

**TULSA PERFORMING ARTS CENTER TRUST**

**(A Component Unit of the City of Tulsa, Oklahoma)**

**FINANCIAL REPORT**

**June 30, 2010**

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
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**June 30, 2010**

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## Independent Auditor's Report

Board of Trustees  
Tulsa Performing Arts Center Trust  
Tulsa, Oklahoma

We have audited the accompanying basic financial statements of the Tulsa Performing Arts Center Trust (TPACT), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of TPACT's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TPACT, as of June 30, 2010, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis on pages 2 through 4 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise TPACT's basic financial statements. The combining schedules and related note, listed as supplementary information in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the TPACT. The combining schedules and related note have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Kansas City, Missouri  
December 9, 2010

**TULSA PERFORMING ARTS CENTER TRUST  
(A Component Unit of the City of Tulsa, Oklahoma)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2010**

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As management of the Tulsa Performing Arts Center Trust ("TPACT"), a component unit of the City of Tulsa, Oklahoma (the "City"), we offer readers of TPACT's financial statements this narrative overview and analysis of the financial activities of TPACT for the year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with TPACT's financial statements, which begin on page 5.

**Financial Highlights**

- Assets exceeded liabilities at the close of the year by \$3,581,447. Of this amount, \$2,000,792 is unrestricted and may be used to meet TPACT's ongoing obligations.
- Net assets at June 30, 2010 decreased \$4,629 to \$3,581,447 from \$3,586,076 at June 30, 2009.
- Cash and cash equivalents at June 30, 2010, were \$839,673 a \$39,724 decrease from June 30, 2009.

**Overview of the Financial Statements**

TPACT, a public trust, is reported by the City as a discretely presented component unit in the City's Comprehensive Annual Financial Report. TPACT was established to assist the City in operating and maintaining the Tulsa Performing Arts Center and to provide financial assistance, direction and other assistance in connection with events occurring or proposed to occur in the Tulsa Performing Arts Center.

This discussion and analysis is intended to serve as an introduction to TPACT's audit report. This audit report consists of two parts: 1) management's discussion and analysis and 2) financial statements. The financial statements also include notes that explain in more detail some of the information in the financial statements.

**Required Financial Statements**

The financial statements of TPACT report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Assets includes all of TPACT's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of TPACT. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the financial success of TPACT's operations over the past year and can be used to determine whether TPACT has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The third required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about TPACT's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the period.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
**Year Ended June 30, 2010**

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**Net Assets**

Net assets decreased to \$3,581,447 at June 30, 2010, from \$3,586,076 at June 30, 2009. TPACT holds fixed income investments, equity mutual funds, and cash in its investment portfolio. The following provides a summary of net assets:

	<b>SUMMARY OF NET ASSETS</b>	
	<b>2010</b>	<b>2009</b>
Current assets and other assets	\$ 2,262,002	\$ 2,051,674
Capital assets, net	<u>1,580,655</u>	<u>1,579,335</u>
Total assets	<u>3,842,657</u>	<u>3,631,009</u>
Total liabilities	<u>261,210</u>	<u>44,933</u>
Invested in capital assets	1,580,655	1,579,335
Unrestricted	<u>2,000,792</u>	<u>2,006,741</u>
Total net assets	<u>\$ 3,581,447</u>	<u>\$ 3,586,076</u>

In 2010, total net assets decreased \$4,629 primarily related to event expenses exceeding event revenues, offset by contributions and other nonoperating revenues.

	<b>SUMMARY OF CHANGES IN NET ASSETS</b>	
	<b>2010</b>	<b>2009</b>
Operating revenues	\$ 706,747	\$ 377,705
Nonoperating revenues	213,872	96,955
Investment gain (loss)	<u>85,964</u>	<u>(450,675)</u>
Total revenues	<u>1,006,583</u>	<u>23,985</u>
Depreciation expense	7,600	7,600
Other operating expense	<u>1,003,612</u>	<u>540,638</u>
Total expenses	<u>1,011,212</u>	<u>548,238</u>
Change in net assets	(4,629)	(524,253)
Net assets, beginning of year	<u>3,586,076</u>	<u>4,110,329</u>
Net assets, end of year	<u>\$ 3,581,447</u>	<u>\$ 3,586,076</u>

TPACT experienced a significant increase in total revenue and an 84.4% increase in total expenses. Expenses exceeded revenue by \$4,629 with an accompanying 0.1% decrease in net assets.

Operating revenues include revenues generated from performing arts events and parking revenues. Operating revenues increased 87.1% during 2010, a result of increased event revenues and increased parking revenues.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, continued**  
**Year Ended June 30, 2010**

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Investment income increased 119.1% as a result of an increase in the value of the equity mutual fund portfolio.

Other operating expenses increased 85.6% as a result of an increase in event expense during the current year.

**Capital Assets**

TPACT's investment in capital assets as of June 30, 2010, amounts to \$1,580,655 (net of accumulated depreciation). This investment in capital assets includes land improvements and artwork.

**CAPITAL ASSETS, NET OF ACCUMLATED DEPRECIATION**

	<u>2010</u>	<u>2009</u>
Land	\$ 1,394,996	\$ 1,394,996
Artwork	74,767	74,767
Land improvements	110,892	109,572
Capital assets, net	<u>\$ 1,580,655</u>	<u>\$ 1,579,335</u>

**Requests for Information**

This financial report is designed to provide a general overview of TPACT's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tulsa, Office of the Controller, 175 E. Second Street, Tulsa, Oklahoma 74103.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**STATEMENT OF NET ASSETS**  
**June 30, 2010**

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	<u>2010</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 839,673
Investments	570,789
Interest receivable	1,607
Accounts receivable	<u>31,307</u>
Total current assets	1,443,376
Noncurrent assets:	
Investments	818,626
Nondepreciable capital assets	1,469,763
Depreciable capital assets, net	<u>110,892</u>
Total assets	<u>3,842,657</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	251,210
Deferred revenue	<u>10,000</u>
Total current liabilities	<u>261,210</u>
<b><u>NET ASSETS</u></b>	
Invested in capital assets	1,580,655
Unrestricted	<u>2,000,792</u>
Total net assets	<u>\$ 3,581,447</u>

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

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2010**

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	<u>2010</u>
Operating revenues:	
Event revenues	\$ 431,014
Parking lot revenues	<u>275,733</u>
	<u>706,747</u>
Operating expenses:	
Contracting services	75,000
Materials and supplies	1,464
Advertising	95,612
Auditing	8,128
Printing	3,092
Mailing	1,341
Rental fees	24,173
Grants	62,828
Parking lot expenses	187,690
Depreciation	7,600
Services and charges	<u>544,284</u>
	<u>1,011,212</u>
Operating income (loss)	<u>(304,465)</u>
Nonoperating revenues:	
Investment income	85,964
Contributions	152,937
State and other grants	51,915
Other	<u>9,020</u>
	<u>299,836</u>
Change in net assets	(4,629)
Net assets, beginning of year	<u>3,586,076</u>
Net assets, end of year	<u>\$ 3,581,447</u>

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

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2010**

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	<u>2010</u>
Cash flows from operating activities:	
Cash received from customers	\$ 699,220
Cash payments to suppliers	<u>(988,612)</u>
Net cash used for operating activities	<u>(289,392)</u>
Cash flows from noncapital financing activities:	
Nonoperating grants	51,915
Contributions received	352,146
Other nonoperating income received	<u>9,020</u>
Net cash provided by noncapital financing activities	<u>413,081</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(8,920)</u>
Net cash used in capital financing activities	<u>(8,920)</u>
Cash flows from investing activities:	
Investment income	71,729
Investments purchased	(451,193)
Sale and maturity of investments	<u>224,971</u>
Net cash used for investing activities	<u>(154,493)</u>
Net decrease in cash and cash equivalents	(39,724)
Cash and cash equivalents, beginning of year	<u>879,397</u>
Cash and cash equivalents, end of year	<u>\$ 839,673</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	\$ (304,465)
Adjustments to reconcile	
Depreciation	7,600
Increase in accounts receivable	(7,669)
Increase in accounts payable	<u>15,142</u>
Net cash provided by (used for) operating activities	<u>\$ (289,392)</u>
Noncash investing activities:	
Appreciation of fair value of investments	<u>\$ 16,893</u>

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

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2010**

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1. **NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF BUSINESS** – The Tulsa Performing Arts Center Trust (“TPACT”) is a public trust created under the provisions of the Oklahoma Trust Act. The beneficiary is the City of Tulsa (the “City”).

TPACT’s mission is to assist the City in operating and maintaining the Tulsa Performing Arts Center and to provide financial assistance, direction, and other assistance in connection with events occurring or proposed to occur in the Tulsa Performing Arts Center.

The City owns the Tulsa Performing Arts Center. Therefore, these assets are not reflected in the financial statements of TPACT.

**BASIS OF ACCOUNTING AND PRESENTATION** – The financial statements of TPACT have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions. Investment income and voluntary nonexchange transactions are included in nonoperating revenues and expenses.

The financial statements of the TPACT are prepared in accordance with generally accepted accounting principles (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board issued after November 30, 1989, are not applied in the preparation of the financial statements of proprietary funds in accordance with an election made by TPACT under GASB Statement No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**REPORTING ENTITY** - TPACT is a component unit of the City and is included in the City’s comprehensive annual financial report as a discretely presented component unit.

**CASH AND CASH EQUIVALENTS** – For purposes of reporting cash flows, TPACT considers all highly liquid debt instruments with an original maturity of three months or less when purchased, and cash held by the City of Tulsa’s internal pool, to be cash equivalents.

**INVESTMENTS** – TPACT follows the provisions of GASB Statement No. 31, “Certain Investments and External Investment Pools,” which requires governmental entities to report investments at fair value in the statement of net assets. A net increase in fair value of investments of \$20,192 has been recognized and reported in investment income in the statement of revenues, expenses, and changes in net assets for the year ended June 30, 2010.

**ACCOUNTS RECEIVABLE** – These amounts consist primarily of parking revenue due from the parking operator at year end.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2010**

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**1. NATURE OF BUSINESS, REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES, Continued**

**DEFERRED REVENUE** – Deferred revenue represents payments and/or revenue received but not yet recognized since it has not yet been earned. Deferred revenue primarily consists of contributions for performances not yet held.

**CAPITAL ASSETS** – Capital assets are stated at cost. TPACT’s capitalization threshold is \$5,000. Capital assets are depreciated on a straight-line basis over the following estimated service life:

Land improvements	15-30 years
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TPACT owns a collection of art housed in the Performing Arts Center. The collection is not depreciated because it meets all the following conditions:

- The collection is held for reasons other than financial gain.
- The collection is protected, kept unencumbered, cared for, and preserved.
- The collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

**NET ASSETS** – Net assets of TPACT represent the difference between assets and liabilities. Net assets invested in capital, net of related debt, consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by TPACT or through external restrictions imposed by creditors, grantors or, laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, TPACT first applies restricted resources. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested capital assets, net of related debt or restricted.

**INCOME TAXES** – TPACT is exempt from federal income taxes under Section 501(c)(3) and is nontaxable under Section 115(1) of the Internal Revenue Code.

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

**2. CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS** – Cash deposits of TPACT are maintained within the City’s pooled cash and investments account. Pooled cash and investments consist primarily of time deposits and other

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2010**

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2. **CASH DEPOSITS AND INVESTMENTS, Continued**

securities guaranteed by the United States Government or its agencies. At June 30, 2010, the pooled cash and investments amounted to \$839,673. The amount pooled with the City at June 30, 2010, is represented by investments which were insured or registered or securities held by the City or its agent in the City's name.

**INVESTMENTS** – TPACT may invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury, U.S. agencies and instrumentalities, and equity index funds.

At June 30, 2010, TPACT had the following investments and maturities:

Type	June 30, 2010		
	Fair Value	Maturities in Years	
		Less than 1	1-5
Equity index funds	\$ 340,554	\$ 340,554	\$ -
U.S. agency obligations	1,048,861	230,235	818,626
	<u>\$ 1,389,415</u>	<u>\$ 570,789</u>	<u>\$ 818,626</u>

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses arising from rising interest rates, TPACT's investment policy states that a maximum of 50% of the market value of the Trust's portfolio may be invested in equity index funds with the remainder invested in fixed income securities or cash reserves. The equity index funds are presented as an investment with a maturity of less than one year because they are redeemable in full immediately. Fixed income securities are to consist of U.S. government or agency obligations and cash reserves may consist of deposits with financial institutions, money markets, repurchase agreements or the City of Tulsa's pooled portfolio.

**Credit Risk** – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. TPACT does not have a formal policy to limit its investments. At June 30, 2010, TPACT's fixed income investments in U.S. agencies obligations not directly guaranteed by the U.S. government were rated AAA by Standard & Poor's and TPACT's equity index fund investments are not rated.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, TPACT will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the underlying securities for TPACT's investments in U.S. agency obligations at June 30, 2010, are insured or registered or securities held by TPACT or by its agent in TPACT's name. TPACT's investments in equity index funds are not categorized as to custodial credit risk because the investment is not evidenced by securities that exist in physical or book entry form.

**Concentration of Credit Risk** – TPACT places no limit on the amount that may be invested in any one issuer. At June 30, 2010, TPACT's investments in the equity index funds are not subject to concentration of credit risk disclosure. TPACT's investments in Federal Home Loan Bank,

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**Year Ended June 30, 2010**

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2. **CASH DEPOSITS AND INVESTMENTS, Continued**

Federal Farm Credit Bank, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation constituted 36%, 16%, 16% and 7% respectively, of total investments.

**INVESTMENT INCOME** – Investment income for the year ended June 30, 2010 consists of:

Interest and dividend income	\$ 65,772
Net increase in fair value of investments and cash equivalents	<u>20,192</u>
	<u>\$ 85,964</u>

3. **CAPITAL ASSETS**

The change in capital assets during 2010 can be summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,394,996	\$ -	\$ -	\$ 1,394,996
Artwork	<u>74,767</u>	<u>-</u>	<u>-</u>	<u>74,767</u>
Total capital assets not being depreciated	<u>1,469,763</u>	<u>-</u>	<u>-</u>	<u>1,469,763</u>
Capital assets being depreciated:				
Land improvements	<u>220,000</u>	<u>8,920</u>	<u>-</u>	<u>228,920</u>
Less accumulated depreciation:				
Land improvements	<u>(110,428)</u>	<u>(7,600)</u>	<u>-</u>	<u>(118,028)</u>
Total capital assets being depreciated, net	<u>109,572</u>	<u>1,320</u>	<u>-</u>	<u>110,892</u>
Capital assets, net	<u>\$ 1,579,335</u>	<u>\$ 1,320</u>	<u>\$ -</u>	<u>\$ 1,580,655</u>

4. **RELATED PARTY TRANSACTIONS**

During the year, TPACT paid the following amounts to the City and component units of the City:

- \$75,000 to the City for staff support;
- \$23,035 to the City for rental of the Tulsa Performing Arts Center for events sponsored by TPACT;
- \$5,000 to the Tulsa Parking Authority for management of the TPACT parking lot.

5. **RISK MANAGEMENT**

TPACT is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; natural disasters, and accidents. TPACT carries commercial insurance which management believes to be adequate to cover material risk to which TPACT is exposed. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**NOTE TO OTHER SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2010**

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In addition to the basic financial statements, TPACT presents a combining schedule of net assets, a combining schedule of revenues, expenses and changes in net assets and a combining schedule of cash flows for its five sub funds of the operations of TPACT. Brief explanations of these sub funds are as follows:

**The Operating Fund** – This fund is used to account for the revenue from ticket sales and related operating expenses for certain TPACT-sponsored functions held at the Tulsa Performing Arts Center.

**The Unrestricted Endowment Fund** – This fund is used to account for contributions and related interest income which are unrestricted by donors. The Board has designated the use of income earned in this account to obtaining cultural events for the Tulsa Performing Arts Center. Income earned in this account may also be used to fund general equipment purchases.

**The Restricted Endowment Fund** – This fund is used to account for contributions from private sources, which are restricted by TPACT as to the use of principal and/or the use of investment income.

**The Special Event Fund** – This fund is used to account for special events designated by the Board.

**The Parking Lot Fund** – This fund is used to account for a parcel of land acquired in 1994 and held for future expansion. The acquisition included an existing parking lot. This fund will account for the land and land improvements and the revenues and related operating expenses derived from the parking lot operations until such time that the land is used for expansion.

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**COMBINING SCHEDULE OF NET ASSETS**  
**June 30, 2010**

	<u>Operating Fund</u>	<u>Unrestricted Endowment Fund</u>	<u>Restricted Endowment Fund</u>	<u>Special Event Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>						
Current assets:						
Cash and cash equivalents	\$ 221,600	\$ 548,465	\$ 32,022	\$ 4,625	\$ 32,961	\$ 839,673
Investments	-	542,272	28,517	-	-	570,789
Interest receivable	397	1,149	-	8	53	1,607
Accounts receivable	3,224	-	-	-	28,083	31,307
Total current assets	225,221	1,091,886	60,539	4,633	61,097	1,443,376
Noncurrent assets:						
Investments	-	777,775	40,851	-	-	818,626
Nondepreciable capital assets	36,617	-	-	38,150	1,394,996	1,469,763
Depreciable capital assets, net	-	-	-	-	110,892	110,892
Total assets	261,838	1,869,661	101,390	42,783	1,566,985	3,842,657
<b><u>LIABILITIES</u></b>						
Current liabilities:						
Accounts payable	228,673	-	-	-	22,537	251,210
Deferred revenue	10,000	-	-	-	-	10,000
Total current liabilities	238,673	-	-	-	22,537	261,210
<b><u>NET ASSETS</u></b>						
Invested in capital assets	36,617	-	-	38,150	1,505,888	1,580,655
Unrestricted	(13,452)	1,869,661	101,390	4,633	38,560	2,000,792
Total net assets	\$ 23,165	\$ 1,869,661	\$ 101,390	\$ 42,783	\$ 1,544,448	\$ 3,581,447

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**Year Ended June 30, 2010**

	Operating Fund	Unrestricted Endowment Fund	Restricted Endowment Fund	Special Event Fund	Parking Lot Fund	Total
Operating revenues:						
Event revenues	\$ 431,014	\$ -	\$ -	\$ -	\$ -	\$ 431,014
Parking lot revenues	-	-	-	-	275,733	275,733
	<u>431,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,733</u>	<u>706,747</u>
Operating expenses:						
Contracting services	75,000	-	-	-	-	75,000
Materials and supplies	1,464	-	-	-	-	1,464
Advertising	95,612	-	-	-	-	95,612
Auditing	8,128	-	-	-	-	8,128
Printing	3,092	-	-	-	-	3,092
Mailing	1,341	-	-	-	-	1,341
Rental fees	24,173	-	-	-	-	24,173
Grants	62,828	-	-	-	-	62,828
Parking lot expenses	-	-	-	-	187,690	187,690
Depreciation	-	-	-	-	7,600	7,600
Services and charges	539,650	-	4,634	-	-	544,284
	<u>811,288</u>	<u>-</u>	<u>4,634</u>	<u>-</u>	<u>195,290</u>	<u>1,011,212</u>
Operating income (loss)	<u>(380,274)</u>	<u>-</u>	<u>(4,634)</u>	<u>-</u>	<u>80,443</u>	<u>(304,465)</u>
Nonoperating revenues:						
Investment income	3,678	78,261	3,147	112	766	85,964
Contributions	152,937	-	-	-	-	152,937
State and other grants	51,915	-	-	-	-	51,915
Other	100	-	-	-	8,920	9,020
	<u>208,630</u>	<u>78,261</u>	<u>3,147</u>	<u>112</u>	<u>9,686</u>	<u>299,836</u>
Income (loss) before transfers	<u>(171,644)</u>	<u>78,261</u>	<u>(1,487)</u>	<u>112</u>	<u>90,129</u>	<u>(4,629)</u>
Transfers:						
Transfers in	150,840	81,213	3,000	-	-	235,053
Transfers out	(3,000)	(150,840)	-	-	(81,213)	(235,053)
	<u>147,840</u>	<u>(69,627)</u>	<u>3,000</u>	<u>-</u>	<u>(81,213)</u>	<u>-</u>
Change in net assets	<u>(23,804)</u>	<u>8,634</u>	<u>1,513</u>	<u>112</u>	<u>8,916</u>	<u>(4,629)</u>
Net assets, beginning of year	<u>46,969</u>	<u>1,861,027</u>	<u>99,877</u>	<u>42,671</u>	<u>1,535,532</u>	<u>3,586,076</u>
Net assets, end of year	<u>\$ 23,165</u>	<u>\$ 1,869,661</u>	<u>\$ 101,390</u>	<u>\$ 42,783</u>	<u>\$ 1,544,448</u>	<u>\$ 3,581,447</u>

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**Year Ended June 30, 2010**

	<b>Operating Fund</b>	<b>Unrestricted Endowment Fund</b>	<b>Restricted Endowment Fund</b>	<b>Special Event Fund</b>	<b>Parking Lot Fund</b>	<b>Total</b>
Cash flows from operating activities:						
Cash received from customers	\$ 431,014	\$ -	\$ -	\$ -	\$ 268,206	\$ 699,220
Cash payments to suppliers	(805,145)	-	(4,634)	-	(178,833)	(988,612)
Net cash provided by (used for) operating activities	(374,131)	-	(4,634)	-	89,373	(289,392)
Cash flows from noncapital financing activities:						
Nonoperating grants	51,915	-	-	-	-	51,915
Contributions received	352,146	-	-	-	-	352,146
Other nonoperating income received	100	-	-	-	8,920	9,020
Transfers in	150,840	81,213	3,000	-	-	235,053
Transfers out	(3,000)	(150,840)	-	-	(81,213)	(235,053)
Net cash provided by (used for) noncapital financing activities	552,001	(69,627)	3,000	-	(72,293)	413,081
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	-	-	-	(8,920)	(8,920)
Net cash used in capital financing activities	-	-	-	-	(8,920)	(8,920)
Cash flows from investing activities:						
Investment income	3,543	64,862	2,299	139	886	71,729
Investments purchased	-	(428,633)	(22,560)	-	-	(451,193)
Sale and maturity of investments	-	213,722	11,249	-	-	224,971
Net cash provided by (used for) investing activities	3,543	(150,049)	(9,012)	139	886	(154,493)
Net increase (decrease) in cash and cash equivalents	181,413	(219,676)	(10,646)	139	9,046	(39,724)
Cash and cash equivalents, beginning of year	40,187	768,141	42,668	4,486	23,915	879,397
Cash and cash equivalents, end of year	\$ 221,600	\$ 548,465	\$ 32,022	\$ 4,625	\$ 32,961	\$ 839,673

(continued)

**TULSA PERFORMING ARTS CENTER TRUST**  
**(A Component Unit of the City of Tulsa, Oklahoma)**  
**COMBINING SCHEDULE OF CASH FLOWS, continued**  
**Year Ended June 30, 2010**

	<u>Operating Fund</u>	<u>Unrestricted Endowment Fund</u>	<u>Restricted Endowment Fund</u>	<u>Special Event Fund</u>	<u>Parking Lot Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (380,274)	\$ -	\$ (4,634)	\$ -	\$ 80,443	\$ (304,465)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	-	-	-	-	7,600	7,600
Increase in accounts receivable	(143)	-	-	-	(7,526)	(7,669)
Increase in accounts payable	6,286	-	-	-	8,856	15,142
Net cash provided by (used for) operating activities	<u>\$ (374,131)</u>	<u>\$ -</u>	<u>\$ (4,634)</u>	<u>\$ -</u>	<u>\$ 89,373</u>	<u>\$ (289,392)</u>
Noncash investing activities:						
Appreciation of fair value of investments	<u>\$ -</u>	<u>\$ 16,049</u>	<u>\$ 844</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,893</u>