



TULSA CITY-COUNTY LIBRARY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2024 AND 2023

TULSA, OKLAHOMA

Contents

	PAGE
Independent Auditor's Report.....	1 - 3
Management's Discussion and Analysis.....	4 - 8
Financial Statements	
Tulsa City-County Library (Primary Government)	
Statements of Net Position.....	9
Statements of Activities.....	10
Balance Sheets – Governmental Funds	11
Reconciliation of the Balance Sheets of Governmental Funds to the Statements of Net Position.....	12
Statements of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statements of Activities.....	14
Notes to Financial Statements.....	15 - 29
Tulsa Library Trust (Discretely Presented Component Unit)	
Statements of Financial Position.....	30
Statements of Activities.....	31
Statements of Functional Expenses... ..	32 - 33
Statements of Cash Flows.....	34
Notes to Financial Statements.....	35 - 42
Required Supplemental Information	
Schedule of Proportionate Share of the Net Pension Liability – last 10 fiscal years.....	43
Schedule of Contributions – last 10 fiscal years	44
Other Supplemental Information	
Supplemental Schedule of Capital Assets by Location (Cash Basis).....	45 - 46
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>.....	
	47 - 48



**HINKLE &
COMPANY**

Strategic ^{PC}
Business Advisors

Independent Auditor's Report

To the Commission of the
Tulsa City-County Library

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Tulsa City-County Library (the Library), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Library'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 respective financial position of the governmental activities and each major fund of the Library, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Tulsa Library Trust (the Trust). Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for that entity, is based solely on the reports of the other auditors.

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. The financial statements of the Trust were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the Library 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 opinions.

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Responsibilities of Management for the Financial Statements

The Library's management is responsible for the preparation and fair presentation of the 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 Library's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Library'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 the Library'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 the management's discussion and analysis and the schedules of proportionate share of the net pension liability and contributions, as listed in the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 opinions on the financial statements that collectively comprise the Library's basic financial statements. The supplemental schedule of capital assets by location is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of capital assets by location 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of capital assets by location 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 March 18, 2025 on our consideration of the Library's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Tulsa City-County Library's internal control over financial reporting and compliance.

Hick & Company, PC

Tulsa, Oklahoma
March 18, 2025



Management's Discussion and Analysis

Management's Discussion and Analysis

The Tulsa City-County Library's (the "Library's") management provides this Management's Discussion and Analysis (MD&A) as a tool for readers of the Library's Basic Financial Statements for the fiscal years ended June 30, 2024 and 2023. Readers of the Library's financial statements are encouraged to use this information in conjunction with the Library's Basic Financial Statements, which begin on page 9.

Financial Highlights

Financial highlights for the Library as of and for the years ended June 30, 2024, 2023 and 2022 include the following:

- The Library's assets exceeded its liabilities (net position) by approximately \$99.5, \$89.9, and \$85.1 million at June 30, 2024, 2023 and 2022, respectively.
- The Library's net assets increased by approximately \$9.6, \$4.8, and \$1.4 million during the years ended June 30, 2024, 2023 and 2022 respectively.
- Revenues from ad valorem taxes were approximately \$41.1, \$37.7, and \$36.2 million for June 30, 2024, 2023 and 2022, respectively.
- Total expenses were approximately \$37.1, \$36.2, and \$36.3 million for the years ended June 30, 2024, 2023 and 2022, respectively.
- Fiscal 2024, 2023 and 2022 capital outlay expenditures were approximately \$3.9, \$1.9, and \$1.2 million, respectively.

Overview of the Basic Financial Statements

This discussion and analysis serve as an introduction to the Library's Basic Financial Statements. The Library's Basic Financial Statements are comprised of government-wide financial statements, fund financial statements and notes to the Basic Financial Statements. The government-wide financial statements are comprised of the Statements of Net Position and the Statements of Activities (on pages 9 and 10, respectively), which provide information about the activities of the Library as a whole and present a long-term view of the Library's finances. These financial statements provide a broad overview of the Library's operations in a manner similar to private-sector business. Fund financial statements beginning on page 11 demonstrate how the Library's operations were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Library's operations in more detail than the government-wide statements by providing information about the Library's individual funds.

The Statement of Net Position and the Statement of Activities

One of the most important questions asked about a governmental agency is, "Is the organization as a whole better off or worse off as a result of the year's activities?" The Statements of Net Position and the Statements of Activities report information that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Library's net assets and changes in them. You can think of the net assets – the difference between assets and liabilities – as one way to measure the Library's financial health, or financial position. Over time, increases or decreases in net assets are one indicator of whether the financial position is improving or deteriorating.

In the Statements of Net Position and the Statements of Activities for the Library, all activities are reported as governmental activities as the Library has no business-type activities.

Reporting the Library's Most Significant Funds

The fund financial statements begin on page 11 and provide detailed information about the Library's governmental funds.

General Fund – The General Fund consists of a County Treasury fund that is referred to as the Levy Fund. The Levy Fund accounts for transactions related to the receipt of appropriations of ad valorem taxes, most governmental grant and reimbursement programs. Monthly appropriations are made from the Levy to a local banking institution, which are used for the general operations of the Library.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information that is essential for a full understanding of the data provided in the government-wide and the fund financial statements. The Notes to the Basic Financial Statements begin on page 15.

Other Supplementary Information

The Basic Financial Statements are followed by a section of supplemental information. This section includes a Supplemental Schedule of Capital Assets by Location (Cash Basis). The supplemental schedule is presented for purposes of additional analysis and is not a required part of the Basic Financial Statements.

Tulsa City-County Library
Management's Discussion and Analysis
June 30, 2024 and 2023

The Library as a Whole

Net Position

The table below summarizes the Library's Statements of Net Position as of June 30:

	2024	2023	2022
Current assets	\$ 59,013,563	\$ 49,490,652	\$ 42,515,350
Capital assets*	66,869,796	66,811,275	68,738,423
Deferred outflows	4,376,921	7,853,983	10,573,779
Total assets and deferred outflows	<u>130,260,280</u>	<u>124,155,910</u>	<u>121,827,552</u>
Total liabilities*	24,548,899	26,849,527	28,647,930
Deferred inflows	6,190,919	7,393,409	8,124,652
Total liabilities and deferred inflows	<u>30,739,818</u>	<u>34,242,936</u>	<u>36,772,582</u>
Net position			
Investment in capital assets, net of related debt	66,070,224	66,698,409	68,674,225
Unrestricted	33,450,238	23,214,565	16,380,745
	<u>\$ 99,520,462</u>	<u>\$ 89,912,974</u>	<u>\$ 85,054,970</u>

*Due to the implementation of GASB 96, 2022 balances have been restated; no effect on total net position

Tulsa City-County Library
Management's Discussion and Analysis
June 30, 2024 and 2023

Changes in Net Position

The table below summarizes the Library's Statements of Activities for the fiscal years:

Revenues	2024	2023	2022
Program Revenues:			
Library services and fees	\$ 435,126	\$ 675,539	\$ 1,139,594
Governmental and other grants	20,600	78,618	10,073
Gifts and contributions:			
Trust	2,220,938	1,286,112	117,474
Other	65,056	94,025	42,842
General Revenues:			
Ad valorem taxes	41,093,246	37,707,469	36,189,988
Interest income	2,305,193	1,061,331	83,304
Federal aid	426,687	-	-
State aid	168,786	167,149	166,268
Total revenues	46,735,632	41,070,243	37,749,543
Expenses			
Library services:			
Personnel services	21,446,403	21,339,671	22,261,788
Books and other library materials and equipment	1,717,734	1,687,034	1,760,936
Maintenance and operations	6,736,653	6,505,749	5,375,056
Depreciation	6,796,286	6,539,864	6,252,733
Loss (gain) on sale of fixed assets	274,266	10,873	535,855
Lease interest expense (SBITA)*	27,284	5,153	-
Disbursements to Tulsa County for use in revaluation program	129,518	123,895	120,980
Cost of sales - Starbucks	-	-	3,917
Total expense	37,128,144	36,212,239	36,311,265
Change in net position	\$ 9,607,488	\$ 4,858,004	\$ 1,438,278

Analysis of Overall Financial Position and Results of Operations The Library's Funds

The Library's total fund balance at June 30, 2024 of \$56.2 million, was \$9.3 million higher than June 30, 2023. The Library's total fund balance increased by approximately \$7.0 million during fiscal 2023 to approximately \$46.9 million at June 30, 2023, and by approximately \$10.0 million during fiscal 2022 to approximately \$39.9 million at June 30, 2022. The \$34.2 million in assigned funds is reserved for future new libraries, capital replacements, IT equipment replacements, and an operational reserve. Total fund revenues for fiscal 2024 were approximately \$47.8 million, which included ad valorem tax revenues of approximately \$41.1 million.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2024, 2023 and 2022, the Library had approximately \$66.9, \$66.8, and \$68.7 million, respectively, invested in capital assets. Capital assets, net of accumulated depreciation, increased by \$0.1 million, and decreased by \$1.9, and \$7.9 million during the fiscal years ended 2024, 2023 and 2022, respectively.

Debt

In 2023, the Library implemented GASB 96, *Subscription-based Information Technology Arrangements*. The Library had SBITA lease obligations of \$441,056, \$112,866 and \$64,198 at June 30, 2024, 2023 and 2022, respectively. For 2024, the Library implemented GASB 87, *Leases*, resulting in the recognition of lease obligations of \$358,516. There was approximately \$21.0, \$24.2, and \$26.2 million outstanding for the net pension obligation liability at June 30, 2024, 2023 and 2022, respectively.

Contacting the Library's Financial Management

The Library's Basic Financial Statements are designed to provide our citizens, taxpayers, and customers with a general overview of the Library's finances, and to show accountability for the money it receives. If you have questions about the Library's financial statements or need additional financial information, contact the Finance Department, 400 Civic Center, Tulsa, OK 74103 or call (918) 549-7323.

Dawn Officer
Chief Financial Officer

Tulsa City-County Library
Statements of Net Position
June 30, 2024 and 2023

	Assets	Governmental Activities	
		2024	2023
Current assets			
Cash and cash equivalents		\$ 56,225,445	\$ 46,817,983
Ad Valorem taxes receivable		2,100,202	1,987,360
Receivable - Tulsa Library Trust		669,553	685,309
Miscellaneous receivables		18,363	-
Total current assets		59,013,563	49,490,652
Capital assets			
Land		4,983,451	4,983,451
Construction in progress		1,055,196	351,667
Capital assets, net*		60,831,149	61,476,157
Total capital assets		66,869,796	66,811,275
Total assets		125,883,359	116,301,927
Deferred Outflow of Resources			
Pension related items		4,376,921	7,853,983
Total assets and deferred outflow of resources		\$ 130,260,280	\$ 124,155,910
Liabilities			
Current liabilities			
Accounts payable		\$ 1,080,369	\$ 1,069,158
Salaries and benefits payable		1,602,584	1,398,945
Unearned income		46,350	37,185
Accrued interest payable		10,645	3,201
Capital lease obligations, current portion*		80,214	-
SBITA lease obligations, current portion*		160,691	53,873
Total current liabilities		2,980,853	2,562,362
Capital lease obligations, net of current*		278,302	-
SBITA lease obligations, net of current*		280,365	58,993
Net pension liability		21,009,379	24,228,172
Total liabilities		24,548,899	26,849,527
Deferred Inflows of Resources			
Pension related items		6,190,919	7,393,409
Net Position			
Net investment in capital assets		66,070,224	66,698,409
Unrestricted		33,450,238	23,214,565
Total net position		99,520,462	89,912,974
Total liabilities, deferred inflows of resources and net position		\$ 130,260,280	\$ 124,155,910

The accompanying notes are an integral part of these financial statements.

Tulsa City-County Library

Statement of Activities

Years Ended June 30, 2024 and 2023

	Governmental Activities	
	2024	2023
Expenses		
Library services:		
Personnel services	\$ 21,446,403	\$ 21,339,671
Books and other library materials and equipment	1,717,734	1,687,034
Maintenance and operations	6,736,653	6,505,749
Depreciation	6,796,286	6,539,864
Loss (gain) on sale of fixed assets	274,266	10,873
Lease interest expense (GASB 87/96)*	27,284	5,153
Disbursement to Tulsa County for use in County Assessor reevaluation program	129,518	123,895
Total program expenses	37,128,144	36,212,239
Program revenues		
Library services and fees	435,126	675,539
Government and other grants	20,600	78,618
Specific operating/capital contributions:		
Tulsa Library Trust	2,220,938	1,286,112
Other	65,056	94,025
Total program revenues	2,741,720	2,134,294
Net program expense	34,386,424	34,077,945
General revenues (expenses)		
Ad valorem taxes	41,093,246	37,707,469
Interest income	2,305,193	1,061,331
Federal aid	426,687	-
State aid	168,786	167,149
Total general revenues	43,993,912	38,935,949
Increase in net position	9,607,488	4,858,004
Net position, beginning of year	89,912,974	85,054,970
Net position, end of year	\$ 99,520,462	\$ 89,912,974

* Lease activity is recognized due to the implementation of GASB 87 and 96

The accompanying notes are an integral part of these financial statements.

Tulsa City-County Library
Balance Sheets - Governmental Funds
June 30, 2024 and 2023

	General Fund	
	2024	2023
Assets		
Cash and cash equivalents	\$ 56,225,445	\$ 46,817,983
Receivables, primarily ad valorem taxes	2,100,985	1,987,360
Receivable - Tulsa Library Trust	669,553	685,309
Total assets	\$ 58,995,983	\$ 49,490,652
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,080,369	\$ 1,069,158
Salaries and benefits payable	357,371	172,179
Unavailable revenue	1,332,047	1,301,781
Total liabilities	2,769,787	2,543,118
Fund balances		
Assigned	34,200,000	24,135,779
Unassigned	22,026,196	22,811,755
Total fund balances	56,226,196	46,947,534
Total liabilities and fund balances	\$ 58,995,983	\$ 49,490,652

The accompanying notes are an integral part of these financial statements.

Tulsa City-County Library
**Reconciliation of the Balance Sheets of Governmental Funds to the
Statements of Net Position**
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Fund balances - total governmental funds	\$ 56,226,196	\$ 46,947,534
Amounts reported for governmental activities in the statements of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements.	66,869,796	66,811,275
Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	1,303,277	1,264,596
Compensated absences are not financial expenditures and therefore are not reported as a liability in government funds.	(1,245,213)	(1,226,766)
Long-term liabilities are reported in the statements of net position but are not reported as liabilities in the fund financial statements. The detail of the long-term liabilities and related accrued interest is as follows:		
Lease obligations*	(799,572)	(112,866)
Accrued interest (Leases)*	(10,645)	(3,201)
Deferred outflows related to the pension plan are not financial resources and therefore are not reported in the funds.	4,376,921	7,853,983
Deferred inflows related to the pension plan are not due and payable in the current period and therefore are not reported in the funds.	(6,190,919)	(7,393,409)
The net pension liability is not due and payable in the current period and therefore is not reported in the funds.	<u>(21,009,379)</u>	<u>(24,228,172)</u>
Net position of governmental activities	<u>\$ 99,520,462</u>	<u>\$ 89,912,974</u>

The accompanying notes are an integral part of these financial statements.

Tulsa City-County Library
Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental
Funds
Years Ended June 30, 2024 and 2023

	General Fund	
	2024	2023
Revenues		
Ad Valorem taxes	\$ 41,054,803	\$ 38,424,703
Interest income	2,305,193	1,061,331
Gifts and contributions:		
Tulsa Library Trust	2,220,938	1,286,112
Other	77,566	94,025
Library services and fees	434,889	675,539
Other financing source – GASB 87/96 leases	1,055,145	104,022
Government and other grants	20,600	78,618
State aid	168,786	167,149
Federal aid	426,687	-
Total revenues	47,764,607	41,891,499
Expenditures		
Library services:		
Personnel services	22,372,178	21,381,170
Books and other library materials and equipment	4,937,465	4,377,482
Maintenance and operations	7,105,092	6,563,096
Disbursement to Tulsa County for use in County Assessor reevaluation program	129,518	123,895
Capital outlay	3,921,853	1,933,101
Lease interest expense (GASB 87/96)	19,839	-
Total expenditures	38,485,945	34,378,744
Net change in fund balances	9,278,662	7,512,755
Fund balances - beginning of year	46,947,534	39,434,779
Fund balances - end of year	\$ 56,226,196	\$ 46,947,534

The accompanying notes are an integral part of these financial statements.

Tulsa City-County Library

Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statements of Activities

Years Ended June 30, 2024 and 2023

	2024	2023
Net change in fund balances - total governmental funds	\$ 9,278,662	\$ 7,512,755
Amounts reported for governmental activities in the statements of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statements of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was more or less than depreciation in the current period.	345,297	(1,916,314)
Governmental funds report the proceeds of sales of capital assets as receipts, however in the statement of activities, the amount of receipts are netted with the current book value of the assets sold to determine a gain or loss on the sale.	(286,776)	(10,834)
Because some ad valorem taxes will not be collected for several months after the Library's fiscal year ends, they are not considered "available" revenues in the governmental funds and are instead counted as deferred revenues. They are however, recorded as revenue in the statement of activities.	38,681	(717,234)
In the statement of activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.	944,221	23,780
Compensated absences are not considered to be expenditures in the governmental funds. They are, however, recorded as expenditures in the statement of activities.	(18,447)	21,204
Governmental funds report the issuance of a capital lease as another financing source and capital outlay. The statement of activities recognizes the principal portion of lease payments made during the year as a reduction of the lease liability.	(694,150)	(55,353)
Change in net position of governmental activities	<u>\$ 9,607,488</u>	<u>\$ 4,858,004</u>

The accompanying notes are an integral part of these financial statements.

Note A – Summary of Significant Accounting Policies

Reporting Entity – The Tulsa City-County Library (TCCL or the Library) was established in 1961 by Tulsa County (the County) and the City of Tulsa (the City) in accordance with the City-County Library Act of the Oklahoma statutes. Under this statute, the Library is to foster and promote the establishment, maintenance and operation of a library system in order to give all of the citizens of the counties affected equal access to comprehensive library collections. The Library is governed by a Commission consisting of eleven members: six appointed by the Mayor of Tulsa, subject to the governing Board approval, and three shall be appointed by the Board of County Commissioners. The Mayor of Tulsa and the Chairman of the Board of County Commissioners shall be ex-officio members of the Commission and shall be entitled to vote on all matters.

Basis of Accounting – The basic financial statements of the Tulsa City-County Library have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Subsequent Events – The Library has evaluated subsequent events through the date which the financial statements were available to be issued.

Note B – Basis of Presentation

Government-Wide Financial Statements – The government-wide financial statements provide operational accountability information for the Library as an economic unit. The government-wide financial statements report information about the Library’s ability to maintain service levels and continue to meet its obligations as they come due. The statements include all activities of the Library and include the statements of net position and the statements of activities as required by GASB.

Fund Financial Statements – The accounts of the Library are organized on the basis of funds, each of which are considered to be an independent fiscal and accounting entity. The operations of each fund are accounted for within separate sets of self-balancing accounts, which comprise its assets, liabilities, fund equity, revenues, expenditures and transfers. Financial activities of the Library are recorded in the fund as described below.

Governmental Funds – Governmental funds finance all functions of the Library, accounting for the acquisition, use and balances of the Library’s expendable financial resources and the related liabilities.

Note B – Basis of Presentation - Continued

General Fund – The General Fund, referred to by the Library as the Levy Fund, accounts for transactions related to the receipt of appropriations of ad valorem taxes, most governmental grant and reimbursement programs, gifts and miscellaneous receipts, which are used for the general operations of the Library. As such, this fund will always be reported as a major fund. The fund also accounts for collections of copy service fees, book fines, proceeds from the sale of surplus personal property and other miscellaneous items. Such amounts are primarily expended for the purchase, replacement or repair of books or other personal property, except motor vehicles, and do not require appropriation.

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds. A reconciliation is presented to explain the differences in fund balances of the governmental fund financial statements and the net position of the governmental activities in the government-wide financial statements.

During the fiscal year ended June 30, 2004, the Library implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends GASB Statement No. 14 to provide additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it is required reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of the Library. Organizations that are legally separate, tax-exempt entities and that meet all the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The Tulsa Library Trust (the Trust) was established to benefit the Library and, meeting the criteria above, is considered a component unit of the Library. The assets of the Trust are held in endowment funds. These funds are required to be retained in perpetuity in accordance with the donor's intent. The income from these investments may be expended for the benefit of the Library. The determination of amounts to be expended and the timing of those expenditures is solely that of the Board of the Trust. Management and the Commission of the Library cannot control the Board of the Trust, therefore, presenting the assets, liabilities and operations of the Trust alongside the financial data of the Library could and would be misleading to the users of the financial statements. In addition, the basis of accounting and reporting of the Trust follows Financial Accounting Standards Board rules for not-for-profit entities, which differ from the presentation required by the GASB. In order to comply with the requirements of Statement No. 39, management has elected to present the financial information of its discretely presented component unit in their entirety on pages 29 to 41. Management believes this presentation discloses the resources being held for the benefit of the Library and clearly shows the net position of the Trust is not under the control of the Commission.

Note C – Measurement Focus/Basis of Accounting/Accounting Policies

Measurement Focus/Revenue Recognition – The measurement focus determines the accounting and financial reporting treatment applied to a fund. The governmental activities within the government-wide statement of net position and statement of activities are presented using the economic resources measurement focus. The economic resources measurement focus meets the accounting objectives of determining net income, financial position, and cash flows. Government funds use the current financial resources measurement focus. This measurement focus is based upon the receipt and disbursement of current available financial resources rather than when earned or incurred.

Basis of Accounting – The accrual basis of accounting is used throughout the government-wide financial statements; conversely, the fund financial statements for the governmental funds have been prepared in accordance with the modified accrual basis of accounting, whereby revenues are recognized when considered both measurable and available to finance expenditures of the current period.

Accounting Policies – The Library’s significant accounting policies related to the following basic financial statement categories are summarized below.

Cash and Cash Equivalents – The Library considers all highly liquid investments in debt securities with initial maturities of three months or less to be cash equivalents.

Ad Valorem Taxes – Property taxes are collected and remitted to the County. These taxes are levied annually on November 1 and are due one-half by December 31 and one-half by March 31.

In the governmental fund financial statements, property taxes receivable are recorded in the Levy Fund. At fiscal year-end, the receivables represent delinquent and escrowed paid-under-protest taxes. If paid-under-protest and delinquent taxes are not paid within 60 days of year-end, they are recorded as deferred revenue. In the government-wide financial statements, property taxes receivable and related revenue include all amounts due the County regardless of when cash is received. Over time, substantially all property taxes are collected.

Capital Assets/Depreciation – The Library’s accounting policies regarding capital assets such as land, buildings, furniture, equipment and books are that these assets, with an initial cost of \$1,000 or more, are capitalized and depreciated over their estimated useful lives. Library materials (subscriptions) are generally expensed when purchased. The Library has chosen the straight-line depreciation method for its capital assets based on the estimated useful lives of the capital assets as follows:

<u>Class of Asset</u>	<u>Estimated Useful Life</u>
Buildings	30 years
Improvements	20 years
Furniture, fixtures and equipment	3 - 20 years
Books	5 years

Capital assets do not include assets held for public exhibition, education and research.

Note C – Measurement Focus/Basis of Accounting/Accounting Policies - Continued

Compensated Absences - It is the Library's policy to permit employees who work 20 or more hours per week to accumulate earned but unused annual vacation leave benefits. Employees earn annual vacation leave after six months of continuous service with half the allowed amount available at six months and the balance on the anniversary date. The amount of annual vacation varies according to the hours worked per week. Unused annual vacation leave may be carried forward each year up to a maximum of 40 working days (320 hours). Unused annual vacation leave must normally be taken within the next year after it is earned. Upon separation, an employee in good standing will be paid for any vacation leave earned but not used if they have been employed for at least one year and have successfully completed the probation period. All employees who work 20 or more hours per week also earn sick leave. The amount of annual sick leave varies according to the hours worked per week. Upon separation, an employee will not be paid for any sick leave accrued but not used, therefore, no accrual has been recorded. The governmental fund financial statements record expenditures when employees are paid for annual leave. The government-wide financial statements present the cost of accumulated vacation leaves as a liability classified as salaries and benefits payable.

Deferred Ad Valorem Taxes – The governmental fund financial statements record Ad Valorem taxes earned but not received within 60 days of year-end as deferred revenue at June 30, 2024 and 2023.

Net Position – The government-wide financial statements utilize a net position presentation that are categorized as investment in fixed assets (net of related debt), restricted and unrestricted. Investment in capital assets (net of related debt) is intended to reflect the portion of net position which is associated with non-liquid capital assets less outstanding capital assets related debt. Unrestricted net position represents unrestricted liquid assets. The governmental fund financial statements classify equity as an unreserved fund balance.

Use of Estimates – The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Retirement Plan and Pensions – The information presented in Note P regarding the Library's participation in the Municipal Employees' Retirement Plan is presented in accordance with Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of Government Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Government Employers*. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement Plan (MERP) and additions to/deductions from MERP's fiduciary net position have been determined on the same basis as they are reported by MERP. 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.

Note D – Fund Equity

Beginning with fiscal year 2011, the Library implemented 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:

Non-spendable – 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).

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

Assigned – Amounts that are designated by the Library for a specific purpose but are not spendable without approval from the Board of Commission.

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

The General Fund has assigned funds as follows:

	2024	2023
New construction projects	\$ 30,000,000	\$ 20,000,000
Capital replacement reserve	1,000,000	1,135,779
Operating reserve	3,000,000	3,000,000
IT replacements	200,000	-
	<u>\$ 34,200,000</u>	<u>\$ 24,135,779</u>

Note E – Stewardship, Compliance and Accountability

Under Oklahoma law, the Library 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. State grant revenues and expenditures are accounted for in accordance with applicable contract provisions.

Budgetary Comparison Information – The Library is not legally required to adopt an annual budget; therefore, presenting budget to actual comparisons is not considered necessary.

Note F – Cash and Cash Equivalents

The County Treasurer's office holds all cash and cash equivalents for the Library and, as agent for the Library, ensures that such deposits are properly insured or collateralized. Balances held by the County on behalf of the Library at June 30, 2024 and 2023 were included in a commingled pool of County funds with a portion of the funds held in a checking account, which is swept daily into a government money market mutual fund. The balance of the pool is invested directly in the same mutual fund. The cash is subject to the depository collateral risk of all the pooled funds of the County. Under this concept, all cash is pooled together for investment purposes and interest income is credited to the appropriate funds.

Deposits are held by Oklahoma banking institutions and are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition to bank-owned securities, letters-of-credit are also used to cover deposits exceeding FDIC insurance amounts. Under state law, the institutions must protect excess county funds by pledging collateral (bank assets) to cover such funds.

Note G – Ad Valorem Taxes

The Library's share of the County's Ad Valorem taxes due but not collected by the County as of June 30, 2024 and 2023, is \$2,100,153 and \$1,986,512, respectively. Amounts are considered fully collectible.

Note H – Capital Assets

The Library's capital assets activity for fiscal 2024 and 2023 is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets not being depreciated:				
Land and improvements	\$ 4,983,451	\$ -	\$ -	\$ 4,983,451
Construction in progress	351,667	797,496	(93,967)	1,055,196
	<u>5,335,118</u>	<u>797,496</u>	<u>(93,967)</u>	<u>6,038,647</u>
Capital assets being depreciated:				
Buildings and improvements	92,042,430	1,360,733	-	93,403,163
Furniture, fixtures, and equipment	20,052,041	802,447	(3,092,687)	17,761,801
Books	16,454,903	3,219,731	(2,473,794)	17,200,840
Intangibles (SBITA)*	168,220	640,555	-	808,775
Lease - right-to-use asset	-	414,589	-	414,589
	<u>128,717,594</u>	<u>6,438,055</u>	<u>(5,566,481)</u>	<u>129,589,168</u>
Accumulated depreciation for:				
Buildings and improvements	(46,790,382)	(2,871,525)	-	(49,661,907)
Furniture, fixtures, and equipment	(16,187,192)	(1,240,392)	2,805,911	(14,621,673)
Books	(4,208,943)	(2,449,192)	2,473,794	(4,184,341)
Intangibles (SBITA)*	(54,920)	(176,200)	-	(231,120)
Lease - right-to-use asset	-	(58,978)	-	(58,978)
	<u>(67,241,437)</u>	<u>(6,796,287)</u>	<u>5,279,705</u>	<u>(68,758,019)</u>
Total capital assets being depreciated, net*	<u>61,476,157</u>	<u>(358,232)</u>	<u>(286,776)</u>	<u>60,831,149</u>
Capital assets, net*	<u>\$ 66,811,275</u>	<u>\$ 439,264</u>	<u>\$ (380,743)</u>	<u>\$ 66,869,796</u>

Note H – Capital Assets - Continued

The Library's capital assets activity for fiscal year 2023 and 2022 is as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets not being depreciated:				
Land and improvements	\$ 4,983,451	\$ -	\$ -	\$ 4,983,451
Construction in progress	-	351,667	-	351,667
	<u>4,983,451</u>	<u>351,667</u>	<u>-</u>	<u>5,335,118</u>
Capital assets being depreciated:				
Buildings and improvements	91,850,669	193,333	(1,572)	92,042,430
Furniture, fixtures, and equipment	21,548,413	1,284,080	(2,780,452)	20,052,041
Books	16,362,585	2,690,448	(2,598,130)	16,454,903
Intangibles (SBITA)*	64,198	104,022	-	168,220
	<u>129,825,865</u>	<u>4,271,883</u>	<u>(5,380,154)</u>	<u>128,717,594</u>
Accumulated depreciation for:				
Buildings and improvements	(43,961,919)	(2,829,254)	791	(46,790,382)
Furniture, fixtures, and equipment	(17,690,780)	(1,266,772)	2,770,360	(16,187,192)
Books	(4,418,194)	(2,388,918)	2,598,169	(4,208,943)
Intangibles (SBITA)*	-	(54,920)	-	(54,920)
	<u>(66,070,893)</u>	<u>(6,539,864)</u>	<u>5,369,320</u>	<u>(67,241,437)</u>
Total capital assets being depreciated, net*	<u>63,754,972</u>	<u>(2,267,981)</u>	<u>(10,834)</u>	<u>61,476,157</u>
Capital assets, net*	<u>\$ 68,738,423</u>	<u>\$ (1,916,314)</u>	<u>\$ (10,834)</u>	<u>\$ 66,811,275</u>

* Restated due to the implementation of GASB 96

Note I – Commitments and Subscription Liabilities

The Library leases some of its branch library buildings. The lease terms for the branch libraries vary by location, however, there were no rent-related disbursements under these leases for 2024.

In addition, the Library has a license agreement with a computer software vendor that is renewable annually. The maintenance fee for 2024 and 2023 was \$272,851 and \$265,604, respectively.

Note J – Intergovernmental Lease

TCCL has leases with various local governments (i.e. City of Tulsa, Tulsa Public Schools and Tulsa County) consisting of county owned building space leased to TCCL. Several of the leases are for 99 years from the original date of signature and are at nominal amounts.

Note K – Subscription-Based Assets and Liabilities

Under GASB Statement 96, *Subscription-Based Information Technology Arrangements* the Library recognizes a right-to-use asset and corresponding subscription liability related to certain noncancelable agreements for use of online research tools.

Activity is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
SBITA Lease Obligations	\$ 112,866	\$ 640,556	\$ 312,366	\$ 441,056	\$ 160,691

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
SBITA Lease Obligations	\$ 64,197	\$ 104,022	\$ 55,353	\$ 112,866	\$ 53,873

Payment requirements to maturity are as follows:

	SBITA Lease Obligations	
	Principal	Interest
2025	160,691	17,263
2026	117,904	11,511
2027	123,827	6,304
2028	38,634	1,076
	<u>441,056</u>	<u>36,154</u>

Note L – Lease Liabilities and Deferred Receivables

Under GASB Statement 87, the Library as a lessee is required to recognize a lease liability and an intangible right-to-use lease asset.

Current year activity is as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Lessee Lease Obligations	\$ -	\$ 358,516	\$ -	\$ 358,516	\$ 80,214

Payment requirements to maturity are as follows:

	Lessee Lease Obligations	
	Principal	Interest
2025	80,214	9,805
2026	82,654	7,365
2027	85,168	4,852
2028	87,758	2,261
2029	22,722	153
	<u>358,516</u>	<u>24,436</u>

Note M – Deferred Compensation Plan

Employees of the Library may also participate in a deferred compensation plan adopted by the Library under provisions of the Internal Revenue Code (“IRC”) Section 457 Deferred Compensation Plans with Respect to Service for State and Local Governments. The deferred compensation plan is available to all employees of the Library. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date.

The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The deferred compensation plan is administered by an unrelated third party. Assets and income within the plan are held in trust for the exclusive benefit of plan participants and their beneficiaries through a custodial account agreement with a national financial institution for the exclusive benefit of the plan’s participants and are not reflected in the accompanying financial statements.

Note N – Ad Valorem Tax Abatement

The Library is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article X Section 6B for qualifying manufacturing concerns.

Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. In exchange for the five-year exemption, qualifying manufacturing concerns must incur investment costs of \$250,000 or more for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that must be met and qualifying manufacturing concern must offer basic health benefit plan to all full-time employees within 180 days of employment. The Library had \$756,098 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2024.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. Section 193 that is used to reimburse the City for the loss of revenue. Contributions to this Fund come from a dedicated tax stream comprised of one percent of net state personal and corporate income tax revenues. The library received \$315,845 in the year ended June 30, 2024 and has an outstanding, unpaid claim of \$440,253 of reimbursement from the State as of June 30, 2024.

Note O – Transactions with the Discretely Presented Component Unit

The Tulsa Library Trust (the “Trust”) was established in 1972 by the Friends of the Tulsa Public Library, Inc., and the Tulsa City-County Library Commission. The Trust’s mission is to increase endowment and donor funding to improve and enhance the Library’s programs, collections, services, and librarian training and to administer Trust expenditures and investments. The Library is the primary beneficiary of the Trust. During the years ended June 30, 2024 and 2023, the Trust contributed \$2,220,945 and \$1,286,112, respectively, to the Library to be used for book and equipment purchases. In addition, the Trust directly sponsors various other activities such as the Distinguished Author Series and summer programs for children. As of June 30, 2024 and 2023, accounts receivable from the Trust were \$669,560 and \$685,309, respectively. Contribution and receivable amounts reported in the Trust’s audited financial statements differ from the Library’s financial statements due to timing differences in recording transaction-based application of different accounting standards, Governmental Accounting Standards Board versus Financial Accounting Standards Board. The Library considers all outstanding receivables to be fully collectable and accurate.

Note P – Related Party Transactions

The Library exchanges various services, such as cash management and payroll processing, with the City and County. No value is assigned in the financial statements to the services received from, or rendered for, as the value of these services is not readily determinable.

Note Q – Retirement Plan and Pension

In June 2012, The Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The statement was effective for fiscal years beginning after June 15, 2014. The adoption of the standard, as amended, added deferred outflows and inflows related to delayed recognition changes to the net pension liability and the recognition of the Authority's share of net pension liabilities.

1. Plan Description

Employees of the Library are provided with pensions through the Municipal Employee Retirement Plan (MERP)—a cost-sharing multiple-employer defined benefit pension plan administered by the City of Tulsa (City). MERP provides retirement, disability and death benefits which are established by City ordinance to plan members and beneficiaries.

Management of MERP is vested in the Board of Trustees consisting of seven members – two elected by active plan members, one elected by retirees, two mayoral appointments, and the City's Director of Finance and Director of Human Resources.

MERP does not issue a stand-alone financial report, however financial statements and required supplementary information are included in the City of Tulsa's Annual Comprehensive Financial Report (ACFR). The report may be obtained by writing to the City of Tulsa Controller, 175 E. 2nd Street, Tulsa, Oklahoma 74103.

2. Benefits Provided

Any member entering the plan prior to July 1, 2018, whose years of continuous employment, when added to the member's age equals or exceeds 80, may retire without a reduction in the monthly benefit. Any member entering the plan on or after July 1, 2018, whose years of continuous employment, when added to the member's age equals or exceeds 90, may retire without a reduction in the monthly benefit. The amount of retirement is established by City ordinance and is equal to 2.35% for those members in the plan prior to July 1, 2018, and 2.00% for those entering the plan on or after July 1, 2018 of final average earnings of the highest 30 months within the last five years of service, up to the covered compensation, times years of service.

Pension provisions include death benefits for the surviving spouse. Disability benefits are determined in the same manner as normal retirement. Benefits vest at 100% after five years of service.

3. Contributions

Contributions are set per City of Tulsa ordinance. Employees were required to contribute 7.5% of their pensionable wages through September 24, 2022. The required employee contribution increased to 8% effective September 25, 2022. The Library was required to contribute 16.5% of pensionable wages through September. The required employer contribution for the plan increased to 17% effective September 24, 2022. Contributions to the pension plan from the Library were \$2,326,518 for the year ended June 30, 2024, and \$2,279,327 for the year ended June 30, 2023.

Note Q – Retirement Plan and Pension - Continued

4. *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2024, the Library reported a liability of \$21,009,379 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. Standard update procedures were used to roll forward the total pension liability to June 30, 2024. The Library's proportion of the net pension liability was based on the Library's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2024, the Library's proportion was 8.1785 percent, which was a decrease of 0.4631 percent from its proportion measured as of June 30, 2023.

The library recognized pension expense of \$1,382,297 and \$2,259,432 at June 30, 2024 and 2023, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 1,355,139	\$ -
Changes of assumptions	-	220,591
Net difference between projected and actual earnings on pension plan investments	3,021,782	3,719,084
Changes in proportion and differences between Library's contributions and proportionate share of contributions	-	2,251,244
Total	<u>\$ 4,376,921</u>	<u>\$ 6,190,919</u>

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

Year ended June 30:

2025	(1,029,626)
2026	(952,995)
2027	<u>(268,623)</u>
	<u>\$ (2,251,244)</u>

Note Q – Retirement Plan and Pension - Continued

5. *Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 9.50 percent, including inflation
Investment rate of return	6.75 percent compounded annually, net of investment expense and including inflation

Mortality rates were based on the Pub-2010 mortality tables, which is projected generationally using Scale MP-2021.

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	2.75%
Domestic equity	36%	6.00%
International equity	24%	4.50%
Real estate	12%	5.25%
Other	7%	4.50%
Cash	1%	0.50%
Total	<u>100%</u>	

Note Q – Retirement Plan and Pension - Continued

6. *Discount Rate*

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Library will be made as specified in the MERP funding policy. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. *Sensitivity of the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the Library's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the Library's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	<u>(5.75%)</u>	<u>Rate (6.75%)</u>	<u>(7.75%)</u>
Library's proportionate share of the net pension liability	\$ 29,734,711	\$ 21,009,379	\$ 16,758,968

8. *Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the City of Tulsa's Comprehensive Annual Financial Report, which can be located at www.cityoftulsa.org.

**Discretely Presented
Component Unit**

TULSA LIBRARY TRUST
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,972,514	\$ 257,949
Accrued interest receivable	38,769	33,373
Pledges receivable, net	4,380,000	583,774
Total current assets	<u>6,391,283</u>	<u>875,096</u>
NON-CURRENT ASSETS		
Investments	26,516,089	24,448,026
Pledges receivable, less current portion, net	5,154,187	149,088
Total non-current assets	<u>31,670,276</u>	<u>24,597,114</u>
Total assets	<u>\$ 38,061,559</u>	<u>\$ 25,472,210</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 49,891	\$ 46,312
Due to Tulsa City-County Library	669,553	685,309
Total current liabilities	<u>719,444</u>	<u>731,621</u>
NET ASSETS		
Without donor restrictions	10,157,684	9,200,962
With donor restrictions	27,184,431	15,539,627
Total net assets	<u>37,342,115</u>	<u>24,740,589</u>
Total liabilities and net assets	<u>\$ 38,061,559</u>	<u>\$ 25,472,210</u>

See accompanying notes to the financial statements

TULSA LIBRARY TRUST
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES, GAINS AND OTHER SUPPORT		
Contributions and grants	\$ 102,179	\$ 137,649
Special activities and other	76,281	49,673
Investment return, net	<u>1,222,355</u>	<u>1,358,929</u>
Total revenues, gains and other support	<u>1,400,815</u>	<u>1,546,251</u>
 NET ASSETS RELEASED FROM RESTRICTION	 <u>1,943,360</u>	 <u>1,104,639</u>
 EXPENSES		
Program services:		
Program	2,228,781	1,368,590
Supporting services:		
Management and general	122,890	139,530
Fundraising	<u>35,782</u>	<u>36,763</u>
Total expenses	<u>2,387,453</u>	<u>1,544,883</u>
 Change in net assets without donor restrictions	 <u>956,722</u>	 <u>1,106,007</u>
 CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	12,398,306	1,472,563
Investment return, net	1,189,858	1,282,339
Net assets released from restriction	<u>(1,943,360)</u>	<u>(1,104,639)</u>
Change in net assets with donor restrictions	<u>11,644,804</u>	<u>1,650,263</u>
 CHANGE IN NET ASSETS	 12,601,526	 2,756,270
NET ASSETS, beginning of year	<u>24,740,589</u>	<u>21,984,319</u>
NET ASSETS, end of year	<u>\$ 37,342,115</u>	<u>\$ 24,740,589</u>

See accompanying notes to the financial statements

TULSA LIBRARY TRUST
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services				Supporting Services		
	General TCCL Support	Summer Reading Program	Author Events	Total Program	Management and General	Fundraising	Total Expenses
Books for giveaways	\$ 284,152	\$ -	\$ -	\$ 284,152	\$ -	\$ -	\$ 284,152
My Library Our Future capital campaign	690,414	-	-	690,414	-	-	690,414
Central Library capital, maintenance, and repair expenditures	337,731	-	-	337,731	-	-	337,731
Conferences and training	16,513	-	-	16,513	-	-	16,513
Contract and consulting services	116,998	-	-	116,998	2,034	-	119,032
Employee and volunteer recognition	21,769	-	-	21,769	-	-	21,769
Miscellaneous	2,448	-	1,365	3,813	3,593	275	7,681
Payroll taxes	-	-	-	-	7,178	2,393	9,571
Printing and copying	20,537	58,613	2,999	82,149	380	380	82,909
Prizes	6,924	91,450	3,249	101,623	-	-	101,623
Professional fees	11,947	-	-	11,947	10,919	-	22,866
Program travel, equipment, catering and event fees	10,338	27,069	52,109	89,516	-	-	89,516
Salaries and wages	-	-	-	-	94,183	31,394	125,577
Salary reimbursement	115,750	-	-	115,750	-	-	115,750
Scholarships and awards	-	-	60,083	60,083	-	-	60,083
Software and support	-	-	-	-	4,603	1,340	5,943
Speaker and performance honorariums	31,103	49,353	23,425	103,881	-	-	103,881
Collection materials	104,208	-	-	104,208	-	-	104,208
Supplies	61,825	21,256	5,153	88,234	-	-	88,234
TOTAL EXPENSES	\$ 1,832,657	\$ 247,741	\$ 148,383	\$ 2,228,781	\$ 122,890	\$ 35,782	\$ 2,387,453

See accompanying notes to the financial statements

TULSA LIBRARY TRUST
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services				Supporting Services		
	General TCCL Support	Summer Reading Program	Author Events	Total Program	Management and General	Fundraising	Total Expenses
Books for giveaways	\$ 92,359	\$ -	\$ -	\$ 92,359	\$ -	\$ -	\$ 92,359
My Library Our Future capital campaign	255,350	-	-	255,350	-	-	255,350
Central Library capital, maintenance, and repair expenditures	174,777	-	-	174,777	-	-	174,777
Conferences and training	16,263	-	-	16,263	-	-	16,263
Contract and consulting services	123,226	-	-	123,226	2,034	-	125,260
Employee and volunteer recognition	24,967	-	-	24,967	-	-	24,967
Miscellaneous	7,357	-	1,204	8,561	398	219	9,178
Payroll taxes	-	-	-	-	7,180	2,393	9,573
Printing and copying	14,782	60,032	506	75,320	-	-	75,320
Prizes	3,061	92,978	4,569	100,608	-	-	100,608
Professional fees	29,918	-	-	29,918	29,161	-	59,079
Program travel, equipment, catering and event fees	5,213	-	72,088	77,301	-	-	77,301
Salaries and wages	-	-	-	-	98,382	32,794	131,176
Salary reimbursement	81,042	-	-	81,042	-	-	81,042
Scholarships and awards	-	-	72,650	72,650	-	-	72,650
Software and support	2,001	-	-	2,001	1,850	1,357	5,208
Speaker and performance honorariums	34,723	39,732	52,743	127,198	-	-	127,198
Collection materials	45,668	-	1,376	47,044	-	-	47,044
Supplies	44,158	13,070	2,777	60,005	525	-	60,530
TOTAL EXPENSES	\$ 954,865	\$ 205,812	\$ 207,913	\$ 1,368,590	\$ 139,530	\$ 36,763	\$ 1,544,883

See accompanying notes to the financial statements

TULSA LIBRARY TRUST
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,601,526	\$ 2,756,270
Adjustments to reconcile change in net assets to change in cash from operating activities:		
Net realized and unrealized gain on investments	(1,853,501)	(2,180,924)
Capital expenditures for renovation of Central Library	337,731	174,777
Change in operating assets:		
Accrued interest receivable	(5,396)	(9,990)
Pledges receivable	(8,801,325)	(732,862)
Change in operating liabilities:		
Accounts payable and accrued liabilities	3,579	7,800
Amounts due to Tulsa City-County Library	(15,756)	386,498
Net change in cash from operating activities	<u>2,266,858</u>	<u>401,569</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of investments	2,067,068	4,854,788
Purchases of investments	<u>(2,281,630)</u>	<u>(5,178,818)</u>
Net change in cash from investing activities	<u>(214,562)</u>	<u>(324,030)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital expenditures for renovation of Central Library	<u>(337,731)</u>	<u>(174,777)</u>
Net change in cash from financing activities	<u>(337,731)</u>	<u>(174,777)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,714,565	(97,238)
CASH AND CASH EQUIVALENTS, beginning of year	<u>257,949</u>	<u>355,187</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 1,972,514</u></u>	<u><u>\$ 257,949</u></u>

See accompanying notes to the financial statements

Note A – Entity, Mission, and Summary of Significant Accounting Policies

The Friends of the Tulsa City-County Library, Inc. created the Tulsa Library Trust (the “Trust”) on July 20, 1972 to receive and administer endowments to and for the benefit of the Tulsa City-County Library System (the “System”). The Purpose of the Trust is to increase endowments and donor funding to improve and enhance the System’s programs, collections, services and librarian training and advance literature and library science. The System is the primary beneficiary of the income of the Trust. The Trust is governed by a board with a maximum of fourteen trustees (“Board of Trustees”).

The accompanying financial statements of the Trust are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“generally accepted accounting principles”) as prescribed by the FASB *Accounting Standards Codification*. Resources and net assets are classified in the financial statements based on the existence or absence of donor-imposed restrictions as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Trust management and the Board of Trustees.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Trust or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Within the Trust’s net assets with donor restrictions, numerous donor-related funds are maintained. Although not an exhaustive listing, these funds include:

- Special Programming and Grant Fund – This fund comprises various grants and donations given for specific programming or projects that will be completed in a short-term window, normally a year or less.
- National Endowment for the Humanities Challenge Grant Fund – This fund allows the Library to pursue its commitment to fulfill and excel in its role as the community’s center for the exploration of the humanities.
- Ruth G. Hardman Literacy Fund – This fund is designated to enhance the Library’s literacy services and resources.
- Zarrow Award for Young Readers’ Literature Fund – This fund is designated to provide a cash prize and to host a public program honoring the recipient of the annual Anne V. Zarrow award.
- Peggy V. Helmerich Distinguished Author Award Fund – This fund is designated to provide a cash prize to the recipient of the annual Distinguished Author award.
- Peggy V. Helmerich Library Landscape Fund – This fund is designated to provide landscaping and grounds maintenance to the Peggy V. Helmerich Library as well as additional libraries if the fund has sufficient income.
- Lillian Norberg Fund – This fund was started by contributions from the Friends of the Tulsa City-County Library (“Friends”) and transferred to the Tulsa Library Trust to maintain. The Friends group determines what the income is designated for on a yearly basis.
- My Library, Our Future Capital Campaign Fund – This fund represents donations for renovations to four Library branches: Brookside, Rudisill, Owasso, and South Broken Arrow. The Campaign began receiving donations in fiscal year 2023.

Note A – Entity, Mission, and Summary of Significant Accounting Policies - Continued

Other significant policies include:

Cash and Cash Equivalents

Cash and cash equivalents include cash on deposit in demand and interest-bearing accounts with an initial maturity of three months or less. The Trust's balances exceeded federally insured limits by approximately \$1,731,000 at June 30, 2024. There were no excess deposits at June 30, 2023.

Contributions and Grants

Contributions, including unconditional promises to give, are recognized as revenues in the period received or promised. Contributions are recorded at their fair value at the time the promise is made. Conditional promises to give are not recorded until conditions are substantially met.

Pledges Receivable

Pledges are recorded at their fair value at the time the promise is made. The pledges are expected to be collected over a five-year period from the date the pledge was received. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grants revenue.

The Trust evaluated its outstanding pledges at June 30, 2024 and 2023, and determined an allowance for uncollectible pledges was not necessary.

Contributions to Endowment Funds

The Trust received no contributions restricted for endowment purposes during the years ended June 30, 2024 and 2023, respectively.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt and equity securities are reported at their fair values in the statements of financial position. The Trust reports these investments for which a quoted market price is available at fair value based upon information obtained from published sources. Investments include a managed cash fund of a bank's trust department.

Investments in private equities funds with no readily determinable fair values are valued at NAV (Net Asset Value) per share, or its equivalent such as member units or an ownership interest in partners' capital.

Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) are included in the statement of activities as increases or decreases in net assets without donor restrictions or, when applicable, in net assets with donor restrictions if required by donor stipulation. Investment income is reported net of related advisory fees.

Income Taxes

The Trust is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and, consequently, no provision for income taxes has been included in the accompanying financial statements. The Trust files exempt organization income tax returns in the U.S. federal and state of Oklahoma jurisdiction. In general, tax returns filed more than three years ago are no longer subject to examination.

TULSA LIBRARY TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note A – Entity, Mission, and Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing program services and supporting activities of the Trust have been summarized on a functional basis in the statements of activities. Accordingly, salaries and wages, payroll taxes, and employee benefits have been allocated among the program services and supporting activities benefited. Such expenses were allocated on an estimated time and effort basis. All other expenses are charged directly to each applicable category.

Subsequent Events

The Trust has evaluated subsequent events through the date of the independent auditor's report, the date which the financial statements were available to be issued and determined the following be disclosed.

Note B – Investments

The Trust has retained several outside investment management firms to provide for investment of the monies of the Trust except for a small amount of cash. Bank of Oklahoma is the custodian of all cash and investments. Certificates of deposit are held with local banks.

The general investment policy is to diversify investments among equity, fixed income, real return, and alternative asset securities so as to provide a balance expected to enhance total return while avoiding undue risk concentration in any single asset class or sub-class.

The composition of the Trust's investments is as follows:

	June 30, 2024		June 30, 2023	
	Fair Value	Cost	Fair Value	Cost
Managed cash fund	\$ 452,568	\$ 452,568	\$ 334,169	\$ 334,169
U.S. Treasuries	441,651	479,069	693,808	720,339
U.S. Agencies	502,153	516,799	413,055	439,459
Corporate bonds	646,327	728,315	621,771	728,151
Municipal bonds	198,516	211,177	153,862	180,111
Mutual funds - fixed income	4,967,601	5,849,810	4,843,385	5,617,247
Equity securities - mutual funds	18,079,078	12,236,626	16,255,027	12,019,042
Private equity fund	1,228,195	1,113,311	1,132,949	1,057,750
	<u>\$ 26,516,089</u>	<u>\$21,587,675</u>	<u>\$ 24,448,026</u>	<u>\$21,096,268</u>

TULSA LIBRARY TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note B – Investments - Continued

During the years ended June 30, 2024 and 2023, the Trust's investments changed in value (including investments bought, sold, and held during the year) as listed below:

	2024	2023
Interest	\$ 68,194	\$ 67,394
Dividends	522,624	419,274
Realized gains	279,572	882,575
Unrealized gains	1,573,929	1,297,739
Advisory fees	(32,106)	(25,714)
	<u>\$ 2,412,213</u>	<u>\$ 2,641,268</u>

The changes in value are reported as investment income in the Statements of Activities as follows:

	2024	2023
Without donor restrictions	\$ 1,222,355	\$ 1,358,929
With donor restrictions	1,189,858	1,282,339
	<u>\$ 2,412,213</u>	<u>\$ 2,641,268</u>

Accounting Standards Codification Topic 820, *Fair Value Measurement and Disclosures* (ASC 820) defines fair value and establishes a consistent framework for measuring fair value. These inputs are summarized in the three broad levels listed below.

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Other significant observable inputs (including quoted prices for similar securities)
- Level 3 – Significant unobservable inputs (including the Trust's own assumptions in determining the value of investments)

When available, the Trust used quoted prices in active markets to measure fair value of the Trust's investments.

The Trust's investment in a private equity fund is a nonmarketable security measured at net asset value (NAV). The Trust elected to report the fair value of its nonmarketable security using NAV as a practical expedient. The practical expedient allows for the use of NAV, as reported by the investee fund. The redemption period of the fund is every six months and requires notice.

TULSA LIBRARY TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note B – Investments - Continued

The following represents the fair value measurements of assets recognized in the accompanying statements of financial position at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

Fair Value Measurements at June 30, 2024				
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Managed cash fund	\$ 452,568	\$ -	\$ -	\$ 452,568
U.S. Treasuries	441,651	-	-	441,651
U.S. Agencies	-	502,153	-	502,153
Corporate bonds	-	646,327	-	646,327
Municipal bonds	-	198,516	-	198,516
Mutual funds - fixed	4,967,601	-	-	4,967,601
Equity securities - mutual funds	18,079,078	-	-	18,079,078
	<u>\$ 23,940,898</u>	<u>\$ 1,346,996</u>	<u>\$ -</u>	<u>\$ 25,287,894</u>
Private equity fund at NAV				1,228,195
Total investments				<u>\$ 26,516,089</u>

Fair Value Measurements at June 30, 2023				
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
Managed cash fund	\$ 334,169	\$ -	\$ -	\$ 334,169
U.S. Treasuries	693,808	-	-	693,808
U.S. Agencies	-	413,055	-	413,055
Corporate bonds	-	621,771	-	621,771
Municipal bonds	-	153,862	-	153,862
Mutual funds - fixed	4,843,385	-	-	4,843,385
Equity securities - mutual funds	16,255,027	-	-	16,255,027
	<u>\$ 22,126,389</u>	<u>\$ 1,188,688</u>	<u>\$ -</u>	<u>\$ 23,315,077</u>
Private equity fund at NAV				1,132,949
Total investments				<u>\$ 24,448,026</u>

There were no transfers into or out of levels 1, 2, or 3 for the years ended June 30, 2024 and 2023.

Note C – Pledges Receivable

Pledges receivable were as follows at June 30:

	2024	2023
Within 1 year	\$ 4,380,000	\$ 583,774
In 1 to 5 years	5,755,000	162,500
	<u>10,135,000</u>	<u>746,274</u>
Discount to present value	(600,813)	(13,412)
Net pledges receivable	<u>\$ 9,534,187</u>	<u>\$ 732,862</u>

Note D – Funds Held by Tulsa Community Foundation

In February 2000, the Trust contracted with the Tulsa Community Foundation (the “Foundation”) to create the Library Books for Children Fund as an agency fund of the Foundation. In June 2002, the Trust contracted with the Foundation to create the Betty Kaiser Library Literacy Fund as another fund of the Foundation. Under the agency fund agreements, a significant portion of donor’s contributions to the funds are intended to remain in the Funds as permanent endowments, with periodic distributions to be made from the Library Books for Children Fund to the Trust and from the Betty Kaiser Library Literacy Fund to the Trust in accordance with the Foundation’s spending policy. At June 30, 2024, the fair value of the Library Books for Children Fund and the Betty Kaiser Library Literacy Fund was approximately \$609,000 and \$290,000, respectively. At June 30, 2023, the fair value of the Library Books for Children Fund and the Betty Kaiser Library Literacy Fund was approximately \$577,000 and \$274,000, respectively.

The Foundation holds unilateral power to direct the use of the assets in the funds; therefore, the assets of the funds are not reflected in the accompanying financial statements of the Trust. Distributions made to the Trust by the Library Books for Children Fund during the fiscal years ended June 30, 2024 and 2023 totaled approximately \$32,000 and \$15,000, respectively. Distributions made to the Trust by the Betty Kaiser Library Literacy Fund during the fiscal years ended June 30, 2024 and 2023 totaled approximately \$32,000 and \$29,000, respectively.

Note E – Endowment

The Trust classifies as net assets with donor restrictions not subject to appropriations or expenditure (a) the original value of gifts donated and (b) the original value of subsequent gifts. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on donor-imposed restrictions. Appropriations for expenditure from the Endowment are governed in accordance with the Trust’s spending policy.

The Trust’s spending policy is designed to release substantial current income for operating purposes in a stable stream while protecting the value of its invested assets against inflation. The Trust plans to distribute annually a percentage of a trailing three-year (twelve quarter) average of the investment’s total market value, with the understanding that this spending rate, plus the rate of inflation, will not normally exceed the long-term total return earned on such investments. During February 2016, the Board approved a change in the distribution percentage to decrease the distribution percentage a quarter percent each year until it reaches 4%. For the years ended June 30, 2024 and 2023, the percentages were 4.00%. This total return basis for calculating spending is sanctioned by the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA), under which guidelines the Trust is permitted to spend an amount in excess of current yield (interest and dividends earned), including realized or unrealized appreciation. The spending policy is applied to endowment contributions consistent with donor stipulations. Periodically, the Trust reviews its spending policy to ensure consistency with the overall long-term objectives of the Trust.

Note F – Net Assets

Net assets without donor restriction, but designated by the Trust for a particular purpose, consist of the following at June 30, 2024 and 2023:

Subject to Trustee designation	2024	2023
Designated for future Library materials purchases and specific project expenditures	\$ 1,844,858	\$ 1,740,292

TULSA LIBRARY TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note F – Net Assets - Continued

Net assets with donor restrictions are restricted by the donors as to purpose or time and consist of the following at June 30, 2024 and 2023:

	2024	2023
Subject to purpose restrictions:		
National Endowment for the Humanities Challenge Grant Fund	\$ 3,785,120	\$ 3,414,631
Peggy V. Helmerich Materials Fund	165,518	143,432
Marcus R. Tower Service Award Fund	103,858	88,034
Peggy V. Helmerich Distinguished Author Award	675,463	611,461
Peggy V. Helmerich Library Landscape Fund	675,078	631,261
Peggy V. Helmerich Special Library Project Fund	308,329	211,524
Ruth G. Hardman Literacy Fund	1,259,883	1,123,608
Zarrow Award for Young Readers' Literature Fund	563,431	490,641
Aaronson Lecture Series Fund	41,569	38,206
Lillian Norberg Endowment Fund	74,257	66,392
Special Programming and Grant Fund	2,300,977	2,943,252
Capital Campaign Fund	11,560,155	106,392
	<u>21,513,638</u>	<u>9,868,834</u>
Not subject to appropriation or expenditure:		
Library Support Fund	1,971,649	1,971,649
National Endowment for the Humanities Challenge Grant Fund	1,068,838	1,068,838
Peggy V. Helmerich Materials Fund	50,938	50,938
Marcus R. Tower Service Award Fund	51,225	51,225
Peggy V. Helmerich Distinguished Author Award	350,000	350,000
Peggy V. Helmerich Library Landscape Fund	210,000	210,000
Peggy V. Helmerich Special Library Project Fund	946,393	946,393
Ruth G. Hardman Literacy Fund	700,000	700,000
Zarrow Award for Young Readers' Literature Fund	275,000	275,000
Aaronson Lecture Series Fund	6,100	6,100
Lillian Norberg Endowment Fund	40,650	40,650
	<u>5,670,793</u>	<u>5,670,793</u>
Total net assets with donor restrictions	<u>\$ 27,184,431</u>	<u>\$ 15,539,627</u>

Net assets with donor restrictions subject to purpose restrictions were released from restriction through expenditures for the purposes for which received.

TULSA LIBRARY TRUST
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Note G – Liquidity and Availability of Resources

The table below reflects the Trust's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available for general use due to contribution or donor imposed restrictions within one year of the financial statement date. Non-current portions of pledges receivable, beneficial interests in trusts, and investments have been included in the calculation of financial assets as those amounts are subject to donor-imposed restrictions. Amounts that are not available also include board designated amounts that could be utilized if the Board of Trustees approved the use.

	<u>2024</u>	<u>2023</u>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,972,514	\$ 257,949
Accrued interest receivable	38,769	33,373
Pledges receivable, net	9,534,187	732,862
Investments	26,516,089	24,448,026
Total financial assets	<u>\$ 38,061,559</u>	<u>\$ 25,472,210</u>
Less those unavailable for general expenditure within one year, due to contractual or donor imposed restrictions:		
Restricted by donor with purpose restrictions	(21,513,638)	(9,868,834)
Not subject to appropriation or expenditure	(5,670,793)	(5,670,793)
	<u>(27,184,431)</u>	<u>(15,539,627)</u>
Board of Trustee designations	<u>(1,844,858)</u>	<u>(1,740,292)</u>
Financial assets available to meet cash needs for general expenditure within one year:	<u>\$ 9,032,270</u>	<u>\$ 8,192,291</u>

The Trust defines general expenditures as those that support the exempt purpose of the Trust, which is to improve and enhance the System's programs, collections, and services, and for the advancement of literature and library science. The Trust structures its financial assets to be available for general expenditures as they become due.

**Required
Supplemental Information**

Tulsa City-County Library
Required Supplemental Information
Schedule of Proportionate Share of the Net Pension Liability – last 10 fiscal years*
As of Plan Year-end of June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Library's proportion of the net pension liability	8.18%	8.64%	9.76%	9.91%	10.44%	10.70%	10.10%	9.58%	9.44%
Library's proportionate share of the net pension liability	\$21,009,379	\$24,228,172	\$26,236,620	\$17,925,229	\$26,521,896	\$25,124,435	\$19,834,282	\$18,922,255	\$20,428,139
Library's covered-employee payroll	\$13,687,907	\$13,814,103	\$13,201,676	\$12,945,113	\$13,585,219	\$13,278,613	\$12,000,484	\$11,578,739	\$10,858,591
Library's proportionate share of the net pension liability as a percentage of its covered-employee payroll	153.49%	175.40%	198.70%	138.50%	195.20%	189.20%	165.30%	163.40%	188.10%
Plan fiduciary net position as a percentage of the total pension liability	70.81%	67.16%	66.62%	76.92%	65.22%	66.91%	70.61%	69.39%	65.62%

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

Tulsa City-County Library
Required Supplemental Information
Schedule of Contributions - last 10 fiscal years*
June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$2,326,518	\$2,279,327	\$2,178,277	\$2,071,218	\$2,106,499	\$2,058,185	\$1,860,075	\$1,331,555	\$1,255,824	\$1,225,824
Contribution in relation to contractually required contribution	\$2,326,518	\$2,279,327	\$2,178,277	\$2,071,218	\$2,106,499	\$2,064,806	\$1,864,297	\$1,328,724	\$1,216,807	\$1,707,789
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	-\$6,621	-\$4,222	\$2,831	\$39,017	-\$481,965
Library's covered-employee payroll	\$13,687,907	\$13,814,103	\$13,201,676	\$12,945,113	\$13,585,219	\$13,278,613	\$12,000,484	\$11,578,739	\$10,858,591	\$10,920,208
Contributions as a percentage of covered-employee payroll	17.0%	16.5%	16.5%	16.0%	15.5%	15.5%	15.5%	11.5%	11.2%	15.6%

Tulsa City-County Library
Supplemental Schedule of Capital Assets by Location (Cash Basis)
June 30, 2024

	Land	Construction in Progress	Buildings and Improvements	Furniture, Fixtures, Equipment	Total Property, Plant and Equipment	# of Books and Other Library Materials
Bixby	\$ 33,750	\$ -	\$ 418,234	\$ 88,215	\$ 540,199	22,154
Broken Arrow	175,000	-	2,050,100	125,219	2,350,319	51,166
Bronson Brookside	-	360,622	-	-	360,622	-
Brookside	120,678	-	710,493	115,559	946,730	28,151
Central	386,873	86,147	53,774,312	11,726,849	65,974,181	331,033
Charles Page	2,000	-	1,238,072	63,369	1,303,441	22,109
Collinsville	84,990	-	1,363,994	70,324	1,519,308	18,460
Glenpool	97,158	-	699,478	30,535	827,171	19,264
Hardesty Regional/Genealogy	2,225,230	-	8,157,738	834,307	11,217,275	93,624
Herman & Kate Kaiser	-	-	2,389,576	316,483	2,706,059	38,349
Jenks	64,349	-	671,982	107,388	843,719	25,671
Judy A. Kishner Library	105,258	-	1,209,747	113,560	1,428,565	13,196
Kendall-Whittier	103,064	-	735,016	75,905	913,985	18,772
LOVS/Bookmobile	-	-	17,710	516,147	533,857	26,654
Martin Regional	52,680	-	3,281,599	484,313	3,818,592	52,251
Maxwell	-	-	586,886	81,570	668,456	13,996
Nathan Hale	50,291	-	707,993	98,586	856,870	18,688
Owasso	524,197	-	1,127,973	143,790	1,795,960	45,243
Peggy Helmerich	196,044	-	2,058,015	167,339	2,421,398	40,206
Pratt	-	-	607,777	78,429	686,206	20,579
Rudisill Regional	-	-	2,511,211	413,308	2,924,519	27,758
Rudisill Regional (Greenwood)	139,686	608,427	-	-	748,113	-
Schusterman-Benson	279,445	-	1,619,271	229,278	2,127,994	31,713
Skiatook	50,000	-	783,866	59,026	892,892	14,690
South BA Land	18,284	-	-	-	18,284	-
South Broken Arrow	74,775	-	673,295	98,194	846,264	35,285
Suburban Acres	-	-	643,487	83,373	726,860	9,412
Support Service Center	126,000	-	3,139,084	1,418,373	4,683,457	-
Zarrow Regional	73,699	-	2,226,254	222,362	2,522,315	33,971
Totals	\$ 4,983,451	\$ 1,055,196	\$ 93,403,163	\$ 17,761,801	\$ 117,203,611	1,052,395

NOTE: The capital assets above are recorded at cost of fair value at date of donation, with the exception of books and other library-related materials, which are presented as number of units. The schedule is prepared on a cash basis, so it may differ from amounts presented in the accompanying accrual basis government-wide financial statements.

Tulsa City-County Library
Supplemental Schedule of Capital Assets by Location (Cash Basis)
June 30, 2023

	Land	Construction in Progress	Buildings and Improvements	Furniture, Fixtures, Equipment	Total Property, Plant and Equipment	# of Books and Other Library Materials
Bixby	\$ 33,750	\$ 9,300	\$ 374,785	104,738	\$ 522,573	22,976
Broken Arrow	175,000	-	1,933,502	204,925	2,313,427	51,132
Brookside	120,678	-	710,493	196,495	1,027,666	28,849
Central	386,873	8,428	53,642,021	12,859,056	66,896,378	643,722
Charles Page	2,000	-	1,167,519	100,964	1,270,483	23,275
Collinsville	84,990	61,909	1,202,796	99,348	1,449,043	18,314
Glenpool	97,158	-	631,922	68,578	797,658	20,930
Greenwood	134,686	-	-	-	134,686	-
Hardesty Regional/Genealogy	2,225,230	-	7,690,647	914,263	10,830,140	95,069
Herman & Kate Kaiser	-	-	2,380,007	361,029	2,741,036	37,990
Jenks	64,349	-	649,093	125,789	839,231	25,949
Judy A. Kishner Library	105,258	-	1,187,555	125,609	1,418,422	13,201
Kendall-Whittier	103,064	-	728,021	116,668	947,753	19,468
LOVS/Bookmobile	-	-	17,710	552,119	569,829	14,869
Martin Regional	52,680	-	3,246,011	540,646	3,839,337	54,736
Maxwell	-	-	569,946	95,833	665,779	14,441
Nathan Hale	50,291	-	684,087	115,871	850,249	19,443
Owasso	524,197	-	1,127,973	165,737	1,817,907	45,461
Peggy Helmerich	196,044	-	2,017,112	221,702	2,434,858	41,496
Pratt	-	-	600,162	114,980	715,142	21,354
Rudisill Regional	-	-	2,511,211	483,606	2,994,817	28,902
Schusterman-Benson	279,445	-	1,562,848	254,489	2,096,782	31,685
Skiatook	50,000	14,330	751,532	98,148	914,010	15,109
South BA Land	18,284	2,350	-	-	20,634	-
South Broken Arrow	74,775	-	673,295	110,086	858,156	35,808
Suburban Acres	-	-	626,296	102,205	728,501	10,096
Support Service Center	131,000	-	3,139,084	1,677,451	4,947,535	-
Zarrow Regional	73,699	-	2,216,802	241,706	2,532,207	35,797
New Rudisill Regional	-	124,465	-	-	124,465	-
New Brookside Library	-	130,885	-	-	130,885	-
Totals	\$ 4,983,451	\$ 351,667	\$ 92,042,430	\$ 20,052,041	\$ 117,429,589	1,370,072

NOTE: The capital assets above are recorded at cost of fair value at date of donation, with the exception of books and other library-related materials, which are presented as number of units. The schedule is prepared on a cash basis, so it may differ from amounts presented in the accompanying accrual basis government-wide financial statements.



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Strategic Business Advisors

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

To the Commission of the
Tulsa City-County Library

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, and the major fund of Tulsa City-County Library (the Library), as of and for the year ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated March 18, 2025.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Library's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Library's internal control over financial reporting.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library's financial statements are free of 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*.

This report is intended solely for the information and use of management and the Commission of the Tulsa City-County Library, and is not intended to be and should not be used by anyone other than these specified parties.

Hick & Company, PC

Tulsa, Oklahoma
March 18, 2025

