



Comprehensive Annual Financial Report

Tulsa County, Oklahoma
For the Year Ended June 30, 2012



Cover & Divider photos courtesy of Toni Kizer

**TULSA COUNTY, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**



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TULSA COUNTY, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2012

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Introductory Section



PAT KEY

Tulsa County Clerk

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February 26, 2013

Tulsa County Budget Board and Citizens of Tulsa County

The letter of transmittal contains the following four sections: Formal Transmittal of the Comprehensive Annual Financial Report, Profile of Tulsa County, Oklahoma, Information Useful in Assessing Tulsa County's Economic Condition, and Awards and Acknowledgements.

Formal Transmittal of the Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report (CAFR) of Tulsa County for the fiscal year ended June 30, 2012 is comprised of three main sections:

- The Introductory Section
- The Financial Section
- The Statistical Section

The accuracy, completeness, and fairness of the information presented in each of these three sections are the responsibility of Tulsa County. The material is reported in compliance with Generally Accepted Accounting Principles (GAAP) and is accurate in all material aspects to the best of our knowledge.

Management Discussion and Analysis

Please review the Management Discussion and Analysis (MD&A) located in the Financial Section of this report, in conjunction with the transmittal letter and the basic financial statements, including the notes. The purpose of the MD&A is to present the financial highlights and to demonstrate whether or not the financial condition of Tulsa County improved or deteriorated during the past year.

Profile of Tulsa County, Oklahoma

Tulsa County, as well as its political offices, were established under Article 17 of the Oklahoma Constitution and were ratified on July 16, 1907. The County is located in the northeast portion of Oklahoma and has an elevation of 700 feet above sea level. The City of Tulsa serves as the county seat as well as being the second largest city in Oklahoma. In 2012, the population of Tulsa County is estimated to be 617,797 with a total area covering about 570 square miles. The County is divided into three districts and one County Commissioner is elected to represent each. All other county officials are elected on a county-wide basis. The other elected officials are the County Assessor, the County Clerk, the County Court Clerk, the County Sheriff and the County Treasurer.

The Board of County Commissioners (BOCC) consists of three commissioners elected from geographic districts of the county. The BOCC meets weekly on the first floor of the Ray Jordan Tulsa County Administration Building. The commissioners act as the principal administrators for the county.

government with specific duties established in state law. They supervise construction and maintenance of county roads and bridges. The commissioners also purchase or sell county land, assets and operating supplies. Their administrative duties also include entering into agreements on behalf of the county government, approving payroll and maintaining county buildings and facilities.

The County Assessor is responsible for assessing all taxable real and personal property located within the county for taxation purposes. The Oklahoma Tax Commission determines the values of public service properties. Local control over the valuation of real and personal property by the County Assessor provides a tremendous advantage for local citizens. Provisions have been made in the law which allows the citizens to discuss assessments or changes in assessments of their property with local officials in person. At no other level do citizens have as much say about their legal obligation to pay tax as they do at the county level.

The County Clerk acts as registrar of deeds and is the official record keeper for the County, recording all appropriations and expenditures for each county office or department. The County Clerk prepares the Comprehensive Annual Financial Report. In addition, the Clerk processes the payroll and accounts payable for all County offices and departments.

The County Court Clerk acts as the custodian of all files and records of the District Court of the State of Oklahoma. The County Court Clerk maintains the law library. Many licenses, including marriage licenses and passports, are issued by the Court Clerk's Office.

The County Sheriff is the chief law officer responsible for preserving the peace and protecting life and property in the county. The County Sheriff operates the David L. Moss Criminal Justice Center. The Sheriff's office provides courthouse and courtroom security, including court guards while court is in session, and inmate transport to and from District Court. The County Sheriff is also responsible for serving the civil process and the execution of writs, which includes processing foreclosures and serving protective orders.

The County Treasurer is the chief financial officer for the county and administers all county monies. The County Treasurer receives the annual tax roll, prepares the ad valorem tax statements, and mails the statements to the property owners. The County Treasurer also acts as a collecting agent for much of the revenue for schools and cities located in the county. The County Treasurer receives, deposits, and maintains records for all county monies.

In 1981, a County Budget Board was created with the adoption of the "County Budget Act." The Budget Board was created to establish uniform and sound budgeting practices and control procedures. The Budget Board is comprised of eight elected county officials. The Budget Board meets monthly on the first floor of the Ray Jordan Tulsa County Administration Building. A more detailed explanation of the budget process and the funds affected is included in the notes to the financial statements.

Services

The Tulsa County Elected Officials believe in the concept that government at the local level is more responsive to the needs of its citizens. County government was designed to provide certain services to all citizens of the county whether they live in an incorporated city or a rural area. These services include maintenance of county roads and bridges, law enforcement protection, and the provision of rural water and fire protection services in cooperation with local public authorities and municipalities. The following

services are provided through an array of legally separate entities:

Entity	Service	How presented
Tulsa County Employees' Retirement System	Retirement benefits	Blended Fiduciary Fund
Drainage District #12	Public safety	Nonmajor Governmental Fund
Tulsa City/County Health Department	Health care	Discretely Presented C.U.
Tulsa County Public Facilities Authority	Fair and trade shows	Blended C.U.-Major Fund
Tulsa County Home Finance Authority	Provide Housing Opportunities	Discretely Presented C.U.
Tulsa County Industrial Authority	Economic development	Blended C.U.-Major Fund
Tulsa County Criminal Justice Authority	Law enforcement	Discretely Presented C.U.

Internal Control and Independent Audit

Tulsa County utilizes the Oklahoma Statutes as the basis for its internal control procedures. The basic framework provided by these laws is enhanced by additional procedures that are codified in the County's policies and procedures manual. A strong internal control system is necessary to provide reasonable, but not absolute assurance that the County's assets are protected from theft, loss, or misuse. All federal funds are also protected by the internal control system. To ensure that the internal control procedures are implemented uniformly, the County establishes periodic meetings for all division bookkeepers. The expected benefits from any internal control system should exceed the costs of its implementation.

In accordance with Title 19, section 171 of the Oklahoma Statutes, the State Auditor and Inspector conducts an annual audit of all books and records of Tulsa County. The audit is required to be performed in accordance with Generally Accepted Auditing Standards, which are established by the Governmental Auditing Standards Board and Government Auditing Standards issued by the Comptroller General of the United States. The auditors also perform a single audit according to the provisions of the "Single Audit Act Amendments of 1996," and the U.S. Office of Management and Budget (OMB) revision of Circular A-133, retitled "*Audits of States, Local Governments and Non-Profit Organizations*." The findings and recommendations as a result of the audit, according to OMB Circular A-133, are reported under separate cover. In addition to the annual audit of Tulsa County, the State Auditor's Office also performs a thorough review of the County Treasurer's books and records. This review is unannounced and includes any tests and procedures that the auditors consider necessary in the present circumstances. The resulting report is issued and dated when the examination is complete.

Budgetary Controls

Tulsa County prepares an annual budget for the General Fund, the Debt Service Fund, the Visual Inspection Fund, the County Highway Fund, the Park Fund, and the Juvenile Detention Fund. Budgetary comparison schedules for the General Fund and the County Highway Fund are reported as Required Supplementary Information; the other budgets versus actual comparisons are presented as the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual in the Supplemental Combining and Individual Fund Financial Statements and Schedules. All other governmental funds, proprietary funds, and fiduciary funds are not subject to budgeting requirements. These budgets are generally prepared on a cash basis for revenues, and on an accrual basis for expenditures. The primary level of budgetary control is maintained by the Budget Board.

The Budget Board must approve transfers between primary categories at the object level (salaries, operating expenses, other charges, capital outlay, and debt service). Transfers between accounts within these categories may be approved on a departmental level. The County also utilizes an encumbrance system to enhance its system of budgetary control. Budgets are published in the local newspaper and copies are available to the general public at the Ray Jordan Tulsa County Administration building during normal business hours or at <http://www.tulsacounty.org>.

Information Useful in Assessing Tulsa County's Economic Condition

The information presented in the financial statements is perhaps best understood when the specific environment within which Tulsa County operates is considered.

The Local Economy

Centrally located in the United States, Tulsa County is a county in northeastern Oklahoma. According to the 2010 census, the population is 603,403 and is estimated to be 617,797 in 2012. The County has excellent access to other cities by air, land, water, and two central networks for broadband interconnect. Tulsa is served equally well by railroad, motor freight and bus transport. General qualities that attract new companies to Tulsa County are a sound infrastructure, including the Port of Catoosa, an inland port that makes bulk shipping to and from coastal ports accessible and economical, a cost of doing business that is 15 percent below the U.S. average and a cost of living that is 10 percent below the U.S. average, according to Tulsa Chamber of Commerce. Additional attributes for the area include: a number of institutions of higher learning, hospitals, parks and other recreational centers which generate a strong drawing power for families who wish to relocate. The City of Tulsa was recently ranked with the fifth best employment outlook in the nation for the first quarter of 2012, according to Manpower. Brookings Institute named Tulsa one of the top 100 metros among the leading world economies in 2012.

In 2012, Tulsa County's economy showed signs of a steady but marginal economic growth. The Tulsa Metropolitan Statistical Area (MSA) in 2012 had 463,553 employed, compared to 456,219 jobs a year earlier (2011) and 450,901 in 2010. The number of unemployed in 2012 was 30,238 down from 30,373 in the prior year, but slightly higher than the 29,962 posted in 2010. In 2012, the economic recovery is projected to continue but the unemployment rate is projected to remain around the 2011 rate of 6.5%. The statewide unemployment rate was 5.8% in 2012. Tulsa's unemployment rate remains well below the national average of 8.1%.

The Tulsa MSA comprises seven counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner, whose aggregate population in 2012 is estimated to be 956,454 and is expected to grow by 1.4% during the year, versus an expected growth rate for the state of Oklahoma of 0.9%. The gross product or value of all goods and services produced in the seven-county MSA in 2011 was \$41.9 billion (constant dollars) or 30.39% of the Oklahoma economy, while having 25% of the population. Also, according to the Tulsa Chamber of Commerce economic profile, the real per capita income for Tulsa MSA was \$42,861 up from \$40,793 the previous year. The number of new residential building permits for Tulsa MSA is projected to be 1,724 in 2012, down 11.9% from 1,957 in 2011.

The major industries in the Tulsa MSA are aerospace, including aerospace manufacturing and aviation; health care; energy; machinery and electrical equipment manufacturing and transportations; distribution and logistics. Aerospace parts manufacturing is 129% more concentrated in the Tulsa MSA than in the U.S.; oil and gas production and machinery manufacturing, eight times more concentrated; and pump and

compressor manufacturing, 15.8 times more concentrated. Tulsa's concentration of fabricated metal product manufacturing is three times the U.S. concentration, but its heat-exchanger manufacturing sub-cluster is 43.3 times more concentrated than at the U.S. level.

Residential and commercial property values continue to increase in the Tulsa market leading to increased ad valorem tax assessments. During fiscal year 2012, the levy on property taxes increased by over \$0.4 million or a 0.7% increase. Collections of ad valorem taxes levied during fiscal year 2012 relating to fiscal year 2012 levy was \$60.8 million or 95.88%. The historical average over the past ten years of collections of amounts originally levied is 95%.

Long-term Financial Planning

The Fiscal Officer prepares a five-year capital budget to assist in the long range financial planning for Tulsa County. The five-year capital budget is a focused plan to identify the County's infrastructure and capital needs and the funding to meet those needs. The capital budget is updated to reflect changing priorities and revised cost estimates.

Financial Policies

Tulsa County's financial policies are established to comply with the statements and pronouncements issued by the Governmental Accounting Standards Board (GASB). The financial statements are presented in conformity with accounting principles generally accepted in the United States of America as applied to government units. There were no new financial policies implemented in fiscal year 2012.

Major Initiatives

In late 2012, Tulsa County began a construction project at the courthouse complex, with the goal of updating our entrances while enhancing foot traffic flow, security and handicap access. The project created a new east entrance with a large entryway to keep courthouse users from standing outside in line while waiting to enter the courthouse. A multipurpose room was constructed on the third floor above the new east entrance. The room will be used for presentations, large meetings and training purposes.

The north entrance of the courthouse will be expanded to offer a more organized flow of foot traffic in and out of the courthouse. In addition, a new, centrally located security desk/information booth was installed.

The project was funded by Tulsa County's Four-to-Fix-the-County capital improvements program at a cost of \$1,179,000. Substantial completion of the project is estimated for March 2013.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tulsa County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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.

After the latest review on December 5, 2012 Tulsa County again received an A+ rating from SunshineReview.org. The award is given to government organizations that provide a high level of transparency through an online presence.

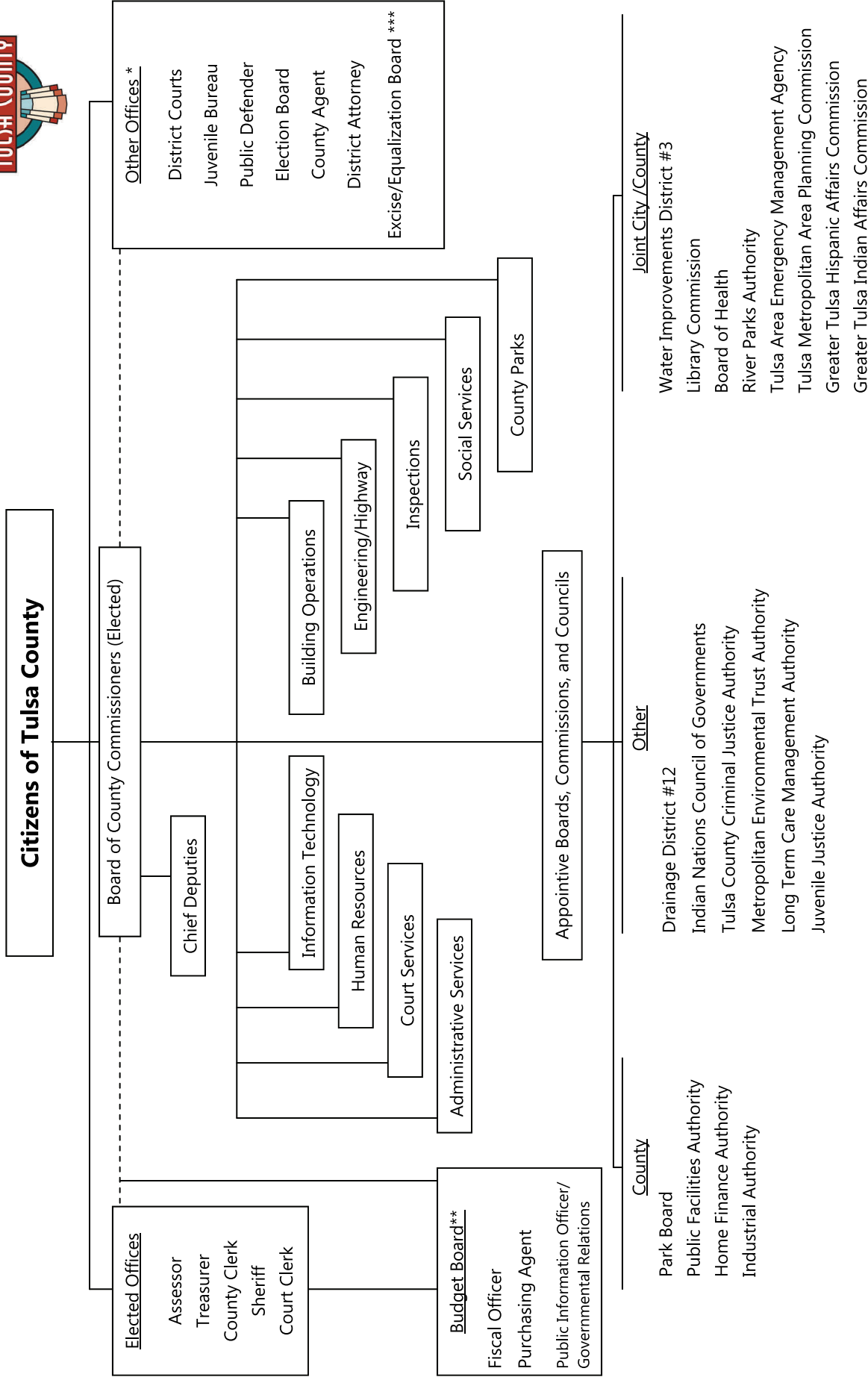
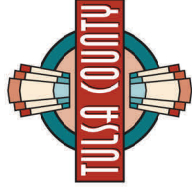
We want to extend our appreciation to the employees of the Tulsa County Clerk for their support and cooperation in preparing this report. Special thanks go to Sherril Williams, Susan Bieber, and Marcy Twyman, CPA, Crawford and Associates. Additionally, thanks go to Tom Gerard, Tulsa County Fiscal Officer and his staff for their assistance. Finally, we want to thank Gary Jones, State Auditor and Inspector and his Tulsa District office staff.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Pat Key".

Pat Key, Tulsa County Clerk
Secretary, Tulsa County Budget Board

Organizational Chart for Tulsa County, Oklahoma



* District Court Judges and District Attorney elected by citizens. Others are appointed.

** Membership includes all elected County Officials.

*** One member appointed by the Board of County Commissioners, one member appointed by the Oklahoma Tax Commission, and one member appointed by the District Judge or a majority of the District Judges in all judicial districts where more than one District Judge is elected.

Tulsa County, Oklahoma

ELECTED OFFICIALS

Commissioner District 1



John Smaligo

Commissioner District 2



Karen Keith

Commissioner District 3



Fred Perry

Treasurer



Dennis Semler

County Clerk



Earlene Wilson

District Attorney



Tim Harris

Assessor



Ken Yazel

Sheriff



Stanley Glanz

Court Clerk



Sally Howe Smith

TULSA COUNTY DEPARTMENT DIRECTORS

County Commissioners

Administrative Services.....	Greg Timo
Building Operations.....	Jim Fissel
Community Correction.....	Sherri Carrier
Engineering, Highways, and Inspections.....	Tom Rains
Human Resources.....	Terry Tallent
Information Technology.....	Tom Trimble
Parks.....	Richard Bales
Social Services.....	Linda Johnston

Budget Board

Fiscal Officer.....	Tom Gerard
Purchasing Agent.....	Linda Dorrell

Other Departments

County Election Board.....	Patty Bryant
County Extension Agent.....	Charlotte Richert
Drainage District Number 12.....	M. Todd Kilpatrick
Juvenile Bureau.....	Brent Wolfe

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tulsa County
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christopher P. Moynell

President

Jeffrey R. Enser

Executive Director

Tulsa County Awarded an A+ Rating and “Sunny Award” for Transparency

For the third year in a row, Tulsa County was awarded an A+ rating and a “Sunny Award” for transparency in its website and online content by SunshineReview.org.

Out of 6,000 government entities surveyed, Tulsa County is one of only 214 awarded an A+ rating in 2012. The rating is based on a number of criteria related to material available online including budget and audit documents, meetings, elected officials, contracts and other public records.

Tulsa County is the only county government in Oklahoma to achieve the A+ rating, and continues to improve transparency through enhancing its online content and material.



The Tulsa County Budget Board with the Sunny Award Certificate





Financial Section



Oklahoma State Auditor & Inspector

2300 N. Lincoln Blvd. • State Capitol, Room 100 • Oklahoma City, OK 73105 • Phone: 405.521.3495 • Fax: 405.521.3426

Independent Auditor's Report

TO THE OFFICERS OF
TULSA 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 Tulsa County, Oklahoma, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Tulsa County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit:

- The financial statements of the Tulsa County Industrial Authority, which represent approximately 35 percent and 29 percent, respectively, of the assets and revenues of the governmental activities; 100 percent of the assets and revenues of the Industrial Authority Capital Projects governmental fund and the Industrial Authority Debt Service governmental fund;
- The financial statements of the Tulsa County Public Facilities Authority, which represent 100 percent of the business-type activities as well as 100 percent of the proprietary fund statements;
- The financial statements of the Tulsa County Criminal Justice Authority, the Tulsa County Home Finance Authority, and the Tulsa City/County Health Board, which represent 100 percent of the discretely presented component units; and
- The financial statements of the Tulsa County Employees' Retirement System, which represent 74 percent of the assets in the fiduciary funds and 100 percent of the total additions reported in the Statement of Changes in Fiduciary Net Assets.

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, the discretely presented component unit, and the defined benefit retirement plan included in the aggregate remaining fund information of Tulsa County, is based 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

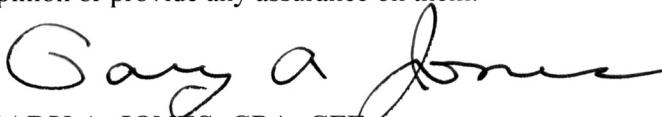
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the

aggregate remaining fund information of Tulsa County, Oklahoma, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2013, on our consideration of Tulsa 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Funding Progress for the Employees' Defined Benefit Retirement Plan and Other Post Employment Benefits, Schedule of Employer Contributions-Employees' for the Defined Benefit Retirement Plan, and the General Fund Budgetary Comparison Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Auditing 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 the other auditors have applied certain limited procedures to the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tulsa County's financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of the other auditors, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section information 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.


GARY A. JONES, CPA, CFE
OKLAHOMA STATE AUDITOR & INSPECTOR

February 26, 2013

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Management Discussion and Analysis (MD&A)

Management's Discussion and Analysis

This section of Tulsa County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal years ended June 30, 2012 and 2011. Please read the Management's Discussion and Analysis (MD&A) in conjunction with the transmittal letter that is located in the introductory section of this report and the County's basic financial statements, which follow this section.

Financial Highlights

- The total net assets at the end of fiscal years 2012 and 2011 for governmental activities were \$16.9 million and \$(27.0) million, respectively. No Capital Improvement Revenue Bonds were used during fiscal year 2012. Over \$7.2 and \$3.3 million was spent during fiscal year 2012 on Vision 2025 and 4 to Fix the County capital improvements, respectively.
- The total net assets for business-type activities were \$92.9 million and \$95.5 million, at the fiscal years ended December 31, 2011 and December 31, 2010, respectively. Net assets decreased by \$2.5 million during the fiscal year ended December 31, 2011.
- The total net assets for component units were \$79.5 million and \$77.4 million, at the fiscal years ended June 30, 2012 and 2011, respectively. The component units' Change in Net Assets overall increased by \$2.1 million, as the Criminal Justice Authority had a \$0.8 million decrease in net assets, the City County Health Department had a \$1.8 million increase in net assets, and the Home Finance Authority had a \$1.1 million increase in net assets.
- Ad valorem taxes were levied at a slightly higher level during fiscal years 2011 – 2012 (\$0.4 million) and ad valorem tax collections were also moderately higher during fiscal year 2012 (\$0.8 million) because of slightly higher valuations for residential and commercial properties.
- The amount of the outstanding conduit debt obligations of the Tulsa County Industrial Authority as of June 30, 2012 and 2011 was \$627.8 million and \$679.6 million, respectively.

Overview of the Financial Statements

The financial section of this report consists of several different 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.

- The independent auditor's report on the basic financial statements as presented by management.
- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of County government, reporting the County's operations in more detail than the government-wide statements.
- The *governmental funds statements* explain how general government services like public safety were financed in the short term as well as what remains for future spending.

- *Proprietary funds statements* offer short and long-term financial information about the activities the government operates like businesses, such as the Tulsa County Public Facilities Authority.
- *Fiduciary funds statements* provide information about the financial relationships - like the retirement system for the County's employees - in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources belong.
- *Notes to the financial statements* explain some of the information in the financial statements and provide more detailed data.
- *Required supplementary information* further explains and supports the information in the financial statements.
- *Combining and individual fund financial statements and supporting schedules* provide additional details about the non-major governmental funds and include additional budgetary comparison schedules.

Government-wide Statements

The government-wide statements report information about Tulsa County as a whole using accounting methods similar to those used by 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 assets 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 assets and how they have changed. Net assets, the difference between the County's assets and liabilities, are one way to measure the County's financial health, or financial position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County one needs to consider additional nonfinancial factors 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. Sales and ad valorem taxes, charge for services, and state and federal grants finance most of these activities. Tulsa County Industrial Authority is also included here.
- *Business-type activities* – The County charges fees to customers to help it cover the costs of certain services it provides. The Tulsa County Public Facilities Authority is reported as a business-type activity.
- *Discretely presented component units* – The County includes three other entities in its report: the Tulsa

County Criminal Justice Authority, the Tulsa City/County Health Department, and the Tulsa County Home Finance Authority. Although legally separate, these “component units” are important because it would be misleading or incomplete to exclude them from the County’s financial report.

Fund Financial Statements

The fund financial statements provide more detailed information about Tulsa 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 restricted by state statutes and by bond covenants.
- The Budget Board establishes other funds to control and manage money for particular purposes (like the Sales Tax Fund) or to show that it is properly using certain revenue sources (like the County Highway Fund).

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) how cash and other current financial resources 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 this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the government-wide statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *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. In fact, the County’s *Enterprise fund* (one type of proprietary fund) is the same as its business-type activities, but provides more detail and additional information, such as cash flow.
- *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 assets and a statement of changes in fiduciary net assets. We exclude these activities 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, which are an integral part of the financial statements, provide additional information that is

essential to a full understanding of the data provided in the government-wide and individual fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning the County's progress in funding its obligation to provide pension and other post-employment benefits to its employees and comparing actual with budgeted amounts for the General Fund and the Highway Fund. RSI information follows the notes to the financial statements. The combining statements, which include non-major funds, for governmental funds and discretely presented component units, are presented immediately following the RSI.

Financial Analysis of the County as a Whole

Our discussion and analysis of Tulsa County's financial performance provides an overview of the financial activities for the fiscal years ended June 30, 2012 and 2011.

Statement of Net Assets

Net assets are an important indicator of an organization's ability to improve or maintain their financial position. Tulsa County's total net assets as of June 30, 2012 were \$109.8 million, which was \$41.4 million more than the fiscal year ended June 30, 2011. This increase in total net assets resulted mainly from Tulsa County reducing its governmental activities' long-term debt by \$41.9 million through normal, scheduled principal payments.

The negative unrestricted net assets of governmental activities decreased by \$38.2 million mainly due to net effect of excess revenues over expenses of \$43.9 million and a \$4.3 million increase in Invested in Capital Assets, net of related debt.

Tulsa County's Net Assets (In thousands of dollars) June 30, 2012 and 2011

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current assets	\$ 152,430	\$ 162,466	\$ 5,891	\$ 6,735	\$ 158,321	\$ 169,201
Capital assets	131,198	133,381	116,105	122,155	247,303	255,536
Other non-current assets	2,573	3,362	5,445	4,001	8,018	7,363
Total assets	286,201	299,209	127,441	132,891	413,642	432,100
Current liabilities	52,196	67,186	4,841	5,198	57,037	72,384
Long-term liabilities	217,128	259,051	29,686	32,234	246,814	291,285
Total liabilities	269,324	326,237	34,527	37,432	303,851	363,669
Net Assets						
Invested in capital asset, net of related debt	94,005	89,723	84,484	87,215	178,489	176,938
Restricted	69,891	68,477	3,758	2,161	73,649	70,638
Unrestricted	(147,019)	(185,228)	4,672	6,083	(142,347)	(179,145)
Total net assets	\$ 16,877	\$ (27,028)	\$ 92,914	\$ 95,459	\$ 109,791	\$ 68,431

Business-Type Activities operate on a calendar year

Statement of Activities

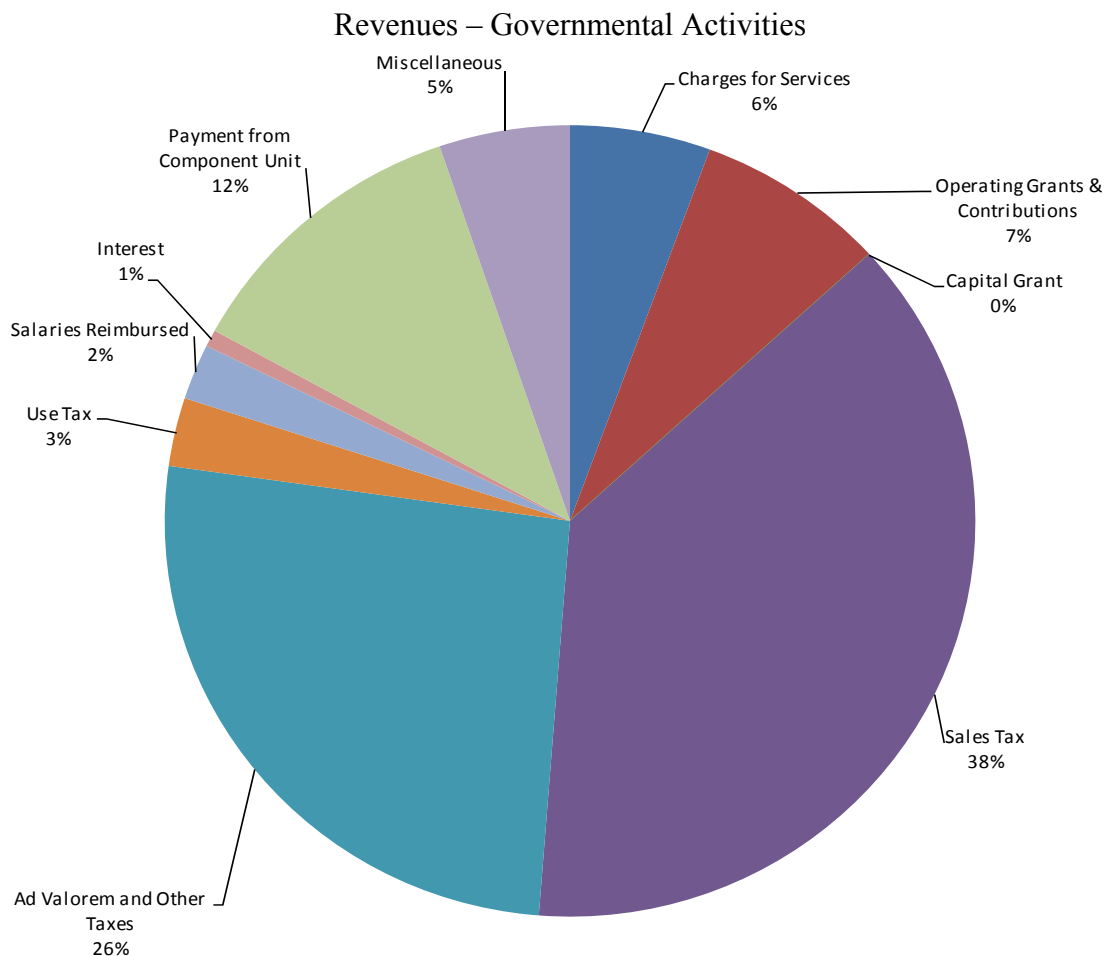
Tulsa County's total revenues amounted to nearly \$249.2 million and \$258.5 million during the fiscal years ended June 30, 2012 and 2011, respectively. Of that total for June 30, 2012, ad valorem and other taxes make up nearly \$59.2 million or 23.8%, charges for services approximately \$34.3 million or 13.8%, and sales tax \$86.5 million or 34.7%. Of that total for June 30, 2011, ad valorem and other taxes make up nearly \$57.2 million or 22.1%, charges for services approximately \$33.6 million or 13.0%, and sales tax \$93.1 million or 36.0%. Operating grants were \$2.4 million or 12.1% lower during the current fiscal year due mainly to the receipt of \$2.7 million from the state County Bridge and Road Improvement (CBRI) funds in the prior year. Capital grants were \$3.3 million lower due to ODOT grants for bridges received in prior year. Miscellaneous revenues increased approximately \$1.2 million or 11% resulting primarily from the net effect of 1) decrease of \$1.9 million in the General Fund of surplus 4-to-Fix II funds transferred from TCIA to be used for the new juvenile justice center; 2) increase of \$1.7 million in the Highway Fund due to reimbursement from the City of Tulsa for the Yale Avenue road project; 3) increase of \$0.8 million in the Risk Management Fund due to funds received from employees for Flex plan and Insurance; 4) \$0.4 million increase in the Official Depository Fund due to \$260,000 more documentary stamp revenue and \$100,000 more in Election Board revenue.

The County's total expenses amounted to \$210 million and \$225 million during the fiscal years ended June 30, 2012 and 2011, respectively. Of the total expenses for the fiscal year ended June 30, 2012, general government makes up nearly \$61.4 million or 29.2%, Vision 2025 expenses (prior to sorting by function) makes up nearly \$7.1 million or 3.4%, Public Facilities Authority makes up \$30.8 million or 14.7%, and public safety expenses including the expenses to operate the jail totaled \$63 million or 30%. Of the total expenses for the fiscal year ended June 30, 2011, general government makes up \$64.7 million or 28.8%, Vision 2025 expenses (prior to sorting by function) makes up nearly \$11.6 million or 5.2%, Public Facilities Authority makes up \$29.9 million or nearly 13.3%, and public safety expenses including the expenses to operate the jail totaled \$64.8 million or 28.8%. The \$5.8 million or 100% decrease in 4 to Fix the County expenses relates to uncapitalized expenses for projects not retained by Tulsa County in the prior year. Interest on long-term debt declined \$1.1 million or 10.2% due to normal debt reductions. The roads and highways expenses increased \$2.6 million or 17.2% mainly due to \$3.2 million of additional expensed capital improvement projects related to non-Tulsa County projects annexed to other governments. The culture and recreation expenses decreased \$1.7 million or 16.1% because of additional uncapitalized capital expenses of \$2 million.

Tulsa County's Statement of Activities
(In thousands of dollars)
June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program Revenues:						
Charges for services	\$ 12,766	\$ 12,191	\$ 21,534	\$ 21,438	\$ 34,300	\$ 33,629
Operating grants and contributions	17,318	19,694	-	-	17,318	19,694
Capital grants and contributions	-	3,266	-	-	-	3,266
General Revenues:						
Sales tax	86,524	93,056	-	-	86,524	93,056
Ad valorem and other taxes	59,180	57,194	-	-	59,180	57,194
Use tax	6,369	6,572	-	-	6,369	6,572
Salaries Reimbursed	5,172	5,232	-	-	5,172	5,232
Interest	1,577	2,214	17	38	1,594	2,252
Payment from Component Unit	26,858	26,946	-	-	26,858	26,946
Miscellaneous	11,866	10,688	-	-	11,866	10,688
Total Revenues	<u>\$ 227,630</u>	<u>\$ 237,053</u>	<u>\$ 21,551</u>	<u>\$ 21,476</u>	<u>\$ 249,181</u>	<u>\$ 258,529</u>
Expenses:						
General Government	\$ 61,446	\$ 64,723	\$ -	\$ -	\$ 61,446	\$ 64,723
Public safety	62,995	64,798	-	-	62,995	64,798
Health and Welfare	11,106	11,549	-	-	11,106	11,549
Culture and recreation	8,668	10,333	-	-	8,668	10,333
Education	427	366	-	-	427	366
Roads and highways	17,798	15,183	-	-	17,798	15,183
4 to Fix expenses	-	5,778	-	-	-	5,778
Vision 2025 Expenses	7,143	11,597	-	-	7,143	11,597
Interest on long-term debt	9,744	10,849	-	-	9,744	10,849
Public Facilities Authority	-	-	30,791	29,943	30,791	29,943
Total Expenses	<u>\$ 179,327</u>	<u>\$ 195,176</u>	<u>\$ 30,791</u>	<u>\$ 29,943</u>	<u>\$ 210,118</u>	<u>\$ 225,119</u>
Increase (decrease) in net assets before transfers	48,303	41,877	(9,240)	(8,467)	39,063	33,410
Transfers (see explanation for differences)	(4,398)	(6,572)	6,695	5,564	2,297	(1,008)
Change in net assets	43,905	35,305	(2,545)	(2,903)	41,360	32,402
Net assets, beginning	(27,028)	(62,333)	95,459	98,362	68,431	36,029
Net assets, ending	<u>\$ 16,877</u>	<u>\$ (27,028)</u>	<u>\$ 92,914</u>	<u>\$ 95,459</u>	<u>\$ 109,791</u>	<u>\$ 68,431</u>

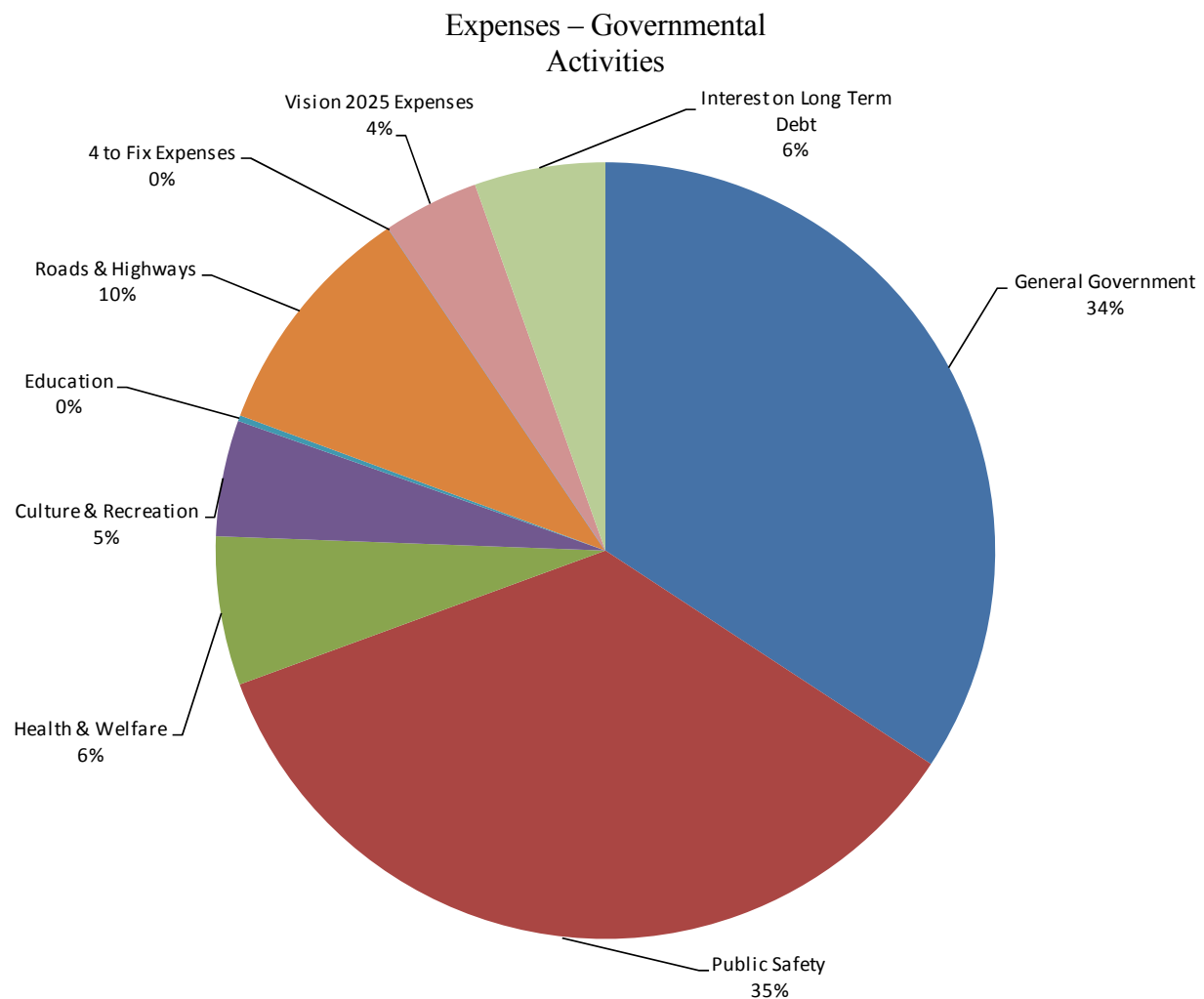
Business Type Activities operate on a calendar year.



Governmental Activities

Of the total revenues of \$227.6 million and \$237.1 million for governmental activities during the fiscal year ended June 30, 2012 and 2011, respectively, ad valorem taxes make up 26% and 24.1% and sales taxes make up 38.0% and 39.3%, respectively. During fiscal year 2012, the levy on property taxes was \$63.4 million, a \$0.4 million increase over the previous year. During fiscal year 2011, the levy on property taxes was \$63 million, a \$1.3 million increase over the previous year. Ad valorem tax collections during fiscal year 2012 increased by \$0.8 million or 1.3%. Ad valorem tax collections during fiscal year 2011 increased by \$1.0 million or 1.7%. Property tax collections during the most recent fiscal year were at 95.9% of the amount levied for the period. Historical patterns indicate that between 1 to 2% of the levy amount outstanding will be collected in the 5 or 6 years after the year levied. The average percentage of the levy collected during the years 2003-2012 was 95% of the taxes levied. Property values in Tulsa County have risen slightly over the past three fiscal years as reflected by the higher tax levies. Sales tax collections were \$6.5 million lower for the fiscal year ended June 30, 2012, resulting from the discontinuance in November 2011 of 2/12th of one cent sales tax pledged for repayment of the TCIA Series 2006 Revenue Bonds which were paid in full during fiscal year 2012. Payments from component units (Criminal Justice Authority) to the Sheriff Jail Fund of

\$26.9 million represent sales tax collections forwarded during the fiscal year ended June 30, 2012 to the Sheriff to operate the jail. The Sheriff has been operating the jail since July 1, 2005. Of the total expenses of \$179.3 million and \$195.2 million for governmental activities during fiscal year ended June 30, 2012 and 2011, respectively, general government makes up 34.3% and 33.2%, respectively. Expenses for public safety including the amount transferred to operate the jail were \$63 million and \$64.8 million during fiscal year ended June 30, 2012 and 2011, respectively or 35.1% and 33.2% of total expenses in Governmental Activities. Other Tulsa County's expenses cover a range of services, including roads and highways, health and welfare, culture and recreation, and social and economic programs and they were fairly constant over the past two fiscal years except for those activities with significant variances explained above.



Business-Type Activities

The Public Facilities Authority changed its fiscal year from July-June to January-December, effective July 1, 2008. The Authority's net assets decreased \$2.5 million for the year ended December 31, 2011. The Authority's net assets as a percentage of total assets were 72.9% at the end of December 31, 2011 and 72.0% at the end of December 31, 2010, resulting in an increase of 0.9%. Total assets decreased \$5.2 million for the fiscal year ended December 31, 2011 resulting from depreciation of assets and the reduction of current

assets. Total liabilities decreased by \$2.9 million due to the payment of principal on capital revenue bonds during 2011.

Total revenues remained fairly steady reporting a slight increase of less than \$0.1 million for the calendar year ended December 31, 2011. Operating expenses for the calendar year ended December 31, 2011 increased \$0.8 million. Transfers in from Tulsa County report a \$1.1 million increase for the calendar year 2011. However, expenses continue to exceed revenues and transfers in for the year ended December 31, 2011 by \$2.5 million.

Financial Analysis of the County's Funds

Major Funds

As Tulsa County completed fiscal year 2012, its governmental funds reported a combined fund balance of \$141.7 million, or \$6.6 million lower than the previous year. The fund balance of the Tulsa County Industrial Authority's Capital Project Fund decreased by \$1 million, while the fund balance of the Tulsa County Industrial Authority's Debt Service Fund decreased by \$10.9 million. The Capital Project's fund balance decreased because of the amount expended on 4 to Fix the County I and Vision 2025 capital initiatives. The Industrial Authority did not issue any revenue bonds during the fiscal year ended June 30, 2012. The Debt Service's fund balance and restricted cash decreased because the sales tax collections of \$62.2 million that were transferred in from Tulsa County were more than offset by the debt service and other payments of \$65.5 million and the \$11.9 million transferred to the Special Revenue Funds principally to fund capital initiatives. The General Fund's fund balance increased \$1.5 million to \$8.6 million. The increase is mainly due to a decrease in capital outlay expenses of \$0.7 million and a decrease in payment to Criminal Justice Authority of \$0.4 million. The County Highway Fund had a slight increase in fund balance of \$0.5 million. The Sheriff's Jail Fund fund balance remained fairly steady decreasing slightly by \$0.2 million. The Sales Tax Fund holds a small balance in the fund but serves as the collector and disbursing officer of sales and use tax to the various authorities.

The two major initiatives of the Tulsa County Industrial Authority are 4 to Fix the County I and II and Vision 2025.

4 to Fix the County I

4 to Fix the County I projects have been completed and there were no capital expenses during the fiscal year ended June 30, 2012.

The total capital outlay for the 4 to Fix the County I initiatives project to date has been \$61,461,544; 12.4% of the total of \$61,461,544 has been spent on flood mitigation, 4.8% on parks, 44% on roads, and 38.1% on Expo Square, and 0.7% on administration.

As of June 30, 2012, the 4 to Fix the County I projects are at the following stages of completion (as compared to the original budget plus funds received in excess of bond proceeds and including reimbursements):

Flood Mitigation is 100% complete.

Parks are 100% complete.

Roads are 100% complete.

Expo Square is 100% complete.

The original budget for all of the 4 to Fix the County I initiatives was \$59 million; funds in excess of bonds and reimbursements total \$2,461,544. The percentage distribution of budgeted funds per governing body resolutions were 13% for flood mitigation, 5% for parks, 42% for roads, and 40% for Expo Square.

\$12.9 million (the remaining balance) of outstanding 2001 Capital Improvement Bonds was paid during the fiscal year ended June 30, 2007.

4 to Fix the County II

The following schedule depicts the status on a cash basis of the major capital projects as of June 30, 2012 with the amount expended this fiscal year and the total expended project to date, as well as, the percentage of completion as of June 30, 2012 as compared to budget.

<u>Capital Project</u>	<u>Expended This Fiscal Year</u>	<u>Total Expended Project to Date</u>	<u>Percentage Completed</u>
Criminal Justice Construction	\$ 122,167	\$ 5,336,051	68.4%
Streets Construction	3,651,565	13,568,351	83.3%
Parks Construction	46,856	12,009,100	100.0%
Expo Square	(1,971,603)	23,396,396	100.0%

The 4 to Fix the County II funds for the fiscal year ended June 30, 2012, relating to Expo Square was a reimbursement from Tulsa County Public Facilities Authority for excess funding. The 4 to Fix II money spent for Streets was primarily spent on construction of 86th Street North and widening of 151st streets.

The initial financial activity for 4 to Fix the County II capital initiatives occurred during May 2006 with the issuance of the Capital Improvement Revenue Bonds Series A 2006. The Capital Improvement Revenue Bonds Series A 2006 was paid in full during fiscal year 2012. The Capital Improvement Revenue Bonds Series D 2006 was paid in full during fiscal year 2011.

Vision 2025

The following schedule depicts the status on a cash basis of selected major capital projects (arranged by voter proposition) as of June 30, 2012 with the amount expended this fiscal year, the total expended project to date, as well as the percentage of completion as of June 30, 2012 as compared to the budget.

<u>Voter Proposition</u>	<u>Capital Project</u>	<u>Expended this Fiscal Year</u>	<u>Total Expended Project to Date</u>	<u>Percentage Completed</u>
American Airlines	American Airlines	\$ -	\$ 21,899,812	98.2%
Economic Development	OU-Tulsa	-	30,000,000	100.0%
Economic Development	OSU-Tulsa	-	28,500,000	100.0%
Economic Development	NSU-Broken Arrow	-	26,000,000	100.0%
Economic Development	Tulsa Regional Convention	-	228,500,098	100.0%
Economic Development	Expo Square	-	40,000,000	100.0%
Community Enrichment	Tulsa County Parks	45,767	11,881,164	96.7%
Community Enrichment	Route 66	424,400	7,993,581	82.6%
Community Enrichment	Downtown Tulsa	1,369,030	20,515,216	96.8%
Community Enrichment	Owasso Medical	-	4,275,000	100.0%
Community Enrichment	61st Street City	-	2,730,359	100.0%

There is a balance of \$230,475,000 of outstanding bonds as of June 30, 2012, related to the Vision 2025 projects. These bonds will be repaid with pledged sales tax revenues remitted from the County.

General Fund Budgetary Highlights

The final budgeted amounts for the General Fund beginning fund balance, budgetary basis as of June 30, 2012, was \$3.2 million higher than the original budgeted amount; a conservative estimate is made early in the budget cycle for the projected carryover amount. The final budgeted amounts for total expenditures were \$4.8 million higher than originally budgeted because a \$2.1 million appropriation was added to General Government Accounts and \$2.7 million was added to Health and Welfare – Juvenile accounts. The main reasons for the additional appropriation to General Government Accounts are due to a \$0.5 million increase to Administrative Services, a \$0.7 million increase to Building Operations, and a \$0.9 million increase to General Government.

The final budgeted amounts for total revenues were \$2.8 million higher than originally budgeted. This is mainly due to the following reasons; 1) Tobacco/Excise tax under Other Taxes wasn't originally budgeted, yet had a revised budget of \$1.3 million. 2) The majority of accounts under Miscellaneous Revenue weren't originally budgeted, yet had a difference in the revised budget of \$1.3 million. Actual expenditures were \$11.5 million, or 16.6% lower than the final budgeted amount for expenditures. General Government actual expenditures were \$7.2 million lower than the final budgeted amounts. The major reasons are due to the following: 1) Administrative Services had a revised budget of \$3.5 million and only \$2.9 million was spent. 2) Building Operations had a revised budget of \$8.8 million and only \$6.7 was spent. 3) Management Information Systems had a revised budget of \$4.6 million and only \$4.0 million was spent. 4) General Government Contingency Funds had a revised budget of \$1.1 million, however no expenses were incurred. 5) General Government Other Expenses had a revised budget of \$2.7 million and only \$1.6 million was spent. 6) Court Clerk had a revised budget of \$6.5 million and only spent \$6.1 million. 7) Audit had a revised budget of \$0.5 million and only spent \$0.2 million. The remaining \$1 million less in actual expenditures are due to the multitude of accounts under General Government that had expenditures below the revised budget.

Actual revenues and transfers in exceeded expenditures and transfers out by \$1.4 million for the General Fund. That makes the ending fund balance at a level of 16.5% of annual revenues. There does not appear to be a liquidity problem with the funds currently available for appropriation in the General Fund.

Capital Asset and Debt Administration

Capital Assets

At the end of 2012, the County had \$247.3 million, net of depreciation, invested in a broad range of capital assets, including machinery and equipment, buildings, roads, and bridges. This amount represents a net decrease of \$8.2 million or 3.2% less than last year.

Tulsa County's Capital Assets
(Net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 18,165	\$ 18,165	\$ 96	\$ 96	\$ 18,261	\$ 18,261
Construction in Progress	6,498	12,774	-	103	6,498	12,877
Buildings	20,494	20,398	112,071	118,008	132,565	138,406
Machinery and Equipment	14,090	15,060	3,938	3,948	18,028	19,008
Capitalized Software	2,090	2,736	-	-	2,090	2,736
Infrastructure	69,861	64,248	-	-	69,861	64,248
Total	<u>\$ 131,198</u>	<u>\$ 133,381</u>	<u>\$ 116,105</u>	<u>\$ 122,155</u>	<u>\$ 247,303</u>	<u>\$ 255,536</u>

Long-term Debt

Tulsa County had a total of \$280.4 million and \$338.6 million in outstanding debt at the end of fiscal years 2012 and 2011, respectively. Governmental Activities decreased by \$54.9 million while Business-Type Activities decreased by \$3.3 million. The \$54.9 million decrease in Governmental Activities debt is a result mainly of the payment of \$31.3 million on the Capital Improvement Revenue Bonds Series 2005 A & B, the payment of \$5 million on the Capital Improvement Revenue Bonds Series 2005 C, the payment of \$2.4 million on the Capital Improvement Revenue Bonds Series 2006 B, and the final payment of \$12.1 million on the Capital Improvement Revenue Bonds Series 2006 A. During the three most recent fiscal years, the Tulsa County Industrial Authority did not issue or refinance any debt. Funds to pay the revenue bonds outstanding will come from the sales tax that was approved by voters in September 2003, known as the Vision 2025 initiative. The proceeds from the revenue bonds will fund capital improvements for American Airlines, education, health care, and event facilities that will promote economic development and community enrichment.

During fiscal year 2007, the Authority issued \$47.1 million of Capital Improvement Revenue Bonds as part of the 4 to Fix the County II capital initiative. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in December 2005. The Public Facilities Authority issued Capital Improvement Revenue Bonds, Series 2007 for \$15.3 million during the fiscal year ended June 30, 2009. The proceeds from the bonds will be used to fund the following projects: Juvenile justice center and courthouse complex renovations, improvements, furnishings and equipment; capital improvements at each of the Tulsa County Parks; phase three of Expo Square's Master Plan; and improving selected County roads.

State law limits the amount of general obligation debt. The County can issue up to 5 percent of the assessed value of all taxable property within the County's limits. The total debt limit is calculated to be nearly \$257.4 million at the end of fiscal year 2012. The general obligation debt outstanding (\$0) less the amount available in the Debt Service Fund (\$0 million) is \$0 million, leaving a legal debt margin of \$257.4 million.

There is not a credit rating on general obligation bonds as the County has no general obligation debt. The County's other debt, principally, revenue bonds, carries a AA- rating assigned by Standard and Poor's Ratings Services.

Ad valorem tax collections have remained relatively stable at 98.5% over the past ten fiscal years. Between the Vision 2025 and 4 to Fix the County initiatives, Tulsa County has been able to both expand and maintain its infrastructure (note III. J. provides additional detail on long term debt).

Tulsa County's Outstanding Debt
(In thousands of dollars)
June 30, 2012 and 2011

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue bonds payable-2003	\$ 127,150	\$ 127,150	\$ 1,800	\$ 2,450	\$ 128,950	\$ 129,600
Revenue bonds payable-2005	48,375	79,715	-	-	48,375	79,715
Revenue bonds payable-2005	30,325	35,325	20,547	21,771	50,872	57,096
Revenue bonds payable-2006	-	12,910	-	-	-	12,910
Revenue bonds payable-2006	24,625	27,050	-	-	24,625	27,050
Revenue bonds payable-2007	-	-	-	10,720	-	10,720
Revenue bonds payable-2011	-	-	9,274	-	9,274	-
Premium on debt issuance	7,654	10,353	-	-	7,654	10,353
Capital leases payable	5,610	6,174	-	-	5,610	6,174
Judgements payable	183	550	-	-	183	550
Compensated absences	4,837	4,419	-	-	4,837	4,419
Total	<u>\$ 248,759</u>	<u>\$ 303,646</u>	<u>\$ 31,621</u>	<u>\$ 34,941</u>	<u>\$ 280,380</u>	<u>\$ 338,587</u>

Economic Factors and the Impact on Next Year's Budgets

Sales tax receipts for the fiscal year ended June 30, 2012 decreased 7.02% from the previous year. They were the lowest since June 30, 2005. The total assessed valuation of residential properties increased by 1.5% during the fiscal year ended June 30, 2012. The total assessed valuation of commercial properties increased by 2.3% during the fiscal year ended June 30, 2012. In summary, property values in Tulsa County have increased and collections of ad valorem taxes slightly increased in fiscal year 2012. The County is significantly dependent on ad valorem tax levies to finance local services, with more than 83% of the county general fund operating revenues derived from this single revenue source. Thus the county is vulnerable to the inherent volatility of this revenue stream due to economic factors. While Tulsa County has not suffered the budget ups and downs of other local governments, revenues have increased at a slow rate while many fixed costs such as energy and employee healthcare have risen at a higher rate. The fiscal year 2013 budget plans for each department under the Board of County Commissioners and most of the elected offices is to cut spending by five percent. The 2013 budget also includes funding for the completion of a significant construction project at the Tulsa County Courthouse and Ray Jordan Administration Building.

Contacting the County's Financial Management

This financial report is designed to provide citizens, taxpayers, plan participants and others with a general overview of Tulsa County's finances. Questions concerning any data provided in this report or requests for complete financial statements of the individual blended and discretely presented component units can be sent to the Tulsa County Clerk's office at 500 South Denver Avenue, Suite 120, Tulsa, Oklahoma 74103-3832.

Basic Financial Statements

Tulsa County, Oklahoma
Statement of Net Assets
June 30, 2012

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 48,002,255	\$ 3,406,015	\$ 51,408,270	\$ 10,616,742
Restricted cash and cash equivalents	84,170,589	-	84,170,589	-
Accounts receivable	283,502	2,195,414	2,478,916	103,390
Ad valorem taxes receivable, (net of allowance for uncollectibles)	3,392,189	-	3,392,189	687,101
Sales tax receivable	14,452,805	-	14,452,805	-
Use tax receivable	953,702	-	953,702	-
Other taxes receivable	2,859	-	2,859	-
Accrued interest receivable	129,731	-	129,731	26,020
Internal balances	(953,689)	-	(953,689)	-
Intergovernmental receivables-from others	1,995,865	-	1,995,865	8,535,582
Telephone receivable	-	-	-	194,103
Inventory	-	149,790	149,790	844,706
Deferred and prepaid expenses	-	140,052	140,052	-
Total current assets	152,429,808	5,891,271	158,321,079	21,007,644
Non-current assets:				
Restricted cash and cash equivalents	-	3,758,059	3,758,059	2,271,269
Restricted - amounts held for others	-	903,316	903,316	-
Land	18,164,959	96,000	18,260,959	5,293,624
Construction in progress	6,497,706	-	6,497,706	6,953,190
Capital assets, net	106,535,538	116,008,846	222,544,384	56,786,828
Other assets, net	-	-	-	408,640
Bond issuance costs, net	2,572,851	783,716	3,356,567	-
Total non-current assets	133,771,054	121,549,937	255,320,991	71,713,551
Total assets	\$ 286,200,862	\$ 127,441,208	\$ 413,642,070	\$ 92,721,195
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accrued interest payable	\$ 1,247,083	\$ 237,138	\$ 1,484,221	\$ -
Accounts payable	3,996,882	871,926	4,868,808	1,243,994
Accounts payable - payable to Tulsa County	-	-	-	14,318
Accrued liabilities	-	-	-	48,372
Prepayments	5,701	-	5,701	-
Deposits held in trust	278,500	-	278,500	-
Due to Criminal Justice Authority	4,250,825	-	4,250,825	-
Escrow deposits payable	268	-	268	-
Uniform building code due to state	368	-	368	-
Workers compensation, current portion	694,000	-	694,000	-
Other accrued expenses	-	562,386	562,386	-
Deferred credits and event revenues	-	331,306	331,306	50,682
Judgments payable, current portion	183,333	-	183,333	-
Bonds payable, current portion	40,735,000	2,838,137	43,573,137	-
Compensated absences, current portion	391,730	-	391,730	67,764
Obligations under capital leases, current portion	412,513	-	412,513	256,861
Total current liabilities	52,196,203	4,840,893	57,037,096	1,681,991
Non-current liabilities:				
Bonds payable	197,393,497	28,782,372	226,175,869	-
Rebatable arbitrage, long term portion	266,036	-	266,036	-
Trust fund liabilities	-	903,316	903,316	-
Workers compensation, long term portion	2,341,525	-	2,341,525	-
Compensated absences, long term portion	4,445,212	-	4,445,212	872,809
Net pension obligation	5,400,683	-	5,400,683	-
OPEB liability	2,083,300	-	2,083,300	-
Obligations under capital leases, long-term portion	5,197,243	-	5,197,243	10,658,081
Total non-current liabilities	217,127,496	29,685,688	246,813,184	11,530,890
Total liabilities	269,323,699	34,526,581	303,850,280	13,212,881
Net assets:				
Invested in capital assets	94,005,428	84,484,337	178,489,765	59,143,699
Restricted for:				
Debt service	-	2,009,385	2,009,385	1,441,027
Capital projects	-	1,748,674	1,748,674	-
Debt service/capital projects	35,675,639	-	35,675,639	-
Public safety	2,537,072	-	2,537,072	-
Roads and highways	10,303,404	-	10,303,404	-
General government	17,572,485	-	17,572,485	-
Other	3,801,870	-	3,801,870	-
Criminal Justice Authority operations	-	-	-	6,919,104
Unrestricted	(147,018,735)	4,672,231	(142,346,504)	12,004,484
Total net assets	16,877,163	92,914,627	109,791,790	79,508,314
Total liabilities and net assets	\$ 286,200,862	\$ 127,441,208	\$ 413,642,070	\$ 92,721,195

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

Tulsa County, Oklahoma
Statement of Activities
For the Year Ended June 30, 2012

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	Business-Type Activities
						Total
						Component Units
Primary Government:						
Governmental activities:						
General government	\$ 61,856,382	\$ 5,496,626	\$ 6,840,328	\$ -	\$ (49,519,428)	\$ -
Public safety	62,995,055	1,625,391	737,322	-	(60,632,342)	-
Health and welfare	11,106,398	112,731	3,179,348	-	(7,814,319)	-
Culture and recreation	11,801,431	2,704,183	2,814	-	(9,094,434)	-
Education	1,926,745	-	-	-	(1,926,745)	-
Roads and highways	19,896,729	2,827,458	6,557,918	-	(10,511,353)	-
Interest on long-term debt	9,743,772	-	-	-	(9,743,772)	-
Total governmental activities	\$ 179,326,512	\$ 12,766,389	\$ 17,317,730	\$ -	\$ (149,242,393)	\$ -
Business-type activities:						
Public Facilities Authority	30,790,504	21,534,164	-	-	(9,256,340)	-
Total business-type activities	\$ 30,790,504	\$ 21,534,164	\$ -	\$ -	\$ (9,256,340)	\$ -
Total primary government	\$ 210,117,016	\$ 34,300,553	\$ 17,317,730	\$ -	\$ (158,498,733)	\$ -
Component units:						
Criminal Justice Authority	\$ 34,530,939	\$ 9,336,437	\$ 24,344,707	\$ -		\$ (849,795)
City/County Health Department	27,378,267	2,579,187	13,763,473	-		(11,035,607)
Tulsa County Home Finance Authority	211,823	143,971	1,165,971	-		1,098,119
Total component units	\$ 62,121,029	\$ 12,059,595	\$ 39,274,151	\$ -		\$ (10,787,283)
General revenues:						
Taxes:						
Sales taxes					\$ 86,523,528	\$ -
Use tax					6,369,469	-
Ad valorem taxes					56,101,552	12,602,148
Other taxes					3,078,106	-
Interest and investment earnings					16,514	14,628
Salaries reimbursement					5,171,781	-
Payment from component units					26,857,552	-
Miscellaneous					11,866,474	258,374
Transfers (difference is explained in the notes)					(4,397,866)	-
Total general revenues, contributions, special items, and transfers					193,147,652	12,875,150
Change in net assets					43,905,259	2,087,867
Net assets-beginning					(27,028,096)	77,420,447
Net assets-ending					\$ 16,877,163	\$ 79,508,314

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

Tulsa County, Oklahoma
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	County Highway Fund	Sales Tax Fund	Sheriff Jail Fund	Industrial Authority Capital Projects Fund	Industrial Authority Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 10,083,097	\$ 9,326,491	\$ 24,098	\$ 1,450,399	\$ -	\$ -	\$ 27,118,170	\$ 48,002,255
Accounts receivable	181,008	55,800	-	285	-	-	43,509	280,602
Charges for services receivable	-	-	-	-	-	-	2,900	2,900
Intergovernmental receivable	279,488	1,178,832	-	-	-	-	537,545	1,995,865
Restricted cash, cash equivalents, and investments	-	-	-	-	9,836,052	74,334,537	-	84,170,589
Interest and dividends receivable	25,373	2,031	14,412	-	238	87,648	29	129,731
Other taxes receivables	-	-	-	-	-	-	2,859	2,859
Ad valorem taxes receivable (net of allowance for uncollectibles)	2,622,274	-	-	-	-	-	769,915	3,392,189
Use tax receivable	-	-	953,702	-	-	-	-	953,702
Sales tax receivable	-	-	14,452,805	-	-	-	-	14,452,805
Miscellaneous revenue receivable	-	-	-	-	-	-	-	-
Due from other funds	-	157,404	-	-	-	10,201,980	-	10,359,384
Total Assets	\$ 13,191,240	\$ 10,720,558	\$ 15,445,017	\$ 1,450,684	\$ 9,836,290	\$ 84,624,165	\$ 28,474,927	\$ 163,742,881

LIABILITIES AND FUND BALANCES

Liabilities:								
Deposits held in trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,500	\$ 278,500
Deferred revenue	2,058,004	-	-	-	-	86,638	6,909	2,151,551
Salaries and benefits payable	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	5,701	5,701
Escrow deposits payable	268	-	-	-	-	-	-	268
Accounts payable	1,033,349	417,154	-	669,720	1,145,239	-	731,420	3,996,882
Interest payable	-	-	-	-	-	-	-	-
Uniform Building Code due to State	368	-	-	-	-	-	-	368
Due to other funds	-	-	11,155,669	-	157,404	-	-	11,313,073
Due to Criminal Justice Authority	-	-	4,250,825	-	-	-	-	4,250,825
Total Liabilities	3,091,989	417,154	15,406,494	669,720	1,302,643	86,638	1,022,530	21,997,168
Fund Balances:								
Restricted	-	10,303,404	-	-	8,533,647	84,537,527	23,952,929	127,327,507
Committed	-	-	38,523	780,964	-	-	3,499,468	4,318,955
Assigned	8,643,457	-	-	-	-	-	-	8,643,457
Unassigned	1,455,794	-	-	-	-	-	-	1,455,794
Total Fund Balances	10,099,251	10,303,404	38,523	780,964	8,533,647	84,537,527	27,452,397	141,745,713
Total Liabilities and Fund Balances	\$ 13,191,240	\$ 10,720,558	\$ 15,445,017	\$ 1,450,684	\$ 9,836,290	\$ 84,624,165	\$ 28,474,927	\$ 163,742,881

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

Tulsa County, Oklahoma
Reconciliation of the Balance Sheet
to the Statement of Net Assets
June 30, 2012

Fund Balance, total governmental funds	\$ 141,745,713
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets and construction in progress used in governmental activities are not financial resources and, therefore, are not reported in the funds	131,198,203
Ad valorem taxes and other receivables will be collected during the next fiscal year. The governmental funds statements report as deferred revenue the amount that is expected to be collected after 60 days, net of an allowance for uncollectible.	2,151,551
Accrued interest payable not immediately due and payable is not reported in the funds.	(1,247,083)
The net pension obligation used in governmental activities is not considered a current liability and thus not reported in the funds.	(5,400,683)
Proceeds from the 2003 revenue bonds are not financial resources, and therefore, are not reported in the funds.	(127,150,000)
There were no principal payments during fiscal year 2012.	
Revenue bonds represent long-term liabilities.	
Proceeds from the 2005 revenue bonds are not financial resources, and therefore, are not reported in the funds.	(78,700,000)
Principal payments of \$36,340,000 are not financial uses but a reduction of the liability.	
Revenue bonds represent long-term liabilities.	
Proceeds from the 2006 revenue bonds are not financial resources, and therefore, are not reported in the funds.	(24,625,000)
Principal payments of \$15,335,000 are not financial uses but a reduction of the liability.	
Revenue bonds represent long-term liabilities.	
Loan issuance costs from the 2006, 2005, and 2003 revenue bonds are not financial uses and, therefore, are not reported as an expenditure.	2,572,851
The 2009 interest swap costs of \$1,427,130 and 2007 costs of \$1,854,206, 2006 costs of \$1,677,122, 2005 costs of \$2,582,134, and the 2003 costs of \$2,938,163 are amortized over the term of the related bond.	
Current year amortization is \$789,287 and accumulated amortization is \$7,905,903.	
Bond premiums from the 2003, 2005, 2006 and 2009 remarketed revenue bonds are not financial resources and, therefore, are not reported in the funds.	(7,653,497)
Bond premiums, \$10,116,223 received in 2003, \$10,234,964 received in 2005, \$3,735,178 received in 2006, and \$2,284,758, received in 2007, and \$7,303,277 in 2009 represent deferred revenue which is amortized.	
Current year amortization is \$2,699,781 and accumulated amortization is \$26,020,871. The revenue is recognized as a reduction of current year interest expense.	
Accrual of estimated arbitrage liability, which is not reported in governmental fund statements.	(266,036)
Accrual of OPEB liability, which is not reported in governmental fund statements.	(2,083,300)
Accrual of Worker's Compensation liability, which is not reported in governmental fund statements.	(3,035,525)
Long-term liabilities (Capital leases payable of \$5,609,756, judgments payable of \$183,333, and compensated absences of \$4,836,942) are not due and payable in the current period, and therefore, are not reported in the current period.	(10,630,031)
Net assets of governmental activities	<u>\$ 16,877,163</u>

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

Tulsa County, Oklahoma
Statements of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2012

	General Fund	County Highway Fund	Sales Tax Fund	Sheriff Jail Fund	Industrial Authority Capital Projects Fund	Industrial Authority Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES								
Ad valorem taxes	\$ 50,659,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,318,578	\$ 55,977,981
Other taxes	2,562,642	-	-	-	-	-	515,464	3,078,106
Charge for services	3,637,131	2,827,458	-	-	-	-	6,301,800	12,766,389
Sales taxes	-	-	86,523,528	-	-	-	-	86,523,528
Use tax	-	-	6,369,469	-	-	-	-	6,369,469
Intergovernmental revenue	523,230	6,557,918	-	-	-	-	10,236,582	17,317,730
Interdepartmental revenue	-	-	-	-	-	-	4,344	4,344
Investment income	144,464	19,548	99,316	-	3,707	1,342,690	107,530	1,717,255
Miscellaneous revenue	2,970,002	2,818,239	-	18,979	-	-	6,158,166	11,965,386
Salaries reimbursement	36,650	-	-	-	-	-	5,135,131	5,171,781
Payment from Criminal Justice Authority	227,938	-	-	26,467,917	-	-	111,500	26,807,355
Payment from Law Library	5,964	-	-	-	-	-	1,081	7,045
Payment from Depository Accounts	31,152	-	-	-	-	-	-	31,152
Payment from City/County Health	12,000	-	-	-	-	-	-	12,000
Total Revenues	60,810,576	12,223,163	92,992,313	26,486,896	3,707	1,342,690	33,890,176	227,749,521
EXPENDITURES								
Current:								
General government	33,539,892	-	-	-	1,268,956	1,448,361	19,425,115	55,682,324
Public safety	8,774,910	-	-	26,382,727	-	-	3,098,188	38,255,825
Health and welfare	6,667,248	-	-	-	-	-	4,188,085	10,855,333
Culture and recreation	5,595,458	-	-	-	-	-	2,417,891	8,013,349
Education	423,509	-	-	-	-	-	-	423,509
Roads and highways	799,365	9,161,352	-	-	-	-	-	9,960,717
Payment to District Attorney	-	-	-	-	-	-	-	-
Payment to Criminal Justice Authority	-	-	24,284,849	-	-	-	-	24,284,849
Payment to City-County Health	-	-	-	-	-	-	-	-
Payment to Other Governments (See Note 1)	-	-	-	-	-	-	1,200,000	1,200,000
Capital outlay	1,839,452	3,169,497	-	268,027	-	-	1,152,204	6,429,180
Capital outlay - Vision 2025	-	-	-	-	7,213,886	-	-	7,213,886
Capital outlay - 4 to Fix II	-	-	-	-	3,281,744	-	-	3,281,744
Debt service:								
Principal retirement	-	-	-	-	-	51,675,000	183,333	51,858,333
Interest and fiscal agent charges	-	-	106,905	-	-	12,404,400	990	12,512,295
Total Expenditures	57,639,834	12,330,849	24,391,754	26,650,754	11,764,586	65,527,761	31,665,806	229,971,344
Excess (deficiency) of revenues over (under) expenditures	3,170,742	(107,686)	68,600,559	(163,858)	(11,760,879)	(64,185,071)	2,224,370	(2,221,823)
Other Financing Sources (uses):								
Sale of real property	-	-	-	-	-	-	14,930	14,930
Transfer to/from beneficiary	-	-	(62,238,666)	-	-	62,238,666	-	-
Transfers in (primary government)	10,140,085	4,676,382	-	-	11,937,084	2,960,656	9,410,688	39,124,895
Transfers out (primary government)	(11,860,503)	(4,038,764)	(6,369,469)	-	(1,146,457)	(11,937,084)	(8,170,484)	(43,522,761)
Total Other Financing Sources (uses)	(1,720,418)	637,618	(68,608,135)	-	10,790,627	53,262,238	1,255,134	(4,382,936)
Net change in fund balances	1,450,324	529,932	(7,576)	(163,858)	(970,252)	(10,922,833)	3,479,504	(6,604,759)
Fund Balance, beginning	8,648,927	9,773,472	46,099	944,822	9,503,899	95,460,360	23,972,893	148,350,472
Fund Balance, ending	\$ 10,099,251	\$ 10,303,404	\$ 38,523	\$ 780,964	\$ 8,533,647	\$ 84,537,527	\$ 27,452,397	\$ 141,745,713

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

Tulsa 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, 2012

Net change in fund balances--total governmental funds \$ (6,604,759)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	11,320,801
Depreciation expense	(7,120,977)
Prior year construction in progress and other capital assets expensed	(5,604,637)
Book value of disposed capital assets	(778,221)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Revenue bonds	51,675,000
Capital leases	563,848
Judgments payable	366,667

Amortization of bond issuance costs over the term of the related debt. (789,296)

Amortization of bond premium over the term of the related debt. 2,699,781

Payment of estimated liabilities for rebatable arbitrage not recorded in governmental funds (113,270)

Some expenses reported in the statement of activities do not require current financial resources, and therefore, are not reported as expenditures in governmental funds.

Change in liability for tort claims and judgments	(710,701)
Change in estimated liability for OPEB obligation	(295,700)
Change in pension obligation	(397,814)
Change in accrued compensated absences liability	(418,407)
Change in accrued interest payable	232,828

Some revenues reported in the statement of activities do not provide current financial resources in the current year

Change in ad valorem receivable	123,571
Change in other accounts receivable	(243,455)

Change in net assets--statement of activities \$ 43,905,259

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

Tulsa County, Oklahoma

**Proprietary Fund
Statement of Net Assets
June 30, 2012**

<p>Tulsa County Public Facilities Authority</p>
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ASSETS

Current assets:

Cash and cash equivalents	\$ 3,406,015
Investments	-
Due from other funds	588,371
Accounts receivable	1,607,043
Deferred and prepaid expenses	140,052
Inventories	149,790

Total current assets	<u>5,891,271</u>
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Noncurrent assets:

Restricted cash and cash equivalents	3,758,059
Restricted Horsemen's Trust Account	903,316
Land	96,000
Construction in progress	-
Capital assets, net of accumulated depreciation	116,008,846
Bond issuance costs, net	783,716

Total noncurrent assets	<u>121,549,937</u>
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Total assets	<u><u>\$ 127,441,208</u></u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accrued interest payable	\$ 237,138
Accounts payable	871,926
Other accrued expenses	562,386
Deferred credits and event revenues	331,306
Current portion of 2003, 2005, and 2007 revenue bonds	2,838,137

Total current liabilities	<u>4,840,893</u>
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Noncurrent liabilities:

Liability to horsemen	903,316
Bonds payable	28,782,372

Total noncurrent liabilities	<u>29,685,688</u>
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Total liabilities	<u>34,526,581</u>
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Net assets:

Invested in capital assets, net of related debt	84,484,337
Restricted for debt service	2,009,385
Restricted for capital projects	1,748,674
Unrestricted	4,672,231

Total net assets	<u>92,914,627</u>
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Total liabilities and net assets	<u><u>\$ 127,441,208</u></u>
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The notes to the financial statements are an integral part of this statement.

Tulsa County, Oklahoma

**Proprietary Fund
Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2012**

	Tulsa County Public Facilities Authority
Operating Revenues	
Commissions	\$ 1,453,882
State fair revenue	3,102,100
Space rental (exhibits)	5,364,837
Racing revenue	2,148,898
Other income and fees	9,464,447
Total operating revenues	<u>21,534,164</u>
Operating Expenses	
Personnel	8,682,610
Maintenance and operation	9,061,759
Outside services	3,353,010
Total operating expenses	<u>21,097,379</u>
Operating income before depreciation and amortization	<u>436,785</u>
Depreciation and amortization	(8,062,788)
Amortization of deferred credits	-
Total depreciation and amortization	<u>(8,062,788)</u>
Operating income (loss)	(7,626,003)
Non-operating revenues (expenses)	
Interest income	16,514
Interest (expense)	<u>(1,630,337)</u>
Income (loss) before contributions and transfers	<u>(9,239,826)</u>
Contributions of capital assets	-
Transfers of sales tax collections	<u>6,695,023</u>
Total contributions and transfers	<u>6,695,023</u>
Change in net assets	(2,544,803)
Net assets at beginning of year	<u>95,459,430</u>
Net assets at end of year	<u><u>\$ 92,914,627</u></u>

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

Tulsa County, Oklahoma

**Proprietary Fund
Statement of Cash Flows
For the year ended June 30, 2012**

	Tulsa County Public Facilities Authority
Cash flows from operating activities:	
Cash received from customers	\$ 21,327,655
Cash payments to suppliers for goods and services	(12,052,069)
Cash payments to employees	(8,682,610)
Gain on sale of equipment	-
Net cash provided by (used in) operating activities	<u>592,976</u>
Cash flows from capital and related financing activities:	
Proceeds from debt	9,860,000
Capital expenditures	(1,876,117)
Principal payments on 2003, 2005, and 2007 revenue bonds	(12,740,708)
Deferred loss on advance refunding of bonds	(586,646)
Interest paid on revenue bonds	(1,504,438)
Debt issue cost	(23,355)
Transfers in from other funds	<u>6,695,023</u>
Net cash provided by (used in) financing activities	<u>(176,241)</u>
Cash flows from investing activities:	
Interest received on restricted cash and investments	16,514
Proceeds from maturity of investment contract	1,412,835
Payments for the purchase of investments	-
Proceeds from the sale of equipment	<u>34,428</u>
Net cash provided by (used in) investing activities	<u>1,463,777</u>
Net increase (decrease) in cash and cash equivalents	1,880,512
Cash and cash equivalents, beginning of year	<u>6,186,878</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,067,390</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (7,626,003)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:	8,062,788
Depreciation and amortization	-
Amortization of deferred credits	
Changes in operating assets and liabilities:	
Accounts receivable	(222,498)
Deferred expenses	(79,231)
Prepaid and other expenses	12,849
Inventories	8,873
Accounts payable	242,394
Liability to horsemen	(5,066)
Deferred credits and event revenues	15,989
Other accrued expenses	<u>182,881</u>
Net cash provided by (used in) operating activities	<u><u>\$ 592,976</u></u>
Supplemental disclosure of non-cash investing, capital and financing activities:	
Contributions of capital assets	<u><u>\$ -</u></u>
Cash and cash equivalents consist of:	
Cash and cash equivalents	\$ 3,406,015
Restricted cash and cash equivalents	3,758,059
Horseman's Trust Account	<u>903,316</u>
Cash and cash equivalents	<u><u>\$ 8,067,390</u></u>

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

Tulsa County, Oklahoma

Fiduciary Funds

Statement of Fiduciary Net Assets

June 30, 2012

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 32,361	\$ 50,264,824
Money market mutual funds	5,700,636	-
U.S. Government and Agency obligations	47,768,592	-
Domestic corporate bonds	74,319,832	-
Pooled Fixed Income portfolio	-	-
Domestic stocks	71,405,847	-
International stocks	19,490,243	-
Judgments	-	-
Ad valorem receivable	-	27,630,908
Other receivables	-	54,360
OTC receipts	-	507,964
Interest and dividend receivable	796,495	-
Due from brokers for unsettled trades	331,953	-
Contributions receivable from employer/employees	790,410	-
	<u>\$ 220,636,369</u>	<u>\$ 78,458,056</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 98,408	\$ -
Payable to brokers for unsettled trades	483,214	-
Due to other taxing units	-	59,564,707
Due to others	-	18,893,349
	<u>581,622</u>	<u>78,458,056</u>
NET ASSETS		
Net assets held in trust for pension benefits	<u>220,054,747</u>	<u>-</u>
	<u>220,054,747</u>	<u>-</u>
	<u>\$ 220,636,369</u>	<u>\$ 78,458,056</u>

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

Tulsa County, Oklahoma

Fiduciary Fund

Statements of Changes in Fiduciary Net Assets

For the year ended June 30, 2012

	Pension Trust Fund
Additions:	
Contributions:	
Plan member	\$ 34,073
Employer	9,594,837
	<hr/>
Total contributions	9,628,910
	<hr/>
Investment Income:	
Net appreciation (depreciation) in fair value of investments	(3,352,271)
Interest	3,281,292
Dividends	3,205,269
	<hr/>
Total investment income	3,134,290
Less investment expense	(910,270)
	<hr/>
Net investment income	2,224,020
	<hr/>
Total additions	11,852,930
	<hr/>
Deductions:	
Benefits	13,631,005
Refunds of contributions	9,636
Administrative expense	123,351
	<hr/>
Total deductions	13,763,992
	<hr/>
Net increase (decrease)	(1,911,062)
Net assets held in trust for pension benefits	
Beginning of Year	221,965,809
	<hr/>
End of Year	\$ 220,054,747
	<hr/>

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

Tulsa County, Oklahoma

**Discretely Presented Component Units
Statement of Net Assets
June 30, 2012**

	Tulsa County Criminal Justice Authority	Tulsa City-County Health Department	Tulsa County Home Finance Authority	Total 2012
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 779,253	\$ 6,880,193	\$ 2,957,296	\$ 10,616,742
Accounts receivable - net	-	103,390	-	103,390
Ad valorem taxes receivable	-	687,101	-	687,101
Accrued interest receivable	26,020	-	-	26,020
Intergovernmental receivables-Due from Tulsa County	4,250,825	-	-	4,250,825
Intergovernmental receivables-Due from others	1,726,725	2,558,032	-	4,284,757
Telephone receivable	194,103	-	-	194,103
Inventory	-	844,706	-	844,706
Total current assets	<u>6,976,926</u>	<u>11,073,422</u>	<u>2,957,296</u>	<u>21,007,644</u>
Noncurrent assets:				
Restricted cash	-	2,271,269	-	2,271,269
Land	3,323,685	1,969,939	-	5,293,624
Construction in progress	6,090	6,947,100	-	6,953,190
Capital assets, net of accumulated depreciation	50,294,963	6,491,865	-	56,786,828
Other assets - net	-	408,640	-	408,640
Total noncurrent assets	<u>53,624,738</u>	<u>18,088,813</u>	<u>-</u>	<u>71,713,551</u>
Total assets	<u>\$ 60,601,664</u>	<u>\$ 29,162,235</u>	<u>\$ 2,957,296</u>	<u>\$ 92,721,195</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable	\$ 57,822	\$ 1,186,172	\$ -	\$ 1,243,994
Accrued liabilities	-	48,372	-	48,372
Escrow deposits payable	-	-	-	-
Deferred revenue	-	50,682	-	50,682
Compensated absences, current portion	-	67,764	-	67,764
Capital lease - current portion	-	256,861	-	256,861
Payable to Tulsa County	-	14,318	-	14,318
Mortgage loans payable	-	-	-	-
Total current liabilities	<u>57,822</u>	<u>1,624,169</u>	<u>-</u>	<u>1,681,991</u>
Noncurrent liabilities:				
Long term debt - mortgage loans payable	-	-	-	-
Compensated absences, less current portion	-	872,809	-	872,809
Capital lease - long-term portion	-	10,658,081	-	10,658,081
Total noncurrent liabilities	<u>-</u>	<u>11,530,890</u>	<u>-</u>	<u>11,530,890</u>
Total liabilities	<u>57,822</u>	<u>13,155,059</u>	<u>-</u>	<u>13,212,881</u>
Net assets:				
Invested in capital assets, net of related debt	53,624,738	5,518,961	-	59,143,699
Restricted for debt service	-	1,441,027	-	1,441,027
Restricted for Criminal Justice Authority operations	6,919,104	-	-	6,919,104
Unrestricted	-	9,047,188	2,957,296	12,004,484
Total net assets	<u>60,543,842</u>	<u>16,007,176</u>	<u>2,957,296</u>	<u>79,508,314</u>
Total liabilities and net assets	<u>\$ 60,601,664</u>	<u>\$ 29,162,235</u>	<u>\$ 2,957,296</u>	<u>\$ 92,721,195</u>

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

Tulsa County, Oklahoma

**Discretely Presented Component Units
Statement of Activities
For the Year ended June 30, 2012**

	Program Revenues					Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Criminal Justice Authority	City/County Health Department	Tulsa County Home Finance Authority		Totals
Tulsa County Criminal Justice Authority										
General government	\$ 32,503,636	\$ 9,336,437	\$ 613	\$ -	-	\$ (23,166,586)	\$ -	\$ -	\$ (23,166,586)	
Depreciation expense	2,027,303	-	-	-	-	(2,027,303)	-	-	(2,027,303)	
Funding from Tulsa County	-	-	24,344,094	-	-	24,344,094	-	-	24,344,094	
Total Criminal Justice Authority	34,530,939	9,336,437	24,344,707	-	-	(849,795)	-	-	(849,795)	
Tulsa City/County Health Department										
General government	26,294,750	2,579,187	13,763,473	-	-	-	(9,952,090)	-	(9,952,090)	
Capital outlay	-	-	-	-	-	-	-	-	-	
Depreciation expense	523,432	-	-	-	-	-	(523,432)	-	(523,432)	
Interest on long-term debt	453,085	-	-	-	-	-	(453,085)	-	(453,085)	
Payment to Tulsa County	107,000	-	-	-	-	-	(107,000)	-	(107,000)	
Total City/County Health Department	27,378,267	2,579,187	13,763,473	-	-	-	(11,035,607)	-	(11,035,607)	
Tulsa County Home Finance Authority										
General government	154,879	143,971	-	-	-	-	-	(10,908)	(10,908)	
Conduit debt financing activities	56,944	-	1,165,971	-	-	-	-	1,109,027	1,109,027	
Interest on long-term debt	-	-	-	-	-	-	-	-	-	
Total Tulsa County Home Finance Authority	211,823	143,971	1,165,971	-	-	-	-	1,098,119	1,098,119	
Total Major Component Units	\$ 62,121,029	\$ 12,059,595	\$ 39,274,151	\$ -	-	\$ (849,795)	\$ (11,035,607)	\$ 1,098,119	\$ (10,787,283)	
General revenues:										
Ad valorem taxes						-	12,602,148	-	12,602,148	
Interest earnings						-	14,447	181	14,628	
Miscellaneous						-	258,374	-	258,374	
Change in net assets						(849,795)	1,839,362	1,098,300	2,087,867	
Net assets- beginning of year						61,393,637	14,167,814	1,858,996	77,420,447	
Net assets-end of year						\$ 60,543,842	\$ 16,007,176	\$ 2,957,296	\$ 79,508,314	

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

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

Note I. Summary of Significant Accounting Policies

The financial statements of Tulsa 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. With respect to proprietary activities, including component units, the County has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting". Tulsa County has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

A. Financial Reporting Entity

In accordance with the Governmental Accounting Standards Board Statement No. 14, Tulsa County, "The Financial Reporting Entity", as amended by GASB Statements 34 and 39, has presented the entities that comprise the primary government including its blended and discretely presented component units in its basic financial statements.

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the reporting entity, which consists of the primary government and all of its component units. Component units are legally separate entities that meet any one of the following three tests: 1) the primary government appoints the voting majority of the board of the component unit and the governing body of the primary government is able to impose its will on the component unit and/or is in a relationship of financial benefit or burden with the potential component unit; 2) the component unit is fiscally dependent upon the primary government; or 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's basic financial statements to be misleading or incomplete.

1. Blended Component Units

The following component units have been presented as *blended* component units because the component unit's governing body is substantially the same as the governing body of the County, or the component unit provides services almost entirely to the County.

Tulsa County Employees' Retirement System - The Tulsa County Employees' Retirement System (TCERS) is a single-employer defined benefit retirement plan. The Board of the TCERS was established to oversee operations of the pension fund and establish policies affecting eligibility, benefits, investment practices and other matters pertaining to the proper administration of the system in accordance with law. All decisions made by the Board of Trustees are subject to final approval by the Board of County Commissioners.

Tulsa County Public Facilities Authority (TCPFA) - The TCPFA is a public trust established under the provisions of the Oklahoma Trust Act on January 17, 1983. The TCPFA operates on a calendar year end. The TCPFA commenced operations on March 1, 1983, and as successor to the Tulsa County Fairgrounds Trust Authority, operates and manages certain properties owned by Tulsa County, commonly

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

referred to as the Tulsa County Fairgrounds located at Expo Square. The three Tulsa County Commissioners serve on the five (5) member TCPFA board and they appoint the other two members. The chairmanship rotates annually between the three Tulsa County Commissioners.

Tulsa County Industrial Authority (TCIA) – The TCIA is a public trust established under the provisions of the Oklahoma Trust Act on March 1, 1965. It was created to promote the development of industry within the boundaries of Tulsa County. The three Tulsa County Commissioners serve as the trustees of the authority with the Chair of the Board of County Commissioners also serving as Chair of TCIA. The voters of Tulsa County have passed three temporary sales tax initiatives for capital improvements which utilize TCIA for debt service activities. The authority also plays a role in debt financing of other miscellaneous projects in Tulsa County.

Complete audited financial statements of the individual blended component units listed above can be requested from the Tulsa County Clerk's office at 500 South Denver Suite 120, Tulsa, Oklahoma 74103.

Drainage District #12 – Drainage Districts were established by the Oklahoma State Drainage Act, first enacted in 1907, to allow a funding mechanism for construction and maintenance of flood control infrastructure for lots and lands within each established district. Although the Drainage Act was repealed in 1972, a savings clause within the repealing legislation allowed drainage districts already in existence to continue to operate. Under Oklahoma law, the drainage district is a separate legal entity with the power to bring suit and be sued in its own name. It operates with an advisory board and a drainage commissioner who is appointed by the Board of County Commissioners (BOCC) after he or she has independently acquired petition signatures of at least 20% of the property owners within the District. The Drainage district #12 provides services entirely to Tulsa County. Each year, the Drainage District Commissioner submits a proposed budget based on the District's total need for operating expenses and maintenance on levees and other flood control infrastructure within Tulsa County. That budget is then approved or modified and approved by the BOCC. In addition, the BOCC has final authority over setting the assessment rate, via the budgetary process, and appeals from Drainage District assessments. Aside from approving or modifying and approving the Drainage District's budget in total, the BOCC does not exercise any control over the day to day operations of the Drainage District nor does it control how funding within that budget is ultimately allocated for Drainage District operations. The financial activity of Drainage District #12 is included under the heading of "Other Special Revenue in Non-Major Governmental Funds."

2. Discretely Presented Component Units

The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize their legal separation from the County. They are reported in the "Component Unit" column of the government-wide financial statements. The following discretely presented component units are included in the financial statements:

Tulsa County Criminal Justice Authority (TCCJA) – The TCCJA was created pursuant to an Amended and Restated Declaration of Trust dated October 20, 1995 as a public trust for the use and benefit of the county and other municipalities, under authority of and pursuant to the provisions of Title 60, Oklahoma Statutes, as amended and supplemented. The TCCJA was created to administer the funds used to construct and operate a new county jail (the David L. Moss Criminal Justice Center) and to

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

account for certain activities and operations of the existing jail until construction of the new jail was completed. Seven (7) trustees govern the TCCJA, which are the three County Commissioners of Tulsa County, the Mayor of the City of Tulsa, and three mayors chosen by the Tulsa County Commissioners from the remaining cities within the County. The chairmanship of the board of the TCCJA is rotated among the three Tulsa County Commissioners. In the event of a financial shortfall, Tulsa County, along with the other beneficiaries of the public trust, is responsible for any financial burden.

Tulsa City/County Health Department (Health Department) - The Health Department was created in 1950 by joint resolution of the City of Tulsa and the Tulsa County Board of County Commissioners (BOCC). A nine (9) member board oversees the day-to-day operations of the Health Department. The City of Tulsa appoints five (5) members, all of which must be licensed physicians. The remaining four (4) members are appointed by the BOCC and are required to be registered voters. If the Health Department was not included in the financial statements of Tulsa County, the accompanying financial statements would be misleading and incomplete. Tulsa County acts as the collecting agent and treasurer for the Health Department. Tulsa County processes the payables and payroll for the Health Department. The Health Department employees also participate in the Tulsa County Employees' Retirement System. The City of Tulsa does not contribute any funding to this component unit.

Tulsa County Home Finance Authority (TCHFA) – The TCHFA is a public trust established under the provisions of the Oklahoma Trust Act on October 16, 1978. The first amendment to the Trust Indenture was dated February 7, 1979 and the second amendment was dated January 19, 1982. The TCHFA was created to provide housing for low to middle income residential use, whether a single or multi-family dwelling. The TCHFA operates on a calendar year end. The TCHFA board is comprised of five (5) members appointed by the Tulsa County Commissioners. If TCHFA was not included in the financial statements of Tulsa County, the accompanying financial statements would be misleading and incomplete.

Complete audited financial statements of the individual discretely presented component units can be requested from the Tulsa County Clerk's office at 500 South Denver Suite 120, Tulsa, Oklahoma 74103.

3. Jointly Governed Organizations

Tulsa City/County Library (Library) – The Library was created on July 1, 1962 by joint resolution of the City of Tulsa and the Board of County Commissioners (BOCC). Under the resolution, an eleven (11) member board was created to oversee the daily operations of the Library. The City of Tulsa appoints 6 members to the board, Tulsa County appoints 3 members, one member is the Chairman of the BOCC, and the other member is the Mayor of the City of Tulsa. The City of Tulsa does not provide any funding to the City/County Library. The County acts as a collecting agent and treasurer for the Library; however, the County does not provide any bookkeeping functions. The Library has been excluded from the reporting entity since the County assumes no responsibility for its day-to-day operations. The County has no control over budgets, fee schedules or any other operating or management decisions. The Library is considered a *jointly governed organization*.

Complete audited financial statements of the jointly governed organization can be requested from the Tulsa County Clerk's office at 500 South Denver Suite 120, Tulsa, Oklahoma 74103.

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

4. Joint Venture

The County is a participant in a joint venture in which it retains an ongoing financial interest or an ongoing financial responsibility.

River Parks Authority (RPA) - The County is a participant with the City of Tulsa in a joint venture to operate and maintain a park along the Arkansas River. The RPA, a public trust, was created on April 9, 1974 for that purpose. The County and the City of Tulsa contribute to the annual operating budget of the RPA. The Board of Trustees is comprised of seven members, three appointed by the City, three appointed by the County, and one by the Tulsa Metropolitan Area Planning Commission. The RPA received grants from Tulsa County, the City of Tulsa and the City of Sand Springs to finance operations. For the year ended June 30, 2012, Tulsa County's grants totaled \$676,058, the City of Tulsa's grants totaled \$666,000, and the City of Sand Springs's grants totaled \$18,509. Tulsa County does not have an equity interest in this organization. Complete audited financial statements for RPA can be obtained from the Executive Director at 707 South Houston Suite 510, Tulsa, Oklahoma, 74127.

The change in net assets for RPA for each of the last four years was as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Change in net assets	\$ (556,268)	\$ 1,571,484	\$ 3,602,523	\$ 8,141,546

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements.

Both the government-wide and fund financial statements are categorized as either governmental activities or business-type activities. In the government-wide Statement of Net Assets, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, roads and highways, etc.), which are otherwise being supported by general government revenues (ad valorem taxes, sales and use taxes, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, fees for licenses and permits, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net cost (by function or business-type activity) is normally covered by general revenue (ad valorem taxes, sales taxes, interest income, etc.). Historically, the previous financial reporting model did not summarize or present net cost by function or activity.

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

The government-wide focus is more on the sustainability of the County as an entity and the change in the aggregate financial position resulting from the activities of the fiscal period. Each presentation provides valuable information that can be analyzed and compared (between years and between governments).

The fund financial statements now place an emphasis on the major funds in either the governmental or proprietary fund categories. Non-major funds (by category) or fund type are summarized into a single column.

The totals on the proprietary fund statements directly reconcile to the business-type activity column in the government-wide statements because Tulsa County does not maintain an Internal Service Fund.

The governmental funds major fund statements in the fund financial statements are presented on a current financial resource measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) illustrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, reconciliation is presented on the fund statement or on the page following each statement which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The County's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, school districts, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

C. Financial Statement Presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, net assets, revenues and expenditures/expenses.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing activity. Operating expenses include cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

GASB Statement No. 34 sets 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 non-major funds are combined in a single column in the fund financial statements. Tulsa County reports the following major funds.

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

Governmental Funds

General Fund – Primary operating fund of the city and always classified as a major fund. It is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds – Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following funds are classified as major special revenue funds:

- ◆ **County Highway Fund** accounts for various taxes remitted to the County from the Oklahoma Tax Commission for the purpose of maintaining certain roads and bridges in the County.
- ◆ **Sales Tax Fund** accounts for two separate sales tax levies. Part of the sales tax collections is transferred to the Tulsa County Criminal Justice Authority for the maintenance of the jail. The remainder of the sales tax collections is transferred to the Tulsa County Industrial Authority for servicing the debt and for various capital improvement projects.
- ◆ **Sheriff Jail Fund** accounts for the contract revenue received from the Tulsa County Criminal Justice Authority by the Tulsa County Sheriff's office to operate the jail.

Capital Projects Funds – 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. The following fund is classified as a major capital projects fund:

- ◆ **Tulsa County Industrial Authority Capital Projects Fund** accounts for the investment earnings and the proceeds from the issuance of revenue bonds as the financial resources are used to construct and maintain capital projects for Tulsa County and other Beneficiaries. It has restricted funds consisting primarily of unspent bond funds and sales tax revenues to be used as required by voter approved propositions.

Debt Service Funds – Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The following debt service fund is classified as major:

- ◆ **Tulsa County Industrial Authority Debt Service Fund** accounts for the accumulation of financial resources for the payment of interest and principal on revenue bonds. It has restricted funds consisting of unspent revenue bond funds and the associated sales tax revenues.

Proprietary Fund

Enterprise Funds – Used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The following enterprise fund is classified as major:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

- ◆ **Tulsa County Public Facilities Authority** operates and manages certain properties owned by Tulsa County, commonly referred to as the Tulsa County Fairgrounds located at Expo Square.

Fiduciary Funds

Fiduciary Funds are used to report assets held in a trustee or agency capacity for third parties and therefore are not available to support County programs. The reporting focus is upon net assets and changes in net assets and employs accounting principles similar to proprietary funds.

Pension Trust Fund reports the resources held in trust for members and beneficiaries of a defined benefit plan (employees' retirement system).

Agency Funds are used to report resources held by the County in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to school districts, cities and towns, and other agencies located in Tulsa County.

D. Basis of Accounting and Measurement Focus

Basis of accounting determines when transactions and events are recognized in the accounting records. Measurement focus refers to what items are being reported in the financial statements.

The Government-wide, the Proprietary, the Fiduciary, and the Component Unit Financial Statements are presented on an accrual basis of accounting and an economic resource measurement focus. The Governmental Funds as reported in the Fund Financial Statements are presented on a modified accrual basis and the current financial resource measurement focus.

Accrual – Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenue sources susceptible to accrual are sales taxes and property taxes.

Tulsa County defines the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB Statement No. 33, the provider recognizes liabilities and expenses when the applicable eligibility requirements including time requirements, is met. The recipient under most circumstances, reports resources transmitted before the eligibility requirements are met, as advances by the provider and as deferred revenue.

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Economic Resource Measurement Focus – Measures both current and long-term assets and liabilities. A Statement of Net Assets prepared on the economic resource measurement focus reports the balances in capital assets and long-term liabilities as well as the short term assets and liabilities.

Current Financial Resource Measurement Focus – Activities of governmental funds are expendable; the focus is on the receipt and expenditure of financial resources. Accounting systems of governmental funds are designed to measure (a) the extent to which financial resources obtained during a period are sufficient to cover claims incurred during that period against financial resources and (b) the net financial resources available for future periods.

E. Assets, Liabilities, and Net Assets

Cash and Cash Equivalents

State law requires that all cash belonging to the County be placed in the custody of the County Treasurer. A “pooled cash” concept is used in maintaining the cash and investment records. Under this concept, all cash is pooled together for investment purposes. Interest income is credited to the General Fund, unless otherwise provided by law. For cash flow statement purposes, cash equivalents with maturity of 3 months or less are included with cash.

Investments

Investments, except for some U.S. Treasury and Agency obligations with maturities of less than one year, are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The U.S. Treasury and agency obligations with maturities of less than one year are reported at cost, which approximates fair value.

Accounts Receivable and Taxes Receivable

Trade receivables and ad valorem tax and other tax receivables are shown net of an allowance for uncollectibles.

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 Assets, except for the net residual amounts due between governmental and business-type activities, which are presented as 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.

Due to Other Taxing Units/Others

Tulsa County acts as a collecting agent for many other governmental entities. The County is responsible

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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 City/County Health Department, the City/County Library, Tulsa Career Tech Schools and Tulsa Community College. The County may also collect miscellaneous revenues for all or some of the above-mentioned entities. All unremitted collections on hand at June 30 are reported as due to other taxing units. Unapportioned collections held in depository accounts are reported as due to others.

Restricted Assets

Certain proceeds of the County's revenue bonds, as well as certain resources that are set aside for their repayment, are classified as restricted assets on the government-wide statement of net assets, governmental funds' balance sheet and proprietary fund statement of net assets because their use is limited by applicable bond covenants or laws/regulations imposed by other governmental agencies and the restricted assets are maintained in separate bank accounts.

Capital Assets

Capital assets, consisting of property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of the donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repair that does not add to the value of the asset or materially extend the asset life is not capitalized. Interest is capitalized on assets, other than infrastructure assets, acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of borrowing until completion of the project.

Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40-50
Building improvements	30-40
Machinery & equipment	8-20
Signal light installations	20
Bridges	75-100
Roads and highways	15-40

State Statutes require Tulsa County to maintain an inventory of all "working tools, apparatus, machinery and equipment" with a cost of \$500 or more. These items are generally purchased from the "capital outlay" accounts of each elected official or department head. Tulsa County's capitalization policy for financial reporting purposes for the capital assets mentioned above has been set at \$5,000. The capitaliza-

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tion threshold for infrastructure improvements has been set at \$25,000. All capital outlay expenditures, therefore, are not necessarily reported as additions to capital assets.

Bond Premiums and Issuance Costs

In the governmental funds, bond premiums and issuance costs are treated as period costs in the year of issuance. Bond premiums are treated as an “other financing source”. Bond issuance costs are reported as expenditures.

In proprietary funds, both bond premiums and issuance costs are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase in the face amount of the revenue bonds payable whereas issuance costs are recorded as other costs.

As part of the reconciliation and presentation at the government-wide level these costs in the governmental funds are adjusted and reflected similarly to proprietary funds.

Fund Balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as:

- a. Nonspendable – includes amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. The County currently does not have any nonspendable fund balance.
- b. Restricted – consists of fund balance with constraints placed on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the county’s highest level of decision-making authority, the Board of County Commissioners. The formal action is made by a resolution.
- d. Assigned – includes amounts that are constrained by the County’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by Board action or management decision when the Board has delegated that authority. Assignments for encumbrances in the General Fund are made through the purchasing process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

The County does not have a policy regarding the order in which the various classes of fund balance are used. The default policy is to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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F. Revenues, Expenses and Expenditures

Property Tax Revenue

The County's property taxes are levied 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. The Tulsa County Assessor is responsible for the valuation of all real and personal property located within Tulsa County. A revaluation of all property is required once every four years. The net assessed value as of January 1, 2012, was \$4,994,332,402 after excluding homestead exemptions of \$119,814,558.

The levy for Tulsa County for 2012 is 10.30 mills for General Fund operations, 2.58 mills for the County Health Department, 5.32 mills for the County Library, 4.0 mills for County Schools, and 0.04 mills for Debt Service, total Tulsa County levy is 22.24 mills.

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.

Property taxes are collected and apportioned to the County by the Tulsa County Treasurer. Taxes are levied annually on October 1 and are due one-half by December 31 and one-half by March 31. Major tax payments are received in the months December through April, and are recognized as revenue in the year levied. Lien dates for personal and real property are in June and October, respectively. Governmental funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues received within 60 days of year-end are considered to be available.

Current year tax collections for the year ended June 30, 2012 were 95.88% of the tax levy. Over the past ten fiscal years, the average percentage of levy collected is 94.94%.

Drainage Assessments

Each year, property owners in a separate area of Tulsa County are assessed a special tax in order to maintain a levy system to control periodic flooding of the Arkansas River. Levy amounts are determined based on property values and are billed at the same time as ad valorem taxes. Drainage assessments are collected by the County Treasurer and maintained in a separate drainage district fund to be expended for the maintenance of the levy system. The drainage district submits an annual budget of expected costs, which will determine total levy requirements. Delinquent assessments are handled in the same manner as ad valorem taxes. The drainage district does not have any outstanding debt. Due to the characteristics of the drainage district, it is presented as Other Special Revenue Funds in the financial statements of Nonmajor Governmental Funds.

Grant Revenue

The County, a recipient of grant revenues, recognizes revenues when all applicable eligibility requirements are met. Resources transmitted to the County before the eligibility requirements are met are reported as deferred revenues.

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Sales Tax Revenue

Tulsa County's sales tax rate is 0.85% and is collected by the State of Oklahoma and remitted to the County monthly. The allocated portion of the sales tax collections is wire transferred by the Oklahoma Tax Commission to the County's Sales Tax Fund. The sales tax collections are then transferred to the Jail Operations Fund (Tulsa County Criminal Justice Authority), and to the Tulsa County Industrial Authority, based on the proportion of the sales tax levy. Funds are disbursed at the direction of the Tulsa County Board of County Commissioners.

Sales tax revenue is recognized in the period when the underlying exchange transaction occurs and the resources are available.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused annual (vacation) leave benefits. Employees earn vacation leave at a rate of 15 days per year for the first 5 years of service and 18 days for 6 years of service through 10 years of service and 20 days per year for 11 through 20 years of service and 25 days thereafter. The maximum limit in the amount of unused vacation that can be accumulated at one time is two times the number of hours that the employee is currently eligible to earn per year. All accrued vacation leave that has been earned, is payable to the employee upon layoff, resignation, retirement or death. Each full-time employee also earns personal (sick) leave at a rate of one day per month up to a maximum of 130 days. There is no liability for unpaid accumulated sick leave, since the County does not have a policy to pay this amount when employees separate from service. The governmental fund financial statements record expenditures when employees are paid for vacation leave. The government-wide financial statements present the cost of accumulated vacation leave as a liability.

Payments to Other Governments

The amount reflected on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds as payment to other governments is the total amount apportioned to cities and towns and the school districts of Tulsa County pursuant to and in accordance with Title 68 Oklahoma Statutes Section 3137. The total amount reflected represents these taxing entities' portion of the balance of the Resale Property Fund over and above necessary reserves.

G. Net Assets

The government-wide and proprietary fund financial statements utilize a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted net assets and unrestricted net assets.

Invested in Capital Assets (net of related debt) – This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets – Net assets are reported as restricted when constraints placed on net assets use are

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either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. It is the County's policy to use restricted net assets prior to the use of unrestricted net assets when both restricted and unrestricted net assets are available for an expense which has been incurred.

Unrestricted Net Assets – Unrestricted net assets represent net assets that are not restricted because of constraints imposed by external parties or imposed by laws of other governments or related to the acquisition and construction of capital assets. Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Note II. Stewardship, Compliance, and Accountability

A. Legal and Contractual Obligations

Under Oklahoma law, the County may not obligate funds for periods extending beyond the current fiscal year, except for 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 and related interest are levied for and paid in accordance with appropriate State laws.

Note III. Detail Notes on All Funds

A. Cash and Investments

State Statutes govern Tulsa County's investment policies. Allowable investments for general purposes (non-pension) include certificates of deposit, savings accounts, money market funds, repurchase agreements and direct obligations of the U.S. Government and its Agencies. Certificates of deposit are carried on the County's books at cost. The interest earned at the balance sheet date will be reflected as a receivable. Judgments against Tulsa County have typically been purchased by the County's retirement system as an investment. The amount reported in the financial statements as fair value represents the unpaid principal, which will be paid from future property tax receipts.

State Statutes designate the collateral requirements for County deposits. All deposits are to be covered by pledged securities for amounts not covered by federal deposit insurance. The County's policy is to maintain pledged securities at 110% of current deposits. Collateral to be pledged is restricted to obligations of the federal government and its agencies or obligations of the State of Oklahoma and its subdivisions. Prior authorization from the County Treasurer is necessary for any collateral to be released to the bank's discretion. The County monitors the collateral requirements on a daily basis to assure all County funds are properly and adequately covered.

The County's deposits and investments as of June 30, 2012 are categorized below after defining the different types of risk disclosures that the County's deposits and investments are subject.

Custodial credit risk for deposits is the risk that in the event of bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an

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outside party. The County requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance as detailed in the Investment Policy approved by the Board and authorized by the Oklahoma State Treasurer under the Unit Collateral System. The County's deposits were not exposed to custodial credit risk at June 30, 2012.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the County's investing activities are approved by the Board of County Commissioners and managed under the custody of the County Treasurer. Investing activities comply with the Investment Policy adopted by the Board and also comply with State Statutes. The Investment Policy states that the issuing corporation of prime commercial paper must have the highest credit rating of either Moody's (P-1) or Standard & Poor's (A-1+). The Investment Policy does not provide credit rating guidelines for other permissible investment vehicles.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer. U.S. Government and Agency securities are excluded from these restrictions. Investments in Guaranteed Investment Contracts are also considered safe investments and are not normally included in the calculation of concentration of credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The County provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. To mitigate the exposure to interest rate risk, the County's normal policy is to hold long-term, fixed rate debt until maturity.

Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The constraints on the international equity portfolio managers are to diversify internationally across the global equity markets. The international equity manager invests in only non-U.S. dollar denominated equity securities. The manager is required to invest in a prudent manner and to operate under the restrictions indicated in their prospectus. These include regional constraints, diversification requirements, and the type of securities held.

Governmental Activities-Without Industrial Authority, Pooled With Agency Funds

Deposits

On June 30, 2012, the cash and cash equivalents balance for Governmental Activities is \$48,002,255 including cash and cash equivalents of \$1,295,746 relating to Tulsa County Industrial Authority's General Fund, which is a non-major Special Revenue Fund. Agency Funds also have total deposits of \$50,264,824. The deposits of Governmental Activities exclusive of the Industrial Authority are pooled with the deposits of the Agency Funds; several financial institutions maintain the pool, which is invested in demand accounts or certificates of deposits in the County's name.

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Industrial Authority

Deposits

On June 30, 2012, the cash balance includes \$128,777 and is maintained by two financial institutions in demand accounts in the Authority's name.

Investments

Investments of the Industrial Authority's funds are considered to be governed by Title 19 OSA 953.1A, as amended, of the Oklahoma Statutes. The Oklahoma Statutes places no limitations or restrictions on the choice of investment vehicles other than those a prudent investor would select. All investments are carried in street name (in the name of the agent, etc.).

The composition of the Industrial Authority's reported cash and cash equivalents of \$1,295,746 and restricted cash, cash equivalents and investments of \$84,170,589 is shown in the following table.

	Fair Value	Cost	Average Credit Quality - Rating (1)	Weighted Average Number of Years to Maturity (2)
Guaranteed Investment Contracts	\$ 15,444,986	\$ 15,444,986	AAA	4.38
Cavanal Hill Cash Management Fund	23,949,247	23,949,247	AAA	0.11
BOK Short-Term Cash Fund I	45,943,325	45,943,325	N/A	N/A
Cash	<u>128,777</u>	<u>128,777</u>	N/A	N/A
Total Investments	<u>\$ 85,466,335</u>	<u>\$ 85,466,335</u>		

Ratings are provided where applicable to indicate Credit Risk. N/A indicates not applicable.

- (1) Interest Rate Risk is estimated using weighted average days to maturity.
- (2) The BOK Investor Fund does not have a weighted average to maturity. It is an internal money market fund and not rated, but is collateralized by U.S. Treasury and U.S. Agency securities.

As of June 30, 2012, the Industrial Authority had the following investments and maturities:

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		Investment Maturities in Years			
	Value	Less than 1	1-5	6-10	More than 10
Guaranteed Investment Contracts	\$ 15,444,986	0%	100%	0%	0%
BOK Short-Term Cash Fund I	45,943,325	N/A	N/A	N/A	N/A
Cavanal Hill Cash Management Fund	23,949,247	100%	N/A	N/A	N/A
Cash	128,777	N/A	N/A	N/A	N/A
Total	\$ 85,466,335	100%	100%	0%	0%

Proprietary Activities (Tulsa County Public Facilities Authority)

Cash and Investments

Unrestricted Investments - Unrestricted investments consist of certificates of deposit. The investments are not rated.

Horsemen's Trust Account - Included in the Horseman's Trust Account is cash held in a custodial capacity, for the payment of purses during the live racing meet and the Junior Auction Scholarship Fund which is cash held in a custodial capacity for the payment of scholarships. A liability for these amounts has been recorded and is included in liability to Horsemen.

Restricted cash and cash equivalents - Restricted assets consist primarily of cash held by a bank trustee for debt service payments and managed pursuant to the bond indenture. In accordance with the bond indentures and state statutes, authorized investments consist of obligations of the U.S. Treasury, agencies and instrumentalities, investment contracts, commercial paper, repurchase agreements and money market accounts.

The Authority does not have formal policies covering credit, interest rate, or foreign currency risk.

The Authority's restricted cash is not categorized as to credit risk as the Authority is not required to maintain collateral for these assets under the bond indenture.

The carrying amounts of the Authority's investments in money market mutual funds reported as cash equivalents at December 31, 2011 amounted to \$3,758,059 and are included in restricted cash. Carrying amounts approximate fair value for the Authority's investments.

Custodial credit risk-Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy to limit custodial credit risk.

Discretely Presented Component Units

Tulsa City/County Health Department

All cash is maintained by the Treasurer of Tulsa County and is subject to the depository collateral risk of

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all pooled funds of Tulsa County.

Restricted cash consists of money market funds held in trust at a local bank for repayment of debt.

Tulsa County Criminal Justice Authority

State statutes designate the collateral requirements for the Authority's deposits. All deposits are to be covered by pledged securities for amounts not covered by federal deposit insurance. The Authority's policy is to maintain pledged securities at 110 percent of current deposits. No gains were realized as a result of the sale of investments during the year ended June 30, 2012.

At June 30, 2012, cash and cash equivalents include a sweep account collateralized by securities issued by the U.S. Treasury or other U.S. government agencies and, therefore, are not subject to the collateral depository risks. The sweep accounts represented approximately \$609,845 at June 30, 2012. There were no investments pooled with Tulsa County funds at June 30, 2012.

Tulsa County Home Finance Authority

Bond indenture agreements and the Authority's trust instrument govern the investment policies of the Authority. Allowable investments include money market fund accounts, and other direct obligations of the U.S. government and its agencies whose debt obligations are guaranteed by the U.S. government. The Authority's deposits of cash and cash equivalents at December 31, 2011 consist of U.S. Treasury money market accounts carried at market value, with weighted average days to maturity of 48 days, which are uninsured.

While the Authority has a large amount of cash and cash equivalents that are considered uninsured deposits, these funds are invested in a U.S. treasury security money market fund, the underlying investments of which are backed by the full faith and credit of the U.S. government.

Pension Trust Fund (TCERS)

Deposits - On June 30, 2012, the cash balance is \$32,361, and is maintained by the Bank of Oklahoma in a demand account in TCERS' name.

Custodial credit risk for deposits is the risk that in the event of bank failure, TCERS' deposits may not be returned or TCERS may not be able to recover collateral securities in the possession of an outside party. According to Title 62 OSA 517.4, Security for Local Public Deposits Act, the amount of the collateral securities or instruments to be pledged for the security of public deposits shall be established by the treasurer of the public entity. The Tulsa County Treasurer with the approval of TCERS requires deposits to be 110 percent secured by collateral valued at market or par; whichever is lower, less the amount of Federal Deposit Insurance Corporation (FDIC) insurance. The Bank of Oklahoma has placed the required collateral securities in a restricted account at a Federal Reserve Bank, which serves Oklahoma. The market value of pledged securities shall be provided not less than quarterly to the treasurer by either the financial institution holding the deposit or the financial institution holding the collateral securities, which market value must have been obtained from an independent, recognized and documented source. TCERS' deposits are not exposed to custodial credit risk because the deposits are insured by FDIC insurance and

Tulsa County, Oklahoma
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are collateralized.

Investments - Investments of the TCERS' funds are governed by Title 19 OSA 953.1A, as amended, of the Oklahoma Statutes. The Oklahoma Statutes place no limitations or restrictions on the choice of investment vehicles other than those a prudent investor would select. The Board of Trustees has retained five outside investment management firms to manage six different portfolios for TCERS except for certain judgments against Oklahoma government entities and a small amount of cash. Bank of Oklahoma Trust Services is the custodian of cash and investments. TCERS' investment securities are not exposed to custodial credit risk because all securities are held by a third party custodian rather than counterparty and are carried in street name.

The composition of TCERS' investments as of June 30, 2012 is shown in the following table:

Schedule of Investments With Credit Ratings for Pension Trust Fund as of June 30, 2012

	Fair Value	Cost	Average Credit Quality / Rating (1)	Weighted Average Number of Years to Maturity (2)
Money Market Mutual Fund	\$ 5,700,636	\$ 5,700,636	N/A	-
U.S. Treasuries	30,583,987	26,577,390	TSY	10.10
U.S. Agency Obligations:				
FHLB (Federal Home Loan Bank)	-	-	AAA	3.90
FHLMC (Freddie Mac)	3,355,604	3,182,998	AAA	3.70
FNMA (Fannie Mae)	11,105,351	10,691,669	AAA	3.90
GNMA (Ginnie Mae)	2,647,245	2,564,922	AAA	1.10
SLMA (Sallie Mae)	76,405	71,625	AAA	0.50
Total U.S. Agency Obligations	17,184,605	16,511,214		
Corporate Bonds	74,319,832	69,021,486	A-	5.20
Domestic Stocks	71,405,847	54,234,327	N/A	N/A
International Stocks	19,490,243	22,262,118	N/A	N/A
Judgments	-	-	N/A	N/A
Total Investments	\$ 218,685,150	\$ 194,307,171		

(1) Ratings are provided where applicable to indicate Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using weighted average days to maturity.

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As of June 30, 2012, TCERS had the following fixed income investments and maturities:

Investment Maturities (In Years)

	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries (1)	\$ 30,583,987	0%	9%	5%	7%
U.S. Agencies (2)	17,184,605	0%	22%	0%	0%
Corporate Bonds	74,319,832	3%	26%	28%	0%
Total Investments	\$ 122,088,424	3%	57%	33%	7%

(1) Includes Government National Mortgage Association (GNMA) investments, which are explicitly guaranteed by the U.S. Government.

(2) Investments in various agencies, which are not explicitly guaranteed by the U.S. Government.

The Board has adopted the following asset allocation among stocks, bonds, and cash to serve as a general guideline in investing the Plan's assets.

Schedule of Investment Allocation Targets - Pension Trust Fund

	Minimum	Target	Maximum
Domestic Equity	7.5%	37.5%	67.5%
Core Equity	0.0%	10.0%	20.0%
Mid Capitalization	7.5%	17.5%	27.5%
Small Capitalization	0.0%	10.0%	20.0%
International Equity	12.5%	22.5%	32.5%
Bonds (maturity greater than 1 year)	30.0%	40.0%	50.0%
Cash (maturity less than 1 year)	0.0%	0.0%	5.0%

TCERS's international equity portfolio comprises 8.9% of the total portfolio investments at fair value as of June 30, 2012. The manager of this pooled portfolio does not hedge the foreign currency risk and the Investment Policy does not require it. As of June 30, 2012, no rebalancing has been done.

B. Receivables

Receivables as of year-end for the County's individual major funds and aggregate nonmajor governmental funds, and proprietary fund, including the applicable allowances for uncollectible ad valorem taxes, as reported in the government wide Statement of Net Assets are as follows:

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2012 Receivable Schedule

	General Fund	County Highway	Sales Tax Fund	Sheriff Jail Fund	Industrial Authority Special Revenue	Industrial Authority Debt Service	Non major Governmental Funds	Proprietary Funds	Total Primary Government
Receivables:									
Interest receivable	\$ 25,373	\$ 2,031	\$ 14,412	\$ -	\$ 238	\$ 87,648	\$ 29	\$ -	\$ 129,731
Ad valorem taxes receivable	2,761,708	-	-	-	-	-	770,383	-	3,532,091
Charges for services receivable	-	-	-	-	-	-	2,900	-	2,900
Other taxes receivable	-	-	-	-	-	-	2,859	-	2,859
Sales tax receivable	-	-	14,452,805	-	-	-	-	-	14,452,805
Use tax receivable	-	-	953,702	-	-	-	-	-	953,702
Accounts receivable	181,008	55,800	-	285	-	-	43,509	-	280,602
Intergovernmental receivables	279,488	1,178,832	-	-	-	-	537,545	-	1,995,865
Gross receivable	3,247,577	1,236,663	15,420,919	285	238	87,648	1,357,225	-	21,350,555
Less: Allowance for uncollectible ad valorem taxes	139,434	-	-	-	-	-	468	-	139,902
Net receivables	\$ 3,108,143	\$ 1,236,663	\$ 15,420,919	\$ 285	\$ 238	\$ 87,648	\$ 1,356,757	\$ -	\$ 21,210,653

Please note that the use tax receivable does not agree with the intergovernmental receivable recognized by Proprietary Funds due to a December 31 fiscal year end for the Tulsa County Public Facilities Authority (Proprietary Fund) and Tulsa County having a June 30 fiscal year end.

C. Transfers

Purpose of Transfers

Transfers are mainly used to (1) move sales tax revenues from the Special Revenue Fund established to collect the sales tax revenues to the funds established by the various Authorities that will expend the funds, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due.

Transfers for the year ended June 30, 2012, consist of the following amounts:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

		TRANSFERS FROM							
-----TRANSFERS IN-----		GENERAL FUND	COUNTY HIGHWAY FUND	SALES TAX FUND	SHERIFF JAIL FUND	INDUSTRIAL AUTHORITY SPECIAL REVENUE FUND	INDUSTRIAL AUTHORITY DEBT SERVICE FUND	PUBLIC FACILITIES AUTHORITY	OTHER GOVERNMENTAL FUNDS
Primary Government:									
Governmental Activities:									
Major Funds:									
General Fund	\$ 10,140,085	\$ -	\$ 4,038,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,101,322
County Highway Fund	4,676,382	4,518,978	-	-	-	157,404	-	-	-
Sales Tax Fund	-	-	-	-	-	-	-	-	-
Tulsa County Industrial Authority	-	-	-	-	-	-	-	-	-
Special Revenue Fund	11,937,084	-	-	-	-	-	11,937,084	-	-
Debt Service Fund	2,960,656	-	-	-	-	989,053	-	1,971,603	-
Sub-total Major Funds	29,714,207	4,518,978	4,038,764	-	-	1,146,457	11,937,084	1,971,603	6,101,322
Nonmajor Governmental Funds:									
	9,410,688	7,341,525	-	-	-	-	-	-	2,069,163
Sub-total Nonmajor Funds	9,410,688	7,341,525	-	-	-	-	-	-	2,069,163
Total Governmental Activities	39,124,895	11,860,503	4,038,764	-	-	1,146,457	11,937,084	1,971,603	8,170,484
Business-Type Activities:									
Public Facilities Authority	6,369,469	-	-	6,369,469	-	-	-	-	-
Total Business-type Activities	6,369,469	-	-	6,369,469	-	-	-	-	-
Total Primary Government	\$ 45,494,364	\$ 11,860,503	\$ 4,038,764	\$ 6,369,469	\$ -	\$ 1,146,457	\$ 11,937,084	\$ 1,971,603	\$ 8,170,484
Reconciliation to the Statement of Activities:									
	Transfers-	Transfers		Net					
	In	Out		Transfers					
Governmental Funds	\$ 39,124,895	\$ (43,522,761)		\$ (4,397,866)					
Proprietary Fund	6,695,023	-		6,695,023					
Total	\$ 45,819,918	\$ (43,522,761)		\$ 2,297,157					
Proprietary fund transfer out not reported until after 12/31/11 yearend		(1,971,603)							
Total Transfers out per transfer schedule		\$ (45,494,364)							

Note: The net transfers do not balance as the Tulsa County Public Facilities Authority (Business-type Activities) adopted a December 31 fiscal year end while Tulsa County's fiscal year end remains June 30.

D. Capital Assets

Capital assets activity for the year ended June 30, 2012 was as follows:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

Schedule of Capital Assets - 2012

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 18,164,959	\$ -	\$ -	\$ 18,164,959
Construction in progress	12,773,556	7,323,928	13,599,778	6,497,706
Total non-depreciable capital assets	30,938,515	7,323,928	13,599,778	24,662,665
Depreciable capital assets:				
Buildings/building improvement	41,290,841	767,340	27,697	42,030,484
Machinery and equipment	31,719,807	2,249,028	1,167,821	32,801,014
Capitalized software	3,645,239			3,645,239
Infrastructure	104,131,802	8,975,647	457,191	112,650,258
Total capital assets being depreciated	180,787,689	11,992,015	1,652,709	191,126,995
Total capital assets	211,726,204	19,315,943	15,252,487	215,789,660
Accumulated depreciation:				
Buildings/building improvement	20,892,463	640,036	(3,692)	21,536,191
Machinery and equipment	16,659,838	2,206,665	155,916	18,710,587
Capitalized software	909,361	455,894	(190,471)	1,555,726
Infrastructure	39,883,306	3,818,382	912,735	42,788,953
Total accumulated depreciation	78,344,968	7,120,977	874,488	84,591,457
Depreciable capital assets, net	102,442,721	4,871,038	778,221	106,535,538
Governmental capital assets, net	\$ 133,381,236	\$ 12,194,966	\$ 14,377,999	\$ 131,198,203

The capital assets reported under Governmental Activities includes the Industrial Authority's Capital Assets, which are as follows:

Industrial Authority:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable capital assets:				
Land	\$ 2,360,964	\$ -	\$ -	\$ 2,360,964
Construction in progress	-	-	-	-
Total non-depreciable capital assets	\$ 2,360,964	\$ -	\$ -	\$ 2,360,964

The capital assets in the Industrial Authority represent expenditures incurred in connection with certain Vision 2025 projects for various non-profit entities. The expenditures were initially capitalized by the Industrial Authority as land and construction in progress as the facilities were being constructed. Upon completion in fiscal year 2007, the facilities were made available for use by the certain non-profit organizations under long-term capital lease arrangements which only require nominal rental payments. Under applicable accounting guidance, the accumulated construction costs have been expensed by the Industrial Authority in fiscal year 2007, and the land will remain on the books of the Industrial Authority. The total of governmental capital assets, net, as presented above as of June 30, 2012 is \$131,198,203, which includes the Industrial Authority land of \$2,360,964.

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Non-depreciable capital assets:				
Land	\$ 96,000	\$ -	\$ -	\$ 96,000
Construction in progress	103,358	1,792,162	1,895,520	-
Total non-depreciable capital assets	199,358	1,792,162	1,895,520	96,000
Depreciable capital assets:				
Building and systems	173,832,265	824,885	34,428	174,622,722
Machinery and equipment	12,719,097	1,154,588	-	13,873,685
Total capital assets being depreciated	186,551,362	1,979,473	34,428	188,496,407
Total capital assets	186,750,720	3,771,635	1,929,948	188,592,407
Accumulated depreciation:				
Buildings and systems	55,823,859	6,727,826	-	62,551,685
Machinery and equipment	8,771,536	1,164,340	-	9,935,876
Total accumulated depreciation	64,595,395	7,892,166	-	72,487,561
Depreciable capital assets, net	121,955,967	(5,912,693)	34,428	116,008,846
Business-type capital assets, net	\$ 122,155,325	\$ (4,120,531)	\$ 1,929,948	\$ 116,104,846
	Beginning Balance	Increases	Decreases	Ending Balance
Discretely presented component units:				
Capital assets non-depreciable assets:				
Land and improvements	\$ 5,293,624	\$ -	\$ -	\$ 5,293,624
CIP	1,645,066	5,308,124	-	6,953,190
Total non-depreciable	6,938,690	5,308,124	-	12,246,814
Depreciable capital assets:				
Buildings	86,898,156	27,623		86,925,779
Equipment	6,021,955	562,895		6,584,850
Infrastructure	131,148			131,148
Total depreciable capital assets	93,051,259	590,518	-	93,641,777
Total capital assets	99,989,949	5,898,642	-	105,888,591
Accumulated depreciation:				
Buildings	30,216,572	2,133,095		32,349,667
Equipment	4,086,734	400,187		4,486,921
Infrastructure	15,678	2,683		18,361
Total accumulated depreciation	34,318,984	2,535,965	-	36,854,949
Depreciable capital assets, net	58,732,275	(1,945,447)	-	56,786,828
Component units capital assets, net	\$ 65,670,965	\$ 3,362,677	\$ -	\$ 69,033,642

Depreciation expense is charged to function as follows:

Governmental Activities	Business-Type Activities	Component Units
General Government \$ 1,813,153	Public Facilities	Criminal Justice
Public Safety 275,246	Authority	Authority \$ 2,027,303
Health & Welfare 90,633		City/County
Culture & Recreation 1,290,954		Health 508,662
Education 3,236		
Roads & Highways 3,647,755		
<u>\$ 7,120,977</u>		<u>\$ 2,535,965</u>

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

The reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities reports that capital outlays capitalized exceeded depreciation expense during the current period by \$4,199,824. Depreciation expense during the current period for Governmental Activities is \$7,120,977 while capitalized capital outlays totaled \$11,320,801.

E. Judgments Payable

Under Oklahoma law, judgments granted against the County are payable over a three year period and bear annual interest at four (4) percentage points above the average United States Treasury Bill rate for the preceding year, not to exceed 10% per annum. Judgments are levied against all taxable property within the County and are accumulated and paid out of the Debt Service Fund. During the year, the County recorded \$366,667 in judgments principal and \$990 in related interest on these judgments. At June 30, 2012, the total amount of unpaid judgment principal of \$183,333 is reflected in the government wide Statement of Net Assets.

F. Compensated Absences

Employees earn annual (vacation) leave at a rate of 15 days per year for the first 5 years of service and 18 days for 6 years of service through 10 years of service and 20 days per year for 11 through 20 years of service and 25 days thereafter. The maximum limit in the amount of unused vacation that can be accumulated at one time is two times the number of hours that the employee is currently eligible to earn per year. All accrued vacation leave that has been earned, is payable to the employee upon layoff, resignation, retirement or death. Each full-time employee also earns personal (sick) leave at a rate of one day per month up to a maximum of 130 days. There is no liability for unpaid accumulated sick leave, since the County does not have a policy to pay this amount when employees separate from service. The amount of accumulated unpaid vacation benefits including the employer FICA portion is \$4,836,942 for the fiscal year ended June 30, 2012. The current liability reported for compensated absences for the fiscal year ended is \$391,730 and the remainder of \$4,445,212 is shown as a non-current liability in the government-wide Statement of Net Assets.

G. Capital Leases

Governmental Activities

The County acquires machinery and equipment, finances the acquisition of buildings, and makes improvements to golf courses through lease-purchase agreements. Oklahoma law prohibits the County from entering into contracts of this nature for longer than one year. 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 accounting principles generally accepted in the United States of America. The unpaid portion of these agreements have been reported as capitalized lease obligations both as a current and a non-current liability in the Statement of Net Assets at an amount equal to the present value of all remaining payments to maturity.

The County has the following capital leases:

In 1987, Tulsa County entered into a capital lease with Tulsa County Industrial Authority for \$4,500,000

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

at interest rates from 6.7% to 8.4%, used to fund recreational golf facilities. In 2002, the capital lease was refinanced to reduce the interest rates to 1.5% to 4.7% and fund an additional \$1,841,612 of recreational golf facilities projects. The 2002 capital lease was refinanced in 2010 to reduce the interest rates to 2% to 3.55%. The County makes monthly payments on the 2010 lease and it will mature in 2025.

In 2006, the County entered into a capital lease with Welch State Bank for \$875,980 used to purchase 14 dump trucks at 4.96% interest. The lease paid off in 2012 with monthly payments made by the County.

In 2010, the County entered into a capital lease with Welch State Bank for \$104,200 used to purchase a wheel loader at 3.55% interest rate. The lease matures in 2013. Monthly payments of \$3,056 are made by the County.

In 2011, the County entered into a capital lease with the Oklahoma Department of Transportation for \$122,139 used to purchase a compact truck loader at 0% interest rate. The lease matures in 2018. Monthly payments of \$1,454 are made by the County.

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, 2012 are as follows:

Year Ending June 30	Principal	Interest	Totals
2013	\$ 412,513	\$ 147,870	\$ 560,383
2014	387,448	140,028	527,476
2015	397,448	132,528	529,976
2016	402,448	123,915	526,363
2017	412,448	114,165	526,613
2018-2022	2,152,448	408,526	2,560,975
2023-2025	1,445,000	76,888	1,521,888
Total	<u>\$ 5,609,756</u>	<u>\$ 1,143,918</u>	<u>\$ 6,753,674</u>

Change in all types of capital leases as reflected in the statement of net assets are as follows:

	Balance 7/1/2011	Additions	Deletions	Balance 6/30/12	Due Within One Year
Golf courses	\$ 5,830,000		\$ 355,000	\$ 5,475,000	\$ 365,000
Equipment	343,604		208,848	134,756	47,513
	<u>\$ 6,173,604</u>	<u>\$ -</u>	<u>\$ 563,848</u>	<u>\$ 5,609,756</u>	<u>\$ 412,513</u>

The following is a listing of capital assets purchased with the above noted capital leases:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

	Cost	Accumulated Depreciation	Book Value
Land	\$ 5,213,963	\$ -	\$ 5,213,963
Buildings	1,508,613	544,681	963,932
Machinery & Equipment	1,238,424	308,607	929,817
Infrastructure	25,000	20,000	5,000
Total	<u>\$ 7,986,000</u>	<u>\$ 873,288</u>	<u>\$ 7,112,712</u>

Component Unit: Tulsa City/County Health Department

On February 25, 2010, TCIA issued \$11,350,000 of Health Facilities Revenue bonds. Repayment of these bonds is secured by a capital lease with the Department. The bonds were issued at a discount that is amortized over the term of the lease. The amount of the discount is \$112,875 at June 30, 2012. The amortization of these costs is included as a component of interest expense and was approximately \$9,500 during the year ended June 30, 2012. A portion of the bond proceeds was retained in trust and is used to retire interest and principal of the capital lease. At June 30, 2012, \$342,606 was held for future debt payments. Under the terms of the lease, quarterly payments are made to the bond trustee for retirement of the applicable bonds and the related interest. The lease matures in January 2040, bears interest from 1 to 4.7 percent and is secured by certain property.

The Department leases certain land, buildings, improvement, and equipment under an agreement classified as a capital lease. The cost of these assets represents approximately \$8,112,000 and accumulated amortization at June 30, 2012 was approximately \$2,417,000. Capital leases are capitalized using interest rates appropriate at the inception of the lease. Amortization of these assets is included in depreciation expense.

Minimum lease commitments under the capital lease are as follows:

Year Ended June 30:	Principal	Interest	Total
2013	\$ 235,000	\$ 448,448	\$ 683,448
2014	240,000	444,285	684,285
2015	245,000	439,006	684,006
2016	245,000	432,881	677,881
2017	255,000	426,001	681,001
2018-2022	1,400,000	1,996,348	3,396,348
2023-2027	980,000	1,644,929	2,624,929
2028-2032	1,915,000	1,278,260	3,193,260
2033-2037	2,385,000	738,558	3,123,558
2038-2039	2,990,000	217,508	3,207,508
	<u>\$ 10,890,000</u>	<u>\$ 8,066,224</u>	<u>\$ 18,956,224</u>

The Department leases certain copy machines under an agreement classified as a capital lease. The costs of these assets represent approximately \$185,000. Capital leases are capitalized using interest rates appropriate at the inception of the lease. Amortization of these assets is included in depreciation expense.

Tulsa County, Oklahoma
Notes to the Financial Statements
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The future maturities of copier leases are as follows: \$21,861 in 2013 and \$3,081 in 2014.

Changes in all types of debt and compensated absences as reflected in the statement of net assets are as follows:

	Balance 07/01/2011	Additions	Deletions	Balance 06/30/2012	Due Within One Year
Capital lease-Building	\$ 11,120,000	\$ -	\$ 230,000	\$ 10,890,000	\$ 235,000
Capital lease-Copiers	70,554	-	45,612	24,942	21,861
Compensated absences	972,678	-	32,105	940,573	67,764
	<u>\$ 12,163,232</u>	<u>\$ -</u>	<u>\$ 307,717</u>	<u>\$ 11,855,515</u>	<u>\$ 324,625</u>

H. Operating Leases

Tulsa County leases office facilities under operating leases. Oklahoma law prohibits the County from obligating funds for periods exceeding one year. Tulsa County's obligation is contingent upon the BOCC appropriating funds each fiscal year sufficient to pay any required lease payments due and payable for that fiscal year. Total costs for such leases were \$441,004 for the year ended June 30, 2012. The future minimum lease payments under these operating leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2013	\$ 441,035
2014	368,607
2015	288,411
2016	151,472
Thereafter	<u>9,678</u>
Total	<u>\$ 1,259,203</u>

I. General Long-term Bonded Debt

Governmental Activities

The General Fund and the Debt Service Funds (Tulsa County and Tulsa County Industrial Authority) are used to liquidate liabilities such as revenue bonds payable, capital leases, judgments, and compensated absences. During the conversion to the full accrual basis of accounting, the result of adding the current and non-current portion of revenue bonds payable to the positive amount of restricted fund balance on the Tulsa County Industrial Authority's Balance Sheet-Governmental Funds results in a negative balance in unrestricted net assets on the Tulsa County Industrial Authority's Statement of Net Assets. Debt service of the revenue bonds is to be repaid from future sales tax collections and is a different revenue stream from the proceeds of bonds which finances the "4 to Fix the County" and Vision 2025 projects. The purpose for "4 to Fix the County" funding primarily related to Tulsa County facility improvements, road expansion, park, and Expo square capital improvements. The purpose of Vision 2025 funding was for capital improvements for: American Airlines, education, health care, events facilities, and community

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

enrichment within Tulsa County, which will promote economic development for and provide additional jobs and payroll within Tulsa County.

Changes in all types of debt as reflected in the Statement of Net Assets are as follows:

2012 Change in Long-Term Bonded Debt

	Balance 7/1/11	Additions	Deletions	Balance 6/30/12	Due within One Year
Revenue bonds payable-2003	\$ 127,150,000	\$ -	\$ -	\$ 127,150,000	\$ -
Revenue bonds payable-2005	79,715,000	-	31,340,000	48,375,000	32,485,000
Revenue bonds payable-2005	35,325,000	-	5,000,000	30,325,000	5,600,000
Revenue bonds payable-2006	12,910,000	-	12,910,000	-	-
Revenue bonds payable-2006	27,050,000	-	2,425,000	24,625,000	2,650,000
Premium on debt issuance	10,353,278	-	2,699,782	7,653,496	-
Subtotal	292,503,278	-	54,374,782	238,128,496	40,735,000
Capital lease payable	6,173,604		563,848	5,609,756	412,513
Judgments payable	550,000		366,667	183,333	183,333
Compensated absences	4,418,535	4,378,126	3,959,719	4,836,942	391,730
Total	<u>\$ 303,645,417</u>	<u>\$ 4,378,126</u>	<u>\$ 59,265,016</u>	<u>\$ 248,758,527</u>	<u>\$ 41,722,576</u>

The total of general long-term debt as presented above as of June 30, 2012 is \$248,758,527, which provides the individual components of the amount reported for long-term liabilities (\$238,128,496 for the revenue bond issues and \$10,630,031 for the remaining long-term liabilities) used in governmental activities that is presented on the government wide Statement of Net Assets. The purpose for which the general long-term bonded debt is issued is to finance the capital projects of the Tulsa County Industrial Authority, which entrust the capital projects to Tulsa County and other beneficiaries.

During 2003 the Authority issued the \$242,150,000 Capital Improvement Revenue Bonds. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in September 2003. The proceeds from the bond will be used to fund:

- Capital improvements for American Airlines which will promote economic development for and provide additional jobs and payroll for the County;
- Education, health care and event facilities which will promote economic development for and provide additional jobs and payroll within the County; and
- Capital improvements for community enrichment within the County.

Tulsa County began collecting those taxes in January 2004 and will continue collection for the next thirteen years. Interest on the Series 2003A bonds changed on August 17, 2009, based on a new supplemental bond indenture modifying the variable rate related to the Series 2003A bonds to a fixed interest rate. Separate portions of the bond principal now retain specific fixed rates. These rates are between 3.25 and 5 percent. The Series 2003B bonds are at rates of 5 percent and paid in semi-annual intervals along with the principal coupons on May 15, 2005 and ending May 15, 2017. The amount outstanding at June 30, 2012 was \$127,150,000.

Debt requirements for the years ending June 30 are as follows:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

Year	Principal	Interest	Total
2013	\$ -	\$ 5,513,350	\$ 5,513,350
2014	33,715,000	5,513,350	39,228,350
2015	35,020,000	3,927,600	38,947,600
2016	36,415,000	2,276,600	38,691,600
2017	22,000,000	720,000	22,720,000
	<u>\$ 127,150,000</u>	<u>\$ 17,950,900</u>	<u>\$ 145,100,900</u>

During 2005 the Authority issued the \$150,000,000 Capital Improvement Revenue Bonds. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in September 2003. The proceeds from the bond will be used to fund Phase II of the following projects:

- Capital improvements for American Airlines which will promote economic development for and provide additional jobs and payroll for the County;
- Education, health care and event facilities which will promote economic development for and provide additional jobs and payroll within the County; and
- Capital improvements for community enrichment within the County.

Tulsa County began collecting those taxes in January 2004 and will continue collection for the next thirteen years. Interest on the Series 2005A bonds changed on August 17, 2009, based on a new supplemental bond indenture modifying the variable rate related to the Series 2005A bonds to a fixed interest rate. Separate portions of the bond principal now retain specific fixed rates. These rates are between 3.25 and 4 percent. The Series 2005B bonds are at a fixed rate of 5 percent and paid in semi-annual intervals along with the principal coupons beginning on May 15, 2006 and ending May 15, 2013. A final principal payment of \$15,890,000 is due on May 17, 2017 for the Series 2005A bonds. The amount outstanding at June 30, 2012 was \$48,375,000.

Debt requirements for the years ending June 30 are as follows:

Year	Principal	Interest	Total
2013	\$ 32,485,000	\$ 2,159,425	\$ 34,644,425
2014	-	535,175	535,175
2015	-	535,175	535,175
2016	-	535,175	535,175
2017	15,890,000	535,175	16,425,175
	<u>\$ 48,375,000</u>	<u>\$ 4,300,125</u>	<u>\$ 52,675,125</u>

During 2006 the Authority issued the \$60,000,000 Capital Improvement Revenue Bonds. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in September 2003. The proceeds from the bond will be used to fund Phase III of the following projects:

- Capital improvements for American Airlines which will promote economic development for and provide additional jobs and payroll within the County;

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

- Education, health care and event facilities which will promote economic development for and provide additional jobs and payroll within the County; and
- Capital improvements for community enrichment within the County.

Tulsa County began collecting those taxes in January 2004 and will continue collection for the next thirteen years. Interest on the bonds for the Series 2005C bonds will be 5 percent paid in semi-annual intervals, along with the principal coupons beginning on May 15, 2007 and ending May 15, 2017. The amount outstanding at June 30, 2012 was \$30,325,000.

Debt requirements for the years ending June 30 are as follows:

Year	Principal	Interest	Total
2013	\$ 5,600,000	\$ 1,516,250	\$ 7,116,250
2014	5,850,000	1,236,250	7,086,250
2015	6,100,000	943,750	7,043,750
2016	6,275,000	638,750	6,913,750
2017	6,500,000	325,000	6,825,000
	<u>\$ 30,325,000</u>	<u>\$ 4,660,000</u>	<u>\$ 34,985,000</u>

During 2006 the Authority issued the \$12,910,000 Capital Improvement Revenue Bonds. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in December 2005. The proceeds from the bond will be used to fund the following projects:

- Juvenile justice center and courthouse complex renovations, improvements, furnishings and equipment;
- Capital improvements at each of the Tulsa County Parks;
- Phase three of Expo Square's Master Plan, and;
- Improving selected County roads.

Tulsa County began collecting those taxes in October 2006 and ceased collection in November 2011. Interest on the bonds for the Series 2006A bonds will be 3.5 and 5 percent paid in semi-annual intervals beginning on January 1, 2007 and ending January 1, 2012. As of June 30, 2012, the debt has been paid in full.

During 2007 the Authority issued the \$31,650,000 Capital Improvement Revenue Bonds. Funds to pay the revenue bonds will come from the sales tax that was approved by voters in September 2003. The proceeds from the bond will be used to fund:

- Capital improvements for American Airlines which will promote economic development for and provide additional jobs and payroll within the County;
- Education, health care and event facilities which will promote economic development for and provide additional jobs and payroll within the County; and
- Capital improvements for community enrichment within the County.

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Tulsa County began collecting those taxes in January 2004 and will continue collection for the next thirteen years. Interest on the Series 2006B bonds will be 4.25 and 5 percent paid on semi-annual intervals beginning on November 15, 2006 and ending May 15, 2017. Interest on the Series 2006C Bonds will be 3.94 and 3.99 percent paid on semi-annual intervals beginning November 15, 2006 and ending May 15, 2015. The amount outstanding at June 30, 2012 was \$24,625,000. Debt requirements for the years ended June 30 are as follows:

Year	Principal	Interest	Total
2013	\$ 2,650,000	\$ 1,127,750	\$ 3,777,750
2014	7,690,000	995,250	8,685,250
2015	7,860,000	663,750	8,523,750
2016	3,100,000	321,250	3,421,250
2017	3,325,000	166,250	3,491,250
	<u>\$ 24,625,000</u>	<u>\$ 3,274,250</u>	<u>\$ 27,899,250</u>

Conduit Debt Obligations

The Tulsa County Industrial Authority has issued industrial revenue bonds and other debt instruments that provide financial assistance to private sector and other governmental entities for the acquisition and construction of industrial and commercial facilities that is deemed to be in the public interest. The bonds and notes (conduit debt obligations) are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The Authority, the County, the State, nor any other political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds and notes are not reported as liabilities in the accompanying financial statements. The total amount of conduit debt obligations outstanding as of June 30, 2012 was \$627,827,399.

Tulsa County Home Finance Authority has conduit debt obligations that are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. The bonds issued by the Authority are conduit debt and are not the legal obligation of the Authority, County, State nor any political subdivision and are payable solely from the pledged revenues. Accordingly, the Authority has elected to exclude the conduit debt as a liability and the related assets from their statement of net assets. The total amount of conduit debt obligations outstanding as of December 31, 2011 was \$41,862,996.

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Notes to the Financial Statements
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Pledge of Sales Tax Revenue

The Tulsa County Industrial Authority has pledged 2/12 of one cent sales tax revenue received from the County to repay \$12,910,000 of Series 2006A and \$47,090,000 of Series 2006D Capital Improvement Revenue Bonds. Proceeds from the bonds provided financing for 4 to Fix Projects related to the juvenile justice center and courthouse complex, Tulsa County parks improvements, Expo Square Master plan - Phase III, and Tulsa County road improvements. The bonds are payable from these sales tax revenues and are payable through 2012 and 2011 respectively. There is no remaining principal and interest payable on these bonds. Total pledged sales taxes received from the County in the current fiscal year were \$6,611,859. Debt service payments for the current fiscal year of \$13,345,875 were 202% of the pledged sales taxes. The Series 2006D bond was paid in full during fiscal year 2011 and the Series 2006A debt was paid in full in fiscal year 2012. The collections of pledged sales taxes ended November 2011.

The Authority has also pledged 6/10 of one cent sales tax revenue received from the County to repay \$242,150,000 of Series 2003A & B; \$150,000,000 of Series 2005A & B; \$60,000,000 of Series 2005C; and \$31,650,000 of Series 2006B & C Capital Improvement Revenue Bonds. Proceeds from the bonds provided financing for Vision 2025 Projects related to 1) American Airlines capital improvements; 2) education, health care and events facilities; and 3) community enrichment capital improvements. The bonds are payable from these sales tax revenues and are payable through 2017. The total principal and interest payable for the remainder of the life of these bonds is \$260,660,275. Total pledged sales taxes received from the County in the current fiscal year were \$55,626,806. Debt service payments for the current fiscal year of \$51,007,900 were 91.7% of the pledged sales taxes. The collections of pledged sales taxes end February 2017.

Business-Type Activities

Revenue bonds outstanding consist of unmatured debt issued by the Tulsa County Public Facilities Authority (TCPFA). TCPFA has been included as an Enterprise Fund within the basic financial statements for financial reporting purposes. The debt of TCPFA does not constitute debt of the County and is solely payable from resources of TCPFA. Primarily the revenues derived from Expo Square fairs and exhibits collateralize revenue bonds.

Long-term Liabilities

Long-term liability activity for the year ended December 31, 2011, was as follows:

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	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
Series 2003 revenue bonds	\$ 2,450,000	\$ -	\$ 650,000	\$ 1,800,000	\$ 800,000
Series 2005 revenue bonds	21,770,746	-	1,223,592	20,547,154	1,303,705
Series 2007 revenue bonds	10,720,000	-	10,720,000	-	-
Series 2011 revenue bonds	-	9,273,355	-	9,273,355	734,432
Total bonds payable	\$ 34,940,746	\$ 9,273,355	\$ 12,593,592	\$ 31,620,509	\$ 2,838,137

Bonds Payable

As of December 1, 2003, the Authority issued \$5,800,000 of its Recreational Facility Refunding Revenue Bonds, Series 2003 ("2003 Series Revenue Bonds") (average interest rate of 2.8%) principally to refund \$4,990,000 of outstanding 1992 Series revenue bonds (average interest rate of 6.2%). Of the net proceeds of \$5,522,002 (after underwriting fees and other issuance costs of \$210,300 and interest to call date on original issue of \$67,698), \$5,064,850 was used to refund the outstanding 1992 Series revenue bonds, including premium of \$74,850, and \$457,152 was used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to finance certain additions and improvements. As a result, the 1992 Series revenue bonds were defeased, and the Authority has no liability on the 1992 bonds.

Interest on the 2003 Series revenue bonds is due semiannually. The 2003 Series revenue bonds outstanding at December 31, 2011, mature or have mandatory redemption, in the amounts and bear interest at the rates indicated below:

Date of Maturity or Redemptions	Principal	Interest	Annual Interest Rate
May 1, 2012	\$ -	\$ 29,100	3.00%
November 1, 2012	800,000	29,100	3.15%
May 1, 2013	-	16,500	3.15%
November 1, 2013	1,000,000	16,500	3.30%
	<u>\$ 1,800,000</u>	<u>\$ 91,200</u>	

The 2003 Series revenue bonds are subject to redemption, at the option of the Authority, in whole at any time, at a redemption price equal to the principal amount thereof plus accrued interest in the event of extraordinary events as stated in the bond indenture. All rights, title and interest of the Authority in leaseholds, property and equipment, accounts, intangibles and related revenues, are pledged under the bond indenture.

The Authority is required under the 2003 Series bond indenture to maintain a series of funds for various purposes including unexpended construction funds, interest payments, principal repayments, bond reserve funds, renewals and replacements and contingencies.

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As of October 1, 2005, the Authority issued \$27,805,000 of its Capital Improvement and Refunding Revenue Bonds, Series 2005 (the "2005 Series revenue bonds") (average interest rate of 4.3%) principally to refund \$22,228,368 of outstanding 1999 Series Revenue Bonds (average interest rate of 6.5%). The bond payable includes a bond issuance premium of \$294,200, net of amortization of \$255,353, as of December 31, 2010. The premium is being amortized utilizing the effective interest rate method. Of the net proceeds of \$27,229,003 (after underwriting fees and other issuance costs of \$1,125,550 and a premium on the bond issuance of \$549,553), \$22,228,368 was used to refund the outstanding 1999 Series Revenue Bonds, and \$5,000,635 was deposited into an irrevocable trust with an escrow agent to finance certain additions and improvements. As a result, the 1999 Series Revenue Bonds were defeased, and the Authority has no further liability on the 1999 bonds. The difference between the reacquisition price (funds required to refund the 1999 Series Revenue Bonds) and the net carrying amount of the 1999 Series Revenue Bonds is shown as a reduction of \$2,049,217 in bonds payable. This reduction is being amortized to interest expense utilizing the effective interest method. Of this amount, \$147,116 was amortized during the year ended December 31, 2011.

Interest on the 2005 Series revenue bonds is due semiannually. The 2005 Series revenue bonds outstanding at December 31, 2011 mature or have mandatory redemption, in the amounts and bear interest at the rates indicated below (excluding bond premium amortization):

Date of Maturity or Redemptions	Principal	Interest	Annual Interest Rate
May 1, 2012	\$ -	\$ 495,734	5.000%
November 1, 2012	1,400,000	495,734	5.000%
May 1, 2013	-	460,734	5.000%
November 1, 2013	1,480,000	460,734	5.000%
May 1, 2014	-	423,734	4.000%
November 1, 2014	1,605,000	423,734	4.000%
May 1, 2015	-	391,634	5.000%
November 1, 2015	1,705,000	391,634	5.000%
May 1, 2016	-	349,009	4.125%
November 1, 2016	1,810,000	349,009	4.125%
May 1, 2017	-	311,678	4.250%
November 1, 2017	1,890,000	311,678	4.250%
May 1, 2018	-	271,516	4.375%
November 1, 2018	2,040,000	271,516	4.375%
May 1, 2019	-	226,891	4.375%
November 1, 2019	2,155,000	226,891	4.375%
May 1, 2020	-	179,150	5.000%
November 1, 2020	2,250,000	179,150	5.000%
May 1, 2021	-	123,500	5.000%
November 1, 2021	2,410,000	123,500	5.000%
May 1, 2022	-	63,250	5.000%
November 1, 2022	2,530,000	63,250	5.000%
	<u>\$ 21,275,000</u>	<u>\$ 6,593,660</u>	

The 2005 Series revenue bonds maturing after November 1, 2016, are subject to redemption at the option

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of the Authority on or after November 1, 2015, in the whole or in part, in the inverse order of maturity at par, with accrued interest.

As of July 1, 2007, the Authority issued \$15,295,000 of its Capital Improvement Revenue Bonds, Series 2007 (2007 Series revenue bonds) (average interest rate of 4.2%). Net proceeds of \$14,688,844 (after underwriting fees and other issuance costs of \$606,156) were deposited in an irrevocable trust with an escrow agent to finance certain additions and improvements. These Bonds were defeased during 2011 with the issuance of the 2011 Capital Improvement and Refunding Revenue Bonds, Series 2011.

As of December 21, 2011 the Authority issued \$9,860,000 of its Capital Improvement and Refunding Revenue Bonds, Series 2011 (2011 Series revenue bonds) (average interest rate of 1.2 percent) principally to refund \$9,063,023 of outstanding 2007 Series revenue bonds (average interest rate of 4.0 %). Of the net proceeds of \$9,617,668 (after underwriting fees and other issuance costs of \$242,332), \$9,031,023 was used to refund the outstanding 2007 Series revenue bonds, and \$586,645 was deposited in an irrevocable trust with an escrow agent to finance certain additions and improvements. As a result, the 2007 Series revenue bonds were defeased, and the authority has no further liability on the 2007 bonds. The difference between the reacquisition price (funds required to refund the 2007 Series revenue bonds) and the net carrying amount of the 2007 Series revenue bonds is shown as a reduction of \$586,645 in bonds payable. This reduction is being amortized to interest expense utilizing the effective interest method.

Interest on the 2011 Series revenue bonds is due semi-annually. The 2011 Series revenue bonds outstanding at December 31, 2011, mature or have mandatory redemption, in the amounts and bear interest at the rates indicated below (excluding bond premium amortization):

Date of Maturity or Redemptions	Principal	Interest	Annual Interest Rate
May 1, 2012	\$ -	\$ 42,638	1.00%
November 1, 2012	835,000	61,894	1.00%
May 1, 2013	-	57,719	1.00%
November 1, 2013	1,045,000	57,719	1.00%
May 1, 2014	-	52,494	1.00%
November 1, 2014	1,945,000	52,494	1.00%
May 1, 2015	-	42,769	1.25%
November 1, 2015	1,995,000	42,769	1.25%
May 1, 2016	-	30,300	1.40%
November 1, 2016	2,020,000	30,300	1.40%
May 1, 2017	-	16,160	1.60%
November 1, 2017	2,020,000	16,160	1.60%
	<u>\$ 9,860,000</u>	<u>\$ 503,416</u>	

The 2011 Series revenue bonds are subject to redemption, at the option of the Authority, in whole at any time, at a redemption price equal to the principal amount thereof plus accrued interest in the event of

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extraordinary events as stated in the bond indenture.

The 2003, 2005, and 2011 Series bond indentures also provide that the Authority shall establish and collect such rates, fees and charges so as to render annual gross revenues (net of operating expenses), equal to at least 1.10 times the average annual principal of and interest on all bonds.

The Authority's 2003, 2005, and 2011 Series revenue bonds are equally secured. Under the Indentures, the Authority grants a first lien on and pledge of and a first security interest in the Gross Revenues derived from the ownership, existence and/or operation of the Tulsa State Fairgrounds and the Authority grants a first mortgage lien on its interest in the racing facilities.

J. Employees' Retirement System

As provided by Title 19, §951 through §965 of the Oklahoma Statutes, Tulsa County maintains a single-employer, defined benefit contributory pension plan designated the *Tulsa County Employees' Retirement System* ("TCERS"), which covers participants with retirement, death and disability benefits. A nine-member Board of Trustees administers the System. Of the nine members, the Chairman of the Board of County Commissioners, the County Treasurer and the County Clerk serve as ex-officio members. The Board of County Commissioners (BOCC) appoints two members. The members appointed by the BOCC shall have demonstrated professional experience in investment or funds management, public funds management, public or private pension fund management or retirement system management; or have demonstrated experience in the banking profession and have demonstrated professional experience in investment or fund management; or be licensed to practice law in the state of Oklahoma; or be licensed by the State Board of Public Accountancy to practice in Oklahoma as a public accountant or certified public accountant. Three members shall be elected by the employees of Tulsa County. One retired member of the system shall be elected by the employees, retirees, and the beneficiaries (surviving spouses) of the system. The Board of Trustees meets the last Tuesday of each month to conduct business, except in December they meet the third Tuesday of the month. Agendas are posted in properly designated areas.

Plan Description and Provisions

Membership in the TCERS is **mandatory** for all eligible employees. An employee becomes eligible on the first day of employment as a regular, full time employee. Oklahoma Statutes include elected and appointed salaried County officials as employees for retirement system purposes. Seasonal, temporary, hourly, part-time or contracted workers are not considered to be eligible employees.

As of June 30, 2012 and 2011, the TCERS participants are as follows:

	2012	2011
Retirees and beneficiaries receiving benefits	920	875
Terminated employees entitled to benefits not yet received	419	391
Current active employees:		
Fully vested	1,132	1,091
Nonvested	630	702
Total participants	<u>3,101</u>	<u>3,059</u>

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For the year ended June 30, 2012, the County's total payroll for all employees amounted to \$67,099,126. Of the 1,762 current active employees, 1,132 are fully vested and 630 are nonvested.

Normal Retirement Benefits - Service credit for employment prior to July 1, 1965 is granted only to employees who were contributing to TCERS on March 6, 1974. The employee becomes eligible to receive benefits at age 62 with 5 years of service or he/she attains the Rule of 80. This rule applies if the employee's age and years of service together equal at least 80 points.

The monthly annuity payable to the employee is based on a percentage to be applied to the average compensation of the highest paid thirty-six (36) months of employment. The three highest years need not be contiguous, but each year must consist of twelve continuous months. Benefits are calculated on the average base payroll earnings and do not include overtime, allowances, etcetera. The benefit percentages for years of credited service are as follows:

Years of Credited Service	Percentage of Benefit	
	If Vested as of June 30, 2010	If Vested <u>after</u> June 30, 2010
5	12.5%	10.0%
6	15.0%	12.0%
7	17.5%	14.0%
8	20.0%	16.0%
9	22.5%	18.0%
10	25.0%	20.0%
11	28.0%	22.0%
12	31.0%	24.0%
13	34.0%	26.0%
14	37.0%	28.0%
15	40.0%	30.0%
16	42.0%	34.0%
17	44.0%	38.0%
18	46.0%	42.0%
19	48.0%	46.0%
20	50.0%	50.0%

Beyond 20 years, there will be a 1.5% increase in the percentage rate for each year of credited service, to a maximum of 100%.

Disability Benefits

Disability benefits are available to participants who have become permanently disabled as a direct result of County employment. The employee must have the required eight years participation in the retirement system to receive benefits. Medical proof of disability, as well as a written statement of condition and cause from the employee's supervisor must accompany applications for disability. The retirement system's Board of Trustees may require additional medical proof and makes the final determination of eligibility. There are no age requirements.

The percentage and base salary used to calculate benefits for employees who qualify for disability retirement is the same as that used in calculating "regular" retirement benefits except that the maximum percentage that may be applied is 40% (for a disability retiree having 15 or more credited years of service) if vested as of June 30, 2010. Anyone vested after June 30, 2010 or hired after June 30, 2010 the maximum

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percentage is 40% (for a disability retiree having 18 years or more credited years of service).

A review of all disability retirees is conducted by the TCERS Board of Trustees each August, at which time disability retirees must submit medical proof that they remain disabled. This requirement for the annual disability review ends when the retiree reaches age 62.

Death Benefits – As of November 1, 2000, a surviving spouse is eligible to receive 70% of the retirement benefit of a vested, deceased employee who was retired, or who had reached the Rule of 80. If the vested employee had not reached the age of 62 or attained the Rule of 80, the surviving spouse can either start receiving full retirement benefits when their spouse would have reached the age of 62 or attained the Rule of 80, or start receiving retirement benefits at a reduced percentage calculated by an actuarial formula when their spouse would have reached the age of 55.

As of July 1, 2010, a surviving spouse of a member who was not vested as of June 30, 2010 or was hired after June 30, 2010 is eligible to receive 67% of the retirement benefit to which the employee/retiree was entitled.

Reduced Benefits – There is a reduced benefit available to employees who have attained age 55 with at least five years of credited service (the last two years must be consecutive), at an actuarially reduced percentage from the normal rate at age 62.

Contributions - In accordance with Title 19 OSA 954 of the Oklahoma Statutes, contribution rates as set by the Board are applied to all full-time base salaries and wages and the resulting contributions are credited to the pension fund on a monthly basis. Effective July 1, 2007, the Board of County Commissioners and the Board of Trustees approved a resolution changing the employer contribution rate to 12%, while employees contribute \$1 per year. Effective July 1, 2010, the Board of County Commissioners and the Board of Trustees approved a resolution changing the employer contribution rate to 14%, and the employee contribution rate to 0.05% of the base salary.

Beginning July 1, 2007, the total employer and employee contributions shall not exceed sixteen and one-half percent (16.5%) of the monthly compensation of each member. The appropriation for the fiscal year ending June 30, 2008 can be raised to thirteen and one-half percent (13.5%), for the fiscal year ending June 30, 2009 can be raised to fourteen and one-half percent (14.5%), for the fiscal year ending June 30, 2010 can be raised to fifteen and one-half percent (15.5%), and for the fiscal year ending June 30, 2011 and each year thereafter, can be raised to sixteen and one-half percent (16.5%), as permitted by Title 19 O.S. 2007, Section 954, as amended.

Actuarial Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. During June 2004, the amortization period for actuarial gains and losses was changed from fifteen years and benefit enhancements was changed from twenty years; both actuarial gains and losses and benefit enhancements are now amortized on a closed basis over thirty years. Additional information as of the valuation for the fiscal year ended June 30, 2012 follows:

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Contribution Rates

Employer	14.00%
Plan Members	0.05%
Annual Pension Cost	\$9,992,651
Annual Required Contribution	\$9,939,470
Contributions made (employer)	\$9,594,837
Contributions made (employee)	\$34,073
Valuation Date	7/01/11

Actuarial cost method	Entry age
Amortization method	30 years closed as a level percentage of projected payrolls for actuarial gains/losses and for benefit improvements
Remaining amortization period	21 years for actuarial gains/losses and benefit improvements
Asset valuation method	Fair value
Investment rate of return	7.75% per annum
Projected salary increase	3% to 5% (varies by attained age)
Includes inflation at	3%
Cost-of-living adjustments	None (plan does not provide for automatic cost-of-living increases)

Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of Tulsa County Employees' Retirement System are prepared using the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America. Member and employer contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when incurred regardless of when payment is made. Contributions from members are recognized when the employer makes payroll deductions from plan members. Employer contributions are recognized when due and the employer has made a formal commitment to provide the benefits. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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Method Used to Value Investments

Investments are reported at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Approximately 22% of the net assets held in trust for pension benefits at June 30, 2012 were invested in U.S. Government and Agency obligations. TCERS has no investments of any commercial or industrial organization whose fair value equals 5% or more of TCERS's net assets available for benefits.

Basis of Presentation

The financial statements of the TCERS are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", GASB Statement No. 40, "Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3", GASB Statement No. 44 "Economic Condition Reporting: The Statistical Section", GASB Statement No. 50 "Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27", GASB Statement No. 51 "Accounting and Financial Reporting for Intangible Assets" and GASB Statement No. 53 "Accounting and Financial Reporting for Derivative Instruments", GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*", and GASB Statement No. 59, "*Financial Instruments Omnibus*". Prior to adoption of these standards, the financial statements were prepared under the criteria of Statement No. 6 of the National Council on Governmental Accounting (NCGA) and any additional disclosures as required by the GASB (including GASB Statement No. 5, "Disclosure of Pension Information by Public Employee Retirement Systems and State and Local Government Employers"). GASB Statement No. 25 establishes financial reporting standards for defined benefit plans and standards for the notes to the financial statements of defined contribution plans. GASB Statement No. 27 establishes standards of accounting and financial reporting for pension expenditures/expenses and related pension liabilities, pension assets, note disclosures, and required supplementary information in the financial reports of state and local government employers. GASB Statement No. 31 establishes accounting and financial reporting standards for all investments held by governmental external investment pools. GASB Statement No. 40 establishes and/or modifies risk disclosure requirements relating to deposits and investments. GASB Statement No. 44 amends the portions of NCGA Statement No.1, *Governmental Accounting and Financial Reporting Principles* that guide the preparation of the statistical section. GASB Statement No. 50 amends statements 25 and 27 to require defined benefit pension plans to modify certain disclosures in either RSI or the notes. GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. GASB Statement No. 53 establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. GASB Statement No. 59 updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools.

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TCERS is considered a Pension Trust Fund (Fiduciary Fund) in Tulsa County's Financial Report and is a blended component unit of Tulsa County. Copies of Tulsa County Employees' Retirement System's Comprehensive Annual Financial Report are available from the County Clerk's office.

Funding Status and Progress

Presented in the required supplementary information are the Schedules of Funding Progress, Schedule of Employer Contributions and Notes to the Required Supplementary Information of the Tulsa County Employees' Retirement System. The supplementary information has been presented for the past ten years according to GASB Statement Numbers 25 and 27. The total amount that the annual pension cost exceeds the employer contributions is \$397,814 for the year ended June 30, 2012. That caused the net pension obligation to increase to \$5,400,683 at June 30, 2012. The net pension obligation is reported as a long-term liability in the government-wide statement of net assets. There are no assets legally reserved for purposes other than payment of plan member benefits of the System. There are no long-term contracts for contributions. The funded status of the plan as of June 30, 2012, 2011 and 2010, the most recent actuarial valuation dates, is as follows:

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll*	(6) UAAL as a % of Covered Payroll (3)/(5)
6-30-10	\$ 190,225,597	\$ 257,852,722	\$ 67,627,125	73.77%	\$ 68,385,214	98.89%
6-30-11	221,965,809	269,204,062	47,238,253	82.45%	68,009,247	69.46%
6-30-12	220,054,747	275,715,158	55,660,411	79.81%	67,099,126	82.95%

* The amount reflected in the annual covered payroll as of June 30, 2012 includes Tulsa County regular payroll, City/County Health Department, the Public Facilities Authority, the Drainage District, the Law Library and the Court Fund.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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June 30, 2012

Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Required Contribution (ARC)	Percentage of ARC Contributed
6-30-02	\$ 4,789,172	68.18%	\$ (4,762,050)	\$ 4,612,058	70.80%
6-30-03	6,189,965	67.64%	(2,758,788)	6,055,792	69.14%
6-30-04	5,734,273	87.76%	(2,056,836)	5,791,898	86.89%
6-30-05	5,524,312	92.11%	(1,621,160)	5,569,772	91.36%
6-30-06	5,994,450	95.70%	(1,363,408)	6,028,429	95.16%
6-30-07	6,541,673	95.47%	(1,066,998)	6,568,566	95.08%
6-30-08	6,511,329	123.03%	(2,566,457)	6,530,947	122.66%
6-30-09	9,868,200	84.95%	(1,081,505)	9,908,991	84.60%
6-30-10	12,676,665	67.21%	3,075,485	12,692,124	67.14%
6-30-11	11,618,824	83.41%	5,002,869	11,580,239	83.99%
6-30-12	9,992,651	96.02%	5,400,683	9,939,470	96.88%

Annual Pension Cost under GASB No.27

1. Net Pension Obligation (NPO) at June 30, 2011	<u>\$ 5,002,869</u>
2. Annual Pension Cost for the year ended June 30, 2012	9,992,651
3. Employer Contributions for the year ended June 30, 2012	9,594,837
4. Net Increase (decrease) in NPO: (2) - (3)	<u>397,814</u>
5. Net Pension Obligation (NPO) at June 30, 2012: (1) + (2) - (3)	<u><u>\$ 5,400,683</u></u>
6. Annual Required Contribution (ARC) FYE June 30, 2012	\$ 10,180,939
7. Net Adjustment to ARC *	17,868
8. Annual Pension Cost for the year ended June 30, 2013	<u><u>\$ 10,198,807</u></u>

* - Interest on (5) (\$418,553) less 21 year amortization of (5) (\$400,685)

K. Post Employment Health Plan (PEHP)

Administration and Plan Provisions

Post Employment Health Plan or PEHP is a defined contribution arrangement. The Tulsa County Board of County Commissioners (BOCC) signed the participation agreement that established PEHP, on May 27, 1997. PEHP is designed to assist Tulsa County employees offset the ever-increasing burden of post employment medical expenses. PEHP, which began on July 1, 1997, establishes an investment account for each qualified Tulsa County employee to help pay future medical expenses and is a separate benefit from Tulsa County Employees' Retirement System (TCERS) or from the Section 457 deferred compensation program. PEHP, which contains two sub-accounts—a Universal Reimbursement Account and an Insurance Premium Reimbursement Account, is funded entirely by contributions from Tulsa County

Tulsa County, Oklahoma
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(employee contributions are not allowed). Tulsa County, Tulsa County Court Fund, Tulsa County Law Library, Tulsa Area Emergency Management Agency, Tulsa County Public Facilities Authority, and Drainage District #12 currently contribute on a monthly basis \$40 per employee to the Universal Reimbursement Account and 2% of each employee's salary to the Premium Reimbursement account. The Tulsa City/County Health Department elected to participate only in the Premium Reimbursement account and contributes 1% of each employee's salary each month. The Drainage District #12 began participating in the PEHP on January 1, 2012. The BOCC can amend or alter the contribution amount or rate at any time. All administrative charges are paid by Tulsa County. These two sub-accounts provide tax-free return on investment and tax-free payment of medical costs after separation from County employment. Each participating employee has the flexibility to direct both the investments inside his/her account and the distribution of benefits upon separation from County employment. These funds may not be withdrawn by the employee until their employment with Tulsa County has ceased.

Participants

The following organizations and departments participate in PEHP:

- Tulsa County
- Tulsa County Court Fund
- Tulsa County Law Library
- Tulsa Area Emergency Management Agency (civil defense)
- Tulsa City/County Health Department
- Tulsa County Public Facilities Authority (fairgrounds)
- Tulsa County Drainage District #12

Membership is available in PEHP for all regular, full time employees of the participants listed above.

Number of Participants and Contributions

As of June 30, 2012, the number of participants and total contributions made into PEHP for fiscal year 2012 is shown below:

Organization	Number of Participants	Amount Contributed
Tulsa County	1,193	\$ 1,517,943
Tulsa County Court Fund	48	75,636
Tulsa County Law Library	3	3,597
Tulsa Area Emergency Management Agency	2	3,078
Tulsa City/County Health Department	310	219,293
Tulsa County Public Facilities Authority	65	103,153
Tulsa County Drainage District #12	3	2,383
Total	1,624	\$ 1,925,083

Tulsa County, Oklahoma
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L. Other Post-Employment Benefits (OPEB)

Plan Description

The County offers post-employment benefit (OPEB) options for health care, prescription drug, dental and vision benefits for retired employees under the age of 65 and their dependents that elect to make required benefit payments on a monthly basis. These benefits are considered for accounting purposes to be provided in accordance with a single employer substantive plan. A substantive plan is one in which the plan terms are understood by the county and plan members. This understanding is based on communications between the employer and plan member and the historical pattern of practice with regard to the sharing of benefit costs. All of the government's employees may become eligible for those post-retirement benefits if they are retired members under the age of 65 of the Tulsa County Employees' Retirement System (TCERS). As of June 30, 2012, 241 retired employees are receiving benefits under this plan.

Benefits Provided

The Plan covers all current retirees of TCERS under the age of 65 who elected postretirement medical coverage through Tulsa County and future retired employees under the age of 65 of Tulsa County through the County's fully insured health plan. The benefit levels are the same as those afforded to active employees. The benefits offered by the County to retirees include health care, prescription drug, dental and vision benefits. The retirees become eligible to receive benefits when they retire through TCERS.

Membership

At June 30, 2012, membership consisted of the following:

Active	1,762
Retired members	241
Total membership	2,003

Funding Policy

The contribution requirement of the County is an implicit subsidy. The implicit subsidy is not a direct payment from the employer on behalf of the member but rather stems from retiree contribution levels that are less than the claims cost as retiree ages. Since claims experience for employees and non-Medicare eligible retirees are pooled when determining premiums, these retired members pay a premium based on a pool of members that, on average, are younger and healthier. There is an implicit subsidy from the employee group since the premiums paid by the retirees are lower than they would have been if the retirees were insured separately. The subsidies are valued using the difference between the age-based claims costs and the premium paid by the retiree. The amount required to fund the implicit rate is based on projected pay-as-you-go financing requirements. Plan members receiving benefits contribute 100% of the total premiums.

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Annual OPEB Costs and Net OPEB Obligation

This is the third actuarial valuation (each valid for a two-year period) which the County had performed to determine the projected liabilities of the plan as of fiscal year-end, as well as the employer's annual required contribution (ARC). The Net OPEB obligation at June 30, 2012, was calculated as follows:

Annual Required Contribution (ARC) Fiscal Year 2012	\$ 692,700
Interest on Net OPEB Obligation Fiscal Year 2012	67,000
Adjustment to ARC Fiscal Year 2012	(66,100)
Annual OPEB Cost	693,600
Contributions Fiscal Year 2012	(397,900)
Increase in Net OPEB Obligation	295,700
Net OPEB Obligation, beginning of year	1,787,600
Net OPEB Obligation, end of year	<u>\$ 2,083,300</u>

Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/10	\$ 727,900	56.2%	\$ 1,469,000
06/30/11	727,900	56.2%	1,787,600
06/30/12	693,600	57.4%	2,083,300

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2012, is as follows:

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Projected Unit Credit	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
6/30/08	\$ -	\$ 9,198,000	\$ 9,198,000	0.00%	\$ 60,572,000	15.19%
6/30/10	-	6,749,000	6,749,000	0.00%	68,385,000	9.90%
6/30/12	-	6,297,000	6,297,000	0.00%	67,099,000	9.40%

Actuarial Methods and Assumptions

The actuarial present value of future benefits determined by the initial valuation is split into the unfunded accrued liability and the actuarial present value of future normal costs. The unfunded accrued liability is adjusted in subsequent years for principal payments, interest accruals, Plan amendments, changes in actuarial assumptions, and actual experience gains and losses. The actuarial present value of future

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

normal costs is funded over future covered payroll.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Valuation date	June 30, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of projected payroll
Remaining amortization periods	30 years open
Baseline discount rate	3.75%
Initial annual medical cost trend rate	7.3%
Ultimate annual medical cost trend rate	4.7%
Years until ultimate inflation rate	71 years

M. Fund Balance

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet in accordance with GASB Statement 54:

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

	General	Major Special Revenue Funds			Major Capital	Major	Other	
	Fund	County	Sales Tax	Sheriff Jail	Project	Debt Service	Funds	Total
		Highway	Fund	Fund	Fund - IA	Fund		
Fund Balance								
Restricted for:								
General Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,572,485	\$ 17,572,485
Public Safety	-	-	-	-	-	-	2,537,072	2,537,072
Health & Welfare	-	-	-	-	-	-	1,560,032	1,560,032
Culture & Recreation	-	-	-	-	-	-	2,241,838	2,241,838
Roads and Highways	-	10,303,404	-	-	-	-	-	10,303,404
Debt Service	-	-	-	-	-	48,861,888	41,502	48,903,390
Debt Service/Capital Projects	-	-	-	-	-	35,675,639	-	35,675,639
Capital Projects	-	-	-	-	8,533,647	-	-	8,533,647
Sub-total Restricted	-	10,303,404	-	-	8,533,647	84,537,527	23,952,929	127,327,507
Committed to:								
Public Safety	-	-	-	780,964	-	-	-	780,964
General Government	-	-	38,523	-	-	-	3,499,468	3,537,991
Sub-total Committed	-	-	38,523	780,964	-	-	3,499,468	4,318,955
Assigned:								
General Government	339,226	-	-	-	-	-	-	339,226
Public Safety	167,490	-	-	-	-	-	-	167,490
Health & Welfare	3,017	-	-	-	-	-	-	3,017
Education	850	-	-	-	-	-	-	850
Culture & Recreation	4,050	-	-	-	-	-	-	4,050
Supplement to FY 12 budget	8,128,824	-	-	-	-	-	-	8,128,824
Sub-total Assigned	8,643,457	-	-	-	-	-	-	8,643,457
Unassigned:	1,455,794	-	-	-	-	-	-	1,455,794
Total Fund Balance	\$ 10,099,251	\$ 10,303,404	\$ 38,523	\$ 780,964	\$ 8,533,647	\$ 84,537,527	\$ 27,452,397	\$ 141,745,713

Note IV. Risk Management

The County's risk-management activities are all recorded in the Risk Management Fund. The workers' compensation claims are administered in this separate, non-major Special Revenue Fund for financial reporting purposes.

Oklahoma law requires all county employees be covered by a liability bond. The County Treasurer is covered by a liability bond in the amount of \$300,000. The County Clerk is covered by a liability bond in the amount of \$50,000. Each employee of the County Treasurer's office is covered by a liability bond in the amount of \$50,000. All other county employees are bonded at \$2,500 each. The Oklahoma Tort Claims Act limits the County's liability for tort claims to \$1,000,000.

In July 2007, Tulsa County made the decision to become fully self-insured for workers' compensation coverage. Tulsa County purchases services from a third party claims administrator to review and administer the payment of workers' compensation claims for job related injuries. Tulsa County also purchases stop-loss protection in the form of reinsurance from a company specializing in this type of coverage. The reinsurance protects Tulsa County against catastrophic claim losses that might exceed fund reserves. For the reinsurance programs, there have been no significant reductions in insurance coverage and the settlement amounts have not exceeded the insurance coverage for the current or the

Tulsa County, Oklahoma
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June 30, 2012

three prior years. Tulsa County services one ongoing workers' compensation case that was opened in a time period when Tulsa County was previously self-insured. This case was awarded a life time benefit to a surviving spouse.

Reported judgments (tort liability) are principally funded through property taxes over a three-year period. Taxes collected are recorded in the Debt Service Fund, with the exception of those amounts associated with workers' compensation judgments, which are recorded in the Risk Management Fund. The Risk Management Fund receives transfers from the General Fund and Special Revenue Funds to pay for insurance, claims, claim reserves and administrative costs of the program. The workers' compensation judgments include lump-sum judgments which are paid in full at the time of judgment and long-term installment judgments which are payable in installments. During fiscal year 2012, an actuarial valuation was performed to determine the incurred but not reported (IBNR) liability for claims incurred since July 1, 2007. Also, the County has one claimant still remaining from claims incurred prior to July 1, 2007, which was not included in the valuation previously mentioned. An estimated \$9,587 for that claim was added to the estimated IBNR of \$3,025,938 for a total of \$3,035,525 claims liability. When converting to the entity wide statements and the full accrual basis of accounting, the fund balance of the Risk Management Fund is replaced with a current liability representing the claims expected to be paid within the next fiscal year and then a long term liability representing the projected future medical benefits expected to be paid to claimants based on a projected payout schedule discounted back to the current period. Changes in the claims liability from July 1, 2009 through June 30, 2012 are as follows:

Claims liability, June 30, 2009	\$ 1,903,146
Claims incurred	3,478,352
Claims paid	(3,393,521)
Claims liability, June 30, 2010	<u>\$ 1,987,977</u>
Claims incurred	1,427,915
Claims paid	(1,091,068)
Claims liability, June 30, 2011	<u>\$ 2,324,824</u>
Claims incurred	1,767,289
Claims paid	(1,056,588)
Claims liability, June 30, 2012	<u><u>\$ 3,035,525</u></u>

Note V. Contingent Liabilities

Federal 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 fund. The amount, if any, of expenditures which 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 government is a defendant in various lawsuits. Although the outcome of these lawsuits is not

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

presently determinable, in the opinion of the Tulsa County District Attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the government.

Note VI. Commitments

Encumbrances

The County has the following outstanding encumbrances as of June 30, 2012. The encumbrances in all funds except the General Fund are already reported as a component of committed or restricted fund balance. The General Fund encumbrances are assigned through the purchasing process.

	<u>Assigned</u>	<u>Committed</u>	<u>Restricted</u>	<u>Total</u>
General Fund:				
General Government	\$ 339,226	\$ -	\$ -	\$ 339,226
Public Safety	167,490	-	-	167,490
Health & Welfare	3,017	-	-	3,017
Education	850	-	-	850
Culture & Recreation	4,050	-	-	4,050
Sub-total General Fund Encumbrances	<u>514,633</u>	<u>-</u>	<u>-</u>	<u>514,633</u>
Sheriff's Jail Fund	-	119,223	-	119,223
Highway Fund	-	-	296,982	296,982
Other Governmental Funds	-	-	154,250	154,250
Total Encumbrances	<u>\$ 514,633</u>	<u>\$ 119,223</u>	<u>\$ 451,232</u>	<u>\$ 1,085,088</u>

Construction Contracts

At June 30, 2012, Tulsa County had the following outstanding construction projects outstanding:

Tulsa County Industrial Authority	\$9,933,000
Tulsa County Parks	220,296
Tulsa County Highways	1,257,716
Tulsa County Public Facilities Authority	146,900

Note VII. Related Party Transactions

Public Facilities Authority

The County provides, at its cost, certain printing and office supplies to the Public Facilities Authority, which are used for administrative purposes. During the year ended December 31, 2011, the Authority paid the County \$33,932 for these items. In addition, the Authority uses the County computer facilities at no cost to the Authority.

During the year ended December 31, 2011, the County did not pay for any Phase IV capital improvements. In prior years, these improvements and equipment paid by the County were recorded as capital

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

assets on the Statement of Net Assets and as transfers on the Statement of Revenues, Expenses and Changes in Net Assets in the period in which they were received. Since the inception of the capital improvement projects, the Authority has received the following amounts from the County:

<u>Project</u>	<u>Amount</u>
4 – to – Fix 1	\$23,431,370
4 – to – Fix 2	25,368,000
Vision 2025	40,000,000

In May 2012, the Authority transferred approximately \$1.9 million in cash restricted for capital projects to the Tulsa County Industrial Authority.

Tulsa County Industrial Authority

The Industrial Authority has issued conduit debt obligations for the benefit of Tulsa County and the Tulsa City-County Health Department. The Authority received lease payments from these entities totaling approximately \$1,778,000 for the year ended June 30, 2012, which corresponded to the debt service payments due on the conduit debt.

During 2012, capital outlay for designated projects for Tulsa County was approximately \$3,346,000 and the Tulsa County Public Facilities was approximately \$0. However, in May 2012 the Authority received a reimbursement from the Tulsa County Public Facilities Authority of \$1.9 million restricted for capital projects.

Tulsa County Criminal Justice Authority

The Criminal Justice Authority has no employees. Personnel for the operation of the jail and related activities are provided by Tulsa County. Personnel costs per the financial statements represent those costs allocated by the County. Funding from Tulsa County provides the principal source of revenues for the operations of the Authority. This funding consists primarily of sales and use taxes collected by the County for the operations of the Authority.

The Authority purchases vehicles used for the operations of the jail facility and these assets are accounted for by Tulsa County. Vehicles used in the transporting of prisoners are included as part of the common fleet of vehicles maintained by Tulsa County. The authority did not make any vehicle purchases during the year ended June 30, 2012.

Note VIII. Unrestricted Net Assets-Tulsa County Industrial Authority

Unrestricted net assets of the Tulsa County Industrial Authority for the entity-wide statements consist of:

Net assets available for future operations	\$ 1,295,746
Amount to be provided by future sales tax collection for retirement of revenue bonds	<u>(178,625,351)</u>
Unrestricted net assets deficit	<u><u>\$(177,329,605)</u></u>

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

The Authority has been given the responsibility of providing the accounting and financing for the “4 to Fix the County” I and II and Vision 2025 sales tax initiatives. Most of the capital assets constructed with the proceeds of the revenue bonds are transferred to other governmental units while the related debt has been retained in the Authority. Three of those projects have been retained and long-term agreements were made with beneficiary.

The conduit debt operation of the Authority has generated the net assets available for future operations that are recorded as part of the unassigned fund balance in the general fund.

Note IX. Jail Operations

The Criminal Justice Authority has entered into a memorandum of understanding with the Tulsa County Sheriff’s Department to manage the operations of the jail effective July 1, 2005. The terms, agreement and budget of the Sheriff’s Department proposal accepted by the Authority are based on running the jail at a cost which is agreed upon annually and approved by the Authority’s Board of Trustees. For the year ended June 30, 2012 the agreed-upon costs to operate the jail totaled \$26,467,917.

Note X. Recent Accounting Pronouncements

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* – GASB No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. Management is still evaluating the effect this Statement will have on the County’s financial statements. The provisions of this Statement are effective for periods beginning after December 15, 2011.

Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34.* – GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Earlier application is encouraged. Management is still evaluating the effect this statement will have on the County’s financial statements. The provisions of this Statement are effective for periods beginning after June 15, 2012.

Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* – GASB No. 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The County does not believe that the adoption of GASB No. 62 will have a significant impact on its financial position, activities or cash flows, or its financial statement presentation. The provisions of this Statement are effective for periods beginning after December 15, 2011.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* – GASB No. 63 establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The Statement specifies that the statement of net position should report all assets, deferred outflows of

Tulsa County, Oklahoma
Notes to the Financial Statements
June 30, 2012

resources, liabilities, deferred inflows of resources, and net position. Statement 63 also specifies that the statement of net position should report the residual amount as net position rather than net assets. Under the Statement, net position should be displayed in three components similar to those currently required for net assets; net investment in capital assets, restricted, and unrestricted. The provisions of this Statement are effective for periods beginning after December 15, 2011. The County is currently evaluating the effects that Statement No. 63 may have on their financial statements.

Statement No. 65, *Items Previously Reported as Assets and Liabilities*. – GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously recognized as assets and liabilities. The County has not quantified the effects of adoption of GASB No. 65 on its net position. The provisions of this statement are effective for periods beginning after December 15, 2012, but the County anticipates early implementing this standard in fiscal year 2013.

Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27*. – GASB No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2012 and the County has not yet determined the impact that implementation of GASB No. 68 will have on its net position. The provisions of this statement are effective for periods beginning after June 15, 2014. The County anticipates early implementing this standard in fiscal year 2014.

Required Supplementary Information

Tulsa County, Oklahoma
Required Supplementary Information
Pension Trust Fund

Schedule of Funding Progress

Last Ten Years

Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funding Ratios (1)/(2)	(5) Annual Covered Payroll*	(6) UAAL as a % of Covered Payroll (3)/(5)
6/30/03	\$ 138,895,986	\$ 168,449,085	\$ 29,553,099	82.46%	\$ 49,266,036	59.99%
6/30/04	154,721,093	182,297,070	27,575,977	84.87%	51,047,972	54.02%
6/30/05	163,154,208	192,770,507	29,616,299	84.64%	54,876,834	53.97%
6/30/06	175,794,111	206,600,310	30,806,199	85.09%	60,188,618	51.18%
6/30/07	201,461,893	224,786,456	23,324,563	89.62%	65,367,653	35.68%
6/30/08	187,248,226	234,573,356	47,325,130	79.83%	67,211,076	70.41%
6/30/09	164,211,114	246,113,452	81,902,338	66.72%	70,954,995	115.43%
6/30/10	190,225,597	257,852,722	67,627,125	73.77%	68,385,214	98.89%
6/30/11	221,965,809	269,204,062	47,238,253	82.45%	68,009,247	69.46%
6/30/12	220,054,747	275,715,158	55,660,411	79.81%	67,099,126	82.95%

* The amount reflected in the annual covered payroll as of June 30, 2012 includes Tulsa County regular payroll, City-County Health Department, the Public Facilities Authority, the Drainage District #12, the Law Library and the Court Fund.

Schedule of Employer Contributions

Ten Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	Annual Required Contribution (ARC)	Percentage of ARC Contributed
6/30/03	\$ 6,189,965	67.64%	\$ (2,758,788)	\$ 6,055,792	69.14%
6/30/04	5,734,273	87.76%	(2,056,836)	5,791,898	86.89%
6/30/05	5,524,312	92.11%	(1,621,160)	5,569,772	91.36%
6/30/06	5,994,450	95.70%	(1,363,408)	6,028,429	95.16%
6/30/07	6,541,673	95.47%	(1,066,998)	6,568,566	95.08%
6/30/08	6,511,329	123.03%	(2,566,457)	6,530,947	122.66%
6/30/09	9,868,200	84.95%	(1,081,505)	9,908,991	84.60%
6/30/10	12,676,665	67.21%	3,075,485	12,692,124	67.14%
6/30/11	11,618,824	83.41%	5,002,869	11,580,239	83.99%
6/30/12	9,992,651	96.02%	5,400,683	9,939,470	96.88%

The APC and the ARC calculation for the upcoming year ending June 30, 2013 are \$10,198,807 and \$10,180,939 respectively.

The accompanying notes are an integral part of the Required Supplementary Information.

Tulsa County, Oklahoma
Required Supplementary Information

General Fund
Budgetary Comparison Schedule (Budgetary Basis)
For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Beginning fund balance, budgetary basis:	\$ 6,291,517	\$ 9,489,770	\$ 8,648,927	\$ (840,843)
Revenues:				
Ad valorem taxes	50,671,962	50,671,962	50,487,808	(184,154)
Other taxes	1,063,600	2,386,677	2,562,642	175,965
Charges for services	3,597,500	3,594,536	3,637,131	42,595
Intergovernmental revenues	388,800	392,824	466,759	73,935
Interdepartmental revenues	-	199,667	151,859	(47,808)
Salaries Reimbursements	624,100	624,100	36,650	(587,450)
Miscellaneous revenues	2,028,128	3,303,862	2,970,002	(333,860)
Investment Income	100,000	100,000	145,508	45,508
Payment from Component Units/Depository Account	-	-	125,195	125,195
Total revenues	58,474,090	61,273,628	60,583,554	(690,074)
Expenditures:				
General Government	39,785,987	41,940,349	34,764,269	7,176,080
Public Safety	9,341,916	9,634,344	9,200,172	434,172
Health and Welfare	7,279,625	9,960,581	6,717,708	3,242,873
Culture and Recreation	5,968,600	6,056,252	5,598,538	457,714
Education	452,682	520,345	429,449	90,896
Roads and Highways	1,336,797	857,255	802,899	54,356
Total expenditures	64,165,607	68,969,126	57,513,035	11,456,091
Excess revenues and beginning fund balances over (under) expenditures	600,000	1,794,272	11,719,446	9,925,174
Other financing sources (uses):				
Transfers in		10,265,281	10,140,085	(125,196)
Transfers out		(11,860,503)	(11,860,503)	-
Total other financing sources (uses)		(1,595,222)	(1,720,418)	(125,196)
Excess revenues, beginning fund balances, and other financing sources (uses) over (under) expenditures and other uses		\$ 199,050	9,999,028	\$ 9,799,978
Reconciliation to Statement of Revenues, Expenditures, and Changes in Fund Balances				
Ad valorem taxes			171,595	
Intergovernmental revenues			56,471	
Investment income			(1,044)	
General Government			(128,783)	
Public Safety			(57,608)	
Health and Welfare			64,883	
Education			2,815	
Culture and Recreation			3,080	
Roads and Highways			(11,186)	
Ending fund balance, (GAAP Basis)			\$ 10,099,251	

The accompanying notes are an integral part of the Required Supplementary Information.

Tulsa County, Oklahoma
Required Supplementary Information

COUNTY HIGHWAY FUND

Budgetary Comparison Schedule (Budgetary Basis)

For the Year ended June 30, 2012

FUND 3000

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
BEGINNING FUND BALANCE, Budgetary basis	\$ 7,891,257	\$ 9,727,406	\$ 9,773,472	\$ 46,066
REVENUES:				
Diesel Fuel	1,270,809	1,323,338	1,538,068	214,730
Gasoline Tax	3,335,951	3,432,309	3,507,317	75,008
Motor Vehicle Fees	2,327,794	2,662,221	2,827,458	165,237
Estopped Warrants	-	-	22	22
Intergovernmental	-	1,252,515	1,252,793	278
Miscellaneous	100,000	2,800,182	2,780,601	(19,581)
Total Revenues:	7,034,554	11,470,565	11,906,259	435,694
EXPENDITURES:				
Salaries	3,824,492	3,660,586	3,562,242	98,344
Employee Benefits	2,075,781	2,124,404	1,819,094	305,310
Operating Expenditures	1,134,281	11,436,978	6,978,790	4,458,188
Other Charges	-	17,493	16,456	1,037
Capital Outlay	-	565,629	410,806	154,823
Total Expenditures:	7,034,554	17,805,090	12,787,388	5,017,702
Excess revenues and beginning fund balance over (under) expenditures, budgetary basis	\$ 7,891,257	\$ 3,392,881	8,892,343	\$ 5,499,462
Other Financing Sources (uses):				
Transfers In:		4,518,978	4,676,382	157,404
Transfers Out:		(4,038,764)	(4,038,764)	-
Total Other Financing Sources (uses):		480,214	637,618	157,404
Excess revenues, beginning fund balance, and other financing sources over (under) expenditures and other financing uses, budgetary basis			9,529,961	
Adjustments to conform with GAAP:				
Intergovernmental revenues			259,280	
Investment income			1,824	
Misc			55,800	
Operating expenditures			455,864	
Capital outlay			675	
Ending Fund Balance, GAAP basis			\$ 10,303,404	

The accompanying notes are an integral part of the Required Supplementary Information.

Tulsa County, Oklahoma
Required Supplementary Information
Other Post Employment Benefits

Schedule of Funding Progress

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (2)-(1)	Excess of Assets over AAL (1)-(2)	Funding Ratios (1)/(2)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3)/(6)	Excess as a Percentage of Covered Payroll (4)/(6)
6/30/2008	\$ -	\$ 9,198,000	\$ 9,198,000	\$ -	0%	\$ 60,572,000	15.2%	0%
6/30/2010	-	6,749,000	6,749,000	-	0%	68,385,000	9.9%	0%
6/30/2012	-	6,297,000	6,297,000	-	0%	67,099,000	9.4%	0%

Schedule of Employer Contributions

Fiscal Year Ending	Employer Contribution	Annual Required Contribution (ARC)	Percentage of ARC Contributed
6/30/2008	\$ 305,900	\$ 917,200	33.4%
6/30/2009	384,700	917,200	41.9%
6/30/2010	409,300	720,200	56.8%
6/30/2011	409,300	720,200	56.8%
6/30/2012	397,900	692,700	57.4%

Tulsa County, Oklahoma
Notes to Required Supplementary Information
June 30, 2012

(1) Schedules of Funding Progress-TCERS and OPEB

The information contained in the schedule of funding progress is based on the actuarial valuation as of each year-end. The actuarial accrued liability is presented based on the valuation reports generated by Milliman. The actuarial value of assets for that date is based on the fair value of assets. Investment income in excess or shortfall of the expected 7.75% return on fair value is smoothed over a thirty year closed period.

(2) Schedules of Employer Contributions-TCERS and OPEB

The annual pension cost required to be paid by Tulsa County along with the corresponding percentage actually contributed and the net pension obligation is presented as required supplementary information. The annual required contribution as determined by the actuary is also presented.

(3) Budgetary Comparison Schedules-General Fund and County Highway Fund

A cash basis of accounting is used to prepare the Budgetary Comparison Schedule. 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 Oklahoma 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 Tulsa 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.

Tulsa County, Oklahoma
Notes to Required Supplementary Information
June 30, 2012

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 Tulsa 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. The budgets are prepared on the cash and expenditures/encumbrances 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 General Fund and the County Highway Fund are the two major funds with legally adopted annual budgets and the Budgetary Comparison Schedules are reported in Required Supplementary Information. The Visual Inspection Fund, the Juvenile Detention Fund, the Parks Fund, and the Debt Service Fund are non-major funds with legally adopted annual budgets. The budget and actual financial statements report expenditures when liabilities are due for payment. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end. Budgets are adopted on a basis consistent with State of Oklahoma legal requirements. 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 or the Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual. Other funds do not have annual budgets. Appropriations for these funds are made on a monthly basis, according to the funds available.

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 (health and welfare 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. All budget revisions are subject to final review by the County Budget Board. Revisions to the budget were made throughout the year. There were supplemental appropriations in the General Fund and Highway Fund during the fiscal year ending June 30, 2012.

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. A detailed schedule of encumbrances by purpose is included in the Notes to the Financial Statements. Encumbrances do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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Supplemental Combining and Individual Fund Financial Statements and Schedules

Nonmajor 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 expenditures for specified purposes other than debt service or capital projects. Tulsa County has the following nonmajor special revenue funds:

Visual Inspection – Established to account for the revaluation of property within Tulsa County. All entities within Tulsa County receive a proportionate share of the revalued property.

Park Fund – Established to account for revenues collected and expenditures incurred for the operation and maintenance of the County's park system.

Resale Property – Established to account for various revenues collected and expenditures incurred to sell abandoned properties.

Special Projects – Established to account for the receipt and expenditure of federal and state grants.

Sheriff's Cash – Established to account for the revenues collected and expenditures incurred for the operation of various Sheriff's departments.

County Clerk's Records Management – Established to account for the receipt and expenditure of record preservation fees.

Risk Management Fund – Established to account for claims, claim reserves, and administrative costs associated with workers' compensation judgments.

Other Special Revenue Funds – A grouping of smaller funds with varying revenue and expenditure types. A few of the more significant funds are the County Clerk's Lien Fee, Drainage District 12, Juvenile Cash Fund, Court Clerk Revolving Fund, and Treasurer Mortgage Certification Fee.

Debt Service Fund

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. This debt service fund is used to accumulate resources to make the principal and interest payments on certain general long-term debt of Tulsa County.

Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2012

	VISUAL INSPECTION	PARKS FUND	RESALE PROPERTY	SPECIAL PROJECTS	SHERIFF'S CASH	RECORDS MANAGEMENT	RISK MANAGEMENTS	COURT CLERK REVOLVING CASH FUND	OTHER SPECIAL REVENUE	DEBT SERVICE FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
Assets											
Cash and cash equivalents	\$ 29,918	\$ 2,441,112	\$ 4,667,955	\$ 4,211,263	\$ 2,317,737	\$ 2,449,104	\$ 2,449,266	\$ 3,127,853	\$ 5,384,352	\$ 39,610	\$ 27,118,170
Accounts Receivable	-	-	-	43,414	-	-	7	-	88	-	43,509
Charges for services receivable	-	-	-	-	2,900	-	-	-	-	-	2,900
Intergovernmental receivable	-	-	-	157,849	166,812	-	-	-	212,884	-	537,545
Interest Receivable	-	-	-	-	-	-	-	-	29	-	29
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-	-
Other taxes receivable (net of allowance for uncollectible)	-	-	-	-	-	-	-	-	2,859	-	2,859
Ad valorem taxes receivable (net of uncollectible)	-	-	761,114	-	-	-	-	-	-	8,801	769,915
Total Assets	\$ 29,918	\$ 2,441,112	\$ 5,429,069	\$ 4,412,526	\$ 2,487,449	\$ 2,449,104	\$ 2,449,273	\$ 3,127,853	\$ 5,600,212	\$ 48,411	\$ 28,474,927

Liabilities and Fund Balances

Liabilities:											
Deposits Held in Trust	-	-	-	-	-	-	-	-	278,500	-	278,500
Deferred Revenue	-	-	-	-	-	-	-	-	-	6,909	6,909
Salaries and Benefits Payable	-	-	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	5,701	-	5,701
Accounts Payable	26,981	199,274	40,147	49,167	77,019	42,920	33,395	100,510	162,007	-	731,420
Total Liabilities	26,981	199,274	40,147	49,167	77,019	42,920	33,395	100,510	446,208	6,909	1,022,530

Fund Balances:

Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	2,937	2,241,838	5,388,922	4,363,359	2,410,430	2,406,184	-	3,027,343	4,070,414	41,502	23,952,929
Committed	-	-	-	-	-	-	2,415,878	-	1,083,590	-	3,499,468
Assigned	-	-	-	-	-	-	-	-	-	-	-
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balance	2,937	2,241,838	5,388,922	4,363,359	2,410,430	2,406,184	2,415,878	3,027,343	5,154,004	41,502	27,452,397

Total Liabilities and Fund Balance

\$ 29,918	\$ 2,441,112	\$ 5,429,069	\$ 4,412,526	\$ 2,487,449	\$ 2,449,104	\$ 2,449,273	\$ 3,127,853	\$ 5,600,212	\$ 48,411	\$ 28,474,927
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Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year ended June 30, 2012

	VISUAL INSPECTION	PARKS FUND	RESALE PROPERTY	SPECIAL PROJECTS	SHERIFF'S CASH	RECORDS MANAGEMENT	RISK MANAGEMENT	COURT CLERK REVOLVING CASH FUND	OTHER SPECIAL REVENUE	DEBT SERVICE FUND	TOTAL NON- MAJOR GOVERNMENTAL FUNDS
Revenues											
Ad valorem tax	\$ -	\$ -	\$ 5,126,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,786	\$ 5,318,578
Other taxes	-	-	-	-	-	-	-	-	515,464	-	515,464
Charges for services	-	2,704,183	125	726,538	1,625,391	731,555	-	-	514,008	-	6,301,800
Intergovernmental	2,469,101	2,814	-	3,847,997	737,322	-	-	-	3,179,348	-	10,236,582
Interdepartmental	-	-	-	-	-	-	754	-	3,590	-	4,344
Investment income	-	-	-	-	-	-	-	-	625	-	107,530
Miscellaneous	295	397,079	60,961	106,905	234,124	-	4,380,343	405,870	406,226	-	6,158,166
Salaries reimbursements	-	-	-	273,268	951,436	-	-	4,183,695	-	-	5,135,131
Payment from Criminal Justice Authority	-	-	-	-	-	-	-	-	111,500	-	111,500
Payment from Law Library	-	-	-	-	-	-	1,081	-	-	-	1,081
Payment from TAEMA	-	-	-	-	-	-	-	-	-	-	-
Payment from Depository Accounts	-	-	-	-	-	-	-	-	-	-	-
Payment from City/County Health Designated	-	-	-	-	-	-	-	-	-	-	-
Payment from City/County Health	-	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 2,469,396	\$ 3,104,076	\$ 5,187,878	\$ 4,954,708	\$ 3,548,273	\$ 731,555	\$ 4,382,178	\$ 4,589,565	\$ 4,730,761	\$ 191,786	\$ 33,890,176
Expenditures											
Current:											
General government	2,431,088	-	2,033,964	3,818,352	-	508,179	4,418,070	5,143,185	1,072,277	-	19,425,115
Public safety	-	-	-	-	3,098,188	-	-	-	-	-	3,098,188
Health & welfare	-	-	-	-	-	-	-	-	4,188,085	-	4,188,085
Culture & recreation	-	2,417,891	-	-	-	-	-	-	-	-	2,417,891
Payment to City/County Health	-	-	-	-	-	-	-	-	-	-	-
Payment to Criminal Justice Authority	-	-	-	-	-	-	-	-	-	-	-
Payment to District Attorney	-	-	-	-	-	-	-	-	-	-	-
Payment to Other Governments (See Note I.F.)	-	-	1,200,000	-	-	-	-	-	-	-	1,200,000
Capital outlay	40,004	109,095	34,327	602,063	315,741	16,084	-	8,123	26,767	-	1,152,204
Debt service:	-	-	-	-	-	-	-	-	-	-	-
Bond principal	-	-	-	-	-	-	-	-	-	183,333	183,333
Bond interest	-	-	-	-	-	-	-	-	-	990	990
Total expenditures	2,471,092	2,526,986	3,268,291	4,420,415	3,413,929	524,263	4,418,070	5,151,308	5,287,129	184,323	31,665,806
Excess (deficiency) of revenues over (under) expenditures	(1,696)	577,090	1,919,587	534,293	134,344	207,292	(35,892)	(561,743)	(556,368)	7,463	2,224,370
Other financing sources (uses):											
Sale of real property	-	-	14,930	-	-	-	-	-	-	-	14,930
Transfers to beneficiary	-	-	-	-	-	-	-	-	-	-	-
Transfers in	1,000,000	1,116	850,000	3,168,675	468,717	1,202,848	1,100,000	-	1,619,332	-	9,410,688
Transfers out	(1,000,010)	(5,329)	(1,512,310)	(3,801,173)	(5,000)	(1,200,000)	(200,000)	-	(446,662)	-	(8,170,484)
Total other financing sources (uses)	(10)	(4,213)	(647,380)	(632,498)	463,717	2,848	900,000	-	1,172,670	-	1,255,134
Net change in fund balance	(1,706)	572,877	1,272,207	(98,205)	598,061	210,140	864,108	(561,743)	616,302	7,463	3,479,504
Fund balance, beginning	4,643	1,668,961	4,116,715	4,461,564	1,812,369	2,196,044	1,551,770	3,589,086	4,537,702	34,039	23,972,893
Fund balance, ending	\$ 2,937	\$ 2,241,838	\$ 5,388,922	\$ 4,363,359	\$ 2,410,430	\$ 2,406,184	\$ 2,415,878	\$ 3,027,343	\$ 5,154,004	\$ 41,502	\$ 27,452,397

Tulsa County, Oklahoma

General Fund
Schedule of Revenues-Budget and Actual (Budgetary Basis)
For the year ended June 30, 2012

	Final Budget	Actual	Variance
Ad Valorem Tax			
Current tax	\$ 49,131,962	\$ 48,495,075	\$ (636,887)
Back tax	1,540,000	1,976,837	436,837
Other	-	15,896	15,896
	<u>50,671,962</u>	<u>50,487,808</u>	<u>(184,154)</u>
Other Taxes			
Tobacco tax	1,323,077	1,323,077	-
Other taxes	3,600	4,996	1,396
Documentary stamps	850,000	1,001,185	151,185
Vehicle registration stamps	210,000	233,384	23,384
	<u>2,386,677</u>	<u>2,562,642</u>	<u>175,965</u>
Charges for Services			
Recording fees	1,917,500	1,970,795	53,295
Zoning fees	70,000	88,587	18,587
Treasurer fees	-	25	25
Inspection fees	290,000	286,067	(3,933)
Motor vehicle fees	820,000	872,790	52,790
Print and duplicating services	447,036	349,466	(97,570)
Pharmacy	50,000	63,516	13,516
Other fees	-	5,885	5,885
	<u>3,594,536</u>	<u>3,637,131</u>	<u>42,595</u>
Intergovernmental			
Federal grants	1,524	3,516	1,992
State contracts	2,500	5,000	2,500
DA state fund	245,000	205,108	(39,892)
Election Board expense	62,800	173,694	110,894
Election Board salaries	81,000	79,441	(1,559)
	<u>392,824</u>	<u>466,759</u>	<u>73,935</u>
Investment Income			
Interest	100,000	145,508	45,508
Realized gain on sale of assets	-	-	-
	<u>100,000</u>	<u>145,508</u>	<u>45,508</u>
Miscellaneous			
Concessions	48	14	(34)
Rents and royalties	53,846	53,837	(9)
Sale of materials	195,166	123,333	(71,833)
Refunds	4,167	13,314	9,147
Fines	-	1,060	1,060
Estopped warrants	-	2,412	2,412
Sale of assets	-	61,444	61,444
Salaries reimbursements	624,100	36,650	(587,450)
Reimbursements	1,644,413	1,840,294	195,881
Gifts	-	12,199	12,199
Interdepartmental	199,667	151,859	(47,808)
Donations	5,375	5,375	-
Miscellaneous	1,400,847	856,720	(544,127)
	<u>4,127,629</u>	<u>3,158,511</u>	<u>(969,118)</u>
Payment from Component Units/Depository Accounts	-	125,195	125,195
Total Revenues	<u>\$ 61,273,628</u>	<u>\$ 60,583,554</u>	<u>\$ (690,074)</u>

General Fund
Schedule of Appropriations- By Function/Activity - Includes prior year encumbrance carry forward
For the year ended June 30, 2012

page 1 of 6
GENERAL GOVERNMENT

Commissioners

	Appropriations				Expenditures	Encumbrances	Total	Variance
	Original Budget	Supplements & Adjustments	Net Total					
GENERAL GOVERNMENT								
Commissioners								
Personal services	\$ 672,539	\$ (25,229)	\$ 647,310	\$ 640,490	\$ -	\$ 640,490	\$ 6,820	
Employee benefits	248,366	(9,558)	238,808	233,727	-	233,727	5,081	
Travel	35,800	(120)	35,680	31,670	-	31,670	4,010	
Maintenance and operations	3,800	(180)	3,620	1,740	96	1,836	1,784	
Capital Outlay	1,000	(100)	900	-	-	-	900	
Contingency	-	35,187	35,187	-	-	-	35,187	
	961,505	-	961,505	907,627	96	907,723	53,782	
Administrative Services								
Personal services	1,218,477	(101,798)	1,116,679	1,110,611	-	1,110,611	6,068	
Employee benefits	503,172	(40,067)	463,105	458,590	-	458,590	4,515	
Maintenance and operations	1,174,300	640,469	1,814,769	1,298,619	192,207	1,490,826	323,943	
Capital Outlay	55,000	7,613	62,613	12,769	36,684	49,453	13,160	
	2,950,949	506,217	3,457,166	2,880,589	228,891	3,109,480	347,686	
Building Operations								
Personal services	2,455,920	130,268	2,586,188	1,922,471	-	1,922,471	663,717	
Employee benefits	1,332,675	(129,480)	1,203,195	1,024,971	-	1,024,971	178,224	
Maintenance and operations	3,844,103	(10,456)	3,833,647	2,829,649	359,818	3,189,467	644,180	
Capital outlay	475,000	701,120	1,176,120	944,039	164,799	1,108,838	67,282	
	8,107,698	691,452	8,799,150	6,721,130	524,617	7,245,747	1,553,403	
Management Information Systems								
Personal services	2,368,686	(254,577)	2,114,109	2,037,987	-	2,037,987	76,122	
Employee benefits	906,758	(73,260)	833,498	778,186	-	778,186	55,312	
Travel	12,850	(10,685)	2,165	1,742	-	1,742	423	
Maintenance and operations	1,228,337	(19,860)	1,208,477	889,752	55,176	944,928	263,549	
Capital outlay	-	335,390	335,390	282,704	41,386	324,090	11,300	
Contingency	-	73,930	73,930	-	-	-	73,930	
	\$ 4,516,631	\$ 50,938	\$ 4,567,569	\$ 3,990,371	\$ 96,562	\$ 4,086,933	\$ 480,636	

Human Resources

	Appropriations											
	Original Budget	Supplements & Adjustments	Net Total	Expenditures	Encumbrances	Total	Variance					
Personal services	\$ 371,381	\$ (9,792)	\$ 361,589	\$ 361,121	\$ -	\$ 361,121	\$ 468					
Employee benefits	152,435	(10,117)	142,318	135,409	-	135,409	6,909					
Travel	7,650	(3,192)	4,458	2,004	560	2,564	1,894					
Maintenance and operations	131,412	(7,741)	123,671	49,997	3,819	53,816	69,855					
Other Charges	1,860	814	2,674	815	150	965	1,709					
Capital Outlay	4,000	8,773	12,773	743	-	743	12,030					
	668,738	(21,255)	647,483	550,089	4,529	554,618	92,865					
Election Board												
Personal services	1,065,609	75,439	1,141,048	1,087,728	-	1,087,728	53,320					
Employee benefits	357,087	(8,709)	348,378	330,743	-	330,743	17,635					
Travel	31,500	(18,050)	13,450	8,597	400	8,997	4,453					
Maintenance and operations	439,849	(128,244)	311,605	260,962	8,139	269,101	42,504					
Other Charges	12,000	1,382	13,382	252	9,736	9,988	3,394					
Capital Outlay	12,000	63,414	75,414	13,348	-	13,348	62,066					
	1,918,045	(14,768)	1,903,277	1,701,630	18,275	1,719,905	183,372					
Budget Board												
Personal services	514,460	(14,248)	500,212	499,375	-	499,375	837					
Employee benefits	204,551	(277)	204,274	201,322	-	201,322	2,952					
Travel	9,100	1,391	10,491	6,277	-	6,277	4,214					
Maintenance and operations	29,956	18,521	48,477	20,517	1,664	22,181	26,296					
Capital outlay	-	-	-	-	-	-	-					
	758,067	5,387	763,454	727,491	1,664	729,155	34,299					
General Government												
Employee benefits	255,953	107,409	363,362	201,508	71,671	273,179	90,183					
Travel	9,590	9,569	19,159	10,070	6,829	16,899	2,260					
Maintenance and operations	1,398,134	212,452	1,610,586	1,006,436	28,871	1,035,307	575,279					
Other charges	638,501	(114,062)	524,439	381,844	35,000	416,844	107,595					
Capital outlay	200,000	(20,000)	180,000	-	-	-	180,000					
Contingency	443,853	689,164	1,133,017	-	-	-	1,133,017					
	2,946,031	884,532	3,830,563	1,599,858	142,371	1,742,229	2,088,334					
Excise Board												
Personal services	8,500	125	8,625	8,625	-	8,625	-					
Employee benefits	949	(125)	824	721	-	721	103					
Travel	1,000	(40)	960	653	40	693	267					
Maintenance and operations	3,250	100	3,350	1,743	25	1,768	1,582					
Capital Outlay	-	-	-	-	-	-	-					
	\$ 13,699	\$ 60	\$ 13,759	\$ 11,742	\$ 65	\$ 11,807	\$ 1,952					

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	Appropriations				Expenditures	Encumbrances	Total	Variance
	Original Budget	Supplements & Adjustments	Net Total					
Treasurer								
Personal services	\$ 867,959	\$ 22,524	\$ 890,483	\$ 842,502	\$ -	\$ 842,502	\$ 47,981	
Employee benefits	343,909	16,059	359,968	309,387	-	309,387	50,581	
Travel	9,800	(780)	9,020	5,044	-	5,044	3,976	
Maintenance and operations	332,527	(5,480)	327,047	295,871	5,465	301,336	25,711	
Other charges	-	-	-	-	-	-	-	
Capital Outlay	14,000	2,439	16,439	1,439	12,172	13,611	2,828	
	1,568,195	34,762	1,602,957	1,454,243	17,637	1,471,880	131,077	
Assessor								
Personal services	2,570,041	(61,312)	2,508,729	2,502,191	-	2,502,191	6,538	
Employee benefits	1,018,120	(35,504)	982,616	977,760	-	977,760	4,856	
Travel	33,945	6,842	40,787	36,890	789	37,679	3,108	
Maintenance and operations	225,780	45,223	271,003	209,634	13,954	223,588	47,415	
Capital Outlay	12,000	67,290	79,290	29,192	31,154	60,346	18,944	
Contingency	-	3,999	3,999	-	-	-	3,999	
	3,859,886	26,538	3,886,424	3,755,667	45,897	3,801,564	84,860	
County Clerk								
Personal services	1,740,423	(2,221)	1,738,202	1,633,265	-	1,633,265	104,937	
Employee benefits	712,790	13,701	726,491	663,473	-	663,473	63,018	
Travel	4,800	520	5,320	4,800	-	4,800	520	
Maintenance and operations	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	
	2,458,013	12,000	2,470,013	2,301,538	-	2,301,538	168,475	
District Attorney								
Maintenance and operations	245,000	1,999	246,999	225,191	14,055	239,246	7,753	
Capital outlay	-	689	689	689	-	689	-	
	245,000	2,688	247,688	225,880	14,055	239,935	7,753	
Drug Court								
Other charges	65,988	(65,988)	-	-	-	-	-	
	65,988	(65,988)	-	-	-	-	-	
Public Defender								
Maintenance and operations	36,493	1,508	38,001	26,987	5,916	32,903	5,098	
Capital outlay	7,050	14,570	21,620	10,846	7,473	18,319	3,301	
Contingency	-	3,426	3,426	-	-	-	3,426	
	\$ 43,543	\$ 19,504	\$ 63,047	\$ 37,833	\$ 13,389	\$ 51,222	\$ 11,825	

Court Clerk

	Appropriations								
	Original Budget	Supplements & Adjustments	Net Total	Expenditures	Encumbrances	Total	Variance		
Personal services	\$ 4,461,909	\$ 56,139	\$ 4,518,048	\$ 4,232,449	\$ -	\$ 4,232,449	\$ 285,599		
Employee benefits	2,050,896	(56,073)	1,994,823	1,839,859	-	1,839,859	154,964		
Travel	7,500	372	7,872	6,581	158	6,739	1,133		
Maintenance and operations	3,000	(300)	2,700	1,680	-	1,680	1,020		
	6,523,305	138	6,523,443	6,080,569	158	6,080,727	442,716		
INCOG									
Other charges	830,000	-	830,000	830,000	-	830,000	-		
	830,000	-	830,000	830,000	-	830,000	-		
River Parks Authority									
Other charges	675,000	-	675,000	675,000	-	675,000	-		
	675,000	-	675,000	675,000	-	675,000	-		
TAFMA									
Other charges	166,554	(11,000)	155,554	155,554	-	155,554	-		
	166,554	(11,000)	155,554	155,554	-	155,554	-		
Audit									
Maintenance and operations	509,140	33,157	542,297	157,458	105,699	263,157	279,140		
	509,140	33,157	542,297	157,458	105,699	263,157	279,140		
Total General Government	\$ 39,785,987	\$ 2,154,362	\$ 41,940,349	\$ 34,764,269	\$ 1,213,905	\$ 35,978,174	\$ 5,962,175		
PUBLIC SAFETY									
Sheriff									
Personal services	5,487,427	(209,300)	5,278,127	5,251,550	-	5,251,550	26,577		
Employee benefits	2,364,766	(73,876)	2,290,890	2,276,217	-	2,276,217	14,673		
Travel	78,781	(2,158)	76,623	65,328	10,985	76,313	310		
Maintenance and operations	530,700	(152,704)	377,996	228,832	62,504	291,336	86,660		
Other charges	864,600	67,966	932,566	899,642	11,750	911,392	21,174		
Capital outlay	15,642	643,436	659,078	478,603	153,190	631,793	27,285		
Contingency	-	19,064	19,064	-	-	-	19,064		
	9,341,916	292,428	9,634,344	9,200,172	238,429	9,438,601	195,743		
Total Public Safety	\$ 9,341,916	\$ 292,428	\$ 9,634,344	\$ 9,200,172	\$ 238,429	\$ 9,438,601	\$ 195,743		

HEALTH AND WELFARE

County Inspector

Page 5 of 6

	Appropriations				Expenditures	Encumbrances	Total	Variance
	Original Budget	Supplements & Adjustments	Net Total					
HEALTH AND WELFARE								
County Inspector								
Personal services	\$ 341,125	\$ (2,768)	\$ 338,357	\$ 328,375	\$ -	\$ 328,375	\$ 9,982	
Employee benefits	152,017	(7,938)	144,079	143,050	-	143,050	1,029	
Travel	36,000	5,205	41,205	34,311	3,677	37,988	3,217	
Maintenance and operations	6,000	5,489	11,489	6,959	267	7,226	4,263	
Other Charges	-	-	-	-	-	-	-	
Capital Outlay	-	4,941	4,941	1,588	3,353	4,941	-	
	535,142	4,929	540,071	514,283	7,297	521,580	18,491	
Pharmacy								
Personal services	167,010	(9,997)	157,013	156,320	-	156,320	693	
Employee benefits	63,739	(4,494)	59,245	59,150	-	59,150	95	
Maintenance and operations	15,996	4,448	20,444	16,897	535	17,432	3,012	
Other charges	90,606	(12,113)	78,493	62,197	7,550	69,747	8,746	
Capital outlay	-	690	690	690	-	690	-	
Contingency	-	14,030	14,030	-	-	-	14,030	
	337,351	(7,436)	329,915	295,254	8,085	303,339	26,576	
Juvenile								
Personal services	3,192,912	(106,767)	3,086,145	3,082,352	-	3,082,352	3,793	
Employee benefits	1,458,346	(94,388)	1,363,958	1,360,086	-	1,360,086	3,872	
Travel	78,060	10,842	88,902	77,551	8,938	86,489	2,413	
Maintenance and operations	343,996	(44,445)	299,551	282,472	13,710	296,182	3,369	
Capital outlay	104,604	2,884,111	2,988,715	18,478	-	18,478	2,970,237	
	5,177,918	2,649,353	7,827,271	4,820,939	22,648	4,843,587	2,983,684	
Social Services								
Personal services	683,723	(38,457)	645,266	638,252	37	638,289	6,977	
Employee benefits	321,811	(24,580)	297,231	282,325	-	282,325	14,906	
Travel	-	-	-	-	-	-	-	
Maintenance and operations	79,760	18,202	97,962	33,507	20,137	53,644	44,318	
Other charges	135,020	24,019	159,039	121,483	7,211	128,694	30,345	
Capital outlay	8,900	6,337	15,237	11,665	3,572	15,237	-	
Contingency	-	48,589	48,589	-	-	-	48,589	
	1,229,214	34,110	1,263,324	1,087,232	30,957	1,118,189	145,135	
Total Health and Welfare								
	\$ 7,279,625	\$ 2,680,956	\$ 9,960,581	\$ 6,717,708	\$ 68,987	\$ 6,786,695	\$ 3,173,886	

CULTURE AND RECREATION

Parks

Page 6 of 6

	Appropriations				Expenditures	Encumbrances	Total	Variance
	Original Budget	Supplements & Adjustments	Net Total					
Parks								
Personal services	\$ 3,931,827	\$ (253,843)	\$ 3,677,984	\$ 3,642,241	\$ -	\$ 3,642,241	\$ 35,743	
Employee benefits	1,836,773	(144,717)	1,692,056	1,669,500	-	1,669,500	22,556	
Maintenance and Operations	200,000	264,288	464,288	286,797	172,491	459,288	5,000	
Contingency	-	221,924	221,924	-	-	-	221,924	
	5,968,600	87,652	6,056,252	5,598,538	172,491	5,771,029	285,223	
Total Culture and Recreation	\$ 5,968,600	\$ 87,652	\$ 6,056,252	\$ 5,598,538	\$ 172,491	\$ 5,771,029	\$ 285,223	

EDUCATION

School Guards

Personal services	11,556	(1,156)	10,400	-	-	-	10,400
Employee benefits	1,126	(112)	1,014	-	-	-	1,014
Contingency	-	1,268	1,268	-	-	-	1,268
	12,682	-	12,682	-	-	-	12,682

OSU Extension

Personal services	129,168	10,963	140,131	132,318	-	132,318	7,813
Employee benefits	26,047	3,029	29,076	29,076	-	29,076	-
Travel	30,524	3,759	34,283	31,700	2,545	34,245	38
Maintenance and operations	66,923	16,387	83,310	67,950	5,367	73,317	9,993
Other Charges	187,338	(18,692)	168,646	165,281	-	165,281	3,365
Capital Outlay	-	41,353	41,353	3,124	-	3,124	38,229
Contingency	-	10,864	10,864	-	-	-	10,864
	440,000	67,663	507,663	429,449	7,912	437,361	70,302

Total Education

	\$ 452,682	\$ 67,663	\$ 520,345	\$ 429,449	\$ 7,912	\$ 437,361	\$ 82,984
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ROADS & HIGHWAYS

Highway Budget

Personal services	545,200	(45,574)	499,626	492,592	-	492,592	7,034
Employee benefits	200,597	(16,072)	184,525	175,468	-	175,468	9,057
Travel	6,000	(906)	5,094	3,736	-	3,736	1,358
Maintenance and operations	407,500	(276,427)	131,073	116,473	9,094	125,567	5,506
Other charges	137,500	(117,121)	20,379	12,746	-	12,746	7,633
Capital Outlay	40,000	(23,442)	16,558	1,884	12,836	14,720	1,838

Total Roads & Highways

	\$ 1,336,797	\$ (479,542)	\$ 857,255	\$ 802,899	\$ 21,930	\$ 824,829	\$ 32,426
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Total General Fund

	\$ 64,165,607	\$ 4,803,519	\$ 68,969,126	\$ 57,513,035	\$ 1,723,654	\$ 59,236,689	\$ 9,732,437
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TULSA COUNTY , OKLAHOMA

VISUAL INSPECTION FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)

For the Year ended June 30, 2012

FUND 2100

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
BEGINNING FUND BALANCE (AS OF JULY 1, 2011)	\$ 60,806	\$ 12,743	\$ 4,643	\$ (8,100)
REVENUE:				
Visual Inspection Fees	2,469,009	2,469,101	2,469,101	-
Refunds	-	-	295	295
Estopped Warrants	-	-	-	-
Total Revenue:	<u>2,469,009</u>	<u>2,469,101</u>	<u>2,469,396</u>	<u>295</u>
EXPENDITURES:				
Salaries	1,539,094	1,512,699	1,511,673	1,026
Employee Benefits	648,058	628,018	627,533	485
Travel	55,040	75,667	70,422	5,245
Operating Expenditures	212,639	225,235	219,199	6,036
Capital Outlay	16,000	40,005	23,384	16,621
Total Expenditures:	<u>2,470,831</u>	<u>2,481,624</u>	<u>2,452,211</u>	<u>29,413</u>
Excess revenues and beginning fund balance over (under) expenditures, budgetary basis	<u>\$ 58,984</u>	<u>\$ 220</u>	21,828	<u>\$ 21,608</u>
Other Financing Sources (uses):				
Transfers In:		1,000,000	1,000,000	-
Transfers Out:		<u>(1,000,010)</u>	<u>(1,000,010)</u>	-
Total Other Financing Sources (uses):		<u>(10)</u>	<u>(10)</u>	-
Excess revenues, beginning fund balance, and other financing sources over (under) expenditures, and other financing uses, budgetary basis			21,818	
Adjustments to conform with GAAP:				
Operating Expenditures			(2,261)	
Capital Outlay			(16,620)	
Ending Fund Balance, GAAP basis			<u>\$ 2,937</u>	

TULSA COUNTY , OKLAHOMA

JUVENILE DETENTION FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)

For the Year ended June 30, 2012

FUND 2600

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
BEGINNING FUND BALANCE (AS OF JULY 1, 2011)	\$ 1,008,034	\$ 1,159,112	\$ 1,397,208	\$ 238,096
REVENUE:				
State Grants	1,963,848	1,963,848	1,968,193	4,345
Federal Grants	130,700	127,373	321,212	193,839
City and County Grants	81,840	81,840	126,021	44,181
Other Grant Revenue	445,356	445,356	12,630	(432,726)
Miscellaneous Reimbursements	-	-	970	970
Estopped Warrants	-	-	200	200
Miscellaneous Revenue	-	-	118	118
Employee Insurance	-	-	200	200
Juvenile Probation Fees	780	780	236	(544)
Total Revenue	2,622,524	2,619,197	2,429,780	(189,417)
EXPENDITURES:				
Salaries	2,142,228	2,491,766	2,069,091	422,675
Employee Benefits	950,690	940,948	876,864	64,084
Travel	13,241	16,593	11,814	4,779
Operating Expenditures	311,443	294,360	234,970	59,390
Interdepartmental	38,280	10,190	36,003	(25,813)
Capital Outlay	51,540	24,960	15,354	9,606
Total Expenditures	3,507,422	3,778,817	3,244,096	534,721
Excess revenues and beginning fund balance over (under) expenditures, budgetary basis	\$ 123,136	\$ (508)	582,892	\$ 583,400
Other Financing Sources (uses):				
Transfers In:		1,237,301	1,237,301	-
Transfers Out:		(296,662)	(296,662)	-
Total Other Financing Sources (uses):		940,639	940,639	-
Adjustments to conform with GAAP:				
Intergovernmental revenues			(29,063)	
Operating expenditures			(3,740)	
Capital Outlay			(5,658)	
Ending Fund Balance, GAAP basis			\$ 1,485,070	

TULSA COUNTY, OKLAHOMA

PARK FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)

For the Year ended June 30, 2012

FUND 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
BEGINNING FUND BALANCE (AS OF JULY 1, 2011)	\$ 1,773,329	\$ 1,781,054	\$ 1,668,961	\$ (112,093)
REVENUE:				
State and Federal Grants	-	757	2,814	2,057
Golf Green Fees	2,200,000	1,700,000	1,562,508	(137,492)
Golf Surcharge	200,000	200,000	193,464	(6,536)
Court Fees	55,000	55,000	58,621	3,621
Golf Cart rentals	185,000	185,000	161,652	(23,348)
Restaurant Receipts	450,000	450,000	530,645	80,645
Swimming Receipts	80,000	80,000	85,534	5,534
Softball Fees	60,000	60,000	49,164	(10,836)
Facility Rental	50,000	50,000	62,595	12,595
Misc Revenue	340,000	361,945	408,679	46,734
Total Revenue:	3,620,000	3,142,702	3,115,676	(27,026)
EXPENDITURES:				
Salaries	155,000	96,933	-	96,933
Employee Benefits	12,000	8,800	-	8,800
Travel	250	-	-	-
Interdepartmental	250	33,157	26,376	6,781
Operating Expenditures	2,954,422	2,481,801	2,086,066	395,735
Other Charges	361,500	372,329	277,596	94,733
Capital Outlay	136,578	251,260	115,072	136,188
Contingency	-	1,640,209	-	1,640,209
Total Expenditures:	3,620,000	4,884,489	2,505,110	2,379,379
Excess revenues and beginning fund balance over (under) expenditures, budgetary basis	\$ 1,773,329	\$ 39,267	2,279,527	\$ 2,240,260
Other Financing Sources (uses):				
Transfers In:		1,116	1,116	-
Transfers Out:		(5,329)	(5,329)	-
Total Other Financing Sources (uses):		(4,213)	(4,213)	-
Excess revenues, beginning fund balance, and other financing sources over (under) expenditures, and other financing uses, budgetary basis			2,275,314	
Adjustments to conform with GAAP:				
Miscellaneous Revenue			(11,600)	
Operating Expenditures			(27,853)	
Capital Outlay			5,977	
Ending Fund Balance, GAAP basis			\$ 2,241,838	

Tulsa County, Oklahoma

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budgetary Basis)

For the year ended June 30, 2012

FUND 5400

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Beginning fund balance, budgetary basis	\$ 33,109	\$ 33,653	\$ 34,039	\$ 386
Revenues:				
Ad valorem taxes	185,537	185,537	190,280	4,743
Total revenues	185,537	185,537	190,280	4,743
Expenditures:				
Debt service				
Judgment Principal	183,334	183,334	183,333	(1)
Judgment Interest	2,203	2,203	990	(1,213)
Contingency Funds	-	33,653	-	(33,653)
Total expenditures	185,537	219,190	184,323	(34,867)
Excess revenues and beginning fund balance over (under) expenditures, budgetary basis	\$ 33,109	\$ -	39,996	39,996
Adjustments to conform with GAAP:				
Ad valorem taxes			1,506	
Ending fund balance, GAAP basis			\$ 41,502	

Fiduciary Funds

**TULSA COUNTY, OKLAHOMA
FIDUCIARY FUNDS
JUNE 30, 2012**

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

Pension Trust Fund – Accounts for the accumulation of resources for pension benefit payments to qualified County employees and the payment of expenses associated therewith.

Agency Funds – Accounts for assets held by Tulsa County in a purely custodial capacity. These include ad valorem taxes and other revenues collected by the Tulsa County Treasurer for various cities and towns, school districts, and other agencies within Tulsa County.

Tulsa County, Oklahoma

All Agency Funds
Combining Statement of Changes In Assets and Liabilities
For the year ended June 30, 2012

page 1 of 2

	Balance 07/01/11	Additions	Deductions	Balance 06/30/12
Schools				
Assets:				
Cash and cash equivalents	\$ 2,159,547	\$ 460,859,198	\$ 460,797,813	\$ 2,220,932
Ad valorem receivable	24,074,993	23,807,210	24,074,993	23,807,210
Total assets	<u>\$ 26,234,540</u>	<u>\$ 484,666,408</u>	<u>\$ 484,872,806</u>	<u>\$ 26,028,142</u>
Liabilities:				
Due to other taxing units	\$ 26,234,540	\$ 484,666,408	\$ 484,872,806	\$ 26,028,142
Total liabilities	<u>\$ 26,234,540</u>	<u>\$ 484,666,408</u>	<u>\$ 484,872,806</u>	<u>\$ 26,028,142</u>
Cities and Towns				
Assets:				
Cash and cash equivalents	\$ 858,822	\$ 87,808,344	\$ 87,721,149	\$ 946,017
Ad valorem receivable	3,129,243	2,469,607	3,129,243	2,469,607
OTC Receipts	427,552	507,964	427,552	507,964
Total assets	<u>\$ 4,415,617</u>	<u>\$ 90,785,915</u>	<u>\$ 91,277,944</u>	<u>\$ 3,923,588</u>
Liabilities:				
Due to other taxing units	\$ 4,415,617	\$ 90,785,915	\$ 91,277,944	\$ 3,923,588
Total liabilities	<u>\$ 4,415,617</u>	<u>\$ 90,785,915</u>	<u>\$ 91,277,944</u>	<u>\$ 3,923,588</u>
Official Depository				
Assets:				
Cash and cash equivalents	\$ 17,888,408	\$ 75,187,913	\$ 76,401,795	\$ 16,674,526
Total assets	<u>\$ 17,888,408</u>	<u>\$ 75,187,913</u>	<u>\$ 76,401,795</u>	<u>\$ 16,674,526</u>
Liabilities:				
Due to others	\$ 17,888,408	\$ 75,187,913	\$ 76,401,795	\$ 16,674,526
Total liabilities	<u>\$ 17,888,408</u>	<u>\$ 75,187,913</u>	<u>\$ 76,401,795</u>	<u>\$ 16,674,526</u>
City-County Library				
Assets:				
Cash and cash equivalents	\$ 26,859,359	\$ 38,639,253	\$ 38,418,466	\$ 27,080,146
Ad valorem receivable	1,203,115	1,354,091	1,203,115	1,354,091
Total Assets	<u>\$ 28,062,474</u>	<u>\$ 39,993,344</u>	<u>\$ 39,621,581</u>	<u>\$ 28,434,237</u>
Liabilities:				
Due to other taxing units	\$ 28,062,474	\$ 39,993,344	\$ 39,621,581	\$ 28,434,237
Total Liabilities	<u>\$ 28,062,474</u>	<u>\$ 39,993,344</u>	<u>\$ 39,621,581</u>	<u>\$ 28,434,237</u>

All Agency Funds

page 2 of 2

**Combining Statement of Changes In Assets and Liabilities
For the year ended June 30, 2012**

	Balance 07/01/11	Additions	Deductions	Balance 06/30/12
Unapportioned Receipts				
Assets:				
Cash and cash equivalents	\$ 3,456,172	\$ 717,647	\$ 2,995,079	\$ 1,178,740
Total Assets	<u>\$ 3,456,172</u>	<u>\$ 717,647</u>	<u>\$ 2,995,079</u>	<u>\$ 1,178,740</u>
Liabilities:				
Due to other taxing units	\$ 3,456,172	\$ 717,647	\$ 2,995,079	\$ 1,178,740
Total Liabilities	<u>\$ 3,456,172</u>	<u>\$ 717,647</u>	<u>\$ 2,995,079</u>	<u>\$ 1,178,740</u>
Other Agencies				
Assets:				
Cash and cash equivalents	\$ 1,332,030	\$ 192,325,921	\$ 191,765,482	\$ 1,892,469
Adult drug court receivables	\$ 57,855	\$ -	\$ 57,855	\$ -
TAEMA receivables	\$ 28,032	\$ 54,360	\$ 28,032	\$ 54,360
Total Assets	<u>\$ 1,417,917</u>	<u>\$ 192,380,281</u>	<u>\$ 191,851,369</u>	<u>\$ 1,946,829</u>
Liabilities:				
Due to others	\$ 1,417,917	\$ 192,380,281	\$ 191,851,369	\$ 1,946,829
Total Liabilities	<u>\$ 1,417,917</u>	<u>\$ 192,380,281</u>	<u>\$ 191,851,369</u>	<u>\$ 1,946,829</u>
Inmate Trust Account				
Assets:				
Cash and cash equivalents	\$ 249,696	\$ 3,336,484	\$ 3,314,186	\$ 271,994
Total Assets	<u>\$ 249,696</u>	<u>\$ 3,336,484</u>	<u>\$ 3,314,186</u>	<u>\$ 271,994</u>
Liabilities:				
Due to others	\$ 249,696	\$ 3,336,484	\$ 3,314,186	\$ 271,994
Total Liabilities	<u>\$ 249,696</u>	<u>\$ 3,336,484</u>	<u>\$ 3,314,186</u>	<u>\$ 271,994</u>
Total All Agencies				
Assets:				
Cash and cash equivalents	\$ 52,804,034	\$ 858,874,760	\$ 861,413,970	\$ 50,264,824
Ad valorem receivable	28,407,351	27,630,908	28,407,351	27,630,908
Other receivables	85,887	54,360	85,887	54,360
OTC Receipts	427,552	507,964	427,552	507,964
Total Assets	<u>\$ 81,724,824</u>	<u>\$ 887,067,992</u>	<u>\$ 890,334,760</u>	<u>\$ 78,458,056</u>
Liabilities:				
Due to other taxing units	\$ 62,168,803	\$ 616,163,314	\$ 618,767,410	\$ 59,564,707
Due to others	19,556,021	270,904,678	271,567,350	18,893,349
Total Liabilities	<u>\$ 81,724,824</u>	<u>\$ 887,067,992</u>	<u>\$ 890,334,760</u>	<u>\$ 78,458,056</u>



Statistical Section

Statistical Section

This part of Tulsa County's Comprehensive Annual Financial Report presents detailed information as a way to help understand the information in the financial statements, note disclosures, and required supplementary information and what it says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and financial position have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant revenues sources, ad valorem and sales tax.

Debt Capacity

These schedules present schedules that help the reader evaluate the affordability of the County's current level of outstanding debt and the County'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.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The County implemented GASB statement 34 in 2002; schedules presenting government-wide information begin with that year.

Tulsa County, Oklahoma Net Assets by Component Last Ten Years (accrual basis of accounting)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	\$ 94,005,428	\$ 89,722,627	\$ 81,934,632	** \$ 117,666,141	\$ 110,679,261	\$ 109,530,943	\$ 111,188,184	\$ 77,080,501	\$ 77,237,774	\$ 62,803,986
Restricted	69,890,470	68,477,016	72,873,047	82,872,803	* 78,503,176	347,793,577	380,821,697	418,270,798	274,325,875	57,554,823
Unrestricted	(147,018,735)	(185,227,739)	(217,140,728)	** (296,323,247)	* (281,183,499)	(460,148,344)	(432,092,108)	(392,254,800)	(239,614,851)	(33,551,650)
Business-Type Activities										
Invested in capital assets, net of related debt	84,484,337	87,214,579	89,628,012	90,811,539	70,025,328	58,033,171	51,008,384	38,375,821	27,195,067	26,060,645
Restricted	3,758,059	2,161,438	3,653,202	6,570,834	18,045,091	12,318,640	10,165,962	3,240,448	3,140,411	1,738,894
Unrestricted	4,672,231	6,083,413	5,081,337	3,830,178	3,276,954	3,820,109	4,187,082	2,372,708	2,091,672	591,974
Primary Government										
Invested in capital assets, net of related debt	178,489,765	176,937,206	171,562,644	208,477,680	180,704,589	167,564,114	162,196,568	115,456,322	104,432,841	88,864,631
Restricted	73,648,529	70,638,454	76,526,249	89,443,637	96,548,267	360,112,217	390,987,659	421,511,246	277,466,286	59,293,717
Unrestricted	\$ (142,346,504)	\$ (179,144,326)	\$ (212,059,391)	\$ (292,493,069)	\$ (277,906,545)	\$ (456,328,235)	\$ (427,905,026)	\$ (389,882,092)	\$ (237,523,179)	\$ (32,959,676)

* Restated due to reclassification of restricted net assets after implementation of GASB #54.

** Restated due to reclassification of capital assets funded with debt. Years prior to 2010 have not been restated.

Tulsa County, Oklahoma
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
Governmental Activities										
General government										
Public safety	\$ 61,445,588	\$ 64,723,231	\$ 58,862,568	\$ 54,352,902	\$ 59,685,376	\$ 45,539,665	\$ 38,376,644	\$ 43,638,327	\$ 41,474,943	\$ 42,224,157
Health and welfare	38,710,206	40,572,302	38,800,582	34,177,446	34,045,841	28,861,116	27,279,455	9,334,066	6,807,818	6,859,149
Culture and recreation	11,106,398	11,541,522	11,406,739	10,675,450	9,380,734	8,818,206	8,017,972	8,079,697	8,087,269	7,558,340
Education	8,667,734	10,332,908	8,324,957	8,351,508	7,917,001	7,609,600	7,012,368	6,794,042	6,877,664	6,332,378
Roads and highways	426,745	366,024	411,706	416,083	438,805	431,669	397,836	342,543	310,670	370,364
Vision 2025 expenses	17,797,744	15,183,343	12,652,253	13,044,989	12,907,186	11,899,832	10,696,410	11,197,124	8,817,929	12,915,680
4 to Fix expenses	7,143,476	11,597,367	12,257,448	52,086,703	129,807,808	131,286,608	128,164,692	59,315,237	-	-
Payment to component units	-	5,778,070	2,480,265	11,260,796	23,476,708	10,935,912	7,344,957	10,342,598	14,108,422	13,984,502
Interest on long-term debt	24,284,849	24,232,258	23,364,798	25,533,728	23,633,512	22,359,978	21,913,083	21,533,660	19,009,326	17,890,475
Total governmental activities	9,743,772	10,849,049	12,708,096	12,795,446	16,848,522	18,450,011	15,465,345	8,242,313	5,058,082	3,088,544
Business-Type Activities										
Public Facilities Authority	179,326,512	195,176,074	181,269,412	222,695,051	314,867,205	286,192,597	264,670,762	178,829,607	110,552,123	111,223,589
Total business-type activities	30,790,504	29,942,478	29,893,910	20,699,923	28,667,479	24,463,254	22,649,826	19,356,998	16,526,128	16,553,748
Total primary government	30,790,504	29,942,478	29,893,910	20,699,923	28,667,479	24,463,254	22,649,826	19,356,998	16,526,128	16,553,748
Program revenues	<u>\$ 210,117,016</u>	<u>\$ 225,118,552</u>	<u>\$ 211,163,322</u>	<u>\$ 243,394,974</u>	<u>\$ 343,534,684</u>	<u>\$ 310,655,851</u>	<u>\$ 287,520,588</u>	<u>\$ 198,186,606</u>	<u>\$ 127,078,251</u>	<u>\$ 127,777,557</u>
Governmental Activities										
Charge for services										
General government	5,496,626	5,376,763	6,042,116	5,878,360	7,795,247	10,200,877	12,684,381	11,726,014	8,760,632	8,774,639
Public safety	1,625,391	1,386,779	1,520,733	1,551,284	1,452,714	-	-	-	-	-
Health and welfare	112,731	88,475	111,934	94,339	3,230	-	-	-	-	-
Culture and recreation	2,704,183	2,603,275	2,318,631	2,711,185	2,545,798	-	-	-	-	-
Roads and highways	2,827,458	2,736,701	2,707,624	2,714,237	2,698,726	-	-	-	-	-
Operating Grants and Contributions	17,317,730	19,694,297	15,131,874	13,599,723	20,755,128	21,373,195	19,133,958	16,168,591	17,074,897	6,044,201
Roads and highways-Capital Grants and Contributions	-	3,265,900	-	-	-	-	-	-	-	-
General government-Capital Grants and Contributions	-	-	-	-	-	-	159,963	692,313	-	8,195,323
Total governmental activities	30,084,119	35,152,190	27,832,912	26,549,128	35,250,843	31,574,072	31,978,302	28,586,918	25,835,529	23,014,163
Business-Type Activities										
Charge for services - Public Facilities Authority	21,534,164	21,437,868	20,758,790	14,698,417	21,253,195	19,854,313	18,806,559	17,314,860	15,589,744	14,968,669
Capital Grants and Contributions	-	-	163,894	11,315,718	20,332,516	-	-	-	-	-
Total business-type activities	21,534,164	21,437,868	20,922,684	26,014,135	41,585,711	19,854,313	18,806,559	17,314,860	15,589,744	14,968,669
Total primary government	<u>\$ 51,618,283</u>	<u>\$ 56,590,058</u>	<u>\$ 48,755,596</u>	<u>\$ 52,563,263</u>	<u>\$ 76,836,554</u>	<u>\$ 51,428,385</u>	<u>\$ 50,784,861</u>	<u>\$ 45,901,778</u>	<u>\$ 41,425,273</u>	<u>\$ 37,982,832</u>
Net (expense) revenue										
Governmental Activities	\$ (149,242,393)	\$ (160,023,884)	\$ (153,436,500)	\$ (196,145,923)	\$ (279,616,362)	\$ (254,618,525)	\$ (232,692,460)	\$ (150,242,689)	\$ (84,716,594)	\$ (88,209,426)
Business-Type Activities	(9,256,340)	(8,504,610)	(8,971,226)	5,314,212	12,918,232	(4,608,941)	(3,843,267)	(2,042,138)	(936,384)	(1,585,079)
Total primary government net expense	<u>\$ (158,498,733)</u>	<u>\$ (168,528,494)</u>	<u>\$ (162,407,726)</u>	<u>\$ (190,831,711)</u>	<u>\$ (266,698,130)</u>	<u>\$ (259,227,466)</u>	<u>\$ (236,535,727)</u>	<u>\$ (152,284,827)</u>	<u>\$ (85,652,978)</u>	<u>\$ (89,794,505)</u>

Continued on next page

Tulsa County, Oklahoma
Changes in Net Assets
Last Ten Years
(accrual basis of accounting)

Continued from previous page

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Revenues and Other Changes in Net Assets										
Sales tax	\$ 86,523,528	\$ 93,056,039	\$ 91,019,909	\$ 96,792,270	\$ 96,112,765	\$ 90,933,560	\$ 86,610,499	\$ 79,689,715	\$ 54,494,763	\$ 29,889,615
Use tax	6,369,469	6,571,750	5,647,314	6,841,153	6,624,221	6,626,032	5,853,841	5,554,851	-	-
Ad valorem and other taxes	59,179,658	57,193,772	55,296,047	53,725,400	53,007,378	49,620,062	47,793,265	44,471,995	43,075,236	46,490,278
Interest and investment earnings	1,577,056	2,213,904	2,367,522	3,501,859	12,607,373	18,169,832	19,899,956	6,905,943	1,921,718	521,166
Salaries Reimbursement	5,171,781	5,231,599	5,925,605	5,615,282	-	-	-	-	-	-
Payment from component units	26,857,552	26,945,919	26,032,993	25,947,354	22,818,742	20,499,623	19,742,509	-	-	-
Miscellaneous	11,866,474	10,687,604	6,245,679	7,211,474	9,097,878	12,111,116	5,660,020	9,730,025	12,949,671	14,949,205
Property transferred through annexation	-	-	-	-	(3,205,012)	-	-	-	-	-
Transfers	(4,397,866)	(6,571,750)	(5,647,314)	(6,846,094)	(6,624,221)	(6,626,031)	(5,562,557)	(3,302,411)	(2,583,155)	(1,038,808)
Total governmental activities	193,147,652	195,328,837	186,887,755	192,788,698	190,439,124	191,334,194	179,997,533	143,050,118	109,858,233	90,811,456
Business-Type Activities										
Interest and investment earnings	16,514	37,383	45,070	-	-	-	-	(1,359,302)	(1,412,456)	(1,635,913)
Gain from insurance proceeds over impairment	-	-	-	-	-	-	692,939	857,893	-	-
Purchase of Capital Asset	-	-	-	-	(2,367,000)	-	-	-	-	-
Contribution of Capital assets	-	-	-	-	-	6,793,402	19,083,396	10,802,963	3,801,322	9,643,892
Transfers	6,695,023	5,564,106	6,076,156	3,552,167	6,624,221	6,626,031	5,439,383	3,302,411	2,583,155	1,038,808
Total business-type activities	6,711,537	5,601,489	6,121,226	3,552,167	4,257,221	13,419,433	25,215,718	13,603,965	4,972,021	9,046,787
Total primary government	199,859,189	200,930,326	193,008,981	196,340,865	194,696,345	204,753,627	205,213,251	156,654,083	114,830,254	99,858,243
Changes in Net Assets										
Governmental Activities	\$ 43,905,259	\$ 35,304,953	\$ 33,451,255	\$ (3,357,225)	\$ (89,177,238)	\$ (63,284,331)	\$ (52,694,927)	\$ (7,192,571)	\$ 25,141,639	\$ 2,602,030
Business-Type Activities	(2,544,803)	(2,903,121)	(2,850,000)	8,866,379	17,175,453	8,810,492	21,372,451	11,561,827	4,035,637	7,461,708
Total primary government	\$ 41,360,456	\$ 32,401,832	\$ 30,601,255	\$ 5,509,154	\$ (72,001,785)	\$ (54,473,839)	\$ (31,322,476)	\$ 4,369,256	\$ 29,177,276	\$ 10,063,738

Tulsa County, Oklahoma
Governmental Activities - Tax Revenues by Source
Last Ten Years
(accrual basis of accounting)

<u>Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Total</u>
2012	\$ 56,101,552	\$ 86,523,528	\$ 6,369,469	\$ 148,994,549
2011	54,367,715	93,056,039	6,571,750	153,995,504
2010	52,339,372	91,019,909	5,647,314	149,006,595
2009	50,562,025	96,792,270	6,841,153	154,195,448
2008	49,482,719	96,112,765	6,624,221	152,219,705
2007	45,864,389	90,933,560	6,626,032	143,423,981
2006	45,909,403	86,610,499	5,853,841	138,373,743
2005	44,471,995	79,689,715	5,554,851	129,716,561
2004	43,075,236	51,720,361	2,774,402	97,569,999
2003	46,490,278	29,889,615	-	76,379,893

Tulsa County, Oklahoma Program Revenue by Function/Program Last Ten Years (accrual basis of accounting)										
Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
General government	\$ 12,336,954	\$ 12,326,950	\$ 10,536,561	\$ 9,965,919	\$ 17,490,486	\$ 31,574,072	\$ 31,978,302	\$ 28,586,918	\$ 25,835,529	\$ 12,063,311
Public safety	2,362,713	2,195,176	2,080,971	2,190,368	2,666,375	-	-	-	-	-
Health and welfare	3,292,079	3,488,945	3,568,679	3,497,370	3,071,058	-	-	-	-	-
Culture and recreation	2,706,997	2,603,857	2,328,067	2,804,224	2,851,973	-	-	-	-	2,755,529
Roads and highways	9,385,376	14,537,262	9,318,634	8,091,247	9,170,951	-	-	-	-	8,195,323
Total Governmental Activities	30,084,119	35,152,190	27,832,912	26,549,128	35,250,843	31,574,072	31,978,302	28,586,918	25,835,529	23,014,163
Business-type Activities										
Public Facilities Authority	21,534,164	21,437,868	20,922,684	26,014,135	41,585,711	19,854,313	18,806,559	17,314,860	15,589,744	14,968,669
Total Business-type Activities	21,534,164	21,437,868	20,922,684	26,014,135	41,585,711	19,854,313	18,806,559	17,314,860	15,589,744	14,968,669
Total Primary Government	\$ 51,618,283	\$ 56,590,058	\$ 48,755,596	\$ 52,563,263	\$ 76,836,554	\$ 51,428,385	\$ 50,784,861	\$ 45,901,778	\$ 41,425,273	\$ 37,982,832

Tulsa County, Oklahoma
Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 1,058,080	\$ 1,036,113	\$ 938,917	\$ 526,243	\$ 362,536	\$ 710,265	\$ 1,227,629
Unreserved	-	-	-	6,878,799	10,552,125	11,018,450	5,906,652	3,811,200	3,040,236	5,375,554
Assigned	8,643,457	6,525,947	5,331,207	-	-	-	-	-	-	-
Unassigned	1,455,794	2,122,980	3,457,307	-	-	-	-	-	-	-
Total General Fund	\$ 10,099,251	\$ 8,648,927	\$ 8,788,514	\$ 7,936,879	\$ 11,588,238	\$ 11,957,367	\$ 6,432,895	\$ 4,173,736	\$ 3,750,501	\$ 6,603,183
Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 140,780,243	\$ 191,971,062	\$ 328,596,423	\$ 362,145,573	\$ 402,582,439	\$ 296,589,713	\$ 44,010,053
Unreserved	-	-	-	30,344,512	31,449,041	29,727,191	29,468,339	34,399,199	19,497,557	17,707,370
Special Revenue Funds	-	-	-	20,743	57,767	86,448	114,007	453,159	864,296	4,792,599
Debt Service Funds	-	-	-	-	-	-	-	-	-	-
Nondisposable	-	-	-	-	-	-	-	-	-	-
Restricted	127,327,507	136,008,308	151,189,178	-	-	-	-	-	-	-
Committed	4,318,955	3,693,236	4,361,581	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all Other Governmental Funds	\$ 131,646,462	\$ 139,701,544	\$ 155,550,759	\$ 171,145,498	\$ 223,477,870	\$ 358,410,062	\$ 391,727,919	\$ 437,434,797	\$ 316,951,566	\$ 66,510,022

Tulsa County, Oklahoma
Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
REVENUES										
Ad valorem taxes	\$ 55,977,981	\$ 54,205,714	\$ 52,097,020	\$ 49,025,036	\$ 47,896,494	\$ 44,273,087	\$ 44,503,356	\$ 41,749,218	\$ 41,025,713	\$ 43,331,731
Other taxes	3,078,106	2,826,057	2,956,675	3,163,375	3,524,659	3,755,673	3,289,909	1,909,353	1,409,222	2,597,289
Charge for services	12,766,389	12,191,093	12,701,038	12,949,405	14,495,715	10,200,877	12,684,381	11,726,014	8,760,632	8,774,639
Sales taxes	86,523,528	93,056,039	91,019,909	96,792,270	96,112,765	90,933,560	86,610,499	79,689,715	51,720,361	29,889,615
Use tax	6,369,469	6,571,750	5,647,314	6,841,153	6,624,221	6,626,032	5,853,841	5,554,851	2,774,402	-
Tobacco Tax	-	-	-	-	-	-	-	971,140	-	-
Intergovernmental revenue	17,317,730	19,694,297	15,131,874	13,599,721	20,755,128	21,373,195	19,293,921	16,168,591	17,074,897	14,239,524
Interdepartmental revenue	4,344	62,463	-	-	-	-	-	-	-	-
Investment income	1,717,255	2,213,903	2,367,521	3,501,860	12,607,373	18,169,832	19,899,956	6,905,943	1,921,716	521,166
Salaries reimbursement	5,171,781	5,231,599	5,925,605	5,615,282	-	-	-	-	-	-
Miscellaneous revenue	11,965,386	10,584,348	6,208,783	6,127,845	6,529,490	11,044,117	5,600,020	10,202,451	10,818,846	8,765,280
Payment from Law Library	7,045	3,724	6,624	-	-	-	-	-	-	-
Payment from TAEMA	-	144	-	-	-	-	-	-	-	-
Payment from District Attorney	-	144	-	-	-	-	-	-	-	-
Payment from Criminal Justice Authority	26,807,355	26,722,396	-	25,533,728	22,633,750	20,481,737	19,718,509	31,129	49,989	219,239
Payment from Depository Account	31,152	-	43,796	3,504	70,457	-	-	-	-	-
Payment from City/County Health-Designated	-	137,071	162,730	-	-	-	-	-	-	-
Payment from City/County Health	12,000	20,265	33,664	410,122	114,535	17,886	24,000	188,758	24,000	24,000
Total revenues	227,749,521	233,521,619	220,088,732	223,563,301	231,364,587	226,875,996	217,538,392	174,223,163	135,579,778	108,362,483
EXPENDITURES										
Current:										
General government	55,682,324	58,409,769	55,381,090	54,237,385	52,473,453	51,492,178	45,225,307	43,424,874	43,059,935	39,171,163
Public safety	38,255,825	39,213,522	37,055,062	35,815,456	33,994,432	28,810,681	27,232,708	9,275,627	6,807,818	6,790,775
Health and welfare	10,855,333	11,180,360	10,729,469	10,587,910	10,464,073	8,749,931	7,949,697	8,008,122	8,087,269	7,487,515
Culture and recreation	8,013,349	8,346,972	7,950,331	7,873,544	7,461,204	7,009,522	6,721,692	6,565,806	6,877,664	6,160,864
Education	423,509	362,788	408,170	412,577	436,759	429,731	394,722	340,668	310,670	368,228
Roads and highways	9,960,717	11,259,414	10,351,250	9,624,759	9,525,254	8,619,767	8,061,940	8,276,935	8,817,929	9,772,831
Payment to District Attorney	-	90,750	102,500	-	-	-	-	-	-	-
Payment to Criminal Justice Authority	24,284,849	24,134,508	22,962,258	23,816,350	23,633,512	22,359,978	21,602,147	21,540,160	18,974,347	17,889,405
Payment to City/County Health	-	7,000	300,000	-	-	-	312,936	3,500	1,070	-
Payment to Law Library	-	40	-	-	-	-	-	-	-	-
Payment to Other Governments (See Note I.F.)	-	-	-	-	-	-	-	-	-	-
Capital outlay	1,200,000	4,195,307	3,204,397	5,146,190	4,967,675	2,820,044	4,467,027	1,579,503	5,090,759	5,298,523
Capital outlay-Vision 2025	6,429,180	11,609,289	13,338,534	52,086,703	129,807,186	118,087,415	138,961,103	61,697,284	-	-
Capital outlay-4 to Fix 1	-	840,694	164,906	267,817	1,334,470	7,317,978	7,307,807	10,342,598	13,095,954	13,984,502
Capital outlay-4 to Fix II	3,281,744	9,321,287	7,684,941	10,992,979	22,142,238	3,617,934	37,150	-	-	-
Debt service:										
Principal retirement	51,858,333	50,496,667	48,815,000	45,075,000	43,560,000	44,520,000	40,890,000	29,200,000	17,000,000	15,275,000
Interest and fiscal agent charge	12,512,295	14,923,678	16,596,018	16,256,996	20,153,240	19,994,766	19,077,303	10,213,704	5,776,461	2,999,393
Bond issuance costs	-	-	-	-	-	1,854,206	1,677,122	2,567,150	2,938,163	-
Other bond costs	-	-	1,427,130	-	-	1,268,924	2,236,129	434,033	-	-
Principal and interest on judgment:	-	-	53,267	83,383	90,124	115,111	216,434	242,244	700,904	717,221
Total expenditures	229,971,344	244,392,005	236,524,663	272,277,049	360,043,620	329,068,166	332,371,224	213,712,208	137,537,873	125,916,490
Excess (deficiency) of revenues over (under) expenditures	(2,221,823)	(10,870,386)	(16,435,931)	(48,713,748)	(128,679,033)	(102,192,170)	(114,832,832)	(39,489,045)	(1,958,095)	(17,554,007)
Other financing sources (uses)										
Issuance of revenue bonds	-	-	-	-	-	81,024,758	76,645,177	160,234,945	252,266,223	-
Transfer to/from beneficiary	-	-	-	-	-	51	302,500	-	-	-
Sale of real property	14,930	2,233	36,896	2,125	1,932	-	-	-	-	-
Proceeds from remarketing revenue bond	-	-	7,303,244	-	-	-	-	-	-	-
Transfers in (primary government)	39,124,895	30,504,857	34,202,005	68,991,885	35,541,076	55,516,579	24,396,678	6,642,435	61,189,154	19,411,126
Transfers out (primary government)	(43,522,761)	(37,076,607)	(39,849,319)	(75,837,979)	(42,165,298)	(62,142,610)	(107,335,111)	(9,944,846)	(63,772,309)	(20,449,935)
Total other financing sources (uses)	(4,382,936)	(6,569,517)	1,692,826	(6,843,969)	(6,622,290)	74,398,778	71,385,120	156,932,534	249,683,068	(1,038,809)
Net change in fund balance:	(6,604,759)	(17,439,903)	(14,743,105)	(55,557,717)	(135,301,323)	(27,793,392)	(43,447,712)	117,443,489	247,724,973	(18,592,816)
Fund balance, beginning	148,350,472	164,339,273	179,082,275	235,066,106	370,367,429	398,160,821	441,608,533	324,165,044	73,113,205	91,706,021
Cumulative effect of change	-	1,451,102	3	(426,014)	-	-	-	-	3,326,866	-
Fund balance, ending	\$ 141,745,713	\$ 148,350,472	\$ 164,339,273	\$ 179,082,375	\$ 235,066,106	\$ 370,367,429	\$ 398,160,821	\$ 441,608,533	\$ 324,165,044	\$ 73,113,205
Debt Service as a percentage of noncapital expenditures	29.44%	27.82%	29.66%	30.14%	31.62%	35.37%	35.30%	30.45%	22.13%	17.81%

Tulsa County, Oklahoma
General Governmental Tax Revenues by Source
Last Ten Years
(modified accrual basis of accounting)

<u>Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Total</u>
2012	\$ 55,977,981	\$ 86,523,528	\$ 6,369,469	\$ 148,870,978
2011	54,205,714	93,056,039	6,571,750	153,833,503
2010	52,097,020	91,019,909	5,647,314	148,764,243
2009	49,025,036	96,792,270	6,841,153	152,658,459
2008	47,896,494	96,112,765	6,624,221	150,633,480
2007	44,273,087	90,933,560	6,626,032	141,832,679
2006	44,503,356	86,610,499	5,853,841	136,967,696
2005	41,749,218	79,689,715	5,554,851	126,993,784
2004	41,025,713	51,720,361	2,774,402	95,520,476
2003	43,331,731	29,889,615	-	73,221,346

Tulsa County, Oklahoma
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Fiscal Year	Residential Property	Commercial Property	Agriculture Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2012	\$ 2,936,923,205	\$ 1,242,309,197	\$ 5,664,542	\$ 138,866,293	\$4,046,030,651	10.34	\$ 38,044,517,673	11.0000%
2011	2,892,631,756	1,214,735,550	5,919,781	138,552,123	3,974,734,964	10.34	37,393,518,973	11.0000%
2010	2,827,812,803	1,206,333,146	5,626,639	137,752,384	3,902,020,204	10.31	36,725,205,345	11.0000%
2009	2,749,635,688	1,167,250,487	5,632,791	136,560,076	3,785,958,890	10.31	35,659,263,327	11.0000%
2008	2,611,212,036	1,124,169,849	5,319,826	121,894,120	3,618,807,591	10.31	34,006,379,191	11.0000%
2007	2,486,797,270	1,060,375,595	5,207,922	122,639,200	3,429,741,587	10.31	32,294,370,791	11.0000%
2006	2,342,534,175	981,797,743	4,740,896	123,711,940	3,205,360,874	10.31	30,264,298,309	11.0000%
2005	2,226,961,868	925,424,147	4,660,442	126,272,004	3,030,774,453	10.69	28,700,422,336	11.0000%
2004	2,103,509,707	860,084,142	4,764,999	126,336,862	2,842,021,986	10.71	26,985,080,436	11.0000%
2003	1,987,359,502	831,385,593	4,753,083	126,217,688	2,697,280,490	10.99	25,668,165,255	11.0000%

Source: Tulsa County Assessor's Office

Tulsa County, Oklahoma
Direct and Overlapping Ad Valorem Tax Rates
Last Ten Years
(rate per \$1,000 of net assessed value)

County Direct Rates										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30
Sinking Fund	0.04	0.04	0.01	0.01	0.01	0.01	0.01	0.39	0.41	0.69
Total Direct Rates	10.34	10.34	10.31	10.31	10.31	10.31	10.31	10.69	10.71	10.99
Overlapping Rates - County Wide										
Library	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32	5.32
Health	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58	2.58
4-Mill Schools	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Tulsa Community College	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21	7.21
Tulsa Technology Center	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33	13.33
Total County Wide Overlapping Rates	32.44	32.44	32.44	32.44	32.44	32.44	32.44	32.44	32.44	33.51
Overlapping Rates - Cities*										
City of Bixby	13.50	13.50	13.50	13.50	14.31	12.84	13.38	8.53	12.18	13.61
City of Broken Arrow	16.50	17.13	16.44	15.98	15.72	15.30	15.74	15.06	15.08	12.89
City of Glenpool	0.00	0.00	0.00	3.43	3.91	4.75	5.47	6.22	7.11	8.40
City of Jenks	11.49	11.99	13.69	10.81	8.25	14.56	15.72	6.43	8.30	9.53
City of Owasso	0.68	0.53	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00
City of Sand Springs	9.52	9.55	10.08	10.06	10.74	11.25	13.41	5.03	7.92	8.70
City of Sapulpa	13.44	14.19	14.54	12.81	14.01	14.22	12.45	12.76	0.00	0.00
City of Tulsa	20.16	20.01	16.98	14.15	14.08	13.48	12.67	9.97	10.11	11.16
Overlapping Rates - Emergency Medical Service*										
City of Glenpool	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Overlapping Rates - School Districts*										
Tulsa	64.65	64.79	63.90	64.95	65.30	63.77	62.88	64.62	64.91	65.79
Sand Springs	72.83	73.42	73.92	69.71	68.35	71.81	73.45	73.24	72.39	65.07
Broken Arrow	70.22	70.60	69.25	69.72	71.16	68.00	67.60	69.16	68.83	71.86
Bixby	68.08	68.88	67.31	68.16	64.65	62.96	63.07	63.77	65.83	61.83
Jenks	73.34	73.36	72.00	74.17	73.84	73.41	74.08	73.72	72.96	73.40
Collinsville	64.55	64.36	64.22	63.74	63.73	64.43	63.01	60.45	59.43	57.83
Skiatook	67.44	66.46	65.06	64.72	64.19	63.05	61.78	64.14	61.07	62.19
Sperry	64.35	64.62	64.05	65.04	64.25	65.70	67.06	66.91	65.57	66.36
Union	71.90	71.65	70.28	68.52	68.66	67.36	68.36	67.65	72.59	73.30
Berryhill	66.32	70.57	72.28	72.63	62.65	63.32	65.71	66.32	65.80	69.52
Owasso	68.26	69.13	67.99	70.51	69.63	67.06	68.02	70.65	70.17	68.66
Glenpool	65.76	65.22	65.00	63.72	64.34	62.14	62.70	64.32	66.59	64.72
Liberty	63.71	65.65	65.52	67.65	67.36	59.38	59.53	61.79	62.70	66.25
Keystone	43.43	46.25	46.89	47.25	46.17	46.29	47.27	51.51	51.75	50.05
Leonard	Closed	Closed	Closed	Closed	42.00	42.00	42.00	42.00	42.00	42.00

Source: Tulsa County Excise Board

*Overlapping rates are those of local and county governments that apply to property owners within Tulsa County. Not all overlapping rates apply to all Tulsa County property owners; for example, although the County Ad Valorem tax rates apply to all county property owners, the City of Tulsa rates apply only to the property owners whose property is located within that City's geographic boundaries.

Tulsa County, Oklahoma
Principal Property Taxpayers
Current Year and Nine Years Ago
June 30, 2012

Taxpayer	2012			2003		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Public Service Company of Oklahoma	\$ 111,911,539	1	2.23%	\$ 106,692,878	1	2.96%
A T & T Companies/Services	72,840,308	2	1.45%	25,556,300	8	0.71%
Oklahoma Natural Gas Company	46,991,716	3	0.93%	39,203,541	4	1.09%
Holly Refining & Marketing	46,038,129	4	0.92%			
AHS Hillcrest/Tulsa Holdings	39,918,060	5	0.79%			
Walmart Stores	28,220,690	6	0.56%	17,160,660	9	0.48%
Kimberly Clark	22,076,829	7	0.44%	31,073,761	5	0.86%
Cox Communications	21,981,749	8	0.44%			
HP Enterprise Services LLC	18,623,208	9	0.37%			
Magellan Pipeline	15,678,686	10	0.31%			
Woodland Hills Mall	15,381,033	11	0.31%	12,339,914	14	0.34%
Warren Foundation	14,950,448	12	0.30%	13,551,758	12	0.38%
Quik Trip Corp	14,550,074	13	0.29%			
Williams Companies	14,119,971	14	0.28%	67,213,416	3	1.86%
Nordam Group/East Plan	13,859,050	15	0.28%	14,100,050	11	0.39%
Celco Partnership	13,468,038	16	0.27%			
M C I (Verizon) WorldCom	12,189,473	17	0.24%	27,562,046	7	0.76%
Green County Energy LLC	11,908,980	18	0.24%	29,084,386	6	0.81%
Helmerich & Payne	10,422,777	19	0.21%	7,672,249	20	0.21%
Lowe's Home Centers	10,167,419	20	0.20%	8,162,372	19	0.23%
Southwestern Bell Telephone				94,625,539	2	2.62%
Valor Comm of OK LLC (general tele)				14,880,168	10	0.41%
Visteon/Ford Investment Enterprises				13,213,662	13	0.37%
Albertsons				12,057,560	15	0.33%
Sun OilCo/Ninth & Detroit/Sunray dx				11,787,816	16	0.33%
EDS Information				10,302,945	17	0.29%
US Cellular				8,422,906	18	0.23%
	\$ 555,298,177		11.04%	\$ 564,663,927		15.65%

Source: Tulsa County Assessor

Tulsa County, Oklahoma
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the 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
2012	\$	63,445,368	\$ 60,830,716	95.88%	\$ -	\$ 60,830,716	95.88%
2011		63,033,389	60,041,097	95.25%	\$ 1,886,227	61,927,324	98.25%
2010		61,752,129	58,986,809	95.52%	2,132,794	61,119,603	98.98%
2009		58,971,704	56,517,924	95.84%	2,186,744	58,704,668	99.55%
2008		56,063,597	53,731,697	95.84%	2,020,981	55,752,678	99.45%
2007		53,066,779	49,974,723	94.17%	2,479,398	52,454,121	98.85%
2006		51,778,308	48,373,393	93.42%	2,734,179	51,107,572	98.70%
2005		49,483,871	46,291,963	93.55%	2,462,178	48,754,141	98.53%
2004		48,670,887	46,153,357	94.83%	1,663,386	47,816,743	98.25%
2003		50,865,555	48,350,094	95.05%	1,804,629	50,154,723	98.60%

Source: Tulsa County Treasurer's Records

Tulsa County, Oklahoma
Direct and Overlapping Sales Tax Rates
Last Ten Years

<u>Year</u>	<u>Tulsa County</u>	<u>City of Tulsa</u>	<u>State of Oklahoma</u>
2012	0.850%	3.167%	4.50%
2011	1.017%	3.000%	4.50%
2010	1.017%	3.000%	4.50%
2009	1.017%	3.000%	4.50%
2008	1.017%	3.000%	4.50%
2007	1.017%	3.000%	4.50%
2006	1.017%	3.000%	4.50%
2005	1.017%	3.000%	4.50%
2004	1.017%	3.000%	4.50%
2003	0.417%	3.000%	4.50%

Source: Oklahoma Tax Commission

Tulsa County, Oklahoma
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population	Net Assessed Value (1)	Gross Bonded Debt	Less: Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	617,796	\$ 5,027,965,502	\$ -	\$ -	\$ -	0.00%	0.00
2011	612,937	4,925,268,041	-	-	-	0.00%	0.00
2010	603,403	4,896,856,452	-	-	-	0.00%	0.00
2009	579,202	4,803,764,022	-	-	-	0.00%	0.00
2008	577,727	4,588,773,538	-	-	-	0.00%	0.00
2007	576,972	4,362,430,707	-	-	-	0.00%	0.00
2006	575,738	4,113,430,859	-	-	-	0.00%	0.00
2005	572,028	3,726,841,316	1,575,000	453,159	1,121,841	0.03%	1.96
2004	568,611	3,710,213,009	3,150,000	864,296	2,285,704	0.06%	4.02
2003	569,813	3,607,689,421	8,650,000	4,792,599	3,857,401	0.11%	6.77

(1) Net Assessed Value per Tax Roll Report from Tulsa County Assessor's Office (Increment district totals added back into assessment).

Tulsa County, Oklahoma
Ratio of Annual Debt Service Expenditures for General Bonded Debt and
Judgments to Total General Governmental Expenditures (excludes Industrial Authority)
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Judgments and Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
2012	\$ -	\$ -	\$ 184,323	\$ 184,323	\$ 152,678,997	0.12%
2011	-	-	32,553	32,553	154,152,988	0.02%
2010	-	-	53,267	53,267	143,259,281	0.04%
2009	-	-	83,383	83,383	144,094,462	0.06%
2008	-	-	90,124	90,124	138,414,439	0.07%
2007	-	-	115,111	115,111	127,573,059	0.09%
2006	1,575,000	63,425	216,434	1,854,859	121,530,338	1.53%
2005	1,575,000	123,275	242,245	1,940,520	96,705,671	2.01%
2004	5,500,000	260,425	700,904	6,461,329	102,710,008	6.29%
2003	5,500,000	484,394	717,222	6,701,616	96,815,190	6.92%

Source: Audited financial statements of Tulsa County

Tulsa County, Oklahoma
Computation of Direct and Overlapping Bonded Debt
June 30, 2012

	Net Indebtedness (1)	Percentage Applicable To Tulsa County (2)	Amount Applicable To Tulsa County
Direct Debt:			
Tulsa County	\$ 197,393,497	100.00%	\$ 197,393,497
Total Direct Debt	<u>197,393,497</u>		<u>197,393,497</u>
Overlapping Debt:			
School Districts:			
#1 - Tulsa	177,045,000	97.86%	173,249,864
#2 - Sand Springs	16,820,000	94.95%	15,971,133
#3 - Broken Arrow	75,750,000	66.20%	50,143,103
#4 - Bixby	29,575,000	99.75%	29,500,668
#5 - Jenks	73,970,000	98.78%	73,067,238
#6 - Collinsville	1,490,000	83.35%	1,241,961
#7 - Skiatook	3,615,000	15.82%	572,011
#8 - Sperry	1,950,000	40.14%	782,730
#9 - Union	72,325,000	100.00%	72,325,000
#10 - Berryhill	2,420,000	100.00%	2,420,000
#11 - Owasso	33,450,000	71.78%	24,010,898
#13 - Glenpool	2,835,000	100.00%	2,835,000
#14 - Liberty	1,005,000	62.56%	628,691
#15 - Keystone	80,000	74.05%	59,237
Total School Districts	<u>492,330,000</u>		<u>446,807,534</u>
Cities:			
Bixby	26,300,000	99.45%	26,154,131
Broken Arrow	88,695,000	83.90%	74,411,119
Jenks	21,650,000	100.00%	21,650,000
Sand Springs	6,650,000	97.90%	6,510,517
Sapulpa	13,895,000	3.37%	467,889
Tulsa	454,775,000	99.09%	450,647,364
Total Cities	<u>611,965,000</u>		<u>579,841,021</u>
Total Overlapping Debt	<u>1,104,295,000</u>		<u>1,026,648,554</u>
Total Direct and Overlapping Bonded Debt	<u>\$ 1,301,688,497</u>		<u>\$ 1,224,042,051</u>

Source: Estimates of Needs and Financial Statements filed in County Clerk's office.

- (1) Total general obligation bonds outstanding at June 30, 2012
- (2) Percentage based on portion of applicable government's assessed valuation which lies in Tulsa County to total valuation of Tulsa County.

Tulsa County, Oklahoma
Ratio of Outstanding Debt by Type
Last Ten Years

Fiscal Year	General Bonded Debt			Other Governmental Activities Capital Leases Outstanding	Other Governmental Activities Debt Revenue Bonds, Net	Business Type		Total Primary Government c	Percentage of Nominal Personal Income b		Per Capita b
	General Obligation Bonds, Net a	Percentage of Net Assessed Value a	Per Capita b			Activities Debt Revenue Bonds	Income b				
2012	\$ -	-	-	\$ 5,609,756	\$ 238,128,497	\$ 31,620,509		\$ 275,358,762	0.66%	446	
2011	-	-	-	6,173,605	302,150,000	34,940,746		343,264,351	0.86%	562	
2010	-	-	-	6,390,562	332,615,000	38,264,187		377,269,749	0.93%	625	
2009	-	0.00%	-	7,103,542	381,430,000	41,434,123		429,967,665	1.09%	742	
2008	-	0.00%	-	7,920,356	426,505,000	44,517,202		478,942,558	1.26%	829	
2007	-	0.00%	-	8,716,153	470,065,000	30,445,158		509,226,311	1.41%	883	
2006	-	0.00%	-	8,676,232	435,845,000	31,578,326		476,099,558	1.42%	827	
2005	1,575,000	0.04%	2.75	9,508,650	402,250,000	26,290,000		439,623,650	1.43%	769	
2004	3,150,000	0.08%	5.54	8,780,000	279,875,000	26,850,000		318,655,000	1.11%	560	
2003	8,650,000	0.24%	15.18	8,955,000	49,225,000	26,270,000		93,100,000	0.35%	163	

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

a) See Schedule of Ratios of Net General Bonded Debt To Assessed Values and Net Bonded Debt Per Capita for net assessed value data.

b) Population and nominal personal income data can be found on Schedule of Demographics and Economic Statistics.

c) Includes general bonded debt, other governmental activities debt, and business-type activities debt.

**Tulsa County, Oklahoma
Revenue Bond Coverage
Last Ten Years**

Tulsa County Industrial Authority				Net Revenue Available For Debt Service				Debt Service Requirements		
Year	Gross Revenue	Direct Operating Expenses						Principal	Interest	Total Coverage
2012	\$ 63,629,897	\$ 3,740,206	\$	59,889,691	\$ 12,404,400	\$	51,675,000		64,079,400	0.93
2011	72,218,839	4,523,041		67,695,798	14,834,681		50,465,000		65,299,681	1.04
2010	70,858,586	4,890,499		65,968,087	17,872,978		48,815,000		66,687,978	0.99
2009	76,049,570	4,423,038		71,626,532	16,106,608		45,075,000		61,181,608	1.17
2008	82,752,323	6,863,056		75,889,267	20,153,240		43,560,000		63,713,240	1.19
2007	87,218,170	6,549,736		80,668,434	21,994,766		44,520,000		66,514,766	1.21
2006	93,673,490	5,508,828		88,164,662	19,013,878		39,315,000		58,328,878	1.51
2005	56,780,188	2,149,216		54,630,972	10,090,429		27,625,000		37,715,429	1.45
2004	27,834,932	653,757		27,181,175	5,515,287		11,500,000		17,015,287	1.60
2003	12,644,270	25,962		12,618,308	2,514,250		9,775,000		12,289,250	1.03

Source: Audited financial statements of the Tulsa County Industrial Authority

Tulsa County, Oklahoma
Computation of Legal Debt Margin
Last Ten Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt limit 1-2	\$257,386,479	\$252,334,490	\$250,913,910	\$246,259,289	\$235,533,383	\$224,253,495	\$211,857,140	\$200,082,441	\$191,828,179	\$186,695,594
Total net debt to limit 3	-	-	-	-	-	-	-	1,132,850	2,285,704	3,857,401
Legal debt margin	<u>\$257,386,479</u>	<u>\$252,334,490</u>	<u>\$250,913,910</u>	<u>\$246,259,289</u>	<u>\$235,533,383</u>	<u>\$224,253,495</u>	<u>\$211,857,140</u>	<u>\$198,949,591</u>	<u>\$189,542,475</u>	<u>\$182,838,193</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.57%</u>	<u>1.19%</u>	<u>2.07%</u>

Sources:

- 1 Tulsa County Assessor - Net Assessed Valuation
- 2 Article 10, Section 26, Oklahoma Constitution - 5% of Net Assessed Valuation
- 3 Article 10, Section 27, Oklahoma Constitution - debt subject to limit

County of Tulsa
Principal Employers
Current and 2008

	2012			2008		
	Employer	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank
	Wal-Mart/Sam's Club	7,500	1	1.62%		
	Tulsa Public Schools	7,000	2	1.51%	6,500	2
	American Airlines	7,000	3	1.51%	8,000	1
	Saint Francis Hospital Inc	6,500	4	1.40%	4,500	3
	St Johns Medical Center Inc	6,500	5	1.40%	4,250	5
	Hillcrest Medical Center	5,000	6	1.08%		
	Tulsa, City of	4,000	7	0.86%	4,258	4
	Sprint AeroSystems	3,000	8	0.65%		
	Cherokee Hard Rock Hotel and Casino	3,000	9	0.65%		
	Reasor's (all Tulsa Area)	2,500	10	0.54%		
	Oneok				3,000	6
	Bank Of Oklahoma, NA				2,750	7
	Tulsa Community College				2,200	8
	Broken Arrow Public Schools				1,900	10
	Tulsa, County of	52,000		11.22%	2,000	9
					39,358	
						8.72%

Sources: Tulsa Metro Chamber

Note: The number of employees is an estimate based on data from the Tulsa Metro Chamber

Notes: Data unavailable for 9 years ago

Tulsa County, Oklahoma
Demographic and Economic Statistics
Last Ten Years

(some amounts expressed in thousands)

Year	Population	Nominal Personal Income (in \$Millions)	Real Per Capita Personal Income (MSA)	Median Age	Percent of High School Graduates	Unemployment Rate (MSA)
2012	617,797	\$41,656	\$44,716	38.0	90.65%	6.50%
2011	611,266	\$39,947	\$41,679	37.8	90.43%	7.30%
2010	603,403	\$40,642	\$35,109	37.6	90.15%	7.40%
2009	579,202	\$39,313	\$34,902	37.0	N/A	5.30%
2008	577,727	\$38,115	\$34,149	36.6	90.30%	3.80%
2007	576,972	\$36,304	\$34,066	36.2	90.40%	4.00%
2006	575,738	\$33,723	\$32,757	36.1	89.30%	3.80%
2005	572,028	\$30,723	\$31,083	36.0	87.60%	5.60%
2004	568,611	\$28,763	\$30,166	35.7	87.00%	5.70%
2003	569,813	\$26,729	\$28,808	35.5	84.70%	4.30%

Sources: Population - City of Tulsa Chamber Economic Development web site. 2012 Tulsa Demographics. Used the difference between the 2016 Projection less the 2011 Estimate divided by the five year projection, then added that to the prior years population number
Nominal Personal Income Current Dollars (Seasonally Adjusted) - Center for Applied Economic Research, Oklahoma State University.
Real Per Capita Personal Income - City of Tulsa Economic Development. 2012 Economic Profile
Median age - City of Tulsa Chamber Economic Development web site. 2012 Tulsa Demographics. Used the difference between the 2016 Projection less the 2011 Estimate divided by the five year projection, then added that to the prior years median age
Percent of High School Graduates - City of Tulsa Chamber Economic Development web site. 2012 Tulsa Demographics. Used the difference between the total of 2016 Projection percentages from High School Graduate through Graduate Degrees less the 2011 Estimate totals of the divided by the five year projection, then added to the prior year's percent of high school graduates.
Unemployment Rate - City of Tulsa Chamber Economic Development web site. 2012 Economic Profile

Tulsa County Employees' Retirement System
Change in Net Assets
Last Ten Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Additions										
Member contributions	\$ 34,073	\$ 34,390	\$ 2,267	\$ 8,057	\$ 2,102	\$ 2,107	\$ 2,018	\$ 1,699	\$ 1,762	\$ 1,762
Employer contributions	9,594,837	9,691,440	8,519,675	8,383,248	8,010,788	6,245,263	5,736,698	5,088,636	5,032,321	4,186,703
Net investment income	2,224,020	34,633,250	29,035,839	(20,856,346)	(12,248,802)	28,688,462	15,517,664	11,365,337	18,341,694	6,367,651
Total additions to plan net assets	11,852,930	44,359,080	37,557,781	(12,465,041)	(4,235,912)	34,935,832	21,256,380	16,455,672	23,375,777	10,556,116
Deductions										
Benefit payments	13,631,005	12,506,353	11,450,062	10,523,626	9,923,232	9,210,483	8,556,149	7,974,030	7,493,920	6,820,532
Refunds	9,636	139	12	2,198	4,930	6,824	7,968	1,538	977	4,631
Administrative expenses	123,351	112,376	93,224	46,247	49,593	50,743	52,360	46,989	55,773	46,771
Total deductions to plan net assets	13,763,992	12,618,868	11,543,298	10,572,071	9,977,755	9,268,050	8,616,477	8,022,557	7,550,670	6,871,934
Change in net assets	\$ (1,911,062)	\$ 31,740,212	\$ 26,014,483	\$ (23,037,112)	\$ (14,213,667)	\$ 25,667,782	\$ 12,639,903	\$ 8,433,115	\$ 15,825,107	\$ 3,684,182

Tulsa County, Oklahoma
Number of County Employees (Full time)
Last Ten Years

Departments	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Sheriff	499	527	514	527	495	485	448	180	188	187
Highways	100	113	109	114	113	114	114	112	127	126
Parks	107	114	106	100	97	94	92	97	108	96
Health Department	280	271	271	264	261	265	267	263	250	256
Public Facilities Authority	65	67	78	91	108	89	95	86	87	79
Court Fund	55	58	56	62	58	53	56	54	60	57
All Others	676	725	710	711	697	686	680	681	713	705
	<u>1,782</u>	<u>1,875</u>	<u>1,844</u>	<u>1,869</u>	<u>1,829</u>	<u>1,786</u>	<u>1,752</u>	<u>1,473</u>	<u>1,533</u>	<u>1,506</u>

Sources: Tulsa County Clerk and Tulsa Public Facilities Authority

Tulsa County, Oklahoma
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Roads and Highways										
Bridges	185	184	185	185	185	185	186	185	196	195
Signal Lights	16	15	14	16	15	15	15	14	11	11
Roadways (lane miles)	1,228.60	1,227.34	1,227.74	1,227.74	1,227.74	1,219.20	1,222.46	1,218.46	1,238.76	1,236.36
Public Safety										
Deputies working patrols	59	59	59	60	60	40	34	35	N/A	N/A
Parks and Recreation										
Acreage	1,120	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,160	1,105
Golf courses- 18 hole	1	2	2	2	2	2	2	2	2	2
Golf courses- 18 hole (Par 3)	1	1	1	1	1	1	1	1	1	1
Golf - 3 hole training center	1	1	1	1	1	1	0	0	0	0
Lighted tennis courts	25	27	27	27	27	27	27	27	27	20
Baseball fields (Youth & Adult)	24	24	24	24	21	21	21	21	21	19
Soccer fields	4	16	16	16	16	16	16	16	16	18
Outdoor swimming pools	4	4	4	4	4	4	4	4	4	3
General Government										
Courthouse	1	1	1	1	1	1	1	1	1	1
Health and Welfare										
Pharmacy	1	1	1	1	1	1	1	1	1	1
Emergency Shelter	1	1	1	1	1	1	1	1	1	1

Sources: Information provided from various departments within Tulsa County

Tulsa County, Oklahoma
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Roads and Highways										
Lane miles resurfaced	17.92	18.90	23.98	8.00	25.56	34.47	69.00	50.80	83.00	N/A
Parks and Recreation										
Number of rounds played - 18 hole	88,834	85,315	81,980	109,095	120,199	117,445	120,439	120,620	121,119	101,735
Number of rounds played - Par 3	22,706	20,711	14,632	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of rounds played - 3 hole	2,940	2,927	3,171	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health and Welfare										
Prescriptions filled	31,444	27,126	24,393	25,076	20,999	21,892	25,654	26,398	25,698	34,537
Filled with recycled medications	19,692	19,126	18,140	16,911	13,819	11,524	10,952	6,114	1,960	N/A
Meals served to residents in shelter	40,313	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public Safety										
Offense Crime Types										
Assault	N/A	N/A	N/A	N/A	413	383	403	319	291	235
Domestic Violence	N/A	N/A	N/A	N/A	496	548	536	295	345	442
Drugs	N/A	N/A	N/A	N/A	317	298	223	238	228	377
Vandalism	N/A	N/A	N/A	N/A	252	291	234	226	231	278
Auto Thefts	144	157	157	114	N/A	N/A	N/A	N/A	N/A	N/A
Burglary	398	422	422	372	N/A	N/A	N/A	N/A	N/A	N/A
Felonious Assault	218	263	263	194	N/A	N/A	N/A	N/A	N/A	N/A
Homicide	3	3	3	0	N/A	N/A	N/A	N/A	N/A	N/A
Larceny	433	372	372	408	402	407	479	544	574	663
Other Assault	439	424	424	461	N/A	N/A	N/A	N/A	N/A	N/A
Rape	40	48	48	14	N/A	N/A	N/A	N/A	N/A	N/A
Robbery	22	18	18	15	14	15	10	22	26	24

Sources: Information provided from various departments within Tulsa County.

The Offense Crime Types numbers are based on a calendar year, therefore the December 31, 2011 figures are reported for 2012.

Appendix of Abbreviations

County.....Tulsa County, Oklahoma

FY.....Fiscal year (July 1, through June 30)

GAAP.....Generally Accepted Accounting Principles

GASB.....Governmental Accounting Standards Board

GFOA.....The Government Finance Officers Association of the United States and Canada

MD&A.....Management's Discussion and Analysis

SA&I.....State Auditor and Inspector

TCCJA.....Tulsa County Criminal Justice Authority

TCERS.....Tulsa County Employees' Retirement System

TCHFA....Tulsa County Home Finance Authority

TCIA.....Tulsa County Industrial Authority

TCPFA.....Tulsa County Public Facilities Authority