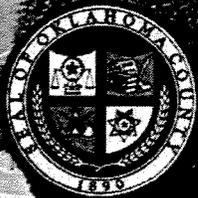


**OKLAHOMA COUNTY, OKLAHOMA
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2004**

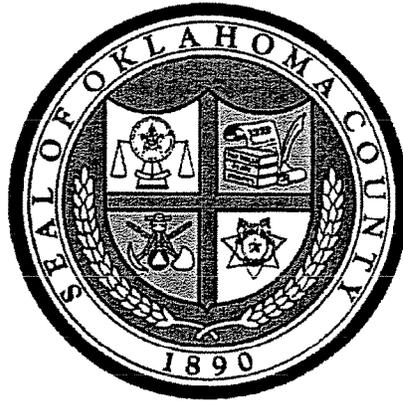
Oklahoma County, Oklahoma

*Comprehensive
Annual
Financial
Report*



For Year Ending June 30, 2004

**Prepared in the Office of Carolynn Caudill,
County Clerk and Secretary to the Budget Board
*Finance Department***



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

FOR FISCAL YEAR ENDED JUNE 30, 2004

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

Carolynn Caudill, Oklahoma County Clerk

This page intentionally left blank

INTRODUCTORY SECTION

This page intentionally left blank

**OKLAHOMA COUNTY
TABLE OF CONTENTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2004**

I. INTRODUCTORY SECTION	PAGE
Letter of Transmittal	3
GFOA Certificate of Achievement for Excellence in Financial Reporting	9
Elected County Officials	10
County Government Organizational Chart	11
II. FINANCIAL SECTION	
Report of the Independent Auditors	12
Management’s Discussion and Analysis	14
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	28
Statement of Net Assets-Proprietary Fund	29
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	30
Statement of Cash Flows-Proprietary Funds	31
Statement of Fiduciary Net Assets-Fiduciary Funds	32
Statement of Changes in Fiduciary Net Assets-Fiduciary Funds	33
 Notes to the Financial Statements	 34
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Funding Progress- Employees Defined Benefit Retirement System	67
Schedule of Employer Contributions-Employees Defined Benefit Retirement System	67

OKLAHOMA COUNTY
TABLE OF CONTENTS, continued

Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual - General Fund	68
Notes to the Required Supplementary Information	74

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Non-Major Governmental Funds:

Combining Balance Sheet – Non-Major Governmental Funds	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	79

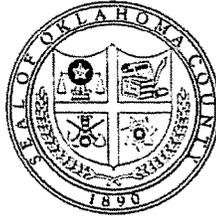
Fiduciary Funds:

Statement of Changes in Assets and Liabilities – Agency Fund	82
--	----

III. STATISTICAL SECTION

Fund information:

General Governmental Expenditure by Function	84
General Governmental Revenues by Source	85
Property Tax Levies and Collections	86
Assessed and Estimated Actual Value of Property	87
Property Tax Rates – Direct and Overlapping Governments	88
Principal Taxpayers	89
Computation of Legal Debt Margin	90
Ratio of Net General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	91
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	92
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	93
Demographic Statistics	94
Building Permits, Construction Value and Bank Deposits	95



CAROLYNN CAUDILL
OKLAHOMA COUNTY CLERK

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

December 22, 2004

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

We hereby issue the 2004 Comprehensive Annual Financial Report (CAFR) of Oklahoma County for fiscal year ended June 30, 2004. 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 that is 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 that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Managements Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment 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 1,600 people and is a multi-million dollar operation.

Based on the U.S. Census Bureau, Oklahoma County has an estimated 2002 population of 672,487, 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. The County 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 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

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

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 are 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 result 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 eleven major sectors that include agribusiness, government, health care, mining, manufacturing, military, wholesale and retail trade, transportation, finance, insurance and real estate. The local economy's stability is enhanced by the presence of Oklahoma state government, numerous federal agencies, and Tinker Air Force Base.

Forecasters are calling for a second consecutive year of job recovery in 2005, with hiring accelerating above the 2004 pace. The forecasted 1.7 percent rate of job growth for the metro area is expected to outpace the nation in 2005, adding nearly 10,000 new jobs in 2005. The current recovery is expected to push metro area employment to its pre-recession high of 550,000 jobs by the fourth quarter of 2005. The metro area has seen significant increases in Services employment, particularly in Education & Health Services and Leisure & Hospitality Services. Nonetheless, hiring in many sectors remains weak. Manufacturing; Real Estate, Rental & Leasing; Wholesale Trade; and Information have extended their employment losses in 2004.

Growth in metro area personal income is expected to rebound from a 2.7 percent average gain in 2002 and 2003 to 4.4 percent in 2004 and 5.2 percent in 2005. Similarly, per capita personal income is expected to rebound, with growth accelerating from 1.8 percent in 2003 to 3.4 percent in 2004. In comparison, the nation is expecting 4.3 percent growth in per capita personal income in 2004, expanding the income gap as measured by the relative per capita income.

The following table depicts the composition of the Oklahoma City metro area Non-Farm Wage and Salary Employment in all employment sectors, and reflects the two most recent calendar years available.

(In Thousands)	<u>2003</u>	<u>2004</u>	<u>% Change</u>
Mining	6.89	6.73	-2.4
Construction	21.88	22.53	3.0
Manufacturing	40.41	39.33	-2.7
Transportation & Public Utilities	15.96	15.86	-0.6
Wholesale	20.71	20.77	0.3
Retail Trade	61.84	62.26	0.7
Information	13.74	13.87	0.9
Financial Activities	33.65	33.88	0.7
Professional & Bus. Svcs.	69.86	73.17	4.7
Education & Health Svcs.	67.25	67.26	0.0
Leisure & Hospitality	54.38	55.28	1.6
Other Services	28.09	28.59	1.8
Government	109.34	108.98	-0.3

Source: Oklahoma State University, College of Business Administration

Opportunities for Growth through Education

Opportunities for higher education are also an important part of the Oklahoma County community. The metro area is home to several public and private colleges and universities.

The University of Oklahoma in Norman is located just 20 miles south of downtown Oklahoma City. With a student enrollment of 29,900 the University of Oklahoma has a nationally-ranked College of Engineering, an outstanding health sciences program, and is a world leader in energy and meteorology research. Oklahoma State University, with a student enrollment of 26,500 is only 65 miles northeast of Oklahoma City at Stillwater and has an Oklahoma City Branch within the County, with an enrollment of 7,900. Oklahoma State University has a nationally-ranked medical school and one of the top ten Vocational and Technical Education programs in the nation.

Other public colleges of higher education include Oklahoma City Community College in southwest Oklahoma City, with enrollment of 18,000 and Rose State College with enrollment of 12,600, a few minutes east of the downtown area. The University of Central Oklahoma, with an enrollment of 18,900, is 15 minutes north of Oklahoma City in Edmond, and offers a curriculum tailored to both working adults and students just out of high school.

Private institutions include Oklahoma City University (OCU), with a current enrollment of 3,700 students. OCU is also a cultural attraction with art galleries and outstanding music and drama

programs. Other private institutions in the metro area include Oklahoma Christian University and Southern Nazarene University.

Pension and other Post Employment Benefits

Employees participate in one of two pension plans -a defined benefit plan or a defined contribution plan. The County's required contribution to these plans is 12% of salaries. These plans are: (1) Defined Benefit Retirement Fund, which as of June 30, 2004, had an "unfunded actuarial liability" of \$8,552,119, with a net asset market value of \$16,933,308 and (2) Defined Contribution Retirement Fund administered by Investrust in accordance with Oklahoma County Retirement Board of Trustee's policies and Plan Document, which as of June 30, 2004, had benefits due to employees, upon their qualifying for retirement benefits, and beneficiaries totaling \$64,205,350 reported at fair value. 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. These plans are fully described in Notes IV.E.

Cash Management

State statutes establish formal investment policies for County funds. These policies provide general criteria for investment decisions and guidelines for investing County funds. The County's unrestricted idle cash is pooled for investments.

The County Treasurer invests primarily in direct obligations of the United States Government pledging its full faith and credit; certificates of deposit at savings and loan associations and banks which are federally insured and secured by acceptable collateral; and saving accounts at fully federally insured savings and loan associations and banks.

Risk Management

The County's comprehensive risk management program includes property, liability, worker's compensation, health, life and wellness. Commercial insurance covers losses for property while the County self-insures for health insurance, workers' compensation, and tort and liability claims. Administration of these functions is a combined effort of the County Clerk's office, Environmental Health and Safety office, Mutual Assurance Administrators (a third party Administrator for the County's health plans), and Consolidated Benefit Resources (a third party Administrator for worker's compensation claims). For additional information on the County's risk management activities, see Note IV.A.

Future Capital Improvement Plans

Oklahoma County has plans for several capital projects that will be funded by revenue bonds issued by the Oklahoma County Industries Authority. The projects include a new parking garage, remodeling of the existing parking garage, remodeling and new roofs for three county buildings. Other projects include a central control for the jail, a new court room in the court house, and a reconfiguration of the County Annex building along with other improvements to County buildings. Revenues from a new parking garage owned by the Public Buildings Authority (PBA), a component unit, will fund the debt service on the bonds.

AWARDS AND RECOGNITION

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, 2003. This was the tenth consecutive year that Oklahoma County has received this prestigious award (fiscal years ended 1994-2003).

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.

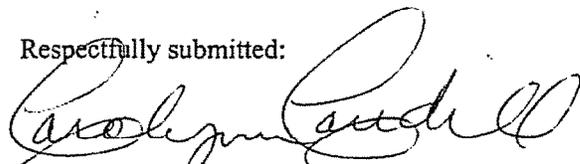
INDEPENDENT AUDIT

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 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.

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 encourages and supports progressive accounting and reporting for both internal and external use.

Respectfully submitted:



Carolynn Caudill, Oklahoma County Clerk
Secretary, Oklahoma County Budget Board



Robin K. Lee, Director of Finance
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, 2003

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



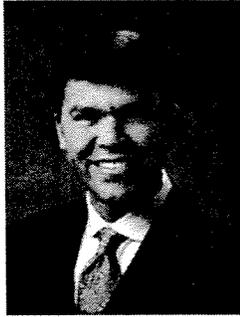
Nancy L. Zjelke

President

Jeffrey R. Enow

Executive Director

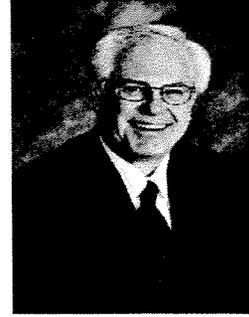
Oklahoma County Elected Officials



Jim Roth,
Commissioner District 1



Jack Cornett,
Commissioner District 2



Stan Inman,
Commissioner District 3



Carolynn Caudill,
County Clerk



John Whetsel,
Sheriff



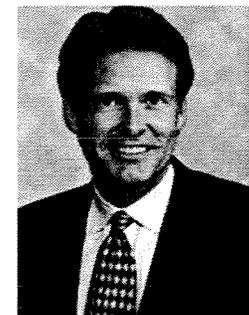
**Forrest "Butch"
Freeman,**
County Treasurer



Leonard Sullivan,
County Assessor

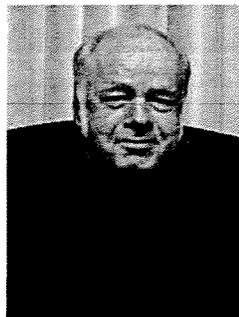


Patricia Presley,
Court Clerk



C. Wesley Lane II,
District Attorney

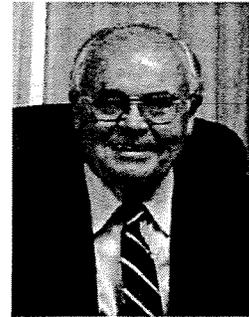
Oklahoma County Excise Board Members



Frank Burns

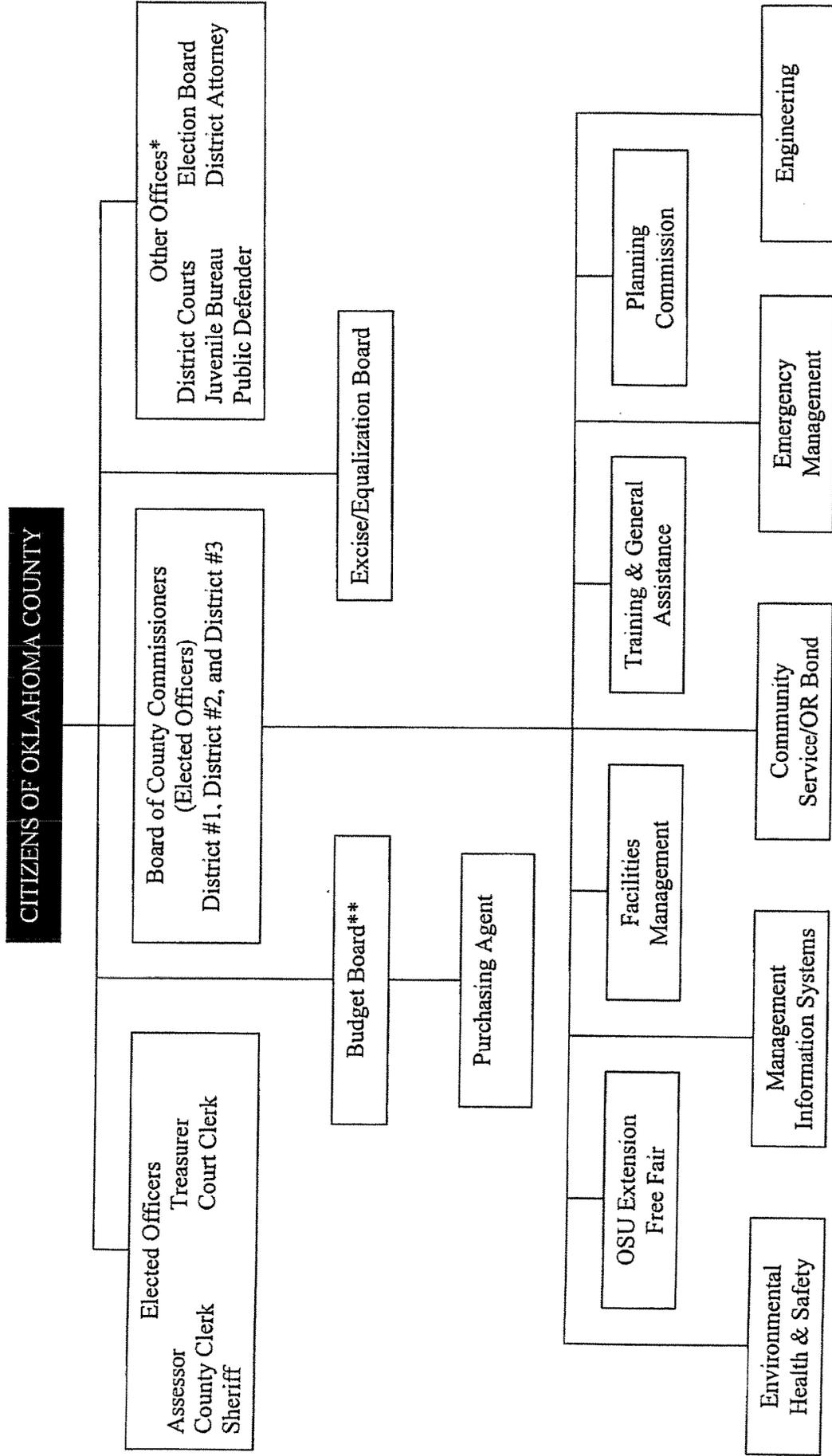


Donald Strube



James Harrod

ORGANIZATIONAL CHART FOR OKLAHOMA COUNTY, OKLAHOMA



*District Court Judges and District Attorney elected by citizens, others appointed
 **Membership includes all elected County Officials.

This page intentionally left blank

FINANCIAL SECTION

This page intentionally left blank



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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma, as of and for the year ended June 30, 2004, 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, which represent one-hundred percent of the assets and revenues of the business-type activities; the financial statements of the Oklahoma County Finance Authority, which represent one-hundred percent of the assets and revenues of the discretely presented component unit; and the financial statements of the defined benefit pension plan of the Employee's Retirement System of Oklahoma County, which represent twenty-five percent of the assets and additions of the pension trust funds, presented in the statement of fiduciary net assets and the statement of changes in fiduciary net assets. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the business-type activities, the discretely presented component unit, and the defined benefit pension plan of the Employee's Retirement System of Oklahoma County, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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. Oklahoma statutes, in addition to audit responsibilities, assign other responsibilities to the State Auditor and Inspector's Office. Those responsibilities include providing various information technology (IT) support for county government.

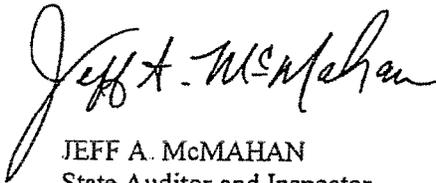
In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oklahoma County, Oklahoma, as of June 30, 2004, 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 December 22, 2004, 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. This report will be issued under separate cover with the Oklahoma County Single Audit Reports.

The Management's Discussion and Analysis, Schedules of Funding Progress and Employer Contributions of the Employees' Defined Benefit Retirement System, the Budgetary Comparison Schedule for the General Fund, on pages 14 through 23, page 67, and pages 68 through 73, 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.

Sincerely,

A handwritten signature in black ink that reads "Jeff A. McMahon". The signature is written in a cursive style with a large, looping initial "J".

JEFF A. McMAHAN
State Auditor and Inspector

December 22, 2004

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, 2004. Please read it in conjunction with the financial statements which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$119,028,826 (net assets). Of this amount \$4,151,946 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 \$5,155,409 largely as a result of a \$2,782,709 prior period adjustment to properly reflect net assets and retroactively report infrastructure assets. Additionally, revenues outpaced the increase in expenses, further increasing net assets.
- As of the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$44,152,067, a 1% or \$639,236 increase. Approximately \$9,204,349 is unreserved fund balance of the general fund, and is available for spending at the government's discretion.
- During 2004, Oklahoma County Public Buildings Authority (OCPBA), a blended component unit, refunded the 1997 revenue bonds with lease revenue bonds issued by the Oklahoma Industries Authority (OIA). The lease revenue bonds are also being used to construct a new parking garage and fund various other capital improvements for both OCPBA and County buildings. The new debt increased the noncurrent liabilities by \$14,384,198.

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 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, 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

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

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. Sales and 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 Budget Board establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues 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) how cash and other current financial resources that can be readily converted to cash and used to pay obligations and (2) the balances left at year-end that are available for spending. Governmental funds use the modified accrual basis of accounting and the current financial resource measurement focus. Under this basis of accounting and measurement

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

focus, revenues are recognized when cash is received during or soon after the end of the year; expenditures are recognized when goods or services have been

received and payment is due during the year or soon thereafter. Consequently, the governmental funds statements provide a short-term view that helps you determine whether there are more or less financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statement, or on the subsequent page, that explains the relationship (or differences) between them.

- *Proprietary funds* – Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds use the same basis of accounting and the same measurement focus as the government-wide statements. Proprietary funds provide both long and short-term financial information.
- *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

At the end of the current year, the County's net assets are reported as follows:

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

Oklahoma County's Net Assets

June 30, 2004

(dollars are in thousands)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	Total current and other assets	48,446	51,378	13,866	1,435	62,312
Capital assets, net	109,155	104,888	7,908	4,651	117,063	117,447
Total Assets	157,601	156,266	21,774	6,086	179,375	184,126
Total current liabilities	8,693	11,963	1,587	419	10,280	13,969
Total noncurrent liabilities	31,003	31,553	19,063	4,679	50,066	55,295
Total Liabilities	39,696	43,516	20,650	5,098	60,346	69,264
Net assets:						
Invested in capital assets, net of related debt	88,211	88,458	620	2,706	88,831	91,164
Restricted	25,542	21,183	503	1,015	26,045	22,198
Unrestricted	4,152	3,109	-	(2,733)	4,152	376
Total net assets	117,905	112,750	1,123	988	119,028	113,738

The largest portion of the County's net assets (74.6%) 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 (21.9%) represents resources that are subject to external restrictions on how they may be used. The net assets restricted for debt service, governmental activities, is reported as a deficit balance. The deficit will be absorbed in the future by future sales tax collections, in accordance with state statutes. We considered netting the deficit with the unrestricted net assets but felt this would mislead the reader as the resources on hand are not intended and will not be used to fund the debt. Thus, we believe the presentation is the most accurate and informative based on the true nature of the debt and the legal restrictions that result in a deficit.

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

The remaining balance of unrestricted net assets \$4,151,946 may be used to meet the governments ongoing obligations to citizens and creditors. The unrestricted balance, is fully attributable to governmental activities.

**Oklahoma County's Changes in Net Assets
June 30, 2004
(dollars in thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues:						
Program revenues:						
Charges for services	32,495	26,917	1,446	1,354	33,941	28,271
Operating grants and contributions	5,063	5,428	-	-	5,063	5,428
Capital grants and contributions	11,649	12,013	-	-	11,649	12,013
General revenues:						
Property taxes	46,143	40,477	-	-	46,143	40,477
Other revenues	816	1,674	-	56	816	1,730
Total revenue	<u>96,166</u>	<u>86,509</u>	<u>1,446</u>	<u>1,410</u>	<u>97,612</u>	<u>87,919</u>
Expenses:						
General government	38,264	32,430	-	-	38,264	32,430
Public safety	39,185	39,229	-	-	39,185	39,229
Health and welfare	3,035	3,747	-	-	3,035	3,747
Culture and recreation	45	51	-	-	45	51
Education	345	368	-	-	345	368
Roads and highways	13,470	13,042	-	-	13,470	13,042
Economic development	106	580	-	-	106	580
Public Buildings Authority	-	-	654	603	654	603
Total expenses	<u>94,450</u>	<u>89,447</u>	<u>654</u>	<u>603</u>	<u>95,104</u>	<u>90,050</u>
Change in net assets before transfers	1,716	(2,938)	792	807	2,508	(2,131)
Net Transfers	657	684	(657)	(684)	-	-
Change in net assets	<u>2,373</u>	<u>(2,254)</u>	<u>135</u>	<u>123</u>	<u>2,508</u>	<u>(2,131)</u>
Net assets - beginning	112,750	115,003	988	865	113,738	115,869
Prior Period Adjustment	2,782	-	-	-	2,782	-
Net assets - ending	<u>117,905</u>	<u>112,749</u>	<u>1,123</u>	<u>988</u>	<u>119,028</u>	<u>113,738</u>

Governmental activities

Net assets for governmental activities increased \$5.115 million. The changes in net assets resulted from a variety of increases and decreases which include some of the following more significant items:

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

- Total revenues increased \$9.657 million. The more significant increases were as follows:
 - Property taxes increased by approximately \$5.666 million, as a result of a healthy real-estate market and continued increases in assessed values.
 - Sheriff fees, classified as Charges for Services, increased approximately \$5.201 million. Inmate boarding fees increased \$3.874 million, primarily from a significant increase in the backlog of transferring inmates sentenced to state prison. The number sentenced monthly was outpacing the number that the state was able to transfer, creating an increase in prisoner population for which daily boarding fees are collected. Commissary fees and Sheriff service fees increased \$794,520. This increase was largely attributable to the increase in inmate population. Inmate calling cards purchased through commissary, and inmate phone charges account for nearly \$375,000 of the increase alone.
- The increase in revenues was partially offset with a \$5.003 increase in expenses. The more significant increases were as follows:
 - Of this increase \$4.010 million is attributable to public safety. This fluctuation is comprised of multiple items, including a \$2.147 million increase in Sheriff's office salaries and benefits (a 13% increase), and a \$1.722 increase in jail operating expenses. Salaries and benefits increased approximately 9% or \$1.549 million from a small increase in the number of personnel, along with salary adjustments for personnel. Benefits increased an additional \$597,549 due to the County charging the cost of retirement contributions out to departments, instead of charging it to general government. Operating expenses increased \$1.300 million due to increased medical costs for prisoners, and nearly \$800,000 from increased costs for food and textiles resulting from the increase in inmate population. Additionally, the jail suffered a flood from backlogged sewage pipes, requiring approximately \$176,000 of textiles and supplies to be replaced.
 - Roads and Highways had a \$1.515 million increase in expenses due to the increase in depreciation expenses from retroactively reporting all infrastructure assets.

Business-type activities

Rental revenues increased 6.8% since fiscal year 2003, due to an increase in rental rates. Lease revenue bonds issued increased non-operating expenses (interest and amortization of bond discount and issuance costs) approximately \$215,000, which was partially offset with an increase in non-operating revenues of approximately \$108,000 from the earnings on unspent bond proceeds. These fluctuations resulted in a \$135,704 increase or 13.7% increase in net asset 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

OKLAHOMA COUNTY, OKLAHOMA MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$44,152,067, an increase of \$639,236 in comparison with the prior year. Unreserved fund balance was \$36,921,754, 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 (\$4,815,680) 2) to pay debt service (\$1,572,241), and 3) for inventory on hand at year-end (\$842,392).

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 (\$9,204,349) and total fund balance (\$9,989,888) to total fund expenditures. Unreserved fund balance represents 17% of the total general fund expenditures, while total fund balance represents 18% of that same amount.

While fund balance of the governmental funds increased by \$639,236, less than 2%, the individual funds had more significant fluctuations:

- General fund balance increased \$1.406 million. Revenues were up approximately 1%, while expenses were down approximately 2%. Together, these minor fluctuations resulted in an \$8,805 deficiency of revenues under expenditures before other financing sources, compared to a \$1,526,369 deficiency last year. In the prior year, additional fund balance had to be utilized in the fourth quarter due to health care costs exceeding the projections utilized for the budget.
- Sheriff Special Revenue fund balance increased \$2.078 million as a result of revenues exceeding prior year by \$4.286 million and expenditures only increasing \$820,715. This resulted in an excess of revenues over expenditures before other financing sources of \$2.039 million compared to a \$1.426 million deficiency last year. The significant increase in revenues is due to an increase in boarding fee revenue. The majority of the increase was from increased population from prisoners sentenced to state prison awaiting transfer, and a slight increase in federal prisoners boarded. This also resulted in an increase in operating expenses.
- Tinker II, a capital project fund created to acquire and clear property in the vicinity of Tinker Air Force Base, decreased \$4.800 million due to the purchase and clearing of additional properties. The fund was initially created with a general obligation tax bonds. Since no new revenues will be deposited to this fund other than immaterial amounts of interest earnings and miscellaneous revenues, the fund will continue to deplete.
- Other Governmental funds increased \$2.041 million as a result of activity in 26 different funds. The most significant of these fluctuations is attributable to a \$1.525 million increase in the debt service fund, resulting from collection of property tax revenues for judgments and the Tinker Bonds.

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 \$3,237,926, while transfers out were increased \$933,514. 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:

- General government was appropriated an additional \$812,527 primarily for legal fees for unforeseen litigation, increases in utility costs due to the cost of fuel, and increases in liability insurance for county buildings and equipment.
- Court Clerk was appropriated an additional \$465,815 based on the increased court-fund salary reimbursements and to improve salaries of Court Clerk staff.
- A new centralized Human Resources department for the Board of County Commissioners was established mid-year which was appropriated \$112,176.
- A new department under Training and General Assistance to provide staffing for the Workforce Investment Board was appropriated \$225,000 for which the County is reimbursed under a contractual agreement.
- Training and General Assistance was appropriated an additional \$1,275,188 based on anticipated increases in grant awards.
- \$655,059 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. Although participation in the health care plan has remained relatively consistent, the increase is consistent with industry reports of trends with health care costs.

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 \$2,092,368 under budget while revenue collections were approximately \$3,309,674 million higher than budget. Ad valorem tax collections (current and prior) accounts for \$2,245,008, and county clerk fees account for \$1,639,483 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 documents to be filed in the county clerk's office. These increases were offset with a \$931,721 decrease in intergovernmental revenues, primarily due to federal grants being overestimated.

Due to the above positive variances, fund balance increased \$902,789.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the County had \$109,539,752 invested in capital assets. The County owns various buildings in which county business is conducted. The buildings and building improvements are recorded at a net book value of \$50.058 million at June 30, 2004, comprising the largest class of assets.

For the second year in a row, the most significant activity during the year was acquisition of approximately \$4.917 million of land in the Tinker vicinity, which increased the book value of county-owned land 21.6% to approximately \$27.645 million at June 30, 2004.

In fiscal year 2003, a portion of the county-owned infrastructure was recorded adding a net book value of \$21.078 million. Infrastructure consists of county owned road and bridge networks. During the current year, an additional \$2.783 million net book value of capital assets was added as an adjustment to beginning net assets. Of this amount, \$1.451 was to retroactively report all major infrastructure assets, while the other \$1.332 was to correct balances of other capital assets reported in error at June 30, 2003. For additional information on the county's capital assets, see Note II.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 \$19,461,700, leaving a legal debt margin of \$181,583,446. For additional information on the county's debt activity, see note III.F.

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

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

County Clerk. With long-term mortgage rates being at an all time low in 2003, they have remained relatively low into 2004, but are anticipated to gradually increase over the next year. Therefore, home sales and mortgage refinancing has remained healthy. Home sales for calendar year 2004 are on track to exceed calendar year 2003.

These trends have resulted in increased market values of homes in Oklahoma County, resulting in increased ad valorem revenues. Further, with the high volume of home sales and refinancing, filing fees in the County Clerk's office have reached all time highs.

On the expense side of the finances, the economy is continuing to see health care costs rise to record levels. With approximately 1500 employees, and 54% 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 have risen \$3.666 million since fiscal year 2000, a 50% 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.

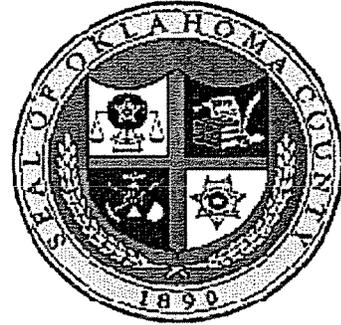
The OCPBA Board of Trustees considers economic factors in establishing parking rates and rental rates for the properties and planning capital projects. The current construction of a new parking garage and improvements to various county buildings started with careful consideration of economic conditions regarding public parking in downtown Oklahoma City. Factors such as increases in occupancy of downtown office space, the completion of the new library and Oklahoma City Art Museum in close vicinity, construction of other parking garages planned in the area, as well as issues regarding supply and demand were evaluated.

All of the above factors were considered in preparing the County's budget for the 2005 fiscal year.

REQUESTING THE COUNTY'S FINANCIAL INFORMATION

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

Basic Financial Statements



This page intentionally left blank

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF NET ASSETS
JUNE 30, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,060,254	\$ -	\$ 6,060,254	\$ 110,419
Investments	2,786,567	-	2,786,567	1,320,714
Property taxes receivable, net	1,929,998	-	1,929,998	-
Accounts receivable	457,909	-	457,909	45,017
Interest receivable	63,810	-	63,810	6,325
Prepaid insurance				3,489
Intergovernmental receivables	4,354,000	-	4,354,000	-
Inventories	842,392	-	842,392	-
Total current assets	16,494,930	-	16,494,930	1,485,964
Noncurrent assets:				
Restricted Assets:				
Cash and cash equivalents	21,831,481	13,448,499	35,279,980	-
Investments	10,038,336	-	10,038,336	-
Accounts receivable	-	8,481	8,481	-
Bond issuance costs	81,880	408,353	490,233	-
Capital assets, net	109,154,738	7,908,328	117,063,066	644
Total noncurrent assets	141,106,435	21,773,661	162,880,096	644
Total Assets	\$ 157,601,365	\$ 21,773,661	\$ 179,375,026	\$ 1,486,608
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	\$ 7,236,236	\$ 1,159,490	\$ 8,395,726	\$ 587
Current portion of leases payable	931,392	-	931,392	-
Claims and judgments payable	525,497	-	525,497	-
Bonds payable	-	425,000	425,000	-
Unearned revenue	-	2,571	2,571	-
Total current liabilities	8,693,125	1,587,061	10,280,186	587
Noncurrent liabilities:				
Compensated absences	3,301,999	-	3,301,999	-
Leases payable	7,192,467	-	7,192,467	-
Judgments payable	508,444	-	508,444	-
Bonds payable	20,000,000	19,063,104	39,063,104	-
Total noncurrent liabilities	31,002,910	19,063,104	50,066,014	-
Total Liabilities	39,696,035	20,650,165	60,346,200	587
NET ASSETS				
Invested in capital assets, net of related debt	88,211,091	620,052	88,831,143	644
Restricted for:	-			
Public safety	7,502,476	-	7,502,476	-
Roads and highways	9,091,861	-	9,091,861	-
Economic development	571,391	-	571,391	-
Debt service	538,300	503,444	1,041,744	-
Other purposes	7,838,265	-	7,838,265	-
Unrestricted	4,151,946	-	4,151,946	1,485,377
Total net assets	117,905,330	1,123,496	119,028,826	1,486,021
Total liabilities and net assets	\$ 157,601,365	\$ 21,773,661	\$ 179,375,026	\$ 1,486,608

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

Functions/Programs Primary government:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
						Governmental Activities	Business-type Activities		
Governmental activities:									
General government	\$ 37,056,472	\$ (5,943,010)	\$ 13,037,701	\$ 1,477,569	\$ -	\$ (16,598,192)	\$ -	\$ (16,598,192)	
Public safety	39,185,165	4,507,223	19,341,662	1,553,711	-	(22,797,016)	-	(22,797,016)	
Health and welfare	3,035,114	365,814	-	2,031,781	-	(1,369,147)	-	(1,369,147)	
Culture and recreation	45,671	-	-	-	-	(45,671)	-	(45,671)	
Education	344,730	-	-	-	-	(344,730)	-	(344,730)	
Roads and highways	13,469,882	1,069,973	-	-	11,648,773	(2,891,082)	-	(2,891,082)	
Economic development	106,064	-	116,221	-	-	10,157	-	10,157	
Interest on long term debt	1,207,082	-	-	-	-	(1,207,082)	-	(1,207,082)	
Total governmental activities	94,450,180	-	32,495,584	5,063,061	11,648,773	(45,242,763)	-	(45,242,763)	
Business type activities:									
Public Buildings Authority	236,003	-	1,446,150	-	-	-	1,210,147	1,210,147	
Total business-type activities	236,003	-	1,446,150	-	-	-	1,210,147	1,210,147	
Total primary government	\$ 94,686,183	\$ -	\$ 33,941,734	\$ 5,063,061	\$ 11,648,773	\$ (45,242,763)	\$ 1,210,147	\$ (44,032,616)	
Component unit:									
Finance Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (190,455)	
Total component units	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (190,455)	
General revenues:									
Property taxes						46,142,745	-	46,142,745	
Unrestricted investment earnings (expense)						1,359,793	(417,324)	942,469	
Loss on disposal of assets						(837,383)	-	(837,383)	
Miscellaneous						293,190	-	293,190	
Transfers						657,118	(657,118)	-	
Total general revenues and transfers						47,615,463	(1,074,442)	46,541,021	
Change in net assets						2,377,700	135,705	2,508,405	
Net assets - beginning						112,749,921	987,792	113,737,713	
Prior Period Adjustment						2,782,709	-	2,782,709	
Net assets - ending						\$ 117,905,330	\$ 1,123,497	\$ 119,028,827	

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

**OKLAHOMA COUNTY, OKLAHOMA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004**

	General	Highway Cash	Sheriff Special Revenue	Tinker Clearing II	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 5,793,652	\$ -	\$ -	\$ -	\$ 266,602	\$ 6,060,254
Investments	2,663,979	-	-	-	122,588	2,786,567
Property taxes receivable	1,232,624	-	-	-	697,374	1,929,998
Interest receivable	53,180	-	112	5,227	5,291	63,810
Accounts Receivable	457,909	-	-	-	-	457,909
Intergovernmental receivable	1,038,897	1,869,407	806,437	-	495,510	4,210,251
Inventory	73,900	573,639	194,853	-	-	842,392
Restricted cash	-	5,337,607	3,089,190	5,027,875	8,376,809	21,831,481
Restricted investments	-	2,454,286	1,420,441	2,311,868	3,851,741	10,038,336
Total assets	\$ 11,314,141	\$ 10,234,939	\$ 5,511,033	\$ 7,344,970	\$ 13,815,915	\$ 48,220,998
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,324,253	\$ 1,426,391	\$ 675,450	\$ 47,650	\$ 595,187	\$ 4,068,931
Total liabilities	1,324,253	1,426,391	675,450	47,650	595,187	4,068,931
Fund balances:						
Reserved for:						
Encumbrances	711,639	1,444,298	495,802	39,900	2,124,041	4,815,680
Debt services	-	-	-	-	1,572,241	1,572,241
Inventory	73,900	573,639	194,853	-	-	842,392
Unreserved, reported in:						
General fund	9,204,349	-	-	-	-	9,204,349
Special revenue funds	-	6,790,611	4,144,928	-	8,874,895	19,810,434
Capital project funds	-	-	-	7,257,420	649,551	7,906,971
Total fund balances	9,989,888	8,808,548	4,835,583	7,297,320	13,220,728	44,152,067
Total liabilities and fund balances	\$ 11,314,141	\$ 10,234,939	\$ 5,511,033	\$ 7,344,970	\$ 13,815,915	\$ 48,220,998

Total fund balance - governmental funds	\$ 44,152,067
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	109,154,738
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	143,749
Proceeds from general obligation bonds (net of bond issuance costs of \$81,880) are not financial resources and, therefore, are not reported in the funds. Bonds represent long-term liabilities	(19,918,120)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the current period. This includes leases payable (\$8,123,859), judgments payable (\$1,033,941), compensated absences (\$3,301,999), and accounts payable based on actuarial liability for unpaid benefit claims (\$3,167,305)	(15,627,104)
Net assets of governmental activities	\$ 117,905,330

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

OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	General	Highway Cash	Sheriff Special Revenue	Tinker Clearing II	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 39,424,245	\$ -	\$ -	\$ -	\$ 6,715,800	\$ 46,140,045
Charges for services	5,485,882	-	-	-	5,482,063	10,967,945
Intergovernmental revenues	7,518,158	9,890,565	13,559,487	-	4,202,220	35,170,430
Interest income	1,274,576	-	1,087	94,847	40,256	1,410,766
Miscellaneous revenue	1,110,735	2,050,980	257,460	17,333	100,448	3,536,956
Total revenues	<u>54,813,596</u>	<u>11,941,545</u>	<u>13,818,034</u>	<u>112,180</u>	<u>16,540,787</u>	<u>97,226,142</u>
EXPENDITURES						
General government	30,474,211	-	-	-	5,342,002	35,816,213
Public safety	19,456,721	-	10,805,321	-	5,921,503	36,183,545
Health and welfare	2,964,375	-	-	-	-	2,964,375
Culture and recreation	45,671	-	-	-	-	45,671
Education	325,792	-	-	-	-	325,792
Roads and highways	754,031	10,845,827	-	-	127,850	11,727,708
Debt service:						
Principal	-	-	-	-	402,870	402,870
Interest	-	-	-	-	1,207,082	1,207,082
Bond issuance costs	-	-	-	-	-	-
Capital outlay	801,600	1,538,855	974,037	4,917,414	962,713	9,194,619
Total expenditures	<u>54,822,401</u>	<u>12,384,682</u>	<u>11,779,358</u>	<u>4,917,414</u>	<u>13,964,020</u>	<u>97,867,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,805)</u>	<u>(443,137)</u>	<u>2,038,676</u>	<u>(4,805,234)</u>	<u>2,576,767</u>	<u>(641,733)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	1,658,840	118,416	-	-	406,209	2,183,465
Transfers to other funds	(333,808)	(188,000)	-	-	(1,004,539)	(1,526,347)
Capital leases	71,279	425,351	-	-	62,985	559,615
Total other financing sources (uses)	<u>1,396,311</u>	<u>355,767</u>	<u>-</u>	<u>-</u>	<u>(535,345)</u>	<u>1,216,733</u>
Net change in fund balances	1,387,506	(87,370)	2,038,676	(4,805,234)	2,041,422	575,000
Fund balances - beginning	8,584,118	8,889,634	2,757,219	12,102,554	11,179,306	43,512,831
Increase (decrease) in reserve for inventory	18,264	6,284	39,688	-	-	64,236
Fund balances - ending	<u>\$ 9,989,888</u>	<u>\$ 8,808,548</u>	<u>\$ 4,835,583</u>	<u>\$ 7,297,320</u>	<u>\$ 13,220,728</u>	<u>\$ 44,152,067</u>

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

**OKLAHOMA COUNTY, OKLAHOMA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

Net change in fund balances-total governmental funds	\$639,236
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$9,704,542) exceeded depreciation (\$7,294,683) in the current period	2,409,858
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	(926,017)
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 \$222,995	(222,995)
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. There were no principal payments in the current fiscal year, only amortization of the bond issuance costs	(6,064)
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 (\$192,819), an increase in compensated absences (\$203,355), an increase in accounts payable for unpaid claims based on actuary estimates (\$366,350), and a decrease in leases payable (\$403,662)	478,682
Change in net assets of governmental activities	<u>\$2,372,700</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, 2004**

	Public Buildings Authority
ASSETS	
Current assets:	
Restricted assets:	
Cash and cash equivalents	\$ 13,448,499
Accounts receivable	8,481
Total current assets	13,456,980
Non-current assets:	
Restricted assets:	
Bond issuance costs	408,353
Total restricted assets	408,353
Capital assets:	
Land	2,275,936
Buildings	6,186,680
Construction in progress	2,594,388
Equipment	31,128
Less accumulated depreciation	(3,179,804)
Total capital assets (net of accumulated depreciation)	7,908,328
Total noncurrent assets	8,316,681
Total assets	\$ 21,773,661
 LIABILITIES	
Current liabilities payable from restricted assets:	
Revenue bonds payable	\$ 425,000
Accounts payable	1,159,490
Pre paid rent	2,571
Total current liabilities payable from restricted assets	1,587,061
Noncurrent liabilities:	
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	19,063,104
Total noncurrent liabilities	19,063,104
Total liabilities	20,650,165
 NET ASSETS	
Invested in capital assets, net of related debt	620,052
Restricted for debt service	503,444
Total net assets	\$ 1,123,496

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, 2004

	<u>Public Buildings Authority</u>
Operating revenues:	
Rental	\$ 1,446,150
Total operating revenues	<u>1,446,150</u>
Operating expenses:	
Depreciation	<u>236,003</u>
Total operating expenses	<u>236,003</u>
Operating income	<u>1,210,147</u>
Nonoperating revenues (expenses):	
Investment income	169,404
Bond interest expense	(482,686)
Amortization	(97,575)
Trustee and other expenses	(4,548)
Loss on disposal of assets	<u>(1,920)</u>
Total nonoperating revenue (expenses)	<u>(417,325)</u>
Income before contributions and transfers	792,822
Transfers out	<u>(657,118)</u>
Change in net assets	135,704
Total net assets-beginning	<u>987,792</u>
Total net assets-ending	<u>\$ 1,123,496</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, 2004**

	Public Buildings Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	<u>\$ 1,475,774</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Trustee fees	(1,380)
Service fees	(1,586)
Interest paid on capital debt	(482,686)
Transfer to Oklahoma County	(657,118)
Proceeds from bond issue	20,123,135
Bond issuance costs	(425,707)
Loss on disposal of capital assets	(1,920)
Deposit to escrow to refund debt	(5,709,094)
Payment for capital assets	<u>(2,334,812)</u>
Net cash provided (used) by non-capital financing activities	<u>10,508,832</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	124,889
Transfers to investment accounts	(485,044)
Transfers from investment accounts	<u>1,569,472</u>
Net cash provided (used) by investing activities	<u>1,209,317</u>
 Net increase (decrease) in cash and investments	 13,193,923
 Beginning cash from operations	 <u>254,576</u>
 Ending cash from operations	 <u><u>\$ 13,448,499</u></u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating Income (loss)	<u>1,210,147</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	236,003
(Increase) decrease in accounts receivable	27,053
(Increase) decrease in prepaid rent	<u>2,571</u>
Total adjustments	<u>265,627</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,475,774</u></u>

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

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004**

	Pension Trust Funds	Agency Funds	Totals
ASSETS			
Cash and cash equivalents	\$ 343,044	\$ 30,126,267	\$ 30,469,311
Property taxes receivable	-	7,955,636	7,955,636
Interest receivable	138,943	1,304	140,247
Due from other governments	-	3,167,203	3,167,203
Investments, at fair value			
U S Government securities	14,519,553	11,807,752	26,327,305
Certificate of deposits	-	1,845,135	1,845,135
Bankers acceptance	-	-	-
Municipal bonds	182,175	171,769	353,944
Corporate bonds	895,102	-	895,102
Judgments	854,491	27,705	882,196
Mutual funds	58,987,883	-	58,987,883
Loans to participants	5,217,467	-	5,217,467
Total investments	<u>65,954,943</u>	<u>27,705</u>	<u>94,509,032</u>
Total assets	<u>\$ 81,138,658</u>	<u>\$ 55,102,771</u>	<u>\$ 136,241,429</u>
LIABILITIES			
Warrants Payable	\$ -	\$ 1,429,205	\$ 1,429,205
Accounts Payable	-	96,580	96,580
Due to Other Taxing Jurisdictions	-	24,289,266	24,289,266
Due to Others	-	29,287,720	29,287,720
Total liabilities	<u>-</u>	<u>55,102,771</u>	<u>55,102,771</u>
NET ASSETS			
Assets held in trust for pension benefits and other purposes	<u>\$ 81,138,658</u>	<u>\$ -</u>	<u>\$ 81,138,658</u>

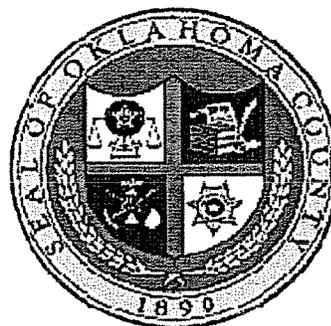
The notes to the financial statements are an integral part of this statement

**OKLAHOMA COUNTY, OKLAHOMA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004**

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 5,594,426
Investment earnings:	
Interest	1,291,884
Net increase (decrease) in the fair value of investments	6,248,935
Total investment earnings	7,540,819
Less investment expense	-
Net investment expense	7,540,819
Total additions	13,135,245
 DEDUCTIONS	
Benefits	7,930,330
Administrative expenses	227,008
Total deductions	8,157,338
Change in net assets	4,977,907
Net assets-beginning	76,160,751
Net assets-ending	\$ 81,138,658

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

Notes to the Financial Statements



This page intentionally left blank

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

INDEX

	<u>PAGE</u>
I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	36
1. Blended Component Unit	36
2. Discretely Presented Component Unit	36
3. Jointly Governed Organization	37
4. Related Organizations	37
B. Government-wide and Fund Financial Statements	38
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
D. Encumbrances	41
E. Assets, Liabilities, and Net Assets	41
1. Deposits and Investments	41
2. Restricted Assets	41
3. Property Taxes Receivable	42
4. Accounts Receivable	42
5. Inventories	42
6. Due to other taxing units/others	42
7. Capital Assets and Depreciation	43
8. Compensated Absences	43
9. Long-Term Obligations	43
10. Fund Balance and Net Assets	44
 II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	44
B. Legal and Contractual Obligations	45
C. Continuous Inventory	45
 III. DETAILED NOTES ON ALL FUNDS	
A. Deposits and Investments	45
B. Property Taxes Receivable	46
C. Capital Assets	47
D. Interfund Transfers	48
E. Leases	49
F. Long-term Debt	50
1. Governmental Activities	50
2. Business-Type Activities	51
3. Discretely Presented Component Unit	52
4. Judgments Payable	54

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

5. Changes in Long Term liabilities..... 55

IV. OTHER INFORMATION

A. Risk Management 55
B. Related Party Transactions 57
C. Commitments and Contingent Liabilities 57
D. Other Post-Employment Benefits 57
E. Employees Retirement Plans and Financial Statements..... 58
 1. Defined Benefit Retirement Plan 60
 2. Defined Contribution Retirement Plan 63
F. Adjustments to beginning net assets – governmental activities 66

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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.

Currently, the OCPBA collects 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 remits all such rental revenues in excess of those required for retirement of the bonds to Oklahoma County. Expenses related to operating the properties are 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, 2004

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, 2004

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, 2004, 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 \$3,380,907 and gross expenses totaled \$12,205,657, resulting in net expenses of \$8,824,750.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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.

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, previously reported as Internal Service 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 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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

operating costs are paid by the County under terms of a management agreement. All revenues and expenses not meeting this definition are reported as nonoperating 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 includes 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.

State statutes authorize the County to invest in U.S. Government obligations; certificates of deposit; savings accounts; General Obligation bonds issued by counties, municipalities, or school districts; money judgments against counties, municipalities, or school districts; bonds and revenue notes issued by a public trust when the beneficiary of the trust is a county, municipality, or school district; negotiable certificates of deposit; prime bankers acceptances; prime commercial paper; repurchase agreements and money market funds. Investments are reported at fair value and cash deposits are reported at carrying amount.

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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004 were 92.1% 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, 2003, was approximately \$3,722,577,893 after excluding homestead exemptions of \$132,806,559.

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 .87 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.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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

Generally accepted accounting principles requires the County to retroactively report all major general infrastructure assets beginning June 15, 2005. As of June 30, 2004, the County has retroactively reported all major general infrastructure assets. The adjustment is reflected as a prior period adjustment to the beginning net asset balance.

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, 2004, the accrued liability for annual and compensatory leave time was \$3,301,999.

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

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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.
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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004 totaled \$36,469,972.

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. All cash is pooled for operating and investment purposes and each fund has equity in the pooled amount. The County considers all highly liquid investments with three months of maturity or less when purchased to be cash equivalents. For reporting purposes, cash and investments have been allocated to each fund based on that fund's equity in the pooled amount. Investments are reported at fair value. The County's deposits and investments as of June 30, 2004 are categorized below to indicate the level of risk assumed by the County.

Deposits are categorized as follows:

- (1) Insured or collateralized with securities held by the County or by its agent in the County's name.
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.
- (3) Uncollateralized. (This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name).

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the county or its agent in the county's name.
- (2) Uninsured and registered, with securities held by the counterparty's trust department or agent in the county's name.
- (3) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in but not in the county's name.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

**Primary Government
Deposits:**

	Category			Bank Balance	Carrying Amount
	1	2	3		
Pooled Deposits:					
Cash and cash equivalents	\$63,437,993	\$ -	\$ -	\$63,437,993	\$71,466,504
Non-Pooled deposits					
Pension Trust Funds	343,044	-	-	343,044	343,044
Total Deposits	<u>\$63,781,037</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$63,781,037</u>	<u>\$71,809,548</u>

Investments:

	Category			Reported Amount/ Fair Value
	1	2	3	
U.S. Government Securities	\$37,257,990	\$ -	\$ -	\$37,257,987
Certificate of deposits	3,556,328	-	-	3,556,328
Municipal bonds	512,175	-	-	512,175
Corporate bonds	895,102	-	-	895,102
Total	<u>\$42,221,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>42,221,592</u>

Investments not subject to categorization:

Judgments	906,991
Defined Contribution Plan:	
Mutual funds and annuities administered by plan administrator	<u>64,205,350</u>
Total Investments	<u>\$107,333,933</u>

Discretely Presented Component Unit

Deposits:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Cash and cash equivalents	\$ 110,419	\$ -	\$ -	\$ 110,419	\$ 110,419
Total Deposits	<u>\$ 110,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>110,419</u>	<u>\$ 110,419</u>

Investments:

	Category			Carrying Amount
	1	2	3	
Certificates of deposits	\$ 1,320,714	\$ -	\$ -	\$ 1,320,714
Total Investments	<u>\$ 1,320,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,320,714</u>

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 Nonexchange 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, 2004

	Total Outstanding at June 30, 2004	Amount Considered Uncollectible	Amount Shown as Net Receivable
Governmental Funds	\$ 4,522,063	\$ 2,592,065	\$ 1,929,998
Health Department	834,549	636,778	197,771
Cities & Library	5,823,188	4,366,226	1,456,962
Schools	24,003,101	17,702,198	6,300,903
Total	\$ 35,182,901	25,297,267	\$ 9,885,634

C. Capital assets

Capital assets activity for the year ended June 30, 2004 was as follows:

Primary Government

	Balance June 30, 2003	Increases	Decreases	Balance June 30, 2004
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$22,727,489	\$4,917,415	\$ -	\$27,644,904
Artwork	24,500	-	-	24,500
Construction in progress	814,874	481,201	(595,779)	700,296
Total capital assets, not being depreciated	<u>23,566,863</u>	<u>5,398,616</u>	<u>(595,779)</u>	<u>28,369,700</u>
Capital assets, being depreciated:				
Buildings and building improvements	77,256,272	276,727	-	77,532,999
Machinery and equipment	26,593,846	2,243,263	(2,379,964)	26,457,144
Infrastructure	35,125,709	2,381,714	(2,191,593)	35,315,830
Total capital assets being depreciated	<u>138,975,827</u>	<u>4,901,704</u>	<u>(4,571,557)</u>	<u>139,305,974</u>
Less accumulated depreciation for:				
Buildings and building improvements	(25,449,046)	(2,025,658)	-	(27,474,704)
Machinery and equipment	(16,826,580)	(2,410,757)	1,809,470	(17,427,866)
Infrastructure	(12,596,166)	(2,858,268)	1,836,069	(13,618,365)
Total accumulated depreciation	<u>(54,871,792)</u>	<u>(7,294,683)</u>	<u>3,645,539</u>	<u>(58,520,935)</u>
Total capital assets, being depreciated, net	<u>84,104,035</u>	<u>(2,392,979)</u>	<u>(926,018)</u>	<u>80,785,038</u>
Governmental activities capital assets, net	<u>\$107,670,898</u>	<u>\$3,005,637</u>	<u>\$(1,521,797)</u>	<u>\$109,154,738</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$1,375,636	\$ 900,300	\$ -	\$2,275,936
Construction in progress	-	2,622,176	(27,788)	2,594,388
Total capital assets, not being depreciated	<u>1,375,636</u>	<u>3,522,476</u>	<u>(27,788)</u>	<u>4,870,324</u>

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

	Balance June 30, 2003	<u>Increases</u>	<u>Decreases</u>	Balance June 30, 2004
Capital assets, being depreciated:				
Buildings & improvements	\$6,186,680	\$ -	\$ -	\$6,186,680
Machinery and equipment	<u>37,386</u>	<u>-</u>	<u>(6,258)</u>	<u>31,128</u>
Total capital assets being depreciated	6,224,066	-	(6,258)	6,217,808
Less accumulated depreciation for:				
Buildings & improvements	(2,917,580)	(234,645)	-	(3,152,225)
Machinery and equipment	<u>(30,559)</u>	<u>(1,358)</u>	<u>4,338</u>	<u>(27,579)</u>
Total accumulated depreciation	<u>(2,948,139)</u>	<u>(236,003)</u>	<u>4,338</u>	<u>(3,179,804)</u>
Total capital assets, being depreciated, net	<u>3,275,927</u>	<u>(236,003)</u>	<u>(1,920)</u>	<u>3,038,004</u>
Business-type activities capital assets, net	<u>\$4,651,563</u>	<u>\$3,286,473</u>	<u>\$(29,708)</u>	<u>\$7,908,328</u>
Discretely Presented Component Unit				
Capital assets, being depreciated:				
Machinery and equipment	\$3,592	\$ -	\$ -	\$3,592
Less accumulated depreciation for:				
Machinery and equipment	<u>(2,666)</u>	<u>(282)</u>	<u>-</u>	<u>(2,948)</u>
Component unit capital assets, net	<u>\$926</u>	<u>\$(282)</u>	<u>\$ -</u>	<u>\$644</u>

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

Governmental activities:		
General government		\$ 1,136,055
Public safety		2,342,173
Health and welfare		29,600
Education		1,147
Roads and highways		<u>3,785,708</u>
Total depreciation expense-governmental activities		<u>\$7,294,683</u>
Business-type activities:		
Public Building Authority		<u>\$236,003</u>
Total depreciation expense-business-type activities		<u>\$236,003</u>

D. Interfund transfers

Following is a schedule of interfund transfers:

	<u>Transfers In:</u>			
	<u>General Fund</u>	<u>Highway Cash</u>	<u>Non-major Governmental</u>	<u>Total</u>
Transfers out:				
General Fund	\$ -	\$118,416	\$215,392	\$333,808
Highway Cash	-	-	188,000	188,000
Nonmajor governmental funds	1,001,722	-	2,817	1,004,539
Proprietary funds	<u>657,118</u>	<u>-</u>	<u>-</u>	<u>657,118</u>
Total transfers out	<u>\$1,658,840</u>	<u>\$118,416</u>	<u>\$406,209</u>	<u>\$2,183,465</u>

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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 \$9,500,000 to the general fund from the resale property and unapportioned funds. This amount was transferred back to the resale property and unapportioned 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. Operating lease expenditures for the year ended June 30, 2004 amounted to \$79,306.

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.

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, 2004 reported in the government-wide statements are as follows:

	<u>Capital Asset</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Building	\$8,988,575	\$(1,242,152)	\$7,746,422
Equipment	<u>1,880,260</u>	<u>(505,349)</u>	<u>1,374,911</u>
Total	<u>\$10,425,492</u>	<u>\$(1,747,501)</u>	<u>\$9,121,333</u>

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

<u>Fiscal year ending June 30,</u>	<u>Governmental</u> <u>Activities</u>
2005	\$1,357,253
2006	1,277,660
2007	1,174,507
2008	1,038,607
2009	845,786
2010-2014	3,992,647
2015-2016	<u>932,138</u>
Total minimum lease payments	10,618,598
Less: amount representing interest	<u>(2,494,739)</u>
Present value of future minimum lease payments	<u>\$8,123,859</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. A summary of debt service requirements to maturity is as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2005	\$ 0	\$ 193,608	\$ 193,608	3.75%
2006	765,000	372,871	1,137,871	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%
2010-2014	3,825,000	1,019,031	4,844,031	3.35%-3.90%
2015-2017	<u>3,115,000</u>	<u>271,439</u>	<u>3,386,439</u>	4.00%-4.40%
	<u>\$ 10,000,000</u>	<u>\$ 2,803,438</u>	<u>\$12,803,438</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. A summary of debt service requirements to maturity is as follows:

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
2005	\$ 0	\$ 183,074	\$ 183,074	5.50%
2006	765,000	345,111	1,110,111	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%
2010-2014	3,825,000	917,525	4,742,525	2.75-3.50%
2015-2017	<u>3,115,000</u>	<u>246,285</u>	<u>3,361,285</u>	3.625%-4.00%
	<u>\$ 10,000,000</u>	<u>\$ 2,517,910</u>	<u>\$12,517,910</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
June 30, 2004

mature for redemption between October 1, 2007 and September 30, 2008. At year-end, the balance in the accounts was \$5,193,322.

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

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Debt Service</u>
2005	425,000	215,659	640,659
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
2010-2014	3,260,000	539,883	3,799,883
2015-2019	850,000	174,239	1,024,239
2020-2021	390,000	17,333	407,333
	<u>\$ 7,230,000</u>	<u>\$ 1,687,675</u>	<u>\$ 8,917,675</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>Principle</u>	<u>Interest</u>	<u>Debt Service</u>
2005	0	713,973	713,973
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
2010-2014	1,385,000	3,285,934	4,670,934
2015-2019	1,755,000	2,899,438	4,654,438
2020-2024	2,275,000	2,357,688	4,632,688
2025-2029	3,000,000	1,613,200	4,613,200
2030-2034	3,975,000	608,254	4,583,254
	<u>\$ 13,330,000</u>	<u>\$ 14,283,189</u>	<u>\$ 27,613,189</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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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:

	<u>Date of Issuance</u>	<u>Original Balance</u>	<u>2004 Balance</u>
Climate Masters Project	06-01-89	\$2,000,000	\$ 42,701
Guadalupe Series 1994A Project	06-01-94	2,095,000	-
Guadalupe Series 1994B Project	06-01-94	625,000	-
Guadalupe Series 1994C Project	06-01-94	280,000	280,000
Esquire Series 1994A Project	08-01-94	3,750,000	-
GNMA ARM Mortgage Back Securities 1995	11-01-95	13,000,000	3,479,747
Drexel Apartments 1995 Series B	12-01-95	260,000	-
Avalon Retirement Series 1996 Project	06-01-96	2,080,000	-
GNMA ARM Mortgage Back Securities 1996	09-01-96	10,000,000	2,266,630
Oakridge Village Apartments Series 1996A	10-01-96	1,775,000	-
Oakridge Village Apartments Series 1996B	10-01-96	295,000	-
Oakridge Village Apartments Series 1996C	10-01-96	250,000	-
Bradford Heritage Apartments Series 1996A	12-01-96	3,000,000	-
Fresh Rate Bond Program Series 1997A	01-01-97	14,535,000	6,262,650
Epworth Villa Series 1997A Project	03-15-97	17,630,000	15,960,000
Epworth Villa Series 1997B Project	03-15-97	3,005,000	3,005,000
Fresh Rate Bond Program Series 1997C	08-01-97	25,000,000	7,136,332
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
Southwest Electric Co.	06-01-98	3,000,000	2,065,000
Fresh Rate Bond Program Series 1998	06-30-98	25,000,000	4,733,977
OKC/Midwest City Apartments Pool Series 1998A	08-31-98	19,500,000	19,500,000
OKC/Midwest City Apartments Pool Series 1998B	08-31-98	700,000	-
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	1,021,000
Oxford Oaks, Watersedge and Gardens At Reding Apartments Projects Series 2000	07-26-00	27,695,000	27,695,000
Belle Isle-Burbank Companies Inc.	11-01-00	293,331	-
Epworth Villa Series 2000A Project	12-01-00	12,000,000	11,925,000
Epworth Villa Series 2000B Project	12-01-00	3,000,000	3,000,000
Oklahoma County Finance Authority Subordinate Variable Rate Demand Revenue Refunding Bonds Series 2001A	05-01-01	650,000	414,295

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

	<u>Date of Issuance</u>	<u>Original Balance</u>	<u>2004 Balance</u>
Oklahoma County Finance Authority Subordinate Variable Rate Demand Revenue Refunding Bonds Series 2001B	05-01-01	275,000	173,984
Oklahoma County Finance Authority Subordinate Variable Rate Demand Revenue Refunding Bonds Series 2001C	05-01-01	275,000	275,000
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	1,540,000
Oklahoma County Housing Preservation Fund, Inc. NVHG (Cambridge Landing)	05-21-01	9,950,000	9,950,000
Oklahoma County Finance Authority Housing Revenue Bonds Chapel Ridge of North Edmond Series 2003	05-21-03	8,250,000	8,250,000
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	<u>7,800,000</u>	<u>7,800,000</u>
		<u>\$270,223,331</u>	<u>\$177,524,244</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 \$436,203 in judgments and \$71,770 in related interest on these judgments. An additional \$66,667 was paid by an insurance company, thereby reducing the County's liability. At June 30, 2004, the total amount of unpaid judgment principal of \$1,033,941 is reflected in the Statement of Net Assets. A summary of judgments payable to maturity is as follows:

<u>Year</u>	<u>Principle</u>
2004	\$525,497
2005	403,650
2006	<u>104,794</u>
Total	<u>\$1,033,941</u>

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

5. Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2004 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	\$ -	\$ -	\$20,000,000	\$ -
Capital leases	8,527,521	537,615	(941,277)	8,123,859	931,392
Judgments payable	1,226,761	310,050	(502,870)	1,033,941	525,497
Compensated absences	<u>3,098,645</u>	<u>2,874,811</u>	<u>(2,671,457)</u>	<u>3,301,999</u>	<u>2,773,679</u>
Governmental activity Long-term liabilities	<u>\$32,852,927</u>	<u>\$3,722,476</u>	<u>\$(4,115,604)</u>	<u>\$32,459,799</u>	<u>\$4,230,568</u>
Business-type activities:					
Bonds payable	<u>\$5,130,000</u>	<u>20,560,000</u>	<u>\$(5,130,000)</u>	<u>\$20,560,000</u>	<u>\$425,000</u>
Business-type activity Long-term liabilities	<u>\$5,130,000</u>	<u>\$ 20,560,000</u>	<u>\$(5,130,000)</u>	<u>\$20,560,000</u>	<u>\$425,000</u>

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 \$475,938 and amount deferred on refunding of \$595,959.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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 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, 2003 to June 30, 2004:

<u>Health Care</u>	<u>2004</u>	<u>2003</u>
Unpaid Claims, beginning of fiscal year	\$1,281,700	\$ 993,300
Claims and changes in estimates	8,611,888	8,643,992
Claim payments	<u>(8,560,288)</u>	<u>(8,355,592)</u>
Unpaid claims, end of fiscal year	<u>\$1,333,300</u>	<u>\$1,281,700</u>

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

<u>Workers Compensation</u>	<u>2004</u>	<u>2003</u>
Unpaid Claims, beginning of fiscal year	\$1,891,000	\$1,783,333
Claims and changes in estimates	815,496	707,425
Claim payments	<u>(607,496)</u>	<u>(599,758)</u>
Unpaid claims, end of fiscal year	<u>\$2,099,000</u>	<u>\$1,891,000</u>

Total tort claims incurred but not reported (IBNR) are not considered material to the financial statement for the year ended June 30, 2004.

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 is for 15 years with total principal payments of \$2,750,000. As of June 30, 2004, the County had made lease payments in the amount of \$1,740,020, of which \$845,000 represents principal expenditure and \$895,020 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, 2004, the County had made lease payments in the amount of \$1,361,838, of which \$685,000 represents principal expenditure and \$676,838 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, 2004. Estimated exposure from tort claims filed against the county at June 30, 2004 is \$210,000.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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 2003-04, eligible participants paid premiums of \$466,797. There are 351 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 \$1,473,566 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.

E. Employees Retirement Plans

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

COMBINING STATEMENT OF PENSION TRUST FUNDS NET ASSETS
JUNE 30, 2004

	Defined Benefit Retirement Fund	Defined Contribution Retirement Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 343,044	\$ -	\$ 343,044
Interest receivable	138,943	-	138,943
Investments, at fair value			
U.S. Government securities	14,519,553	-	14,519,553
Municipal bonds	182,175	-	182,175
Corporate bonds	895,102	-	895,102
Judgments	854,491	-	854,491
Mutual funds	-	58,987,883	58,987,883
Loans to participants	-	5,217,467	5,217,467
Total investments	<u>16,451,321</u>	<u>64,205,350</u>	<u>80,656,671</u>
Total assets	<u>\$ 16,933,308</u>	<u>\$ 64,205,350</u>	<u>\$ 81,138,658</u>
LIABILITIES			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ASSETS			
Assets held in trust for pension benefits and other purposes	<u>\$ 16,933,308</u>	<u>\$ 64,205,350</u>	<u>\$ 81,138,658</u>

COMBINING STATEMENT OF CHANGES IN PENSION TRUST FUNDS NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

ADDITIONS			
Contributions:			
Employer	\$ 675,856	\$ 4,918,570	\$ 5,594,426
Investment earnings:			
Interest	1,086,022	205,862	1,291,884
Net increase (decrease) in the fair value of investments	(861,698)	7,110,633	6,248,935
Total investment earnings	<u>224,324</u>	<u>7,316,495</u>	<u>7,540,819</u>
Less investment expense			
Net investment expense	<u>224,324</u>	<u>7,316,495</u>	<u>7,540,819</u>
Total additions	<u>900,180</u>	<u>12,235,065</u>	<u>13,135,245</u>
DEDUCTIONS			
Benefits	2,732,544	5,197,786	7,930,330
Administrative expenses	11,514	215,494	227,008
Total deductions	<u>2,744,058</u>	<u>5,413,280</u>	<u>8,157,338</u>
Change in net assets	(1,843,878)	6,821,785	4,977,907
Net assets-beginning	18,777,186	57,383,565	76,160,751
Net assets-ending	<u>\$ 16,933,308</u>	<u>\$ 64,205,350</u>	<u>\$ 81,138,658</u>

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004, employee membership data related to the Plan was as follows:

Retirees and beneficiaries currently receiving benefits	227
Terminated employees entitled to but not yet receiving benefits	32
Active plan participants	<u>21</u>
Total	<u>280</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 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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

(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.

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

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004, 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 Bruce and Bruce Company, Consulting Actuaries and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuations as of June 30, 2004, are summarized below:

- A. The 1983 Group Annuity Mortality Table was used to determine the life expectancy of participants.
- B. An average rate of return on investments of 7% was used in the valuations.
- C. Future salary increases of 5 1/2% per year.
- D. No inflation rate assumed.
- E. 50% of participants without spouse birth date information are assumed married with spouse's age same as the participant.
- F. Future pension payments reflect a post-retirement benefit increase of a \$50 per month one-time increase effective as of July 1, 2003.
- G. Costs and contribution levels were developed using the Individual Entry Age Cost Method.
- H. The unfunded actuarial accrued liability is being amortized as level dollar over a 40 year period on an open basis on and before July 1, 2000, and over a 30 year period on and after June 30, 2000 for minimum funding contribution amount.

The actuarial assumptions are based on the presumption that the Plan will continue. Were the plan to terminate, different actuarial assumptions and other factors might be applicable. 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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004, County contributions were \$675,856. Total payroll for employees covered by the plan was \$655,657.

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

	2004	2003
Annual required contribution	\$534,783	\$373,375
Interest on net pension obligation	(166,832)	(191,405)
Adjustments to annual required contribution	190,122	225,846
Annual pension cost	558,073	407,817
Contributions made	(675,856)	(80,182)
Increase (decrease) in net pension obligation	(117,783)	327,635
Net pension obligation beginning of year	(2,224,428)	(2,552,063)
Net pension obligation end of year	\$(2,342,211)	\$(2,224,428)

The annual required contribution for the current year was determined as part of the June 30, 2004 actuarial valuation using the assumptions cited above.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2000	463,565	325.73%	(1,249,199)
2001	696,043	177.53%	(1,788,861)
2002	491,679	255.22%	(2,552,063)
2003	407,817	19.66%	(2,224,428)
2004	558,073	121.11%	(2,342,211)

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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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:

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.

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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, 2004, 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 Rate of Interest and will be fixed for the life of the loan. During the current fiscal year a total of \$4,939,985 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, 2004, County contributions were \$4,918,570. The

OKLAHOMA COUNTY, OKLAHOMA
Notes to the Financial Statements
June 30, 2004

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. At June 30, 2004 there is a total of 2,067 participants with account balances. Retirement benefits due to employees and beneficiaries at June 30, 2004 were \$64,205,350 at fair value, and are accounted for in a pension trust fund.

F. Adjustments to beginning net assets

In the prior year, the County implemented Governmental Accounting Standard Board (GASB) Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (Statement #34). Statement #34 required the County to record capital assets and retroactively report all major infrastructure assets beginning June 15, 2005. During the current year, the county made the following adjustments to retroactively report infrastructure assets, and to correct the balance of other capital assets reported at June 30, 2003:

	Prior Period <u>Adjustment</u>
Construction in Progress	\$497,183
Buildings & Building Improvements	383,904
Equipment, Autos, Furniture & Fixtures	3,986,450
Highway Infrastructure	8,176,312
Accumulated Depreciation	<u>(10,261,141)</u>
Total adjustment to capital assets and beginning net assets	<u>2,782,708</u>

This page intentionally left blank

**Required
Supplementary
Information**



This page intentionally left blank

**OKLAHOMA COUNTY, OKLAHOMA
EMPLOYEES' DEFINED BENEFIT RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2004**

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
6/30/04	\$ 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%
6/30/95	24,078,454	25,554,660	1,476,206	94.2%	1,202,660	122.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year <u>Ending</u>	Annual Required <u>Contribution</u>	Actual <u>Contribution</u>	Percentage <u>Recognized</u>
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%
6/30/95	190,581	166,929	87.6%

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE E
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Property taxes				
Advalorem Tax - Current	\$ 34,000.000	\$ 35,166.879	\$ 35,771.640	\$ 604.761
Advalorem Tax - Prior	900.000	1,450.000	1,526.192	76.192
Protest Tax Released	-	-	759.229	759,229
Homestead Exemption	-	-	-	-
Misc Property Taxes	51,200	75,745	880,571	804,826
Total Property taxes	34,951,200	36,692,624	38,937,632	2,245,008
Charges for services				
County Clerk Fees	4,230.559	4,136.226	5,775.709	1,639.483
County Treasurer Fees	38.772	35.645	73.060	37,415
Public Records	21.302	21,215	21,916	701
Conditional Bond Release-Fees	50.688	56,979	67,171	10,192
Miscellaneous Charge for Services	446	676	1,768	1,092
Total Charges for Services	4,341,767	4,250,741	5,939,624	1,688,883
Intergovernmental revenues				
Motor Vehicle Stamps	297.198	304.506	333.955	29,449
Motor Vehicle Collections	880.136	891.869	990,965	99,096
Revaluation - Cities & Schools	2,411,546	2,411,546	2,396,339	(15,207)
Juv Justice - Maintenance	30,602	27,510	30,390	2,880
Juv Justice - Telephone	2,253	2,106	560	(1,546)
Training & Gen Assistance - Federal Grants	1,125,320	2,395,179	1,588,824	(806,355)
Training & Gen Assistance - Board Staffing	-	257,000	129,666	(127,334)
Sheriff-SCAAP Grant	-	82,314	82,314	-
D A Revolving	115,000	115,000	121,166	6,166
Election Board - Salary	66,355	66,355	55,366	(10,989)
Court Fund Maintenance	600,000	600,000	600,000	-
Court Fund Payroll Reimb	286,833	286,833	186,019	(100,814)
Court Revolving Fund reimb	-	363,416	363,416	-
Langston University	41,825	41,825	32,386	(9,439)
Software Sharing Program	-	-	2,372	2,372
Total Intergovernmental revenues	5,857,068	7,845,459	6,913,738	(931,721)
Interest income	1,500,000	1,166,527	1,339,357	172,830
Miscellaneous revenue				
Metro/Investors Residual	759.947	677.389	677,389	-
Coin Telephone	6,000	6,000	401	(5,599)
Royalty	69.603	68,915	67,404	(1,511)
Rental	810,805	810,805	781,947	(28,858)
Reimburse Resale Property Exp	28,000	28,000	28,000	-
Retirement Reimb for Bailiffs	14,495	10,871	9,206	(1,665)
911 Assoc	8,900	8,920	8,347	(573)
Remington Park - Admission Fees & Sales Tx	130,911	128,051	149,576	21,525
Pharmacy Reimb	47,249	35,437	137,134	101,697
Juv Justice - Link	-	-	-	-
Election Board - Expense	13,337	49,910	59,727	9,817
Miscellaneous Reimbursements	124,034	90,617	152,791	62,174
Total Miscellaneous revenues	2,013,281	1,914,915	2,071,922	157,007
Total revenues	\$ 48,663,316	\$ 51,870,266	\$ 55,202,273	\$ 3,332,007

(continued)

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

EXPENDITURES	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Current:				
General government				
General government:				
Salary and Wages	270.135	411,335	411,334	1
Fringe Benefits		9,460	7,876	1,584
Travel	4.100	4.100	518	3,582
Operating Expenditures	4,601.271	5,258.138	4,680.292	577.846
Capital Outlay		5,000	3,600	1,400
County commissioners:				
Salary and Wages	289,838	289,838	289,838	-
Fringe Benefits	56,953	57,653	57,509	144
Travel	23,000	23,615	19,328	4,287
Operating Expenditures	2,270	2,270	1,963	307
Capital Outlay				
Assessor regular:				
Salary and Wages	1,384,849	1,359,849	1,350,804	9,045
Fringe Benefits	274,524	268,024	265,768	2,256
Travel	20,000	27,000	26,008	992
Operating Expenditures	110,487	138,487	135,918	2,569
Capital Outlay	19,000	15,500	14,958	542
Assessor visual inspection:				
Salary and Wages	1,617,400	1,563,400	1,538,812	24,588
Fringe Benefits	327,799	327,799	295,941	31,858
Travel	103,835	103,835	81,861	21,974
Operating Expenditures	555,180	613,830	591,767	22,063
Capital Outlay	75,300	104,300	102,556	1,744
Treasurer:				
Salary and Wages	490,895	488,495	480,625	7,870
Fringe Benefits	98,650	98,650	92,154	6,496
Travel	4,202	4,202	3,600	602
Operating Expenditures	154,293	154,293	123,131	31,162
Capital Outlay	7,964	7,964	7,419	545
Court clerk:				
Salary and Wages	3,129,510	3,553,306	3,525,920	27,386
Fringe Benefits	660,443	702,462	673,192	29,270
Travel	10,000	8,000	6,383	1,617
Operating Expenditures	11,000	13,000	12,285	715
Capital Outlay				
County clerk:				
Salary and Wages	1,633,512	1,638,912	1,610,309	28,603
Fringe Benefits	315,513	317,281	308,587	8,694
Travel		4,031	3,831	200
Operating Expenditures	113,039	109,608	108,903	705
Capital Outlay				
Excise & equalization:				
Salary and Wages	16,875	16,875	14,775	2,100
Fringe Benefits	1,291	1,291	1,130	161
Travel	2,274	2,274	1,081	1,193
Operating Expenditures	10,626	12,516	12,087	429
Capital Outlay	1,700	14,210	12,600	1,610
County audit:				
Salary and Wages	255,255	459,739	454,252	5,487
Fringe Benefits	-	-	-	-
Travel	3,191	-	-	-
Operating Expenditures	54,381	27,269	17,446	9,823
Capital Outlay	15,954	6,854	6,020	834
District attorney - state:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	115,000	120,000	118,898	1,102
Capital Outlay	10,000	5,000	3,956	1,044

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
District attorney - county:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	38,350	73,350	37,629	35,721
Capital Outlay	-	-	-	-
Public defender:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	37,100	35,600	33,990	1,610
Capital Outlay	3,200	4,700	4,578	122
Purchasing:				
Salary and Wages	142,606	144,067	142,846	1,221
Fringe Benefits	28,022	28,022	27,371	651
Travel	6,740	7,192	7,177	15
Operating Expenditures	9,572	10,086	10,039	47
Capital Outlay	2,900	2,900	2,787	113
Election board:				
Salary and Wages	573,784	607,778	600,225	7,553
Fringe Benefits	102,916	93,196	86,590	6,606
Travel	12,433	22,233	19,164	3,069
Operating Expenditures	172,856	172,856	172,825	31
Capital Outlay	4,500	7,000	6,830	170
MIS:				
Salary and Wages	939,279	900,029	840,286	59,743
Fringe Benefits	181,217	174,217	168,465	5,752
Travel	17,500	17,500	14,596	2,904
Operating Expenditures	414,523	414,523	397,119	17,404
Capital Outlay	95,446	99,696	91,321	8,375
Facilities management-courthouse:				
Salary and Wages	721,000	722,000	709,085	12,915
Fringe Benefits	141,677	140,977	138,614	2,363
Travel	-	-	-	-
Operating Expenditures	245,397	230,097	198,625	31,472
Capital Outlay	82,350	81,950	67,827	14,123
Facilities management-Lincoln:				
Salary and Wages	32,000	32,000	30,300	1,700
Fringe Benefits	6,288	6,288	5,841	447
Travel	-	-	-	-
Operating Expenditures	20,361	17,561	16,072	1,489
Capital Outlay	1,500	17,800	17,645	155
Facilities management-custodial:				
Salary and Wages	161,960	161,960	159,473	2,487
Fringe Benefits	31,825	31,825	30,465	1,360
Travel	-	-	-	-
Operating Expenditures	192,343	192,243	191,338	905
Capital Outlay	2,000	4,000	3,600	400
Metro parking garage:				
Salary and Wages	124,380	117,830	116,844	986
Fringe Benefits	22,734	22,734	21,965	769
Travel	200	435	224	211
Operating Expenditures	59,226	64,226	59,035	5,191
Capital Outlay	3,500	3,500	3,498	2

(continued)

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Investor's capital building:				
Salary and Wages	52,100	52,100	51,451	649
Fringe Benefits	10,238	10,238	9,946	292
Travel	-	-	-	-
Operating Expenditures	88,470	88,370	76,376	11,994
Capital Outlay	500	600	529	71
Centralized Human Resources				
Salary and Wages	-	66,397	60,201	6,196
Fringe Benefits	-	13,538	11,661	1,877
Travel	-	2,790	2,516	274
Operating Expenditures	-	17,527	17,436	91
Capital Outlay	-	11,924	11,671	253
Total General Governmental	21,634,502	23,275,520	22,151,311	1,124,209
Public Safety				
Sheriff:				
Salary and Wages	10,909,966	11,057,790	11,057,790	-
Fringe Benefits	2,137,808	2,128,902	2,128,902	-
Travel	-	-	-	-
Operating Expenditures	2,893,383	2,952,692	2,952,692	-
Capital Outlay	5,000	89,087	89,087	-
Juvenile Justice Bureau:				
Salary and Wages	1,843,811	1,886,311	1,885,284	1,027
Fringe Benefits	362,490	372,690	371,822	868
Travel	21,350	23,400	22,495	905
Operating Expenditures	937,382	862,553	835,479	27,074
Capital Outlay	27,000	41,750	36,018	5,732
Community service/Pre-trial release:				
Salary and Wages	155,796	155,796	154,596	1,200
Fringe Benefits	30,614	30,614	29,704	910
Travel	-	-	-	-
Operating Expenditures	9,100	9,100	6,785	2,315
Capital Outlay	-	-	-	-
Conditional bond release program:				
Salary and Wages	91,200	91,200	91,200	-
Fringe Benefits	17,921	17,921	17,618	303
Travel	-	-	-	-
Operating Expenditures	22,351	22,351	21,764	587
Capital Outlay	-	-	-	-
Emergency Management:				
Salary and Wages	80,400	80,640	80,640	-
Fringe Benefits	15,799	15,799	15,489	310
Travel	-	-	-	-
Operating Expenditures	16,260	16,020	15,322	698
Capital Outlay	-	-	-	-
Total Public Safety	19,577,631	19,854,616	19,812,687	41,929
Health & Welfare				
Environmental health & safety:				
Salary and Wages	166,079	122,379	103,200	19,179
Fringe Benefits	32,634	26,634	19,858	6,776
Travel	7,465	7,465	3,877	3,588
Operating Expenditures	10,120	15,620	14,973	647
Capital Outlay	2,000	10,200	8,701	1,499
Training & General Assistance:				
Salary and Wages	653,500	594,775	587,464	7,311
Fringe Benefits	122,930	115,655	111,307	4,348
Travel	8,000	8,000	4,283	3,717
Operating Expenditures	471,480	482,280	473,902	8,378
Capital Outlay	18,300	55,500	55,310	190

**OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Training & General Assistance-Board Staffing				
Salary and Wages	-	126,767	99,501	27,266
Fringe Benefits	-	57,582	22,603	34,979
Travel	-	14,838	6,200	8,638
Operating Expenditures	-	22,932	8,178	14,754
Capital Outlay	-	2,881	1,223	1,658
Training & General Assistance Grants:				
Salary and Wages	367,919	1,119,607	981,987	137,620
Fringe Benefits	122,244	567,852	259,351	308,501
Travel	10,000	15,000	11,647	3,353
Operating Expenditures	617,157	628,672	395,903	232,769
Capital Outlay	8,000	69,377	54,949	14,428
Economic development:				
Salary and Wages	-	-	-	-
Fringe Benefits	-	-	-	-
Travel	-	-	-	-
Operating Expenditures	50,000	50,000	40,000	10,000
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>2,817,828</u>	<u>4,264,016</u>	<u>3,414,417</u>	<u>849,599</u>
Culture & Recreation				
Free Fair:				
Salary and Wages	5,400	2,552	2,552	-
Fringe Benefits	100	19	19	-
Travel	-	-	-	-
Operating Expenditures	43,070	46,099	42,942	3,157
Capital Outlay	100	-	-	-
Total Culture and Recreation	<u>48,670</u>	<u>48,670</u>	<u>45,513</u>	<u>3,157</u>
Education				
OSU Extension:				
Salary and Wages	344,032	306,532	285,917	20,615
Fringe Benefits	20,815	20,815	10,636	10,179
Travel	2,175	2,175	1,696	479
Operating Expenditures	24,983	29,483	29,148	335
Capital Outlay	2,600	35,600	34,445	1,155
Total Education	<u>394,605</u>	<u>394,605</u>	<u>361,842</u>	<u>32,763</u>
Road & Highway				
District #1:				
Salary and Wages	95,400	1,417	417	1,000
Fringe Benefits	16,585	-	-	-
Travel	2,250	3,449	3,301	148
Operating Expenditures	71,500	38,702	34,547	4,155
Capital Outlay	64,265	80,248	77,248	3,000
District #2:				
Salary and Wages	155,000	171,666	171,666	-
Fringe Benefits	30,458	31,688	31,497	191
Travel	800	-	-	-
Operating Expenditures	18,742	44,311	42,014	2,297
Capital Outlay	45,000	2,335	2,335	-
District #3:				
Salary and Wages	105,035	145,648	145,648	-
Fringe Benefits	20,640	27,771	27,771	-
Travel	4,000	1,916	1,916	-
Operating Expenditures	53,325	59,209	45,991	13,218
Capital Outlay	65,000	15,375	15,375	-

(continued)

OKLAHOMA COUNTY, OKLAHOMA
GENERAL FUND
BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual Amounts/ Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Engineer:				
Salary and Wages	275,506	275,506	265,935	9,571
Fringe Benefits	51,063	51,063	45,524	5,539
Travel	2,950	2,950	2,230	720
Operating Expenditures	24,662	26,662	26,370	292
Capital Outlay	6,350	4,350	3,770	580
Total Road and Highway	1,110,531	984,266	943,555	40,711
Total expenditures and encumbrances	45,583,767	48,821,693	46,729,325	2,092,368
Excess of revenues over/(under) expenditures	3,079,549	3,048,573	8,472,948	5,424,375
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	200,000	1,001,722	1,001,722	-
Transfers to other funds	(7,638,367)	(8,571,881)	(8,571,881)	-
Total other financing sources (uses)	(7,438,367)	(7,570,159)	(7,570,159)	-
Net change in fund balances	(4,358,818)	(4,521,586)	902,789	5,424,375
Fund balances - beginning	4,358,818	4,521,586	6,168,948	1,647,362
Fund balances - ending	\$ -	\$ -	\$ 7,071,737	\$ 7,071,737
RECONCILIATION TO GAAP-BASIS FUND BALANCE				
Property taxes receivable			1,232,624	
Accounts payable			(1,324,253)	
Accrued interest			53,180	
Accounts receivable			49,447	
Intergovernmental receivable			1,038,897	
Transfer of capital asset from OCPBA			(22,533)	
Current year encumbrances			1,794,631	
Adjustment to prior year reserve for encumbrances			(1,551,035)	
Reserve for inventory			73,900	
Self-insurance funds net activity (cash basis)			1,573,293	
Total Reconciling items			2,918,151	
Fund balance, June 30, 2004 (GAAP Basis)			\$ 9,989,888	

OKLAHOMA COUNTY, OKLAHOMA
Notes to Required Supplementary Information
June 30, 2004

Note I. Actuarial Valuations and Assumptions

The information presented in the Employee's Defined Benefit Retirement System required supplementary schedules was determined as part of the actuarial valuation as of June 30, 2004.

Cost Method:	Individual Entry Age Cost Method
Interest rate:	7.5% per year before 7/1/2004 7% after 6/30/2004
Salary increases:	5.5% per year
Mortality:	1971 Group Annuity Mortality Table before 7/1/2004 1983 Group Annuity Mortality Table after 6/30/2004
Withdrawal:	T-6 rates in the Actuary's Pension Handbook by Croker, Sarason & Straight
Disability:	None
Retirement:	Normal retirement age at 62. Early retirement at 55 with 30 years of service.
Marital Status:	50% of participants without spouse birth date information are assumed married with spouse's age same as participant.
Expense loading:	None
Assets:	Market value
Inflation rates assumed:	None
Post-retirement benefits Increase:	On an ad hoc basis \$50.00/month retiree benefit increase was effective as of 7/1/2001, 7/1/2002 and 7/1/2003.
Amortization Period and Method:	Level dollar open maximum 40 years on and before July 1, 2000. Level dollar open maximum 30 years on and after June 30, 2000 for minimum funding contribution amount. Used weighted expected average working years of active working participants for recommended contribution after June 30, 2000.

Note II. Budgetary Data

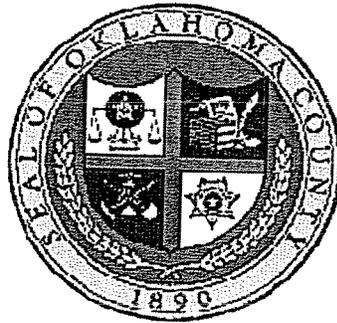
Budgets are submitted annually in accordance with the budget act and are prepared on the cash basis. Revenues are budgeted in the year receipt is expected. Expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and 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, 2004

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.

This page intentionally left blank

**Combining and
Individual Fund
Financial
Statements and
Schedules**



This page intentionally left blank

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.

Training & General Assistance Grants (T&GA) – For the collection and expenditures of federal grant funds.

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

Assessors Visual Inspection – For the collection and expenditures of funds by the Assessor for the visual inspection program.

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

National CASA Grant – For the collection and expenditures of federal financial assistance grant funds in accordance of the terms of the grant agreement.

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.

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.

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.

OKLAHOMA COUNTY, OKLAHOMA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2004

Special Revenue

	Resale Property	Treasurer's Mortgage Fee	County Clerk's Lien Fee	UCC Central Filing	Records Management & Preservation	Sheriff Service Fee	T&GA Grants	Making the Grade	Assessor's Visual Inspection	Assessor's Revolving Fee
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Property taxes receivable	632,870	-	-	-	-	-	-	-	-	-
Interest Receivable	-	-	-	926	1,651	-	-	-	-	-
Intergovernmental receivable	-	-	11,860	-	-	183,670	-	-	-	-
Restricted cash	2,087,598	517,573	99,081	816,099	1,379,425	1,246,131	-	608	-	27,046
Restricted investments	959,899	237,986	45,558	375,250	634,274	572,984	-	279	-	12,436
Total Assets	\$ 3,680,367	\$ 755,559	\$ 156,499	\$ 1,192,275	\$ 2,015,350	\$ 2,002,785	\$ -	\$ 887	\$ -	\$ 39,482

LIABILITIES AND FUND BALANCES

Liabilities:										
Accounts Payable	\$ -	\$ 5,287	\$ 57,011	\$ 6,196	\$ 72,020	\$ 185,496	\$ -	\$ 45	\$ -	\$ 7,204
Total Liabilities	-	5,287	57,011	6,196	72,020	185,496	-	45	-	7,204
Fund Balances:										
Reserved for Encumbrances	-	11,976	1,480	-	1,497,298	231,392	-	-	-	7,742
Reserved for inventory	-	-	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,680,367	738,296	98,008	1,186,079	446,032	1,585,897	-	842	-	24,536
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Total fund balances	3,680,367	750,272	99,488	1,186,079	1,943,330	1,817,289	-	842	-	32,278
Total liabilities and fund balances	\$ 3,680,367	\$ 755,559	\$ 156,499	\$ 1,192,275	\$ 2,015,350	\$ 2,002,785	\$ -	\$ 887	\$ -	\$ 39,482

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	Special Revenue										Total
	Local										
	Natl CASA Grant	Juvenile Probation Fee	Juvenile Grant Fund	Juvenile Special Revenue	Planning Commission	Emergency Planning Comm	Emergency Management	Community Service Fee	Community Sentencing	Drug Court	
ASSETS											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 74,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,336
Investments	-	-	-	34,181	-	-	-	-	-	-	34,181
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	632,870
Interest Receivable	-	-	-	-	-	-	-	-	-	-	2,577
Intergovernmental receivable	-	140	38,095	197,320	-	-	-	90	64,335	-	495,510
Restricted cash	-	14,228	112,612	-	95,093	8,987	50,095	11,072	267,388	7,731	6,740,767
Restricted investments	-	6,542	51,780	-	43,724	4,132	23,034	5,091	122,948	3,555	3,099,472
Total Assets	\$ -	\$ 20,910	\$ 202,487	\$ 305,837	\$ 138,817	\$ 13,119	\$ 73,129	\$ 16,253	\$ 454,671	\$ 11,286	\$ 11,079,713
LIABILITIES AND FUND BALANCES											
Liabilities:											
Accounts Payable	\$ -	\$ 5,800	\$ 35,086	\$ 25,716	\$ 4,494	\$ -	\$ 4,234	\$ 209	\$ 29,385	\$ -	\$ 438,183
Total Liabilities	-	5,800	35,086	25,716	4,494	-	4,234	209	29,385	-	438,183
Fund Balances:											
Reserved for Encumbrances	-	-	1,032	51	10,388	-	1,884	205	3,187	-	1,766,635
Reserved for Inventory	-	-	-	-	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds	-	15,110	166,369	280,070	123,935	13,119	67,011	15,839	422,099	11,286	8,874,895
Capital projects funds	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	15,110	167,401	280,121	134,323	13,119	68,895	16,044	425,286	11,286	10,641,530
Total liabilities and fund balances	\$ -	\$ 20,910	\$ 202,487	\$ 305,837	\$ 138,817	\$ 13,119	\$ 73,129	\$ 16,253	\$ 454,671	\$ 11,286	\$ 11,079,713

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	Capital Projects					Debt Service	Total Nonmajor Governmental Funds
	Capital Projects Regular	Capital Projects Districts	Capital Projects Tinker I	Jail Facility	Sale of Property		
ASSETS							
Cash and cash equivalents	\$ 187,789	\$ -	\$ -	\$ -	\$ 4,477	\$ 192,266	\$ 266,602
Investments	86,348	-	-	-	2,059	88,407	122,588
Property taxes receivable	-	-	-	-	-	-	697,374
Interest Receivable	-	-	-	-	-	-	64,504
Intergovernmental receivable	-	-	-	-	-	-	2,714
Restricted cash	-	259,378	345,692	-	-	605,070	495,510
Restricted investments	-	119,265	158,953	-	-	278,218	8,376,809
Total Assets	\$ 274,137	\$ 378,643	\$ 504,645	\$ -	\$ 6,536	\$ 1,163,961	\$ 13,815,915
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 11,312	\$ 95,330	\$ 50,362	\$ -	\$ -	\$ 157,004	\$ 595,187
Total Liabilities	11,312	95,330	50,362	-	-	157,004	595,187
Fund Balances:							
Reserved for Encumbrances	219,111	83,295	55,000	-	-	357,406	2,124,041
Reserved for Inventory	-	-	-	-	-	-	-
Reserved for debt service	-	-	-	-	-	-	-
Unreserved, reported in:							
Special revenue funds	-	-	-	-	-	-	1,572,241
Capital projects funds	43,714	200,018	399,283	-	6,536	649,551	8,874,895
Total fund balances	262,825	283,313	454,283	-	6,536	1,006,957	649,551
Total liabilities and fund balances	\$ 274,137	\$ 378,643	\$ 504,645	\$ -	\$ 6,536	\$ 1,163,961	\$ 13,815,915

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Special Revenue									
	Resale Property	Treasurer's Mortgage Fee	County Clerk's Lien Fee	UCC Central Filing	Records Management & Preservation	Sheriff Service Fee	T&GA Grants	Making the Grade	Assessor's Visual Inspection	Assessor's Revolving Fee
REVENUES										
Property taxes	\$ 3,592,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	285,320	57,839	874,185	1,116,702	2,332,179	-	-	-	51,093
Intergovernmental revenues	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	8,434	15,807	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 3,592,161	\$ 285,320	\$ 57,839	\$ 882,619	\$ 1,132,509	\$ 2,332,179	\$ -	\$ -	\$ -	\$ 51,093
EXPENDITURES										
Current:										
General government	3,574,321	231,532	50,268	515,959	615,867	-	-	45	-	-
Public safety	-	-	-	-	-	1,688,790	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Roads and highways	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	25,834	65,919	51,223	54,493	201,166	-	-	-	37,412
Total expenditures	3,574,321	257,366	116,187	567,182	670,360	1,889,956	-	45	-	37,412
Excess(deficiency) of revenues over(under) expenditures	17,840	27,954	(58,348)	315,437	462,149	442,223	-	(45)	-	13,681
OTHER FINANCING SOURCES (USES)										
Transfers from other funds	-	-	-	1,716	-	-	-	-	-	-
Transfers to other funds	(1,000,000)	-	-	-	-	-	(1,311)	-	(4)	-
Capitalized Leases	-	-	-	46,529	16,456	-	-	-	-	-
Total other financing sources (uses)	(1,000,000)	-	-	48,245	16,456	-	(1,311)	-	(4)	-
Net change in fund balances	(982,160)	27,954	(58,348)	363,682	478,605	442,223	(1,311)	(45)	(4)	13,681
Fund balances-beginning	4,662,527	722,318	157,836	822,397	1,464,725	1,375,066	1,311	887	4	18,597
Fund balances-ending	\$ 3,680,367	\$ 750,272	\$ 99,488	\$ 1,186,079	\$ 1,943,330	\$ 1,817,289	\$ -	\$ 842	\$ -	\$ 32,278

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Special Revenue										Total	
	Nat'l CASA Grant	Juvenile Probation Fee	Juvenile Grant Fund	Juvenile Special Revenue	Planning Commission	Emergency Planning Comm	Emergency Management	Community Service Fee	Community Sentencing	Drug Court		Total
REVENUES												
Property taxes	-	-	-	-	-	-	-	-	-	-	-	
Charges for services	-	24,658	-	-	372,633	-	-	-	-	-	3,592,161	
Intergovernmental revenues	-	-	-	-	-	-	-	33,315	332,378	-	5,480,302	
Interest income	-	-	653,602	2,603,768	-	1,000	75,000	-	830,998	37,852	4,202,220	
Miscellaneous revenue	-	-	-	-	-	-	-	-	-	-	24,241	
Total revenues	-	24,658	653,602	2,654,552	372,633	1,000	124,596	33,315	1,163,376	37,852	100,280	
EXPENDITURES												
Current:												
General government	-	-	-	-	280,949	-	-	33,184	-	50,177	5,352,302	
Public safety	-	33,218	660,493	2,399,923	-	-	109,260	-	1,029,819	-	5,921,503	
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	
Roads and highways	-	-	-	-	-	-	-	-	-	-	-	
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	
Total expenditures	-	-	38,401	14,100	15,151	-	21,490	6,659	39,823	-	571,671	
Excess(deficiency) of revenues over(under) expenditures	-	33,218	698,894	2,414,023	296,100	-	130,750	39,843	1,069,642	50,177	11,843,476	
	-	(8,560)	(45,292)	240,529	76,533	1,000	(6,154)	(6,528)	93,734	(12,325)	1,553,828	
OTHER FINANCING SOURCES (USES)												
Transfers from other funds	-	-	-	-	-	-	-	-	-	-	-	
Transfers to other funds	(232)	-	5,329	-	-	-	-	-	-	-	7,045	
Capitalized Leases	-	-	-	-	-	-	-	-	-	-	(1,001,547)	
Total other financing sources (uses)	(232)	-	5,329	-	-	-	-	-	-	-	62,985	
Net change in fund balances	(232)	(8,560)	(39,963)	240,529	76,533	1,000	(6,154)	(6,528)	93,734	(12,325)	622,311	
Fund balances-beginning	232	23,670	207,364	39,592	57,790	12,119	75,049	22,572	331,552	23,611	10,019,219	
Fund balances-ending	-	15,110	167,401	280,121	134,323	13,119	68,895	16,044	425,286	11,286	10,641,550	

(continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	Capital Projects					Total	Debt Service	Total Nonmajor Governmental Funds
	Capital Projects Regular	Capital Projects Districts	Capital Projects Tinker I	Jail Facility	Sale of Property			
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,761	\$ 3,123,639	\$ 6,715,800
Charges for services	-	-	-	1,761	-	-	-	5,482,063
Intergovernmental revenues	-	-	-	-	-	-	-	4,202,220
Interest income	315	-	4,040	-	32	4,387	11,628	40,256
Miscellaneous revenue	10,363	-	-	-	4	10,368	33,333	144,081
Total revenues	\$ 10,678	\$ -	\$ 4,041	\$ 1,761	\$ 36	\$ 16,516	\$ 3,168,600	\$ 16,584,420
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	5,352,302
Public safety	-	-	-	-	-	-	-	5,921,503
Health and welfare	-	-	-	-	-	-	-	-
Roads and highways	-	127,850	-	-	-	127,850	-	127,850
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	436,203	436,203
Capital outlay	273,619	-	100,000	17,423	-	391,042	1,207,082	1,207,082
Total expenditures	273,619	127,850	100,000	17,423	-	518,892	1,643,285	14,007,653
Excess(deficiency) of revenues over(under) expenditures	(262,941)	(127,850)	(95,959)	(15,662)	36	(502,376)	1,525,315	2,576,767
OTHER FINANCING SOURCES (USES)								
Transfers from other funds	208,347	188,000	-	2,817	-	399,164	-	406,209
Transfers to other funds	(2,992)	-	-	-	-	(2,992)	-	(1,004,539)
Capitalized Leases	-	-	-	-	-	-	-	62,985
Total other financing sources (uses)	205,355	188,000	-	2,817	-	396,172	-	(535,345)
Net change in fund balances	(57,586)	60,150	(95,959)	(12,845)	36	(106,204)	1,525,315	2,041,422
Fund balances-beginning	320,411	223,163	550,242	12,845	6,500	1,113,161	46,926	11,179,306
Fund balances-ending	\$ 262,825	\$ 283,313	\$ 454,283	\$ -	\$ 6,536	\$ 1,006,957	\$ 1,572,241	\$ 13,220,728

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.*

This page intentionally left blank

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
SCHOOLS				
<u>Assets:</u>				
Cash and investments	\$ 4,322,339	\$ 314,663,152	\$ 308,648,832	\$ 10,336,659
Ad valorem taxes receivable	4,057,574	6,300,903	4,057,574	6,300,903
Accrued interest receivable	3,271	1,304	3,271	1,304
Due from other governments	1,154,969	2,077,595	1,154,969	2,077,595
Total Assets	<u>\$ 9,538,153</u>	<u>\$ 323,042,954</u>	<u>\$ 313,864,646</u>	<u>\$ 18,716,461</u>
<u>Liabilities:</u>				
Warrants payable	1,314,840	1,429,205	1,314,840	1,429,205
Due to other taxing units	8,223,313	321,613,749	312,549,806	17,287,256
Total Liabilities	<u>\$ 9,538,153</u>	<u>\$ 323,042,954</u>	<u>\$ 313,864,646</u>	<u>\$ 18,716,461</u>
CITIES AND TOWNS				
<u>Assets:</u>				
Cash and investments	\$ 580,605	\$ 73,013,511	\$ 71,639,873	\$ 1,954,243
Ad valorem taxes receivable	942,642	1,456,962	942,642	1,456,962
Due from other governments	1,037,590	1,047,542	1,037,590	1,047,542
Total Assets	<u>\$ 2,560,837</u>	<u>\$ 75,518,015</u>	<u>\$ 73,620,105</u>	<u>\$ 4,458,747</u>
<u>Liabilities:</u>				
Due to other taxing units	2,560,837	75,518,015	73,620,105	4,458,747
Total Liabilities	<u>\$ 2,560,837</u>	<u>\$ 75,518,015</u>	<u>\$ 73,620,105</u>	<u>\$ 4,458,747</u>
OFFICIAL DEPOSITORY				
<u>Assets:</u>				
Cash and investments	\$ 25,295,167	\$ 161,342,404	\$ 162,199,201	\$ 24,438,370
Total Assets	<u>\$ 25,295,167</u>	<u>\$ 161,342,404</u>	<u>\$ 162,199,201</u>	<u>\$ 24,438,370</u>
<u>Liabilities:</u>				
Accounts payable	3,548	181	3,548	181
Due to other funds	629,436	-	629,436	-
Due to others	24,662,183	161,342,223	161,566,217	24,438,189
Total Liabilities	<u>\$ 25,295,167</u>	<u>\$ 161,342,404</u>	<u>\$ 162,199,201</u>	<u>\$ 24,438,370</u>

(Continued)

OKLAHOMA COUNTY, OKLAHOMA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
Fiscal Year Ended June 30, 2004

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
UNAPPORTIONED TAXES				
<u>Assets:</u>				
Cash and investments	\$ 15,582,803	\$ 104,595,444	\$ 117,635,527	\$ 2,542,720
Due from other funds	940,760	-	940,760	-
Total Assets	<u>\$ 16,523,563</u>	<u>\$ 104,595,444</u>	<u>\$ 118,576,287</u>	<u>\$ 2,542,720</u>
<u>Liabilities:</u>				
Due to other taxing units	16,523,563	104,595,444	118,576,287	2,542,720
Total Liabilities	<u>\$ 16,523,563</u>	<u>\$ 104,595,444</u>	<u>\$ 118,576,287</u>	<u>\$ 2,542,720</u>
ALL OTHERS				
<u>Assets:</u>				
Cash and investments	\$ 1,068,879	\$ 36,251,015	\$ 32,613,258	\$ 4,706,636
Ad valorem taxes receivable	134,476	197,771	134,476	197,771
Due from other governments	42,200	42,066	42,200	42,066
Total Assets	<u>\$ 1,245,555</u>	<u>\$ 36,490,852</u>	<u>\$ 32,789,934</u>	<u>\$ 4,946,473</u>
<u>Liabilities:</u>				
Accounts payable	24,757	96,399	24,757	96,399
Due to other taxing units	543	31,544,922	31,544,922	543
Due to others	1,220,255	4,849,531	1,220,255	4,849,531
Total Liabilities	<u>\$ 1,245,555</u>	<u>\$ 36,490,852</u>	<u>\$ 32,789,934</u>	<u>\$ 4,946,473</u>
TOTALS - ALL AGENCY FUNDS				
<u>Assets:</u>				
Cash and investments	\$ 46,849,793	\$ 689,865,526	\$ 692,736,691	\$ 43,978,628
Ad valorem taxes receivable	5,134,692	7,955,636	5,134,692	7,955,636
Accrued interest receivable	944,031	1,304	944,031	1,304
Due from other funds	-	-	-	-
Due from other governments	2,234,759	3,167,203	2,234,759	3,167,203
Total Assets	<u>\$ 55,163,275</u>	<u>\$ 700,989,669</u>	<u>\$ 701,050,173</u>	<u>\$ 55,102,771</u>
<u>Liabilities:</u>				
Warrants payable	1,314,840	1,429,205	1,314,840	1,429,205
Accounts payable	28,305	96,580	28,305	96,580
Due to other taxing units	27,308,256	533,272,130	536,291,120	24,289,266
Due to other funds	629,436	-	629,436	-
Due to others	25,882,438	166,191,754	162,786,472	29,287,720
Total Liabilities	<u>\$ 55,163,275</u>	<u>\$ 700,989,669</u>	<u>\$ 701,050,173</u>	<u>\$ 55,102,771</u>

STATISTICAL SECTION

This page intentionally left blank

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
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
1995	29,516,811	17,635,408	7,948,775	46,291	230,596	8,688,471	1,930,159	519,261	66,515,772
1994	28,141,512	15,435,999	8,922,074	47,352	237,514	9,617,583	2,189,491	577,580	65,169,105

(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 in 2003 & 2004.

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

Fiscal Year	Property Taxes	Charges for Services	Intergovernmental Revenue	Interest	Miscellaneous Revenue	Total
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
1995	29,249,557	13,353,686	18,871,991	2,490,606	7,353,292	71,319,132

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
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%
1994-95	23,303,997	22,507,934	96.6%	780,292	23,288,226	99.9%	2,161,153	9.3%

† 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>
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
1994-95	(2)	532,546,983	234,184,617	1,642,994,860	123,805,465	2,285,920,995	18,386,003,876

(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

County	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95
County General Fund	10.35	10.35	10.35	10.35	10.35	10.35	10.35	10.35	10.00	10.00
County Sinking Fund	0.87	0.07	0.01	0.03	0.07	0.04	0.18	0.13	0.12	0.20
City-County Health Dept	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.50	2.50
Metro Library Commission	5.20	5.20	5.20	5.20	5.20	5.20	5.20	4.14	4.00	4.00
Total County-Wide Levies	19.01	18.21	18.15	18.17	18.21	18.18	18.32	17.21	16.62	16.70
Cities and Towns										
Bethany	5.95	6.15	6.98	7.76	8.46	12.14	10.36	14.79	15.82	13.91
Choctaw	3.33	3.68	4.45	5.38						
Del City	11.82	8.56	12.60	11.47	8.59	13.62	24.07	23.83	19.99	22.74
Midwest City	11.45	14.20	1.43	1.48	1.57	3.55	3.72	4.25	1.89	4.57
Nichols Hills	28.62	26.25	28.75	31.90	33.35	33.14	32.00	23.46	22.82	32.90
Oklahoma City	15.55	15.89	15.34	15.37	15.02	13.89	14.45	13.56	12.15	15.50
Spencer	5.20	5.08	6.19	6.68	7.71	8.00	2.89	7.33	5.34	5.62
School Districts (includes County-wide school levy)										
Oklahoma City 89	54.44	59.64	47.91	52.67	53.30	54.36	54.84	55.61	55.24	57.87
Putnam City 1	56.09	56.29	56.68	60.97	60.42	60.93	60.45	61.38	58.97	59.80
Luther 3	46.28	59.95	60.60	67.24	61.87	65.31	67.71	69.14	66.58	73.22
Choctaw 4	63.85	60.58	64.34	66.38	64.69	66.52	66.79	66.95	62.36	65.71
Deer Creek 6	76.37	76.31	76.51	77.79	80.97	80.65	78.51	78.93	76.04	74.29
Harrah 7	59.74	59.45	60.74	68.58	67.17	67.39	65.07	66.97	66.10	67.13
Jones 9	58.20	60.19	62.65	63.29	66.70	67.86	70.70	60.31	57.53	60.66
Edmond 12	66.23	66.87	66.67	71.17	71.65	70.51	66.62	69.10	65.40	67.91
Oakdale 29	67.20	64.12	54.26	71.73	72.60	71.47	76.02	71.34	58.42	65.78
Millwood 37	63.82	65.92	69.83	75.24	76.59	79.01	79.99	73.03	77.85	77.27
Western Heights 41	58.01	60.49	58.21	57.54	60.55	61.46	56.72	56.77	57.26	44.00
Midwest City 52	61.83	60.00	62.63	66.49	67.59	67.71	62.68	65.56	64.45	65.86
Crooked Oak 53	66.41	54.91	56.42	57.38	60.17	60.92	63.34	61.24	62.76	66.73
Crutcho 74	49.47	51.96	52.91	56.34	59.22	61.31	63.48	66.99	68.92	47.52
Bethany 88	71.88	66.95	65.39	77.66	78.56	58.05	69.59	71.76	55.78	58.68
Vocational-Technical Schools (excludes County-wide school levy)										
Rose State College	16.62	16.66	16.78	16.90	17.17	17.25	17.52	17.72	15.27	15.10
Okla City Comm College	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.08	5.00	5.00
N W Ok Co Area V T 21	14.96	14.96	15.69	15.69	15.69	15.69	15.69	15.69	15.00	15.00
Ok Cy Area VT 22	15.45	15.45	15.45	15.45	15.45	15.45	15.45	15.45	15.00	15.00
V T Area 23	16.50	16.95	17.21	17.85	18.15	18.47	18.94	19.35	15.00	15.00
Canadian 22 - Piedmont	65.65	66.14	67.28	65.74	71.58	59.83	62.33	68.94	54.72	53.76
Canadian 69 - Mustang	67.10	67.14	67.53	69.54	63.12	59.69	57.74	59.87	53.42	59.79
Canadian Vo Tech 6	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.00	15.00
Cleveland 2 - Moore	58.36	58.66	56.98	59.34	61.06	61.74	56.70	56.52	57.64	56.66
Cleveland Vo Tech 17	14.58	14.58	14.58	13.54	13.53	13.53	13.53	13.53	13.00	13.00
Pottawatomie I - McCloud	54.56	55.99	56.84	58.56	63.46	64.28	66.04	67.16	50.84	61.78
Pottawatomie V T 5	15.57	15.57	15.57	14.47	12.47	12.47	12.47	12.47	12.00	9.00

**OKLAHOMA COUNTY, OKLAHOMA
PRINCIPAL TAXPAYERS
JUNE 30, 2004
(Unaudited)**

<u>Taxpayer Name</u>	<u>Assessed Value</u>	<u>Percentage of Total</u>
1 Southwestern Bell Telephone Company	\$105,225,297	2.62%
2 OG & E	102,228,502	2.54%
3 Redbud Energy LP	56,918,725	1.42%
4 General Motors Corporation	53,122,330	1.32%
5 Oklahoma Natural Gas Company	28,827,348	0.72%
6 Cox Oklahoma Telecom LLC	24,217,683	0.60%
7 AT&T Communications Inc	16,875,399	0.43%
8 AT&T Wireless Services Inc.	16,734,456	0.42%
9 OKC SMSA Southwestern Bell Wireless Services	15,416,159	0.38%
10 The Hertz Corp	14,960,308	0.37%
All Other Taxpayers	<u>3,586,376,709</u>	<u>89.19%</u>
Total	<u>\$4,020,902,916</u>	<u>100.00%</u>

OKLAHOMA COUNTY, OKLAHOMA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2004
(Unaudited)

Assessed valuations:		
Assessed value		\$ 4,153,284,496
Less: exempt real property		<u>(132,381,580)</u>
Total assessed value		<u><u>\$ 4,020,902,916</u></u>
Legal debt margin		
Debt limitation- 5 percent of total assessed value		\$ 201,045,146
General obligation bonds payable	\$20,000,000	
Judgments payable	1,033,941	
Less amount available in debt service fund	<u>(1,572,241)</u>	
Total debt applicable to limitation		<u>19,461,700</u>
Legal Debt Margin		<u><u>\$ 181,583,446</u></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
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
1994-95	622,251	2,285,920,995	1,600,000	617,524	982,476	0.04%	1.58
1993-94	616,886	2,206,848,678	2,030,000	539,206	1,490,794	0.07%	2.42

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
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%
1994-95	430,000	89,261	519,261	68,315,772	0.76%
1993-94	465,000	112,580	577,580	67,269,105	0.86%

(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, 2004
(Unaudited)

	Net General Obligation Bond Debt Outstanding	Percent Applicable to Oklahoma County	Amount Applicable to Oklahoma County
Oklahoma County	\$20,000,000	100.0%	\$20,000,000
CITIES			
Choctaw	910,000	100.0%	910,000
Del City	5,265,000	100.0%	5,265,000
Midwest City	14,425,000	100.0%	14,425,000
Nichols Hills	11,570,000	100.0%	11,570,000
Oklahoma City	344,755,000	85.8%	295,799,790
Spencer	75,000	100.0%	75,000
SCHOOL DISTRICTS			
Oklahoma City	146,005,000	100.00%	146,005,000
Putnam City	31,530,000	100.0%	31,530,000
Luther	980,000	96.3%	943,740
Choctaw	6,000,000	100.0%	6,000,000
Deer Creek	10,325,000	85.9%	8,869,175
Harrah	3,995,000	90.6%	3,619,470
Jones	425,000	100.0%	425,000
Edmond	59,905,000	96.8%	57,988,040
Oakdale	2,505,000	100.0%	2,505,000
Millwood	1,715,000	100.0%	1,715,000
Western Heights	9,485,000	100.0%	9,485,000
Mid-Del	20,095,000	97.9%	19,673,005
Crooked Oak	2,575,000	100.0%	2,575,000
Crutcho	400,000	100.0%	400,000
Bethany	520,000	100.0%	520,000
Eastern Oklahoma County Votech #23	450,000	96.6%	434,700
Rose State College	860,000	98.1%	843,660
Piedmont (Canadian County)	3,010,000	22.0%	662,200
Mustang (Canadian County)	15,725,000	2.2%	345,950
Moore (Cleveland County)	25,150,000	10.5%	2,640,750
McCloud (Pottawatomie County)	835,000	16.4%	136,940
TOTAL	\$739,490,000	87.3%	\$645,362,420

**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
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 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	
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
1994-95	2,751	396,763,000	465	253,105,000	7,221,989,000

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