Tulsa County Public Facilities Authority

Financial Statements
and
Independent Auditor's Reports

December 31, 2025

Tulsa County Public Facilities Authority

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Independent Auditor's Report

To the 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 activities 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, 2025, 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 referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of the Authority, as of December 31, 2025, 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.

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 not purport to, and do not, present fairly the financial position of Tulsa County, Oklahoma as of December 31, 2025, 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, which 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; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, which 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 the Authority's proportionate share of the net pension liability, schedule of the Authority's pension contributions, and the schedule of the Authority's proportionate share of the total OPEB liability on pages 4 through 7 and 33 through 35 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 GAAS, 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 19, 2026, on our consideration of the Authority'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 the Authority's 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.

Ede Bailly LLP

Tulsa, Oklahoma
June 19, 2026

Management Discussion and Analysis

Management Discussion and Analysis

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, 2025. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

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.

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 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.

Types of Information in the Financial Statements

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.

More specifically, the Authority’s financial statements use the economic resources measurement focus and accrual basis of accounting, which means the statements comprehensively report all types of financial statement elements including the following:

- Assets – Which represent the resources the Authority controls, from short-term assets like cash and cash equivalents to long-term assets like buildings of the fairground itself.

- Liabilities – Which reflect what the Authority owes at a snapshot in time at year end, from short-term liabilities such as accounts payable to long-term liabilities such as lease obligations and net amounts owed to employees for pensions.
- Deferred outflows of resources and deferred inflows of resources – These collectively represent flows related to pensions and leases that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which the flows are ultimately related.
- Revenues and expenses – These reflect all the activity of inflows and outflows of economic resources, respectively, related to the current year.

Note 1 – Significant Accounting Policies later in the report provides additional details on these topics.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a more complete understanding of the data provided in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to accomplish the following: (1) Present information in greater detail than is possible within the financial statements; (2) Explain the nature of amounts reported in the financial statements and how those amounts were determined; and (3) Report certain information that does not meet the requirements for inclusion directly in the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Authority's progress in funding its obligation to provide pension benefits to its employees, and to provide historical information related to a previous liability related to Other Post-Employment Benefits (OPEB) that is still required to be disclosed.

Financial Summary and Detailed Analysis

The following summary and related analysis are split between the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position and they concern the Authority's calendar year 2025 activity in relation to its 2024 activity.

Statement of Net Position

Net position is an important indicator of the Authority's overall financial position. The Authority's net position increased approximately $1.4 million to $96.2 million on December 31, 2025, from approximately $94.8 million on December 31, 2024. The Authority's net position as a percentage of total assets plus deferred outflows of resources was 87% and 87%, as of December 31, 2025, and 2024, respectively.

The following is a condensed summary of the Statement of Net Position for the years ending December 31, 2025 and 2024:

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

	2025	2024
Current assets	$ 16,670	$ 15,207
Restricted assets	2,088	3,173
Noncurrent assets	5,309	5,510
Capital assets, net	85,412	84,228
Total assets	109,479	108,118
Total deferred outflows of resources	729	1,312
Current liabilities	2,599	2,988
Non-current liabilities	5,164	4,558
Total liabilities	7,763	7,546
Total deferred inflows of resources	6,208	7,047
Net position		
Net investment in capital assets	84,448	84,152
restricted	2,088	3,173
unrestricted	9,701	7,512
Total net position	$ 96,237	$ 94,837

At December 31, 2025, total assets increased by $1.4 million. This overall increase was reflective of several collective changes to assets including the following which were the most significant year-over-year:

- Current cash and cash equivalents increased by $2.1 million as overall operations slightly improved with total revenues exceeding total expenses (Note: More specific analysis of revenues and expenses will be discussed in the following pages).
- Restricted cash and cash equivalents decreased by $1.1 million as the balance in the funded projects bank account and the surcharge bank account were reduced by ongoing capital improvements and the related costs incurred.
- Nondepreciable capital assets increased by $2 million as $8.4 million of construction in progress expenditures occurred during the year, and completed projects transferred to depreciable capital assets totaled $6.4 million.
- Other less significant changes that impacted the overall change were a decrease of $830 thousand in accounts receivable, and a decrease of $839 thousand in depreciable capital assets, net of depreciation/amortization as depreciation and amortization outpaced capital and leased asset additions.

No significant changes were noted regarding the changes of Authority liabilities. The overall lack of significant change between 2024 and 2025 is indicative of the Authority's ongoing consistency in operations including the ability to maintain and replace capital assets without incurring debt.

Statement of Revenues, Expenses and Changes in Net Position

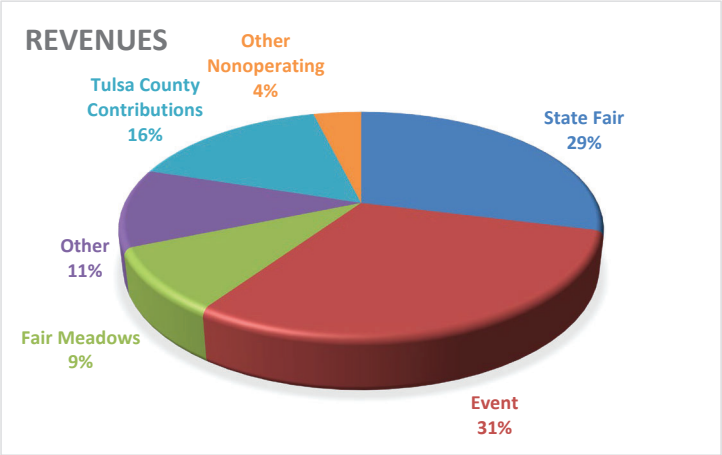
The Statement of Revenues, Expenses, and Changes in Net Position shows the financial activity that occurred during the year ending December 31, 2025. Revenue is compared to operating expenses to determine the operating income or loss for the year. This balance is then combined with non-operating revenues 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, 2025 and 2024:

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

	2025	2024
Revenues		
Operating	$ 33,134	$ 31,401
Nonoperating	8,282	3,360
Total revenues	41,416	34,761
Expenses		
Operating - Depreciation & amortization	9,429	9,098
Other operating expenses	30,567	30,685
Nonoperating expenses and losses	20	76
Total expenses	40,016	39,859
Change in net position	1,400	(5,098)
Net position, beginning of year	94,837	99,935
Net position, end of year	$ 96,237	$ 94,837

Total revenue increased $6.7 million from December 31, 2024, to December 31, 2025, due largely to the contributions received from Tulsa County of $6.7 million, which represented an increase of $4.4 million. This increase was the result of the Authority being reimbursed for capital expenditures related to the Tulsa County Industrial Authority (TCIA) Revenue Bonds 2024 (See Note 1 for further information). An additional impactful change in revenue was an increase of $1.3 million in event revenue with the largest contributing category being an increase in catering and concessions of $763 thousand as successful events and related sales yielded this increase. There were two one-time revenues also deemed relevant to the year-over-year increase, and they included $587 thousand of grant contributions from FEMA for 2023 storm damage and $478 thousand of insurance proceeds related to storm damage.

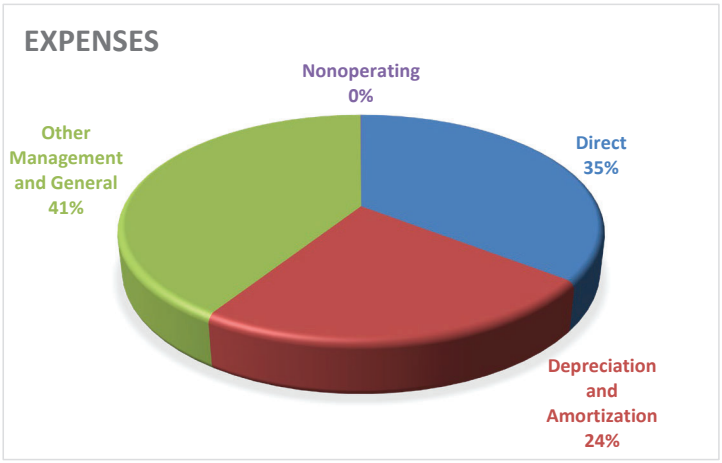
The following pie chart depicts a representation of the revenue sources received by category during the calendar year.



Expenses remained quite constant with a year-over-year increase of just 0.4% or $157 thousand. This slight increase was comprised of several increases and decreases in various categories during the year with the following being some of the biggest items of note:

- Catering and concessions (part of direct expenses) increased by $210 thousand largely due to personnel expenses which correlates to the increased overall revenue for this catering and concessions category as noted previously.
- Depreciation and amortization (part of management and general expenses) increased by $332 thousand for the same reason as previously discussed of collective capital asset useful life remaining slightly decreasing overall.
- Maintenance and repairs (part of management and general expenses) decreased by $501 thousand as several projects were simply not incurred during the year as recovery from previous damage and extended use were not as needed. Examples of this include year-over-year decreases in general building and grounds costs of $181 thousand and in plumbing maintenance and repairs of $99 thousand.

The following pie chart depicts a representation of the expenses categories during the calendar year.



Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report resources for which the Authority acts as the Horsemen's Bookkeeper in a custodian capacity for applicable funds collected and disbursed. Any balance reflected at the end of the year reflects simulcast monies received outside of the racing meet that will be used as future purses.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

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

Capital Assets
As of December 31 (in thousands):

	2025	2024
Land	$ 1,146	$ 1,146
Construction in progress	11,701	9,678
Buildings and systems	215,079	209,914
Machinery and equipment	21,807	21,248
Leased assets - equipment	1,172	940
Total	250,905	242,926
Accumulated depreciation/amortization	(165,493)	(158,698)
Capital assets, net	$ 85,412	$ 84,228

Capital assets before depreciation increased by approximately $8 million from December 31, 2024, to December 31, 2025, due to ongoing capital expenditures that were partially offset in the current year by the disposal of old assets. Accumulated depreciation and amortization collectively increased by $6.8 million as expenses were partially offset by disposals that were almost entirely depreciated/amortized.

The bigger capital asset additions for the year included the following:

- The parking lot paving and repairs project was completed in February 2025 for $3.7 million.
- The Ford Truck Arena HVAC upgrade was completed in January 2025 for $1.2 million.
- The Expedition Barn Roof project was completed in February 2025 for $1.2 million

The largest ongoing construction in progress totaled $4.1 million at the end of 2025 for the electrical and infrastructure upgrades project. An additional $3.4 million was incurred during the year for the new bedding and feed office project.

For additional details related to capital assets, see Note 3 of the financial statements.

Long-term Debt

Outstanding long-term debt related to the lease obligation increased $888 thousand (comprised of $1.2 million in obligation additions and $284 thousand of reductions) during calendar year 2025. This increase is representative of the prior lease obligation for terminals and equipment relating to racing ending and a new agreement beginning.

For additional details related to leases, see Note 5 of the financial statements.

Currently Known Facts, Decisions, or Conditions

The Authority is currently in a position in which its operations are relatively consistent with an ongoing and steady flow of events happening on its grounds including horse racing, auctions, gun and car shows, and dog agility competitions (https://www.exposquare.com/events). The 11-day Tulsa State Fair runs from October 1st through October 11th this year.

The proposed budget for 2026 reflected total budgeted operating revenues of $32.2 million which included $11.9 million for the Tulsa State Fair and $12.2 million for event revenue. Budgeted expenses included $15.4 million for direct expenses and $17.2 million for operating expenses. Once other revenue is considered, the overall budget reflects a projected surplus of $180 thousand for 2026.

Financial Statements

Tulsa County Public Facilities Authority

Statement of Net Position

December 31, 2025

Assets		
Current assets		
Cash and cash equivalents	$	15,622,344
Accounts receivable		260,123
Lease receivable		200,889
Prepaid expenses and other		279,496
Inventories		306,689
Total current assets		16,669,541
Restricted assets		
Cash and cash equivalents		2,087,963
Total restricted assets		2,087,963
Non-current assets		
Lease receivable, net of current portion		5,309,861
Nondepreciable capital assets		12,846,986
Depreciable capital assets, net of depreciation/amortization		72,564,949
Total non-current assets		90,721,796
Total assets		109,479,300
Deferred outflows of resources		
Pension		729,384
Total deferred outflows		729,384
Total assets and deferred outflows of resources	$	110,208,684

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

Tulsa County Public Facilities Authority

Statement of Net Position, Continued

December 31, 2025

Liabilities		
Current liabilities		
Accounts payable	$	1,432,259
Other accrued expenses		358,010
Unearned credits and event revenue		524,917
Lease obligation liability, current portion		283,627
Total current liabilities		2,598,813
Non-current liabilities		
Other accrued expenses		130,696
Net pension liability		4,353,256
Lease obligation liability		679,843
Total non-current liabilities		5,163,795
Total liabilities		7,762,608
Deferred inflows of resources		
Pension		972,956
Leases		5,235,447
Total deferred inflows		6,208,403
Net position		
Net investment in capital assets		84,448,465
Restricted for capital projects		2,087,963
Unrestricted		9,701,245
Total net position		96,237,673
Total liabilities, deferred inflows, and net position	$	110,208,684

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, 2025

Operating revenues	
State fair revenue	
Admissions	$ 3,007,773
Midway commissions	2,119,924
Third party concessions	188,530
Third party vendor	2,390,366
Parking	1,559,775
Food and beverage	1,053,583
Ticketed shows	571,832
Livestock	794,433
Fair sponsorships	240,636
Other state fair revenue	52,290
Total state fair revenue	11,979,142
Event revenue	
Building rental	3,625,328
Equipment rental	1,984,379
Catering and concessions	5,464,244
Security	388,350
Box office fees	225,808
Facilities surcharges	273,978
Telecommunication and utilities	382,728
Other event revenue	330,353
Total event revenue	12,675,168
Fair meadows revenue	
Mutuel commissions	1,409,148
Sports grill revenue	214,821
Program sales	65,616
Tribal gaming revenue	2,074,709
Other fair meadows revenue	24,687
Total fair meadows revenue	3,788,981
Other revenue	
Exposerve royalties	163,057
RV park revenue	1,437,140
Bedding and feed revenue	2,006,121
Hotel and waterpark revenue	226,675
Sponsorship revenue	683,484
Other operating revenue	174,670
Total other revenue	4,691,147
Total operating revenue	$ 33,134,438

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, 2025

Operating expenses	
Direct expenses	
Direct employee costs	$ 2,820,162
Temporary personnel - events	1,365,575
Catering and concessions	3,095,819
Simulcast and racing expenses	1,433,147
Sports grill expenses	256,366
Other event expenses	5,238,207
Total direct expenses	14,209,276
Management and general expenses	
Personnel	6,552,766
Depreciation and amortization	9,429,342
Utilities and telephone	3,406,615
Supplies and printing	511,652
Professional services	687,879
Maintenance and repairs	1,548,589
Insurance	1,351,518
Equipment rental	238,333
Food and beverage	1,518,959
Vehicle expenses	218,757
Other expenses	321,479
Total management and general	25,785,889
Total operating expenses	39,995,165
Operating loss	(6,860,727)
Noncapital Subsidies	
Contributions from Tulsa County	343,941
Total noncapital subsidies	343,941
Operating loss and noncapital subsidies	(6,516,786)
Other nonoperating revenues (expenses)	
Capital contributions from Tulsa County	6,341,045
Contributions from FEMA	586,514
Interest expense	(20,408)
Interest income	436,757
Gain on capital asset retirements	95,134
Insurance proceeds related to capital asset replacements	478,332
Total other nonoperating revenues (expenses)	7,917,374
Increase in net position	1,400,588
Net position - beginning of period	94,837,085
Net position - end of period	$ 96,237,673

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

Tulsa County Public Facilities Authority

Statement of Cash Flows

Year Ended December 31, 2025

OPERATING ACTIVITIES	
Cash received from customers	$ 33,776,489
Cash paid to suppliers	(19,980,671)
Cash paid for salaries, employee benefits and taxes	(11,276,323)
Interest received related to leases	90,438
Net cash provided by operating activities	2,609,933
NONCAPITAL FINANCING ACTIVITIES	
Contributions from Tulsa County	343,941
Net cash provided by noncapital financing activites	343,941
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(9,456,284)
Proceeds from the sale of capital assets	110,003
Contributions from FEMA	586,514
Insurance proceeds related to capital asset replacements	478,332
Principal payments on lease obligation payable	(284,028)
Interest payments on lease obligation payable	(20,408)
Contributions from Tulsa County	6,341,045
Net cash used in financing activities	(2,244,826)
INVESTING ACTIVITIES	
Interest received on cash	346,319
Net cash provided by investing activities	346,319
Net increase in cash and cash equivalents	1,055,367
Balances - beginning of year	16,654,940
Balances - end of year	$ 17,710,307

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

Tulsa County Public Facilities Authority

Statement of Cash Flows

Year Ended December 31, 2025

Reconciliation to Statement of Net Position:	
Cash and cash equivalents	$ 15,622,344
Restricted cash and cash equivalents	2,087,963
Total cash and cash equivalents, end of year	$ 17,710,307
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	(6,860,727)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	9,429,342
Interest received related to leases	90,438
Change in assets, liabilities, deferred inflows and outflows:	
Accounts receivable	830,178
Prepaid event and other expenses	(124,788)
Lease receivable	194,100
Inventories	(20,887)
Deferred outflows of resources	582,833
Accounts payable	(682,016)
Other accrued expenses	9,406
Net pension liability	(50,109)
Unearned credits and event revenue	50,886
Deferred inflows of resources	(838,723)
Net cash provided by operating activities	$ 2,609,933
Noncash activites	
Lease liability for the acquisiton of a right to use leased asset	$ 1,172,033

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

Tulsa County Public Facilities Authority

Statement of Fiduciary Net Position

December 31, 2025

	Horse Racing Funds
Assets	
Cash and cash equivalents	$ 657,973
Total assets	657,973
Net position	
Restricted for individuals and organizations	657,973
Total net position	657,973
Total liabilities and net position	$ 657,973

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, 2025

	Horse Racing Funds
Additions:	
Contributions	
Individuals and organizations	$ 3,641,455
Total contributions	3,641,455
Investment Income	
Interest	32,469
Net investment income	32,469
Total additions	3,673,924
Deductions:	
Payments to individuals and organizations	3,615,678
Total deductions	3,615,678
Net increase	58,246
Net position, restricted	
Beginning of Year	599,727
End of Year	$ 657,973

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 not held 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 service contract. An allowance for doubtful accounts is established by management, based on past experience and analysis of current receivable collectability.

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 expense 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, 2025.

Pension

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 Tulsa County Employees' Retirement System (the System) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the County. 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.

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.

Net Position

Net position on the Statement of Net Position includes the following:

- Net investment in Capital Assets - The component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unspent proceeds, which is directly attributable to the acquisition, construction or improvement of these capital assets.

- Restricted for Capital Projects - The component of net position that reports the unspent subsidies in order to perform specified construction for the Authority. This amount is restricted by the Authority's Board.
- Unrestricted - The difference between the sum of assets and deferred outflows of resources and the sum of liabilities and deferred inflows of resources that is not reported as restricted for any particular purpose.

When the Authority incurs an expense for which it may use either restricted or unrestricted net position, it uses restricted net position first unless unrestricted net position will have to be returned because it was not used.

Nonoperating Revenues and Expenses

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues consist of event revenue, state fair revenue, fair meadows revenue, and related services from the usage of the fairgrounds. Operating expenses are costs associated with operating the Authority. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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, 2025, the Authority received $343,941 in excise tax revenue from the County. These amounts are included in noncapital subsidies on the statement of revenue, expenses and changes in net position. The amount of excise tax received monthly has been decreased as it is now being paid towards the Tulsa County Industrial Authority (TCIA) Revenue Bonds 2024. In return, various capital improvement projects are being made at the Authority from these bond proceeds. In 2025, such capital improvement project contributions totaled $6,341,045. These amounts are included in other nonoperating revenues (expenses) on the statements of revenue, expenses and changes in net position.

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, 2025, the Authority adopted GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of the statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The impact to the Authority did not result in any change in net position, but it did result in presentation changes. in the Statement of Revenues, Expenses and Changes in Net Position. Additionally, the Management Discussion and Analysis was written to emphasize a clearer analysis and entity overview.

Subsequent Events

The Authority has evaluated subsequent events through June 18, 2026, 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 $15,622,344 on December 31, 2025, consist of various demand accounts.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents at year end consisted of the following primary components: $1,200,948 in ARP funds for HVAC and electrical infrastructure upgrades, and $887,015 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, 2025, was $2,087,963.

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, 2025, was as follows:

	Balance at January 1, 2025	Additions	Transfers	Disposals	Balance at December 31, 2025
Capital assets not being depreciated:					
Land	$ 1,146,200	$ -	$ -	$ -	$ 1,146,200
Construction in progress	9,677,940	8,393,283	(6,370,161)	(276)	11,700,786
Total capital assets not being depreciated	10,824,140	8,393,283	(6,370,161)	(276)	12,846,986
Depreciable capital assets:					
Buildings and systems	209,914,277	37,338	5,127,470	-	215,079,085
Machinery and equipment	21,247,514	1,025,663	1,242,691	(1,709,272)	21,806,596
Total depreciable capital assets	231,161,791	1,063,001	6,370,161	(1,709,272)	236,885,681
Less accumulated depreciation for:					
Buildings and systems	(144,357,058)	(7,464,118)	-	-	(151,821,176)
Machinery and equipment	(13,473,381)	(1,673,131)	-	1,694,679	(13,451,833)
Total accumulated depreciation	(157,830,439)	(9,137,249)	-	1,694,679	(165,273,009)
Other assets:					
Leased assets - equipment	940,385	1,172,033	-	(940,385)	1,172,033
Total other assets	940,385	1,172,033	-	(940,385)	1,172,033
Less accumulated amortization					
Leased assets - equipment	(868,048)	(292,093)	-	940,385	(219,756)
Total accumulated amortization	(868,048)	(292,093)	-	940,385	(219,756)
Depreciable and other assets, net	73,403,689	(7,194,308)	6,370,161	(14,593)	72,564,949
Total capital assets, net	$ 84,227,829	$ 1,198,975	$ -	$ (14,869)	$ 85,411,935

Depreciation expense was $9,137,249 and amortization expense was $292,093 for the year ended December 31, 2025.

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 of more than $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 $194,100 and interest revenue of $90,438 recognized during the calendar year totaled $284,538.

Lease receivables balances at December 31, 2025 for the related contracts consisted of the following:

EXPO Invest - hotel	$ 3,508,500
SBA Communications - tower	184,372
Splash Action - water park	1,366,731
U.S. Cellular - tower	451,147
Total lease receivable	$ 5,510,750
Short-term lease receivable	$ 200,889
Long-term lease receivable	5,309,861
	$ 5,510,750

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

Year Ended December 31	Lease Revenue	Interest Revenue	Total
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	224,994	76,017	301,011
2031-2035	1,057,511	329,102	1,386,613
2036-2040	452,433	271,341	723,774
2041-2045	486,156	232,205	718,361
2046-2050	571,666	186,891	758,557
2051-2055	517,241	140,198	657,439
2056-2060	598,613	92,365	690,978
2061-2065	689,062	37,160	726,222
2066	74,069	370	74,439
	$ 5,510,750	$ 1,699,034	$ 7,209,784

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, 2025, consists of the following:

	January 1, 2025	Additions	Reductions	December 31, 2025	Amount Due Within One Year
Lease obligation	$ 75,465	$ 1,172,033	$ 284,028	$ 963,470	$ 283,627
Accrued compensated absences	322,657	15,000	-	337,657	206,961
Total long-term debt liabilities	$ 398,122	$ 1,187,033	$ 284,028	$ 1,301,127	$ 490,588

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 $25,433 beginning in April 2025 with 1% annual increases occurring each subsequent April. The current term of the lease was renewed in 2025 and it is set to expire in 2029. At the end of calendar year 2025, the remaining balance on the lease obligation was $963,470.

Future minimum lease payments as calculated based upon a discount rate of 2.86% are as follows:

Year Ended December 31	Principal	Interest	Total
2026	$ 283,627	$ 23,856	$ 307,483
2027	294,958	15,600	310,558
2028	306,649	7,015	313,664
2029	78,236	373	78,609
	$ 963,470	$ 46,844	$ 1,010,314

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, 2025, the Authority was awarded and held 27 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 2025 was approximately $1,627,000 with approximately $595,000 of that total wagered directly for Fair Meadows events. The total amount wagered during 2025 from simulcasting was approximately $16,732,000.

Note 7 - Related Party Transactions

The County provides certain administrative materials and services to the Authority at its own cost. For the year ended December 31, 2025, the Authority paid the County approximately $339,000 for these services, including $275,000 to the Sheriff's Office for additional security, $28,000 for printing and office supplies, $18,000 for dirt hauling services, and $18,000 for IT support.

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, 2025. 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, 2025. 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, 2025, these payments amounted to $248,352.

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, 2025, the Authority's covered payroll was $2,726,092, and total payroll for all covered employees of the plan amounted to $109,043,681. The Authority's share (2.50%) of the net pension liability was determined based on this ratio, and this reflects a decrease from the prior year when the share was 2.60%.

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.

Contributions

Title 19 Oklahoma Statutes Annotated (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, 2025, 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, 2025.

Actuarial Assumptions

The following are the key assumptions used in the System's actuarial valuation as of June 30, 2025:

Discount rate	6.00%
Long-term expected rate of return	6.00%
Valuation date	July 1, 2025
Measurement date	June 30, 2025
Inflation	2.35%
Salary increase including inflation	5.25 % grading down to 2.75%
Mortality	PUB2010 General Amount Weighted Mortality Tables, males and females, set forward 2 years, projected generationally from 2010 using the IRS Adjusted 2024 MP-2021 Improvement Scale, also set forward two years.
Actuarial cost method	Entry Age Normal

The actuarial assumptions that determined the total pension liability as of December 31, 2025, were based on the results of an actuarial experience study for the period July 1, 2017, to June 30, 2022.

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 June 30, 2025, are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Rate of Return
US Core Fixed Income	18.75%	2.35%
US Intermediate Bonds	8.75%	1.89%
US High Yield Bonds	7.50%	4.03%
US Large Caps	17.50%	5.39%
US Mid-Caps	25.00%	5.83%
Foreign Developed Equity	12.50%	6.61%
Private Real Estate Property	5.00%	5.99%
Master Limited Partnerships	5.00%	6.91%

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

On December 31, 2025, the Authority reported a liability of $4,353,256 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 2.5% for the year ended December 31, 2025.

For the year ended December 31, 2025, the Authority recognized a pension benefit of $48,560. On December 31, 2025, 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	$ 331,823	$ -
Changes of assumptions	103,249	730,441
Change in proportion	-	83,404
Contributions during the measurement period	45,960	-
Contributions after the measurement period	248,352	-
Net difference between projected and actual earnings on pension plan investments	-	159,111
Total	$ 729,384	$ 972,956

Deferred outflows of resources of $248,352 were related to pensions resulting from Authority contributions after the date of the measurement period and will be recognized as a reduction of the net pension liability in the year ending December 31, 2026.

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

Year ended December 31:	
2026	$ (319,103)
2027	(49,833)
2028	(66,815)
2029	(56,173)
Total	$ (491,924)

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, 2025, 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	$ 6,158,142	$ 4,353,256	$ 2,876,489

Previous Other Post-Employment Benefits (OPEB) Plan

The Authority, as part of Tulsa County, previously offered defined benefit OPEB options for health care, prescription drug, dental, and vision benefits for applicable retired employees and their dependents. As of July 1, 2020, all involvement and associated liability of the plan to the Authority was terminated as the retirees were moved to a self-funded plan.

The Required Supplementary Information (RSI) related to the OPEB is still disclosed as there was activity related to the liability of the OPEB plan in the prior ten years. As of year 2029, no further RSI disclosure will be necessary for this matter.

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.

Tulsa County Public Facilities Authority
Required Supplementary Information
December 31, 2025

Tulsa County Public Facilities Authority

Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	2016	2017	2018	2019	2020
Authority's proportion of the net pension liability	2.80%	2.80%	3.20%	3.20%	2.40%
Authority's proportionate share of the net pension liability	$2,168,576	$1,972,036	$ 2,807,622	$3,956,664	$4,070,127
Authority's covered payroll	$2,331,204	$2,150,288	$ 2,447,991	$2,573,231	$2,001,618
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	93.02%	91.71%	114.69%	153.76%	203.34%
Measurement date	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Plan fiduciary net position as a percentage of the total pension liability	77.49%	80.14%	76.86%	70.04%	62.64%

	2021	2022	2023	2024	2025
Authority's proportion of the net pension liability	2.20%	2.50%	2.60%	2.60%	2.50%
Authority's proportionate share of the net pension liability	$2,921,377	$7,151,330	$ 4,399,826	$4,403,365	$4,353,256
Authority's covered payroll	$1,743,436	$2,136,377	$ 2,347,175	$2,629,947	$2,726,092
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	167.56%	334.74%	187.45%	167.43%	159.69%
Measurement date	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Plan fiduciary net position as a percentage of the total pension liability	72.20%	50.95%	65.73%	67.06%	67.55%

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

	2016	2017	2018	2019	2020
Contractual required contribution	$ 326,369	$ 342,470	$ 342,719	$ 389,170	$ 313,252
Contributions in relation to the contractually required contribution	326,369	342,470	342,719	355,309	299,384
Contribution deficiency	$ -	$ -	$ -	$ 33,861	13,868
Authority's covered payroll	$ 2,331,204	$ 2,150,288	$ 2,447,991	$ 2,573,231	$ 2,001,618
Contributions as a percentage of covered payroll	14.00%	15.93%	14.00%	15.12%	15.65%

	2021	2022	2023	2024	2025
Contractual required contribution	$ 309,612	$ 344,548	$ 398,445	$ 457,799	$ 482,274
Contributions in relation to the contractually required contribution	278,816	327,768	360,926	396,794	416,164
Contribution deficiency	$ 30,796	$ 16,780	$ 37,519	$ 61,005	$ 66,110
Authority's covered payroll	$ 1,743,436	$ 2,136,377	$ 2,347,175	$ 2,629,947	$ 2,726,092
Contributions as a percentage of covered payroll	17.76%	16.13%	16.98%	17.41%	17.69%

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.

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 Board of Trustees
Tulsa County Public Facilities Authority
Tulsa, Oklahoma

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 (*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, 2025, 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 19, 2026.

Our report includes an emphasis of matter paragraph describing the acknowledgement that the Authority's financial statements reflect only the assets, liabilities, and revenues and expenses of the Authority and not Tulsa County, Oklahoma.

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 designing 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 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 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 or significant deficiencies may exist that were not 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.

Tulsa, Oklahoma
June 19, 2026