

**Tulsa City-County Health Department**

**Financial Statements**  
with Independent Auditor's Report

**June 30, 2024 and 2023**



# Tulsa City-County Health Department

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## **Independent Auditor's Report**

Board of Health  
Tulsa City-County Health Department  
Tulsa, Oklahoma

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tulsa City-County Health Department (the Department) as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Department as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Other Matters***

The financial statements of the governmental activities and each major fund of the Tulsa City-County Health Department as of and for the year ended June 30, 2023 were audited by another auditor, who expressed an unmodified opinion on those statements on April 15, 2024.

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***Responsibilities of Management for the Financial Statements***

The Department's management is responsible for the preparation and fair presentation of this financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that as listed in the table of contents, management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance), is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2025, on our consideration the Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of this 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* in considering the Department's internal control over financial reporting and compliance.

*Hick & Company, PC*

Tulsa, Oklahoma  
January 10, 2025



# **Tulsa City-County Health Department**

## **Management's Discussion and Analysis**

### **June 30, 2024**

The Tulsa City-County Health Department's (the "Department") discussion and analysis is designed to present a narrative overview of the financial activities and an analysis of the Department's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the Department's basic financial statements following this section.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the Department's finances, in a manner similar to a private-sector business. Therefore, the statements are reported using the accrual basis of accounting. In this way, all assets and liabilities, both financial and capital, short and long-term, are reported. All revenues and expenses applicable to the year are reported, regardless of when cash is received or paid.

The *Statement of Net Position* presents information on the Department's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**Fund Financial Statements** present the Department's financial activities in a traditional fund format. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The fund financial statements are reported using the modified accrual basis of accounting. See Note 1, Summary of Significant Accounting Policies, for more about the modified accrual basis of accounting.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Department's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Department's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them. The notes can be found at the end of the financial statements.

## **Financial Analysis of the Health Department as a Whole**

Our discussion and analysis of the Department's performance provides an overview of the financial activities for the fiscal years ended June 30, 2024, 2023, and 2022. Prior period information is provided to facilitate comparative analysis between fiscal periods.

**Tulsa City-County Health Department**  
Management's Discussion and Analysis  
June 30, 2024

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The Department reported total assets and deferred outflows of resources of \$ 66,665,623, \$74,679,310, and \$56,370,205 for the years ended June 30, 2024, 2023, and 2022, respectively. Of that total, \$14,356,219, \$14,655,984, and \$14,765,602 respectively, or approximately 21.5 percent, 19.6 percent, and 26.2 percent respectively, are in the form of capital assets, comprised primarily of the agency's investment in its three regional health centers. Investment in capital assets, net of related debt, represented 61.1 percent, 55.6 percent, and 41.8 percent, respectively, of net position, while 38.9 percent, 44.4 percent, and 58.2 percent, respectively, were unrestricted. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Department, assets exceeded liabilities at the close for each of the fiscal years listed below.

	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>
Cash	\$35,573,008	\$30,827,033	\$26,577,362
Other current assets	6,451,580	5,675,486	5,986,863
Capital assets - net	14,356,219	14,655,984	14,765,602
Deferred outflow of resources	10,284,816	23,520,807	9,040,378
<b>Total assets and deferred outflows of resources</b>	<b><u>66,665,623</u></b>	<b><u>74,679,310</u></b>	<b><u>56,370,205</u></b>
Current liabilities	1,439,889	1,772,980	2,047,816
Current portion - non-current liabilities	720,263	597,272	527,877
Compensated absences - long-term portion	3,129,531	1,412,509	1,345,829
Leases - long-term portion	111,265	163,065	-
Notes payable - long-term portion	6,832,500	7,190,000	7,532,500
Net pension liability	29,106,540	50,631,416	22,574,276
Deferred inflows of resources	13,862,409	480,292	5,764,609
<b>Total liabilities</b>	<b><u>55,202,397</u></b>	<b><u>62,247,534</u></b>	<b><u>39,792,907</u></b>
<b>Total net position</b>	<b><u>\$11,463,226</u></b>	<b><u>\$12,431,776</u></b>	<b><u>\$16,577,298</u></b>

**Statement of Activities**

The Department reported total revenue of \$45,793,851, which represents a 17.6 percent and a 3.4 percent increase over fiscal year 2023 and 2022, respectively. There were increases in Ad Valorem tax revenue, operating grants and contributions, and interest earnings. The \$46,762,401 of expenditures reported in 2024 were \$3,687,775 more than fiscal year 2023 and expenditures for 2023 were \$6,944,380 more than fiscal year 2022.

**Tulsa City-County Health Department**  
Management's Discussion and Analysis  
June 30, 2024

	2024	2023	2022
Program revenues			
Charges for services	\$ 2,654,975	\$ 2,627,860	\$ 2,967,726
Operating grants and contributions	21,055,369	17,004,344	16,894,864
General revenues			
Ad Valorem taxes	19,957,793	18,233,295	17,567,447
Interest earnings	1,782,839	840,471	67,243
Miscellaneous	342,875	223,134	152,025
<b>Total revenues</b>	<b><u>45,793,851</u></b>	<b><u>38,929,104</u></b>	<b><u>37,649,305</u></b>
Health and welfare expenses	45,459,995	41,795,615	34,994,648
Other expenses	1,302,406	1,279,011	1,135,598
<b>Total expenses</b>	<b><u>46,762,401</u></b>	<b><u>43,074,626</u></b>	<b><u>36,130,246</u></b>
Change in net position	(968,550)	(4,145,522)	1,519,059
Net position - beginning of year	12,431,776	16,577,298	15,058,239
<b>Net position - end of year</b>	<b><u><u>\$11,463,226</u></u></b>	<b><u><u>\$12,431,776</u></u></b>	<b><u><u>\$16,577,298</u></u></b>

**Financial Analysis of the Department's Funds**

The Department's government functions are reported in the general and capital project funds. The general fund, the chief operating fund of the Department, reported a fund balance of \$39,162,269, which was \$6,486,642 and \$11,024,847 more than fiscal year 2023 and 2022, respectively. This was primarily driven by increases in Ad Valorem taxes, operating grants and contributions, and interest earnings. On February 25, 2010, the balance of the proceeds received from the issuance of Health Facilities Revenue bonds was set up in a capital projects fund. This money was restricted for the construction of the new North Regional Health Department that was completed in 2013. The project fund had a restricted balance of zero at the end of fiscal year June 30, 2024 and 2023.

**Health Levy Fund Budgetary Highlights**

There were no revisions to the original fiscal year 2023-2024 Health Levy Fund Budget for revenues or expenditures. As can be seen in the above table, the growth rate of the ad valorem tax revenue continued to increase. Between the fiscal years 2024 and 2023, the tax levy fund increased 9.5 percent in comparison to the 3.8 percent for fiscal years 2023 and 2022.



# **Tulsa City-County Health Department**

## **Management's Discussion and Analysis**

### **June 30, 2024**

#### **Capital Assets**

As of June 30, 2024, the Department's net investment in capital assets for its governmental activities was \$7,003,154. This investment in capital assets includes infrastructure, land and improvements, buildings, furniture, fixtures, and equipment, and right-to-use lease assets. This represents a net increase of \$42,735 or less than 1% more than the preceding year. Fund financial statements record capital asset purchases as expenditures.

#### **Long-Term Debt**

At June 30, 2024, the Department had total liabilities of \$55,202,397 with \$10,073,296 of it being long-term liabilities, compared to the long-term liabilities of \$8,765,574 in the prior fiscal year, and \$8,878,329 as of June 30, 2022. The increase was due to the recognized liability for extended sick leave (ESL) based on the *Governmental Accounting Standards* (GASB) Statement No. 101 Compensated Absences. Please refer to the Note 1 for more details.

#### **Pension**

At June 30, 2015, the Department adopted the *Governmental Accounting Standards* (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." The statement was effective for fiscal years beginning after June 15, 2014.

#### **Economic Factors and the Impact on Next Year's Budget**

The Tulsa Health Department (the Department) has a fundamental and complex role and responsibility in the community to protect and improve health and well-being of all Tulsa County Residents. This work is achieved by promoting healthy lifestyles, researching disease and injury prevention, and detecting, preventing, and responding to infectious diseases and going forward promoting health equity and impacting health disparities in Tulsa County. The Department provides core public health services such as adult and childhood immunizations; communicable disease control; community outreach and education; epidemiology and surveillance; environmental health regulation such as food safety services and restaurant inspections; neighborhood nuisances prevention and reduction, subpar housing inspections, and tuberculosis testing, and Social Determinant of health issues that prevent residents from reaching their greatest health potential.

We work closely with community stakeholders and partners to help residents reach their greatest health status possibility. This role builds upon our historical niche in the county's health improvement plans and our growth as an organization and frankly is a critical evolution necessary to continue being a highly functioning health department our residents deserve. The Department constantly works to refine, define, and implement programs that are successful and review and implement other skills, strategies, and programs essential for protecting and improving the health of our county. Occupations within our Department include administrators, nurses, physicians, environmental health specialists, nutritionists, health educators, epidemiologists, accountants, administrative assistants, clerks, community health workers and planners, and emergency preparedness responders.

**Tulsa City-County Health Department**  
Management's Discussion and Analysis  
June 30, 2024

Federal, State, and Local resources is the same for many similar governmental agencies based on their tax revenue source can vary from year to year which can result in an increased demand for the Department services in the event of an economic downturn putting more pressure on the Department to serve when resources are limited. Our community continues to become more diverse and grow as new immigrant/refugee populations move to and make their homes in Tulsa County. This could mean many things for the Department as we evolve and press for change to also integrate response(s) to social determinant factors that impact community health status into the current community improvement plans. This could mean that in some areas of the Department we might respond through policy implementation than provide direct services; will be more likely to convene coalitions than work in isolation; and be more likely to access and have real-time data than await the next annual survey. This is a way of moving forward to serve more effectively and efficiently.

We are aware of the need to stay fluid, flexible and dynamic to address challenges that impact the Department's ability to serve our constituents. Saying that we must constantly monitor the environment we occupy and be aware of what issues could result in an impact to our budgets and capacity. Our local public health system is under severe and increasing pressure as the Department has been expected to take on more responsibilities with fewer resources and regardless of the popular mantra you must do more with less, all you do with less is less.

In 2024 as in previous years politics will continue to impact our ability to serve the community. The State chose 3 entities to provide Medicaid Managed Care services to Oklahoma residents and the Oklahoma Health Care Authority is experiencing problems/issues associated with rolling out Medicaid Manager Care so we will not know immediately the impact MMC will have on the Department for some time. We still have challenges ahead of us not knowing if those actions will strengthen or weaken our local health care system which means prevention will be more important than ever in Tulsa County's history.

In the current climate, there is a valid concern that pressures to reduce the federal deficit will affect federal budgeting as well. The legislature has resisted attempts to pass new revenue measures so they will continue cutting State agencies that fund some of our programs and services. If they continue to do that, some state agencies will almost be rendered irrelevant and additional pressure will be added to local service systems to support more of those populations in need with less resources.

Ultimately, the financial impacts of the Medicaid expansion, including its projected impact on health status and work force factors are conceptual at this time, if expanded healthcare access does not function as intended in our State and County, the impact of that action, or inaction, eventually trickles down to the local level and the Tulsa Health Department.

Now that the Covid-19 public health emergency has been rescinded, the Department must determine the best way to move forward as an organization and discover what future goals and objectives will be. We have just completed a new strategic plan and are now in the process of rolling it out. But life and work are different now and we are in the process of discovering what those differences truly are!

**Tulsa City-County Health Department**  
Management's Discussion and Analysis  
June 30, 2024

As we live with the reality of Covid-19 is here to stay and the change that brought to everyone's life, we will learn to live with the virus. The burden will be addressing challenges to our agency and autonomy that developed within our social and political spectrums during the pandemic. Distrust and misinformation have resulted in changes in health behavior and decision making that will affect the Department's ability to reach optimum health status for all residents. We will be affected by the aftermath of the pandemic from both a budget and operational perspective as we pivot forward into the future and struggle to operationalize health improvement processes. Despite the challenges, the agency is adopting innovative and redesigned service delivery methods, when possible, to adapt and fulfill their critical public health function to provide the services our residents need. We must keep pace on salary and compensation packages which have also been altered by the pandemic. We will have to determine how to recruit and retain the best employees available with resources that will never match the private sector. We must remain competitive in the local, state, and national marketplace during a public health workforce shortage.

**Request for Information**

This financial report is designed to give the reader a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department at James O. Goodwin Health Center, 5051 South 129<sup>th</sup> East Avenue, Tulsa, Oklahoma 74134.

## **Basic Financial Statements**

**Tulsa City-County Health Department**  
**Statements of Net Position**  
June 30,

	Governmental Activities	
	2024	2023
<b>Assets and deferred outflows</b>		
Current assets		
Cash	\$ 35,573,008	\$ 30,827,033
Accounts receivable - net	626,593	417,554
Intergovernmental receivable	2,984,400	3,048,621
Ad Valorem taxes receivable	1,001,023	953,983
Inventory	1,075,373	755,836
Prepaid expenses	764,191	499,492
Total Current Assets	<u>42,024,588</u>	<u>36,502,519</u>
Non-current assets		
Capital assets - net	12,615,975	12,915,740
Non-depreciable capital assets	<u>1,740,244</u>	<u>1,740,244</u>
Total non-current assets	<u>14,356,219</u>	<u>14,655,984</u>
Deferred outflows of resources		
Pension	<u>10,284,816</u>	<u>23,520,807</u>
Total assets and deferred outflows of resources	<u>\$ 66,665,623</u>	<u>\$ 74,679,310</u>
<b>Liabilities, deferred inflows, and net position</b>		
Current Liabilities		
Accounts payable	\$ 889,205	\$ 1,075,200
Accrued liabilities	7,639	9,160
Deferred revenue	543,045	688,620
Current portion - non-current liabilities	<u>720,263</u>	<u>597,272</u>
Total current liabilities	<u>2,160,152</u>	<u>2,370,252</u>
Non-current liabilities		
Compensated absences, less current portion	3,129,531	1,412,509
Leases payable, less current portion	6,943,765	7,353,065
Net pension liability	<u>29,106,540</u>	<u>50,631,416</u>
Total non-current liabilities	<u>39,179,836</u>	<u>59,396,990</u>
Deferred inflows of resources		
Pension	<u>13,862,409</u>	<u>480,292</u>
Total liabilities and deferred inflows of resources	<u>55,202,397</u>	<u>62,247,534</u>
Net position		
Net investment in capital assets	7,003,154	6,960,419
Unrestricted	<u>4,460,072</u>	<u>5,471,357</u>
Total Net Position	<u>11,463,226</u>	<u>12,431,776</u>
Total liabilities and net position	<u>\$ 66,665,623</u>	<u>\$ 74,679,310</u>

**Tulsa City-County Health Department**  
Statement of Revenues, Expenses and Change in Net Position  
For the Year Ended June 30, 2024

	Expenses	Program Revenues		
		Charges for services	Operating grants and contributions	Net (expense) revenue
<b>Functions/programs - Primary government</b>				
Health and welfare	\$ 45,459,995	\$ 2,654,975	\$ 21,055,369	\$ (21,749,651)
Depreciation and amortization	1,062,548	-	-	(1,062,548)
Interest on long-term debt	<u>239,858</u>	<u>-</u>	<u>-</u>	<u>(239,858)</u>
Total governmental activities	<u>\$ 46,762,401</u>	<u>\$ 2,654,975</u>	<u>\$ 21,055,369</u>	<u>(23,052,057)</u>
<b>General revenues:</b>				
Ad Valorem taxes				19,957,793
Interest earnings				1,782,839
Miscellaneous				<u>342,875</u>
Change in net position				(968,550)
<b>Net Position</b>				
Beginning of year				<u>12,431,776</u>
Ending of year				<u>\$ 11,463,226</u>

**Tulsa City-County Health Department**  
Statement of Revenues, Expenses and Change in Net Position  
For the Year Ended June 30, 2023

	Expenses	Program Revenues		
		Charges for services	Operating grants and contributions	Net (expense) revenue
<b>Functions/programs - Primary government</b>				
Health and welfare	\$ 41,795,615	\$ 2,627,860	\$ 17,004,344	\$ (22,163,411)
Depreciation and amortization	1,013,119	-	-	(1,013,119)
Interest on long-term debt	<u>265,892</u>	<u>-</u>	<u>-</u>	<u>(265,892)</u>
Total governmental activities	<u>\$ 43,074,626</u>	<u>\$ 2,627,860</u>	<u>\$ 17,004,344</u>	<u>(23,442,422)</u>
<b>General revenues:</b>				
Ad Valorem taxes				18,233,295
Interest earnings				840,471
Miscellaneous				<u>223,134</u>
Change in net position				(4,145,522)
<b>Net Position</b>				
Beginning of year				<u>16,577,298</u>
Ending of year				<u>\$ 12,431,776</u>

**Tulsa City-County Health Department**  
**Balance Sheet - Governmental Funds**  
**June 30, 2024**

	General Fund	Capital Projects Fund	Total Governmental Fund
<b>Assets</b>			
Cash	\$ 35,573,008	\$ -	\$ 35,573,008
Accounts receivable - net	626,593	-	626,593
Intergovernmental receivable	2,984,400	-	2,984,400
Ad Valorem taxes receivable	1,001,023	-	1,001,023
Inventory	1,075,373	-	1,075,373
Prepaid expenses	764,191	-	764,191
Total assets	<u>\$ 42,024,588</u>	<u>\$ -</u>	<u>\$ 42,024,588</u>
<b>Liabilities</b>			
Accounts payable	\$ 889,206	\$ -	\$ 889,206
Accrued liabilities	7,639	-	7,639
Deferred revenue	543,045	-	543,045
Total current liabilities	<u>1,439,890</u>	<u>-</u>	<u>1,439,890</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - Ad Valorem taxes	841,566	-	841,566
Deferred inflows - grants	580,863	-	580,863
Total deferred inflows of resources	<u>1,422,429</u>	<u>-</u>	<u>1,422,429</u>
<b>Fund balance</b>			
Nonspendable	1,839,564	-	1,839,564
Assigned	1,325,609	-	1,325,609
Unassigned	35,997,096	-	35,997,096
Total fund balance	<u>39,162,269</u>	<u>-</u>	<u>39,162,269</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 42,024,588</u>	<u>\$ -</u>	<u>\$ 42,024,588</u>
<b>Reconciliation</b>			
Total fund balance - governmental funds			\$ 39,162,269
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term tax and grant revenues receivable not collected within 60 days of year-end are not available financial resources and are not reported in the funds.			1,422,430
Capital assets used in governmental activities are not current financial resources and are not reported in the funds.			14,356,219
Deferred outflows are not current financial resources and are not report in the funds.			10,284,816
Long-term liabilities are not payable from current financial resources and are not reported in the funds.			(10,793,559)
Net pension liability is not payable from current financial resources and is not reported in the funds.			(29,106,540)
Deferred inflows are not payable from current financial resources and are not reported in the funds.			(13,862,409)
Net position of governmental activities			<u>\$ 11,463,226</u>



**Tulsa City-County Health Department**  
Balance Sheet - Governmental Funds  
June 30, 2023

	General Fund	Capital Projects Fund	Total Governmental Fund
<b>Assets</b>			
Cash	\$ 30,827,033	\$ -	\$ 30,827,033
Accounts receivable - net	417,554	-	417,554
Intergovernmental receivable	3,048,621	-	3,048,621
Ad Valorem taxes receivable	953,983	-	953,983
Inventory	755,836	-	755,836
Prepaid expenses	499,492	-	499,492
Total assets	<u>\$ 36,502,519</u>	<u>\$ -</u>	<u>\$ 36,502,519</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,075,200	\$ -	\$ 1,075,200
Accrued liabilities	9,160	-	9,160
Deferred revenue	688,620	-	688,620
Total current liabilities	<u>1,772,980</u>	<u>-</u>	<u>1,772,980</u>
<b>Deferred inflows of resources</b>			
Deferred inflows - Ad Valorem taxes	771,162	-	771,162
Deferred inflows - grants	1,282,750	-	1,282,750
Total deferred inflows of resources	<u>2,053,912</u>	<u>-</u>	<u>2,053,912</u>
<b>Fund balance</b>			
Nonspendable	1,255,328	-	1,255,328
Assigned	1,262,613	-	1,262,613
Unassigned	30,157,686	-	30,157,686
Total fund balance	<u>32,675,627</u>	<u>-</u>	<u>32,675,627</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 36,502,519</u>	 <u>\$ -</u>	 <u>\$ 36,502,519</u>
<b>Reconciliation</b>			
Total fund balance - governmental funds			\$ 32,675,627
Amounts reported for governmental activities in the statement of net position are different because:			
Long-term tax and grant revenues receivable not collected within 60 days of year-end are not available financial resources and are not reported in the funds.			2,053,912
Capital assets used in governmental activities are not current financial resources and are not reported in the funds.			14,655,984
Deferred outflows are not current financial resources and are not report in the funds.			23,520,807
Long-term liabilities are not payable from current financial resources and are not reported in the funds.			(9,362,846)
Net pension liability is not payable from current financial resources and is not reported in the funds.			(50,631,416)
Deferred inflows are not payable from current financial resources and are not reported in the funds.			(480,292)
Net position of governmental activities			<u>\$ 12,431,776</u>

# Tulsa City-County Health Department

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended June 30, 2024

	General Fund	Capital Projects Fund	Total Governmental Fund
Revenues			
Ad Valorem taxes	\$ 19,887,389	\$ -	\$ 19,887,389
Licenses and permits	1,114,520	-	1,114,520
Intergovernmental revenue	18,755,085	-	18,755,085
Charge for services (fees)	1,537,917	-	1,537,917
Contributions and donations	3,004,708	-	3,004,708
Miscellaneous	2,125,715	-	2,125,715
Total revenue	<u>46,425,334</u>	<u>-</u>	<u>46,425,334</u>
Expenditures			
Health and welfare			
Salaries and wages	18,859,291	-	18,859,291
Employee benefits	7,833,057	-	7,833,057
Travel	507,533	-	507,533
Operating expenses	11,084,668	-	11,084,668
Other charges	381,662	-	381,662
Capital outlay	690,123	-	690,123
Debt service			
Principal	-	342,500	342,500
Interest	-	239,858	239,858
Total expenditures	<u>39,356,334</u>	<u>582,358</u>	<u>39,938,692</u>
Excess of revenues over expenditures	7,069,000	(582,358)	6,486,642
Other financing sources (uses)			
Transfers in (out)	(582,358)	582,358	-
Excess of revenues over expenditures and other financing sources	<u>6,486,642</u>	<u>-</u>	<u>6,486,642</u>
Fund balance, beginning of year	<u>32,675,627</u>	<u>-</u>	<u>32,675,627</u>
Fund balance, end of year	<u>\$ 39,162,269</u>	<u>\$ -</u>	<u>\$ 39,162,269</u>
<b>Reconciliation</b>			
Net change in fund balances - total government funds			\$ 6,486,642
Amounts reported for governmental activities are different because:			
Ad Valorem tax revenues not collected within 60 days of year-end are not available and are not reported in the funds.			70,404
Grant revenues in the statement activities that do not provide current financial resources are not reported as revenues in the funds.			(701,887)
Governmental funds reported capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation exceeded capital outlay plus the net book value of disposals.			(299,764)
Repayment of debt principal and payments on lease liabilities are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position.			388,659
Proceeds from leases increase fund balances, but are capitalized at the government-wide level.			-
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore are not reported as revenues or expenditures in governmental funds.			<u>(6,912,604)</u>
Change in net position of governmental activities			<u>\$ (968,550)</u>

**Tulsa City-County Health Department**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2023**

	General Fund	Capital Projects Fund	Total Governmental Fund
Revenues			
Ad Valorem taxes	\$ 18,446,353	\$ -	\$ 18,446,353
Licenses and permits	1,238,466	-	1,238,466
Intergovernmental revenue	15,182,293	-	15,182,293
Charge for services (fees)	1,389,394	-	1,389,394
Contributions and donations	1,934,067	-	1,934,067
Miscellaneous	1,272,829	-	1,272,829
Total revenue	<u>39,463,402</u>	<u>-</u>	<u>39,463,402</u>
Expenditures			
Health and welfare			
Salaries and wages	16,869,070	-	16,869,070
Employee benefits	6,959,878	-	6,959,878
Travel	383,271	-	383,271
Operating expenses	8,548,252	-	8,548,252
Other charges	538,902	-	538,902
Capital outlay	1,029,932	-	1,029,932
Debt service			
Principal	-	330,000	330,000
Interest	-	265,892	265,892
Total expenditures	<u>34,329,305</u>	<u>595,892</u>	<u>34,925,197</u>
Excess of revenues over expenditures	5,134,097	(595,892)	4,538,205
Other financing sources (uses)			
Transfers in (out)	<u>(595,892)</u>	<u>595,892</u>	<u>-</u>
Excess of revenues over expenditures and other financing sources	4,538,205	-	4,538,205
Fund balance, beginning of year	<u>28,137,422</u>	<u>-</u>	<u>28,137,422</u>
Fund balance, end of year	<u>\$ 32,675,627</u>	<u>\$ -</u>	<u>\$ 32,675,627</u>

**Reconciliation**

Net change in fund balances - total government funds	\$ 4,538,205
Amounts reported for governmental activities are different because:	
Ad Valorem tax revenues not collected within 60 days of year-end are not available and are not reported in the funds.	(213,059)
Grant revenues in the statement activities that do not provide current financial resources are not reported as revenues in the funds.	(112,016)
Governmental funds reported capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation exceeded capital outlay plus the net book value of disposals.	(109,618)
Repayment of debt principal and payments on lease liabilities are expenditures in the governmental funds, but reduce long-term liabilities in the statement of net position.	375,024
Proceeds from leases increase fund balances, but are capitalized at the government-wide level.	(254,248)
Some revenues and expenses reported in the statement of activities do not provide or require the use of current financial resources and, therefore are not reported as revenues or expenditures in governmental funds.	<u>(8,369,810)</u>
Change in net position of governmental activities	<u>\$ (4,145,522)</u>

# **Tulsa City-County Health Department**

## **Notes to Financial Statements**

**June 30, 2024 and 2023**

### **Note 1: Summary of Significant Accounting Policies**

#### **The Reporting Entity**

The Tulsa City-County Health Department (the Department) is an agency of Tulsa County, Oklahoma, (the County) and was created in 1950 by a joint resolution between the City of Tulsa and the Board of County Commissioners. A nine (9) member board oversees the day-to-day operations of the Department. The City of Tulsa appoints five (5) members. The remaining four (4) members that are appointed by the Board of County Commissioners are only required to be registered voters. The Department, in association with the Oklahoma State Department of Health, is responsible for meeting a variety of health related needs of the County, including code enforcement of health service regulations; family planning services; dental and health clinics and referrals; maternal and child health services, immunizations for infants; and certain psychological services for adolescents. The Department has approximately 360 employees, including resident doctors, nurses, and clinicians.

The Department obtains funding through a variety of sources, including an annual Ad Valorem millage levy collected on all real property located in Tulsa County, Oklahoma, and funds appropriated to the Department from the Oklahoma State Department of Health. The Department is a component unit of Tulsa County due to the nature and significance of their relationship with a primary government. They are such that exclusion would cause the reporting entity's financial statements to be misleading and incomplete. Furthermore, Tulsa County sets the budget for the Department.

#### **Basic Financial Statements - GASB Statement #34**

The basic financial statements include both government-wide and fund financial statements.

*Government-wide Statements* - The government-wide financial statements include the statements of net position and the statements of activities. These statements report financial information for the Department and is represented by a primary government.

*Statements of Net Position* - The statements of net position report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Department. These assets and liabilities are presented in order of their relative liquidity. An asset's liquidity is determined by how readily it converts to cash and whether restrictions limit the Department's ability to use the resources. A liability's liquidity is based on its maturity, or when cash is used to liquidate it. The difference between the Department's assets and its liabilities is its net position.

Net Position is displayed in three components - net investment in capital assets, unrestricted and restricted.

# **Tulsa City-County Health Department**

## **Notes to Financial Statements**

**June 30, 2024 and 2023**

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Basic Financial Statements - GASB Statement #34 (Continued)**

*Statements of Activities* - The statement of activities report the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and includes the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the Department's services; and (2) operating grants and contributions which finance annual operating activities. These revenues are subject to externally imposed restrictions of these program uses. Other revenue sources and Ad Valorem taxes not properly included with program revenues are reported as general revenues.

*General Fund* - This fund type is used to account for all financial resources, except those required by law or administrative action, to be accounted for in another fund. The general fund is always reported as a major fund in the governmental fund statements.

*Capital Projects Fund* - This fund accounts for financial resources earmarked or segregated for the acquisition and construction of major capital facilities and other project-oriented activities.

#### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statements of the Department are prepared in accordance with generally accepted accounting principles (GAAP). The Department's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The government-wide statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable defines the amount of the transactions and available means collectible within the current period or soon enough thereafter to pay current liabilities. The Department considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

Major revenue sources susceptible to accrual include: intergovernmental revenues, patient services, investment income, and Ad Valorem taxes.

#### **Assets, Liabilities, and Net Position**

*Cash* - State law requires that all cash belonging to the county be placed in the custody of the county Treasurer. A "pooled cash" concept is used in maintaining the cash and investment records. Under this concept, all cash is pooled together for investment purposes. Interest income is credited to the appropriate funds or departments.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities, and Net Position** (Continued)

*Accounts Receivable* - Accounts receivable include amounts due from patient fees incurred as of year-end and amounts due from private insurance carriers and state insurance programs (e.g., Medicaid and private carriers). These amounts are shown net of an allowance for uncollectible balances. Outstanding fees greater than 15 months are written off.

*Intergovernmental Receivables* - Balance represents amounts earned but not received under federal and state grants.

*Inventories* - Inventories are stated at the lower of cost or market, determined by the first-in, first-out method of accounting. Inventories are comprised of vaccines, most of which are donated by the Oklahoma Department of Health. Vaccine inventories totaled \$1,075,373 and \$755,836, respectively, at June 30, 2024 and 2023.

*Prepays* - Prepays are related to insurance and information technology/phone system costs paid for at the beginning of the period and paid down throughout the year.

*Capital Assets and Depreciation* - The Department's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets in excess of \$500 are capitalized and depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives for depreciable assets are 40 to 50 years for buildings and leasehold improvements and 8 to 18 years for furniture, fixtures and equipment.

*Deferred Revenue* - The Department's deferred revenue represents funds not used from donations and contracts from other organizations.

*Deferred Inflows and Outflows of Resources* - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

The Department has one item that qualifies for reporting as deferred outflows of resources, the deferred outflows related to pensions, which are reported in the government-wide statements of net position. These are an aggregate of items related to pensions. The deferred outflows related to pensions will be recognized as either pension expense or a reduction in the net pension liability in future reporting years.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities, and Net Position** (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Department has one item that qualifies for reporting as deferred inflows of resources. The deferred inflows related to pensions are an aggregate of items related to pensions. The deferred inflows related to pensions will be recognized as a reduction to pension expense in future reporting years. Further information related to pensions is found in Note 9.

*Unavailable revenue* - These amounts represent revenues that are not received within 60 days of the year end, but which have been earned by the Department. These arise only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Compensated Absences* - Effective July 1, 2023, the Department adopted Governmental Accounting Standards (GASB) Statement No. 101 - Compensated Absences. Under the new standard, the Department recognizes liabilities for unused Paid Time Off (PTO) and extended sick leave (ESL).

It is the Department's policy to permit employees to accumulate earned but unused Paid Time Off (PTO) benefits. All regular full-time employees are eligible to accrue PTO. Regular part-time employees who work at least 20 hours per week are eligible to accrue at a pro-rated leave time. PTO may be used for vacation, personal illness, funeral attendance, emergencies, or other personal business. PTO is accrued each pay period and can be accrued up to a maximum of 380 hours. The Department employees who terminate their employment under satisfactory conditions will be paid for an accrued PTO. The maximum amount of PTO hours that can be paid is capped at 380 hours.

PTO accrued beyond the maximum allowable limit will be deposited into an extended sick leave (ESL) account. ESL commences on the third consecutive day absent for a personal illness. Employees may use their ESL for illnesses of immediate family members as defined in Section 321 FMLA. Time deposited in the ESL account may not be transferred back to the accrued PTO account and is not paid to an employee upon separation for any reason, including retirement. However, employees can roll any remaining ESL into the Post Employment Health Plan (PEHP) to be used for medical/dental premiums after retirement. ESL hours that can be placed in the PEHP are capped by the Tulsa County policy at 780 hours.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Assets, Liabilities, and Net Position** (Continued)

The governmental fund financial statements record expenditures when employees are paid for PTO or ESL. The government-wide financial statements present the cost of unused PTO and ESL as liabilities. The Department's compensated absence liability as of June 30, 2024 and 2023, was \$3,440,494 and \$1,621,122, respectively. The current portion of the compensated absences is \$310,963 and \$208,613 as of June 30, 2024 and 2023 respectively.

*Pensions* - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Net Position* - The government-wide financial statements utilize a net position presentation that is categorized as investment in capital assets, restricted and unrestricted. Net investment in capital assets was intended to reflect the portion of net position, which is associated with non-liquid capital assets, less outstanding capital-asset-related debt. Unrestricted net position represents unrestricted liquid assets.

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

**Revenues, Expenses and Expenditures**

*Property Tax Revenue* - The Department receives an apportionment of Ad Valorem tax collected by the County, which acts as a collecting agent for many other governmental entities. The county is responsible for assessing, billing, collecting, and distributing the Ad Valorem tax to the Department. In fiscal years 2024 and 2023, the county levied 2.5 mills of protested taxes for the Department's operations. Tax collections are recorded as revenue in the year received. In addition, the Department may also receive miscellaneous revenues collected by the County.

*Grant Revenue* - Revenues from state and federal grants are recognized when expenditures are made.



# **Tulsa City-County Health Department**

## **Notes to Financial Statements**

June 30, 2024 and 2023

### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Long-Term Liabilities**

Leases payable: Effective July 1, 2021, the Department adopted Government Accounting Standards Board (GASB Statement No. 87 - Leases. Under the new standards, the Department recognizes the following for all leases (with the exception of short-term leases without options to extend (see below) at the commencement date:

- A lease liability, which is the Department's obligation to make lease payments arising from a lease, measured on a discounted basis; and
- A right-of-use asset, which is an asset that represents the Department's right to use, or control the use of, a specified asset for the lease term.

All existing (and future) leases of the Department have one-year terms with varying options to extend, generally ranging from one to five years. See Note 6 and 7 related to right-of-use lease assets.

*Notes payable:* The agreement between the Department and the Tulsa County Industrial Authority described in Note 7 is now termed a "note payable."

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures/expense during the reporting period. Actual results could differ from these estimates.

#### **Subsequent Events**

The Department has evaluated subsequent events through January 10, 2025, the date the financial statements were available to be issued.

### **Note 2: Stewardship, Compliance and Accountability**

Under Oklahoma law, the Department 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.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 2: Stewardship, Compliance and Accountability (Continued)**

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

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

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

1. Establish uniform and sound fiscal procedures for the preparation, adoption, execution and control of budgets;
2. Enable counties to make financial plans for both current and capital expenditures, and to ensure that their executive staffs administer their respective functions in accordance with the adopted budget;
3. Make available to 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.

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

Budgets are submitted annually in accordance with the budget act. The budgets are prepared on the cash and expenditures/encumbrances basis. Revenues are budgeted in the year the receipt is expected and expenditures, which include encumbrances, are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on this basis. Unencumbered appropriations for annually budgeted funds lapse at fiscal year-end.

Budgets are adopted on a basis consistent with state legal requirements. A reconciliation from the budgetary basis to generally accepted accounting principles is presented in the statements of revenues, expenditures and changes in fund balance - budget and actual.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 2: Stewardship, Compliance and Accountability (Continued)**

*Budgetary Control* - The Department's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department and character (health and welfare and capital outlay) that 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. No budget revisions were made during the year ended June 30, 2024.

*Encumbrances* - Encumbrances represent commitments related to unperformed contracts for goods or services. Under the governmental reporting model, encumbrances include purchase orders, contracts, and other commitments for expenditure of resources. The encumbrance reserves the applicable appropriated revenue source. Encumbrances outstanding at year-end are reported as part of unassigned fund balance in the general fund balance in the amount of \$1,258,378 and \$1,232,296 at June 30, 2024 and 2023, respectively, and do not constitute expenditures or liabilities because the commitment will be honored during the subsequent year.

*Budget Variance* - Budget variance is the difference between the revised appropriation and the actual amount received or expended and encumbered during the current year.

**Note 3: Fund Balance**

The Department follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

*Nonspendable* - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact (such as inventory, prepaids, etc.).

*Restricted* - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

*Committed* - Amounts constrained for specific purposes by the Department itself, using its highest level of decision-making authority (i.e., Board of Health). To be reported as committed, amounts cannot be used for any other purpose unless the Department takes the same highest level action to remove or change the constraint.

*Assigned* - Amounts that are designated by the Department for a specific purpose but are not spendable until a budget ordinance is passed by the Board of Health.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 3: Fund Balance** (Continued)

*Unassigned* - All amounts not included in other spendable classifications. Positive amounts are reported only in the general fund.

The General fund had an unassigned fund balance of \$35,997,096 and \$30,157,686 at June 30, 2024 and 2023, respectively. Assigned fund balance has been allocated to the following purposes as of June 30, 2024 and 2023: Capital improvements - \$175,540 and \$112,544, respectively; emergency events - \$1,000,000; and self-insurance - \$150,069. Inventory of \$1,075,373 and \$755,836 was considered nonspendable fund balance at June 30, 2024 and 2023, respectively. In addition, prepaid expense of \$764,191 and \$499,492 was considered nonspendable fund balance at June 30, 2024 and 2023, respectively.

**Note 4: Cash**

General Fund cash is maintained by the Treasurer of Tulsa County and is subject to the depository collateral risk of all the pooled funds of Tulsa County.

**Note 5: Accounts Receivable**

Accounts receivable is comprised of the following at June 30:

	2024	2023
Private pay	\$ 668,078	\$ 457,505
Less: allowance for doubtful accounts	<u>(41,485)</u>	<u>(39,951)</u>
Fund statement	626,593	417,554
Accounts receivable collected greater than 60 days after year-end	<u>-</u>	<u>-</u>
Government-wide statements	<u>\$ 626,593</u>	<u>\$ 417,554</u>

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 6: Capital Assets and Right-to-Use Lease Assets**

Capital asset activity for the years ended June 30, 2024 and 2023, is as follows:

	Balance June 30, 2023	Acquisitions	Sales or disposals	Balance June 30, 2024
Governmental activities				
Capital assets, not depreciated				
Land	\$ 1,740,244	\$ -	\$ -	\$ 1,740,244
Capital assets, depreciated/amortized				
Building	16,722,345	243,285	-	16,965,630
Furniture, fixtures and equipment	6,669,879	503,624	-	7,173,503
Infrastructure	525,211	15,874	-	541,085
Right-to-use lease assets	254,248	-	-	254,248
Total capital assets, depreciated/amortized	24,171,683	762,783	-	24,934,466
Total Capital Assets	25,911,927	762,783	-	26,674,710
Accumulated depreciation/amortization				
Building	7,104,539	385,633	-	7,490,172
Furniture, fixtures and equipment	3,970,575	604,747	-	4,575,322
Infrastructure	129,979	21,318	-	151,297
Right-to-use lease assets	50,850	50,850	-	101,700
Total accumulated depreciation/amortization	11,255,943	1,062,548	-	12,318,491
Governmental capital assets, net	\$ 14,655,984	\$ (299,765)	\$ -	\$ 14,356,219

Depreciation/amortization expense of \$1,062,548 was charged to health and welfare expenses for the year ended June 30, 2024.

	Balance June 30, 2022	Acquisitions	Sales or disposals	Balance June 30, 2023
Governmental activities				
Capital assets, not depreciated				
Land	\$ 1,740,244	\$ -	\$ -	\$ 1,740,244
Capital assets, depreciated/amortized				
Building	16,722,345	-	-	16,722,345
Furniture, fixtures and equipment	6,225,238	517,621	(72,980)	6,669,879
Infrastructure	392,407	132,804	-	525,211
Right-to-use lease assets	-	254,248	-	254,248
Total capital assets, depreciated/amortized	23,339,990	904,673	(72,980)	24,171,683
Total Capital Assets	25,080,234	904,673	(72,980)	25,911,927
Accumulated depreciation/amortization				
Building	6,721,260	383,279	-	7,104,539
Furniture, fixtures and equipment	3,480,500	561,885	(71,810)	3,970,575
Infrastructure	112,872	17,107	-	129,979
Right-to-use lease assets	-	50,850	-	50,850
Total accumulated depreciation/amortization	10,314,632	1,013,121	(71,810)	11,255,943
Governmental capital assets, net	\$ 14,765,602	\$ (108,448)	\$ (1,170)	\$ 14,655,984

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 6: Capital Assets and Right-to-Use Lease Assets (Continued)**

Depreciation/amortization expense of \$1,013,119 was charged to health and welfare expenses for the year ended June 30, 2023.

**Note 7: Long-Term Debt**

Changes in all types of long-term liabilities as reflected in the statements of net position are as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due within one year
Note payable - building	\$ 7,532,500	\$ -	\$ (342,500)	\$ 7,190,000	\$ 357,500
Lease liabilities - building	209,224	-	(46,159)	163,065	51,800
Compensated absences	1,621,122	1,819,372	-	3,440,494	310,963
	<u>\$ 9,362,846</u>	<u>\$ 1,819,372</u>	<u>\$ (388,659)</u>	<u>\$ 10,793,559</u>	<u>\$ 720,263</u>

Note payable - building: On February 25, 2010, Tulsa County Industrial Authority (TCIA), a related party, issued \$11,350,000 of Health Facilities Revenue Bonds. On December 1, 2020, TCIA issued \$8,615,000 of Health Facilities Revenue Bonds, Refunding Series 2019, effectively defeasing and subsequently redeeming the 2010 bonds. Repayment of the new bonds is secured by a note payable with the Department. Under the terms of the note, quarterly payments are made to the bond trustee for retirement of the applicable bonds and the related interest. The note matures in February 2040 and is secured by certain property.

The related buildings, improvements, and equipment under the note agreement have a total cost of approximately \$8,007,000 and accumulated depreciation at June 30, 2024 and 2023, was approximately \$4,328,000 and \$4,169,000, respectively.

The five-year maturity of the note payable is as follows:

Year ended June 30:	Principal	Interest	Total
2025	\$ 357,500	\$ 232,950	\$ 590,450
2026	372,500	218,650	591,150
2027	387,500	203,750	591,250
2028	402,500	188,250	590,750
2029	417,500	172,150	589,650
2030-2034	2,300,000	653,925	2,953,925
2035-2039	2,665,000	287,625	2,952,625
2040	287,500	8,625	296,125
	<u>\$ 7,190,000</u>	<u>\$ 1,965,925</u>	<u>\$ 9,155,925</u>

## Tulsa City-County Health Department

### Notes to Financial Statements

June 30, 2024 and 2023

#### Note 7: Long-Term Debt (Continued)

Leases payable - building: On June 22, 2022, the Department entered into a lease agreement for a building starting on July 1, 2022 and expiring June 30, 2023, and per the agreement chose to the renewal option of 4 additional years. The lease agreement has been recorded at the present value of the future lease payments as of the date of their inception. The lease in its entirety is for 60 months at an incremental borrowing rate of 4.75%.

The right-of-use asset for the related building under the lease agreement was \$254,248 with accumulated amortization at June 30, 2024 of \$101,700.

The five-year maturity of the lease payable is as follows:

Year ended June 30:	Principal	Interest	Total
2025	\$ 51,800	\$ 6,628	\$ 58,428
2026	54,314	4,113	58,427
2027	56,951	1,476	58,427
	<u>\$ 163,065</u>	<u>\$ 12,217</u>	<u>\$ 175,282</u>

#### Note 8: Commitments and Contingencies

*Federal and State 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 operating fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Department expects such amounts, if any, to be immaterial.

*Litigation* - The Department is routinely involved in various legal matters. Management is of the opinion that these matters will not have a materially adverse impact on the Department's financial statements.

#### Note 9: Retirement/Benefit Plans

The Department provides all full-time employees retirement benefits through participation in the Tulsa County Employees' Retirement System (the System), a single-employer-defined benefit contributory pension plan, which covers participants with retirement, death and disability benefits. A nine-member Board of Trustees administers the System. Benefit terms are established and can be amended by the System's Board of Trustees. The System issues stand-alone financial statements, which can be obtained from Tulsa County at 500 South Denver, Tulsa, Oklahoma 74103.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 9: Retirement/Benefit Plans** (Continued)

The System and Tulsa County have a June 30th year-end. Tulsa County has elected to use the preceding year-end of the System as its measurement date; therefore, net pension liability and related deferred inflows are reported as of June 30, 2023 and 2022. The System's pension liability was based on an actuarial valuation as of June 30, 2023 and 2022. Pension payments by the Department from the measurement date to June 30, 2023 and 2022, are reported as deferred outflows.

The changes in the Department's net pension liability, as of the measurement date, consisted of the following for the years ended June 30, 2024 and 2023:

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) - (b)
Balance at June 30, 2023	\$ 102,888,091	\$ 52,256,675	\$ 50,631,416
Changes for the year			
Service cost	2,558,181	-	2,558,181
Interest on total pension liability	4,778,647	-	4,778,647
Effects of economic/demographic gains or losses	127,547	-	127,547
Effect of assumption changes or inputs	(18,261,932)	-	(18,261,932)
Change in proportion	-	1,430,266	(1,430,266)
Benefit payments	(4,559,050)	(4,559,050)	-
Employer contributions	-	2,387,668	(2,387,668)
Member contributions	-	555,909	(555,909)
Net investment income	-	6,367,002	(6,367,002)
Administrative expenses	-	(13,527)	13,527
Net changes	<u>(15,356,607)</u>	<u>6,168,268</u>	<u>(21,524,875)</u>
Balances at June 30, 2024	<u>\$ 87,531,484</u>	<u>\$ 58,424,943</u>	<u>\$ 29,106,541</u>



**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 9: Retirement/Benefit Plans (Continued)**

	Total pension liability (a)	Plan fiduciary net position (b)	Net pension liability (a) - (b)
Balance at June 30, 2022	\$ 84,217,584	\$ 61,643,308	\$ 22,574,276
Changes for the year			
Service cost	1,727,118	-	1,727,118
Interest on total pension liability	5,041,630	-	5,041,630
Effects of economic/demographic gains or losses	1,103,213	-	1,103,213
Effect of assumption changes or inputs	15,351,009	-	15,351,009
Change in proportion	-	(929,530)	929,530
Benefit payments	(4,552,463)	(4,552,463)	-
Employer contributions	-	2,320,600	(2,320,600)
Member contributions	-	541,323	(541,323)
Net investment income	-	(6,750,076)	6,750,076
Administrative expenses	-	(16,487)	16,487
Net changes	<u>18,670,507</u>	<u>(9,386,633)</u>	<u>28,057,140</u>
Balances at June 30, 2023	<u>\$ 102,888,091</u>	<u>\$ 52,256,675</u>	<u>\$ 50,631,416</u>

Employer contribution between the measurement date of June 30, 2023 and 2022, and the Department's year-end are reported as deferred outflows. At June 30, 2024 and 2023, these payments amounted to \$2,713,842 and \$2,395,325, respectively.

***Plan Description and Provisions***

Membership in the System is mandatory for all eligible employees. An employee becomes eligible on the first day of employment as a regular, full-time employee. Oklahoma Statutes include elected and appointed salaried County officials as employees for retirement system purposes. Seasonal, temporary, hourly, part-time, or contracted workers are not considered to be eligible employees. Full-time employees of the Department, along with other employees of the County and certain related agencies, participate in this plan.

For the plan year ended June 30, 2024 and 2023, the Department's covered payroll was \$15,527,463 and \$15,125,550, respectively, and total payroll for all covered employees of the plan amounts to \$90,275,948 and \$85,455,087, respectively. The Department's share (17.2 percent and 17.70 percent, respectively) of the net pension liability was determined based on this ratio. The Department's total payroll was approximately \$18.9 million and \$16.9 million, respectively.

***Normal Retirement Benefits***

An employee becomes eligible to receive benefits at age 62 with five years of service or he/she attains the "Rule of 80" retirement, where his/her age in years and months added to his/her years and months of participation in the System equal the sum of 80 years or more.

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 9: Retirement/Benefit Plans (Continued)**

The monthly annuity payable to the employee is based on a percentage to be applied to the average compensation of the highest paid thirty-six (36) months of employment. The three highest years need not be contiguous, but each year must consist of twelve consecutive months. Benefits are calculated on the average base payroll earnings and do not include overtime, allowances, et cetera. The benefit percentages for years of credited service range from 10 percent at five years of credited service to 50 percent for 20 years of credited service. Beyond 20 years, there is a 1.5 percent increase in the percentage rate for each year of credited service to a maximum of 100 percent.

***Disability Benefits***

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

The percentage and base salary used to calculate benefits for employees who qualify for disability retirement is the same as that used in calculating "regular" retirement benefits except that the maximum percentage that may be applied is 40 percent (for a disability retiree having 15 or more credited years of service) if vested as of June 30, 2010. For anyone vested after June 30, 2010, or hired after June 30, 2010, the maximum percentage is 40 percent (for a disability retiree having 18 years or more of credited years of service).

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

***Death Benefits***

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

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

***Reduced Benefits***

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

**Tulsa City-County Health Department**  
Notes to Financial Statements  
June 30, 2024 and 2023

**Note 9: Retirement/Benefit Plans (Continued)**

*Contributions*

In accordance with Title 19 OSA 953 of the Oklahoma Statutes, contribution rates as set by the Board are applied to all full-time base salaries and wages and the result contributions are credited to the pension fund on a monthly basis.

Beginning July 1, 2007, the total employer and employee contributions shall not exceed sixteen and one-half percent (16.5 percent) of the monthly compensation of each member. The appropriation for the fiscal year ending June 30, 2008, can be raised to thirteen and one-half percent (13.5 percent), for the fiscal year ending June 30, 2009, can be raised to fourteen and one-half percent (14.5 percent), for the fiscal year ending June 30, 2010, can be raised to fifteen and one-half percent (15.5 percent), and for the fiscal year ending June 30, 2011, and each year thereafter, can be raised to sixteen and one-half percent (16.5 percent), as permitted by Title 19 O.S. 2007, Section 954, as amended. Subsequently, Title 19 O.S. 2019, Section 952 increased the total funding level to 17.50% (15% employer and 2.50% employee) effective July 1, 2019 and to 18.50 (15% employer and 3.50% employee) effective January 1, 2020. Contributions during the fiscal year ended June 30, 2024 and 2023, were \$2,713,842 and \$2,395,325, respectively.

*Actuarial Assumptions*

Key assumptions used in the plans actuarial valuation were:

	June 30,	
	2022	2023
Discount rate	4.75%	6.00%
Long-term expected rate of return	7.25%	6.00%
Valuation date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2022	June 30, 2023
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.50%	2.35%
Salary increase including inflation	5% grade down to 2.5%	5.25% grade down to 2.75%
Mortality	RP-2014 Mortality for employees, healthy annuitants, and disabled annuitants with generational projection from 2006 using scale MP-2017 for healthy participants	PUB2010 General Amount Weighted Mortality, set forward 2 years, with generational project using MP-2021 Improvement Scale

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on the results of an actuarial experience study for the period July 1, 2017 to June 30, 2022.

# Tulsa City-County Health Department

## Notes to Financial Statements

June 30, 2024 and 2023

### Note 9: Retirement/Benefit Plans (Continued)

#### *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The net pension liability of the Department is calculated using the discount rate of 6.00 percent and 4.75 percent for the planned years June 30, 2024 and 2023, respectively. The following presents the net pension liability of the plan calculated using a discount rate that is 1-percent point lower or 1-percent point higher than the current rate:

	2024		
	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Net Pension Liability	\$ <u>40,370,495</u>	\$ <u>29,106,541</u>	\$ <u>19,868,037</u>

  

	2023		
	1% Decrease 3.75%	Current Discount Rate 4.75%	1% Increase 5.75%
Net Pension Liability	\$ <u>66,233,856</u>	\$ <u>50,631,416</u>	\$ <u>38,042,401</u>

#### *Pension Plan Fiduciary Net Position*

The pension plan's fiduciary net position has been determined on the same basis used by the pension plan. Detailed information about the pension plan's fiduciary net position and other information is available in the separately issued, stand-alone financial report of the System.

#### *Asset Allocation*

The Board has adopted the following asset allocation for 2024 and 2023 among stocks, bonds, and cash to serve as a general guideline in investing the Plan's assets:

	2024			
	Minimum	Current Allocation	Maximum	Long-Term Rate of Return
US Cash	0.00%	0.00%	5.00%	0.00%
US Core Fixed Income	0.00%	15.00%	15.00%	2.07%
US Intermediate Bonds	0.00%	8.00%	18.00%	1.63%
US High Yield Bonds	0.00%	6.00%	16.00%	4.00%
US Large Caps	7.50%	19.00%	29.00%	5.42%
US Mid Caps	15.00%	28.00%	38.00%	6.00%
Foreign Developed Equity	2.00%	12.00%	17.00%	6.89%
Private Real Estate Property	0.00%	6.00%	16.00%	4.98%
Master Limited Partnerships	0.00%	6.00%	16.00%	7.17%
Arithmetic mean return				2.50%
Long-term expected rate of return				6.00%

# Tulsa City-County Health Department

## Notes to Financial Statements

June 30, 2024 and 2023

### **Note 9: Retirement/Benefit Plans (Continued)**

	2023			
	Minimum	Current Allocation	Maximum	Long-Term Rate of Return
US Cash	0.00%	0.00%	5.00%	0.00%
US Core Fixed Income	0.00%	18.75%	18.75%	1.95%
US Intermediate Bonds	0.00%	8.75%	18.75%	1.48%
US High Yield Bonds	0.00%	7.50%	17.50%	4.24%
US Large Caps	7.50%	17.50%	27.50%	5.57%
US Mid Caps	15.00%	25.00%	35.00%	5.95%
Foreign Developed Equity	2.50%	12.50%	17.50%	6.99%
Private Real Estate Property	0.00%	5.00%	15.00%	4.88%
Master Limited Partnerships	0.00%	5.00%	15.00%	6.71%
Arithmetic mean return				2.35%
Long-term expected rate of return				6.00%

#### *Basis of Accounting*

The financial statements of the System are prepared using the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America. At June 30, 2014, the System adopted the provisions of Governmental Accounting Standards Board Statement No. 67, Financial Reporting for Pension Plans.

The System is considered a Pension Trust Fund (Fiduciary Fund) in Tulsa County's Financial Report. Copies of Tulsa County Employee's Retirement System's Comprehensive Annual Financial Report are available from the County Clerk's office or at [www.tulsacounty.org](http://www.tulsacounty.org).

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

Year Ended June 30:	
2024	\$ 554,100
2025	(1,033,609)
2026	(2,428,214)
2027	(669,869)

The Department also sponsors a defined contribution retirement plan (a 401(a) plan) for employees who choose to participate. The Department matches employee contributions up to \$150 per month which vests immediately. During the years ended June 30, 2024 and 2023, the Department made contributions of approximately \$326,000 and \$301,000, respectively.

## **Tulsa City-County Health Department**

### **Notes to Financial Statements**

**June 30, 2024 and 2023**

#### **Note 10: Related Party Transactions**

There were no related party transactions during the fiscal years ended June 30, 2024 and 2023.

#### **Note 11: Ad Valorem Tax Abatement**

Tulsa County and certain cities in Tulsa County approve tax incentives in the form of Ad Valorem tax abatements. The purpose of these abatements is to stimulate economic growth within the county. The abatements are related to increment financing and incentive districts and Indian housing authority owned properties. Total abatement of Ad Valorem tax due the Department was for 2023 was \$384,915.

Abatement of tax is for a maximum of six years for each property.

## **Required Supplementary Information**

**Tulsa City-County Health Department**  
**Statement of Revenues, Expenditures, Encumbrances, and Changes in Fund Balance -**  
**Budget ad Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2024**

	Original/Final Budget	Actual Budget	Variance
Revenues			
Ad Valorem taxes	\$ 17,650,209	\$ 19,957,793	\$ (2,307,584)
Licenses and permits	1,262,074	1,114,520	147,554
Intergovernmental revenue	17,897,960	18,755,085	(857,125)
Charge for services (fees)	1,607,750	1,537,917	69,833
Miscellaneous	3,608,385	2,125,712	1,482,673
Total revenue	<u>42,026,378</u>	<u>43,491,027</u>	<u>(1,464,649)</u>
Expenditures			
Health and welfare			
Salaries and wages	20,742,005	18,859,291	1,882,714
Employee benefits	8,746,853	7,833,057	913,796
Travel	665,476	507,533	157,943
Operating expenses	9,874,166	11,084,668	(1,210,502)
Other charges	682,000	381,662	300,338
Capital outlay	1,394,061	690,123	703,938
Debt service			
Principal	-	342,500	(342,500)
Interest	-	239,858	(239,858)
Total expenditures	<u>42,104,561</u>	<u>39,938,692</u>	<u>2,165,869</u>
Excess of revenues over expenditures	(78,183)	3,552,335	(3,630,518)
Other financing sources (uses)			
Transfers in (out)	<u>(583,550)</u>	<u>582,358</u>	<u>(1,192)</u>
Total transfers	<u>(583,550)</u>	<u>582,358</u>	<u>(1,192)</u>
Excess of revenues over expenditures, encumbrances and other uses	\$ <u>(661,733)</u>	<u>4,134,693</u>	\$ <u>(3,631,710)</u>
Fund balance, beginning (Non-GAAP budgetary basis)		<u>32,286,270</u>	
Fund balance, ending (Non-GAAP budgetary basis)		36,420,963	
Adjustment to Generally Accepted Accounting Principles			
Revenue and expense accruals		<u>2,741,306</u>	
Fund balance, ending (GAAP Basis)		\$ <u>39,162,269</u>	-



**Tulsa City-County Health Department**  
Schedule of Proportionate Share of the Net Position Liability - Last 10 Fiscal Years  
As of Plan Year-end of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Department's proportion of the net pension liability	17.20%	17.70%	16.99%	18.30%	18.30%	18.30%	17.30%	17.30%	17.34%	18.30%
Department's proportionate share of the net pension liability	\$ 29,106,541	\$ 50,631,416	\$ 22,574,276	\$ 31,034,719	\$ 22,627,171	\$ 16,056,087	\$ 12,184,368	\$ 13,398,702	\$ 6,990,594	\$ 22,627,171
Department's covered-employee payroll	\$ 15,527,463	\$ 15,125,550	\$ 13,472,006	\$ 15,262,337	\$ 14,715,668	\$ 13,999,450	\$ 13,285,711	\$ 13,245,038	\$ 13,320,342	\$ 14,715,668
Department's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.45%	334.74%	167.56%	203.34%	153.76%	114.69%	91.71%	101.16%	52.48%	153.76%
Plan fiduciary net position as a percentage of the total pension liability	65.73%	50.95%	72.20%	62.64%	70.04%	76.86%	80.14%	77.49%	87.12%	70.04%

\* Note - Only the current period and previous nine years are presented because 10-year data is not available.

**Tulsa City-County Health Department**  
**Schedule of Contributions - Pension - Last 10 Fiscal Years\***  
**As of Plan Year-end of June 30,**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 2,713,842	\$ 2,395,325	\$ 2,203,648	\$ 2,182,759	\$ 2,257,613	\$ 1,992,791	\$ 1,868,877	\$ 1,884,769	\$ 1,864,848	\$ 1,811,519
Contribution deficiency (excess)	\$ 417,241	\$ (546,675)	\$ (205,471)	\$ 44,399	\$ (92,718)	\$ (140,813)	\$ (7,595)	\$ 119,772	\$ 57,630	\$ 85,465
Department's covered-employee payroll	\$ 15,527,463	\$ 15,125,550	\$ 13,472,006	\$ 15,262,337	\$ 14,715,668	\$ 13,999,450	\$ 13,285,711	\$ 13,245,038	\$ 13,320,342	\$ 12,909,902
Contributions as a percentage of covered-employee payroll	17%	16%	16%	14%	15%	14%	14%	14%	14%	14%

\* Note - Only the current period and previous nine years are presented because 10-year data is not available.

## **Reports Required by Government Auditing Standards**



**HINKLE &  
COMPANY** PC  
Strategic Business Advisors

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Health  
Tulsa City-County Health Department  
Tulsa, Oklahoma

We have audited, in accordance with the 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, the financial statements of the Tulsa City-County Health Department (the Department), as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Tulsa City-County Health Department's basic financial statements and have issued our report thereon dated January 10, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Department's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hick & Company, PC*

Tulsa, Oklahoma  
January 10, 2025





**Independent Auditor's Report on Compliance for Each Major Federal Program: Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Health  
Tulsa City-County Health Department  
Tulsa, Oklahoma

**Opinion on Each Major Federal Program**

We have audited the Tulsa City-County Health Department's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Tulsa City-County Health Department's major federal programs for the year ended June 30, 2024 and 2023. Tulsa City-County Health Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tulsa City-County Health Department complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024 and 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Tulsa City-County Health Department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tulsa City-County Health Department's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Tulsa City-County Health Department's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Tulsa City-County Health Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Tulsa City-County Health Department's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tulsa City-County Health Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Tulsa City-County Health Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Tulsa City-County Health Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Hick & Company, PC*

Tulsa, Oklahoma  
January 10, 2025





**Tulsa City-County Health Department**  
**Schedule of Federal Awards**  
**June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Activities to Support State, Tribal, Local and Territorial (STLT)				
COVID-19 Health Department Response to Public Health or Healthcare Crises	93.391	N/A	\$ 135,753	\$ 1,705,911
Healthy Start Initiatives	93.926	N/A	108,969	850,683
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967	N/A	-	1,101,376
Passed through the Oklahoma Department of Mental Health and Substance Abuse:				
Substance Abuse and Mental Health Services (SAMHSA)				
Projects of Regional and National Significance - Stimulants	93.243	PO4529063482	-	116,833
Substance Abuse and Mental Health Services (SAMHSA)				
Projects of Regional and National Significance - Opioids	93.243	PO4529063482	-	116,833
Subtotal - SAMHSA			-	233,666
Block Grants for Prevention and Treatment of Substance Abuse	93.959	PO4529063482	-	183,334
Passed through Amplify - Oklahoma Department of Human Services:				
Temporary Assistance for Needy Families (TANF)	93.558	PO8309026358	-	88,355
Passed through the Oklahoma State Department of Health:				
Public Health Emergency Preparedness	93.069	PO3409024739	-	967,403
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	PO3409024735	-	313,236
Immunization Cooperative Agreements - Grants	93.268	PO3409025726	-	191,140
Immunization Cooperative Agreements - Mini Grants	93.268	PO3409025200	-	94,611
COVID-19 Immunization Cooperative Agreements - COVID Grants	93.268	PO3409024909	-	599,752
Immunization Grants - Donated Vaccines	93.268	N/A	-	2,469,663
Subtotal - Immunization Cooperative Agreements			-	4,635,805
Public Health Emergency Response: Cooperative				
Agreement for Emergency Response: Public Health Crisis Response				
Workforce Grant	93.354	PO3409025048	-	457,241
MPOX Response	93.354	PO3409026257	-	5,726
Activities to Support State, Tribal, Local and Territorial (STLT)				
COVID-19 Health Department Response to Public Health or Healthcare Crises	93.391	PO3409024953	-	314,523
Medicaid Cluster				
Medical Assistance Program - Fetal Infant Mortality Review	93.778	PO3409024735	-	68,609
Maternal, Infant and Early Childhood Home Visiting Program (MIECHV)				
MIECHV - Children's First	93.870	PO3409024574	-	211,516
MIECHV - Community Connector	93.870	PO3409022688	-	63,128
Subtotal - MIECHV			-	274,644

**Tulsa City-County Health Department**  
**Schedule of Federal Awards**  
**June 30, 2024**  
(Continued)

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Federal Expenditures
Maternal and Child Health Services Block Grant to States	93.994	PO3409024735	-	258,794
<b>Total U.S. Department of Health and Human Services</b>			244,722	10,178,667
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed through the Oklahoma State Department of Health:</i> Special Supplemental Nutrition Program for Women, Infants and Children	10.557	PO3409024193	-	2,280,531
<b>U.S. DEPARTEMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
<i>Directly Passed through Tulsa City-County Health Department</i> Lead-Based Paint Hazard Control	14.900	N/A	-	710,683
<b>Total Expenditures of Federal Awards</b>			\$ 244,722	\$ 13,169,881

**Tulsa City-County Health Department**  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2024

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Tulsa City-County Health Department (the Department) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Tulsa City-County Health Department, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Department.

The Schedule of Expenditures of Federal Awards has been prepared on the basis of accounting as defined by the Uniform Guidance. Under this basis, expenditures are recognized when the activity related to the award occurs.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

For non-cash assistance, amounts expended equal the fair value at the time of receipt or the assessed value provided by the federal agency.

**Note 3: Indirect Cost Rate**

The Department has elected not to use the 10 percent de minimis indirect cost rate, which is allowed in the Uniform Guidance, Section 414.

**Note 4: Non-Cash Assistance**

The Department received \$2,469,663 in non-cash assistance in the form of donated vaccines under ALN #93.268 Immunization Grants.

**Tulsa City-County Health Department**  
Schedule of Findings and Questioned Costs  
June 30, 2024

### **Summary of Auditor's Results**

1. The opinion expressed in the independent auditor's report was:  
☒ Unmodified    ☐ Qualified    ☐ Adverse    ☐ Disclaimed
2. The independent auditor's report on internal control over financial reporting described:  
Significant deficiencies?    ☐ Yes    ☒ None Reported  
Material weaknesses?    ☐ Yes    ☒ No
3. Noncompliance considered material to the financial statements was disclosed by the audit?    ☐ Yes    ☒ No
4. The independent auditor's report on internal control over compliance for major federal awards programs described:  
Significant deficiencies?    ☐ Yes    ☒ None Reported  
Material weakness?    ☐ Yes    ☒ No
5. The opinion expressed in the independent auditor's report for major federal awards was:  
☒ Unmodified    ☐ Qualified    ☐ Adverse    ☐ Disclaimed
6. The audit disclosed findings required to be reported by Uniform Guidance?    ☐ Yes    ☒ No
7. The Department's major program was:

Federal Program	Federal Assistance Listing Number
Healthy Start Initiatives Grant	#93.926
CDC's Collaboration with Academia to Strengthen Public Health	#93.967
Immunization Grants	#93.268

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$750,000.
9. Auditee qualified as a low-risk auditee as that term is defined in the Uniform Guidance. ☒ Yes ☐ No

**Tulsa City-County Health Department**  
Schedule of Findings and Questioned Costs  
June 30, 2024

**Section II - Findings Required to be Reported in Accordance with Government Auditing Standards**

No matters are reported.

**Section III - Findings Required to be Reported in Accordance with the Uniform Guidance**

No matters are reported.

**Tulsa City-County Health Department**  
Summary Schedule of Prior Audit Findings  
June 30, 2024

**Prior Period - Findings Required to be Reported by Government Auditing Standards**

No matters are reported.

**Prior Period - Findings Required to be Reported in Accordance with the Uniform Guidance**

No matters are reported.