

THE STATE OF  
OKLAHOMA

# ACFR 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



**OKLAHOMA**  
Office of Management  
& Enterprise Services



Visitors pose for photos near the entrance to the First Americans Museum before its grand opening ceremonies.

## THE FIRST AMERICANS MUSEUM: ONE PLACE, MANY NATIONS

In 1907 Oklahoma became the 46th state to enter the union. Our state's name comes from two Choctaw words: "Okla" and "Homma," meaning Red People.

Only a few tribal Nations were indigenous to what is now the State of Oklahoma. All others were removed from homelands across the contiguous U.S. to Indian Territory.

The First Americans Museum's mission is to serve as a dynamic center promoting awareness and educating the broader public about the unique cultures, diversity, history, contributions, and resilience of the First American Nations in Oklahoma today. FAM shares all this in one place, where visitors can experience the collective histories of 39 distinctive Nations.

Located at 659 First Americans Blvd. in Oklahoma City, Oklahoma at the Crossroads of America, the confluence on Interstates 35, 40, 235 and 44, FAM is open every day except Tuesdays.

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# **OKLAHOMA 2021**

**Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021**

J. Kevin Stitt  
Governor

Prepared by  
Office of Management and Enterprise Services

Steven Harpe, Director  
Amanda Rodriguez, State Chief Financial Officer  
Lynne Bajema, State Comptroller

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

Requests for additional copies, comments or questions may be directed to Stephanie Brown, Office of Management and Enterprise Services, 2401 N. Lincoln Blvd., Suite 212, Oklahoma City, Oklahoma 73105.

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A walkway sweeps around the First Americans Museum and continues along the top of the FAM Mound.

*Report photos by Ben Bigler, OMES Public Affairs.*









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January 25, 2022

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 Annual Comprehensive Financial Report for the State of Oklahoma for the fiscal year ended June 30, 2021. 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 Annual Comprehensive Financial Report was 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 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, 2021, 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, 2021, 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

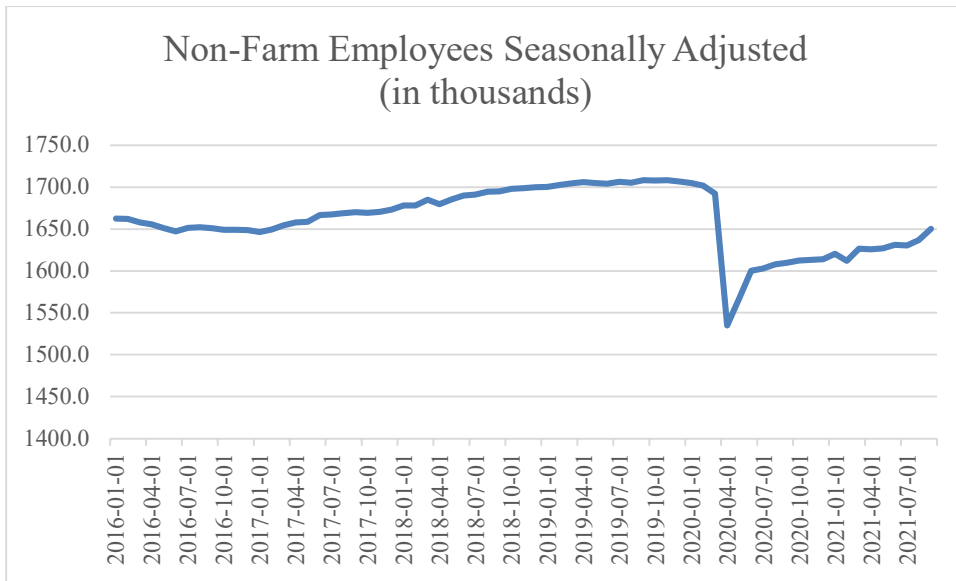
Oklahoma experienced a remarkable recovery after a challenging second half of Fiscal Year 2020. The state economy was one of the earliest to have restrictions lifted and open back for business in June 2020, before the start of the new fiscal year. Consumer demand and employment drove stronger than expected gains in the economy. Additionally, expanded unemployment benefits and federal stimulus money replaced some revenues lost to the COVID-19 impacted economy. In May 2021, Governor Kevin Stitt signed an executive order to end the COVID-19 state of emergency. Oklahoma continues to strengthen its financial position with an encouraging state economy outlook.

The FY 2021 state budget was crafted with an outlook that 2020 losses could extend into the new fiscal year. The Legislature appropriated \$1.3 billion, or 15.5%, less than their spending authority, but held cuts to agency appropriations at an average of 4% from the prior year by utilizing emergency state reserves, special cash, and other apportionment adjustments to fill the expected budget gap.

Income tax deadlines were extended to July 15, which was the first month of the fiscal year. The abnormal influx of income tax payments strengthened the cash flow position of the state and relieved the pressure of a potential revenue failure early in the fiscal year. This combined with enhanced unemployment benefits and employment recovery led to income revenues outperforming expectations.

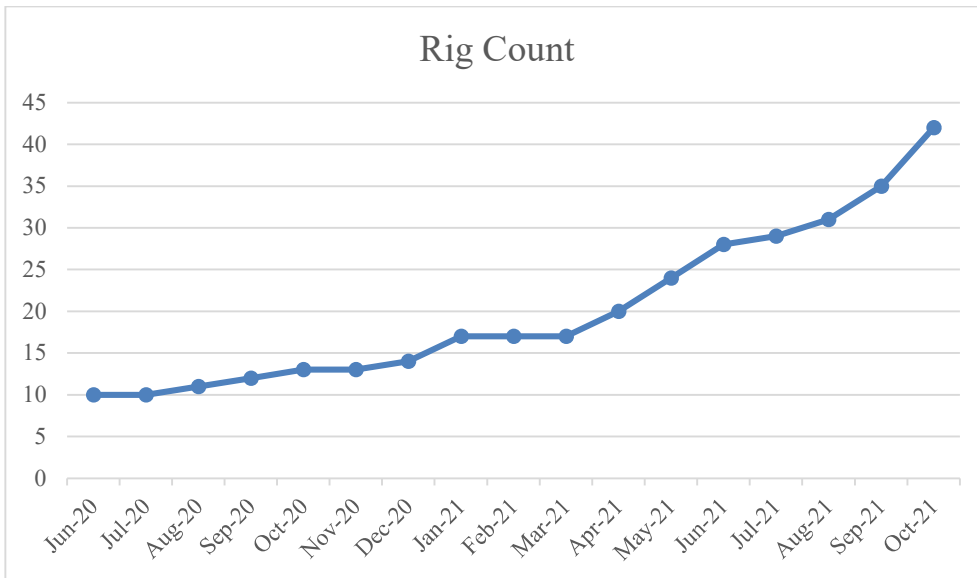
Unemployment rates continued to fall to near pre-pandemic levels to 3.7% at year-end from a high of 13.0% in April 2020. The unemployment rate is currently at the pre-pandemic low of 3% as of September 2021. However, total nonfarm employment improvement has not made a full recovery since the initial lockdown. As shown in Figure 2, it is 50,000 less than pre-pandemic levels, which poses considerable challenges as businesses seek to fill staffing needs.





Strong consumer demand as well as stimulus funds accelerated spending in the state’s economy. Two major stimulus and relief packages were signed into law by the federal government. The omnibus passed in December 2020 included \$900 billion towards aid. The \$1.9 trillion American Rescue Act was signed into law in March 2021.

After a slow start in the oil and gas market recovery, pricing began to pick up in the second half of the year. Gas production was boosted by higher demand for natural gas and a cold winter nationwide. The first half of the year only added a handful of rigs to the state count. Climbing natural gas and oil pricing accelerated drilling activity and ended the year with 28 rigs (Figure 3). Drilling operations continue to expand and tallied 42 in October 2021 for the state, indicating that the state’s gross oil and gas production will grow in the near future.



State government funding has benefited from Oklahoma’s economic strengthening. As a result of an unexpectedly strong recovery, a surplus of \$282 million was realized from General Revenue Fund collections. The state restocked much of its reserves and on-hand cash going into FY 2022. Additionally, as of October, the state is more than 10% above the year-to-date collections estimate for the General Revenue Fund. Oklahoma’s current fiscal position is on good footing for favorable performance in fiscal year 2022. Concerns going forward include rising inflation which will put strain on personal and institutional budgets. Inflation was reported at a 13-year high of 5.4% in September and remains under pressure.

Highlights of the fiscal year 2021 and fiscal year 2022 executive branch budgets include (expressed in millions):

	Amount Appropriated		Percentage of Total Appropriations		Increase (Decrease) from Prior Year		Percentage Increase (Decrease)	
	2021	2022	2021	2022	2021	2022	2021	2022
Department of Education	\$ 2,993	\$ 3,164	39%	36%	\$ (78)	\$ 171	(3%)	6%
Regents for Higher Education	770	813	10%	9%	(32)	43	(4%)	6%
Career & Technical Education	137	139	2%	2%	(6)	2	(4%)	1%
Other Education	40	43	1%	0%	(1)	3	(2%)	8%
Total Education	<u>\$ 3,940</u>	<u>\$ 4,159</u>	<u>52%</u>	<u>47%</u>	<u>\$ (117)</u>	<u>\$ 219</u>	<u>(3%)</u>	<u>6%</u>
Department of Health	\$ 52	\$ 59	1%	1%	\$ (9)	\$ 7	(15%)	13%
Health Care Authority	975	1,194	13%	14%	(25)	219	(3%)	22%
Department of Mental Health	335	321	4%	4%	(16)	(14)	(5%)	(4%)
Other Health	113	148	1%	1%	1	35	1%	31%
Total Health	<u>\$ 1,475</u>	<u>\$ 1,722</u>	<u>19%</u>	<u>20%</u>	<u>\$ (49)</u>	<u>\$ 247</u>	<u>(3%)</u>	<u>17%</u>
Department of Human Services	\$ 698	\$ 718	10%	9%	\$ (43)	\$ 20	(6%)	3%
Office of Juvenile Affairs	93	95	1%	1%	(4)	2	(4%)	2%
Other Human Services	82	83	1%	1%	(5)	1	(6%)	1%
Total Human Services	<u>\$ 873</u>	<u>\$ 896</u>	<u>12%</u>	<u>11%</u>	<u>\$ (52)</u>	<u>\$ 23</u>	<u>(6%)</u>	<u>3%</u>
Department of Corrections	\$ 531	\$ 544	7%	6%	\$ (25)	\$ 13	(4%)	2%
Department of Transportation	170	762	2%	9%	1	592	1%	348%
Department of Public Safety	95	103	1%	1%	(9)	8	(9%)	8%
Other	573	643	7%	6%	(10)	70	(2%)	12%
Total	<u><u>\$ 7,657</u></u>	<u><u>\$ 8,829</u></u>	<u><u>100%</u></u>	<u><u>100%</u></u>	<u><u>\$ (261)</u></u>	<u><u>\$ 1,172</u></u>	<u><u>(3%)</u></u>	<u><u>15%</u></u>

## 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, 2021, 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.

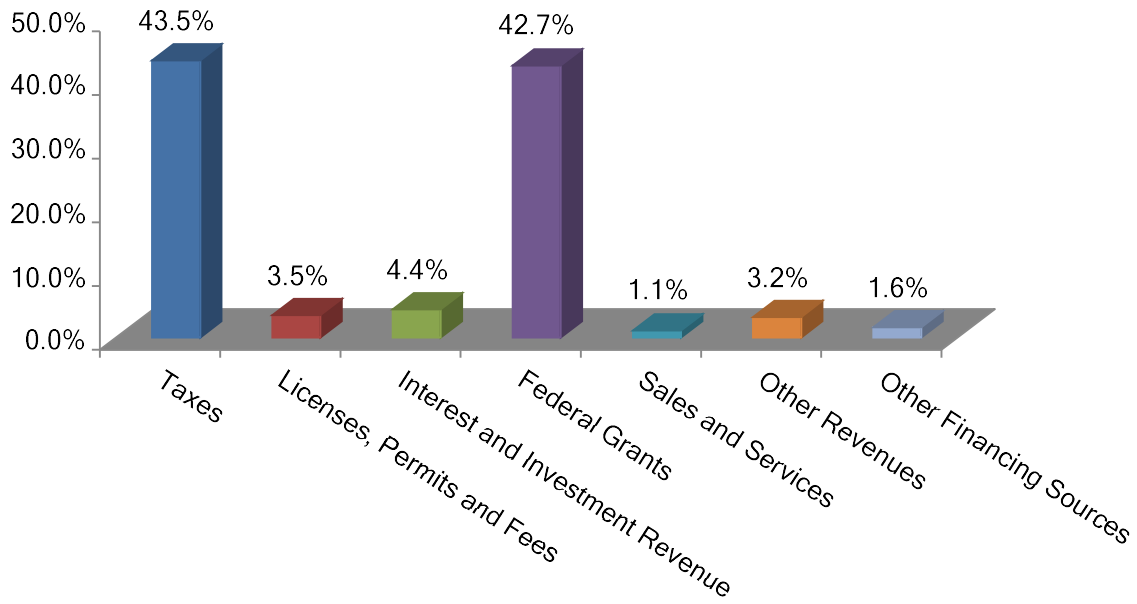
Governmental Funds: Revenues and Other Financing Sources - GAAP Basis  
(expressed in millions)

	2021 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Taxes	\$ 10,784	43.5%	\$ 1,011	10.3%
Licenses, permits and fees	856	3.5%	34	4.1%
Interest and investment revenue	1,097	4.4%	875	394.1%
Federal Revenues	10,586	42.7%	2,891	37.6%
Sales and services	270	1.1%	28	11.6%
Other revenues	784	3.2%	27	3.6%
Other financing sources:				
Transfers	96	0.4%	(2)	(2.0%)
Issuance of debt	286	1.2%	91	46.7%
Other	6	0.0%	(5)	(45.5%)
Total revenues and other financing sources	<u>\$ 24,765</u>	<u>100.0%</u>	<u>\$ 4,950</u>	<u>25.0%</u>

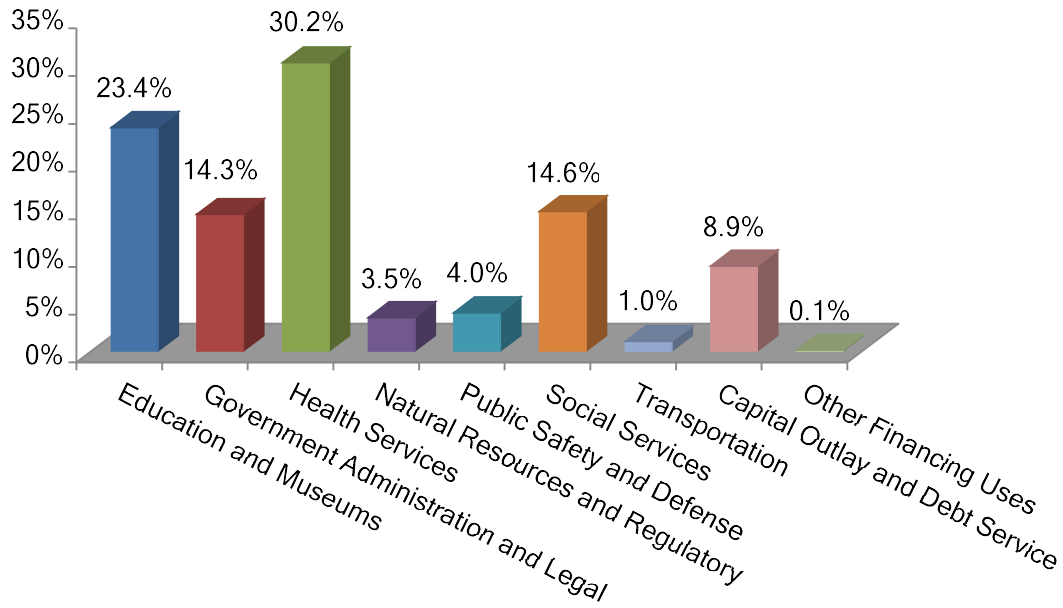
Governmental Funds: Expenditures and Other Financing Uses - GAAP Basis  
(expressed in millions)

	2021 Amount	Percentage of Total	Increase (Decrease) from Prior Year	Percentage Increase (Decrease)
Education	\$ 5,236	23.3%	\$ 62	1.2%
Government administration	2,945	13.1%	786	36.4%
Health services	6,788	30.2%	597	9.6%
Legal and judiciary	274	1.2%	4	1.5%
Museums	13	0.1%	0	0.0%
Natural resources	498	2.2%	199	66.6%
Public safety and defense	909	4.0%	7	0.8%
Regulatory services	286	1.3%	139	94.6%
Social services	3,281	14.6%	827	33.7%
Transportation	231	1.0%	(16)	(6.5%)
Capital outlay	1,815	8.1%	195	12.0%
Debt service	181	0.8%	(96)	(34.7%)
Other financing uses:				
Transfers	18	0.1%	(16)	(47.1%)
Total expenditures and other financing uses	<u>\$ 22,475</u>	<u>100.0%</u>	<u>\$ 2,688</u>	<u>13.6%</u>
Governmental Funds - Net increase in fund balance	<u>\$ 2,290</u>			

**Governmental Fund Revenues and Other  
Financing Sources (GAAP Basis) – Fiscal Year 2021**



**Governmental Funds Expenditures and Other  
Financing Uses (GAAP Basis) – Fiscal Year 2021**



## 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 2021, receipts for three of the five major taxes were more than revenues of the prior year. The taxes combined for \$5.9 billion, or 113.5 percent of total receipts for the same categories in the prior year. The total of major taxes collected increased \$705.1 million or 13.5 percent from that of the previous year. As compared to fiscal year 2020, collections from income taxes increased by \$596.4 million, or 22.3 percent; sales taxes increased by \$176.8 million or 8.8 percent; motor vehicle taxes decreased \$16.9 million, or 32.3 percent; and gross production taxes on gas and oil decreased by \$51.2 million, or 10.9 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 20 years and dipped below the estimate 16 years. The comparison of estimated revenues to actual collections for fiscal year 2021 is as follows:

Revenue Collections Compared to Itemized Estimate for Fiscal Year 2021  
(expressed in millions)

	Itemized Estimate	Actual Collections	Over (Under) Estimate	Percentage Collected
Individual and Corporate				
Income tax	\$ 2,938.8	\$ 3,268.8	\$ 330	111.2%
Sales tax	2,164.0	2,196.7	33	101.5%
Motor vehicle tax	26.0	35.5	10	136.5%
Gross production tax	576.5	418.6	(158)	72.6%
Subtotal Major Taxes	\$ 5,705.3	\$ 5,919.6	\$ 214	103.8%
Other sources	1,020.4	1,088.1	68	106.6%
Total	\$ 6,725.7	\$ 7,007.7	\$ 282	104.2%



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
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%
2019	6,505	6,860	355	105.5%
2020	6,989	6,273	(716)	89.8%
2021	6,726	7,008	282	104.2%
Fifteen-Year Average	\$ 5,805	\$ 5,734	\$ (71)	98.8%

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 2021, the amount the state set aside was \$2.3 billion.

**General Revenue Fund** – In fiscal year 2021, there were amendments to the budget that netted an additional \$372.5 million. Carried-over amounts from prior years of \$146.3 million were added to the budget compared to a \$63.8 million carry-over in fiscal year 2020. 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 \$109.0 million was added to fund a portion of the ad valorem reimbursement to schools. The Oklahoma Department of Transportation received an additional \$20.0 million for the County Improvements for Roads and Bridges program. In order to improve security at the Governor's Mansion and provide funding for litigation related to the United States Supreme Court's McGirt decision, the Office of Management and Enterprise Services received an additional \$20.0 million. Oklahoma's Department of Commerce received an additional \$35.0 million to fund the Governor's "Quick Acting Closing Fund" and the incubation program for small businesses. To address a backlog of claims by existing injured workers, the Multiple Injury Trust Fund was appropriated an additional \$10.5 million.

**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, 2021, the restricted portion had a balance of \$278.0 million and the unassigned portion had a balance of \$92.7 million, giving the total Constitutional Reserve Fund a balance of \$370.7 million.

## FOR THE FUTURE

As Oklahoma's economy continues to emerge from the effects of the COVID-19 pandemic, State government will focus on critical issues to ensure the health and safety of our citizens and to capitalize on 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; reduce 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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. 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 ACFR, whose contents conform to program standards. The ACFR 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 ACFR possible. Questions or requests for additional information related to this report can be directed to our office at 405-521-2141.

Respectfully submitted,



Amanda Rodriguez  
State Chief Financial Officer



Lynne Bajema  
State Comptroller

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**State of Oklahoma**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

**Selected Oklahoma State Officials  
2021**



\* Appointed to position

**CABINET DEPARTMENT SECRETARIES**

Agriculture	Education	Public Safety
Commerce & Workforce Development	Energy & Environment	Science & Innovation
Digital Transformation & Administration	Health & Mental Health	Tourism, Wildlife & Heritage
Economic Administration	Human Services	Transportation
	Licensing & Regulation	Veterans Affairs & Military
	State & Native American Affairs	

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

## Agriculture

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

## Commerce & Workforce Dev.

160 Commerce, Department of  
 915 Capital Investment Board  
 900 Development Finance Authority  
 922 Housing Finance Authority  
 370 Industrial Finance Authority  
 391 Multiple Injury Trust Fund  
 346 Space Industry Development Auth.  
 865 Workers' Compensation Commission

## Digital Transformation & Admin.

296 Ethics Commission  
 678 Judicial Complaints, Council on  
 298 Merit Protection Commission  
 361 Native American Cultural/Ed. Auth.  
 90 Office of Mgmt. & Enterprise Services

## Economic Administration

300 Auditor & Inspector \*  
 105 Capital Improvement Authority  
 290 Employment Security Commission  
 315 Firefighters Pension & Retirement  
 416 Law Enforcement Retirement  
 435 Lottery Commission  
 557 Police Pension & Retirement System  
 515 Public Employees' Retirement System  
 695 Tax Commission  
 715 Teachers Retirement System  
 740 Treasurer \*

## Education

800 Career & Technology Education  
 605 Regents for Higher Education  
 265 Education, Department of  
 266 Educational Television Authority  
 275 Educ. Qual. & Account., Comm. for  
 430 Library Department  
 563 Private Vocational School, Board of  
 629 School of Science & Mathematics  
 618 Student Loan Authority  
 803 Virtual Charter School Board

## 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

## 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.  
 410 Land Office, Commissioners of the  
 445 LPG Board  
 125 Mines, Department of  
 981 Municipal Power Authority  
 835 Water Resources Board

## Health and Mental Health

44 Anatomical Board  
 783 Community Hospitals Authority  
 807 Health Care Authority  
 340 Health, Department of  
 452 Mental Health and Sub. Abuse Svc.  
 775 Oklahoma State Univ. Medical Auth.  
 619 Physicians Manpower Trng. Comm  
 92 Tobacco Settlement Endow. Trust Fund  
 825 University Hospitals Authority

## Human Services

127 Children & Youth, Commission  
 326 Disability Concerns, Office of  
 830 Human Services, Department of  
 670 J.D. McCarty Center  
 400 Juvenile Affairs, Office of  
 805 Rehabilitation Services

## Licensing and Regulation

22 Abstractor's Board  
 20 Accountancy Board  
 448 Alcohol and Drug Coun., Bd. of Lic  
 65 Banking Department  
 148 Behavioral Health Lic., Board of  
 145 Chiropractic Examiners Board  
 170 Construction Industries Bd.  
 190 Cosmetology and Barbering Board  
 215 Dentistry, Board of  
 635 Consumer Credit, Comm. for  
 285 Funeral Board  
 385 Insurance Department \*  
 405 Labor, Department of  
 45 Licensed Architects, Board of Gov.  
 622 Licensed Social Workers, Board of  
 509 Long-Term Care Admin., Bd. of Exam.  
 450 Medical Licensure & Supv., Bd. of  
 475 Motor Vehicle Commission  
 510 Nursing Board  
 520 Optometry Board  
 525 Osteopathic Examiners Board  
 343 Perfusionists, State Bd. of Examiners  
 560 Pharmacy Board  
 140 Podiatric Medical Examiners, Bd. Of  
 570 Prof. Engin. & Land Surveyors Bd.  
 575 Psychologists, Bd. of Examiners

588 Real Estate Commission  
 630 Securities Commission  
 675 Self-Insurance Guaranty Board  
 632 Speech Pathology & Audiology Bd.  
 755 Used Motor Vehicle and Parts Comm.

## 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 Innovation

628 Center f/t Adv. of Sci. & Technology

## State and Native American Affairs

270 Election Board  
 625 Secretary of State

## Tourism, Wildlife and Heritage

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  
 320 Wildlife Conservation, 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.



Leading the procession on Grand Opening Day, representatives of the Ton-Kon-Gah, Kiowa Black Leggings Warrior Society gather under the Touch to Above sculpture at the east edge of the FAM courtyard.







## 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, 2021, 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, the Employees Group Insurance Division of the Office of Management and Enterprise Services, and the Lottery Commission, which represent eighty-one percent of the assets, sixty-seven percent of the net position, and thirty-two 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-seven percent of the revenues for the aggregate discretely presented component units;
- the financial statements of the Commissioners of the Land Office, the Department of Wildlife Lifetime Licenses, and the Tobacco Settlement Endowment permanent funds, which in the aggregate represent one-hundred percent of the assets, one-hundred percent of the fund balance, and one-hundred 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-eight percent of the assets, eighty-eight percent of the net position, and seventy-three percent of the additions of the aggregate remaining fund information;
- the financial statements of the Department of Commerce 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, 2021, 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 \$467,340,000 at December 31, 2020, primarily due to court awards exceeding the apportionment of special tax revenue collected.

As discussed in Note 1, effective July 2020, the State of Oklahoma adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, and GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statement numbers 14 and 61*. The State of Oklahoma also early adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*.

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 will also issue our report dated January 25, 2022, 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. That report will be issued under separate cover. 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

January 25, 2022

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The Redstone Drum Group sings a newly created song for FAM, composed by James Anquoe Sr., during the Grand Opening procession.





## MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the State of Oklahoma provides this Management's Discussion and Analysis of the State of Oklahoma's Annual Comprehensive Financial Report (ACFR) 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, 2021. 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, 2021, by \$24.7 billion (presented as "net position"). Of this amount, \$5.9 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 \$1.8 billion (an 8.0% increase) in fiscal year 2021 after a 3.2% increase during the previous fiscal year. Net position of governmental activities increased by \$2.4 billion (a 11.7% increase), while net position of the business-type activities showed a decrease of \$583.0 million after an increase of \$120.0 million in the prior fiscal year.

#### Fund Highlights:

*Governmental Funds - Fund Balances* - As of the close of fiscal year 2021, the state's governmental funds reported a combined ending fund balance of \$11.6 billion, an increase of \$2.3 billion in comparison with the prior year. Of this total amount, \$4.1 billion represents nonspendable fund balance, with \$88.9 million being in the General Fund. Amounts that can be spent include \$1.1 billion of restricted fund balance, \$6.2 billion of committed fund balance, \$78.5 million of assigned fund balance, and \$92.7 million of unassigned fund balance. The portion of fund balance which is available is roughly 33.5% of the total governmental expenditures for the year.

#### Long-term Debt:

The state's total long-term debt obligations showed a net increase of \$150.7 million (10.6%) in governmental type activities and a net increase of \$297.9 million (33.0%) 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 Statement 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 \$24.7 billion at the end of 2021 compared to \$22.9 billion at the end of the previous year.

The largest portion of the state's net position (49.1%) 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	
	2021	2020	2021	2020	2021	2020
Current Assets	\$ 10,498,482	\$ 9,235,834	\$ 1,528,596	\$ 2,218,961	\$ 12,027,078	\$ 11,454,795
Capital Assets	13,239,316	12,768,352	709	1,118	13,240,025	12,769,470
Other Assets	5,030,129	4,267,501	1,703,193	1,475,967	6,733,322	5,743,468
Total Assets	\$ 28,767,927	\$ 26,271,687	\$ 3,232,498	\$ 3,696,046	\$ 32,000,425	\$ 29,967,733
Deferred Outflows	\$ 713,617	\$ 325,269	\$ 2,468	\$ 747	\$ 716,085	\$ 326,016
Noncurrent Liabilities	\$ 2,773,530	\$ 1,949,146	\$ 1,148,779	\$ 843,986	\$ 3,922,309	\$ 2,793,132
Other Liabilities	3,669,766	3,944,374	358,689	540,179	4,028,455	4,484,553
Total Liabilities	\$ 6,443,296	\$ 5,893,520	\$ 1,507,468	\$ 1,384,165	\$ 7,950,764	\$ 7,277,685
Deferred Inflows	\$ 45,903	\$ 113,692	\$ 21,369	\$ 23,452	\$ 67,272	\$ 137,144
Net Investment in Capital Assets	\$ 12,117,533	\$ 11,788,532	\$ 709	\$ 1,118	\$ 12,118,242	\$ 11,789,650
Restricted	5,780,723	4,595,067	930,162	1,618,334	6,710,885	6,213,401
Unrestricted	5,094,089	4,206,145	775,258	669,724	5,869,347	4,875,869
Total Net Position	\$ 22,992,345	\$ 20,589,744	\$ 1,706,129	\$ 2,289,176	\$ 24,698,474	\$ 22,878,920

A portion of the state's net position (27.2%) 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 whole government, and for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

## Changes in Net Position

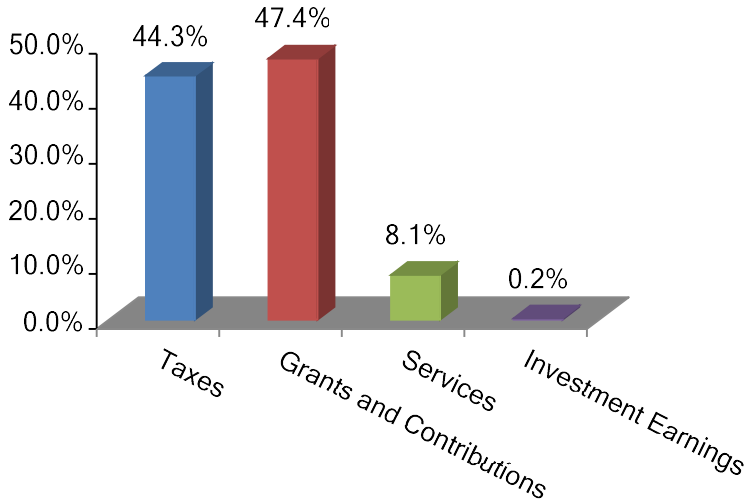
The state's governmental net position increased by \$1.8 billion, or 8.0%. Approximately 44.3% of the state's total revenue came from taxes, while 47.4% resulted from grants and contributions including federal aid. Charges for various goods, services and investments provided 8.3% of the total revenues. The state's expenses cover a range of services. The largest expenses were for health services, general education, government administration and social services. In 2021, governmental activity expenses exceeded program revenues, resulting in the use of \$8.6 billion in general revenues, mostly taxes. The business-type activities' expenses exceeded program revenues for 2021 by \$504.8 million.

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

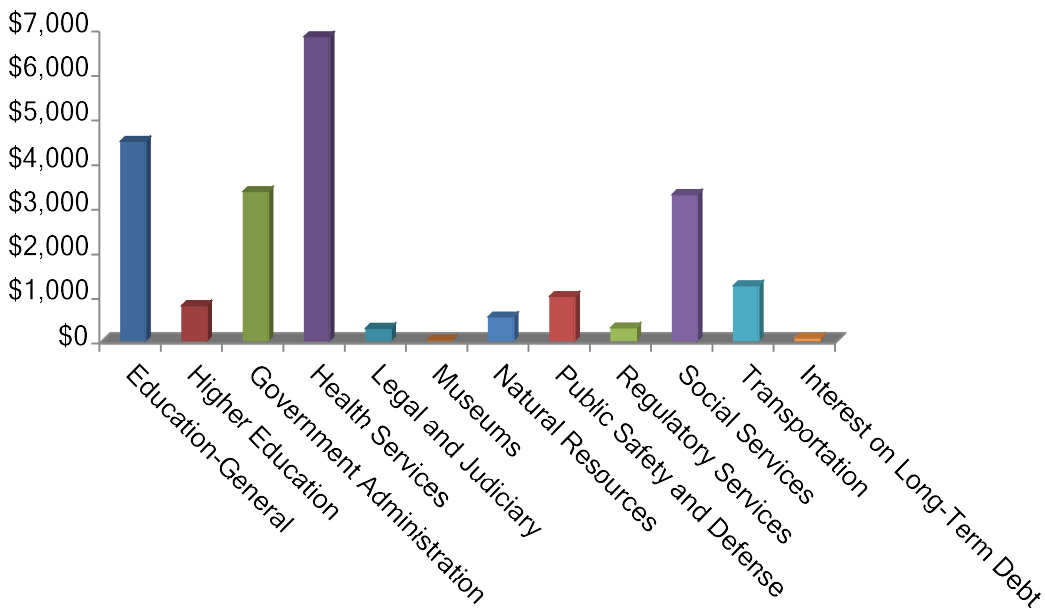
(expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$1,964,035	\$1,845,152	\$2,038,075	\$1,730,291	\$ 4,002,110	\$3,575,443
Operating Grants and Contributions	11,545,489	7,806,615	2,857,814	2,102,239	14,403,303	9,908,854
General Revenues:						
Income Taxes-Individual	3,587,101	3,408,615	-	-	3,587,101	3,408,615
Income Taxes-Corporate	461,357	224,123	-	-	461,357	224,123
Sales Taxes	3,179,363	2,957,376	-	-	3,179,363	2,957,376
Gross Production Taxes	865,151	626,910	-	-	865,151	626,910
Motor Vehicle Taxes	885,724	970,071	-	-	885,724	970,071
Fuel Taxes	504,042	492,196	-	-	504,042	492,196
Other Taxes	1,317,409	1,177,588	-	-	1,317,409	1,177,588
Investment Earnings	53,838	114,855	-	-	53,838	114,855
<b>Total Revenues</b>	<b>\$24,363,509</b>	<b>\$19,623,501</b>	<b>\$4,895,889</b>	<b>\$3,832,530</b>	<b>\$ 29,259,398</b>	<b>\$23,456,031</b>
<b>Expenses:</b>						
Education-General	\$4,469,781	\$4,368,484	\$ -	\$ -	\$ 4,469,781	\$4,368,484
Education-Payments to Higher Education	788,514	811,713	-	-	788,514	811,713
Government Administration	3,346,530	2,251,177	-	-	3,346,530	2,251,177
Health Services	6,815,817	6,267,479	-	-	6,815,817	6,267,479
Legal and Judiciary	279,033	281,942	-	-	279,033	281,942
Museums	14,757	14,492	-	-	14,757	14,492
Natural Resources	534,998	327,901	-	-	534,998	327,901
Public Safety and Defense	993,098	952,793	-	-	993,098	952,793
Regulatory Services	290,286	147,529	-	-	290,286	147,529
Social Services	3,275,560	2,453,709	-	-	3,275,560	2,453,709
Transportation	1,231,624	1,209,120	-	-	1,231,624	1,209,120
Interest on Long-Term Debt	60,531	61,262	-	-	60,531	61,262
Unemployment Insurance Trust Fund	-	-	4,048,298	2,323,744	4,048,298	2,323,744
State Loan Program to Local Governments	-	-	40,730	46,636	40,730	46,636
Group Insurance Program	-	-	1,043,144	1,073,135	1,043,144	1,073,135
Lottery Commission	-	-	268,492	204,300	268,492	204,300
<b>Total Expenses</b>	<b>\$22,100,529</b>	<b>\$19,147,601</b>	<b>\$5,400,664</b>	<b>\$3,647,815</b>	<b>\$ 27,501,193</b>	<b>\$22,795,416</b>
Increase (Decrease) in Net Position Before Transfers and Contribution to Permanent Funds	\$2,262,980	\$ 475,900	\$ (504,775)	\$ 184,715	\$ 1,758,205	\$ 660,615
Contribution to Permanent Funds	61,349	54,564	-	-	61,349	54,564
Transfers	78,272	64,687	(78,272)	(64,687)	-	-
<b>Change in Net Position</b>	<b>\$2,402,601</b>	<b>\$ 595,151</b>	<b>\$ (583,047)</b>	<b>\$ 120,028</b>	<b>\$ 1,819,554</b>	<b>\$ 715,179</b>
Net Position, Beginning of Year	20,591,535	19,994,593	2,289,176	2,169,148	22,880,711	22,163,741
Adjustments to Beginning Net Position	(1,791)	-	-	-	(1,791)	-
<b>Net Position, End of Year</b>	<b>\$22,992,345</b>	<b>\$20,589,744</b>	<b>\$1,706,129</b>	<b>\$2,289,176</b>	<b>\$ 24,698,474</b>	<b>\$22,878,920</b>

**Revenues – Governmental Activities  
Fiscal Year 2021**



**Expenses – Governmental Activities  
Fiscal Year 2021  
(expressed in thousands)**



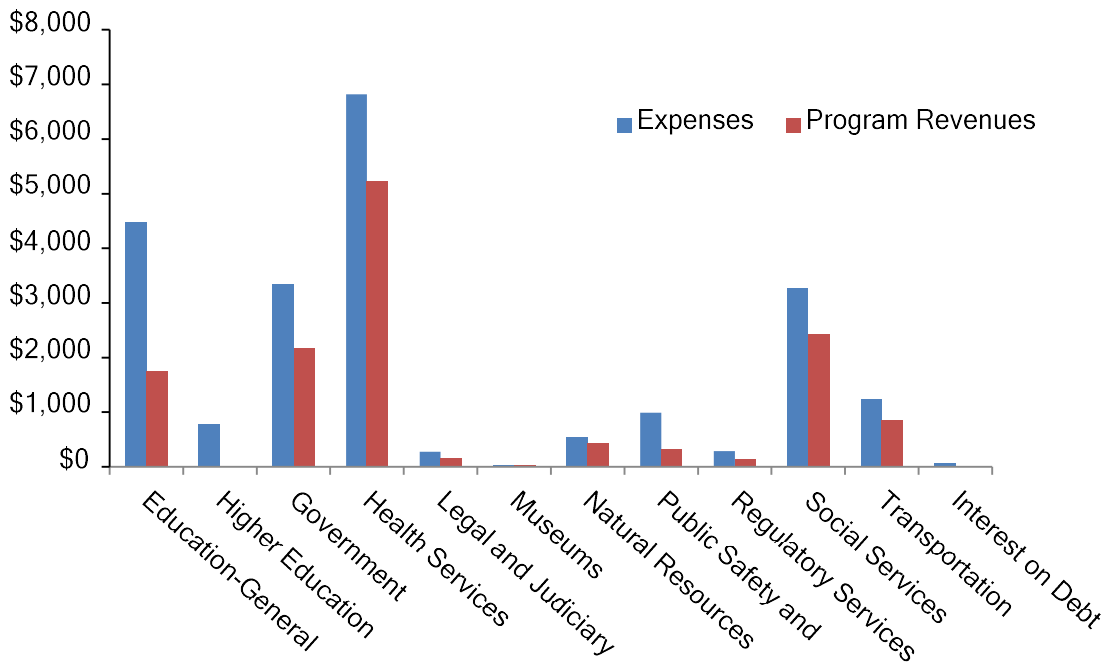
**Governmental Activities**

Governmental activities increased the state's net position by \$2.4 billion. Tax revenues were up in four of the five major types. Total revenues for governmental activities were up by \$4.7 billion, or 24.2%, in 2021. The state showed a \$178.5 million increase in individual income taxes, a \$222.0 million increase in sales taxes, a \$84.3 million decrease in motor vehicle taxes, a \$237.2 million increase in corporate income taxes, and a \$238.2 million increase in gross production taxes during 2021. Additionally, there was a \$3.7 billion 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):

	<u>Governmental Activities</u>
<b>Expenses Net of Program Revenues:</b>	
Education-General	\$ (2,717,218)
Education-Payment to Higher Education	(788,514)
Government Administration	(1,177,437)
Health Services	(1,581,491)
Legal and Judiciary	(127,819)
Museums	(12,218)
Natural Resources	(96,187)
Public Safety and Defense	(671,117)
Regulatory Services	(140,467)
Social Services	(845,350)
Transportation	(372,656)
Interest on Long-Term Debt	(60,531)
<b>Total Governmental Activities Expenses</b>	<b>\$ (8,591,005)</b>
<b>General Revenues:</b>	
Taxes	\$ 10,800,147
Investment Earnings	53,838
Contributions to Permanent Funds	61,349
Transfers	78,272
<b>Total General Revenues</b>	<b>\$ 10,993,606</b>
<b>Increase in Governmental Activities Net Position</b>	<b>\$ 2,402,601</b>

**Expenses and Program Revenues – Governmental Activities**  
**Fiscal Year 2021**  
*(expressed in thousands)*



## **Business-Type Activities**

The business-type activities decreased the state's net position by \$583.0 million, a 25.5% decrease, to \$1.7 billion. This decrease follows an increase of 5.5% in the prior year. The decrease primarily resulted from an increase in benefit payments, and claims submitted to the Oklahoma Unemployment Insurance Trust Fund (OUIF). The OUIF net position decreased by \$697.5 million, the Oklahoma Water Resources Board's (OWRB) net position increased by \$25.6 million, EGID of OMES increased by \$90.1 million, and the Oklahoma Lottery Commission had a decrease in net position of \$1.2 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 \$11.6 billion, an increase of \$2.3 billion from the prior year. Of this total amount, \$4.1 billion (35.1%), 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, \$1.1 billion (9.8%) 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 \$6.2 billion (53.6%) 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 \$78.5 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, 2021, the state has \$92.7 million 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 \$6.9 billion. This 27.0% increase is primarily related to improved tax collections and increases in operating grant revenue.

As a measure of the Governmental Funds' 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 33.5% of total Governmental Fund expenditures, while total fund balance represents 51.6% 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 \$588.9 million compared to \$17.2 million for the prior year. The change was primarily due to a net increase in fair value of investments. Distributions to beneficiaries totaled \$118.3 million for fiscal year 2021 with \$30.2 million disbursed to universities and colleges and \$86.1 million disbursed to public schools, and \$2.0 million disbursed for public buildings. This was a decrease of \$4.6 million from the apportionments of fiscal year 2020.

The Department of Wildlife's Lifetime Licenses' fund balance increased by 3.9% to \$96.5 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 \$356.9 million net increase in fund balance with \$55.7 million coming from the settlement payment by tobacco manufacturers for 2021. The prior year's payment was about \$49.7 million. The state now has \$1.7 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 decreased by \$583.0 million as a result of operations in the proprietary funds. This resulted from a \$697.5 million decrease in net position by OUITF, an increase in net position of \$25.6 million by OWRB's program for making loans to local government units for drinking and wastewater facilities, an increase of \$90.1 million by EGID for insurance benefit administration, and a decrease in net position of \$1.2 million by the Oklahoma Lottery Commission.

OUITF decreased in net position primarily as a result of an increase in benefit payments and claims that arose from the COVID-19 pandemic.

OWRB increased net position by \$25.6 million which was more than the \$24.0 million increase in the prior year. This was primarily due to increase in federal, interest and investment revenue.

EGID increased net position by \$90.1 million, which was more than the \$55.0 million increase during the prior year. The largest change resulted from a decrease of \$39.9 in benefit payments due to favorable claims experience.

Oklahoma Lottery Department decreased net position by \$1.2 million. The decrease was primarily attributable to the unclaimed prizes collected for fiscal year 2021 being less than the amount used for prize enhancements and payments to Oklahoma Department of Mental Health and Substance Abuse Services.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget amounted to \$372.5 million with \$146.3 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 \$109.0 million. The Department of Transportation was transferred \$20.0 million to provide additional funding to the County Improvements for Roads and Bridges Fund. To improve security at the Governor's Mansion and provide funding for litigation related to the United States Supreme Court's McGirt decision, the Office of Management and Enterprise Services received an additional \$20.0 million. Oklahoma's Department of Commerce received an additional \$35.0 million in funding for the Governor's "Quick Acting Closing Fund" and the incubation program for small businesses. To address a backlog of claims by existing injured workers, the Multiple Injury Trust Fund was appropriated an additional \$10.5 million.

The difference between the final budget and the actual collections amounted to \$463.0 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, 2021, amounts to \$27.0 billion, less accumulated depreciation of \$13.8 billion, leaving a net book value of \$13.2 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 3.7% in terms of net book value. Actual expenditures to purchase or construct assets that are capitalized were \$1.1 billion for the year, a \$140.3 million (14.1%) increase from the prior year. Most of this amount was used to construct or reconstruct roads and bridges. Depreciation charges for the year totaled \$621.4 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 for the general fund increased by \$150.7 million, or 10.6%, during the current fiscal year. Business-type activities' debt increased by \$297.9 million or 33.0%.

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 2020. The national unemployment rate as of October 2021 was 4.6% while Oklahoma's was at 2.7% 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 2022**

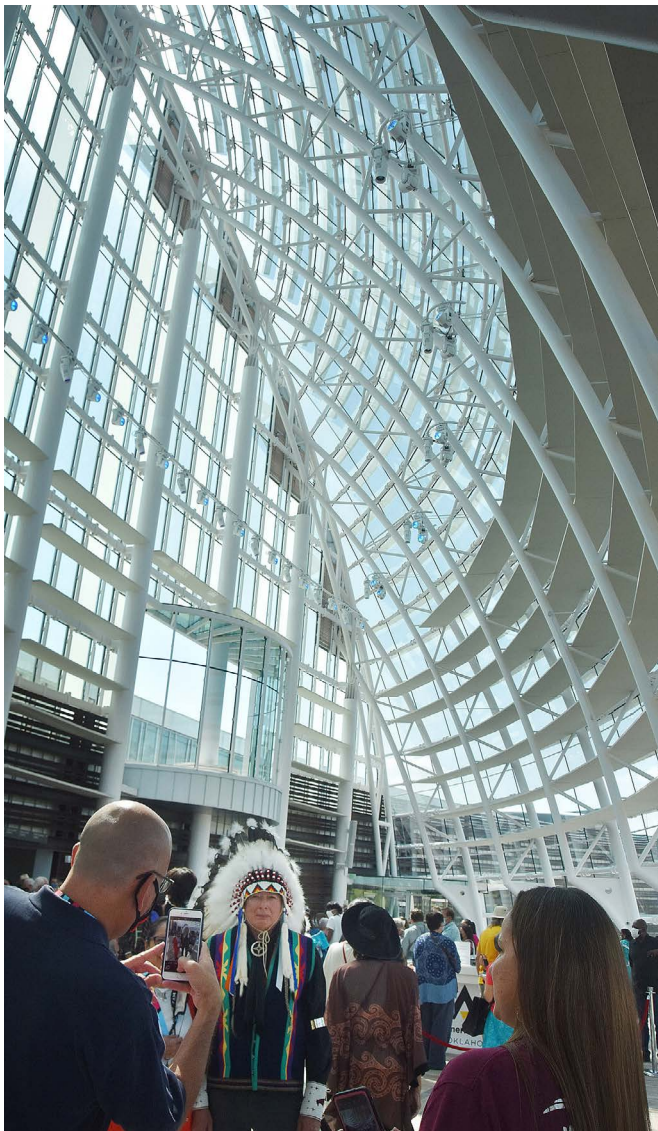
General revenue collections have outpaced estimates over the first four months of the fiscal year. At the end of October 2021, fiscal year 2022 collections were \$291.4 million above the estimate, and \$70.3 million above prior year collections for the same period.

"Our state's economy and workforce are again proving to be resilient and strong," said state Chief Operating Officer and Executive Director of the Office of Management and Enterprise Services Steven Harpe. "Our oil and gas markets continue to showcase growth and sales tax records indicate that consumers are investing in Oklahoma's local economies."

## **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, 2401 N. Lincoln Blvd., Suite 212, Oklahoma City, OK 73105 or [servicedesk@omes.ok.gov](mailto:servicedesk@omes.ok.gov).

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Scenes of people recording their time at the First Americans Museum with cellphones is a common occurrence.

Top and left: Visitors and participants at the grand opening. Above: Dignitaries during Indigenous Peoples Day. Below: Visitors pose with Grandma Turtle (Choctaw) who represents the future FAMILY Discovery Center.







Members of the Oklahoma Fancy Dancers perform at the First Americans Museum grand opening.

Above: Kevin Connywerdy, Comanche\Kiowa, leads participants from the audience in a snake dance.

Left: Boye Ladd Jr., right, HoChunk Nation, and Thaumaro Connywerdy, Comanche\Kiowa, dance on the FAM festival plaza.





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State of Oklahoma  
Government-Wide Statement of Net Position  
June 30, 2021  
(expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash/Cash Equivalents	\$ 8,017,390	\$ 837,296	\$ 8,854,686	\$ 2,290,269
Investments	81,035	294,983	376,018	1,560,090
Securities Lending Investments	375,077	-	375,077	-
Accounts Receivable	119,129	129,136	248,265	770,847
Interest and Investment Revenue Receivable	25,186	14,179	39,365	16,330
Federal Grants Receivable	857,920	1,814	859,734	23,364
Taxes Receivable	894,189	128,793	1,022,982	-
Leases Receivable	5,189	-	5,189	-
Leases Receivable - Component Units	26,275	-	26,275	-
Notes Receivable	-	89,085	89,085	34,732
Other Receivables	145	20	165	29,201
Internal Balances	2	(2)	-	-
Receivable from External Parties	48	-	48	1
Due from Component Units	1,703	34	1,737	2,316
Due from Primary Government	-	-	-	129,240
Inventory	87,089	-	87,089	89,937
Prepaid Items	1,974	-	1,974	25,735
Other Current Assets	6,132	33,258	39,390	44,993
<b>Total Current Assets</b>	<b>\$ 10,498,483</b>	<b>\$ 1,528,596</b>	<b>\$ 12,027,079</b>	<b>\$ 5,017,055</b>
<b>Noncurrent Assets</b>				
Cash/Cash Equivalents, Restricted	\$ 69,482	\$ 22,793	\$ 92,275	\$ 704,211
Short Term Investments, Restricted	4,529,742	-	4,529,742	3,550,966
Long Term Investments	-	3,706	3,706	1,893,083
Long Term Investments, Restricted	-	45,076	45,076	-
Leases Receivable	15,108	-	15,108	-
Leases Receivables - Component Units	281,904	-	281,904	4,000
Long Term Notes Receivable, Net	-	1,626,643	1,626,643	167,888
Long Term Notes Receivable, Restricted	-	-	-	2,690
Net Pension Asset	17,357	-	17,357	5
Net Other Postemployment Benefit Asset	35,180	148	35,328	6,732
Long Term Due from Comp Units	53,777	-	53,777	-
Capital Assets - Depreciable, Net	10,960,033	709	10,960,742	8,229,966
Capital Assets - Land	1,988,308	-	1,988,308	566,605
Capital Assets - Construction in Progress	290,975	-	290,975	1,321,333
Other Noncurrent Assets	-	4,827	4,827	278,163
Other Noncurrent Assets - Restricted	27,579	-	27,579	36
<b>Total Noncurrent Assets</b>	<b>\$ 18,269,445</b>	<b>\$ 1,703,902</b>	<b>\$ 19,973,347</b>	<b>\$ 16,725,678</b>
<b>Total Assets</b>	<b>\$ 28,767,928</b>	<b>\$ 3,232,498</b>	<b>\$ 32,000,426</b>	<b>\$ 21,742,733</b>
<b>Deferred Outflows</b>				
Deferred Outflows from Pensions	\$ 666,156	\$ 2,346	\$ 668,502	\$ 733,525
Deferred Outflows from OPEB	47,461	122	47,583	86,327
Lease Restructuring	-	-	-	24,456
Advance Refunding of Bonds	-	-	-	125,460
Defeasance of Bonds	-	-	-	546
Accumulated Decrease in Fair Value of Derivatives	-	-	-	1,388
Deferred Outflows from Asset Retirement Obligations	-	-	-	282
<b>Total Deferred Outflows</b>	<b>\$ 713,617</b>	<b>\$ 2,468</b>	<b>\$ 716,085</b>	<b>\$ 971,984</b>

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



	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Liabilities</b>				
Current Liabilities				
Accounts Payable and Accrued Liabilities	\$ 1,493,484	\$ 118,607	\$ 1,612,091	\$ 522,827
Unearned Revenue	369,182	1,794	370,976	202,282
Payable Under Securities Lending Agreements	375,077	-	375,077	-
Claims and Judgements	19,038	-	19,038	53,806
Interest Payable	31,945	137,568	169,513	69,908
Compensated Absences	85,663	281	85,944	83,691
Tax Refunds Payable	571,616	-	571,616	-
Due to Others	402,292	-	402,292	-
Revenue Bonds, net	107,339	65,590	172,929	145,256
Payable to External Parties	81,754	1,589	83,343	732
Due to Component Units	129,197	-	129,197	2,414
Due to Primary Government	-	-	-	1,737
Capital Leases	-	-	-	35,185
Capital Leases - Primary Government	-	-	-	26,275
Notes Payable	3,180	-	3,180	9,172
Other Current Liabilities	-	33,260	33,260	580,741
<b>Total Current Liabilities</b>	<b>\$ 3,669,767</b>	<b>\$ 358,689</b>	<b>\$ 4,028,456</b>	<b>\$ 1,734,026</b>
Noncurrent Liabilities				
Claims and Judgements	\$ 75,974	\$ -	\$ 75,974	\$ 426,961
Due to Primary Government	-	-	-	53,777
Capital Leases	-	-	-	546,404
Capital Leases-Primary Government	-	-	-	281,905
Compensated Absences	99,292	786	100,078	61,577
Net Pension Liability	987,355	3,675	991,030	2,196,203
Notes Payable	53,150	-	53,150	114,431
General Obligation Bonds	-	-	-	30,000
Revenue Bonds (including Premiums)	1,408,603	1,136,290	2,544,893	5,480,942
Net Other Postemployment Benefit Liability	149,156	485	149,641	376,669
Other Noncurrent Liabilities	-	7,543	7,543	80,114
<b>Total Noncurrent Liabilities</b>	<b>\$ 2,773,530</b>	<b>\$ 1,148,779</b>	<b>\$ 3,922,309</b>	<b>\$ 9,648,983</b>
<b>Total Liabilities</b>	<b>\$ 6,443,297</b>	<b>\$ 1,507,468</b>	<b>\$ 7,950,765</b>	<b>\$ 11,383,009</b>
<b>Deferred Inflows</b>				
Restructured Debt	\$ -	\$ 21,173	\$ 21,173	\$ 8,246
Service Concession Arrangements	-	-	-	7,790
Accumulated Increase in Fair Value	-	-	-	114
Derivative Instruments	-	-	-	149
Deferred Inflows from Pensions	13,221	20	13,241	275,076
Deferred Inflows from OPEB	32,682	176	32,858	72,757
Deferred Regulation Inflows	-	-	-	125,933
<b>Total Deferred Inflows</b>	<b>\$ 45,903</b>	<b>\$ 21,369</b>	<b>\$ 67,272</b>	<b>\$ 490,065</b>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 12,117,533	\$ 709	\$ 12,118,242	\$ 4,436,846
Restricted for:				
Federal Programs	342,098	-	342,098	-
Debt Service	527,647	359,211	886,858	341,378
Lottery Benefits	-	9,391	9,391	-
Educational Systems	2,851,711	-	2,851,711	-
Stabilization	277,987	-	277,987	-
Preservation of Wildlife	96,542	-	96,542	-
Unemployment Benefits	-	561,560	561,560	-
Tobacco Cessation and Public Health				
Nonexpendable	1,483,035	-	1,483,035	1,144,091
Expendable	201,703	-	201,703	4,061,140
Unrestricted	5,094,089	775,258	5,869,347	858,188
<b>Total Net Position</b>	<b>\$ 22,992,345</b>	<b>\$ 1,706,129</b>	<b>\$ 24,698,474</b>	<b>\$ 10,841,643</b>

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, 2021  
(expressed in thousands)

Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
Education - General	\$ 4,469,781	\$ 14,275	\$ 1,738,288	\$ (2,717,218)		\$ (2,717,218)	
Education - Payment to Higher Education	788,514	-	-	(788,514)		(788,514)	
Government Administration	3,346,530	441,143	1,727,950	(1,177,437)		(1,177,437)	
Health Services	6,815,817	606,022	4,628,304	(1,581,491)		(1,581,491)	
Legal and Judiciary	279,033	103,376	47,838	(127,819)		(127,819)	
Museums	14,757	1,641	898	(12,218)		(12,218)	
Natural Resources	534,998	365,874	72,937	(96,187)		(96,187)	
Public Safety and Defense	993,098	142,325	179,656	(671,117)		(671,117)	
Regulatory Services	290,286	142,068	7,751	(140,467)		(140,467)	
Social Services	3,275,560	27,614	2,402,596	(845,350)		(845,350)	
Transportation	1,231,624	119,697	739,271	(372,656)		(372,656)	
Interest on Long Term Debt	60,531	-	-	(60,531)		(60,531)	
Total Governmental Activities	\$ 22,100,529	\$ 1,964,035	\$ 11,545,489	\$ (8,591,005)		\$ (8,591,005)	
<b>Business-Type Activities:</b>							
Employment Security Commission	\$ 4,048,298	\$ 497,588	\$ 2,853,179		\$ (697,531)	\$ (697,531)	
Office of Management and Enterprise Services	1,043,144	1,133,241	-		90,097	90,097	
Oklahoma Lottery Commission	268,492	347,500	-		79,008	79,008	
Water Resources Board	40,730	59,746	4,635		23,651	23,651	
Total Business-Type Activities	\$ 5,400,664	\$ 2,038,075	\$ 2,857,814		\$ (504,775)	\$ (504,775)	
Total Primary Government	\$ 27,501,193	\$ 4,002,110	\$ 14,403,303	\$ (8,591,005)	\$ (504,775)	\$ (9,095,780)	
<b>Component Units:</b>							
Oklahoma Student Loan Authority	\$ 18,293	\$ 21,067	\$ -				\$ 2,774
Oklahoma Housing Finance Agency	167,483	39,034	145,175				16,726
Oklahoma Turnpike Authority	272,275	373,567	-				101,292
Grand River Dam Authority	399,745	433,317	-				33,572
Oklahoma Municipal Power Authority	176,949	177,192	-				243
Higher Education	4,954,201	3,732,281	1,878,439				656,519
Nonmajor Component Units	549,691	447,046	46,343				(56,302)
Total Component Units	\$ 6,538,637	\$ 5,223,504	\$ 2,069,957				\$ 754,824
<b>General Revenues</b>							
Taxes:							
Income Taxes - Individual			\$ 3,587,101	\$ -	\$ 3,587,101	\$ -	
Sales Tax			3,179,363	-	3,179,363	-	
Gross Production Taxes			865,151	-	865,151	-	
Income Taxes - Corporate			461,357	-	461,357	-	
Motor Vehicle Taxes			885,724	-	885,724	-	
Fuel Taxes			504,042	-	504,042	-	
Tobacco Taxes			460,871	-	460,871	-	
Other Business Taxes			320,181	-	320,181	-	
Insurance Taxes			177,472	-	177,472	-	
Beverage Taxes			150,074	-	150,074	-	
Other Taxes			208,811	-	208,811	-	
Payments from Primary Government			-	-	-	-	909,203
Investment Earnings			53,838	-	53,838	-	
Contributions to Permanent Funds			61,349	-	61,349	-	
Transfers			78,272	(78,272)	-	-	
Total General Revenues and Transfers			\$ 10,993,606	\$ (78,272)	\$ 10,915,334	\$ 909,203	
Change in Net Position			\$ 2,402,601	\$ (583,047)	\$ 1,819,554	\$ 1,664,027	
<b>Net Position - Beginning of Year (as restated)</b>			20,589,744	2,289,176	22,878,920	9,177,616	
<b>Net Position - End of Year</b>			\$ 22,992,345	\$ 1,706,129	\$ 24,698,474	\$ 10,841,643	

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



Above: A model animates the pathway of the sun as it crosses the grounds of the First Americans Museum.



Left: The FAMstore features one-of-a-kind products by Oklahoma Native artists.





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State of Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2021  
(expressed in thousands)

	Permanent Funds				Total Governmental Funds
	General	Commissioners of the Land Office	Department of Wildlife Lifetime Licenses	Tobacco Settlement Endowment Trust	
<b>Assets</b>					
Assets					
Cash/Cash Equivalents	\$ 7,970,053	\$ 73,508	\$ 5,668	\$ 37,643	\$ 8,086,872
Investments	81,035	2,776,996	90,506	1,662,240	4,610,777
Security Lending Investments	278,588	-	-	96,489	375,077
Accounts Receivable	119,129	-	-	-	119,129
Interest and Investment Revenue Receivable	25,186	12,329	-	3,379	40,894
Federal Grants Receivable	857,920	-	-	-	857,920
Taxes Receivable	894,189	-	-	-	894,189
Leases Receivable	20,296	-	-	-	20,296
Leases Receivable - Component Units	308,179	-	-	-	308,179
Other Receivables	145	9,886	-	1,985	12,016
Due from Other Funds	144	-	360	-	504
Due from Fiduciary Funds	48	-	-	-	48
Due from Component Units	1,703	-	-	-	1,703
Due From Component Units - Noncurrent	53,777	-	-	-	53,777
Inventory	87,089	-	-	-	87,089
Prepaid Items	1,974	-	-	-	1,974
Other Assets	5,768	356	8	-	6,132
<b>Total Assets</b>	<b>\$ 10,705,223</b>	<b>\$ 2,873,075</b>	<b>\$ 96,542</b>	<b>\$ 1,801,736</b>	<b>\$ 15,476,576</b>
<b>Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 1,459,582	\$ 13,539	\$ -	\$ 20,367	\$ 1,493,488
Payable Under Securities Lending Agreements	278,588	-	-	96,489	375,077
Unearned Revenue	361,357	7,825	-	-	369,182
Tax Refunds Payable	571,616	-	-	-	571,616
Due to Other Funds	360	-	-	142	502
Due to Fiduciary Funds	81,754	-	-	-	81,754
Due to Component Units	129,197	-	-	-	129,197
Due to Others	402,292	-	-	-	402,292
<b>Total Liabilities</b>	<b>\$ 3,284,746</b>	<b>\$ 21,364</b>	<b>\$ -</b>	<b>\$ 116,998</b>	<b>\$ 3,423,108</b>
<b>Deferred Inflows</b>					
Unavailable Revenue	\$ 471,499	\$ -	\$ -	\$ -	\$ 471,499
<b>Total Deferred Inflows</b>	<b>\$ 471,499</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 471,499</b>
<b>Fund Balances</b>					
Nonspendable	\$ 88,921	\$ 2,397,836	\$ 96,542	\$ 1,483,035	\$ 4,066,334
Restricted	1,135,999	-	-	-	1,135,999
Committed	5,631,396	453,875	-	123,243	6,208,514
Assigned	-	-	-	78,460	78,460
Unassigned	92,662	-	-	-	92,662
<b>Total Fund Balances</b>	<b>\$ 6,948,978</b>	<b>\$ 2,851,711</b>	<b>\$ 96,542</b>	<b>\$ 1,684,738</b>	<b>\$ 11,581,969</b>

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** \$ 11,581,969

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	\$ 1,988,308	
Buildings and Improvements	1,719,361	
Equipment	705,291	
Infrastructure	22,315,381	
Construction in Progress	290,975	
Accumulated Depreciation	<u>(13,780,000)</u>	
		13,239,316

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.

471,499

The state's portion of pension accruals determined by the actuarial calculations of the pension systems created by statute:

Net Pension Asset	\$ 17,357	
Deferred Pension Plan Outflows	666,156	
Net Pension Liability	(987,355)	
Deferred Pension Plan Inflows	<u>(13,221)</u>	
		(317,063)

The state's portion of the net other postemployment benefit accruals as determined by the actuarial calculations of the pension systems created by statute:

Net Other Postemployment Benefit Asset	\$ 35,180	
Deferred Other Postemployment Benefit Outflows	47,461	
Net Other Postemployment Benefit Liability	(149,156)	
Deferred Other Postemployment Benefit Inflows	<u>(32,682)</u>	
		(99,197)

Timing differences caused by the component units with alternative year end dates resulted in differences in due to/from other funds.

5

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	\$ (56,330)	
Revenue Bonds	(1,373,632)	
Bond Issue Premiums	(142,310)	
Accrued Interest on Bonds	(31,945)	
Compensated Absences	(184,955)	
Claims and Judgments	<u>(95,012)</u>	
		(1,884,184)

**Net Position of Governmental Activities** \$ 22,992,345

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, 2021  
(expressed in thousands)

	Permanent Funds				Total Governmental Funds
	General	Commissioners of the Land Office	Department of Wildlife Lifetime Licenses	Tobacco Settlement Endowment	
<b>Revenues</b>					
Taxes					
Income Taxes - Individual	\$ 3,573,364	\$ -	\$ -	\$ -	\$ 3,573,364
Sales Tax	3,158,947	-	-	-	3,158,947
Gross Production Tax	864,090	-	-	-	864,090
Income Taxes - Corporate	456,186	-	-	-	456,186
Motor Vehicle Taxes	889,607	-	-	-	889,607
Fuel Taxes	504,101	-	-	-	504,101
Tobacco Taxes	460,757	-	-	-	460,757
Other Business Taxes	321,926	-	-	-	321,926
Insurance Taxes	177,539	-	-	-	177,539
Beverage Taxes	150,000	-	-	-	150,000
Other Taxes	227,157	-	-	-	227,157
Licenses, Permits and Fees	852,001	-	3,591	-	855,592
Interest and Investment Revenue	177,873	569,499	-	349,921	1,097,293
Federal Revenue	10,586,296	-	-	-	10,586,296
Sales and Services	269,563	-	-	-	269,563
Other Grants and Reimbursements	364,679	-	-	-	364,679
Fines and Penalties	67,905	-	-	-	67,905
Other	271,571	19,396	-	61,349	352,316
<b>Total Revenues</b>	<b>\$ 23,373,562</b>	<b>\$ 588,895</b>	<b>\$ 3,591</b>	<b>\$ 411,270</b>	<b>\$ 24,377,318</b>
<b>Expenditures</b>					
Education	\$ 5,111,053	\$ 125,830	\$ -	\$ -	\$ 5,236,883
Government Administration	2,891,051	-	-	54,358	2,945,409
Health Services	6,788,138	-	-	-	6,788,138
Legal and Judiciary	273,784	-	-	-	273,784
Museums	13,199	-	-	-	13,199
Natural Resources	498,354	-	-	-	498,354
Public Safety and Defense	908,312	-	-	-	908,312
Regulatory Services	286,465	-	-	-	286,465
Social Services	3,281,031	-	-	-	3,281,031
Transportation	231,180	-	-	-	231,180
Capital Outlay	1,814,849	-	-	2	1,814,851
Debt Service					
Principal Retirement	122,507	-	-	-	122,507
Interest	58,380	-	-	-	58,380
<b>Total Expenditures</b>	<b>\$ 22,278,303</b>	<b>\$ 125,830</b>	<b>\$ -</b>	<b>\$ 54,360</b>	<b>\$ 22,458,493</b>
Revenues in Excess of (Less Than) Expenditures	\$ 1,095,259	\$ 463,065	\$ 3,591	\$ 356,910	\$ 1,918,825
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 96,284	\$ 117	\$ -	\$ -	\$ 96,401
Transfers Out	(8,822)	(9,307)	-	-	(18,129)
Bonds Issued	231,930	-	-	-	231,930
Bond Issue Premiums	33,499	-	-	-	33,499
Bond Refunding	22,135	-	-	-	22,135
Sale of Capital Assets	5,826	-	-	-	5,826
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 380,852</b>	<b>\$ (9,190)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 371,662</b>
Net Change in Fund Balances	\$ 1,476,111	\$ 453,875	\$ 3,591	\$ 356,910	\$ 2,290,487
<b>Fund Balances - Beginning of Year</b>	<b>5,472,867</b>	<b>2,397,836</b>	<b>92,951</b>	<b>1,327,828</b>	<b>9,291,482</b>
<b>Fund Balances - End of Year</b>	<b>\$ 6,948,978</b>	<b>\$ 2,851,711</b>	<b>\$ 96,542</b>	<b>\$ 1,684,738</b>	<b>\$ 11,581,969</b>

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** \$ 2,290,487

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 (\$1,101,297) exceeded depreciation (\$620,855) in the current period. 480,442

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. (9,478)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 48,196

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 (\$254,065) exceeded payments (\$122,429). (131,636)

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. (33,499)

The amount by which the actuarial calculated accruals from pension plans changed compared to the prior fiscal year:

Decrease in net pension asset	\$ (21,076)	
Increase in deferred outflows from pension plans	372,900	
Increase in net pension liability	(666,759)	
Decrease in deferred inflows from pension plans	57,267	
	<u>57,267</u>	(257,668)

The amount by which the actuarial calculated accruals for other postemployment benefits changed compared to the prior fiscal year:

Increase in net other postemployment benefits asset	\$ 5,554	
Increase in deferred outflows from other postemployment benefits	15,448	
Decrease in net other postemployment benefits liability	994	
Decrease in deferred inflows from other postemployment benefits	10,522	
	<u>10,522</u>	32,518

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 (\$78) exceeded the addition of new 78

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	\$ 14,375	
Decrease in entity-wide interest payable	(2,151)	
Increase in compensated absences	(8,558)	
Timing difference of due from/to other funds	(19)	
Decrease in claims and judgments payable	(20,486)	
	<u>(20,486)</u>	(16,839)

**Change in Net Position of Governmental Activities** \$ 2,402,601

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

State of Oklahoma  
Statement of Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021  
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash/Cash Equivalents	\$ 469,186	\$ 187,986	\$ 135,010	\$ 45,114	\$ 837,296
Investments	-	-	294,983	-	294,983
Accounts Receivable	1,125	-	116,038	11,973	129,136
Interest and Investment Revenue Receivable	1,162	12,157	860	-	14,179
Federal Grants Receivable	1,314	500	-	-	1,814
Taxes Receivable	128,793	-	-	-	128,793
Notes Receivable	-	89,085	-	-	89,085
Other Receivables	-	20	-	-	20
Due from Component Units	34	-	-	-	34
Other Current Assets	-	-	33,258	-	33,258
<b>Total Current Assets</b>	<b>\$ 601,614</b>	<b>\$ 289,748</b>	<b>\$ 580,149</b>	<b>\$ 57,087</b>	<b>\$ 1,528,598</b>
<b>Noncurrent Assets</b>					
Cash/Cash Equivalents, Restricted	\$ -	\$ 22,793	\$ -	\$ -	\$ 22,793
Long Term Investments	-	3,706	-	-	3,706
Long Term Investments, Restricted	-	45,076	-	-	45,076
Long Term Notes Receivable	-	1,626,643	-	-	1,626,643
Net Other Postemployment Benefits	-	-	148	-	148
Capital Assets, Net	-	437	29	243	709
Other Noncurrent Assets	-	(1)	-	4,828	4,827
<b>Total Noncurrent Assets</b>	<b>\$ -</b>	<b>\$ 1,698,654</b>	<b>\$ 177</b>	<b>\$ 5,071</b>	<b>\$ 1,703,902</b>
<b>Total Assets</b>	<b>\$ 601,614</b>	<b>\$ 1,988,402</b>	<b>\$ 580,326</b>	<b>\$ 62,158</b>	<b>\$ 3,232,500</b>
<b>Deferred Outflows of Resources</b>					
Deferred Other Postemployment Benefits	\$ -	\$ -	\$ 122	\$ -	\$ 122
Deferred Pension Plan Outflows	-	-	1,720	626	2,346
<b>Total Deferred Outflows</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,842</b>	<b>\$ 626</b>	<b>\$ 2,468</b>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable and Accrued Liabilities	\$ 38,043	\$ 21	\$ 30,258	\$ 50,283	\$ 118,605
Unearned Revenue	1,624	-	-	172	1,796
Interest Payable	-	10,165	127,403	-	137,568
Compensated Absences	-	124	-	157	281
Revenue Bonds, net	-	65,590	-	-	65,590
Due to Fiduciary Funds	-	-	-	1,589	1,589
Due to Other Funds	-	-	-	2	2
Other Current Liabilities	387	1,176	31,697	-	33,260
<b>Total Current Liabilities</b>	<b>\$ 40,054</b>	<b>\$ 77,076</b>	<b>\$ 189,358</b>	<b>\$ 52,203</b>	<b>\$ 358,691</b>
<b>Noncurrent Liabilities</b>					
Revenue Bonds (including Premiums)	\$ -	\$ 1,136,290	\$ -	\$ -	\$ 1,136,290
Net Pension Liability	-	-	2,812	863	3,675
Compensated Absences	-	53	654	79	786
Other Postemployment Benefits	-	-	485	-	485
Other Noncurrent Liabilities	-	-	7,543	-	7,543
<b>Total Noncurrent Liabilities</b>	<b>\$ -</b>	<b>\$ 1,136,343</b>	<b>\$ 11,494</b>	<b>\$ 942</b>	<b>\$ 1,148,779</b>
<b>Total Liabilities</b>	<b>\$ 40,054</b>	<b>\$ 1,213,419</b>	<b>\$ 200,852</b>	<b>\$ 53,145</b>	<b>\$ 1,507,470</b>
<b>Deferred Inflows of Resources</b>					
Deferred Inflows from Pensions	\$ -	\$ -	\$ 15	\$ 5	\$ 20
Deferred Inflows from OPEB	-	-	176	-	176
Refinancing of Debt	-	21,173	-	-	21,173
<b>Total Deferred Inflows</b>	<b>\$ -</b>	<b>\$ 21,173</b>	<b>\$ 191</b>	<b>\$ 5</b>	<b>\$ 21,369</b>
<b>Net Position</b>					
Invested in Capital Assets	\$ -	\$ 437	\$ 29	\$ 243	\$ 709
Restricted for:					
Debt Service	-	359,211	-	-	359,211
Lottery Benefits	-	-	-	9,391	9,391
Unemployment Benefits	561,560	-	-	-	561,560
Unrestricted	-	394,162	381,096	-	775,258
<b>Total Net Position</b>	<b>\$ 561,560</b>	<b>\$ 753,810</b>	<b>\$ 381,125</b>	<b>\$ 9,634</b>	<b>\$ 1,706,129</b>

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, 2021  
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				Total
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	
<b>Operating Revenues</b>					
Sales and Services	\$ 489,381	\$ -	\$ 1,097,922	\$ 346,751	\$ 1,934,054
Federal Revenue	2,853,179	4,635	-	-	2,857,814
Interest and Investment Revenue	-	42,325	-	-	42,325
Other	33	-	5,640	310	5,983
<b>Total Operating Revenues</b>	<b>\$ 3,342,593</b>	<b>\$ 46,960</b>	<b>\$ 1,103,562</b>	<b>\$ 347,061</b>	<b>\$ 4,840,176</b>
<b>Operating Expenses</b>					
Facilities Operations and Maintenance	\$ -	\$ -	\$ -	\$ 294	\$ 294
Administration and General	537	6,750	49,094	6,732	63,113
Prizes, Commissions and Other	-	-	-	260,628	260,628
Interest	-	33,829	-	-	33,829
Depreciation	-	151	345	87	583
Benefit Payments and Refunds	4,047,761	-	993,705	-	5,041,466
<b>Total Operating Expenses</b>	<b>\$ 4,048,298</b>	<b>\$ 40,730</b>	<b>\$ 1,043,144</b>	<b>\$ 267,741</b>	<b>\$ 5,399,913</b>
<b>Operating Income (Loss)</b>	<b>\$ (705,705)</b>	<b>\$ 6,230</b>	<b>\$ 60,418</b>	<b>\$ 79,320</b>	<b>\$ (559,737)</b>
<b>Nonoperating Revenues (Expense)</b>					
Interest and Investment Revenue	\$ 5,728	\$ 2,634	\$ 29,679	\$ 439	\$ 38,480
Other Nonoperating Revenues	2,446	104	-	-	2,550
Nonoperating Federal Grants	-	14,683	-	-	14,683
Other Nonoperating Expenses	-	-	-	(751)	(751)
<b>Total Nonoperating Revenues (Expense)</b>	<b>\$ 8,174</b>	<b>\$ 17,421</b>	<b>\$ 29,679</b>	<b>\$ (312)</b>	<b>\$ 54,962</b>
<b>Income (Loss) Before Transfers</b>	<b>\$ (697,531)</b>	<b>\$ 23,651</b>	<b>\$ 90,097</b>	<b>\$ 79,008</b>	<b>\$ (504,775)</b>
Transfers In	-	8,705	-	-	8,705
Transfers Out	-	(6,741)	-	(80,236)	(86,977)
<b>Change in Net Position</b>	<b>\$ (697,531)</b>	<b>\$ 25,615</b>	<b>\$ 90,097</b>	<b>\$ (1,228)</b>	<b>\$ (583,047)</b>
<b>Total Net Position - Beginning of Year</b>	<b>1,259,091</b>	<b>728,195</b>	<b>291,028</b>	<b>10,862</b>	<b>2,289,176</b>
<b>Total Net Position - Ending</b>	<b>\$ 561,560</b>	<b>\$ 753,810</b>	<b>\$ 381,125</b>	<b>\$ 9,634</b>	<b>\$ 1,706,129</b>

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, 2021  
(expressed in thousands)

	Business-Type Activities - Enterprise Funds				Total
	Employment Security Commission	Water Resources Board	Office of Management and Enterprise Services	Lottery Commission	
<b>Cash Flows from Operating Activities</b>					
Receipts from Customers and Users	\$ 470,349	\$ -	\$ 1,405,745	\$ 321,455	\$ 2,197,549
Receipts from Federal Grants	2,857,477	3,802	-	-	2,861,279
Payments of Benefits	(4,251,251)	-	(1,294,825)	-	(5,546,076)
Payments to Suppliers	-	(1,961)	(33,923)	(17,756)	(53,640)
Payments to Employees	-	(2,756)	(9,634)	(2,969)	(15,359)
Payments to Prize Winners	-	-	-	(217,887)	(217,887)
Payments to fund deposit with Multi-State Lottery	-	-	-	279	279
Payments of Operating Interest Expense	-	(36,702)	-	-	(36,702)
Collections of Interest on Loans to Governmental Units	-	41,373	-	-	41,373
Net Cash Provided (Used) by Operating Activities	\$ (923,425)	\$ 3,756	\$ 67,363	\$ 83,122	\$ (769,184)
<b>Cash Flows from Noncapital Financing Activities</b>					
Federal Grants and Other Contributions	\$ 2,833	\$ 412,062	\$ -	\$ -	\$ 414,895
Transfers In	-	8,691	-	-	8,691
Transfers Out	-	(2,181)	-	(69,032)	(71,213)
Nonoperating expenses	-	-	-	(750)	(750)
Principal Paid on Bonds and Notes Payable	-	(96,393)	-	-	(96,393)
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 2,833	\$ 322,179	\$ -	\$ (69,782)	\$ 255,230
<b>Cash Flows from Capital and Related Financing Activities</b>					
Payments for Acquisition of Capital Assets	\$ -	\$ (36)	\$ -	\$ (139)	\$ (175)
Net Cash Used by Capital and Related Financing Activities	\$ -	\$ (36)	\$ -	\$ (139)	\$ (175)
<b>Cash Flows from Investing Activities</b>					
Interest and Investment Revenue	\$ 9,764	\$ 2,706	\$ 3,887	\$ 488	\$ 16,845
Proceeds from Sale and Maturity of Investments	-	14,191	189,628	-	203,819
Payments to Purchase Investments	-	-	(209,116)	-	(209,116)
Collections of Principal on Loans to Governmental Units	-	142,679	-	-	142,679
Payments to Issue Notes Receivable	-	(371,550)	-	-	(371,550)
Net Cash Provided by Investing Activities	\$ 9,764	\$ (211,974)	\$ (15,601)	\$ 488	\$ (217,323)
Net Increase in Cash/Cash Equivalents	\$ (910,828)	\$ 113,925	\$ 51,762	\$ 13,689	\$ (731,452)
<b>Cash/Cash Equivalents - Beginning of Year</b>	1,380,014	96,854	83,248	31,425	1,591,541
<b>Cash/Cash Equivalents - End of Year</b>	\$ 469,186	\$ 210,779	\$ 135,010	\$ 45,114	\$ 860,089
<b>Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities</b>					
Operating Income (Loss)	\$ (705,705)	\$ 6,230	\$ 60,418	\$ 79,320	\$ (559,737)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation Expense	-	151	345	87	583
Amortization (Accretion) and Other Noncash Expenses	-	(3,962)	-	7	(3,955)
Decrease (Increase) in Assets					
Accounts Receivable	(8,514)	-	10,044	(3,564)	(2,034)
Federal Receivable	4,298	-	-	-	4,298
Interest and Investment Receivable	-	(1,875)	-	-	(1,875)
Deposit with Multi-State Lottery	-	-	-	279	279
Other Receivables	-	-	(16,344)	-	(16,344)
Increase (Decrease) in Liabilities					
Accounts Payable and Accrued Liabilities	(202,955)	(30)	7,321	588	(195,076)
Interest Payable	-	1,844	-	-	1,844
Prizes Payable	-	-	-	6,002	6,002
Compensated Absences	-	(34)	43	-	9
Due to other funds	-	-	-	115	115
Unavailable Revenue	(10,549)	-	-	4	(10,545)
Other Current Liabilities	-	1,432	5,536	284	7,252
Net Cash Provided (Used) by Operating Activities	\$ (923,425)	\$ 3,756	\$ 67,363	\$ 83,122	\$ (769,184)

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, 2021  
(expressed in thousands)

	Pension Trust Funds	Custodial Funds
<b>Assets</b>		
Cash/Cash Equivalents	\$ 1,209,122	\$ 352,244
Investments, at fair value		
Equity Securities	22,570,134	-
Governmental Securities	4,836,859	-
Debt Securities	5,040,487	-
Mutual Funds	4,942,535	-
Other Investments	5,397,159	-
Securities Lending Investments	2,219,574	-
Taxes Receivable	-	179,105
Accounts Receivable	-	4,170
Interest and Investment Revenue Receivable	89,930	-
Employer Contributions Receivable	51,377	-
Employee Contributions Receivable	29,878	-
Other Receivables	138	-
Due from Broker	577,073	-
Due from Primary Government	83,343	-
Due from Component Units	732	-
Inventory	-	11,120
Capital Assets, Net	5,501	-
Other Assets	1,085	-
<b>Total Assets</b>	<b>\$ 47,054,927</b>	<b>\$ 546,639</b>
<b>Liabilities</b>		
Accounts Payable	\$ 243,213	\$ 806
Securities Lending Payable	2,219,574	-
Tax Refunds Payable	-	1,603
Due to Brokers	1,258,106	-
Due to Other Funds	48	-
Due to Component Units	1	-
Due to Others	-	533,445
Unearned Revenue	-	10,785
Benefits in the Process of Payment	112,182	-
Other Liabilities	10,541	-
<b>Total Liabilities</b>	<b>\$ 3,843,665</b>	<b>\$ 546,639</b>
<b>Net Position</b>		
Net Position Restricted for Pensions	<b>\$ 43,211,262</b>	

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, 2021  
(expressed in thousands)

	Pension Trust Funds	Custodial Funds
<b>Additions</b>		
Contributions		
Employer Contributions	\$ 870,411	\$ 0
Employee Contributions	476,333	0
Other Contributions	433,349	0
Total Contributions	<u>\$ 1,780,093</u>	<u>\$ 0</u>
Investment Income		
Net Appreciation in Fair Value of Investments	\$ 9,974,006	\$ 0
Interest and Investment Revenue	558,511	69,805
Total Investment Earnings	<u>\$ 10,532,517</u>	<u>\$ 69,805</u>
Less Investment Expenses	122,522	67,361
Net Investment Earnings	<u>\$ 10,409,995</u>	<u>\$ 2,444</u>
Taxes Collected for Other Governments	\$ 0	\$ 2,307,310
Collections for Beneficiaries	0	452,156
Federal Grants	0	38
Other Collections	0	30,109
Total Additions	<u>\$ 12,190,088</u>	<u>\$ 2,789,613</u>
<b>Deductions</b>		
Administrative and General Expenses	\$ 16,849	\$ 0
Benefit Payments and Refunds	2,956,255	452,115
Taxes Disbursed to Other Governments	0	2,326,030
Other Expenditures	0	13,912
Total Deductions	<u>\$ 2,973,104</u>	<u>\$ 2,792,057</u>
Net Increase	\$ 9,216,984	\$ 0
<b>Net Position Reserved for Employees' Pension Benefits</b>		
Beginning of Year	<u>\$ 33,994,278</u>	
End of Year	<u>\$ 43,211,262</u>	

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  
<https://public.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

P.O. Box 26720, Oklahoma City, Oklahoma 73126  
<https://www.ok.gov/ohfa>

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

3500 N. Martin Luther King Avenue, Oklahoma City, Oklahoma 73111  
<https://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 669, Chouteau, Oklahoma 74337  
<https://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  
<http://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

The 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 Statements of Net Position  
Major Component Units  
June 30, 2021  
(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
<b>Assets</b>								
<b>Current Assets</b>								
Cash/Cash Equivalents - Unrestricted	\$ 79	\$ 21,453	\$ 192,809	\$ 34,103	\$ 53,592	\$ 1,764,450	\$ 223,783	\$ 2,290,269
Investments	20,463	5,259	11,793	59,234	3,017	1,389,035	71,289	1,560,090
Accounts Receivable	-	30	8,054	34,958	14,496	683,164	30,145	770,847
Interest and Investment Revenue Receivable	7,239	1,408	2,357	1,837	52	3,304	133	16,330
Federal Grants Receivable	-	716	-	-	-	22,648	-	23,364
Notes Receivable	28,846	-	-	-	267	5,351	268	34,732
Other Receivables	-	-	-	814	-	25,925	2,462	29,201
Due from Fiduciary Funds	-	-	-	-	-	1	-	1
Due from Component Units	-	-	-	1,251	-	810	255	2,316
Due from Primary Government	-	-	1,627	579	-	32,990	94,044	129,240
Inventory	-	-	8,858	54,308	3,852	22,919	-	89,937
Prepaid Items	-	459	269	5,032	-	17,455	2,520	25,735
Other Current Assets	-	-	-	-	1,306	38,914	4,773	44,993
<b>Total Current Assets</b>	<b>\$ 56,627</b>	<b>\$ 29,325</b>	<b>\$ 225,767</b>	<b>\$ 192,116</b>	<b>\$ 76,582</b>	<b>\$ 4,006,966</b>	<b>\$ 429,672</b>	<b>\$ 5,017,055</b>
<b>Noncurrent Assets</b>								
Cash/Cash Equivalents - Restricted	\$ -	\$ 25,567	\$ 221,664	\$ 896	\$ 34,995	\$ 420,901	\$ 188	\$ 704,211
Investments - Restricted	-	313,192	283,440	197,066	63,803	2,693,450	15	3,550,966
Long Term Investments Unrestricted	-	64,623	-	209,348	-	1,613,411	5,701	1,893,083
Leases Receivables - Component Units	-	4,000	-	-	-	-	-	4,000
Net Pension Asset	-	-	-	-	-	5	-	5
Net Other Postemployment Benefit Asset	-	118	557	-	-	6,004	53	6,732
Long Term Notes Receivable, Net Unrestricted	140,869	-	-	-	615	26,404	-	167,888
Restricted	-	-	-	-	-	-	2,690	2,690
Capital Assets Depreciable, Net	348	2,683	880,988	1,153,557	414,020	5,470,782	307,588	8,229,966
Land	-	550	299,589	39,177	-	221,919	5,370	566,605
Construction in Progress	-	-	1,110,422	35,472	2,426	162,731	10,282	1,321,333
Other Noncurrent Assets Unrestricted	440	-	-	11,159	116,449	102,494	47,621	278,163
Restricted	-	-	-	-	-	-	36	36
<b>Total Noncurrent Assets</b>	<b>\$ 141,657</b>	<b>\$ 410,733</b>	<b>\$ 2,796,660</b>	<b>\$ 1,646,675</b>	<b>\$ 632,308</b>	<b>\$ 10,718,101</b>	<b>\$ 379,544</b>	<b>\$ 16,725,678</b>
<b>Total Assets</b>	<b>\$ 198,284</b>	<b>\$ 440,058</b>	<b>\$ 3,022,427</b>	<b>\$ 1,838,791</b>	<b>\$ 708,890</b>	<b>\$ 14,725,067</b>	<b>\$ 809,216</b>	<b>\$ 21,742,733</b>
<b>Deferred Outflow of Resources</b>								
Deferred Outflows from Pensions	\$ 4,251	\$ 802	\$ 6,993	\$ 13,485	\$ 1,725	\$ 704,622	\$ 1,647	\$ 733,525
Deferred Outflows from OPEB	-	76	507	3,409	-	82,335	-	86,327
Lease Restructuring	-	-	-	-	-	24,456	-	24,456
Advance Refunding of Bonds	-	-	65,056	27,811	12,247	20,346	-	125,460
Defeasance of Bonds	-	-	-	-	-	544	2	546
Accumulated Decrease in Fair Value of Derivatives	-	-	-	333	1,055	-	-	1,388
Asset Retirement Obligations	-	-	-	-	-	282	-	282
<b>Total Deferred Outflows</b>	<b>\$ 4,251</b>	<b>\$ 878</b>	<b>\$ 72,556</b>	<b>\$ 45,038</b>	<b>\$ 15,027</b>	<b>\$ 832,585</b>	<b>\$ 1,649</b>	<b>\$ 971,984</b>

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

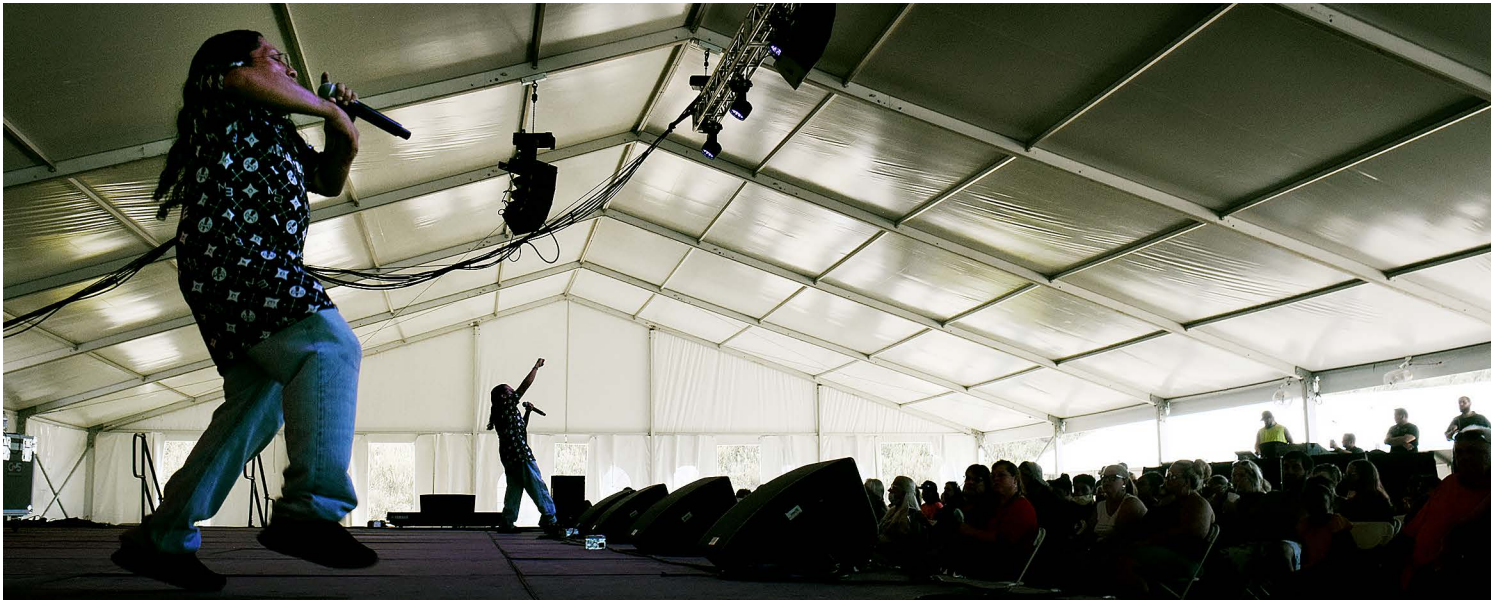
	Oklahoma Student Loan Authority	Oklahoma Housing Finance Agency	Oklahoma Turnpike Authority	Grand River Dam Authority	Oklahoma Municipal Power Authority	Higher Education Component Unit	Nonmajor Component Units Total	All Component Units Total
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts Payable and Accrued Liabilities	\$ 1,087	\$ 2,167	\$ 35,761	\$ 28,803	\$ 15,718	\$ 317,497	\$ 121,794	\$ 522,827
Unearned Revenue	-	3,835	38,568	-	-	159,789	90	202,282
Claims and Judgements	-	-	-	-	-	1,855	51,951	53,806
Interest Payable	709	677	32,904	3,640	12,850	18,915	213	69,908
Compensated Absences	-	1,120	733	3,639	-	77,697	502	83,691
Revenue Bonds	-	6,605	10,930	39,240	22,035	66,446	-	145,256
Due to Fiduciary Funds	-	75	-	563	72	-	22	732
Due to Other Component Units	-	-	6	44	1,345	933	86	2,414
Due to Primary Government	5	7	119	48	-	1,547	11	1,737
Capital Leases	-	-	-	2	-	35,147	36	35,185
Capital Leases - Primary Government	-	-	-	-	-	26,275	-	26,275
Notes Payable	-	-	-	-	2,834	1,214	5,124	9,172
Other Current Liabilities	-	-	1,036	927	462	563,891	14,425	580,741
<b>Total Current Liabilities</b>	<b>\$ 1,801</b>	<b>\$ 14,486</b>	<b>\$ 120,057</b>	<b>\$ 76,906</b>	<b>\$ 55,316</b>	<b>\$ 1,271,206</b>	<b>\$ 194,254</b>	<b>\$ 1,734,026</b>
<b>Noncurrent Liabilities</b>								
Claims and Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,128	\$ 423,833	\$ 426,961
Due to Primary Government	-	-	53,777	-	-	-	-	53,777
Capital Leases	-	-	-	-	-	546,388	16	546,404
Capital Leases-Primary Government	-	-	-	-	-	281,905	-	281,905
Compensated Absences	-	-	1,786	2,032	-	57,603	156	61,577
Net Pension Liability	10,953	405	10,601	23,192	2,839	2,146,037	2,176	2,196,203
Notes Payable	26,574	-	50,000	-	25,214	11,229	1,414	114,431
General Obligation Bonds	-	-	-	-	-	-	30,000	30,000
Net Other Postemployment Benefit Liability	-	-	1,949	19,462	-	355,093	165	376,669
Unamortized Premium (Discount) on refunding	(449)	8,856	149,824	86,811	23,781	96,447	-	365,270
Revenue Bonds	97,190	231,138	1,710,235	864,620	548,920	1,660,569	3,000	5,115,672
Other Noncurrent Liabilities	385	-	1,786	10,923	594	66,392	34	80,114
<b>Total Noncurrent Liabilities</b>	<b>\$ 134,653</b>	<b>\$ 240,399</b>	<b>\$ 1,979,958</b>	<b>\$ 1,007,040</b>	<b>\$ 601,348</b>	<b>\$ 5,224,791</b>	<b>\$ 460,794</b>	<b>\$ 9,648,983</b>
<b>Total Liabilities</b>	<b>\$ 136,454</b>	<b>\$ 254,885</b>	<b>\$ 2,100,015</b>	<b>\$ 1,083,946</b>	<b>\$ 656,664</b>	<b>\$ 6,495,997</b>	<b>\$ 655,048</b>	<b>\$ 11,383,009</b>
<b>Deferred Inflow of Resources</b>								
Accumulated Increase in Fair Value	\$ -	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114
Service Concession Arrangements	-	-	-	-	-	7,790	-	7,790
Derivative Instruments	-	-	-	-	-	149	-	149
Deferred pension plan inflows	420	223	86	604	15	273,635	93	275,076
Deferred OPEB plan inflows	-	109	1,433	634	-	70,581	-	72,757
Restructured Debt	-	-	-	-	-	8,246	-	8,246
Deferred Regulation inflows	-	-	11,591	88,635	25,707	-	-	125,933
<b>Total Deferred Inflows</b>	<b>\$ 420</b>	<b>\$ 446</b>	<b>\$ 13,110</b>	<b>\$ 89,873</b>	<b>\$ 25,722</b>	<b>\$ 360,401</b>	<b>\$ 93</b>	<b>\$ 490,065</b>
<b>Net Position</b>								
Net Investment in Capital Assets	\$ 348	\$ 3,233	\$ 563,608	\$ 305,481	\$ (28,179)	\$ 3,273,293	\$ 319,062	\$ 4,436,846
Restricted for:								
Debt Service	-	92,381	116,330	22,890	35,562	74,215	-	341,378
Other Special Purpose								
Nonexpendable	-	-	-	-	-	1,144,091	-	1,144,091
Expendable	49,439	42	83,448	42,589	-	3,881,649	3,973	4,061,140
Unrestricted	15,874	89,949	218,472	339,050	34,148	328,006	(167,311)	858,188
<b>Total Net Position</b>	<b>\$ 65,661</b>	<b>\$ 185,605</b>	<b>\$ 981,858</b>	<b>\$ 710,010</b>	<b>\$ 41,531</b>	<b>\$ 8,701,254</b>	<b>\$ 155,724</b>	<b>\$ 10,841,643</b>

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, 2021  
(expressed in thousands)

	Program Revenues				General Revenue		Net Position Beginning of Year	Net Position End of Year
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from Primary Government	Change in Net Asset		
Component Units:								
Oklahoma Student Loan Authority	\$ 18,293	\$ 21,067	\$ -	\$ 2,774	\$ -	\$ 2,774	\$ 62,887	\$ 65,661
Housing Finance Agency	167,483	39,034	145,175	16,726	-	16,726	168,879	185,605
Oklahoma Turnpike Authority	272,275	373,567	-	101,292	-	101,292	880,566	981,858
Grand River Dam Authority	399,745	433,317	-	33,572	-	33,572	676,438	710,010
Oklahoma Municipal Power Authority	176,949	177,192	-	243	-	243	41,288	41,531
Higher Education Component Unit	4,954,201	3,732,281	1,878,439	656,519	788,514	1,445,033	7,256,221	8,701,254
Nonmajor Component Units	549,691	447,046	46,343	(56,302)	120,689	64,387	91,337	155,724
Total Component Units	<u>\$ 6,538,637</u>	<u>\$ 5,223,504</u>	<u>\$ 2,069,957</u>	<u>\$ 754,824</u>	<u>\$ 909,203</u>	<u>\$ 1,664,027</u>	<u>\$ 9,177,616</u>	<u>\$ 10,841,643</u>

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



Above: Native American rappers Lil Mike and Funny Bone perform at the grand opening of the First Americans Museum. The Oklahoma City brothers, members of the Pawnee Tribe, also appear in the FX television series, “Reservation Dogs,” as Mose and Mekko.

Right: Madonna Myers, Oklahoma City, Navajo, poses with Lil Mike and Funny Bone after their performance at the FAM grand opening.





# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FISCAL YEAR ENDED JUNE 30, 2021

### 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 January of 2017, GASB issued Statement number 84, *Fiduciary Activities*, which 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.

The state was required to implement this standard for the fiscal year ended June 30, 2021.

In August of 2018, GASB issued Statement number 90, *Majority Equity Interests - An Amendment of GASB Statement numbers 14 and 61*, 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.

The state was required to implement this standard for the fiscal year ended June 30, 2021.

GASB Statement number 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, has several primary objectives. This statement increases consistency and comparability related to the reporting of fiduciary component units, mitigates the costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and other employee benefit plans, and enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans.

The state initiated early adoption of this standard which is required for the fiscal year ended June 30, 2022.

In October of 2021, GASB issued Statement number 98, *The Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

The state initiated early adoption of this standard which is required for the fiscal year ended June 30, 2022.

#### New Accounting Statements Issued Not Yet Adopted:

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 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.

GASB Statement number 92, *Omnibus 2020*, is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement number 93, *Replacement of Interbank Offered Rates*, addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate, most notably the London Interbank Offered Rate or LIBOR. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021.

GASB Statement number 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, addresses issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements.

GASB Statement number 96, *Subscription-Based Information Technology Arrangements*, defines a subscription-based information technology arrangement (SBITA), establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability, provides capitalization criteria for outlays other than subscription payments and requires note disclosure regarding a SBITA.

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, 2021, 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 Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the state to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the state. Local school districts (the state's support of the public education system is reported in the general fund) and other local authorities of various kinds that may meet only one of the criteria for inclusion in this report have not been included.

As required by 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, 2401 N. Lincoln Blvd., Suite 212, 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, 2021, and their report, dated October 26, 2021, 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. A resident board member is also 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, 2020, and their report, dated January 25, 2021, 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, 2020, and their report, dated March 30, 2021, 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, 2020, and their report, dated March 31, 2021, 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, 2020, and their report, dated March 31, 2021, 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 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, 2401 N. Lincoln Blvd., Suite 212, 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, 2021, 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, 2020.

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 ten 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 vocations, technical, and adult education programs for person within their defined geographical boundaries. The primary source of operating fund 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, "Friends of OETA", 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. OETA was audited by other independent auditors for the year ended June 30, 2021, and their report, dated December 30, 2021, was previously issued under separate cover.

**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. In addition, the state treasurer is included as an ex officio, non-voting member of the board of directors. 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, 2021, and their report, dated October 20, 2021, 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, 2020, and their report, dated June 15, 2021, 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, 2021, and their report, dated October 29, 2021, 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, 2021, and their report, dated October 20, 2021, 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, 2021, and their report, dated September 7, 2021, 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 Oklahoma State University 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, 2021, and their report, dated October 28, 2021, 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 administer pension funds for the state and its political subdivisions. The six public employee retirement systems 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, 2401 N. Lincoln Blvd., Suite 212, 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 (or designee), the president of the Oklahoma State Retired Firefighters Association (or designee), the State Insurance Commissioner (or designee), and the director of the Office of Management and Enterprise Services (or 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, 2021, and their report, dated October 12, 2021, 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, 2021, and their report, dated October 18, 2021, 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, 2021, and their report, dated October 20, 2021, 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, 2021, and their report, dated October 13, 2021, 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, 2021, and their report, dated September 8, 2021, 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, four 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, 2021, and their report, dated October 13, 2021, 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, and all net position for the fund is considered nonexpendable.

**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, and all net position for the fund is considered nonexpendable.

**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 (and Other Employee Benefit) 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 public employee retirement systems that meet the definition of a component unit of the state.

**Custodial 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 public employee retirement systems 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, 2021, and for the year then ended, except for the following funds and entities which were audited by other independent auditors.

Multiple Injury Trust Fund	12-31-20
Employees Group Insurance Department	12-31-20
Oklahoma Turnpike Authority	12-31-20
Grand River Dam Authority	12-31-20
Oklahoma Municipal Power Authority	12-31-20
Oklahoma Housing Finance Agency	09-30-20

#### 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 on June 30, 2021, 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 2021 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 contractor 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 \$142,000 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. Capital assets received in a service concession arrangement are reported at acquisition value, rather than fair value. Donated capital assets are recorded at their acquisition value, rather than fair value.

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 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 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 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, Oklahoma Municipal Power Authority 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.

During fiscal year 2021, the state received \$987,000 from the federal government's Coronavirus Relief Fund to distribute for coronavirus relief efforts. At the end of the prior fiscal year, \$1,173,267,000 remained in undisbursed funds. Disbursements of \$1,117,277,000 were made to cities, counties, and state agencies for qualified expenses. The remaining \$80,213,000 in undisbursed funds have been classified as unearned revenue.

The state also received \$276,480,000 in Emergency Rental Assistance Program funds from the federal government. Disbursements of \$36,950,000 were used to assist eligible households having difficulty with timely rent and utility payments due to the coronavirus pandemic. The remaining \$239,530,000 in undisbursed funds have been classified as unearned revenue.

Medical, public health, economic support and other related expenses incurred and reasonably necessary in respect to this national health emergency are eligible for reimbursement.

Available revenue is defined as due (or past due) on 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, supplemental nutrition, food, and other commodities. Surplus inventory is valued at a percentage of government acquisition cost. Supplemental nutrition is valued at the benefit 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 \$467,340,000 at December 31, 2020. 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, 2021, two agencies incurred expenses of \$694,000 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 \$2,136,000 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	Collateralized or insured certificates of deposit
United States government agency securities	Negotiable certificates of deposit
Investment grade obligations of state and local governments	Prime commercial paper
Short-term bond funds	Repurchase agreements
Foreign bonds	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:

State Treasurer Investment Policy Diversification Limits

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	No Limit	\$20 Million	365 Days	No Limit
Negotiable Certificates of Deposit	7.5%	2.5%	180 Days	A-1 & P-1
Commercial Paper	3%	2.5%	180 Days	A-1 & P-1
State and Local Government Obligations	10%	5%	30 Years	Securities must not be less than investment grade at purchase
Repurchase and Tri-party Repurchase Agreements	10%	5%	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 on June 30, 2021 (expressed in thousands):

## Investments – Primary Government

Investment Type	Government Administration	Permanent Funds	Business-Type Activities	Total Primary Government
<b>POOLED INVESTMENTS</b>				
U.S. Agency & Treasury	\$ 9,219,684	\$ 9,192	\$ -	\$ 9,228,876
Money Market Mutual Funds	439,443	11,807	-	451,250
Securities Lending Collateral Pool	278,588	96,489	-	375,077
Mutual Funds	-	51,689	-	51,689
Certificates of Deposit & Commercial Paper	67,517	-	-	67,517
State & Muni Bond Issues	44,164	3,807	-	47,971
Foreign Corporate Bonds	69,998	-	-	69,998
<b>NON-POOLED INVESTMENTS</b>				
U.S. Agency & Treasury	335	541,266	88,296	629,897
Domestic Corporate Bonds	-	920,270	91,161	1,011,431
Foreign Corporate Bonds	-	278,429	-	278,429
Domestic Equities	70,166	1,435,676	129,958	1,635,800
Foreign Equities	-	556,458	-	556,458
Other	2,357	721,148	57,142	780,647
Money Market Mutual Funds	163	-	-	163
Totals	<u>\$ 10,192,415</u>	<u>\$ 4,626,231</u>	<u>\$ 366,557</u>	<u>\$ 15,185,203</u>

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 on June 30, 2021 (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)
<b>Investments Measured by Fair Value</b>				
Debt Securities				
U.S. Treasury, Agency & Municipal Securities	\$ 9,906,744	\$ 2,695,410	\$ 7,211,334	\$ -
Certificates of Deposit & Commercial Paper	67,517	67,517	-	-
U.S. Corporate Debt	1,011,431	-	1,011,431	-
Foreign Corporate Bonds	348,427	-	277,367	71,060
Equity Securities				
U.S. Domestic Equities	1,305,856	1,305,701	155	-
Foreign Equities	285,064	285,064	-	-
Mutual Funds	51,689	51,689	-	-
Other	606,240	233,016	229,021	144,203
<b>Total Investments Measured at Fair Value</b>	<u>\$ 13,582,968</u>			
<b>Investments Measured at Amortized Cost</b>	<u>\$ 451,413</u>			
<b>Investments Measured at Net Asset Value</b>	<u>\$ 775,745</u>			

## 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 on June 30, 2021 (expressed in thousands):

	<b>Pension Trust Funds Fair Value Measurements at Reporting Date Using</b>			
	<b>Amounts Measured At Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments Measured by Fair Value</b>				
<b>Debt Securities</b>				
U.S. Treasury, Agency & Municipal Securities	\$ 4,396,586	\$ 523,356	\$ 3,868,897	\$ 4,333
U.S. Corporate Debt	4,395,959	-	4,377,249	18,710
Foreign Corporate Bonds	644,528	271,206	176,910	196,412
<b>Equity Securities</b>				
U.S. Domestic Equities	19,417,253	16,831,812	2,580,378	5,063
Foreign Equities	2,464,115	1,553,652	910,463	-
Other	<u>1,163,052</u>	11,144	552	1,151,356
<b>Total Investments Measured at Fair Value</b>	<b><u>\$ 32,481,493</u></b>			
<b>Investments Measured at Net Asset Value</b>	<b><u>\$ 10,305,681</u></b>			

## 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 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 on June 30, 2021 (expressed in thousands):



	<b>Component Units Fair Value Measurements at Reporting Date Using</b>			
	<b>Amounts Measured At Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments Measured by Fair Value</b>				
Debt Securities				
U.S. Treasury, Agency & Municipal Securities	\$ 1,003,867	\$ 687,442	\$ 316,398	\$ 27
U.S. Corporate Debt	238,319	187,434	50,885	-
Foreign Corporate Bonds	50,469	9,717	40,752	-
Equity Securities				
U.S. Domestic Equities	1,556,868	1,242,899	44,866	269,103
Foreign Equities	89,009	89,009	-	-
Other	1,859,952	69,423	1,592,451	198,078
<b>Total Investments Measured at Fair Value</b>	<b>\$ 4,798,484</b>			
<b>Investments Measured at Amortized Cost</b>	<b>\$ 468,474</b>			
<b>Investments Measured at Net Asset Value</b>	<b>\$ 1,737,181</b>			

### 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, 2021, 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 \$423,375,000 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. On June 30, 2021, the pension trust funds had deposits and cash equivalents of \$1,209,122,000 of which \$61,824,000 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 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. On June 30, 2021, 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	\$ 6,406,935	\$ 398	\$ 43,483	\$ -	\$ 6,450,816
Aa/AA/AA	3,912,991	1,093	49,530	1,785	3,965,399
A/A/A	7,093	1,045	86,198	26,439	120,775
Baa/BBB/BBB	6,411	3,558	337,544	111,428	458,941
Ba/BB/BB	-	1,890	206,342	78,514	286,746
B/B/B	-	1,035	149,444	31,999	182,478
Caa/CCC/CCC	-	-	11,162	2,946	14,108
Ca/CC/CC	-	245	744	-	989
C/C/C	-	-	186	-	186
Not Rated/Not Applicable	24,563	-	126,961	86,053	237,577
Total	\$ 10,357,993	\$ 9,264	\$ 1,011,594	\$ 339,164	\$ 11,718,015

### 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. On June 30, 2021, 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	\$ 3,801,527	\$ -	\$ 372,793	\$ -	\$ 4,174,320
Aa/AA/AA	25,002	-	106,966	-	131,968
A/A/A	2,712	1,285	541,787	153,993	699,777
Baa/BBB/BBB	31,262	16,301	1,541,254	-	1,588,817
Ba/BB/BB	17,628	5,331	692,354	132,992	848,305
B/B/B	9,984	-	337,718	-	347,702
Caa/CCC/CCC	3,436	-	107,013	-	110,449
Ca/CC/CC	459	-	652	-	1,111
D/D/D	-	-	5,620	-	5,620
	944,849	-	689,802	334,626	1,969,277
Total	\$ 4,836,859	\$ 22,917	\$ 4,395,959	\$ 621,611	\$ 9,877,346

## 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. On June 30, 2021, the component units had the following credit risk exposure (expressed in thousands):

Investment Rating Moody's/S&P/Fitch	Credit Risk - Component Units				
	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
Aaa/AAA/AAA	\$ 1,008,524	\$ -	\$ 177,764	\$ -	\$ 1,186,288
	4,058	-	30,790	-	34,848
	-	-	30,902	-	30,902
Not Rated/Not Applicable	-	-	470,174	56,793	526,967
Total	\$ 1,012,582	\$ -	\$ 709,630	\$ 56,793	\$ 1,779,005

## 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. On June 30, 2021, the primary government had the following investments with maturities (expressed in thousands):

Weighted Average Years to Maturity	Interest Rate Risk - Primary Government				
	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	\$ 439,778	\$ -	\$ 394	\$ -	\$ 440,172
1 - 5 years	9,612,846	6,973	195,793	95,070	9,910,682
6 - 10 years	213,455	2,291	814,057	244,094	1,273,897
10 or more years	27,314	-	1,350	-	28,664
No Maturity or Not Applicable	64,600	-	-	-	64,600
Total	\$ 10,357,993	\$ 9,264	\$ 1,011,594	\$ 339,164	\$ 11,718,015

## 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. On June 30, 2021, the pension trust funds had the following exposure to interest rate risk (expressed in thousands):

Interest Rate Risk - Pension Trust Funds					
	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
<b>Weighted Average Years to Maturity</b>					
Less than 1 year Weighted Average to Maturity	\$ 11,213	\$ -	\$ 4,512	\$ -	\$ 15,725
1 - 5 years	1,105,120	-	788,401	197,317	2,090,838
6 - 10 years	601,006	22,917	3,126,832	89,668	3,840,423
10 or more years	3,098,614	-	292,607	-	3,391,221
No Maturity or Not Applicable	20,906	-	183,607	334,626	539,139
Total	<u>\$ 4,836,859</u>	<u>\$ 22,917</u>	<u>\$ 4,395,959</u>	<u>\$ 621,611</u>	<u>\$ 9,877,346</u>

## 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, 2021, the component units had the following interest rate risk exposure (expressed in thousands):

Interest Rate Risk - Component Units					
	U.S. Treasury, Agency and Municipal Securities	International Government Securities	U.S. Corporate Debt Instruments	International Debt Instruments	Total
<b>Weighted Average Years to Maturity</b>					
Less than 1 year Weighted Average to Maturity	\$ 182,609	\$ -	\$ 121,576	\$ -	\$ 304,185
1 - 5 years	441,663	-	75,092	-	516,755
6 - 10 years	114,025	-	54,091	-	168,116
10 or more years	5,017	-	16,418	-	21,435
No Maturity or Not Applicable	269,268	-	442,453	56,793	768,514
Total	<u>\$ 1,012,582</u>	<u>\$ -</u>	<u>\$ 709,630</u>	<u>\$ 56,793</u>	<u>\$ 1,779,005</u>

## 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. On June 30, 2021, 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
Argentine peso	\$ -	\$ 378	\$ -	\$ 378
Australian dollar	-	398	8	406
Bermudian dollar	90	707	-	797
Brazilian real	3,230	1,039	88	4,357
British pound sterling	47,104	3,554	51	50,709
Canadian dollar	7,099	2,780	50	9,929
Cayman dollar	22,326	682	-	23,008
Chinese renminbi	-	962	-	962
Colombian peso	24	87	6	117
Danish krone	4,271	-	-	4,271
Euro	81,192	9,678	791	91,661
Honduran lempira	-	215	-	215
Hong Kong dollar	10,994	-	-	10,994
Indian rupee	5,433	-	-	5,433
Indonesian rupiah	-	1,268	112	1,380
International	-	2,916	-	2,916
Japanese yen	23,138	-	-	23,138
Jersey pound	293	-	-	293
Mexican nuevo peso	-	2,354	-	2,354
New Israeli sheqel	151	-	-	151
New Taiwan dollar	12,016	-	-	12,016
New Turkish lira	-	397	-	397
New Zealand dollar	3,799	-	-	3,799
Nigerian naira	-	200	-	200
Norwegian krone	7,762	-	-	7,762
Panamanian balboa	-	439	-	439
Peruvian nuevo sol	-	532	-	532
Russian ruble	-	730	60	790
Saudi riyal	-	1,579	-	1,579
Singapore dollar	-	939	-	939
South African rand	-	-	93	93
South Korean won	9,579	934	-	10,513
Swedish krona	5,065	-	-	5,065
Swiss franc	41,522	695	-	42,217
UAE dirham	-	250	-	250
West African franc	-	124	-	124
Totals	<u>\$ 285,088</u>	<u>\$ 33,837</u>	<u>\$ 1,259</u>	<u>\$ 320,184</u>

### 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 on June 30, 2021, (expressed in thousands):

### Foreign Currency Risk - Pension Trust Funds

Currency	Equities	Debt Instruments	Cash and Equivalents	Total
Argentine peso	\$ -	\$ 459	\$ 131	\$ 590
Australian dollar	114,847	-	-	114,847
Brazilian real	39,032	3,011	10	42,053
British pound sterling	592,201	(1,023)	1,061	592,239
Canadian dollar	161,485	-	15	161,500
Chinese yuan	37,730	-	3	37,733
Czech koruna	321	-	-	321
Danish krone	65,954	-	-	65,954
Euro	1,141,645	1,148	80	1,142,873
Hong Kong dollar	401,328	(307)	767	401,788
Hungarian forint	4,095	-	27	4,122
Indian rupee	-	2,369	-	2,369
Indonesian rupiah	7,713	-	-	7,713
Japanese yen	754,926	(908)	1,455	755,473
Malaysian ringgit	7,416	-	5	7,421
Mexican peso	22,978	5,200	-	28,178
New Israeli shekel	7,392	-	-	7,392
New Taiwan dollar	203,811	-	-	203,811
New Turkish lira	-	-	2,484	2,484
New Zealand dollar	3,421	-	-	3,421
Norwegian krone	13,943	-	332	14,275
Philippines peso	359	-	-	359
Polish zloty	3,897	-	-	3,897
Singapore dollar	35,477	(103)	103	35,477
South African rand	28,731	-	-	28,731
South Korean won	172,326	-	-	172,326
Swedish krona	129,556	-	47	129,603
Swiss franc	270,423	(1,250)	1,606	270,779
Thai baht	22,026	-	-	22,026
Turkish lira	10,676	-	-	10,676
Totals	<u>\$ 4,253,709</u>	<u>\$ 8,596</u>	<u>\$ 8,126</u>	<u>\$ 4,270,431</u>

#### 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, 2021, 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 2021, there were no securities on loan. The collateral balance of \$278,588,000 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.

As of June 30, 2021, 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. On June 30, 2021, the fair value of securities on loan was \$92,880,000. The collateral for securities lent had a market value of \$96,489,000. 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 participate in securities lending transactions as provided by their respective investment policies. During the fiscal year ended June 30, 2021, 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, 2021, the carrying amount and fair value of securities on loan was approximately \$2,592,058,000. The underlying collateral for these securities had a fair value of approximately \$2,672,979,000. Collateral of securities and letters of credit represented approximately \$453,405,000 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.

As of June 30, 2021, 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 on June 30, 2021, 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	\$ (9,656)	Net Receivable	\$ 77	Investment Income	\$ 338

### Derivative Investments - Fiduciary Funds and Similar Component Units

Several of the state’s public employees retirement systems 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 on June 30, 2021, 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	\$ -	Net Payable	\$ -	Investment Income	\$ 42
	Other		Net Payable		Investment Income	(2)
Teachers' Retirement System (TRS)	Foreign Currency Forward Contracts	174,225	Investment	173,852	Investment Income	(373)

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 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, 2021, 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	Accounts Receivable	Notes Receivable
Gross Receivables	\$ 178,163	\$ 205,500	\$ 1,136,805	\$ 209,253		
Less:						
Allowance for Uncollectibles	<u>(59,034)</u>	<u>(76,707)</u>	<u>(365,958)</u>	<u>(3,943)</u>		
Net Receivables	<u>\$ 119,129</u>	<u>\$ 128,793</u>	<u>\$ 770,847</u>	<u>\$ 205,310</u>		



## Note 4. Interfund Accounts and Transfers

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

A summary of interfund obligations as of June 30, 2021, 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
<b>Governmental Funds</b>										
General Fund	\$ -	\$ 142	\$ 2	\$ 48	\$ 55,480	\$ -	\$ 360	\$ -	\$ 81,754	\$ 129,197
Dept of Wildlife Conservation Permanent Fund	360	-	-	-	-	-	-	-	-	-
Tobacco Settlement Permanent Fund	-	-	-	-	-	142	-	-	-	-
<b>Total Governmental Funds</b>	<b>\$ 360</b>	<b>\$ 142</b>	<b>\$ 2</b>	<b>\$ 48</b>	<b>\$ 55,480</b>	<b>\$ 142</b>	<b>\$ 360</b>	<b>\$ -</b>	<b>\$ 81,754</b>	<b>\$ 129,197</b>
<b>Enterprise Funds</b>										
Oklahoma Employment Security Commission	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ -
Oklahoma Lottery Commission	-	-	-	-	-	2	-	-	1,589	-
<b>Total Enterprise Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,589</b>	<b>\$ -</b>
<b>Fiduciary Funds</b>										
<b>Pension Trust Funds:</b>										
Firefighters Pension and Retirement System	\$ 15,171	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ -
Oklahoma Law Enforcement Retirement System	4,009	-	-	-	-	1	-	-	-	-
Oklahoma Public Employees Retirement System	11,883	-	-	-	732	17	-	-	-	1
Oklahoma Police Pension and Retirement	5,900	-	-	-	-	3	-	-	-	-
Teachers' Retirement System of Oklahoma	44,791	-	1,589	-	-	24	-	-	-	-
<b>Total Fiduciary Funds</b>	<b>\$ 81,754</b>	<b>\$ -</b>	<b>\$ 1,589</b>	<b>\$ -</b>	<b>\$ 732</b>	<b>\$ 48</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>
	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
<b>Major Component Units:</b>										
Oklahoma Student Loan Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -
Oklahoma Housing Finance Agency	-	-	-	-	-	7	-	-	75	-
Oklahoma Turnpike Authority	1,627	-	-	-	-	53,896	-	-	-	6
Grand River Dam Authority	579	-	-	-	1,251	48	-	-	563	44
Oklahoma Municipal Power Authority	-	-	-	-	-	-	-	-	72	1,345
Higher Education	32,990	-	-	1	810	1,547	-	-	-	933
<b>Nonmajor Component Units:</b>										
Multiple Injury Trust Fund	10,295	-	-	-	-	11	-	-	-	-
University Hospitals Authority	83,726	-	-	-	-	-	-	-	22	86
Oklahoma Development Finance Authority	23	-	-	-	255	-	-	-	-	-
<b>Total Component Units</b>	<b>\$ 129,240</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 2,316</b>	<b>\$ 55,514</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 732</b>	<b>\$ 2,414</b>

A reconciliation of interfund receivables and interfund payables on June 30, 2021, follows. Timing differences occur between agencies with a June 30 year end and the component units with years ending September 30 or December 31.

<b>Total Due from Other Funds:</b>		<b>Total Due to Other Funds:</b>	
Wildlife Lifetime Licenses	\$ 360	Tobacco Settlement Endowment	\$ 142
Tobacco Settlement Endowment	142	Wildlife Lifetime Licences	360
Fiduciary Funds	81,754	Enterprise Funds	2
Component Unit Funds	129,240	Fiduciary Funds	48
Due from Enterprise Funds		Component Unit Funds	55,514
General Fund	2	Due to Fiduciary Funds	
Fiduciary Funds	1,589	General Fund	81,754
Due from Fiduciary Funds		Proprietary Funds	1,589
General Fund	48	Component Unit Funds	732
Component Unit Funds	1	Due to Component Units	
Due from Component Units		General Fund	129,197
General Fund	55,480	Fiduciary Funds	1
Enterprise Funds	34	Component Unit Funds	2,414
Fiduciary Funds	732	<b>Total Interfund Payables per</b>	
Other Component Unit Funds	2,316	<b>Financial Statements</b>	\$ 271,753
		Timing Differences: Component Units	
		Fiscal Year Ending December 31, 2020	(55)
<b>Total Interfund Receivables per</b>		<b>Total Interfund Payables</b>	\$ 271,698
<b>Financial Statements</b>	<u>\$ 271,698</u>		

The general fund, Due From Other Funds, includes \$54,011,000 from Oklahoma Turnpike Authority (\$53,777,000 as of December 31, 2020) 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 \$360,000 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 \$308,179,000.

## C. Interfund Transfers

A summary of interfund transfers for the fiscal year ended June 30, 2021, follows (expressed in thousands):

<u>Transfers From (Out)</u>	<u>Transfers To (In)</u>	<u>For (Purpose)</u>	<u>Amount</u>
<b>Governmental Funds:</b>			
General Fund	Oklahoma Water Resources Board	Payment for administrative costs	\$ 8,705
		Total transfers out of the General Fund	\$ 8,705
<b>Proprietary Funds:</b>			
Oklahoma Water Resources Board	General Fund	Restricted investment revenue	\$ 6,741
Oklahoma Lottery Commission	General Fund	Transfer for expendible earnings	80,236
		Total transfers in to the General Fund	\$ 86,977
		Net transfers In/Out - General Fund	<u>\$ 78,272</u>

## Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows (expressed in thousands):

### Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, nondepreciable				
Land	\$ 1,945,505	\$ 46,879	\$ (4,076)	\$ 1,988,308
Construction in progress	261,262	61,224	(31,511)	290,975
Total capital assets, nondepreciable	<u>\$ 2,206,767</u>	<u>\$ 108,103</u>	<u>\$ (35,587)</u>	<u>\$ 2,279,283</u>
Capital assets, depreciable:				
Buildings and improvements	\$ 1,670,372	\$ 68,332	\$ (19,343)	\$ 1,719,361
Equipment	652,853	96,212	(43,774)	705,291
Infrastructure	21,456,344	860,161	(1,124)	22,315,381
Total capital assets, depreciable	<u>\$ 23,779,569</u>	<u>\$ 1,024,705</u>	<u>\$ (64,241)</u>	<u>\$ 24,740,033</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (840,328)	\$ (34,701)	\$ 15,269	\$ (859,760)
Equipment	(486,882)	(42,872)	42,933	(486,821)
Infrastructure	(11,890,774)	(543,282)	637	(12,433,419)
Total accumulated depreciation	<u>\$ (13,217,984)</u>	<u>\$ (620,855)</u>	<u>\$ 58,839</u>	<u>\$ (13,780,000)</u>
Total capital assets, depreciable, net	<u>\$ 10,561,585</u>	<u>\$ 403,850</u>	<u>\$ (5,402)</u>	<u>\$ 10,960,033</u>
Governmental activities capital assets, net	<u><u>\$ 12,768,352</u></u>	<u><u>\$ 511,953</u></u>	<u><u>\$ (40,989)</u></u>	<u><u>\$ 13,239,316</u></u>
<b>Business-type activities:</b>				
Capital assets, depreciable:				
Equipment	\$ 7,286	\$ 175	\$ 512	\$ 6,949
Total capital assets, depreciable	<u>\$ 7,286</u>	<u>\$ 175</u>	<u>\$ 512</u>	<u>\$ 6,949</u>
Less accumulated depreciation for:				
Equipment	\$ (6,168)	\$ (584)	\$ (512)	\$ (6,240)
Total accumulated depreciation	<u>\$ (6,168)</u>	<u>\$ (584)</u>	<u>\$ (512)</u>	<u>\$ (6,240)</u>
Business-type activities capital assets, net	<u><u>\$ 1,118</u></u>	<u><u>\$ (409)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 709</u></u>

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

<b>Government Activities:</b>	
Education	\$ 876
General government	15,544
Health services	9,109
Legal and judiciary	390
Museums	135
Natural resources	12,526
Public safety and defense	26,251
Regulatory services	679
Social services	2,849
Transportation	<u>552,496</u>
Total depreciation expense - Governmental Activities	<u>\$ 620,855</u>
<b>Business-type Activities:</b>	
Government administration	\$ 433
Natural resources	<u>151</u>
Total depreciation expense - Business-type Activities	<u>\$ 584</u>

### Component Units

Capital asset activity for the year ended June 30, 2021, (December 31, 2020, or September 30, 2020, for those entities identified in Item D of Note 1) was as follows (expressed in thousands):

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 556,117	\$ 20,644	\$ (10,156)	\$ 566,605
Construction in progress	<u>1,162,666</u>	<u>479,195</u>	<u>(320,528)</u>	<u>1,321,333</u>
Total capital assets, not being depreciated	<u>\$ 1,718,783</u>	<u>\$ 499,839</u>	<u>\$ (330,684)</u>	<u>\$ 1,887,938</u>
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,530,503	\$ 471,612	\$ (404,770)	\$ 11,597,345
Equipment	1,924,368	106,568	(289,763)	1,741,173
Infrastructure	<u>2,983,386</u>	<u>85,187</u>	<u>(3,108)</u>	<u>3,065,465</u>
Total capital assets, being depreciated	<u>\$ 16,438,257</u>	<u>\$ 663,367</u>	<u>\$ (697,641)</u>	<u>\$ 16,403,983</u>
Less accumulated depreciation for:				
Buildings and improvements	\$ (4,718,173)	\$ (427,203)	\$ 393,858	\$ (4,751,518)
Equipment	(1,430,982)	(91,712)	179,896	(1,342,798)
Infrastructure	<u>(1,977,193)</u>	<u>(103,773)</u>	<u>1,265</u>	<u>(2,079,701)</u>
Total accumulated depreciation	<u>\$ (8,126,348)</u>	<u>\$ (622,688)</u>	<u>\$ 575,019</u>	<u>\$ (8,174,017)</u>
Total capital assets, being depreciated, net	<u>\$ 8,311,909</u>	<u>\$ 40,679</u>	<u>\$ (122,622)</u>	<u>\$ 8,229,966</u>
Capital assets, net	<u>\$ 10,030,692</u>	<u>\$ 540,518</u>	<u>\$ (453,306)</u>	<u>\$ 10,117,904</u>

## 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 for permanent total disability awards. There is no provision for incurred but not reported claims or claims pending Workers' Compensation Court of Existing Claims determination. Claims and Judgments which were due and owing on December 31, 2020, have been charged to operations for the year ended December 31, 2020. 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, 2021, (December 31, 2020, 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
<b>Current Fiscal Year</b>						
General Fund -						
Office of Management and Enterprise Services (RMD)	\$ 71,586	\$ 53,546	\$ (30,120)	\$ 95,012	\$ 64,892	\$ 30,120
Proprietary Fund -						
Office of Management and Enterprise Services (EGID)	\$ 128,991	\$ 996,597	\$ (990,642)	\$ 134,946	\$ 7,543	\$ 127,403
Component Unit - *						
Multiple Injury Trust Fund	\$ 499,434	\$ 27,387	\$ (51,037)	\$ 475,784	\$ 423,833	\$ 51,951

\* The higher education component unit's claims and judgments (\$3,128 – 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
<b>Prior Fiscal Year</b>						
General Fund -						
Office of Management and Enterprise Services (RMD)	\$ 65,410	\$ 18,356	\$ (12,180)	\$ 71,586	\$ 59,406	\$ 12,180
Proprietary Fund -						
Office of Management and Enterprise Services (EGID)	\$ 146,442	\$ 1,025,558	\$ (1,043,009)	\$ 128,991	\$ 14,382	\$ 114,609
Component Unit -						
Multiple Injury Trust Fund	\$ 495,499	\$ 54,149	\$ (50,214)	\$ 499,434	\$ 450,971	\$ 48,463

## 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. 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. EGID collects and remits premiums for those who are covered by health maintenance organizations.

All state agencies are required to participate in EGID. Eligible local governments may elect to participate in EGID (306 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	22,000	8,000	55,000	-----	35,000	-----
Dependents				-----		-----
				57,000		

## 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 12/31/2020	Fiscal Year 12/31/2020	Fiscal Year 12/31/2020	Fiscal Year 12/31/2020
Reserves at beginning of period	\$ 105,150	\$ 14,431	\$ 9,410	\$ 128,991
Incurred claims:				
Provision for insured events of current period	\$ 950,763	\$ 41,484	\$ 3,860	\$ 996,107
Changes in provisions for insured events of prior periods	(2,751)	5,861	(2,620)	490
Total incurred claims	\$ 948,012	\$ 47,345	\$ 1,240	\$ 996,597
Payments:				
Claims attributable to insured events of current period	\$ 850,781	\$ 33,911	\$ 864	\$ 885,556
Claims attributable to insured events of prior periods	98,047	5,305	1,734	105,086
Total payments	\$ 948,828	\$ 39,216	\$ 2,598	\$ 990,642
Reserves at end of period	\$ 104,334	\$ 22,560	\$ 8,052	\$ 134,946

**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, 2021, are as follows (expressed in thousands):

	General Fund	Fiduciary Funds	Component Units
2022	\$ 3,954	\$ 183	\$ 29,947
2023	2,275	-	806
2024	182	-	540
2025	204	-	204
2026	219	-	114
2027-2031	316	-	1,251
2032-2036	342	-	-
2037-2041	384	-	-
2042-2046	13	-	-
<b>Total</b>	<b>\$ 7,889</b>	<b>\$ 183</b>	<b>\$ 32,862</b>
Operating lease commitments for building rental for year ended June 30, 2021	\$ 21,567	\$ 503	\$ 1,141
Rent expenditures/expenses for operating leases for year ended June 30, 2021	\$ 25,321	\$ 663	\$ 32,276

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 \$22,548,000 which is also the net investment in direct financing leases as of June 30, 2021. The following schedule represents minimum lease payments receivable for direct financing leases for each of the five succeeding fiscal years (expressed in thousands):

	2022	2023	2024	2025	2026	Thereafter	Total
Department of Transportation	\$ 5,132	\$ 4,634	\$ 4,062	\$ 3,194	\$ 2,406	\$ 3,088	\$ 22,516
Oklahoma Capital Improvement Authority	26,275	27,570	28,510	29,825	31,300	164,700	308,180
<b>Total</b>	<b>\$ 31,407</b>	<b>\$ 32,204</b>	<b>\$ 32,572</b>	<b>\$ 33,019</b>	<b>\$ 33,706</b>	<b>\$ 167,788</b>	<b>\$ 330,696</b>



The Oklahoma Capital Improvement Authority has capital lease agreements with the higher education component unit for the lease of various facilities, equipment, and improvements. On June 30, 2021, the total minimum lease payments to be received by the Oklahoma Capital Improvement Authority from the higher education component unit are \$308,180,000. 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 number 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 \$23,000. Minimum future rentals receivable from these operating leases is presented in the following schedule (expressed in thousands):

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
\$ 2,007	\$ 216	\$ 154	\$ 134	\$ 128	\$ 2,639

In addition, the leasing operations of the Commissioners of the Land Office consist of leasing approximately 734,000 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):

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
\$ 15,658	\$ 12,113	\$ 8,814	\$ 6,031	\$ 3,158	\$ 45,774

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):

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total</u>
\$ 1,600	\$ 2,000	\$ 2,200	\$ 2,300	\$ 2,400	\$ 10,500

### Component Units

The Oklahoma Municipal Power Authority (OMPA) 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. OMPA issued taxable limited obligation notes which were payable solely from lease payments made by FPLE Oklahoma. OMPA used the proceeds of the notes to finance the 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 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, 2020 (expressed in thousands):

Total minimum lease payments to be received	\$ 36,134
Less: Amounts representing interest included in total minimum lease payments	<u>(8,086)</u>
Net investment in direct financing leases	<u>\$ 28,048</u>

## 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 2022. 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):

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
Oklahoma Educational Television Authority	\$ 204	\$ 204	\$ 204	\$ 204	\$ 204	\$ 4,403	\$ 5,423
Oklahoma Development Finance Authority	6	-	-	-	-	-	6
Oklahoma Turnpike Authority	1,510	1,512	1,512	1,523	1,569	16,280	23,906
Higher Education	<u>4,537</u>	<u>3,635</u>	<u>3,438</u>	<u>2,542</u>	<u>2,162</u>	<u>20,823</u>	<u>37,137</u>
Total	<u>\$ 6,257</u>	<u>\$ 5,351</u>	<u>\$ 5,154</u>	<u>\$ 4,269</u>	<u>\$ 3,935</u>	<u>\$ 41,506</u>	<u>\$ 66,472</u>

The cost, carrying amount and accumulated depreciation of the Oklahoma Turnpike Authority leased property for the year ended December 31, 2020, is \$42,500,000, \$27,400,000 and \$15,100,000, respectively. The cost and carrying amount of the higher education institutions leased property for the year ended June 30, 2021 (expressed in thousands):

Land	\$ 596
Buildings	<u>30,584</u>
Cost	\$ 31,180
Less: Accumulated Depreciation	<u>(4,384)</u>
Net Leased Property	<u>\$ 26,796</u>

## Note 9. Long-Term Obligations as Related to Governmental Activities

Long-term obligations as of June 30, 2021, and changes for the fiscal year then ended (expressed in thousands):

	Issue Date	Interest Rates	Maturity Through	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds Payable from Lease Rentals:								
OCIA Series 2009B	2010	5.04%-5.34%	2025	\$ 58,280	\$ -	\$ 10,895	\$ 47,385	\$ 11,260
OCIA Series 2010, Refunding\Revenue	2011	1.77%-5.61%	2031	93,130	-	6,500	86,630	6,810
OCIA Series 2010A DOT	2011	2.00%-5.00%	2021	14,285	-	14,285	-	-
OCIA Series 2012 DOT	2012	4.00%-5.00%	2022	30,300	-	25,625	4,675	4,675
OCIA Series 2013A	2013	2.00%-4.00%	2025	9,030	-	2,385	6,645	2,040
OCIA Series 2014A	2014	2.00%-5.00%	2031	194,755	-	3,465	191,290	3,030
OCIA Series 2014B	2015	2.00%-5.00%	2025	1,099	-	202	897	207
OCIA Series 2014C	2015	2.00%-5.00%	2035	70,765	-	3,425	67,340	3,595
OCIA Series 2015A	2015	2.00%-5.00%	2025	18,510	-	3,425	15,085	3,530
OCIA Series 2015B	2016	3.00%-5.00%	2027	29,265	-	3,650	25,615	3,800
OCIA Series 2016 DOT	2017	2.00%-5.00%	2035	162,570	-	7,735	154,835	8,005
OCIA Series 2017A, Refunding\Revenue	2017	2.00%-4.00%	2030	17,840	-	2,300	15,540	2,370
OCIA Series 2017B	2017	2.00%-5.00%	2026	52,380	-	7,245	45,135	7,500
OCIA Series 2017C	2018	2.00%-5.00%	2051	27,215	-	500	26,715	510
OCIA Series 2018A	2019	3.00%-4.00%	2021	8,850	-	8,850	-	-
OCIA Series 2018B	2019	3.71%-4.35%	2049	25,205	-	-	25,205	-
OCIA Series 2018C	2019	3.00%-5.00%	2039	63,685	-	2,170	61,515	2,280
OCIA Series 2018D	2019	2.00%-5.00%	2039	113,035	-	3,855	109,180	3,955
OCIA Series 2019A	2019	2.00%-5.00%	2035	13,765	-	1,810	11,955	1,985
OCIA Series 2019B	2019	3.00%-5.00%	2046	41,995	-	860	41,135	890
OCIA Series 2019C	2020	2.00%-5.00%	2040	59,895	-	1,845	58,050	1,910
OCIA Series 2020A	2020	5.00%-5.00%	2026	82,360	-	-	82,360	12,660
OCIA Series 2020B	2021	2.63%-5.00%	2051	-	169,465	-	169,465	2,645
OCIA Series 2020C	2021	0.55%-1.10%	2026	-	22,135	-	22,135	530
OCIA Series 2020D	2021	3.00%-4.00%	2041	-	13,630	-	13,630	240
OCIA Series 2020E	2021	0.41%-3.08%	2041	-	48,835	-	48,835	1,095
Dept of Corrections 2013, Central OK (ODFA)	2013	1.40%-5.00%	2023	7,158	-	2,232	4,926	2,405
Dept of Corrections 2016A, Central OK (ODFA)	2017	2.00%-3.00%	2026	1,890	-	250	1,640	255
DHS-2008 (ODFA)	2008	3.25%-4.15%	2023	5,625	-	1,800	3,825	1,875
DHS-2012 (ODFA)	2012	4.00%-5.00%	2022	2,995	-	1,680	1,315	1,315
Law Enforcement Education/Train (ODFA)	2013	2.38%-5.00%	2026	9,029	-	1,160	7,869	1,215
OMES 2019A (ODFA)	2019	3.00%-5.00%	2035	24,055	-	1,250	22,805	1,290
Total				\$ 1,238,966	\$ 254,065	\$ 119,399	\$ 1,373,632	\$ 93,877
Notes Payable from Grant Revenue:								
ODOT 2018A, Grant Anticipation	2018	3.00%-5.00%	2034	\$ 59,360	\$ -	\$ 3,030	\$ 56,330	\$ 3,180
Total				\$ 59,360	\$ -	\$ 3,030	\$ 56,330	\$ 3,180
Capital Leases				\$ 78	\$ -	\$ 78	\$ -	\$ -
Compenstated Absences				176,397	94,221	85,663	184,955	85,663
Net Pension Liability				320,596	666,759	-	987,355	-
Bond Issue Premiums				123,186	33,499	14,375	142,310	13,462
Claims and Judgments Payable				74,526	39,524	19,038	95,012	19,038
Other Postemployment Benefits				150,150	-	994	149,156	-
Total Long-Term Obligations				\$ 2,143,259	\$ 1,088,068	\$ 242,577	\$ 2,988,750	\$ 215,220

The following table presents annual debt service requirements for those long-term obligations outstanding on June 30, 2021, which have scheduled debt service amounts (expressed in thousands):

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051	Total
<b>Revenue Bonds:</b>											
OCIA Series 2009B	\$ 13,464	\$ 13,246	\$ 13,018	\$ 12,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,511
OCIA Series 2010, Refunding\Revenue	11,311	11,303	11,292	11,282	11,277	56,063	-	-	-	-	112,528
OCIA Series 2012 DOT	5,297	-	-	-	-	-	-	-	-	-	5,297
OCIA Series 2013A	2,236	2,234	1,413	1,178	-	-	-	-	-	-	7,061
OCIA Series 2014A	12,036	26,985	26,988	26,683	26,536	123,135	-	-	-	-	242,363
OCIA Series 2014B	232	243	244	245	-	-	-	-	-	-	964
OCIA Series 2014C	6,370	6,382	6,387	6,356	6,356	31,789	25,345	-	-	-	88,985
OCIA Series 2015A	4,230	4,233	4,229	4,230	-	-	-	-	-	-	16,922
OCIA Series 2015B	4,944	4,934	4,924	4,922	4,922	4,910	-	-	-	-	29,556
OCIA Series 2016 DOT	14,902	14,900	14,903	14,899	14,900	74,515	59,612	-	-	-	208,631
OCIA Series 2017A, Refunding\Revenue	2,872	2,870	2,853	2,856	2,854	3,052	-	-	-	-	17,357
OCIA Series 2017B	9,600	9,596	9,599	9,598	13,830	-	-	-	-	-	52,223
OCIA Series 2017C	1,584	1,581	1,583	1,583	1,581	7,891	7,872	7,846	7,828	7,788	47,137
OCIA Series 2018B	1,068	1,068	1,068	1,068	1,068	7,632	9,136	9,107	9,079	5,427	45,721
OCIA Series 2018C	5,228	5,225	5,227	5,229	5,226	26,129	26,130	15,676	-	-	94,070
OCIA Series 2018D	8,907	8,899	8,923	8,893	8,887	44,352	44,190	26,516	-	-	159,567
OCIA Series 2019A	2,483	2,486	2,484	2,493	415	2,067	1,650	-	-	-	14,078
OCIA Series 2019B	2,677	2,676	2,678	2,679	2,676	13,389	13,382	13,391	13,394	-	66,942
OCIA Series 2019C	4,531	4,530	4,570	4,573	4,576	22,826	22,791	18,266	-	-	86,663
OCIA Series 2020A	16,462	17,423	17,390	17,357	25,297	-	-	-	-	-	93,929
OCIA Series 2020B	9,870	9,870	9,872	9,872	9,870	49,355	49,358	49,359	49,354	49,355	296,135
OCIA Series 2020C	724	5,510	5,511	5,507	5,505	-	-	-	-	-	22,757
OCIA Series 2020D	764	992	992	991	990	4,943	4,925	4,920	-	-	19,517
OCIA Series 2020E	2,127	3,188	3,190	3,187	3,185	15,885	15,833	15,751	-	-	62,346
Corrections 2013, Central OK (ODFA)	2,648	2,643	-	-	-	-	-	-	-	-	5,291
Corrections 2016A, Central OK (ODFA)	297	295	297	294	301	293	-	-	-	-	1,777
DHS-2008	2,033	2,031	-	-	-	-	-	-	-	-	4,064
DHS-2012A	1,345	-	-	-	-	-	-	-	-	-	1,345
Law Enforcement Education/Train (ODFA)	1,462	1,462	1,466	1,464	1,461	1,342	-	-	-	-	8,657
OMES 2019A (ODFA)	2,362	2,363	2,360	2,364	2,359	11,800	7,083	-	-	-	30,691
	\$ 154,066	\$ 169,168	\$ 163,461	\$ 162,586	\$ 154,072	\$ 501,368	\$ 287,307	\$ 160,832	\$ 79,655	\$ 62,570	\$ 1,895,085
Less: Interest	60,189	55,128	49,977	44,834	39,531	141,109	71,713	35,346	17,779	5,847	521,453
Total Principal	\$ 93,877	\$ 114,040	\$ 113,484	\$ 117,752	\$ 114,541	\$ 360,259	\$ 215,594	\$ 125,486	\$ 61,876	\$ 56,723	\$ 1,373,632
<b>Notes Payable:</b>											
ODOT 2018A, Grant Anticipation	\$ 5,917	\$ 5,914	\$ 5,908	\$ 5,903	\$ 5,900	\$ 29,426	\$ 17,581	\$ -	\$ -	\$ -	\$ 76,549
Less: Interest	2,737	2,574	2,403	2,223	2,035	6,996	1,251	-	-	-	20,219
Total Principal	\$ 3,180	\$ 3,340	\$ 3,505	\$ 3,680	\$ 3,865	\$ 22,430	\$ 16,330	\$ -	\$ -	\$ -	\$ 56,330
<b>Total</b>	<b>\$ 97,057</b>	<b>\$ 117,380</b>	<b>\$ 116,989</b>	<b>\$ 121,432</b>	<b>\$ 118,406</b>	<b>\$ 382,689</b>	<b>\$ 231,924</b>	<b>\$ 125,486</b>	<b>\$ 61,876</b>	<b>\$ 56,723</b>	<b>\$ 1,429,962</b>
Compensated Absences											184,955
Net Pension Liability											987,355
Bond Issue Premiums											142,310
Claims and Judgments Payable											95,012
Other Postemployment Benefits											149,156
Total Long-Term Obligations											<u>\$ 2,988,750</u>

## A. Revenue Bonds

The Oklahoma Capitol Improvement Authority (OCIA) has twenty-four 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 OCIA Series 2020B bonds, issued in the amount of \$200,000,000, provided financing to construct, maintain and improve state highway and state bridge assets identified by the work plan of the Oklahoma Department of Transportation.

The OCIA Series 2020C bonds, totaling \$22,135,000, were issued to refund certain outstanding maturities of the OCIA Series 2012 bonds, issued for the Oklahoma Department of Transportation. The 2020C bonds have a true interest cost of 0.997% and net present value debt service savings of \$1,803,771.38, or 8.53 % of the refunded bonds.

The OCIA Series 2020D bonds were issued in the amount of \$16,000,000 for the benefit of the Department of Human Services. Bond proceeds will fund construction, repair and rehabilitation of the Greer Center Facility located on the grounds of the Northern Oklahoma Resource Center of Enid, located in Enid, Oklahoma.

The OCIA Series 2020E bonds, totaling \$48,600,000, were issued to provide funding for projects of the Oklahoma Department of Tourism and Recreation. The authorization provides for the construction, repair and rehab of facilities at State Parks, with at least \$3,000,000 to be spent specifically at Quartz Mountain.

The Oklahoma Development Finance Authority issued lease revenue bonds to provide lease financing for Department of Corrections, Department of Human Services, Council for Law Enforcement Education and Training, and Office of

Management and Enterprise Services. The actual lease payments are made to a trustee who is responsible for payments to individual investors.

**B. Notes Payable**

The Oklahoma Department of Transportation 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 2021 was \$692,450,000 with a portion of that amount, \$76,549,000, reserved as security for the notes. Current year note obligations for principal and interest totaled \$5,917,000.

**C. Capital Leases**

The state 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 on June 30, 2021, includes the following (expressed in thousands):

	<u>Equipment</u>
Cost	\$ 382
Less: Accumulated depreciation	<u>(382)</u>
Total	<u><u>\$ -</u></u>

For fiscal year 2021, \$115,000 was recognized as depreciation expense for leased assets.

**D. 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.

**E. Authorized Unissued Bonds**

During 2018, the legislature authorized OCIA to issue \$58,555,000 for the Department of Health to construct a new state health laboratory. During 2018, the legislature authorized OCIA to issue \$35,000,000 for the Oklahoma Department of Veterans Affairs to construct new long-term care facilities. During 2020, the legislature authorized OCIA to issue \$17,500,000 for the Conservation Commission to build a high hazard dam; Department of Transportation \$200,000,000 to finance an eight-year construction work plan; State Regents for Higher Education \$164,400,000 to funding the state's contribution to the Endowed Chairs program and Oklahoma Military Department \$45,000,000 to funding the construction of the Oklahoma National Guard Museum.

## 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 43 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 as of June 30, 2021, 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
Revenue Bonds Payable from User Fees:								
2004-2021 Issues	2004-2021	0.19%- 5.25%	2051	\$ 852,749	\$ 396,957	\$ 116,916	\$ 1,132,790	\$ 65,590
Adjusted for: Bond Premiums/Discounts				51,249	20,248	2,407	69,090	-
Revenue Bonds Payable (Net)				\$ 903,998	\$ 417,205	\$ 119,323	\$ 1,201,880	\$ 65,590
Other Noncurrent Liabilities				\$ 41,462	\$ 26,421	\$ 27,080	\$ 40,803	\$ 33,260
Net Pension Liability				565	3,110	-	3,675	-
Other Postemployment Benefits				513	-	28	485	-
Compensated Absences				1,141	717	791	1,067	281
Total Long-Term Obligations				\$ 947,679	\$ 447,453	\$ 147,222	\$ 1,247,910	\$ 99,131

The following table presents annual debt service requirements for those long-term obligations outstanding on June 30, 2021, which have scheduled debt service amounts (expressed in thousands):

	2022	2023	2024	2025	2026	2027 - 2031	2032 - 2036	2037 - 2041	2042 - 2046	2047 - 2052	Total
Revenue Bonds:											
2004-2021 Issues	\$105,111	\$108,865	\$ 98,306	\$ 93,744	\$ 84,984	\$410,196	\$319,495	\$221,680	\$ 87,698	\$ 51,632	\$1,581,711
Less: Interest	39,521	39,195	36,750	34,553	32,329	129,671	77,870	39,619	16,036	3,377	448,921
Principal	\$ 65,590	\$ 69,670	\$ 61,556	\$ 59,191	\$ 52,655	\$280,525	\$241,625	\$182,061	\$ 71,662	\$ 48,255	\$1,132,790
Adjusted for:											
Bond Premium/Discounts											69,090
Other Noncurrent Liabilities											40,803
Net Pension Liability											3,675
Other Postemployment Benefits											485
Compensated Absences											1,067
Total Long-Term Obligations											\$1,247,910

## Note 11. Long-Term Obligations as Related to Component Units

Long-term obligations at June 30, 2021 (September 30, 2020, for Oklahoma Housing Finance Agency and December 31, 2020, 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	1.65%-2.50%	2029	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Total General Obligation Bonds Payable				\$ 30,000	\$ -	\$ -	\$ 30,000	\$ -
Revenue Bonds Payable from User Fees:								
Student Loan Authority	2010-2013	0.60% - 1.30%	2040	\$ 118,729	\$ -	\$ 21,539	\$ 97,190	\$ -
Development Finance Auth.	1996	4.65%	2045	9,999	-	6,999	3,000	-
Housing Finance Agency	1991-2020	1.10% - 7.35%	2050	226,229	50,000	38,486	237,743	6,605
Turnpike Authority	2011-2020	0.49% - 5.00%	2048	1,810,940	366,360	456,135	1,721,165	10,930
Grand River Dam Authority	2010-2017	1.80% - 7.16%	2040	941,365	-	37,505	903,860	39,240
Municipal Power Authority	1992-2019	0.90% - 6.44%	2047	594,980	-	24,025	570,955	22,035
Higher Education	2001-2021	0.05%-7.00%	2051	1,509,259	449,484	231,728	1,727,015	66,446
Total Before Discounts/Deferrals				\$ 5,211,501	\$ 865,844	\$ 816,417	\$ 5,260,928	
Adjusted for: Bond (Discount) Premiums				371,338	27,998	34,066	365,270	
Total Revenue Bonds Payable				\$ 5,582,839	\$ 893,842	\$ 850,483	\$ 5,626,198	\$ 145,256
Net of Bond (Discounts) Premiums								
Notes Payable:								
Multiple Injury Trust Fund	2000-2001	7.00%	2023	\$ 6,646	\$ -	\$ 2,526	\$ 4,120	\$ 2,706
Oklahoma Turnpike Authority	2021	2.27%	2025	15,000	50,000	15,000	50,000	-
Student Loan Authority	2016-2017	0.70%-0.80%	2032	33,669	-	7,095	26,574	-
OSU Medical Authority	2014	4.12%	2021	4,633	-	2,215	2,418	2,418
Municipal Power Authority	2003	6.00%	2028	30,721	-	2,673	28,048	2,834
Higher Education	2001-2021	1.08%-6.00%	2046	12,538	663	758	12,443	1,214
Total				\$ 103,207	\$ 50,663	\$ 30,267	\$ 123,603	\$ 9,172
Capital Leases:								
Grand River Dam Authority				\$ 49	\$ -	\$ 47	\$ 2	\$ 2
OSU Medical Authority				152	-	100	52	36
Higher Education				1,076,308	95,930	282,523	889,715	61,422
Total				\$ 1,076,509	\$ 95,930	\$ 282,670	\$ 889,769	\$ 61,460
Claims and Judgments				\$ 504,182	\$ 1,865	\$ 25,280	\$ 480,767	\$ 53,806
Due to Primary Government				53,093	2,421	-	55,514	1,737
Compensated Absences				138,115	85,353	78,200	145,268	83,691
Net Pension Liability				1,679,880	530,398	14,075	2,196,203	-
Other Postemployment Benefits				584,322	9,384	217,037	376,669	-
Other Noncurrent Liabilities				918,271	864,894	850,120	933,045	852,931
Total Long-Term Obligations				\$ 10,670,418	\$ 2,534,750	\$ 2,348,132	\$ 10,857,036	\$ 1,208,053

The following table presents annual debt service requirements for those long-term obligations outstanding at June 30, 2021 (September 30, 2020, for Oklahoma Housing Finance Agency and December 31, 2020, for Oklahoma Transportation Authority, Grand River Dam Authority and Oklahoma Municipal Power Authority), which have scheduled debt service amounts (expressed in thousands):

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2041	2042-2046	2047-2051	2052-2056	Total
<b>General Obligation Bonds:</b>												
Industrial Finance Authority	\$ 495	\$ 495	\$ 495	\$ 10,371	\$ 330	\$ 20,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,682
Less: Interest	495	495	495	371	330	496	-	-	-	-	-	2,682
Total Principal	\$ -	\$ -	\$ -	\$ 10,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
<b>Revenue Bonds:</b>												
Student Loan Authority	\$ 1,021	\$ 1,022	\$ 1,021	\$ 1,022	\$ 1,021	\$ 5,107	\$ 34,702	\$ 68,795	\$ -	\$ -	\$ -	\$ 113,711
Development Finance Auth.	58	58	58	58	58	3,334	-	-	-	-	-	3,624
Housing Finance Agency	14,682	14,624	15,698	18,090	15,937	70,113	69,711	64,733	45,075	29,742	-	358,405
Turnpike Authority	73,608	128,163	137,527	137,376	137,213	632,244	456,373	435,350	435,345	261,210	-	2,834,409
Grand River Dam Authority	82,047	82,687	82,130	86,081	83,934	401,010	324,264	175,985	-	-	-	1,318,138
Municipal Power Authority	46,985	47,058	47,170	41,815	41,838	188,436	145,266	147,365	150,995	60,399	-	917,327
Higher Education	127,204	127,566	137,833	137,216	135,610	628,363	539,010	384,290	212,910	21,389	699	2,452,090
	\$ 345,605	\$ 401,178	\$ 421,437	\$ 421,658	\$ 415,611	\$ 1,928,607	\$ 1,569,326	\$ 1,276,518	\$ 844,325	\$ 372,740	699	\$ 7,997,704
Less: Interest	200,349	205,208	197,995	189,503	180,106	749,440	514,802	318,816	152,901	27,642	14	2,736,776
Total Principal	\$ 145,256	\$ 195,970	\$ 223,442	\$ 232,155	\$ 235,505	\$ 1,179,167	\$ 1,054,524	\$ 957,702	\$ 691,424	\$ 345,098	685	\$ 5,260,928
<b>Notes Payable:</b>												
Multiple Injury Trust Fund	\$ 2,925	\$ 1,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,376
Oklahoma Turnpike Authority	569	1,137	1,137	50,568	-	-	-	-	-	-	-	53,411
Student Loan Authority	202	202	202	202	4,390	834	22,523	-	-	-	-	28,555
OSU Medical Authority	2,610	-	-	-	-	-	-	-	-	-	-	2,610
Municipal Power Authority	4,517	4,517	4,517	4,517	4,517	13,550	-	-	-	-	-	36,135
Higher Education	1,852	3,400	2,992	2,841	485	1,184	1,087	1,087	1,087	219	-	16,234
	\$ 12,675	\$ 10,707	\$ 8,848	\$ 58,128	\$ 9,392	\$ 15,568	\$ 23,610	\$ 1,087	\$ 1,087	\$ 219	-	\$ 141,321
Less: Interest	3,503	3,474	3,113	2,207	1,353	2,917	626	346	169	10	-	17,718
Total Principal	\$ 9,172	\$ 7,233	\$ 5,735	\$ 55,921	\$ 8,039	\$ 12,651	\$ 22,984	\$ 741	\$ 918	\$ 209	-	\$ 123,603
<b>Capital Leases:</b>												
Grand River Dam Authority	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2
OSU Medical Authority	38	16	-	-	-	-	-	-	-	-	-	54
Higher Education	96,589	101,945	97,696	93,825	91,142	390,631	161,827	77,796	56,675	15,873	1,829	1,185,828
	\$ 96,629	\$ 101,961	\$ 97,696	\$ 93,825	\$ 91,142	\$ 390,631	\$ 161,827	\$ 77,796	\$ 56,675	\$ 15,873	1,829	\$ 1,185,884
Less: Interest	35,169	32,867	30,257	27,205	25,009	83,223	35,646	17,728	7,181	1,576	254	296,115
Total Principal	\$ 61,460	\$ 69,094	\$ 67,439	\$ 66,620	\$ 66,133	\$ 307,408	\$ 126,181	\$ 60,068	\$ 49,494	\$ 14,297	1,575	\$ 889,769
Total	\$ 215,888	\$ 272,297	\$ 296,616	\$ 364,696	\$ 309,677	\$ 1,519,226	\$ 1,203,689	\$ 1,018,511	\$ 741,836	\$ 359,604	2,260	\$ 6,304,300
Adjusted for: Net Discounts and Deferred Debits on Refundings												365,270
<b>Long-Term Obligations without scheduled debt service:</b>												
Claims and Judgments												480,767
Due to Primary Government												55,514
Compensated Absences												145,268
Net Pension Liability												2,196,203
Other Postemployment Benefits												376,669
Other Noncurrent Liabilities												933,045
Total Long-Term Obligations												\$ 10,857,036

## A. General Obligation Bonds

Oklahoma Industrial Finance Authority has three 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, 2021, the variable interest rates ranged from 0.6% to 1.3%.

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, 2021, was 4.65%.

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 \$1,875,000,000. 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 six series of revenue bonds outstanding with an original issue amount of \$962,340,000. 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 \$2,769,820,000. 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, 2021 (December 31, 2020 for OMPA), totaling \$26,740,000.

### **D. Notes Payable**

The Multiple Injury Trust Fund (MITF) component unit reports a note payable to CompSource Oklahoma of \$4,121,000 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 rates ranged from 0.6% to 1.3%.

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, 2021, is \$308,180,000. 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 \$52,000 for equipment through fiscal year 2023.

Leased assets under capital leases in capital assets at June 30, 2021, included the following (expressed in thousands):

	Construction				Total
	Land	In Progress	Buildings	Equipment	
Cost	\$ 596	\$ 9,787	\$ 508,986	\$ 139,693	\$ 659,062
Less: Accumulated depreciation	-	-	(120,313)	(41,375)	(161,688)
Total	<u>\$ 596</u>	<u>\$ 9,787</u>	<u>\$ 388,673</u>	<u>\$ 98,318</u>	<u>\$ 497,374</u>

#### 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.

Oklahoma state statutes have authorized the Grand River Dam Authority to issue revenue bonds from time to time with the aggregate outstanding indebtedness not to exceed \$1,410,000,000. As of December 31, 2020, the Grand River Dam Authority was authorized to issue an additional \$468,635,000 of revenue bonds.

## Note 12. Net Position/Fund Balance

### Beginning Net Position and Other Restatements

#### Primary Government

Beginning net position related to governmental activities on the Statement of Activities was restated due to corrections of accounting errors which resulted in a decrease of \$1,791,000 on July 1, 2020.

#### Component Units

Beginning net position for component units was restated due to corrections to accounting errors (decrease of \$85,978,000) and a cumulative change in accounting principle (adoption of GASB Statement number 84 resulting in an increase of \$3,818,000). The net effect of the restatements decreased beginning net position by \$82,160,000, as of July 1, 2020.

### 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 or "Rainy Day" fund (CRF) if a balance is available at the end of fiscal year (expressed in thousands):

	Permanent Funds				Total Governmental Funds
	General	Commissioners of the Land Office	Department of Wildlife Lifetime Licenses	Tobacco Settlement Endowment	
<b>Nonspendable</b>					
Inventories	\$ 88,468	\$ -	\$ -	\$ -	\$ 88,468
Prepays	453	-	-	-	453
Permanent Fund Principal	-	2,397,836	96,542	1,483,035	3,977,413
<b>Restricted</b>					
Education	25,889	-	-	-	25,889
Government Administration	526,095	-	-	-	526,095
Health Services	203,337	-	-	-	203,337
Legal and Judiciary	23,274	-	-	-	23,274
Museums	878	-	-	-	878
Natural Resources	12,402	-	-	-	12,402
Safety and Defense	23,798	-	-	-	23,798
Regulatory Services	7,683	-	-	-	7,683
Social Services	34,170	-	-	-	34,170
Transportation	486	-	-	-	486
Constitutional Reserve ("Rainy Day")	277,987	-	-	-	277,987
<b>Committed</b>					
Education	194,930	453,875	-	-	648,805
Government Administration	3,348,902	-	-	123,243	3,472,145
Health Services	281,282	-	-	-	281,282
Legal and Judiciary	78,638	-	-	-	78,638
Museums	5,329	-	-	-	5,329
Natural Resources	208,940	-	-	-	208,940
Safety and Defense	174,910	-	-	-	174,910
Regulatory Services	192,233	-	-	-	192,233
Social Services	322,202	-	-	-	322,202
Transportation	824,030	-	-	-	824,030
Assigned	-	-	-	78,460	78,460
<b>Unassigned</b>					
Constitutional Reserve ("Rainy Day")	92,662	-	-	-	92,662
<b>Total Fund Balances</b>	<b>\$ 6,948,978</b>	<b>\$ 2,851,711</b>	<b>\$ 96,542</b>	<b>\$ 1,684,738</b>	<b>\$ 11,581,969</b>

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 CRF. 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, 2021, were as follows (expressed in thousands):

	General Fund - Restricted			
	For Debt Service Only	Federal Cash	By Enabling Legislation	Restricted Fund Balance
Restricted				
Education	\$ -	\$ 25,889	\$ -	\$ 25,889
Government Administration	512,324	13,771	-	526,095
Health Services	253	203,084	-	203,337
Legal and Judiciary	-	23,274	-	23,274
Museums	-	878	-	878
Natural Resources	5,153	7,249	-	12,402
Safety and Defense	163	23,635	-	23,798
Regulatory Services	7,397	286	-	7,683
Social Services	2,357	31,813	-	34,170
Transportation	-	486	-	486
Constitutional Reserve ("Rainy Day")	-	-	277,987	277,987
Total Restricted Fund Balance	\$ 527,647	\$ 330,365	\$ 277,987	\$ 1,135,999

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 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 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 on June 30, 2021, was \$370,649,000, with \$277,987,000 presented as restricted fund balance and \$92,662,000 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, 2021, the assigned fund balance was \$78,460,000.

As explained in Note 1, Summary of Significant Accounting Policies, section J, the general fund inventory includes \$142,000 in food commodities which is also included in unearned revenue. Therefore, nonspendable fund balance for inventory/prepaid on the balance sheet is \$142,000 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, 2020, OHFA had nine series of multifamily bonds outstanding with an aggregate principal amount payable of approximately \$116,368,000. 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's 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, 2021, there were approximately \$17,600,000 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, 2021, 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 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 <a href="https://www.ok.gov/fprs">https://www.ok.gov/fprs</a>	Law Enforcement Retirement 421 NW 13th Street, Suite 100 Oklahoma City, OK 73103 <a href="https://www.olders.state.ok.us">https://www.olders.state.ok.us</a>	Police Pension and Retirement 1001 NW 63rd Street, Suite 305 Oklahoma City, OK 73116 <a href="https://www.ok.gov/opprs">https://www.ok.gov/opprs</a>
Public Employees Retirement PO Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>	Uniform Retirement System for Justices and Judges PO Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>	Teachers' Retirement System PO Box 53524 Oklahoma City, OK 73152 <a href="https://www.ok.gov/trs">https://www.ok.gov/trs</a>
	Department of Wildlife Conservation PO Box 53465 Oklahoma City, OK 73152 <a href="https://www.wildlifedepartment.com">https://www.wildlifedepartment.com</a>	

### 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, separately audited component unit financial statements may be obtained by contacting the Office of Management and Enterprise Services, 2401 N. Lincoln Blvd., Suite 212, Oklahoma City, OK 73105.

**C. Eligibility Factors and Benefit Provisions**

Provisions

OFPRS as of July 1, 2020

- |                                     |   |
|-------------------------------------|---|
| 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; 11 years of credited service if employed after November 1, 2013  |
| c. Eligibility for Distribution     | Normal retirement after completion of 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 30 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 if hired before November 1, 2013, 55% of the firefighter's final average salary if hired after. Volunteer firefighters: \$150.60 per month, if hired before November 1, 2013, \$165.66 per month, if hired after.  |
| Disability - Paid Firefighters      | 2.5% of the firefighter's final average salary per year of service, with a minimum service credit of 20 years and maximum of 30 years; for disabilities not in the line of duty, final average monthly compensation is based on 60 months instead of 30 months  |
| Disability - Volunteer Firefighters | \$7.53 per month per year 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, 2020

- |                                   |   |
|-----------------------------------|---|
| 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 and completed months of credited service; no maximum on service   |
| Disability Retirement:            |   |
| Duty                              | The greater of: 1) 2.5% of the final average salary multiplied by number of years and completed months of credited service, or 2) 50% of final average salary   |
| Non-Duty                          | 2.5% of the final average salary multiplied by 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

a. Eligible to Participate

OPERS as of July 1, 2020

All permanent employees of the State of Oklahoma, and any other employer such as a county, county hospital, city or town, conservation district, circuit engineering district, 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 at least 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 six years of credited service

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 six years of credited service; for elected officials age 62 with ten years of elected service, or age 65 with eight years of elected service

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

Disability benefit after eight 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 three 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, 2020

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, who completes 8 years of service, one of the following:

Age 60 with 10 years of credited service

Age 65 with eight 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 eight 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, 2020

- |    |                                |   |
|----|--------------------------------|---|
| 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 later of 50 years of age or completing 20 years of credited service<br><br>Total Disability (Duty): upon determination of total disability; Total Disability (Non-Duty): upon determination of disability after 10 years of service<br><br>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<br><br>Total Disability (Non-Duty): 2.5% of final average salary multiplied by years of credited service not to exceed 30 years<br><br>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 if the member was married 30 months prior to death.

Provisions

TRS as of July 1, 2020

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 age 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, 2020

- |    |                                |  |
|----|--------------------------------|--|
| 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<br><br>Early retirement: <ul style="list-style-type: none"> <li>• Age 55 and 15 years of service; benefit reduced 2% for each year benefit received prior to age 62</li> <li>• Age 55 and sum of age and years of continuous service equals 85</li> </ul> |
| 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	WCRP
Active Employees	12,296	1,250	33,115	263	5,889	91,471	188
Deferred Vested Former Employees	2,256	36	6,082	15	163	13,091	26
Retirees or Retiree Beneficiaries	11,388	1,525	36,179	304	3,912	65,778	240
Total	25,940	2,811	75,376	582	9,964	170,340	454

**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, 2020. 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, 2020, OFPRS recognized \$177,111,000 in contributions to the plan based on covered payroll of \$318,472,000.

*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, 2020. 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, 2020, OLERS recognized \$40,656,000 in contributions to the plan based on covered payroll of \$87,674,000.

*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, 2020. Contributions for participating county and local agencies total 20% for employees and employers as of July 1, 2020. For the year ended June 30, 2020, OPERS recognized \$342,690,000 in contributions to the plan based on covered payroll of \$1,584,631,000.

*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 salaries and for employers, 22% of covered payroll as of July 1, 2020. For the year ended June 30, 2020, URSJJ recognized \$10,150,000 in contributions to the plan based on covered payroll of \$35,113,000.

*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, 2020. 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, 2020, OPPRS recognized \$111,831,000 in contributions to the plan based on covered payroll of \$340,200,000.

*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% of covered payroll for employer entities other than comprehensive and four-year universities as of July 1, 2020. The rate for comprehensive and four-year universities is 8.55% as of July 1, 2020. 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, 2020, TRS recognized \$1,156,815,000 in contributions to the plan based on covered payroll of \$4,739,701,000.

*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, 2020, WCRP recognized \$2,869,000 in contributions to the plan based on covered payroll of \$11,632,000.

## F. Actuarial Assumptions

### Oklahoma Firefighters Pension and Retirement System

Date of Last Actuarial Valuation	July 1, 2020
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.5%
c. Projected salary increases	2.75% - 10.5%
d. Post retirement cost-of-living increase	One-half of the dollar amount of a 2.75% 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	2.75%
f. Mortality table	Active employees: Pub-2010 Public Safety Table with generational mortality improvement using MP-2018; retired members: Pub-2010 Public Safety Below Median Table using Scale MP-2018; disabled pensioners: Pub-2010 Public Safety Disabled Table set forward two years
g. Percent of married employees	90% Males; 90% Females
h. Spouse age difference	Males three years older than females
i. Turnover	Varies from 4% to 20%
j. Date of last experience study	June 30, 2019, for the period from July 1, 2013, to June 30, 2018

### Oklahoma Law Enforcement Retirement System

Date of Last Actuarial Valuation	July 1, 2020
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, 2020
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	6.5%
c. Projected salary increases	3.25% - 9.25%
d. Post retirement cost-of-living increase	None
e. Inflation rate	2.5%
f. Mortality table	Active employees (pre- and post- retirement): Pub-2010 Below Media, General Membership Active/Retiree Health Mortality Table with base rates projected to 2030 using Scale MP-2019, male rates set back one year, and female rates set forward one year; Disabled pensioners: Non-disabled 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%-26%
j. Date of last experience study	July 1, 2016, to June 30, 2019

## Uniform Retirement System for Justices and Judges

Date of Last Actuarial Valuation	July 1, 2020
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	6.5%
c. Projected salary increases	3.5%
d. Post retirement cost-of-living increase	None
e. Inflation rate	2.5%
f. Mortality table	Active employees (pre- and post- retirement): Pub-2010 Below Media, General Membership Active/Retiree Health Mortality Table with base rates projected to 2030 using Scale MP-2019, male rates set back one year, and female rates set forward one year; Disabled pensioners: Non-disabled 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, 2016, to June 30, 2019



## Oklahoma Police Pension and Retirement System

Date of Last Actuarial Valuation	July 1, 2020
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 12.0%
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 four 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 four 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, 2020
a. Actuarial cost method	Entry age normal
b. Rate of return on investments and discount rate	7.0%
c. Projected salary increases	2.25%, 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	2.25%
f. Mortality table	Active employees pre-retirement: Pub-2010 Teachers Active Employee Mortality Table, generational mortality improvements in accordance with the Ultimate MP scales projected from 2010; post-retirement: GRS Southwest Region Teacher Mortality Table, generational mortality improvements in accordance with the Ultimate MP scales projected from 2020; disabled pensioners: 2020 GRS Southwest Region Teacher Mortality Table set forward three years with minimum rate of 4% for males and 2.5% for females, generational mortality improvements in accordance with the Ultimate MP scale projected from 2020
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 35.0%
j. Date of last experience study	July 2020, for a five-year period ending June 30, 2019

**Wildlife Conservation Retirement Plan**

Date of Last Actuarial Valuation	July 1, 2020
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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	20%	4.38%
Equity	62%	8.62%
Alternative Investments	18%	6.69%
Total	<u>100%</u>	

## 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	30%	5.55%
Equity	60%	10.46%
Alternative Investments	10%	9.93%
Total	<u>100%</u>	

## 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 6.5% 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	32%	0.42%
Equity	40%	4.87%
Alternative Investments	28%	6.86%
Total	<u>100%</u>	

### 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 6.5% 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 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%	0.42%
Equity	40%	4.87%
Alternative Investments	28%	6.86%
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 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%	5.11%
Equity	60%	7.46%
Alternative Investments	15%	8.60%
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 7.0% 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	22%	2.50%
Equity	44%	7.50%
Alternative Investments	34%	7.02%
Total	<u>100%</u>	

## 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:

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

## 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, 2020, which is also the measurement date. There are no changes in assumptions or changes between the measurement date of July 1, 2020, and the state's report ending date of June 30, 2021, 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)

	<b>Total Pension (a)</b>	<b>Plan Net Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance Beginning of Year</b>	\$ 1,161,889	\$ 1,016,646	\$ 145,243
<b>Changes for the Year:</b>			
Service cost	21,897	-	21,897
Interest	84,761	-	84,761
Changes in benefit terms	5,382	-	5,382
Difference between expected and actual experience	10,419	-	10,419
Contributions-Employer	-	9,504	(9,504)
Contributions-State of Oklahoma, non-employer contributing entity	-	24,382	(24,382)
Contributions-Employee	-	6,770	(6,770)
Net Investment Income	-	12,480	(12,480)
Benefit payments, including refunds	(64,641)	(64,641)	-
Administrative expense	-	(1,479)	1,479
<b>Net Changes</b>	<u>\$ 57,818</u>	<u>\$ (12,984)</u>	<u>\$ 70,802</u>
<b>Balances at June 30, 2020</b>	<u>\$ 1,219,707</u>	<u>\$ 1,003,662</u>	<u>\$ 216,045</u>

**Uniform Retirement System for Justices and Judges**

Schedule of Changes in Net Pension Liability

Increases (Decreases)

	<b>Pension Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>Liability (Asset) (a) - (b)</b>
<b>Balance Beginning of Year</b>	\$ 305,801	\$ 344,218	\$ (38,417)
<b>Changes for the Year:</b>			
Service cost	9,194	-	9,194
Interest	20,642	-	20,642
Benefit changes	5,786	-	5,786
Difference between expected and actual experience	(738)	-	(738)
Changes in Assumptions	11,677	-	11,677
Contributions-Employer	-	7,384	(7,384)
Contributions-Employee	-	2,766	(2,766)
Net Investment Income	-	15,537	(15,537)
Benefit payments, including refunds	(22,210)	(22,210)	-
Administrative expense	-	(186)	186
<b>Net Changes</b>	\$ 24,351	\$ 3,291	\$ 21,060
<b>Balances at June 30, 2020</b>	\$ 330,152	\$ 347,509	\$ (17,357)

**Wildlife Conservation Retirement Plan**

Schedule of Changes in Net Pension Liability

Increases (Decreases)

	<b>Total Pension Liability (a)</b>	<b>Plan Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance Beginning of Year</b>	\$ 129,292	\$ 117,783	\$ 11,509
<b>Changes for the Year:</b>			
Service cost	1,480	-	1,480
Interest	8,873	-	8,873
Difference between expected and actual experience	3,408	-	3,408
Contributions-Employer	-	2,288	(2,288)
Contributions-Employee	-	582	(582)
Net Investment Income	-	5,892	(5,892)
Benefit payments, including refunds	(8,025)	(8,025)	-
Administrative expense	-	(46)	46
<b>Net Changes</b>	\$ 5,736	\$ 691	\$ 5,045
<b>Balances at June 30, 2020</b>	\$ 135,028	\$ 118,474	\$ 16,554

**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 <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Net Pension Liability (Asset)	<u>\$ 363,207</u>	<u>\$ 216,045</u>	<u>\$ 95,221</u>

**Oklahoma Public Employees Retirement System**

	1% Decrease <u>(5.5%)</u>	Discount Rate <u>(6.5%)</u>	1% Increase <u>(7.5%)</u>
Net Pension Liability (Asset)	<u>\$ 1,639,921</u>	<u>\$ 696,628</u>	<u>\$ (100,443)</u>

**Uniform Retirement System for Justices and Judges**

	1% Decrease <u>(5.5%)</u>	Discount Rate <u>(6.5%)</u>	1% Increase <u>(7.5%)</u>
Net Pension Liability (Asset)	<u>\$ 13,205</u>	<u>\$ (17,357)</u>	<u>\$ (43,868)</u>

**Oklahoma Police Pension and Retirement System**

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Net Pension Liability (Asset)	<u>\$ 1,202</u>	<u>\$ 342</u>	<u>\$ (389)</u>

**Teachers' Retirement System**

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Net Pension Liability (Asset)	<u>\$ 3,030,885</u>	<u>\$ 2,270,894</u>	<u>\$ 1,641,757</u>

**Wildlife Conservation Retirement Plan**

	1% Decrease <u>(6.0%)</u>	Discount Rate <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Net Pension Liability (Asset)	<u>\$ 31,186</u>	<u>\$ 16,554</u>	<u>\$ 4,070</u>



## 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, 2022.

### Oklahoma Law Enforcement Retirement System

On June 30, 2021, OLERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 17,859	\$ 3,398
Net difference between projected and actual plan investment earnings	57,852	-
Changes in assumptions	297	-
Contributions made since measurement date	9,878	-
Total	<u>\$ 85,886</u>	<u>\$ 3,398</u>

### Oklahoma Public Employees Retirement System

On June 30, 2021, OPERS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 3,807
Net difference between projected and actual plan investment earnings	82,777	-
Changes in assumptions	248,829	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	308
Contributions made since measurement date	214,996	-
Total	<u>\$ 546,602</u>	<u>\$ 4,115</u>

### Uniform Retirement State Justices and Judges

On June 30, 2021, URSJJ reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 3,720	\$ 1,122
Net difference between projected and actual plan investment earnings	3,481	-
Changes in assumptions	9,082	-
Contributions made since measurement date	7,618	-
Total	<u>\$ 23,901</u>	<u>\$ 1,122</u>

### Oklahoma Police Pension and Retirement System

On June 30, 2021, OPPRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 9	\$ 92
Net difference between projected and actual plan investment earnings	401	-
Changes in assumptions	35	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	30
Contributions made since measurement date	132	-
Total	<u>\$ 577</u>	<u>\$ 122</u>

### Teachers' Retirement System

On June 30, 2021, TRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 110,552	\$ 38,462
Net difference between projected and actual plan investment earnings	195,753	-
Changes in assumptions	278,498	32,809
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	123,986
Contributions made since measurement date	109,654	-
Total	<u>\$ 694,457</u>	<u>\$ 195,257</u>

### Wildlife Conservation Retirement Plan

On June 30, 2021, WCRP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 3,968	\$ 305
Net difference between projected and actual plan investment earnings	624	-
Changes in assumptions	33	-
Contributions made since measurement date	4,313	-
Total	<u>\$ 8,938</u>	<u>\$ 305</u>

**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, 2021						
	Law Enforcement Retirement System	Public Employees Retirement System	Retirement System Justices and Judges	Police Pension and Retirement System	Teachers' Retirement System	Wildlife Conservation
2022	\$ 12,564	\$ 133,474	\$ 1,973	\$ (21)	\$ (161,791)	\$ 544
2023	20,666	107,966	5,502	108	146,028	1,225
2024	23,272	50,809	4,843	137	192,988	1,503
2025	15,688	35,242	2,843	82	159,882	1,048
2026	420	-	-	12	45,246	-
2027	-	-	-	5	7,193	-
Total	<u>\$ 72,610</u>	<u>\$ 327,491</u>	<u>\$ 15,161</u>	<u>\$ 323</u>	<u>\$ 389,546</u>	<u>\$ 4,320</u>

**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 on June 30, 2021. This includes both contributions payable and dedicated taxes that had yet to be paid.

	Payable at 6/30/2021
Firefighters Pension and Retirement Plan	\$ 15,171
Law Enforcement Retirement System	4,008
Public Employees Retirement System	11,758
Police Pension and Retirement System	5,907
Teachers' Retirement System	56,243
Total	<u>\$ 93,087</u>

**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, 2020, which is also the measurement date.

	General Fund Portion	Pension Assets	Pension Liabilities	Net Pension Liability (Asset)	Deferred Inflows	Deferred Outflows	Pension Expense
Oklahoma Law Enforcement Retirement System	91.192%	\$ 915,256	\$ 1,112,270	\$ 197,014	\$ 3,099	\$ 78,321	\$ 61,975
Oklahoma Public Employees Retirement System	73.551%	7,150,998	7,807,195	656,197	4,893	514,877	398,566
Uniform Retirement for Justices and Judges	100.000%	347,509	330,152	(17,357)	1,122	23,901	14,804
Oklahoma Police Pension and Retirement System	0.296%	7,766	8,108	342	122	577	-
Oklahoma Teachers' Retirement System	1.235%	203,717	320,965	117,248	3,680	39,542	21,844
Wildlife Conservation Retirement Plan	100.000%	118,474	135,028	16,554	305	8,938	3,554
Total		<u>\$ 8,743,720</u>	<u>\$ 9,713,718</u>	<u>\$ 969,998</u>	<u>\$ 13,221</u>	<u>\$ 666,156</u>	<u>\$ 500,743</u>

## **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 Firefighters Pension and Retirement System:

House Bill 2457—Amends the age at which retirees must begin receiving benefits and take required distributions. Previously, the age for taking required distributions was 70 1/2. HB 2457 modifies this age, based on US Treasury regulations, to 72 for all retirements and distributions after December 31, 2019. The provision became effective April 28, 2021.

House Bill 2499—Provides that active and retired members, as well as surviving spouses and other eligible participants due either benefits or contributions, may direct payment of such monies, at the time they decease, to a trust if such trust has been properly established and designated by the member or beneficiary. The provision became effective April 28, 2021.

House Bill 2893—Amends the allocation of the insurance premium tax apportioned to the Plan each year. Effective for fiscal year 2022, the insurance premium tax apportioned will be 27% of applicable collections. This rate will increase to 39.6% for fiscal years 2023 to 2027 and return to 36% for fiscal year 2028 and beyond. The provision became effective May 24, 2021.

### Oklahoma Police and Retirement System:

House Bill 2457—Amends the age at which retirees must begin receiving benefits and take required distributions. Previously, the age for taking required distributions was 70 1/2. HB 2457 modifies this age, based on US Treasury regulations, to 72 for all retirements and distributions after December 31, 2019. The provision became effective April 28, 2021.

House Bill 2499—Provides that active and retired members, as well as surviving spouses and other eligible participants due either benefits or contributions, may direct payment of such monies, at the time they decease, to a trust if such trust has been properly established and designated by the member or beneficiary. The provision became effective April 28, 2021.

House Bill 2893—Amends the allocation of the insurance premium tax apportioned to the Plan each year. Effective for fiscal year 2022, the insurance premium tax apportioned will be 14% of applicable collections. This rate will increase to 14.7% for fiscal years 2023 to 2027 and return to 14% for fiscal year 2028 and beyond. The provision became effective May 24, 2021.

### Teachers' Retirement System of Oklahoma:

House Bill 2894 passed in the 2021 session. This bill eliminated the second year of the redirection of typical TRS apportionments provided in HB 2741 (2020) on income (individual and corporate), sales, and use taxes. Effective July 1, 2021, this bill restored apportionment fractions to TRS to the typical 5.00% for FY 2022, while providing an enhanced rate of 5.25% for FY 2023 - FY 2027 to make up for the reduced rate in FY 2021. The provision became effective May 24, 2021.

### Oklahoma Law Enforcement Retirement System:

House Bill 2893—Increases the Plan's portion of insurance premium tax to 5.00% for fiscal year 2022. This rate will increase to 5.25% and \$5,626 annually for fiscal years 2023 to 2027. In fiscal year 2028 the rate decreases back to 5.00%. The provision became effective May 24, 2021.

## **O. Defined Contribution Plans**

The WCRP'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. On June 30, 2021, there were 159 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:

<u>Years of Credited Service</u>	<u>Compensation Contributed by Employer</u>
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, 2021, the ODWC contributed \$483,000, and eligible employees contributed \$344,000 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.

The Oklahoma State Employees Pathfinder 401(a) Plan, a 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.

On June 30, 2021, there were 13,539 plan members. For the year ended June 30, 2021, OPERS contributed \$24,999,000 and eligible employees contributed \$17,421,000 to the plan.

The State of Oklahoma also offers its employees a defined contribution plan as authorized by Section 457 of the Internal Revenue Code, as amended by the Tax Reform Act of 1986, and in accordance with the provisions of Section 935.1 through 935.11 of Title 74 of the O.S. The Plan's effective date was November 1, 2015.

On June 30, 2021, there were 5,826 plan members. For the year ended June 30, 2021, eligible employees contributed \$6,726,000 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 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 single-employer 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 single-employer 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 cost-sharing multiple-employer defined benefit plans - 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, 2401 N. Lincoln Blvd., Suite 212, Oklahoma City, OK 73105.

### 2. Employees Covered

At June 30, 2020, 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	31,280	181	1,250	263	33,115	91,471
Inactive participants	2,682	273	652	178	20,254	64,486
Total	33,962	454	1,902	441	53,369	155,957

### 3. Net OPEB Liability

The State of Oklahoma measured a net OPEB asset of \$39,509,000 and a net OPEB liability of \$162,682,000 as of June 30, 2020, as determined by actuarial valuations of that date.

The total OPEB liability in the June 30, 2020, 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%	2.50%	2.50%	2.25%
Salary Increases	3.00%-11.25%	N/A	3.50%-9.75%	3.50%	3.25%-9.25%	3.00%
Discount Rate	2.21%	2.18%	7.50%	6.50%	6.50%	7.00%
Healthcare cost trend	5.30% - 5.00%	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 20-year municipal bond index rate (AA/Aa or higher) as of June 30, 2021. 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-2020, as of July 1, 2020.

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. Disabled members of the ODWC plan have mortality rates calculated using the RP-2014 Mortality Table for Disabled Annuitants projected to 2030 with Scale BB.

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.

URSJJ bases its mortality rates on Pub-2010 Below Median, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year and female rates are set forward one year. Disability mortality rates are based on the postretirement mortality rates with rates set forward 12 years.

Mortality rates used by OPERS are those in the Pub-2010 Below Media, General Membership Active/Retiree Healthy Mortality Table with base rates projected to 2030 using Scale MP-2019. Male rates are set back one year, and female rates are set forward one year.

TRS determines mortality rates for active members using Pub-2010 Teachers Active Employee Mortality table. Generational mortality improvements in accordance with the Ultimate MP scales are projected from the year 2010. Mortality rates for both male and female retirees are based on 2020 GRS Southwest Region Teacher Mortality table. Generational mortality improvements with the Ultimate MP scales are projected from the year 2020.

### Actuarial Assumptions

EGID Implicit Rate Subsidy valuation report dated July 1, 2020, was based on a measured date of July 1, 2020, with a measurement period of July 1, 2019, to July 1, 2020.

ODWC actuarial assumptions in the actuarial report dated June 30, 2020, are prepared on a measured date of June 30, 2020, 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, 2020, valuation report by OLERS are measured as of June 30, 2020, 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 total OPEB liability was measured as of June 30, 2020, in the valuation report dated July 1, 2019, and based the actuarial assumptions on the results of the most recent actuarial experience study. The report covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The actuarial assumptions used in the July 1, 2020, valuation report rolled back to June 30, 2020, by OPERS are based on the results of the most recent actuarial experience study, which covered the three-year period ending June 30, 2019. The experience study report is dated May 13, 2020.

The actuarial assumptions used in the June 30, 2020, valuation report by TRS were measured June 30, 2020, and are based on the results of the most recent actuarial experience study, which covered the five-year period ending June 30, 2019.

#### 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, 2019	\$ 132,200	\$ 8,733	\$ 12,768	\$ 2,814	\$ 250,683	\$ 109,115	\$ 516,313
Change for the year:							
Service cost	4,911	206	338	107	5,908	1,455	12,925
Interest	4,626	227	926	190	17,060	6,942	29,971
Differences between expected and actual experience	-	28	(525)	(138)	(14,744)	(1,260)	(16,639)
Changes in assumptions or other inputs	11,102	458	-	107	11,629	7,431	30,727
Benefit Payments	(10,746)	(405)	(849)	(209)	(14,187)	(8,347)	(34,743)
Change in Total Liability	\$ 9,893	\$ 514	\$ (110)	\$ 57	\$ 5,666	\$ 6,221	\$ 22,241
Total Liability at June 30, 2020	\$ 142,093	\$ 9,247	\$ 12,658	\$ 2,871	\$ 256,349	\$ 115,336	\$ 538,554
Plan Net Position at June 30, 2019	\$ -	\$ -	\$ 877	\$ 3,318	\$ 280,938	\$ 125,033	\$ 410,166
Change for the year:							
Contributions - Employer	10,746	-	1,279	203	15,020	214	27,462
Net investment income	-	-	11	144	11,330	754	12,239
Benefit payments	(10,746)	-	(850)	(209)	(14,188)	(8,347)	(34,340)
Administrative expense	-	-	(1)	(2)	(143)	-	(146)
Change in Net Position	\$ -	\$ -	\$ 439	\$ 136	\$ 12,019	\$ (7,379)	\$ 5,215
Total Net Position at June 30, 2020	\$ -	\$ -	\$ 1,316	\$ 3,454	\$ 292,957	\$ 117,654	\$ 415,381
Total OPEB Liability (Asset)	\$ 142,093	\$ 9,247	\$ 11,342	\$ (583)	\$ (36,608)	\$ (2,318)	\$ 123,173

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

#### Changes in Assumptions and Other Inputs:

Employee Group Insurance Division: The discount rate to calculate liabilities was changed from 3.51% to 2.21%.

The mortality assumption used to calculate liabilities was changed from the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2019 as of July 1, 2019, to the Pub-2010 Public Retirement Plans General Mortality Table weighted by Headcount projected by MP-2020 as of July 1, 2020.

Oklahoma Department of Wildlife Conservation: The interest rate return on investments was decreased from 2.66% to 2.18%.

Oklahoma Law Enforcement Retirement System: The municipal bond index rate to calculate liabilities was changed from 3.50% to 2.19%.



Uniform Retirement System for Justices and Judges: Price inflation was decreased from 2.75% to 2.50%; salary increases were decreased from 3.75% to 3.50%; municipal bond index rate to calculate liabilities was changed from 3.50% to 2.19%, and interest rate return on investments was decreased from 7.00% to 6.50%, and the mortality assumption was revised to reflect more current mortality trends.

Oklahoma Public Employees Retirement System: Price inflation was decreased from 2.75% to 2.50%; salary increases were decreased from a range of 3.50% to 9.50% to 3.25% to 9.25%; municipal bond index rate to calculate liabilities was changed from 3.50% to 2.19%; interest rate return on investments was decreased from 7.00% to 6.50%, and the mortality assumption was revised to reflect more current mortality trends.

Teachers' Retirement System: Price inflation was decreased from 2.50% to 2.25%; salary increases were decreased from 3.25% to 3.00%; interest rate return on investments was decreased from 7.50% to 7.00%, and the mortality assumption was revised to reflect more current mortality trends.

## 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 <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total OPEB Liability	\$ 151,657	\$ 142,093	\$ 133,093

### Department of Wildlife Conservation

	1% Decrease <u>(1.18%)</u>	Discount Rate <u>(2.18%)</u>	1% Increase <u>(3.18%)</u>
Total OPEB Liability	\$ 10,325	\$ 9,247	\$ 8,331

### Law Enforcement Retirement System

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Net OPEB Liability	\$ 12,763	\$ 11,342	\$ 10,145

### Uniform Retirement System for Justices and Judges

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Net OPEB Liability	\$ (342)	\$ (583)	\$ (795)

### Public Employees Retirement System

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Net OPEB Liability	\$ (9,320)	\$ (36,608)	\$ (59,994)

### Teachers' Retirement System

	1% Decrease <u>(6.00%)</u>	Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Net OPEB Liability	\$ 8,414	\$ (2,318)	\$ (11,419)

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

The following presents the net OPEB liability at June 30, 2021, 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 (4.30% - 4.00%)	Discount Rate (5.30% - 5.00%)	1% Increase (6.30% - 6.00%)
Total OPEB Liability	\$ 127,956	\$ 142,093	\$ 158,726

### Oklahoma Department of Wildlife Conservation

	1% Decrease (4.00%)	Discount Rate (5.00%)	1% Increase (6.00%)
Total OPEB Liability	\$ 9,217	\$ 9,247	\$ 9,272

## 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, 2021, 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
<b>Deferred Outflows:</b>							
Changes of assumptions or other inputs	\$ 9,936	\$ 845	\$ -	\$ -	\$ 12,917	\$ 5,015	\$ 28,713
Differences between projected and actual investment earnings						5,063	5,063
Changes in proportion	-	-	292	-	-	228	520
Differences between expected and actual experience	-	52	81	-	5,574	-	5,707
Subsequent contributions	10,553	405	1,309	232	13,802	1,424	27,725
Total deferred outflows	<u>\$ 20,489</u>	<u>\$ 1,302</u>	<u>\$ 1,682</u>	<u>\$ 232</u>	<u>\$ 32,293</u>	<u>\$ 11,730</u>	<u>\$ 67,728</u>
<b>Deferred Inflows:</b>							
Changes of assumptions or other inputs	\$ (8,282)	\$ -	\$ (146)	\$ -	\$ -	\$ -	\$ (8,428)
Changes in proportion	-	-	(292)	-	(145)	-	(437)
Differences between expected and actual experience	(1,259)	-	(1,349)	-	(30,995)	(5,092)	(38,695)
Total deferred inflows	<u>\$ (9,541)</u>	<u>\$ -</u>	<u>\$ (1,787)</u>	<u>\$ -</u>	<u>\$ (31,140)</u>	<u>\$ (5,092)</u>	<u>\$ (47,560)</u>
OPEB Expense	<u>\$ 6,361</u>	<u>\$ 405</u>	<u>\$ 915</u>	<u>\$ 209</u>	<u>\$ (2,113)</u>	<u>\$ 14</u>	<u>\$ 5,791</u>

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

Year ended June 30:	Employees Group Insurance Division	Department of Wildlife Conservation	Law Enforcement Retirement System	Public Employees Retirement System	Teachers' Retirement System	Total
2022	\$ (2,531)	\$ 277	\$ (269)	\$ (5,527)	\$ (404)	\$ (8,454)
2023	(1,415)	277	(269)	(3,155)	1,069	(3,493)
2024	(191)	224	(272)	(2,168)	1,873	(534)
2025	1,642	119	(246)	(1,346)	1,769	1,938
2026	1,642	-	(186)	(450)	662	1,668
Thereafter	1,248	-	(172)	(3)	245	1,318

## Note 16. On-Behalf Payments

The Oklahoma Teachers Retirement System (TRS) receives 5.0% 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 1.0% of the cigarette taxes and 5.0% of the net lottery proceeds collected by the state. TRS received approximately \$311,290,000 from the state for the year ended June 30, 2021.

The Oklahoma Firefighters Pension and Retirement System receives 25.2% of the state's insurance premium tax revenue. The Oklahoma Firefighters Pension and Retirement System received approximately \$72,924,000 from the state for the year ended June 30, 2021. Of the same insurance premium tax revenue, the Oklahoma Police Pension and Retirement System and Oklahoma Law Enforcement Retirement System receive 9.8% and 5.0%, respectively. Oklahoma Police Pension and Retirement System and Oklahoma Law Enforcement Retirement System received approximately \$28,368,000 and \$10,128,000 from the state for the year ended June 30, 2021, respectively.

## Note 17. Commitments

### Primary Government

For the year ended June 30, 2021, the general fund had encumbrances of \$1,388,847,000 within the restricted and committed fund balances of the governmental funds.

The Department of Transportation had contractual commitments as of June 30, 2021, of approximately \$969,046,000 for the construction of various highway projects. Future appropriations will fund these commitments as work is performed. Up to \$200,000,000 in notes, bonds or loans with the U.S. Department of Transportation through the Transportation Infrastructure Finance and Innovation Act has been authorized by the state legislature.

The Department of Human Services maintains a construction unit which engages in capital improvements of state buildings. At year end, Department of Human Services had long-term projects totaling \$10,952,000 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. In addition, Oklahoma Capital Improvement Authority has been authorized to issue \$45,000,000 in revenue bonds to provide funding for the construction of a new National Guard Museum by the Oklahoma Military Department.

## **Component Units**

The University of Oklahoma had outstanding commitments under construction contracts totaling \$1,756,000 on June 30, 2021.

Oklahoma State University had outstanding commitments under construction contracts of approximately \$34,605,000 as of June 30, 2021.

The Oklahoma Turnpike Authority had commitments outstanding on December 31, 2020, relating to equipment orders and supplies of approximately \$12,500,000. On December 31, 2020, Oklahoma Turnpike Authority had commitments outstanding relating to construction and maintenance contracts of approximately \$99,700,000.

The Oklahoma Municipal Power Authority purchased approximately \$13,379,000 of power pursuant to several long-term purchase agreements during 2020. Oklahoma Municipal Power Authority is obligated to purchase, at a minimum, approximately \$12,912,000 of power in 2021.

The Grand River Dam Authority (GRDA) makes and receives commitments for purchases of coal and other materials. GRDA had contractual commitments as of December 31, 2020, for long-term wind power purchase agreements of approximately \$616,700,000 through the year 2037 and for customer generation capacity agreements of approximately \$253,400,000 million through the year 2042. GRDA also has contractual commitments for long-term service agreements for the maintenance of the gas and steam turbines of approximately \$102,800,000 through the year 2030, and for transportation of natural gas of approximately \$146,200,000 through the year 2046.

## **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, 2021.

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 \$30,000 to \$7,904,000.

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. As of June 30, 2021, Department of Transportation has project expenditures totaling \$4,795,000 that will be reimbursed pending approval of the federal government.

## 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 21<sup>st</sup> 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, 2021, estimated tax credits in the amount of \$16,983,000 were approved for 23 structures. Historic Rehabilitation tax credits used to reduce tax liability in 2020 was \$515,000. An additional \$18,167,000 in estimated tax credits was approved in fiscal year 2021 for 14 structures which were approved in prior fiscal years.

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 21<sup>st</sup> 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 21<sup>st</sup> 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 \$103,736 (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, 2021, 84 companies received payments totaling \$56,400,000 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 37% 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, 2021, twenty-three film companies were rebated corporate income tax amounting to \$6,033,000.

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, 2021, no events were certified by the Quality Events Incentive Program, and no 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, 2021.

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, 2021.

Twenty-seven 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, 2021, the amount of tax retained by tribes ranged from 50-65% and resulted in \$60,479,000 of tax abatements.

Information relevant to disclosure of those programs for the fiscal year ended June 30, 2021, is:

Tax Abatement Program	Amount of Taxes Abated (in thousands)
Historic Rehabilitation Tax Credits Used	\$ 515
Quality Jobs Programs	56,400
Oklahoma Film Enhancement Rebate	6,033
Cigarette Tax Tribal Compacts	60,479

## **Note 20. Subsequent Events**

Oklahoma Capital Improvement Authority authorized tax-backed bonds totaling \$682,095,000 for outstanding tax-exempt issues. Oklahoma Capital Improvement Authority issued \$161,640,000 from this authorization after June 30, 2021.

### **Proprietary Funds**

Oklahoma Water Resources Board has authorized but not issued bonds totaling \$255,990,000.

### **Component Units**

On October 13, 2021, Oklahoma Student Loan Authority issued the \$117,220,000 Oklahoma Student Loan Bonds and Notes Series 2021 (the Series 2021 Note). The proceeds of the Series 2021 Note repaid in full the 2010-A, 2011-1, and 2013-01 Indentures, and the 2016 and 2017 Senior Notes; loan origination fees and costs, and a prepayment on the Series 2021 Note on the date of issuance. The Series 2021 Note is secured by a pledge of eligible loans receivable with an aggregate principal balance and accrued interest value equal to at least 115% of the original principal amount of the Series 2021 Note. The Series 2021 Note has a final maturity date of September 25, 2036. The interest rate is the one-month LIBOR plus 0.75%.

Between February 4, 2021, and February 20, 2021, the Grand River Dam Authority and Oklahoma Municipal Power Authority (OMPA) service area experienced an extreme winter storm, due to a polar vortex. During this time, natural gas supply dwindled because of frozen gas wells and equipment, hindering the ability to meet energy demands. The increased demand for energy along with the limited supply of energy materials resulted in an unprecedented surge in natural gas and energy prices. The total cost of the extraordinary event was \$102,388,000 for Grand River Dam Authority and estimated to be \$60,000,000 for OMPA.

After the issuance of the September 30, 2020, financial report, the Oklahoma Housing Finance Agency has issued three conduit debt bonds for a total of \$60,720,000.

On March 12, 2021, OMPA closed on a five-year term note with Bank of America bearing a fixed interest rate of 1.75% with a prepayment option after five months. The intention is to pay off the Bank of America term loan with a new taxable bond series that refunds certain bond series for savings and includes \$40,000,000 of new money bonds. OMPA believes that the \$40,000,000 in new money bonds together with savings on the refunded bonds and the use of reserve funds will be sufficient to payoff of the Bank of America term loan. OMPA intends to structure the new debt so that debt service remains at the current level for 2021 and 2022 and then declines for the years 2023 through 2027 but not by as much as had been previously scheduled. OMPA believes this structure will not have any immediate impact on rates to member cities. The new money bonds will have a final maturity date of January 1, 2028.

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Many of the exhibits at the First Americans Museum are audiovisual or interactive.

Top: A couple watches a video depicting Native American creation stories in the Origins Theater, featuring a 320 degree screen.

Above: Visitors can jump in the Pow Wow Van and tour First American cultural events across Oklahoma.

Left: Visitors can play an interactive Handgame which is a game of chance played by many Plains tribal communities.





State of Oklahoma  
 Budgetary Comparison Schedule  
 Budget to Actual (Non-GAAP Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 2021  
 (expressed in thousands)

	GENERAL FUND				
	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>EDUCATION</b>					
<b>State Arts Council</b>					
01 Duties	\$ 2,796	\$ -	\$ 2,796	\$ 1,766	\$ 1,030
11 FY20 Carryover		173	173	-	173
Agency Total	\$ 2,796	\$ 173	\$ 2,969	\$ 1,766	\$ 1,203
<b>Department Of Education</b>					
00 Ad Valorem Reimbursement Fund	\$ -	\$ 109,000	\$ 109,000	\$ 109,000	\$ -
01 Financial support of Public Schools	953,338	-	953,338	953,338	-
01 Financial support of Public Schools (Min Lea)	3,800	-	3,800	2,497	1,303
01 Financial support of Public Schools (CRF)	243,669	-	243,669	243,669	-
01 Textbooks	33,000	-	33,000	33,000	-
02 Financial support of Public Schools (Min Lea)	5,411	-	5,411	5,411	-
02 Public School Activities	100,919	-	100,919	78,729	22,190
03 Certified Employee Health Benefit Allow ance	347,082	-	347,082	347,082	-
04 Support Personnel Health Benefit Allow ance	188,455	-	188,455	188,455	-
09 Administrative and Support Functions	15,028	-	15,028	12,016	3,012
11 FY20 Carryover	-	405	405	383	22
12 FY20 Carryover	-	6,684	6,684	3,919	2,765
16 FY20 Carryover	-	4,511	4,511	3,735	776
22 FY19 Carryover	-	20	20	20	-
32 FY18 Carryover	-	466	466	466	-
Agency Total	\$ 1,890,702	\$ 121,086	\$ 2,011,788	\$ 1,981,720	\$ 30,068
<b>Office of Educational Quality and Accountability</b>					
01 Duties	\$ 1,067	\$ -	\$ 1,067	\$ 414	\$ 653
04 Duties	500	-	500	500	-
11 FY20 Carryover	-	570	570	570	-
Agency Total	\$ 1,567	\$ 570	\$ 2,137	\$ 1,484	\$ 653
<b>Commission of the Land Office</b>					
01 Duties	\$ 8,379	\$ -	\$ 8,379	\$ 7,321	\$ 1,058
90 Complete relocation of state agencies	-	6,000	6,000	-	6,000
Agency Total	\$ 8,379	\$ 6,000	\$ 14,379	\$ 7,321	\$ 7,058
<b>Department of Libraries</b>					
01 Duties	\$ 4,346	\$ -	\$ 4,346	\$ 4,081	\$ 265
11 FY20 Carryover	-	237	237	217	20
Agency Total	\$ 4,346	\$ 237	\$ 4,583	\$ 4,298	\$ 285

GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>Physician Manpower Training Commission</b>					
01 Duties	\$ 6,547	\$ -	\$ 6,547	\$ 5,808	\$ 739
03 Duties	400	-	400	250	150
11 FY20 Carryover	-	3,729	3,729	1,333	2,396
12 FY20 Carryover	-	110	110	-	110
Agency Total	\$ 6,947	\$ 3,839	\$ 10,786	\$ 7,391	\$ 3,395

**Center for Advancement of Science and Technology**

01 Duties	\$ 13,797	\$ -	\$ 13,797	\$ 13,120	\$ 677
11 FY20 Carryover	-	980	980	793	187
Agency Total	\$ 13,797	\$ 980	\$ 14,777	\$ 13,913	\$ 864

**Oklahoma School of Science and Math**

01 Duties	\$ 6,033	\$ -	\$ 6,033	\$ 3,904	\$ 2,129
11 FY20 Carryover	-	1,407	1,407	1,365	42
Agency Total	\$ 6,033	\$ 1,407	\$ 7,440	\$ 5,269	\$ 2,171

**Department of Career and Technology Education**

01 Duties	\$ 133,470	\$ -	\$ 133,470	\$ 124,226	\$ 9,244
11 FY20 Carryover	-	7,239	7,239	7,239	-
Agency Total	\$ 133,470	\$ 7,239	\$ 140,709	\$ 131,465	\$ 9,244

**Education Total**

	\$ 2,068,037	\$ 141,531	\$ 2,209,568	\$ 2,154,627	\$ 54,941
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**GENERAL GOVERNMENT**

**Office of Management and Enterprise Services**

01 Duties	\$ 52,982	\$ -	\$ 52,982	\$ 34,885	\$ 18,097
01 Duties - Capitol Debt Service	24,448	-	24,448	24,448	-
01 For transfer to Bldg & Fac Revolv ( Fund 245)	1,793	-	1,793	1,793	-
01 State Tribal Litigation Fund	-	10,000	10,000	10,000	-
02 For transfer to Bldg & Fac Revolv ( Fund 245)	230	-	230	230	-
03 Security Enhancements Capitol and Governor's Mansion	-	10,000	10,000	-	10,000
04 Duties - NACEA	6,934	-	6,934	6,934	-
11 FY20 Carryover	-	560	560	475	85
13 FY20 Carryover	-	456	456	456	-
21 FY19 Carryover	-	402	402	402	-
23 FY19 Carryover	-	472	472	3	469
Agency Total	\$ 86,387	\$ 21,890	\$ 108,277	\$ 79,626	\$ 28,651

**Department of Commerce**

01 Duties	\$ 17,740	\$ -	\$ 17,740	\$ 6,561	\$ 11,179
01 Expend per QACF Statutes	-	20,000	20,000	6,561	13,439
02 Business Incubator Program	-	15,000	15,000	-	15,000
11 FY20 Carryover	-	3,807	3,807	1,626	2,181
Agency Total	\$ 17,740	\$ 38,807	\$ 56,547	\$ 14,748	\$ 41,799

**State Election Board**

02 Duties	\$ 9,738	\$ -	\$ 9,738	\$ 7,523	\$ 2,215
11 FY20 Carryover	-	899	899	713	186
Agency Total	\$ 9,738	\$ 899	\$ 10,637	\$ 8,236	\$ 2,401

## GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>Ethics Commission</b>					
01 Duties	\$ 688	\$ -	\$ 688	\$ 681	\$ 7
Agency Total	\$ 688	\$ -	\$ 688	\$ 681	\$ 7
<b>Merit Protection Commission</b>					
01 Duties	\$ 386	\$ -	\$ 386	\$ 287	\$ 99
11 FY20 Carryover	-	95	95	-	95
Agency Total	\$ 386	\$ 95	\$ 481	\$ 287	\$ 194
<b>State Auditor and Inspector</b>					
01 County Govt Personnel Educ & Trng	\$ 214	\$ -	\$ 214	\$ -	\$ 214
03 Duties	4,086	-	4,086	2,208	1,878
11 FY20 Carryover	-	1,472	1,472	1,472	-
Agency Total	\$ 4,300	\$ 1,472	\$ 5,772	\$ 3,680	\$ 2,092
<b>Governor</b>					
02 Duties	\$ 3,558	\$ -	\$ 3,558	\$ 2,110	\$ 1,448
11 FY20 Carryover	-	1,061	1,061	999	62
Agency Total	\$ 3,558	\$ 1,061	\$ 4,619	\$ 3,109	\$ 1,510
<b>Senate</b>					
02 Operations	\$ 11,018	\$ -	\$ 11,018	\$ 5,877	\$ 5,141
11 FY20 Carryover	-	1,819	1,819	1,746	73
21 FY19 Carryover	-	1,160	1,160	1,159	1
31 FY18 Carryover	-	-	-	-	-
Agency Total	\$ 11,018	\$ 2,979	\$ 13,997	\$ 8,782	\$ 5,215
<b>House of Representatives</b>					
02 Operations	\$ 19,078	\$ -	\$ 19,078	\$ 10,847	\$ 8,231
11 FY20 Carryover	-	10,784	10,784	9,066	1,718
21 FY19 Carryover	-	1,196	1,196	1,167	29
	\$ 19,078	\$ 11,980	\$ 31,058	\$ 21,080	\$ 9,978
<b>Legislative Service Bureau</b>					
02 Duties	\$ 16,723	\$ -	\$ 16,723	\$ 1,853	\$ 14,870
11 FY20 Carryover	-	12,609	12,609	452	12,157
	\$ 16,723	\$ 12,609	\$ 29,332	\$ 2,305	\$ 27,027
<b>Lieutenant Governor</b>					
02 Duties	\$ 465	\$ -	\$ 465	\$ 346	\$ 119
11 FY20 Carryover	-	72	72	70	2
Agency Total	\$ 465	\$ 72	\$ 537	\$ 416	\$ 121
<b>Tax Commission</b>					
01 Duties	\$ 43,177	\$ -	\$ 43,177	\$ 39,494	\$ 3,683
Agency Total	\$ 43,177	\$ -	\$ 43,177	\$ 39,494	\$ 3,683
<b>Treasurer</b>					
02 Duties	\$ 2,648	\$ -	\$ 2,648	\$ 1,206	\$ 1,442
03 State Land Reimbursements	95	-	95	95	-
11 FY20 Carryover	-	1,362	1,362	977	385
90 Modernize Treasury Mgmt System	-	5,000	5,000	-	5,000
Agency Total	\$ 2,743	\$ 6,362	\$ 9,105	\$ 2,278	\$ 6,827
<b>General Government Total</b>					
	\$ 216,001	\$ 98,226	\$ 314,227	\$ 184,722	\$ 129,505

## GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>HEALTH SERVICES</b>					
<b>Department of Health</b>					
01 Duties	\$ 52,338	\$ -	\$ 52,338	\$ 39,101	\$ 13,237
11 FY20 Carryover	-	13,057	13,057	9,524	3,533
Agency Total	\$ 52,338	\$ 13,057	\$ 65,395	\$ 48,625	\$ 16,770
<b>Mental Health and Substance Abuse</b>					
01 Duties	\$ 302,022	\$ -	\$ 302,022	\$ 225,835	\$ 76,187
01 Duties (Alcohol Beverage Control Fund)	10,893	-	10,893	10,893	-
11 FY20 Carryover	-	11,368	11,368	4,118	7,250
Agency Total	\$ 312,915	\$ 11,368	\$ 324,283	\$ 240,846	\$ 83,437
<b>Health Care Authority</b>					
00 Rate Preservation Fund	\$ 4,092	\$ -	\$ 4,092	\$ -	\$ 4,092
01 Duties (to Disbursing Funds 200 and 340)	686,811	-	686,811	686,811	-
01 Duties	112,000	-	112,000	112,000	-
01 Duties (Healthcare Enhancement Fund)	144,864	-	144,864	144,864	-
03 Duties (to Disbursing Funds 200 and 340)	11,869	-	11,869	11,869	-
Agency Total	\$ 959,636	\$ -	\$ 959,636	\$ 955,544	\$ 4,092
<b>Health Services Total</b>					
	\$ 1,324,889	\$ 24,425	\$ 1,349,314	\$ 1,245,015	\$ 104,299
<b>LEGAL AND JUDICIARY</b>					
<b>Indigent Defense System</b>					
01 Duties	\$ 17,508	\$ -	\$ 17,508	\$ 15,180	\$ 2,328
11 FY20 Carryover	-	1,849	1,849	449	1,400
21 FY19 Carryover	-	407	407	407	-
Agency Total	\$ 17,508	\$ 2,256	\$ 19,764	\$ 16,036	\$ 3,728
<b>Attorney General</b>					
01 Duties	\$ 959	\$ -	\$ 959	\$ 959	\$ -
01 Opioid Law suit Settlement Fund	1,500	-	1,500	-	1,500
03 Duties	8,599	-	8,599	7,594	1,005
11 FY20 Carryover	-	742	742	742	-
Agency Total	\$ 11,058	\$ 742	\$ 11,800	\$ 9,295	\$ 2,505
<b>Court of Criminal Appeals</b>					
01 Duties	\$ 4,023	\$ -	\$ 4,023	\$ 3,714	\$ 309
11 FY20 Carryover	-	314	314	-	314
Agency Total	\$ 4,023	\$ 314	\$ 4,337	\$ 3,714	\$ 623
<b>District Courts</b>					
00 Duties - District Courts	\$ -	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
01 Pay Obligations - MITF	-	10,500	10,500	-	10,500
03 Duties - District Courts	27,980	-	27,980	27,980	-
Agency Total	\$ 27,980	\$ 18,000	\$ 45,980	\$ 35,480	\$ 10,500
<b>Supreme Court</b>					
01 Duties	\$ 5,000	\$ -	\$ 5,000	\$ 3,366	\$ 1,634
04 Duties	11,212	-	11,212	9,089	2,123
11 FY20 Carryover	-	2,757	2,757	-	2,757
Agency Total	\$ 16,212	\$ 2,757	\$ 18,969	\$ 12,455	\$ 6,514
<b>Legal and Judiciary Total</b>					
	\$ 76,781	\$ 24,069	\$ 100,850	\$ 76,980	\$ 23,870

GENERAL FUND

**MUSEUMS**

**J.M. Davis Arms and Historical Museum**

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
01 Duties	\$ 310	\$ -	\$ 310	\$ 308	\$ 2
Agency Total	\$ 310	\$ -	\$ 310	\$ 308	\$ 2

**Historical Society**

01 Duties	\$ 11,871	\$ -	\$ 11,871	\$ 10,787	\$ 1,084
11 FY20 Carryover	-	658	658	493	165
Agency Total	\$ 11,871	\$ 658	\$ 12,529	\$ 11,280	\$ 1,249

**Museums Total**

	\$ 12,181	\$ 658	\$ 12,839	\$ 11,588	\$ 1,251
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**NATURAL RESOURCES**

**Department of Agriculture**

01 Duties	\$ 22,885	\$ -	\$ 22,885	\$ 19,790	\$ 3,095
03 Duties	4,105	-	4,105	4,001	104
Agency Total	\$ 26,990	\$ -	\$ 26,990	\$ 23,791	\$ 3,199

**Department of Environmental Quality**

01 Duties	\$ 7,189	\$ -	\$ 7,189	\$ 6,502	\$ 687
11 FY20 Carryover	-	259	259	135	124
Agency Total	\$ 7,189	\$ 259	\$ 7,448	\$ 6,637	\$ 811

**Department of Tourism and Recreation**

01 Duties	\$ 21,524	\$ -	\$ 21,524	\$ 20,026	\$ 1,498
11 FY20 Carryover	-	2,458	2,458	2,255	203
Agency Total	\$ 21,524	\$ 2,458	\$ 23,982	\$ 22,281	\$ 1,701

**Conservation Commission**

01 Duties	\$ 12,659	\$ -	\$ 12,659	\$ 10,131	\$ 2,528
Agency Total	\$ 12,659	\$ -	\$ 12,659	\$ 10,131	\$ 2,528

**Water Resources Board**

01 Duties	\$ 5,205	\$ -	\$ 5,205	\$ 4,633	\$ 572
11 FY20 Carryover	-	290	290	218	72
Agency Total	\$ 5,205	\$ 290	\$ 5,495	\$ 4,851	\$ 644

**Natural Resources Total**

	\$ 73,567	\$ 3,007	\$ 76,574	\$ 67,691	\$ 8,883
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**PUBLIC SAFETY AND DEFENSE**

**Oklahoma Military Department**

01 Duties	\$ 16,412	\$ -	\$ 16,412	\$ 10,592	\$ 5,820
11 FY20 Carryover	-	417	417	417	-
Agency Total	\$ 16,412	\$ 417	\$ 16,829	\$ 11,009	\$ 5,820

**Alcohol Beverage Laws Enforcement**

01 Duties	\$ 2,899	\$ -	\$ 2,899	\$ 2,846	\$ 53
Agency Total	\$ 2,899	\$ -	\$ 2,899	\$ 2,846	\$ 53

GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>Department of Corrections</b>					
01 Duties	\$ 476,427	\$ -	\$ 476,427	\$ 425,525	\$ 50,902
01 Duties	50,052	-	50,052	49,233	819
03 Duties	3,053	-	3,053	3,053	-
11 FY20 Carryover	-	16,961	16,961	16,299	662
Agency Total	\$ 529,532	\$ 16,961	\$ 546,493	\$ 494,110	\$ 52,383

**District Attorney's Council**

01 Duties	\$ 46,642	\$ -	\$ 46,642	\$ 45,656	\$ 986
01 Duties	10,000	-	10,000	9,912	88
11 FY20 Carryover	-	871	871	844	27
Agency Total	\$ 56,642	\$ 871	\$ 57,513	\$ 56,412	\$ 1,101

**Pardon and Parole Board**

01 Duties	\$ 2,273	\$ -	\$ 2,273	\$ 677	\$ 1,596
11 FY20 Carryover	-	1,571	1,571	1,345	226
Agency Total	\$ 2,273	\$ 1,571	\$ 3,844	\$ 2,022	\$ 1,822

**State Bureau of Investigation**

01 Duties	\$ 15,927	\$ -	\$ 15,927	\$ 15,851	\$ 76
Agency Total	\$ 15,927	\$ -	\$ 15,927	\$ 15,851	\$ 76

**Department of Emergency Management**

01 Duties	\$ 506	\$ -	\$ 506	\$ 352	\$ 154
01 State Emergency Fund	-	5,000	5,000	352	4,648
02 Weather Radar Infrastructure	-	1,600	1,600	-	1,600
11 FY20 Carryover	-	173	173	173	-
Agency Total	\$ 506	\$ 6,773	\$ 7,279	\$ 877	\$ 6,402

**Board of Medicolegal Investigations**

01 Duties	\$ 17,272	\$ -	\$ 17,272	\$ 16,254	\$ 1,018
11 FY20 Carryover	-	1,691	1,691	35	1,656
Agency Total	\$ 17,272	\$ 1,691	\$ 18,963	\$ 16,289	\$ 2,674

**Council on Law Enforcement, Education, and Training**

01 Duties	\$ 3,371	\$ -	\$ 3,371	\$ 2,766	\$ 605
11 FY20 Carryover	-	143	143	30	113
Agency Total	\$ 3,371	\$ 143	\$ 3,514	\$ 2,796	\$ 718

**Bureau of Narcotics and Dangerous Drugs**

01 Duties	\$ 745	\$ -	\$ 745	\$ 745	\$ -
Agency Total	\$ 745	\$ -	\$ 745	\$ 745	\$ -

**Department of Public Safety**

01 Duties	\$ 69,122	\$ -	\$ 69,122	\$ 62,949	\$ 6,173
01 Duties (from St Public Safety fund)	24,367	-	24,367	20,574	3,793
02 Duties (from St Public Safety fund)	1,713	-	1,713	1,713	-
02 Expedite REAL ID	-	6,623	6,623	-	6,623
11 FY20 Carryover	-	8,951	8,951	8,193	758
21 FY19 Carryover	-	3,586	3,586	3,586	-
	\$ 95,202	\$ 19,160	\$ 114,362	\$ 97,015	\$ 17,347

**Public Safety and Defense Total**

	\$ 740,781	\$ 47,587	\$ 788,368	\$ 699,972	\$ 88,396
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GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>REGULATORY SERVICES</b>					
<b>Department of Mines</b>					
01 Duties	\$ 770	\$ -	\$ 770	\$ 683	\$ 87
11 FY20 Carryover	-	44	44	20	24
Agency Total	\$ 770	\$ 44	\$ 814	\$ 703	\$ 111
<b>Corporation Commission</b>					
02 Duties	\$ 16,866	\$ -	\$ 16,866	\$ 13,538	\$ 3,328
11 FY20 Carryover	-	788	788	779	9
Agency Total	\$ 16,866	\$ 788	\$ 17,654	\$ 14,317	\$ 3,337
<b>Multiple Injury Trust Fund</b>					
01 Fund obligations	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -
	\$ 1,000	\$ -	\$ 1,000	\$ 1,000	\$ -
<b>Department of Labor</b>					
01 Duties (Special OSHA Fund)	\$ 760	\$ -	\$ 760	\$ 576	\$ 184
02 Duties	2,818	-	2,818	2,067	751
11 FY20 Carryover	-	125	125	125	-
12 FY20 Carryover	-	22	22	22	-
Agency Total	\$ 3,578	\$ 147	\$ 3,725	\$ 2,790	\$ 935
<b>Regulatory Services Total</b>					
	\$ 22,214	\$ 979	\$ 23,193	\$ 18,810	\$ 4,383
<b>SOCIAL SERVICES</b>					
<b>Commission on Children and Youth</b>					
01 Duties	\$ 2,295	\$ -	\$ 2,295	\$ 1,459	\$ 836
11 FY20 Carryover	-	940	940	940	-
Agency Total	\$ 2,295	\$ 940	\$ 3,235	\$ 2,399	\$ 836
<b>Office of Disability Concerns</b>					
01 Duties	\$ 283	\$ -	\$ 283	\$ 243	\$ 40
11 FY20 Carryover	-	36	36	36	-
Agency Total	\$ 283	\$ 36	\$ 319	\$ 279	\$ 40
<b>Office of Juvenile Affairs</b>					
01 Duties	\$ 93,033	\$ -	\$ 93,033	\$ 77,795	\$ 15,238
11 FY20 Carryover	-	7,525	7,525	5,628	1,897
Agency Total	\$ 93,033	\$ 7,525	\$ 100,558	\$ 83,423	\$ 17,135
<b>Department of Veterans Affairs</b>					
01 Duties	\$ 31,816	\$ -	\$ 31,816	\$ 28,602	\$ 3,214
11 FY20 Carryover	-	3,541	3,541	1,365	2,176
Agency Total	\$ 31,816	\$ 3,541	\$ 35,357	\$ 29,967	\$ 5,390
<b>J.D. McCarty Center</b>					
01 Duties	\$ 4,751	\$ -	\$ 4,751	\$ 4,322	\$ 429
Agency Total	\$ 4,751	\$ -	\$ 4,751	\$ 4,322	\$ 429

GENERAL FUND

	BUDGET			ACTUAL	VARIANCE
	ORIGINAL	Amendments	FINAL		
<b>Department of Rehabilitation Services</b>					
01 Duties (to disbursing funds)	\$ 34,875	\$ -	\$ 34,875	\$ 34,875	\$ -
Agency Total	\$ 34,875	\$ -	\$ 34,875	\$ 34,875	\$ -
<b>University Hospitals Authority</b>					
01 Duties	\$ 66,692	\$ -	\$ 66,692	\$ 63,079	\$ 3,613
Agency Total	\$ 66,692	\$ -	\$ 66,692	\$ 63,079	\$ 3,613
<b>Department of Human Services</b>					
01 Duties (to Disbursing Funds)	\$ 672,831	\$ -	\$ 672,831	\$ 672,831	\$ -
07 Duties (to Disbursing Funds)	25,000	-	25,000	25,000	-
Agency Total	\$ 697,831	\$ -	\$ 697,831	\$ 697,831	\$ -
<b>Social Services Total</b>	\$ 931,576	\$ 12,042	\$ 943,618	\$ 916,175	\$ 27,443
<b>TRANSPORTATION</b>					
<b>Department of Transportation</b>					
01 CIRB	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
Agency Total	\$ -	\$ 20,000	\$ 20,000	\$ -	\$ 20,000
<b>Oklahoma Space Industry Development Auth.</b>					
01 Duties to Space Industries Dev.	\$ 368	\$ -	\$ 368	\$ 368	\$ -
Agency Total	\$ 368	\$ -	\$ 368	\$ 368	\$ -
<b>Transportation Total</b>	\$ 368	\$ 20,000	\$ 20,368	\$ 368	\$ 20,000
<b>General Fund Total</b>	\$ 5,466,395	\$ 372,524	\$ 5,838,919	\$ 5,375,948	\$ 462,971
<b>SUMMARY OF REVENUE BY FUNCTION OF GOVERNMENT</b>					
<b>Education Revenue Total</b>	\$ 81,731	\$ -	\$ 81,731	\$ 96,262	\$ (14,531)
<b>General Government Revenue Total</b>	\$ 6,846,695	\$ -	\$ 6,846,695	\$ 7,127,973	\$ (281,278)
<b>Health Services Revenue Total</b>	\$ 152,488	\$ -	\$ 152,488	\$ 159,226	\$ (6,738)
<b>Public Safety and Defense Total</b>	\$ 40,206	\$ -	\$ 40,206	\$ 36,245	\$ 3,961
<b>Regulatory Services Total</b>	\$ 800	\$ -	\$ 800	\$ 1,318	\$ (518)
<b>Revenue Total</b>	\$ 7,121,920	\$ -	\$ 7,121,920	\$ 7,421,024	\$ (299,104)

# Notes to Required Supplementary Information - Budgetary Reporting

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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 15<sup>th</sup> 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, 2021, is presented below (expressed in thousands) for the general fund:

Budgetary Basis Fund Balance, June 30, 2020	\$ 4,765,280
Total revenues	7,421,024
Total expenditures	(1,744,474)
Net transfers in (out) of funds	<u>(3,225,306)</u>
Budgetary Basis Fund Balance, June 30, 2021	\$ 7,216,524
Entity and Perspective Differences:	
Non-budgeted Funds and Capital Funds	934,526
Encumbrances	178,626
Basis Differences:	
Add: Net accrued revenues, related receivables, and deferred revenues	1,453,628
Less: Net accrued expenditures and related liabilities	<u>(2,834,326)</u>
GAAP Basis Fund Balance, June 30, 2021	<u>\$ 6,948,978</u>

**Pension Schedules**  
**Required by GASB Statement Number 68**  
For the Fiscal Year Ended June 30, 2021  
(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 <a href="https://www.ok.gov/fprs">https://www.ok.gov/fprs</a>	Law Enforcement Retirement 421 NW 13th Street, Suite 100 Oklahoma City, OK 73103 <a href="https://www.olars.state.ok.us">https://www.olars.state.ok.us</a>	Police Pension and Retirement 1001 NW 63rd Street, Suite 305 Oklahoma City, OK 73116 <a href="https://www.ok.gov/opprs">https://www.ok.gov/opprs</a>
Public Employees Retirement PO Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>	Uniform Retirement System for Justices and Judges PO Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>	Teachers' Retirement System PO Box 53524 Oklahoma City, OK 73152 <a href="https://www.ok.gov/trs">https://www.ok.gov/trs</a>
	Department of Wildlife Conservation PO Box 53465 Oklahoma City, OK 73152 <a href="https://www.wildlifedepartment.com">https://www.wildlifedepartment.com</a>	

**Schedules of Contributions and Related Ratios**

**Single Employer Plans**

**A. General Fund**

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 2,711	\$ 2,486	\$ 2,308	\$ 2,494	\$ 2,988	\$ 3,197	\$ 3,691	\$ 4,307	\$ 4,267	\$ 3,802
Contributions in relation to the actuarially determined contribution	4,313	2,288	2,500	3,100	4,780	3,700	4,307	4,300	4,100	4,100
Contribution deficiency (excess)	<u>\$ (1,602)</u>	<u>\$ 198</u>	<u>\$ (192)</u>	<u>\$ (606)</u>	<u>\$ (1,792)</u>	<u>\$ (503)</u>	<u>\$ (616)</u>	<u>\$ 7</u>	<u>\$ 167</u>	<u>\$ (298)</u>
Covered payroll	\$ 11,274	\$ 11,632	\$ 12,082	\$ 12,208	\$ 12,806	\$ 13,388	\$ 13,667	\$ 13,599	\$ 14,300	\$ 14,662
Contributions as percentage of covered payroll	38.26%	19.67%	20.69%	25.39%	37.33%	27.64%	31.51%	31.62%	28.67%	27.96%

**Schedule of Net Pension Liability**  
**Wildlife Commission Retirement Plan**  
Last Eight Fiscal Years  
(Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability</b>								
Service cost	\$ 1,480	\$ 1,482	\$ 1,550	\$ 1,627	\$ 1,848	\$ 1,840	\$ 1,930	\$ 1,988
Interest	8,873	8,605	8,364	8,203	7,832	7,586	7,296	7,057
Differences between expected and actual experience	3,408	1,434	688	(883)	456	(357)	293	(844)
Changes in benefit terms	-	-	-	-	1,156	-	-	-
Changes of assumptions	-	-	-	-	195	-	-	-
Benefit payments	(8,025)	(7,339)	(6,843)	(6,315)	(5,594)	(5,540)	(5,032)	(4,445)
Net Change in Total Pension Liability	\$ 5,736	\$ 4,182	\$ 3,759	\$ 2,632	\$ 5,893	\$ 3,529	\$ 4,487	\$ 3,756
Total Pension Liability - Beginning	129,292	125,110	121,351	118,719	112,826	109,297	104,810	101,054
Total Pension Liability - Ending	\$ 135,028	\$ 129,292	\$ 125,110	\$ 121,351	\$ 118,719	\$ 112,826	\$ 109,297	\$ 104,810
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 2,288	\$ 2,500	\$ 3,100	\$ 4,780	\$ 3,700	\$ 4,307	\$ 4,300	\$ 4,100
Contributions - member	582	604	610	633	663	655	681	698
Net investment income	5,892	7,753	8,500	10,797	492	4,097	12,370	7,483
Benefit payments	(8,025)	(7,339)	(6,843)	(6,315)	(5,593)	(5,540)	(5,032)	(4,445)
Administrative expense	(46)	(25)	(58)	(52)	(55)	(49)	(38)	(38)
Net change in plan fiduciary net position	\$ 691	\$ 3,493	\$ 5,309	\$ 9,843	\$ (793)	\$ 3,470	\$ 12,281	\$ 7,798
Plan fiduciary net position - beginning	117,783	114,290	108,981	99,138	99,931	96,461	84,180	76,382
Plan fiduciary net position - ending	\$ 118,474	\$ 117,783	\$ 114,290	\$ 108,981	\$ 99,138	\$ 99,931	\$ 96,461	\$ 84,180
Net pension liability	\$ 16,554	\$ 11,509	\$ 10,820	\$ 12,370	\$ 19,581	\$ 12,895	\$ 12,836	\$ 20,630
Total pension liability	\$ 135,028	\$ 129,292	\$ 125,110	\$ 121,351	\$ 118,719	\$ 112,826	\$ 109,297	\$ 104,810
Plan fiduciary net position	118,474	117,783	114,290	108,981	99,138	99,931	96,461	84,180
Net pension liability (asset)	\$ 16,554	\$ 11,509	\$ 10,820	\$ 12,370	\$ 19,581	\$ 12,895	\$ 12,836	\$ 20,630
Ratio of plan fiduciary net position to total pension liability	87.74%	91.10%	91.35%	89.81%	83.51%	88.57%	88.26%	80.32%
Covered payroll	\$ 11,632	\$ 12,082	\$ 12,208	\$ 12,806	\$ 13,388	\$ 13,667	\$ 13,599	\$ 14,300
Net pension liability as a percentage of covered payroll	142.31%	95.26%	88.63%	96.60%	146.26%	94.35%	94.39%	144.27%

**Notes to Schedules:**

GASB Statement 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 68 and is the latest available at the date of publication.

**Actuarially Determined Contributions:**

The annual required contribution for fiscal year 2021 was determined as part of the July 1, 2021, 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

## B. Component Units

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 37,289	\$ 34,527	\$ 31,265	\$ 32,467	\$ 33,110	\$ 33,291	\$ 31,838	\$ 43,775	\$ 44,734	\$ 48,634
Contributions in relation to the actuarially determined contribution	\$ 9,878	\$ 9,504	\$ 8,922	\$ 9,083	\$ 9,262	\$ 10,219	\$ 9,438	\$ 8,566	\$ 8,296	\$ 7,414
Contributions--State of Oklahoma insurance premium tax	20,767	24,382	24,040	23,673	21,843	22,981	22,861	21,165	19,807	18,836
Total Contribution	\$ 30,645	\$ 33,886	\$ 32,962	\$ 32,756	\$ 31,105	\$ 33,200	\$ 32,299	\$ 29,731	\$ 28,103	\$ 26,250
Contribution deficiency (excess)	\$ 6,644	\$ 641	\$ (1,697)	\$ (289)	\$ 2,005	\$ 91	\$ (461)	\$ 14,044	\$ 16,631	\$ 22,384
Covered payroll	\$ 85,004	\$ 87,674	\$ 85,407	\$ 86,121	\$ 86,496	\$ 88,683	\$ 84,880	\$ 76,838	\$ 73,423	\$ 71,598
Contributions as percentage of covered payroll	36.05%	38.65%	38.59%	38.03%	35.96%	37.44%	38.05%	38.69%	38.28%	36.66%

### Schedule of Net Pension Liability Oklahoma Law Enforcement Retirement System Last Seven Fiscal Years (Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 21,897	\$ 22,215	\$ 22,654	\$ 23,670	\$ 23,126	\$ 22,087	\$ 20,294
Interest	84,761	80,698	78,022	75,080	72,766	66,613	64,959
Changes in benefit terms	5,382	-	832	-	-	-	-
Differences between expected and actual experience	10,419	13,873	(5,997)	(2,307)	6,137	51,090	(9,771)
Changes in assumptions			-	1,107	-	-	-
Benefit payments	(64,641)	(60,647)	(59,048)	(57,612)	(58,348)	(57,187)	(49,777)
Net Change in Total Pension Liability	\$ 57,818	\$ 56,139	\$ 36,463	\$ 39,938	\$ 43,681	\$ 82,603	\$ 25,705
Total Pension Liability - Beginning	1,161,889	1,105,750	1,069,287	1,029,349	998,863	916,260	890,555
Total Pension Liability - Ending	\$ 1,219,707	\$ 1,161,889	\$ 1,105,750	\$ 1,069,287	\$ 1,042,544	\$ 998,863	\$ 916,260
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 9,504	\$ 8,922	\$ 9,083	\$ 9,262	\$ 10,219	\$ 9,438	\$ 8,566
Contributions - nonemployer	24,382	24,040	23,673	21,843	22,981	22,861	21,165
Contributions - member	6,770	6,691	6,667	6,832	6,866	6,390	5,787
Net investment income	12,480	40,138	80,005	106,519	(22,244)	34,802	121,403
Benefit payments	(64,641)	(60,647)	(59,048)	(57,612)	(58,348)	(57,187)	(49,777)
Administrative expense	(1,479)	(1,131)	(1,092)	(1,083)	(1,031)	(1,069)	(927)
Net change in plan fiduciary net position	\$ (12,984)	\$ 18,013	\$ 59,288	\$ 85,761	\$ (41,557)	\$ 15,235	\$ 106,217
Plan fiduciary net position - beginning	1,016,646	998,633	939,345	853,584	895,141	879,906	773,689
Plan fiduciary net position - ending	\$ 1,003,662	\$ 1,016,646	\$ 998,633	\$ 939,345	\$ 853,584	\$ 895,141	\$ 879,906
Net pension liability	\$ 216,045	\$ 145,243	\$ 107,117	\$ 129,942	\$ 188,960	\$ 103,722	\$ 36,354
Total pension liability	\$ 1,219,707	\$ 1,161,889	\$ 1,105,750	\$ 1,069,287	\$ 1,042,544	\$ 998,863	\$ 916,260
Plan fiduciary net position	1,003,662	1,016,646	998,633	939,345	853,584	895,141	879,906
Net pension liability (asset)	\$ 216,045	\$ 145,243	\$ 107,117	\$ 129,942	\$ 188,960	\$ 103,722	\$ 36,354
Ratio of plan fiduciary net position to total pension liability	82.29%	87.50%	90.31%	87.85%	81.88%	89.62%	96.03%
Covered payroll	\$ 87,674	\$ 85,407	\$ 86,121	\$ 86,496	\$ 88,683	\$ 84,880	\$ 76,838
Net pension liability as a percentage of covered payroll	246.42%	170.06%	124.38%	150.23%	213.07%	122.20%	47.31%

**Notes to Schedule:**

GASB Statement 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 68 and is the latest available at the date of publication.

**Actuarially Determined Contributions:**

The annual required contribution for fiscal year 2021 was determined as part of the July 1, 2021, 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 3%.

**Benefit Changes:**

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. This cost-of-living adjustment is offset by any increase in benefits a person received pursuant to Section 2-305 of Title 47 of the Oklahoma statutes. The provision became effective May 22, 2020.

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. The provision became 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. The provision became effective April 12, 2018.

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

**Changes in Actuarial Assumptions:**

July 1, 2017, valuation: Cost-of-living assumption used was 3% for eligible participants; inflation assumption was 3%, and beginning with 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).

**Uniform Retirement System for Judges and Justices  
Schedule of Contributions  
Last Eight Fiscal Years  
(Expressed in thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,254	\$ 790	\$ 352	\$ 1,638	\$ 3,626	\$ 3,454	\$ 4,897	\$ 7,215
Actual Employer Contributions	7,618	7,384	7,146	6,504	6,013	5,832	5,295	4,611
Contribution deficiency (excess)	<u>\$ (4,364)</u>	<u>\$ (6,594)</u>	<u>\$ (6,794)</u>	<u>\$ (4,866)</u>	<u>\$ (2,387)</u>	<u>\$ (2,378)</u>	<u>\$ (398)</u>	<u>\$ 2,604</u>
Covered payroll	\$ 35,377	\$ 35,113	\$ 33,839	\$ 33,359	\$ 34,811	\$ 34,537	\$ 34,282	\$ 34,325
Contributions as percentage of employee payroll	21.53%	21.03%	21.12%	19.50%	17.27%	16.89%	15.45%	13.43%

**Schedule of Net Pension Liability**  
**Uniform Retirement System for Judges and Justices**  
Last Seven Fiscal Years  
(Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 9,194	\$ 9,003	\$ 8,897	\$ 10,085	\$ 9,689	\$ 9,602	\$ 9,489
Interest	20,642	19,623	19,162	19,229	19,341	18,812	18,529
Differences between expected and actual experience	(738)	7,244	(2,004)	(6,664)	(7,480)	(4,598)	(7,597)
Benefit changes	5,786	-	-	-	-	-	-
Changes of assumptions	11,677	-	-	3,979	5,843	-	(1,046)
Benefit payments	(22,025)	(20,382)	(18,461)	(17,648)	(17,198)	(16,093)	(14,939)
Refunds of contributions	(185)	(67)	(52)	(89)	(161)	(111)	(57)
<b>Net Change in Total Pension Liability</b>	\$ 24,351	\$ 15,421	\$ 7,542	\$ 8,892	\$ 10,034	\$ 7,612	\$ 4,379
Total Pension Liability - Beginning	305,801	290,380	282,838	276,434	266,400	258,788	254,409
Adoption of GASB 74	-	-	-	(2,488)	-	-	-
<b>Total Pension Liability - Ending</b>	<u>\$ 330,152</u>	<u>\$ 305,801</u>	<u>\$ 290,380</u>	<u>\$ 282,838</u>	<u>\$ 276,434</u>	<u>\$ 266,400</u>	<u>\$ 258,788</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 7,384	\$ 7,145	\$ 6,504	\$ 6,013	\$ 5,832	\$ 5,295	\$ 4,611
Contributions - member	2,766	2,666	2,608	2,664	2,666	2,706	2,544
Net investment income	15,537	20,128	26,189	36,312	1,441	8,174	46,211
Benefit payments	(22,025)	(20,384)	(18,461)	(17,648)	(17,198)	(16,093)	(14,939)
Administrative expense	(186)	(169)	(154)	(153)	(149)	(144)	(132)
Refunds of contributions	(185)	(65)	(52)	(89)	(161)	(111)	(57)
<b>Net change in plan fiduciary net position</b>	\$ 3,291	\$ 9,321	\$ 16,634	\$ 27,099	\$ (7,569)	\$ (173)	\$ 38,238
Plan fiduciary net position - beginning	344,218	334,897	318,263	293,727	301,296	301,469	263,231
Adoption of GASB 74	-	-	-	(2,563)	-	-	-
<b>Plan fiduciary net position - ending</b>	<u>\$ 347,509</u>	<u>\$ 344,218</u>	<u>\$ 334,897</u>	<u>\$ 318,263</u>	<u>\$ 293,727</u>	<u>\$ 301,296</u>	<u>\$ 301,469</u>
<b>Net pension asset</b>	<u>\$ (17,357)</u>	<u>\$ (38,417)</u>	<u>\$ (44,517)</u>	<u>\$ (35,425)</u>	<u>\$ (17,293)</u>	<u>\$ (34,896)</u>	<u>\$ (42,681)</u>
<b>Total pension liability</b>	\$ 330,152	\$ 305,801	\$ 290,380	\$ 282,838	\$ 276,434	\$ 266,400	\$ 258,788
<b>Plan fiduciary net position</b>	<u>347,509</u>	<u>344,218</u>	<u>334,897</u>	<u>318,263</u>	<u>293,727</u>	<u>301,296</u>	<u>301,469</u>
<b>Net pension liability (asset)</b>	<u>\$ (17,357)</u>	<u>\$ (38,417)</u>	<u>\$ (44,517)</u>	<u>\$ (35,425)</u>	<u>\$ (17,293)</u>	<u>\$ (34,896)</u>	<u>\$ (42,681)</u>
Ratio of plan fiduciary net position to total pension liability	105.26%	112.56%	115.33%	112.52%	106.26%	113.10%	116.49%
Covered payroll	\$ 35,113	\$ 33,839	\$ 33,359	\$ 34,811	\$ 34,537	\$ 34,282	\$ 34,325
Net pension asset as a percentage of covered payroll	49.43%	113.53%	133.45%	101.76%	50.07%	101.79%	124.34%

**Notes to Schedule:**

GASB Statement 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 68 and is the latest available at the date of publication.

**Actuarially Determined Contributions:**

The annual required contribution for fiscal year 2021 was determined as part of the July 1, 2021, actuarial valuation using the entry age normal method. The actuarial assumptions included, a) a 6.50% investment rate of return (net of administrative expense), b) projected salary increases of 3.50%. Assumptions did not include a cost-of-living allowance for active, disabled, or retired members, and c) an inflation rate of 2.50%.



## Benefit Changes:

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. This cost-of-living adjustment is offset by any increase in benefits a person received pursuant to Section 1104K of Title 20 of the Oklahoma statutes. The provision became effective May 22, 2020.

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. The provision became effective May 8, 2018.

## Changes in Actuarial Assumptions:

July 1, 2020, valuation: Price inflation decreased from 2.75% to 2.50%; investment return decreased from 7.00% to 6.50%; payroll growth decreased from 3.50% to 3.25%; salary increase decreased from 3.75% to 3.50%, and mortality assumptions were changed to reflect recent mortality experience.

July 1, 2017, valuation: Investment return decreased from 7.25% to 7.00%; projected salary increases decreased from 5.00% to 3.75%, and inflation rate decreased from 3.00% to 2.75%.

July 1, 2016, valuation: Investment return decreased from 7.50% to 7.25%.

July 1, 2014, valuation: Salary scale assumption was decreased, and retirement rates were adjusted.

## Cost Sharing Pension Plans

### A. Component Units

#### Schedule of Related Ratios Oklahoma Firefighters Pension and Retirement System Last Ten Fiscal Years (Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Plan fiduciary position as a percentage of the total pension liability	69.98%	72.85%	70.73%	66.61%	64.87%	68.27%	68.12%	61.62%	59.22%	63.18%
Covered payroll	\$ 318,472	\$ 307,735	\$ 303,091	\$ 285,073	\$ 273,621	\$ 270,536	\$ 271,572	\$ 253,955	\$ 256,250	\$ 243,684
Net pension liability as a percentage of covered payroll	386.82%	343.37%	371.39%	441.19%	446.50%	392.34%	378.66%	465.75%	459.40%	417.04%
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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Oklahoma, non employer contributions	72,924	103,592	101,700	100,333	88,134	92,330	91,236	79,545	76,311	68,246
Total required contributions	\$ 72,924	\$ 103,592	\$ 101,700	\$ 100,333	\$ 88,134	\$ 92,330	\$ 91,236	\$ 79,545	\$ 76,311	\$ 68,246
Actual employer contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Oklahoma, non employer contributions	72,924	103,592	101,700	100,333	88,134	92,330	91,236	79,545	76,311	68,246
Total Contributions	\$ 72,924	\$ 103,592	\$ 101,700	\$ 100,333	\$ 88,134	\$ 92,330	\$ 91,236	\$ 79,545	\$ 76,311	\$ 68,246
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 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 68 and is the latest available at the date of publication.

**Benefit Changes:**

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. This cost-of-living adjustment is offset by any increase in benefits a person received pursuant to repealed Section 49-136 of Title 11 of the Oklahoma statutes after June 30, 2008. The provision became effective May 22, 2020.

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. This provision became 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 eligibility to retire to age 50 with 22 years of service; increased eligibility for a vested benefit to 11 years, and changed 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 Deferred Retirement Option Plan.

Changes in Actuarial Assumptions:

July 1, 2013, valuation: Retirement, disability, and withdrawal rates were changed; salary increase assumption was changed, and the mortality rates were changed.

July 1, 2011, valuation: Assumption for future ad-hoc cost-of-living adjustments were removed 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 Seven Fiscal Years  
(Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	91.59%	98.63%	97.96%	94.28%	89.48%	96.00%	97.90%
Covered payroll	\$ 1,233,303	\$ 1,249,922	\$ 1,318,207	\$ 1,406,150	\$ 1,443,199	\$ 1,391,397	\$ 1,359,348
Net pension liability as a percentage of covered payroll	56.48%	8.29%	11.55%	30.19%	54.85%	20.62%	10.83%
State portion of net pension liability	\$ 696,628	\$ 103,659	\$ 152,266	\$ 424,531	\$ 793,756	\$ 286,962	\$ 147,158
State employer portion of net pension liability	78.08%	77.83%	78.07%	78.52%	79.99%	79.78%	80.17%

**Schedule of Contributions**  
**Oklahoma Public Employees Retirement System**  
Last Seven Fiscal Years  
(Expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contributions	\$ 214,996	\$ 213,938	\$ 205,894	\$ 203,294	\$ 215,582	\$ 236,347	\$ 234,246
Actual employer contribution	214,996	213,938	205,894	203,294	215,582	236,347	234,246
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer portion of net pension liability	78.08%	77.83%	78.07%	78.52%	79.99%	79.78%	80.17%
Covered payroll	\$ 1,227,430	\$ 1,233,303	\$ 1,249,922	\$ 1,318,207	\$ 1,406,150	\$ 1,443,199	\$ 1,391,397
Actual contributions as a percentage of covered payroll	17.52%	17.35%	16.47%	15.42%	15.33%	16.38%	16.84%

**Notes to Schedule:**

GASB Statement 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 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.

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. This cost-of-living adjustment is offset by any increase in benefits a person received pursuant to Section 930.11 of Title 74 of the Oklahoma statutes. The provision became effective May 22, 2020.

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. The provision became effective May 8, 2018.

House Bill 2516 clarifies certain system provisions related to billing employers for sick leave and early retirement for elected officials. The provision became 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. The provision became effective April 17, 2018.

**Changes in Actuarial Assumptions:**

Information to present a 10-year history is not readily available.

July 1, 2020, valuation: Decreased price inflation from 2.75% to 2.50%; decreased investment return from 7.00% to 6.50%; decreased payroll growth from 3.50% to 3.25% and changed mortality assumptions to reflect recent mortality experience.

July 1, 2017, valuation: Investment return decreased from 7.25% to 7.00%; projected salary increases changed from range of 4.5% - 8.4% to range of 3.5% - 9.5%, and inflation rate decreased from 3.00% to 2.75%.

July 1, 2016 valuation: Investment return decreased from 7.5% to 7.25%.

**Schedule of Related Ratios**  
**Oklahoma Police Pension and Retirement System**  
 Last Seven Fiscal Years  
 (Expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	95.80%	100.24%	101.89%	99.68%	93.50%	99.82%	101.53%
Covered payroll	\$ 856	\$ 867	\$ 826	\$ 871	\$ 862	\$ 632	\$ 608
Net pension liability as a percentage of covered payroll	39.95%	(1.85%)	(15.38%)	2.53%	51.74%	1.90%	(11.84%)
State portion of net pension liability	\$ 342	\$ (16)	\$ (127)	\$ 22	\$ 446	\$ 12	\$ (72)
State employer portion of net pension liability	0.30%	0.25%	0.27%	0.29%	0.29%	0.29%	0.21%

**Schedule of Contributions**  
**Oklahoma Police Pension and Retirement System**  
Last Seven Fiscal Years  
(Expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contributions	\$ 132	\$ 111	\$ 113	\$ 117	\$ 113	\$ 112	\$ 173
State of Oklahoma, non employer contributions	28,368	40,295	39,559	39,028	34,283	35,915	35,490
<b>Total required contributions</b>	<b>\$ 28,500</b>	<b>\$ 40,406</b>	<b>\$ 39,672</b>	<b>\$ 39,145</b>	<b>\$ 34,396</b>	<b>\$ 36,027</b>	<b>\$ 35,663</b>
Actual employer contribution	\$ 132	\$ 111	\$ 113	\$ 117	\$ 113	\$ 112	\$ 173
State of Oklahoma, non employer contributions	28,368	40,295	39,559	39,028	34,283	35,915	35,490
<b>Total Contributions</b>	<b>\$ 28,500</b>	<b>\$ 40,406</b>	<b>\$ 39,672</b>	<b>\$ 39,145</b>	<b>\$ 34,396</b>	<b>\$ 36,027</b>	<b>\$ 35,663</b>
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer portion of net pension liability	0.30%	0.25%	0.27%	0.29%	0.29%	0.29%	0.21%
Covered payroll	\$ 1,012	\$ 856	\$ 867	\$ 826	\$ 871	\$ 862	\$ 632
Actual contributions as a percentage of covered payroll	2816.21%	4720.33%	4575.78%	4739.10%	3947.35%	4179.47%	5642.88%

**Notes to Schedule:**

GASB Statement 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 68 and is the latest available at the date of publication.

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

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. This cost-of-living adjustment is offset by any increase in benefits a person received pursuant to repealed Section 50-120 of Title 11 of the Oklahoma statutes after June 30, 2008. The provision became effective May 22, 2020.

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, Section 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. The provision became 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. The provision became effective April 12, 2018.

2017: House Bill 1119 updates the rules for distributions to include rollover contributions for Savings Incentive Match Plan Individual Retirement Accounts that are structured and timed in accordance with the Internal Revenue Service 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, and 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: Price inflation assumption was decrease from 3.00% to 2.75%; interest credit on Deferred Retirement Option Plan balances were increased from 7.75% to 11.00%; real wage growth assumption was set at 0.75%; cost-of-living adjustment basis assumption was increased from 3.00% to 3.50%; retirement and termination rates were adjusted to better reflect observed experience; salary scale was adjusted to better reflect observed experience; expected severity of disability was increased from 25% - 49% to 50% - 74%, and surplus unfunded actuarially accrued liability was amortized over an open 30-year period.

**Schedule of Related Ratios  
Teacher's Retirement System  
Last Seven Fiscal Years  
(Expressed in thousands)**

	2020	2019	2018	2017	2016	2015	2014
Plan fiduciary position as a percentage of the total pension liability	63.47%	71.56%	72.74%	69.32%	62.24%	70.31%	72.43%
Covered payroll	\$ 1,220,285	\$ 1,183,904	\$ 1,098,170	\$ 1,103,585	\$ 1,111,204	\$ 1,079,239	\$ 1,070,909
Net pension liability as a percentage of covered payroll	186.10%	143.92%	145.83%	159.91%	202.38%	149.35%	125.84%
State portion of net pension liability	\$ 2,270,894	\$ 1,703,873	\$ 1,601,483	\$ 1,764,704	\$ 2,248,905	\$ 1,611,824	\$ 1,347,638
State employer portion of net pension liability	23.93%	25.75%	26.46%	26.60%	26.84%	26.42%	24.88%

**Schedule of Contributions**  
**Teacher's Retirement System**  
 Last Seven Fiscal Years  
 (Expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contributions	\$ 109,654	\$ 117,760	\$ 118,076	\$ 109,857	\$ 106,483	\$ 108,240	\$ 184,726
State of Oklahoma, non employer contributions	311,290	359,366	371,671	344,610	301,952	315,672	336,391
Total required contributions	\$ 420,944	\$ 477,126	\$ 489,747	\$ 454,467	\$ 408,435	\$ 423,912	\$ 521,117
Actual employer contribution	\$ 109,654	117,760	\$ 118,076	\$ 109,857	\$ 106,483	\$ 108,240	\$ 184,726
State of Oklahoma, non employer contributions	311,290	359,366	371,671	344,610	301,952	315,672	336,391
Total Contributions	\$ 420,944	\$ 477,126	\$ 489,747	\$ 454,467	\$ 408,435	\$ 423,912	\$ 521,117
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer portion of net pension liability	23.93%	25.75%	26.46%	26.60%	26.84%	26.42%	24.88%
Covered payroll	\$ 1,154,025	\$ 1,220,285	\$ 1,183,904	\$ 1,098,170	\$ 1,103,585	\$ 1,111,204	\$ 1,079,239
Actual contributions as a percentage of covered payroll	36.48%	39.10%	41.37%	41.38%	37.01%	38.15%	48.29%

**Notes to Schedule:**

GASB Statement 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 68 and is the latest available at the date of publication.

**Benefit Changes:**

2020: House Bill 3350 provides a cost-of-living adjustment to any person receiving a benefit from the system and who continues to receive a benefit on or after July 1, 2020, based on the following retirement dates: zero percent (0%) if the person was retired two years or less on July 1, 2020; two percent (2%) if the person has been retired for at least two years but less than five years as of July 1, 2020, and four percent (4%) if the person has been retired for five years or more on July 1, 2020. The provision became effective May 22, 2020.

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. The provision became effective May 8, 2018.

**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 3.00% to 2.50%; assumed investment return was decreased from 8.00% to 7.50%; wage inflation was decreased from 3.75% to 3.25%, and 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, 2021  
(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 <a href="https://www.olders.state.ok.us">https://www.olders.state.ok.us</a>	Public Employees Retirement P.O. Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>	Office of Management and Enterprise Services 2401 N. Lincoln Blvd, Suite 212 Oklahoma City, OK 73105 <a href="https://omes.ok.gov">https://omes.ok.gov</a>
Department of Wildlife Conservation P.O. Box 53465 Oklahoma City, OK 73152 <a href="https://www.wildlifedepartment.com">https://www.wildlifedepartment.com</a>	Teachers' Retirement System PO Box 53524 Oklahoma City, OK 73152 <a href="https://www.ok.gov/trs">https://www.ok.gov/trs</a>	Uniform Retirement System for Justices and Judges P.O. Box 53007 Oklahoma City, OK 73152 <a href="https://www.opers.ok.gov">https://www.opers.ok.gov</a>

### Schedules of Contributions and Related Ratios

#### General Fund

#### Schedule of Contributions Employee Group Insurance Division – Implicit Rate Subsidy Last Five Fiscal Years (expressed in thousands)

	2021	2020	2019	2018	2017
Actuarially required contributions	\$ 10,553	\$ 10,746	\$ 11,698	\$ 11,008	\$ 12,706
Contributions in relation to the Actuarially required contributions	\$ 10,553	\$ 10,746	\$ 11,698	\$ 11,008	\$ 12,706
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	TBD	\$ 1,696,478	\$ 1,585,455	\$ 1,537,569	\$ 1,521,794
Contributions as a percentage of covered employee payroll	TBD	0.63%	0.74%	0.72%	0.83%



**Schedule of Total Other Postemployment Benefit Liability**  
**Employee Group Insurance Division – Implicit Rate Subsidy**  
Last Four Fiscal Years  
(expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 4,911	\$ 5,181	\$ 5,190	\$ 5,920
Interest	4,626	5,634	5,307	4,497
Difference between expected and actual experience	(560)	(611)	(1,242)	-
Changes of assumption or other inputs	11,662	(12,507)	(540)	(7,404)
Benefit payments	(10,746)	(11,699)	(11,009)	(12,706)
Net change in total OPEB liability	\$ 9,893	\$ (14,002)	\$ (2,294)	\$ (9,693)
Total OPEB Liability-beginning	132,200	146,202	148,496	158,189
Total OPEB Liability-ending	<u>\$ 142,093</u>	<u>\$ 132,200</u>	<u>\$ 146,202</u>	<u>\$ 148,496</u>
Covered employee payroll	\$ 1,696,478	\$ 1,585,455	\$ 1,537,569	\$ 1,521,794
Total OPEB Liability as a percentage of covered employee payroll	8.38%	8.34%	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.

Covered employee payroll listed as “TBD” was unavailable at time of issuance.

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 Four Fiscal Years  
 (expressed in thousands)

	2021	2020	2019	2018
Actuarially required contributions	\$ 405	\$ 390	\$ 408	\$ 236
Contributions in relation to the actuarially required contributions	\$ 405	\$ 390	\$ 408	\$ 236
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 11,274	\$ 11,632	\$ 12,082	\$ 12,208
Contributions as a percentage of covered employee payroll	3.59%	3.35%	3.38%	1.93%

**Schedule of Total Other Postemployment Benefit Liability**  
**Wildlife Commission Retirement Plan**  
 Last Four Fiscal Years  
 (expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 206	\$ 213	\$ 211	\$ 121
Interest	227	230	273	177
Changes of benefit terms	-	-	-	2,992
Difference between expected and actual experience	28	117	(63)	(28)
Changes of assumption or other inputs	458	119	695	180
Benefit payments	(405)	(390)	(408)	(238)
Net change in total OPEB liability	\$ 514	\$ 289	\$ 708	\$ 3,204
Total OPEB Liability-beginning	8,733	8,444	7,736	4,532
Total OPEB Liability-ending	\$ 9,247	\$ 8,733	\$ 8,444	\$ 7,736
Covered employee payroll	\$ 11,274	\$ 11,632	\$ 12,082	\$ 12,208
Total OPEB Liability as a percentage of covered employee payroll	82.02%	75.08%	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.

## Component Units

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially required contributions	<u>\$ 385</u>	<u>\$ 358</u>	<u>\$ 344</u>	<u>\$ 380</u>	<u>\$ 398</u>
Contributions in relation to the actuarially required contributions	<u>\$ 1,309</u>	<u>\$ 1,279</u>	<u>\$ 1,285</u>	<u>\$ 1,285</u>	<u>\$ 849</u>
Contribution deficiency (excess)	<u>\$ (924)</u>	<u>\$ (921)</u>	<u>\$ (941)</u>	<u>\$ (905)</u>	<u>\$ (451)</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

**Schedule of Net Other Postemployment Benefit Liability**  
**Oklahoma Law Enforcement Retirement System**  
Last Four Fiscal Years  
(expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 338	\$ 340	\$ 343	\$ 357
Interest	926	939	933	958
Difference between expected and actual experience	(525)	(597)	(335)	(501)
Changes of assumption or other inputs	-	-	-	(304)
Benefit payments	(849)	(856)	(855)	(849)
Net change in total OPEB liability	\$ (110)	\$ (174)	\$ 86	\$ (339)
Total OPEB Liability-beginning	12,768	12,942	12,856	13,195
Total OPEB Liability-ending	<u>\$ 12,658</u>	<u>\$ 12,768</u>	<u>\$ 12,942</u>	<u>\$ 12,856</u>
Plan fiduciary net position (OPEB)				
Contributions - state agencies	\$ 1,279	\$ 1,285	\$ 1,285	\$ 849
Net investment (loss) income	11	17	-	-
Health insurance premiums paid	(850)	(855)	(855)	(849)
Administrative expense	(1)	-	-	-
Net change in fiduciary net position	\$ 439	\$ 447	\$ 430	\$ -
Fiduciary net position OPEB-beginning	877	430	-	-
Fiduciary net position OPEB-ending	<u>\$ 1,316</u>	<u>\$ 877</u>	<u>\$ 430</u>	<u>\$ -</u>
Net OPEB Liability	\$ 11,342	\$ 11,891	\$ 12,512	\$ 12,856
Fiduciary net position as a percentage of the total OPEB liability	10.40%	6.87%	3.32%	0.00%
Covered payroll	N/A	N/A	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A	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.

**Schedule of Contributions**  
**Uniform Retirement System for Justices and Judges**  
 Last Five Fiscal Years  
 (expressed in thousands)

	2021	2020	2019	2018	2017
Actuarially required contributions	\$ 28	\$ 7	\$ 3	\$ 15	\$ 35
Contributions in relation to the actuarially required contributions	\$ 232	\$ 203	\$ 187	\$ 180	\$ 178
Contribution deficiency (excess)	<u>\$ (204)</u>	<u>\$ (196)</u>	<u>\$ (184)</u>	<u>\$ (165)</u>	<u>\$ (143)</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

**Schedule of Net Other Postemployment Benefit Liability**  
**Uniform Retirement System for Justices and Judges**  
Last Four Fiscal Years  
(expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 107	\$ 115	\$ 113	\$ 122
Interest	190	184	183	174
Difference between expected and actual experience	(138)	(12)	(88)	(13)
Changes of assumption or other inputs	107	-	-	107
Benefit payments	(209)	(197)	(183)	(179)
Net change in total OPEB liability	\$ 57	\$ 90	\$ 25	\$ 211
Total OPEB Liability-beginning	2,814	2,724	2,699	2,488
Total OPEB Liability-ending	<u>\$ 2,871</u>	<u>\$ 2,814</u>	<u>\$ 2,724</u>	<u>\$ 2,699</u>
Plan fiduciary net position (OPEB)				
Contributions - state agencies	\$ 203	\$ 187	\$ 180	\$ 178
Net investment (loss) income	144	190	251	330
Health insurance premiums paid	(209)	(197)	(182)	(179)
Administrative expense	(2)	(1)	(1)	(1)
Net change in fiduciary net position	\$ 136	\$ 179	\$ 248	\$ 328
Fiduciary net position OPEB-beginning	3,318	3,139	2,891	2,563
Fiduciary net position OPEB-ending	<u>\$ 3,454</u>	<u>\$ 3,318</u>	<u>\$ 3,139</u>	<u>\$ 2,891</u>
Net OPEB Liability	\$ (583)	\$ (504)	\$ (415)	\$ (192)
Fiduciary net position as a percentage of the total OPEB liability	120.31%	117.91%	115.23%	107.11%
Covered payroll	N/A	N/A	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A	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 Five Fiscal Years  
(expressed in thousands)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially required contributions	\$ 5,249	\$ 2,844	\$ 3,332	\$ 4,517	\$ 4,780
Contributions in relation to the actuarially required contributions	\$ 13,802	\$ 14,971	\$ 14,588	\$ 14,895	\$ 14,784
Contribution deficiency (excess)	<u>\$ (8,553)</u>	<u>\$ (12,127)</u>	<u>\$ (11,256)</u>	<u>\$ (10,378)</u>	<u>\$ (10,004)</u>
State portion of liability	78.08%	77.83%	77.83%	78.07%	78.52%
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

**Schedule of Net Other Postemployment Benefit Liability**  
**Oklahoma Public Employees Retirement System**  
Last Four Fiscal Years  
(expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 5,908	\$ 6,156	\$ 6,532	\$ 6,713
Interest	17,060	17,380	17,362	17,717
Difference between expected and actual experience	(14,744)	(14,617)	(8,274)	(13,158)
Changes of assumption or other inputs	11,629	31	-	8,695
Benefit payments	(14,187)	(14,441)	(14,708)	(14,918)
Net change in total OPEB liability	\$ 5,666	\$ (5,491)	\$ 912	\$ 5,049
Change in prior year allocation			(1,480)	-
Total OPEB Liability-beginning	250,683	256,174	255,262	251,693
Total OPEB Liability-ending	<u>\$ 256,349</u>	<u>\$ 250,683</u>	<u>\$ 256,174</u>	<u>\$ 256,742</u>
Plan fiduciary net position (OPEB)				
Contributions - state agencies	\$ 15,020	\$ 14,588	\$ 14,895	\$ 14,784
Net investment (loss) income	11,330	14,664	19,909	28,068
Health insurance premiums paid	(14,188)	(14,442)	(14,708)	(14,918)
Administrative expense	(143)	(149)	(139)	(144)
Net change in fiduciary net position	\$ 12,019	\$ 14,661	\$ 19,957	\$ 27,790
Fiduciary net position OPEB-beginning	280,938	266,277	247,748	219,958
Change in prior year allocation			(1,428)	
Change in prior year allocation	\$ 280,938	\$ 266,277	\$ 246,320	\$ 219,958
Fiduciary net position OPEB-ending	<u>\$ 292,957</u>	<u>\$ 280,938</u>	<u>\$ 266,277</u>	<u>\$ 247,748</u>
Net OPEB Liability	\$ (36,608)	\$ (30,255)	\$ (10,103)	\$ 8,994
State portion of liability	78.08%	77.83%	78.07%	78.52%
Fiduciary net position as a percentage of the total OPEB liability	114.27%	112.07%	103.94%	96.50%
Covered payroll	N/A	N/A	N/A	N/A
Net OPEB Liability (Asset) as a percentage of covered payroll	N/A	N/A	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 Five Fiscal Years  
 (expressed in thousands)

	2021	2020	2019	2018	2017
Actuarially required contributions	\$ 1,424	\$ 214	\$ 226	\$ 771	\$ 1,698
Contributions in relation to the actuarially required contributions	\$ 1,424	\$ 214	\$ 226	\$ 771	\$ 1,698
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
State portion of liability	23.40%	23.40%	25.75%	26.46%	26.07%
Covered employee payroll	\$ 1,128,413	\$ 1,108,985	\$ 1,151,751	\$ 1,098,170	\$ 1,061,401
Contributions as a percentage of covered employee payroll	0.13%	0.02%	0.02%	0.07%	0.16%

**Schedule of Net Other Postemployment Benefit Liability**  
**Teachers' Retirement System**  
Last Four Fiscal Years  
(expressed in thousands)

	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 1,455	\$ 1,586	\$ 1,701	\$ 1,733
Interest	6,942	7,814	8,208	8,274
Difference between expected and actual experience	(1,260)	(2,560)	(2,597)	(3,699)
Changes of assumption or other inputs	7,431	466	-	-
Benefit payments	(8,347)	(9,192)	(9,782)	(7,903)
Net change in total OPEB liability	<u>\$ 6,221</u>	<u>\$ (1,886)</u>	<u>\$ (2,470)</u>	<u>\$ (1,595)</u>
Total OPEB Liability-beginning	\$ 109,115	\$ 111,001	\$ 111,796	\$ 113,391
Change in prior year allocation	-	-	1,675	-
Total OPEB Liability-ending	<u><u>\$ 115,336</u></u>	<u><u>\$ 109,115</u></u>	<u><u>\$ 111,001</u></u>	<u><u>\$ 111,796</u></u>
Plan fiduciary net position (OPEB)				
Contributions - state agencies	\$ 214	\$ 226	\$ 771	\$ 1,698
Net investment (loss) income	754	5,895	11,846	16,244
Health insurance premiums paid	(8,347)	(9,192)	(9,782)	(7,903)
Administrative expense	-	(1)	(3)	(7)
Net change in fiduciary net position	<u>\$ (7,379)</u>	<u>\$ (3,072)</u>	<u>\$ 2,832</u>	<u>\$ 10,032</u>
Fiduciary net position OPEB-beginning	125,033	128,105	123,423	113,391
Change in prior year allocation	-	-	1,850	-
Fiduciary net position OPEB-ending	<u><u>\$ 117,654</u></u>	<u><u>\$ 125,033</u></u>	<u><u>\$ 128,105</u></u>	<u><u>\$ 123,423</u></u>
Net OPEB Liability	\$ (2,318)	\$ (15,918)	\$ (17,104)	\$ (11,627)
State portion of liability	23.40%	25.75%	26.46%	26.07%
Fiduciary net position as a percentage of the total OPEB liability	102.30%	114.59%	115.41%	110.40%
Covered payroll	\$ 1,108,985	\$ 1,151,751	\$ 1,098,170	\$ 1,061,401
Net OPEB Liability (Asset) as a percentage of covered payroll	(0.21%)	(1.38%)	(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.



Above: The WINIKO Life of an Object exhibition features objects from the Smithsonian's National Museum of the American Indian. In addition, FAM included commissioned pieces that show how many of the objects are still used today. The drum and shakers in the photo, part of the exhibition, are taken from the case and used for special events.



Left: Modern accomplishments of Native Americans are highlighted on large display boards on the first floor of the FAM Gallery.





## 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

<https://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

<https://www.ok.gov/fprs>

The system provides retirement benefits for municipal firefighters in the State of Oklahoma.

#### OKLAHOMA LAW ENFORCEMENT RETIREMENT SYSTEM

421 NW 13<sup>th</sup> St., Suite 100, Oklahoma City, Oklahoma 73103

<https://www.olders.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

<https://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

<https://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. 63<sup>rd</sup> Street, Suite 305, Oklahoma City, Oklahoma 73116

[www.ok.gov/opprs](http://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

<https://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.

### CUSTODIAL FUNDS

Custodial 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 held for distribution to county and city governments.

**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, Department of Human Services (DHS), the Department of Corrections, 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)  
June 30, 2021  
(expressed in thousands)

	Primary	Fiduciary Component Units						Total
	Government	Oklahoma	Oklahoma	Oklahoma	Uniform	Oklahoma	Teachers'	
	Wildlife	Firefighters	Law	Public	Retirement	Police	Retirement	
	Conservation	Pension and	Enforcement	Employees	System for	Pension and	System of	
	Retirement	Retirement	Retirement	Retirement	Justices and	Retirement	System of	
	Plan	System	System	System	Judges	System	Oklahoma	
<b>Assets</b>								
Cash/Cash Equivalents	\$ 2,277	\$ 51,650	\$ 16,202	\$ 523,295	\$ 17,748	\$ 62,832	\$ 535,118	\$ 1,209,122
Investments, at fair value								
Equity Securities	105,128	2,345,231	708,566	3,741,339	302,352	1,458,294	13,909,224	22,570,134
Governmental Securities	10,849	89,422	97,937	2,765,670	99,023	42,183	1,731,775	4,836,859
Debt Securities	12,343	607,707	202,688	1,071,136	33,635	495,256	2,617,722	5,040,487
Mutual Funds	-	-	-	4,942,535	-	-	-	4,942,535
Other Investments	11,144	647,147	245,278	9,837	-	1,226,219	3,257,534	5,397,159
Securities Lending Investments	-	93,242	68,922	602,793	15,897	89,014	1,349,706	2,219,574
Interest and Investment								
Revenue Receivable	-	3,497	636	19,715	407	1,712	63,963	89,930
Contributions Receivable:								
Employer	-	1,157	-	5,644	-	2,282	42,294	51,377
Employee	-	738	543	1,726	-	1,415	25,456	29,878
Other Receivables	-	138	-	-	-	-	-	138
Due from Broker	-	-	-	524,692	18,582	400	33,399	577,073
Due from Component Units	-	-	-	732	-	-	-	732
Due from Other Funds	-	15,171	4,009	11,883	-	5,900	46,380	83,343
Capital Assets, Net	-	831	726	-	-	-	3,944	5,501
Other Assets	-	-	237	848	-	-	-	1,085
<b>Total Assets</b>	<b>\$ 141,741</b>	<b>\$ 3,855,931</b>	<b>\$ 1,345,744</b>	<b>\$ 14,221,845</b>	<b>\$ 487,644</b>	<b>\$ 3,385,507</b>	<b>\$ 23,616,515</b>	<b>\$ 47,054,927</b>
<b>Liabilities</b>								
Accounts Payable and Accrued	\$ -	\$ 241,722	\$ 775	\$ -	\$ -	\$ 716	\$ -	\$ 243,213
Liabilities								
Securities Lending Payable	-	93,242	68,922	602,793	15,897	89,014	1,349,706	2,219,574
Due to Broker	-	-	26,270	1,093,151	38,296	391	99,998	1,258,106
Due to Component Units	-	-	-	1	-	-	-	1
Due to Other Funds	-	3	1	17	-	3	24	48
Benefits in the Process of Payment	-	-	2,378	-	-	5,306	104,498	112,182
Other Liabilities	-	154	49	-	-	118	10,220	10,541
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 335,121</b>	<b>\$ 98,395</b>	<b>\$ 1,695,962</b>	<b>\$ 54,193</b>	<b>\$ 95,548</b>	<b>\$ 1,564,446</b>	<b>\$ 3,843,665</b>
<b>Net Position Restricted for Employees' Pension Benefits</b>	<b>\$ 141,741</b>	<b>\$ 3,520,810</b>	<b>\$ 1,247,349</b>	<b>\$ 12,525,883</b>	<b>\$ 433,451</b>	<b>\$ 3,289,959</b>	<b>\$ 22,052,069</b>	<b>\$ 43,211,262</b>

State of Oklahoma  
Combining Statement of Changes in Fiduciary Net Position  
Pension Trust Funds  
(Including Similar Component Units)  
For the fiscal year ending June 30, 2021  
(expressed in thousands)

	Primary	Fiduciary Component Units						Total
	Government	Oklahoma	Oklahoma	Oklahoma	Uniform	Oklahoma	Teachers'	
	Wildlife	Firefighters	Law	Public	Retirement	Police	Teachers'	
	Conservation	Pension and	Enforcement	Employees	System for	Pension and	Retirement	
	Retirement	Retirement	Retirement	Retirement	Justices and	Retirement	System of	
	Plan	System	System	System	Judges	System	Oklahoma	
<b>Additions</b>								
Contributions								
Employer Contributions	\$ 4,313	\$ 45,301	\$ 11,186	\$ 293,019	\$ 7,850	\$ 44,405	\$ 464,337	\$ 870,411
Employee Contributions	564	28,635	6,647	66,204	2,863	27,946	343,474	476,333
Other Contributions	-	72,924	20,767	-	-	28,368	311,290	433,349
<b>Total Contributions</b>	<b>\$ 4,877</b>	<b>\$ 146,860</b>	<b>\$ 38,600</b>	<b>\$ 359,223</b>	<b>\$ 10,713</b>	<b>\$ 100,719</b>	<b>\$ 1,119,101</b>	<b>\$ 1,780,093</b>
Investment Income								
Net Appreciation in Fair Value of Investments	\$ 24,589	\$ 911,666	\$ 268,950	\$ 2,655,094	\$ 93,319	\$ 766,078	\$ 5,254,310	\$ 9,974,006
Interest and Investment Revenue	2,421	23,252	14,691	127,936	2,174	21,927	366,110	558,511
	\$ 27,010	\$ 934,918	\$ 283,641	\$ 2,783,030	\$ 95,493	\$ 788,005	\$ 5,620,420	\$ 10,532,517
Less Investment Expenses	246	20,773	5,743	18,680	189	17,869	59,022	122,522
Net Investment Income	\$ 26,764	\$ 914,145	\$ 277,898	\$ 2,764,350	\$ 95,304	\$ 770,136	\$ 5,561,398	\$ 10,409,995
<b>Total Additions</b>	<b>\$ 31,641</b>	<b>\$ 1,061,005</b>	<b>\$ 316,498</b>	<b>\$ 3,123,573</b>	<b>\$ 106,017</b>	<b>\$ 870,855</b>	<b>\$ 6,680,499</b>	<b>\$ 12,190,088</b>
<b>Deductions</b>								
Administrative and General Expenses	\$ 26	\$ 2,194	\$ 1,433	\$ 5,475	\$ 175	\$ 2,070	\$ 5,476	\$ 16,849
Benefit Payments and Refunds	8,346	409,142	72,694	690,014	23,353	200,137	1,552,569	2,956,255
<b>Total Deductions</b>	<b>\$ 8,372</b>	<b>\$ 411,336</b>	<b>\$ 74,127</b>	<b>\$ 695,489</b>	<b>\$ 23,528</b>	<b>\$ 202,207</b>	<b>\$ 1,558,045</b>	<b>\$ 2,973,104</b>
Net Increase	\$ 23,269	\$ 649,669	\$ 242,371	\$ 2,428,084	\$ 82,489	\$ 668,648	\$ 5,122,454	\$ 9,216,984
<b>Net Position Restricted for Employees' Pension Benefits</b>								
<b>Beginning of Year</b>	<u>118,472</u>	<u>2,871,141</u>	<u>1,004,978</u>	<u>10,097,799</u>	<u>350,962</u>	<u>2,621,311</u>	<u>16,929,615</u>	<u>33,994,278</u>
<b>End of Year</b>	<u>\$ 141,741</u>	<u>\$ 3,520,810</u>	<u>\$ 1,247,349</u>	<u>\$ 12,525,883</u>	<u>\$ 433,451</u>	<u>\$ 3,289,959</u>	<u>\$ 22,052,069</u>	<u>\$ 43,211,262</u>

State of Oklahoma  
Combining Statement of Assets and Liabilities  
Custodial Funds  
June 30, 2021  
(expressed in thousands)

	Taxes Held for Outside Entity	Assets Held in Escrow	Assets Held for Beneficiaries	Other	Total
<b>Assets</b>					
Assets					
Cash/Cash Equivalents	\$ 169,275	\$ 107,247	\$ 29,610	\$ 46,112	\$ 352,244
Accounts Receivable	4,170	-	-	-	4,170
Taxes Receivable	179,105	-	-	-	179,105
Inventory	-	-	-	11,120	11,120
Total Assets	<u>\$ 352,550</u>	<u>\$ 107,247</u>	<u>\$ 29,610</u>	<u>\$ 57,232</u>	<u>\$ 546,639</u>
<b>Liabilities</b>					
Accounts Payable	\$ -	\$ -	\$ 806	\$ -	\$ 806
Tax Refunds Payable	1,603	-	-	-	1,603
Deferred Revenue	10,785	-	-	-	10,785
Due to Others	340,162	107,247	28,804	57,232	533,445
Total Liabilities	<u>\$ 352,550</u>	<u>\$ 107,247</u>	<u>\$ 29,610</u>	<u>\$ 57,232</u>	<u>\$ 546,639</u>



State of Oklahoma  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds

For the fiscal year ending June 30, 2021  
(expressed in thousands)

	Taxes Held for Outside Entity	Assets Held in Escrow	Assets Held for Beneficiaries	Other	Total
<b>Additions</b>					
Investment Income					
Interest and Investment Revenue	\$ 1,897	\$ 67,275	\$ 604	\$ 29	\$ 69,805
Less Investment Expenses	-	67,361	-	-	67,361
Net Investment Earnings	<u>\$ 1,897</u>	<u>\$ (86)</u>	<u>\$ 604</u>	<u>\$ 29</u>	<u>\$ 2,444</u>
Taxes Collected for Other Governments					
	\$ 2,307,310	\$ -	\$ -	\$ -	\$ 2,307,310
Collections for Beneficiaries	-	-	452,156	-	452,156
Federal Grants	38	-	-	-	38
Other Collections	16,785	86	(645)	13,883	30,109
Total Additions	<u>\$ 2,324,133</u>	<u>\$ 86</u>	<u>\$ 451,511</u>	<u>\$ 13,883</u>	<u>\$ 2,789,613</u>
<b>Deductions</b>					
Benefit Payments and Refunds	\$ -	\$ -	\$ 452,115	\$ -	\$ 452,115
Taxes Disbursed to Other Governments	2,326,030	-	-	-	2,326,030
Other Expenditures	-	-	-	13,912	13,912
Total Deductions	<u>\$ 2,326,030</u>	<u>\$ -</u>	<u>\$ 452,115</u>	<u>\$ 13,912</u>	<u>\$ 2,792,057</u>

## 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  
<https://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 13<sup>th</sup> 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 <https://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. 17<sup>th</sup> Street, Tulsa, OK 74107  
<https://medicine.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, 2021  
(expressed in thousands)

	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 Univ. Medical Authority	Nonmajor Component Units Total
<b>Assets</b>								
<b>Current Assets</b>								
Cash/Cash Equivalents - Unrestricted	\$ 7,365	\$ 35,175	\$ 2,455	\$ 103,199	\$ 11,056	\$ 1,535	\$ 62,998	\$ 223,783
Investments	42,176	-	-	20,291	-	8,822	-	71,289
Accounts Receivable	768	-	-	17,184	296	-	11,897	30,145
Interest and Investment Revenue Receivable	-	77	7	49	-	-	-	133
Notes Receivable	-	239	-	-	29	-	-	268
Other Receivables	45	6	-	-	-	-	2,411	2,462
Due from Other Component Units	-	-	-	-	255	-	-	255
Due from Primary Government	-	-	10,295	83,726	23	-	-	94,044
Prepaid Items	127	-	-	-	-	-	2,393	2,520
Other Current Assets	-	-	-	-	-	-	4,773	4,773
<b>Total Current Assets</b>	<b>\$ 50,481</b>	<b>\$ 35,497</b>	<b>\$ 12,757</b>	<b>\$ 224,449</b>	<b>\$ 11,659</b>	<b>\$ 10,357</b>	<b>\$ 84,472</b>	<b>\$ 429,672</b>
<b>Noncurrent Assets</b>								
Cash/Cash Equivalents - Restricted	\$ -	\$ -	\$ -	\$ 188	\$ -	\$ -	\$ -	\$ 188
Investments - Restricted	-	-	-	-	15	-	-	15
Long-Term Investments - Unrestricted	-	5,701	-	-	-	-	-	5,701
Long Term Notes Receivable, Restricted	-	2,690	-	-	-	-	-	2,690
Net Other Postemployment Benefit Asset	53	-	-	-	-	-	-	53
<b>Capital Assets</b>								
Depreciable, Net	6,534	-	4	247,145	1,142	-	52,763	307,588
Land	26	-	-	5,058	286	-	-	5,370
Construction in Progress	-	-	-	-	-	-	10,282	10,282
<b>Other Noncurrent Assets</b>								
Unrestricted	-	-	-	47,306	-	-	315	47,621
Restricted	-	-	-	36	-	-	-	36
<b>Total Noncurrent Assets</b>	<b>\$ 6,613</b>	<b>\$ 8,391</b>	<b>\$ 4</b>	<b>\$ 299,733</b>	<b>\$ 1,443</b>	<b>\$ -</b>	<b>\$ 63,360</b>	<b>\$ 379,544</b>
<b>Total Assets</b>	<b>\$ 57,094</b>	<b>\$ 43,888</b>	<b>\$ 12,761</b>	<b>\$ 524,182</b>	<b>\$ 13,102</b>	<b>\$ 10,357</b>	<b>\$ 147,832</b>	<b>\$ 809,216</b>
<b>Deferred Outflows</b>								
Deferred Outflows from Pensions	761	174	-	712	-	-	-	1,647
Defeasance of Bonds	-	2	-	-	-	-	-	2
<b>Total Deferred Outflows</b>	<b>\$ 761</b>	<b>\$ 176</b>	<b>\$ -</b>	<b>\$ 712</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,649</b>
<b>Liabilities</b>								
<b>Current Liabilities</b>								
Accounts Payable and Accrued Liabilities	\$ 576	\$ 8	\$ 16	\$ 106,112	\$ -	\$ 17	\$ 15,065	\$ 121,794
Unearned Revenue	90	-	-	-	-	-	-	90
Claims and Judgements	-	-	51,951	-	-	-	-	51,951
Interest Payable	-	82	72	-	-	-	59	213
Compensated Absences	99	68	98	237	-	-	-	502
Due to Fiduciary Funds	-	-	-	22	-	-	-	22
Due to Other Component Units	-	-	-	86	-	-	-	86
Due to Primary Government	-	-	11	-	-	-	-	11
Capital Leases	-	-	-	-	-	-	36	36
Notes Payable	-	-	2,706	-	-	-	2,418	5,124
Other Current Liabilities	-	9,718	-	-	126	-	4,581	14,425
<b>Total Current Liabilities</b>	<b>\$ 765</b>	<b>\$ 9,876</b>	<b>\$ 54,854</b>	<b>\$ 106,457</b>	<b>\$ 126</b>	<b>\$ 17</b>	<b>\$ 22,159</b>	<b>\$ 194,254</b>
<b>Noncurrent Liabilities</b>								
Claims and Judgements	\$ -	\$ -	\$ 423,833	\$ -	\$ -	\$ -	\$ -	\$ 423,833
Capital Leases	-	-	-	-	-	-	16	16
Compensated Absences	156	-	-	-	-	-	-	156
Net Pension Liability	1,003	222	-	951	-	-	-	2,176
Notes Payable	-	-	1,414	-	-	-	-	1,414
General Obligation Bonds	-	30,000	-	-	-	-	-	30,000
Revenue Bonds	-	-	-	-	3,000	-	-	3,000
Net Other Postemployment Benefit Liability	165	-	-	-	-	-	-	165
Other Noncurrent Liabilities	-	-	-	-	34	-	-	34
<b>Total Noncurrent Liabilities</b>	<b>\$ 1,324</b>	<b>\$ 30,222</b>	<b>\$ 425,247</b>	<b>\$ 951</b>	<b>\$ 3,034</b>	<b>\$ -</b>	<b>\$ 16</b>	<b>\$ 460,794</b>
<b>Total Liabilities</b>	<b>\$ 2,089</b>	<b>\$ 40,098</b>	<b>\$ 480,101</b>	<b>\$ 107,408</b>	<b>\$ 3,160</b>	<b>\$ 17</b>	<b>\$ 22,175</b>	<b>\$ 655,048</b>
<b>Deferred Inflows of Resources</b>								
Deferred Inflows from Pensions	\$ 87	\$ 1	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ 93
<b>Total Deferred Inflows</b>	<b>\$ 87</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 93</b>
<b>Net Position</b>								
Net Investment in Capital Assets	\$ 6,613	\$ -	\$ -	\$ 252,203	\$ 1,429	\$ -	\$ 58,817	\$ 319,062
<b>Restricted for:</b>								
Other Special Purpose Expendable	3,748	-	-	225	-	-	-	3,973
Unrestricted	45,318	3,965	(467,340)	165,053	8,513	10,340	66,840	(167,311)
<b>Total Net Position</b>	<b>\$ 55,679</b>	<b>\$ 3,965</b>	<b>\$ (467,340)</b>	<b>\$ 417,481</b>	<b>\$ 9,942</b>	<b>\$ 10,340</b>	<b>\$ 125,657</b>	<b>\$ 155,724</b>

State of Oklahoma  
Combining Statement of Activities  
Nonmajor Component Units  
For the Fiscal Year Ended June 30, 2021  
(expressed in thousands)

	Program Revenues				General Revenue		Net Position Beginning of Year	Net Position End of Year
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue	Payments from Primary Government	Change in Net Asset		
Nonmajor Component Units:								
Oklahoma Educational Television Authority	\$ 16,163	\$ 23,970	\$ 854	\$ 8,661	\$ -	\$ 8,661	\$ 47,018	\$ 55,679
Oklahoma Industrial Finance Authority	902	966	-	64	-	64	3,901	3,965
Multiple Injury Trust Fund	30,717	113	-	(30,604)	53,997	23,393	(490,733)	(467,340)
University Hospitals Authority	303,345	246,980	-	(56,365)	66,692	10,327	407,154	417,481
Oklahoma Development Finance Authority	1,022	1,536	-	514	-	514	9,428	9,942
Oklahoma Capital Investment Board	254	2,625	-	2,371	-	2,371	7,969	10,340
OSU Medical Authority	197,288	170,856	45,489	19,057	-	19,057	106,600	125,657
Total Nonmajor Component Units	<u>\$ 549,691</u>	<u>\$ 447,046</u>	<u>\$ 46,343</u>	<u>\$ (56,302)</u>	<u>\$ 120,689</u>	<u>\$ 64,387</u>	<u>\$ 91,337</u>	<u>\$ 155,724</u>



"Earth Mother," by Fort Sill (Chiricahua) Apache sculptor Allan Houser, is on display in the hall that leads to the FAMtheater at the First Americans Museum.





## Using the Statistical Section

The statistical section of the Annual Comprehensive Financial Report (ACFR) 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 ACFR of the relevant year.*

State of Oklahoma  
 Schedule of Net Position by Component  
 Last Ten Fiscal Years  
 (expressed in thousands)

	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 9,276,689	\$ 9,650,570	\$ 9,992,791	\$ 10,425,644	\$ 10,865,784
Restricted	3,957,319	4,182,822	4,698,509	4,930,516	4,140,040
Unrestricted	2,091,507	2,106,533	2,029,441	1,696,768	1,397,498
Total governmental activities net position	<u>\$ 15,325,515</u>	<u>\$ 15,939,925</u>	<u>\$ 16,720,741</u>	<u>\$ 17,052,928</u>	<u>\$ 16,403,322</u>
Business-type activities					
Net investment in capital assets	\$ 126	\$ 1,037	\$ 1,415	\$ 1,914	\$ 2,856
Restricted	1,102,997	1,353,998	1,573,491	1,601,651	1,468,588
Unrestricted	273,981	602,997	636,300	582,633	528,198
Total business-type activities net position	<u>\$ 1,377,104</u>	<u>\$ 1,958,032</u>	<u>\$ 2,211,206</u>	<u>\$ 2,186,198</u>	<u>\$ 1,999,642</u>
Primary government					
Net investment in capital assets	\$ 9,276,815	\$ 9,651,607	\$ 9,994,206	\$ 10,427,558	\$ 10,868,640
Restricted	5,060,316	5,536,820	6,272,000	6,532,167	5,608,628
Unrestricted	2,365,488	2,709,530	2,665,741	2,279,401	1,925,696
Total primary government net position	<u>\$ 16,702,619</u>	<u>\$ 17,897,957</u>	<u>\$ 18,931,947</u>	<u>\$ 19,239,126</u>	<u>\$ 18,402,964</u>

State of Oklahoma  
 Fund Balances - Governmental Funds  
 Last Ten Fiscal Years  
 (Modified accrual basis of accounting)  
 (expressed in thousands)

	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ 73,539	\$ 84,743	\$ 74,278	\$ 76,851	\$ 80,281
Restricted	1,244,592	1,240,573	1,340,771	1,572,465	815,862
Committed	2,755,138	2,788,761	2,632,260	2,634,649	2,445,893
Assigned	-	1,960	1,777	1,045	609
Unassigned	144,365	133,796	133,796	96,297	25,866
Total General Fund	<u>\$ 4,217,634</u>	<u>\$ 4,249,833</u>	<u>\$ 4,182,882</u>	<u>\$ 4,381,307</u>	<u>\$ 3,368,511</u>
All Other Governmental Funds					
Nonspendable	\$ 2,549,833	\$ 2,829,731	\$ 3,226,796	\$ 3,228,359	\$ 3,212,407
Restricted	15,980	12,438	7,417	1,265	5,081
Committed	-	-	53,430	48,967	29,394
Assigned	66,135	60,952	70,096	79,460	77,296
Unassigned	25,724	39,056	-	-	-
Total All Other Governmental Funds	<u>\$ 2,657,672</u>	<u>\$ 2,942,177</u>	<u>\$ 3,357,739</u>	<u>\$ 3,358,051</u>	<u>\$ 3,324,178</u>
Total All Governmental Fund Balances	<u>\$ 6,875,306</u>	<u>\$ 7,192,010</u>	<u>\$ 7,540,621</u>	<u>\$ 7,739,358</u>	<u>\$ 6,692,689</u>



	2017	2018	2019	2020	2021
<b>Governmental activities</b>					
Net investment in capital assets	\$ 11,031,695	\$ 11,318,869	\$ 11,401,782	\$ 11,790,323	\$ 12,117,533
Restricted	4,392,708	4,554,212	5,238,284	4,595,067	5,780,723
Unrestricted	1,484,206	1,853,248	3,368,454	4,206,145	5,094,089
<b>Total governmental activities net position</b>	<b>\$ 16,908,609</b>	<b>\$ 17,726,329</b>	<b>\$ 20,008,520</b>	<b>\$ 20,591,535</b>	<b>\$ 22,992,345</b>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 2,477	\$ 2,085	\$ 1,543	\$ 1,118	\$ 709
Restricted	1,423,476	1,471,069	1,554,235	1,618,334	930,162
Unrestricted	532,518	575,621	613,370	669,724	775,258
<b>Total business-type activities net position</b>	<b>\$ 1,958,471</b>	<b>\$ 2,048,775</b>	<b>\$ 2,169,148</b>	<b>\$ 2,289,176</b>	<b>\$ 1,706,129</b>
<b>Primary government</b>					
Net investment in capital assets	\$ 11,034,172	\$ 11,320,954	\$ 11,403,325	\$ 11,791,441	\$ 12,118,242
Restricted	5,816,184	6,025,281	6,792,519	6,213,401	6,710,885
Unrestricted	2,016,724	2,428,869	3,981,824	4,875,869	5,869,347
<b>Total primary government net position</b>	<b>\$ 18,867,080</b>	<b>\$ 19,775,104</b>	<b>\$ 22,177,668</b>	<b>\$ 22,880,711</b>	<b>\$ 24,698,474</b>

	2017	2018	2019	2020	2021
<b>General Fund</b>					
Nonspendable	\$ 78,555	\$ 77,093	\$ 106,736	\$ 119,268	\$ 88,921
Restricted	790,129	1,145,684	1,331,237	776,452	1,135,999
Committed	2,245,651	2,274,589	3,735,918	4,562,479	5,631,396
Assigned	542	-	-	-	-
Unassigned	23,338	112,912	201,560	14,668	92,662
<b>Total General Fund</b>	<b>\$ 3,138,215</b>	<b>\$ 3,610,278</b>	<b>\$ 5,375,451</b>	<b>\$ 5,472,867</b>	<b>\$ 6,948,978</b>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 3,508,054	\$ 3,625,586	\$ 3,785,281	\$ 3,697,597	\$ 3,977,413
Restricted	-	-	-	-	-
Committed	41,833	65,263	60,210	41,490	577,118
Assigned	52,692	41,789	61,556	79,528	78,460
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 3,602,579</b>	<b>\$ 3,732,638</b>	<b>\$ 3,907,047</b>	<b>\$ 3,818,615</b>	<b>\$ 4,632,991</b>
<b>Total All Governmental Fund Balances</b>	<b>\$ 6,740,794</b>	<b>\$ 7,342,916</b>	<b>\$ 9,282,498</b>	<b>\$ 9,291,482</b>	<b>\$ 11,581,969</b>

State of Oklahoma  
Changes in Net Position by Component  
Last Ten Fiscal Years  
(expressed in thousands)

	2012	2013	2014	2015	2016
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Education-General	\$ 2,413,027	\$ 2,405,694	\$ 3,322,341	\$ 3,424,751	\$ 3,435,184
Education-Payment to Higher Education	1,982,235	2,003,101	1,037,785	1,030,060	942,707
Government Administration	1,763,437	1,866,501	1,830,570	1,114,539	2,114,501
Health Services	5,432,791	5,462,257	5,766,102	5,660,101	5,710,985
Legal and Judiciary	236,979	245,372	261,344	205,622	262,081
Museums	15,455	15,916	17,691	18,189	12,502
Natural Resources	223,444	353,243	264,233	288,333	290,366
Public Safety and Defense	825,787	820,506	863,080	787,751	859,395
Regulatory Services	116,789	129,206	131,756	153,511	193,245
Social Services	2,126,879	2,222,255	2,240,638	2,187,576	2,356,625
Transportation	845,784	941,132	1,043,522	1,086,603	1,109,349
Interest on Long-Term Debt	95,097	112,030	71,270	58,330	78,130
Governmental Activities	<u>\$ 16,077,704</u>	<u>\$ 16,577,213</u>	<u>\$ 16,850,332</u>	<u>\$ 16,015,366</u>	<u>\$ 17,365,070</u>
<b>Business-Type Activities:</b>					
Employment Security Commission	\$ 537,575	\$ 386,399	\$ 289,959	\$ 281,058	\$ 395,192
Water Resources Board	39,979	39,398	35,286	32,641	34,673
Office of Management and Enterprise Services	-	843,065	925,327	1,023,920	1,051,966
Lottery Commission	127,729	128,642	123,180	112,624	121,139
Business-Type Activities	<u>\$ 705,283</u>	<u>\$ 1,397,504</u>	<u>\$ 1,373,752</u>	<u>\$ 1,450,243</u>	<u>\$ 1,602,970</u>
Total Primary Government Expenses	<u>\$ 16,782,987</u>	<u>\$ 17,974,717</u>	<u>\$ 18,224,084</u>	<u>\$ 17,465,609</u>	<u>\$ 18,968,040</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
Government Administration	\$ 263,050	\$ 469,439	\$ 189,753	\$ 558,328	\$ 330,500
Health Services	476,950	472,502	557,041	544,828	625,906
Social Services	62,997	26,317	61,925	11,962	36,311
All Others	564,370	697,964	627,565	628,232	659,458
Total Charges for Services	<u>\$ 1,367,367</u>	<u>\$ 1,666,222</u>	<u>\$ 1,436,284</u>	<u>\$ 1,743,350</u>	<u>\$ 1,652,175</u>
Operating Grants and Contributions	7,181,699	6,939,234	7,326,805	6,744,975	6,785,553
Total Governmental Activities	<u>\$ 8,549,066</u>	<u>\$ 8,605,456</u>	<u>\$ 8,763,089</u>	<u>\$ 8,488,325</u>	<u>\$ 8,437,728</u>
<b>Business-Type Activities:</b>					
Charges for Services:					
Employment Security Commission	\$ 634,373	\$ 535,290	\$ 475,453	\$ 305,538	\$ 254,001
	59,461	54,877	55,315	53,329	61,237
Office of Management and Enterprise Services	-	860,767	941,890	964,432	984,734
Lottery Commission	199,973	200,324	191,564	171,989	190,074
Total Charges for Services	<u>\$ 893,807</u>	<u>\$ 1,651,258</u>	<u>\$ 1,664,222</u>	<u>\$ 1,495,288</u>	<u>\$ 1,490,046</u>
Operating Grants and Contributions	260,936	138,918	37,901	10,935	8,302
Total Business-Type Activities	<u>\$ 1,154,743</u>	<u>\$ 1,790,176</u>	<u>\$ 1,702,123</u>	<u>\$ 1,506,223</u>	<u>\$ 1,498,348</u>
Total Primary Government Revenue	<u>\$ 9,703,247</u>	<u>\$ 10,396,260</u>	<u>\$ 10,465,028</u>	<u>\$ 9,997,863</u>	<u>\$ 9,936,752</u>
Net (Expense) Revenue:					
Governmental Activities	\$ (7,528,638)	\$ (7,971,757)	\$ (8,087,243)	\$ (7,527,041)	\$ (8,927,342)
Business-Type Activities	449,460	392,672	328,371	55,980	(104,622)
Total Primary Government	<u>\$ (7,079,178)</u>	<u>\$ (7,579,085)</u>	<u>\$ (7,758,872)</u>	<u>\$ (7,471,061)</u>	<u>\$ (9,031,964)</u>
<b>General Revenues</b>					
<b>Governmental Activities:</b>					
Taxes	\$ 8,371,138	\$ 8,342,838	\$ 8,691,182	\$ 8,612,118	\$ 8,232,688
Investment Earnings	80,488	68,601	59,298	60,007	60,792
Contributions to Permanent Funds	64,861	87,515	60,516	59,287	58,810
Special Item	7,384	615	-	(451)	-
Transfers	65,880	77,745	81,020	76,211	78,979
Total Governmental Activities	<u>\$ 8,589,751</u>	<u>\$ 8,577,314</u>	<u>\$ 8,892,016</u>	<u>\$ 8,807,172</u>	<u>\$ 8,431,269</u>
<b>Business-Type Activities:</b>					
Transfers	<u>\$ (65,880)</u>	<u>\$ (77,745)</u>	<u>\$ (81,020)</u>	<u>\$ (76,211)</u>	<u>\$ (78,979)</u>
Total Business-Type Activities	<u>\$ (65,880)</u>	<u>\$ (77,745)</u>	<u>\$ (81,020)</u>	<u>\$ (76,211)</u>	<u>\$ (78,979)</u>
Total General Revenues and Transfers	<u>\$ 8,523,871</u>	<u>\$ 8,499,569</u>	<u>\$ 8,810,996</u>	<u>\$ 8,730,961</u>	<u>\$ 8,352,290</u>
Change in Net Position (Governmental)	\$ 1,061,113	\$ 605,557	\$ 804,773	\$ 1,280,131	\$ (496,073)
Change in Net Position (Business-Type)	383,580	314,927	247,351	(20,231)	(183,601)
Net Position - Beginning of Year (as restated)	15,257,926	16,977,473	17,879,823	17,979,226	19,082,638
Net Position - End of Year	<u>\$ 16,702,619</u>	<u>\$ 17,897,957</u>	<u>\$ 18,931,947</u>	<u>\$ 19,239,126</u>	<u>\$ 18,402,964</u>

	2017	2018	2019	2020	2021
<b>Expenses</b>					
<b>Governmental Activities:</b>					
Education-General	\$ 3,361,645	\$ 3,507,277	\$ 4,009,839	\$ 4,368,484	\$ 4,469,781
Education-Payment to Higher Education	889,389	761,036	790,651	811,713	788,514
Government Administration	1,870,606	2,111,959	2,193,051	2,256,074	3,346,530
Health Services	5,613,009	5,603,631	5,965,780	6,246,163	6,815,817
Legal and Judiciary	267,320	252,845	254,928	281,942	279,033
Museums	11,316	11,281	12,914	14,492	14,757
Natural Resources	318,494	281,187	457,332	327,926	534,998
Public Safety and Defense	895,929	885,841	885,374	963,910	993,098
Regulatory Services	97,804	115,590	152,337	153,295	290,286
Social Services	2,199,151	2,137,520	2,180,094	2,451,123	3,275,560
Transportation	1,128,688	1,148,291	1,096,785	1,209,426	1,231,624
Interest on Long-Term Debt	76,321	56,493	58,197	61,262	60,531
Governmental Activities	<u>\$ 16,729,672</u>	<u>\$ 16,872,951</u>	<u>\$ 18,057,282</u>	<u>\$ 19,145,810</u>	<u>\$ 22,100,529</u>
<b>Business-Type Activities:</b>					
Employment Security Commission	\$ 320,111	\$ 250,465	\$ 225,242	\$ 2,323,744	\$ 4,048,298
Water Resources Board	34,932	37,489	41,106	46,636	40,730
Office of Management and Enterprise Services	1,031,753	1,051,302	1,089,343	1,073,135	1,043,144
Lottery Commission	97,619	161,388	174,641	204,300	268,492
Business-Type Activities	<u>\$ 1,484,415</u>	<u>\$ 1,500,644</u>	<u>\$ 1,530,332</u>	<u>\$ 3,647,815</u>	<u>\$ 5,400,664</u>
Total Primary Government Expenses	<u>\$ 18,214,087</u>	<u>\$ 18,373,595</u>	<u>\$ 19,587,614</u>	<u>\$ 22,793,625</u>	<u>\$ 27,501,193</u>
<b>Program Revenues</b>					
<b>Governmental Activities:</b>					
Charges for Services:					
Government Administration	\$ 447,826	\$ 350,687	\$ 442,407	\$ 328,246	\$ 441,143
Health Services	633,940	579,414	666,742	604,394	606,022
Social Services	9,984	72,277	35,236	62,066	27,614
All Others	698,598	766,977	951,162	850,446	889,256
Total Charges for Services	<u>\$ 1,790,348</u>	<u>\$ 1,769,355</u>	<u>\$ 2,095,547</u>	<u>\$ 1,845,152</u>	<u>\$ 1,964,035</u>
Operating Grants and Contributions	7,131,617	6,681,680	7,152,628	7,806,615	11,545,489
Total Governmental Activities	<u>\$ 8,921,965</u>	<u>\$ 8,451,035</u>	<u>\$ 9,248,175</u>	<u>\$ 9,651,767</u>	<u>\$ 13,509,524</u>
<b>Business-Type Activities:</b>					
Charges for Services:					
Employment Security Commission	\$ 278,815	\$ 285,454	\$ 285,617	\$ 266,405	\$ 497,588
Water Resources Board	42,455	47,802	74,888	67,240	59,746
Office of Management and Enterprise Services	1,026,482	1,083,430	1,099,660	1,128,164	1,133,241
Lottery Commission	151,917	221,643	242,592	268,482	347,500
Total Charges for Services	<u>\$ 1,499,669</u>	<u>\$ 1,638,329</u>	<u>\$ 1,702,757</u>	<u>\$ 1,730,291</u>	<u>\$ 2,038,075</u>
Operating Grants and Contributions	9,031	15,620	16,137	2,102,239	2,857,814
Total Business-Type Activities	<u>\$ 1,508,700</u>	<u>\$ 1,653,949</u>	<u>\$ 1,718,894</u>	<u>\$ 3,832,530</u>	<u>\$ 4,895,889</u>
Total Primary Government Revenue	<u>\$ 10,430,665</u>	<u>\$ 10,104,984</u>	<u>\$ 10,967,069</u>	<u>\$ 13,484,297</u>	<u>\$ 18,405,413</u>
Net (Expense) Revenue:					
Governmental Activities	\$ (7,807,707)	\$ (8,421,916)	\$ (8,809,107)	\$ (9,494,043)	\$ (8,591,005)
Business-Type Activities	24,285	153,305	188,562	184,715	(504,775)
<b>Total Primary Government</b>	<u>\$ (7,783,422)</u>	<u>\$ (8,268,611)</u>	<u>\$ (8,620,545)</u>	<u>\$ (9,309,328)</u>	<u>\$ (9,095,780)</u>
<b>General Revenues</b>					
<b>Governmental Activities:</b>					
Taxes	\$ 8,131,948	\$ 9,231,672	\$ 10,550,834	\$ 9,856,879	\$ 10,800,147
Investment Earnings	53,157	58,075	97,978	114,855	53,838
Contributions to Permanent Funds	59,460	54,765	54,269	54,564	61,349
Special Item	-	-	-	-	-
Transfers	65,456	63,001	67,556	64,687	78,272
Total Governmental Activities	<u>\$ 8,310,021</u>	<u>\$ 9,407,513</u>	<u>\$ 10,770,637</u>	<u>\$ 10,090,985</u>	<u>\$ 10,993,606</u>
<b>Business-Type Activities:</b>					
Transfers	\$ (65,456)	\$ (63,001)	\$ (67,556)	\$ (64,687)	\$ (78,272)
Total Business-Type Activities	<u>\$ (65,456)</u>	<u>\$ (63,001)</u>	<u>\$ (67,556)</u>	<u>\$ (64,687)</u>	<u>\$ (78,272)</u>
Total General Revenues and Transfers	<u>\$ 8,244,565</u>	<u>\$ 9,344,512</u>	<u>\$ 10,703,081</u>	<u>\$ 10,026,298</u>	<u>\$ 10,915,334</u>
Change in Net Position (Governmental)	\$ 502,314	\$ 985,597	\$ 1,961,530	\$ 596,942	\$ 2,402,601
Change in Net Position (Business-Type)	(41,171)	90,304	121,006	120,028	(583,047)
<b>Net Position - Beginning of Year (as restated)</b>	<u>18,405,937</u>	<u>18,699,203</u>	<u>20,095,132</u>	<u>22,163,741</u>	<u>22,878,920</u>
<b>Net Position - End of Year</b>	<u>\$ 18,867,080</u>	<u>\$ 19,775,104</u>	<u>\$ 22,177,668</u>	<u>\$ 22,880,711</u>	<u>\$ 24,698,474</u>

# State of Oklahoma

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(Modified accrual basis of accounting)

(expressed in thousands)

	2012	2013	2014	2015	2016
<b>Revenues</b>					
Taxes:					
Income Taxes-Individual	\$ 2,722,648	\$ 2,854,034	\$ 2,893,520	\$ 2,965,231	\$ 2,944,246
Income Taxes-Corporate	443,358	583,829	396,087	373,518	333,838
Sales Tax	2,400,752	2,523,139	2,599,078	2,553,978	2,481,242
Gross Production Taxes	837,302	512,875	666,825	543,656	326,608
Motor Vehicle Taxes	692,046	678,075	788,668	772,697	761,052
Fuel Taxes	410,949	403,641	420,105	424,048	432,607
Tobacco Taxes	278,797	270,682	248,623	252,978	257,813
Insurance Taxes	124,653	145,420	167,489	183,722	181,133
Beverage Taxes	100,547	105,145	109,390	112,718	116,246
Other Taxes	360,086	265,997	401,397	429,572	397,902
Licenses, Permits and Fees	598,030	626,597	672,008	695,364	682,750
Interest and Investment Revenue	336,295	509,424	692,697	318,679	254,610
Federal Grants	6,934,571	6,647,031	6,746,151	6,652,689	6,667,592
Sales and Services	190,779	174,523	200,086	180,315	212,169
Other	614,350	865,023	508,809	810,615	729,640
<b>Total Revenues</b>	<b>\$ 17,045,163</b>	<b>\$ 17,165,435</b>	<b>\$ 17,510,933</b>	<b>\$ 17,269,780</b>	<b>\$ 16,779,448</b>
<b>Expenditures</b>					
Education	\$ 4,395,104	\$ 4,406,724	\$ 4,359,511	\$ 4,459,227	\$ 4,373,024
Government Administration	1,741,287	1,857,921	2,204,090	1,522,733	1,699,571
Health Services	5,436,158	5,447,207	5,745,842	5,636,440	5,704,161
Legal and Judiciary	231,292	239,421	250,376	248,668	251,114
Museums	14,281	14,915	14,532	9,698	9,074
Natural Resources	211,946	337,867	246,556	273,081	281,530
Public Safety and Defense	764,714	768,059	798,173	786,197	826,716
Regulatory Services	111,911	122,354	128,460	150,864	191,627
Social Services	2,091,972	2,196,864	2,214,898	2,177,124	2,347,661
Transportation	208,009	212,248	225,768	203,021	237,427
Capital Outlay	1,302,447	1,104,103	894,684	1,451,605	1,764,073
Debt Service					
Principal Retirement	98,831	221,187	361,488	408,643	191,272
Interest and fiscal Charges	95,097	112,030	71,269	60,833	76,228
<b>Total Expenditures</b>	<b>\$ 16,703,049</b>	<b>\$ 17,040,900</b>	<b>\$ 17,515,647</b>	<b>\$ 17,388,134</b>	<b>\$ 17,953,478</b>
Revenues in Excess of (Less Than) Expenditures	\$ 342,114	\$ 124,535	\$ (4,714)	\$ (118,354)	\$ (1,174,030)
<b>Other Financing Sources (Uses)</b>					
Transfers In	73,168	67,955	81,020	83,587	85,002
Transfers Out	(7,287)	-	-	(7,376)	(6,023)
Bonds Issued	68,805	22,795	235,505	189,250	39,535
Notes Issued	-	-	-	-	-
Refunding Bonds Issued	6,140	67,555	-	-	-
Bond Issue Premiums	11,282	8,099	25,679	18,398	5,276
Bond Issue Discounts	(35)	(121)	-	-	-
Capital Leases and Certificates of Participation	5,659	5,256	322	365	-
Sale of Capital Assets	8,139	11,928	10,798	87,267	14,451
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 165,871</b>	<b>\$ 183,467</b>	<b>\$ 353,324</b>	<b>\$ 371,491</b>	<b>\$ 138,241</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 507,985</b>	<b>\$ 308,002</b>	<b>\$ 348,610</b>	<b>\$ 253,137</b>	<b>\$ (1,035,789)</b>
Fund Balances - Beginning of Year (as restated)	6,367,321	6,884,008	7,192,011	7,486,221	7,728,478
Fund Balances - End of Year	<u>\$ 6,875,306</u>	<u>\$ 7,192,010</u>	<u>\$ 7,540,621</u>	<u>\$ 7,739,358</u>	<u>\$ 6,692,689</u>
Debt Service as a Percentage of Noncapital Expenditures	1.3%	2.1%	2.6%	2.9%	1.7%

	2017	2018	2019	2020	2021
<b>Revenues</b>					
Taxes:					
Income Taxes-Individual	\$ 2,948,868	\$ 3,240,777	\$ 3,469,633	\$ 3,369,765	\$ 3,573,364
Income Taxes-Corporate	169,639	251,163	312,862	221,699	456,186
Sales Tax	2,460,238	2,823,427	3,076,488	2,977,345	3,158,947
Gross Production Taxes	412,898	596,196	1,037,656	620,205	864,090
Motor Vehicle Taxes	757,223	868,042	887,074	935,103	889,607
Fuel Taxes	432,780	441,978	539,150	492,155	504,101
Tobacco Taxes	254,935	261,234	360,886	402,268	460,757
Insurance Taxes	164,008	181,614	176,198	172,060	177,539
Beverage Taxes	118,449	122,541	139,737	137,382	150,000
Other Taxes	412,914	444,700	453,214	445,347	549,083
Licenses, Permits and Fees	711,014	780,649	808,705	822,181	855,592
Interest and Investment Revenue	655,229	435,657	496,851	221,631	1,097,293
Federal Grants	6,695,846	6,440,084	6,811,030	7,695,068	10,586,296
Sales and Services	222,086	217,647	236,892	242,319	269,563
Other	759,334	700,142	977,713	756,848	784,900
<b>Total Revenues</b>	<b>\$ 17,175,461</b>	<b>\$ 17,805,851</b>	<b>\$ 19,784,089</b>	<b>\$ 19,511,376</b>	<b>\$ 24,377,318</b>
<b>Expenditures</b>					
Education	\$ 4,247,212	\$ 4,262,822	\$ 4,799,146	\$ 5,173,956	\$ 5,236,883
Government Administration	1,935,755	1,981,752	2,043,121	2,158,980	2,945,409
Health Services	5,614,255	5,595,980	5,954,945	6,190,644	6,788,138
Legal and Judiciary	254,551	255,739	263,275	270,298	273,784
Museums	7,444	7,650	12,553	12,997	13,199
Natural Resources	295,638	252,484	449,324	298,966	498,354
Public Safety and Defense	837,157	838,098	833,423	901,917	908,312
Regulatory Services	95,621	114,355	150,625	147,474	286,465
Social Services	2,192,547	2,145,461	2,179,379	2,454,286	3,281,031
Transportation	203,290	215,428	233,357	247,456	231,180
Capital Outlay	1,575,479	1,506,734	1,400,527	1,620,009	1,814,851
Debt Service					
Principal Retirement	179,384	140,272	157,460	215,446	122,507
Interest and fiscal Charges	72,994	59,145	53,036	61,517	58,380
<b>Total Expenditures</b>	<b>\$ 17,511,327</b>	<b>\$ 17,375,920</b>	<b>\$ 18,530,171</b>	<b>\$ 19,753,946</b>	<b>\$ 22,458,493</b>
Revenues in Excess of (Less Than) Expenditures	\$ (335,866)	\$ 429,931	\$ 1,253,918	\$ (242,570)	\$ 1,918,825
<b>Other Financing Sources (Uses)</b>					
Transfers In	81,634	78,997	90,891	98,455	96,401
Transfers Out	(16,178)	(15,996)	(23,335)	(33,768)	(18,129)
Bonds Issued	265,665	27,215	268,105	167,425	231,930
Notes Issued	-	61,505	-	-	-
Refunding Bonds Issued	-	-	-	-	22,135
Bond Issue Premiums	39,067	10,023	23,381	27,651	33,499
Bond Issue Discounts	-	-	-	-	-
Capital Leases and Certificates of Participation	440	-	-	-	-
Sale of Capital Assets	13,343	10,447	23,870	10,324	5,826
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 383,971</b>	<b>\$ 172,191</b>	<b>\$ 382,912</b>	<b>\$ 270,087</b>	<b>\$ 371,662</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 48,105</b>	<b>\$ 602,122</b>	<b>\$ 1,636,830</b>	<b>\$ 27,517</b>	<b>\$ 2,290,487</b>
Fund Balances - Beginning of Year (as restated)	6,692,689	6,740,794	7,645,668	9,263,965	9,291,482
Fund Balances - End of Year	<b>\$ 6,740,794</b>	<b>\$ 7,342,916</b>	<b>\$ 9,282,498</b>	<b>\$ 9,291,482</b>	<b>\$ 11,581,969</b>
Debt Service as a Percentage of Noncapital Expenditures	1.6%	1.3%	1.2%	1.5%	0.9%

State of Oklahoma  
 Personal Income by Industry  
 Last Ten Years  
 (expressed in millions)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Total Personal Income</b>	\$ 142,862	\$ 154,958	\$ 161,188	\$ 167,292	\$ 178,250	\$ 179,238	\$ 170,791	\$ 182,302	\$ 187,327	\$ 198,552
Farm Earnings	881	1,253	1,128	1,303	2,043	1,390	949	672	1,300	1,437
Nonfarm Earnings	101,345	108,094	113,571	118,038	126,040	126,433	117,485	125,858	127,887	127,915
<b>Private Earnings</b>	<b>79,024</b>	<b>87,058</b>	<b>92,367</b>	<b>96,706</b>	<b>103,580</b>	<b>103,347</b>	<b>94,363</b>	<b>102,252</b>	<b>103,000</b>	<b>102,256</b>
Forestry, Fishing & Agriculture	273	244	268	357	229	255	275	273	258	266
Mining, Oil & Natural Gas Extraction	9,467	14,809	14,736	15,626	13,859	11,878	8,100	10,625	9,587	10,243
Utilities	1,468	1,537	1,573	2,044	1,637	1,648	1,526	1,502	1,742	1,485
Construction	5,390	6,381	7,296	7,509	7,767	7,964	7,348	7,612	7,719	7,728
Manufacturing - Durable	5,907	6,486	6,725	7,108	7,311	6,885	6,749	7,747	7,865	7,383
Manufacturing - Nondurable	3,675	3,500	3,839	3,915	3,147	3,255	3,014	3,969	4,283	3,896
Wholesale Trade	4,026	4,298	4,559	4,839	4,844	4,763	4,875	4,671	4,764	4,673
Retail Trade	6,749	7,080	7,329	7,603	7,253	7,450	7,147	7,107	7,271	7,861
Transportation and Warehousing	5,063	4,316	5,739	5,893	14,222	14,538	11,522	12,333	11,303	9,770
Services	37,006	38,407	40,303	41,812	43,311	44,711	43,807	46,413	48,208	48,951
<b>Government</b>	<b>22,321</b>	<b>21,036</b>	<b>21,204</b>	<b>21,332</b>	<b>22,460</b>	<b>23,086</b>	<b>23,122</b>	<b>23,606</b>	<b>24,887</b>	<b>25,659</b>
Federal, civilian	4,884	4,409	4,277	4,308	4,582	4,786	4,921	5,104	5,240	5,496
Military	3,240	2,438	2,355	2,216	2,171	2,195	2,228	2,320	2,449	2,638
State and Local	14,197	14,189	14,572	14,808	15,707	16,105	15,973	16,182	17,198	17,525
Highest Personal Income Tax Rate	5.50%	5.25%	5.25%	5.25%	5.25%	5.00%	5.00%	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 available at time of printing.

State of Oklahoma  
 Personal Income Tax Filers and Liability by Adjusted Gross Income  
 Calendar (Tax) Years 2020 and 2011

Calendar Year 2020

<u>Adjusted Gross Income Level</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Personal Income Tax Liability</u>	<u>Percentage of Total</u>
\$100,001 and higher	285,770	16%	\$1,855,762,512	58%
\$75,001 - \$100,000	140,370	8%	397,186,440	13%
\$50,001 - \$75,000	233,626	13%	439,911,992	14%
\$25,001 - \$50,000	446,194	24%	403,338,428	13%
\$10,001 - \$25,000	364,241	20%	69,213,599	2%
\$10,000 and lower	354,382	19%	563,152	0%
Total	1,824,583	100%	\$3,165,976,123	100%

Calendar Year 2011

<u>Adjusted Gross Income Level</u>	<u>Number of Filers</u>	<u>Percentage of Total</u>	<u>Personal Income Tax Liability</u>	<u>Percentage of Total</u>
\$100,001 and higher	206,577	12%	\$1,487,926,423	54%
\$75,001 - \$100,000	125,744	7%	368,223,169	14%
\$50,001 - \$75,000	215,687	13%	415,796,306	15%
\$25,001 - \$50,000	416,278	24%	369,603,990	14%
\$10,001 - \$25,000	421,352	25%	75,577,834	3%
\$10,000 and lower	329,367	19%	821,544	0%
Total	1,715,005	100%	\$2,717,949,266	100%

Source: Oklahoma Tax Commission

State of Oklahoma  
Tax Collections  
Last Ten Fiscal Years

Taxes	2012	2013	2014	2015	2016
Aircraft Excise Tax	\$ 5,884,147	\$ 4,910,204	\$ 4,074,978	\$ 3,243,398	\$ 4,828,624
Alcoholic Beverage Excise Tax	23,614,156	25,553,610	26,372,098	26,987,301	26,646,189
Beverage Tax	24,979,667	24,653,353	23,896,702	23,283,684	22,887,790
Bingo Tax	132,086	127,801	105,890	80,475	61,400
Business Activity Tax	50,733,207	45,051,074	33,395,208	816,420	107,215
Charity Games Tax	28,177	42,535	34,835	37,195	18,534
Cigarette Tax	227,840,813	210,231,001	195,926,775	197,553,535	198,606,624
City Use Tax - Collect/Deposit	1,259,015	1,229,331	1,313,014	1,356,836	658,449
Coin Operated Device Decal	4,044,697	4,191,200	3,602,660	3,794,511	3,719,626
Controlled Dangerous Substance Tax	34,874	57,556	72,283	63,393	55,753
County Tax (Use & Lodging)	280,394	314,817	357,102	372,177	181,421
Diesel Fuel Excise Tax	77,027,777	73,785,574	80,309,870	79,234,208	68,837,914
Documentary Stamp Tax	11,991,469	15,282,903	15,763,766	18,191,408	18,008,889
Farm Implement Tax Stamps	8,328	10,818	11,611	11,697	10,666
Franchise Tax	758,202	540,824	1,126,420	56,540,151	56,198,494
Freight Car Tax	665,287	717,516	837,888	826,793	850,181
Gaming Exclusivity Fees	124,300,610	129,286,255	123,376,190	128,443,759	134,390,332
Gasoline Excise Tax	206,179,731	203,403,445	202,091,479	207,370,800	214,758,884
Gross Production Tax - Oil and Gas	724,903,048	373,494,633	477,781,300	401,619,064	196,635,110
Horse Track Gaming	18,612,058	20,483,704	20,615,037	20,592,150	20,890,153
Income Tax (Individual)	2,723,887,073	2,844,880,206	2,835,207,273	3,152,729,993	2,941,832,022
Income Tax (Corporate)	412,808,773	594,181,209	408,109,649	375,873,186	371,445,751
Inheritance and Estate Tax	1,814,854	135,523	873,332	1,056,925	126,278
Insurance Premium Tax	199,620,667	213,675,180	223,090,507	244,415,684	257,217,612
Medical Marijuana Excise Tax	-	-	-	-	-
Mixed Beverage Gross Receipts Tax	39,241,847	43,357,002	46,127,916	50,193,262	52,872,099
Occupational Health and Safety Tax	3,027,902	2,681,651	2,597,953	2,171,916	2,280,573
Pari-Mutuel Taxes	1,272,843	1,287,912	1,168,333	1,163,885	1,068,502
Pari-Mutuel - Other Tax	7,633	9,352	6,961	6,028	24,116
Petroleum Excise Tax	14,309,381	12,450,983	16,135,417	14,152,206	8,148,238
Rural Electric Co-operative Tax	1,770,676	1,842,173	2,055,243	2,214,029	2,031,514
Sales Tax	2,165,311,137	2,275,444,163	2,335,326,717	2,424,380,716	2,268,723,336
Sales Tax - City	14,906,819	15,541,756	14,952,187	16,725,211	8,964,736
Sales Tax - County	3,304,647	3,374,051	3,328,337	3,800,593	1,919,312
Special Fuel Decal	396,838	460,204	450,950	351,812	159,254
Special Fuel Use Tax	1,539,054	1,421,676	1,485,281	1,534,694	1,541,979
Tag Agent Remittance Tax	348,562,103	330,838,092	388,643,946	376,730,773	385,676,774
Telephone Surcharge	722,113	719,897	634,760	570,979	493,779
Tobacco Products Tax	34,415,644	37,643,515	40,243,152	44,462,393	47,592,850
Tribal Compact in Lieu of Tax Payments	41,910,495	43,741,973	31,908,905	27,372,341	28,901,523
Unclaimed Property Assessment	12,083,796	10,575,619	10,235,907	9,433,401	10,200,000
Unclassified Tax Receipts	366,977	49,413	43	436,149	209,126
Use Tax	206,228,223	221,082,285	237,162,483	240,423,735	208,492,766
Vehicle Revenue Tax Stamps	43,650	51,598	47,408	46,974	47,338
Workers' Compensation Awards - Assessments	22,723,364	34,801,759	55,465,606	63,469,440	57,157,971
Workers' Compensation Insurance Premium Tax	8,693,887	9,949,807	10,210,365	9,789,096	9,129,743
Other Taxes	23,170,322	28,001,415	32,368,659	37,118,891	33,803,335
<b>Total</b>	<b>\$7,785,418,461</b>	<b>\$7,861,566,568</b>	<b>\$7,908,902,396</b>	<b>\$8,271,043,267</b>	<b>\$7,668,412,775</b>

Prepared using cash basis to aid in budgetary analysis.  
Source: Oklahoma Tax Commission as adjusted.



Taxes	2017	2018	2019	2020	2021
Aircraft Excise Tax	\$ 5,391,211	\$ 4,053,797	\$ 3,829,965	\$ 3,794,099	\$ 3,956,302
Alcoholic Beverage Excise Tax	28,106,231	28,556,548	36,983,470	44,835,030	49,101,359
Beverage Tax	22,331,800	21,877,356	9,072,758	-	-
Bingo Tax	29,185	101,233	66,773	44,609	37,217
Business Activity Tax	33,469	20,356	5,816	3,071	1,862
Charity Games Tax	13,514	17,394	10,673	10,906	12,589
Cigarette Tax	185,771,745	197,801,584	246,346,627	291,607,978	289,985,598
City Use Tax - Collect/Deposit	694,396	899,474	1,185,318	1,340,884	1,601,910
Coin Operated Device Decal	3,585,473	3,557,522	3,384,094	2,844,719	3,315,444
Controlled Dangerous Substance Tax	42,755	45,251	52,406	30,856	37,248
County Tax (Use & Lodging)	161,073	178,659	254,255	275,990	316,355
Diesel Fuel Excise Tax	80,680,616	83,928,077	128,861,400	134,645,265	118,817,071
Documentary Stamp Tax	19,078,660	21,022,186	21,555,093	21,995,939	26,411,147
Farm Implement Tax Stamps	7,886	8,177	9,225	10,657	9,872
Franchise Tax	52,175,517	59,063,475	57,322,320	52,706,327	53,492,108
Freight Car Tax	797,132	1,016,667	1,081,051	1,049,614	892,984
Gaming Exclusivity Fees	135,437,136	139,811,191	148,309,097	133,807,934	148,521,291
Gasoline Excise Tax	204,215,392	213,150,162	263,009,336	263,346,685	257,583,614
Gross Production Tax - Oil and Gas	270,569,184	480,533,689	858,159,342	678,981,057	522,603,697
Horse Track Gaming	20,738,589	25,459,166	28,358,978	26,307,770	20,491,172
Income Tax (Individual)	2,881,519,924	3,207,252,928	3,497,148,830	3,315,561,478	3,546,938,689
Income Tax (Corporate)	167,149,379	233,637,308	316,809,235	344,452,299	479,125,341
Inheritance and Estate Tax	256,834	176,713	-	-	-
Insurance Premium Tax	243,245,651	280,967,940	271,859,078	290,845,768	282,508,335
Medical Marijuana Excise Tax	-	-	4,648,134	39,063,301	65,618,066
Mixed Beverage Gross Receipts Tax	54,204,358	57,325,035	71,952,273	74,148,353	68,698,434
Occupational Health and Safety Tax	1,615,273	1,590,164	1,336,057	1,260,132	1,339,054
Pari-Mutuel Taxes	1,085,121	1,105,126	1,030,908	1,260,912	1,296,002
Pari-Mutuel - Other Tax	8,318	10,119	8,654	9,242	5,327
Petroleum Excise Tax	11,897,143	15,825,493	19,884,698	15,062,434	11,379,743
Rural Electric Co-operative Tax	2,048,871	2,163,108	2,321,431	2,307,049	2,315,690
Sales Tax	2,192,792,253	2,511,931,524	2,667,670,936	2,530,660,596	2,590,610,231
Sales Tax - City	8,283,457	8,903,019	9,347,469	9,308,745	9,872,578
Sales Tax - County	1,632,995	1,602,075	1,696,214	1,596,107	1,613,817
Special Fuel Decal	930,292	760,693	1,763,447	892,110	616,014
Special Fuel Use Tax	1,068,339	1,175,495	1,547,063	1,494,373	1,390,146
Tag Agent Remittance Tax	391,613,483	404,913,340	415,230,477	412,766,236	380,551,556
Telephone Surcharge	403,749	288,787	565,043	272,190	32,210
Tobacco Products Tax	50,725,702	52,835,101	56,054,853	57,622,723	63,466,721
Tribal Compact in Lieu of Tax Payments	30,894,381	38,587,904	56,755,231	59,239,982	58,757,811
Unclaimed Property Assessment	11,033,333	9,366,667	9,366,667	10,200,000	11,033,333
Unclassified Tax Receipts	5,884	46,065	522,069	-	94,833
Use Tax	219,582,282	276,137,946	375,238,267	409,580,822	467,578,147
Vehicle Revenue Tax Stamps	45,594	46,494	47,278	46,462	49,105
Workers' Compensation Awards - Assessments	48,609,051	49,240,983	47,490,599	41,611,770	28,911,724
Workers' Compensation Insurance Premium Tax	6,500,000	6,500,000	6,000,000	5,750,000	4,000,000
Other Taxes	35,231,845	35,434,656	39,398,595	42,153,143	47,157,754
<b>Total</b>	<b>\$7,392,244,476</b>	<b>\$8,478,926,647</b>	<b>\$9,683,551,503</b>	<b>\$9,324,805,616</b>	<b>\$9,622,149,501</b>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Service										
Principal										
Retirement	\$ 98,831	\$ 221,187	\$ 361,488	\$ 408,643	\$ 191,272	\$ 179,384	\$ 140,272	\$ 157,460	\$ 215,446	\$ 122,507
Interest and										
Fiscal Charges	95,097	112,030	71,269	60,833	76,228	72,994	59,145	53,036	61,517	58,380
<b>Total Debt Service</b>	<b>\$ 193,928</b>	<b>\$ 333,217</b>	<b>\$ 432,757</b>	<b>\$ 469,476</b>	<b>\$ 267,500</b>	<b>\$ 252,378</b>	<b>\$ 199,417</b>	<b>\$ 210,496</b>	<b>\$ 276,963</b>	<b>\$ 180,887</b>
<b>Total</b>										
<b>Expenditures</b>	\$ 15,400,602	\$ 15,936,797	\$ 16,620,964	\$ 15,936,529	\$ 16,189,405	\$ 15,935,848	\$ 15,869,186	\$ 17,129,644	\$ 18,133,937	\$ 20,643,642
<b>Ratio</b>	1.259%	2.091%	2.604%	2.946%	1.652%	1.584%	1.257%	1.229%	1.527%	0.876%

State of Oklahoma  
 Ratios of Outstanding Debt by Type  
 Primary Government  
 Last Ten Fiscal Years  
 (expressed in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities Debt:</b>										
General Obligation Bonds	\$ 175,645	\$ 136,585	\$ 131,955	\$ 107,395	\$ 82,100	\$ 55,875	\$ 28,530	\$ -	\$ -	\$ -
General Obligation Bonds as a										
Percentage of General Revenue <sup>a</sup>	2.03%	1.59%	1.49%	1.21%	0.97%	0.67%	0.30%	0.00%	0.00%	0.00%
Per Capita (actual-not in thousands) <sup>b</sup>	\$ 46	\$ 36	\$ 34	\$ 28	\$ 21	\$ 14	\$ 7	\$ -	\$ -	\$ -
Revenue bonds	1,424,555	1,353,449	1,255,988	1,283,082	1,157,304	1,311,850	1,233,266	1,391,031	1,361,390	1,515,942
Notes Payable	212,592	194,560	173,985	47,245	30,520	16,575	69,995	61,505	59,360	56,330
Capital Leases	8,710	10,712	8,271	6,526	4,202	2,740	1,362	544	78	-
<b>Total Governmental Activities</b>	<b>\$ 1,821,502</b>	<b>\$ 1,695,306</b>	<b>\$ 1,570,199</b>	<b>\$ 1,444,248</b>	<b>\$ 1,274,126</b>	<b>\$ 1,387,040</b>	<b>\$ 1,333,153</b>	<b>\$ 1,453,080</b>	<b>\$ 1,420,828</b>	<b>\$ 1,572,272</b>
<b>Business-Type Activities Debt:</b>										
Revenue Bonds	\$ 832,597	\$ 931,413	\$ 801,159	\$ 778,800	\$ 867,324	\$ 854,028	\$ 904,908	\$ 1,002,415	\$ 903,998	\$ 1,201,880
<b>Total Business-Type Activities</b>	<b>\$ 832,597</b>	<b>\$ 931,413</b>	<b>\$ 801,159</b>	<b>\$ 778,800</b>	<b>\$ 867,324</b>	<b>\$ 854,028</b>	<b>\$ 904,908</b>	<b>\$ 1,002,415</b>	<b>\$ 903,998</b>	<b>\$ 1,201,880</b>
<b>Total Primary Government</b>	<b>\$ 2,654,099</b>	<b>\$ 2,626,719</b>	<b>\$ 2,371,358</b>	<b>\$ 2,223,048</b>	<b>\$ 2,141,450</b>	<b>\$ 2,241,068</b>	<b>\$ 2,238,061</b>	<b>\$ 2,455,495</b>	<b>\$ 2,324,826</b>	<b>\$ 2,774,152</b>
Total Primary Government Debt as a										
Percentage of Personal Income <sup>c</sup>	1.84%	1.68%	1.46%	1.32%	1.20%	1.34%	1.31%	1.35%	1.24%	1.40%
Per Capita (actual-not in thousands) <sup>b</sup>	\$ 694	\$ 684	\$ 618	\$ 569	\$ 543	\$ 569	\$ 568	\$ 621	\$ 585	\$ 693

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)

	<u>Fiscal Year Ended</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenues for Debt Service</u>	<u>Debt Service Requirements</u>	<u>Debt Serv. Coverage</u>
<b>COMPONENT UNITS:</b>						
<b>Oklahoma Student Loan Authority</b>	2021	\$ 20,587	\$ 16,433	\$ 4,154	\$ 1,453	2.86
(June 30 year end)	2020	21,248	16,407	4,841	3,485	1.39
	2019	21,509	12,486	9,023	5,110	1.77
	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
<b>Oklahoma Housing Finance Agency</b>	2020	\$ 39,034	\$ 13,880	\$ 25,154	\$ 14,253	1.76
(September 30 year end)	2019	37,084	13,925	23,159	25,880	0.89
	2018	13,765	12,164	1,601	11,423	0.14
	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
<b>Oklahoma Turnpike Authority</b>	2020	\$ 360,708	\$ 123,025	\$ 237,683	\$ 109,627	2.17
(December 31 year end)	2019	374,572	114,533	260,039	136,825	1.90
	2018	343,609	105,857	237,752	96,111	2.47
	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
<b>Grand River Dam Authority</b>	2020	\$ 415,101	\$ 275,796	\$ 139,305	\$ 85,178	1.64
(December 31 year end)	2019	444,096	278,935	165,161	75,502	2.19
	2018	441,177	290,887	150,290	64,871	2.32
	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

	<u>Fiscal Year Ended</u>	<u>Gross Revenues (1)</u>	<u>Operating Expenses (2)</u>	<u>Net Revenues for Debt Service</u>	<u>Debt Service Requirements</u>	<u>Debt Serv. Coverage</u>
<b>Oklahoma Municipal Power Authority</b>	2020	\$ 172,378	\$ 119,556	\$ 52,822	\$ 49,840	1.06
(December 31 year end)	2019	188,435	128,810	59,625	50,208	1.19
	2018	192,733	136,649	56,084	51,832	1.08
	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
<b>Higher Education</b>	2021	\$6,413,308	\$4,544,083	\$ 1,869,225	\$ 297,521	6.28
(June 30 year end)	2020	5,506,178	4,561,979	944,197	443,894	2.13
	2019	5,336,055	4,445,789	890,266	164,939	5.40
	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
<b>ENTERPRISE FUND:</b>						
<b>Oklahoma Water Resources Board</b>	2021	\$ 30,247	\$ 1,647	\$ 28,600	\$ 100,078	0.29
(June 30 year end)	2020	26,836	9,680	17,156	38,944	0.44
	2019	25,754	781	24,973	39,446	0.63
	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

(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 2011 and 2020

Non-Governmental Major Employers 2011	Non-Governmental Major Employers 2020	Employment 2020	Percentage of Total State Employment 2020
Wal-Mart Stores, Inc.	Wal-Mart Associates Inc.	38,500	2.22%
Integrus Health	Amazon	11,000	0.63%
American Airlines	Integrus Health, Inc.	9,600	0.55%
Saint Francis Hospital	Hobby Lobby Stores Inc.	7,700	0.44%
Saint John Medical Center	Chickasaw Nation	6,800	0.39%
Chesapeake Energy Corporation	Saint Francis Hospital Inc.	6,400	0.37%
W. H. Braum, Inc.	Mercy Health	5,900	0.34%
Conoco Phillips	Braum's Inc.	5,600	0.32%
Express Employment Professionals	Choctaw Nation of OK	5,100	0.29%
	American Airlines	5,000	0.29%

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

Year	Population <sup>a</sup> (in thousands)				Personal Income <sup>a</sup>	Per Capita Personal Income <sup>a</sup>			Civilian Labor Force <sup>b</sup>		
	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
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%
2019	328,240	0.33%	3,957	0.36%	187,328	56,490	47,341	83.80%	1,781,000	61,000	3.3%
2020	329,484	0.38%	3,981	0.61%	198,552	59,510	49,878	83.81%	1,735,000	113,000	6.1%

*a - source U.S. Bureau of Economic Analysis as adjusted.  
 b - source Oklahoma Employment Security Commission.*

# State of Oklahoma School Enrollments Last Ten Fiscal Years

<u>Public School Enrollments:</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Early Childhood	40,688	37,929	40,121	40,129	39,474	36,377	36,679	36,790	37,212	32,268
Kindergarten	52,114	52,339	54,649	55,127	53,453	49,620	49,334	50,039	50,299	48,065
Elementary School	248,398	252,235	266,499	257,154	248,631	251,280	249,922	247,719	246,294	241,409
Junior High/Middle School	140,964	130,505	141,539	123,812	142,131	140,895	141,909	145,575	151,095	152,194
Senior High School	175,949	173,193	154,144	184,074	187,031	188,966	190,312	192,690	193,470	195,962
No-High School Districts (Grades 1-8)	23,596	23,549	17,215	24,151	18,179	22,637	22,644	21,652	21,689	20,293
Special Education (Early Childhood)	1,798	1,535	1,542	2,070	2,169	2,274	2,418	2,646	2,193	2,748
Out-of-Home Placements	<u>1,915</u>	<u>1,905</u>	<u>1,616</u>	<u>1,783</u>	<u>1,602</u>	<u>1,661</u>	<u>1,598</u>	<u>1,475</u>	<u>1,398</u>	<u>1,174</u>
Total	<u>685,422</u>	<u>673,190</u>	<u>677,325</u>	<u>688,300</u>	<u>692,670</u>	<u>693,710</u>	<u>694,816</u>	<u>698,586</u>	<u>703,650</u>	<u>694,113</u>
<u>Higher Education:</u>										
Public Institutions	256,213	251,096	236,865	228,768	225,858	221,207	216,191	210,090	223,812	200,592
Private Institutions	<u>26,830</u>	<u>27,708</u>	<u>26,175</u>	<u>17,997</u>	<u>17,494</u>	<u>17,837</u>	<u>16,909</u>	<u>15,762</u>	<u>23,933</u>	<u>14,705</u>
Total	<u>283,043</u>	<u>278,804</u>	<u>263,040</u>	<u>246,765</u>	<u>243,352</u>	<u>239,044</u>	<u>233,100</u>	<u>225,852</u>	<u>247,745</u>	<u>215,297</u>
<u>Career-Technology Education:</u>										
Secondary *	148,831	151,720	149,501	152,227	150,958	156,673	159,686	156,737	154,804	142,341
Adult	<u>354,949</u>	<u>376,783</u>	<u>372,687</u>	<u>394,650</u>	<u>366,538</u>	<u>354,839</u>	<u>363,222</u>	<u>401,432</u>	<u>300,320</u>	<u>283,784</u>
Total	<u>503,780</u>	<u>528,503</u>	<u>522,188</u>	<u>546,877</u>	<u>517,496</u>	<u>511,512</u>	<u>522,908</u>	<u>558,169</u>	<u>455,124</u>	<u>426,125</u>

\* - 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Function:</b>										
Education	832	836	817	782	767	740	768	724	818	822
Government										
Administration	2,275	2,828	2,829	2,633	2,624	2,529	2,508	2,382	2,409	2,314
Health Services	4,254	4,337	4,434	4,519	4,497	4,429	3,873	5,642	4,346	4,356
Legal and Judiciary	2,276	2,275	2,220	2,255	2,216	2,135	2,086	2,155	2,132	2,098
Museums	149	151	145	140	129	112	116	118	124	124
Natural Resources	2,292	2,266	2,254	2,360	2,325	2,329	2,291	1,767	2,266	2,408
Public Safety and Defense	6,311	6,320	6,367	6,338	6,409	6,564	6,586	6,594	6,739	6,365
Regulatory Services	1,280	1,289	1,302	1,023	1,030	1,087	1,126	1,067	1,110	1,046
Social Services	11,033	10,960	11,268	11,518	10,911	10,109	9,475	7,771	9,621	9,546
Transportation	2,893	2,865	2,906	2,868	2,912	2,840	2,886	2,376	2,917	2,808
<b>Total</b>	<b>33,595</b>	<b>34,127</b>	<b>34,542</b>	<b>34,436</b>	<b>33,820</b>	<b>32,874</b>	<b>31,715</b>	<b>30,596</b>	<b>32,482</b>	<b>31,887</b>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities:</b>										
Education	\$ 29,906	\$ 29,628	\$ 33,274	\$ 32,602	\$ 33,110	\$ 32,936	\$ 32,736	\$ 33,017	\$ 33,873	\$ 34,646
Government										
Administration	289,578	291,033	289,411	286,592	276,274	250,684	238,202	142,663	136,050	192,367
Health Services	162,355	157,101	151,996	151,408	157,047	166,329	167,742	165,904	166,674	178,588
Legal and Judiciary	349	1,066	824	529	1,168	818	526	2,376	2,216	1,960
	12,505	13,169	13,920	12,942	13,894	13,754	13,614	13,548	13,410	13,275
Natural Resources	193,947	200,208	218,155	233,997	251,259	270,754	271,772	290,751	307,321	308,552
Public Safety and										
Administration	524,859	529,224	522,170	507,035	444,173	429,586	424,454	428,682	439,443	459,306
Regulatory Services	904	859	726	947	804	676	496	5,852	8,480	15,454
Social Services	115,417	104,439	86,288	87,785	85,479	77,556	88,957	99,458	118,215	129,510
Transportation	9,159,061	9,433,515	9,692,860	9,957,686	10,335,267	10,690,785	10,974,397	11,236,685	11,543,699	11,905,658
Governmental activities, net	<u>\$10,488,881</u>	<u>\$10,760,242</u>	<u>\$11,009,624</u>	<u>\$11,271,523</u>	<u>\$11,598,475</u>	<u>\$11,933,878</u>	<u>\$12,212,896</u>	<u>\$12,418,936</u>	<u>\$12,769,381</u>	<u>\$13,239,316</u>
<b>Business-type activities, net</b>	<u>\$ 126</u>	<u>\$ 1,037</u>	<u>\$ 1,415</u>	<u>\$ 1,914</u>	<u>\$ 2,856</u>	<u>\$ 2,477</u>	<u>\$ 2,085</u>	<u>\$ 1,543</u>	<u>\$ 1,118</u>	<u>\$ 709</u>



# State of Oklahoma

## Operating Indicators for Governmental Functions

### Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Government Administration</b>										
Office of Management and Enterprise Services										
Number of buildings managed	1,217	1,168	1,104	1,093	1,076	1,050	1,007	1,007	1,068	1,051
	19	20	20	28	28	28	28	28	28	28
<b>Health Services</b>										
Department of Health										
Retail food establishment inspections	45,874	43,083	44,939	45,417	47,457	45,887	47,414	35,878	29,175	34,561
	46,662	43,671	47,831	48,417	48,913	47,238	48,602	56,750	36,389	36,627
Facility licensing, inspections and complaints	4,078	2,223	2,492	2,275	2,901	2,231	2,227	2,266	1,399	1,208
	18,512	19,340	19,006	18,987	18,880	18,722	18,135	19,754	16,424	16,242
Mental Health and Substance Abuse Department										
Mental Health	65,356	65,314	* 166,181	167,464	172,096	175,823	177,882	182,583	183,767	171,230
Substance Abuse	19,351	18,208	37,292	39,747	39,257	37,709	32,847	33,413	31,733	29,057
Hospitals - Inpatient Care	3	3	3	2	2	2	2	2	2	2
<b>Legal and Judiciary</b>										
Oklahoma Indigent Defense system										
	43,712	43,980	48,401	49,723	58,025	60,747	61,115	64,897	58,853	56,658
Included above: Non-capital trial cases	35,000	43,167	47,543	48,964	57,318	59,986	60,317	64,133	58,220	55,973
	98	67	53	50	44	58	56	37	31	34
	540	595	648	565	663	703	742	727	602	651
	\$368	\$361	\$346	\$304	\$334	\$333	\$474	\$499	\$639	\$706
	\$21,551	\$25,955	\$36,710	\$37,075	\$40,252	\$48,385	\$41,224	\$61,864	\$49,522	\$36,637
<b>Museums</b>										
J. M. Davis Memorial										
Museum - 40,000 sq. ft.										
	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	35,000	30,000	30,000	28,000	30,000	30,000	30,000	30,000	30,000	30,000
Oklahoma Historical Society										
Number of artifacts (on exhibit, approximate)	>2,000	>2,000	>2,000	>2,000	>2,000	>2,000	2,500	2,500	2,500	2,500
	254,634	214,723	183,251	183,000	182,000	185,000	199,000	196,000	196,000	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	36,000	30,000	30,000	30,000	30,000	30,000
Visitors and researchers per year (approximate)	133,000	32,000	29,000	31,000	26,000	40,000	40,000	40,000	40,000	40,000
<b>Natural Resources</b>										
Wildlife Conservation										
Number of Anglers in State (last census)	729,000	729,000	729,000	729,000	729,000	729,000	729,000	508,000	508,000	513,000^
	244,000	244,000	244,000	244,000	244,000	244,000	244,000	149,000	149,000	151,000^
Number of Wildlife Watchers (last census)	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,263,000	1,703,000	1,703,000	1,720,000^

\* - 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.

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety and Defense</b>										
Department of Public Safety										
Driver's Licenses Issued	694,557	741,938	835,807	727,169	726,740	758,277	773,495	743,173	797,078	726,597
Citations Processed	158,914	182,073	198,518	200,826	213,616	205,905	162,542	171,885	144,414	157,235
Collision Reports Processed	73,462	68,406	82,067	74,267	72,537	83,320	79,615	77,254	70,880	69,062
	25,469	25,846	26,473	27,256	27,064	27,399	26,863	25,770	26,672	24,995
	24,526	25,159	26,874	27,889	27,987	26,710	27,010	26,821	24,979	21,791
	96.3%	97.3%	101.5%	102.3%	103.4%	97.5%	100.5%	104.1%	93.7%	87.2%
Per diem cost/day - Maximum Security	\$78.50	\$87.01	\$100.80	\$87.20	\$84.01	\$94.13	\$98.19	\$90.48	\$108.17	\$90.32 $\alpha$
Per diem cost/day - Medium Security	\$38.94	\$40.17	\$47.47	\$42.83	\$45.46	\$45.73	\$46.73	\$52.35	\$61.71	\$56.74 $\alpha$
<b>Regulatory Services</b>										
Oklahoma Corporation Commission										
	421	418	420	411	410	359	361	365	350	349
	31,805	40,052	40,594	43,642	44,269	46,463	56,740	73,510	53,551	47,966
Oil and gas wells plugged	135,230	139,569	152,280	157,188	156,722	178,913	143,774	145,406	147,433	128,522
	1,948	1,319	1,485	1,226	2,403	1,072	1,253	574	1,233	1,428
	0	167	206	176	132	44	119	138	110	82
	4,326	5,760	6,011	4,371	4,384	4,923	4,912	4,655	3,442	4,851
	70,649	75,939	80,397	80,742	83,649	73,169	74,072	73,694	56,324	80,332
<b>Social Services</b>										
Department of Human Services										
Adoption subsidies (end of fiscal year)	13,114	13,706	14,123	15,333	16,611	18,417	19,337	20,208	20,868	21,044
Adult protective svcs (state fiscal year)	16,012	15,223	15,010	14,807	9,821	8,499	5,932	4,306	7,907	5,519
Child care services provided (monthly average)	36,444	34,722	33,322	32,336	31,713	44,942	43,642	49,950	49,053	46,961
	4,213	3,960	3,825	3,558	3,438	3,317	3,185	3,038	2,986	2,825
	135,585	132,625	131,150	126,123	124,200	122,253	120,930	117,031	115,771	113,360
(state fiscal year)	9,842	11,418	14,172	15,252	15,187	15,289	15,951	15,809	15,911	14,466
(cases-quarterly average)	202,743	203,209	206,746	207,677	206,701	201,459	194,836	189,917	185,424	177,021
(end of fiscal year)	9,894	9,772	9,777	9,693	8,905	8,186	7,845	7,770	7,919	8,342
Elderly support services (meals/state fiscal year)	6,265,779	6,105,823	6,056,081	6,324,185	6,630,634	6,570,061	6,256,572	5,338,165	4,632,964	8,058,794
Food stamps (unduplicated count/state fiscal year)	891,555	889,137	615,412	867,968	874,873	850,855	825,583	804,641	816,375	833,205
Foster care children (end of fiscal year)	9,132	10,233	11,483	10,942	9,984	9,923	9,277	8,631	8,499	8,099
Oklahoma Employment Security Commission										
Initial unemployment claims	155,885	124,170	108,758	105,258	109,028	90,007	73,761	90,668	857,192	496,111
Unemployment insurance paid (in thousands)	\$271,280	\$263,654	\$247,149	\$270,420	\$386,313	\$313,657	\$234,472	\$209,215	\$858,138	\$922,058
<b>Transportation</b>										
Oklahoma Department of Transportation										
State Highway System (miles)	12,882	12,882	12,882	12,265	12,265	12,265	12,265	12,265	12,254	12,254
Bridges on the State Highway System	6,800	6,800	6,800	6,828	6,828	6,828	6,828	6,828	6,794	6,794
System usage growth next 20 years (est.)										
Automobiles	65%	65%	65%	65%	65%	26%	26%	27%	20%	20%
Trucks	65%	65%	65%	65%	65%	52%	52%	30%	40%	40%
Freight railroads operating in Oklahoma	22	22	22	22	22	22	22	22	23	23
Passenger railroad	1	1	1	1	1	1	1	1	1	1
Rail passengers (average per year)	81,000	81,000	81,000	82,000	82,000	82,000	82,000	82,000	68,000	68,000
Railroad track (miles)	3,746	3,746	3,746	3,740	3,740	3,740	3,740	3,740	3,244	3,244
Public Waterway Ports	2	2	2	2	2	2	2	2	2	2

$\alpha$  - Estimated - current year

State of Oklahoma  
Additional Information and Sources of Statistical Data  
Fiscal Year 2021

**Additional Information:**

The population of Oklahoma has steadily increased since 2011, averaging 0.9% per year.

At the end of December 2020, the United States (U. S.) Bureau of Labor Statistics reported the state's unemployment rate was 4.5% compared to the national rate of 8.1%.

Oklahoma's total personal income rate has increased at an average of 4.3% annually since 2011. During the same period, Oklahoma's personal income per capita increased annually by an average of 3.4% compared to 4.0% nationally.

As a result, annual total tax collections since 2011 have increased by \$1,836,731,040 or 23.6%.

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 ACFR is the latest available at the time of publication.

Primary sources of statistical data provided in the Statistical Section of the ACFR 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

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- Communications - Denise White, Communications Manager

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

2021

# OKLAHOMA

## GENERAL INFORMATION

ADMITTED TO UNION (46TH STATE)	1907
CAPITAL	Oklahoma City
2020 POPULATION	3,959,353
POPULATION PER SQUARE MILE	57.7
COUNTIES	77

## STATE SYMBOLS

NICKNAME	The Sooner State
MOTTO	Labor Omnia Vincit (Work Conquers All Things)
SONG	<i>"OKLAHOMA!"</i> (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	38
NUMBER OF TRAILS	424
NUMBER OF LAKES	>200





**OKLAHOMA**  
Office of Management  
& Enterprise Services

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