

Oklahoma County, Oklahoma
Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2018



**Prepared in the Office of David B. Hooten,
County Clerk and Secretary to the Budget Board/Excise Board
and Board of County Commissioners**

Photo Courtesy of Billy Henley



***OKLAHOMA COUNTY, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT***

FOR FISCAL YEAR ENDED JUNE 30, 2018

***PREPARED BY THE FINANCE DIVISION
OF THE OKLAHOMA COUNTY CLERKS' OFFICE***

David B. Hooten, Oklahoma County Clerk

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I - Introductory Section





DAVID B. HOOTEN
OKLAHOMA COUNTY CLERK

February 8, 2019

To the Citizens of Oklahoma County and the Honorable Members of the Oklahoma County Budget Board:

We hereby issue the 2018 Comprehensive Annual Financial Report (CAFR) of Oklahoma County for fiscal year ended June 30, 2018. The CAFR provides a comprehensive overview of the county's financial position and the results of operations for the past fiscal year. This report complies with requirements of state statutes. The Oklahoma County Clerk's Finance Department, prepared this report using generally accepted accounting principles (GAAP) and it has been audited by the Office of the State Auditor and Inspector in accordance with generally accepted auditing standards.

This report consists of management representations concerning finances of the County. Consequently the responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To provide a reasonable basis for making these representations, the County follows the guidelines of state statute which has established an internal control framework designed to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The framework of internal controls has been designed to provide reasonable rather than absolute assurance the financial statements will be free from material misstatements. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Title 19.O.S. 2001 §171, the State Statute requires an annual audit for Oklahoma County. The audit is performed by the Oklahoma State Auditor and Inspector's Office. The audit is required to be performed in accordance with Generally Accepted Auditing Standards, which are established by the Auditing Standards Board and Government Auditing Standards issued by the Comptroller General of the United States. The independent auditor's report is located at the front of the financial section of this report. The auditors also perform a single audit according to the provisions of the "Single Audit Act Amendments of 1996", and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The findings and recommendations as a result of the audit, according to Uniform Guidance, are reported under separate cover.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Report of Independent Auditors.

PROFILE OF OKLAHOMA COUNTY

Situated in the heart of downtown Oklahoma City, the Oklahoma County Courthouse is the hub of many diverse activities. Consisting of a Courthouse Building, a County Office Building, a County Jail, and a Juvenile Justice Center, the government of Oklahoma County employs more than 1,700 people and is a multi-million dollar operation.

Based on the U.S. Census Bureau, Oklahoma County has an estimated 2017 population of 787,958, making it the most populous county in the State of Oklahoma. The land area of Oklahoma County is 775 square miles. While Oklahoma is known for its oil and gas industry and its agricultural base, Oklahoma County has a diverse economy of manufacturing, aerospace, service, and industrial companies. Additionally, Oklahoma County is the home to Tinker Air Force Base, which is one of the largest depots for aircraft maintenance in the U.S. Department of Defense.

Oklahoma County is a constitutional form of government comprised of eight elected officials. These eight elected officials comprise the Oklahoma County Budget Board. There are three County Commissioners which form the Board of County Commissioners, a County Clerk, a Court Clerk, a Treasurer, a Sheriff, and an Assessor. The County Excise Board, consisting of three appointed members, officially certifies budgets and financial statements for the County as well as certain Oklahoma County municipalities and school districts. The County Clerk is secretary to these public boards. These Boards comprise the management of Oklahoma County and are responsible for the administration of County services and information presented in the Comprehensive Annual Financial Report. All county officials are represented in civil matters by the Oklahoma County District Attorney, who is an elected official representing a state judicial district that encompasses Oklahoma County.

Oklahoma County government is a subdivision of the state government, and all of the powers exercised by the County are those delegated by the State, as authorized by the State Legislature and the State Constitution. The State Auditor and Inspector is charged with the duty of auditing the fiscal matters of Oklahoma County on an annual basis.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not financially accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component Units

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Oklahoma County has two component units - The Oklahoma County Finance Authority, a discretely presented component unit, and the Oklahoma County Public Buildings Authority, a blended component unit. Both issue separately audited Component Unit Financial Statements (CUFS).

Related Organizations

The following related organizations are excluded from the financial reporting entity because the County has determined that these entities do not meet the component unit criteria defined previously. Financial statements are available from the respective organizations. Related organizations are Oklahoma County Home Finance Authority, Oklahoma Industries Authority, Oklahoma County Industrial Authority and Oklahoma County Utility Services Authority.

Accountability and Budgetary Controls

The County has a comprehensive accounting and budgetary system. The County has a balanced budget and complies with requirements of the State Statutes and Oklahoma Constitution. The Budget Board of Oklahoma County has made every effort to comply with the guidelines for the Oklahoma County Budget Act as set out in Title 19, of the Oklahoma Statutes, Sections 1401-1421.

The County has a comprehensive set of internal controls, which are reviewed annually as a part of the audit and routinely by management. The County Clerk and the County Treasurer assist the state auditors in annual routine audits and assist in recommending and implementing new accounting procedures and internal controls.

Additionally, the County maintains budgetary controls to ensure compliance with legal provisions incorporated in the annual appropriated budget. The County Budget Board and the County Excise Board approves annually appropriated budgets for the General Fund and the Debt Service Fund. The level of budgetary control within the fund is by department and classification, described in Note II.A. of the financial statements.

Financial Policies

Oklahoma County follows the prescribed policies and procedures outlined in Oklahoma law to guide the budgeting and financial practices. The County maintains a financial and budgetary control system whereby expenditures and revenues are tracked in the County's financial system to ensure adherence to the budget. Monthly reports are prepared and presented to the County Budget Board that compare actual revenues and expenditures to budgeted amounts and provide a picture of the County's cash position.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy and Economic Outlook

As the largest county in the state and the home of the State Capital, Oklahoma County accounts for 19 percent of the state's population, and 27 percent of the state's labor force. The availability of low-priced real estate, an abundant skilled labor force, a low cost of doing business, and a centralized geographical location make Oklahoma County a prime location for business. These assets continue to be the key to Oklahoma County's growth as reflected in its 3.8% unemployment rate compared to the national 4.0% rate as of June 2018.

While the fate of the Oklahoma economy has long been linked to the energy sector, the Oklahoma City metropolitan area economy has become increasingly diverse over the past decade, largely the results of efforts by business and community leaders to better insulate the local economy from the "boom and bust" cycles of the oil industry. The metropolitan area economy is comprised of a dozen major sectors that include: education and health services; financial; information; professional and business services; wholesale and retail trade; construction; government; manufacturing; mining; transportation, warehousing and utilities, and; leisure and

hospitality. The local economy's stability is enhanced by the presence of Oklahoma state government, numerous federal agencies, and Tinker Air Force Base.

The City of Oklahoma City is the largest city in Oklahoma County, and as the hub of the increasingly vibrant, larger Oklahoma City metropolitan area, it continues to serve as an important source of economic stimulus for the county and surrounding region. The emergence of Oklahoma City onto the national scene is rapidly becoming a model for economic revitalization and public/private sector cooperation. The Oklahoma City Thunder continues to be a stunning success entering their tenth season adding to the national reputation of the City as it develops a larger presence on the national level. Significant progress is being made on the Oklahoma City MAPS 3 projects. The construction contract for the MAPS 3 Downtown Convention Center was awarded in June 2018 in the amount of \$168 million. Financed by the voter approved 1 cent sales tax, the convention center is set to open debt-free by June 2020. The Downtown Convention Center will replace the current aging convention center and will feature 200,000 square feet of exhibit space, 45,000 square feet of meeting rooms and a 30,000 square foot ballroom at a total budgeted cost of \$288 million. The construction of the downtown Streetcar tracks line is complete and the cars will be in full operating in December 2018.

The revitalization of the downtown “bricktown” Oklahoma City area continues to strengthen the core business center of the metropolitan area. The city and county in turn are benefiting from the strength of the surrounding metropolitan area and enjoying the type of strong job and income growth that is typical of a regional economy that is reaching critical mass as the population approaches 1.2 million. Combined with its relatively low housing prices, the area offers an attractive cost-of-living-adjusted standard of living to workers.

In May 2018, Amazon announced plans to open its first state of the art, 600,000 square-foot fulfillment center in Oklahoma City creating more than 1,500 full-time jobs by the end of 2019.

In 2018 construction began on the 96,000 square foot FedEx distribution and sorting facility near Will Rogers World Airport in Oklahoma City. The project is estimated to cost approximately \$8 million. FedEx recently completed a 269,000 square foot distribution center in far north Oklahoma City.

In January 2018 it was announced that Kratos Defense & Security Solutions, Inc., a leading national security solutions provider, is opening administrative and engineering offices along with production facilities in Oklahoma City. According to the company officials, the expansion is needed to accommodate expected increased demand for high performance, jet powered unmanned aerial tactical and target drone systems. Kratos is initially occupying an 8,800 square foot facility near Tinker Air Force Base, where the initial focus will be on engineering and production planning. The company plans to expand into a 75,000 square foot facility to support its initial production efforts and expects to employ more than 350 workers within the next few years.

The Center for Applied Economic Research (CAER) at Oklahoma State University reports that the rebound in oil and natural gas prices early in 2016 continues to propel the Oklahoma economy forwards in 2018. The decline in the energy sector had caused Oklahoma total nonfarm wage and salary employment to fall by 0.9 percent in 2016. The resurgence of the energy sector though led to a reversal in Oklahoma employment to 0.5 percent growth in 2017.

IHS Global Insight, Inc. forecasts the price of West Texas Intermediate oil to be fairly stable through the end of 2019, settling at approximately \$73 per barrel in the fourth quarter. The Henry Hub cash market price of natural gas is forecast to decline to approximately \$2.3 per million btu over the period. Because of the time lag between changes in the price of oil and energy sector employment, the energy price increases since 2016 are forecast to produce growth in Oklahoma total nonfarm wage and salary employment of 1.9 percent in 2018 and 1.7 percent in 2019. These exceed the total nonfarm wage and salary employment forecasts for the nation by IHS Global Insight of 1.6 and 1.4 percent in 2018 and 2019. The largest forecasted percentage changes in

Oklahoma employment in 2019 are forecast in the energy sector and in manufacturing for the energy sector.

Oklahoma personal income is forecast to increase 5.0 and 5.7 percent in 2018 and 2019. Propelled by the gains in the energy and related manufacturing sectors, the corresponding forecasts for Oklahoma real gross domestic product are 4.4 and 3.9 percent. Oklahoma's unemployment rate is forecast to average 3.7 and 3.5 percent in 2018 and 2019.

After a slight decline in 2016, total nonfarm employment in the Oklahoma City Metropolitan Area grew 0.8 percent in 2017. Employment growth has accelerated in 2018 and is expected to average 2.5 percent higher than the average in 2017. Following the state, the flattening of oil prices is forecast to start to slow energy sector and overall employment growth in 2019, with the level in the year expected to average 2.3 percent above that for 2018. After fairly flat growth in both 2016 and 2017, total nonfarm wage and salary employment growth in Oklahoma County also is forecast to strengthen to approximately 1.8 percent in both 2018 and 2019. This puts forecasted employment growth in the Oklahoma City Metropolitan Area above that for the state and employment growth in Oklahoma County at about the state average over both years. Forecast growth in both the Oklahoma City Metropolitan Area and Oklahoma County exceeds that of the nation. Largest percentage employment increases in Oklahoma County for 2019 are forecast for Mining, Professional and Business Services, Construction and Leisure and Hospitality Services.

Personal income in Oklahoma County is forecast to grow 5.6 and 6.6 percent in 2018 and 2019. The corresponding personal income forecasts for the Oklahoma City Metropolitan Area are 5.7 and 6.3 percent. After declining in 2016 (1.9 percent) and slightly increasing in 2017 (1.0 percent), retail sales subject to sales tax in the Oklahoma City Metropolitan Area is forecast to grow 1.6 percent in 2018 and 3.6 percent in 2019.

In brief, resurgence in the energy sector and continued robust U.S. growth is forecast to produce strong employment growth in Oklahoma County, the Oklahoma City Metropolitan Area and the state during 2019. The Oklahoma City region continues to benefit from successful Oklahoma City Metropolitan Area Projects (MAPS), a favorable housing development environment, and location on two major interstate highways. The area's aerospace cluster that includes the presence of Tinker Air Force Base and The Boeing Company continues to provide additional support.

Long-term Financial Planning and Major Initiatives

In December 2015 a 22-member criminal justice task force was created by the Greater Oklahoma City Chamber as a response to ongoing concerns about Oklahoma County's overcrowded jail facility. The taskforce, made up of private sector business leaders, Chamber leaders, the City Managers of Oklahoma City and Edmond, as well as the Oklahoma City Police Chief, the District Attorney, Public Defender, the Presiding Judge, Sheriff and a County Commissioner, was formed to evaluate Oklahoma County's criminal justice system head-to-toe, from booking procedures throughout the legal process. Their task was to make recommendations to reduce incarceration levels, increase efficiencies, help those with mental and addiction issues, along with improve safety for workers in the jail, as well as keeping the citizens of Oklahoma County safe. The taskforce partnered with the Vera Institute of Justice, a nationally recognized nonprofit justice reform organization from New York. VERA provided research, technical assistance, and demonstration projects to help the taskforce. In December 2016, the Greater Oklahoma City Chamber Criminal Justice Reform Task Force released its reports and recommendations designed to ease overcrowding conditions at the Oklahoma County Jail and improve efficiency and effectiveness of the criminal justice system. Six major areas of reform were identified in the recommendations.

1. Provide governance and oversight of the local justice system.
2. Keep people charged with lower level offenses out of the jail entirely.

3. Create an effective, evidence-based process for deciding who stays in jail while their case proceeds and who goes home, so that the jail is not filled solely by those who cannot afford cash bail.
4. Improve the processes that move cases through the court system.
5. Create alternatives to jail for people with mental illness and/or substance use disorders.
6. Stop putting people who don't have money in jail for not paying fines, fees and court costs.

Several of the recommendations have already been implemented at the jail, in the courts and in police procedure.

Oklahoma County's partnership with the Greater Oklahoma City Chamber has resulted in job-creating initiatives with the former Oklahoma City General Motors plant. The plant was purchased by the citizens of Oklahoma County in 2008 and turned over to Tinker Air Force Base to develop new jobs and create efficiencies for TAFB. To date approximately 1,800 aerospace manufacturing and engineering employees now work in the plant with an estimated impact of \$3.5 billion annually to the Oklahoma County economy. A large portion of the old GM plant is now home to a rapidly growing software engineering division at Tinker.

On September 1, 2014, the County issued \$10,000,000 of general obligation bonds to finance the purchase of the BNSF rail yard. This bond is the remaining \$10 million of the \$71.5 million approved by voters in 2008. The land was purchased and is adjacent to Tinker Air Force and north of the old General Motors plant that was purchased by the County in 2008. The total cost of the land was \$44 million and was a joint purchase by the County, the City of Oklahoma City and the U.S. Air Force. The land will be used by Tinker Air Force to build maintenance hangars for the new KC46-A advanced tankers and will add an additional 1,300 jobs. As a result of a state incentive called the Quality Jobs Act, there will be a credit for those quality jobs and Oklahoma County will get repaid for approximately 95% of the cost over the life of the bonds. In July, Tinker Air Force Base broke ground on its KC-46A Sustainment Complex located on 158 acres of the land purchases with the bond funds. The new center will allow the U.S. Air Force to replace its aging tanker fleet with the modernized KC46A Pegasus. The KC-46A will provide aerial fueling support for the Air Force, Navy, Marine Corps and allied nation coalition force aircraft. The Boeing Company is the prime contractor for this project, and will provide the Air Mobility Command with an inventory of 179 KC-46 tankers.

In October 2015, the Oklahoma Turnpike Authority announced their plans to develop a Northeast Oklahoma County Loop Turnpike. The Loop Turnpike will connect I-40 to I-44 and will be comprised of 19 miles running north and south paralleling Luther Road. The Turnpike Authority has offered to purchase the necessary right-of-way to construct frontage roads along the route and then transfer the right-of-ways to Oklahoma County. In July 2016, Oklahoma County committed to construct frontage roads from SE 29th Street to Reno Avenue and U.S. 62 to I-44.

Recently-Completed Capital Improvement Projects

Major capital asset events during the current fiscal year included the following:

- Completion of the County Annex exterior lighting project at a total cost of \$153,227 and the completion of the Juvenile building exterior renovation project at a total cost of \$185,226.
- Construction in progress of the Crutcho Flood Control Plain project to mitigate flooding conditions and related damage in east central Oklahoma County and the Crutcho Creek flood plain and floodway and surrounding area, which facilitate the construction of infrastructure improvements in those areas through the acquisition of certain real property and/or the provision of safe and adequate roads, bridges and drainage facilities in those areas. The total cost to date is \$7,642,986 and the project is funded with general obligation bond proceeds in the County Bond 2008 Fund.

- Construction in progress of the Deer Creek Flood Control Plain project to mitigate flooding conditions and related damage in east central Oklahoma County and the Deer Creek flood plain and floodway and surrounding area, which facilitate the construction of infrastructure improvements in those areas through the acquisition of certain real property and/or the provision of safe and adequate roads, bridges and drainage facilities in those areas. The total cost to date is \$2,830,935 and the project is funded with general obligation bond proceeds in the County Bond 2008 Fund.
- Construction in progress of the County Annex building space utilization project at a total cost to date of \$2,448,260, the Jail kitchen remodel and mold remediation at a total cost to date of \$667,919 to date, the Courthouse 9th floor remodel at total cost to date of \$431,746 and the Annex and Courthouse snack area remodel at a total cost to date of \$1,275.
- Construction of and improvements to approximately 34 miles of county roads and bridges at a total cost of approximately \$3.7 million dollars.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oklahoma County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the twenty fourth consecutive year that Oklahoma County has received this prestigious award (fiscal years ended 1994-2017).

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

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The dedicated work of the entire Finance Division of the County Clerk's office made possible the preparation of the County's Comprehensive Annual Financial Report. The County Treasurer and other staff and administrators at various sites throughout the County provided additional, valuable help. We would also like to express our appreciation to the Board of County Commissioners, the County Budget Board and Excise Board, for its leadership, encouragement and support to ensure the continued fiscal accountability and integrity of Oklahoma County.

Respectfully submitted:



David B. Hooten, Oklahoma County Clerk



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Oklahoma County
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Oklahoma County Elected Officials



**Willa Johnson,
Commissioner District 1**



**Brian Maughan,
Commissioner District 2**



**Ray Vaughn,
Commissioner District 3**



**David B. Hooten,
County Clerk**



**Forrest "Butch"
Freeman,
County Treasurer**



**P.D. Taylor,
County Sheriff**



**Leonard Sullivan,
Assessor**



**Rick Warren,
Court Clerk**



**David Prater,
District Attorney**

Oklahoma County Excise Board Members



Randel Shadid, Chairman

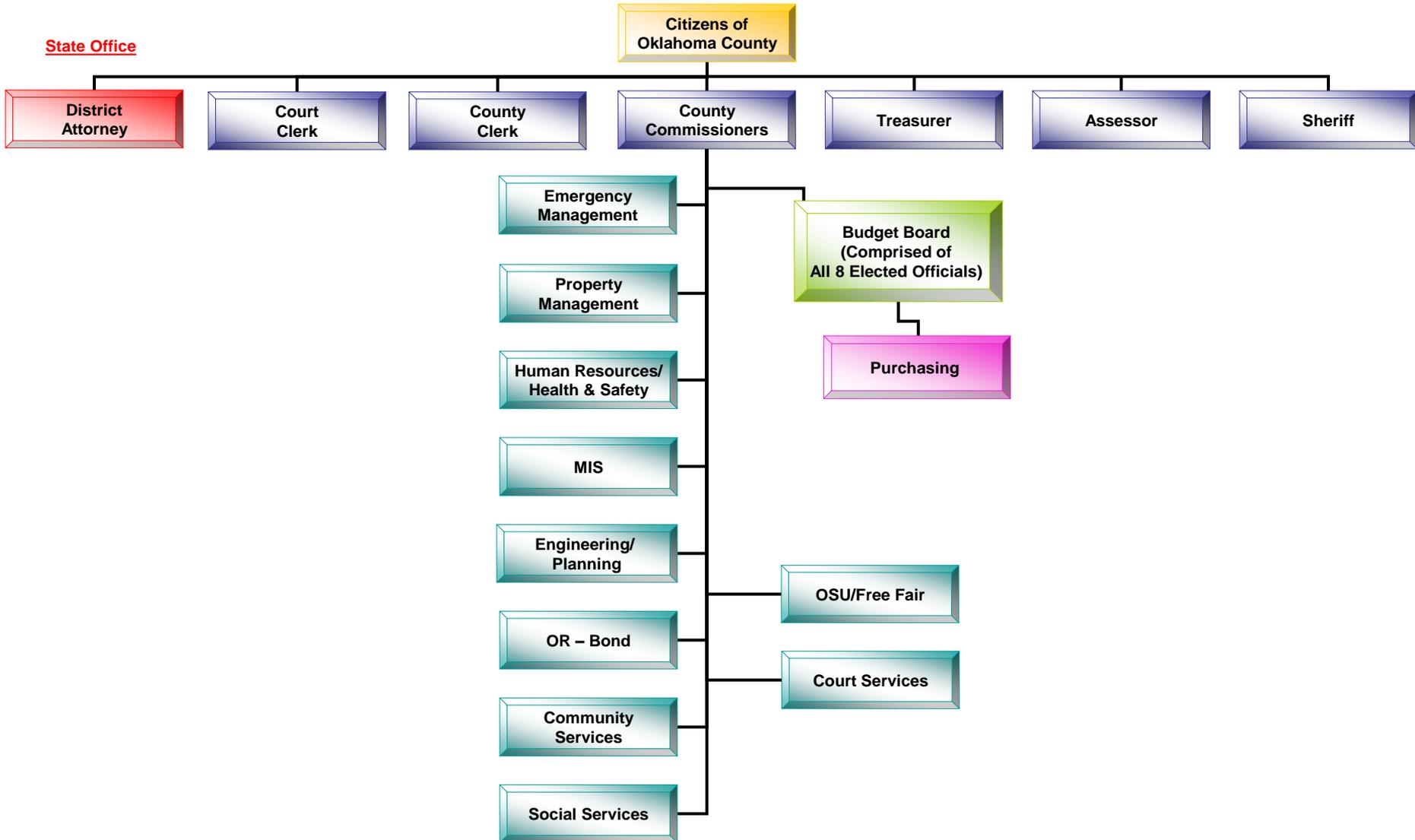


Melvin Combs, Jr. - Vice-Chairman



Patrick Crawley - Memb

Oklahoma County Organizational Chart



II - Financial Section



Independent Auditor's Report

TO THE OFFICERS OF
OKLAHOMA COUNTY, OKLAHOMA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County'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 Oklahoma County Public Buildings Authority, which is both a major fund and 100 percent of assets, net position, and revenues of the business-type activities;
- The financial statements of the Oklahoma County Finance Authority, which represent 100 percent of assets and revenues of the discretely presented component unit; and
- The financial statements of the defined benefit retirement plan of the Employees' Retirement System of Oklahoma County, which represents 3 percent of the assets presented in the statement of fiduciary net position and 9 percent of the additions presented in the statement of changes in fiduciary net position.

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the above-mentioned entities, is based solely 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma, as of June 30, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios – Defined Benefit Retirement Plan, Schedule of Employer Contributions – Defined Benefit Retirement Plan, Schedule of Investment Returns – Defined Benefit Retirement Plan, Schedule of Changes in Total OPEB Liability and related Ratios, Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund, and the Notes to the Required Supplementary Information 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 Oklahoma County's basic financial statements. The introductory section, supplemental combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental combining and individual fund financial statements and schedules 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 and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2019 on our consideration of Oklahoma County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oklahoma County'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 Oklahoma County's internal control over financial reporting and compliance.



CINDY BYRD, CPA
OKLAHOMA STATE AUDITOR & INSPECTOR

February 7, 2019

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Oklahoma County (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

Government-wide financial analysis

At June 30, 2018 the County reported a total net position of \$(303,932,430). Of this amount, \$110,004,114 is net investment in capital assets, \$48,635,518 is restricted for specific purposes, thereby leaving a negative unrestricted net position in the amount of \$(462,572,063). The negative amount of unrestricted net position is primarily the result of three long-term obligations incurred that have no corresponding assets: (1) the issuance of long-term bonds whose proceeds were used to acquire property and facilities that were transferred to the federal government for economic development purposes, (2) long-term obligations related to post-employment healthcare benefits for which no advance-funded plan assets have been set aside, and (3) due to the total pension liability exceeding fiduciary net position of the plan.

Fund financial analysis

Total fund balances for the County's governmental funds amounted to \$67,174,372 at June 30, 2018, an increase of \$7,164,866 from the prior fiscal year. Approximately \$53,113,370 of this total, or 79%, is either nonspendable, restricted, committed or assigned for specific uses; and \$14,061,002 or 21%, is of this total is unassigned in the County's General Fund and available to meet the County's current and future needs.

Capital asset and debt administration

The County's investment in capital assets has decreased by \$363,146 or 0.3% from \$129,364,264 to \$129,001,118. This balance consists of \$116,878,308 for the governmental activities and \$12,122,810 for the business-type activities.

The County's total long-term debt related to bonds, capital leases, judgments and compensated absences increased by \$184,903, or .3% from \$57,439,129 to \$57,624,033. This decrease was the result of the scheduled retirement of outstanding bonds in the amount of \$5,640,000, an increase in capital leases of \$395,279, an increase in judgments payable of \$6,304,367 and a decrease in compensated absences of \$234,743.

The County's total liabilities increased by \$260,157,821 or 134.1%, and the liabilities for the governmental activities increased by \$260,893,073 or 142%. The increase is due to the implementation of the new GASB Statement 75 requirement to report a Total OPEB Liability of \$370,864,207 as compared to the net OPEB obligation of \$113,077,612 reported last year. There was also an increase of \$6,304,367 in judgments payable as a result of seven new judgments against the county along with an increase of \$3,139,896 in Net Pension Liability and a decrease of \$5,698,247 in Bonds Payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of several parts: management's discussion and analysis (this section), the independent auditor's report, the basic financial statements, required supplementary information, and combining and individual fund financial statements and supporting schedules.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT’S DISCUSSION AND ANALYSIS

The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial statements provide both long-term and short-term information about the County’s overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

Government-wide Financial Statements

The government-wide statements report information about the County as a whole and these statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The accrual basis of accounting and the economic resource measurement focus is used. Under this basis of accounting and measurement focus all assets and liabilities, both financial and capital, and short and long-term, are reported. All revenues and expenses are reported during the year, regardless of when cash is received or paid. The statement of net position includes all of the government’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities.

The two government-wide statements report the County’s net position and how they have changed. Net position, the difference between the County’s assets and liabilities, is one way to measure the County’s financial health, or financial position.

Increases or decreases in the County’s net position are an indicator of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the County, nonfinancial factors should be considered such as changes in the County’s property tax base and the condition of the County’s roads and highways.

The government-wide statements of the County are divided into three categories:

- *Governmental activities* – Most of the County’s basic services are included here, such as public safety, culture and recreation, roads and highways, and general government. Ad valorem taxes, charges for services, and state and federal grants finance most of these activities.
- *Business-type activities* – The County charges fees to customers to help it cover the costs of certain services it provides. The Oklahoma County Public Buildings Authority (OCPBA), a blended component unit, is reported as a business-type activity.
- *Discretely Presented Component Units* – The County includes the Oklahoma County Finance Authority in its report as a discretely presented component unit. Although legally separate, the component unit is important because it would be misleading or incomplete to exclude them from the County’s financial report since the Board of County Commissioners exercises significant control over the entity.

Fund Financial Statements

The fund financial statements provide more detailed information about the County’s most significant funds, not the County as a whole. Funds are grouping of related accounts that the County uses to keep track of specific sources of funding and spending for particular purposes.

Some funds are required by state statutes, bond indentures, or other outside authorities. The Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenue sources for restricted purposes.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

The County has three kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) cash and other current financial resources that can be readily converted to cash and used to pay obligations and (2) the balances left at year-end that are available for spending. Governmental funds use the modified accrual basis of accounting and the current financial resource measurement focus. Under this basis of accounting and measurement focus, revenues are recognized when cash is received during or soon after the end of the year; expenditures are recognized when goods or services have been received and payment is due during the year or soon thereafter. Consequently, the governmental funds statements provide a short-term view that helps you determine whether there are more or less financial resources that can be spent in the near future to finance the County's programs. 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- *Proprietary funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds use the same basis of accounting and the same measurement focus as the government-wide statements. Proprietary funds provide both long and short-term financial information.
- *Fiduciary funds* – The County is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that can only be used by the trust beneficiaries. The County is responsible for distributing the assets reported in these funds to the intended beneficiary. Fiduciary funds use the same basis of accounting and the same measurement focus as the government-wide statements. All of the County's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits through the Employees Defined Benefit Retirement System, and its Other Post-Employment Benefits (OPEB) obligation as well as the General Fund Budget to Actual Comparison Schedule.

The combining and individual fund statements and schedules are presented immediately following the required supplementation information.

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Oklahoma County, liabilities exceeded assets by \$(303,932,430) at June 30, 2018 an overall decrease when compared to June 30, 2017. At the end of the current year, the County's net position is reported as follows:

Oklahoma County's Net Position
June 30, 2018
(dollars are in thousands)

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------------|-------------------------|-----------------|--------------------------|------------------|---------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total current and other assets | 77,203 | 69,776 | 7,774 | 7,529 | 84,977 | 77,305 |
| Capital assets, net | 116,878 | 116,542 | 12,123 | 12,822 | 129,001 | 129,364 |
| Total Assets | 194,081 | 186,318 | 19,897 | 20,351 | 213,978 | 206,669 |
| Deferred outflows of resources | 280 | 431 | 787 | 839 | 1,067 | 1,270 |
| Total current liabilities | 24,856 | 23,613 | 799 | 880 | 25,655 | 24,493 |
| Total noncurrent liabilities | 419,787 | 160,137 | 8,770 | 9,425 | 428,557 | 169,562 |
| Total Liabilities | 444,643 | 183,750 | 9,569 | 10,305 | 454,212 | 194,055 |
| Deferred inflows of resources | 64,766 | - | - | - | 64,766 | - |
| Net position: | | | | | | |
| Net investment in | | | | | | |
| capital assets | 106,519 | 104,978 | 3,485 | 3,597 | 110,004 | 108,575 |
| Restricted | 41,006 | 39,272 | 7,630 | 7,289 | 48,636 | 46,561 |
| Unrestricted | (462,572) | (141,250) | - | - | (462,572) | (141,250) |
| Total net position | \$ (315,047) | \$ 3,000 | \$ 11,115 | \$ 10,886 | \$ (303,932) | \$ 13,886 |

*prior year amounts not restated for MD&A purposes

The largest portion of the County's net position \$110,004,114 reflects its investment in capital assets net of related debt (i.e. land, buildings, equipment, infrastructure). The county uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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.

Another portion of the County's net position, \$48,635,518 represents resources that are subject to external restrictions on how they may be used. The remaining balance of negative unrestricted net position is a total of \$(462,572,063).

The amount of negative Unrestricted Net Position reported for governmental activities is primarily a result of the \$44,049,570 of outstanding bonds, whose proceeds were used to acquire a capital facility that was transferred to the federal government, in addition to the total OPEB liability of \$370,864,207 that have no corresponding plan assets held in trust. In both of these cases, the County is obligated for long-term debt and obligations for which no corresponding asset is reported, thereby

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

creating a negative amount reported for unrestricted net position. None of the restricted net position as reported above are restricted by enabling legislation, all restrictions are imposed by state statutes.

The negative amount of unrestricted net position is primarily the result of two long-term obligations incurred that have no corresponding assets: (1) the issuance of long-term bonds whose proceeds were used to acquire property and facilities that were transferred to the federal government for economic development purposes, and (2) long-term net obligations related to post-employment healthcare benefits for which no advance-funded plan assets have been set aside.

**Oklahoma County's Changes in Net Position
June 30, 2018
(dollars in thousands)**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|-----------|--------------------------|-----------|--------------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 29,700 | \$ 30,305 | \$ 3,926 | \$ 3,883 | \$ 33,626 | \$ 34,188 |
| Operating grants and contributions | 15,608 | 14,989 | | | 15,608 | 14,989 |
| Capital grants and contributions | 3,674 | 2,408 | | | 3,674 | 2,408 |
| General revenues: | | | | | | |
| Property taxes | 80,044 | 80,618 | | | 80,044 | 80,618 |
| Other revenues | 9,648 | 9,221 | 4 | - | 9,652 | 9,221 |
| Total revenue | 138,674 | 137,541 | 3,930 | 3,883 | 142,604 | 141,424 |
| Expenses: | | | | | | |
| General government | 72,658 | 61,206 | | | 72,658 | 61,206 |
| Public safety | 62,136 | 62,695 | | | 62,136 | 62,695 |
| Health and welfare | 2,018 | 2,069 | | | 2,018 | 2,069 |
| Culture and recreation | 62 | 62 | | | 62 | 62 |
| Education | - | 447 | | | - | 447 |
| Roads and highways | 14,032 | 15,755 | | | 14,032 | 15,755 |
| Economic development | - | - | | | - | - |
| Interest on long-term debt | 1,226 | 1,431 | | | 1,226 | 1,431 |
| Public Buildings Authority | - | - | 2,093 | 2,257 | 2,093 | 2,257 |
| Total expenses | 152,132 | 143,665 | 2,093 | 2,257 | 154,225 | 145,922 |
| Change in net position before transfers | (13,458) | (6,124) | 1,837 | 1,626 | (11,621) | (4,498) |
| Net Transfers | 1,608 | 1,100 | (1,608) | (1,100) | - | - |
| Change in net position | (11,850) | (5,024) | 229 | 526 | (11,621) | (4,498) |
| Net position - beginning | 3,000 | 8,024 | 10,886 | 10,360 | 13,886 | 18,384 |
| Prior Period Adjustment | (306,197) | - | | | (306,197) | - |
| Net position - ending | \$ (315,047) | \$ 3,000 | \$ 11,115 | \$ 10,886 | \$ (303,932) | \$ 13,886 |

*prior year amounts not restated for MD&A purposes

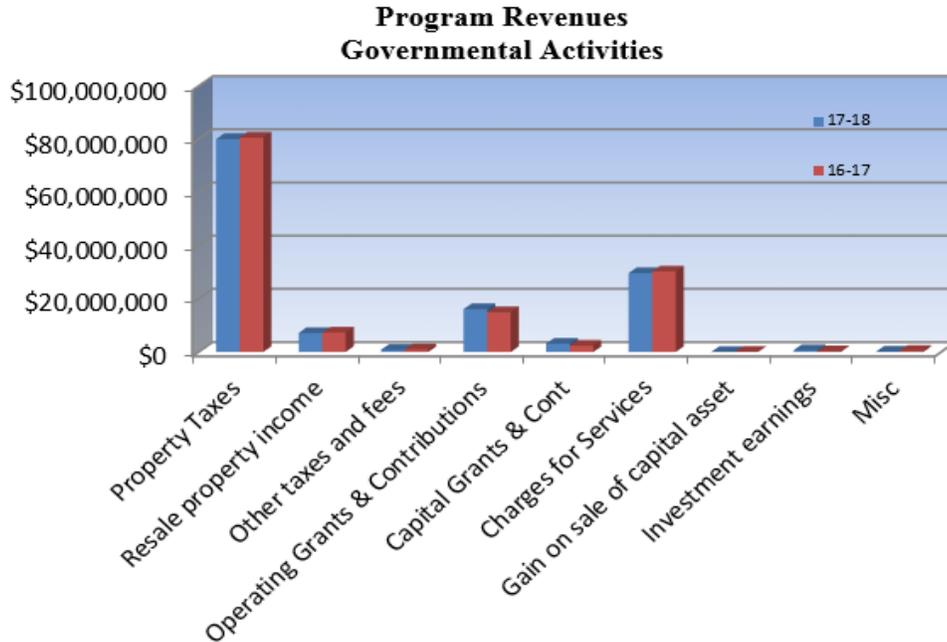
Governmental activities

Net position for governmental activities decreased \$318 million (10601.1%). The change in net position was the result of the implementation of the new GASB 75 requirement to report the Total OPEB Liability of \$370,864,207 which is an increase of \$257.8 million reported in prior year for Net OPEB obligation. See footnote IV.D. for more information. There was also a net decrease of \$5.7 million in bonds payable as the payment of principal on outstanding debt and an increase of \$6.3 million in judgments payable due to seven new judgments. Other significant items that resulted in a change in net position are as follows:

- Total revenues increased \$1.1 million, or .8%. The more significant increases were as follows:
 - Property taxes decreased by approximately \$574 thousand, or .7%, as a result of a tax levy decrease of \$3.3 million, or 32% for the Debt Service Fund due to the retirement of two outstanding bonds in the prior fiscal year. This decrease was offset by an increase in General Fund of approximately \$2.7 million, or 3.9% due to continued increases in assessed values.

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

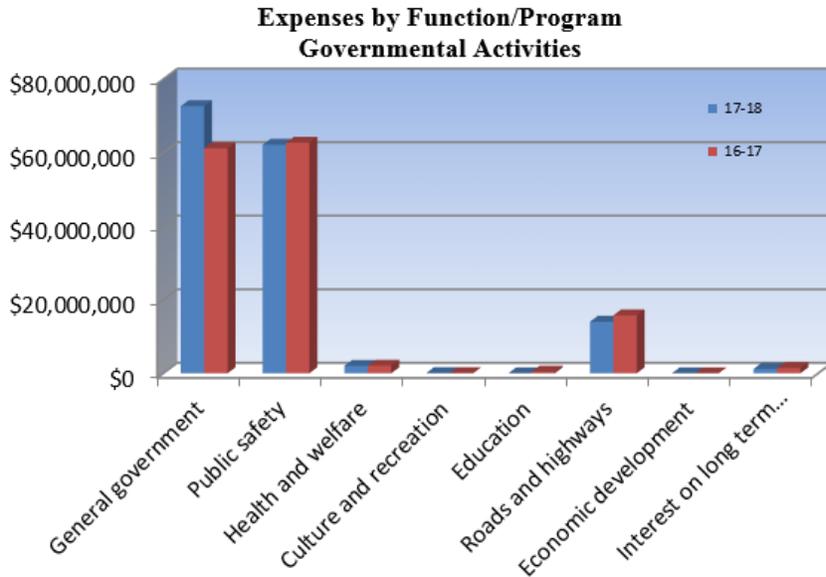
- Operating grants and contributions increased \$619 thousand, or 4.1% as a result of an increase of \$208 thousand in state drug enforcement revenue in the sheriff department from an increase in receipts from COMIT and more in adjudicated cases from the previous year. Also realized an increase of \$377 thousand, or 3.2% in roads and highways due to an increase in revenue from state gross production and gas and fuel taxes.
- Capital grants and contributions increased by \$1.3 million, or 52.5% as a result of an increase of \$527 thousand from FEMA hazard mitigation grant, for \$658 thousand from TIF reimbursements for county projects along with an increase of \$82 thousand in reimbursements from cities and state for road projects.
- Charges for services decreased \$605 thousand, or 2.0%, as a net result of a decrease of \$1 million or 25.6% from the reduction of city and state inmate boarding fees at the Oklahoma County Jail. There was a decrease of \$275 thousand, or 6.8% in sheriff service fees, a \$386 thousand, or 17.9% increase in Juvenile Detention services revenue from the state and a \$437 thousand, or 13.3% increase in the assessor’s revaluation revenue from cities and schools.
- Earnings on investment income increased \$385 thousand, or 129% as a result of the increased rates on investments.



- The increase in revenues was offset with an \$8.5 million, or 5.9% increase in expenses. The more significant changes were as follows:
 - An increase of \$11.5 million, or 18.7% in general government expense due to an increase of \$784 thousand in OPEB expense as a result of the implementation of GASB No. 75 requiring the recognition of additional expense related to OPEB, an increase of \$6.6 million in judgment expenses, an increase of \$3.6 million in net pension liability expense, a decrease of \$2.4 million in bond payments along with the reduction of \$3.7 million of a judgment investment reported as expense in the governmental funds.
 - A decrease of \$559 thousand, or .9%, in public safety expenses is due to a decrease of \$774 thousand, or 10% in expenses for the Sheriff employee’s salary and benefits as well as a \$1.1 million increase in OPEB expenses as a result of the implementation of GASB 75.

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

- A decrease of \$447 thousand is due to the reclassification of the OSU Extension department from a county department to a contract service a moving that function to General Government.
- A decrease of \$1.7 million, or 11% is attributable to roads and highways as a result of a decrease in the amount spent on road and bridge construction in FY 17-18.
- A decrease of \$205 thousand, or 14.4%, is attributable to interest on long term debt as a result of interest payments on the 2008 General Obligation Bond issue.



Business-type activities

Rental revenues increased \$42,569 or 1.1% from fiscal year 2016-2017. Non-operating expenses (interest payments and amortization of deferred amount of refunding) decreased approximately \$13,753 or 3.5% which was partially offset with an increase in non-operating revenues of approximately \$3,074 from earning on investment income compared to last year. These factors along with a total net income of \$1,836,683, and an increase of net transfers out of \$508,250 resulted in a \$228,434 increase in net position at year-end.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

Governmental funds

The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unreserved 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 County’s governmental funds reported combined ending fund balances of \$67,174,372, an increase of \$7.2 million, or 11.9%, in comparison with the prior year. The increase in fund balances was primarily the result of a total decrease in expenditures of \$1.9 million or 1.4%, and a \$4.1 million or 345% increase in other financing sources (uses).

Approximately 79.1% of the fund balance total for governmental funds, or \$42,342,031 is restricted, \$2,187,731 is committed, \$7,484,252 is assigned and \$1,099,356 is nonspendable. The remaining fund balance of \$14,061,002 or 21.2% constitutes unassigned fund balance that is available to meet the County’s current and future needs.

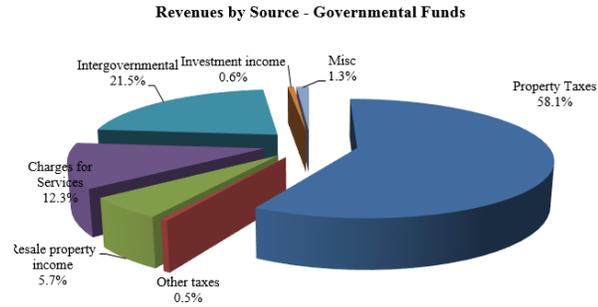
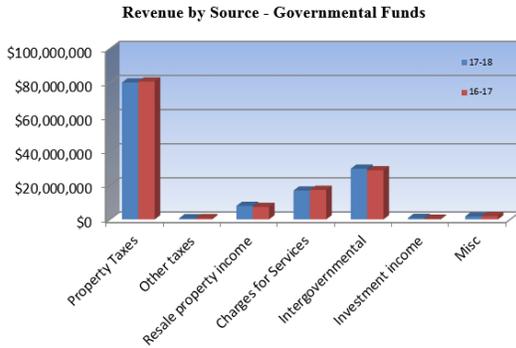
OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

The general fund is the chief operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance of \$14,061,002 and total fund balance of \$19,812,376 to total fund expenditures. Unassigned fund balance represents 15.0% of the total general fund expenditures, while total fund balance represents 21.2% of that same amount.

For the fiscal years ended June 30, 2018 and 2017, revenues for the Governmental funds were distributed as follows:

Governmental Funds - Revenues by Source

| Revenues by Source | FY 2018 | | FY 2017 | | Increase/(Decrease) | |
|------------------------|-----------------------|------------------|-----------------------|------------------|---------------------|------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| Property taxes | \$ 80,179,192 | 58.1% | \$ 80,739,233 | 58.8% | \$ (560,041) | -70.1% |
| Other taxes | 720,311 | 0.5% | 747,070 | 0.5% | (26,759) | -3.4% |
| Resale property income | 7,919,965 | 5.7% | 7,335,624 | 5.3% | 584,341 | 73.2% |
| Charges for services | 16,920,447 | 12.3% | 17,320,980 | 12.6% | (400,533) | -50.2% |
| Intergovernmental | 29,796,705 | 21.6% | 28,797,248 | 21.0% | 999,457 | 125.1% |
| Investment income | 794,239 | 0.6% | 394,927 | 0.3% | 399,312 | 50.0% |
| Miscellaneous | 1,783,686 | 1.3% | 1,980,822 | 1.4% | (197,136) | -24.7% |
| Total | \$ 138,114,544 | 100.0% | \$ 137,315,903 | 100.0% | \$ 798,641 | 100.0% |



While revenues of the governmental funds increased by \$798,641, or 0.6%, the individual funds had more significant fluctuations as follows:

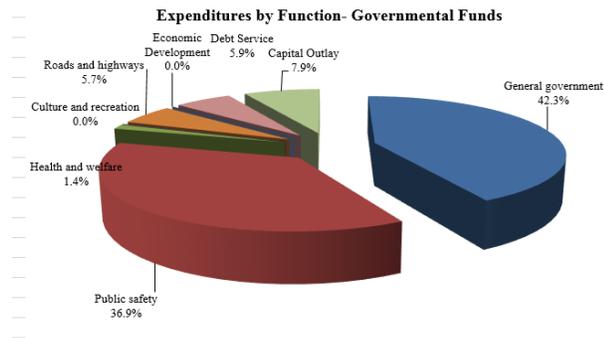
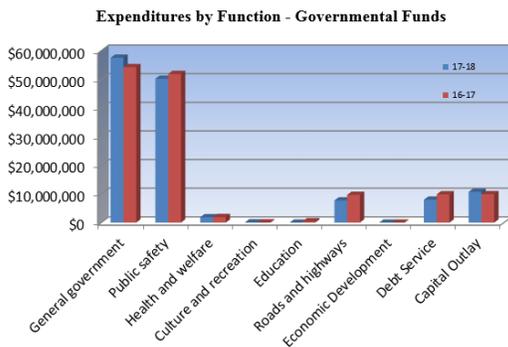
- General fund revenue increased \$3,795,557, or 4.2%. General fund property taxes increased by \$2.7 million, or 3.8%, as a result of increases in assessed property tax values. Intergovernmental revenue increased by \$800 thousand or 9.2% primarily as a result of a \$437 thousand increase from the Revaluation program budget and a \$386 thousand increase in state revenue received for the Juvenile Detention services. There was also an increase of \$324 thousand from the investment income due to higher interest rates.
- The Highway Cash fund revenue increased \$398,109 million or 3.1% primarily as a result of a \$292 thousand increase in fuel tax, gross production tax and motor vehicle tax received from the state.
- The Debt Service fund revenue decreased \$3,235,759, or 31.1% as a result of a decrease in tax required the outstanding bond and judgment balance obligations.
- Other Governmental funds revenue decreased \$733,782, or 4.5% as a result of a \$378 thousand decrease in charges for services which consists of a decrease of \$79 thousand in commissary fees and a \$275 thousand decrease in sheriff service fee revenue. The decrease was also attributed to a decrease of \$494 thousand in the Capital Projects Regular fund due to a \$319 thousand insurance settlement reimbursement and a \$145 thousand increase in TIF reimbursements for building projects received in prior year.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal years ended June 30, 2018 and 2017, expenditures for the Governmental funds were distributed as follows:

Governmental Funds - Expenditures by Function

| Expenditures by Function | FY 2018 | | FY 2017 | | Increase/(Decrease) | |
|--------------------------|-----------------------|------------------|-----------------------|------------------|-----------------------|------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| General government | \$ 57,595,717 | 42.3% | \$ 54,301,766 | 39.3% | \$ 3,293,951 | -175.9% |
| Public safety | 50,249,639 | 36.9% | 51,922,271 | 37.6% | (1,672,632) | 89.3% |
| Health and welfare | 1,861,115 | 1.4% | 1,919,884 | 1.4% | (58,769) | 3.1% |
| Culture and recreation | 62,144 | 0.0% | 62,095 | 0.0% | 49 | 0.0% |
| Education | - | 0.0% | 437,458 | 0.3% | (437,458) | 23.4% |
| Roads and highways | 7,734,107 | 5.7% | 9,690,013 | 7.0% | (1,955,906) | 104.4% |
| Economic development | - | 0.0% | - | 0.0% | - | 0.0% |
| Debt service | 7,994,180 | 5.9% | 9,865,719 | 7.1% | (1,871,539) | 99.9% |
| Capital outlay | 10,763,885 | 7.9% | 9,934,704 | 7.2% | 829,180 | -44.3% |
| Total | \$ 136,260,787 | 100.0% | \$ 138,133,911 | 100.0% | \$ (1,873,124) | 100.0% |



While expenditures of the governmental funds decreased by \$1,873,124, or 1.4%, the individual funds had more significant fluctuations as follows:

- The General fund expenditures increased \$2.8 million, or 3.0% as a result of the recognition of the purchase of two judgments as investments in the amount of \$3.68 million which is offset by an entry of other financing source. There was a \$673 thousand decrease in the public safety category. The Sheriff General Fund budget realized a decrease of \$1.2 million in inmate healthcare costs offset by a \$605 thousand increase in inmate food costs paid out of the general fund budget. These expenses were offset with a re-allocation to their special revenue funds as compared to the prior year. The Juvenile Detention Center expenses were reduced by \$186 thousand as a result in a reduction in salary and benefits paid.
- The Highway Cash fund expenditures decreased by \$680 thousand or 6% due to a reduction in road and bridge project expenses.
- The County Bonds 2008 fund expenditures decreased by \$1.6 million or 65% as a result of a decrease in expenditures on the Deer Creek Flood Control project which is coming to a completion.
- The Debt Service fund expenditures decreased \$1.9 million or 20.5% as a result of a decrease of \$1.6 million in bond principal payments and a reduction of \$508 thousand in interest payments on the general obligation bonds. The final payments of the Series 2002A and 2003A bonds were made in the prior fiscal year.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds

The County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of this fund have already been addressed in the discussion of business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2017-2018 Budget was adopted under the Budget Board method in accordance with state statutes, which state that the County adopts and publishes an initial budget before June 30th of each fiscal year, disclosing that the plan is an estimate and cannot be finalized until the ad valorem levies for the general fund and debt service fund are presented for approval in September. Estimates of beginning unreserved fund balance, and other operating revenues are also adjusted and supplemental appropriations are made in September based on the revised figures. With conservative revenue projections, collections exceeded the budgeted revenues, enabling additional budget amendments later in the year.

The total 2017-2018 General Fund adopted department budgets were \$81,232,891 and we finished the year with total department budgets of \$82,661,541 for a total departmental increase of \$1,428,650. Transfers out to other funds totaling \$11,513,250 were also budgeted. The changes in the budget were appropriated when the final ad valorem values were certified in September. The more significant changes went to the following departments/funds:

- The Sheriff's department was appropriated an additional \$1,278,369 during the fiscal year to fund the increase in the inmate medical contract and the inmate medical cap excess.
- An additional \$400,000 was appropriated to transfer to the Defined Benefit Retirement plan for a total of \$800,000.
- An additional \$225,000 was transferred from the General Fund Reserve to the Employee Benefits Fund over the original budgeted amount of \$8,400,000.
- An additional \$658,250 was budgeted and transferred to the Capital Projects Regular Fund for the Jail Mold Remediation and HVAC replacement projects.

The County adopts a balanced budget, including unassigned fund balance in the sources as required by state statute. Since the actual revenues and expenditures for the General Fund compare favorably with the General Fund budget for revenues and expenditures, there is a positive ending fund balance.

Actual expenditures were \$4,405,190 under budget while revenue collections were approximately \$5,146,284 higher than budget. Ad valorem tax collections (current and prior) of \$3,945,735 account for the majority of the revenue variance.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the County's investment in capital assets for its governmental activities amounts to \$116,878,308 (net of accumulated depreciation) and \$12,122,810 (net of accumulated depreciation) for its business-type activities. The County owns various buildings in which county business is conducted. The buildings and building improvements are recorded at a net book value of \$40.6 million at June 30, 2018, comprising the largest class of assets.

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Major capital asset events during the current fiscal year included the following:

- Completion of the County Annex exterior lighting project at a total cost of \$153,227 and the completion of the Juvenile building exterior renovation project at a total cost of \$185,226.
- Construction in progress of the Crutchto Flood Control Plain project to mitigate flooding conditions and related damage in east central Oklahoma County and the Crutchto Creek flood plain and floodway and surrounding area, which facilitate the construction of infrastructure improvements in those areas through the acquisition of certain real property and/or the provision of safe and adequate roads, bridges and drainage facilities in those areas. The total cost to date is \$7,642,986 and the project is funded with general obligation bond proceeds in the County Bond 2008 Fund .
- Construction in progress of the Deer Creek Flood Control Plain project to mitigate flooding conditions and related damage in east central Oklahoma County and the Deer Creek flood plain and floodway and surrounding area, which facilitate the construction of infrastructure improvements in those areas through the acquisition of certain real property and/or the provision of safe and adequate roads, bridges and drainage facilities in those areas. The total cost to date is \$2,830,935 and the project is funded with general obligation bond proceeds in the County Bond 2008 Fund.
- Construction in progress of the County Annex building space utilization project at a total cost to date of \$2,448,260, the Jail kitchen remodel and mold remediation at a total cost to date of \$667,919 to date, the Courthouse 9th floor remodel at total cost to date of \$431,746 and the Annex and Courthouse snack area remodel at a total cost to date of \$1,275.
- Construction of and improvements to approximately 34 miles of county roads and bridges at a total cost of approximately \$3.7 million dollars.

For additional information on the county’s capital assets, see Note III.C.

Long-term debt

At the end of the current fiscal year, the County had a total outstanding debt of \$57,624,033. This is comprised of \$33,050,000 in general obligation bonds, \$10,406,162 in capital lease obligations, \$7,775,955 in judgments and \$6,391,916 in compensated absences. The County’s total debt increased \$184,903, or .3% due to the addition of seven new judgments that were offset by long-term debt payments made during the fiscal year.

| | Governmental Activities | | Business-tye Activities | | Total | |
|---------------------------|----------------------------|---------------------|----------------------------|---------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| General obligation bonds | \$33,050,000 | \$38,690,000 | \$ - | \$ - | \$33,050,000 | \$38,690,000 |
| Capital lease obligations | 981,162 | 585,882 | 9,425,000 | 10,065,000 | 10,406,162 | 10,650,882 |
| Judgments | 7,775,955 | 1,471,588 | - | - | 7,775,955 | 1,471,588 |
| Compensated absences | 6,391,916 | 6,626,659 | - | - | 6,391,916 | 6,626,659 |
| Total | <u>\$48,199,033</u> | <u>\$47,374,129</u> | <u>\$ 9,425,000</u> | <u>\$10,065,000</u> | <u>\$57,624,033</u> | <u>\$57,439,129</u> |

State law limits the amount of general obligation debt the County can issue to 5% of the assessed value of all taxable property within the County’s limits. Our outstanding debt less the amount available in the Debt Service Fund is \$26,345,921 leaving a legal debt margin of \$341,177,576. For additional information on the county’s debt activity, see note III.F.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The total assessed valuation of property in Oklahoma County increased approximately 3.1% for FY 2018-2019.

The County's primary general fund revenue source is property taxes with its second largest single source being county clerk fees on documents filed in the Office of the County Clerk. Together they account for approximately 88% of the total general fund revenue collected in 17-18 and both sources are directly affected from the real estate economy. The housing market continues to thrive in Oklahoma County and assessed values continued to increase, and the number of real estate filings rose slightly during the fiscal year. The county general fund revenue from real estate filing fees increased 3.2% from the prior fiscal year which is a clear sign of strong housing market.

On the expense side of the finances, the economy is continuing to see health care costs rise to record levels. With over 1,600 employees, and 45% of the general fund budget allocated to salaries and wages (excluding benefits which represents another 22%), the impact is significant to the County. As a result of the new provider health plan network and the new prescription service plan put into place in fiscal year 2017-2018, Oklahoma County saw the total net cost of its employee self-insured employee health benefits program decrease from \$25.9 million in fiscal year 16-17 to \$23.4 million in fiscal year 17-18 for a total decrease of \$2.5 million, or 9.7%. All of these was achieved without a reduction in benefit coverage or rationing care for employees or retirees.

The County has a specific and aggregate stop-loss insurance policy for medical claims and received reimbursement in the amount of \$1.3 million on its medical claims in FY 17-18 compared to \$2.4 million thousand received in FY 16-17.

In fiscal year 2017-2018, Oklahoma County Elected Officials approved and implemented a new management referral service for direct negotiations and member referrals to our low cost high quality providers. This will result in significant savings for the plan members and the county health plan.

The County purchased an aggregate stop loss policy for its employee medical benefits plan as a safety net for the self-insured plan. County employees will see a 3.5% increase in employee premiums for the 2019 calendar year based on actuarial projections. The rise in industry health care costs continue to impact operating costs of the jail to retain medical services for prisoners detained at the county jail and these costs are anticipated to continue to rise again in the coming year based on industry projections.

The County's General Fund supplemental adopted budget for FY 2018-19 is \$99,223,608 which is \$5,114,580 higher than the FY 2017-18 final budget of \$94,109,028. The FY 18-19 budget consists of \$92,837,608 for department budgets and \$6,386,000 in transfers to other funds. An increase of \$2.2 million in budgeted property tax revenue, an increase of \$297 thousand in Revaluation and an increase of \$141 thousand in County Clerk fee revenue account for the major changes in the projected \$2.7 million revenue increase and make up 92% of the overall General Fund budgeted revenue. The General fund beginning fund balance for 18-19 was \$2.3 million more than the fund balance in 17-18. The increased fund balance along with a \$2.7 million increase in revenue resulted in a net \$5.1 million, or 5.4% increase in funds available to budget in FY 18-19. The FY 18-19 budget was balanced by reviewing the estimate of needs of each individual department and budgeting most departments at their requests, less any requested raises and new position funding. During the budgeting process, an across the board 2% cost of living adjustment for a total of \$1 million was given to each General Fund department for all employees, \$350,000 was budgeted in General Government for a new building lease for storage of the Court Clerk's records, an additional

**OKLAHOMA COUNTY, OKLAHOMA
MANAGEMENT’S DISCUSSION AND ANALYSIS**

\$390,480 was appropriated to the Court Clerk’s office for salary parity, an additional \$152,456 was appropriated to the Assessor’s Revaluation budget for 3 new positions, an additional \$45,926 was appropriated to the Sheriff’s office to raise the minimum salaries of 113 positions and to offset the increase for the COLA in their special revenue funds, an additional increase of \$84,500 was appropriated to the Emergency Management budget for safety and telecommunications equipment and an additional \$79,176 was appropriated to Social Services for 2 new positions. During the supplemental budget process in September 2018, an additional \$500,000 was transferred to the employee benefits fund to address cash flow issues and the remaining \$3,636,950 was placed in a reserve cost center to address shortfalls that may occur during the budget year.

REQUESTING THE COUNTY’S FINANCIAL INFORMATION

This financial report is designed to provide citizens, taxpayers, bondholders and other interested parties with a general overview of the County’s finances and to demonstrate the County’s accountability for the money it receives. Complete financial statements of the individual blended and discretely presented component units can be requested from the Oklahoma County Clerk’s office. If you have questions about this report or need additional financial information, contact the County Clerk’s Finance Division at 320 Robert S. Kerr, Room 206 Oklahoma City, OK 73102-3430.

*Basic
Financial
Statements*



OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF NET POSITION
JUNE 30, 2018

| | Primary Government | | | Component Unit |
|---|--------------------------------|---------------------------------|-------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 52,307,544 | \$ 7,687,595 | \$ 59,995,139 | \$ 2,574,869 |
| Investments | 11,606,914 | - | 11,606,914 | 1,518,177 |
| Property taxes receivable, net | 4,720,697 | - | 4,720,697 | - |
| Other taxes receivable | 1,665,167 | - | 1,665,167 | - |
| Interest receivable | 32,490 | - | 32,490 | 7,100 |
| Accounts receivable | 2,242,664 | 86,732 | 2,329,396 | 42,791 |
| Intergovernmental receivables | 3,528,258 | - | 3,528,258 | - |
| Accrued annual fees | - | - | - | 209,700 |
| Inventories | 1,099,356 | - | 1,099,356 | - |
| Total current assets | <u>77,203,090</u> | <u>7,774,327</u> | <u>84,977,417</u> | <u>4,352,637</u> |
| Noncurrent assets: | | | | |
| Capital assets not being depreciated | 42,281,839 | 2,275,936 | 44,557,775 | - |
| Capital assets, net of accumulated depreciation | 74,596,469 | 9,846,874 | 84,443,343 | - |
| Total noncurrent assets | <u>116,878,308</u> | <u>12,122,810</u> | <u>129,001,118</u> | <u>-</u> |
| Total Assets | <u>\$ 194,081,398</u> | <u>\$ 19,897,137</u> | <u>\$ 213,978,534</u> | <u>\$ 4,352,637</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred amount related to pensions | 280,215 | \$ - | \$ 280,215 | - |
| Deferred amount on lease refinancing | - | 786,992 | 786,992 | - |
| Total deferred outflows of resources | <u>280,215</u> | <u>786,992</u> | <u>1,067,207</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable and other current liabilities | \$ 4,933,987 | \$ 78,092 | \$ 5,012,079 | \$ 16,226 |
| Accrued interest payable | 465,999 | - | 465,999 | - |
| Compensated absences, current | 4,697,890 | - | 4,697,890 | - |
| Capital lease obligations, current | 239,939 | 655,000 | 894,939 | - |
| Judgments payable, current | 2,769,996 | - | 2,769,996 | - |
| Claims liability, current | 6,107,765 | - | 6,107,765 | - |
| Bonds payable, current | 5,640,000 | - | 5,640,000 | - |
| Accrued interest payable | - | 30,694 | 30,694 | - |
| Unearned revenue | - | 35,657 | 35,657 | - |
| Total current liabilities | <u>24,855,577</u> | <u>799,443</u> | <u>25,655,019</u> | <u>16,226</u> |
| Noncurrent liabilities: | | | | |
| Compensated absences | 1,694,025 | - | 1,694,025 | - |
| Capital lease obligations | 741,222 | 8,770,000 | 9,511,222 | - |
| Judgments payable | 5,005,959 | - | 5,005,959 | - |
| Total OPEB Liability | 370,864,207 | - | 370,864,207 | - |
| Net pension liability | 13,777,589 | - | 13,777,589 | - |
| Bonds payable-net | 27,704,065 | - | 27,704,065 | - |
| Total noncurrent liabilities | <u>419,787,067</u> | <u>8,770,000</u> | <u>428,557,067</u> | <u>-</u> |
| Total Liabilities | <u>\$ 444,642,644</u> | <u>\$ 9,569,443</u> | <u>\$ 454,212,086</u> | <u>\$ 16,226</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred amount related to OPEB | 64,766,085 | \$ - | \$ 64,766,085 | - |
| Total deferred inflows of resources | <u>64,766,085</u> | <u>-</u> | <u>64,766,085</u> | <u>-</u> |
| NET POSITION | | | | |
| Net investment in capital assets | 106,519,313 | 3,484,802 | 110,004,114 | - |
| Restricted for: | | | | |
| General government | | | | |
| Resale property | 6,297,821 | - | 6,297,821 | - |
| Records preservation | 773,248 | - | 773,248 | - |
| Public safety | 6,285,640 | - | 6,285,640 | - |
| Roads and highways | 18,167,353 | - | 18,167,353 | - |
| Capital improvements | 2,316,697 | - | 2,316,697 | - |
| Debt service | 6,704,079 | 7,629,884 | 14,333,963 | - |
| Other purposes | 460,796 | - | 460,796 | - |
| Unrestricted | (462,572,063) | - | (462,572,063) | 4,336,411 |
| Total net position | <u>\$ (315,047,117)</u> | <u>\$ 11,114,686</u> | <u>\$ (303,932,430)</u> | <u>\$ 4,336,411</u> |

The notes to the financial statements are an integral part of this statement.

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

| Functions/Programs | Program Revenues | | | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit |
|---|------------------|-----------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------|----------------|
| | Expenses | Indirect Expense Allocation | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Total | |
| | | | | | | Governmental Activities | Business-type Activities | | |
| Primary government: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | \$ 72,658,454 | \$ (8,663,198) | \$ 17,735,183 | \$ 1,109,682 | \$ 1,166,717 | \$ (43,983,674) | \$ - | \$ (43,983,674) | \$ - |
| Public safety | 62,135,892 | 7,196,340 | 11,924,122 | 2,228,116 | - | (55,179,995) | - | (55,179,995) | - |
| Health and welfare | 2,017,537 | 173,134 | 33,161 | - | - | (2,157,510) | - | (2,157,510) | - |
| Culture and recreation | 62,144 | - | - | - | - | (62,144) | - | (62,144) | - |
| Roads and highways | 14,032,166 | 1,293,724 | - | 12,270,128 | 1,683,362 | (1,372,400) | - | (1,372,400) | - |
| Economic development | - | - | 7,367 | 403 | 823,864 | 831,634 | - | 831,634 | - |
| Interest on long term debt | 1,225,929 | - | - | - | - | (1,225,929) | - | (1,225,929) | - |
| Total governmental activities | 152,132,123 | - | 29,699,832 | 15,608,330 | 3,673,943 | (\$103,150,018) | - | (103,150,018) | - |
| Business type activities: | | | | | | | | | |
| Public Buildings Authority | 2,092,697 | - | \$ 3,925,823 | - | - | - | 1,833,126 | 1,833,126 | - |
| Total primary government | \$ 154,224,821 | \$ - | \$ 33,625,656 | \$ 15,608,330 | \$ 3,673,943 | \$ (103,150,018) | \$ 1,833,126 | \$ (101,316,893) | \$ - |
| Component unit: | | | | | | | | | |
| Finance Authority | \$ 66,533 | \$ - | \$ 455,968 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 389,435 |
| General revenues: | | | | | | | | | |
| Property taxes (net of estimated uncollectibles of \$405,415) | | | | | | 80,043,974 | - | 80,043,974 | - |
| Resale property income | | | | | | 7,919,965 | - | 7,919,965 | - |
| Other taxes and fees | | | | | | 859,194 | - | 859,194 | - |
| Unrestricted investment earnings | | | | | | 682,002 | 3,559 | 685,561 | 24,612 |
| Gain on sale of capital assets | | | | | | 14,456 | - | 14,456 | - |
| Miscellaneous | | | | | | 172,513 | - | 172,513 | - |
| Transfers-in (out) | | | | | | 1,608,250 | (1,608,250) | - | - |
| Total general revenues and transfers | | | | | | 91,300,353 | (1,604,692) | 89,695,662 | 24,612 |
| Change in net position | | | | | | (11,849,665) | 228,434 | (11,621,231) | 414,047 |
| Net position - beginning as restated (See Note III.G.) | | | | | | (303,197,452) | 10,886,252 | (292,311,200) | 3,922,364 |
| Net position - ending | | | | | | \$ (315,047,117) | \$ 11,114,686 | \$ (303,932,430) | \$ 4,336,411 |

The notes to the financial statements are an integral part of this statement.

**OKLAHOMA COUNTY, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

| | <u>General</u> | <u>Highway Cash</u> | <u>Resale Property</u> | <u>County Bonds 2008</u> | <u>Debt Service Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|----------------------|----------------------------|------------------------------|------------------------------|---|---|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 13,868,892 | \$ 10,953,397 | \$ 4,508,526 | \$ 1,200,329 | \$ 5,787,031 | \$ 15,989,369 | \$ 52,307,544 |
| Investments | 6,171,234 | 1,548,954 | 637,542 | 169,742 | 818,334 | 2,261,108 | 11,606,914 |
| Property taxes receivable (net) | 4,240,660 | - | - | - | 480,037 | - | 4,720,697 |
| Other taxes receivable | 409,303 | - | 1,216,497 | - | 39,367 | - | 1,665,167 |
| Interest receivable | - | 10,541 | - | 1,796 | 9,331 | 10,822 | 32,490 |
| Accounts receivable | 1,357,565 | - | - | 526,898 | - | 358,201 | 2,242,664 |
| Intergovernmental receivable | 511,935 | 2,507,063 | - | - | - | 509,260 | 3,528,258 |
| Inventory | 300,618 | 489,822 | - | - | - | 308,916 | 1,099,356 |
| Total assets | <u>\$ 26,860,207</u> | <u>\$ 15,509,777</u> | <u>\$ 6,362,565</u> | <u>\$ 1,898,765</u> | <u>\$ 7,134,100</u> | <u>\$ 19,437,676</u> | <u>\$ 77,203,090</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 3,049,129 | \$ 1,062,957 | \$ 64,744 | \$ - | \$ - | \$ 757,157 | \$ 4,933,987 |
| Benefits and claims payable | 222,316 | - | - | - | - | - | 222,316 |
| Total liabilities | <u>3,271,445</u> | <u>1,062,957</u> | <u>64,744</u> | <u>-</u> | <u>-</u> | <u>757,157</u> | <u>5,156,303</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue-Property Taxes | 3,432,928 | - | - | - | 396,837 | - | 3,829,765 |
| Unavailable revenue-Intergovernmental | 343,458 | - | - | 526,898 | 33,184 | 139,110 | 1,042,650 |
| Total deferred inflows of resources | <u>3,776,386</u> | <u>-</u> | <u>-</u> | <u>526,898</u> | <u>430,021</u> | <u>139,110</u> | <u>4,872,415</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | \$ 300,618 | \$ 489,822 | \$ - | \$ - | \$ - | \$ 308,916 | \$ 1,099,356 |
| Restricted | - | 13,956,998 | 6,297,821 | 1,371,867 | 6,704,079 | 14,011,266 | 42,342,031 |
| Committed | 2,187,731 | - | - | - | - | - | 2,187,731 |
| Assigned | 3,263,025 | - | - | - | - | 4,221,227 | 7,484,252 |
| Unassigned | 14,061,002 | - | - | - | - | - | 14,061,002 |
| Total fund balances (See note III.G.) | <u>19,812,376</u> | <u>14,446,820</u> | <u>6,297,821</u> | <u>1,371,867</u> | <u>6,704,079</u> | <u>18,541,409</u> | <u>67,174,372</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 26,860,207</u> | <u>\$ 15,509,777</u> | <u>\$ 6,362,565</u> | <u>\$ 1,898,765</u> | <u>\$ 7,134,100</u> | <u>\$ 19,437,676</u> | <u>\$ 77,203,090</u> |
| Total fund balance - governmental funds | | | | | | | \$ 67,174,372 |
| 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. | | | | | | | 116,878,308 |
| Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds, but not deferred in the statement of net position: | | | | | | | |
| Unavailable revenue- property tax, other taxes and intergovernmental | | | | | | | 4,872,415 |
| Pension related deferred outflows | | | | | | | 280,215 |
| Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore, are not reported in the funds. | | | | | | | |
| Bonds payable, net of unamortized premiums | | | | | | | (33,344,065) |
| Leases payable | | | | | | | (981,162) |
| Judgments payable | | | | | | | (7,775,955) |
| Compensated absences | | | | | | | (6,391,916) |
| Accrued interest payable | | | | | | | (465,999) |
| Claims liability, less amount reported at fund level | | | | | | | (5,885,449) |
| OPEB related deferred inflows | | | | | | | (64,766,085) |
| Total OPEB liability | | | | | | | (370,864,207) |
| Net pension liability | | | | | | | (13,777,589) |
| Net position of governmental activities | | | | | | | <u>\$ (315,047,117)</u> |

The notes to the financial statements are an integral part of this statement.

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | General | Highway Cash | Resale Property | County Bonds 2008 | Debt Service Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|----------------------|---------------------|----------------------|----------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 73,112,627 | \$ - | \$ - | \$ - | \$ 7,066,565 | \$ - | \$ 80,179,192 |
| Other taxes | 652,282 | - | - | - | 68,029 | - | 720,311 |
| Resale property income | - | - | 7,919,965 | - | - | - | 7,919,965 |
| Charges for services | 9,466,296 | - | - | - | - | 7,454,151 | 16,920,447 |
| Intergovernmental revenues | 9,454,682 | 12,211,712 | - | 296,966 | - | 7,833,345 | 29,796,705 |
| Investment income | 528,712 | 113,042 | - | 14,925 | 48,469 | 89,091 | 794,239 |
| Miscellaneous revenue | 407,872 | 1,109,660 | - | - | - | 266,154 | 1,783,686 |
| Total revenues | <u>93,622,471</u> | <u>13,434,413</u> | <u>7,919,965</u> | <u>311,891</u> | <u>7,183,063</u> | <u>15,642,741</u> | <u>138,114,544</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 49,153,945 | - | 5,891,707 | - | - | 2,550,065 | 57,595,717 |
| Public safety | 40,131,486 | - | - | - | - | 10,118,153 | 50,249,639 |
| Health and welfare | 1,861,115 | - | - | - | - | - | 1,861,115 |
| Culture and recreation | 62,144 | - | - | - | - | - | 62,144 |
| Roads and highways | 1,438,126 | 5,997,838 | - | - | - | 298,143 | 7,734,107 |
| Debt service: | | | | | | | |
| Principal | - | 239,630 | - | - | 6,575,821 | - | 6,815,451 |
| Interest | - | 15,843 | - | - | 1,162,886 | - | 1,178,729 |
| Capital outlay | 860,407 | 5,394,199 | 48,025 | 868,903 | - | 3,592,351 | 10,763,885 |
| Total expenditures | <u>93,507,223</u> | <u>11,647,510</u> | <u>5,939,732</u> | <u>868,903</u> | <u>7,738,707</u> | <u>16,558,712</u> | <u>136,260,787</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>115,248</u> | <u>1,786,904</u> | <u>1,980,233</u> | <u>(557,012)</u> | <u>(555,644)</u> | <u>(915,971)</u> | <u>1,853,758</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers from other funds | 1,342,000 | - | - | - | - | 2,899,467 | 4,241,467 |
| Transfers to other funds | (1,068,250) | (222,967) | (1,342,000) | - | - | - | (2,633,217) |
| Proceeds on judgment obligation | 3,688,402 | - | - | - | - | - | 3,688,402 |
| Sale of capital assets | 11,532 | 1,889 | - | - | - | 1,035 | 14,456 |
| Total other financing sources (uses) | <u>3,973,684</u> | <u>(221,078)</u> | <u>(1,342,000)</u> | <u>-</u> | <u>-</u> | <u>2,900,502</u> | <u>5,311,108</u> |
| Net change in fund balances | 4,088,932 | 1,565,826 | 638,233 | (557,012) | (555,644) | 1,984,531 | 7,164,866 |
| Fund balances-beginning | 15,723,444 | 12,880,994 | 5,659,588 | 1,928,879 | 7,259,723 | 16,556,878 | 60,009,506 |
| Fund balances - ending | <u>\$ 19,812,376</u> | <u>\$ 14,446,820</u> | <u>\$ 6,297,821</u> | <u>\$ 1,371,867</u> | <u>\$ 6,704,079</u> | <u>\$ 18,541,409</u> | <u>\$ 67,174,372</u> |

The notes to the financial statements are an integral part of this statement.

**OKLAHOMA COUNTY, OKLAHOMA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

| | |
|--|------------------------|
| Net change in fund balances-total governmental funds | \$ 7,164,866 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, that were added to capital assets (\$8,592,274 exceeded depreciation (\$8,149,657) in the current period. | 442,617 |
| In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the cost of the assets sold, net of accumulated depreciation versus the proceeds from asset sales. | (106,523) |
| In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures. | (3,290,769) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include a decrease in deferred property taxes of \$135,217 an increase in other taxes of \$138,879 and a increase in intergovernmental receivables of \$541,541. | 545,202 |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt. (Principal retirement on bonds payable of \$5,698,247 and a net increase in capital lease obligations payable of \$395,279). | 5,302,967 |
| 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 governmental funds. These include the net increase in judgments payable (\$6,304,367), a decrease in compensated absences (\$234,743), a decrease in claims liability (\$563,894) an increase in accrued interest payable (\$47,200), a decrease in the Total OPEB liability (\$48,410,991) and deferred inflow related to OPEB (64,766,085). | <u>(21,908,025)</u> |
| Change in net position of governmental activities | <u>\$ (11,849,665)</u> |

The notes to the financial statements are an integral part of this statement.

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

| | Public Buildings Authority |
|---|---------------------------------------|
| ASSETS | |
| Current assets: | |
| Restricted assets: | |
| Cash and cash equivalents | \$ 7,687,595 |
| Accounts receivable | 86,732 |
| Total current assets | 7,774,327 |
| Capital assets: | |
| Land | 2,275,936 |
| Buildings and improvements | 22,370,751 |
| Equipment | 161,794 |
| Less accumulated depreciation | (12,685,671) |
| Total capital assets (net of accumulated depreciation) | 12,122,810 |
| Total noncurrent assets | 12,122,810 |
| Total assets | \$ 19,897,137 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amount on lease refinancing | \$ 786,992 |
| LIABILITIES | |
| Current liabilities payable from : | |
| restricted assets: | |
| Capital lease obligations-current | 655,000 |
| Accounts payable | 78,092 |
| Accrued interest payable | 30,694 |
| Unearned revenue | 35,657 |
| Total current liabilities | 799,443 |
| Noncurrent liabilities: | |
| Capital lease obligations | 8,770,000 |
| Total noncurrent liabilities | 8,770,000 |
| Total liabilities | 9,569,443 |
| NET POSITION | |
| Net investment in capital assets | 3,484,802 |
| Restricted for debt service | 7,629,884 |
| Total net position | \$ 11,114,686 |

The notes to the financial statements are an integral part of this statement.

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

| | Public Buildings Authority |
|---|---|
| Operating revenues: | |
| Rental | \$ 3,925,823 |
| Total operating revenues | \$ 3,925,823 |
| Operating expenses: | |
| Costs of sales and services | 723,671 |
| Administration | 226,527 |
| Depreciation | 709,558 |
| Total operating expenses | 1,659,757 |
| Operating income | 2,266,066 |
| Nonoperating revenues (expenses): | |
| Investment income | 3,559 |
| Interest expense | (432,524) |
| Trustee and other expenses | (417) |
| Total nonoperating revenue (expenses) | (429,382) |
| Income before transfers | 1,836,684 |
| Transfer to County Capital Regular Fund | (1,608,250) |
| Change in net position | 228,434 |
| Beginning net position | 10,886,252 |
| Total net position-ending | \$ 11,114,686 |

The notes to the financial statements are an integral part of this statement.

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Public Buildings Authority</u> |
|--|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers and users | \$ 3,899,215 |
| Payments to suppliers | (808,987) |
| Payments to employees | (226,527) |
| Net cash provided by operating activities | <u>2,863,701</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | |
| Trustee fees on capital debt | (417) |
| Principal paid on capital debt | (640,000) |
| Interest paid on capital debt | (381,125) |
| Payment for capital assets | (9,959) |
| Net cash provided (used) by capital financing activities | <u>(1,031,501)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfer to governmental funds | (1,608,250) |
| Net cash provided (used) by non-capital financing activities | <u>(1,608,250)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest earnings received | 3,559 |
| Net cash provided by investing activities | <u>3,559</u> |
| Net increase (decrease) in cash and cash equivalents | 227,507.56 |
| Beginning cash and cash equivalents | <u>\$ 7,460,087</u> |
| Ending cash and cash equivalents | <u><u>\$ 7,687,595</u></u> |
| Reconciliation of operating income to net cash provided (used) by operating activities: | |
| Operating Income | <u>2,266,066</u> |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | |
| Depreciation expense | \$709,558 |
| (Increase) decrease in accounts receivable | (17,738) |
| Increase (decrease) in payables | (85,316) |
| Increase (decrease) in unearned revenue | (8,870) |
| Total adjustments | <u>\$597,634</u> |
| Net cash provided by operating activities | <u><u>\$ 2,863,701</u></u> |

The notes to the financial statements are an integral part of this statement.

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

| | <u>Pension Trust Funds</u> | <u>Agency Funds</u> |
|--------------------------------------|--------------------------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 4,684,702 | \$ 35,517,839 |
| Property taxes receivable, net | - | 40,212,802 |
| Interest receivable | 4,311 | - |
| Accounts receivable | - | - |
| Contributions receivable | - | 1,452,843 |
| Investments | | |
| Certificate of deposits | 475,000 | 5,008,881 |
| Judgments | 585,767 | - |
| Mutual funds | 101,399,703 | - |
| Loans to participants | 9,461,112 | - |
| Total investments | <u>111,921,582</u> | <u>5,008,881</u> |
| Total assets | <u>\$ 116,610,595</u> | <u>\$ 82,192,365</u> |
| LIABILITIES | | |
| Due to Other Taxing Jurisdictions | \$ - | \$ 46,182,068 |
| Due to Others | - | <u>36,010,297</u> |
| Total liabilities | <u>-</u> | <u>82,192,365</u> |
| NET POSITION | | |
| Net position restricted for pensions | <u>\$ 116,610,595</u> | <u>\$ -</u> |

The notes to the financial statements are an integral part of this statement.

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

| | Pension Trust Funds |
|---|------------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 6,874,428 |
| Investment earnings: | |
| Interest | 489,960 |
| Net increase (decrease) in the fair value of investments | 8,028,143 |
| Total investment earnings | 8,518,103 |
| Total additions | 15,392,531 |
| DEDUCTIONS | |
| Benefits | 9,888,741 |
| Administrative expenses | 328,636 |
| Total deductions | 10,217,378 |
| Change in net position | 5,175,153 |
| Net position held in trust for pension | |
| Beginning of year | 111,435,441 |
| End of year | \$ 116,610,595 |

The notes to the financial statements are an integral part of this statement.

*Notes to the
Financial
Statements*



OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

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OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

Note I. Summary of Significant Accounting Policies

The financial statements of Oklahoma County are presented in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

New Accounting Pronouncements Adopted in Fiscal Year 2018:

The County adopted the following new accounting pronouncement during the year ended June 30, 2018 as follows:

- *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
GASB No. 75 was issued in June 2015, and addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For a defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement is effective for fiscal years beginning after June 15, 2017.
- *GASB Statement No. 81, Irrevocable Split-Interest Agreements*
GASB No. 81 was issued in March 2016, to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The statement does not affect the County's financial statements.
- *GASB Statement 85, Omnibus 2017*
GASB No. 85 issued March 2017, this Statement address a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The statement does not affect the County's financial statements.
- *GASB Statement 86, Certain Debt Extinguishment Issues*
GASB No. 86 issued May 2017 the primary objective of this Statement is to improve the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt substance. The statement does not affect the County's financial statements.

The GASB has issued several new accounting pronouncements, which will be effective in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the County's consideration of the impact of these pronouncements are described below:

New Accounting Pronouncements Issued Not Yet Adopted: The GASB has also issued several new accounting pronouncements which will be effective to the County in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the County's consideration of the impact of these pronouncements are described below:

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

- *GASB Statement No. 83, Certain Asset Retirement Obligations*
GASB No. 83 was issued December 2016, under this statement a government that has legal obligations to perform future asset retirement activities related to its tangible capital assets is required to recognize a liability and a corresponding deferred outflow of resources. The Statement identifies the circumstances that trigger the recognition of these transactions. The Statement also requires the measurement of an asset retirement obligation to be based on the best estimate of the current value of outlays expected to be incurred while the deferred outflow of resources associated with the asset retirement obligation will be measured at the amount of the corresponding liability upon initial measurement and generally recognized as an expense during the reporting periods that the asset provides service. The Statement requires disclosures including a general description of the asset retirement obligation and associated tangible capital assets; the source of the obligation to retire the assets; the methods and assumptions used to measure the liability; and other relevant information. The County has not yet determined the impact that implementation of GASB 83 will have on its net position.

- *GASB Statement 84, Fiduciary Activities*
GASB No. 84 was issued January 2017, this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The County has not yet determined the impact that implementation of GASB 84 will have on its net position.

- *GASB Statement 87, Leases*
GASB No. 87 was issued June 2017, the primary objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a 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, thereby enhancing the relevance and consistency of information about activities. The County has not yet determined the impact that implementation of GASB 87 will have on its net position.

- *GASB Statement 88, Certain Disclosures Related to Debt*
GASB No. 88 was issued April 2018, the primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosures in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specific in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The County has not yet determined the impact that implementation of GASB 88 will have on its net position.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

- *GASB Statement 89, Accounting for Interest Cost Incurred Before the End of a Construction Period*
GASB No. 89 was issued June 2018, the primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 6, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires the interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as a expenditure on a basis consistent with governmental fund accounting principles. The County has not yet determined the impact that implementation of GASB 89 will have on its net position.

A. Reporting entity

Oklahoma County government is a subdivision of the state government and all of the powers exercised by the County are those delegated by the State, as authorized by the State Legislature and the state constitution. The County is governed by the Board of County Commissioners, comprised of three elected members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are part of the government's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Complete financial statements for each of the individual component units may be obtained from the Oklahoma County Clerk's Finance Division.

1. Blended Component Unit

Oklahoma County Public Buildings Authority - The Oklahoma County Public Buildings Authority (OCPBA) was created for the primary purpose of financing, operating, constructing and administering any public works, improvements or facilities in Oklahoma County. The OCPBA achieves its purpose through the issuance of revenue bonds. The Board of County Commissioners serves as the Board of the OCPBA. OCPBA is a public trust authority established March 4, 1968, under the provisions of Title 60, Oklahoma Statutes 1961, Sections 176 to 180, inclusive, the Oklahoma Trust Act, and other applicable statutes of the State of Oklahoma.

During the fiscal year, the OCPBA collected the rental revenues from the Metro Parking Garages, Investor's Capital Building, Lincoln Building property, and the Krowse Building which are pledged for payment of its 2003 series lease revenue bonds. Revenue generated by the properties are used to pay the principal and interest of the outstanding bonds and all direct expenses to manage and operate said properties under the amended management agreement between the OCPBA and Oklahoma County dated July 7, 2005. Under the agreement if any additional funds exist subsequent to the payment of ongoing operating costs, a payment to cover the County's overhead costs for supportive service will be paid to the County in July. The duration of the contract is the life of the bonds issued by OCPBA unless modified

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

in writing. The OCPA issues a separate financial report that can be obtained by writing to the Oklahoma County Clerk's Office at 320 Robert S. Kerr, Room 201, Oklahoma City, Oklahoma 73102.

2. Discretely Presented Component Unit

Oklahoma County Finance Authority - The Oklahoma County Finance Authority (OCFA) is a discretely presented component unit and was created for the purpose to advance, finance and develop commercial and industrial projects or facilities and advance development of adequate housing within the County. The OCFA is a public trust established pursuant to a trust indenture dated May 9, 1983. Under the trust indenture, the OCFA was created for the use and benefit of Oklahoma County (the County) under the provisions of Title 60, Oklahoma Statutes (2001), Sections 176 to 180.3, inclusive, as amended and supplemented, the Oklahoma Public Trust Act and other applicable statutes of the State of Oklahoma.

The OCFA is authorized, in the furtherance of public purposes, to issue its revenue notes and bonds in order to provide funds for the development of commercial and industrial projects, which will benefit the County, including but not limited to, medical and housing projects. Pursuant to the respective trust indentures governing each project, the notes or bonds payable of each project do not constitute a debt, liability or moral obligation of the State of Oklahoma, or any political subdivision thereof, nor does the indebtedness constitute a personal obligation of the trustees of the OCFA. The OCFA has no taxing power.

The OCFA Board of Trustees is appointed by the County Commissioners of Oklahoma County. In addition, the County Commissioners ultimately approve all note and bond obligations issued by the OCFA. The OCFA issues a separate financial report that can be obtained by writing to the Oklahoma County Finance Authority at 105 N. Hudson, Suite 304, Oklahoma City, Oklahoma 73102.

3. Jointly Governed Organization

The City of Oklahoma City and the Board of County Commissioners of Oklahoma County participate in the City-County Board of Health (Board) whose purpose is to preserve and promote public health. Five members of the Board are appointed by the City Council, and four members are appointed by the Oklahoma County Commissioners with removal only for cause. The primary source of funding for the Board is an ad valorem tax levy. During fiscal year 1995-96 the City-County Health Department became totally independent of the County by agreement of the County and the City Council and the City-County Health Board. The County has no equity interest nor does the County contribute to the continued existence of the Board.

4. Related Organizations

The following related organizations are excluded from the financial reporting entity because the County does not exercise significant influence over their respective operations. Audited financial statements are available from the respective organizations. Related organizations are as follows:

Oklahoma County Home Finance Authority - The Oklahoma County Home Finance Authority (OCHFA) was created as a public trust under applicable Oklahoma Statutes on May 5, 1980, for the use and benefit of the Beneficiary, Oklahoma County, to finance and provide housing facilities as set forth in the Trust Indenture. The County has no significant influence over the management, budget or policies of the OCHFA.

Oklahoma Industries Authority - The Oklahoma Industries Authority (OIA) was created as a public trust under applicable Oklahoma Statutes on December 15, 1966, and amended May 4, 1981. It was created for the use and benefit of the Beneficiary, Oklahoma County, Oklahoma, to finance, promote and aid in the development of industry and commerce as set forth in the Trust Indenture. The County has no significant influence over the management,

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

budget or policies of the OIA. On November 1, 1997, the Authority issued \$2,750,000 in lease revenue bonds to fund the expansion of the Oklahoma County Juvenile Detention Center project. In February 2001, the OIA issued \$4,765,000 in lease revenue bonds to fund heating and cooling upgrades and lighting, electrical and plumbing improvements to county buildings. On July 28, 2003, the Authority issued \$20,560,000 of lease revenue bonds to provide funds that will be used by the Public Buildings Authority to (1) acquire, construct and equip a parking garage, (2) advance refund the Public Building Authority Capital Improvement Bonds, Series 1997, (3) make improvements to the Metro Parking Garage, (4) make other County improvements, (5) fund capitalized interest, (6) purchase Surety Bonds in lieu of funding a Debt Service Reserve Fund, and (7) pay certain costs of issuing the Bonds.

Oklahoma County Industrial Authority – The Oklahoma County Industrial Authority (OCIA) was created as a public trust under applicable Oklahoma Statutes on May 5, 1982. It was created for the use and benefit of the Beneficiary, Oklahoma County, Oklahoma, to finance, promote and aid in the development of industry and commerce as set forth in the Trust Indenture. The County has no significant influence over the management, budget or policies of the OCIA operation.

Oklahoma County Utility Services Authority – The Oklahoma County Utility Services Authority (OCUSA) was created as a public trust under applicable Oklahoma Statutes on March 15, 1955. It was created to provide utility services in unincorporated areas of Oklahoma County for the safeguarding of public health and the conservation of public welfare in these areas. The County has no significant influence over the management, budget or policies of the OCUSA operation.

B. Government –wide and Fund Financial Statements

The accompanying financial statements of the County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). They present the financial position of the County and the various funds and fund types, the results of operations of the County and the various funds and fund types, and the cash flows of the proprietary fund. The financial statements are presented as of June 30, 2018, and for the year then ended.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Except for interfund services provided and used, the effect of interfund activity has been removed from these 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 discretely presented component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The county operates each of the three self-insurance activities separately. However, all three are primarily funded through general fund revenues. Other revenues include premiums and interest income. Employee benefits and workers compensation expenses and claims are a result of the employment of workers hired to operate and manage the functions of the government. These expenses are reported by the general fund. Gross revenues totaled \$17,179,984 and gross expenses totaled \$26,726,986, resulting in net expenses of \$9,547,002.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from 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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and the pension trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenues, and interest income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

Governmental Funds

Generally accepted accounting principles set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

The County reports the following major governmental funds:

General Fund - The County's primary operating fund. The fund is used to account for and report all financial resources not accounted for and reported in another fund. The Employee Benefits, Worker's Compensation and Self Insurance activities are presented as part of the General Fund. Oklahoma County is self-insured and the primary source of funding is from General Fund revenue.

Highway Cash – Accounts for state, local and miscellaneous revenues and expenditures for the purpose of constructing and maintaining county roads and bridges.

Resale Property – Accounts for collection of interest and penalties on delinquent taxes and the expenditures incurred to sell abandoned property.

County Bonds 2008 - Accounts for the proceeds of general obligation bonds issued in August 2008 to finance the purchase of the former General Motors Assembly plant, to provide funds for the capital improvements for the courthouse and annex buildings, and to improve and mitigate natural hazard damage and impact, including but not limited to flooding in east central Oklahoma County in and around Crutch Creek, and in northwest Oklahoma County in and around the Deer Creek area.

Debt Service Fund – Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

OKLAHOMA COUNTY, OKLAHOMA
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Proprietary Fund

Public Buildings Authority – Accounts for the operations of the Public Buildings Authority blended component unit.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, or other governments.

The County reports the following fiduciary funds:

Pension Trust Funds – Pension trust funds account for assets held by the County in a trustee capacity for current and retired employees. Pension trust funds are accounted for in essentially the same manner as proprietary funds.

The County has two pension trust funds:

1. Defined Benefit Employee Retirement Fund - Accounts for the receipt, investment, and distribution of retirement contributions for employees under the defined benefit plan.
2. Defined Contribution Employee Retirement Fund - Accounts for the receipt, investment, and distribution of retirement contributions for employees under the defined contribution plan.

Agency Funds - Agency funds are custodial in nature (i.e., assets equal liabilities) and do not involve measurement of results of operations. However, agency fund assets and liabilities are recognized using the accrual basis of accounting. The County has five classifications of agency funds (Schools, Cities and Towns, Official Depository, Unapportioned Taxes and All Others).

Revenue and Expense Classification

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Operating expenses for enterprise funds include cost of sales and services, administrative expenses and depreciation on capital. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position

1. Deposits and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. The majority of interest earned on investments is allocated to the general fund except for those investments made specifically for the debt service fund, trust fund and certain special revenue funds as required by state statute for which investment income is allocated to the investing

OKLAHOMA COUNTY, OKLAHOMA
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fund.

The County adopted formal deposit and investments policies in June 2017. State statutes authorize the County to adopt a written investment policy directing the investment of the funds of the County and any of its public trusts or authorities. The County Treasurer manages the investments according to the investment policy. The written investment policy authorize the county to purchase and invest in U.S. Government obligations; certificates of deposit; savings accounts; general obligation bonds issued by counties, municipalities, or school districts; money judgments against counties, municipalities, or school districts; bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality, or school district; negotiable certificates of deposit; prime bankers acceptances; prime commercial paper; repurchase agreements and money market funds.

Investments are reported at fair value and certificates of deposits are reported at carrying amount which reasonably estimates fair value.

2. Property Taxes Receivable

All property tax receivables are shown net of an allowance for uncollectibles. Taxes are levied annually on October 1 with one-half due by December 31 and the remaining one-half due by March 31. If exactly one-half of the amount due is not received by December 31, the full amount is due and becomes delinquent January 1st. If the taxpayer opts for one-half payment by December 31 but does not make the remaining payment by March 31, the balance becomes delinquent. Delinquent tax payments are subject to interest assessments at 18% annual percentage rate. Major tax payments are received in the months December through April. Delinquent tax payments are received throughout the year. Governmental funds recognize revenue in the year levied to the extent they are received within 60 days of year-end. Current year tax collections for the year ended June 30, 2018 were 97.0% of the tax levy.

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the State Tax Commission and the State Equalization Board. A revaluation of all property is required once every five years. Oklahoma Counties assessed property value as of January 1, 2018, was \$7,350,469,942 after excluding homestead and veteran exemptions of \$167,983,033.

The County Excise Board levied 10.35 mills for General Fund operations, 2.59 mills for the City-County Health Department, 5.20 mills for Metropolitan Library Commission and 1.00 mills for Debt Service.

In addition, the County also collects the ad valorem taxes assessed by cities and towns and school districts and apportions the ad valorem tax collected to the appropriate taxing unit.

On the government-wide financial statements, property tax revenues are recognized in the fiscal year for which they are levied. On the fund financial statements, property tax revenues are deferred if not received within sixty days after fiscal year end.

3. Receivables and Unavailable Revenues

Receivables consist of intergovernmental receivables that are primarily amounts due from federal grants, and accounts receivable are primarily comprised of various charges for services, fees and employee health premiums earned by fiscal year end and not yet collected.

Governmental funds report unavailable revenue in connection with receivables for revenues that are earned but not collected within sixty days of year end and therefore not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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| | |
|---|--------------------|
| Governmental Funds: | <u>Unavailable</u> |
| Property taxes receivable – General Fund | \$3,432,928 |
| Property taxes receivable – Debt Service Fund | 396,837 |
| Intergovernmental receivable- General Fund | 343,458 |
| Intergovernmental receivable – Debt Service Fund | 33,184 |
| Grant funds – County Bonds 2008 Fund | 526,898 |
| Grant funds – Sheriff Grant Fund | 115,482 |
| Grant funds – Emergency Management Fund | 15,000 |
| Intergovernmental receivable – Sheriff Service Fee Fund | <u>8,628</u> |
| Total deferred for governmental funds | <u>\$4,872,415</u> |

4. Inventories

Inventory in governmental funds consists of expendable supplies held for consumption stated on a first-in first-out basis. They are recorded at cost, as an expenditure, at the time individual items are purchased. Unconsumed inventories in governmental funds are equally offset by nonspendable fund balance, which indicates that portion of fund balance is not in spendable form.

5. Due to Other Taxing Units/Others

Oklahoma County acts as a collecting agent for many other governmental entities. The County is responsible for assessing ad valorem taxes, sending out statements, collecting the tax and distributing collections to the appropriate recipients. These recipients include, but are not limited to, schools, cities, the County Health Department, the City/County Library, Oklahoma County career tech Schools and colleges. All unremitted collections on hand at June 30 are reported as “due to other taxing jurisdictions”, and unapportioned collections held in depository accounts are reported as “due to others”, within County agency funds.

6. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are defined by Oklahoma County as assets with an initial, individual costs exceeding \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Supplies and materials purchased as part of construction projects expected to exceed the capitalization threshold are capitalized as projects are constructed. Land, land improvements and artwork are not depreciable assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All maintenance costs are expensed in the period incurred.

Capital assets are depreciated using the straight-line method over the assigned useful lives as follows:

| <u>Assets</u> | <u>Years</u> |
|---------------------------|--------------|
| Buildings | 40 |
| Building improvements | 30-40 |
| Infrastructure-Roads | 10 |
| Infrastructure-Bridges | 50 |
| Equipment and automobiles | 5-15 |
| Furniture and Fixtures | 10 |

OKLAHOMA COUNTY, OKLAHOMA
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7. Compensated Absences

Accrued vacation leave is payable upon layoff, resignation, retirement, or death. Amounts of vested or accumulated vacation leave are reported in the government-wide statements and not in the governmental fund statements as the liability is not expected to be paid from current resources. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements. At June 30, 2018 the accrued liability for annual and compensatory leave time was \$6,391,916.

There is no limitation on accruing unused sick leave. Sick leave does not vest, and therefore, is not reported. Unused sick leave shall contribute toward retirement eligibility for vested employees, 20 days being equivalent to one month. The maximum allowable is 130 days, which would allow an additional year.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities columns of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

9. Defined Benefit Retirement Plan

Basis of Accounting

The financial statements of the County's Defined Benefit Plan are prepared under the accrual method of accounting. Employer contributions to the plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan trustees to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. If available, quoted market prices are used to value investments. The amounts shown for securities that have no quoted market price represent estimated fair value. Purchases and sale of securities are recorded on a settlement date basis. Interest income is recorded on the accrual basis.

Pension

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 net position of the Employees' Retirement System of Oklahoma County and additions to/deductions from the System's net position have been determined on the same basis as they are reported by Employees' Retirement System of Oklahoma County. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OKLAHOMA COUNTY, OKLAHOMA
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Deferred Outflows and Deferred Inflows of Resources

Deferred outflows and deferred inflows are the consumption and the acquisition, respectively, of net position by the County that is applicable to a future reporting period. The County's deferred outflows of resources were comprised of changes related to pensions that are applicable to future reporting periods. The County's deferred inflows of resources were comprised of the difference between expected and actual experience and changes in assumptions in OPEB obligations applicable to future reporting periods.

10. Internal Balances

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental and business type activities columns of the Statement of Net Positions, except for the net residual amounts due between governmental and business-type activities, which are presented in internal balances.

Due To/Due From – Amounts owed to one fund or component unit by another which are due within one year are reported as due to other funds or component units.

11. Fund Balance and Net Position

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

Fund balances are classified by level of constraint as follows:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.
- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance* – includes amounts that can be used for the specific purposes determined by a formal action of the County's highest level of decision making authority, the County's Board of County Commissioners or the County Budget Board by resolution. Commitments may be changed or lifted only by the County taking the same formal action by resolution that imposed the constraint originally.
- *Assigned Fund Balance* – comprises amounts intended to be used by the County for specific purposes that are neither restricted nor committed. *Intent* is expressed by motion of the County's Board of County Commissioners or County Budget Board pursuant to state law by action other than resolution.
- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

The government-wide and the proprietary fund financial statements utilize a net position presentation. Net positions are categorized as net investment in capital assets, restricted, and unrestricted.

OKLAHOMA COUNTY, OKLAHOMA
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- Net investment in capital assets groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position reflects net positions that are subject to constraints either by externally imposed by creditors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position represents the residual net positions of the County that are not restricted for any project or purpose.

When both restricted and unrestricted net positions are available for use, it is the County's policy to use restricted net position or resources first.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Guidelines for the County Budget Act are set out in Title 19 Section 1401 of Oklahoma Statutes. At least thirty (30) days prior to the beginning of each fiscal year, a budget for each fund of the county for which a budget is required shall be completed by the county Budget Board. Each budget shall provide a complete financial plan for the budget year. The budget format shall be as prescribed by the Oklahoma State Auditor and Inspector. The format shall contain at least the following in tabular form for each fund, itemized by department and account within each fund:

1. Actual revenues and expenditures for the immediate prior fiscal year;
2. Estimated actual revenues and expenditures for the current fiscal year; and
3. Estimated revenues and proposed expenditures for the budget year.

The Budget Board of Oklahoma County complies with the purpose of the Budget Act, which is:

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets.
2. Enable counties to make financial plans for both current and capital expenditures and to ensure that their executive staffs administer their respective functions in accordance with adopted budgets.
3. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the county government.
4. Assist county governments to improve and implement generally accepted accounting principles as applied to governmental accounting, auditing and financial reporting, and standards of governmental finance management.

Each fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by department and character (salaries and wages, fringe benefits, travel, operation, capital and debt service), which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to authorization by the department head and approval by the Budget Board. All budget revisions are subject to final review by the County Budget Board. Revisions to the budget were made throughout the year.

The legal level of control is that expenditures budgeted in each fund may not exceed budgeted revenues, including fund balance, for the fund. Once approved, the County Budget Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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B. Legal and Contractual Obligations

Under Oklahoma Law, the County may not obligate funds that require income and revenue from future fiscal years without voter approval, such as with the issuance of general obligation bonds. All lease and lease-purchase agreements, whether or not they are capitalized, must be re-approved at the beginning of each fiscal year. Federal and State grant revenues and expenditures are accounted for in accordance with applicable contract provisions. General obligation bonds, judgments and related interest are levied for and paid in accordance with appropriate State laws.

C. Continuous Inventory

According to guidelines established by Title 19 Section 178.1 of Oklahoma statutes, the County maintains a continuous asset inventory of all assets purchased with a cost of \$500 or more. These items are generally purchases from the capital outlay accounts and recorded at cost.

Note III. Detailed Notes on All Funds

A. Deposits and Investments

The County uses a pooled cash concept for deposits and investments except for the pension trust, and certain agency funds. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. All cash is pooled for operating and investment purposes and each fund has equity in the pooled amount. For reporting purposes, cash and investments have been allocated to each fund based on that fund's equity in the pooled amount.

Deposits

Investments

As of June 30, 2018, the County had the following investments:

| Primary Government | | Weighted Average | Credit | Fair Value |
|-------------------------------------|---------------------|-------------------------|----------------|-----------------|
| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity (Years)</u> | <u>Ratings</u> | <u>Category</u> |
| Certificates of deposit | \$9,238,008 | .44 | N/A | N/A |
| Judgements | <u>3,688,402</u> | 1.67 | N/A | Level III |
| Total investments | <u>\$12,926,410</u> | | | |
| Portfolio weighted average maturity | | .79 | | |

| Fiduciary Funds: | | Weighted Average | Credit | Fair Value |
|-------------------------------------|--------------------|-------------------------|----------------|-----------------|
| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity (Years)</u> | <u>Ratings</u> | <u>Category</u> |
| Certificates of deposit | 475,000 | .74 | N/A | N/A |
| Judgments | <u>585,767</u> | 3.00 | N/A | Level III |
| Total investments | <u>\$1,060,767</u> | | | |
| Portfolio weighted average maturity | | 2.48 | | |

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted account principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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Level 3 inputs were used for judgments purchases from other governmental agencies that are not actively traded and significant other observable inputs are not available. Judgments are valued at \$3,688,402 and \$585,767 using the cost approach at June 30, 2018.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County may not be able to recover its deposits. The County’s policy requires uninsured deposits with banks to be 110 percent secured by collateral valued at fair value. As of June 30, 2018, the County’s bank balance of \$91,821,000 and its blended component unit bank balance of \$7,687,595 are fully insured or collateralized with securities held by the County or its blended component unit, or their agents in their respective names.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the adopted investment policy, the County manages its exposure to declines in fair values by following three benchmarks in investing funds; safety, liquidity and rate of return. The investment maturities are set up to meet projected cash flow needs and money market investments are available for funds making frequent deposits and expenditures.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investing is preformed in accordance with investment policies adopted by the County complying with Oklahoma State statutes. Investments are limited to the following: 1) Direct obligations of United States government, its agencies or instrumentalities to the payment of which the full faith and credit of the government of the United states is pledged, or obligations to the payment of which the full faith and credit of the State of Oklahoma is pledged; 2) Obligations of the Government National Mortgage Association, Federal National Mortgage Association, or Federal Home Loan Mortgage Corporation, or any Federal farm credit bank, Federal land bank, or Federal home loan bank notes or bonds; 3) Collateralized or insured certificates of deposit; 4) Repurchase agreements that have underlying collateral of direct obligations or obligations of the United States government, it agencies and instrumentalities; 5) Money market funds and repurchase agreements which investments consist of the authorized investments of United States government agency obligations with restrictions as specified in state law; 6) State and Local Government Series; and 7) County direct debt obligations for which an ad valorem tax may be levied, rendered against the county by a court of record.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments. County investment policy provides that investment collateral is held by a third party custodian with whom the County has a current custodial agreement in the County’s name or be held in the name of both the County and financial institution by the Federal Reserve Bank servicing Oklahoma.

Discretely Presented Component Unit

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Average Maturity (Years)</u> | <u>Credit Ratings</u> |
|-------------------------|-------------------|--|-----------------------|
| Certificates of deposit | \$1,518,177 | 0.82 | N/A |

Interest rate risk. The Authority’s investment policy limits the duration of certificates of deposit or other fixed-income securities to a maximum maturity from the date of purchase to six months.

Investment Credit risk. The Authority has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations and agencies as of yearend. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The Authority invests in certificates of deposit of local financial institutions, and that all deposits and investments in excess of amounts covered by federal deposit insurance, be fully collateralized, with a pledge of the U.S. Treasury obligations,

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by the entity holding the deposit or investments. At June 30, 2018, all the Authority's investments are in certificates of deposit.

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's deposit policy for custodial credit risk is that all deposits shall either be insured by Federal Deposit Insurance or collateralized by securities held by the cognizant Federal Reserve Bank, or invested in U.S. Government obligations, in the Authority's name. At June 30, 2018, the Authority's deposits were not exposed to custodial credit risk since all deposits were either insured by Federal Deposit Insurance or collateralized by securities held in the Authority's name.

B. Property Taxes Receivable

The following is a summary of property and other tax amounts shown as receivable and amounts considered uncollectible by the taxing unit. In accordance with state statute, all tax liens on real and personal property are extinguished upon the expiration of seven (7) years. Therefore, the receivables date back to 2008, and the total outstanding represents less than 1% of the original tax levies for the same time period.

| | Total Outstanding at June 30, 2018 | Amount Considered Uncollectible | Amount Shown as Net Receivable |
|-----------------------|--|---------------------------------------|--------------------------------------|
| Governmental Funds | \$5,126,112 | (\$405,415) | \$ 4,720,697 |
| Fiduciary Funds: | | | |
| Health Department | 1,027,445 | (5,137) | 1,022,308 |
| Cities and Library | 6,601,176 | (33,006) | 6,568,170 |
| Schools | 32,786,255 | (163,931) | 32,622,324 |
| Fiduciary Funds Total | 40,414,876 | (202,074) | 40,212,802 |
| Total | \$ 45,540,988 | \$ (607,489) | \$ 44,933,499 |

OKLAHOMA COUNTY, OKLAHOMA
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C. Capital Assets

Capital assets activity for the year ended June 30, 2018 was as follows:

| | Balance June 30, 2017 | Increases | Decreases | Balance June 30, 2018 |
|---|--------------------------|--------------|----------------|--------------------------|
| Primary Government | | | | |
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 27,229,745 | \$ 49,841 | \$ - | \$ 27,279,586 |
| Artwork | 24,500 | - | - | 24,500 |
| Construction In Progress | 12,503,464 | 3,281,550 | (807,262) | 14,977,752 |
| Total capital assets, not being depreciated | 39,757,709 | 3,331,391 | (807,262) | 42,281,839 |
| Capital assets being depreciated: | | | | |
| Buildings & building Improvements | 99,569,492 | 338,453 | (7,400) | 99,900,546 |
| Machinery and equipment | 38,273,656 | 2,098,414 | (1,180,483) | 39,191,588 |
| Infrastructure | 64,989,344 | 3,797,980 | (1,241,536) | 67,545,788 |
| Total capital assets being depreciated | 202,832,492 | 6,234,848 | (2,429,419) | 206,637,921 |
| Less accumulated depreciation for: | | | | |
| Buildings & building Improvements | (56,598,819) | (2,629,736) | 4,640 | (59,223,914) |
| Machinery and equipment | (30,513,669) | (2,130,805) | 962,021 | (31,682,453) |
| Infrastructure | (38,935,500) | (3,389,116) | 1,189,531 | (41,135,085) |
| Total accumulated depreciation | (126,047,987) | (8,149,657) | 2,156,193 | (132,041,452) |
| Total capital assets being depreciated, net | 76,784,505 | (1,914,810) | (273,227) | 74,596,469 |
| Governmental activities, capital assets, net | \$ 116,542,214 | \$ 1,416,582 | \$ (1,080,488) | \$ 116,878,308 |
| Business-type activities | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,275,936 | \$ - | \$ - | \$ 2,275,936 |
| Construction In Progress | - | - | - | - |
| Total capital assets, not being depreciated | 2,275,936 | - | - | 2,275,936 |
| Capital assets being depreciated: | | | | |
| Buildings & building Improvements | 22,370,751 | - | - | 22,370,751 |
| Machinery and equipment | 151,835 | 9,959 | - | 161,794 |
| Total capital assets being depreciated | 22,522,586 | 9,959 | - | 22,532,545 |
| Less accumulated depreciation for: | | | | |
| Buildings & building Improvements | (11,854,726) | (691,828) | - | (12,546,554) |
| Machinery and equipment | (121,387) | (17,730) | - | (139,117) |
| Total accumulated depreciation | (11,976,113) | (709,558) | - | (12,685,671) |
| Total capital assets being depreciated, net | 10,546,473 | (699,599) | - | 9,846,874 |
| Business-type activities, capital assets, net | \$ 12,822,409 | \$ (699,599) | \$ - | \$ 12,122,810 |

OKLAHOMA COUNTY, OKLAHOMA
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Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|--------------------|
| Governmental activities: | |
| General government | \$ 1,565,077 |
| Public safety | 2,353,281 |
| Health and welfare | 619 |
| Education | - |
| Roads and highways | <u>4,230,680</u> |
| Total depreciation expense-governmental activities | <u>\$8,149,657</u> |
| | |
| Business-type activities: | |
| Public Building Authority | <u>\$709,558</u> |
| Total depreciation expense-business-type activities | <u>\$709,558</u> |

D. Interfund transfers

Following is a schedule of interfund transfers:

| | Transfers In: | | |
|-----------------------------|----------------------|---------------------|--------------------|
| | General Fund | Capital Regular | Total |
| Transfers Out: | | | |
| General Fund | \$ - | \$ 1,068,250 | \$ 1,068,250 |
| Resale Property | 1,342,000 | | 1,342,000 |
| Nonmajor governmental funds | | - | - |
| Enterprise Funds | | 1,608,250 | 1,608,250 |
| Total Transfers Out | <u>\$1,342,000</u> | <u>\$ 2,676,500</u> | <u>\$4,018,500</u> |

A transfer of \$1,342,000 was made from the resale property fund to the general fund to fulfill statutory requirements. Transfers in the amount of \$1,068,250 were made from the general fund to the capital projects regular fund. \$350,000 of that total was for elevator upgrades in the courthouse, \$60,000 was for control valve upgrades in the county annex building, \$358,250 was for HVAC replacement in the jail and \$300,000 for mold remediation in the jail.

The Public Buildings Authority transferred \$1,608,000 to Oklahoma County Capital Regular fund during the year. \$358,250 of that total was for HVAC replacement in the jail and \$1,250,000 was for heating and cooling and sewer pipe improvements in the county jail.

E. Operating Leases

Oklahoma County is committed under various leases for office equipment and road equipment. These leases are considered for accounting purposes to be operating leases. Oklahoma Statutes prohibit the County from entering into contracts of this nature beyond the end of the fiscal year. Operating lease expenditures for the year ended June 30, 2018 amounted to \$499,851.

OKLAHOMA COUNTY, OKLAHOMA
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F. Long-term Debt

1. Governmental Activities

General Obligation Bonds

On August 1, 2008, the County issued \$61,500,000 of general obligation bonds to finance the purchase of the former General Motors Assembly Plant, to provide funds for the capital improvements for the Oklahoma County courthouse and annex buildings, and to improve and mitigate natural hazard damage and impact, including but not limited to flooding in East Central Oklahoma County in and around Crutch Creek, and in Northwest Oklahoma County in and around Deer Creek area. In April 2017, Oklahoma County refinanced its General Obligation bonds for the purpose of reducing the interest costs on the debt and to achieve an economic savings. Over the life of the bonds, the refinancing will result in a debt service cash flow savings to Oklahoma County of \$1,141,589, a gross debt service present value savings of \$1,082,057, and a net economic present value benefit of \$1,087,537 after considering use of existing debt service funds. The remaining principal balance of the Series 2017A bond is \$29,940,000 and the interest balance of \$4,006,498 is payable semi-annually August 1 and February 1, with interest rates that vary from 3.0% to 5.0%. The bonds bear semi-annual interest (payable August 1, and February 1 of each year). The Bonds will be paid from ad valorem taxes levied and assessed on behalf of the Issuer and deposited to its Sinking Fund. Summary of debt service requirements to maturity is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|-------------|----------------------|---------------------|---------------------|----------------------|
| 2019 | 4,390,000 | 886,113 | 5,276,113 | 3.75% |
| 2020 | 4,280,000 | 739,600 | 5,019,600 | 3.00% |
| 2021 | 4,230,000 | 611,950 | 4,841,950 | 3.00% |
| 2022 | 4,205,000 | 464,400 | 4,669,400 | 4.00% |
| 2023-2024 | <u>8,445,000</u> | <u>402,650</u> | <u>8,847,650</u> | 4.00-5.00% |
| Total | <u>\$ 25,550,000</u> | <u>\$ 3,104,713</u> | <u>\$28,654,713</u> | |

On September 1, 2014, the County issued \$10,000,000 of general obligation bonds to help finance the purchase of the BNSF rail yard. This bond is the remaining \$10 million of the \$71.5 million approved by voters in 2008. The proceeds of the bond were transferred to the Oklahoma Industries Authority to purchase the land and therefore reported as an economic development expense to the County in the amount of \$10,000,000. The land being purchased is adjacent to Tinker Air Force and north of the old General Motors plant that was purchased by the County in 2008. The total cost of the land is \$44 million and will be a joint purchase by the County, the City of Oklahoma City and the U.S. Air Force. The land will be used by Tinker Air Force to build maintenance hangars for the new KC46-A advanced tankers and will add an additional 1,321 jobs. As a result of a state incentive called the Quality Jobs Act, there will be a credit for those quality jobs and Oklahoma County will get repaid for approximately 95% of the cost over the life of the bonds. The interest rate on the bond is 2.00 percent and the maturity is September 1, 2023. Bond principal payments are \$1,250,000 beginning on the 1st day of September 2016 in each of the years 2016 through 2023 with the final payment due September 1, 2023. Interest shall be payable on the 1st day of March of each year, beginning on the 1st day of March 2016. Summary of debt service requirements to maturity is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|-------------|---------------------|-------------------|--------------------|----------------------|
| 2019 | 1,250,000 | 137,500 | 1,387,500 | 2.00% |
| 2020 | 1,250,000 | 112,500 | 1,362,500 | 2.00% |
| 2021 | 1,250,000 | 87,500 | 1,337,500 | 2.00% |
| 2022 | 1,250,000 | 62,500 | 1,312,500 | 2.00% |
| 2023-2024 | <u>2,500,000</u> | <u>50,000</u> | <u>2,550,000</u> | 2.00% |
| Total | <u>\$ 7,500,000</u> | <u>\$ 450,000</u> | <u>\$7,950,000</u> | |

OKLAHOMA COUNTY, OKLAHOMA
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Capital Lease Obligations

Oklahoma County has entered into various agreements as lessee for financing the acquisition of highway equipment. Oklahoma law prohibits the County from entering into contracts of this nature longer than one year. However, it is the County's intent to exercise its right to purchase this property; accordingly, the lease-purchase agreements have been capitalized to conform to generally accepted accounting principles. The unpaid portion of these agreements have been reported as an other non-current liability in the Statement of Net Position at an amount equal to the present value of all remaining payments to maturity.

During the year, the county determined that leased copiers should not be reported as a capital lease, since there is no intent to purchase the copiers at the end of the lease. The leased copiers are classified as operating leases.

Assuming that all capital leases are renewed each year by resolution of the Board of County Commissioners, minimum lease commitments under capitalized lease purchase agreements as of June 30, 2018 reported in the government-wide statements are as follows:

| | <u>Capital Asset</u> | <u>Accumulated Depreciation</u> | <u>Total</u> |
|------------------------|--------------------------|-------------------------------------|--------------------|
| Leased Capital Assets: | | | |
| Equipment | \$1,839,527 | \$(601,632) | \$1,237,895 |
| Total | <u>\$1,839,527</u> | <u>\$(601,632)</u> | <u>\$1,237,895</u> |

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments reported in the government-wide statements.

| <u>Fiscal year ending June 30,</u> | <u>Governmental Activities</u> |
|--|------------------------------------|
| 2019 | 253,273 |
| 2020 | 235,013 |
| 2021 | 200,647 |
| 2022 | 181,137 |
| 2023 | 74,993 |
| 2024-2025 | <u>69,598</u> |
| Total minimum lease payments | 1,041,661 |
| Less: amount representing interest | <u>(33,500)</u> |
| Present value of future minimum lease payments | <u>\$981,161</u> |

2. Business-Type Activities

Capital Leases Financing Obligations

On October 1, 1997, OCPBA issued Capital Improvement Revenue Bonds, Series 1997 in the amount of \$6,800,000 with interest rates that vary from 4% to 4.9%. The proceeds of the bond issue were used to purchase computer equipment, software, hardware, training facilities and related costs to computerize the Oklahoma County government and provide needed repairs and improvements to property of OCPBA. The bonds are secured by the OCPBA property and gross revenues and matured October 1, 2013. Additionally, OCPBA purchased an insurance policy guaranteeing payment of the bonds.

The Oklahoma Industries Authority issued \$20,560,000 of lease revenue bonds for the benefit of the PBA on July 28, 2003 with interest rates that vary from 2.25% to 5.85%. In June 2012, the PBA refinanced its capital lease agreement with the OIA resulting from the issuance of OIA lease revenue refunding bonds related to the capital lease agreement between the OIA and the PBA. This OIA refunding and related PBA capital lease refinancing was done for the purpose of reducing the interest costs on the debt and to achieve an economic savings. Over the life of the capital lease agreement, the refinancing will result in a debt service cash flow savings to the PBA of \$3,273,365, a gross debt service present value savings of \$2,469,268, and a net economic present value benefit of \$1,151,539 after considering use of existing debt service funds. The principal balance of the 2012A lease is \$9,425,000 and the

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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interest balance of \$3,345,055 is payable semi-annually June 1 and December 1, commencing December 1, 2012 with interest rates that vary from .7% to 4.6%.

The principal of and the interest on the bonds is payable from the lease payments made by the Oklahoma County Public Buildings Authority to the Oklahoma Industries Authority pursuant to terms of a Lease Purchase Agreement date as of June 1, 2012. The Bonds are limited obligation of the issuer, secured by a pledge of the Trust Estate. The Trust Estate consists of the Lease Payments, the Lease Agreement, Revenues, the Parking and Use Agreement, the parking agreements with the Corporate Users, and all funds and accounts established by the Indenture and the monies and investments therein, including any unexpended Bond Proceeds. The Bonds are special and limited obligations of the Issuer payable solely from the Lease Payments and other revenues pledged for payment thereof.

The OIA Bonds were issued to provide funds for the Public Buildings Authority to (1) acquire, construct and equip a parking garage, (2) advance refund the Public Building Authority Capital Improvement Bonds, Series 1997, (3) make improvements to the Metro Parking Garage, (4) make other County improvements, (5) fund capitalized interest, (6) purchase Surety Bonds in lieu of funding a Debt Service Reserve Fund, and (7) pay certain costs of issuing the Bonds.

The following is the new schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Debt Service</u> |
|-------------|---------------------|---------------------|----------------------|
| 2019 | 655,000 | 368,325 | 1,023,325 |
| 2020 | 665,000 | 353,260 | 1,018,260 |
| 2021 | 685,000 | 335,305 | 1,020,305 |
| 2022 | 500,000 | 314,755 | 814,755 |
| 2023 | 515,000 | 298,255 | 813,255 |
| 2024-2028 | 2,880,000 | 1,174,215 | 4,054,215 |
| 2029-2033 | <u>3,525,000</u> | <u>500,940</u> | <u>4,025,940</u> |
| | <u>\$ 9,425,000</u> | <u>\$ 3,345,055</u> | <u>\$ 12,770,055</u> |

3. Discretely Presented Component Unit

Conduit Debt Obligations

The activities of the Oklahoma County Finance Authority consist primarily of arranging financing to industrial, commercial and other various organizations in an effort to promote economic development which will benefit the county. Over time these transactions have taken on various forms, including notes and bonds. The OCFA loans the proceeds from the notes and bonds to the organizations, or the OCFA leases the facilities acquired with the proceeds to the organizations under financing lease arrangements providing for transfer of the property to such organizations at the end of the lease.

The notes and bonds issued by the OCFA are special and limited obligations of the OCFA, payable solely out of revenues derived from and in connection with the underlying loan agreements and the underlying security provided under the loan agreements. The OCFA, the County of Oklahoma, the State of Oklahoma, or any other political subdivision thereof is not obligated in any manner for repayment of the notes and bonds. Accordingly, the notes and bonds are not reported as liabilities in the accompanying financial statements nor are the related receivables and investments reported as assets.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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As of June 30, the outstanding principal balances due on these bonds were as follows:

| | Date of <u>Issuance</u> | Original <u>Balance</u> | 2018 <u>Balance</u> |
|--|----------------------------|----------------------------|------------------------|
| GNMA ARM Mortgage Back Securities 1995 Housing Revenue Bonds Chapel Ridge of North Edmond Series 2003 | 11-01-95 | \$13,000,000 | \$410,938 |
| Housing Revenue Bonds Chapel Ridge of Chapel Ridge of MWC Tinker Series 2004 | 05-01-03 | 8,250,000 | 7,403,601 |
| Multifamily Housing Revenue Refunding Bonds Rockwell Villa Apartments Series 2004 | 06-01-04 | 7,800,000 | 7,080,558 |
| Multifamily Housing Revenue Refunding Bonds London Square Apartments Project 2004 | 12-15-04 | 2,500,000 | 1,168,910 |
| Revenue Refunding Bonds (Epworth Villa Project) Series 2004B | 12-17-04 | 9,000,000 | 5,393,169 |
| Retirement Facility Revenue Bonds: Concordia Life Care Community Series 2005A | 1-5-05 | 5,040,000 | 3,500,000 |
| Concordia Life Care Community Series 2005B-1 | 11-29-05 | 26,330,000 | 22,665,000 |
| Concordia Life Care Community Series 2005B-2 | 11-29-05 | 3,500,000 | 3,500,000 |
| Revenue Refunding Bonds (Epworth Villa Project) Series 2005A | 11-29-05 | 4,000,000 | 4,000,000 |
| Revenue Refunding Bonds (Epworth Villa Project) Series 2005B | 12-07-05 | 11,460,000 | 9,240,000 |
| Educational Facilities Lease Revenue Bonds (Millwood Schools Project) Series 2007 | 12-07-05 | 2,000,000 | 2,000,000 |
| Educational Facilities Lease Revenue Bonds (Jones Schools Project) Series 2008 | 8-01-07 | 5,460,000 | 1,615,000 |
| Educational Facilities Lease Revenue Bonds (Western Heights Schools Project) Series 2009 | 9-01-08 | 9,825,000 | 5,265,000 |
| Educational Facilities Lease Revenue Bonds (Choctaw Public School Project) Series 2009B | 6-01-09 | 43,840,000 | 11,770,000 |
| Educational Facilities Lease Revenue Bonds (Crooked Oak Public School Project) Series 2009A | 7-10-09 | 53,585,000 | 38,875,000 |
| Educational Facilities Lease Revenue Bonds (Deer Creek Schools Project) Series 2010A | 8-4-09 | 10,480,000 | 3,670,000 |
| Lease Revenue Bonds (OKC County Health Department Project) Series 2012 | 4-1-10 | 51,800,000 | 18,765,000 |
| Educational Facilities Lease Revenue Bonds (Midwest City-Del City Public Schools Project) Series 2011A | 1-18-12 | 8,395,000 | 6,310,000 |
| Lease Revenue Notes (Deer Creek Public Schools Project) Series 2012 | 2-22-12 | 72,620,000 | 10,180,000 |
| Educational Facilities Lease Revenue Bonds (Luther Public Schools Project) Series 2012 | 6-13-12 | 15,705,000 | 10,702,672 |
| Revenue Bonds (Epworth Villa Project) Series 2012A | Sep 2012 | 10,560,000 | 6,880,000 |
| Educational Facilities Leave Revenue Bonds (Western Heights Public Schools Project) Series 2013 | Dec 2012 | 72,765,000 | 66,980,000 |
| Educational Facilities Leave Revenue Bonds | July 2013 | 14,265,000 | 11,310,000 |

OKLAHOMA COUNTY, OKLAHOMA
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| | | | |
|---|----------|----------------------|----------------------|
| (Crooked Oak Public Schools Project) | | | |
| Series 2013A | Aug 2013 | 7,660,000 | 7,660,000 |
| Series 2013B | Aug 2013 | 390,000 | 390,000 |
| Revenue Note | | | |
| (Science Museum Oklahoma Project) | Dec 2014 | 3,000,000 | 2,450,422 |
| Oklahoma City County Health Dept. Project | | | |
| Lease Revenue Bonds Series 2015 | Feb 2015 | 5,500,000 | 5,025,000 |
| Educational Facilities Leave Revenue Bonds | | | |
| (Bethany Public Schools Project) | Aug 2015 | 4,110,000 | 3,310,000 |
| Educational Facilities Leave Revenue Bonds | | | |
| (Harrah Public Schools Project) | Jun 2016 | 13,945,000 | 13,945,000 |
| Deer Creek Public Schools Leave Revenue Bonds | | | |
| Series 2016A | Dec 2016 | 36,000,000 | 36,000,000 |
| Series 2016B | Dec 2016 | 20,000,000 | 20,000,000 |
| Series 2016C | Dec 2016 | 30,000,000 | 30,000,000 |
| Midwest City-Del City Public Schools Project | | | |
| Series 2018 | Feb 2018 | 77,060,000 | 77,060,000 |
| Western Heights Public Schools Project | | | |
| Series 2018A | Feb 2018 | 25,030,000 | 25,030,000 |
| Series 2018B | Feb 2018 | 8,810,000 | 8,810,000 |
| Deer Creek Public Schools Project | | | |
| Series 2018 | Mar 2018 | <u>56,540,000</u> | <u>56,540,000</u> |
| Total | | <u>\$750,225,000</u> | <u>\$544,905,270</u> |

The OCFA, as a conduit bond issuer, has had outstanding issues, which have been in default in the payment of principal and interest. Since the notes and bonds issued by the OCFA are only limited obligations of the OCFA, as discussed above, the OCFA has not incurred any losses as a result of these defaults.

4. Judgments Payable

Under Oklahoma law, judgments against the County are payable over a three year period and bear annual interest at four percentage points above the average United States Treasury Bill rate for the preceding year, not to exceed 10% per annum. Advalorem taxes to retire judgments are levied against all taxable property within the County and are accumulated and paid out of the Debt Service Fund over a three year period. During the year, the County paid \$935,821 in judgments and \$98,601 in related interest on these judgments. At June 30, 2018, the total amount of unpaid judgment principal of \$7,775,955 is reflected in the Statement of Net Position.

A summary of judgments payable to maturity is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Interest Rate</u> |
|-------------|--------------------|------------------|--------------------|----------------------|
| 2019 | \$2,769,996 | \$505,437 | \$3,275,433 | 6.5% |
| 2020 | 2,592,563 | 325,387 | 2,917,950 | 6.5% |
| 2021 | <u>2,413,396</u> | <u>156,871</u> | <u>2,570,267</u> | 6.5% |
| Total | <u>\$7,775,955</u> | <u>\$987,695</u> | <u>\$8,763,650</u> | |

The interest rate on judgments varies annually based on state law but the future debt service requirements for interest have been determined by using the rate applicable to the current year.

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5. Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

| | Beginning <u>Balance</u> | <u>Additions</u> | <u>Reductions</u> | Ending <u>Balance</u> | Due within <u>One Year</u> |
|----------------------------------|-----------------------------|---------------------|-----------------------|--------------------------|-------------------------------|
| Governmental activities: | | | | | |
| Bonds payable | \$38,690,000 | \$ - | \$(5,640,000) | \$33,050,000 | \$5,640,000 |
| Capital leases | 585,882 | 634,909 | (239,630) | 981,162 | 239,939 |
| Judgments payable | 1,471,588 | 7,240,188 | (935,821) | 7,775,955 | 2,769,996 |
| Compensated absences | <u>6,626,659</u> | <u>4,889,785</u> | <u>(5,124,528)</u> | <u>6,391,916</u> | <u>4,697,890</u> |
| Governmental activity | | | | | |
| Long-term liabilities | <u>\$47,374,129</u> | <u>\$12,764,883</u> | <u>\$(11,939,979)</u> | <u>\$48,199,033</u> | <u>\$13,347,826</u> |
| Business-type activities: | | | | | |
| Capital lease obligations | <u>\$10,065,000</u> | <u>\$ -</u> | <u>(640,000)</u> | <u>\$9,425,000</u> | <u>\$655,000</u> |
| Long-term liabilities | <u>\$10,065,000</u> | <u>\$ -</u> | <u>\$(630,000)</u> | <u>\$9,425,000</u> | <u>\$655,000</u> |

For governmental activities, bonds and judgments are liquidated by ad valorem taxes through the Debt Service Fund, while capital leases and compensated absences are primarily liquidated by General Fund, Highway Cash, and Sheriff Special Revenue.

For governmental activities, the bonds payable reflected in the statements are net of unamortized bond premium of \$294,065, or \$33,344,065.

G. Net Position and Fund Balances

At June 30, 2018, the government-wide net position categories are comprised of the following components:

Net Investment in Capital Assets – Governmental Activities

| | |
|---------------------------------------|----------------------|
| Capital Related Assets: | |
| Capital Assets | \$248,919,759 |
| Accumulated Depreciation | <u>(132,041,451)</u> |
| Capital Related Assets | \$116,878,308 |
| Capital Related Debt: | |
| Bonds-Outstanding | \$33,050,000 |
| Capital Lease obligations (principal) | 981,162 |
| Portion of bonds not capital related | <u>(23,672,167)</u> |
| Capital Related Debt | \$ 10,358,995 |
| Net Investment in Capital Assets | <u>\$106,519,313</u> |

Restricted Net Position- Governmental Activities

| | |
|----------------------|----------------|
| General Government | |
| Resale Property | \$6,297,821 |
| Records preservation | 773,248 |
| Public Safety | 6,258,640 |
| Roads & Highways | 18,167,353 |
| Capital Improvements | 2,316,697 |
| Debt Service | 6,704,079 |
| Other Purposes | <u>460,796</u> |

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| | |
|----------------------------------|------------------------|
| Total Restricted | <u>\$41,005,634</u> |
| <i>Unrestricted Net Position</i> | \$(462,572,063) |
| <i>Total Net Position</i> | <u>\$(315,047,117)</u> |

The amount of negative Unrestricted Net Position reported for governmental activities is primarily a result of the \$44,049,570 of outstanding bonds, whose proceeds were used to acquire a capital facility that was transferred to the federal government, in addition to the total OPEB liability of \$370,864,207 and Deferred inflow of resources of \$64,766,085 that have no corresponding plan assets held in trust. In both of these cases, the County is obligated for long-term debt and obligations for which no corresponding asset is reported, thereby creating a negative amount reported for unrestricted net position. None of the restricted net position as reported above is restricted by enabling legislation. All restrictions are imposed by state statutes.

Net Investment in Capital Assets – Business-type Activities

| | |
|---------------------------------------|---------------------|
| Capital Related Assets: | |
| Capital Assets | \$24,808,481 |
| Accumulated Depreciation | <u>(12,685,671)</u> |
| Capital Related Assets | \$12,122,810 |
| Deferred amount on lease refinancing | \$786,992 |
| Capital Related Debt: | |
| Capital lease obligations (principal) | (9,425,000) |
| Net Investment in Capital Assets | <u>\$3,484,802</u> |

Restricted Net Position- Business-type Activities

| | |
|----------------------------------|----------------------|
| Debt Service | <u>\$ 7,629,884</u> |
| Total Restricted | <u>\$ 7,629,884</u> |
| <i>Unrestricted Net Position</i> | \$ - |
| <i>Total Net Position</i> | <u>\$ 11,114,686</u> |

Prior Period Adjustments:

During the current fiscal year, an adjustment was made to the July 1, 2017 beginning net position of the governmental activities to meet the new GASB Statement 75 requirement to report a Total OPEB Liability on the statement of net position as follows:

| | |
|------------------------------------|------------------------|
| Net Position-Beginning | \$3,000,134 |
| Net OPEB obligation | 113,077,612 |
| Total OPEB Liability-adjustment | <u>\$(419,275,198)</u> |
| Net Position-Beginning as restated | \$(303,197,452) |

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Fund balances for all the major and non-major funds as of June 30, 2018, were distributed as follows:

| | Major Funds | | | | | Nonmajor Funds | Total |
|---|----------------------|----------------------|------------------------|---------------------|--------------------------|-----------------------|----------------------|
| | General | Highway Cash | Resale Property | County Bonds | Debt Service Fund | | |
| Fund balances: | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | \$ 300,618 | \$ 489,822 | \$ - | \$ - | \$ - | 308,916 | \$ 1,099,356 |
| Restricted for: | | | | | | | |
| Administration and records management | | | 6,297,821 | | | 1,979,695 | 8,277,516 |
| Road and bridge construction & repair | | 13,956,998 | | | | 3,246,044 | 17,203,042 |
| Highway equipment | | | | | | - | - |
| Highway special projects | | - | | | | - | - |
| Emergency Management | | | | | | 436,841 | 436,841 |
| Detention maintenance & operation | | | | | | 1,314,137 | 1,314,137 |
| Law enforcement | | | | | | 3,330,971 | 3,330,971 |
| Courthouse security | | | | | | 139,924 | 139,924 |
| Court services | | | | | | 1,193,311 | 1,193,311 |
| Debt service | | | | 111,802 | 6,704,079 | - | 6,815,881 |
| Flood plain and hazard mitigation project | | | | 1,253,867 | | - | 1,253,867 |
| Graffiti and weed removal program | | | | | | 22,335 | 22,335 |
| Capital projects | | | | 6,198 | | 1,429,970 | 1,436,168 |
| Land clearing and acquisition | | | | | | 918,036 | 918,036 |
| Subtotal | - | 13,957,000 | 6,297,821 | 1,371,867 | 6,704,079 | 14,011,266 | 42,342,031 |
| Committed to: | | | | | | | |
| Economic development | | | | | - | | - |
| Self Insurance claims | 2,187,731 | | | | | | 2,187,731 |
| Capital projects | | | | | | | - |
| Subtotal | 2,187,731 | - | - | - | - | - | 2,187,731 |
| Assigned to: | | | | | | | |
| General Government | 670,000 | | | | | | 670,000 |
| Public Safety | 2,541,031 | | | | | | 2,541,031 |
| Education | - | | | | | | - |
| Health & welfare | 51,994 | | | | | | 51,994 |
| Culture and recreation | - | | | | | | - |
| Capital projects | | | | | | 4,221,227 | 4,221,227 |
| Subtotal | 3,263,025 | - | - | - | - | 4,221,227 | 7,484,252 |
| Unassigned: | 14,061,002 | - | - | - | - | - | 14,061,002 |
| Total fund balances | \$ 19,812,376 | \$ 14,446,820 | \$ 6,297,821 | \$ 1,371,867 | \$ 6,704,079 | \$ 18,541,409 | \$ 67,174,372 |

Note IV. Other Information

A. Risk Management

Primary Government:

Oklahoma County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or acts of God. Significant losses are covered by commercial insurance for buildings and personal property. There have been no significant reductions in insurance coverage, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The County currently is self-insured for health and dental benefits, worker's compensation and tort liability coverage.

The Health and Dental Plan was established by Oklahoma County to provide benefits for its employees, their dependents, eligible retirees and their survivors, participants covered under continuation of coverage, and employees on leave of absence as set forth in Title 11 O.S. 2001, §23-108. The majority of the cost of coverage for employees is paid by the County, and all other costs are intended to be an expense of the insured. Certain limitations are placed upon these benefits as to the amount of coverage and who may be covered in specific areas. The County uses a third party administrator to administer the program. The administrator receives and pays claims from county funds based upon contract limitations. The administrator is responsible for insuring that claims are legitimate, based

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on enrollment information provided by the County and claims submitted by or on behalf of the claimant. The administrator receives a monthly fee for the services. The administrator also receives stop loss and life insurance premiums that are in turn remitted to the appropriate third party vendor.

Workers' Compensation - In accordance with Title 85, of the Oklahoma State Statutes, employees are covered by the workers' compensation program at the expense of Oklahoma County at their date of employment. When an injury or work related illness occurs, an Occupational Injury Report is filed. There are three categories of compensation: (1) temporary total disability benefits equal to two-thirds of the employees' average weekly salary; and/or (2) one hundred percent (100%) of all medical bills paid; and/or (3) a permanent disability settlement. When an employee remains off work due to an occupational injury or illness, temporary total disability is paid until (a) the employee returns to full-time work with the employer; or (b) the employee requests a trial to determine permanent disability; or (c) the parties agree in writing that such payments may terminate; or (d) by court order. (Temporary total disability benefits may be terminated at any time without a court order in the case of an employee who has not filed a Form 3 or Form 3-b with the court.) The County employs Consolidated Benefit Resources as the administrator for the workers' compensation program at a monthly fee. In accordance with the contract, the administrator is responsible for opening the files, paying the medical bills and paying the time-loss claims and settlements incurred as a result of an accident or work-related illness.

Tort Claims - Under the Oklahoma constitutional and related state law, losses resulting from tort claim judgments rendered by a court of competent jurisdiction are required to be paid, with interest on the unpaid balance, through a statutorily-required levy of ad valorem taxes levied against all taxable County property and payable over a three year period. Estimated liabilities from tort claims are recorded as claims liability, until they are converted to a court judgment, at which time they are reported as judgment liabilities for which property taxes will be levied and collections will be used for the retirement of this liability. Tort claims incurred but not reported (IBNR) are not considered material to the financial statement for the year ended June 30, 2018.

Component Unit:

OCPBA is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OCPBA manages this risk through the purchase of commercial insurance policies paid for by Oklahoma County and subject to the terms of a management contract with Oklahoma County that obligates Oklahoma County to defend and pay for any litigation expense or judgment against OCPBA or its property upon demand.

Recognition and Measurement of Claims Loss Expenses and Liabilities

Claims losses are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims expenses and liabilities, events that might create claims, but for which none have been reported, are also considered. For most claims self-insured risks, liabilities for unpaid claims are estimates determined by independent actuaries using actuarial methods as follows: incurred loss development, paid loss development, frequency/severity, exposure/loss rate (incurred loss), and exposure/loss rate (paid loss).

Unpaid Claims Liabilities

The following represent the changes in approximate aggregate liabilities for the County from July 1, 2017 to June 30, 2018:

| <u>Health Care</u> | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Unpaid Claims, beginning of fiscal year | \$3,438,841 | \$ 2,882,353 |
| Claims and changes in estimates | 20,759,830 | 24,795,377 |
| Claim payments | <u>(20,901,906)</u> | <u>(24,238,889)</u> |
| Unpaid claims, end of fiscal year | <u>\$ 3,296,765</u> | <u>\$ 3,438,841</u> |

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

Workers Compensation

| | | |
|---|---------------------|---------------------|
| Unpaid Claims, beginning of fiscal year | \$3,059,000 | \$3,363,000 |
| Claims and changes in estimates | 140,500 | 18,672 |
| Claim payments | <u>(388,500)</u> | <u>(322,672)</u> |
| Unpaid claims, end of fiscal year | <u>\$ 2,811,000</u> | <u>\$ 3,059,000</u> |

Tort Claims

| | | |
|---|-------------|-------------|
| Unpaid Claims, beginning of fiscal year | \$ 0 | \$ 0 |
| Claims and changes in estimates | 0 | 0 |
| Conversion of claim to judgment | <u>0</u> | <u>0</u> |
| Unpaid claims, end of fiscal year | <u>\$ 0</u> | <u>\$ 0</u> |

| | | |
|--|---------------------|---------------------|
| Total current claims liability, end of fiscal year | <u>\$ 6,107,765</u> | <u>\$ 6,497,841</u> |
|--|---------------------|---------------------|

| | | |
|------------------------|---------------------|---------------------|
| Current liabilities | 6,107,765 | 6,497,841 |
| Noncurrent liabilities | <u>0</u> | <u>0</u> |
| Total claims liability | <u>\$ 6,107,765</u> | <u>\$ 6,497,841</u> |

B. Commitments and Contingent Liabilities

Federal Grants. The County receives financial assistance from the United States government in the form of grants. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Litigation. The County is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the County at June 30, 2018. Any court approved judgments would be paid through a levy of a constitutionally required ad valorem tax over a three year period. At June 30, 2018, the County's contingent litigation and other claims approximate \$29,631, which is not accrued.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds. Encumbrances outstanding at year-end are not accounted for as expenditures and liabilities but rather as assigned if not already reported as restricted or committed fund balance. At June 30, 2018 the County had outstanding encumbrances in the following funds:

| | |
|--------------|--------------------|
| General Fund | \$3,324,629 |
| Highway Cash | \$1,201,069 |
| County Bonds | \$416,715 |
| Non-major | <u>\$3,634,099</u> |
| Total | <u>\$8,576,512</u> |

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

C. Post-Employment Benefits Other than Pensions

Plan description – The County sponsors and administers a self-funded, single-employer defined health benefit plan. This plan was established by the Oklahoma County Board of County Commissioners and the Budget Board who has the authority to establish and amend the benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The County provided medical, dental and vision plans for all eligible active and retired County employees and their dependents. Employees who are covered under the County's group health plan prior to retirement are eligible for lifetime retiree health benefits once they meet the following eligibility requirements and have at least five (5) years of service:

1. Hired prior to January 1, 2005 - 60 points based on the sum of age and years of service.
2. Hired on or after January 1, 2005 - 75 points based on the sum of age and years of service.

A life insurance plan is offered to employees hired prior to February 1, 1987. The program is intended to offer comprehensive coverage of most life, medical with prescription drugs, dental and vision benefits. The pre Medicare medical claims are administered by HealthSmart Benefit Solutions. The dental coverage is provided through Delta Dental and the vision coverage is provided through Vision Service Plan.

Eligible employees are required to pay set premiums for a portion of the cost, with the County subsidizing the remaining costs. Retirees are required to contribute 25% of the premiums for medical, prescription drugs and dental benefits. Retirees who retired prior to January 1, 1989 are grandfathered in a frozen contribution rate for their lifetime and the lifetime of their spouses, if covered. The annual frozen contribution rate for benefit coverage is \$252 for single coverage and \$576 for retiree and spouse coverage. The benefit options available to retirees under age 65 are the same as for the active employees. The contribution requirements are established and amended as needed by the Oklahoma County Budget Board on an annual basis. The premium rates are set and amended by the Budget Board and approved by the Board of County Commissioners.

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

| | |
|---|--------------|
| Active Employees | 1,282 |
| Inactives or beneficiaries currently receiving benefit payments | <u>424</u> |
| Total | <u>1,706</u> |

Total OPEB Liability – The County's total OPEB liability of \$370,864,207 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2018 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal; level dollar amortization
- Discount Rate – 3.58%, based on June 30, 2018 and 2.85% for June 30,2017 published Bond Buyer 20-year GO Index
- Inflation – 2.50% per year
- Coverage – Retirees – based on actual data; Actives – 45% of active employees are assumed to be married at retirement with 100% electing coverage for spouse.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

- Retirement Age:

| Age | Hired Prior to 11/1/2011 | | Hired After 11/1/2011 | |
|---------|--------------------------|--------------------|-----------------------|--------------------|
| | Unreduced Retirement | Reduced Retirement | Unreduced Retirement | Reduced Retirement |
| 50 - 54 | 15% | N/A | N/A | N/A |
| 55 | 10% | 3% | N/A | N/A |
| 56 | 10% | 4% | N/A | N/A |
| 57 | 11% | 4% | N/A | N/A |
| 58 | 12% | 5% | N/A | N/A |
| 59 | 13% | 6% | N/A | N/A |
| 60 | 14% | 6% | 30%/15%* | 7% |
| 61 | 20% | 15% | 30%/15%* | 7% |
| 62 | 25% | 25% | 30%/15%* | 20% |
| 63 - 64 | 15% | 15% | 30%/15%* | 15% |
| 65 | 30% | 30% | 30%/15%* | 30% |
| 66 - 68 | 25% | 25% | 20% | 20% |
| 69 | 25% | 25% | 25% | 25% |
| 70+ | 100% | 100% | 100% | 100% |

- Healthcare cost trend rates -

| Fiscal Year-End | Trend Rate |
|-----------------|------------|
| 2019 | 8.5% |
| 2020 | 8.0% |
| 2021 | 7.5% |
| 2022 | 7.0% |
| 2023 - 2024 | 6.5% |
| 2025 - 2028 | 6.4% |
| 2029 - 2053 | 6.3% |
| 2054 - 2077 | 6.0% |
| 2078+ | 5.0% |

- Mortality Rates –RP-2014 Disable Morality Table with base rates projected to 2025 using scale MP-2016
- Rates of Disability – Rates range from .009% at age of 20 to .300% at age of 60
- Rates of withdraw - rates used range from 24.00% for those with less than one year of service to 1.00% for those will twenty-eight or more years of service.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

Changes in Total OPEB Liability –The following table reports the components of changes in total OPEB liability:

| | Total OPEB Liability |
|--|-------------------------|
| Balances Beginning of Year | \$419,275,198 |
| Changes for the Year: | |
| Service cost | 18,949,108 |
| Interest expense | 12,407,467 |
| Changes of assumptions | (37,002,347) |
| Difference between expected and actual exp | (37,016,035) |
| Benefits paid | (5,749,184) |
| Plan administrative expenses | |
| Net Changes | (\$48,410,991) |
| Balances End of Year | \$370,864,207 |

Sensitivity of the Total OPEB Liability (Asset) to Changes in the Discount Rate-The following presents the total OPEB liability (asset) of the employer calculated using the discount rate of 3.58%, as well as what the Plan's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (2.58%) or 1-percentage-point higher (4.58) than the current rate:

| | 1% Decrease (2.58%) | Current Discount Rate (3.58%) | 1% Increase (4.58%) |
|---------------------------------|------------------------|----------------------------------|------------------------|
| Employers' Total OPEB Liability | \$ 468,383,569 | \$ 370,864,207 | \$ 298,810,928 |

Sensitivity of the Total OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability (asset) of the employer calculated using the healthcare cost trend rate of 5.00% to 8.5%, as well as what the Plan's total OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (4.00% to 7.5%) or 1-percentage-point higher (6.00% to 9.5%) than the current rate:

| | 1% Decrease (4.00% to 7.5%) | Healthcare Cost Trend Rates (5.00% to 8.5%) | 1% Increase (6.00% to 9.5%) |
|---------------------------------------|--------------------------------|---|--------------------------------|
| Employers' net opeb liability (asset) | \$ 296,639,151 | \$ 370,864,207 | \$ 472,349,034 |

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2018, the County recognized OPEB expense of \$22,104,278. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Changes of assumptions | \$ - | \$ 32,377,054 |
| Differences between expected and actual experience | - | 32,389,031 |
| Total | \$ - | \$ 64,766,085 |

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | | | |
|---------------------|------------|----|--------------|
| | 2019 | \$ | (9,252,297) |
| | 2020 | | (9,252,297) |
| | 2021 | | (9,252,297) |
| | 2022 | | (9,252,297) |
| | 2023 | | (9,252,297) |
| | Thereafter | | (18,504,600) |
| | Total | \$ | (64,766,085) |

D. Employees' Retirement Plans

Retirement Plans. In accordance with Oklahoma Statutes, Oklahoma County maintains two single-employer public employee retirement plans. One plan, a defined benefit pension plan (the DB Plan) covers participants with retirement, death and disability benefits. Effective November 1, 1991, under House Bill 1226, County employees were given the option to join a defined contribution plan (the DC Plan). Both systems are administered by a nine-member Board of Trustees which includes the Chairman of the Board of County Commissioners, the County Treasurer, the County Clerk, two members appointed by the Board of County Commissioners, and four members elected from all eligible full-time employees. Fund policies, contribution requirements and plan provisions are determined by this board, although the Board of County Commissioners has overriding authority. The financial statements and description of these plans are presented below.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

COMBINING STATEMENT OF PENSION TRUST FUNDS NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

| | Defined Benefit Retirement Fund | Defined Contribution Retirement Fund | Total Pension Trust Funds |
|---|------------------------------------|--|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 4,684,702 | \$ - | \$ 4,684,702 |
| Accounts receivable | - | | - |
| Interest receivable | 4,311 | - | 4,311 |
| Investments, at fair value | | | |
| Certificate of deposits | 475,000 | - | 475,000 |
| Judgments | 585,767 | - | 585,767 |
| Mutual funds | - | 101,399,703 | 101,399,703 |
| Loans to participants | - | 9,461,112 | 9,461,112 |
| Total investments | <u>1,060,767</u> | <u>110,860,815</u> | <u>111,921,582</u> |
| Total assets | <u>\$ 5,749,780</u> | <u>\$ 110,860,815</u> | <u>\$ 116,610,595</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ - | \$ - |
| NET POSITION | | | |
| net position held in trust for pension benefits | | | |
| and other purposes | <u>\$ 5,749,780</u> | <u>\$ 110,860,815</u> | <u>\$ 116,610,595</u> |

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

**COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUNDS NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

| | Defined Benefit Retirement Fund | Defined Contribution Retirement Fund | Total Pension Trust Funds |
|---|------------------------------------|--|------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 1,209,072 | \$ 5,665,356 | \$ 6,874,428 |
| Investment earnings: | | | |
| Interest | 137,927 | 352,033 | 489,960 |
| Net increase (decrease) in the fair value of investments | - | 8,028,143 | 8,028,143 |
| Total investment earnings | 137,927 | 8,380,176 | 8,518,103 |
| Less investment expense | | | |
| Net investment expense | 137,927 | 8,380,176 | 8,518,103 |
| Total additions | 1,346,999 | 14,045,532 | 15,392,531 |
| DEDUCTIONS | | | |
| Benefits | 1,714,769 | 8,173,972 | 9,888,741 |
| Administrative expenses | 15,791 | 312,845 | 328,636 |
| Total deductions | 1,730,560 | 8,486,818 | 10,217,378 |
| Change in net position | (383,561) | 5,558,714 | 5,175,153 |
| Net position-beginning | 6,133,341 | 105,302,100 | 111,435,441 |
| Net position-ending | \$ 5,749,780 | \$ 110,860,815 | \$ 116,610,595 |

1. Defined Benefit Retirement Plan

General Information about the Pension Plan

Plan Description

The County's defined benefit pension plan, Employees Retirement System of Oklahoma County, is a single-employer plan that covers employees of Oklahoma County, including all departments and agencies, that were employed by the County prior to the conversion date of the defined contribution plan in 1991, and who elected not to convert to the defined contribution plan. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries.

Authority

The Board of County Commissioners of Oklahoma County was authorized to establish, control and manage the Plan under Oklahoma statutes, and as such established the Board of Trustees for the Employees Retirement System of Oklahoma County to administer the Plan. The Board of County Commissioners has the authority to establish or amend benefit terms of the Plan. The Board of Trustees approves any cost-of-living adjustments to the Plan as well as changes contribution requirements.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

Benefits provided

The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Retirement benefits are calculated by adding 2 2/3% of average compensation times years of service, not to exceed 15 years, plus 2% of average compensation times years of service in excess of 15 years, but not over 15 years, plus 1% of average compensation times years of service in excess of 30 years, but not over 5 years. Surviving spouses are eligible for 66 2/3% of retirees' benefits after their death. If an employee terminates with fewer than 8 years of service, he is entitled to receive only his actual contributions.

Those persons eligible for retirement benefits are as follows:

- a. Employee shall have reached the age of sixty-two (62) years and shall have been employed for a period of at least eight (8) years with Oklahoma County, the last two (2) years of service shall have been consecutive immediately preceding such retirement, and service with the County shall have ceased.
- b. Any employee who shall have completed eight (8) years of service as a County employee, the last two (2) years of which were consecutive, and who at the time of completing such eight (8) years of service shall not have reached the age of sixty-two (62) years, may elect to retire, such retirement benefits to begin when County employee shall have attained the age of sixty-two (62) years, provided that such election shall be in writing upon such forms as the Board of Trustees shall direct.
- c. Any employee who shall have completed thirty (30) years of service as a County employee, the last two (2) years of which were consecutive and attained age of fifty-five (55).
- d. Any employee whose age and years of creditable service with the County equal eighty (80).
- e. Any employee of the County covered by this who shall have completed eight (8) years of employment with this County and who by reason of disability shall become disabled to such an extent as to be unable to perform his/her duties as an employee may be entitled to disability retirement, and to such benefits as the Board of Trustees shall determine; provided, however, that the Board of Trustees shall find that said disability is total and permanent.

Employees covered by the benefit terms.

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

| | |
|---|------------|
| Retirees and beneficiaries currently receiving benefits | 115 |
| Terminated employees entitled to but not yet receiving benefits | 11 |
| Active plan participants | <u>1</u> |
| Total | <u>127</u> |

Disability Benefits

(1) Any employee of the County making an application for disability benefits may be required to provide the Board of Trustees sworn affidavits of at least two (2) physicians selected by the applicant at his own expense and showing that, in the opinion of such physicians, such disability is total and permanent in its nature.

(2) The Board may, if it so desires, appoint two (2) licensed physicians of its own choosing to examine the employee and such employee shall consent to said examination, and after such examination, if the said four (4) physicians be equally divided in their opinion the Trustees shall appoint a fifth (5th) licensed physician, the employee consenting to such examination. The question of eligibility, by reason of total permanent disability, shall be decided by the Board of Trustees after evaluation of opinion of all examining physicians.

An income average shall be used by calculating the average income of the highest three (3) years for said employee during participation in said retirement system. Upon completion of each of the following years the listed percentages shall apply:

OKLAHOMA COUNTY, OKLAHOMA

Notes to the Financial Statements

June 30, 2018

| | | | | | | | | |
|-------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Year | <u>8th</u> | <u>9th</u> | <u>10th</u> | <u>11th</u> | <u>12th</u> | <u>13th</u> | <u>14th</u> | <u>15th</u> |
| Percentages | 21.31% | 23.98% | 26.65% | 29.32% | 31.99% | 34.66% | 37.33% | 40.00% |

Sixteen (16) through thirty (30) years - an additional two percent (2%) of highest three (3) years average income per year.

For all years of service after thirty (30) years, an additional one percent (1%) for each year's service. The sum of all creditable service shall not exceed thirty-five (35) years.

Death Benefits

If a married employee has completed eight years of service but dies before he reaches the age of retirement, the surviving spouse shall receive benefits equal to 66 2/3% of benefits to be received by the employee under the plan at the assumed date of retirement.

If an employee receiving or eligible to receive retirement benefits dies, the surviving spouse shall receive retirement benefits in the amount of 66 2/3% of benefits the deceased was receiving, or was entitled to receive, for the remainder of the natural life of the surviving spouse.

Contributions

As specified by the Plan, County officers contribute 12% of the annual compensation of their active employees' salary to the Plan. During the year ended June 30, 2018 contributions in the amount of \$9,072 were made for the active employees and contributions were diverted from the defined contribution plan to the defined benefit plan in the amount of \$400,000. Additional contributions in the amount of \$800,000 were received from the Oklahoma County General Fund.

Administrative Cost

Administrative costs paid from the retirement fund include compensation of actuarial consultants, audit fees and bank fees.

Net Pension Liability

The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

| | | |
|-----------------------|-----------------------------------|-------|
| Actuarial cost method | Entry Age Normal Method | |
| Amortization method | Level dollar, open | |
| Asset method | Fair Market Value of Assets | |
| Inflation | Not applicable | |
| Annual pay increases | 5.00 percent | |
| Interest rates | Discount rate | 2.76% |
| | Expected long term rate of return | 2.25% |
| | Municipal bond rate | 3.58% |

Mortality rates were based on the RP-2000 Combined Mortality Table, projected 20 years using Projection Scale AA, with separate tables for males and females.

The Municipal bond rate came from the 20-Bond Index spot rate for the business day of June 25 2018. The 20 Bond Index consists of 20 general obligation bonds that mature in 20 years.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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The long-term expected rate of return on pension plan investments was determined using a 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------------|--------------------------|---|
| Cash and short-term investments | 99% | 1.00% |
| Other investments | 1% | 3.00% |

Discount rate

The discount rate used to measure the total pension liability was 2.76%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the average ratio of the previous three year's contributions to actual benefit payments paid from the trust. Based on those assumptions, the pension plan's fiduciary net position was projected to be depleted by the current members during the 2034 fiscal year. Therefore, the long-term expected rate of return 2.25% was used to discount funded projected benefit payments and the municipal bond rate 3.58% was used to discount unfunded projected benefit payments to determine the total pension liability. The single effective discount rate used for the accounting valuation was 2.76%.

Changes in the Net Pension Liability

| | <u>Increase (Decrease)</u> | | |
|---|--------------------------------|------------------------------------|------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
| | <u>(a)</u> | <u>(b)</u> | <u>(a)-(b)</u> |
| Balances at 6/30/2017 | \$ 16,771,034 | \$ 6,133,341 | \$ 10,637,693 |
| Changes for the year: | | | |
| Service cost | 21,857 | | 21,857 |
| Interest | 857,331 | | 857,331 |
| Differences between expected and actual experience | (335,074) | | (335,074) |
| Changes of assumptions | 3,926,990 | | 3,926,990 |
| Contributions-employer | | 1,209,072 | (1,209,072) |
| Contributions-employee | | - | - |
| Net investment income | - | 137,927 | (137,927) |
| Benefit payments, including refunds of member contributions | (1,714,769) | (1,714,769) | - |
| Administrative expenses | | (15,791) | 15,791 |
| Other charges | | - | - |
| Net changes | <u>2,756,335</u> | <u>(383,561)</u> | <u>3,139,896</u> |
| Balances at 6/30/2018 | <u>\$ 19,527,369</u> | <u>\$ 5,749,780</u> | <u>\$ 13,777,589</u> |

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 2.76%, which came from 20 year municipal bond spot rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.76%) or 1-percentage-point higher (3.76%) than the current rate:

| | 1% Decrease (1.76%) | Current Discount Rate (2.76%) | 1% Increase (3.76%) |
|---------------------------------|------------------------|-------------------------------------|------------------------|
| A. Total Pension Liability | \$21,546,011 | \$19,527,369 | \$17,829,469 |
| B. Plan Fiduciary Net Position | \$5,749,780 | \$5,749,780 | \$5,749,780 |
| C. Net Pension Liability: A - B | \$15,796,231 | \$13,777,589 | \$12,079,689 |

For the year ended June 30, 2018, the County recognized pension expense of \$4,515,424.

Since certain pension expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts increase the pension expense, they are labeled as deferred outflows and amounts that decrease the pension expense are labeled as deferred inflows. These outflows and inflows are amortized on a level dollar basis with no interest added for the deferral amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all employees that are provided with pensions through the pension plan at the beginning of the measurement period. Investment gains/losses are amortized over a five year period. The following shows the summary of deferred outflows and inflows as of June 30, 2018

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Difference between expected and actual experience | \$0 | \$0 |
| Changes in assumptions | \$0 | \$0 |
| Net difference between projected and actual | | |
| Earnings on pension plan investments | \$280,215 | (\$15,374) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year ended June 30: | Amounts |
|----------------------------|----------------|
| 2019 | \$147,027 |
| 2020 | \$83,863 |
| 2021 | \$37,793 |
| 2022 | (\$3,842) |

A copy of the Defined Benefit Plan audit report can be obtained from the Finance Department of the Oklahoma County Clerk, 320 Robert S. Kerr, Room 206, Oklahoma City, OK 73102. Also available on line at www.countyclerk.oklahomacounty.org

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

2. Defined Contribution Retirement Plan

Plan Description and Provisions. The Defined Contribution Plan is administered by Investrust. The County is responsible for making contributions as determined by written action of the County.

Eligibility for the Defined Contribution Plan. A full time employee shall be eligible to participate in the Plan, if actively employed after June 30, 1991, or on a leave of absence authorized by the Employer on that date. For purposes of determining eligibility, consecutive service prior to Retirement is not required.

Benefits of the Defined Contribution Plan are as follows:

- a. A Participant shall be entitled to receive the amount of their account, subject to vesting restrictions when their age plus years of service at least totals sixty (60), or if a participant's employment is terminated at an earlier age as the result of a Total and Permanent Disability.
- b. If a participant shall continue in active employment following their Normal Retirement Date, they shall continue to participate in the Plan. Upon actual retirement, such participant shall be entitled to receive the entire amount of their contribution account as of their actual retirement date.
- c. Upon the death of a vested participant, their beneficiary shall be entitled to receive the entire amount of the participant's vested contribution account.
- d. If a participant's employment with the employer is terminated before their Normal Retirement Date for any reason other than Total and Permanent Disability or death, they shall be entitled to an amount equal to the "vested percentage" of their contribution account as set out in the Cash Out Policy.

A participant shall have vested and nonforfeitable rights in all or part of his account represented by Employer Contributions. Beginning November 1, 2005, per Title 19 Chapter 25 § 956.2, any Participant hired prior to November 1, 2005, will receive contributions as set forth by the percentages in the applicable table here after set forth:

The Defined Contribution Plan allows for partial vesting as provided in the following schedule:

1. Twenty percent (20%) vesting upon the completion of two (2) years of service;
2. Forty percent (40%) vesting upon the completion of three (3) years of service;
3. Sixty percent (60%) vesting upon the completion of four (4) years of service;
4. Eighty percent (80%) vesting upon the completion of five (5) years of service;
5. One hundred percent (100%) vesting upon the completion of (6) years of service.

If partially vested upon termination, the vested portion is retained in the individual's account, while the non-vested portion will be forfeited upon the expiration of a six (6) month break in service. A plan participant whose employment terminates prior to approval from the Retirement Board to receive retirement benefits or who is no longer eligible to receive retirement benefits due to a change in employment may, after twelve (12) months from termination or change in status date, elect to withdraw one hundred percent (100%) of the employee's vested interest in the Retirement Plan.

- e. After the expiration of the twelve (12) month break in service, the amounts forfeited shall be used to offset prospective Employer contributions or to pay expenses associated with the Retirement Plan.

Any Participant hired on or after November 1, 2005, will be fully vested after five (5) years of service. The percentages in the applicable table hereafter set forth:

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

| Years of Credited Service | Percentage of Employer Contributions Vested |
|---------------------------|---|
| 0-5 | 0% |
| 5 | 100% |

Distribution of benefits under the Defined Contribution Plan to or for the benefit of the Participant shall be made by one of the following methods:

1. A lump sum distribution of the entire Account Balance, payable immediately.
2. An installment distribution consisting of approximately equal installments for a term not extending beyond the joint life expectancy (as calculated in accordance with Internal Revenue Service's Regulations on the Initial Distribution Date) of the Participant and their spouse.
3. Systematic payments of specified amounts until account is exhausted.
4. A single lump sum, of a specified amount, payable immediately, and systematic payments of specified amounts until account is exhausted.
5. An installment distribution consisting of approximately equal installments for a term not extending beyond the life expectancy (as calculated in accordance with Internal Revenue Service's Regulations) on the Initial Distribution Date of the participant and their spouse.

Summary of Significant Accounting Policies

Accrual Method of Accounting

The Employees' Retirement System of Oklahoma County financial statements are prepared on the accrual basis of accounting. Contributions are recognized as revenue in the period in which the employees provide services. Investment income is recognized as earned. The net appreciation or depreciation in the fair value of investments is recorded to investment income based on the valuation of investments at fiscal year-end.

Investments

Investments are reported at fair value. At June 30, 2018, no investments in any one organization, excluding U.S. government securities, represents 5% or more of the net position available for pension benefits. There are no investments in loans to or leases with related parties.

Loans to Participants. During the 1998-99 fiscal year the Plan was amended to include a participant Loan Policy which states that each Plan Participant with a fully or partially vested account balance is eligible to participate. The maximum loan amount is the lesser of \$25,000 or 50% of the Participant's vested account balance. The minimum loan amount is \$1,000. The interest rate charged is the National Prime Rate of Interest and will be fixed for the life of the loan. During the current fiscal year a total of \$7,117,519 was loaned to participants, making the total outstanding loans to participants in the amount of \$9,461,112 at June 30, 2018.

Contribution Requirements and Contributions Made. As specified by the Plan, Oklahoma County contributes an amount equal to 12% of the annual compensation of its participating employees' salary to the Plan. During the fiscal year ending June 30, 2018, County contributions were \$5,665,356 which is reflected as pension expense in the financial statements. The forfeiture account is a trust fund maintained by the Plan Administration and contains amounts previously contributed by the County but forfeited by terminated employees who had not become fully vested, or eligible to receive the total amount contributed by the County. The total amount forfeited during the fiscal year ending June 30, 2018 were \$939,565. Retirement benefits due to employees and beneficiaries at June 30, 2018 were \$102,765,341 at fair value, and are accounted for in a pension trust fund.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2018

E. Tax Abatements

The County is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article X Section 6B for qualifying manufacturing concerns. Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. In exchange for the five-year exemption, qualifying manufacturing concerns must incur investment costs of \$250,000 or more for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that must be met and qualifying manufacturing concern must offer basic health benefit plan to all full-time employees within 180 days of employment. The County had \$429,105 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2018.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. Section 193 that is used to reimburse the County for the loss of revenue. Contributions to this Fund come from a dedicated tax stream comprised of one percent of net state personal and corporate income tax revenues. The County received \$329,604 during fiscal year 2018 and has an outstanding, unpaid claim of \$429,105 off reimbursement from the State as of June 30, 2018.

*Required
Supplementary
Information*



OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
JUNE 30, 2018

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | |
| Service cost | \$ 21,857 | \$ 47,585 | \$ 54,584 | \$ 38,022 | \$ 33,673 |
| Interest | 857,331 | 885,190 | 861,955 | 1,004,381 | 1,042,059 |
| Changes of benefit terms | - | - | - | - | - |
| Differences between expected and actual experience | (335,074) | 232,174 | (88,516) | 342,993 | 263,658 |
| Changes of assumptions | 3,926,990 | (78,174) | (1,020,961) | 1,668,014 | - |
| Benefit payments, including refunds of member contributions | (1,714,769) | (1,814,117) | (1,822,278) | (1,938,597) | (2,059,412) |
| Net change in total pension liability | 2,756,335 | (727,342) | (2,015,216) | 1,114,813 | (720,022) |
| Total pension liability - beginning | 16,771,034 | 17,498,376 | 19,513,592 | 18,398,779 | 19,118,801 |
| Total pension liability - ending (a) | 19,527,369 | 16,771,034 | 17,498,376 | 19,513,592 | 18,398,779 |
| Plan fiduciary net position | | | | | |
| Contributions-employer | \$ 1,209,072 | \$ 1,220,793 | \$ 1,227,012 | \$ 1,029,880 | \$ 1,132,520 |
| Contributions-member | - | - | - | - | - |
| Net investment income | 137,927 | 120,429 | 126,547 | 85,829 | 130,656 |
| Benefit payments, including refunds of member contributions | (1,714,769) | (1,814,117) | (1,822,278) | (1,938,597) | (2,059,412) |
| Administrative expense | (15,791) | (15,983) | (27,064) | (13,568) | (13,175) |
| Other | - | - | - | - | - |
| Net change in plan fiduciary net position | \$ (383,561) | \$ (488,878) | \$ (495,783) | \$ (836,456) | \$ (809,411) |
| Plan fiduciary net position - beginning | 6,133,341 | 6,622,219 | 7,118,002 | 7,954,458 | 8,763,869 |
| Plan fiduciary net position - ending (b) | \$ 5,749,780 | \$ 6,133,341 | \$ 6,622,219 | \$ 7,118,002 | \$ 7,954,458 |
| Net pension liability - ending (a) - (b) | \$ 13,777,589 | \$ 10,637,693 | \$ 10,876,157 | \$ 12,395,590 | \$ 10,444,321 |
| Plan fiduciary net position as a percentage of the total pension liability | 29.44% | 36.57% | 37.84% | 36.48% | 43.23% |
| Covered payroll | \$ 79,380 | \$ 78,840 | \$ 198,634 | \$ 258,839 | \$ 238,621 |
| Net pension liability as a percentage of covered employee payroll | 17356.50% | 13492.76% | 5475.48% | 4788.92% | 4376.95% |

Notes to Schedule:

Changes of assumptions. In 2018, amounts reported as changes of assumptions resulted primarily from the change of the discount rate used to value plan liabilities from 5.38% to 2.25%.

This schedule is presented to illustrate the requirement to show information for 10 years. Only the five fiscal years are presented because 10-year data is not yet available.

OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS
JUNE 30, 2018

| Fiscal year ending June 30, | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|------------|-------------|
| Actuarially calculated employer contribution | \$ 1,067,876 | \$ 785,650 | \$ 811,130 | \$ 777,390 | \$ 777,390 | \$ 692,283 | \$ 793,248 | \$ 740,206 | \$ 701,105 | \$ 771,560 |
| Contributions in relation to the actuarially | (1,209,072) | (1,220,793) | 1,227,012 | 1,029,880 | 1,132,520 | 1,126,635 | 830,192 | 831,679 | 709,032 | 863,045 |
| Contribution deficiency (excess) | \$ (141,196) | \$ (435,143) | \$ (415,882) | \$ (252,490) | \$ (355,130) | \$ (434,352) | \$ (36,944) | \$ (91,473) | \$ (7,927) | \$ (91,485) |
| Covered payroll | 79,380 | 78,840 | 198,634 | 258,839 | 238,621 | 214,192 | 202,984 | 202,984 | 235,296 | 340,692 |
| Actual Contributions as a percentage of covered payroll | 1523.14% | 1548.44% | 617.73% | 397.88% | 474.61% | 525.99% | 408.99% | 409.73% | 301.34% | 253.32% |

Notes to Schedule

Valuation date:

Actuarially determined contribution rates are calculated as of July 1, 2018.

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal.

Amortization method

The Unfunded Actuarial Accrued Liability (UAAL) is amortized over a 30-year period using based on a level dollar, open amount.

Actuarial value of assets

Market value of assets

Inflation

2.75% per year

Annual pay increases

5.00% per year

Investment rate of return

5.75% per year, compounded annually, net of investment expenses.

Mortality

RP 2000 Combined Mortality Table, projected 20 years using Projection Scale AA, with separate tables for males and females. Sample rates are shown below:

| Age | Male Rates | Female Rates | Age | Male Rates | Female Rates |
|-----|------------|--------------|-----|------------|--------------|
| 20 | 0.024% | 0.014% | 55 | 0.247% | 0.231% |
| 25 | 0.031% | 0.016% | 60 | 0.489% | 0.457% |
| 30 | 0.040% | 0.022% | 65 | 0.961% | 8.780% |
| 35 | 0.070% | 0.038% | 70 | 1.641% | 1.515% |
| 40 | 0.092% | 0.052% | 75 | 2.854% | 2.393% |
| 45 | 0.116% | 0.081% | 80 | 5.265% | 3.987% |
| 50 | 0.149% | 0.119% | | | |

Cost of living adjustment

None assumed

Percent married

For active participants, it is based on their actual marital status on the valuation date. It is assumed that 50% of terminated vested participants are married. Males are assumed to be three years older than females if actual ages are not know.

Retirement Rates

For active members, the earlier of age 62 or age 55 with at least 30 years of service. Deferred vested participants are assumed to retire at age 62.

Expense load

It is the actual expenses incurred and paid from the pension trust for the prior year rounded to the nearest \$1,000.

Form of payment

Married participants are assumed to elect a 66 2/3% joint survivor annuity at retirement.

Single participants are assumed to elect a life annuity at retirement.

Withdrawal rates

None assumed

Disability rates

None assumed

**OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF INVESTMENT RETURNS
LAST 10 FISCAL YEARS
JUNE 30, 2018**

| Fiscal year ending June 30, | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------|-------|-------|-------|--------|
| Annual money-weighted rate of return, net of investment expenses | 2.50% | 1.97% | 2.37% | 1.18% | -0.87% |

Information for prior years is unavailable.

| Actuarial Valuation, Methods and Assumptions | |
|--|---|
| Valuation date | July 1, 2018 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level dollar amount |
| Remaining amortization periods | 30 years |
| Actuarial value of assets | Equal to the fair market value of assets on the valuation date |
| Investment rate of return | 2.25 |
| Annual pay increases | 5.00% per year |
| Inflation | 2.75% per year |
| Cost of living adjustment | None assumed |

This schedule is presented to illustrate the requirement to show information for 10 years.
Only five fiscal years are presented because 10-year data is not yet available.

OKLAHOMA COUNTY, OKLAHOMA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS
JUNE 30, 2018

| | 2018 |
|--|----------------------|
| Total OPEB liability | |
| Service cost | \$18,949,108 |
| Interest | 12,407,467 |
| Change in assumptions | (37,002,347) |
| Differences between expected and actual experience | (37,016,035) |
| Benefit payments, including refunds of member contributions | (5,749,184) |
| Net change in total OPEB liability | (48,410,991) |
| | |
| Total OPEB liability - beginning | 419,275,198 |
| Total OPEB liability - ending (a) | \$370,864,207 |
| | |
| Covered employee payroll | \$51,920,151 |
| | |
| Net OPEB liability (asset) as a percentage of covered- employee payroll | 714.30% |

Notes to Schedule:

Only the current year is presented because 10-year data is not yet available.

The discount rate used for 2018 increased to 3.58% from the 2.85% used for 2017.

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts/ Budgetary Basis</u> | <u>Variance with Final Budget- Positive (Negative)</u> |
|---|-------------------------|----------------------|--|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property taxes | | | | |
| Advalorem Tax - Current | \$ 67,286,029 | \$ 67,294,428 | \$ 70,882,542 | \$ 3,588,114 |
| Advalorem Tax - Prior | 2,059,657 | 2,100,462 | 2,118,584 | 18,122 |
| Misc Property Taxes | 355,178 | 313,259 | 652,757 | 339,498 |
| Total Property taxes | <u>69,700,864</u> | <u>69,708,148</u> | <u>73,653,883</u> | <u>3,945,735</u> |
| Charges for services | | | | |
| County Clerk Fees | 4,392,278 | 4,476,652 | 5,131,204 | 654,552 |
| County Treasurer Fees | 8,131 | 6,398 | 7,310 | 912 |
| Public Records | 14,245 | 14,647 | 9,445 | (5,202) |
| Miscellaneous Charge for Services | 5,482 | 5,934 | 4,643 | (1,291) |
| Total Charges for Services | <u>4,420,136</u> | <u>4,503,631</u> | <u>5,152,602</u> | <u>648,971</u> |
| Intergovernmental revenues | | | | |
| Motor Vehicle Stamps | 331,042 | 332,028 | 355,194 | 23,166 |
| Motor Vehicle Collections | 988,781 | 1,004,971 | 1,149,768 | 144,797 |
| Revaluation - Cities & Schools | 3,697,916 | 3,717,833 | 3,717,833 | (0) |
| Juvenile Detention-Lunches | 94,328 | 90,156 | 131,464 | 41,308 |
| Juvenile Detention Services | 2,350,629 | 2,350,629 | 2,550,272 | 199,643 |
| Juv. Justice - Maintenance | 57,466 | 57,466 | 57,466 | 0 |
| Juv. Justice - DHS Rent | 481,392 | 481,392 | 481,392 | 0 |
| Juv. Justice - Alt Detention/Transportation | 11,248 | 11,694 | 13,583 | 1,889 |
| Juvenile - Link | 2,466 | 2,367 | 2,375 | 8 |
| Sheriff-SCAAP Grant | - | - | - | - |
| D A Revolving | 150,000 | 150,000 | 117,943 | (32,057) |
| Election Board - Salary | 76,142 | 76,142 | 82,491 | 6,349 |
| Election Board - Expense | 16,489 | 18,456 | 72,499 | 54,043 |
| Election Board - Municipality Reimb | - | 65,763 | 34,319 | (31,444) |
| Court Fund Maintenance | 716,093 | 716,093 | 716,093 | (0) |
| Court Revolving Fund reimb | 200,000 | 200,000 | - | (200,000) |
| Pharmacy Reimb | 334,200 | 334,200 | 314,207 | (19,993) |
| Total Intergovernmental revenues | <u>9,508,190</u> | <u>9,609,190</u> | <u>9,796,899</u> | <u>187,709</u> |
| Interest income | <u>190,000</u> | <u>190,000</u> | <u>528,706</u> | <u>338,706</u> |
| Miscellaneous revenue | | | | |
| Public Building Authority Admin Overhead | 50,000 | 50,000 | 50,000 | - |
| Public Building Authority Utility Reimb | 91,953 | 91,953 | 64,983 | (26,970) |
| Royalty | 42,135 | 41,351 | 43,954 | 2,603 |
| Rental | 62,237 | 70,826 | 74,960 | 4,134 |
| Retirement Reimb for Bailiff's | 4,172 | 4,172 | 4,520 | 348 |
| 911 Assoc | 12,256 | 12,419 | - | (12,419) |
| Remington Park - Admission Fees | 38,928 | 39,508 | 35,090 | (4,418) |
| Miscellaneous Reimbursements | 40,061 | 83,259 | 145,143 | 61,884 |
| Total Miscellaneous revenues | <u>341,742</u> | <u>393,487</u> | <u>418,650</u> | <u>25,163</u> |
| Total revenues | <u>\$ 84,160,933</u> | <u>\$ 84,404,456</u> | <u>\$ 89,550,740</u> | <u>\$ 5,146,284</u> |

See the notes to the budgetary comparison schedules.

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| EXPENDITURES | Budgeted Amounts | | Actual Amounts/ Budgetary Basis | Variance with Final Budget- Positive |
|----------------------------|------------------|-----------|------------------------------------|--|
| | Original | Final | | (Negative) |
| Current: | | | | |
| General government | | | | |
| General government: | | | | |
| Salary and Wages | 1,200 | 1,200 | 600 | 600 |
| Fringe Benefits | 4,296 | 4,296 | 4,218 | 78 |
| Travel | - | - | - | - |
| Operating Expenditures | 6,078,008 | 6,149,993 | 5,673,288 | 476,706 |
| Capital Outlay | - | 1,428 | - | 1,428 |
| County commissioners: | | | | |
| Salary and Wages | 315,788 | 315,788 | 315,475 | 313 |
| Fringe Benefits | 87,565 | 88,745 | 88,737 | 8 |
| Travel | 21,650 | 21,650 | 21,600 | 50 |
| Operating Expenditures | 1,980 | 2,387 | 2,387 | - |
| Capital Outlay | - | - | - | - |
| Assessor regular: | | | | |
| Salary and Wages | 1,747,038 | 1,747,038 | 1,712,710 | 34,328 |
| Fringe Benefits | 658,459 | 658,459 | 611,199 | 47,260 |
| Travel | 23,775 | 13,775 | 7,811 | 5,964 |
| Operating Expenditures | 166,917 | 166,917 | 165,180 | 1,737 |
| Capital Outlay | 38,200 | 48,200 | 48,126 | 74 |
| Assessor revaluation: | | | | |
| Salary and Wages | 2,546,617 | 2,546,617 | 2,530,705 | 15,912 |
| Fringe Benefits | 998,909 | 998,909 | 956,937 | 41,972 |
| Travel | 98,050 | 98,050 | 54,597 | 43,453 |
| Operating Expenditures | 666,773 | 666,773 | 591,106 | 75,667 |
| Capital Outlay | 51,200 | 51,200 | 50,772 | 428 |
| Treasurer: | | | | |
| Salary and Wages | 332,537 | 333,037 | 332,441 | 596 |
| Fringe Benefits | 118,407 | 117,907 | 112,017 | 5,890 |
| Travel | 4,800 | 4,800 | 4,800 | - |
| Operating Expenditures | 145,011 | 145,011 | 143,814 | 1,197 |
| Capital Outlay | 4,000 | 4,000 | 3,432 | 568 |
| Court clerk: | | | | |
| Salary and Wages | 4,756,940 | 4,876,940 | 4,860,579 | 16,361 |
| Fringe Benefits | 2,001,385 | 1,878,885 | 1,812,867 | 66,018 |
| Travel | 10,000 | 10,000 | 5,174 | 4,826 |
| Operating Expenditures | 167,919 | 167,919 | 168,121 | (202) |
| Capital Outlay | 25,000 | 27,500 | 24,671 | 2,829 |
| County clerk: | | | | |
| Salary and Wages | 1,721,920 | 1,782,920 | 1,778,129 | 4,791 |
| Fringe Benefits | 643,314 | 666,683 | 635,825 | 30,858 |
| Travel | 12,540 | 18,540 | 14,880 | 3,660 |
| Operating Expenditures | 391,120 | 177,088 | 177,057 | 31 |
| Capital Outlay | 12,798 | 37,798 | 36,454 | 1,344 |
| Excise & equalization: | | | | |
| Salary and Wages | 29,100 | 29,100 | 14,400 | 14,700 |
| Fringe Benefits | 2,227 | 2,227 | 1,102 | 1,125 |
| Travel | 6,550 | 6,550 | 6,014 | 536 |
| Operating Expenditures | 3,830 | 3,830 | 1,500 | 2,330 |
| Capital Outlay | 5,500 | 5,500 | - | 5,500 |
| County audit: | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | 2,610 | 2,610 | - | 2,610 |
| Operating Expenditures | 638,533 | 663,734 | 481,051 | 182,683 |
| Capital Outlay | 6,600 | 6,600 | 1,590 | 5,010 |
| District attorney - state: | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | 113,515 | 113,515 | 88,719 | 24,796 |
| Capital Outlay | 36,485 | 36,485 | 21,113 | 15,372 |

See the notes to the budgetary comparison schedules.

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | Actual Amounts/ Budgetary Basis | Variance with Final Budget- Positive (Negative) |
|--|------------------|-----------|------------------------------------|--|
| | Original | Final | | |
| District attorney - county: | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | 3,000 | 3,000 | 272 | 2,728 |
| Operating Expenditures | 64,398 | 64,398 | 64,356 | 42 |
| Capital Outlay | 5,000 | 5,000 | 4,839 | - |
| Public defender: | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | 42,000 | 42,000 | 42,163 | (163) |
| Capital Outlay | 10,000 | 10,000 | 5,498 | 4,502 |
| Purchasing: | | | | |
| Salary and Wages | 193,845 | 199,115 | 192,295 | 6,820 |
| Fringe Benefits | 93,195 | 93,124 | 86,540 | 6,583 |
| Travel | 1,050 | 450 | 360 | 90 |
| Operating Expenditures | 11,930 | 14,530 | 11,713 | 2,817 |
| Capital Outlay | 3,500 | 5,000 | 3,528 | 1,472 |
| Election board: | | | | |
| Salary and Wages | 902,642 | 915,342 | 902,489 | 12,853 |
| Fringe Benefits | 267,503 | 259,110 | 251,852 | 7,258 |
| Travel | 23,437 | 14,176 | 13,959 | 217 |
| Operating Expenditures | 219,236 | 237,675 | 229,272 | 8,404 |
| Capital Outlay | 3,000 | 4,700 | 4,201 | 499 |
| BOCC HR/Environmental Health & Safety: | | | | |
| Salary and Wages | 351,870 | 365,670 | 364,167 | 1,503 |
| Fringe Benefits | 131,929 | 131,929 | 131,161 | 768 |
| Travel | 5,500 | 2,000 | 1,835 | 165 |
| Operating Expenditures | 22,920 | 19,420 | 19,220 | 200 |
| Capital Outlay | 6,800 | 5,000 | 4,981 | 19 |
| Employee Benefits Department | | | | |
| Salary and Wages | 212,062 | 215,962 | 215,560 | 402 |
| Fringe Benefits | 82,998 | 84,398 | 77,946 | 6,452 |
| Travel | 6,000 | 6,000 | - | 6,000 |
| Operating Expenditures | 31,600 | 16,750 | 16,379 | 371 |
| Capital Outlay | 25,000 | 32,700 | 25,606 | 7,094 |
| MIS | | | | |
| Salary and Wages | 1,191,768 | 1,091,768 | 1,046,241 | 45,527 |
| Fringe Benefits | 416,263 | 416,263 | 356,162 | 60,101 |
| Travel | 11,500 | 11,500 | 2,564 | 8,936 |
| Operating Expenditures | 1,635,424 | 1,820,424 | 1,800,815 | 19,609 |
| Capital Outlay | 170,952 | 380,952 | 322,973 | 57,979 |
| Facilities Management: | | | | |
| Salary and Wages | 800,386 | 809,012 | 802,047 | 6,965 |
| Fringe Benefits | 316,468 | 308,377 | 285,474 | 22,903 |
| Travel | 3,000 | - | - | - |
| Operating Expenditures | 220,720 | 213,720 | 212,589 | 1,131 |
| Capital Outlay | 13,768 | 30,618 | 34,501 | (3,883) |
| Facilities Management-Custodial | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | 256,709 | 256,709 | 256,381 | 328 |
| Capital Outlay | - | - | - | - |
| Planning Commission | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | - | 200,000 | 200,000 | - |
| Capital Outlay | - | - | - | - |
| Court Services | | | | |
| Salary and Wages | 447,190 | 511,573 | 501,526 | 10,047 |
| Fringe Benefits | 216,989 | 252,600 | 209,345 | 43,255 |
| Travel | - | - | - | - |
| Operating Expenditures | 1,440 | 3,240 | 1,440 | 1,800 |
| Capital Outlay | - | - | - | - |

See the notes to the budgetary comparison schedules.

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | Actual Amounts/ Budgetary Basis | Variance with Final Budget- Positive |
|-------------------------------------|-------------------|-------------------|------------------------------------|--|
| | Original | Final | | (Negative) |
| Economic Development | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | 379,393 | 379,393 | 200,000 | 179,393 |
| Capital Outlay | - | - | - | - |
| Reserve Fund | | | | |
| Salary and Wages | - | - | - | - |
| Fringe Benefits | - | - | - | - |
| Travel | - | - | - | - |
| Operating Expenditures | 2,573,965 | 2,059,033 | - | 2,059,033 |
| Capital Outlay | - | - | - | - |
| Total General Governmental | <u>36,075,416</u> | <u>36,193,234</u> | <u>32,463,448</u> | <u>3,729,625</u> |
| Public Safety | | | | |
| Sheriff: | | | | |
| Salary and Wages | 16,290,618 | 16,738,530 | 16,696,504 | 42,026 |
| Fringe Benefits | 6,577,303 | 6,668,947 | 6,642,262 | 26,685 |
| Travel | - | - | - | - |
| Operating Expenditures | 11,374,851 | 12,117,264 | 12,110,492 | 6,772 |
| Capital Outlay | 25,000 | 21,400 | 21,338 | 62 |
| Juvenile Justice Center: | | | | |
| Salary and Wages | 4,400,000 | 4,406,773 | 4,167,948 | 238,825 |
| Fringe Benefits | 1,623,899 | 1,625,230 | 1,537,248 | 87,982 |
| Travel | 17,500 | 4,000 | 3,838 | 162 |
| Operating Expenditures | 740,396 | 744,820 | 694,590 | 50,230 |
| Capital Outlay | 40,640 | 49,716 | 48,370 | 1,346 |
| Emergency Management: | | | | |
| Salary and Wages | 177,716 | 182,910 | 182,686 | 223 |
| Fringe Benefits | 60,433 | 61,454 | 60,798 | 655 |
| Travel | 4,000 | 4,000 | 1,083 | 2,917 |
| Operating Expenditures | 94,790 | 74,790 | 77,325 | (2,535) |
| Capital Outlay | 78,400 | 98,400 | 98,885 | (485) |
| Total Public Safety | <u>41,505,546</u> | <u>42,798,233</u> | <u>42,343,367</u> | <u>454,866</u> |
| Health & Welfare | | | | |
| Social Services: | | | | |
| Salary and Wages | 627,324 | 644,828 | 643,822 | 1,006 |
| Fringe Benefits | 198,007 | 196,768 | 191,793 | 4,974 |
| Travel | 3,000 | 1,500 | 1,448 | 52 |
| Operating Expenditures | 1,108,394 | 1,104,594 | 1,079,630 | 24,964 |
| Capital Outlay | 6,000 | 8,800 | 8,521 | 279 |
| Total Health and Welfare | <u>1,942,725</u> | <u>1,956,490</u> | <u>1,925,214</u> | <u>31,276</u> |
| Culture & Recreation | | | | |
| Free Fair: | | | | |
| Salary and Wages | 7,950 | 5,228 | 5,228 | - |
| Fringe Benefits | 608 | 400 | 400 | - |
| Travel | - | - | - | - |
| Operating Expenditures | 53,687 | 56,618 | 56,516 | 101 |
| Capital Outlay | - | - | - | - |
| Total Culture and Recreation | <u>62,245</u> | <u>62,245</u> | <u>62,144</u> | <u>101</u> |
| Road & Highway | | | | |
| District #1: | | | | |
| Salary and Wages | 248,669 | 248,669 | 240,573 | 8,096 |
| Fringe Benefits | 79,165 | 79,165 | 74,577 | 4,588 |
| Travel | 1,500 | 1,500 | 1,244 | 256 |
| Operating Expenditures | 99,660 | 94,660 | 49,701 | 44,959 |
| Capital Outlay | 5,500 | 5,500 | 3,232 | 2,268 |
| District #2: | | | | |
| Salary and Wages | 183,362 | 185,435 | 183,465 | 1,971 |
| Fringe Benefits | 58,839 | 56,766 | 42,322 | 14,443 |
| Travel | 2,500 | 2,500 | - | 2,500 |
| Operating Expenditures | 121,987 | 121,987 | 14,839 | 107,148 |
| Capital Outlay | 6,500 | 6,500 | 5,618 | 882 |

See the notes to the budgetary comparison schedules.

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts/ Budgetary Basis</u> | <u>Variance with Final Budget- Positive (Negative)</u> |
|--|-------------------------|---------------------|--|--|
| | <u>Original</u> | <u>Final</u> | | |
| District #3: | | | | |
| Salary and Wages | 237,213 | 219,076 | 217,514 | 1,562 |
| Fringe Benefits | 88,562 | 72,630 | 70,555 | 2,075 |
| Travel | 6,422 | 1,910 | 1,910 | - |
| Operating Expenditures | 8,783 | 38,119 | 37,935 | 183 |
| Capital Outlay | 778 | 10,023 | 10,023 | 0 |
| Engineer: | | | | |
| Salary and Wages | 326,124 | 334,361 | 333,995 | 366 |
| Fringe Benefits | 125,055 | 126,598 | 124,919 | 1,679 |
| Travel | 8,000 | 5,000 | 3,806 | 1,194 |
| Operating Expenditures | 31,840 | 25,440 | 23,747 | 1,693 |
| Capital Outlay | 6,500 | 15,500 | 8,937 | 6,563 |
| Total Road and Highway | <u>1,646,959</u> | <u>1,651,339</u> | <u>1,448,911</u> | <u>202,428</u> |
| Capital Outlay | | | | |
| Total expenditures | <u>81,232,891</u> | <u>83,061,541</u> | <u>78,243,084</u> | <u>4,818,297</u> |
| Excess of revenues over/(under) expenditures | <u>2,928,042</u> | <u>1,342,915</u> | <u>11,307,656</u> | <u>9,964,741</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | - | - | 1,342,000 | 1,342,000 |
| Transfers to other funds | <u>(10,230,000)</u> | <u>(10,713,250)</u> | <u>(10,713,250)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(10,230,000)</u> | <u>(10,713,250)</u> | <u>(9,371,250)</u> | <u>1,342,000</u> |
| Net change in fund balances | <u>(7,301,958)</u> | <u>(9,370,335)</u> | <u>1,936,406</u> | <u>11,306,741</u> |
| Fund balances - beginning | 7,301,957 | 9,370,334 | 15,311,216 | 5,940,882 |
| Fund balances - ending | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 17,247,622</u> | <u>\$ 17,247,623</u> |

RECONCILIATION TO GAAP-BASIS FUND BALANCE

| | |
|---|----------------------|
| Property taxes receivable | 4,240,660 |
| Other taxes receivable | 409,303 |
| Accounts payable | (3,049,129) |
| Accounts receivable | 1,357,565 |
| Intergovernmental receivable | 511,935 |
| Deferred revenue | (3,776,386) |
| Current year encumbrances | 5,578,113 |
| Adjustment to prior year reserve for encumbrances | (2,748,690) |
| Reserve for inventory | 300,618 |
| Self-insurance funds net activity (cash basis) | <u>(259,235)</u> |
| Total Reconciling items | <u>2,564,754</u> |
| Fund balance, June 30, 2018 (GAAP Basis) | <u>\$ 19,812,376</u> |

OKLAHOMA COUNTY, OKLAHOMA
Notes to Budgetary Comparison Schedules
June 30, 2018

Note I. Budgetary Data

Budgetary Comparison Schedules-General Fund and Debt Service Fund

A cash basis of accounting is used to prepare the Budgetary Comparison Schedules. Reconciliation from the cash basis to the modified accrual basis of accounting, which is GAAP, is presented on the face of the schedule.

Budget Law and Practice

Guidelines for the County Budget Act are set out in Title 19, Section 1410 of the Oklahoma County Statutes. At least thirty (30) days prior to the beginning of each fiscal year, the county budget board shall complete a budget for each fund of the county for which a budget is required. Each budget shall provide a complete financial plan for the budget year. The budget format shall be as prescribed by the State Auditor and Inspector. The format shall contain at least the following in tabular form for each fund, itemized by department and account within each fund:

1. Actual revenues and expenditures for the immediate prior fiscal year;
2. Estimated actual revenues and expenditures for the current fiscal year; and
3. Estimated revenues and proposed expenditures for the budget year.

The Budget Board of Oklahoma County complies with the purpose of the Budget Act, which is to:

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets;
2. Enable counties to make financial plans for both current and capital expenditures and to ensure that their executive staffs administer their respective functions in accordance with adopted budgets;
3. Make available to public and investors sufficient information as to the financial conditions, requirements and expectations of the county government; and
4. Assist county governments to improve and implement generally accepted accounting principles as applied to governmental accounting, auditing, and financial reporting and standards of governmental finance management.

The legal level of control is that expenditures budgeted in each fund may not exceed the budgeted revenues, including fund balance, for the fund. Once approved the Oklahoma County Budget Board may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Budgets are submitted annually in accordance with the budget act and are prepared on a modified cash basis. Revenues are budgeted in the year receipt is expected and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial schedules are reported on this basis. Unencumbered appropriations for annually budgeted funds lapse ninety days after fiscal year-end. The General Fund and the Debt Service Fund are the two major funds with legally adopted annual budgets and Budgetary Comparison Schedules are presented as Required Supplementary. Reconciliation from the budgetary basis of accounting to accounting principles generally accepted in the United States of America is presented in the Budgetary Comparison Schedule. All other funds do not have annual adopted budgets. Appropriations for these funds are made on a monthly basis, according to the funds available.

OKLAHOMA COUNTY, OKLAHOMA
Notes to Budgetary Comparison Schedules
June 30, 2018

Budgetary Control

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and character (salary, benefits, travel, maintenance and operation and capital outlay) which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to authorization by the Department Head and approval by the Budget Board.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as assignments of fund balance by purpose in the General Fund and as commitments or restrictions of fund balance in other governmental funds. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

*Combining and
Individual Fund
Financial
Statements and
Schedules*



NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

County Bridge and Road Improvement Fund – For the collection of fuel tax and gross production proceeds in to be used for the construction, replacement and repair of county roads and bridges including engineering and design services.

Treasurer’s Mortgage Fee – For the collection of certification fees by the treasurer and restricted expenditures.

County Clerk’s Lien Fee – For the collection of fees for mailing notices of mechanic liens and restricted expenditures.

UCC Central Filing Fee – For the collection of fees and expenditures for filing Uniform Commercial Code financing statements.

Records Management & Preservation – For the collection of fees and expenditures for the purpose of preserving, maintaining and archiving recorded instruments.

Sheriff Service Fee – For the collection and processing of miscellaneous fees and the restricted expenditures.

Sheriff Special Revenue Fund – Accounts for collections and expenditures of prisoner boarding fees, for the operation of the jail commissary, housing of federal prisoners, drug enforcement, travel and training activities of the sheriff’s department. Also used to record the revenues and expenditures of monies received from granting agencies in accordance with the general and specific terms of the grant agreement.

Sheriff Grant Fund – For the collection and expenditures of state and federal grants for various programs in accordance with the terms of the grant agreements.

Assessor’s Revolving Fee – For the collection and expenditures of fees for furnishing copies of records and maps by the Assessor.

Juvenile Probation Fee – For the collection and expenditures of probation fees of juveniles.

Juvenile Grant Fund – For the collection and expenditures of numerous state and federal grants for various juvenile offender programs in accordance with the terms of the grant agreements.

Planning Commission – For the collection and expenditures of permit fees and petitions for amendments to zoning regulations.

Local Emergency Planning Commission – For the collection and expenditures of federal grant funds for hazardous materials emergency planning.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Emergency Management – For the collection and expenditures of federal grant funds for the general operation of the Emergency Management department.

Community Service Fee Fund – For the collection and expenditures of fees of persons sentenced by the court to perform community service.

Community Sentencing – For the collection and expenditures of Department of Corrections reimbursement.

Drug Court – For the collection and expenditures of state funding for the newly developed drug court program.

Drug Court User Fee Fund – For the collection and expenditures of user fees collected from offenders through the drug court program.

Mental Health Court Fund – For the collection and expenditures of state funding for the county mental health program which include drug testing and participant incentives.

Shine Program – For the collection and expenditures of funding for the program established for court ordered low level offenders to remove graffiti, overgrowth of weeds and grass, and the pickup and hauling of trash and debris from public areas in Oklahoma County.

Capital Project Funds

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Regular – Established to be used for various capital improvement projects. The funds major financial resource is transfers from General Fund.

Capital Projects Districts – For the remaining fund balance of funds for highway capital projects.

Capital Projects Tinker I – For the collection and expenditures of the remaining fund balance and interest earned from proceeds of a bond issue for the acquisition and clearing of land surrounding Tinker Air Force base.

Capital Projects Tinker II – Accounts for the proceeds of general obligation bonds for the purpose of acquiring property in the vicinity of Tinker Air Force Base in order to provide for the safety of those citizens of the County as well as provide for the continued assurance of the economic well being of Oklahoma County and its citizens.

Jail Facility – For the collection and expenditures of a temporary sales tax for the construction of the Oklahoma County jail.

NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

Sale of Property –For the collection and expenditure of funds received from the sale of land, sites or structures.

OSU Building Fund –Established to account for the funds received from the sale of property where there Oklahoma County Extension Service building was previously located. A portion of the proceeds will be used for to provide a suitable replacement facility for the OSU Extension Center.

**OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

| | Special Revenue | | | | | | | | | |
|--|--|--------------------------------|-------------------------------|-----------------------|---|------------------------|----------------------------|-----------------------|--------------------------------|------------------------------|
| | County Bridge & Road Improvement | Treasurer's Mortgage Fee | County Clerk's Lien Fee | UCC Central Filing | Records Management & Preservation | Sheriff Service Fee | Sheriff Special Revenue | Sheriff Grant Fund | Assessor's Revolving Fee | Juvenile Probation Fee |
| ASSETS | | | | | | | | | | |
| Cash and cash equivalents | \$ 2,944,255 | \$ 126,162 | \$ 139,785 | \$ 404,649 | \$ 692,223 | \$ 831,234 | \$ 2,561,160 | \$ 535,927 | \$ 109,794 | \$ 108,239 |
| Investments | 416,356 | 17,841 | 19,767 | 57,223 | 97,889 | 117,547 | 362,182 | 75,787 | 15,526 | 15,306 |
| Interest receivable | - | - | - | 414 | 704 | 782 | 2,356 | - | - | - |
| Accounts receivable | 56,655 | - | - | - | - | 280,166 | 4,874 | - | 1,206 | - |
| Intergovernmental receivable | - | - | - | - | - | - | 323,424 | 121,441 | - | - |
| Inventories | - | - | - | - | - | - | 308,916 | - | - | - |
| Total assets | <u>\$ 3,417,266</u> | <u>\$ 144,003</u> | <u>\$ 159,552</u> | <u>\$ 462,286</u> | <u>\$ 790,816</u> | <u>\$ 1,229,729</u> | <u>\$ 3,562,912</u> | <u>\$ 733,155</u> | <u>\$ 126,526</u> | <u>\$ 123,545</u> |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | \$ 171,222 | \$ 2,171 | \$ 5,630 | \$ 11,944 | \$ 17,568 | \$ 107,497 | \$ 209,081 | \$ 18,036 | \$ - | \$ 2,150 |
| Total Liabilities | <u>171,222</u> | <u>2,171</u> | <u>5,630</u> | <u>11,944</u> | <u>17,568</u> | <u>107,497</u> | <u>209,081</u> | <u>18,036</u> | <u>-</u> | <u>2,150</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Unavailable revenue-Intergovernmental | - | - | - | - | - | 8,628 | - | 115,482 | - | - |
| Total Deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,628</u> | <u>-</u> | <u>115,482</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | 308,916 | - | - | - |
| Restricted | 3,246,044 | 141,832 | 153,922 | 450,342 | 773,248 | 1,113,604 | 3,044,915 | 599,637 | 126,526 | 121,395 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>3,246,044</u> | <u>141,832</u> | <u>153,922</u> | <u>450,342</u> | <u>773,248</u> | <u>1,113,604</u> | <u>3,353,831</u> | <u>599,637</u> | <u>126,526</u> | <u>121,395</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 3,417,266</u> | <u>\$ 144,003</u> | <u>\$ 159,552</u> | <u>\$ 462,286</u> | <u>\$ 790,816</u> | <u>\$ 1,229,729</u> | <u>\$ 3,562,912</u> | <u>\$ 733,155</u> | <u>\$ 126,526</u> | <u>\$ 123,545</u> |

**OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

| | Special Revenue | | | | | | | | | | | Total |
|--|------------------------|-----------------------|--|-------------------------|--------------------------|-------------------------|-------------------|------------------------|--------------------------------|------------------|------------------|----------------------|
| | Juvenile Grant Fund | Planning Commision | Local Emergency Planning Comm | Emergency Management | Community Service Fee | Community Sentencing | Drug Court | Drug Court User Fee | Mental Health Court Fund | Shine Program | MIS Fund | |
| ASSETS | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 143,357 | \$ 282,519 | \$ 8,427 | \$ 393,380 | \$ 124,832 | \$ 248,569 | \$ 259,709 | \$ 56,089 | \$ 118,390 | \$ 21,667 | \$ 19,621 | \$ 10,129,988 |
| Investments | 20,273 | 39,952 | 1,192 | 55,629 | 17,653 | 35,151 | 36,726 | 7,932 | 16,742 | 3,064 | 2,775 | 1,432,513 |
| Interest receivable | - | - | - | - | - | - | - | - | - | - | - | 4,256 |
| Accounts receivable | - | - | - | 15,000 | 300 | - | - | - | - | - | - | 358,201 |
| Intergovernmental receivable | 64,395 | - | - | - | - | - | - | - | - | - | - | 509,260 |
| Inventories | - | - | - | - | - | - | - | - | - | - | - | 308,916 |
| Total assets | <u>\$ 228,025</u> | <u>\$ 322,471</u> | <u>\$ 9,619</u> | <u>\$ 464,009</u> | <u>\$ 142,785</u> | <u>\$ 283,720</u> | <u>\$ 296,435</u> | <u>\$ 64,021</u> | <u>\$ 135,132</u> | <u>\$ 24,731</u> | <u>\$ 22,396</u> | <u>\$ 12,743,134</u> |
| LIABILITIES | | | | | | | | | | | | |
| Accounts payable | \$ 16,374 | \$ 11,041 | \$ - | \$ 21,787 | \$ 4,701 | \$ - | \$ 42,986 | \$ - | \$ 14,141 | \$ 2,396 | \$ - | \$ 658,725 |
| Total Liabilities | <u>16,374</u> | <u>11,041</u> | <u>-</u> | <u>21,787</u> | <u>4,701</u> | <u>-</u> | <u>42,986</u> | <u>-</u> | <u>14,141</u> | <u>2,396</u> | <u>-</u> | <u>658,725</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | | | |
| Unavailable revenue-Intergovernmental | - | - | - | 15,000 | - | - | - | - | - | - | - | 139,110 |
| Total Deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>15,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>139,110</u> |
| FUND BALANCES | | | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - | - | - | 308,916 |
| Restricted | 211,651 | 311,430 | 9,619 | 427,222 | 138,084 | 283,720 | 253,449 | 64,021 | 120,991 | 22,335 | 22,396 | 11,636,383 |
| Assigned | - | - | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>211,651</u> | <u>311,430</u> | <u>9,619</u> | <u>427,222</u> | <u>138,084</u> | <u>283,720</u> | <u>253,449</u> | <u>64,021</u> | <u>120,991</u> | <u>22,335</u> | <u>22,396</u> | <u>11,945,299</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 228,025</u> | <u>\$ 322,471</u> | <u>\$ 9,619</u> | <u>\$ 464,009</u> | <u>\$ 142,785</u> | <u>\$ 283,720</u> | <u>\$ 296,435</u> | <u>\$ 64,021</u> | <u>\$ 135,132</u> | <u>\$ 24,731</u> | <u>\$ 22,396</u> | <u>\$ 12,743,134</u> |

**OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

Capital Projects

| | Capital Projects Regular | Capital Projects Districts | Capital Projects Tinker I | Jail Facility | Sale of Property | Tinker Clearing II | OSU Ext Building | Total | Total Nonmajor Governmental Funds |
|--|--------------------------------|----------------------------------|---------------------------------|------------------|---------------------|-----------------------|---------------------|---------------------|---|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 4,586,741 | \$ 415,703 | \$ 547,564 | \$ 23,547 | \$ 6,772 | \$ 255,610 | \$ 23,444 | \$ 5,859,381 | \$ 15,989,369 |
| Investments | 648,626 | 58,786 | 77,433 | 3,330 | 958 | 36,147 | 3,315 | 828,595 | 2,261,108 |
| Interest receivable | 5,238 | - | 878 | - | 11 | 404 | 35 | 6,566 | 10,822 |
| Accounts receivable | - | - | - | - | - | - | - | - | 358,201 |
| Intergovernmental receivable | - | - | - | - | - | - | - | - | 509,260 |
| Inventories | - | - | - | - | - | - | - | - | 308,916 |
| Total assets | <u>\$ 5,240,605</u> | <u>\$ 474,489</u> | <u>\$ 625,875</u> | <u>\$ 26,877</u> | <u>\$ 7,741</u> | <u>\$ 292,161</u> | <u>\$ 26,794</u> | <u>\$ 6,694,542</u> | <u>\$ 19,437,676</u> |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ 98,432 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 98,432 | \$ 757,157 |
| Total Liabilities | <u>98,432</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>98,432</u> | <u>757,157</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unavailable revenue-Intergovernmental | - | - | - | - | - | - | - | \$ - | \$ 139,110 |
| Total Deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>139,110</u> |
| FUND BALANCES | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | 308,916 |
| Restricted | 1,403,176 | - | 625,875 | 26,877 | - | 292,161 | 26,794 | 2,374,883 | 14,011,266 |
| Assigned | 3,738,997 | 474,489 | - | - | 7,741 | - | - | 4,221,227 | 4,221,227 |
| Total fund balances | <u>5,142,173</u> | <u>474,489</u> | <u>625,875</u> | <u>26,877</u> | <u>7,741</u> | <u>292,161</u> | <u>26,794</u> | <u>6,596,110</u> | <u>18,541,409</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 5,240,605</u> | <u>\$ 474,489</u> | <u>\$ 625,875</u> | <u>\$ 26,877</u> | <u>\$ 7,741</u> | <u>\$ 292,161</u> | <u>\$ 26,794</u> | <u>\$ 6,694,542</u> | <u>\$ 19,437,676</u> |

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | Special Revenue | | | | | | | | | |
|--|--|-----------------------------|----------------------------|-----------------------|---|------------------------|----------------------------|-----------------------|--------------------------------|------------------------------|
| | County Bridge & Road Improvement | Treasurer's Mortgage Fee | County Clerk's Lien Fee | UCC Central Filing | Records Management & Preservation | Sheriff Service Fee | Sheriff Special Revenue | Sheriff Grant Fund | Assessor's Revolving Fee | Juvenile Probation Fee |
| REVENUES | | | | | | | | | | |
| Charges for services | \$ - | \$ 139,135 | \$ 93,935 | \$ 719,072 | \$ 883,810 | \$ 3,756,581 | \$ 1,355,194 | \$ - | \$ 18,408 | \$ 18,800 |
| Intergovernmental revenues | 691,589 | - | - | - | - | 390,754 | 4,224,434 | 317,741 | - | - |
| Investment income (loss) | - | - | - | 2,737 | 4,165 | 6,905 | 21,838 | - | - | - |
| Miscellaneous revenue | - | - | - | - | 5,779 | - | 259,973 | - | - | - |
| Total revenues | <u>\$ 691,589</u> | <u>\$ 139,135</u> | <u>\$ 93,935</u> | <u>\$ 721,809</u> | <u>\$ 893,754</u> | <u>\$ 4,154,240</u> | <u>\$ 5,861,439</u> | <u>\$ 317,741</u> | <u>\$ 18,408</u> | <u>\$ 18,800</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | - | 113,911 | 24,183 | 591,791 | 536,910 | - | - | - | - | - |
| Public safety | - | - | - | - | - | 4,342,631 | 5,279,162 | 233,111 | - | 40,536 |
| Roads and highways | 298,143 | - | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 117,642 | 37,435 | 19,037 | 13,593 | 13,415 | 42,099 | 548,831 | 75,974 | 1,356 | - |
| Total expenditures | <u>415,785</u> | <u>151,346</u> | <u>43,220</u> | <u>605,384</u> | <u>550,325</u> | <u>4,384,730</u> | <u>5,827,993</u> | <u>309,085</u> | <u>1,356</u> | <u>40,536</u> |
| Excess(deficiency) of revenues over(under) expenditures | <u>275,804</u> | <u>(12,211)</u> | <u>50,715</u> | <u>116,425</u> | <u>343,429</u> | <u>(230,490)</u> | <u>33,446</u> | <u>8,656</u> | <u>17,052</u> | <u>(21,736)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers from other funds | - | - | - | - | - | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 275,804 | (12,211) | 50,715 | 116,425 | 343,429 | (230,490) | 33,446 | 8,656 | 17,052 | (21,736) |
| Fund balances-beginning | 2,970,240 | 154,043 | 103,207 | 333,917 | 429,819 | 1,344,094 | 3,320,385 | 590,981 | 109,474 | 143,131 |
| Fund balances-ending | <u>\$ 3,246,044</u> | <u>\$ 141,832</u> | <u>\$ 153,922</u> | <u>\$ 450,342</u> | <u>\$ 773,248</u> | <u>\$ 1,113,604</u> | <u>\$ 3,353,831</u> | <u>\$ 599,637</u> | <u>\$ 126,526</u> | <u>\$ 121,395</u> |

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

| | Special Revenue | | | | | | | | | | | |
|---|---------------------|--------------------|-------------------------------|----------------------|-----------------------|----------------------|-------------------|---------------------|--------------------------|-------------------|------------------|----------------------|
| | Juvenile Grant Fund | Planning Commision | Local Emergency Planning Comm | Emergency Management | Community Service Fee | Community Sentencing | Drug Court | Drug Court User Fee | Mental Health Court Fund | Shine Program | MIS Fund | Total |
| REVENUES | | | | | | | | | | | | |
| Charges for services | \$ - | \$ 335,680 | \$ 2,086 | \$ - | \$ 91,894 | \$ - | \$ - | \$ - | \$ - | \$ 1,222 | \$ 27,930 | \$ 7,443,747 |
| Intergovernmental revenues | 231,678 | - | - | 86,102 | - | - | 270,229 | 231,604 | 122,497 | 100,000 | - | 6,666,628 |
| Investment income (loss) | - | - | - | - | - | - | - | - | - | - | - | 35,645 |
| Miscellaneous revenue | - | - | - | - | - | - | - | - | - | - | - | 265,752 |
| Total revenues | <u>\$ 231,678</u> | <u>\$ 335,680</u> | <u>\$ 2,086</u> | <u>\$ 86,102</u> | <u>\$ 91,894</u> | <u>\$ -</u> | <u>\$ 270,229</u> | <u>\$ 231,604</u> | <u>\$ 122,497</u> | <u>\$ 101,222</u> | <u>\$ 27,930</u> | <u>\$ 14,411,772</u> |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General government | - | 386,777 | - | - | 62,741 | - | 280,297 | 296,165 | 85,364 | 141,618 | - | 2,519,757 |
| Public safety | 213,715 | - | 2,085 | 5,163 | - | 1,750 | - | - | - | - | - | 10,118,153 |
| Roads and highways | - | - | - | - | - | - | - | - | - | - | - | 298,143 |
| Economic development | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital outlay | 5,235 | 3,056 | - | 27,298 | 5,789 | 19,080 | 1,872 | - | 1,820 | - | 10,874 | 944,406 |
| Total expenditures | <u>218,950</u> | <u>389,833</u> | <u>2,085</u> | <u>32,461</u> | <u>68,530</u> | <u>20,830</u> | <u>282,169</u> | <u>296,165</u> | <u>87,184</u> | <u>141,618</u> | <u>10,874</u> | <u>13,880,459</u> |
| Excess(deficiency) of revenues over(under) expenditures | <u>12,728</u> | <u>(54,153)</u> | <u>1</u> | <u>53,641</u> | <u>23,364</u> | <u>(20,830)</u> | <u>(11,940)</u> | <u>(64,561)</u> | <u>35,313</u> | <u>(40,396)</u> | <u>17,056</u> | <u>531,313</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers from other funds | - | - | - | 222,967 | - | - | - | - | - | - | - | 222,967 |
| Transfers to other funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 1,035 | - | - | - | - | - | - | - | - | - | - | 1,035 |
| Total other financing sources (uses) | <u>1,035</u> | <u>-</u> | <u>-</u> | <u>222,967</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>224,002</u> |
| Net change in fund balances | 13,763 | (54,153) | 1 | 276,608 | 23,364 | (20,830) | (11,940) | (64,561) | 35,313 | (40,396) | 17,056 | 755,315 |
| Fund balances-beginning | 197,888 | 365,583 | 9,618 | 150,614 | 114,720 | 304,550 | 265,389 | 128,582 | 85,678 | 62,731 | 5,340 | 11,189,984 |
| Fund balances-ending | <u>\$ 211,651</u> | <u>\$ 311,430</u> | <u>\$ 9,619</u> | <u>\$ 427,222</u> | <u>\$ 138,084</u> | <u>\$ 283,720</u> | <u>\$ 253,449</u> | <u>\$ 64,021</u> | <u>\$ 120,991</u> | <u>\$ 22,335</u> | <u>\$ 22,396</u> | <u>\$ 11,945,299</u> |

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

Capital Projects

| | Capital Projects Regular | Capital Projects Districts | Capital Projects Tinker I | Jail Facility | Sale of Property | Tinker Clearing II | OSU Ext Building | Total | Total Nonmajor Governmental Funds |
|--|--------------------------------|----------------------------------|---------------------------------|------------------|---------------------|-----------------------|---------------------|---------------------|---|
| REVENUES | | | | | | | | | |
| Charges for services | \$ - | \$ - | \$ - | \$ 10,404 | \$ - | \$ - | \$ - | \$ 10,404 | \$ 7,454,151 |
| Intergovernmental revenues | 1,166,717 | - | - | - | - | - | - | 1,166,717 | 7,833,345 |
| Investment income (loss) | 42,881 | - | 7,367 | - | 92 | 2,814 | 292 | 53,446 | 89,091 |
| Miscellaneous revenue | - | - | 402 | - | - | - | - | 402 | 266,154 |
| Total revenues | <u>\$ 1,209,598</u> | <u>\$ -</u> | <u>\$ 7,769</u> | <u>\$ 10,404</u> | <u>\$ 92</u> | <u>\$ 2,814</u> | <u>\$ 292</u> | <u>\$ 1,230,969</u> | <u>\$ 15,642,741</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | 30,308 | - | - | - | - | - | - | 30,308 | 2,550,065 |
| Public safety | - | - | - | - | - | - | - | - | 10,118,153 |
| Roads and highways | - | - | - | - | - | - | - | - | 298,143 |
| Economic development | - | - | - | - | - | - | - | - | - |
| Capital outlay | 2,647,945 | - | - | - | - | - | - | 2,647,945 | 3,592,351 |
| Total expenditures | <u>2,678,253</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,678,253</u> | <u>16,558,712</u> |
| Excess(deficiency) of revenues over(under) expenditures | <u>(1,468,655)</u> | <u>-</u> | <u>7,769</u> | <u>10,404</u> | <u>92</u> | <u>2,814</u> | <u>292</u> | <u>(1,447,284)</u> | <u>(915,971)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers from other funds | 2,676,500 | - | - | - | - | - | - | 2,676,500 | 2,899,467 |
| Transfers to other funds | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | 1,035 |
| Total other financing sources (uses) | <u>2,676,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,676,500</u> | <u>2,900,502</u> |
| Net change in fund balances | 1,207,845 | - | 7,769 | 10,404 | 92 | 2,814 | 292 | 1,229,216 | 1,984,531 |
| Fund balances-beginning | 3,934,328 | 474,489 | 618,106 | 16,473 | 7,649 | 289,347 | 26,502 | 5,366,894 | 16,556,878 |
| Fund balances-ending | <u>\$ 5,142,173</u> | <u>\$ 474,489</u> | <u>\$ 625,875</u> | <u>\$ 26,877</u> | <u>\$ 7,741</u> | <u>\$ 292,161</u> | <u>\$ 26,794</u> | <u>\$ 6,596,110</u> | <u>\$ 18,541,409</u> |

**OKLAHOMA COUNTY, OKLAHOMA
DEBT SERVICE FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts/ Budgetary Basis</u> | <u>Variance with Final Budget- Positive (Negative)</u> |
|--|-------------------------|--------------------|--|--|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Property taxes | \$ 7,095,742 | \$ 7,095,742 | \$ 7,156,339 | \$ 60,597 |
| Investment income | - | - | 44,120 | 44,120 |
| Total revenues | <u>7,095,742</u> | <u>7,095,742</u> | <u>7,200,459</u> | <u>104,717</u> |
| EXPENDITURES | | | | |
| Redemption of debt | 12,460,963 | 12,460,963 | 6,575,821 | 5,885,142 |
| Interest | 1,440,300 | 1,440,300 | 1,162,886 | 277,414 |
| Total expenditures | <u>13,901,263</u> | <u>13,901,263</u> | <u>7,738,707</u> | <u>6,162,556</u> |
| Excess(deficiency) of revenues over(under) expenditures | <u>(6,805,521)</u> | <u>(6,805,521)</u> | <u>(538,248)</u> | <u>6,267,273</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers from other funds | - | - | - | - |
| Net change in fund balances | <u>(6,805,521)</u> | <u>(6,805,521)</u> | <u>(538,248)</u> | <u>6,267,273</u> |
| Fund balance-beginning (Non-GAAP budgetary basis) | 7,143,613 | 7,143,613 | 7,143,613 | - |
| Fund balance-ending (Non-GAAP budgetary basis) | <u>\$ 338,092</u> | <u>\$ 338,092</u> | <u>\$ 6,605,365</u> | <u>\$ 6,267,273</u> |
| ADJUSTMENTS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES | | | | |
| Property tax receivable | | | 480,037 | |
| Other taxes receivable | | | 39,367 | |
| Interest receivable | | | 9,331 | |
| Deferred revenue | | | (430,021) | |
| Fund balance-ending (GAAP basis) | | | <u>\$ 6,704,079</u> | |

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and cannot be used to support the County's programs.

Agency Funds – *Used to report resources held by the County in a purely custodial capacity (assets equal liabilities). Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, or other governments.*

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2018

| | Balance June 30, 2017 | Additions | Deductions | Balance June 30, 2018 |
|----------------------------|--------------------------|-----------------------|-----------------------|--------------------------|
| SCHOOLS | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 1,698,137 | \$ 613,002,418 | \$ 612,142,849 | \$ 2,557,707 |
| Property taxes receivable | 31,730,301 | 32,622,324 | 31,730,301 | 32,622,324 |
| Due from other governments | 83,753 | 69,398 | 83,753 | 69,398 |
| Total Assets | \$ 33,512,191 | \$ 645,694,140 | \$ 643,956,903 | \$ 35,249,428 |
| <u>Liabilities:</u> | | | | |
| Due to other taxing units | 33,512,191 | 645,694,140 | 643,956,903 | 35,249,428 |
| Total Liabilities | \$ 33,512,191 | \$ 645,694,140 | \$ 643,956,903 | \$ 35,249,428 |
| CITIES AND TOWNS | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 727,844 | \$ 125,523,569 | \$ 125,401,965 | \$ 849,448 |
| Property taxes receivable | 6,416,495 | 6,568,170 | 6,416,495 | 6,568,170 |
| Due from other governments | 1,334,362 | 1,383,445 | 1,334,362 | 1,383,445 |
| Total Assets | \$ 8,478,700 | \$ 133,475,184 | \$ 133,152,822 | \$ 8,801,063 |
| <u>Liabilities:</u> | | | | |
| Due to other taxing units | 8,478,700 | 133,475,184 | 133,152,822 | 8,801,063 |
| Total Liabilities | \$ 8,478,700 | \$ 133,475,184 | \$ 133,152,822 | \$ 8,801,063 |
| OFFICIAL DEPOSITORY | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 34,261,975 | \$ 152,682,456 | \$ 156,343,944 | \$ 30,600,487 |
| Total Assets | \$ 34,261,975 | \$ 152,682,456 | \$ 156,343,944 | \$ 30,600,487 |
| <u>Liabilities:</u> | | | | |
| Accounts payable | - | - | - | - |
| Due to others | 34,261,975 | 152,682,456 | 156,343,944 | 30,600,487 |
| Total Liabilities | \$ 34,261,975 | \$ 152,682,456 | \$ 156,343,944 | \$ 30,600,487 |

(Continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2018

| | Balance June 30, 2017 | Additions | Deductions | Balance June 30, 2018 |
|----------------------------------|--------------------------|------------------|------------------|--------------------------|
| UNAPPORTIONED TAXES | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 244,572 | \$ 94,086,410 | \$ 93,750,824 | \$ 580,158 |
| Total Assets | \$ 244,572 | \$ 94,086,410 | \$ 93,750,824 | \$ 580,158 |
| <u>Liabilities:</u> | | | | |
| Due to other taxing units | 244,572 | 94,086,410 | 93,750,824 | 580,158 |
| Total Liabilities | \$ 244,572 | \$ 94,086,410 | \$ 93,750,824 | \$ 580,158 |
| ALL OTHERS | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 5,640,257 | \$ 29,604,238 | \$ 29,305,575 | \$ 5,938,920 |
| Property taxes receivable | 997,990 | 1,022,308 | 997,990 | 1,022,308 |
| Total Assets | \$ 6,638,247 | \$ 30,626,546 | \$ 30,303,565 | \$ 6,961,228 |
| <u>Liabilities:</u> | | | | |
| Due to other taxing units | \$ 2,085,151 | 25,216,737 | 25,750,469 | 1,551,419 |
| Due to others | 4,553,096 | 5,409,809 | 4,553,096 | 5,409,809 |
| Total Liabilities | \$ 6,638,247 | \$ 30,626,546 | \$ 30,303,565 | \$ 6,961,228 |
| TOTALS - ALL AGENCY FUNDS | | | | |
| <u>Assets:</u> | | | | |
| Cash and investments | \$ 42,572,787 | \$ 1,014,899,091 | \$ 1,016,945,157 | \$ 40,526,720 |
| Property taxes receivable | 39,144,786 | 40,212,802 | 39,144,786 | 40,212,802 |
| Due from other governments | 1,418,115 | 1,452,843 | 1,418,116 | 1,452,843 |
| Total Assets | \$ 83,135,687 | \$ 1,056,564,737 | \$ 1,057,508,058 | \$ 82,192,365 |
| <u>Liabilities:</u> | | | | |
| Due to other taxing units | 44,320,615 | 898,472,471 | 896,611,018 | 46,182,069 |
| Due to others | 38,815,071 | 158,092,266 | 160,897,040 | 36,010,297 |
| Total Liabilities | \$ 83,135,687 | \$ 1,056,564,737 | \$ 1,057,508,058 | \$ 82,192,365 |

III - *Statistical Section*



Statistical Section

This part of Oklahoma County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends – *These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.*

Revenue Capacity – *These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

Debt Capacity – *These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

Demographic and Economic Information – *These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.*

Operating Information – *These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.*

OKLAHOMA COUNTY, OKLAHOMA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| | 2009 | 2010 | Fiscal Year 2011 | 2012 |
|---|------------------------|---------------------|---------------------|---------------------|
| Governmental activities | | | | |
| Invested in capital assets, net of related debt | 84,857,959 | \$86,125,280 | \$92,931,482 | \$100,057,236 |
| Restricted | 37,181,933 | 37,290,632 | 40,287,616 | 40,692,226 |
| Unrestricted | <u>(56,482,628)</u> | <u>(64,052,900)</u> | <u>(77,546,459)</u> | <u>(87,228,724)</u> |
| Total governmental activities net position | <u>\$65,557,264</u> | <u>59,363,011</u> | <u>55,672,639</u> | <u>53,520,738</u> |
| Business-type activities | | | | |
| Invested in capital assets, net of related debt | (2,915,551) | (2,627,035) | (2,419,362) | (1,562,896) |
| Restricted | 3,779,001 | 4,077,912 | 4,388,390 | 3,365,420 |
| Unrestricted | | | | |
| Total business-type activities net position | <u>\$863,450</u> | <u>\$1,450,877</u> | <u>\$1,969,028</u> | <u>\$1,802,524</u> |
| Primary government | | | | |
| Invested in capital assets, net of related debt | 81,942,408 | \$83,498,245 | \$90,512,120 | \$98,494,339 |
| Restricted | 40,960,934 | 41,368,544 | 44,676,006 | 44,057,647 |
| Unrestricted | <u>(56,482,628) 1.</u> | <u>(64,052,900)</u> | <u>(77,546,459)</u> | <u>(87,228,724)</u> |
| Total primary government net position | <u>\$66,420,714</u> | <u>\$60,813,889</u> | <u>\$57,641,667</u> | <u>\$55,323,262</u> |

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|------------------------|
| Governmental activities | | | | | | |
| Net investment in capital assets | \$105,358,595 | \$110,347,311 | \$107,828,840 | \$113,113,333 | \$104,978,167 | \$106,519,313 |
| Restricted | 45,743,318 | 47,520,700 | 43,945,301 | 43,167,865 | 39,272,522 | 41,005,634 |
| Unrestricted | <u>(100,661,362)</u> | <u>(109,368,111)</u> | <u>(138,300,126)</u> | <u>(148,257,494)</u> | <u>(141,250,554)</u> | <u>(462,572,063)</u> |
| Total governmental activities net position | <u>\$50,440,551</u> | <u>\$48,499,900</u> | <u>\$13,474,015</u> | <u>\$8,023,704</u> | <u>\$3,000,134</u> | <u>(\$315,047,117)</u> |
| Business-type activities | | | | | | |
| Net investment in capital assets | 1,775,469 | 2,501,741 | 3,054,995 | 3,308,549 | 3,596,867 | 3,484,802 |
| Restricted | 3,754,058 | 3,392,679 | 5,598,302 | 7,051,932 | 7,289,385 | 7,629,884 |
| Unrestricted | | | | | | |
| Total business-type activities net position | <u>\$5,529,527</u> | <u>\$5,894,419</u> | <u>\$8,653,297</u> | <u>\$10,360,481</u> | <u>\$10,886,252</u> | <u>\$11,114,686</u> |
| Primary government | | | | | | |
| Net investment in capital assets | \$107,134,064 | \$112,849,051 | \$110,883,835 | \$116,421,882 | \$108,575,033 | \$110,004,114 |
| Restricted | 49,497,376 | 50,913,379 | 49,543,603 | 50,219,797 | 46,561,906 | 48,635,518 |
| Unrestricted | <u>(100,661,362)</u> | <u>(109,368,111)</u> | <u>(138,300,126)</u> | <u>(148,257,494)</u> | <u>(141,250,554)</u> | <u>(462,572,063)</u> |
| Total primary government net position | <u>\$55,970,078</u> | <u>\$54,394,319</u> | <u>\$22,127,312</u> | <u>\$18,384,185</u> | <u>\$13,886,386</u> | <u>(\$303,932,430)</u> |

Notes:

1. County's total unrestricted net position dropped in 2009 as a result of two long-term obligations incurred that have no corresponding assets:
- (1) the issuance of long-term bonds whose proceeds were used to acquire property and facilities that were transferred to the federal government for economic development purposes, and
- (2) long-term net obligations related to OPEB for which no advance-funded plan assets have been set aside.

OKLAHOMA COUNTY, OKLAHOMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| Expenses | <u>2009</u> | <u>2010</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> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities: | | | | | | | | | | |
| General government | \$42,098,305 | \$ 43,403,066 | \$ 48,946,551 | \$ 48,036,278 | \$ 52,166,556 | \$ 51,860,024 | \$ 57,511,635 | \$ 56,339,505 | \$ 61,206,434 | \$ 72,658,454 |
| Public safety | 57,725,981 | 64,849,863 | 62,758,927 | 65,013,715 | 67,463,248 | 66,795,483 | 64,287,273 | 65,642,428 | 62,694,490 | 62,135,892 |
| Health and welfare | 2,598,846 | 1,779,424 | 1,753,349 | 1,853,745 | 1,892,392 | 1,934,678 | 1,976,388 | 2,073,301 | 2,068,627 | 2,017,537 |
| Culture and recreation | 64,352 | 63,253 | 62,154 | 62,149 | 62,201 | 62,061 | 62,213 | 62,122 | 62,095 | 62,144 |
| Education | 517,341 | 499,395 | 502,603 | 498,571 | 525,380 | 496,255 | 465,067 | 466,860 | 447,049 | - |
| Roads and highways | 16,287,910 | 15,393,193 | 14,793,383 | 14,579,322 | 15,124,244 | 17,666,192 | 17,111,585 | 16,594,355 | 15,754,950 | 14,032,166 |
| Economic development | 678,327 | 3,132,130 | 32,652 | 25,952 | - | - | 12,501,200 | - | - | - |
| Interest on long term debt | 3,458,033 | 3,262,711 | 3,145,155 | 2,780,831 | 2,382,629 | 2,096,881 | 1,987,523 | 1,873,996 | 1,431,379 | 1,225,929 |
| Total governmental activities expenses | <u>\$123,429,095</u> | <u>\$132,383,035</u> | <u>\$131,994,774</u> | <u>\$132,850,563</u> | <u>\$139,616,651</u> | <u>\$140,911,574</u> | <u>\$155,902,884</u> | <u>\$143,052,567</u> | <u>\$143,665,024</u> | <u>\$152,132,123</u> |
| Business-type activities: | | | | | | | | | | |
| Public Buildings Authority | 2,688,836 | 2,626,200 | 2,543,343 | 2,977,375 | 2,260,912 | 2,307,974 | 2,165,386 | 2,263,666 | 2,257,969 | 2,092,697 |
| Total business-type activities expenses | <u>2,688,836</u> | <u>2,626,200</u> | <u>2,543,343</u> | <u>2,977,375</u> | <u>2,260,912</u> | <u>2,307,974</u> | <u>2,165,386</u> | <u>2,263,666</u> | <u>2,257,969</u> | <u>2,092,697</u> |
| Total primary government expenses | <u>\$126,117,931</u> | <u>\$135,009,235</u> | <u>\$134,538,117</u> | <u>\$135,827,937</u> | <u>\$141,877,563</u> | <u>\$143,219,548</u> | <u>\$158,068,270</u> | <u>\$145,316,233</u> | <u>\$145,922,993</u> | <u>\$154,224,821</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 11,165,132 | 10,952,500 | 10,573,232 | 15,731,465 | 16,368,890 | 16,773,977 | 17,950,059 | 17,168,504 | 17,356,073 | 17,735,183 |
| Public safety | 19,435,176 | 18,603,741 | 18,755,117 | 17,757,213 | 19,153,074 | 19,679,971 | 17,064,084 | 15,796,889 | 12,922,787 | 11,924,122 |
| Other activities | 185,270 | 60,475 | 83,312 | 87,276 | 58,586 | 54,382 | 51,776 | 28,614 | 26,456 | 40,528 |
| Operating grants and contributions | 15,982,729 | 15,073,208 | 15,116,433 | 15,735,854 | 15,387,416 | 15,996,244 | 16,344,366 | 15,110,866 | 14,988,932 | 15,608,330 |
| Capital grants and contributions | 5,157,852 | 4,802,292 | 5,825,459 | 3,419,666 | 4,529,963 | 4,938,396 | 5,048,759 | 3,951,796 | 2,408,393 | 3,673,943 |
| Total governmental activities program revenues | <u>51,926,159</u> | <u>49,492,216</u> | <u>50,353,553</u> | <u>52,731,474</u> | <u>55,497,929</u> | <u>57,442,971</u> | <u>56,459,045</u> | <u>52,056,669</u> | <u>47,702,640</u> | <u>48,982,105</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Public Buildings Authority | 3,058,461 | 3,242,709 | 3,434,494 | 3,515,246 | \$3,593,103 | \$ 3,733,772 | \$ 4,031,727 | \$ 4,109,244 | \$ 3,883,254 | \$ 3,925,823 |
| Capital grants and contributions | - | - | - | - | - | 366,460 | 521,341 | 34,258 | - | - |
| Total business-type activities program revenues | <u>3,058,461</u> | <u>3,242,709</u> | <u>3,434,494</u> | <u>3,515,246</u> | <u>3,593,103</u> | <u>4,100,232</u> | <u>4,553,068</u> | <u>4,143,502</u> | <u>3,883,254</u> | <u>3,925,823</u> |
| Total primary government program revenues | <u>\$54,984,620</u> | <u>\$52,734,925</u> | <u>\$53,788,047</u> | <u>\$56,246,721</u> | <u>\$59,091,032</u> | <u>\$61,543,203</u> | <u>\$61,012,112</u> | <u>\$56,200,170</u> | <u>\$51,585,894</u> | <u>\$52,907,928</u> |

OKLAHOMA COUNTY, OKLAHOMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

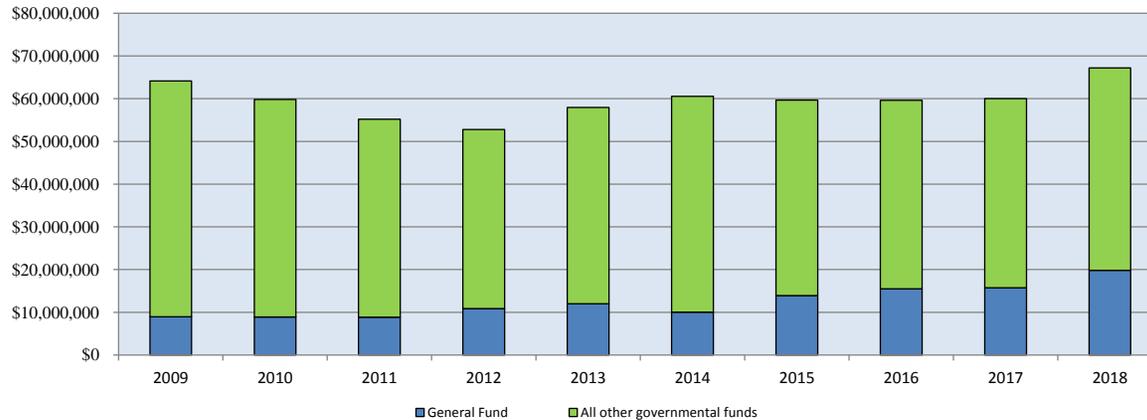
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | (\$71,502,937) | (\$82,890,819) | (\$81,641,220) | (\$80,119,088) | (\$84,118,722) | (\$83,468,603) | (\$99,443,840) | (\$90,995,899) | (\$95,962,384) | (\$103,150,018) |
| Business-type activities | 369,625 | 616,509 | 891,150 | 537,871 | 4,239,587 | 1,792,258 | 2,387,682 | 1,879,836 | 1,625,285 | 1,833,126 |
| Total primary government net expense | <u>(\$71,133,312)</u> | <u>(\$82,274,310)</u> | <u>(\$80,750,070)</u> | <u>(\$79,581,217)</u> | <u>(\$79,879,136)</u> | <u>(\$81,676,345)</u> | <u>(\$97,056,158)</u> | <u>(\$89,116,063)</u> | <u>(\$94,337,099)</u> | <u>(\$101,316,893)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | 62,161,819 | 75,632,425 | 76,572,813 | 76,800,092 | 78,230,166 | 79,397,509 | 78,460,450 | 84,899,879 | 88,938,842 | 88,823,133 |
| Investment earnings | 1,024,023 | 375,896 | 280,008 | 196,776 | 171,170 | 179,565 | 119,814 | 184,080 | 296,836 | 682,002 |
| Miscellaneous | 270,990 | 145,920 | 724,963 | 870,320 | 269,699 | 173,078 | 198,796 | 291,379 | 509,258 | 172,513 |
| Gain (Loss) on sale of capital assets | | | | | 1,852,500 | 350,000 | 809,668 | -2,557 | 93,879 | 14,456 |
| Special and extraordinary items | (44,049,570) | - | - | - | - | - | - | - | - | - |
| Transfers | 174,970 | 29,250 | 373,064 | 100,000 | 515,000 | 1,427,800 | (371,465) | 172,806 | 1,100,000 | 1,608,250 |
| Total governmental activities | <u>19,582,232</u> | <u>76,183,491</u> | <u>77,950,848</u> | <u>77,967,187</u> | <u>81,038,535</u> | <u>81,527,952</u> | <u>79,217,263</u> | <u>85,545,587</u> | <u>90,938,814</u> | <u>91,300,353</u> |
| Business-type activities | | | | | | | | | | |
| Investment earnings | 28,797 | 168 | 65 | 14,057 | 2,416 | 434 | -270 | 152 | 484 | 3,559 |
| Miscellaneous | | | | | | | | | | |
| Transfers | (174,970) | (29,250) | (373,064) | (100,000) | (515,000) | (1,427,800) | 371,465 | (172,806) | (1,100,000) | (1,608,250) |
| Total business-type activities | <u>(146,173)</u> | <u>(29,082)</u> | <u>(372,999)</u> | <u>(85,943)</u> | <u>(512,584)</u> | <u>(1,427,366)</u> | <u>371,194</u> | <u>(172,654)</u> | <u>(1,099,516)</u> | <u>(1,604,692)</u> |
| Total primary government | <u>\$19,436,059</u> | <u>\$76,154,410</u> | <u>\$77,577,849</u> | <u>\$77,881,245</u> | <u>\$80,525,951</u> | <u>\$80,100,586</u> | <u>\$79,588,458</u> | <u>\$85,372,933</u> | <u>\$89,839,299</u> | <u>\$89,695,662</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (\$51,920,705) | (\$6,707,328) | (\$3,690,372) | (\$2,151,901) | (\$3,080,187) | (\$1,940,651) | (\$20,226,577) | (\$5,450,311) | (\$5,023,570) | (\$11,849,665) |
| Business-type activities | 223,452 | 587,428 | 518,151 | 451,929 | 3,727,003 | 364,892 | 2,758,876 | 1,707,182 | 525,770 | 228,434 |
| Total primary government | <u>(\$51,697,253)</u> | <u>(\$6,119,900)</u> | <u>(\$3,172,221)</u> | <u>(\$1,699,972)</u> | <u>\$646,816</u> | <u>(\$1,575,759)</u> | <u>(\$17,467,701)</u> | <u>(\$3,743,130)</u> | <u>(\$4,497,800)</u> | <u>(\$11,621,231)</u> |

**OKLAHOMA COUNTY, OKLAHOMA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)**

| | Fiscal Year | |
|---|---------------------|---------------------|
| | 2009 | 2010 |
| General Fund | | |
| Reserved | \$872,301 | \$745,465 |
| Unreserved | 8,066,981 | 8,156,277 |
| Total general fund | \$8,939,282 | \$8,901,742 |
| All Other Governmental Funds | | |
| Reserved | \$6,104,117 | \$2,699,584 |
| Unreserved, reported in: | | |
| Debt service | 3,703,171 | 7,126,015 |
| Special revenue funds | 26,622,211 | 23,256,977 |
| Capital projects funds | 18,779,048 | 17,821,167 |
| Total all other governmental funds | \$55,208,547 | \$50,903,743 |

| | Fiscal Year | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| General Fund | | | | | | | | |
| Nonspendable | \$ 283,544 | \$ 261,644 | \$ 259,950 | \$ 330,715 | \$ 348,195 | \$ 305,459 | \$ 323,959 | \$ 300,618 |
| Restricted | - | - | - | - | - | - | - | - |
| Committed | 430,164 | 101,422 | 1,167,025 | 242,730 | 2,265,407 | 2,350,388 | 2,087,142 | 2,187,731 |
| Assigned | 251,316 | 332,076 | 309,840 | 267,415 | 351,307 | 1,502,820 | 1,529,435 | 3,263,025 |
| Unassigned | 7,873,577 | 10,186,020 | 10,284,244 | 9,199,799 | 10,964,914 | 11,315,267 | 11,782,908 | 14,061,002 |
| Total general fund | \$8,838,601 | \$10,881,162 | \$12,021,059 | \$10,040,659 | \$13,929,823 | \$15,473,934 | \$15,723,444 | \$19,812,376 |
| All Other Governmental Funds | | | | | | | | |
| Nonspendable | \$ 1,029,017 | \$ 813,302 | \$ 1,078,205 | \$ 1,135,226 | \$ 1,089,104 | \$ 1,201,253 | \$ 1,105,814 | \$ 798,738 |
| Restricted | 43,156,901 | 39,144,842 | 43,295,149 | 43,236,644 | 41,018,659 | 41,339,676 | 40,503,738 | 42,342,031 |
| Committed | 608,992 | 783,445 | 584,159 | 384,282 | 184,281 | 174,393 | - | - |
| Assigned | 1,536,938 | 1,168,154 | 952,733 | 5,773,703 | 3,452,943 | 1,444,388 | 2,676,509 | 4,221,227 |
| Total all other governmental funds | \$46,331,848 | \$41,909,743 | \$45,910,246 | \$50,529,855 | \$45,744,987 | \$44,159,710 | \$44,286,062 | \$47,361,996 |

Governmental Fund Balances



Notes:

The County implemented GASB Statement No. 54 in 2011, under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, unassigned compared to reserved and unreserved reported in prior years.

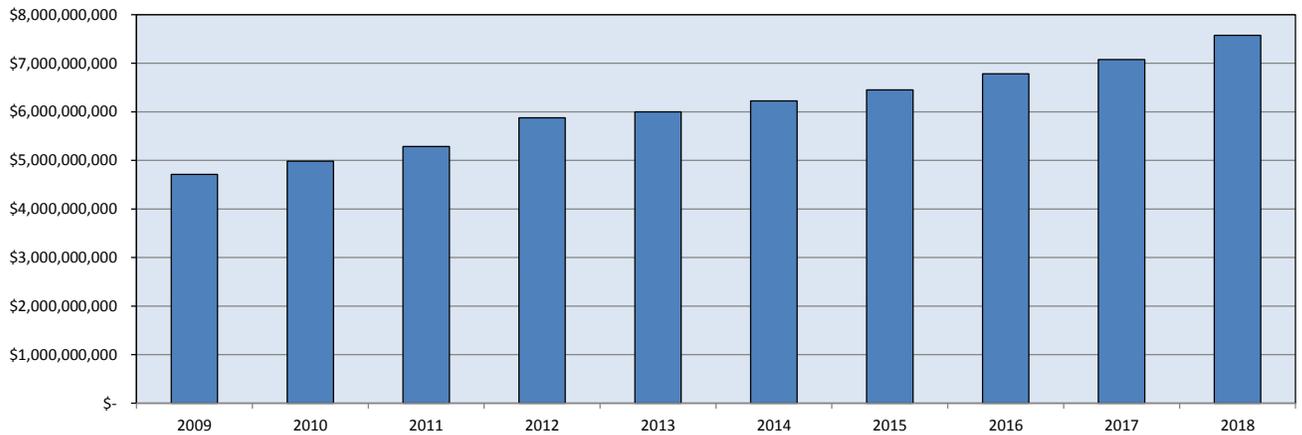
OKLAHOMA COUNTY, OKLAHOMA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|--|---------------------|----------------------|----------------------|----------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Revenues | | | | | | | | | | |
| Property taxes, other and Resale | \$ 61,710,763 | \$ 73,650,254 | \$ 76,464,398 | \$ 76,881,383 | \$ 78,094,355 | \$ 78,866,753 | \$ 80,060,308 | \$ 84,662,168 | \$ 88,821,927 | \$ 88,819,468 |
| Charges for services | 11,024,727 | 10,786,707 | 10,765,390 | 15,308,759 | 16,114,163 | 16,376,218 | 17,021,275 | 16,839,554 | 17,320,980 | 16,920,447 |
| Intergovernmental revenues | 36,280,130 | 33,885,542 | 36,208,379 | 33,439,219 | 35,505,187 | 39,618,012 | 35,078,160 | 32,010,364 | 28,797,248 | 29,796,705 |
| Interest income | 1,330,720 | 352,173 | 200,359 | 115,685 | 347,466 | 504,555 | 149,825 | 279,899 | 394,927 | 794,239 |
| Miscellaneous revenue | 4,576,297 | 4,327,499 | 4,253,184 | 3,867,324 | 3,774,218 | 3,443,204 | 4,618,528 | 3,298,463 | 1,980,822 | 1,783,686 |
| Total revenues | <u>114,922,637</u> | <u>123,002,174</u> | <u>127,891,710</u> | <u>129,612,370</u> | <u>133,835,389</u> | <u>138,808,742</u> | <u>136,928,097</u> | <u>137,090,448</u> | <u>137,315,903</u> | <u>138,114,544</u> |
| Expenditures | | | | | | | | | | |
| General government | 35,309,715 | 36,992,245 | 38,983,624 | 41,335,407 | 44,497,408 | 47,347,182 | 46,757,452 | 49,749,912 | 54,301,766 | 57,595,717 |
| Public safety | 51,433,527 | 54,025,386 | 53,224,428 | 53,623,889 | 55,205,047 | 56,405,680 | 53,909,346 | 55,004,206 | 51,922,271 | 50,249,639 |
| Health and welfare | 2,446,114 | 1,657,075 | 1,622,572 | 1,700,134 | 1,708,935 | 1,795,454 | 1,839,346 | 1,927,757 | 1,919,884 | 1,861,115 |
| Culture and recreation | 64,352 | 63,253 | 62,154 | 62,149 | 62,201 | 62,061 | 62,213 | 62,122 | 62,095 | 62,144 |
| Education | 499,453 | 475,322 | 475,749 | 470,654 | 496,969 | 458,057 | 432,407 | 445,916 | 437,458 | 0 |
| Roads and highways | 11,451,960 | 10,788,048 | 10,611,098 | 9,735,196 | 10,408,226 | 12,491,425 | 11,117,090 | 10,662,317 | 9,690,013 | 7,734,107 |
| Economic Development | | | | | | | 10,000,000 | 0 | 0 | 0 |
| Debt service | | | | | | | | | | |
| Principal | 2,940,055 | 6,156,191 | 8,881,915 | 8,648,285 | 8,554,643 | 8,448,294 | 6,942,960 | 6,715,929 | 8,181,430 | 6,815,451 |
| Interest | 876,563 | 4,853,176 | 3,090,527 | 2,990,434 | 2,460,784 | 2,202,253 | 1,877,799 | 2,060,613 | 1,684,289 | 1,178,729 |
| Bond issuance costs | | | | | | | | | | |
| Capital outlay | 9,476,185 | 12,447,903 | 16,018,085 | 13,592,283 | 7,821,985 | 8,631,855 | 15,968,198 | 10,690,965 | 9,934,704 | 10,763,885 |
| Total expenditures | <u>114,497,925</u> | <u>127,458,599</u> | <u>132,970,152</u> | <u>132,158,431</u> | <u>131,216,199</u> | <u>137,842,261</u> | <u>148,906,812</u> | <u>137,319,737</u> | <u>138,133,911</u> | <u>136,260,787</u> |
| Excess of revenues over (under) expenditures | <u>424,712</u> | <u>(4,456,425)</u> | <u>(5,078,442)</u> | <u>(2,546,061)</u> | <u>2,619,190</u> | <u>966,481</u> | <u>(11,978,715)</u> | <u>(229,289)</u> | <u>(818,008)</u> | <u>1,853,758</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers from other funds | 1,139,327 | 829,250 | 2,187,293 | 1,279,260 | 2,129,866 | 4,724,600 | 2,488,283 | 1,826,596 | 2,874,289 | 4,241,467 |
| Transfers to other funds | (964,357) | (800,000) | (1,814,229) | (1,179,260) | (1,614,866) | (3,296,800) | (2,859,747) | (1,653,790) | (1,774,289) | (2,633,217) |
| Bonds issued | 61,500,000 | - | - | - | - | - | 10,000,000 | - | - | - |
| Premiums on bonds | 458,083 | - | - | - | - | - | 221,663 | - | - | - |
| Capital leases | - | 77,000 | - | - | - | 210,472 | - | - | - | - |
| Proceeds on judgment obligation | - | - | - | - | - | - | - | - | - | 3,688,402 |
| Sale of capital assets | 42,877 | 7,828 | 70,343 | 66,516 | 2,006,424 | 34,452 | 1,232,807 | 15,319 | 93,879 | 14,456 |
| Total other financing sources (uses) | <u>62,175,930</u> | <u>114,078</u> | <u>443,407</u> | <u>166,516</u> | <u>2,521,424</u> | <u>1,672,724</u> | <u>11,083,006</u> | <u>188,125</u> | <u>1,193,879</u> | <u>5,311,108</u> |
| Special Items | (44,049,570) | - | - | - | - | - | - | - | - | - |
| Net change in fund balances | <u>\$18,551,072</u> | <u>(\$4,342,347)</u> | <u>(\$4,635,035)</u> | <u>(\$2,379,545)</u> | <u>\$5,140,613</u> | <u>\$2,639,205</u> | <u>(\$895,709)</u> | <u>(\$41,164)</u> | <u>\$375,871</u> | <u>\$7,164,866</u> |
| Debt service as a percentage of noncapital expenditures | 3.5% | 9.2% | 10.2% | 9.7% | 8.8% | 8.1% | 6.4% | 6.8% | 7.6% | 5.9% |

OKLAHOMA COUNTY, OKLAHOMA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended June 30 | | Personal | Public Service | Real Estate | Less: Homestead & Veteran Exemption | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Fair Market Value |
|---------------------------------|-----|---------------|----------------|---------------|---|---------------------------------|--------------------------|--------------------------------|
| 09 | (1) | 825,796,573 | 378,859,225 | 4,231,912,893 | 152,193,840 | 4,711,271,501 | 11.25 | 44,694,504,267 |
| 10 | (1) | 869,238,323 | 436,404,632 | 4,437,891,015 | 154,362,175 | 4,982,730,642 | 12.86 | 47,190,168,123 |
| 11 | (1) | 852,825,729 | 437,178,045 | 4,594,517,965 | 158,120,796 | 5,284,374,851 | 12.34 | 48,447,517,976 |
| 12 | (1) | 860,053,911 | 454,657,634 | 4,725,251,667 | 160,743,225 | 5,879,219,987 | 12.13 | 49,740,217,771 |
| 13 | (1) | 898,461,848 | 427,892,429 | 4,831,887,091 | 160,571,420 | 5,997,669,948 | 12.04 | 50,873,388,654 |
| 14 | (1) | 976,782,450 | 340,700,447 | 5,066,271,299 | 160,309,389 | 6,223,444,807 | 11.94 | 53,194,556,494 |
| 15 | (1) | 986,613,751 | 324,447,133 | 5,301,843,212 | 160,339,162 | 6,452,564,934 | 11.65 | 55,336,218,569 |
| 16 | (1) | 1,025,670,373 | 325,605,684 | 5,593,522,912 | 162,052,896 | 6,782,746,073 | 11.88 | 58,261,391,211 |
| 17 | (1) | 1,001,068,398 | 338,618,697 | 5,900,673,581 | 164,826,571 | 7,075,534,105 | 11.35 | 60,906,481,067 |
| 18 | (1) | 975,846,291 | 337,703,084 | 6,437,261,036 | 174,732,916 | 7,576,077,495 | 11.71 | 66,042,729,441 |

Total Taxable Assessed Value



(1) The assessed valuation of real estate is approximately 11%; and the valuation rates for personal property and for utility assets are approximately 14% and 22.85%, respectively.

Source: Assessed Valuations and Rates Oklahoma County Assessor

OKLAHOMA COUNTY, OKLAHOMA
PROPERTY TAX RATES (per \$1,000 of assessed value)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

| | Fiscal Year | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
| County Direct Rates | | | | | | | | | | |
| General Fund | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 | 10.35 |
| Sinking Fund | 1.36 | 1.00 | 1.53 | 1.30 | 1.59 | 1.69 | 1.78 | 1.99 | 2.51 | 0.90 |
| Total Direct Rates | 11.71 | 11.35 | 11.88 | 11.65 | 11.94 | 12.04 | 12.13 | 12.34 | 12.86 | 11.25 |
| Overlapping Rates-County Wide | | | | | | | | | | |
| County Wide 4-Mill School Levy | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 | 4.14 |
| City-County Health Dept | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 | 2.59 |
| Metro Library Commission | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 | 5.20 |
| Total County-Wide Overlapping Rates | 11.93 |
| Overlapping Rates-Cities and Towns | | | | | | | | | | |
| Bethany | 5.98 | 6.17 | 4.30 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Choctaw | 1.40 | 1.47 | 1.62 | 3.13 | 3.42 | 3.66 | 3.57 | 4.23 | 5.21 | 1.80 |
| Del City | 6.51 | 5.58 | 5.77 | 6.02 | 7.52 | 9.01 | 1.17 | 9.90 | 9.21 | 10.48 |
| Edmond | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Harrah | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 3.07 | 3.28 |
| Midwest City | 0.94 | 0.92 | 0.96 | 5.44 | 5.78 | 6.09 | 6.62 | 6.81 | 7.24 | 7.29 |
| Nichols Hills | 29.71 | 27.06 | 29.14 | 26.27 | 23.70 | 26.09 | 29.37 | 26.54 | 26.99 | 23.81 |
| Nicoma Park | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.20 | 1.08 |
| Oklahoma City | 15.51 | 15.26 | 14.81 | 15.45 | 15.99 | 16.00 | 15.98 | 15.91 | 14.77 | 14.97 |
| Spencer | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| The Village | 7.18 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Warr Acres | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Overlapping Rates-School Districts | | | | | | | | | | |
| Oklahoma City 89 | 58.84 | 59.36 | 59.36 | 59.36 | 60.39 | 59.29 | 62.09 | 58.70 | 58.43 | 52.48 |
| Putnam City 1 | 65.19 | 66.02 | 65.72 | 62.12 | 62.99 | 61.64 | 62.43 | 61.20 | 61.52 | 60.72 |
| Luther 3 | 54.50 | 54.46 | 54.81 | 56.48 | 55.44 | 53.49 | 53.51 | 55.45 | 55.46 | 56.19 |
| Choctaw 4 | 76.15 | 76.17 | 76.17 | 76.18 | 76.19 | 72.49 | 70.22 | 69.41 | 68.50 | 66.66 |
| Deer Creek 6 | 78.72 | 79.51 | 78.78 | 77.31 | 75.84 | 78.68 | 78.09 | 74.52 | 77.67 | 76.08 |
| Harrah 7 | 64.20 | 62.51 | 63.86 | 62.76 | 51.04 | 63.60 | 61.01 | 59.99 | 61.11 | 57.60 |
| Jones 9 | 76.53 | 75.98 | 75.99 | 72.56 | 67.69 | 67.98 | 63.42 | 65.26 | 60.50 | 64.30 |
| Edmond 12 | 67.22 | 67.09 | 66.34 | 66.30 | 66.25 | 66.47 | 66.28 | 66.96 | 66.66 | 66.23 |
| Oakdale 29 | 68.20 | 60.09 | 62.10 | 62.78 | 67.41 | 65.24 | 66.41 | 68.42 | 67.22 | 59.52 |
| Millwood 37 | 68.27 | 67.55 | 68.64 | 54.70 | 55.19 | 55.41 | 56.98 | 56.80 | 58.81 | 59.55 |
| Western Heights 41 | 64.78 | 65.00 | 63.77 | 63.56 | 64.17 | 60.07 | 62.28 | 61.57 | 63.53 | 57.92 |
| Midwest City 52 | 66.72 | 68.54 | 70.64 | 70.32 | 64.96 | 66.55 | 64.64 | 65.60 | 65.83 | 65.05 |
| Crooked Oak 53 | 69.71 | 69.29 | 66.19 | 75.87 | 62.61 | 64.28 | 65.84 | 65.10 | 67.40 | 57.90 |
| Crutcho 74 | 73.05 | 71.38 | 60.51 | 59.02 | 59.95 | 63.87 | 62.01 | 64.02 | 46.96 | 48.18 |
| Bethany 88 | 76.41 | 78.98 | 81.32 | 78.68 | 76.97 | 75.57 | 75.49 | 74.68 | 73.22 | 67.58 |
| Overlapping Rates-Vo-Tech Schools | | | | | | | | | | |
| Rose State College | 18.92 | 19.21 | 19.65 | 20.33 | 17.02 | 17.10 | 17.18 | 17.32 | 17.40 | 17.30 |
| Okla City Comm College | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 | 5.08 |
| Francis Tuttle Career Tech 21 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 | 15.69 |
| Metro Tech Career Tech 22 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 | 15.45 |
| Eastern Ok Co Area C T 23 | 16.06 | 16.08 | 16.06 | 16.11 | 16.15 | 16.15 | 16.16 | 16.20 | 16.09 | 16.24 |
| Canadian 22 - Piedmont | 77.43 | 76.94 | 73.04 | 68.01 | 75.05 | 77.12 | 74.68 | 73.15 | 73.98 | 74.51 |
| Canadian 69 - Mustang | 71.24 | 69.90 | 69.94 | 70.23 | 67.76 | 66.71 | 66.53 | 66.66 | 67.93 | 68.42 |
| Canadian Career Tech 6 | 16.43 | 16.59 | 16.59 | 16.56 | 15.72 | 15.72 | 15.72 | 15.72 | 15.72 | 15.72 |
| Cleveland 2 - Moore | 70.07 | 70.24 | 71.89 | 67.02 | 69.69 | 66.53 | 64.96 | 66.54 | 68.16 | 67.41 |
| Cleveland Career Tech 17 | 18.76 | 18.99 | 19.09 | 15.57 | 15.58 | 14.58 | 14.58 | 14.58 | 14.58 | 14.58 |
| Pottawatomie 1 - McCloud | 63.80 | 65.22 | 54.53 | 55.73 | 51.52 | 52.13 | 74.74 | 48.48 | 52.75 | 50.93 |
| Pottawatomie Career Tech 5 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 | 15.47 |

Source: Certified Levies-Oklahoma County Clerk's office

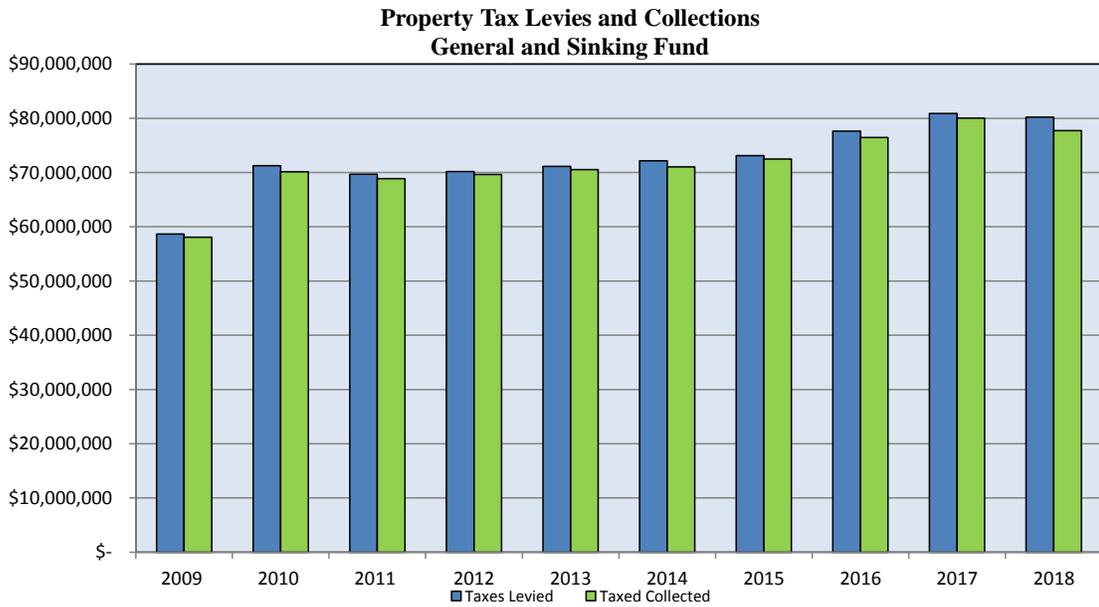
**OKLAHOMA COUNTY, OKLAHOMA
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2018 (Unaudited)**

| <u>Taxpayer</u> | <u>2018</u> | | | <u>2008</u> | | |
|---------------------------------|-------------------------------|-------------|---|-------------------------------|-------------|---|
| | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> | <u>Taxable Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total Taxable Assessed Value</u> |
| Oklahoma Gas & Electric Company | \$183,275,433 | 1 | 2.59% | \$168,573,731 | 1 | 3.02% |
| Devon Headquarters LLC | \$69,922,211 | 2 | 0.99% | | | |
| Hobby Lobby Stores Inc. | 41,206,995 | 3 | 0.58% | | | |
| Oklahoma Natural Gas | 29,549,535 | 4 | 0.42% | 32,437,076 | 4 | 0.58% |
| Chesapeake Land Co. LLC | 26,738,538 | 5 | 0.38% | 14,716,330 | 7 | 0.26% |
| Southwestern Bell Telephone Co. | 20,913,918 | 6 | 0.30% | 67,041,222 | 2 | 1.20% |
| Balon Corp | 16,444,315 | 7 | 0.23% | | | |
| Cox Com Inc. | 13,696,327 | 8 | 0.19% | 15,778,687 | 6 | 0.28% |
| OU Medical Center 33608 | 13,586,854 | 9 | 0.19% | 13,775,715 | 8 | 0.25% |
| Wal-Mart Stores East | 13,567,981 | 10 | 0.19% | | | |
| AT&T Mobility, LLC | | | | 53,662,268 | 3 | 0.96% |
| Cox Oklahoma Telecom LLC | | | | 23,030,047 | 5 | 0.41% |
| Sprint Nextell Wireless | | | | 12,338,295 | 9 | 0.22% |
| Chesapeake Operating Co. | | | | 11,884,066 | 10 | 0.21% |
| | <u>\$428,902,107</u> | | <u>6.06%</u> | <u>\$413,237,437</u> | | <u>7.39%</u> |

Source: Oklahoma County Assessor

OKLAHOMA COUNTY, OKLAHOMA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

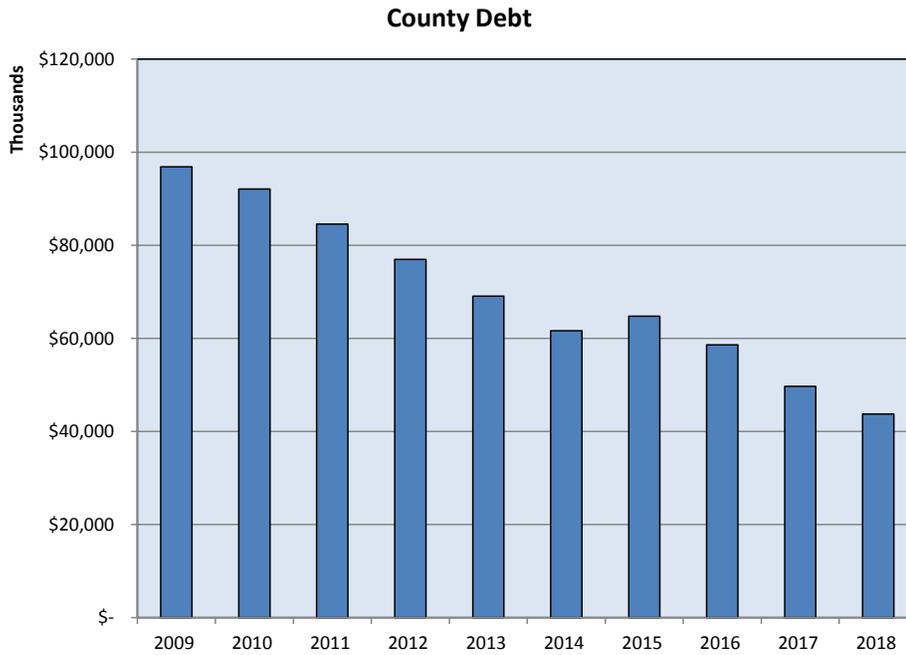
| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|---------------------------------|--------------------------------------|---|--------------------|------------------------------------|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2009 | 58,682,431 | 56,261,016 | 95.9% | 1,827,224 | 58,088,240 | 99.0% |
| 2010 | 71,280,294 | 67,529,574 | 94.7% | 2,602,017 | 70,131,591 | 98.4% |
| 2011 | 69,667,491 | 66,347,246 | 95.2% | 2,523,231 | 68,870,477 | 98.9% |
| 2012 | 70,164,050 | 67,640,989 | 96.4% | 1,993,300 | 69,634,288 | 99.2% |
| 2013 | 71,137,529 | 68,580,470 | 96.4% | 1,958,245 | 70,538,714 | 99.2% |
| 2014 | 72,171,880 | 69,295,235 | 96.0% | 1,726,769 | 71,022,005 | 98.4% |
| 2015 | 73,099,520 | 70,140,433 | 96.0% | 2,360,376 | 72,500,809 | 99.2% |
| 2016 | 77,637,531 | 74,442,224 | 95.9% | 2,038,448 | 76,480,673 | 98.5% |
| 2017 | 80,870,940 | 78,424,449 | 97.0% | 1,623,672 | 80,048,121 | 99.0% |
| 2018 | 80,210,935 | 77,734,831 | 96.9% | n/a | 77,734,831 | 96.9% |



¹ This schedule is prepared on a cash basis and is, therefore, not necessarily comparable to GAAP-basis financial statements.

OKLAHOMA COUNTY, OKLAHOMA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year Ended June 30 | Governmental Activities | | Business-Type Activities | Total Primary Government | Percentage of Personal Income ¹ | Per Capita |
|---------------------------------|--------------------------------|-------------------|-----------------------------|--------------------------------|--|---------------|
| | General Obligation Bonds | Capital Leases | Capital Leases | | | |
| 2009 | 75,838,083 | 4,124,376 | 16,890,000 | 96,852,459 | 0.40% | \$146 |
| 2010 | 72,747,544 | 3,318,090 | 16,020,000 | 92,085,634 | 0.37% | \$136 |
| 2011 | 66,797,005 | 2,608,747 | 15,125,000 | 84,530,752 | 0.35% | \$129 |
| 2012 | 60,901,466 | 1,831,435 | 14,250,000 | 76,982,901 | 0.30% | \$110 |
| 2013 | 54,895,928 | 1,080,571 | 13,095,000 | 69,071,499 | 0.27% | \$99 |
| 2014 | 48,910,389 | 797,297 | 11,935,000 | 61,642,686 | 0.18% | \$81 |
| 2015 | 53,143,805 | 281,658 | 11,320,000 | 64,745,463 | 0.19% | \$86 |
| 2016 | 47,175,558 | 717,002 | 10,695,000 | 58,587,560 | 0.16% | \$76 |
| 2017 | 39,042,311 | 585,882 | 10,065,000 | 49,693,194 | 0.14% | \$65 |
| 2018 | 33,344,065 | 981,162 | 9,425,000 | 43,750,226 | 0.12% | \$57 |



Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

OKLAHOMA COUNTY
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

| Fiscal Year | General Obligation Bonds | Less: Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value¹ of Property | Per Capita |
|--------------------|---------------------------------|---|--------------|---|-------------------|
| 2009 | 75,838,083 | 3,703,171 | 72,134,912 | 0.24% | \$101 |
| 2010 | 72,747,544 | 7,126,015 | 65,621,529 | 1.28% | \$92 |
| 2011 | 66,797,005 | 7,579,651 | 59,217,354 | 1.17% | \$83 |
| 2012 | 60,901,466 | 7,097,555 | 53,803,912 | 1.05% | \$76 |
| 2013 | 54,895,928 | 6,538,041 | 48,357,887 | 0.96% | \$68 |
| 2014 | 48,910,389 | 5,931,192 | 42,979,197 | 0.80% | \$63 |
| 2015 | 53,143,805 | 5,877,462 | 47,266,343 | 0.76% | \$54 |
| 2016 | 47,175,558 | 6,570,345 | 40,605,213 | 0.73% | \$53 |
| 2017 | 39,042,311 | 7,259,723 | 31,782,588 | 0.60% | \$41 |
| 2018 | 33,344,065 | 6,704,079 | 26,639,986 | 0.35% | \$34 |

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

OKLAHOMA COUNTY, OKLAHOMA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018
(Unaudited)

| | Debt Outstanding | Percent Applicable to Oklahoma County | Amount Applicable to Oklahoma County |
|---|------------------------|---------------------------------------|--------------------------------------|
| Oklahoma County | \$34,031,162 | 100.00% | \$34,031,162 |
| <u>Overlapping Districts</u> | | | |
| CITIES | | | |
| Bethany | 7,750,000 | 100.00% | 7,750,000 |
| Choctaw | 595,000 | 100.00% | 595,000 |
| Del City | 3,900,000 | 100.00% | 3,900,000 |
| Midwest City | 975,000 | 100.00% | 975,000 |
| Nichols Hills | 28,210,000 | 100.00% | 28,210,000 |
| Oklahoma City | 836,030,000 | 80.07% | 669,409,221 |
| The Village | 71,110,000 | 100.00% | 71,110,000 |
| SCHOOL DISTRICTS | | | |
| Oklahoma City | 166,860,000 | 100.00% | 166,860,000 |
| Putnam City | 88,685,000 | 100.00% | 88,685,000 |
| Luther | 3,190,000 | 93.05% | 2,968,295 |
| Choctaw-Nicomapark | 22,125,000 | 100.00% | 22,125,000 |
| Deer Creek | 29,795,000 | 91.88% | 27,375,646 |
| Harrah | 5,105,000 | 88.34% | 4,509,757 |
| Jones | 4,035,000 | 100.00% | 4,035,000 |
| Edmond | 166,100,000 | 95.69% | 158,941,090 |
| Oakdale | 10,075,000 | 100.00% | 10,075,000 |
| Millwood | 3,195,000 | 100.00% | 3,195,000 |
| Western Heights | 27,740,000 | 100.00% | 27,740,000 |
| Midwest City-Del City | 47,300,000 | 97.10% | 45,928,300 |
| Crooked Oak | 4,520,000 | 100.00% | 4,520,000 |
| Crutcho | 1,095,000 | 100.00% | 1,095,000 |
| Bethany | 1,110,000 | 100.00% | 1,110,000 |
| Eastern Oklahoma County Votech #23 | 600,000 | 95.75% | 574,500 |
| Rose State College | 18,600,000 | 97.66% | 18,164,760 |
| Piedmont (Canadian County)* | 19,160,000 | 22.81% | 4,370,396 |
| Mustang (Canadian County)* | 47,075,000 | 5.64% | 2,655,030 |
| Canadian Valley VT 6 (Canadian County)* | 8,010,000 | 4.40% | 352,440 |
| Moore (Cleveland County) | 98,950,000 | 7.66% | 7,579,570 |
| Moore -Norman VT 17 (Cleveland County) | 53,400,000 | 1.23% | 656,820 |
| McCloud (Pottawatomie County) | 1,940,000 | 16.95% | 328,830 |
| Subtotal Overlapping Districts | 1,777,235,000 | 77.97% | 1,385,794,655 |
| TOTAL | \$1,811,266,162 | | \$1,419,825,817 |

Source: Estimate of Needs from each City, School, or Joint School District

(continued)

OKLAHOMA COUNTY, OKLAHOMA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018
(Unaudited)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable¹ | Estimated Share of Overlapping Debt |
|---|-------------------------|--|--|
| Overlapping debt repaid with property taxes: County | \$1,777,235,000 | 78.0% | \$1,385,794,655 |
| Oklahoma County direct debt | \$34,031,162 | 100.0% | <u>34,031,162</u> |
| Total direct and overlapping debt | | | <u><u>\$1,419,825,817</u></u> |

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Oklahoma County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, over each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

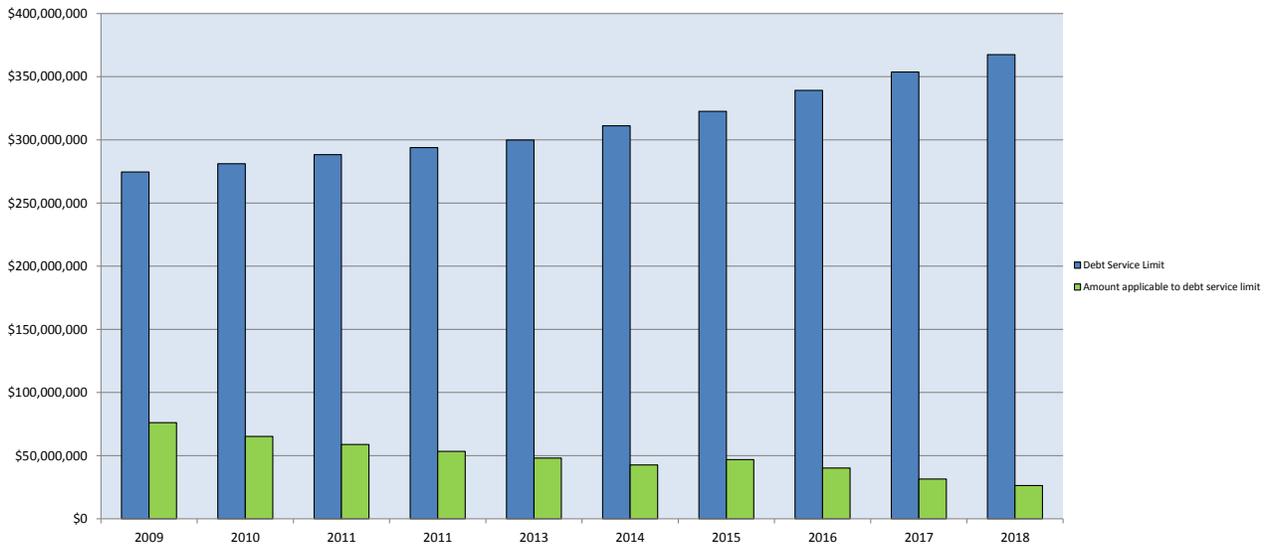
**OKLAHOMA COUNTY
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|--------------------|
| Debt limit | \$274,552,566 | \$281,035,596 | \$288,354,786 | \$293,873,234 | \$299,883,497 | \$311,172,240 | \$322,628,247 | \$339,137,304 | 353,776,705 | 367,523,497 |
| Total net debt applicable to limit | <u>76,106,248</u> | <u>65,193,985</u> | <u>58,820,349</u> | <u>53,437,445</u> | <u>48,021,959</u> | <u>42,673,808</u> | <u>46,797,538</u> | <u>40,194,655</u> | <u>31,430,277</u> | <u>26,345,921</u> |
| Legal debt margin | <u>\$198,446,318</u> | <u>\$215,841,611</u> | <u>\$229,534,437</u> | <u>\$240,435,789</u> | <u>\$251,861,538</u> | <u>\$218,838,809</u> | <u>\$275,830,709</u> | <u>\$298,942,649</u> | <u>322,346,428</u> | <u>341,177,576</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 27.72% | 23.20% | 20.40% | 18.18% | 16.01% | 13.71% | 14.51% | 11.85% | 8.88% | 7.17% |

Legal Debt Margin Calculation for Fiscal Year 2018

| | |
|---|------------------------|
| Assessed value | \$7,519,452,975 |
| Less: exempt real property | <u>(168,983,033)</u> |
| Total assessed value | <u>\$7,350,469,942</u> |
| Debt limit (5% of total assessed value) | 367,523,497 |
| Debt applicable to limit: | |
| General obligation bonds | 33,050,000 |
| Less: Amount available in Debt Service fund | <u>(6,704,079)</u> |
| Total net debt applicable to limit | <u>26,345,921</u> |
| Legal debt margin | <u>\$341,177,576</u> |

Legal Debt Limit



Note: Under state finance law, Oklahoma County's outstanding general obligation debt should not exceed 5% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**OKLAHOMA COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

| Calendar Year | Population¹ | Personal Income | Per Capita Personal Income² | Median Age³ | Education Level in Years of Formal Schooling^{4,5} | School Enrollment⁵ | Unemployment Rate⁶ |
|--------------------------|-------------------------------|------------------------|---|-----------------------------------|---|--|--|
| 2009 | 706,617 | \$ 30,995,048,088 | \$ 43,864 | 35.0 | 86.5% | 106,880 | 5.8% |
| 2010 | 716,704 | \$ 29,478,752,224 | \$ 41,131 | 33.8 | 85.3% | 109,332 | 6.7% |
| 2011 | 718,633 | \$ 30,083,414,646 | \$ 41,862 | 33.9 | 85.3% | 111,637 | 5.5% |
| 2012 | 732,371 | \$ 31,413,589,303 | \$ 42,893 | 34.8 | 85.4% | 114,545 | 5.0% |
| 2013 | 741,781 | \$ 33,440,971,042 | \$ 45,082 | 34.3 | 85.9% | 118,030 | 5.4% |
| 2014 | 755,245 | \$ 34,047,955,090 | \$ 45,082 | 34.3 | 85.9% | 120,803 | 5.4% |
| 2015 | 766,215 | \$ 35,693,359,560 | \$ 46,584 | 34.2 | 86.1% | 120,049 | 4.1% |
| 2016 | 776,864 | \$ 36,515,715,456 | \$ 47,004 | 33.9 | 86.1% | 121,183 | 5.2% |
| 2017 | 782,970 | \$ 37,141,747,890 | \$ 47,437 | 37.6 | 86.2% | 120,915 | 5.4% |
| 2018 | 787,958 | \$ 38,599,698,546 | \$ 48,987 | 34.03 | 86.4% | 125,183 | 5.3% |

Data Sources

¹Bureau of the Census/County Regional Planning Commission

²U. S. Census Bureau

³U. S. Census Bureau

⁴This column shows the percentage of the County population 25 years and older who are high school graduates or higher.

⁵Data provided by State Department of Education.

⁶ Bureau of Labor Statistics.

Note: Population, median age, and education level information are based on surveys conducted during the last qtr of the calendar yr.

Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average.

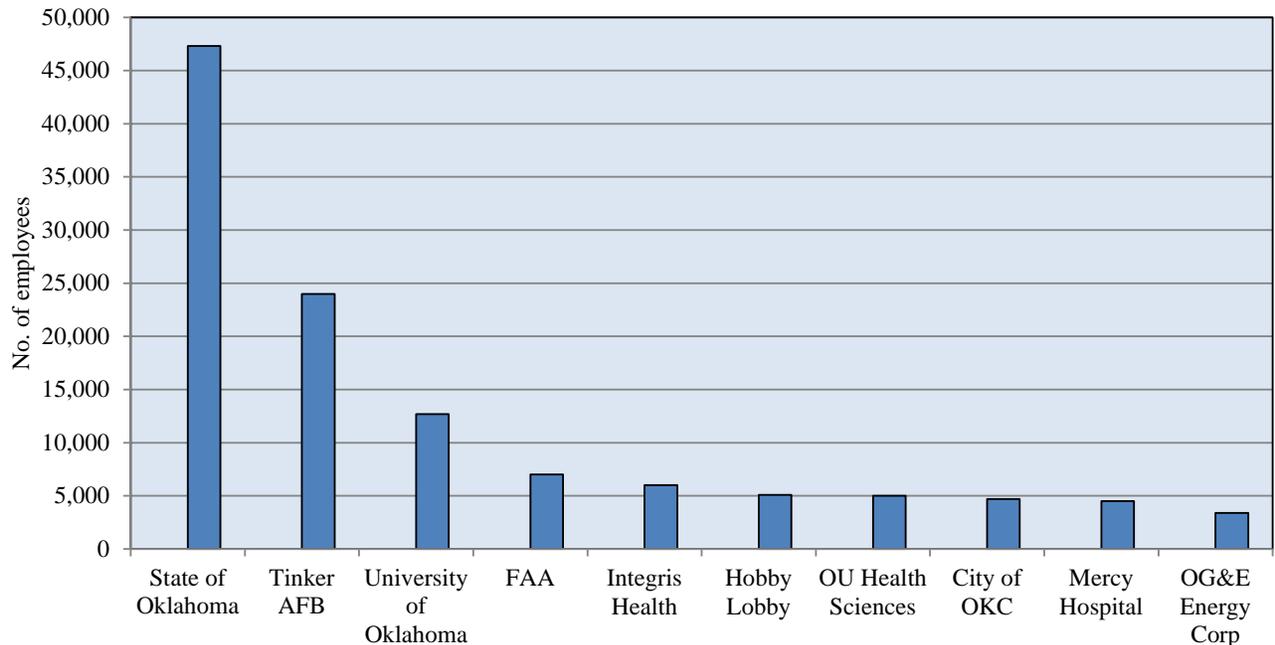
School enrollment is based on the census at the start of the school year.

**OKLAHOMA COUNTY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)**

| <u>Employer</u> | <u>2018</u> | | | <u>2009</u> | | |
|------------------------|------------------|-------------|---|------------------|-------------|---|
| | <u>Employees</u> | <u>Rank</u> | <u>% of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>% of Total County Employment</u> |
| State of Oklahoma | 47,300 | 1 | 13.04% | | | |
| Tinker AFB | 24,000 | 2 | 6.61% | 26,000 | 1 | 8.50% |
| University of Oklahoma | 12,700 | 3 | 3.50% | | | |
| FAA | 7,000 | 4 | 1.93% | 3,000 | 5 | 0.98% |
| Integrus Health | 6,000 | 5 | 1.65% | | | |
| Hobby Lobby | 5,100 | 6 | 1.41% | 2,800 | 10 | 0.92% |
| OU Health Sciences | 5,000 | 7 | 1.38% | | | |
| City of OKC | 4,700 | 8 | 1.30% | 4,600 | 3 | 1.50% |
| Mercy Hospital | 4,500 | 9 | 1.24% | | | |
| OG&E Energy Corp | 3,400 | 10 | 0.94% | 3,000 | 7 | 0.98% |
| OKC School Dist | | | | 4,800 | 2 | 1.57% |
| Braum's | | | | 3,200 | 4 | 1.05% |
| AT&T | | | | 2,900 | 9 | 0.95% |
| Hertz Corp | | | | 3,000 | 6 | 0.98% |
| OU Medical Center | | | | 2,900 | 8 | 0.95% |

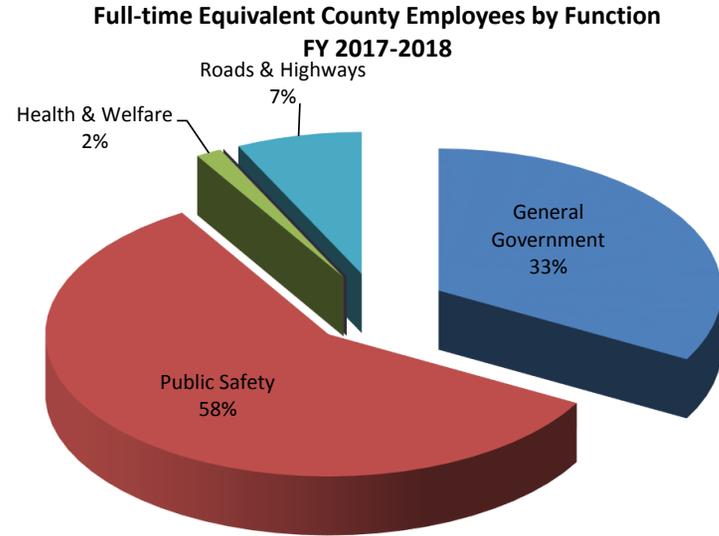
1. Information was provided by the Bureau of Labor Statistics.

**Principal Employers
2018**



OKLAHOMA COUNTY
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

| <u>Function</u> | As of June 30, | | | | | | | | | | |
|--------------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</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> |
| General Government | 556 | 539 | 508 | 502 | 508 | 489 | 415 | 473 | 418 | 427 | 423 |
| Public Safety | 1,015 | 1,020 | 962 | 975 | 1,006 | 960 | 904 | 882 | 776 | 778 | 747 |
| Health & Welfare | 55 | 22 | 23 | 24 | 23 | 23 | 24 | 23 | 16 | 15 | 19 |
| Education | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Roads & Highways | 113 | 121 | 118 | 106 | 111 | 106 | 103 | 99 | 97 | 94 | 92 |
| Total | 1,740 | 1,703 | 1,612 | 1,608 | 1,649 | 1,579 | 1,447 | 1,477 | 1,307 | 1314 | 1281 |



Source: Oklahoma County Clerk Payroll Department

**OKLAHOMA COUNTY
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

| Function | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Public Safety | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Inmates Booked/Released | 76,337 | 75,509 | 82,026 | 72,143 | 82,887 | 84,467 | 80,661 | 101,184 | 101,943 | 102,372 |
| Dispatch - Total calls for all agencies | 82,317 | 80,615 | 271,607 | 335,832 | 82,055 | 84,493 | 65,694 | 80,090 | 81,291 | 82,307 |
| Civil process served | 10,568 | 11,963 | 11,476 | 10,387 | 10,754 | 11,734 | 12,139 | 12,843 | 13,036 | 13,073 |
| Patrol - Calls for service | 37,890 | 31,624 | 8,504 | 9,592 | 5,628 | 7,575 | 42,352 | 42,355 | 42,987 | 43,331 |
| Patrol - Miles | 886,983 | 915,152 | 859,510 | 1,044,838 | 793,776 | 918,261 | 933,540 | 861,641 | 784,093 | 786,053 |
| Warrants/Records Cleared | 20,118 | 18,149 | 30,138 | 37,649 | 42,163 | 44,180 | 52,941 | 47,371 | 48,082 | 48,544 |
| Juvenile Bureau | | | | | | | | | | |
| Clients referred to probation | 301 | 395 | 384 | 361 | 304 | 349 | 289 | 350 | 176 | 264 |
| Juveniles referred to intake | 1,577 | 1,800 | 2,632 | 1,882 | 1,050 | 1,185 | 986 | 1,001 | 664 | 996 |
| Probations closed successfully | 123 | 200 | 220 | 129 | 129 | 57 | 26 | 220 | 178 | 267 |
| Admissions to Detention | 1,189 | 1,600 | 1,525 | 990 | 1,184 | 1,111 | 815 | 937 | 535 | 802 |
| Average daily population | 68 | 68 | 63 | 66 | 69 | 49 | 53 | 61 | 62 | 62 |
| Conditional Bond | | | | | | | | | | |
| Clients interviewed | 3,129 | 2,998 | 2,742 | 2,896 | 4,055 | 3,736 | 2,938 | 3,904 | 2,671 | 3,205 |
| Clients released | 497 | 466 | 415 | 403 | 562 | 560 | 330 | 547 | 687 | 824 |
| OR Bond | | | | | | | | | | |
| Clients interviewed | 8,598 | 8,778 | 8,530 | 10,911 | 12,399 | 11,657 | 9,567 | 11,316 | 10,760 | 12,912 |
| Clients released | 1,380 | 1,188 | 956 | 853 | 819 | 1,029 | 801 | 834 | 1,219 | 1,463 |
| Community Service | | | | | | | | | | |
| New cases worked | 6,558 | 2,335 | 2,484 | 2,606 | 2,600 | 2,573 | 2,337 | 2,385 | 2,157 | 2,588 |
| Health & Welfare | | | | | | | | | | |
| Social Services | | | | | | | | | | |
| Prescriptions filled | 16,608 | 16,608 | 16,714 | 18,914 | 20,732 | 17,531 | 16,262 | 12,776 | 10,253 | 14,353 |
| Burial/Cremations provided | 163 | 121 | 132 | 133 | 197 | 192 | 136 | 125 | 89 | 125 |
| Culture & Recreation | | | | | | | | | | |
| Free Fair | | | | | | | | | | |
| County Fair & Livestock Show | 14,000 | 13,000 | 14,000 | 13,500 | 11,000 | 11,000 | 12,000 | 10,000 | 8,000 | 4,000 |
| Road & Highway | | | | | | | | | | |
| Dist. 1 | | | | | | | | | | |
| Number of road miles constructed or rehabilitat | 14 | 15 | 15 | 16 | 8 | 8 | 3 | 16 | 16 | 12 |
| Number of bridges replaced or rehabilitated | 4 | 4 | 5 | 4 | 3 | 4 | - | 4 | 4 | 2 |
| Dist. 2 | | | | | | | | | | |
| Number of road miles constructed or rehabilitat | 6 | 20 | 23 | 16 | 15 | - | 2 | 10 | 10 | 6 |
| Number of bridges replaced or rehabilitated | 0 | 0 | 0 | 3 | 4 | 5 | 5 | 1 | 1 | 2 |
| Dist. 3 | | | | | | | | | | |
| Number of road miles constructed or rehabilitat | 9 | 11 | 11 | 15 | 4 | 3 | 0.5 | 4 | 4 | 8 |
| Number of bridges replaced or rehabilitated | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 0 |

Source: Oklahoma County Individual Departments

Data available for nine years and will ultimately include ten years.

**OKLAHOMA COUNTY
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)**

| | Fiscal Year | | | | | | | | | |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 |
| Public Safety | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Jail | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Training Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sub-Station | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fleet-Patrol Units | 172 | 180 | 187 | 216 | 217 | 232 | 240 | 196 | 198 | 201 |
| Emergency Management | | | | | | | | | | |
| Vehicles | 43 | 39 | 37 | 36 | 36 | 36 | 38 | 40 | 42 | 42 |
| Juvenile Bureau | | | | | | | | | | |
| Vehicles | 17 | 18 | 20 | 18 | 19 | 17 | 17 | 18 | 17 | 17 |
| Health & Welfare | | | | | | | | | | |
| Social Services | | | | | | | | | | |
| Vehicles | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Road & Highway | | | | | | | | | | |
| Heavy Equipment | 227 | 214 | 205 | 198 | 202 | 194 | 191 | 192 | 199 | 217 |
| Other vehicles | 78 | 86 | 89 | 124 | 115 | 113 | 113 | 118 | 115 | 115 |
| County shops | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Road miles (based on calendar year) | 596 | 596 | 596 | 598 | 549 | 549 | 549 | 549 | 549 | 545 |

Source: Oklahoma County Oracle and Munis Inventory Programs
State of Oklahoma: Strategic Asset Performance Division Road Inventory Branch