



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

FOR FISCAL YEAR ENDED JUNE 30, 2005

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

Carolynn Caudill, Oklahoma County Clerk

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I - Introductory Section



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For the fiscal year ended June 30, 2005**

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CAROLYNN CAUDILL
OKLAHOMA COUNTY CLERK

MARK W. MISHOE, CHIEF DEPUTY
(405) 713-7150

January 30, 2006

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

We hereby issue the 2005 Comprehensive Annual Financial Report (CAFR) of Oklahoma County for fiscal year ended June 30, 2005. The CAFR provides a comprehensive overview of the county's financial position and the results of operations for the past fiscal year. This report complies with requirements of state statutes. The Oklahoma County Clerk's Finance Department, prepared this report using generally accepted accounting principles (GAAP) and it has been audited by the Office of the State Auditor and Inspector in accordance with generally accepted auditing standards.

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

In accordance with Title 19.O.S. 2001 §171, the State Statute requires an annual audit for Oklahoma County. The audit is performed by the Oklahoma State Auditor and Inspector's Office. The audit is required to be performed in accordance with Generally Accepted Auditing Standards, which are established by the Auditing Standards Board and Government Auditing Standards issued by the Comptroller General of the United States. The independent auditor's report is located at the front of the financial section of this report. The auditors also perform a single audit according to the provisions of the Single Audit Act and the U.S. Office of Management and Budget (OMB). The findings and recommendations as a result of the audit, according to OMB Circular A-133, are reported under separate cover.

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

PROFILE OF OKLAHOMA COUNTY

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

Based on the U.S. Census Bureau, Oklahoma County has an estimated 2004 population of 680,815, making it the most populous county in the State of Oklahoma. The land area of Oklahoma County is 775 square miles. While Oklahoma is known for its oil and gas industry and its agricultural base, Oklahoma County has a diverse economy of manufacturing, aerospace, service, and industrial companies. Additionally, Oklahoma County is the home to Tinker Air Force Base, which is one of the largest depots for aircraft maintenance in the U.S. Department of Defense.

Oklahoma County is a constitutional form of government comprised of eight elected officials. There are three County Commissioners which form the Board of County Commissioners, a County Clerk, a Court Clerk, a Treasurer, a Sheriff, and an Assessor. During the 2005 fiscal year, Oklahoma County operated under the County Budget Board. The Budget Board is comprised of the eight elected officials and is responsible for the preparation and adoption of the County budget and for establishing County fiscal policies. The County Excise Board, consisting of three appointed members, officially certifies budgets and financial statements for the County as well as all Oklahoma County municipalities and school districts. The County Clerk is secretary to all three of these public boards. These Boards comprise the management of Oklahoma County and are responsible for the administration of County services and information presented in the Comprehensive Annual Financial Report. All county officials are represented in civil matters by the Oklahoma County District Attorney, who is an elected official representing a state judicial district that encompasses Oklahoma County.

Oklahoma County government is a subdivision of the state government, and all of the powers exercised by the County are those delegated by the State, as authorized by the State Legislature and the State Constitution. Under the provisions of the County Budget Act, adopted in 1981, Oklahoma County created a Budget Board which established uniform fiscal procedures for the preparation, adoption, execution and control of county budgets. The State Auditor and Inspector is charged with the duty of auditing the fiscal matters of Oklahoma County on an annual basis.

Financial Reporting Entity

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

Component Units

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

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

Related Organizations

The following related organizations are excluded from the financial reporting entity because the County does not exercise significant influence over their respective operations. Financial statements are available from the respective organizations. Related organizations are Oklahoma County Home Finance Authority, Oklahoma County Industries Authority, Oklahoma County Industrial Authority and Oklahoma County Utility Services Authority.

Accountability and Budgetary Controls

The County has a comprehensive accounting and budgetary system. The County has a balanced budget and complies with requirements of the State Statutes and Oklahoma Constitution. The Budget Board of Oklahoma County has made every effort to comply with the purpose of the County Budget Act.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy and Economic Outlook

As the largest county in the state and the home of the State Capital, Oklahoma County accounts for 19.3 percent of the state's population, and 36.9 percent of the state's labor force. The availability of low-priced real estate, an abundant skilled labor force, a low cost of doing business, and a centralized geographical location make Oklahoma County a prime location for business. These assets continue to be the key to Oklahoma County's growth.

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

Oklahoma County's labor market is expected to add 3,300 new jobs in 2006, a 0.8% gain. This net new job gain reflects the impending shutdown of the local GM plant, announced in late November 2005. An earlier forecast called for net job gains of twice this amount. Despite the impact of the GM shutdown, most major industry sectors are forecasted to add jobs in 2006, with the energy, health care, construction, temporary employment, and professional, scientific, & technical sectors providing most of the growth.

The closing of the GM plant will not affect Oklahoma County's largest revenue source -- ad valorem taxes -- in the current fiscal year, and its full impact will not be felt until fiscal year 2008. Depending on when the closure occurs in 2006 there could be an adjustment made on the plant's vacant building; however, due to the fact of having substantial growth over the past several years, County ad valorem tax revenues are expected to continue to increase in the foreseeable future. In essence, the loss attributable to the plant closure is expected to be offset by growth and the 5% cap spread between market value and taxable value.

The City of Oklahoma City is the largest city in Oklahoma County, and as the hub of the increasingly vibrant, larger Oklahoma City metropolitan area, it continues to serve as an important source of economic stimulus for the county and surrounding region. The emergence of Oklahoma City onto the national scene is rapidly becoming a model for economic revitalization and public/private sector cooperation. The temporary relocation of the National Basketball Association's New Orleans/Oklahoma City Hornets to Oklahoma City, which has been a stunning success, will only add to the national reputation of the City as it develops a larger presence on the national level. (The team relocated after Hurricane Katrina devastated its home.)

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

Oklahoma County continues to enjoy a significant boost from the ongoing expansion of the area's oil and gas complex. Local energy firms continue to add workers at a rapid pace, with an 8.8% growth rate (650 jobs) forecast for 2006. Moreover, the high wages earned by these workers provides a significant boost to the average wage in the local economy. Meanwhile, the local manufacturing sector continues to languish under intense foreign competition and falling prices for manufactured products. The latest forecast for Oklahoma County calls for an 11.9% decline (3,300 jobs) in manufacturing employment in 2006, mostly reflecting the shutdown of the GM plant.

Taxable retail sales continue to extend the impressive gains that began in 2004. The Oklahoma County retail market will account for more than \$11 billion in taxable transactions next year, or nearly 30% of the statewide total. Projections for calendar year 2005 suggest sales tax growth of 4.7% in Oklahoma County. The 2006 forecast calls for continued strong retail activity with a growth rate of 4.2%.

The strong performance of the local and regional economies is showing up in strong income growth for county residents. After increasing 6.7% in 2004, personal income is expected to increase 6.5% for all of 2005, before slowing slightly to a forecasted 5.9% growth rate in 2006. The forecasted 2006 per capita income for Oklahoma County (\$36,320) continues to move ahead

of the state (\$30,888), reaching an estimated 118% of the state average. More importantly, county per capita income continues to hover around parity with the nation, after falling consistently from 118% of the nation at the height of the oil boom to only 91% of the nation by 1997.

The following table depicts the composition of the Oklahoma City/Oklahoma County Wage and Salary Employment in all employment sectors.

(In Thousands)	Estimated			Projected	
	2004	2005	%Change	2006	%Change
Mining	6.91	7.49	8.4	8.15	8.8
Construction	16.02	16.96	5.9	17.65	4.0
Manufacturing	28.97	27.98	-3.4	24.65	-11.9
Transportation, Warehousing & Utilities	13.02	13.25	1.8	13.24	0.1
Wholesale Trade	17.85	18.38	3.0	18.68	1.6
Retail Trade	45.05	45.73	1.5	46.17	1.0
Information	11.63	11.97	2.9	12.16	1.6
Financial Activities	27.77	26.91	3.1	27.13	0.8
Professional & Bus. Svcs.	56.89	59.25	4.2	60.83	2.7
Education & Health Svcs.	54.47	53.89	-1.1	55.34	2.7
Leisure & Hospitality	39.60	40.58	2.5	41.23	1.6
Other Services	11.41	11.48	0.6	11.49	0.1
Government	75.03	75.48	0.6	75.90	0.6
Total	404.63	409.33	1.2	412.62	0.8

Source: Oklahoma State University, Center for Applied Economic Research

Long-term Financial Planning and Major Initiatives

Strategic Planning

In March of 2005, Oklahoma County adopted a revised strategic plan for the county, it being the result of a third year of strategic planning work on the part of all eight elected county officers and selected staff.

The plan's strategic goals are as follows:

1. Increased citizen involvement and understanding.
2. County employee development.
3. Review funding sources and requirements to maximize the returns to the citizens of Oklahoma County.
4. Provide and improve the general welfare of our citizens.
5. Be the economic leader for Central Oklahoma.
6. Achieve infrastructure excellence.

Specific objectives and action plans supporting each of the listed goals are included in the plan.

Recently-Completed Capital Improvement Projects

The Public Buildings Authority, a component unit of Oklahoma County, will receive increased revenues in the current fiscal year from the full-year operation of a new parking garage and remodeling of its existing parking garage, both of which were completed late last fiscal year.

In 2005, the Oklahoma County Assessor's Office was recognized nationally and globally for its new geographic mapping system. The Assessor's web site was recognized by California-based Environmental Systems Research Institute as one of 150 best implementations of Geographic Information Systems, or GIS, from out of more than 100,000 user sites around the world.

A new courtroom for the Oklahoma County Courthouse has recently been completed, as have new roofs for the county courthouse complex (Courthouse, Annex, and Investor's Capital buildings).

Future Capital Improvement Plans

Several capital improvement projects are scheduled to be completed during this fiscal year. For example, the County is preparing to renovate portions of the County courthouse and County Annex building this fiscal year to enhance security, using a combination of Homeland Security grant and General Fund revenues. This will include detection equipment, bollards, and security fencing, and a renovation of lobby space to accommodate the new detection equipment.

The central control panel for the Oklahoma County Jail is currently being replaced, and engineering design work will also be completed this fiscal year for a proposed new HVAC system for the County Courthouse building. The HVAC system at the County's Training & General Assistance Building is itself being replaced and repaired this year, as will the chilled water pump for the County Courthouse.

Funds have been budgeted for development of a master plan for a potential new juvenile justice center for the county. This work product would include conceptual drawings, potential site location, and cost estimates.

The County has budgeted \$1.5 million for an economic development project involving the construction of a new access ramp in northeastern Oklahoma County to the toll-road which links Oklahoma City and Tulsa. A seven million dollar project in total, this joint project is also being funded via a \$2 million federal appropriation and \$3.5 million from the Oklahoma Turnpike Authority.

The Oklahoma County Clerk's office is scheduled to complete this fiscal year a three-year project which will make all files from its recording office available to citizens electronically, 24/7 over the internet. In what is believed to be a first in the nation, this new service will include all recordings made in that office, back to inception in 1890. The project has already garnered national attention.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oklahoma County for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the eleventh consecutive year that Oklahoma County has received this prestigious award (fiscal years ended 1994-2004).

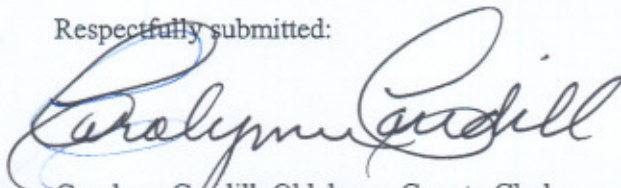
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal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

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

Acknowledgements

The dedicated work of the entire Finance Division of the County Clerk's office made possible the preparation of the County's Comprehensive Annual Financial Report. The County Treasurer and other staff and administrators at various sites throughout the County provided additional, valuable help. In addition, the County extends appreciation to the County Budget Board, which has encouraged and supported progressive accounting and reporting for both internal and external use.

Respectfully submitted:



Carolynn Caudill, Oklahoma County Clerk



Douglas J. Enevoldsen, Director of Finance & Administration
Oklahoma County Clerk's Office

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oklahoma County,
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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.



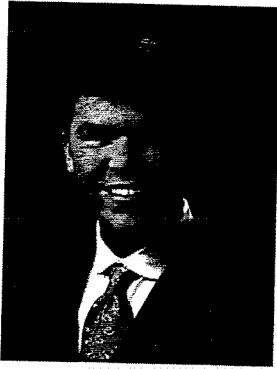
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

Oklahoma County Elected Officials



Jim Roth,
Commissioner District 1



Brent Rinehart,
Commissioner District 2



Stan Inman,
Commissioner District 3



Carolynn Caudill,
County Clerk



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



John Whetsel,
Sheriff



Leonard Sullivan,
Assessor

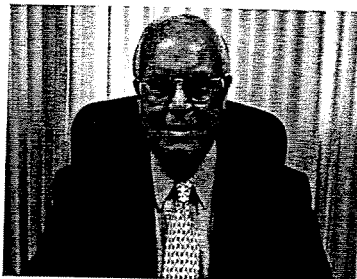


Patricia Presley,
Court Clerk

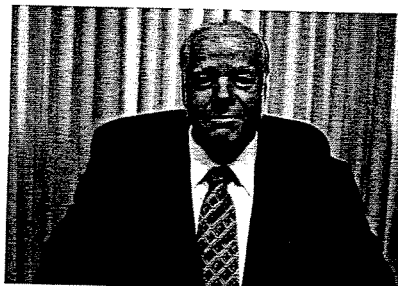


C. Wesley Lane,
District Attorney

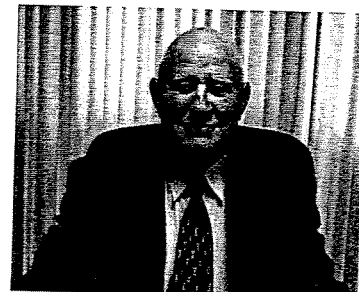
Oklahoma County Excise Board Members



James Harrod



Frank Burns

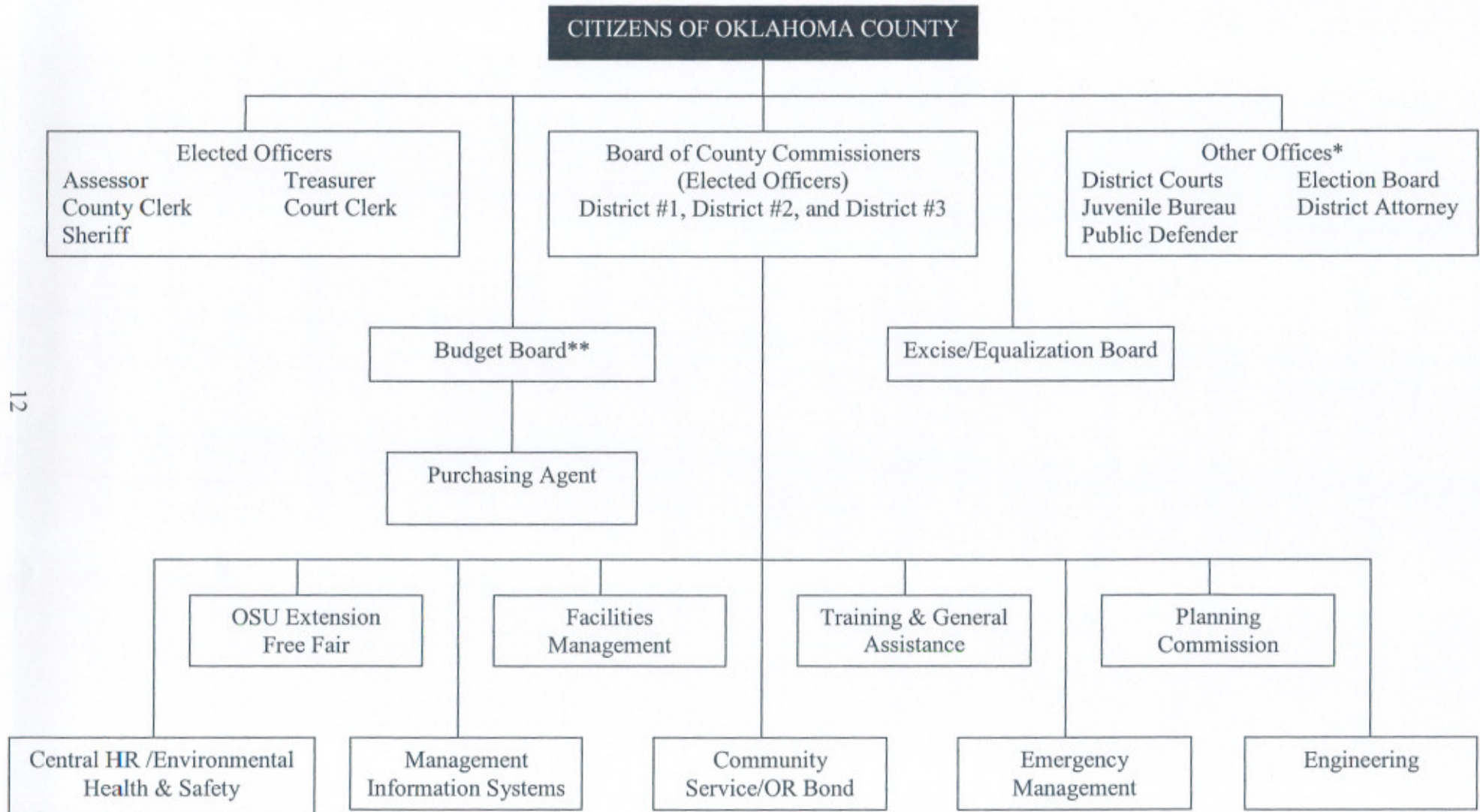


Donald Strube

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ORGANIZATIONAL CHART FOR OKLAHOMA COUNTY, OKLAHOMA

At June 30, 2005



*District Court Judges and District Attorney elected by citizens, others appointed

**Membership includes all elected County Officials.

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II - *Financial Section*





STATE OF OKLAHOMA
OFFICE OF THE AUDITOR AND INSPECTOR

JEFF A. McMAHAN
State Auditor and Inspector

Independent Auditor's Report

To The Officers of
Oklahoma County, Oklahoma

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oklahoma 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 Oklahoma County Public Buildings Authority, the financial statements of the Oklahoma County Finance Authority, and the financial statements of the pension trust funds of Oklahoma County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities, the discretely presented component unit, and the pension trust funds included in the aggregate remaining fund information of Oklahoma County, is based solely on the reports of the other auditors.

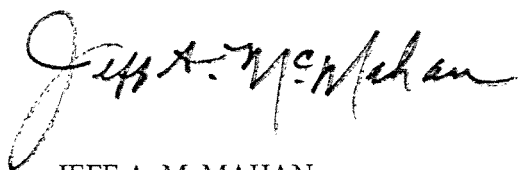
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Oklahoma County, Oklahoma, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, 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 January 27, 2006, on our consideration of Oklahoma County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

The Management's Discussion and Analysis, Schedule of Funding Progress-Employees Defined Benefit Retirement System, Schedule of Employer Contributions-Employees' Defined Benefit Retirement System, and the Budgetary Comparison Schedule for the General Fund, on pages 15 through 25 and pages 69 through 77, respectively, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oklahoma County's basic financial statements. The introductory section, combining and individual non-major fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Jeff A. McMahon". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JEFF A. McMAHAN
State Auditor and Inspector

January 27, 2006

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Oklahoma County (the County) financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The total assets of the County exceeded its liabilities at the close of the fiscal year by \$122,338,098 (net assets). Of this amount \$6,411,647 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$3,309,272 from the amount previously reported at the end of the prior fiscal year. This increase was the result of a \$2,019,423 prior period adjustment to properly report a previously unreported net pension asset and adjust previously reported capital assets. In addition to the prior period adjustment, current year revenues outpaced the current year expenses by \$1,289,848, further increasing net assets.
- As of the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$47,259,751, a 7% or \$3,107,684 increase. Of this amount, \$9,011,294 is unreserved fund balance of the general fund, and is available for spending at the government's discretion.
- During 2005, the construction of the new parking garage was completed with the proceeds from lease revenue bonds issued by the Oklahoma Industries Authority (OIA). The total cost of \$10,430,375 is reflected in the increase in capital assets of the Public Buildings Authority, a blended component unit.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

The government-wide statements report information about the County as a whole 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,

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

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, is one way to measure the County's financial health, or financial position.

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, nonfinancial factors should be considered such as changes in the County's property tax base and the condition of the County's roads and highways.

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

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

Fund Financial Statements

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

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

The County has three kinds of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on (1) cash and other current financial resources that can be readily converted to cash and used to pay obligations and (2) the balances left at year-end that are available for spending. Governmental funds use the modified accrual basis of accounting and the current financial

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

resource measurement focus. Under this basis of accounting and measurement focus, revenues are recognized when cash is received during or soon after the end of the year; expenditures are recognized when goods or services have been received and payment is due during the year or soon thereafter. Consequently, the governmental funds statements provide a short-term view that helps you determine whether there are more or less financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- *Proprietary funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds use the same basis of accounting and the same measurement focus as the government-wide statements. Proprietary funds provide both long and short-term financial information.
- *Fiduciary funds* – The County is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that can only be used by the trust beneficiaries. The County is responsible for distributing the assets reported in these funds to the intended beneficiary. Fiduciary funds use the same basis of accounting and the same measurement focus as the government-wide statements. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Notes to the financial statements

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

Other information

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementation information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE COUNTY

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Oklahoma County, assets exceeded liabilities by

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

\$122,338,098 at June 30, 2005. At the end of the current year, the County's net assets are reported as follows:

Oklahoma County's Net Assets

June 30, 2005

(dollars in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
		<u>Restated</u>				<u>Restated</u>
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Total current and other assets	\$ 54,057	\$ 50,465	\$ 3,667	\$ 13,866	\$ 57,724	\$ 64,331
Capital assets, net	104,589	109,155	16,613	7,908	121,202	117,063
Total Assets	158,646	159,620	20,280	21,774	178,926	181,394
Total current liabilities	13,200	8,693	1,170	1,587	14,370	10,280
Total noncurrent liabilities	23,854	31,003	18,364	19,063	42,218	50,066
Total Liabilities	37,054	39,696	19,534	20,650	56,588	60,346
Net assets:						
Invested in capital assets, net of related debt	84,480	88,211	(56)	620	84,424	88,831
Restricted	30,700	27,561	802	503	31,502	28,064
Unrestricted	6,412	4,152	-	-	6,412	4,152
Total net assets	\$ 121,592	\$ 119,924	\$ 746	\$ 1,123	\$ 122,338	\$ 121,047

The largest portion of the County's net assets (69.0%) reflects its investment in capital assets (i.e. land, buildings, equipment, infrastructure). The county uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the County's net assets (25.7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, a total of \$6,411,647 (5.2%), may be used to meet the county's ongoing obligations to citizens and creditors. The unrestricted balance is fully attributable to governmental activities.

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

At the end of the 2005 fiscal year, the County was able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Oklahoma County's Changes in Net Assets
For the year ended June 30, 2005
(dollars in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program revenues:						
Charges for services	\$ 32,407	\$ 32,495	\$ 1,685	\$ 1,446	\$ 34,092	\$ 33,941
Operating grants and contributions	4,877	5,063			4,877	5,063
Capital grants and contributions	12,767	11,649			12,767	11,649
General revenues:					-	-
Property taxes	46,754	46,143			46,754	46,143
Other revenues	1,546	816	122		1,668	816
Total revenues	98,351	96,166	1,807	1,446	100,158	97,612
Expenses:						
General government	34,058	37,057		-	34,058	37,057
Public safety	42,814	39,185		-	42,814	39,185
Health and welfare	3,498	3,035		-	3,498	3,035
Culture and recreation	48	45		-	48	45
Education	376	345		-	376	345
Roads and highways	15,218	13,470		-	15,218	13,470
Economic development	131	106		-	131	106
Interest on long-term debt	1,239	1,207			1,239	
Public Buildings Authority			1,485	654	1,485	654
Total expenses	97,382	94,450	1,485	654	98,867	93,897
Change in net assets before transfers	969	1,716	322	792	1,291	2,508
Net Transfers	699	657	(699)	(657)	-	-
Change in net assets	1,668	2,373	(377)	135	1,291	2,508
Net assets - beginning	117,905	112,750	1,123	988	119,028	113,738
Prior Period Adjustment	2,019	2,782			2,019	2,782
Net assets - ending	<u>\$ 121,592</u>	<u>\$ 117,905</u>	<u>\$ 746</u>	<u>\$ 1,123</u>	<u>\$ 122,338</u>	<u>\$ 119,028</u>

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental activities

Net assets for governmental activities increased \$3.687 million. The change in net assets resulted from a prior period adjustment to net assets as reported on Note IV.F. and a variety of increases and decreases which include some of the following more significant items:

- Total revenues increased \$1.348 million. The more significant increases were as follows:
 - Property taxes increased by approximately \$611 thousand or 1.3%, as a result of a relatively healthy real-estate market and continued increases in assessed values.
 - Funds for Roads and Bridges, classified as Capital Grants and Contributions, increased approximately \$1.118 million primarily as a result of a \$936 thousand or 9.5% increase in the amount received for gas tax, fuel tax, motor vehicle tax, and gross production tax.
- The increase in revenues was offset with a \$2.095 million increase in expenses. The more significant changes were as follows:
 - An increase of \$3.629 million is attributable to public safety. This fluctuation is comprised of multiple items, including a \$597 thousand increase in Sheriff's inmate medical service cost (a 21% increase), and an increase of \$701 thousand in Sheriff salaries for personnel and salary adjustments (a 4.6% increase). Sheriff benefits increased \$2.671 million and Juvenile Justice benefits increased \$526 thousand due to the County charging the cost of employee benefits out to departments in 04-05, whereas they were previously charged to General Government.
 - Roads and Highways had a \$1.748 million increase in expenses. This increase is a result of many reasons, including Highway benefits increase of \$697 thousand due to the County charging the cost of employee benefits to departments in 04-05, previously charged to General Government. The fuel expenses of the three Highway Districts increased a combined total of \$122 thousand as a result of rising fuel costs. District #3 Highway Cash road and bridge material expense increased \$860 thousand due to large road and paving projects along with an increase in the cost of asphalt.
 - A decrease of \$3.836 million is attributable to general government. This reduction is a result of a number of reasons, including the net effect of charging the cost of employee benefits to departments other than general government in the amount of \$4.614 million. Employee benefits expenses increased \$1.009 million due to the rising cost of healthcare (a 9.1% increase) and Court Clerk salaries and benefits increased \$309 thousand for personnel salary adjustments.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-type activities

Rental revenues increased 16.5% since fiscal year 2004, due to the opening of the new parking garage in May 2005. Lease revenue bonds interest payments increased non-operating expenses \$447,000, which was partially offset with an increase in operating income of approximately \$18,000. These fluctuations along with an increase in transfers out of approximately \$42,000 resulted in a \$377,488 or 33.6% decrease in net assets at year-end.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$47,259,751, an increase of \$3,107,684 in comparison with the prior year. Unreserved fund balance was \$44,100,031, of the total fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate purchase orders of the prior period (\$1,958,781), and 2) for inventory on hand at year-end (\$1,200,939).

The general fund is the chief operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (\$9,011,294) and total fund balance (\$9,670,917) to total fund expenditures. Unreserved fund balance represents 16% of the total general fund expenditures, while total fund balance represents 17% of that same amount.

While fund balance of the governmental funds increased by \$3,107,684, or 7%, the individual funds had more significant fluctuations:

- General fund balance decreased \$319,000. Revenues were up approximately 6%, while expenses were up approximately 5.6%. Together, these minor fluctuations resulted in a \$206,465 excess of revenues over expenditures before other financing sources, compared to an \$8,805 deficiency last year.
- Sheriff Special Revenue fund balance increased \$2.236 million as a result of revenues exceeding expenditures.
- Other Governmental funds increased \$1.574 million as a result of activity in 25 different funds. The most significant of these fluctuations is attributable to a \$1.064 million increase in the resale property fund ending balance as a result of no excess funds being apportioned to cities and schools during the 2005 fiscal year.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Total departmental budgets were increased from the original budgets by \$4,210,437, while transfers out were increased \$2,105,148. The majority of the budget increases were appropriated when the final ad valorem values were certified in September. The more significant increases went to the following departments/funds:

- Juvenile Justice Center was appropriated an additional \$2,020,888 to account for all of its activities within General Fund, previously accounted for in the Juvenile Special Revenue fund.
- Training and General Assistance was appropriated an additional \$926,531 based on anticipated increases in grant awards.
- Sheriff was appropriated an additional \$741,665 for increased salaries and benefits and an increase in the inmate medical contract.
- Court Clerk was appropriated an additional \$307,892 based on the increased court-fund salary reimbursements and to improve salaries of Court Clerk staff.
- Commissioners were appropriated an additional \$143,171 for unfunded vacancies.
- \$1,288,930 of the increase in transfers out went to employee benefits to fund increased medical and prescription drug costs for which the county is self-insured. Participation in the health care plan has remained relatively consistent. The increased expense is consistent with health care industry trends. \$454,571 of the increase in transfers out went to the capital projects fund, \$200,000 of which was to fund a courthouse security project and \$103,671 for the new parking garage completion.

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

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

Actual expenditures were \$2,861,048 under budget while revenue collections were approximately \$1,303,624 million higher than budget. Ad valorem tax collections (current and prior) accounts for \$898,729, and county clerk fees account for \$708,743 of the revenue variance. The low interest rates have had a very positive impact on home sales and market values. This increase in selling and refinancing of homes directly impacts the tax base, and the number of documents filed in the county clerk's office. These increases were offset with a \$638,289 decrease in intergovernmental revenues, primarily due to federal grants being overestimated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2005, the County's investment in capital assets for its governmental activities amounts to \$104,588,877 (net of accumulated depreciation) and \$16,613,307 (net of accumulated depreciation) for its business-type activities. The County owns various buildings in which county business is conducted. The buildings and building improvements are recorded at a net book value of \$48.653 million at June 30, 2005, comprising the largest class of assets.

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

- Completion of the new parking garage at a cost of \$10,430,375. As a result, the total net capital assets reported in business-type activities increased 110%.
- The acquisition of approximately \$362,485 of land in the Tinker Air Force Base vicinity, with the proceeds of general obligation bonds issued for the Tinker Clearing project.
- Various building improvement projects to the courthouse, annex building and jail were completed at a cost of \$327,069.
- Removal of leased copiers from capital assets in the amount of \$359,231 (net of accumulated depreciation). Reclassified as operating leases since the intent is not to purchase copiers at the end of the lease agreements.

During the current year, beginning net assets was adjusted \$(646,027). Of this amount, \$(359,231) was for leased copiers, while the other \$(286,796) was to correct balances of other capital assets reported in error at June 30, 2004. For additional information on the county's capital assets, see Note III.C.

Debt Administration

Debt for Governmental activities had no significant changes this fiscal year.

State law limits the amount of general obligation debt the County can issue to 5% of the assessed value of all taxable property within the County's limits. Our outstanding debt less the amount available in the Debt Service Fund is \$17,545,901, leaving a legal debt margin of \$202,577,375. For additional information on the county's debt activity, see note III.F.

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The County's primary general fund revenue source is property taxes, with its second largest single source being county clerk fees on documents filed in the Office of the County Clerk. While long-term mortgage rates are anticipated to gradually increase over the next year, they remained relatively low during 2005. Therefore, home sales and mortgage refinancing has remained healthy. Home sales for calendar year 2005 are expected to exceed calendar year 2004.

These trends have resulted in increased market values of homes in Oklahoma County, and in turn increased ad valorem revenues. Although 2005 saw a gradual increase in mortgage rates, filing fees in the County Clerk's office for home sales and refinancing remained relatively strong.

On the expense side of the finances, the economy is continuing to see health care costs rise to record levels. With approximately 1700 employees, and 55% of the general fund budget allocated to salaries and wages (excluding benefits which represents another 18%), the impact is significant to the County. The County's health care costs increased \$1.009 million since last year and have risen \$4.775 million since fiscal year 2000, a 65% increase. Health care costs have also impacted operating costs of the jail to retain medical services for prisoners detained at the county jail. Costs are anticipated to continue to rise in the coming year based on industry projections. The County has adopted changes in the health plan for active employees to limit future increases in costs and employee premiums.

Southwestern Bell protested the 05 tax assessment which accounts for approximately \$1.615 million of the County's General Fund ad valorem tax revenue. The County's 05-06 budget was built on the assumption that it would not receive this tax revenue in the 05-06 budget year.

In the 2005 fiscal year, The Board of County Commissioners voted to dissolve the Oklahoma County Budget Board, effective July 1, 2005. Oklahoma County operated under the provisions of the County Budget Act, adopted in 1981. This act created a Budget Board consisting of all eight elected officials and established uniform fiscal procedures for the preparation, adoption, execution and control of county budgets. As of July 1, 2005 Oklahoma County is operating as a Commissioner/Excise Board County, whereby the Board of County Commissioners files the financial statement and estimate of needs. The County Excise Board examines the financial statement and estimate of needs, ensures mandatory governmental functions are adequately funded, and issues a final order approving the county budget.

In July 2005, the management agreement between the Public Building Authority and the Board of County Commissioners of Oklahoma County was amended. Under the new agreement, the County will provide staff to efficiently manage and operate properties as well as establish an enterprise fund, with a separate debt service cost center, for the proper accounting of the revenues and expenses of the Authority. OCPBA formally

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

adopted an annual budget for the 2005-2006 fiscal year in accordance with the new management agreement. The excess rental revenue generated from the opening of the new parking garage in May 2005 along with the existing garage is expected to be an estimated \$2.197 million. This rental revenue will be used to pay the debt on the OIA lease revenue bonds as discussed in Note III.F.1., and the excess for operating expenses.

REQUESTING THE COUNTY'S FINANCIAL INFORMATION

This financial report is designed to provide citizens, taxpayers, bondholders and other interested parties with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. Complete financial statements of the individual blended and discretely presented component units can be requested from the Oklahoma County Clerk's office. If you have questions about this report or need additional financial information, contact the County Clerk's Finance Division at 320 Robert S. Kerr, Room 108 Oklahoma City, OK 73102-3430.

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*Basic
Financial
Statements*



OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,777,066	\$ -	\$ 6,777,066	\$ 153,057
Investments	2,298,023	-	2,298,023	1,396,711
Property taxes receivable, net	1,659,511	-	1,659,511	-
Accounts receivable	867,199	-	867,199	7,428
Interest receivable	132,696	-	132,696	10,058
Prepaid insurance	-	-	-	3,721
Intergovernmental receivables	5,163,585	-	5,163,585	-
Inventories	1,200,939	-	1,200,939	-
Total current assets	18,099,019	-	18,099,019	1,570,975
Noncurrent assets:				
Restricted Assets:				
Cash and cash equivalents	24,744,881	3,273,647	28,018,528	-
Investments	8,390,704	-	8,390,704	-
Accounts receivable	-	1,830	1,830	-
Bond issuance costs	75,815	391,000	466,815	-
Capital assets not being depreciated	28,299,949	3,010,633	31,310,582	-
Capital assets, net of accumulated depreciation	76,288,928	13,602,674	89,891,602	362
Net Pension Asset	2,746,749	-	2,746,749	-
Total noncurrent assets	140,547,025	20,279,784	160,826,809	362
Total Assets	\$ 158,646,044	\$ 20,279,784	\$ 178,925,828	\$ 1,571,337
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	\$ 3,723,987	\$ 390,344	\$ 4,114,331	\$ 3,684
Compensated absences, current	2,815,655	-	2,815,655	-
Leases payable, current	766,875	-	766,875	-
Judgments payable, current	439,705	-	439,705	-
Claims liability, current	3,923,900	-	3,923,900	-
Bonds payable, current	1,530,000	780,000	2,310,000	-
Unearned revenue	-	106	106	-
Total current liabilities	13,200,122	1,170,450	14,370,572	3,684
Noncurrent liabilities:				
Compensated absences	576,701	-	576,701	-
Leases payable	6,129,964	-	6,129,964	-
Judgments payable	207,167	-	207,167	-
Bonds payable	16,940,000	18,363,326	35,303,326	-
Total noncurrent liabilities	23,853,832	18,363,326	42,217,158	-
Total Liabilities	37,053,954	19,533,776	56,587,730	3,684
NET ASSETS				
Invested in capital assets, net of related debt	84,480,330	(56,342)	84,423,988	362
Restricted for:				
General government				
Resale property	4,745,108	-	4,745,108	-
Records preservation	1,185,730	-	1,185,730	-
Public safety	9,315,607	-	9,315,607	-
Roads and highways	8,948,236	-	8,948,236	-
Economic development	2,175,467	-	2,175,467	-
Debt service	1,570,971	802,350	2,373,321	-
Pension trust fund	2,746,749	-	2,746,749	-
Other purposes	12,245	-	12,245	-
Unrestricted	6,411,647	-	6,411,647	1,567,291
Total net assets	121,592,090	746,008	122,338,098	1,567,653
Total liabilities and net assets	\$ 158,646,044	\$ 20,279,784	\$ 178,925,828	\$ 1,571,337

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

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets								
	Expenses	Indirect Expense Allocation	Charges for Services	Program Revenues		Primary Government			Component Unit
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:									
Governmental activities:									
General government	\$ 34,058,417	\$ (2,445,280)	\$ 12,874,450	\$ 1,908,389	\$ -	\$ (16,830,298)	\$ -	\$ (16,830,298)	\$ -
Public safety	42,813,630	1,879,517	19,333,419	1,438,915	-	(23,920,814)	-	(23,920,814)	-
Health and welfare	3,498,484	129,548	-	1,530,006	-	(2,098,026)	-	(2,098,026)	-
Culture and recreation	48,457	-	-	-	-	(48,457)	-	(48,457)	-
Education	375,503	-	-	-	-	(375,503)	-	(375,503)	-
Roads and highways	15,218,410	436,215	-	-	12,766,678	(2,887,947)	-	(2,887,947)	-
Economic development	130,898	-	198,910	-	-	68,012	-	68,012	-
Interest on long term debt	1,238,461	-	-	-	-	(1,238,461)	-	(1,238,461)	-
Total governmental activities	97,382,260	-	32,406,779	4,877,310	12,766,678	(47,331,494)	-	(47,331,494)	-
Business type activities:									
Public Buildings Authority	1,485,261	-	1,684,614	-	-	-	199,353	199,353	-
Total business-type activities	1,485,261	-	1,684,614	-	-	-	199,353	199,353	-
Total primary government	\$ 98,867,521	\$ -	\$ 34,091,393	\$ 4,877,310	\$ 12,766,678	\$ (47,331,494)	\$ 199,353	\$ (47,132,141)	\$ -
Component unit:									
Finance Authority	\$ 129,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,676)
Total component units	\$ 129,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (129,676)
General revenues:									
Property taxes						46,753,701	-	46,753,701	-
Unrestricted investment earnings (expense)						1,315,158	117,014	1,432,172	23,190
Miscellaneous						231,116	5,000	236,116	188,118
Transfers						698,855	(698,855)	-	-
Total general revenues and transfers						48,998,830	(576,841)	48,421,989	211,308
Change in net assets						1,667,336	(377,488)	1,289,848	81,632
Net assets - beginning						117,905,330	1,123,496	119,028,826	1,486,021
Prior Period Adjustment						2,019,423	-	2,019,423	-
Net assets - ending						\$ 121,592,090	\$ 746,008	\$ 122,338,098	\$ 1,567,653

**OKLAHOMA COUNTY, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2005**

	General	Highway Cash	Sheriff Special Revenue	Tinker Clearing II	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 6,164,064	\$ -	\$ -	\$ -	\$ 613,002	\$ 6,777,066
Restricted cash	-	4,519,004	4,800,808	5,366,291	10,058,778	24,744,881
Investments	2,090,162	-	-	-	207,861	2,298,023
Restricted investments	-	1,532,342	1,627,898	1,819,647	3,410,817	8,390,704
Property taxes receivable	974,862	-	-	-	684,649	1,659,511
Interest receivable	479	48,400	55,455	202	28,160	132,696
Accounts Receivable	867,199	-	-	-	-	867,199
Intergovernmental receivable	1,042,359	2,631,766	986,054	-	414,682	5,074,861
Inventory	135,724	897,218	167,997	-	-	1,200,939
Total assets	\$ 11,274,849	\$ 9,628,730	\$ 7,638,212	\$ 7,186,140	\$ 15,417,949	\$ 51,145,880
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,603,932	\$ 1,080,512	\$ 566,483	\$ 12,000	\$ 623,202	\$ 3,886,129
Total liabilities	1,603,932	1,080,512	566,483	12,000	623,202	3,886,129
Fund balances:						
Reserved for:						
Encumbrances	523,899	573,241	307,834	-	553,807	1,958,781
Inventory	135,724	897,218	167,997	-	-	1,200,939
Unreserved, reported in:						
General fund	9,011,294	-	-	-	-	9,011,294
Debt services	-	-	-	-	1,570,971	1,570,971
Special revenue funds	-	7,077,759	6,595,898	-	11,378,531	25,052,188
Capital project funds	-	-	-	7,174,140	1,291,438	8,465,578
Total fund balances	9,670,917	8,548,218	7,071,729	7,174,140	14,794,747	47,259,751
Total liabilities and fund balances	\$ 11,274,849	\$ 9,628,730	\$ 7,638,212	\$ 7,186,140	\$ 15,417,949	\$ 51,145,880

Total fund balance - governmental funds	\$ 47,259,751
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	104,588,877
The Oklahoma County Defined Benefit Retirement Plan has been funded in excess of Annual Required Contributions, creating a negative net pension obligation. This asset is not a current available financial resource and is not reported in the funds.	2,746,749
Intergovernmental receivables at year-end, but not available soon enough to pay for the current period's expenditures, and, therefore, are deferred in the funds.	88,724
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. This includes bonds payable (\$18,470,000), leases payable (\$6,896,839), judgments payable (\$646,872), compensated absences (\$3,392,356), and accounts payable based on actuarial liability for unpaid benefit claims (\$3,761,759).	(33,092,011)
Net assets of governmental activities	\$ 121,592,090

FOR THE YEAR ENDED JUNE 30, 2005

	General	Highway Cash	Sheriff Special Revenue	Tinker Clearing II	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 40,877,797	\$ -	\$ -	\$ -	\$ 5,870,504	\$ 46,748,301
Charges for services	5,350,711	-	-	-	5,338,971	10,689,682
Intergovernmental revenues	9,388,506	10,826,645	13,122,148	-	1,797,398	35,134,697
Interest income	1,158,548	136,596	130,603	151,655	156,484	1,733,886
Miscellaneous revenue	1,345,595	2,034,299	603,854	40,000	75,453	4,099,201
Total revenues	58,121,157	12,997,540	13,856,605	191,655	13,238,810	98,405,767
EXPENDITURES						
Current:						
General government	26,067,485	-	-	-	5,051,980	31,119,465
Public safety	25,238,603	-	10,935,848	-	3,721,553	39,896,004
Health and welfare	3,328,502	-	-	-	-	3,328,502
Culture and recreation	48,457	-	-	-	-	48,457
Education	363,067	-	-	-	-	363,067
Roads and highways	1,115,373	12,650,141	-	-	79,900	13,845,414
Debt service:						
Principal	575,688	328,093	-	-	2,023,069	2,926,850
Interest	381,661	29,849	-	-	826,951	1,238,461
Capital outlay	795,856	728,053	657,755	314,835	1,121,102	3,617,601
Total expenditures	57,914,692	13,736,136	11,593,603	314,835	12,824,555	96,383,821
Excess (deficiency) of revenues over (under) expenditures	206,465	(738,596)	2,263,002	(123,180)	414,255	2,021,946
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	795,316	326,351	-	-	1,256,225	2,377,892
Transfers to other funds	(1,382,576)	(200,000)	-	-	(96,461)	(1,679,037)
Sale of capital assets	-	28,336	-	-	-	28,336
Total other financing sources (uses)	(587,260)	154,687	-	-	1,159,764	727,191
Net change in fund balances	(380,795)	(583,909)	2,263,002	(123,180)	1,574,019	2,749,137
Fund balances - beginning	9,989,888	8,808,548	4,835,583	7,297,320	13,220,728	44,152,067
Increase (decrease) in reserve for inventory	61,824	323,579	(26,856)	-	-	358,547
Fund balances - ending	\$ 9,670,917	\$ 8,548,218	\$ 7,071,729	\$ 7,174,140	\$ 14,794,747	\$ 47,259,751

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

**OKLAHOMA COUNTY, OKLAHOMA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005**

Net change in fund balances-total governmental funds (including the change in inventory reserve)	\$3,107,684
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$7,054,014) exceeded capital outlays (\$3,995,800) in the current period.	(3,058,214)
In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. The change in net assets differs from the cost of the assets sold, net of accumulated depreciation.	(861,620)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include an decrease in intergovernmental receivables of \$55,025.	(55,025)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt.	1,523,936
Contributions to certain pension plans use current financial resources (\$1,180,212) from governmental funds to fund the Annual Pension Cost (\$775,674), decreasing the net pension asset in the statement of net assets.	404,538
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include the net decrease in judgments payable (\$387,069), an increase in compensated absences (\$90,357), an increase in accounts payable for unpaid claims based on actuary estimates (\$594,455), and a decrease in leases payable (\$903,781).	606,037
Change in net assets of governmental activities	<u>\$1,667,336</u>

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

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2005

	<u>Public Buildings Authority</u>
ASSETS	
Current assets:	
Restricted assets:	
Cash and cash equivalents	\$ 3,273,647
Accounts receivable	1,830
Total current assets	<u>3,275,477</u>
Non-current assets:	
Restricted assets:	
Bond issuance costs	391,000
Total restricted assets	<u>391,000</u>
Capital assets:	
Land	2,275,936
Buildings and improvements	17,207,684
Construction in progress	734,697
Equipment	31,128
Less accumulated depreciation	<u>(3,636,138)</u>
Total capital assets (net of accumulated depreciation)	<u>16,613,307</u>
Total noncurrent assets	<u>17,004,307</u>
Total assets	<u>\$ 20,279,784</u>
LIABILITIES	
Current liabilities payable from restricted assets:	
Revenue bonds payable	\$ 780,000
Accounts payable	390,344
Pre paid rent	106
Total current liabilities payable from restricted assets	<u>1,170,450</u>
Noncurrent liabilities:	
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	<u>18,363,326</u>
Total noncurrent liabilities	<u>18,363,326</u>
Total liabilities	<u>19,533,776</u>
NET ASSETS	
Invested in capital assets, net of related debt	(56,342)
Restricted for debt service	802,351
Total net assets	<u>\$ 746,008</u>

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

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Public Buildings Authority</u>
Operating revenues:	
Rental	\$ 1,684,614
Total operating revenues	<u>1,684,614</u>
Operating expenses:	
Depreciation	456,334
Total operating expenses	<u>456,334</u>
Operating income	<u>1,228,280</u>
Nonoperating revenues (expenses):	
Investment income	117,014
Bond interest expense	(929,631)
Amortization	(97,575)
Trustee and other expenses	(1,721)
Refund	5,000
Total nonoperating revenue (expenses)	<u>(906,913)</u>
Income before contributions and transfers	321,367
Transfers out	<u>(698,855)</u>
Change in net assets	(377,488)
Total net assets-beginning	<u>1,123,496</u>
Total net assets-ending	<u>\$ 746,008</u>

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

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Public Buildings Authority</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	<u>\$ 1,688,800</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Trustee fees	(3,303)
Principal paid on capital debt	(425,000)
Interest paid on capital debt	(929,631)
Transfer to Oklahoma County	(480,000)
Refund	5,000
Payment for capital assets	<u>(10,147,732)</u>
Net cash provided (used) by non-capital financing activities	<u>(11,980,666)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	117,014
Net cash provided (used) by investing activities	<u>117,014</u>
Net increase (decrease) in cash and investments	(10,174,852)
Beginning cash from operations	<u>13,448,499</u>
Ending cash from operations	<u>\$ 3,273,647</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income (loss)	<u>1,228,280</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	456,334
(Increase) decrease in accounts receivable	6,651
(Increase) decrease in prepaid rent	<u>(2,465)</u>
Total adjustments	<u>460,520</u>
Net cash provided (used) by operating activities	<u>\$ 1,688,800</u>

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

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2005

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 250,335	\$ 29,011,669
Property taxes receivable	-	5,950,250
Interest receivable	200,101	-
Accounts receivable	2,310	-
Due from other governments	-	2,139,756
Investments, at fair value		
U.S. Government securities	14,451,216	9,429,265
Certificate of deposits	-	342,346
Municipal bonds	-	40,334
Corporate bonds	554,341	-
Judgments	1,172,467	25,578
Mutual funds	60,653,525	-
Loans to participants	5,869,836	-
Total investments	<u>82,701,385</u>	<u>9,837,522</u>
Total assets	<u>\$ 83,154,131</u>	<u>\$ 46,939,197</u>
LIABILITIES		
Warrants Payable	\$ -	\$ 1,537,050
Accounts Payable	129,000	1,760
Due to Other Taxing Jurisdictions	-	17,500,065
Due to Others	-	27,900,322
Total liabilities	<u>129,000</u>	<u>46,939,197</u>
NET ASSETS		
Assets held in trust for pension benefits and other purposes	<u>\$ 83,025,131</u>	<u>\$ -</u>

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

	<u>Funds</u>
ADDITIONS	
Contributions:	
Employer	<u>\$ 6,099,565</u>
Investment earnings:	
Interest	1,493,007
Net increase (decrease) in the fair value of investments	<u>4,187,604</u>
Total investment earnings	<u>5,680,611</u>
Less investment expense	<u>-</u>
Net investment expense	<u>5,680,611</u>
Total additions	<u>11,780,176</u>
DEDUCTIONS	
Benefits	9,413,445
Administrative expenses	<u>480,258</u>
Total deductions	<u>9,893,703</u>
Change in net assets	1,886,473
Net assets-beginning	<u>81,138,658</u>
Net assets-ending	<u>\$ 83,025,131</u>

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

*Notes to the
Financial
Statements*



OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

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OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

Note I. Summary of Significant Accounting Policies

A. Reporting entity

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

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

1. Blended Component Unit

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

During the 04-05 fiscal year, the OCPBA collected the rental revenues from the Metro Parking Garage, Investor's Capital Building, and the Lincoln Building property, which are pledged for payment of its 1997 series revenue bonds, and remitted all such rental revenues in excess of those required for retirement of the bonds to Oklahoma County. Expenses related to operating the properties were paid by Oklahoma County under the terms of a management agreement between the OCPBA and Oklahoma County dated April 16, 1997. The duration of the contract is the life of the bonds issued by OCPBA unless modified in writing.

2. Discretely Presented Component Unit

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

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

The OCFA Board of Trustees is appointed by the County Commissioners of Oklahoma County. In addition, the County Commissioners ultimately approve all note and bond obligations issued by the OCFA.

3. Jointly Governed Organization

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

4. Related Organizations

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

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

Oklahoma Industries Authority - The Oklahoma Industries Authority (OIA) was created as a public trust under applicable Oklahoma Statutes on December 15, 1966, and amended May 4, 1981. It was created for the use and benefit of the Beneficiary, Oklahoma County, Oklahoma, to finance, promote and aid in the development of industry and commerce as set forth in the Trust Indenture. The County has no significant influence over the management, budget or policies of the OIA. On November 1, 1997, the Authority issued \$2,750,000 in lease revenue bonds to fund the expansion of the Oklahoma County Juvenile Detention Center project. In February 2001, the OIA issued \$4,765,000 in lease revenue bonds to fund heating and cooling upgrades and lighting, electrical and plumbing improvements to county buildings. On July 28, 2003, the Authority issued \$20,560,000 of lease revenue bonds to provide funds that will be used by the Public Buildings Authority to (1) acquire, construct and equip a parking garage, (2) advance refund the Public Building Authority Capital Improvement Bonds, Series 1997, (3) make improvements to the Metro Parking Garage, (4) make other County improvements, (5) fund capitalized

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

interest, (6) purchase Surety Bonds in lieu of funding a Debt Service Reserve Fund, and (7) pay certain costs of issuing the Bonds.

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

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

B. Government-wide and Fund Financial Statements

The accompanying financial statements of the County have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). They present the financial position of the County and the various funds and fund types, the results of operations of the County and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2005, and for the year then ended.

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

The county operates each of the three self-insurance activities separately. However, all three are primarily funded through general fund revenues. Other revenues include premiums and interest income. Employee benefits and workers compensation expenses and claims are a result of the employment of workers hired to operate and manage the functions of the government. These expenses are reported by the general fund. However, for a fair presentation of expenses by function, the net expenses of the self insurance activities have been allocated for financial reporting purposes using a ratio of salaries and wages expense incurred by each function. Gross revenues totaled \$9,838,383 and gross expenses totaled \$13,485,759, resulting in net expenses of \$3,647,376.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Governmental Funds

Generally accepted accounting principles 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 nonmajor funds are combined in a single column in the fund financial statements.

The County reports the following major funds:

General Fund - The county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Employee Benefits, Worker's Compensation and Self Insurance funds are presented as part of the General Fund. Oklahoma County is self insured and the primary source of funding is from General Fund revenue.

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

Sheriff Special Revenue Fund - Accounts for collections and expenditures of prisoner boarding fees, for the operation of the jail commissary, housing of federal prisoners, drug enforcement, travel and

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

training activities of the sheriff's department. Also used to record the revenues and expenditures of monies received from granting agencies in accordance with the general and specific terms of the grant agreement.

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

Proprietary Funds

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

Fiduciary Fund Types

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

The County reports the following fiduciary funds:

Pension Trust Funds - Pension trust funds account for assets held by the County in a trustee capacity. Pension trust funds are accounted for in essentially the same manner as proprietary funds. The County has two pension trust funds:

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

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

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include cost of sales and services, which is limited to depreciation on capital assets since all other operating costs are paid by the County under terms of a management agreement. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Proprietary funds and similar component units apply 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, in which case GASB prevails.

D. 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 reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Encumbrances do not lapse at the close of the year but are carried forward as reserved fund balance until liquidated.

E. Assets, Liabilities, and Net Assets

1. Deposits and Investments

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

The County adopted formal deposit and investments policies in June 2004. State statutes authorize the County to adopt a written investment policy directing the investment of the funds of the County and any of its public trusts or authorities. The County Treasurer manages the investments according to the investment policy. The written investment policy authorize the county to purchase and invest in U.S. Government obligations; certificates of deposit; savings accounts; General Obligation bonds issued by counties, municipalities, or school districts; money judgments against counties, municipalities, or school districts; bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality, or school district; negotiable certificates of deposit; prime bankers acceptances; prime commercial paper; repurchase agreements and money market funds.

OKLAHOMA COUNTY, OKLAHOMA
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Investments are reported at fair value and cash deposits are reported at carrying amount which reasonably estimates fair value.

2. Restricted Assets

Proceeds from the County's general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the government-wide financial statements because their use is limited by applicable bond covenants or laws and they are maintained in separate bank accounts.

Certain cash and investments of the OCPBA are classified as restricted in the statements because they are required to be maintained in separate accounts by the 2003 series bond indenture. All such accounts are being maintained as required.

3. Property Taxes Receivable

All property tax receivables are shown net of an allowance for uncollectibles. Taxes are levied annually on October 1 with one-half due by December 31 and the remaining one-half due by March 31. If exactly one-half of the amount due is not received by December 31, the full amount is due and becomes delinquent January 1st. If the taxpayer opts for one-half payment by December 31 but does not make the remaining payment by March 31, the balance becomes delinquent. Delinquent tax payments are subject to interest assessments at 18% annual percentage rate. Major tax payments are received in the months December through April. Delinquent tax payments are received throughout the year. Governmental funds recognize revenue in the year received, except for those received within 60 days of year-end, which are recognized as revenues as of June 30. Current year tax collections for the year ended June 30, 2005 were 92.3% of the tax levy.

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the State Tax Commission and the State Equalization Board. A revaluation of all property is required once every five years. The assessed property value as of January 1, 2004, was approximately \$3,988,047,245 after excluding homestead exemptions of \$132,052,025.

The County Excise Board levied 10.35 mills for General Fund operations, 2.59 mills for the City-County Health Department, 5.20 mills for Metropolitan Library Commission and .71 mills for Debt Service.

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

4. Accounts Receivable

Accounts receivable primarily represents payroll deductions withheld from June paychecks for employee benefits, deposited in July.

OKLAHOMA COUNTY, OKLAHOMA
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5. Inventories

Inventory in governmental funds consists of expendable supplies held for consumption stated on a first-in first-out basis. They are recorded at cost as an expenditure at the time individual items are purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that it does not constitute "available spendable resources" even though it is a component of total assets.

6. Due to other taxing units/others

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

7. Capital Assets and Depreciation

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

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

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

8. Compensated Absences

Accrued vacation leave is payable upon layoff, resignation, retirement, or death. Amounts of vested or accumulated vacation leave are reported in the government-wide statements as the liability is not expected to be paid from current resources. At June 30, 2005, the accrued liability for annual and compensatory leave time was \$3,392,356.

There is no limitation on accruing unused sick leave. Sick leave does not vest, and therefore, is not reported. Unused sick leave shall contribute toward retirement eligibility for vested employees, 20 days

OKLAHOMA COUNTY, OKLAHOMA
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being equivalent to one month. The maximum allowable is 130 days, which would allow an additional year.

9. Long-Term Obligations

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

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

10. Fund Balance and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that cannot be appropriated for expenditure or are legally restricted for specific uses. Designations of fund balance represent tentative management plans that are subject to change.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

Guidelines for the County Budget Act are set out in Title 19 Section 141 of Oklahoma Statutes. At least thirty (30) days prior to the beginning of each fiscal year, a budget for each fund of the county for which a budget is required shall be completed by the county Budget Board. Each budget shall provide a complete financial plan for the budget year. The budget format shall be as prescribed by the State Auditor and Inspector. The format shall contain at least the following in tabular form for each fund, itemized by department and account within each fund:

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

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

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets.
2. Enable counties to make financial plans for both current and capital expenditures and to ensure that their executive staffs administer their respective functions in accordance with adopted budgets.
3. Make available to the public and investors sufficient information as to the financial conditions, requirements and expectations of the county government.

OKLAHOMA COUNTY, OKLAHOMA
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4. Assist county governments to improve and implement generally accepted accounting principles as applied to governmental accounting, auditing and financial reporting, and standards of governmental finance management.

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

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

B. 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.

C. Continuous Inventory

According to guidelines established by Title 19 Section 19.1 of Oklahoma statutes, the County maintains a continuous inventory of all assets purchased with a cost of \$250.00 or more. The County's total inventory at June 30, 2005 totaled \$37,790,066.

Note III. Detailed Notes on All Funds

A. Deposits and Investments

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the County's may not be able to recover its deposits. The County's policy requires deposits with banks to be 110 percent secured by collateral valued at market value less FDIC insurance. As of June 30, 2005, the County's bank

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balance of \$45,591,463 and its blended component unit bank balance of \$3,273,647 are fully insured or collateralized with securities held by the County or its blended component unit, or their agents in their respective names.

Investments

As of June 30, 2005, the County had the following investments:

Primary Government

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Ratings(1)</u>
US Government securities	\$19,674,199	6.50	AAA/Aaa
Certificates of deposit	714,547	1.04	N/A
General obligation bonds-state	85,000	16.09	AAA
Judgments	52,500	3.00	N/A
Total investments	<u>\$20,526,246</u>		
Portfolio weighted average maturity		6.34	

Fiduciary Funds:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Ratings(1)</u>
US Government securities	\$14,451,216	13.32	AAA/Aaa
Corporate bond	554,341	6.50	N/A
Judgements	1,172,467	3.50	N/A
Total investments	<u>\$16,178,024</u>		
Portfolio weighted average maturity		12.34	

(1) Standard & Poor's

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

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

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state law; 6) State and Local Government Series; and 7) County direct debt obligations for which an ad valorem tax may be levied, rendered against the county by a court of record.

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

Discretely Presented Component Unit

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Ratings</u>
Certificates of deposit	\$1,396,711	N/A

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

Credit risk. Fixed-income securities are subject to credit risk. The Authority invests in certificates of deposit of local financial institutions, and that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized, with a pledge of the U.S. Treasury obligations, by the entity holding the deposit or investments. At June 30, 2005, all the Authority's investments are in certificates of deposit.

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

B. Property Taxes Receivable

Under state statute, the reserve for delinquent taxes shall be set between 20% and 5%. Further, appropriations shall not exceed income and revenue provided or accumulated for the year. In accordance with GASB Statement 33, Accounting and Financial Reporting for Non-exchange Transactions, property taxes are recognized in the period when use of the resources are first permitted. The following is a summary of property and other tax amounts shown as receivable and amounts considered uncollectible by the taxing unit. In accordance with state statute, all tax liens on real and personal property are extinguished upon the expiration of seven (7) years. Therefore, the receivables date back to 1997, and the total outstanding represents less than 1% of the original tax levies for the same time period.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

	Total Outstanding at June 30, 2005	Amount Considered Uncollectible	Amount Shown as Net Receivable
Governmental Funds	\$ 3,690,331	\$ 2,030,820	\$ 1,659,511
Health Department	785,870	661,169	124,701
Cities & Library	5,370,521	4,292,673	1,077,848
Schools	22,891,911	18,144,210	4,747,701
Total	\$ 32,738,633	25,128,872	\$ 7,609,761

C. Capital assets

Capital assets activity for the year ended June 30, 2005 was as follows:

Primary Government

	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$27,644,904	\$314,834	\$ -	\$27,959,738
Artwork	24,500	-	-	24,500
Construction in progress	413,500	258,813	(356,602)	315,711
Total capital assets, not being depreciated	<u>28,082,904</u>	<u>573,647</u>	<u>(356,602)</u>	<u>28,299,949</u>
Capital assets, being depreciated:				
Buildings and building improvements	77,618,488	568,953	-	78,187,442
Machinery and equipment	25,736,045	1,051,976	(712,582)	26,075,438
Infrastructure	35,315,830	2,157,826	(1,475,136)	35,998,520
Total capital assets being depreciated	<u>138,670,364</u>	<u>3,778,755</u>	<u>(2,187,718)</u>	<u>140,261,400</u>
Less accumulated depreciation for:				
Buildings and building improvements	(27,474,704)	(2,059,721)	-	(29,534,425)
Machinery and equipment	(17,151,487)	(2,145,353)	651,542	(18,645,299)
Infrastructure	(13,618,365)	(2,848,940)	674,556	(15,792,749)
Total accumulated depreciation	<u>(58,244,556)</u>	<u>(7,054,014)</u>	<u>1,326,098</u>	<u>(63,972,472)</u>
Total capital assets, being depreciated, net	<u>80,425,807</u>	<u>(3,275,259)</u>	<u>(861,620)</u>	<u>76,288,928</u>
Governmental activities capital assets, net	<u>\$108,508,712</u>	<u>\$(2,701,612)</u>	<u>\$(1,218,223)</u>	<u>\$104,588,877</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$2,275,936	\$ -	\$ -	\$2,275,936
Construction in progress	2,594,383	717,376	(2,577,062)	734,697
Total capital assets, not being depreciated	<u>4,870,319</u>	<u>717,376</u>	<u>(2,577,062)</u>	<u>3,010,633</u>

OKLAHOMA COUNTY, OKLAHOMA
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	Balance June 30, 2004	Increases	Decreases	Balance June 30, 2005
Capital assets, being depreciated:				
Buildings & improvements	\$6,186,680	\$11,021,004	\$ -	\$17,207,684
Machinery and equipment	<u>31,128</u>	<u>-</u>	<u>-</u>	<u>31,128</u>
Total capital assets being depreciated	6,217,808	11,021,004	-	17,238,812
Less accumulated depreciation for:				
Buildings & improvements	(3,152,225)	(455,065)	-	(3,607,290)
Machinery and equipment	<u>(27,579)</u>	<u>(1,269)</u>	<u>-</u>	<u>(28,847)</u>
Total accumulated depreciation	<u>(3,179,804)</u>	<u>(456,334)</u>	<u>-</u>	<u>(3,636,138)</u>
Total capital assets, being depreciated, net	<u>3,038,004</u>	<u>10,564,670</u>	<u>-</u>	<u>13,602,674</u>
Business-type activities capital assets, net	<u>\$7,908,323</u>	<u>\$11,282,046</u>	<u>\$(2,577,062)</u>	<u>\$16,613,307</u>

Discretely Presented Component Unit

Capital assets, being depreciated:				
Machinery and equipment	\$3,592	\$ -	\$ -	\$3,592
Less accumulated depreciation for:				
Machinery and equipment	<u>(2,948)</u>	<u>(282)</u>	<u>-</u>	<u>(3,230)</u>
Component unit capital assets, net	<u>\$644</u>	<u>\$(282)</u>	<u>\$ -</u>	<u>\$362</u>

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

Governmental activities:	
General government	\$ 872,427
Public safety	2,380,412
Health and welfare	15,586
Education	2,863
Roads and highways	<u>3,782,726</u>
Total depreciation expense-governmental activities	<u>\$7,054,014</u>
Business-type activities:	
Public Building Authority	<u>\$456,334</u>
Total depreciation expense-business-type activities	<u>\$456,334</u>

D. Interfund transfers

Following is a schedule of interfund transfers:

	Transfers In:			
	General Fund	Highway Cash	Non-major Governmental	Total
Transfers out:				
General Fund	\$ -	\$326,351	\$1,056,225	\$1,382,576
Highway Cash	-	-	200,000	200,000
Non-major governmental funds	96,461	-	-	96,461
Proprietary funds	<u>698,855</u>	<u>-</u>	<u>-</u>	<u>698,855</u>
Total transfers out	<u>\$795,316</u>	<u>\$326,351</u>	<u>\$1,256,225</u>	<u>\$2,377,892</u>

OKLAHOMA COUNTY, OKLAHOMA
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Interfund transfers were made during the year from general fund to non-major governmental funds for capital projects. Transfers were made from general fund to the highway cash to reimburse the payroll expense for the administrative employees. Transfers were made from the non-major governmental fund to the general fund to reimburse the general fund for federal grant dollars spent in advance and to fulfill statutory requirements of transferring dollars from the resale property fund.

The County also made temporary cash transfers totaling \$8,150,000 to the general fund from several special revenue funds. This amount was transferred back to the special revenue funds. These temporary transfers are not reflected in the financial statements.

E. Leases

Operating Leases

Oklahoma County is committed under various leases for office equipment and road equipment. These leases are considered for accounting purposes to be operating leases. Oklahoma Statutes prohibit the County from entering into contracts of this nature beyond the end of the fiscal year. During the year, the county determined that leased copiers, previously reported as capital leases, should be reclassified as operating leases. Operating lease expenditures for the year ended June 30, 2005 amounted to \$398,935.

Capital Leases

Oklahoma County has entered into various agreements as lessee for financing the acquisition of highway equipment, the expansion of the Oklahoma County Juvenile Detention Center and an energy management project for county buildings which included heating and cooling upgrades, electrical improvements and other energy management improvements. Oklahoma law prohibits the County from entering into contracts of this nature longer than one year. However, it is the County's intent to exercise its right to purchase this property; accordingly, the lease-purchase agreements have been capitalized to conform to generally accepted accounting principles. The unpaid portion of these agreements have been reported as an other non-current liability in the Statement of Net Assets at an amount equal to the present value of all remaining payments to maturity.

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

Assuming that all capital leases are renewed each year by resolution of the Board of County Commissioners, minimum lease commitments under capitalized lease purchase agreements as of June 30, 2005 reported in the government-wide statements are as follows:

	<u>Capital Asset</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Building & Improvements	\$8,988,575	\$(1,541,771)	\$7,466,803
Equipment	1,104,292	(312,269)	792,023
Total	<u>\$10,092,867</u>	<u>\$(1,854,040)</u>	<u>\$8,238,827</u>

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

<u>Fiscal year ending June 30,</u>	<u>Governmental Activities</u>
2006	\$1,130,738
2007	1,085,587
2008	996,896
2009	835,841
2010	766,903
2011-2016	<u>4,157,881</u>
Total minimum lease payments	8,973,846
Less: amount representing interest	<u>(2,077,007)</u>
Present value of future minimum lease payments	<u>\$6,896,839</u>

F. Long-term debt

1. Governmental Activities

General Obligation Bonds

Oklahoma County issued \$10,000,000 General Obligation Limited Tax Bonds of 2002, Series A dated October 1, 2002. The bonds were issued for the purpose of acquiring property in the vicinity of Tinker Air Force Base in order to provide for the safety of those citizens of the County as well as provide for the continued assurance of the economic well being of Oklahoma County and its citizens. The bonds bear semi-annual interest (payable January 1, and July 1 of each year, commencing July 1, 2004). The Bonds will be paid from ad valorem taxes levied and assessed on behalf of the Issuer and deposited to its Sinking Fund. The first principal payment of \$765,000, due July 2005, was paid in the current fiscal year. A summary of debt service requirements to maturity is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2006	\$ -	\$ 179,264	\$ 179,264	3.75%
2007	765,000	344,184	1,109,184	3.75%
2008	765,000	315,496	1,080,496	3.75%
2009	765,000	286,809	1,051,809	3.75%
2010	765,000	259,651	1,024,651	3.35%
2011-2015	3,825,000	875,403	4,700,403	3.65%-4.00%
2016-2017	<u>2,350,000</u>	<u>155,416</u>	<u>2,505,416</u>	4.15%-4.40%
	<u>\$ 9,235,000</u>	<u>\$ 2,416,223</u>	<u>\$11,651,223</u>	

Oklahoma County issued \$10,000,000 General Obligation Limited Tax Bonds of 2003, Series A dated April 1, 2003. The bonds were issued for the purpose of acquiring property in the vicinity of Tinker Air Force Base in order to provide for the safety of those citizens of the County as well as provide for the continued assurance of the economic well being of Oklahoma County and its citizens. The bonds bear semi-annual interest (payable January 1, and July 1 of each year, commencing July 1, 2004). The Bonds will be paid from ad valorem taxes levied and assessed on behalf of the Issuer and deposited to its Sinking Fund. The first principal payment of \$765,000, due July 2005, was paid in the current fiscal year. A summary of debt service requirements to maturity is as follows:

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<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2006	\$ -	\$ 162,037	\$ 162,037	5.50%
2007	765,000	303,036	1,068,036	2.75%
2008	765,000	271,480	1,036,480	2.50%
2009	765,000	251,399	1,016,399	2.75%
2010	765,000	231,318	996,318	2.75%
2011-2015	3,825,000	791,396	4,616,396	3.00%-3.625%
2016-2017	<u>2,350,000</u>	<u>141,096</u>	<u>2,491,096</u>	3.750%-4.00%
	<u>\$ 9,235,000</u>	<u>\$ 2,151,761</u>	<u>\$11,386,761</u>	

Oklahoma statutes require the County to levy an additional ad valorem tax in amounts sufficient to meet sinking fund requirements as the principal and interest payments become due.

2. Business-Type Activities

Revenue Bonds

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

The Oklahoma Industries Authority issued \$20,560,000 of lease revenue bonds on July 28, 2003 with interest rates that vary from 2.25% to 5.85%. The bonds consist of \$7,230,000 Series 2003A and \$13,330,000 taxable series 2003B. Interest on both series is payable semi-annually July 1 and January 1, commencing January 1, 2003. Bonds will mature and pay interest at variable interest rates.

The principal of and the interest on the bonds is payable from the lease payments made by the OCPBA to the Oklahoma Industries Authority pursuant to terms of a Lease Purchase Agreement date as of July 1, 2003. The Bonds are limited obligation of the issuer, secured by a pledge of the Trust Estate. The Trust Estate consists of the Lease Payments, the Lease Agreement, Revenues, the Parking and Use Agreement, the parking agreements with the Corporate Users, and all funds and accounts established by the Indenture and the monies and investments therein, including any unexpended Bond Proceeds. The Bonds are special and limited obligations of the Issuer payable solely from the Lease Payments and other revenues pledged for payment thereof.

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

An escrow defeasement account was established in July 2003 with \$5,709,094 for the advance refund of the 1997 bonds including the 2% premium payable for early redemption. Accordingly, the escrow accounts and defeased bonds are not included in the financial statements. The investments are set to

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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mature for redemption between October 1, 2007 and September 30, 2008. At year-end, the balance in the accounts was \$4,713,347.

A summary of debt service requirements to maturity by year for Lease Revenue Bonds, Series 2003A is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2006	555,000	204,634	759,634
2007	570,000	191,978	761,978
2008	585,000	178,984	763,984
2009	595,000	164,965	759,965
2010	615,000	157,528	772,528
2011-2015	2,800,000	438,936	3,238,936
2016-2021	<u>1,085,000</u>	<u>143,600</u>	<u>1,228,600</u>
	<u>\$ 6,805,000</u>	<u>\$ 1,480,624</u>	<u>\$ 8,285,624</u>

A summary of debt service requirements to maturity by year for Taxable Lease Revenue Bonds, Series 2003B is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2006	225,000	711,160	936,160
2007	230,000	705,185	935,185
2008	240,000	698,243	938,243
2009	245,000	690,114	935,114
2010	255,000	680,856	935,856
2010-2015	1,445,000	3,220,585	4,665,585
2016-2020	1,845,000	2,805,028	4,650,028
2021-2025	2,405,000	2,226,246	4,631,246
2026-2030	3,170,000	1,435,460	4,605,460
2031-2034	<u>3,270,000</u>	<u>396,338</u>	<u>3,666,338</u>
	<u>\$ 13,330,000</u>	<u>\$ 13,569,214</u>	<u>\$ 26,899,214</u>

3. Discretely Presented Component Unit

Conduit Debt Obligations

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

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

As of June 30, the outstanding principal balances due on these bonds were as follows:

	Date of Issuance	Original Balance	2005 Balance
GNMA ARM Mortgage Back Securities 1995	11-01-95	13,000,000	2,699,298
GNMA ARM Mortgage Back Securities 1996	09-01-96	10,000,000	1,727,364
Fresh Rate Bond Program Series 1997A	01-01-97	14,535,000	4,860,980
Epworth Villa Series 1997A Project	03-15-97	17,630,000	3,830,000
Fresh Rate Bond Program Series 1997C	08-01-97	25,000,000	2,263,061
Southwest Electric Co.	06-01-98	3,000,000	1,880,000
Trinity Foundation, Inc. Series 1998A	06-01-98	40,790,000	33,690,783
Trinity Foundation, Inc. Series 1998B	06-01-98	1,265,000	227,250
Fresh Rate Bond Program Series 1998	06-30-98	25,000,000	3,320,455
OKC/Midwest City Apartments Pool Series 1998A	08-31-98	19,500,000	19,500,000
OKC/Midwest City Apartments Pool Series 1998C	08-31-98	2,850,000	2,829,895
Omni Dome Project	04-01-99	1,500,000	918,000
Oxford Oaks, Watersedge and Gardens At Reding Apartments Projects Series 2000	07-26-00	27,695,000	27,695,000
Epworth Villa Series 2000A Project	12-01-00	12,000,000	11,845,000
Epworth Villa Series 2000B Project	12-01-00	3,000,000	3,000,000
Factory Direct, Inc Series 2001A	03-22-01	1,000,000	1,000,000
Factory Direct, Inc Series 2001B	03-22-01	1,850,000	1,415,000
Housing Revenue Bonds Chapel Ridge of North Edmond Series 2003	05-21-03	8,250,000	8,243,240
Oklahoma County Finance Authority Housing Revenue Bonds Rockwell Villa Apartments Series 2004	05-21-04	3,000,000	3,000,000
Oklahoma County Finance Authority Housing Revenue Bonds Chapel Ridge of MWC Tinker Series 2004	06-01-04	7,800,000	7,800,000
Oklahoma County Finance Authority Revenue Note Francis Tuttle Technology Center Project Series 2004	10-25-04	8,150,000	8,150,000
Oklahoma County Finance Authority Housing Revenue Refunding Bonds Rockwell Villa Apartments Series 2004	12-15-04	2,500,000	2,500,000

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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	<u>Date of Issuance</u>	<u>Original Balance</u>	<u>2005 Balance</u>
Oklahoma County Finance Authority Housing Revenue Refunding Bonds London Square Villa Apartments Project Series 2004	12-17-04	<u>9,000,000</u>	<u>9,000,000</u>
		<u>\$258,315,000</u>	<u>\$161,396,226</u>

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

4. Judgments Payable

Under Oklahoma law, judgments against the County are payable over a three year period and bear annual interest at four percentage points above the average United States Treasury Bill rate for the preceding year, not to exceed 10% per annum. 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 paid \$493,069 in judgments and \$73,587 in related interest on these judgments. At June 30, 2005, the total amount of unpaid judgment principal of \$646,872 is reflected in the Statement of Net Assets. A summary of judgments payable to maturity is as follows:

<u>Year</u>	<u>Principal</u>
2006	\$439,705
2007	171,834
2008	<u>35,333</u>
Total	<u>\$646,872</u>

5. Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Bonds payable	\$20,000,000	\$ -	\$ (1,530,000)	\$18,470,000	\$1,530,000
Capital leases	7,800,620	-	(903,781)	6,896,839	766,875
Judgments payable	1,033,941	106,000	(493,069)	646,872	439,705
Compensated absences	<u>3,301,999</u>	<u>2,807,977</u>	<u>(2,717,620)</u>	<u>3,392,356</u>	<u>2,815,655</u>
Governmental activity Long-term liabilities	<u>\$32,136,560</u>	<u>\$2,913,977</u>	<u>\$(5,644,470)</u>	<u>\$29,406,067</u>	<u>\$5,552,235</u>
Business-type activities:					
Bonds payable	\$20,560,000	\$ -	(425,000)	\$20,135,000	\$780,000
Business-type activity Long-term liabilities	<u>\$20,560,000</u>	<u>\$ -</u>	<u>\$(425,000)</u>	<u>\$20,135,000</u>	<u>\$780,000</u>

OKLAHOMA COUNTY, OKLAHOMA
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For governmental activities, capital leases and compensated absences are primarily liquidated by General Fund, Highway Cash, and Sheriff Special Revenue.

For business-type activities, the bonds payable reflected in the statements are net of a bond discount of \$455,311 and amount deferred on refunding of \$536,363.

Note IV. Other Information

A. Risk Management

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

OCPBA is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. OCPBA manages this risk through the purchase of commercial insurance policies paid for by Oklahoma County and subject to the terms of a management contract with Oklahoma County that obligates Oklahoma County to defend and pay for any litigation expense or judgment against OCPBA or its property upon demand. Claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. There was no claims activity for the year just ended.

The Health and Dental Plan was established by Oklahoma County to provide benefits for its employees, their dependents, eligible retirees and their survivors, participants covered under continuation of coverage, and employees on leave of absence as set forth in Title 11 O.S. 2001, §23-108. The majority of the cost of coverage for employees is paid by the County, and all other costs are intended to be an expense of the insured. Certain limitations are placed upon these benefits as to the amount of coverage and who may be covered in specific areas. Mutual Assurance Administrators, Incorporated is employed by Oklahoma County to administer the program. The administrator receives and pays claims from county funds based upon contract limitations. The administrator is responsible for insuring that claims are legitimate, based on enrollment information provided by the County and claims submitted by or on behalf of the claimant. The administrator receives a monthly fee for the services. The administrator also receives medical and life insurance premiums that are in turn remitted to Pacific Life, the carrier of stop-loss and life insurance coverage for Oklahoma County employees, retirees and their survivors.

Workers' Compensation - In accordance with Title 85, of the Oklahoma State Statutes, employees are covered by the workers' compensation program at the expense of Oklahoma County at their date of employment. When an injury or work related illness occurs, an Occupational Injury Report is filed. There are three categories of compensation: (1) temporary total disability benefits equal to two-thirds of the employees' average weekly salary; and/or (2) one hundred percent (100%) of all medical bills paid; and/or (3) a permanent disability settlement. When an employee remains off work due to an occupational injury or illness, temporary total disability is paid until (a) the employee returns to full-time

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work with the employer; or (b) the employee requests a trial to determine permanent disability; or (c) the parties agree in writing that such payments may terminate; or (d) by court order. (Temporary total disability benefits may be terminated at any time without a court order in the case of an employee who has not filed a Form 3 or Form 3-b with the court.) The County employs Consolidated Benefit Resources as the administrator for the workers' compensation program at a monthly fee. In accordance with the contract, the administrator is responsible for opening the files, paying the medical bills and paying the time-loss claims and settlements incurred as a result of an accident or work-related illness.

Self Insurance Fund - A self insurance fund is established for the payment of tort claims against the County as approved by the Board of County Commissioners.

Claims Liabilities

Liabilities for unpaid claims are estimates determined by independent actuaries using actuarial methods as follows: incurred loss development, paid loss development, frequency/severity, exposure/loss rate (incurred loss), and exposure/loss rate (paid loss). These liabilities are reported as accounts payable.

Unpaid Claims Liabilities

The following represent the changes in approximate aggregate liabilities for the County from July 1, 2004 to June 30, 2005:

<u>Health Care</u>	<u>2005</u>	<u>2004</u>
Unpaid Claims, beginning of fiscal year	\$1,333,300	\$ 1,281,700
Claims and changes in estimates	9,921,729	8,611,888
Claim payments	(9,841,129)	(8,560,288)
Unpaid claims, end of fiscal year	<u>\$1,413,900</u>	<u>\$1,333,300</u>

<u>Workers Compensation</u>	<u>2005</u>	<u>2004</u>
Unpaid Claims, beginning of fiscal year	\$2,099,000	\$1,891,000
Claims and changes in estimates	1,038,154	815,496
Claim payments	(627,154)	(607,496)
Unpaid claims, end of fiscal year	<u>\$2,510,000</u>	<u>\$2,099,000</u>

Total tort claims incurred but not reported (IBNR) are not considered material to the financial statement for the year ended June 30, 2005.

B. Related Party Transactions

Oklahoma County has entered into two capital lease agreements with the Oklahoma Industries Authority, as lessee, for the expansion and renovation of the Oklahoma County Juvenile Detention Center and for heating and cooling upgrades and electrical and plumbing renovations to County buildings. The Oklahoma Industries Authority is a public trust created under applicable Oklahoma Statutes. It was created for the use and benefit of the Beneficiary, Oklahoma County, to finance, promote and aid in the development of industry and commerce as set forth in the trust indenture. The County has no significant influence over the management, budget or policies of the Oklahoma Industries Authority; therefore, it is not reported as a component unit. The lease for the Juvenile Center expansion

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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is for 15 years with total principal payments of \$2,750,000. As of June 30, 2005, the County had made lease payments in the amount of \$2,018,870, of which \$1,015,000 represents principal expenditure and \$1,003,870 represents interest expense. The lease for the County buildings upgrades and renovations is for 15 years with total principal payments of \$4,765,000. As of June 30, 2005, the County had made lease payments in the amount of \$1,814,200, of which \$935,000 represents principal expenditure and \$879,200 represents interest expense.

C. Commitments and Contingent Liabilities

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

Litigation. The County is contingently liable for lawsuits and other claims in the ordinary course of its operations. The settlement of such contingencies under the budgetary process would require appropriation of revenues yet to be realized and would not materially affect the financial position of the County at June 30, 2005. Estimated exposure from tort claims filed against the county at June 30, 2005 is \$307,000.

D. Other Post Employment Benefits

The County provides post-employment benefit options for health care, life insurance, dental insurance and disability income to eligible retirees, terminated employees and their dependents. The benefits are provided in accordance with County policies and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, disability due to line of duty, and whether the employee has vested in the respective retirement plan.

The County funds the benefits on a pay-as-you-go basis. Eligible employees are required to pay set premiums for a portion of the cost, with the County subsidizing the remaining costs. During 2004-05, eligible participants paid premiums of \$587,619. There are 216 participants currently eligible. Expenses for post-retirement health care benefits are recognized as eligible employee claims are paid and include a provision for incurred but not reported claims. During the year, expenditures of \$1,514,333 were recognized for post-employment benefits.

Deferred Compensation Plan. The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

In the 98-99 fiscal year, the County implemented Governmental Accounting Standards Board Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". As a result, the County's 457 plan is no longer reflected in the agency fund of the county's financial statements since all assets are held in trust by a third party.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

E. Employees' Retirement Plans

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

COMBINING STATEMENT OF PENSION TRUST FUNDS NET ASSETS
JUNE 30, 2005

	Defined Benefit Retirement Fund	Defined Contribution Retirement Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 250,335	\$ -	\$ 250,335
Accounts receivable	2,310	-	2,310
Interest receivable	200,101	-	200,101
Investments, at fair value			
U.S. Government securities	14,451,216	-	14,451,216
Corporate bonds	554,341	-	554,341
Judgments	1,172,467	-	1,172,467
Mutual funds	-	60,653,525	60,653,525
Loans to participants	-	5,869,836	5,869,836
Total investments	16,178,024	66,523,361	82,701,385
Total assets	<u>\$ 16,630,770</u>	<u>\$ 66,523,361</u>	<u>\$ 83,154,131</u>
LIABILITIES			
Accounts payable	<u>\$ 129,000</u>	<u>\$ -</u>	<u>\$ 129,000</u>
NET ASSETS			
Assets held in trust for pension benefits and other purposes	<u>\$ 16,501,770</u>	<u>\$ 66,523,361</u>	<u>\$ 83,025,131</u>

OKLAHOMA COUNTY, OKLAHOMA
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**COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUNDS NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

ADDITIONS

Contributions:			
Employer	\$ 1,180,212	\$ 4,919,353	\$ 6,099,565
Investment earnings:			
Interest	1,257,853	235,154	1,493,007
Net increase (decrease) in the fair value of investments	(119,033)	4,306,637	4,187,604
Total investment earnings	1,138,820	4,541,791	5,680,611
Less investment expense			
Net investment expense	1,138,820	4,541,791	5,680,611
Total additions	2,319,032	9,461,144	11,780,176

DEDUCTIONS

Benefits	2,739,390	6,674,055	9,413,445
Administrative expenses	11,180	469,078	480,258
Total deductions	2,750,570	7,143,133	9,893,703
Change in net assets	(431,538)	2,318,011	1,886,473
Net assets-beginning	16,933,308	64,205,350	81,138,658
Net assets-ending	\$ 16,501,770	\$ 66,523,361	\$ 83,025,131

1. Defined Benefit Retirement Plan

Plan Description and Provisions

Benefits are fully vested at the end of eight years of participation.

As of June 30, 2005, employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	215
Terminated employees entitled to but not yet receiving benefits	31
Active plan participants	<u>20</u>
Total	<u>266</u>

Those persons eligible for retirement benefits are as follows:

- a. Employee shall have reached the age of sixty-two (62) years and shall have been employed for a period of at least eight (8) years with Oklahoma County, the last two (2) years of service shall have been consecutive immediately preceding such retirement, and service with the County shall have ceased.
- b. Any employee who shall have completed eight (8) years of service as a County employee, the last two (2) years of which were consecutive, and who at the time of completing such eight (8) years of service shall not have reached the age of sixty-two (62) years, may elect to retire, such retirement

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
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benefits to begin when County employee shall have attained the age of sixty-two (62) years, provided that such election shall be in writing upon such forms as the Board of Trustees shall direct.

- c. Any employee who shall have completed thirty (30) years of service as a County employee, the last two (2) years of which were consecutive and attained age of fifty-five (55).
- d. Any employee whose age and years of creditable service with the County equal eighty (80).
- e. Any employee of the County covered by this who shall have completed eight (8) years of employment with this County and who by reason of disability shall become disabled to such an extent as to be unable to perform his/her duties as an employee may be entitled to disability retirement, and to such benefits as the Board of Trustees shall determine; provided, however, that the Board of Trustees shall find that said disability is total and permanent.

Disability Benefits

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

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

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

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

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

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

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Death Benefits

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

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

Administrative Cost

Plan administration costs are paid by the county.

Summary of Significant Accounting Policies

Accrual Method of Accounting

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

Investments

Investments are reported at fair value. At June 30, 2005, no investments in any one organization, excluding U.S. government securities, represents 5% or more of the net assets available for pension benefits. There are no investments in loans to or leases with related parties.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits as of the end of the year are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered and include benefits expected to be paid to (a) retired employees, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Benefits under the Plan are based on the average of the employees' three highest years' compensation. The accumulated plan benefits for active employees are based on current compensation. Benefits payable under all circumstances - retirement, death, and disability - are included to the extent they are deemed attributable to employee service rendered to the end of the year.

The actuarial present value of accumulated plan benefits was determined by Milliman Consultants and Actuaries. The actuarial assumptions used in the valuation are intended to estimate future experience affecting projected benefit flow and investment earnings. In the June 30, 2005, actuarial valuation, the entry age normal actuarial cost method was used. Under this cost method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. The portion of this actuarial present value allocated to a valuation year is called the Normal Cost. The portion of the actuarial present value not provided for at the valuation date by future Normal Costs is called the Actuarial Liability. The

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actuarial assumptions included (a) 7 percent investment rate of return and (b) projected salary increases due to inflation of 5 percent per year.

The actuarial assumptions and other information used to determine annual required contributions (ARC) are located in the Required Supplementary Information section of this report.

The Employees' Retirement System of Oklahoma County issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the Oklahoma County Clerk's Office.

Funding Policy. Contributions are not actuarially determined, and no determination was made by an actuary of the implications of using a nonactuarial method.

As specified by the Plan, Oklahoma County contributes an amount equal to 12% of the annual compensation of its participating employees' salary to the Plan. If an employee terminates employment with less than 8 years of service, he or she is entitled to receive only their actual contributions. In 1981, the Plan was amended to allow participating employees who were fifty-five years old or over and had fifteen years service to freeze their benefits at the level in effect at that time. No further employee contributions are required. During the fiscal year ended June 30, 2005, County contributions were \$1,180,212. Total payroll for employees covered by the plan was \$665,661.

Annual Pension Cost and Net Pension Asset. The County's annual pension cost and net pension asset for the current year and the prior year are as follows:

	2005	2004
Annual required contribution	\$(750,879)	\$(534,783)
Interest on net pension asset	163,955	166,832
Adjustments to annual required contribution	(188,750)	(190,122)
Annual pension cost	(775,674)	(558,073)
Contributions made	1,180,212	675,856
 Increase (decrease) in net pension asset	 404,538	 117,783
Net pension asset beginning of year	2,342,211	2,224,428
Net pension asset end of year	\$2,746,749	\$2,342,211

The annual required contribution for the current year was determined as part of the June 30, 2005 actuarial valuation using the assumptions cited above.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2003	407,817	19.7%	2,224,428
2004	558,073	121.1%	2,342,211
2005	775,674	152.2%	2,746,749

OKLAHOMA COUNTY, OKLAHOMA
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June 30, 2005

2. Defined Contribution Retirement Plan

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

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

Benefits of the Defined Contribution Plan are as follows:

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

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

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

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

- e. After the expiration of the six (6) month break in service, the amounts forfeited shall be used to offset prospective Employer contributions or to pay expenses associated with the Retirement Plan.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

1. A lump sum distribution of the entire Account Balance, payable immediately.
2. An installment distribution consisting of approximately equal installations for a term not extending beyond the joint life expectancy (as calculated in accordance with Internal Revenue Service's Regulations on the Initial Distribution Date) of the Participant and their spouse.
3. Immediate Life Annuity – Certain with monthly payments guaranteed for lifetime, or a specified amount of months, if longer.
4. Immediate Annuity – Certain with a choice of monthly payments guaranteed.
5. Immediate Joint and Survivor-Life Annuity with monthly payments guaranteed for participants lifetime and that of the contingent annuitant following death. Payments made to contingent annuitant will be equal to a percentage of the monthly payment received by participant.
6. Immediate Joint and Survivor-Life Annuity with monthly payments guaranteed for the lifetime of participant and that of the contingent annuitant following participant death, or for certain amount of months chosen, if longer.
7. Systematic payments of specified amounts until account is exhausted.
8. A single lump sum, of a specified amount, payable immediately, and systematic payments of specified amounts until account is exhausted.
9. An installment distribution consisting of approximately equal installments for a term not extending beyond the life expectancy (as calculated in accordance with Internal Revenue Service's Regulations) on the Initial Distribution Date of the participant and their spouse.

Summary of Significant Accounting Policies

Accrual Method of Accounting

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

Investments

Investments are reported at fair value. At June 30, 2005, no investments in any one organization, excluding U.S. government securities, represents 5% or more of the net assets available for pension benefits. There are no investments in loans to or leases with related parties.

Loans to Participants. During the 1998-99 fiscal year the Plan was amended to include a Loan Policy. The policy states that each Plan Participant with a fully or partially vested account balance is eligible to participate. The maximum loan amount is the lesser of \$25,000 or 50% of the Participant's vested account balance. The minimum loan amount is \$1,000. The interest rate charged is the National Prime

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2005

Rate of Interest and will be fixed for the life of the loan. During the current fiscal year a total of \$5,089,854 was loaned to participants.

Contribution Requirements and Contributions Made. As specified by the Plan, Oklahoma County contributes an amount equal to 12% of the annual compensation of its participating employees' salary to the Plan. During the fiscal year ending June 30, 2005, County contributions were \$4,919,353. The forfeiture account is a trust fund maintained by the Plan Administration and contains amounts previously contributed by the County but forfeited by terminated employees who had not become fully vested, or eligible to receive the total amount contributed by the County. Retirement benefits due to employees and beneficiaries at June 30, 2005 were \$66,523,361 at fair value, and are accounted for in a pension trust fund.

F. Adjustments to beginning net assets

In the prior year, the County had a negative Net Pension Obligation in the amount of \$2,342,211 in the Defined Benefit pension plan. The negative NPO should have been reported as an asset in the government-wide statement of net assets. The county also determined that leased copiers should not be reported as a capital lease, since there is no intent to purchase the copiers at the end of the lease. The beginning net assets have been adjusted by \$2,019,423 to record the prior period negative NPO, to record the reclassification of copiers, and to correct the balance of other capital assets incorrectly reported at June 30, 2004:

	<u>Prior Period Adjustment</u>
Construction in Progress	\$ (286,796)
Buildings & Building Improvements	85,489
Equipment, Autos, Furniture & Fixtures	(721,099)
Accumulated Depreciation	<u>276,379</u>
Total Adjustments to Capital Assets	\$(646,027)
 Net Pension Asset	 2,342,211
Leases Payable	<u>323,239</u>
Total adjustment to beginning net assets	<u>\$2,019,423</u>

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*Required
Supplementary
Information*



**OKLAHOMA COUNTY, OKLAHOMA
EMPLOYEES' DEFINED BENEFIT RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2005**

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Net Assets Available for Benefits	Actuarial Accrued Liability	Unfunded Actuarial Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Liability as a percentage of Covered Payroll
6/30/05	\$ 16,501,770	\$ 24,508,409	\$ 8,006,639	67.3%	\$ 665,661	1202.8%
6/30/04	16,933,308	25,485,427	8,552,119	66.4%	655,657	1304.4%
6/30/03	18,777,186	22,182,270	3,405,084	84.6%	661,652	514.6%
6/30/02	19,494,214	21,815,347	2,321,133	89.4%	672,180	345.3%
6/30/01	19,446,909	22,380,545	2,933,636	86.9%	746,100	393.2%
6/30/00	18,923,707	24,015,691	5,091,894	78.8%	705,588	724.7%
6/30/99	20,034,089	25,157,408	5,123,319	79.6%	832,030	615.8%
6/30/98	20,610,303	27,126,262	6,515,959	76.0%	960,494	678.4%
6/30/97	21,680,369	27,993,719	6,313,350	77.4%	1,077,213	586.1%
6/30/96	22,713,595	25,561,074	2,847,479	88.9%	1,136,421	250.6%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending	Annual Required Contribution	Actual Contribution	Percentage Recognized
6/30/05	\$ 750,879	\$ 1,180,212	157.2%
6/30/04	534,783	675,876	126.4%
6/30/03	373,375	80,182	21.5%
6/30/02	466,124	1,254,881	269.2%
6/30/01	689,797	1,235,705	179.1%
6/30/00	463,796	1,509,986	325.6%
6/30/99	561,347	1,046,670	186.5%
6/30/98	581,372	113,797	19.6%
6/30/97	355,430	142,974	40.2%
6/30/96	263,570	143,883	54.6%

See the notes to these required supplementary information schedules

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Advalorem Tax - Current	\$ 36,800,000	\$ 37,626,801	\$ 38,273,158	\$ 646,357
Advalorem Tax - Prior	1,200,000	1,373,573	1,199,719	(173,854)
Protest Tax Released	-	288,455	327,987	39,532
Homestead Exemption	-	-	-	-
Misc Property Taxes	61,469	948,000	1,334,694	386,694
Total Property taxes	38,061,469	40,236,829	41,135,558	898,729
Charges for services				
County Clerk Fees	4,175,993	4,490,783	5,199,526	708,743
County Treasurer Fees	74,868	65,754	63,901	(1,853)
Public Records	21,775	19,724	27,064	7,340
Conditional Bond Release-Fees	60,598	60,454	56,039	(4,415)
Miscellaneous Charge for Services	1,098	1,591	3,783	2,192
Total Charges for Services	4,334,332	4,638,306	5,350,313	712,007
Intergovernmental revenues				
Motor Vehicle Stamps	293,090	300,560	310,333	9,773
Motor Vehicle Collections	880,136	891,869	997,681	105,812
Revaluation - Cities & Schools	2,328,327	2,328,327	2,255,410	(72,917)
Remington Park - Admission Fees & Sales Tx	123,193	134,619	126,985	(7,634)
Juvenile Detention-Lunches	-	-	118,252	118,252
Juvenile Detention Services	-	1,951,518	1,918,879	(32,639)
Juv. Justice - Maintenance	30,390	27,351	30,390	3,039
Juv. Justice - Alt Detention/Transportation	-	-	22,955	22,955
Training & Gen Assistance - Federal Grants	1,499,393	2,425,924	1,387,110	(1,038,814)
Training & Gen Assistance - Board Staffing	121,476	168,886	183,548	14,662
Sheriff-SCAAP Grant	-	84,623	84,623	-
D A Revolving	135,000	135,000	162,293	27,293
Election Board - Salary	66,353	66,353	72,363	6,010
Court Fund Maintenance	600,000	600,000	600,000	-
Court Fund Payroll Reimb	291,531	328,887	331,807	2,920
Court Revolving Fund reimb	333,124	557,839	555,471	(2,368)
Court Fund Security	-	-	200,000	200,000
Langston University	29,689	29,147	36,649	7,502
Software Sharing Program	-	2,135	-	(2,135)
Total Intergovernmental revenues	6,731,702	10,033,038	9,394,749	(638,289)
Interest income	1,200,000	1,205,421	1,203,104	(2,317)
Miscellaneous revenue				
Metro/Investors Residual	430,000	480,000	480,000	-
Coin Telephone	-	-	176	176
Royalty	60,085	60,664	96,414	35,750
Rental	810,805	703,752	791,098	87,346
Reimburse Resale Property Exp.	28,000	28,000	-	(28,000)
Retirement Reimb for Bailiff's	8,280	8,286	14,235	5,949
911 Assoc	8,192	7,512	7,880	368
Pharmacy Reimb	117,967	120,847	133,483	12,636
Juv. Justice - Link	-	-	57,141	57,141
Election Board - Expense	28,055	83,572	83,031	(541)
Miscellaneous Reimbursements	43,000	141,078	303,747	162,669
Total Miscellaneous revenues	1,534,384	1,633,711	1,967,205	333,494
Total revenues	\$ 51,861,887	\$ 57,747,305	\$ 59,050,929	\$ 1,303,624

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General government				
General government:				
Salary and Wages	444,718	444,718	444,718	-
Fringe Benefits	9,452	9,852	9,797	55
Travel	3,900	3,900	3,217	683
Operating Expenditures	4,760,032	4,809,018	4,567,972	241,046
Capital Outlay		5,049	4,590	459
County commissioners:				
Salary and Wages	289,838	430,352	313,463	116,889
Fringe Benefits	67,294	69,951	68,177	1,774
Travel	24,000	24,000	19,207	4,793
Operating Expenditures	122,180	124,280	124,211	69
Capital Outlay				
Assessor regular:				
Salary and Wages	1,416,616	1,381,616	1,374,371	7,245
Fringe Benefits	501,702	486,702	474,311	12,391
Travel	30,000	30,000	21,951	8,049
Operating Expenditures	155,900	253,978	227,291	26,687
Capital Outlay	20,000	20,000	14,972	5,028
Assessor visual inspection:				
Salary and Wages	1,614,674	1,614,674	1,522,565	92,109
Fringe Benefits	557,067	557,067	516,365	40,702
Travel	103,835	103,835	53,864	49,971
Operating Expenditures	397,201	397,201	392,165	5,036
Capital Outlay	35,000	35,000	32,197	2,803
Treasurer:				
Salary and Wages	474,153	449,153	328,998	120,155
Fringe Benefits	159,771	159,771	118,622	41,149
Travel	4,050	4,050	3,600	450
Operating Expenditures	257,956	257,956	126,595	131,361
Capital Outlay	4,000	4,000	699	3,301
Court clerk:				
Salary and Wages	3,485,308	3,794,507	3,793,533	974
Fringe Benefits	1,362,678	1,370,571	1,364,134	6,437
Travel	15,000	6,900	6,449	451
Operating Expenditures	14,000	12,900	12,009	891
Capital Outlay				
County clerk:				
Salary and Wages	1,632,912	1,632,912	1,599,303	33,609
Fringe Benefits	513,909	513,909	488,068	25,841
Travel	3,600	3,790	3,790	-
Operating Expenditures	183,342	183,152	156,940	26,212
Capital Outlay	15,300	15,300	14,442	858
Excise & equalization:				
Salary and Wages	15,750	14,523	12,000	2,523
Fringe Benefits	1,205	1,205	918	287
Travel	1,535	1,535	1,084	451
Operating Expenditures	6,536	5,536	4,699	837
Capital Outlay	5,928	8,155	8,155	-
County audit:				
Salary and Wages	328,648	367,648	315,000	52,648
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	20,020	54,120	17,320	36,800
Capital Outlay	3,000	5,398	3,288	2,110

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
District attorney - state:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	125,000	125,000	122,373	2,627
Capital Outlay	10,000	10,000	8,446	1,554
District attorney - county:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	73,350	73,350	58,709	14,641
Capital Outlay	-	-	-	-
Public defender:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	38,000	37,953	37,318	635
Capital Outlay	3,200	3,247	3,228	19
Purchasing:				
Salary and Wages	157,888	157,888	136,198	21,690
Fringe Benefits	50,217	50,217	43,398	6,819
Travel	7,388	7,388	7,078	310
Operating Expenditures	8,494	8,494	7,970	524
Capital Outlay	1,699	1,699	1,665	34
Election board:				
Salary and Wages	612,921	666,011	662,735	3,276
Fringe Benefits	164,776	169,789	169,275	514
Travel	17,305	17,305	14,133	3,172
Operating Expenditures	165,900	138,567	136,434	2,133
Capital Outlay	6,664	49,997	44,293	5,704
Centralized HR/Environmental Health & Safety:				
Salary and Wages	267,280	267,280	233,303	33,977
Fringe Benefits	83,624	83,624	74,951	8,673
Travel	10,780	10,780	9,646	1,134
Operating Expenditures	32,650	32,650	25,378	7,272
Capital Outlay	21,050	21,050	8,593	12,457
MIS				
Salary and Wages	840,390	814,390	807,204	7,186
Fringe Benefits	261,428	262,428	259,476	2,952
Travel	21,900	46,900	19,815	27,085
Operating Expenditures	600,682	580,682	540,873	39,809
Capital Outlay	127,408	147,408	145,216	2,192
Facilities management-courthouse:				
Salary and Wages	736,000	736,000	641,216	94,784
Fringe Benefits	241,004	241,004	226,389	14,615
Travel	-	-	-	-
Operating Expenditures	314,918	264,918	258,701	6,217
Capital Outlay	11,000	86,000	78,895	7,105
Facilities management-Lincoln:				
Salary and Wages	30,900	30,900	30,900	-
Fringe Benefits	13,320	13,340	13,324	16
Travel	-	-	-	-
Operating Expenditures	17,310	17,310	17,129	181
Capital Outlay	3,500	3,500	3,214	286
Facilities management-custodial:				
Salary and Wages	164,496	164,496	164,267	229
Fringe Benefits	68,412	68,417	68,314	103
Travel	-	-	-	-
Operating Expenditures	200,611	173,071	173,022	49
Capital Outlay	3,500	3,500	3,434	66

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Planning Commission				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	16,605	16,605	11,254	5,351
Capital Outlay	-	-	-	-
Community Service/OR Bond				
Salary and Wages	155,796	208,858	206,908	1,950
Fringe Benefits	54,338	78,338	69,959	8,379
Travel	485	1,685	-	1,685
Operating Expenditures	13,025	21,985	18,194	3,791
Capital Outlay	-	134,246	-	134,246
Metro parking garage:				
Salary and Wages	96,166	97,866	97,254	612
Fringe Benefits	23,667	23,967	23,894	73
Travel	1,400	-	-	-
Operating Expenditures	72,500	71,349	63,555	7,794
Capital Outlay	7,650	12,201	11,827	374
Investor's capital building:				
Salary and Wages	53,820	53,820	53,820	-
Fringe Benefits	16,368	16,383	16,364	19
Travel	-	-	-	-
Operating Expenditures	72,762	72,762	69,959	2,803
Capital Outlay	3,584	6,084	4,999	1,085
Total General Governmental	25,165,141	26,070,886	24,469,550	1,601,336
Public Safety				
Sheriff:				
Salary and Wages	11,109,966	11,501,058	11,501,058	-
Fringe Benefits	4,065,907	4,111,481	4,111,481	-
Travel	-	-	-	-
Operating Expenditures	3,656,058	3,902,815	3,902,815	-
Capital Outlay	-	58,242	58,242	-
Conditional bond release program:				
Salary and Wages	91,200	32,217	32,217	-
Fringe Benefits	31,277	13,197	13,171	26
Travel	1,200	-	-	-
Operating Expenditures	21,900	12,940	8,246	4,694
Capital Outlay	135,000	754	754	-
Juvenile Justice Center:				
Salary and Wages	1,922,652	3,552,111	3,393,399	158,712
Fringe Benefits	916,160	1,180,225	1,173,079	7,146
Travel	30,655	25,655	22,513	3,142
Operating Expenditures	976,797	1,031,289	968,710	62,579
Capital Outlay	17,900	95,772	94,863	909
Emergency Management:				
Salary and Wages	79,731	79,731	75,931	3,800
Fringe Benefits	23,047	23,047	21,393	1,654
Travel	-	-	-	-
Operating Expenditures	20,800	20,800	20,270	530
Capital Outlay	-	-	-	-
Total Public Safety	23,100,250	25,641,334	25,398,142	243,192
Health & Welfare				
Training & General Assistance:				
Salary and Wages	583,204	607,304	607,099	205
Fringe Benefits	207,731	202,131	200,878	1,253
Travel	8,000	8,000	6,075	1,925
Operating Expenditures	489,810	484,310	472,369	11,941
Capital Outlay	21,000	21,000	19,269	1,731

See the notes to these required supplementary information schedules

(continued)

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Training & General Assistance-Board Staffing				
Salary and Wages	75,897	100,347	99,816	531
Fringe Benefits	21,118	34,863	29,957	4,906
Travel	9,750	12,965	9,393	3,572
Operating Expenditures	13,211	16,211	7,814	8,397
Capital Outlay	1,500	4,500	3,172	1,328
Training & General Assistance Grants:				
Salary and Wages	660,171	783,996	767,886	16,110
Fringe Benefits	239,933	376,318	258,813	117,505
Travel	10,000	25,000	24,893	107
Operating Expenditures	584,289	1,185,610	559,159	626,451
Capital Outlay	5,000	55,000	49,474	5,526
Economic development:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	50,000	154,900	40,000	114,900
Capital Outlay	-	-	-	-
Community project support:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	150,000	150,000	150,000	-
Capital Outlay	-	-	-	-
Total Health and Welfare	<u>3,130,614</u>	<u>4,222,455</u>	<u>3,306,067</u>	<u>916,388</u>
Culture & Recreation				
Free Fair:				
Salary and Wages	5,400	2,910	2,909	1
Fringe Benefits	77	-	-	-
Travel	-	-	-	-
Operating Expenditures	43,070	45,737	45,574	163
Capital Outlay	100	-	-	-
Total Culture and Recreation	<u>48,647</u>	<u>48,647</u>	<u>48,483</u>	<u>164</u>
Education				
OSU Extension:				
Salary and Wages	384,823	375,823	327,675	48,148
Fringe Benefits	6,012	6,012	5,794	218
Travel	2,175	2,175	2,126	49
Operating Expenditures	27,765	29,765	29,364	401
Capital Outlay	3,125	10,125	9,888	237
Total Education	<u>423,900</u>	<u>423,900</u>	<u>374,847</u>	<u>49,053</u>
Road & Highway				
District #1:				
Salary and Wages	120,646	136,311	135,172	1,139
Fringe Benefits	23,104	42,385	42,011	374
Travel	3,250	6,698	6,622	76
Operating Expenditures	197,180	30,158	19,453	10,705
Capital Outlay	50,000	57,552	57,245	307
District #2:				
Salary and Wages	188,010	154,771	154,771	-
Fringe Benefits	54,692	39,692	39,281	411
Travel	2,500	500	443	57
Operating Expenditures	190,054	132,149	131,670	479
Capital Outlay	-	84,174	84,174	-
District #3:				
Salary and Wages	128,620	164,832	164,717	115
Fringe Benefits	24,353	44,720	44,655	65
Travel	3,500	774	751	23
Operating Expenditures	255,589	21,370	21,143	227
Capital Outlay	13,327	10,506	10,506	-

See the notes to these required supplementary information schedules

(continued)

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Engineer:				
Salary and Wages	288,117	285,017	260,818	24,199
Fringe Benefits	76,340	79,440	79,336	104
Travel	2,030	2,030	1,879	151
Operating Expenditures	77,632	77,632	65,758	11,874
Capital Outlay	3,000	3,000	2,391	609
Total Road and Highway	1,701,944	1,373,711	1,322,796	50,915
Total expenditures and encumbrances	53,570,496	57,780,933	54,919,885	2,861,048
Excess of revenues over/(under) expenditures	(1,708,609)	(33,628)	4,131,044	4,164,672
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	96,461	96,461	-
Transfers to other funds	(3,317,755)	(5,422,903)	(5,422,903)	-
Total other financing sources (uses)	(3,317,755)	(5,326,442)	(5,326,442)	-
Net change in fund balances	(5,026,364)	(5,360,070)	(1,195,398)	4,164,672
Fund balances - beginning	5,026,364	5,360,070	7,292,800	1,932,730
Fund balances - ending	\$ -	\$ -	\$ 6,097,402	\$ 6,097,402

RECONCILIATION TO GAAP-BASIS FUND BALANCE

Property taxes receivable	974,862
Accounts payable	(1,603,932)
Accrued interest	479
Accounts receivable	50,032
Intergovernmental receivable	1,042,359
Transfer of capital asset from OCPBA	(218,855)
Current year encumbrances	1,900,887
Adjustment to prior year reserve for encumbrances	(1,557,347)
Reserve for inventory	135,724
Self-insurance funds net activity (cash basis)	2,849,306
Total Reconciling items	3,573,515
Fund balance, June 30, 2005 (GAAP Basis)	\$ 9,670,917

OKLAHOMA COUNTY, OKLAHOMA
Notes to Required Supplementary Information
June 30, 2005

Note I. Actuarial Valuations and Assumptions

The information presented in the Employees' Defined Benefit Retirement System required supplementary schedules was determined as part of the actuarial valuation as of June 30, 2005.

Actuarial cost method:	Entry Age Normal
Amortization method:	The unfunded actuarial liability is amortized over the present value of future service, 30 years as of both July 1, 2004 and July 1, 2005. The Net Pension Obligation is amortized over the expected future working lifetime of current active members.
Asset valuation method:	Market Value of Assets
Investment rate:	7.0%
Salary increases:	5.0% per year (5.5% before July 1, 2005)
Mortality:	RP-2000 Combined Table for Healthy Pensioners, Projected 10 Years using Projection Scale AA, with separate tables for males and females.
Withdrawal:	T-6 rates from Actuary's Pension Handbook
Disability:	None
Retirement:	For active members, earlier of age 62 or age 55 with 30 years of service. Deferred Vested participants were assumed to retire at age 62.
Marriage Rates:	Active participants use their actual marital status, with male spouses assumed to be three years older than their female spouses. 50% of terminated vested participants are assumed to be married with male spouses assumed to be three years older than their female spouses. Inpay retirees use their actual marital status and spouse's date of birth.
Expenses:	None
COLA:	None
Age Calculations:	Ages for all purposes are calculated as the age nearest birthday.

Note II. Budgetary Data

Budgets are submitted annually in accordance with the budget act and are prepared on the cash basis. Revenues are budgeted in the year receipt is expected. Expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial schedules are reported on this basis. Unencumbered appropriations for annually budgeted funds lapse ninety days after fiscal year-end. Budgets are adopted on a basis consistent with State legal requirements. An annual appropriated budget is adopted for the general fund. Other funds do not have legally adopted annual budgets. Appropriations for these funds are made on a monthly basis, according to the funds available.

OKLAHOMA COUNTY, OKLAHOMA
Notes to Required Supplementary Information
June 30, 2005

Three self-insurance funds (employee benefits, worker's compensation, and self insurance) are classified as internal service funds for budget purposes and do not have legally adopted budgets. Since the activities of these funds are included in general fund for proper financial reporting, the activity is a reconciling item to arrive at GAAP-basis fund balance.

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*Combining and
Individual Fund
Financial
Statements and
Schedules*



NON-MAJOR GOVERNMENTAL FUNDS

(Continued)

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

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

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

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

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

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

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

Capital Project Funds

Capital project funds are used to account for all major capital improvements, except those reported in proprietary funds.

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

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

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

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

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

Debt Service Fund

Debt Service Fund – For the collection of ad valorem taxes and interest earned for the payment of principal and interest of long term bonded debt and civil judgments against Oklahoma County.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted, usually by statute, to expenditure for specific purposes.

Resale Property – For the collection of interest and penalties on delinquent taxes and the expenditures incurred to sell abandoned properties.

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

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

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

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

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

Making the Grade – For the collection and expenditures of public donations for a school-to-work transition program.

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

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

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

Juvenile Special Revenue Fund – For the collection and expenditures of reimbursements and fees for housing, feeding, and transporting juveniles.

OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

Special Revenue

	Resale Property	Treasurer's Mortgage Fee	County Clerk's Lien Fee	UCC Central Filing	Records Management & Preservation	Sheriff Service Fee	Making the Grade	Assessor's Revolving Fee	Juvenile Probation Fee
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	3,081,814	573,752	79,022	1,136,091	1,084,879	1,508,099	629	40,057	32,462
Investments	-	-	-	-	-	-	-	-	-
Restricted investments	1,045,007	194,553	26,796	385,235	367,870	511,379	214	13,583	11,008
Property taxes receivable	618,287	-	-	-	-	-	-	-	-
Interest Receivable	-	-	-	1,939	2,782	14,354	-	-	-
Intergovernmental receivable	-	-	9,344	-	-	194,727	-	-	113
Total Assets	<u>\$ 4,745,108</u>	<u>\$ 768,305</u>	<u>\$ 115,162</u>	<u>\$ 1,523,265</u>	<u>\$ 1,455,531</u>	<u>\$ 2,228,559</u>	<u>\$ 843</u>	<u>\$ 53,640</u>	<u>\$ 43,583</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	\$ -	\$ 3,521	\$ 5,306	\$ 8,052	\$ 269,801	\$ 179,672	\$ 813	\$ -	\$ 2,660
Total Liabilities	<u>-</u>	<u>3,521</u>	<u>5,306</u>	<u>8,052</u>	<u>269,801</u>	<u>179,672</u>	<u>813</u>	<u>-</u>	<u>2,660</u>
Fund Balances:									
Reserved for Encumbrances	-	4,087	1,454	150	30,707	275,799	-	-	5,085
Reserved for Inventory	-	-	-	-	-	-	-	-	-
Unreserved, reported in:									
Special revenue funds	4,745,108	760,697	108,402	1,515,063	1,155,023	1,773,088	30	53,640	35,838
Debt service	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-
Total fund balances	<u>4,745,108</u>	<u>764,784</u>	<u>109,856</u>	<u>1,515,213</u>	<u>1,185,730</u>	<u>2,048,887</u>	<u>30</u>	<u>53,640</u>	<u>40,923</u>
Total liabilities and fund balances	<u>\$ 4,745,108</u>	<u>\$ 768,305</u>	<u>\$ 115,162</u>	<u>\$ 1,523,265</u>	<u>\$ 1,455,531</u>	<u>\$ 2,228,559</u>	<u>\$ 843</u>	<u>\$ 53,640</u>	<u>\$ 43,583</u>

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

Special Revenue

	Juvenile Grant Fund	Juvenile Special Revenue	Planning Commission	Local Emergency Planning Comm	Emergency Management	Community Service Fee	Community Sentencing	Drug Court	Drug Court User Fee	Total
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	249,276	-	126,428	6,063	36,920	20,125	353,009	8,839	283	8,337,748
Investments	-	-	-	-	-	-	-	-	-	-
Restricted investments	84,526	-	42,871	2,056	12,519	6,824	119,701	2,997	96	2,827,235
Property taxes receivable	-	-	-	-	-	-	-	-	-	618,287
Interest Receivable	-	-	-	-	-	-	-	-	-	19,075
Intergovernmental receivable	92,879	-	-	-	-	220	117,399	-	-	414,682
Total Assets	<u>\$ 426,681</u>	<u>\$ -</u>	<u>\$ 169,299</u>	<u>\$ 8,119</u>	<u>\$ 49,439</u>	<u>\$ 27,169</u>	<u>\$ 590,109</u>	<u>\$ 11,836</u>	<u>\$ 379</u>	<u>\$ 12,217,027</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$ 4,832	\$ -	\$ 6,883	\$ -	\$ 338	\$ -	\$ 5,955	\$ -	\$ -	\$ 487,833
Total Liabilities	<u>4,832</u>	<u>-</u>	<u>6,883</u>	<u>-</u>	<u>338</u>	<u>-</u>	<u>5,955</u>	<u>-</u>	<u>-</u>	<u>487,833</u>
Fund Balances:										
Reserved for Encumbrances	6,742	-	20,057	4,000	2,306	-	-	276	-	350,663
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	415,107	-	142,359	4,119	46,795	27,169	584,154	11,560	379	11,378,531
Debt service	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>421,849</u>	<u>-</u>	<u>162,416</u>	<u>8,119</u>	<u>49,101</u>	<u>27,169</u>	<u>584,154</u>	<u>11,836</u>	<u>379</u>	<u>11,729,194</u>
Total liabilities and fund balances	<u>\$ 426,681</u>	<u>\$ -</u>	<u>\$ 169,299</u>	<u>\$ 8,119</u>	<u>\$ 49,439</u>	<u>\$ 27,169</u>	<u>\$ 590,109</u>	<u>\$ 11,836</u>	<u>\$ 379</u>	<u>\$ 12,217,027</u>

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2005

	Capital Projects					Debt Service	Total Nonmajor Governmental Funds
	Capital Projects Regular	Capital Projects Districts	Capital Projects Tinker I	Jail Facility	Sale of Property	Total	Debt Service
ASSETS							
Cash and cash equivalents	\$ 608,028	\$ -	\$ -	\$ -	\$ 4,974	\$ 613,002	\$ -
Restricted cash	-	298,724	301,842	2,073	-	602,639	1,118,391
Investments	206,175	-	-	-	1,686	207,861	-
Restricted investments	-	101,294	102,351	703	-	204,348	379,234
Property taxes receivable	-	-	-	-	-	-	66,362
Interest Receivable	1,258	-	827	-	16	2,101	6,984
Intergovernmental receivable	-	-	-	-	-	-	-
Total Assets	<u>\$ 815,461</u>	<u>\$ 400,018</u>	<u>\$ 405,020</u>	<u>\$ 2,776</u>	<u>\$ 6,676</u>	<u>\$ 1,629,951</u>	<u>\$ 1,570,971</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 67,053	\$ -	\$ 68,316	\$ -	\$ -	\$ 135,369	\$ -
Total Liabilities	<u>67,053</u>	<u>-</u>	<u>68,316</u>	<u>-</u>	<u>-</u>	<u>135,369</u>	<u>-</u>
Fund Balances:							
Reserved for Encumbrances	173,144	-	30,000	-	-	203,144	-
Reserved for Inventory	-	-	-	-	-	-	-
Unreserved, reported in:							
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	1,570,971
Capital projects funds	575,264	400,018	306,704	2,776	6,676	1,291,438	-
Total fund balances	<u>748,408</u>	<u>400,018</u>	<u>336,704</u>	<u>2,776</u>	<u>6,676</u>	<u>1,494,582</u>	<u>1,570,971</u>
Total liabilities and fund balances	<u>\$ 815,461</u>	<u>\$ 400,018</u>	<u>\$ 405,020</u>	<u>\$ 2,776</u>	<u>\$ 6,676</u>	<u>\$ 1,629,951</u>	<u>\$ 1,570,971</u>

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue								
	Resale Property	Treasurer's Mortgage Fee	County Clerk's Lien Fee	UCC Central Filing	Records Management & Preservation	Sheriff Service Fee	Making the Grade	Assessor's Revolving Fee	Juvenile Probation Fee
REVENUES									
Property taxes	\$ 3,076,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	236,800	92,871	924,846	983,020	2,263,360	-	52,655	33,328
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	24,466	32,383	34,894	-	-	-
Miscellaneous revenue	2,683	-	-	-	-	-	-	-	-
Total revenues	\$ 3,078,754	\$ 236,800	\$ 92,871	\$ 949,312	\$ 1,015,403	\$ 2,298,254	\$ -	\$ 52,655	\$ 33,328
EXPENDITURES									
Current:									
General government	2,014,013	186,294	27,132	602,746	1,763,980	-	812	-	-
Public safety	-	-	-	-	-	1,849,353	-	-	7,515
Health and welfare	-	-	-	-	-	-	-	-	-
Roads and highways	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	35,994	55,371	17,432	9,023	217,303	-	31,293	-
Total expenditures	2,014,013	222,288	82,503	620,178	1,773,003	2,066,656	812	31,293	7,515
Excess(deficiency) of revenues over(under) expenditures	1,064,741	14,512	10,368	329,134	(757,600)	231,598	(812)	21,362	25,813
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	-	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	1,064,741	14,512	10,368	329,134	(757,600)	231,598	(812)	21,362	25,813
Fund balances-beginning	3,680,367	750,272	99,488	1,186,079	1,943,330	1,817,289	842	32,278	15,110
Fund balances-ending	\$ 4,745,108	\$ 764,784	\$ 109,856	\$ 1,515,213	\$ 1,185,730	\$ 2,048,887	\$ 30	\$ 53,640	\$ 40,923

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue									
	Juvenile Grant Fund	Juvenile Special Revenue	Planning Commision	Local Emergency Planning Comm	Emergency Management	Community Service Fee	Community Sentencing	Drug Court	Drug Court User Fee	Total
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,076,071
Charges for services	-	-	377,284	-	-	38,080	333,951	-	-	5,336,195
Intergovernmental revenues	645,000	195,958	-	-	37,500	-	817,080	101,860	-	1,797,398
Interest income	-	-	-	-	-	-	-	-	-	91,743
Miscellaneous revenue	-	20,053	-	-	36,637	-	-	-	1,638	61,011
Total revenues	<u>\$ 645,000</u>	<u>\$ 216,011</u>	<u>\$ 377,284</u>	<u>\$ -</u>	<u>\$ 74,137</u>	<u>\$ 38,080</u>	<u>\$ 1,151,031</u>	<u>\$ 101,860</u>	<u>\$ 1,638</u>	<u>\$ 10,362,418</u>
EXPENDITURES										
Current:										
General government	-	-	327,479	-	-	26,955	-	101,310	1,259	5,051,980
Public safety	397,060	423,058	-	5,000	62,424	-	977,143	-	-	3,721,553
Health and welfare	-	-	-	-	-	-	-	-	-	-
Roads and highways	-	-	-	-	-	-	-	-	-	-
Debt service:										-
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay	3,788	1,613	21,712	-	31,507	-	15,020	-	-	440,056
Total expenditures	<u>400,848</u>	<u>424,671</u>	<u>349,191</u>	<u>5,000</u>	<u>93,931</u>	<u>26,955</u>	<u>992,163</u>	<u>101,310</u>	<u>1,259</u>	<u>9,213,589</u>
Excess(deficiency) of revenues over(under) expenditures	<u>244,152</u>	<u>(208,660)</u>	<u>28,093</u>	<u>(5,000)</u>	<u>(19,794)</u>	<u>11,125</u>	<u>158,868</u>	<u>550</u>	<u>379</u>	<u>1,148,829</u>
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	10,296	25,000	-	-	-	-	-	-	-	35,296
Transfers to other funds	-	(96,461)	-	-	-	-	-	-	-	(96,461)
Total other financing sources (uses)	<u>10,296</u>	<u>(71,461)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,165)</u>
Net change in fund balances	254,448	(280,121)	28,093	(5,000)	(19,794)	11,125	158,868	550	379	1,087,664
Fund balances-beginning	167,401	280,121	134,323	13,119	68,895	16,044	425,286	11,286	-	10,641,530
Fund balances-ending	<u>\$ 421,849</u>	<u>\$ -</u>	<u>\$ 162,416</u>	<u>\$ 8,119</u>	<u>\$ 49,101</u>	<u>\$ 27,169</u>	<u>\$ 584,154</u>	<u>\$ 11,836</u>	<u>\$ 379</u>	<u>\$ 11,729,194</u>

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Capital Projects					Debt Service	Total Nonmajor Governmental Funds
	Capital Projects Regular	Capital Projects Districts	Capital Projects Tinker I	Jail Facility	Sale of Property	Total	Debt Service
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,794,433
Charges for services	-	-	-	2,776	-	2,776	-
Intergovernmental revenues	-	-	-	-	-	-	-
Interest income	3,259	-	7,025	-	140	10,424	54,317
Miscellaneous revenue	14,212	-	230	-	-	14,442	-
Total revenues	\$ 17,471	\$ -	\$ 7,255	\$ 2,776	\$ 140	\$ 27,642	\$ 2,848,750
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Roads and highways	-	79,900	-	-	-	79,900	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	2,023,069
Interest	-	-	-	-	-	-	826,951
Capital outlay	552,817	3,395	124,834	-	-	681,046	-
Total expenditures	552,817	83,295	124,834	-	-	760,946	2,850,020
Excess(deficiency) of revenues over(under) expenditures	(535,346)	(83,295)	(117,579)	2,776	140	(733,304)	(1,270)
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	1,020,929	200,000	-	-	-	1,220,929	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources (uses)	1,020,929	200,000	-	-	-	1,220,929	-
Net change in fund balances	485,583	116,705	(117,579)	2,776	140	487,625	(1,270)
Fund balances-beginning	262,825	283,313	454,283	-	6,536	1,006,957	1,572,241
Fund balances-ending	\$ 748,408	\$ 400,018	\$ 336,704	\$ 2,776	\$ 6,676	\$ 1,494,582	\$ 1,570,971

FIDUCIARY FUNDS

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

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

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2005

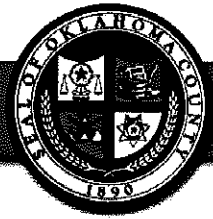
	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
SCHOOLS				
<u>Assets:</u>				
Cash and investments	\$ 10,336,659	\$ 339,034,744	\$ 339,216,343	\$ 10,155,060
Ad valorem taxes receivable	6,300,903	4,747,701	6,300,903	4,747,701
Accrued interest receivable	1,304	-	1,304	-
Due from other governments	2,077,595	1,205,217	2,077,595	1,205,217
Total Assets	<u>\$ 18,716,461</u>	<u>\$ 344,987,662</u>	<u>\$ 347,596,145</u>	<u>\$ 16,107,978</u>
<u>Liabilities:</u>				
Warrants payable	1,429,205	1,537,050	1,429,205	1,537,050
Due to other taxing units	17,287,256	343,450,612	346,166,940	14,570,928
Total Liabilities	<u>\$ 18,716,461</u>	<u>\$ 344,987,662</u>	<u>\$ 347,596,145</u>	<u>\$ 16,107,978</u>
CITIES AND TOWNS				
<u>Assets:</u>				
Cash and investments	\$ 1,954,243	\$ 72,508,029	\$ 73,681,228	\$ 781,044
Ad valorem taxes receivable	1,456,962	1,077,848	1,456,962	1,077,848
Due from other governments	1,047,542	891,390	1,047,542	891,390
Total Assets	<u>\$ 4,458,747</u>	<u>\$ 74,477,267</u>	<u>\$ 76,185,732</u>	<u>\$ 2,750,282</u>
<u>Liabilities:</u>				
Due to other taxing units	4,458,747	74,477,267	76,185,732	2,750,282
Total Liabilities	<u>\$ 4,458,747</u>	<u>\$ 74,477,267</u>	<u>\$ 76,185,732</u>	<u>\$ 2,750,282</u>
OFFICIAL DEPOSITORY				
<u>Assets:</u>				
Cash and investments	\$ 24,438,370	\$ 124,077,216	\$ 128,799,062	\$ 19,716,524
Total Assets	<u>\$ 24,438,370</u>	<u>\$ 124,077,216</u>	<u>\$ 128,799,062</u>	<u>\$ 19,716,524</u>
<u>Liabilities:</u>				
Accounts payable	181	878	181	878
Due to others	24,438,189	124,076,338	128,798,881	19,715,646
Total Liabilities	<u>\$ 24,438,370</u>	<u>\$ 124,077,216</u>	<u>\$ 128,799,062</u>	<u>\$ 19,716,524</u>

(Continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
UNAPPORTIONED TAXES				
<u>Assets:</u>				
Cash and investments	\$ 2,542,720	\$ 17,688,518	\$ 20,052,926	\$ 178,312
Due from other funds	-	-	-	-
Total Assets	<u>\$ 2,542,720</u>	<u>\$ 17,688,518</u>	<u>\$ 20,052,926</u>	<u>\$ 178,312</u>
<u>Liabilities:</u>				
Due to other taxing units	2,542,720	17,688,518	20,052,926	178,312
Total Liabilities	<u>\$ 2,542,720</u>	<u>\$ 17,688,518</u>	<u>\$ 20,052,926</u>	<u>\$ 178,312</u>
ALL OTHERS				
<u>Assets:</u>				
Cash and investments	\$ 4,706,636	\$ 43,310,857	\$ 39,999,244	\$ 8,018,249
Ad valorem taxes receivable	197,771	124,701	197,771	124,701
Due from other governments	42,066	43,149	42,066	43,149
Total Assets	<u>\$ 4,946,473</u>	<u>\$ 43,478,707</u>	<u>\$ 40,239,081</u>	<u>\$ 8,186,099</u>
<u>Liabilities:</u>				
Accounts payable	96,399	882	96,399	882
Due to other taxing units	543	35,293,149	35,293,151	541
Due to others	4,849,531	8,184,676	4,849,531	8,184,676
Total Liabilities	<u>\$ 4,946,473</u>	<u>\$ 43,478,707</u>	<u>\$ 40,239,081</u>	<u>\$ 8,186,099</u>
TOTALS - ALL AGENCY FUNDS				
<u>Assets:</u>				
Cash and investments	\$ 43,978,628	\$ 596,619,366	\$ 601,748,803	\$ 38,849,191
Ad valorem taxes receivable	7,955,636	5,950,250	7,955,636	5,950,250
Accrued interest receivable	1,304	-	1,304	-
Due from other governments	3,167,203	2,139,756	3,167,203	2,139,756
Total Assets	<u>\$ 55,102,771</u>	<u>\$ 604,709,372</u>	<u>\$ 612,872,946</u>	<u>\$ 46,939,197</u>
<u>Liabilities:</u>				
Warrants payable	1,429,205	1,537,050	1,429,205	1,537,050
Accounts payable	96,580	1,760	96,580	1,760
Due to other taxing units	24,289,266	470,909,548	477,698,749	17,500,065
Due to others	29,287,720	132,261,014	133,648,412	27,900,322
Total Liabilities	<u>\$ 55,102,771</u>	<u>\$ 604,709,372</u>	<u>\$ 612,872,946</u>	<u>\$ 46,939,197</u>

III - Statistical Section



OKLAHOMA COUNTY, OKLAHOMA
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
(GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS AND DEBT SERVICE FUNDS)
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year		General Government	Public Safety	Health & Welfare	Culture & Recreation	Education	Roads & Highways	Capital Outlay	Debt Service	Total
2005	(1)	\$31,119,465	\$39,896,004	\$3,328,502	\$48,457	\$363,067	\$13,845,414	\$3,617,601	\$4,165,311	\$96,383,821
2004	(1)	35,816,213	36,183,545	2,964,375	45,671	325,792	11,727,708	9,194,619	1,609,952	97,867,875
2003	(1)	36,135,736	31,791,403	3,351,464	51,030	361,849	11,348,397	14,493,477	304,611	97,837,967
2002		25,998,239	28,581,961	3,863,029	41,632	347,460	12,645,403	3,469,318	58,901	75,005,943
2001		24,527,583	28,749,059	3,724,043	44,472	339,016	12,601,631	9,600,020	167,857	79,753,681
2000		25,248,540	25,778,336	3,138,057	47,054	298,784	11,548,545	5,962,803	224,051	72,246,170
1999		20,813,242	24,862,282	1,614,717	47,229	273,406	9,814,393	7,435,114	611,046	65,471,429
1998		22,772,726	21,456,675	1,950,029	46,283	268,550	8,164,532	4,386,843	479,621	59,525,259
1997		22,708,946	18,346,198	2,195,470	41,826	270,582	7,385,167	2,504,013	461,950	53,914,152
1996		32,201,553	17,557,009	2,036,191	43,859	240,098	7,745,299	2,259,848	483,816	62,567,673

(1) The Employee Benefits, Worker's Compensation and Self Insurance funds expenditures previously reported in Internal Service Funds are presented as part of General Fund since 2003.

OKLAHOMA COUNTY, OKLAHOMA
GENERAL GOVERNMENTAL REVENUE BY SOURCE
(GENERAL, SPECIAL REVENUE, CAPITAL PROJECTS AND DEBT SERVICE FUNDS)
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Charges for Services</u>	<u>Intergovernmental Revenue</u>	<u>Interest</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
2005	\$46,748,301	\$10,689,682	\$35,134,697	\$1,733,886	\$4,099,201	\$98,405,767
2004	46,140,045	10,967,945	35,170,430	1,410,766	3,536,956	97,226,142
2003	40,477,124	10,156,739	30,956,220	2,162,133	3,098,733	86,850,949
2002	38,170,435	8,155,398	30,145,318	2,025,195	4,591,893	83,088,239
2001	36,975,353	6,223,959	29,162,187	2,867,080	3,842,074	79,070,653
2000	31,804,322	5,324,624	28,833,040	2,591,439	3,656,624	72,210,049
1999	29,101,822	7,023,335	23,545,887	2,643,779	9,187,706	71,502,529
1998	27,871,559	6,419,086	22,005,338	2,581,334	7,364,122	66,241,439
1997	26,606,104	5,496,248	16,777,628	2,485,279	6,165,596	57,530,855
1996	25,040,586	13,847,655	18,034,979	2,513,496	4,261,780	63,698,496

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Delinquent Taxes to Total Tax Levy
2004-05	\$ 44,075,796	\$ 40,682,262	92.3%	\$1,250,412	\$41,932,674	95.1%	\$ 3,272,901	7.4%
2003-04	42,114,409	38,788,377	92.1%	1,532,136	40,320,513	95.7%	3,483,066	8.3%
2002-03	36,906,787	34,425,761	93.3%	1,356,171	35,781,933	97.0%	3,437,028	9.3%
2001-02	35,033,297	33,487,253	95.6%	1,193,074	34,680,327	99.0%	3,408,658	9.7%
2000-01	32,590,569	31,444,234	96.5%	481,657	31,925,891	98.0%	3,135,948	9.6%
1999-00	30,561,831	27,951,730	91.5%	1,048,849	29,000,579	94.9%	2,610,101	8.5%
1998-99	28,439,301	27,117,365	95.4%	927,706	28,045,071	98.6%	2,574,667	9.1%
1997-98	27,725,990	26,721,587	96.4%	702,026	27,423,613	98.9%	2,117,253	7.6%
1996-97	26,098,362	25,222,645	96.6%	713,523	25,936,168	99.4%	2,053,816	7.9%
1995-96	24,834,417	24,017,778	96.7%	690,039	24,707,817	99.5%	2,082,282	8.4%

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

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

<u>Fiscal Year</u>		<u>Personal</u>	<u>Public Service</u>	<u>Real Estate</u>	<u>Homestead Exemption</u>	<u>Net Value</u>	<u>Estimated Fair Market Value</u>
2004-05	(1)	\$ 746,717,630	\$ 492,680,863	\$ 3,295,697,764	\$ 132,630,728	\$ 4,402,465,529	\$ 36,245,004,802
2003-04	(1)	728,006,330	385,340,830	3,039,937,336	132,381,580	4,020,902,916	33,318,763,398
2002-03	(1)	713,597,382	377,520,561	2,823,329,944	133,464,433	3,780,983,454	31,202,615,742
2001-02	(2)	627,131,835	384,453,928	2,499,983,759	129,997,665	3,381,571,857	27,851,182,353
2000-01	(2)	609,685,689	318,026,002	2,341,357,421	129,322,641	3,139,746,471	27,443,276,491
1999-00	(2)	568,833,168	304,158,103	2,188,716,442	128,710,566	2,932,997,147	25,408,278,347
1998-99	(2)	559,391,821	263,032,612	2,044,908,350	129,457,166	2,737,875,617	23,451,426,655
1997-98	(2)	548,355,507	272,446,662	1,934,616,756	126,729,737	2,628,689,188	21,282,408,660
1996-97	(2)	505,881,862	264,349,493	1,844,439,429	123,389,243	2,614,670,784	20,174,794,666
1995-96	(2)	566,456,882	248,348,411	1,763,525,812	123,701,916	2,578,331,105	19,770,733,120

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

(2) The assessed valuation of real estate is approximately 11%; and the valuation rates for personal property and for utility assets are approximately 15% and 22.85%, respectively.

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

	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96
County										
County General Fund	10.35	10.35	10.35	10.35	10.35	10.35	10.35	10.35	10.35	10.00
County Sinking Fund	0.71	0.87	0.07	0.01	0.03	0.07	0.04	0.18	0.13	0.12
City-County Health Dept	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.50
Metro Library Commission	5.20	5.20	5.20	5.20	5.20	5.20	5.20	5.20	4.14	4.00
Total County-Wide Levies	18.85	19.01	18.21	18.15	18.17	18.21	18.18	18.32	17.21	16.62
Cities and Towns										
Bethany	0.00	5.95	6.15	6.98	7.76	8.46	12.14	10.36	14.79	15.82
Choctaw	2.93	3.33	3.68	4.45	5.38					
Del City	10.06	11.82	8.56	12.60	11.47	8.59	13.62	24.07	23.83	19.99
Midwest City	9.82	11.45	14.20	1.43	1.48	1.57	3.55	3.72	4.25	1.89
Nichols Hills	32.82	28.62	26.25	28.75	31.90	33.35	33.14	32.00	23.46	22.82
Oklahoma City	14.73	15.55	15.89	15.34	15.37	15.02	13.89	14.45	13.56	12.15
Spencer	5.43	5.20	5.08	6.19	6.68	7.71	8.00	2.89	7.33	5.34
Warr Acres	1.62									
School Districts (includes County-wide school levy)										
Oklahoma City 89	57.84	54.44	59.64	47.91	52.67	53.30	54.36	54.84	55.61	55.24
Putnam City 1	55.71	56.09	56.29	56.68	60.97	60.42	60.93	60.45	61.38	58.97
Luther 3	46.70	46.28	59.95	60.60	67.24	61.87	65.31	67.71	69.14	66.58
Choctaw 4	61.33	63.85	60.58	64.34	66.38	64.69	66.52	66.79	66.95	62.36
Deer Creek 6	74.75	76.37	76.31	76.51	77.79	80.97	80.65	78.51	78.93	76.04
Harrah 7	58.36	59.74	59.45	60.74	68.58	67.17	67.39	65.07	66.97	66.10
Jones 9	55.40	58.20	60.19	62.65	63.29	66.70	67.86	70.70	60.31	57.53
Edmond 12	66.51	66.23	66.87	66.67	71.17	71.65	70.51	66.62	69.10	65.40
Oakdale 29	62.93	67.20	64.12	54.26	71.73	72.60	71.47	76.02	71.34	58.42
Millwood 37	55.59	63.82	65.92	69.83	75.24	76.59	79.01	79.99	73.03	77.85
Western Heights 41	60.12	58.01	60.49	58.21	57.54	60.55	61.46	56.72	56.77	57.26
Midwest City 52	61.11	61.83	60.00	62.63	66.49	67.59	67.71	62.68	65.56	64.45
Crooked Oak 53	66.85	66.41	54.91	56.42	57.38	60.17	60.92	63.34	61.24	62.76
Crutcho 74	46.68	49.47	51.96	52.91	56.34	59.22	61.31	63.48	66.99	68.92
Bethany 88	64.90	71.88	66.95	65.39	77.66	78.56	58.05	69.59	71.76	55.78
Vocational-Technical Schools (excludes County-wide school levy)										
Rose State College	16.50	16.62	16.66	16.78	16.90	17.17	17.25	17.52	17.72	15.27
Okla City Comm College	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.00
N W Ok Co Area V T 21	15.69	14.96	14.96	15.69	15.69	15.69	15.69	15.69	15.69	15.00
Ok Cy Area VT 22	15.45	15.45	15.45	15.45	15.45	15.45	15.45	15.45	15.45	15.00
V T Area 23	16.53	16.50	16.95	17.21	17.85	18.15	18.47	18.94	19.35	15.00
Canadian 22 - Piedmont	63.98	65.65	66.14	67.28	65.74	71.58	59.83	62.33	68.94	54.72
Canadian 69 - Mustang	65.86	67.10	67.14	67.53	69.54	63.12	59.69	57.74	59.87	53.42
Canadian Vo Tech 6	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.00
Cleveland 2 - Moore	58.02	58.36	58.66	56.98	59.34	61.06	61.74	56.70	56.52	57.64
Cleveland Vo Tech 17	14.58	14.58	14.58	14.58	13.54	13.53	13.53	13.53	13.53	13.00
Pottawatomie 1 - McCloud	53.94	54.56	55.99	56.84	58.56	63.46	64.28	66.04	67.16	50.84
Pottawatomie V T 5	15.57	15.57	15.57	15.57	14.47	12.47	12.47	12.47	12.47	12.00

OKLAHOMA COUNTY, OKLAHOMA
PRINCIPAL TAXPAYERS
JUNE 30, 2005
(Unaudited)

	<u>Assessed Value</u>	<u>Percentage of Total</u>
<u>Taxpayer Name</u>		
1 Southwestern Bell Telephone Company	\$190,827,182	4.33%
2 OG & E	109,283,833	2.48%
3 General Motors Corporation	58,959,437	1.34%
4 Redbud Energy	58,506,521	1.33%
5 Cingular Wireless LLC	44,860,933	1.02%
6 Oklahoma Natural Gas	29,004,855	0.66%
7 Cox Oklahoma Telecom LLC	26,545,200	0.61%
8 The Hertz Corp.	16,320,559	0.37%
9 Cox Communications OK City Inc.	11,036,017	0.25%
10 A T & T Communications	10,383,942	0.24%
All Other Taxpayers	<u>3,846,737,050</u>	<u>87.38%</u>
Total	<u>\$4,402,465,529</u>	<u>100.00%</u>

OKLAHOMA COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2005
(Unaudited)

Assessed valuations:		
Assessed value		\$ 4,535,096,257
Less: exempt real property		<u>(132,630,728)</u>
Total assessed value		<u>\$ 4,402,465,529</u>
Legal debt margin		
Debt limitation- 5 percent of total assessed value		\$ 220,123,276
General obligation bonds payable	\$18,470,000	
Judgments payable	646,872	
Less amount available in debt service fund	<u>(1,570,971)</u>	
Total debt applicable to limitation		<u>17,545,901</u>
Legal Debt Margin		<u>\$ 202,577,375</u>

OKLAHOMA COUNTY, OKLAHOMA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Population	Net Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2004-05	680,815	\$ 4,402,465,529	\$ 18,470,000	\$ 1,570,971	\$ 16,899,029	0.38%	\$ 24.82
2003-04	676,066	4,020,902,916	20,000,000	1,572,241	18,427,759	0.46%	27.26
2002-03	672,487	3,780,983,454	20,000,000	46,926	19,953,074	0.53%	29.67
2001-02	662,153	3,381,571,857	-	6,912	-	-	-
2000-01	660,448	3,139,746,471	-	37,488	-	-	-
1999-00	636,539	2,932,997,147	-	109,590	-	-	-
1998-99	632,865	2,737,875,617	-	59,195	-	-	-
1997-98	530,850	2,628,689,188	400,000	550,181	-	-	-
1996-97	627,298	2,614,670,784	800,000	507,043	292,957	0.01%	0.47
1995-96	623,411	2,578,331,105	1,200,000	545,727	654,273	0.03%	1.05

OKLAHOMA COUNTY, OKLAHOMA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2004-05	\$ 2,023,069	\$ 826,951	\$ 2,850,020	\$ 96,383,821	2.96%
2003-04	436,203	1,207,082	1,643,285	97,867,875	1.68%
2002-03 (1)	168,514	45,130	213,644	97,837,967	0.22%
2001-02	50,000	8,901	58,901	75,005,943	0.08%
2000-01	152,660	15,197	167,857	79,753,681	0.21%
1999-00	188,488	35,563	224,051	72,246,170	0.31%
1998-99	551,821	59,225	611,046	65,621,429	0.93%
1997-98	447,639	31,982	479,621	59,775,259	0.80%
1996-97	411,811	50,139	461,950	54,247,485	0.85%
1995-96	411,811	72,005	483,816	63,067,673	0.77%

(1) Excludes \$90,967 of bond issuance costs reported as debt service expenditures.

OKLAHOMA COUNTY, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
JUNE 30, 2005
(Unaudited)

	Net General Obligation Bond Debt Outstanding	Percent Applicable to Oklahoma County	Amount Applicable to Oklahoma County
Oklahoma County	\$18,470,000	100.0%	\$18,470,000
CITIES			
Choctaw	830,000	100.0%	830,000
Del City	46,050,000	100.0%	46,050,000
Midwest City	13,125,000	100.0%	13,125,000
Nichols Hills	14,665,000	100.0%	14,665,000
Oklahoma City	367,210,000	85.8%	315,066,180
Spencer	40,000	100.0%	40,000
SCHOOL DISTRICTS			
Oklahoma City	149,100,000	100.00%	149,100,000
Putnam City	30,810,000	100.0%	30,810,000
Luther	605,000	96.3%	582,615
Choctaw	7,630,000	100.0%	7,630,000
Deer Creek	11,325,000	85.9%	9,728,175
Harrah	3,225,000	90.6%	2,921,850
Jones	1,775,000	100.0%	1,775,000
Edmond	66,700,000	96.8%	64,565,600
Oakdale	2,685,000	100.0%	2,685,000
Millwood	1,765,000	100.0%	1,765,000
Western Heights	10,940,000	100.0%	10,940,000
Mid-Del	23,885,000	97.9%	23,383,415
Crooked Oak	2,470,000	100.0%	2,470,000
Crutcho	410,000	100.0%	410,000
Bethany	900,000	100.0%	900,000
Eastern Oklahoma County Votech #23	250,000	96.6%	241,500
Rose State College	430,000	98.1%	421,830
Piedmont (Canadian County)*	2,550,000	22.0%	561,000
Mustang (Canadian County)*	11,700,000	2.2%	257,400
Moore (Cleveland County)	35,515,000	10.5%	3,729,075
McCloud (Pottawatomie County)	1,100,000	16.4%	180,400
TOTAL	\$826,160,000	87.6%	\$723,304,040

OKLAHOMA COUNTY, OKLAHOMA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal <u>Year</u>	<u>Population</u> ¹	Per Capita <u>Income</u> ²	Unemployment <u>Rate</u> ³	School Average Daily <u>Attendance</u> ⁴
2004-05	680,815	\$30,891	4.4%	102,294
2003-04	676,066	\$29,818	4.5%	101,377
2002-03	672,487	\$29,316	5.9%	100,924
2001-02	662,153	\$27,263	4.1%	99,866
2000-01	660,448	\$26,297	2.6%	98,844
1999-00	636,539	\$25,354	2.7%	99,420
1998-99	632,865	\$23,962	3.9%	98,675
1997-98	630,865	\$23,348	3.5%	98,461
1996-97	627,298	\$22,616	3.6%	98,892
1995-96	623,411	\$21,610	4.0%	97,506
1994-95	622,251	\$20,869	5.0%	96,544
1993-94	616,886	\$20,086	5.5%	95,908

¹ U.S. Bureau of the Census; FY 2000-01 reflects 2000 Census; FY 2001-2002 forward reflect U.S. Bureau of the Census County Population Estimates

² U.S. Department of Commerce, Bureau of Economic Analysis; Local Area Personal Income

³ U.S. Department of Labor, Bureau of Labor Statistics; Local Area Unemployment Statistics

⁴ State of Oklahoma Department of Education 521-3354

OKLAHOMA COUNTY, OKLAHOMA
BUILDING PERMITS, CONSTRUCTION VALUE AND BANK DEPOSITS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year ²	<u>Residential Construction ¹</u>		<u>Non-Residential Construction ¹</u>		Bank Deposits ³
	Number of Permits	Construction Cost	Number of Permits	Construction Cost	
2004-05	4,809	\$ 1,066,160,000	429	\$ 413,481,000	\$ 11,811,000,000
2003-04	5,493	981,252,000	260	462,511,000	11,154,000,000
2002-03	4,135	749,170,000	179	426,232,000	10,143,000,000
2001-02	3,422	603,790,000	319	1,057,537,000	9,010,034,000
2000-01	3,042	539,373,000	358	520,913,000	8,378,764,000
1999-00	3,848	615,507,000	372	433,171,000	8,325,306,000
1998-99	3,481	579,623,000	533	506,727,000	8,669,261,000
1997-98	2,845	434,566,000	526	349,797,000	8,130,392,000
1996-97	3,067	469,407,000	392	239,770,000	8,047,200,000
1995-96	2,585	379,022,000	506	304,563,000	7,516,434,000

¹ F.W. Dodge Corporation Building Statistics

² Construction information is reported on a calendar year basis; bank deposit information is reported on a fiscal year basis.

³ Federal Deposit Insurance Corporation (FDIC); Summary of Deposits for all FDIC Insured Institutions in Oklahoma County.