Tulsa County Public Facilities Authority

Financial Statements
and
Independent Auditor's Reports

December 31, 2024

HINKLE & COMPANY PC
Strategic Business Advisors

Tulsa County Public Facilities Authority

Contents

PAGE

Financial Reporting Section

Independent Auditor's Report....1

Management Discussion and Analysis 4

Financial Statements

Statement of Net Position 8

Statement of Revenues, Expenses and Changes in Net Position 10

Statement of Cash Flows 12

Statement of Fiduciary Net Position....14

Statement of Changes in Fiduciary Net Position 15

Notes to Financial Statements....16

Required Supplemental Schedules

Schedule of Proportionate Share of the Net Pension Liability 27

Schedule of Pension Contributions....28

Schedule of Proportionate Share of the Total OPEB Liability 29

Reports Required by Governmental Auditing Standards

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*....30

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Trustees
Tulsa County Public Facilities Authority
Tulsa, Oklahoma

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the fiduciary fund information of the Tulsa County Public Facilities Authority (the Authority), a component unit of Tulsa County, Oklahoma, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities and the fiduciary fund information of the Authority as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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.

Emphasis of Matter

As described in Note 10 to the financial statements, the fiscal year 2024 beginning net position has been restated to reflect the implementation of GASB 101. Our opinion is not modified with respect to this matter.

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Relationship with Tulsa County, Oklahoma
As discussed in Note 1, the financial statements of the Authority are intended to present the financial position, changes in financial position, and cash flows of only the activities of the Authority. They do no purport to, and do not, present fairly the financial position of Tulsa County, Oklahoma as of December 31, 2024, and the changes in its financial position or its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements
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 Authority'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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Authority'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 Authority'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, schedule of proportionate share of the net pension liability, schedule of pension contributions, and the schedule of proportionate share of the total OPEB liability on pages 4 through 7 and 26 through 28 be 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.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2025 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of 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 the Authority's internal control over financial reporting and compliance.

Hinkle & Company, PC

Tulsa, Oklahoma
June 20, 2025

Management Discussion and Analysis

Tulsa County Public Facilities Authority

Management's Discussion and Analysis
December 31, 2024

As management of Tulsa County Public Facilities Authority (the Authority), a public trust created for the use and benefit of the County of Tulsa (the County), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Facility and Ground Improvements

The Authority was part of a city-wide vision package approved in 2016. The total funding allocated to the Authority was $30 million. The authorized projects were an additional barn which was completed in 2019, permanent outdoor stage and gate entrances which were completed in 2018 and pavilion roof repairs also completed in 2019.

Overview of the Financial Statements

The Authority is charged with establishing, promoting, maintaining, and operating agricultural and industrial expositions, fairs, trade shows, pari-mutuel horse racing, simulcast, and other recreational facilities, including the annual Tulsa State Fair and Tulsa County Fair on the Tulsa State Fairgrounds located in Tulsa County, Oklahoma. The Authority currently operates and maintains the Tulsa State Fairgrounds pursuant to a lease agreement, dated as of February 22, 1983, as amended, by and between the Authority and the County. The Authority is included in the County's Annual Comprehensive Financial Report (ACFR) as an enterprise fund.

Using This Annual Report

The following summarizes the content of the Authority's financial statements and related support:

- Management Discussion and Analysis.
- Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, Statement of Cash Flows, Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position.
- Notes to Financial Statements.

The Authority's financial statements conform to generally accepted accounting principles for units of local government as promulgated by the Government Accounting Standards Board.

The financial statements of the Authority are similar to those used by private sector companies. These statements show liquidity, debt level, and areas in which revenues are generated and expenses are incurred. The statements also reflect the master plan activity.

Statement of Net Position

Net position is an important indicator of the Authority's overall financial position. The Authority's net position decreased approximately $5.1 million to $94.8 million on December 31, 2024, from approximately $100 million on December 31, 2023. The Authority's net position as a percentage of total assets plus deferred outflows of resources was 87% and 87%, as of December 31, 2024, and 2023, respectively.

The following is a condensed summary of the Statement of Net Position for the years ending December 31, 2024 and 2023:

Condensed Statements of Net Position
As of December 31 (in thousands):

	2024	2023*
Current assets	$ 15,207	$ 25,324
Restricted assets	3,173	7,697
Noncurrent assets	5,510	-
Capital assets, net	84,228	79,456
Total assets	108,118	112,477
Total deferred outflows of resources	1,312	1,982
Current liabilities	2,988	2,118
Non-current liabilities	4,558	4,475
Total liabilities	7,546	6,593
Total deferred inflows of resources	7,047	7,846
Net position		
Net investment in capital assets	84,152	79,082
restricted	3,173	7,697
unrestricted	7,512	13,241
Total net position	$ 94,837	$ 100,020

*2023 Net position does not reflect restatement from GASB 101 implementation.

At December 31, 2024, total assets and deferred outflows decreased $5 million due to a decrease of $10.1 in current assets resulting from a reclassification to noncurrent assets of $5.5 million and expenses outpacing revenues for the year, to a decrease of $4.5 million in noncurrent assets largely due to capital improvements incurred, and to a decrease of $670 thousand in deferred outflows of resources resulting from actuarial changes related to the pension. These decreases were then partially offset by an addition of $5.5 million in noncurrent assets due to a reclassification related to the lease receivable, and to an increase in capital assets, net of $4.8 million due to significant capital expenditure additions during the year outpacing depreciation and amortization expense.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position shows the financial activity that occurred during the year ending December 31, 2024. Revenue is compared to operating expenses to determine the operating income or loss for the year. This balance is then combined with non-operating revenues and expenses to arrive at the change in net position. The following is a condensed summary of the Statement of Revenues, Expenses, and Changes in Net Position for the years ending December 31, 2024 and 2023:

Condensed Statements of Revenues, Expenses and Changes in Net Position
Years Ended December 31 (in thousands):

	2024	2023*
Revenues		
Operating	$ 31,401	$ 32,535
Nonoperating	3,360	6,328
Total revenues	34,761	38,863
Expenses		
Operating - Depreciation & amortization	9,098	9,072
Other operating expenses	30,685	29,225
Nonoperating expenses and losses	76	3
Total expenses	39,859	38,300
Change in net position	(5,098)	563
Net position, beginning of year, restated for FY 2024	99,935	99,457
Net position, end of year	$ 94,837	$ 100,020

*2023 Net position does not reflect restatement from GASB 101 implementation.

Total revenue decreased $4.1 million from December 31, 2023, to December 31, 2024, due largely to the insurance proceeds of $2.7 million received in the prior year not being a recurring revenue. Additionally, contributions from Tulsa County related to excise tax decreased by $963 thousand (See Note 1 for further information), and catering and concessions revenue decreased by $1.7 million. These decreases were partially offset by increases in total state fair revenue of $803 thousand, and in contributions from FEMA related to the previous storm damage of $636 thousand.

Total expenses increased year-over-year by $1.6 million. Expenses directly related to the fair and other major events, including employee labor, catering and concessions, and other miscellaneous costs, were increased approximately $518 thousand. Other expenses related to management and general costs increased by $968 thousand.

Capital Assets

As of December 31st the Authority had the following capital asset balances:

Capital Assets
As of December 31 (in thousands):

	2024	2023
Land	$ 1,146	$ 1,146
Construction in progress	9,678	3,633
Buildings and systems	209,914	205,004
Machinery and equipment	21,248	18,452
Leased assets - equipment	940	940
Total	242,926	229,175
Accumulated depreciation/amortization	(158,698)	(149,719)
Capital assets, net	$ 84,228	$ 79,456

Capital assets before depreciation increased by approximately $13.8 million from December 31, 2023, to December 31, 2024, due to ongoing capital expenditures that were partially offset in the current year by the disposal of old assets.

See additional discussion in Note 3 of the financial statements.

Long-Term Debt

Outstanding long-term debt related to the lease obligation decreased $299 thousand during calendar year 2024, due to payments occurring as scheduled.

See additional discussion in Note 5 to the financial statements.

Request for Information

This financial report is designed to give the reader a general overview of the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Shanna Dutton, Chief Financial Officer, at Expo Square, 4145 East 21st Street, Tulsa, Oklahoma 74114.

Financial Statements

Tulsa County Public Facilities Authority

Statement of Net Position

December 31, 2024

Assets		
Current assets		
Cash and cash equivalents	$	13,482,317
Accounts receivable		1,090,301
Lease receivable		194,102
Prepaid expenses and other		154,708
Inventories		285,802
Total current assets		15,207,230
Restricted assets		
Cash and cash equivalents		3,172,623
Total restricted assets		3,172,623
Non-current assets		
Lease receivable		5,510,748
Nondepreciable capital assets		10,824,140
Depreciable capital assets, net of depreciation/amortization		73,403,689
Total non-current assets		89,738,577
Total assets		108,118,430
Deferred outflows of resources		
Pension		1,312,217
Total deferred outflows		1,312,217
Total assets and deferred outflows of resources	$	109,430,647

(Continued)

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

Tulsa County Public Facilities Authority

Statement of Net Position, *(Continued)*

December 31, 2024

Liabilities		
Current liabilities		
Accounts payable	$	2,114,275
Other accrued expenses		324,653
Unearned credits and event revenue		474,031
Lease obligation liability, current portion		75,465
Total current liabilities		2,988,424
Non-current liabilities		
Other accrued expenses		154,647
Net pension liability		4,403,365
Total non-current liabilities		4,558,012
Total liabilities		7,546,436
Deferred inflows of resources		
Pension		1,554,240
Leases		5,492,886
Total deferred inflows		7,047,126
Net position		
Net investment in capital assets		84,152,364
Restricted for capital projects		3,172,622
Unrestricted		7,512,099
Total net position		94,837,085
Total liabilities, deferred inflows, and net position	$	109,430,647

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

Tulsa County Public Facilities Authority

Statement of Revenues, Expenses and Changes in Net Position

Year Ended December 31, 2024

Operating revenues		
State fair revenue		
Admissions	$	3,126,149
Midway commissions		2,381,205
Third party concessions		161,650
Third party vendor		2,297,819
Parking		1,578,906
Food and beverage		1,100,343
Ticketed shows		452,048
Livestock		742,535
Fair sponsorships		254,731
Other state fair revenue		23,895
Total state fair revenue		12,119,281
Event revenue		
Building rental		3,420,824
Equipment rental		1,783,058
Catering and concessions		4,701,233
Security		331,989
Box office fees		203,539
Facilities surcharges		267,392
Telecommunication and utilities		321,385
Other event revenue		320,377
Total event revenue		11,349,797
Fair meadows revenue		
Mutuel commissions		1,261,274
Sports grill revenue		180,600
Program sales		73,932
Tribal gaming revenue		2,028,258
Other fair meadows revenue		19,551
Total fair meadows revenue		3,563,615
Other revenue		
Exposerve royalties		148,523
RV park revenue		1,362,575
Bedding and feed revenue		1,875,648
Hotel and waterpark revenue		226,675
Sponsorship revenue		501,798
Other operating revenue		253,515
Total other revenue		4,368,734
Total operating revenue	$	31,401,427

(Continued)

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

Tulsa County Public Facilities Authority

Statement of Revenues, Expenses and Changes in Net Position, *(Continued)*

Year Ended December 31, 2024

Operating expenses	
Direct expenses	
Direct employee costs	$ 2,870,220
Temporary personnel - events	1,377,309
Catering and concessions	2,885,534
Simulcast and racing expenses	1,556,881
Sports grill expenses	223,219
Other event expenses	5,203,612
Total direct expenses	14,116,775
Other expenses	
Personnel	6,295,048
Depreciation and amortization	9,097,837
Utilities and telephone	3,456,541
Supplies and printing	530,313
Professional services	712,134
Maintenance and repairs	2,049,477
Insurance	1,355,104
Equipment rental	431,496
Food and beverage	1,242,757
Vehicle expenses	208,875
Other expenses	286,653
Total management and general	25,666,235
Total operating expenses	39,783,010
Operating loss	(8,381,583)
Non-operating revenues (expenses)	
Contributions from Tulsa County	2,276,766
Contributions from FEMA	636,442
Interest expense	(1,431)
Interest income	418,617
Gain on capital asset retirements	27,990
Other expenses	(75,000)
Net non-operating revenues	3,283,384
Change in net position	(5,098,199)
Net position - December 31, 2023, as previously reported	100,020,284
Restatement (See Note 10)	(85,000)
Net position - December 31, 2023, restated	99,935,284
Net position at end of the year	$ 94,837,085

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

Tulsa County Public Facilities Authority

Statement of Cash Flows

Year Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 31,636,636
Cash paid to suppliers	(18,088,413)
Cash paid for salaries, employee benefits and taxes	(11,344,119)
Interest received related to leases	93,104
Net cash provided by operating activities	2,297,208
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(13,884,079)
Proceeds from the sale of capital assets	42,215
Contributions from FEMA	636,442
Principal payments on lease obligation payable	(298,540)
Interest payments on lease obligation payable	(1,431)
Contributions from Tulsa County	2,276,766
Net cash provided by (used in) financing activities	(11,228,627)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on cash	325,513
Net cash provided by investing activities	325,513
Net increase (decrease) in cash and cash equivalents	(8,605,906)
Balances - beginning of year	25,260,846
Balances - end of year	$ 16,654,940

(Continued)

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

Tulsa County Public Facilities Authority

Statement of Cash Flows, *(Continued)*

Year Ended December 31, 2024

Reconciliation to Statement of Net Position:	
Cash and cash equivalents	$ 13,482,317
Restricted cash and cash equivalents	3,172,623
Total cash and cash equivalents, end of year	$ 16,654,940
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (8,381,583)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	9,097,837
Change in assets, liabilities, liabilities, deferred inflows and outflows:	
Accounts receivable	289,172
Prepaid event and other expenses	14,180
Lease receivable	189,296
Inventories	(42,451)
Deferred outflows of resources	669,508
Accounts payable	1,120,807
Other accrued expenses	(175,846)
Net pension liability	3,539
Unearned credits and event revenue	218,324
Deferred inflows of resources	(798,679)
Interest received related to leases	93,104
Net cash provided by operating activities	$ 2,297,208

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

Tulsa County Public Facilities Authority

Statement of Fiduciary Net Position

December 31, 2024

	Horse Racing Funds
Assets	
Cash and cash equivalents	$ 599,727
Total assets	$ 599,727
Net position	
Restricted for individuals and organizations	$ 599,727
Total net position	599,727
Total liabilities and net position	$ 599,727

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

Tulsa County Public Facilities Authority

Statement of Changes in Fiduciary Net Position

For the year ended December 31, 2024

	Horse Racing Funds
Additions:	
Contributions	
Individuals and organizations	$ 3,178,063
Total contributions	3,178,063
Investment Income	
Interest	36,647
Net investment income	36,647
Total additions	3,214,710
Deductions:	
Payments to individuals and organizations	3,202,616
Total deductions	3,202,616
Net increase	12,094
Net position, restricted	
Beginning of Year	587,633
End of Year	$ 599,727

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

Note 1 - Significant Accounting Policies

Summary of Significant Accounting Policies

The accounting and reporting policies of Tulsa County Public Facilities Authority (the Authority) conform to generally accepted accounting principles for units of local government as promulgated by the Governmental Accounting Standards Board (GASB).

Organization and Purpose

The Authority is a public trust established under the provisions of the Oklahoma Trust Act on January 17, 1983. The Authority commenced operations on March 1, 1983, and, as successor to the Tulsa County Fairgrounds Trust Authority, operates and manages certain properties owned by Tulsa County, Oklahoma (the County), commonly referred to as the Tulsa County Fairgrounds located at Expo Square. The Authority is included in the County's annual comprehensive financial report as an enterprise fund.

The financial statements of the Authority are intended to present the financial position and changes in financial position of only that portion of the enterprise fund information of the County that is attributable to the transactions of the Authority, and not those of the entire County. The fiduciary fund statements consist of funds collected and disbursed by the Horsemen’s Bookkeeper per Title 3A OS Section 208.13 of the Oklahoma Statutes. The year-end balance reflected consists of simulcast monies received outside of the racing meet that will be used as future purses.

Basis of Accounting

Accrual basis accounting is used by the Authority. Under this method of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to facility surcharges or other long-term purposes are excluded from this definition.

Restricted Assets

Certain assets of the Authority are restricted for payment of capital expenditures.

Accounts Receivable

Accounts receivable are short-term, non-interest bearing and uncollateralized and carried at original invoice amount.

An account receivable is considered to be past due if any portion of the receivable balance is outstanding past the terms of the specific sales contract. An allowance for doubtful accounts is established by management, based on past experience and analysis of current receivable collectability.

Note 1 - Significant Accounting Policies (Continued)

Accounts Receivable (Continued)

The Authority considers all accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is required.

Inventories

Inventories consist of food, beverage, sundry items, bedding, and feed and are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

Capital Assets

The Authority's capital assets with useful lives of more than one year are stated at cost or acquisition value if acquired by gift. Capital assets which are sold or retired have their cost and related accumulated depreciation removed from the records. The related gain or loss is recorded in the period of sale or retirement. Repairs and maintenance are charged to expenses as incurred. Major renewals or betterments are capitalized.

Depreciation is provided using the straight-line method, based on the estimated useful lives of the assets which range from 3 to 45 years. Intangible leased assets are amortized over the life of the associated contract.

The Authority records impairments of capital assets when it becomes probable that the carrying value of the assets will not be fully recovered over their estimated useful life. Impairments are recorded to reduce the carrying value of the assets to their net realizable value based on facts and circumstances in existence at the time of the determination. No impairments were recorded during the year ended December 31, 2024.

Prepaid Event Expenses and Unearned Revenue

Revenue from events, such as the annual State Fair and horse racing meet events, and the related expenses, is not recognized until occurrence of the event, at which time the related revenue and any expenses are then recognized.

Facilities Surcharge and Excise Tax Revenue

As of July 1999, the Authority implemented an event surcharge of $1.00 per person on each admission to certain events held at the Tulsa State Fairgrounds. The event surcharge is earmarked for capital improvements at the Tulsa State Fairgrounds as described in the Expo Square Master Plan. Also, an excise tax was levied by the County which may be used for the purpose of making capital improvements at Expo Square and/or pledged and applied toward the payment of principal, premium, and interest on indebtedness. For the year ending December 31, 2024, the Authority received $2,276,766 in excise tax revenue from the County. These amounts are included in nonoperating revenues (expenses) on the statements of revenue, expenses and changes in net position. The amount of excise tax received monthly was decreased beginning in September 2024, as most of the tax collected is now being used to pay towards the Tulsa County Industrial Authority (TCIA) Revenue Bonds 2024. In return, various capital improvement projects will be made in the coming years at the Authority.

Note 1 - Significant Accounting Policies (Continued)

Income Taxes

As a political subdivision, the Authority is exempt from federal income taxes under Section 115(1) of the Internal Revenue Code. As a result, if the Authority maintains its tax exemption, it will not be subject to income tax.

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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Accounting Standard

As of January 1, 2024, the Authority adopted GASB Statement No. 101, Compensated Absences. The objective of the statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The impact to the Authority resulted in the restatement of beginning net position to reflect the inclusion of sick leave balances as part of compensated absences. This restatement can be viewed further in Note 10.

Subsequent Events

The Authority has evaluated subsequent events through June 20, 2025, the date on which the financial statements were available to be issued.

Note 2 - Cash and Cash Equivalents

Current Cash and Cash Equivalents – Balances

Current cash and cash equivalents of $13,482,317 consists of various demand accounts that collectively totaled $12,135,242 on December 31, 2024, and a capital expenditures and contingency account that totaled $1,347,075.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents at year end consisted of the following primary components: $1,896,691 in ARP funds for HVAC and electrical infrastructure upgrades, and $1,275,932 in facility surcharges. In accordance with state statutes, authorized cash equivalents consist of obligations of the U.S. Treasury, agencies and instrumentalities, investment contracts, commercial paper, repurchase agreements, and money market accounts. The balance of restricted cash and cash equivalents on December 31, 2024, was $3,172,623.

Note 2 - Cash and Cash Equivalents (Continued)

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy to limit custodial credit risk. However, the Authority obtained adequate pledged securities for all account balances at calendar year-end.

Note 3 - Capital Assets

Capital assets activity for the year ended December 31, 2024, was as follows:

	Balance at January 1, 2024	Additions	Transfers	Disposals	Balance at December 31, 2024
Capital assets not being depreciated:					
Land	$ 1,146,200	$ -	$ -	$ -	$ 1,146,200
Construction in progress	3,633,136	9,498,288	(3,449,317)	(4,167)	9,677,940
Total capital assets not being depreciated	4,779,336	9,498,288	(3,449,317)	(4,167)	10,824,140
Depreciable capital assets:					
Buildings and systems	205,003,443	2,140,932	2,769,902	-	209,914,277
Machinery and equipment	18,451,488	2,244,859	679,415	(128,248)	21,247,514
Total depreciable capital assets	223,454,931	4,385,791	3,449,317	(128,248)	231,161,791
Less accumulated depreciation for:					
Buildings and systems	(136,971,122)	(7,385,936)	-	-	(144,357,058)
Machinery and equipment	(12,169,019)	(1,422,552)	-	118,190	(13,473,381)
Total accumulated depreciation	(149,140,141)	(8,808,488)	-	118,190	(157,830,439)
Other assets:					
Leased assets - equipment	940,385	-	-	-	940,385
Total other assets	940,385	-	-	-	940,385
Less accumulated amortization					
Leased assets - equipment	(578,699)	(289,349)	-	-	(868,048)
Total accumulated amortization	(578,699)	(289,349)	-	-	(868,048)
Depreciable and other capital assets, net	74,676,476	(4,712,046)	3,449,317	(10,058)	73,403,689
Total capital assets, net	$ 79,455,812	$ 4,786,242	$ -	$ (14,225)	$ 84,227,829

Depreciation expense was $8,808,488 and amortization expense was $289,349 for the year ended December 31, 2024.

All capital assets are subject to an agreement dated February 22, 1983, with the Board of Commissioners of Tulsa County which, as amended, extends to March 1, 2043. The agreement covers all land, buildings, equipment, and other properties.

The terms of the agreement provide that the Authority will manage and use the property in exchange for utilizing the property for purposes which are in the best interest of the citizens of Tulsa County. The agreement requires County Commissioner approval for capital expenditures in excess of $100,000, any sublease of the property for a term exceeding two years, and the issuance of any revenue bonds. At the termination of the lease, ownership of all assets used or acquired in connection with the leased premises reverts to the County.

Note 4 - Leases Receivable

The Authority as a lessor, has entered into lease agreements involving land, buildings, and a water park. The total amount of inflows of resources, including lease revenue of $189,296 and interest revenue of $93,104 recognized during the calendar year totaled $282,400.

Lease receivables balances at December 31, 2024 for the related contracts consisted of the following:

EXPO Invest - hotel	$ 3,547,822
SBA Communications - tower	197,315
Splash Action - water park	1,499,373
U.S. Cellular - tower	460,340
Total lease receivable	$ 5,704,850
Short-term lease receivable	$ 194,102
Long-term lease receivable	5,510,748
	$ 5,704,850

The remaining lease receipts as split between lease and interest revenue are as follows:

Year Ended December 31	Lease Revenue	Interest Revenue	Total
2025	$ 194,102	$ 90,438	$ 284,540
2026	200,889	87,691	288,580
2027	206,735	84,850	291,585
2028	212,673	81,927	294,600
2029	218,708	78,917	297,625
2030-2034	1,195,326	346,088	1,541,414
2035-2039	452,788	278,930	731,718
2040-2044	469,827	240,386	710,213
2045-2049	555,801	196,563	752,364
2050-2054	526,575	149,156	675,731
2055-2059	581,640	102,496	684,136
2060-2064	670,203	48,829	719,032
2065-2066	219,583	3,007	222,590
	$ 5,704,850	$ 1,789,278	$ 7,494,128

The discount rates used for the above calculations ranged from 1.29% to 1.72%.

Note 5 - Long-Term Liabilities

The long-term liability for the year ended December 31, 2024, consists of the following:

	Restated, January 1, 2024	Additions	Reductions	December 31, 2024	Amount Due Within One Year
Lease obligation	$ 374,005	$ -	$ 298,540	$ 75,465	$ 75,465
Accrued compensated absences	289,657	33,000	-	322,657	168,010
Total long-term debt liabilities	$ 663,662	$ 33,000	$ 298,540	$ 398,122	$ 230,112

On the Statement of Net Position, the Accrued compensated absences balances are included as part of the Other accrued expenses.

Lease Obligation

The Authority as a lessee, has entered into a lease agreement for terminals and equipment relating to racing with United Tote. The lease is paid monthly at a rate of $23,735 at the beginning of 2023 with 3% annual increases occurring each April. The current term of the lease is set to expire in 2025. At the end of calendar year 2024, the remaining balance on the lease obligation was $75,465.

Future minimal lease payments as calculated based upon a discount rate of 0.60% are as follows:

Year Ended December 31	Expense	Interest	Total
2025	$ 75,465	$ 78	$ 75,543
	$ 75,465	$ 78	$ 75,543

Note 6 - Racing Operations

The Authority must apply to the Oklahoma Horse Racing Commission annually to be awarded racing days. For the year ended December 31, 2024, the Authority was awarded and held 28 days. The Authority also held simulcast races throughout the year.

The Authority retains a pari-mutuel commission based on the total amount of pari-mutuel wagering during a racing meet. The percentages of the total wagered which can be retained by the Authority are set by Oklahoma law. The Authority must pay all purses and operating costs of the racing meet from the commission. The total amount wagered on live racing during 2024 was approximately $2,156,000 with approximately $567,000 of that total wagered directly for Fair Meadows events. The total amount wagered during 2024 from simulcasting was approximately $14,940,000.

Note 7 - Related Party Transactions

The County provides, at its cost, certain printing and office supplies to the Authority, which are used for administrative purposes. During the year ending December 31, 2024, the Authority paid the County approximately $27,000 for these items.

Note 8 - Retirement Plan

The Authority accounts for pensions in accordance with GASB Statement No. 68, *Accounting and Financial Reporting For Pensions.*

The Authority provides all full-time employees retirement benefits through participation in the Tulsa County Employees' Retirement System (the System), a single employer defined benefit pension plan, which covers participants with retirement, death, and disability benefits. A nine-member Board of Trustees administers the System. Benefit terms are established and can be amended by the Systems Board of Trustees. The System issues stand-alone financial statements, which can be obtained from Tulsa County at 218 West 6th Street, Tulsa, Oklahoma 74119, or online at www.tulsacounty.org.

The System and Tulsa County have a June 30 year end. The System's pension liability was based on actuarial valuations as of June 30, 2024. Tulsa County has elected to use the preceding year-end of the System as its measurement date. Net pension liability and related deferred outflows and inflows are reported as of June 30, 2024. Pension payments by the Authority from the measurement date and the Authority's year-end are reported as deferred outflows of resources.

Employer contributions between the measurement date of June 30 and the Authority's year-end are reported as deferred outflows of resources. On December 31, 2024, these payments amounted to $242,248.

Plan Description and Provisions

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

For the plan year ended December 31, 2024, the Authority's covered payroll was $2,629,947, and total payroll for all covered employees of the plan amounted to $101,151,833. The Authority's share (2.60%) of the net pension liability was determined based on this ratio.

Normal Retirement Benefits

Benefits are determined by multiplying the average of the highest paid three years of annual salary times a percentage based on the years of credited service at the date of retirement. A member is fully vested after five years of full-time service as a regular employee. The five-year period is not required to be continuous. Unreduced benefits may be received at age 62. A member may also be eligible for full benefits under the "Rule of 80" in which the total service time and the employee's age equals 80. The System allows an employee who has attained age 55 with at least five years of credited service the opportunity to draw retirement benefits at an actuarially reduced percentage from the normal rate at age 62.

Note 8 - Retirement Plan (Continued)

Contributions

Title 19 OSA 954 of the Oklahoma Statutes provides for annual contributions to be made by Tulsa County (including the Authority) for amortizing any net pension liability. The Board of Trustees of the System recommends to the Board of County Commissioners (BOCC) the percentage of the employer and employees' contribution level to be contributed to the System. The BOCC, within the limits allowed by law, establishes both the employer and employee levels of contributions to support the System.

Beginning July 1, 2019, the total employer and employee contributions shall not exceed 18.5% of the monthly compensation of each member.

Until June 30, 2019, the employer contribution rate was 14 percent. Effective July 1, 2020, the BOCC and the Board of Trustees of the System approved a resolution changing the employer contribution rate to 15%.

For the year ended December 31, 2024, the employee contribution rate was 3.5% of the base salary per month.

There are no legally required reserve accounts for the System's fiscal year ending June 30, 2024.

Actuarial Assumptions

The following are the key assumptions used in the System's actuarial valuation as of June 30, 2024:

Discount rate	6.00%
Long-term expected rate of return	6.00%
Valuation date	July 1, 2024
Measurement date	June 30, 2024
Inflation	2.35%
Salary increase including inflation	5.25 % grading down to 2.75%
Mortality	PUB2010 General Amount Weighted Mortality, set forward 2 years, with generational projection using MP-2021 improvement scales
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of December 31, 2024, were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

Note 8 - Retirement Plan (Continued)

Long-Term Expected Rate of Return

The current asset allocation and the best estimates of the arithmetic expected real rates of return for each major asset class as of December 31, 2024, are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
US Core Fixed Income	18.75%	2.52%
US Intermediate Bonds	8.75%	2.10%
US High Yield Bonds	7.50%	4.43%
US Large Caps	17.50%	5.39%
US Mid-Caps	25.00%	5.98%
Foreign Developed Equity	12.50%	6.92%
Private Real Estate Property	5.00%	5.69%
Master Limited Partnerships	5.00%	6.96%

Pension Liabilities, Pension Expense, and Deferred Outflow/Inflows of Resources

On December 31, 2024, the Authority reported a liability of $4,403,365 for its proportionate share of the net pension liability. The Authority's proportion of the net pension liability was based on the Authority's covered payroll relative to total covered payroll for Tulsa County. Based upon this information, the Authority's proportion was 2.6% and for the year ended December 31, 2024.

For the year ended December 31, 2024, the Authority recognized pension expense of $131,806. On December 31, 2024, 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
Difference between expected and actual experience	$ 199,047	$ 5,163
Changes of assumptions	670,059	1,380,262
Change in proportion	173,310	-
Contributions during the measurement period	27,553	-
Contributions subsequent to the measurement date	242,248	-
Net difference between projected and actual earnings on pension plan investments	-	168,815
Total	$ 1,312,217	$ 1,554,240

Note 8 - Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflow/Inflows of Resources *(Continued)*

Deferred outflows of resources of $242,248 were related to pensions resulting from Authority contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ending December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	$ (154,161)
2026	(240,065)
2027	(43,704)
2028	(46,341)
Total	$ (484,271)

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

The net pension liability of the Authority for the year ended December 31, 2024, is calculated using the discount rate of 6.00%. The following presents what the Authority's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher than the current rate.

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Authority's net pension liability	$ 6,189,143	$ 4,403,365	$ 2,940,871

Note 9 - Contingencies

The Authority is involved in legal proceedings in the normal course of operations, none of which, in the opinion of management, will have a material effect on the net position or changes in net position of the Authority.

Note 10 - Restatement

The beginning net position was restated as follows to reflect the impact of implementing GASB 101:

Beginning net position, as previously reported	$ 100,020,284
Accrued compensated absences (GASB 101)	(85,000)
Beginning net position, restated	$ 99,935,284

Tulsa County Public Facilities Authority
Required Supplementary Information
December 31, 2024

Tulsa County Public Facilities Authority
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Authority's proportion of the net pension liability	2.76%	2.80%	2.80%	3.20%	3.20%
Authority's proportionate share of the net pension liability	$ 1,113,629	$ 2,168,576	$ 1,972,036	$ 2,807,622	$ 3,956,664
Authority's covered payroll	$ 2,121,982	$ 2,331,204	$ 2,150,288	$ 2,447,991	$ 2,573,231
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	52.48%	93.02%	91.71%	114.69%	153.76%
Measurement date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan fiduciary net position as a percentage of the total pension liability	87.12%	77.49%	80.14%	76.86%	70.04%

	2020	2021	2022	2023	2024
Authority's proportion of the net pension liability	2.40%	2.20%	2.50%	2.60%	2.60%
Authority's proportionate share of the net pension liability	$ 4,070,127	$ 2,921,377	$ 7,151,330	$ 4,399,826	$ 4,403,365
Authority's covered payroll	$ 2,001,618	$ 1,743,436	$ 2,136,377	$ 2,347,175	$ 2,629,947
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	203.34%	167.56%	334.74%	187.45%	167.43%
Measurement date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan fiduciary net position as a percentage of the total pension liability	62.64%	72.20%	50.95%	65.73%	67.06%

Notes to Schedule:

The discount rate decreased from 6.00% to 4.75% as of June 30, 2022.
The discount rate increased from 4.75% to 6.00% as of June 30, 2023.

Tulsa County Public Facilities Authority
Schedule of Pension Contributions
Last 10 Fiscal Years

	2015	2016	2017	2018	2019
Contractual required contribution	$ 334,992	$ 326,369	$ 342,470	$ 342,719	$ 389,170
Contributions in relation to the contractually required contribution	334,992	326,369	342,470	342,719	355,309
Contribution deficiency	$ -	$ -	$ -	$ -	$ 33,861
Authority's covered payroll	$ 2,121,982	$ 2,331,204	$ 2,150,288	$ 2,447,991	$ 2,573,231
Contributions as a percentage of covered payroll	15.79%	14.00%	15.93%	14.00%	15.12%

	2020	2021	2022	2023	2024
Contractual required contribution	$ 313,252	$ 309,612	$ 344,548	$ 398,445	$ 457,799
Contributions in relation to the contractually required contribution	299,384	278,816	327,768	360,926	396,794
Contribution deficiency	$ 13,868	$ 30,796	$ 16,780	$ 37,519	$ 61,005
Authority's covered payroll	$ 2,001,618	$ 1,743,436	$ 2,136,377	$ 2,347,175	$ 2,629,947
Contributions as a percentage of covered payroll	15.65%	17.76%	16.13%	16.98%	17.41%

Tulsa County Public Facilities Authority

Schedule of Proportionate Share of the Total OPEB Liability
Last 10 Fiscal Years*

	2016	2017	2018	2019
Authority's proportion of the total OPEB liability	2.61%	2.61%	2.61%	2.77%
Authority's proportionate share of the total OPEB liability	$ 142,557	$ 139,144	$ 147,958	$ 131,931
Authority's covered payroll	$ 2,078,531	$ 2,127,256	$ 2,118,046	$ 2,268,426
Authority's proportionate share of the total OPEB liability as a percentage of its covered payroll	6.86%	6.54%	6.99%	5.82%

Notes to Schedule:

*Only active years since implementation of GASB 75 through the termination of the plan are presented.

Effective July 1, 2020, the retirees in the Plan were transferred into a separate plan outside of the Authority and the County. The data above is related to the plan information through 2019.

Reports Required by *Government Auditing Standards*

HINKLE & COMPANY PC
Strategic Business Advisors

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

Board of Trustees
Tulsa County Public Facilities Authority
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary fund information of the Tulsa County Public Facilities Authority (the Authority), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 20, 2025.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designed audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hinkle & Company, PC

Tulsa, Oklahoma
June 20, 2025