
Total Net Position	$ 49,395	$ 3,481	$ (485,782)	$ 395,240	$ 8,951	$ 5,846	$ 74,255	$ 51,386

State of Oklahoma
Combining Statement of Activities
Nonmajor Component Units
For the Fiscal Year Ended June 30, 2019
(expressed in thousands)

		Program Revenues			General Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from Primary Government	Change in Net Asset	Net Position Beginning of Year	Net Position End of Year
Nonmajor Component Units:								
Oklahoma Educational Televison Authority	$ 11,696	$ 8,292	$ 2,035	$ (1,369)	$ 2,702	$ 1,333	$ 48,062	$ 49,395
Oklahoma Industrial Finance Authority	1,194	1,438	0	244	0	244	3,237	3,481
Multiple Injury Trust Fund	71,856	216	0	(71,640)	48,351	(23,289)	(462,493)	(485,782)
University Hospitals Authority	287,980	228,777	0	(59,203)	37,419	(21,784)	417,024	395,240
Oklahoma Development Finance Authority	1,082	1,543	0	461	0	461	8,490	8,951
Oklahoma Capital Investment Board	822	7,665	0	6,843	0	6,843	(997)	5,846
Oklahoma State Univ. Medical Authority	143,631	134,423	16,977	7,769	0	7,769	66,486	74,255
Total Nonmajor Component Units	$ 518,261	$ 382,354	$ 19,012	$ (116,895)	$ 88,472	$ (28,423)	$ 79,809	$ 51,386

Top: Walkways over the pens allow easy passage from the parking lot to the sales arena at the Oklahoma National Stockyards.

Left: A pigeon rests on a wire above the pens.

OKLAHOMA SAI
STATE AUDITOR & INSPECTOR
Cindy Byrd, CPA | State Auditor & Inspector
2300 N. Lincoln Blvd., Room 123, Oklahoma City, OK 73105 | 405.521.3495 | www.sai.ok.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Oklahoma as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the State of Oklahoma's basic financial statements, and have issued our report thereon dated December 29, 2019, which included an emphasis paragraph on the Multiple Injury Trust Fund for a net deficit related primarily to court awards that exceeded the apportionment of special tax revenue collected. Our report includes a reference to other auditors who audited:

- the financial statements of the Water Resources Board which represent fifty percent of the assets, thirty-two percent of the net position and five percent of the revenues of the proprietary funds;
- the financial statements of the Oklahoma Municipal Power Authority, Oklahoma Housing Finance Agency, Grand River Dam Authority, Oklahoma Turnpike Authority, University of Oklahoma, University of Oklahoma – Foundation, Oklahoma State University, Oklahoma State University – Foundation, the Regents for Higher Education, and University of Oklahoma – Health Sciences Center which in the aggregate represent eighty-two percent of the assets, eighty-six percent of the net position and seventy-three percent of the revenues for the aggregate discretely presented component units;
- the financial statements of the Commissioners of the Land Office permanent fund, and the Tobacco Settlement Endowment permanent fund, which in the aggregate represent ninety-eight percent of the assets, ninety-eight percent of the fund balance and ninety-nine percent of the revenues of the permanent funds;
- the financial statements of the Oklahoma Teachers Retirement System, the Oklahoma Public Employees Retirement System, and the Oklahoma Firefighters Pension and Retirement System which in the aggregate represent eighty-seven percent of the assets, eighty-eight percent of the net position and ninety-one percent of the additions of the aggregate remaining fund information;
- the financial statements of the Department of Commerce, and the Department of Wildlife, which in the aggregate represent one percent of the assets, one percent of the fund balance and one percent of the revenues of the general fund.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State of Oklahoma's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State of Oklahoma's internal control. Accordingly, we do not express an opinion on the effectiveness of the State of Oklahoma's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 19-695-023, 19-695-024, 19-695-026, and 19-695-029 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State of Oklahoma's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

State of Oklahoma's Response to Findings

The State of Oklahoma's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The State of Oklahoma's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is also a public document pursuant to the Open Records Act (51 O.S. § 24A.1 et seq.) and shall be open to any person for inspection and copying.

CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

December 29, 2019

Schedule of Findings and Responses

Reference Number: 19-695-023
State Agency: Oklahoma Tax Commission (the Commission); Office of Management and Enterprise Services (OMES)
Fund Type: Governmental Funds: General Fund
Other Information: Taxes Receivable

Criteria: The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government 10.03 states, in part, "Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."

A basic objective of Generally Accepted Accounting Principles (GAAP) is to provide accurate, reliable and timely information through a proper review and approval process.

Governmental Accounting Standards Board Statement Number 34 (GASB 34), Paragraph 73 states, "*Agency Funds* should report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments."

GASB 34 Paragraph 111 states, in part, "Sometimes an agency fund is used as a clearing account to distribute financial resources to other funds of the government, as well as other entities. ... When this occurs, the portion of the clearing account balance that pertains to other funds of the [government] should not be reported in agency funds. Rather, it should be reported as assets in the appropriate funds."

The Sales Tax Code, as specified in 68 O.S. § 1370 (A.) states, in part, "In accordance with the provisions of Section 1 of this act, any county of this state may levy a sales tax of not to exceed two percent (2%) upon the gross proceeds or gross receipts derived from all sales or services in the county upon which a consumer's sales tax is levied by this state. Before a sales tax may be levied by the county, the imposition of the tax shall first be approved by a majority of the registered voters of the county voting thereon at a special election called by the board of county commissioners or by initiative petition signed by not less than five percent (5%) of the registered voters of the county who were registered at the time of the last general election... ."

The Use Tax Code, as specified in 68 O.S. § 1411 states, in part, "The board of county commissioners of a county levying a county sales tax or the governing body of a municipality levying a municipal sales tax may levy an additional excise tax, at a rate that equals the county or municipal sales tax rate of such county or municipality, whichever is applicable, on the storage, use or other consumption of tangible personal property used, stored or consumed within the county or municipality. This authorization to levy and impose a county or municipal use tax shall be in addition to the tax levied by Section 1402 of this title. Such tax shall be paid by every person storing, using or otherwise consuming, within the county or municipality, tangible personal property purchased or brought into the county or municipality."

The Sales Tax Code for Lodging Tax, as specified in 68 O.S. § 1370.9 (A.)states, in part, "In addition to any other sales tax levied by a county pursuant to the provisions of Section 1350 et seq. of this title, any county of this state having a population of less than Two Hundred Thousand (200,000), according to the latest Federal Decennial Census, may levy a lodging tax, not to exceed five percent (5%), upon the gross proceeds or gross receipts derived from the service of furnishing of rooms by hotel, apartment hotel, or motel and for the furnishing of any other facility for public lodging, except campsites. Before such a tax may be levied by the county, the imposition of the tax shall first be approved by a majority of the registered voters of the county voting thereon at a special election called by the board of county commissioners or by initiative petition signed by not less than five percent (5%) of the registered voters of the county who were registered at the time of the last general election... ."

Condition: The Commission reported their total taxes receivable amount split between "Cities and Counties" and "Various" on the Office of Management and Enterprise Services (OMES) GAAP Package E-1. The GAAP Package E-1 is the form utilized by state agencies to report taxes receivable to OMES for inclusion in the CAFR. OMES recorded the total of the taxes receivable reported in the General Fund section of the Governmental Fund Statements instead of recording the "Cities and Counties" amount in the Agency Fund. The Commission did not appropriately complete GAAP Package E-1 by not specifying which fund the receivable was attributable to.

OMES erroneously excluded the local government sales, use, and lodging tax amount from the *Taxes Receivable* on the Statement of Fiduciary Net Position – Agency Fund and included the amount in the General Fund. The total amount excluded was $147,651,776.

Cause: The current instructions for GAAP Package E-1 did not adequately inform the Commission on how to properly report the local government sales, use, and lodging tax amounts. The review process in place at OMES did not detect the Agency Fund portion of the *Taxes Receivable* to comply with the Oklahoma Statute and GAAP.

Effect: The *Taxes Receivable* reported on the *Governmental Funds Balance Sheet* included taxes the State of Oklahoma is expected to collect on behalf of the local governments at year-end, and thus *Taxes Receivable* reported on the *Governmental Funds Balance Sheet* was overstated by $147,651,776.

Recommendation: We recommend the State of Oklahoma (the Commission and OMES) develop and document a method to determine and properly report all Taxes Receivables that are expected to be collected on behalf of others to ensure compliance with the Oklahoma Statutes and GAAP. We also recommend the State of Oklahoma (the Commission and OMES) develop a review process to ensure the General Fund and Agency Fund *Taxes Receivable* are properly distinguished and recorded in the State of Oklahoma - CAFR.

Agency Management Response:
The Tax Commission now understands the complete requirement of GAAP Package E-1 that was not previously outlined in the instructions for the package. The Commission will provide the specific fund to which the receivable was attributable in future submissions.

OMES Response:
OMES accepts the finding and has corrected the financial statements to include the taxes receivable of other governments on the State of Oklahoma's agency fund financial statements. It was the belief of financial reporting that such receivables were receivables of the jurisdictions that had levied the taxes, and therefore were not reportable by the State of Oklahoma until such time as the taxes had been collected and were then payable to the levying institution. OMES' research found this treatment to be common practice. After consultation with the Government Accounting Standards Board, it was determined that such taxes should be reported as receivable at both the State of Oklahoma's agency fund, as well as the levying institution.

In future years, the Oklahoma Tax Commission has been instructed to report the amounts of taxes receivable for the state and taxes receivable on behalf of other governments in separate submissions. This will segregate the reporting in a way that will protect against commingling the receivables in the state CAFR.

Reference Number: 19-695-024
State Agency: Oklahoma Tax Commission (the Commission)
Fund Type: Government-Wide – Governmental Activities; Governmental Funds - General Fund
Other Information: Taxes Receivable

Criteria: The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government 10.03 states, in part, "Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."

Governmental Accounting Standards Board Statement Number 34 (GASB 34) Paragraph 16 states, "The statement of net assets and the statement of activities should be reported using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions should be recognized in accordance with the requirements of Statement 33."

GASB 34 Paragraph 16 states, in part, "Financial statements for governmental funds should be presented using the *current resources measurement focus* and the *modified accrual basis of accounting....*"

GASB 33 Paragraph 16 states, "Governments should recognize assets from derived tax revenue transactions in the period when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. *Revenues* should be recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance should be reported as deferred revenues (liabilities) until the period of exchange."

GASB 33 Paragraph 30 states, in part, "When the modified accrual basis of accounting is used, revenues resulting from nonexchange transactions should be recognized... .in the period when the underlying exchange has occurred, and the resources are available."

Office of Management and Enterprise Services (OMES) GAAP Conversion Manual for GAAP Package E. Taxes Receivable and Refunds Payable Conversion Package IV. A. 3. states, "Taxes receivables as of June 30 can be estimated by compiling the tax receipts in July and August. Specify by the type of tax. If your agency has a receivable system in place that system should be used."

Condition: The Gross Production and Motor Vehicle Taxes derived from taxes due to the Commission as of June 30, 2019 and received between July 1, 2019 to August 30, 2019 were not reported by the Commission as taxes receivable on the GAAP Package E-1.

Cause: The current review process in place at the Commission did not detect the misstatement. The Gross Production and Motor Vehicle Taxes are kept in separate systems from the main OneLink General Ledger system the Commission used to calculate Taxes Receivable.

Effect: The financial statements were not in compliance with the GAAP accrual and modified accrual basis of accounting. The taxes receivable amount underreported by the Commission on the GAAP Package E-1 caused the taxes receivable on the State of Oklahoma – Comprehensive Annual Financial Report (CAFR) to be understated by $137,643,280.

Recommendation: We recommend the Commission implement procedures to determine and report all taxes receivables in compliance with standards. We also recommend the Commission develop a review process to detect omissions of information from the GAAP Package E-1. The design should ensure the Commission's GAAP Package E-1 is prepared in accordance with GAAP and the State of Oklahoma – CAFR is fairly stated.

Agency Management Response:
The Tax Commission will contact other Departments of Revenue to determine how other state governments are using the information available to determine taxes receivable. Using this information, the Commission will develop and document a method to accurately and consistently implement for reporting.

Reference Number: 19-695-026
State Agency: Oklahoma Tax Commission (the Commission)
Fund Type: Government-Wide – Governmental Activities; Governmental Funds - General Fund
Other Information: Taxes Receivable

Criteria: The United States Government Accountability Office (GAO) Standards for Internal Control in the Federal Government section 11.03 states in part, "Management designs the entity's information system to obtain and process information to meet each operational process's information requirements and to respond to the entity's objectives and

risks. An information system represents the life cycle of information used for the entity's operational processes that enables the entity to obtain, store, and process quality information."

The GAO Standards for Internal Control in the Federal Government section 11.05 states, "Management also evaluates information processing objectives to meet the defined information requirements. Information processing objectives may include . . . completeness . . . accuracy . . . validity."

The GAO Standards for Internal Control in the Federal Government 11.06 states, "Management designs appropriate types of control activities in the entity's information system for coverage of information processing objectives for operational processes."

The GAO Standards for Internal Control in the Federal Government 13.02 states, "Management designs a process that uses the entity's objectives and related risks to identify the information requirements needed to achieve the objectives and address the risks. Information requirements consider the expectations of both internal and external users. Management defines the identified information requirements at the relevant level and requisite specificity for appropriate personnel."

Condition: The data used to compile gross production taxes receivable included $98 million in collections that did not include production dates. Without the production dates, the Commission was unable to determine if these collections were receivables at year end and therefore should have been reported on the SFY 2019 GAAP Package E-1: Taxes Receivable and Refunds Payable (GAAP Package E-1).

In addition, the OneLink Motor Vehicle system posts batch transactions to the general ledger. Because of this batch processing, the general ledger is unable to provide a portion of the detailed transactions in a timely manner to determine whether $44 million in motor vehicle tax collections were receivables that should have been reported on the SFY 2019 GAAP Package E-1.

Cause: The Gross Production and Motor Vehicle systems provide limited detailed information for the Commission to determine whether or not collections should be receivables at year end and included in GAAP Package E-1.

Gross production taxes can be paid without filing a report. Therefore, the Commission did not have sufficient detailed support behind these tax payments to determine if these collections should be taxes receivable and included in the GAAP Package E-1.

Motor vehicle taxes are reported by multiple external sources in batch form. The underlying detailed support for the transactions remains with the external source. This makes it impossible for the Commission to determine if collections should be receivables and included in GAAP Package E-1.

Effect: Since sufficient detailed data for these tax receipts was unavailable, the amounts reported on GAAP Package E-1 and the State of Oklahoma – Comprehensive Annual Financial Report could be understated based on the $142 million of detailed transactions that could not be provided.

Recommendation: We recommend the Commission obtain the detailed support for the gross production tax collections as close to the tax payment date as possible and develop a process to gather detail of motor vehicle transactions from external sources to timely determine the taxes receivable on the year-end GAAP Package E-1.

Agency Management Response:
The Tax Commission will contact other Departments of Revenue to determine how other state governments are using the information available to determine taxes receivable. Using this information, the Commission will develop and document a method to accurately and consistently implement for reporting.

Reference Number: 19-695-029
State Agency: Oklahoma Tax Commission (the Commission); Office of Management and Enterprise Services (OMES)
Fund Type: Agency Fund; General Fund

Other Information: Cash/Cash Equivalents

Criteria: The Government Accountability Office (GAO) Standards for Internal Control in the Federal Government 10.03 states, in part, "Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded."

A basic objective of Generally Accepted Accounting Principles is to provide accurate, reliable, and timely information.

A component objective of an effective internal control system is to ensure accurate and reliable information through a proper review and approval process.

Condition: The Cash/Cash Equivalents that are held for taxes levied by the State of Oklahoma was erroneously recorded in the Agency Fund, instead of the General Fund.

Cause: The State of Oklahoma's (the Commission and OMES) approach to reporting Cash/Cash Equivalents on Generally Accepted Accounting Principles (GAAP) Package S-1 was not consistent with the *Governmental Accounting Standards Board* interpretation.

Effect: The error resulted in a $307,319,000 overstatement of cash/cash equivalents in the Agency Fund and understatement of cash in the General Fund.

Recommendation: We recommend the State of Oklahoma (the Commission and OMES) develop and document a method to properly report all Cash levied by the State of Oklahoma and local governments to ensure compliance with the Oklahoma Statutes and GAAP. We also recommend the State of Oklahoma (the Commission and OMES) develop a review process to ensure the General Fund and Agency Fund *Cash* amounts are distinguished and properly recorded in the State of Oklahoma - CAFR.

Agency Management Response:
The Tax Commission now understands the complete requirement of GAAP Package S-1 that was not previously outlined in the instructions for the package. The Commission will provide the specific fund to which the cash/cash equivalents are attributable in future submissions.

OMES Response:
OMES accepts this finding and has made the proper adjustments to meet the new understanding of the proper treatment of taxes held for others. The practice that had been adhered to since the implementation of GASB pronouncement number 34 was that all tax revenue collected for distribution to other governments was reported as fiduciary cash. After consultation with the Government Accounting Standards Board on a different matter, this treatment was thrown into question. For fiscal year 2019 and future reporting periods, the State of Oklahoma will only include tax revenues collected by the state but levied by other governments in the fiduciary financial statements.

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A herd of longhorns returns to the Oklahoma National Stockyards after a cattle drive in October during the Stockyards Stampede.

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Using the Statistical Section

The statistical section of the Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the state's overall financial health. The information is grouped into the following five categories:

Financial Trends – Net Position by Component, Changes in Net Position, Fund Balances, and Changes in Fund Balance

These schedules contain trend information to help the reader understand how the state's financial performance and well-being have changed over time.

Revenue Capacity – Personal Income by Industry, Personal Income Tax Filers and Liability by Adjusted Gross Income, and Tax Collections

These schedules contain information to help the reader assess the ability of the state to generate and collect taxes.

Debt Capacity – Percentage of Annual Debt Service Expenditures for General Bonded Debt to Total Expenditures, Ratios of Outstanding Debt by Type, and Revenue Bond Coverage

These schedules present information to help the reader assess the affordability of the state's current levels of outstanding debt, its ability to issue additional debt in the future, and its ability to repay the outstanding debt.

Demographic and Economic Information – Major Employers by Size, Demographic and Economic Statistics, and School Enrollments

These schedules offer demographic and economic indicators to help the reader understand the environment within which the state's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – Government Employees by Function, Capital Asset Utilization by Function, Operating Indicators for Governmental Functions, and Additional Information and Sources of Statistical Data

These schedules contain information about the state's operations and resources to help the reader understand how the state's financial information relates to the services the state provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from CAFR of the relevant year.

State of Oklahoma
Schedule of Net Position by Component
Last Ten Fiscal Years
(expressed in thousands)

	2010	2011	2012	2013	2014
Governmental activities					
Net investment in capital assets	$ 8,148,821	$ 8,710,430	$ 9,276,689	$ 9,650,570	$ 9,992,791
Restricted	2,492,399	3,647,627	3,957,319	4,182,822	4,698,509
Unrestricted	2,415,428	1,895,301	2,091,507	2,106,533	2,029,441
Total governmental activities net position	$ 13,056,648	$ 14,253,358	$ 15,325,515	$ 15,939,925	$ 16,720,741
Business-type activities					
Net investment in capital assets	$ 330	$ 202	$ 126	$ 1,037	$ 1,415
Restricted	834,824	867,777	1,102,997	1,353,998	1,573,491
Unrestricted	8,887	5,346	273,981	602,997	636,300
Total business-type activities net position	$ 844,041	$ 873,325	$ 1,377,104	$ 1,958,032	$ 2,211,206
Primary government					
Net investment in capital assets	$ 8,149,151	$ 8,710,632	$ 9,276,815	$ 9,651,607	$ 9,994,206
Restricted	3,327,223	4,515,404	5,060,316	5,536,820	6,272,000
Unrestricted	2,424,315	1,900,647	2,365,488	2,709,530	2,665,741
Total primary government net position	$ 13,900,689	$ 15,126,683	$ 16,702,619	$ 17,897,957	$ 18,931,947

State of Oklahoma
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(expressed in thousands)

	2010	2011	2012	2013	2014
General Fund					
Reserved	$ 679,812	$ -	$ -	$ -	$ -
Unreserved	2,644,239	-	-	-	-
Nonspendable	-	64,817	73,539	84,743	74,278
Restricted	-	1,020,229	1,244,592	1,240,573	1,340,771
Committed	-	2,630,649	2,755,138	2,788,761	2,632,260
Assigned	-	-	-	1,960	1,777
Unassigned	-	62,301	144,365	133,796	133,796
Total General Fund	$ 3,324,051	$ 3,777,996	$ 4,217,634	$ 4,249,833	$ 4,182,882
All Other Governmental Funds					
Reserved	$ 2,232,060	$ -	$ -	$ -	$ -
Nonspendable	-	2,539,403	2,549,833	2,829,731	3,226,796
Restricted	-	23,294	15,980	12,438	7,417
Committed	-	-	-	-	53,430
Assigned	-	2,928	66,135	60,952	70,096
Unassigned	-	26,355	25,724	39,056	-
Total All Other Governmental Funds	$ 2,232,060	$ 2,591,980	$ 2,657,672	$ 2,942,177	$ 3,357,739
Total All Governmental Fund Balances	$ 5,556,111	$ 6,369,976	$ 6,875,306	$ 7,192,010	$ 7,540,621

Note: Effective 6/30/11, GASB statement 54 established new fund balance reporting classifications based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Prior year unreserved funds are now labeled unassigned funds. Prior year reserved funds are now separated into four categories.

	2015	2016	2017	2018	2019
Governmental activities					
Net investment in capital assets	$ 10,425,644	$ 10,865,784	$ 11,031,695	$ 11,318,869	$ 11,401,782
Restricted	4,930,516	4,140,040	4,392,708	4,554,212	5,238,284
Unrestricted	1,696,768	1,397,498	1,484,206	1,853,248	3,368,454
Total governmental activities net position	$ 17,052,928	$ 16,403,322	$ 16,908,609	$ 17,726,329	$ 20,008,520
Business-type activities					
Net investment in capital assets	$ 1,914	$ 2,856	$ 2,477	$ 2,085	$ 1,543
Restricted	1,601,651	1,468,588	1,423,476	1,471,069	1,554,235
Unrestricted	582,633	528,198	532,518	575,621	613,370
Total business-type activities net position	$ 2,186,198	$ 1,999,642	$ 1,958,471	$ 2,048,775	$ 2,169,148
Primary government					
Net investment in capital assets	$ 10,427,558	$ 10,868,640	$ 11,034,172	$ 11,320,954	$ 11,403,325
Restricted	6,532,167	5,608,628	5,816,184	6,025,281	6,792,519
Unrestricted	2,279,401	1,925,696	2,016,724	2,428,869	3,981,824
Total primary government net position	$ 19,239,126	$ 18,402,964	$ 18,867,080	$ 19,775,104	$ 22,177,668

	2015	2016	2017	2018	2019
General Fund					
Reserved	$ -	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-	-
Nonspendable	76,851	80,281	78,555	77,093	106,736
Restricted	1,572,465	815,862	790,129	1,145,684	1,331,237
Committed	2,634,649	2,445,893	2,245,651	2,274,589	3,735,918
Assigned	1,045	609	542	-	-
Unassigned	96,297	25,866	23,338	112,912	201,560
Total General Fund	$ 4,381,307	$ 3,368,511	$ 3,138,215	$ 3,610,278	$ 5,375,451
All Other Governmental Funds					
Reserved	$ -	$ -	$ -	$ -	$ -
Nonspendable	3,228,359	3,212,407	3,508,054	3,625,586	3,785,281
Restricted	1,265	5,081	-	-	-
Committed	48,967	29,394	41,833	65,263	60,210
Assigned	79,460	77,296	52,692	41,789	61,556
Unassigned	-	-	-	-	-
Total All Other Governmental Funds	$ 3,358,051	$ 3,324,178	$ 3,602,579	$ 3,732,638	$ 3,907,047
Total All Governmental Fund Balances	$ 7,739,358	$ 6,692,689	$ 6,740,794	$ 7,342,916	$ 9,282,498

State of Oklahoma
Changes in Net Position by Component
Last Ten Fiscal Years
(expressed in thousands)

	2010	2011	2012	2013	2014
Expenses					
Governmental Activities:					
Education-General	$ 3,573,881	$ 3,506,316	$ 2,413,027	$ 2,405,694	$ 3,322,341
Education-Payment to Higher Education	1,076,248	1,065,225	1,982,235	2,003,101	1,037,785
Government Administration	1,611,256	1,663,883	1,763,437	1,866,501	1,830,570
Health Services	4,750,304	4,866,858	5,432,791	5,462,257	5,766,102
Legal and Judiciary	256,867	241,360	236,979	245,372	261,344
Museums	14,572	13,539	15,455	15,916	17,691
Natural Resources	249,020	257,998	223,444	353,243	264,233
Public Safety and Defense	811,999	850,190	825,787	820,506	863,080
Regulatory Services	119,044	127,211	116,789	129,206	131,756
Social Services	2,287,486	2,269,749	2,126,879	2,222,255	2,240,638
Transportation	842,394	934,272	845,784	941,132	1,043,522
Interest on Long-Term Debt	70,549	100,363	95,097	112,030	71,270
Governmental Activities	$ 15,663,620	$ 15,896,964	$ 16,077,704	$ 16,577,213	$ 16,850,332
Business-Type Activities:					
Employment Security Commission	$ 1,146,720	$ 776,001	$ 537,575	$ 386,399	$ 289,959
Water Resources Board	26,739	40,769	39,979	39,398	35,286
Office of Management and Enterprise Services	-	-	-	843,065	925,327
Lottery Commission	132,642	132,812	127,729	128,642	123,180
Business-Type Activities	$ 1,306,101	$ 949,582	$ 705,283	$ 1,397,504	$ 1,373,752
Total Primary Government Expenses	$ 16,969,721	$ 16,846,546	$ 16,782,987	$ 17,974,717	$ 18,224,084
Program Revenues					
Governmental Activities:					
Charges for Services:					
Government Administration	$ 224,563	$ 226,054	$ 263,050	$ 469,439	$ 189,753
Health Services	167,567	174,185	476,950	472,502	557,041
Social Services	198,086	171,890	62,997	26,317	61,925
All Others	707,820	570,744	564,370	697,964	627,565
Total Charges for Services	$ 1,298,036	$ 1,142,873	$ 1,367,367	$ 1,666,222	$ 1,436,284
Operating Grants and Contributions	7,804,862	7,982,737	7,181,699	6,939,234	7,326,805
Total Governmental Activities	$ 9,102,898	$ 9,125,610	$ 8,549,066	$ 8,605,456	$ 8,763,089
Business-Type Activities:					
Charges for Services:					
Employment Security Commission	$ 206,763	$ 352,458	$ 634,373	$ 535,290	$ 475,453
Water Resources Board	26,979	76,225	59,461	54,877	55,315
Office of Management and Enterprise Services	-	-	-	860,767	941,890
Lottery Commission	199,926	198,274	199,973	200,324	191,564
Total Charges for Services	$ 433,668	$ 626,957	$ 893,807	$ 1,651,258	$ 1,664,222
Operating Grants and Contributions	596,350	421,483	260,936	138,918	37,901
Total Business-Type Activities	$ 1,030,018	$ 1,048,440	$ 1,154,743	$ 1,790,176	$ 1,702,123
Total Primary Government Revenue	$ 10,127,765	$ 10,172,410	$ 9,703,247	$ 10,396,260	$ 10,465,028
Net (Expense) Revenue:					
Governmental Activities	$ (6,560,722)	$ (6,771,354)	$ (7,528,638)	$ (7,971,757)	$ (8,087,243)
Business-Type Activities	(276,083)	98,858	449,460	392,672	328,371
Total Primary Government	$ (6,836,805)	$ (6,672,496)	$ (7,079,178)	$ (7,579,085)	$ (7,758,872)
General Revenues					
Governmental Activities:					
Taxes	$ 6,825,428	$ 7,736,326	$ 8,371,138	$ 8,342,838	$ 8,691,182
Investment Earnings	45,116	117,128	80,488	68,601	59,298
Contributions to Permanent Funds	62,325	61,738	64,861	87,515	60,516
Gain (Loss) on Sale of Assets	3,816	-	-	-	-
Special Item	-	-	7,384	615	-
Transfers	70,315	69,574	65,880	77,745	81,020
Total Governmental Activities	$ 7,007,000	$ 7,984,766	$ 8,589,751	$ 8,577,314	$ 8,892,016
Business-Type Activities:					
Transfers	$ (70,315)	$ (69,574)	$ (65,880)	$ (77,745)	$ (81,020)
Total Business-Type Activities	$ (70,315)	$ (69,574)	$ (65,880)	$ (77,745)	$ (81,020)
Total General Revenues and Transfers	$ 6,936,685	$ 7,915,192	$ 8,523,871	$ 8,499,569	$ 8,810,996
Change in Net Position (Governmental)	$ 446,278	$ 1,213,412	$ 1,061,113	$ 605,557	$ 804,773
Change in Net Position (Business-Type)	(346,398)	29,284	383,580	314,927	247,351
Net Position - Beginning of Year (as restated)	13,800,809	13,883,987	15,257,926	16,977,473	17,879,823
Net Position - End of Year	$ 13,900,689	$ 15,126,683	$ 16,702,619	$ 17,897,957	$ 18,931,947

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
Education-General	$ 3,424,751	$ 3,435,184	$ 3,361,645	$ 3,507,277	$ 4,009,839
Education-Payment to Higher Education	1,030,060	942,707	889,389	761,036	790,651
Government Administration	1,114,539	2,114,501	1,870,606	2,111,959	2,193,051
Health Services	5,660,101	5,710,985	5,613,009	5,603,631	5,965,780
Legal and Judiciary	205,622	262,081	267,320	252,845	254,928
Museums	18,189	12,502	11,316	11,281	12,914
Natural Resources	288,333	290,366	318,494	281,187	457,332
Public Safety and Defense	787,751	859,395	895,929	885,841	885,374
Regulatory Services	153,511	193,245	97,804	115,590	152,337
Social Services	2,187,576	2,356,625	2,199,151	2,137,520	2,180,094
Transportation	1,086,603	1,109,349	1,128,688	1,148,291	1,096,785
Interest on Long-Term Debt	58,330	78,130	76,321	56,493	58,197
Governmental Activities	$ 16,015,366	$ 17,365,070	$ 16,729,672	$ 16,872,951	$ 18,057,282
Business-Type Activities:					
Employment Security Commission	$ 281,058	$ 395,192	$ 320,111	$ 250,465	$ 225,242
Water Resources Board	32,641	34,673	34,932	37,489	41,106
Office of Management and Enterprise Services	1,023,920	1,051,966	1,031,753	1,051,302	1,089,343
Lottery Commission	112,624	121,139	97,619	161,388	174,641
Business-Type Activities	$ 1,450,243	$ 1,602,970	$ 1,484,415	$ 1,500,644	$ 1,530,332
Total Primary Government Expenses	$ 17,465,609	$ 18,968,040	$ 18,214,087	$ 18,373,595	$ 19,587,614
Program Revenues					
Governmental Activities:					
Charges for Services:					
Government Administration	$ 558,328	$ 330,500	$ 447,826	$ 350,687	$ 442,407
Health Services	544,828	625,906	633,940	579,414	666,742
Social Services	11,962	36,311	9,984	72,277	35,236
All Others	628,232	659,458	698,598	766,977	951,162
Total Charges for Services	$ 1,743,350	$ 1,652,175	$ 1,790,348	$ 1,769,355	$ 2,095,547
Operating Grants and Contributions	6,744,975	6,785,553	7,131,617	6,681,680	7,152,628
Total Governmental Activities	$ 8,488,325	$ 8,437,728	$ 8,921,965	$ 8,451,035	$ 9,248,175
Business-Type Activities:					
Charges for Services:					
Employment Security Commission	$ 305,538	$ 254,001	$ 278,815	$ 285,454	$ 285,617
Water Resources Board	53,329	61,237	42,455	47,802	74,888
Office of Management and Enterprise Services	964,432	984,734	1,026,482	1,083,430	1,099,660
Lottery Commission	171,989	190,074	151,917	221,643	242,592
Total Charges for Services	$ 1,495,288	$ 1,490,046	$ 1,499,669	$ 1,638,329	$ 1,702,757
Operating Grants and Contributions	10,935	8,302	9,031	15,620	16,137
Total Business-Type Activities	$ 1,506,223	$ 1,498,348	$ 1,508,700	$ 1,653,949	$ 1,718,894
Total Primary Government Revenue	$ 9,997,863	$ 9,936,752	$ 10,430,665	$ 10,104,984	$ 10,967,069
Net (Expense) Revenue:					
Governmental Activities	$ (7,527,041)	$ (8,927,342)	$ (7,807,707)	$ (8,421,916)	$ (8,809,107)
Business-Type Activities	55,980	(104,622)	24,285	153,305	188,562
Total Primary Government	$ (7,471,061)	$ (9,031,964)	$ (7,783,422)	$ (8,268,611)	$ (8,620,545)
General Revenues					
Governmental Activities:					
Taxes	$ 8,612,118	$ 8,232,688	$ 8,131,948	$ 9,231,672	$ 10,550,834
Investment Earnings	60,007	60,792	53,157	58,075	97,978
Contributions to Permanent Funds	59,287	58,810	59,460	54,765	54,269
Gain (Loss) on Sale of Assets	-	-	-	-	-
Special Item	(451)	-	-	-	-
Transfers	76,211	78,979	65,456	63,001	67,556
Total Governmental Activities	$ 8,807,172	$ 8,431,269	$ 8,310,021	$ 9,407,513	$ 10,770,637
Business-Type Activities:					
Transfers	$ (76,211)	$ (78,979)	$ (65,456)	$ (63,001)	$ (67,556)
Total Business-Type Activities	$ (76,211)	$ (78,979)	$ (65,456)	$ (63,001)	$ (67,556)
Total General Revenues and Transfers	$ 8,730,961	$ 8,352,290	$ 8,244,565	$ 9,344,512	$ 10,703,081
Change in Net Position (Governmental)	$ 1,280,131	$ (496,073)	$ 502,314	$ 985,597	$ 1,961,530
Change in Net Position (Business-Type)	(20,231)	(183,601)	(41,171)	90,304	121,006
Net Position - Beginning of Year (as restated)	17,979,226	19,082,638	18,405,937	18,699,203	20,095,132
Net Position - End of Year	$ 19,239,126	$ 18,402,964	$ 18,867,080	$ 19,775,104	$ 22,177,668

State of Oklahoma
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(expressed in thousands)

	2010	2011	2012	2013	2014
Revenues					
Taxes:					
Income Taxes-Individual	$ 2,093,097	$ 2,527,208	$ 2,722,648	$ 2,854,034	$ 2,893,520
Income Taxes-Corporate	219,795	351,074	443,358	583,829	396,087
Sales Tax	1,982,820	2,191,359	2,400,752	2,523,139	2,599,078
Gross Production Taxes	762,223	818,572	837,302	512,875	666,825
Motor Vehicle Taxes	579,852	638,189	692,046	678,075	788,668
Fuel Taxes	402,999	405,555	410,949	403,641	420,105
Tobacco Taxes	253,172	270,307	278,797	270,682	248,623
Insurance Taxes	88,156	113,951	124,653	145,420	167,489
Beverage Taxes	90,276	95,115	100,547	105,145	109,390
Other Taxes	353,038	324,996	360,086	265,997	401,397
Licenses, Permits and Fees	361,338	405,062	598,030	626,597	672,008
Interest and Investment Revenue	476,597	699,254	336,295	509,424	692,697
Federal Grants	7,456,421	7,499,163	6,934,571	6,647,031	6,746,151
Sales and Services	185,037	166,584	190,779	174,523	200,086
Other	780,704	521,740	614,350	865,023	508,809
Total Revenues	$ 16,085,525	$ 17,028,129	$ 17,045,163	$ 17,165,435	$ 17,510,933
Expenditures					
Education	$ 4,648,786	$ 4,572,304	$ 4,395,104	$ 4,406,724	$ 4,359,511
Government Administration	1,560,521	1,634,351	1,741,287	1,857,921	2,204,090
Health Services	4,737,363	4,851,630	5,436,158	5,447,207	5,745,842
Legal and Judiciary	248,996	232,245	231,292	239,421	250,376
Museums	14,993	13,801	14,281	14,915	14,532
Natural Resources	279,830	250,174	211,946	337,867	246,556
Public Safety and Defense	755,376	798,995	764,714	768,059	798,173
Regulatory Services	117,821	115,076	111,911	122,354	128,460
Social Services	2,259,473	2,252,188	2,091,972	2,196,864	2,214,898
Transportation	177,683	182,708	208,009	212,248	225,768
Capital Outlay	1,626,181	1,551,017	1,302,447	1,104,103	894,684
Debt Service					
Principal Retirement	111,816	118,163	98,831	221,187	361,488
Interest and fiscal Charges	70,549	72,074	95,097	112,030	71,269
Total Expenditures	$ 16,609,388	$ 16,644,726	$ 16,703,049	$ 17,040,900	$ 17,515,647
Revenues in Excess of (Less Than) Expenditures	$ (523,863)	$ 383,403	$ 342,114	$ 124,535	$ (4,714)
Other Financing Sources (Uses)					
Transfers In	84,362	71,919	73,168	67,955	81,020
Transfers Out	(14,047)	(2,345)	(7,287)	-	-
Bonds Issued	148,080	559,045	68,805	22,795	235,505
Notes Issued	-	-	-	-	-
Refunding Bonds Issued	-	-	6,140	67,555	-
Bond Issue Premiums	2,671	38,627	11,282	8,099	25,679
Bond Issue Discounts	-	-	(35)	(121)	-
Payment to Refunded Bond Escrow Agent	-	(246,044)	-	-	-
Capital Leases and Certificates of Participation	8,116	2,640	5,659	5,256	322
Sale of Capital Assets	10,142	7,601	8,139	11,928	10,798
Total Other Financing Sources (Uses)	$ 239,324	$ 431,443	$ 165,871	$ 183,467	$ 353,324
Net Changes in Fund Balances	**$ (284,539)**	**$ 814,846**	**$ 507,985**	**$ 308,002**	**$ 348,610**
Fund Balances - Beginning of Year (as restated)	5,840,650	5,555,130	6,367,321	6,884,008	7,192,011
Fund Balances - End of Year	$ 5,556,111	$ 6,369,976	$ 6,875,306	$ 7,192,010	$ 7,540,621
Debt Service as a Percentage of Noncapital Expenditures	1.2%	1.3%	1.3%	2.1%	2.6%

	2015	2016	2017	2018	2019
Revenues					
Taxes:					
Income Taxes-Individual	$ 2,965,231	$ 2,944,246	$ 2,948,868	$ 3,240,777	$ 3,469,633
Income Taxes-Corporate	373,518	333,838	169,639	251,163	312,862
Sales Tax	2,553,978	2,481,242	2,460,238	2,823,427	3,076,488
Gross Production Taxes	543,656	326,608	412,898	596,196	1,037,656
Motor Vehicle Taxes	772,697	761,052	757,223	868,042	887,074
Fuel Taxes	424,048	432,607	432,780	441,978	539,150
Tobacco Taxes	252,978	257,813	254,935	261,234	360,886
Insurance Taxes	183,722	181,133	164,008	181,614	176,198
Beverage Taxes	112,718	116,246	118,449	122,541	139,737
Other Taxes	429,572	397,902	412,914	444,700	453,214
Licenses, Permits and Fees	695,364	682,750	711,014	780,649	808,705
Interest and Investment Revenue	318,679	254,610	655,229	435,657	496,851
Federal Grants	6,652,689	6,667,592	6,695,846	6,440,084	6,811,030
Sales and Services	180,315	212,169	222,086	217,647	236,892
Other	810,615	729,640	759,334	700,142	977,713
Total Revenues	$ 17,269,780	$ 16,779,448	$ 17,175,461	$ 17,805,851	$ 19,784,089
Expenditures					
Education	$ 4,459,227	$ 4,373,024	$ 4,247,212	$ 4,262,822	$ 4,799,146
Government Administration	1,522,733	1,699,571	1,935,755	1,981,752	2,043,121
Health Services	5,636,440	5,704,161	5,614,255	5,595,980	5,954,945
Legal and Judiciary	248,668	251,114	254,551	255,739	263,275
Museums	9,698	9,074	7,444	7,650	12,553
Natural Resources	273,081	281,530	295,638	252,484	449,324
Public Safety and Defense	786,197	826,716	837,157	838,098	833,423
Regulatory Services	150,864	191,627	95,621	114,355	150,625
Social Services	2,177,124	2,347,661	2,192,547	2,145,461	2,179,379
Transportation	203,021	237,427	203,290	215,428	233,357
Capital Outlay	1,451,605	1,764,073	1,575,479	1,506,734	1,400,527
Debt Service					
Principal Retirement	408,643	191,272	179,384	140,272	157,460
Interest and fiscal Charges	60,833	76,228	72,994	59,145	53,036
Total Expenditures	$ 17,388,134	$ 17,953,478	$ 17,511,327	$ 17,375,920	$ 18,530,171
Revenues in Excess of (Less Than) Expenditures	$ (118,354)	$ (1,174,030)	$ (335,866)	$ 429,931	$ 1,253,918
Other Financing Sources (Uses)					
Transfers In	83,587	85,002	81,634	78,997	90,891
Transfers Out	(7,376)	(6,023)	(16,178)	(15,996)	(23,335)
Bonds Issued	189,250	39,535	265,665	27,215	268,105
Notes Issued	-	-	-	61,505	-
Refunding Bonds Issued	-	-	-	-	-
Bond Issue Premiums	18,398	5,276	39,067	10,023	23,381
Bond Issue Discounts	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-
Capital Leases and Certificates of Participation	365		440	-	-
Sale of Capital Assets	87,267	14,451	13,343	10,447	23,870
Total Other Financing Sources (Uses)	$ 371,491	$ 138,241	$ 383,971	$ 172,191	$ 382,912
Net Changes in Fund Balances	**$ 253,137**	**$ (1,035,789)**	**$ 48,105**	**$ 602,122**	**$ 1,636,830**
Fund Balances - Beginning of Year (as restated)	7,486,221	7,728,478	6,692,689	6,740,794	7,645,668
Fund Balances - End of Year	$ 7,739,358	$ 6,692,689	$ 6,740,794	$ 7,342,916	$ 9,282,498
Debt Service as a Percentage of Noncapital Expenditures	2.9%	1.7%	1.6%	1.3%	1.2%

State of Oklahoma
Personal Income by Industry
Last Ten Years
(expressed in millions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total Personal Income	$ 132,144	$ 133,149	$ 142,862	$ 154,958	$ 161,188	$ 167,292	$ 178,250	$ 179,238	$ 170,791	$ 182,302
Farm Earnings	110	955	881	1,253	1,128	1,303	2,043	1,390	949	672
Nonfarm Earnings	93,158	92,177	101,345	108,094	113,571	118,038	126,040	126,433	117,485	125,858
Private Earnings	**71,887**	**70,174**	**79,024**	**87,058**	**92,367**	**96,706**	**103,580**	**103,347**	**94,363**	**102,252**
Forestry, Fishing & Agriculture	199	193	273	244	268	357	229	255	275	273
Mining, Oil & Natural Gas Extraction	8,528	5,813	9,467	14,809	14,736	15,626	13,859	11,878	8,100	10,625
Utilities	1,473	1,407	1,468	1,537	1,573	2,044	1,637	1,648	1,526	1,502
Construction	4,383	4,861	5,390	6,381	7,296	7,509	7,767	7,964	7,348	7,612
Manufacturing - Durable	5,389	5,717	5,907	6,486	6,725	7,108	7,311	6,885	6,749	7,747
Manufacturing - Nondurable	5,476	3,240	3,675	3,500	3,839	3,915	3,147	3,255	3,014	3,969
Wholesale Trade	3,727	3,667	4,026	4,298	4,559	4,839	4,844	4,763	4,875	4,671
Retail Trade	5,810	6,414	6,749	7,080	7,329	7,603	7,253	7,450	7,147	7,107
Transportation and Warehousing	3,698	3,931	5,063	4,316	5,739	5,893	14,222	14,538	11,522	12,333
Services	33,204	34,931	37,006	38,407	40,303	41,812	43,311	44,711	43,807	46,413
Government	**21,271**	**22,003**	**22,321**	**21,036**	**21,204**	**21,332**	**22,460**	**23,086**	**23,122**	**23,606**
Federal, civilian	4,467	4,797	4,884	4,409	4,277	4,308	4,582	4,786	4,921	5,104
Military	3,024	3,261	3,240	2,438	2,355	2,216	2,171	2,195	2,228	2,320
State and Local	13,780	13,945	14,197	14,189	14,572	14,808	15,707	16,105	15,973	16,182
Highest Personal Income Tax Rate	5.50%	5.50%	5.50%	5.25%	5.25%	5.25%	5.25%	5.00%	5.00%	5.00%
Corporate Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

Source: U. S. Department of Commerce, Bureau of Economic Analysis, and the Oklahoma Tax Commission.
Data is the latest avaialable at time of printing.

State of Oklahoma
Personal Income Tax Filers and Liability by Adjusted Gross Income
Calendar (Tax) Years 2018 and 2009

Calendar Year 2018

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	295,023	17%	$2,005,562,657	61%
$75,001 - $100,000	144,558	8%	403,226,237	12%
$50,001 - $75,000	231,585	13%	429,757,692	13%
$25,001 - $50,000	428,557	25%	377,235,246	12%
$10,001 - $25,000	361,575	21%	65,822,922	2%
$10,000 and lower	281,335	16%	557,526	0%
Total	1,742,633	100%	$3,282,162,280	100%

Calendar Year 2009

Adjusted Gross Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	173,603	10%	$1,165,427,567	48%
$75,001 - $100,000	116,189	7%	345,287,564	14%
$50,001 - $75,000	205,942	12%	411,603,382	17%
$25,001 - $50,000	416,357	25%	403,734,421	17%
$10,001 - $25,000	428,256	26%	99,194,490	4%
$10,000 and lower	336,340	20%	2,197,971	0%
Total	1,676,687	100%	$2,427,445,396	100%

Source: Oklahoma Tax Commission

State of Oklahoma
Tax Collections
Last Ten Fiscal Years

Taxes	2010	2011	2012	2013	2014
Aircraft Excise Tax	$ 4,234,993	$ 4,358,022	$ 5,884,147	$ 4,910,204	$ 4,074,978
Alcoholic Beverage Excise Tax	21,905,099	22,777,383	23,614,156	25,553,610	26,372,098
Beverage Tax	25,303,290	24,934,826	24,979,667	24,653,353	23,896,702
Bingo Tax	140,859	136,038	132,086	127,801	105,890
Business Activity Tax	-	4,869,667	50,733,207	45,051,074	33,395,208
Charity Games Tax	54,607	20,623	28,177	42,535	34,835
Cigarette Tax	196,519,460	215,941,799	227,840,813	210,231,001	195,926,775
City Use Tax - Collect/Deposit	1,002,399	1,000,347	1,259,015	1,229,331	1,313,014
Coin Operated Device Decal	3,111,604	2,197,531	4,044,697	4,191,200	3,602,660
Controlled Dangerous Substance Tax	20,674	30,586	34,874	57,556	72,283
County Tax (Use & Lodging)	194,713	237,749	280,394	314,817	357,102
Diesel Fuel Excise Tax	71,963,557	69,230,643	77,027,777	73,785,574	80,309,870
Documentary Stamp Tax	11,090,994	10,981,645	11,991,469	15,282,903	15,763,766
Farm Implement Tax Stamps	6,397	8,033	8,328	10,818	11,611
Franchise Tax	46,714,746	32,647,715	758,202	540,824	1,126,420
Freight Car Tax	530,685	619,364	665,287	717,516	837,888
Fuels Excise Tax	-	49,665	-	-	-
Gaming Exclusivity Fees	118,624,111	123,560,707	124,300,610	129,286,255	123,376,190
Gasoline Excise Tax	208,545,441	197,712,177	206,179,731	203,403,445	202,091,479
Gross Production Tax - Oil and Gas	579,700,531	631,755,429	724,903,048	373,494,633	477,781,300
Horse Track Gaming	13,710,940	16,915,904	18,612,058	20,483,704	20,615,037
Income Tax (Individual)	2,230,787,128	2,385,413,131	2,723,887,073	2,844,880,206	2,835,207,273
Income Tax (Corporate)	212,866,850	330,905,421	412,808,773	594,181,209	408,109,649
Inheritance and Estate Tax	23,433,845	5,661,243	1,814,854	135,523	873,332
Insurance Premium Tax	141,255,690	170,627,316	199,620,667	213,675,180	223,090,507
Medical Marijuana Excise Tax	-	-	-	-	-
Mixed Beverage Gross Receipts Tax	32,494,306	35,344,321	39,241,847	43,357,002	46,127,916
Occupational Health and Safety Tax	2,757,188	2,672,792	3,027,902	2,681,651	2,597,953
Pari-Mutuel Taxes	1,265,853	1,117,663	1,272,843	1,287,912	1,168,333
Pari-Mutuel - Other Tax	28,721	11,155	7,633	9,352	6,961
Petroleum Excise Tax	11,045,779	13,077,225	14,309,381	12,450,983	16,135,417
Rural Electric Co-operative Tax	1,521,744	1,642,867	1,770,676	1,842,173	2,055,243
Sales Tax	1,806,049,515	1,982,182,368	2,165,311,137	2,275,444,163	2,335,326,717
Sales Tax - City	13,113,139	12,948,170	14,906,819	15,541,756	14,952,187
Sales Tax - County	2,715,907	2,853,587	3,304,647	3,374,051	3,328,337
Special Fuel Decal	355,578	503,848	396,838	460,204	450,950
Special Fuel Use Tax	1,498,427	1,522,816	1,539,054	1,421,676	1,485,281
Tag Agent Remittance Tax	247,546,872	307,579,624	348,562,103	330,838,092	388,643,946
Telephone Surcharge	837,385	796,832	722,113	719,897	634,760
Tobacco Products Tax	27,045,416	30,947,514	34,415,644	37,643,515	40,243,152
Tribal Compact in Lieu of Tax Payments	47,165,891	40,180,597	41,910,495	43,741,973	31,908,905
Unclaimed Property Assessment	11,418,562	9,424,634	12,083,796	10,575,619	10,235,907
Unclassified Tax Receipts	274,693	188,102	366,977	49,413	43
Use Tax	152,323,434	176,061,390	206,228,223	221,082,285	237,162,483
Vehicle Revenue Tax Stamps	37,247	40,797	43,650	51,598	47,408
Workers' Compensation Awards - Assessments	23,440,505	25,534,690	22,723,364	34,801,759	55,465,606
Workers' Compensation Insurance Premium Tax	7,452,455	8,802,817	8,693,887	9,949,807	10,210,365
Other Taxes	19,113,157	21,172,515	23,170,322	28,001,415	32,368,659
Total	$ 6,321,220,387	$ 6,927,199,288	$ 7,785,418,461	$ 7,861,566,568	$ 7,908,902,396

Prepared using cash basis to aid in budgetary analysis.
Source: Oklahoma Tax Commission as adjusted.

Taxes	2015	2016	2017	2018	2019
Aircraft Excise Tax	$ 3,243,398	$ 4,828,624	$ 5,391,211	$ 4,053,797	$ 3,829,965
Alcoholic Beverage Excise Tax	26,987,301	26,646,189	28,106,231	28,556,548	36,983,470
Beverage Tax	23,283,684	22,887,790	22,331,800	21,877,356	9,072,758
Bingo Tax	80,475	61,400	29,185	101,233	66,773
Business Activity Tax	816,420	107,215	33,469	20,356	5,816
Charity Games Tax	37,195	18,534	13,514	17,394	10,673
Cigarette Tax	197,553,535	198,606,624	185,771,745	197,801,584	246,346,627
City Use Tax - Collect/Deposit	1,356,836	658,449	694,396	899,474	1,185,318
Coin Operated Device Decal	3,794,511	3,719,626	3,585,473	3,557,522	3,384,094
Controlled Dangerous Substance Tax	63,393	55,753	42,755	45,251	52,406
County Tax (Use & Lodging)	372,177	181,421	161,073	178,659	254,255
Diesel Fuel Excise Tax	79,234,208	68,837,914	80,680,616	83,928,077	128,861,400
Documentary Stamp Tax	18,191,408	18,008,889	19,078,660	21,022,186	21,555,093
Farm Implement Tax Stamps	11,697	10,666	7,886	8,177	9,225
Franchise Tax	56,540,151	56,198,494	52,175,517	59,063,475	57,322,320
Freight Car Tax	826,793	850,181	797,132	1,016,667	1,081,051
Fuels Excise Tax	-	-	-	-	-
Gaming Exclusivity Fees	128,443,759	134,390,332	135,437,136	139,811,191	148,309,097
Gasoline Excise Tax	207,370,800	214,758,884	204,215,392	213,150,162	263,009,336
Gross Production Tax - Oil and Gas	401,619,064	196,635,110	270,569,184	480,533,689	858,159,342
Horse Track Gaming	20,592,150	20,890,153	20,738,589	25,459,166	28,358,978
Income Tax (Individual)	3,152,729,993	2,941,832,022	2,881,519,924	3,207,252,928	3,497,148,830
Income Tax (Corporate)	375,873,186	371,445,751	167,149,379	233,637,308	316,809,235
Inheritance and Estate Tax	1,056,925	126,278	256,834	176,713	-
Insurance Premium Tax	244,415,684	257,217,612	243,245,651	280,967,940	271,859,078
Medical Marijuana Excise Tax	-	-	-	-	4,648,134
Mixed Beverage Gross Receipts Tax	50,193,262	52,872,099	54,204,358	57,325,035	71,952,273
Occupational Health and Safety Tax	2,171,916	2,280,573	1,615,273	1,590,164	1,336,057
Pari-Mutuel Taxes	1,163,885	1,068,502	1,085,121	1,105,126	1,030,908
Pari-Mutuel - Other Tax	6,028	24,116	8,318	10,119	8,654
Petroleum Excise Tax	14,152,206	8,148,238	11,897,143	15,825,493	19,884,698
Rural Electric Co-operative Tax	2,214,029	2,031,514	2,048,871	2,163,108	2,321,431
Sales Tax	2,424,380,716	2,268,723,336	2,192,792,253	2,511,931,524	2,667,670,936
Sales Tax - City	16,725,211	8,964,736	8,283,457	8,903,019	9,347,469
Sales Tax - County	3,800,593	1,919,312	1,632,995	1,602,075	1,696,214
Special Fuel Decal	351,812	159,254	930,292	760,693	1,763,447
Special Fuel Use Tax	1,534,694	1,541,979	1,068,339	1,175,495	1,547,063
Tag Agent Remittance Tax	376,730,773	385,676,774	391,613,483	404,913,340	415,230,477
Telephone Surcharge	570,979	493,779	403,749	288,787	565,043
Tobacco Products Tax	44,462,393	47,592,850	50,725,702	52,835,101	56,054,853
Tribal Compact in Lieu of Tax Payments	27,372,341	28,901,523	30,894,381	38,587,904	56,755,231
Unclaimed Property Assessment	9,433,401	10,200,000	11,033,333	9,366,667	9,366,667
Unclassified Tax Receipts	436,149	209,126	5,884	46,065	522,069
Use Tax	240,423,735	208,492,766	219,582,282	276,137,946	375,238,267
Vehicle Revenue Tax Stamps	46,974	47,338	45,594	46,494	47,278
Workers' Compensation Awards - Assessments	63,469,440	57,157,971	48,609,051	49,240,983	47,490,599
Workers' Compensation Insurance Premium Tax	9,789,096	9,129,743	6,500,000	6,500,000	6,000,000
Other Taxes	37,118,891	33,803,335	35,231,845	35,434,656	39,398,595
Total	$ 8,271,043,267	$ 7,668,412,775	$ 7,392,244,476	$ 8,478,926,647	$ 9,683,551,503

State of Oklahoma
Percentage of Annual Debt Service Expenditures for General Bonded Debt to Total Expenditures Governmental Funds
For Last Ten Fiscal Years
(expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Service										
Principal Retirement	$ 111,816	$ 118,163	$ 98,831	$ 221,187	$ 361,488	$ 408,643	$ 191,272	$ 179,384	$ 140,272	$ 157,460
Interest and Fiscal Charges	70,549	72,074	95,097	112,030	71,269	60,833	76,228	72,994	59,145	53,036
Total Debt Service	$ 182,365	$ 190,237	$ 193,928	$ 333,217	$ 432,757	$ 469,476	$ 267,500	$ 252,378	$ 199,417	$ 210,496
Total Expenditures	$ 14,983,207	$ 15,093,709	$ 15,400,602	$ 15,936,797	$ 16,620,964	$ 15,936,529	$ 16,189,405	$ 15,935,848	$ 15,869,186	$ 17,129,644
Ratio	1.217%	1.260%	1.259%	2.091%	2.604%	2.946%	1.652%	1.584%	1.257%	1.229%

State of Oklahoma
Ratios of Outstanding Debt by Type Primary Government
Last Ten Fiscal Years
(expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities Debt:										
General Obligation Bonds	$ 188,030	$ 175,645	$ 175,645	$ 136,585	$ 131,955	$ 107,395	$ 82,100	$ 55,875	$ 28,530	$ -
General Obligation Bonds as a Percentage of General Revenue [a]	2.81%	2.26%	2.03%	1.59%	1.49%	1.21%	0.97%	0.67%	0.30%	-
Per Capita (actual-not in thousands) [b]	$ 50	$ 46	$ 46	$ 36	$ 34	$ 28	$ 21	$ 14	$ 7	$ -
Revenue bonds	1,173,025	1,428,820	1,424,555	1,353,449	1,255,988	1,283,082	1,157,304	1,311,850	1,233,266	1,391,031
Notes Payable	246,623	229,929	212,592	194,560	173,985	47,245	30,520	16,575	69,995	61,505
Capital Leases	12,553	12,719	8,710	10,712	8,271	6,526	4,202	2,740	1,362	544
Total Governmental Activities	$ 1,620,231	$ 1,847,113	$ 1,821,502	$ 1,695,306	$ 1,570,199	$ 1,444,248	$ 1,274,126	$ 1,387,040	$ 1,333,153	$ 1,453,080
Business-Type Activities Debt:										
Revenue Bonds	$ 599,984	$ 759,493	$ 832,597	$ 931,413	$ 801,159	$ 778,800	$ 867,324	$ 854,028	$ 904,908	$ 1,002,415
Total Business-Type Activities	$ 599,984	$ 759,493	$ 832,597	$ 931,413	$ 801,159	$ 778,800	$ 867,324	$ 854,028	$ 904,908	$ 1,002,415
Total Primary Government	$ 2,220,215	$ 2,606,606	$ 2,654,099	$ 2,626,719	$ 2,371,358	$ 2,223,048	$ 2,141,450	$ 2,241,068	$ 2,238,061	$ 2,455,495
Total Primary Government Debt as a Percentage of Personal Income [c]	1.66%	1.92%	1.84%	1.68%	1.46%	1.32%	1.20%	1.34%	1.31%	1.35%
Per Capita (actual-not in thousands) [b]	$ 595	$ 679	$ 694	$ 684	$ 618	$ 569	$ 543	$ 569	$ 568	$ 621

[a] General Revenue values can be found in the Changes in Net Position statistics schedule.

[b] Population data can be found in the Demographic and Economic Statistics schedule. The amount for the current year is estimated. Population data for the current year was unavailable at printing.

[c] Debt by Type information can be found in the notes to the financial statements. The percentage for the current year is estimated. Current year personal income data was unavailable at printing.

State of Oklahoma
Revenue Bond Coverage
Enterprise Fund and Component Units
For the Last Ten Fiscal Years
(expressed in thousands)

	Fiscal Year Ended	Gross Revenues (1)	Operating Expenses (2)	Net Revenues for Debt Service	Debt Service Requirements	Debt Serv. Coverage
COMPONENT UNITS:						
Oklahoma Student Loan Authority	2019	$ 21,509	$ 12,486	$ 9,023	$ 5,110	1.77
(June 30 year end)	2018	19,324	12,961	6,363	4,932	1.29
	2017	14,981	10,734	4,247	4,181	1.02
	2016	12,890	9,488	3,402	4,010	0.85
	2015	12,614	9,552	3,062	4,323	0.71
	2014	14,229	9,720	4,509	5,251	0.86
	2013	19,195	9,319	9,876	7,002	1.41
	2012	16,201	2,134	14,067	6,823	2.06
	2011	19,831	(296)	20,127	7,734	2.60
	2010	19,858	(1,993)	21,851	42,601	0.51
Oklahoma Housing Finance Agency	2018	$ 13,765	$ 12,164	$ 1,601	$ 11,423	0.14
(September 30 year end)	2017	16,080	12,149	3,931	14,160	0.28
	2016	31,793	11,914	19,879	18,524	1.07
	2015	35,347	12,395	22,952	25,043	0.92
	2014	39,286	15,461	23,825	41,461	0.57
	2013	18,003	19,773	(1,770)	115,088	-0.02
	2012	47,532	14,855	32,678	88,459	0.37
	2011	63,923	14,131	49,792	69,559	0.72
	2010	64,490	15,346	49,144	44,125	1.11
	2009	83,223	14,233	68,990	104,808	0.66
Oklahoma Turnpike Authority	2018	$ 343,609	$ 105,857	$ 237,752	$ 96,111	2.47
(December 31 year end)	2017	318,082	101,888	216,194	90,346	2.39
	2016	278,200	93,972	184,228	93,246	1.98
	2015	263,317	85,532	177,785	94,634	1.88
	2014	257,863	82,048	175,815	108,314	1.62
	2013	242,226	81,593	160,633	91,893	1.75
	2012	241,379	86,706	154,674	101,570	1.52
	2011	235,369	87,918	147,451	99,141	1.49
	2010	237,047	72,396	164,651	100,389	1.64
	2009	217,158	70,915	146,243	99,555	1.47
Grand River Dam Authority	2018	$ 441,177	$ 290,887	$ 150,290	$ 64,871	2.32
(December 31 year end)	2017	445,125	322,537	122,588	75,601	1.62
	2016	441,662	300,547	141,115	74,787	1.89
	2015	425,083	229,863	195,220	75,542	2.58
	2014	485,012	307,941	177,071	79,109	2.24
	2013	432,799	251,386	181,413	134,919	1.34
	2012	423,614	272,188	151,425	135,799	1.12
	2011	418,551	254,480	164,071	136,623	1.20
	2010	398,415	196,671	201,744	142,448	1.42
	2009	340,341	214,758	125,583	124,702	1.01
Oklahoma Municipal Power Authority	2018	$ 192,733	$ 136,649	$ 56,084	$ 51,832	1.08
(December 31 year end)	2017	188,903	132,271	56,632	52,010	1.09
	2016	186,775	131,533	55,242	50,392	1.10
	2015	185,981	132,151	53,830	45,125	1.19
	2014	192,273	136,025	56,248	49,563	1.13
	2013	179,321	135,198	44,123	39,685	1.11
	2012	175,506	124,308	51,198	43,857	1.17
	2011	175,983	126,187	49,796	44,848	1.11
	2010	163,991	117,610	46,381	40,299	1.15
	2009	153,534	113,568	39,966	35,494	1.13

	Fiscal Year Ended	Gross Revenues (1)	Operating Expenses (2)	Net Revenues for Debt Service	Debt Service Requirements	Debt Serv. Coverage
Higher Education	2019	$ 5,336,055	$ 4,445,789	$ 890,266	$ 164,939	5.40
(June 30 year end)	2018	5,195,741	4,480,202	715,539	183,513	3.90
	2017	5,138,290	4,432,737	705,553	251,231	2.81
	2016	4,762,338	4,308,023	454,315	291,597	1.56
	2015	4,843,892	4,122,226	721,666	113,085	6.38
	2014	5,015,949	4,107,758	908,191	274,979	3.30
	2013	5,953,195	3,944,790	2,008,405	147,220	13.64
	2012	5,389,947	3,932,409	1,457,538	148,780	9.80
	2011	4,722,834	3,562,033	1,160,801	207,268	5.60
	2010	4,177,035	3,670,063	506,972	303,612	1.67
ENTERPRISE FUND:						
Oklahoma Water Resources Board	2019	$ 25,754	$ 781	$ 24,973	$ 39,446	0.63
(June 30 year end)	2018	21,604	641	20,963	56,558	0.37
	2017	20,714	645	20,069	76,004	0.26
	2016	22,601	1,460	21,141	40,318	0.52
	2015	20,918	766	20,152	42,672	0.47
	2014	20,600	1,287	19,313	50,395	0.38
	2013	20,128	1,427	18,701	56,376	0.33
	2012	17,580	1,036	16,544	40,532	0.41
	2011	14,705	1,529	13,176	34,638	0.38
	2010	12,885	1,126	11,759	34,162	0.34

(1) Gross revenues including interest and investment income, but excluding revenues restricted to other debt.
(2) Operating expenses, exclusive of depreciation and operating interest (where applicable)
- Revenue bond coverage is not intended to portray compliance with bond indenture agreements.
- Debt service requirements do not include one time debt service payments from refunding bonds.

State of Oklahoma
Major Employers by Size
Non-Government
For years 2009 and 2018

Non-Governmental Major Employers 2009	Non-Governmental Major Employers 2018	Employment 2018	Percentage of Total State Employment 2018
Wal-Mart Stores, Inc.	Wal-Mart Associates Inc.	33,500	1.88%
Integris Health	Integris Health, Inc.	8,500	0.48%
AMR Corp.	Chickasaw Nation	7,000	0.39%
YUM! Brands	Hobby Lobby Stores Inc.	5,500	0.31%
Chickasaw Nation	Mercy Health	6,000	0.34%
Saint Francis Hospital Inc.	Choctaw Nation of Oklahoma	5,500	0.31%
St. John's Medical Center Inc.	Saint Francis Hospital Inc.	5,500	0.31%
Choctaw Nation of Oklahoma	Braum's Inc.	5,500	0.31%
ConocoPhillips	American Airlines	5,000	0.28%
W. H. Braum, Inc.	Lowe's Home Centers Inc.	4,500	0.25%

Source: Oklahoma Department of Commerce

Note: The information above is compiled by the Department of Commerce and is the latest available at the date of publication.

State of Oklahoma
Demographic and Economic Statistics
Last Ten Fiscal Years

	Population [a] (in thousands)				Personal Income [a] (in millions)	Per Capita Personal Income [a]			Civilian Labor Force [b]		
Year	U. S.	Change from Prior Period	State of Oklahoma	Change from Prior Period	State of Oklahoma	U. S.	State of Oklahoma	Oklahoma as a Percentage of U.S.	Employed	Unemployed	Unemployment Rate
2009	307,007	0.97%	3,687	1.24%	$ 132,144	$ 39,626	$ 35,840	90.45%	1,660,000	114,000	6.4%
2010	309,350	0.76%	3,762	2.03%	133,149	39,945	35,396	88.61%	1,631,000	124,000	7.1%
2011	311,592	0.72%	3,792	0.80%	142,862	41,560	37,679	90.66%	1,662,000	109,000	6.2%
2012	313,914	0.75%	3,815	0.61%	154,958	43,735	40,620	92.88%	1,709,000	94,000	5.2%
2013	316,129	0.71%	3,851	0.94%	161,188	44,765	41,861	93.51%	1,718,000	99,000	5.4%
2014	318,857	0.86%	3,878	0.70%	167,292	46,129	43,138	93.52%	1,704,000	80,000	4.5%
2015	321,419	0.80%	3,911	0.85%	178,250	48,112	45,573	94.72%	1,764,000	78,000	4.2%
2016	323,128	0.53%	3,924	0.33%	167,503	49,246	42,692	86.69%	1,739,000	89,000	4.9%
2017	325,719	0.80%	3,931	0.18%	170,791	50,392	43,449	86.22%	1,756,000	79,000	4.3%
2018	327,167	0.44%	3,943	0.31%	182,302	54,446	46,233	84.92%	1,779,000	63,000	3.4%

[a] source U.S. Bureau of Economic Analysis as adjusted.

[b] source Oklahoma Employment Security Commission.

Note: The information above is the latest available at the date of publication.

State of Oklahoma
School Enrollments
Last Ten Fiscal Years

Public School Enrollments:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Early Childhood	37,726	39,784	40,688	37,929	40,121	40,129	39,474	36,377	36,679	36,790
Kindergarten	50,497	51,037	52,114	52,339	54,649	55,127	53,453	49,620	49,334	50,039
Elementary School	242,668	246,305	248,398	252,235	266,499	257,154	248,631	251,280	249,922	247,719
Junior High/Middle School	135,889	138,626	140,964	130,505	141,539	123,812	142,131	140,895	141,909	145,575
Senior High School	176,679	177,366	175,949	173,193	154,144	184,074	187,031	188,966	190,312	192,690
No-High School Districts (Grades 1-8)	24,090	23,938	23,596	23,549	17,215	24,151	18,179	22,637	22,644	21,652
Special Education (Early Childhood)	1,649	1,684	1,798	1,535	1,542	2,070	2,169	2,274	2,418	2,646
Out-of-Home Placements	1,806	1,720	1,915	1,905	1,616	1,783	1,602	1,661	1,598	1,475
Total	671,004	680,460	685,422	673,190	677,325	688,300	692,670	693,710	694,816	698,586
Higher Education:										
Public Institutions	250,673	255,503	256,213	251,096	236,865	228,768	225,858	221,207	216,191	210,090
Private Institutions	21,945	25,856	26,830	27,708	26,175	17,997	17,494	17,837	16,909	15,762
Total	272,618	281,359	283,043	278,804	263,040	246,765	243,352	239,044	233,100	225,852
Career-Technology Education:										
Secondary *	154,492	148,831	148,831	151,720	149,501	152,227	150,958	156,673	159,686	156,737
Adult	345,016	354,949	354,949	376,783	372,687	394,650	366,538	354,839	363,222	401,432
Total	499,508	503,780	503,780	528,503	522,188	546,877	517,496	511,512	522,908	558,169

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

Sources: Department of Education, Regents for Higher Education, and Department of Career and Technology Education

State of Oklahoma
Government Employees by Function
Last Ten Fiscal Years
(excluding higher education)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function:										
Education	963	864	832	836	817	782	767	740	768	724
Government Administration	2,324	2,036	2,275	2,828	2,829	2,633	2,624	2,529	2,508	2,382
Health Services	4,550	4,403	4,254	4,337	4,434	4,519	4,497	4,429	3,873	5,642
Legal and Judiciary	2,316	2,216	2,276	2,275	2,220	2,255	2,216	2,135	2,086	2,155
Museums	158	151	149	151	145	140	129	112	116	118
Natural Resources	2,418	2,356	2,292	2,266	2,254	2,360	2,325	2,329	2,291	1,767
Public Safety and Defense	6,857	6,428	6,311	6,320	6,367	6,338	6,409	6,564	6,586	6,594
Regulatory Services	1,328	1,291	1,280	1,289	1,302	1,023	1,030	1,087	1,126	1,067
Social Services	12,027	11,674	11,033	10,960	11,268	11,518	10,911	10,109	9,475	7,771
Transportation	3,019	2,960	2,893	2,865	2,906	2,868	2,912	2,840	2,886	2,376
Total	35,960	34,379	33,595	34,127	34,542	34,436	33,820	32,874	31,715	30,596

Source: The Human Capital Management division of the Office of Management and Enterprise Services.

State of Oklahoma
Capital Assets Utilization by Function
Primary Government
Last Ten Fiscal Years
(net of depreciation, expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Education	$ 24,064	$ 28,402	$ 29,906	$ 29,628	$ 33,274	$ 32,602	$ 33,110	$ 32,936	$ 32,736	$ 33,017
Government Administration	220,891	235,887	289,578	291,033	289,411	286,592	276,274	250,684	238,202	142,663
Health Services	149,604	146,835	162,355	157,101	151,996	151,408	157,047	166,329	167,742	165,904
Legal and Judiciary	387	310	349	1,066	824	529	1,168	818	526	2,376
Museums	11,156	12,662	12,505	13,169	13,920	12,942	13,894	13,754	13,614	13,548
Natural Resources	160,253	180,892	193,947	200,208	218,155	233,997	251,259	270,754	271,772	290,751
Public Safety and Defense	460,894	502,434	524,859	529,224	522,170	507,035	444,173	429,586	424,454	428,682
Regulatory Services	1,532	1,173	904	859	726	947	804	676	496	5,852
Social Services	122,358	118,942	115,417	104,439	86,288	87,785	85,479	77,556	88,957	99,458
Transportation	8,139,553	8,730,234	9,159,061	9,433,515	9,692,860	9,957,686	10,335,267	10,690,785	10,974,397	11,236,685
Governmental activities, net	$ 9,290,692	$ 9,957,771	$ 10,488,881	$ 10,760,242	$ 11,009,624	$ 11,271,523	$ 11,598,475	$ 11,933,878	$ 12,212,896	$ 12,418,936
Business-type activities, net	$ 330	$ 202	$ 126	$ 1,037	$ 1,415	$ 1,914	$ 2,856	$ 2,477	$ 2,085	$ 1,543

State of Oklahoma
Operating Indicators for Governmental Functions
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Government Administration										
Office of Management and Enterprise Services										
Number of motor vehicles maintained	1,267	1,203	1,217	1,168	1,104	1,093	1,076	1,050	1,007	1,007
Number of buildings managed	18	18	19	20	20	28	28	28	28	28
Health Services										
Department of Health										
Protective services:										
Retail food establishment inspections	24,369	23,368	45,874	43,083	44,939	45,417	47,457	45,887	47,414	35,878
Food inspections	48,036	44,878	46,662	43,671	47,831	48,417	48,913	47,238	48,602	56,750
Long-Term Care:										
Facility licensing, inspections and complaints	2,120	1,912	4,078	2,223	2,492	2,275	2,901	2,231	2,227	2,266
Residents (approximate)	19,623	21,202	18,512	19,340	19,006	18,987	18,880	18,722	18,135	19,754
Mental Health and Substance Abuse Department										
Number of clients:										
Mental Health	54,804	56,478	65,356	65,314	* 166,181	167,464	172,096	175,823	177,882	182,583
Substance Abuse	20,981	18,881	19,351	18,208	37,292	39,747	39,257	37,709	32,847	33,413
Hospitals - Inpatient Care	3	3	3	3	3	2	2	2	2	2
Legal and Judiciary										
Oklahoma Indigent Defense system										
Provides legal representation for indigent citizens charged with committing criminal acts.										
Represented - Total Court Appointments	43,883	41,965	43,712	43,980	48,401	49,723	58,025	60,747	61,115	64,897
Included above: Non-capital trial cases	32,000	33,000	35,000	43,167	47,543	48,964	57,318	59,986	60,317	64,133
Capital trial cases	105	112	98	67	53	50	44	58	56	37
General appeals cases	558	609	540	595	648	565	663	703	742	727
Average cost: Non-capital case (Staff Attorney)	$279	$380	$368	$361	$346	$304	$334	$333	$474	$499
Capital case (Staff Attorney)	$28,423	$21,196	$21,551	$25,955	$36,710	$37,075	$40,252	$48,385	$41,224	$61,864
Museums										
J. M. Davis Memorial										
Museum - 40,000 sq. ft.										
Number of artifacts (approximate)	48,012	48,012	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Visitors per year (approximate)	22,000	22,000	35,000	30,000	30,000	28,000	30,000	30,000	30,000	30,000
Oklahoma Historical Society										
Center - 18 acres; 215,000 sq. ft.; 7 Galleries; 6 acres outdoor exhibits										
Number of artifacts (on exhibit, approximate)	>2,000	>2,000	>2,000	>2,000	>2,000	>2,000	>2,000	>2,000	2,500	2,500
Visitors and researchers per year (approximate)	244,000	185,491	254,634	214,723	183,251	183,000	182,000	185,000	199,000	196,000
Will Rogers Memorial										
Museum - 26,631 sq.ft., 28 acres - 12 Galleries, Theater and Children's Museum; Library - 1,518 sq. ft.; Birthplace - 161 acres										
Archives - number of documents, photographs	18,000	18,000	18,000	18,000	18,000	18,000	36,000	30,000	30,000	30,000
Visitors and researchers per year (approximate)	117,000	120,000	133,000	32,000	29,000	31,000	26,000	40,000	40,000	40,000
Natural Resources										
Wildlife Conservation										
Number of Anglers in State (last census)	697,000	697,000	729,000	729,000	729,000	729,000	729,000	729,000	729,000	508,000 ^
Number of Hunters (last census)	445,000	445,000	244,000	244,000	244,000	244,000	244,000	244,000	244,000	149,000 ^
Number of Wildlife Watchers (last census)	1,110,000	1,110,000	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,703,000 ^

* 2014 increase due to ODMHSAS becoming responsible for Medicaid outpatient behavioral health.

^ Reporting source changed participation from state to regional in 2019; state reporting extrapolated from regional statistics

Source: State and federal agency reports. Data above is the latest available at the date of publication.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety and Defense										
Department of Public Safety										
Driver's Licenses Issued	744,878	690,131	694,557	741,938	835,807	727,169	726,740	758,277	773,495	743,173
Citations Processed	227,426	162,748	158,914	182,073	198,518	200,826	213,616	205,905	162,542	171,885
Collision Reports Processed	79,354	74,714	73,462	68,406	82,067	74,267	72,537	83,320	79,615	77,254
Department of Corrections										
Capacity (Number of Beds)	25,455	25,364	25,469	25,846	26,473	27,256	27,064	27,399	26,863	25,770
Prison Population	24,870	24,384	24,526	25,159	26,874	27,889	27,987	26,710	27,010	26,821
As a percentage of capacity	97.7%	96.1%	96.3%	97.3%	101.5%	102.3%	103.4%	97.5%	100.5%	104.1%
Cost to house an inmate:										
Per diem cost/day - Maximum Security	$75.97	$75.85	$78.50	$87.01	$100.80	$87.20	$84.01	$94.13	# $98.19	# $91.41
Per diem cost/day - Medium Security	$42.41	$38.98	$38.94	$40.17	$47.47	$42.83	$45.46	$45.73	# $46.73	# $48.63
Regulatory Services										
Oklahoma Corporation Commission										
Number of regulated utilities	511	484	421	418	420	411	410	359	361	365
Hearings and administrative proceedings	29,981	30,504	31,805	40,052	40,594	43,642	44,269	46,463	56,740	73,510
Motor carrier vehicles registered (power units)	121,874	132,927	135,230	139,569	152,280	157,188	156,722	178,913	143,774	145,406
Oil and gas wells plugged (operator plugged)	1,582	2,926	1,948	1,319	1,485	1,226	2,403	1,072	1,253	574
Oil and gas wells plugged (abandoned, plugged by OCC)				167	206	176	132	44	119	138
Motor Fuel Facilities inspected	5,490	4,341	4,326	5,760	6,011	4,371	4,384	4,923	4,912	4,655
Retail fuel dispenser (pump) inspections	97,326	77,444	70,649	75,939	80,397	80,742	83,649	73,169	74,072	73,694
Social Services										
Department of Human Services										
Adoption subsidies (end of fiscal year)	11,924	12,384	13,114	13,706	14,123	15,333	16,611	18,417	19,337	20,208
Adult protective svcs (state fiscal year)	18,615	17,135	16,012	15,223	15,010	14,807	9,821	8,499	5,932	4,306
Child care services provided (monthly average)	39,060	39,017	36,444	34,722	33,322	32,336	31,713	44,942	43,642	49,950
Licensed facilities (monthly average)	4,561	4,376	4,213	3,960	3,825	3,558	3,438	3,317	3,185	3,038
Licensed capacity (monthly average)	136,534	136,816	135,585	132,625	131,150	126,123	124,200	122,253	120,930	117,031
Child protective services-Substantiated (state fiscal year)	7,248	8,110	9,842	11,418	14,172	15,252	15,187	15,289	15,951	15,809
Child support enforcement (cases-quarterly average)	193,000	198,390	202,743	203,209	206,746	207,677	206,701	201,459	194,836	189,917
Developmental Disabilities Persons Served (end of fiscal year)	14,352	14,602	9,894	9,772	9,777	9,693	8,905	8,186	7,845	7,770
Elderly support services (meals/state fiscal year)	6,176,989	6,098,275	6,265,779	6,105,823	6,056,081	6,324,185	6,630,634	6,570,061	6,256,572	5,338,165
Food stamps (unduplicated count/state fiscal year)	559,626	609,723	891,555	889,137	615,412	867,968	874,873	850,855	825,583	804,641
Foster care children (end of fiscal year)	7,973	8,502	9,132	10,233	11,483	10,942	9,984	9,923	9,277	8,631
Oklahoma Employment Security Commission										
Initial unemployment claims	218,918	183,849	155,885	124,170	108,758	105,258	109,028	90,007	73,761	90,668
Unemployment insurance paid	$499,636,015	$340,695,628	$271,279,698	$263,654,340	$247,148,751	$270,419,798	$386,312,966	$316,957,075	$234,472,327	$209,214,801
Transportation										
Oklahoma Department of Transportation										
State Highway System (miles)	12,266	12,882	12,882	12,882	12,882	12,265	12,265	12,265	12,265	12,265
Bridges on the State Highway System	6,728	6,800	6,800	6,800	6,800	6,828	6,828	6,828	6,828	6,828
System usage growth next 20 years (est.)										
Automobiles	33%	65%	65%	65%	65%	65%	65%	26%	26%	27%
Trucks	70%	65%	65%	65%	65%	65%	65%	52%	52%	30%
Freight railroads operating in Oklahoma	20	22	22	22	22	22	22	22	22	22
Passenger railroad	1	1	1	1	1	1	1	1	1	1
Rail passengers (average per year)	54,000	81,000	81,000	81,000	81,000	82,000	82,000	82,000	82,000	82,000
Railroad track (miles)	3,234	3,746	3,746	3,746	3,746	3,740	3,740	3,740	3,740	3,740
Public Waterway Ports	2	2	2	2	2	2	2	2	2	2

Dept. of Corrections -estimated cost for current fiscal year. Actual costs are updated in the following year.

State of Oklahoma
Additional Information and Sources of Statistical Data
Fiscal Year 2019

Additional Information:

The population of Oklahoma has steadily increased since 2009, averaging 0.8% per year.

At the end of December 2018, the United States (U. S.) Bureau of Labor Statistics reported the state's unemployment rate was 3.2% compared to the national rate of 3.9%.

Oklahoma's total personal income rate has increased at an average of 3.4% annually since 2009. During the same period, Oklahoma's personal income per capita increased annually by an average of 2.6% compared to 3.1% nationally.

As a result, annual total tax collections since 2010 have increased by $3,362,331,000 or 53.1%.

Please refer to the preceding Statistical Section tables, Management's Discussion and Analysis, the Financial Statements and Notes for more details and analysis.

Sources of Statistical Data:

Data provided in the statistical section of the CAFR is the latest available at the time of publication.

Primary sources of statistical data provided in the Statistical Section of the CAFR include:

- Oklahoma Department of Commerce
- Oklahoma Department of Labor
- Oklahoma Employment Security Commission
- Oklahoma Tax Commission
- Oklahoma Department of Education
- Oklahoma Regents for Higher Education
- Oklahoma Department of Career and Technology
- Oklahoma Office of Management and Enterprise Services
- U. S. Bureau of Labor Statistics
- U. S. Census Bureau
- U. S. Department of Commerce
- U. S. Bureau of Economic Analysis

Report Prepared by the Office of Management and Enterprise Services:

Administration	- John Budd, Director - Susan Perry, Executive Assistant - Stephanie Brown, Office Manager
Division of Central Accounting and Reporting	- Lynne Bajema, CPA, State Comptroller - Steve L. Funck, CPA, CGFM, Deputy State Comptroller - Jennie Pratt, CPA, CGFM, Director of Statewide Accounting
Financial Reporting Unit	- Matt Clarkson, CPA, Financial Reporting Supervisor - Roy M. Garcia, CPA, Financial Reporting Analyst - Jennifer LeFlore, CPA, Financial Reporting Analyst - Lahcen Darouich, CPA, Financial Reporting Analyst - Chongwu Luan, Financial Reporting Analyst

With Assistance From:

Office of Management and Enterprise Services:

Budget	- Brandy Manek, Director of Budget, Policy, and Legislative Relations
Central Printing	- Mark Dame, Jon Paulk, and Team
Communications	- Jake Lowery, Public Affairs Director

Office of the State Auditor and Inspector:

State Auditor and Inspector	- Cindy Byrd, CPA
State Agency Audit Division	- Lisa Hodges, CFE, CGFM, Deputy State Auditor - Shelley Fleming, CPA, Director of State Agency Audits - Billy Swindell, Deputy Director, and Team

State Agency Finance Officers and Teams

OKLAHOMA

GENERAL INFORMATION

ADMITTED TO UNION (46TH STATE)	1907
CAPITAL	Oklahoma City
2018 POPULATION	3,943,079
POPULATION PER SQUARE MILE	57.5
COUNTIES	77

STATE SYMBOLS

NICKNAME	The Sooner State
MOTTO	Labor Omnia Vincit (Work Conquers All Things)
SONG	*"OKLAHOMA!"* (Music by Richard Rogers, Lyrics by Oscar Hammerstein II)
ANIMAL	American Buffalo (Bison)
BIRD	Scissor-Tailed Flycatcher
FISH	White Bass
INSECT	Honeybee
FRUIT	Strawberry
WILDFLOWER	Indian Blanket
FLORAL EMBLEM	Mistletoe
TREE	Redbud
MUSICAL INSTRUMENT	Fiddle
FOLK DANCE	Square Dance

AREA

TOTAL AREA	69,996 Square Miles
LAND AREA	68,595 Square Miles
WATER AREA	1,401 Square Miles

RECREATION

NUMBER OF STATE PARKS	33
NUMBER OF STATE TRAILS	102
NUMBER OF LAKES	>200

5005 N. LINCOLN BLVD., STE. 100
OKLAHOMA CITY, OK 73105
405-522-5577 | OMES.OK.GOV