OKLAHOMA COUNTY CRIMINAL JUSTICE AUTHORITY

ANNUAL FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORTS

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

HINKLE & COMPANY PC
Strategic Business Advisors

Independent Auditor's Report

Board of Trustees
Oklahoma County Criminal Justice Authority
Oklahoma City, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Oklahoma County Criminal Justice Authority (the Authority) as of and for the year ended June 30, 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 present fairly, in all material respects, the financial position of the Authority as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 10 of the financial statements, the beginning net position for the year ended June 30, 2025, has been restated to reflect the implementation of GASB 101. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

5028 E. 101st Street
Tulsa, OK 74137
TEL: 918.492.3388
FAX: 918.492.4443
www.hinklecpas.com

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 one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 other analysis as listed in the table of contents 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 23, 2026, 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 this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Oklahoma County Criminal Justice Authority's internal control over financial reporting and compliance.

Hinkle & Company, PC

Tulsa, Oklahoma
June 23, 2026

THIS PAGE INTENTIONALLY LEFT BLANK

Management Discussion & Analysis

Management's discussion and analysis (MD&A) of Oklahoma County Criminal Justice Authority's (the Authority) financial performance provides a comparison of the financial activities of the Authority for the fiscal years ended June 30, 2025 and June 30, 2024.

The Authority is classified as governmental activities on the government-wide financial statements. The Authority uses governmental funds as the books of original entry because of its focus on current available financial resources, and the near-term inflows and outflows of financial or spendable resources. In addition, appropriations from Oklahoma County are the primary revenue source to fund the operations of the Authority.

Please review the MD&A in conjunction with the information presented in the accompanying financial statements.

Financial Highlights

- Net position of the Authority as of June 30, 2025 was a deficit of approximately $17.5 million. The net position deficit worsened by $5.9 million from the end of fiscal year June 30, 2024, partially due to deferrals related to OPEB which included a major change in actuarial assumptions, with the result of the accounting for this change resulting in a significant impact to the deferred outflow of resources that will be amortized over the expected remaining life for plan participants.

- Total revenue increased by $1.5 million compared to fiscal year 2024, primarily related to boarding fees through the Oklahoma Department of Mental Health & Substance Abuse Services. Total expenditures also increased in comparison to fiscal year 2024, seeing an increase of approximately $8.3 million, primarily due to salary and personnel costs partially exacerbated by the above OPEB changes.

Overview of the Financial Statements

The individual fund financial statements reported in subsequent pages reflect the activities of the Authority and are reported in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance. The fund that reports the financial activity in the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance is labeled as the Operating Fund (General Fund). The financial activities for the fiscal year are recorded using the modified accrual basis of accounting and the flow of current financial resources measurement focus. Under this method of accounting, revenues are recognized when "measurable and available." Measurable means the amount of the transaction can be determined (capable of being expressed in dollar terms) and available means collectible within the current period or soon enough thereafter to be used to pay current liabilities. Expenditures are recorded when the related fund liability is incurred.

Under the flow of current financial resources, only current assets, current liabilities, and deferred inflows and outflows of resources are recognized on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance includes only net current increases (revenues and other financing sources) and decreases (expenditures and other financing uses). The Authority's current financial resources helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements also describe accounting policies, methods of accounting, and the fund structure used by the Authority.

The Authority is a discretely presented component unit in the government-wide financial statements in Oklahoma County's Annual Comprehensive Financial Report. In accordance with government accounting standards, the financial statements of the Authority must be converted to a full accrual basis of accounting to prepare the entity-wide statements. The full accrual basis of accounting uses the economic resource measurement focus. Under this method of accounting, revenues are recognized when earned, expenses when incurred. All assets and deferred outflows and liabilities and deferred inflows, both financial and capital, and short and long-term, are reported. The Authority's accrual basis financial statements presented are the Statement of Net Position and the Statement of Activities. The government-wide financial statements provide the long-term, economic perspective needed to complement the short-term financing perspective offered by governmental funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Authority's own programs. The Authority's fiduciary funds are comprised of two custodial funds which report resources held by the Authority in a custodial capacity for individuals, private organizations, and other governments. The accounting used for fiduciary funds is much like that used for the government-wide statements. The fiduciary funds financial statements can be found on page 20-21 of this report.

Through an agreement with Oklahoma County, operations of the Oklahoma County Detention Center transferred to the Authority on July 1, 2020. This transfer included transfers of both assets and liabilities associated with the operations as well and resulted in the significant changes when compared to prior year operations of the Authority.

Statement of Net Position

The Statement of Net Position shows the Authority's net position as of the last day of the fiscal year. Net position, the difference between the Authority's assets and deferred outflows and liabilities and deferred inflows, are an important measure of the Authority's financial health, or financial position. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The following is a condensed summary of the Statement of Net Position for the fiscal years ending June 30, 2025 and 2024:

NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)
	2025	2024 restated	
Current assets	$ 4,206	$ 7,158	-41%
Capital assets, net	12,393	12,191	2%
Total assets	16,599	19,349	-14%
Deferred outflow of resources	25,984	47,121	-45%
Current liabilities	2,137	2,598	-18%
Non-current liabilities	15,570	17,919	-13%
Total liabilities	17,707	20,517	-14%
Deferred inflow of resources	42,400	57,572	-26%
Net position			
Net investment in capital assets	11,183	11,838	-6%
Unrestricted (deficit)	(28,707)	(23,457)	22%
Total net position	$ (17,524)	$ (11,619)	51%

Current assets are primarily cash and cash equivalents, which have decreased $2.6 million, and accounts receivable, which decreased $328 thousand compared to the prior year. The slight decrease in noncurrent assets occurred due to asset depreciation, which is further discussed in the capital asset section of the MD&A.

As a result of updated actuarial results, including allocation methodology, the Authority's share of other post-employment activities decreased from 6.34% for the fiscal year 2024 to 5.70% for the fiscal year 2025. The overall OPEB liability, deferred outflow of resources, and deferred inflow of resources decreased for the plan for fiscal year 2025; however, the decrease in deferred outflows far outpaced the decrease in deferred inflows for the period, contributing to the $5.9 million growth in net position deficit.

Statement of Activities

The Statement of Activities shows the financial activity that occurred during the fiscal year ending June 30, 2025. Expenses are compared to program revenues and other general revenues to determine the change in net position for the period. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The following condensed summary of the Statement of Activities demonstrate that the Authority's operating statement is primarily focused on charges for services, funding from Oklahoma County, total program revenues, general government expenses, depreciation expense, total governmental activities, net (expense) revenue, net position-beginning of the year, and net position-end of year.

CHANGES IN NET POSITION (In Thousands)

	Governmental Activities		% Inc. (Dec.)
	2025	2024 restated	
Revenues			
Charges for service	$ 5,332	$ 4,087	30%
Operating grants and contributions	34,252	34,300	0%
Interest income	81	53	53%
Miscellaneous	608	313	94%
Total revenues	40,273	38,753	4%
Expenses			
Public safety	46,178	38,720	19%
Total expenses	46,178	38,720	19%
Increase (decrease) in net position	$ (5,905)	$ 33	-17,994%

During fiscal year 2025 the Authority received approximately $5.3 million from charges for services. Overall operating grants and contributions held consistent from prior year with $34 million provided by Oklahoma County. Expenses increased $8.3 million when compared to prior year.

Capital Assets and Long-Term Liabilities

At the end of 2025, the Authority had invested $12.4 million of capital assets, including building improvements and equipment. The new addition to assets is primarily a result of lease arrangements recognized by guidance of GASB Statement No. 87, Leases and GASB Statement No. 96, Subscription-Based Information Technology Agreements (SBITAs). This resulted in leased assets net of accumulated amortization of $1.2 million. More detail on capital assets can be found in Note 3.

Capital Assets
(In Thousands)
(Net of accumulated depreciation)

	Governmental Activities 2025	Governmental Activities 2024
Building Improvements	$ 10,365	$ 10,769
Machinery, furniture and equipment	819	1,110
Intangible assets	1,209	312
Totals	$ 12,393	$ 12,191

At the end of 2025 the Authority's long-term debt consisted of approximately $3.5 million of accrued compensated absences and approximately $1.3 million in lease obligations. The increase is a result of increasing leave balances among staff and additional leases contracted during FY25.

Long-Term Debt
(In Thousands)

	Governmental Activities 2025	Governmental Activities 2024 restated	Total Percentage Change
Accrued absences	$ 3,499	$ 2,580	36%
Lease obligations	1,306	353	270%
Totals	$ 4,805	$ 2,933	64%

Economic Factors and Next Year's Budget

For fiscal year 2025-2026, the Authority is estimating general appropriations from Oklahoma County to remain consistent with prior years. In addition, we will receive a supplemental appropriation in the amount of $4,990,724. The Authority is seeking opportunities to generate additional special revenue to help with personnel and operating expenses.

Request for Information

This financial report is designed to give the reader a general overview of the Oklahoma County Criminal Justice Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Kok-Cheng See, 201 North Shartel Avenue, Suite 120, Oklahoma City, Oklahoma 73102.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE

Statement of Net Position– June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 2,537,913
Accounts receivable, net of allowance	1,074,368
Inventory	313,877
Prepaid asset	279,759
Capital assets:	
Other capital assets, net of depreciation	12,393,250
Total Capital Assets	12,393,250
Total Assets	16,599,167
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to OPEB	25,984,014
Total deferred outflows of resources	25,984,014
LIABILITIES	
Accounts payable	1,512,514
Accrued payroll liabilities	623,755
Long-term liabilities:	
Due within one year	1,921,190
Due in more than one year	2,883,982
Total OPEB liability	10,765,357
Total liabilities	17,706,798
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to OPEB	42,400,102
Total deferred outflows of resources	42,400,102
NET POSITION	
Net investment in capital assets	11,183,385
Unrestricted (deficit)	(28,707,104)
Total net position	$ (17,523,719)

See accompanying notes to the financial statements.

Statement of Activities –Year Ended June 30, 2025

		Program Revenue		Net (Expense) Revenue and Changes in Net Position Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary government				
Governmental Activities				
Public Safety	$ 46,178,438	$ 5,332,280	$ 34,252,105	$ (6,594,053)
Total governmental activities	46,178,438	5,332,280	34,252,105	(6,594,053)
Total primary government	$ 46,178,438	$ 5,332,280	$ 34,252,105	(6,594,053)
General revenues:				
Investment income				81,248
Miscellaneous				608,340
Total general revenues, special items				689,588
Change in net position				(5,904,465)
Net position - beginning, as previously reported				(10,769,572)
Restatement (See note 10)				(849,682)
Net position - beginning, restated				(11,619,254)
Net position - ending				$ (17,523,719)

See accompanying notes to the financial statements.

BASIC FINANCIAL STATEMENTS - GOVERNMENTAL FUNDS

Governmental Funds Balance Sheet - June 30, 2025

	General Fund
ASSETS	
Cash and cash equivalents	$ 2,537,913
Accounts Receivable	1,074,368
Inventory	313,877
Prepaid Asset	279,759
Total assets	$ 4,205,917
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
Liabilities:	
Accounts payable	$ 1,512,514
Accrued payroll payable	623,755
Total liabilities	2,136,269
Fund balances:	
Nonspendable	593,637
Restricted	1,476,011
Total fund balance	2,069,648
Total liabilities, deferred inflows and fund balance	$ 4,205,917

See accompanying notes to the financial statements.

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance – Year Ended June 30, 2025

	General Fund
REVENUES	
Appropriations from Oklahoma County	$ 33,726,480
Intergovernmental	525,625
Charges for services	6,082,280
Investment income	81,248
Miscellaneous	608,340
Total revenues	41,023,973
EXPENDITURES	
Current:	
Public safety	42,960,955
Capital outlay	14,899
Debt service:	
Principal	588,302
Interest	30,596
Total Expenditures	43,594,752
Revenues over (under) expenditures	(2,570,779)
Net change in fund balance	(2,570,779)
Fund balance - beginning	4,640,427
Fund balance - ending	$ 2,069,648

See accompanying notes to the financial statements.

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Fund Balance - Net Position Reconciliation:	$	2,069,648
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds, net of accumulated depreciation of		12,393,250
Deferred inflows are not available to pay current fund liabilities and therefore not reported in the funds:		
OPEB related deferred outflows		25,984,014
Certain long-term liabilities are not due and payable from current financial resources and therefore they, along with deferred inflows, are not reported in the funds:		
Total OPEB liability		(10,765,357)
OPEB related deferred inflows		(42,400,102)
Lease obligations		(1,305,953)
Accrued compensated absences		(3,499,219)
		(57,970,631)
Net Position of Governmental Activities in the Statement of Net Position	$	(17,523,719)

Changes in Fund Balance - Changes in Net Position Reconciliation:	$	(2,570,779)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation and amortization expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		43,727
Disposed capital assets		(6,218)
Depreciation & amortization expense		(1,416,930)
		(1,379,421)
In the Statement of Activities, the net cost of OPEB benefits earned is calculated and reported as OPEB expense. The fund financial statements report OPEB contributions as OPEB expenditures. This amount represents the difference between OPEB contributions and calculated OPEB expense.		414,657
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in unavailable revenue		(750,000)
Debt and long-term obligation (financings) proceeds provide current financial resources to governmental funds, but financing increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:		
Net additions and Principal payment on lease obligation		629,051
		629,051
Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Change in Total OPEB liability & Deferrals		(1,328,223)
Change in accrued compensated absences		(919,750)
		(2,247,973)
Change in net position of governmental activities	$	(5,904,465)

See accompanying notes to the financial statements.

BASIC FINANCIAL STATEMENTS – FIDUCIARY FUNDS

Statement of Fiduciary Net Position– June 30, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 500,952
Total assets	500,952
LIABILITIES	
Accounts payable	122,092
Due to other governments	11,688
Total liabilities	133,780
NET POSITION	
Restricted for:	
Individuals, Organizations, and Other Governments	$ 367,172

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position– June 30, 2025

	Custodial Funds
ADDITIONS	
Jail Bond Fees	$ 2,461,153
Contributions Inmate	3,278,663
Interest Income	1,222
Total additions	5,741,038
DEDUCTIONS	
Payments to Oklahoma County	2,462,375
Payments on behalf of inmates	3,173,956
Total deductions	5,636,331
Change in net position	104,707
Net position - beginning	262,465
Net position - ending	$ 367,172

See accompanying notes to the financial statements.

FOOTNOTES TO THE BASIC FINANCIAL STATEMENTS

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Oklahoma County Criminal Justice Authority (the "Authority") whose purposes, among others, include administering funds for operating and maintaining a county jail within the territorial limits of Oklahoma County, Oklahoma. The Authority is included as a blended component unit of Oklahoma County.

The Authority is a public trust created under Title 60, Oklahoma Statutes, Sections 176, inclusive, for those purposes set forth in Article IV of the Trust Indenture of Oklahoma County Criminal Justice Authority dated May 22, 2019, as a public trust for the use and benefit of the County.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the Authority as a primary government. The Authority does not have any component units.

The statement of net position reports all financial and capital resources of the Authority. These assets and liabilities are presented in order of their relative liquidity. An asset's liquidity is determined by how readily it converts to cash and whether restrictions limit the Authority's ability to use the resources. A liability's liquidity is based on its maturity, or when cash is used to liquidate it. The difference between the Authority's assets, liabilities, and deferrals is its net position (deficit). Net position is displayed in two components – investment in capital assets and unrestricted (deficit). Per the Authority's Trust indenture, all assets are dedicated for public safety.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions of these program uses. Other revenue sources not properly included with program revenues are reported as general revenues. The funds of the financial reporting entity are described below.

Governmental Funds:

The Authority's operations are accounted through a governmental fund. Fund financial statements consist of a balance sheet and statement of revenue, expenditures and changes in fund balance. The operations of the Authority are recorded in the Operating Fund. The Operating Fund is used to account for the revenue transferred to the Authority from the County, according to the trust indenture the County shall provide funding from a general fund appropriation. The appropriated amount is determined by the Oklahoma County Budget Board. The Operating fund is the General Fund of the Authority.

Budget Presentation

The Authority is not required to legally adopt a budget. Therefore, presentation of budget reports and comparisons with actual revenues and expenditures is not provided.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

Major revenue sources susceptible to accrual include intergovernmental revenues, investment income and funding from Oklahoma County. Funding from Oklahoma County relates to the appropriations made by the Oklahoma Budget board and transferred to the Authority for the operation of the jail and related facilities, as well as other funding and transfers.

The financial statements of the fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the Government-wide Financial Statements described above. The fiduciary fund type presented by the Authority are Custodial Funds. Custodial Funds account for those fiduciary activities that are not reported in Pension (and Other Employee Benefit) Trust Funds, Investment Trust Funds, or Private Purpose Trust Funds.

D. Post-Employment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information presented is based on an actuarial valuation that may result in recognition of deferred outflow of resources and deferred inflow of resources. The deferred amounts will be amortized as a component of OPEB expense in future periods.

E. Capital Assets and Depreciation

The Authority's property, plant and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Assets exceeding a cost of $5,000 are capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives for depreciable assets are 30 – 40 years for buildings and leasehold improvements, 5-15 years for equipment and vehicles, and 10 years for furniture and fixtures.

Leased assets are amortized over the shorter of useful life or the term of the associated contract.

F. Cash and Cash Equivalents

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

G. Net Position and Fund Balances

To more clearly define fund balance categories and to make the nature and extent of the constraints placed on a government's fund balances more transparent, the Authority uses the following classifications to describe the relative strength of spending constraints:

Nonspendable – Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Authority's Board of Trustees. The Board of Trustees is the highest level of decision-making authority for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Trustees.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Authority's Board of Trustees may assign amounts for specific purposes.

Unassigned – Amounts that are available for any other purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Authority has provided otherwise in its commitment or assignment actions.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. Compensated Absences

Accrued vacation leave is payable upon layoff, resignation, retirement, or death. Amounts of vested or accumulated vacation leave are reported in the government-wide statements and not in the governmental fund statements as the liability is not expected to be paid from current resources. A liability for these amounts is reported in governmental funds only if they have matured as a result of employee resignations and retirements. There is no limitation on accruing unused sick leave. Sick leave does not vest. Unused sick leave shall contribute toward retirement eligibility for vested employees, 20 days being equivalent to one month. The maximum allowable is 130 days, which would allow an additional year. As a result of GASB 101, Accrued Compensated Absences, the portion of sick leave that is more likely than not to be utilized is included in the liability.

At June 30, 2025, the accrued liability for annual and compensatory leave time was as follows:

Type of Debt	Restated Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Accrued compensated absences	$ 2,579,469	$ 3,499,219	$ 2,579,469	$ 3,499,219	$ 1,246,471
Total Governmental Activities	$ 2,579,469	$ 3,499,219	$ 2,579,469	$ 3,499,219	$ 1,246,471

J. Use of Estimates

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

2. Cash, Cash Equivalents, and Investments

At June 30, 2025, the reporting entity held the following deposits and investments:

Type	Carrying Value
Governmental Activities:	
Deposits:	
Demand deposits	$ 2,537,913
	$ 2,537,913
Reconciliation to Statement of Net Position:	
Cash and cash equivalents	$ 2,537,913
	$ 2,537,913
Fiduciary Funds:	
Deposits:	
Demand deposits	$ 500,952
	$ 500,952
Reconciliation to Fiduciary Fund Statement of Net Position:	
Cash and cash equivalents	$ 500,952
	$ 500,952

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the Authority holds deposits that are uninsured and uncollateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Authority's name or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the Authority holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

The Authority does not have a policy as it relates to custodial credit risk to secure its uninsured deposits with collateral. However, State statutes designate the collateral requirements for the Authority's deposits. All deposits are to be covered by pledged securities for amounts not covered by federal deposit insurance, at June 30, 2025, all deposits were insured and collateralized.

3. Capital Assets

	Balance at June 30, 2024	Additions	Disposals	Balance at June 30, 2025
Governmental activities:				
Capital assets being depreciated:				
Building improvements	11,940,587	-	-	11,940,587
Machinery, furniture and equipment	2,940,152	43,727	10,083	2,973,796
Total other capital assets at historical cost	14,880,739	43,727	10,083	14,914,383
Less accumulated depreciation for:				
Building improvements	1,172,324	403,794	-	1,576,118
Machinery, furniture and equipment	1,829,999	328,747	3,865	2,154,881
Total accumulated depreciation	3,002,323	732,541	3,865	3,730,999
Capital assets being depreciated, net	11,878,416	(688,814)	6,218	11,183,384
Intangible assets:				
Leased Equipment/SBITAs	476,205	1,894,254	476,205	1,894,254
Total intangible assets	476,205	1,894,254	476,205	1,894,254
Less accumulated amortization for:				
Leased Equipment/SBITAs	163,978	684,389	163,979	684,388
Total accumulated depreciation	163,978	684,389	163,979	684,388
Intangible assets, net	312,227	1,209,865	312,226	1,209,866
Governmental activities capital assets, net	$ 12,190,643	$ 521,051	$ 318,444	$ 12,393,250

Capital asset additions for the year ended June 30, 2025 included additional equipment, primarily the purchase of a water softener system which replaced a prior asset that had not yet been fully depreciated. A significant number of lease agreements recognizable under GASB 87 and 96 were entered into during the fiscal year, with the most impactful being leases for washers and dryers for use in operations.

4. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee health and life; and natural disasters. The Authority manages these various risks of loss as follows:

- Cyber Insurance – Coverage through purchased insurance in Spinnaker Insurance Company.
- Workers' Compensation – Covered through participation in Oklahoma Employers Safety Association.

- Employee's Group Medical – Covered through participation in Oklahoma County Self-Insured Health Insurance plan.

5. Other Postemployment Benefits Plan

Plan description – The Authority as the employer, participates in the Oklahoma County defined benefit OPEB plan, a single employer plan that provides OPEB to eligible retirees and their dependents. The plan is administered by the County. The County has the authority to establish and amend benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits provided – The Authority, through the County's OPEB plan, provided medical, dental and vision plans for all eligible active and retired employees and their dependents. Employees who are covered under the group health plan prior to retirement are eligible for lifetime retiree health benefits once they meet the following eligibility requirements and have at least five (5) years of service:

1. Hired prior to January 1, 2005: 60 points based on the sum of age and years of service.
2. Hired on or after January 1, 2005: 75 points based on the sum of age and years of service.

A life insurance plan is offered to employees hired prior to February 1, 1987. The program is intended to offer comprehensive coverage of most life, medical with prescription drugs, dental and vision benefits. The pre-Medicare medical claims are administered by UMR. The dental coverage is provided through Delta Dental and the vision coverage is provided through Vision Service Plan. Eligible employees are required to pay set premiums for a portion of the cost, with the County subsidizing the remaining costs. Retirees are required to contribute 18.4% of the premiums for medical, prescription drugs and dental benefits. The benefit options available to retirees under age 65 are the same as for the active employees. The contribution requirements are established and amended as needed by the Oklahoma County Budget Board on an annual basis. The premium rates are set and amended by the Budget Board and approved by the Board of County Commissioners.

Total OPEB Liability – The total OPEB liability was determined based on actuarial valuation performed as of July 1, 2025 for June 30, 2025 which is the measurement date.

Actuarial Assumptions- The total OPEB liability was determined based on an actuarial valuation prepared as of June 30, 2025 based on results of an actuarial experience study for the period July 1, 2019 to June 30, 2022 and using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal; level dollar amortization
- Discount Rate – 4.79%, based on June 30, 2025 and 3.97% for June 30, 2024 published Fidelity GO AA 20-year municipal bond rate
- Inflation – 2.5% per year
- Spousal Coverage – Retirees – based on actual data; Actives – 45% of active employees are assumed to be married at retirement with 100% electing coverage for spouse.
- Retirement Age: Rates vary by age from age 50 to 75 and based on eligibility for early retirement and hire date
- Healthcare cost trend rates – fiscal year 2025 – 2045+ pre-65 medical rate ranges from 8% to 5%; post-65 medical rate ranges from 6% to 5%
- Mortality Rates –Pub-2010 Public Retirement Plans General Mortality Table Projected Generationally with IRS 2024 Scale MP-2021

- Rates of Disability – Rates range from .009% at age of 20 to .200% at age of 60
- Rates of withdraw - rates used range from 26.00% for those with less than one year of service to 1.00% for those with twenty-eight or more years of service.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate-The following presents the total OPEB liability of the employer calculated using the discount rate of 4.79%, as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.79%) or 1-percentage-point higher (5.79%) than the current rate:

	1% Decrease (3.79%)	Current Discount Rate (4.79%)	1% Increase (5.79%)
Employers' total OPEB liability	$ 12,575,436	$ 10,765,357	$ 9,336,226

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate-The following presents the total OPEB liability of the employer calculated using the healthcare cost trend rate of 8.5% decreasing to 8%, as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower (7.5% decreasing to 7%) or 1-percentage-point higher (9.5% decreasing to 9%) than the current rate:

	1% Decrease (7.5% decreasing to 7% pre-65)	Healthcare Cost Trend Rates (8.5% decreasing to 8% pre-65)	1% Increase (9.5% decreasing to 9%)
Employers' total OPEB liability	$ 9,281,120	$ 10,765,357	$ 12,663,075

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the Authority reported a liability of $10,765,357 for its proportionate share of the total OPEB liability. The total OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2025. The Authority's proportion of the total OPEB liability was based on the Authority's contributions received by the plan for all participating employers as of June 30, 2024. Based upon this information, the Authority's proportion was 5.70%.

For the year ended June 30, 2025, the Authority recognized an OPEB expense of $1,328,223. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,829,404
Changes of assumptions	1,251,986	4,307,531
Changes in proportion	24,732,028	32,263,167
Total	$ 25,984,014	$ 42,400,102

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	$ 1,120,251
2027	(16,066,687)
2028	(44,039)
2029	(1,425,613)
Total	$ (16,416,088)

6. Defined Contribution Retirement Plan

Plan Description and Provisions. The Defined Contribution Plan is administered by InvesTrust. The Authority is responsible for making contributions as determined by written action of Oklahoma County.

Eligibility for the Defined Contribution Plan. A full-time employee shall be eligible to participate in the Plan, if actively employed after June 30, 1991, or on a leave of absence authorized by the Employer on that date. For purposes of determining eligibility, consecutive service prior to Retirement is not required.

Benefits of the Defined Contribution Plan are as follows:

a. A Participant shall be entitled to receive the amount of their account, subject to vesting restrictions when their age plus years of service at least totals sixty (60), or if a participant’s employment is terminated at an earlier age as the result of a Total and Permanent Disability.
b. If a participant shall continue in active employment following their Normal Retirement Date, they shall continue to participate in the Plan. Upon actual retirement, such participant shall be entitled to receive the entire amount of their contribution account as of their actual retirement date.
c. Upon the death of a vested participant, their beneficiary shall be entitled to receive the entire amount of the participant’s vested contribution account.
d. If a participant’s employment with the employer is terminated before their Normal Retirement Date for any reason other than Total and Permanent Disability or death, they shall be entitled to an amount equal to the “vested percentage” of their contribution account as set out in the Cash Out Policy.

A participant shall have vested and nonforfeitable rights in all or part of his account represented by Employer Contributions. Beginning November 1, 2005, per Title 19 Chapter 25 § 956.2, any Participant hired prior to November 1, 2005, will receive contributions as set forth by the percentages in the applicable table here after set forth: The Defined Contribution Plan allows for partial vesting as provided in the following schedule:

- Twenty percent (20%) vesting upon the completion of two (2) years of service;
- Forty percent (40%) vesting upon the completion of three (3) years of service;
- Sixty percent (60%) vesting upon the completion of four (4) years of service;
- Eighty percent (80%) vesting upon the completion of five (5) years of service;
- One hundred percent (100%) vesting upon the completion of (6) years of service.

If partially vested upon termination, the vested portion is retained in the individual's account, while the nonvested portion will be forfeited upon the expiration of a six (6) month break in service. A plan participant whose employment terminates prior to approval from the Retirement Board to receive retirement benefits or who is no longer eligible to receive retirement benefits due to a change in employment may, after twelve (12) months from termination or change in status date, elect to withdraw one hundred percent (100%) of the employee's vested interest in the Retirement Plan.

After the expiration of the twelve (12) month break in service, the amounts forfeited shall be used to offset prospective Employer contributions or to pay expenses associated with the Retirement Plan. Any Participant hired on or after November 1, 2005, will be fully vested after five (5) years of service.

Contributions: The Authority contributes an amount equal to 12% for the employer with no required contribution for the employees, the contribution requirement is established by the plan established by Oklahoma County. During fiscal year ending June 30, 2025 the Authority contributions were $1,166,483, which are reflected as pension expense in the financial statements.

7. Leases

The Authority has entered into lease agreements for various equipment and software involved in operations with terms ranging from 2 to 7 years.

Type of Debt	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:					
Lease obligations	$ 352,976	$ 1,894,254	$ 941,277	$ 1,305,953	$ 674,719
Total Governmental Activities	$ 352,976	$ 1,894,254	$ 941,277	$ 1,305,953	$ 674,719

The future lease payments under lease agreements for the Authority are as follows:

FYE	Principal	Interest
2026	$ 674,719	$ 28,079
2027	260,973	12,948
2028	122,270	8,769
2029	114,505	5,345
2030-2035	133,486	3,126
	$ 1,305,953	$ 58,267

8. Related Party Transactions

Funding from Oklahoma County provides the principal source of revenues for the operations of the Authority. This funding consists primarily of appropriated amounts made by the County for the operations of the Oklahoma County Jail.

9. Commitments and Contingencies

Litigation: The Authority is involved in certain legal proceedings arising in the normal course of business. In the opinion of management and counsel, the ultimate disposition of such proceedings will not have a material effect on the Authority's financial statements.

10. Accounting Changes and Error Corrections

The governmental activities beginning net position for the year ended June 30, 2024 was restated by a decrease of $849,682. The restatement was due to the implementation of GASB 101, Accrued Compensated Absences. The implementation required the restatement to include additional liability amounts for sick leave that were more likely than not to be utilized.

	Government-Wide
	Governmental Activities
Beginning net position, as previously reported	$ (10,769,572)
Implementation of GASB 101, *Accrued Compensated Absences*	(849,682)
Beginning net position, restated	$ (11,619,254)

REQUIRED SUPPLEMENTARY INFORMATION

Other Postemployment Benefits

Required Supplementary Information

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY

	2020	2021	2022	2023	2024	2025
Authority's proportion of the total OPEB liability	0.39%	22.57%	3.23%	5.75%	6.34%	5.70%
Authority's proportionate share of the total OPEB liability	1,767,046	89,931,817	10,455,718	16,511,350	15,816,352	10,765,357
Covered employee payroll	$ 344,847	$ 14,206,111	$ 13,891,291	$ 13,066,921	$ 12,203,038	$ 16,245,233
Authority's proportionate share of the total OPEB liability as a percentage of its covered-employee payroll	512.41%	633.05%	75.27%	126.36%	129.61%	66.27%

Notes to Schedule:

Only six years are presented because 10-year data is not yet available.

INTERNAL CONTROL AND COMPLIANCE INFORMATION

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 Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
Oklahoma County Criminal Justice Authority
Oklahoma City, 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, the financial statements of the governmental activities and the major fund of Oklahoma County Criminal Justice Authority (the Authority), as of and for the year ended June 30, 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 23, 2026.

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 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 Oklahoma County Criminal Justice Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Oklahoma County Criminal Justice 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.

5028 E. 101st Street
Tulsa, OK 74137
TEL: 918.492.3388
FAX: 918.492.4443
www.hinklecpas.com

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal controls, described in the accompanying schedule of findings as item 2025-001 that we consider to be significant deficiency.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings 2025-001.

Authority's Response to Findings
Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 23, 2026

Findings Required to be Reported by Government Auditing Standards

Finding: 2025-001 - Cash Reconciliation.

Criteria: The Authority is responsible for reconciling cash on a monthly basis between bank balance and general ledger cash balance of accounting system.

Condition: The Authority's general ledger cash balance was not properly reconciled to the bank cash amounts held for the Authority due to improper reconciling items and not recording all check written before year end.

Cause and Effect: The Authority and Oklahoma County has not properly reconciled the cash account to the accounting system due to improper reconciling items and not recording all checks written before year end. Cash was overstated at year end by approximately $179,000 and required adjustment to correct.

Recommendation: We recommend that management improve its policies and procedures for cash reconciliation to ensure that the accounting system properly accounts for the cash position of the Authority. All reconciling items should be valid and ending balance should agree to accounting system.

Management Response: Management agrees with the finding. The Authority acknowledges that cash reconciliations were not properly completed and that improper reconciling items and unrecorded checks resulted in an overstatement of cash at year end. The Authority is implementing revised reconciliation procedures, enhanced cutoff processes, and improved oversight to ensure all bank accounts are reconciled accurately and timely. Staff will be trained on the updated procedures, and reconciliations will be independently reviewed each month. Management is committed to fully correcting this issue and preventing similar errors in future periods.