

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

1. Summary of Significant Accounting Policies

A. Reporting Entity

Creek County is a subdivision of the State of Oklahoma created by the Oklahoma Constitution and regulated by Oklahoma Statutes.

The accompanying financial statement presents the receipts, disbursements, and changes in cash balances of the total of all funds under the control of the primary government. The general fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund, where its use is restricted for a specified purpose. Other funds established by statute and under the control of the primary government are also presented.

The County Treasurer collects and remits material amounts of intergovernmental revenues and ad valorem tax revenue for other budgetary entities, including emergency medical districts, school districts, and cities and towns. The cash receipts and disbursements attributable to those other entities do not appear in funds on the County's financial statement; those funds play no part in the County's operations. Any trust or agency funds maintained by the County are not included in this presentation.

B. Fund Accounting

The County uses funds to report on receipts, disbursements, and changes in cash balances. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Following are descriptions of the county funds included as combining information within the financial statement:

County General – accounts for the general operations of the government.

Highway Cash – accounts for state, local, and miscellaneous receipts and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Highway Sales Tax – accounts for revenues from a county sales tax and disbursements are for the retirement of bonds issued to construct county roads and bridges.

Sheriff Service Fee – accounts for revenues from fees charged for serving summons and notices. Disbursements are for any legitimate expense of the Sheriff's office.

County Health – accounts for monies collected on behalf of the county health department from ad valorem taxes and state and local revenues.

General Administration – accounts for revenues from a use tax charged to out-of-county vendors on in-county sales. Disbursements are for any legitimate expense of the County.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

County Jail Sales Tax – accounts for revenues from a county sales tax. Disbursements are for the maintenance and operation of the county jail.

County Jail Maintenance – accounts for revenues from a county sales tax. Disbursements are for the maintenance of the county jail.

Sheriff Board of Prisoners – accounts for revenues from fees charged for boarding prisoners of non-county entities in the county jail. Disbursements are for feeding and housing inmates of the county jail.

WR-911 – accounts for revenues from 911 telephone service fees. Disbursements are for operating the 911 services.

Resale Property – accounts for revenues from interest and penalties on delinquent ad valorem taxes. Disbursements are to offset the expense of collecting delinquent ad valorem taxes.

County Sinking – accounts for debt service receipts derived generally from a special ad valorem tax levy and from interest earned on investments of cash not immediately required for debt service payments.

E-911 Phase 2 – accounts for revenues from Indian Nations Council of Governments (INCOG). Disbursements are for operating the 911 services.

Federal Grant – HVAC – accounts for grant monies to be disbursed for the purpose of replacing heating, ventilating, and air conditioning.

CBRIF – accounts for monies received from the State of Oklahoma and disbursements are for the purpose of constructing and maintaining county roads and bridges.

CBRIF-105 – accounts for monies received from the State of Oklahoma and disbursements are for the purpose of constructing and maintaining county roads and bridges.

Creek County Civil Emergency – accounts for the collection of grant monies to be disbursed for the purpose of Juvenile Justice Center maintenance and operations.

Juvenile Justice Center M&O – accounts for county sales tax monies to be disbursed for the purpose of Juvenile Justice Center maintenance and operations.

County Improvement Debt Service – accounts for county sales tax monies to be disbursed for the payment of bond indebtedness.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

C. Basis of Accounting

The financial statement is prepared on a basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred. This regulatory basis financial presentation is not a comprehensive measure of economic condition or changes therein.

Title 19 O.S. § 171 specifies the format and presentation for Oklahoma counties to present their financial statement on a regulatory basis. County governments (primary only) are required to present their financial statements on a fund basis format with, at a minimum, the general fund and all other county funds, which represent ten percent or greater of total county revenue. All other funds included in the audit shall be presented in the aggregate in a combining statement.

D. Budget

Under current Oklahoma Statutes, a general fund and a county health department fund are the only funds required to adopt a formal budget. On or before the first Monday in July of each year, each officer or department head submits an estimate of needs to the governing body. The budget is approved for the respective fund by office, or department and object. The County Board of Commissioners may approve changes of appropriations within the fund by office or department and object. To increase or decrease the budget by fund requires approval by the County Excise Board.

E. Cash and Investments

For the purposes of financial reporting, "Ending Cash Balances, June 30" includes cash and cash equivalents and investments as allowed by statutes. The County pools the cash of its various funds in maintaining its bank accounts. However, cash applicable to a particular fund is readily identifiable on the County's books. The balance in the pooled cash accounts is available to meet current operating requirements.

State statutes require financial institutions with which the County maintains funds to deposit collateral securities to secure the County's deposits. The amount of collateral securities to be pledged is established by the County Treasurer; this amount must be at least the amount of the deposit to be secured, less the amount insured (by, for example, the FDIC).

The County Treasurer has been authorized by the County's governing board to make investments. Allowable investments are outlined in statutes 62 O.S. § 348.1 and § 348.3.

All investments must be backed by the full faith and credit of the United States Government, the Oklahoma State Government, fully collateralized, or fully insured. All investments as classified by state statute are nonnegotiable certificates of deposit. Nonnegotiable certificates of deposit are not subject to interest rate risk or credit risk.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2. Ad Valorem Tax

The County's property tax is levied each October 1 on the assessed value listed as of January 1 of the same year for all real and personal property located in the County, except certain exempt property. Assessed values are established by the County Assessor within the prescribed guidelines established by the Oklahoma Tax Commission and the State Equalization Board. Title 68 O.S. § 2820.A. states, ". . . Each assessor shall thereafter maintain an active and systematic program of visual inspection on a continuous basis and shall establish an inspection schedule which will result in the individual visual inspection of all taxable property within the county at least once each four (4) years."

Taxes are due on November 1 following the levy date, although they may be paid in two equal installments. If the first half is paid prior to January 1, the second half is not delinquent until April 1. Unpaid real property taxes become a lien upon said property on October 1 of each year.

Unpaid delinquent personal property taxes are published usually in May. If the taxes are not paid within 30 days from publication, they shall be placed on the personal tax lien docket.

3. Other Information

A. Pension Plan

Plan Description. The County contributes to the Oklahoma Public Employees Retirement Plan (the Plan), a cost-sharing, multiple-employer defined benefit pension plan administered by the Oklahoma Public Employees Retirement System (OPERS). Benefit provisions are established and amended by the Oklahoma Legislature. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. Title 74, Sections 901 through 943, as amended, establishes the provisions of the Plan. OPERS issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing OPERS, P.O. Box 53007, Oklahoma City, Oklahoma 73105 or by calling 1-800-733-9008.

Funding Policy. The contribution rates for each member category are established by the Oklahoma Legislature and are based on an actuarial calculation which is performed to determine the adequacy of contribution rates.

B. Other Post Employment Benefits (OPEB)

In addition to the pension benefits described in the Pension Plan note, OPERS provides post-retirement health care benefits of up to \$105 each for retirees who are members of an eligible group plan. These benefits are funded on a pay-as-you-go basis as part of the overall retirement benefit. OPEB expenditure and participant information is available for the state as a whole; however, information specific to the County is not available nor can it be reasonably estimated.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

C. Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, primarily the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; although, the County expects such amounts, if any, to be immaterial.

As of the end of the fiscal year, there were no claims or judgments that would have a material adverse effect on the financial condition of the County; however, the outcome of any lawsuit would not be determinable.

D. Long Term Obligations

1. Judgments

The County does not have a judgment. The County is obligated to pay the judgment over a three-year period.

Case Number

Original Judgment

E. Sales Tax

The voters of Creek County approved a one percent (1%) in a special election held on November 13, 2001. This sales tax was established to provide revenue as follows:

- One-third percent (1/3%) is used to pay debt service on bonds or notes issued by the Creek County Public Facilities Authority. The proceeds of which are to be used to acquire, construct and equip the county jail facility. This sales tax is not to exceed fifteen (15) years. These funds are accounted for in County Jail Sales Tax Fund.
- One-third percent (1/3%) is used to pay operational and maintenance expenses on the County jail facility. This sale tax is to continue on a permanent or unlimited basis. These funds are accounted for in County Jail Maintenance fund.
- One-third percent (1/3%) is used to pay debt service on bonds or notes issued by the Creek County Public Facilities Authority. The proceeds of which are to be used to construct county roads and bridges. This sales tax is not to exceed five (5) years. These funds are accounted for in Highway Sales Tax fund.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

The voters of Creek County approved a continuation of the terminating one-third percent (1/3%) in a special election held on November 5, 2005. This sales tax was continued to provide revenue as follows:

- Sales tax is used to pay debt service on bonds or notes issued by the Creek County Public Facilities Authority. The proceeds of which are to be used to construct county roads and bridges. This sales tax is not to exceed ten (10) years. These funds are accounted for in Highway Sales Tax

The voters of Creek County approved a continuation and reallocation of the terminating one-third percent (1/3%) in a special election held on November 4, 2008. This sales tax was continued on a permanent basis to provide revenue as follows:

- One-sixth percent (1/6%) is used to pay debt service on bonds or notes issued by the Creek County Public Facilities Authority. The proceeds of which are to be used to: (i) acquire, construct and equip the county jail facility; (ii) acquire, construct and equip a Juvenile Justice Center; (iii) finance capital improvements to various county buildings and the county highway system. These funds are accounted for in County Improvement Debt Service fund.
- One-sixth percent (1/6%) is used for the operation and maintenance of the Juvenile Justice Center and all necessary and related services of said Juvenile Justice Center. These funds are accounted for in Juvenile Justice Center M&O fund.

The voters of Creek County approved a one-third percent (1/3%) in an election held on August 23, 2016. This sales tax was established to provide revenue as follows:

- Sales tax is used to pay debt service on bonds or notes issued by the Creek County Public Facilities Authority. The proceeds of which are to be used for the purpose of constructing and maintaining roads, bridges and improvements to the County Highway system and to pay debt incurred on the County's behalf. This sales tax is not to exceed ten (10) years. These funds are accounted for in Highway Sales Tax

F. Tax Abatements

The County is subject to ad valorem tax abatements granted by the State of Oklahoma in accordance with the Oklahoma Constitution, Article 10 Section 6B for qualifying manufacturing concern—ad valorem tax exemption.

Under this program, a five-year ad valorem tax exemption exempts all real and personal property that is necessary for the manufacturing of a product and facilities engaged in research and development which meet the requirements set by the Oklahoma Constitution and statutes. Under Title 68 O.S. § 2902, in exchange for the five-year exemption, qualifying manufacturing concerns must meet certain minimum investment requirements for construction, acquisition, or expansion of a manufacturing facility. In addition, there are general minimum payroll requirements that

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

must be met and the qualifying manufacturing concern must offer basic health benefit plans to all full-time employees within 180 days of employment.

The County had \$9,383.32 of ad valorem taxes abated under this program for the fiscal year ended June 30, 2018.

The State has an Ad Valorem Reimbursement Fund in accordance with Title 62 O.S. § 193 that is used to reimburse the County for the loss of revenue. Monies apportioned to this fund by the State also may be transferred to other state funds or otherwise expended as directed by the Legislature. In the event monies apportioned to the Fund are insufficient to pay all claims for reimbursement, claims for reimbursement for loss of revenue due to manufacturing exemptions of ad valorem taxes shall be paid first, and any remaining funds shall be distributed proportionally among the counties making claims for reimbursement for loss of revenue for school district exemptions.

OTHER SUPPLEMENTARY INFORMATION

1. Budgetary Schedules

The Comparative Schedules of Receipts, Expenditures, and Changes in Cash Balances—Budget and Actual—Budgetary Basis for the General Fund and the County Health Department Fund present comparisons of the legally adopted budget with actual data. The "actual" data, as presented in the comparison of budget and actual, will differ from the data as presented in the Combined Statement of Receipts, Disbursements, and Changes in Cash Balances with Combining Information because of adopting certain aspects of the budgetary basis of accounting and the adjusting of encumbrances and outstanding warrants to their related budget year.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in these funds. At the end of the year unencumbered appropriations lapse.

2. Remaining County Funds

Remaining aggregate funds as presented on the financial statement are as follows:

Assessor Revolving – accounts for revenues from any and all fees collected by the County Assessor. Disbursements are to maintain electronic databases and geographic information systems in the Assessor's office.

Assessor Visual Inspection – accounts for revenues from fees charged to all entities receiving ad valorem taxes. Disbursements are for the revaluation of all county property for ad valorem purposes.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Creek County Free Fair Rental – accounts for receipts from the OSU Extension Center for the operations of the Creek County Free Fair.

Mortgage Tax Certification Fee – accounts for revenues from a fee for certifying mortgages. Disbursements are for any lawful expense of the County Treasurer’s office.

County Clerk Lien Fee – accounts for revenues from a fee charged by the County Clerk for filing liens. Disbursements are for any lawful expense of the County Clerk’s office.

Community Development – accounts for the collections of Rural Economic Action Plan (REAP) grant monies from Indian Nations Council of Governments (INCOG) for the purpose of purchasing goods or services for rural fire departments.

County Clerk Preservation Fee – accounts for revenues from a fee charged by the County Clerk for recording instruments. Disbursements are for the maintenance and preservation of public records.

Planning and Urban Development – accounts for receipts for services rendered by the Planning and Urban Development office. Disbursements are for the payment of expenses of the Planning and Urban Development office.

Courthouse Remodel – accounts for revenues from the Court Clerk’s funds. Disbursements are for the remodel of the court rooms.

Sheriff Training Fund – accounts for revenues from the sale of personal property forfeited to the Sheriff’s office. Disbursements are for equipment, materials, or supplies that may be used in crime prevention, education, training, or programming.

Drug Court – accounts for state funds and collections of penalties for operational expenses of processing drug offenders.

Circuit Engineering District 1 – accounts for receipts from Circuit Engineering District 1 for the purpose of constructing county roads and bridges.

Creek County Election Board – accounts for state receipts and disbursements are for the salaries of the election board secretary and precinct workers.

CREEK COUNTY
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

I, hereby certify that the foregoing Notes to the Financial Statement are true and correct as shown by the records of my office.

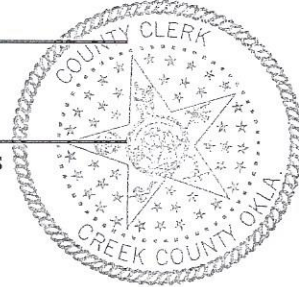
Betty Fowler
Betty Fowler, Individual Designated as Preparer of the financial statement

Don Engle
Don Engle, County Treasurer

We, the undersigned, have reviewed and approved the Notes to the Financial Statement.

Jennifer Mortazavi
Jennifer Mortazavi, County Clerk

Leon Warner 10/9/18
Leon Warner, Chairman of the Board of County Commissioners



CREEK COUNTY JULY 2017 TO JUNE 2018	BEGINNING 7/1/2017	APPORTIONMENTS	TRANSFER IN	TRANSFER OUT	DISBURSEMENTS	ENDING 6/30/2018
COUNTY FUNDS						
COUNTY GENERAL	1,955,503.41	6,360,952.36	-	-	6,040,908.85	2,275,546.92
HIGHWAY CASH	1,336,332.59	3,862,173.22	-	-	3,784,141.02	1,414,364.79
HIGHWAY TAX	1,565,831.19	2,075,616.39	-	-	1,408,263.17	2,233,184.41
ASSESSOR'S REVOLVING FEE	59,519.73	6,661.00	-	-	6,592.54	59,588.19
ASSESSOR VISUAL INSPECTION	-	-	-	-	-	-
FREE FAIR	113,471.14	30,803.50	-	-	61,791.84	82,482.80
MORTGAGE TAX CERT FEE	57,894.01	11,110.00	-	-	48,411.30	20,592.71
COUNTY CLERK LIEN FEE	239,742.39	37,327.50	-	-	17,444.86	259,625.03
SHERIFF'S SERVICE FEE	198,620.84	579,117.29	-	-	486,446.17	291,291.96
COUNTY HEALTH	492,913.06	1,271,618.12	-	-	902,813.97	861,717.21
COMMUNITY DEVELOPMENT	193,299.58	2,531,204.05	-	-	2,667,476.70	57,026.93
GENERAL ADMINISTRATION	1,346,749.66	312,051.97	-	-	895.00	1,657,906.63
CO CLERK PRESERVATION FEE	252,025.37	63,581.92	-	-	17,316.52	298,290.77
PLANNING & URBAN DEV	29,736.05	9,109.00	-	-	5,285.19	33,559.86
COUNTY JAIL SALES TAX	43,033.80	0.01	-	-	43,033.81	-
COUNTY JAIL MAINTENANCE	795,535.99	2,080,721.61	-	-	1,942,965.71	933,291.89
SHERIFF BOARD OF PRISONERS	124,741.47	795,297.02	-	-	821,084.55	98,953.94
COURTHOUSE REMODEL	112,901.89	31,972.03	-	-	20,237.77	124,636.15
SHERIFF'S TRAINING FND STF-1	-	-	-	-	-	-
DRUG COURT	54,690.76	229,352.34	-	-	212,522.27	71,520.83
WR-911	465,480.35	70,142.19	-	-	111,899.65	423,722.89
RESALE PROPERTY	1,157,788.57	517,661.04	-	-	371,125.09	1,304,324.52
COUNTY SINKING	36,974.28	6,066.88	-	-	-	43,041.16
E-911 PHASE 2	41,852.57	132,770.87	-	-	97,255.86	77,367.58
CIRCUIT ENGINEERING D#1	86,442.87	50,000.00	-	-	95,198.50	41,244.37
FG-HVAC	401.00	-	-	-	-	401.00
CBRIF	565,063.25	314,780.79	-	-	267,047.26	612,796.78
CBRIF-105	138,780.92	-	-	-	-	138,780.92
CREEK COUNTY CIVIL EMERGEI	73,169.28	1,000.00	-	-	1,253.99	72,915.29
JUVENILE JUSTICE CENTER M&C	1,468,871.87	1,124,382.60	-	-	997,722.39	1,595,532.08
ELECTION BOARD	530.47	-	-	-	-	530.47
COUNTY IMPROV DEBT SERV	2,035,924.32	1,019,715.45	-	-	766,272.98	2,289,366.79
TOTAL COUNTY FUNDS	\$15,043,822.68	\$23,525,189.15	\$0.00	\$0.00	\$21,195,406.96	\$17,373,604.87
TRUST & AGENCY						
CURRENT RESERVES	53,419.50	-	32,275.43	-	76,856.50	8,838.43
PRIOR RESERVES	70.00	-	70,945.79	-	64,981.61	6,034.18
BACK RESERVES	-	-	114,238.25	-	96,015.95	18,222.30
Current Ad Val Tax	(5.00)	50,399,799.64	29,695.00	1,083,023.02	49,346,466.62	-
Prior Tax Refunds	232.00	-	127,821.99	17,223.00	105,034.88	5,796.11
Current Tax Refund	361.00	-	178,887.40	6,614.00	172,244.40	390.00
Back Tax Refunds	150.00	-	107,366.15	209.00	12,460.75	94,846.40
Protest Tax 2017	-	-	802,517.00	-	-	802,517.00
Protest Tax 2015	326,950.42	-	-	24,647.42	274,567.00	27,736.00
Protest Tax 2016	1,030,303.89	-	-	-	300,649.89	729,654.00
Protest Interest 2017	-	307.38	-	-	-	307.38
Protest Interest 2015	1,798.66	175.69	-	-	950.41	1,023.94
Protest Interest 2016	298.92	2,064.03	-	-	215.01	2,147.94
MH OVER/UNDER ACC	14,406.81	125.97	-	-	1,921.00	12,611.78
CITIES AND TOWNS REMIT	44,781.23	2,349,583.64	-	-	2,343,791.77	50,573.10
AMBULANCE	5,989.67	1,403,250.80	-	-	1,402,045.68	7,194.79
CO TRUST AUTH. FUND	224,000.00	-	-	-	-	224,000.00
COURT CLERK REVOLVING FUN	182,194.44	132,207.61	-	-	178,583.48	135,818.57
RECORD OWNER	143,071.39	146,256.86	-	-	108,449.20	180,879.05
INDEPENDENT SCHOOL & VT # 3	312,757.41	51,366,490.83	-	-	51,338,261.64	340,986.60
COURT CLERK CRT FUND PAYRO	12,166.69	303,500.00	-	-	298,016.94	17,649.75
OFFICIAL DEPOSITORY OD	2,102,864.52	22,592,989.05	137,734.13	626.99	22,619,629.66	2,213,331.05
Official Depository Cash/ Office	234.00	-	-	-	-	234.00
SD GENERAL MILFAY	28.90	112,318.69	-	-	111,934.33	413.26
SD BUILDING MILFAY	4.13	16,036.50	-	-	15,981.61	59.02
SD SINKING MILFAY	5.89	34,024.32	-	-	33,904.04	126.17
LAW LIBRARY	13,503.02	48,034.43	-	-	47,882.84	13,654.61
Flood Plain	5,643.05	2,000.00	-	-	290.91	7,352.14
Weed Cutting Fees	5.00	11,600.70	-	5.00	11,600.70	-
TOTAL TRUST & AGENCY	\$4,475,235.54	\$128,920,766.14	\$1,601,481.14	\$1,132,348.43	\$128,962,736.82	\$4,902,397.57
TOTAL	\$19,519,058.22	\$152,445,955.29	\$1,601,481.14	\$1,132,348.43	\$150,158,143.78	\$22,276,002.44

I, hereby certify that the foregoing Financial Statement is true and correct as shown by the records of my office.

Betty Fowler Date: 10/2/18
Betty Fowler, Individual Designated as Preparer of the Financial Statement

Don Engle Date: 10/2/18
Don Engle, County Treasurer

We, the undersigned, have reviewed and approved the Financial Statement.

Jennifer Mortazavi Date: 10/9/18
Jennifer Mortazavi, County Clerk

Leon Warner Date: 10/9/18
Leon Warner, Chairman of the Board of County Commissioners

