

CITY OF TULSA, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2018



MAPLE PARK

TULSA PARK AND RECREATION



CITY OF
Tulsa
A New Kind of Energy.

CITY OF TULSA, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2018

PREPARED BY THE CITY OF TULSA FINANCE DEPARTMENT



WOODWARD PARK

MAYOR

G.T. BYNUM

INTERIM FINANCE DIRECTOR

JACK BLAIR

CONTROLLER

NORMAN E. KILDOW, CPA, MBA, CPFO

**CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
List of Principal Officials	vii
Organizational Chart	viii
Certificate of Achievement	ix
 FINANCIAL SECTION	
Independent Auditor's Report	A-1
Management's Discussion and Analysis	MDA-1
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Proprietary Funds:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Fiduciary Funds:	
Statement of Fiduciary Net Position	9
Statement of Changes in Fiduciary Net Position	10
Discretely Presented Component Units:	
Statement of Net Position	11
Statement of Activities	12
Notes to Basic Financial Statements	FN-1
 Required Supplementary Information	
Defined Benefit Pension Trusts:	
Schedule of Changes in the Net Pension Liability – MERP	RSI-1
Schedule of City's Proportionate Share - MERP	RSI-2
Schedule of City's Contributions – MERP	RSI-3
Schedule of Actuarial Valuation, Methods and Assumptions – MERP	RSI-3
Schedule of Investment Returns - MERP	RSI-4
Schedule of Actuarial Valuation, Methods and Assumptions – MERP	RSI-4
Schedule of City's Proportionate Share - Oklahoma Firefighters	RSI-5
Schedule of City's Contributions - Oklahoma Firefighters	RSI-6
Schedule of City's Proportionate Share - OPPRS	RSI-7
Schedule of City's Contributions - OPPRS	RSI-8

**CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2018**

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (continued)	
Other Post-Employment Benefits:	
Schedule of Changes in the Total OPEB Liability	RSI-9
Schedule of City's Total OPEB Liability and Related Ratios	RSI-10
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, Budgetary Basis and related notes	RSI-11
 Supplemental Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds Subsection:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2
Budget and Actual Schedules - Budgetary Basis:	
General Fund:	
Schedule of Revenues – Budgetary Level of Control	C-3
Schedule of Expenditures and Encumbrances – Budgetary Level of Control	C-5
E-911 Operating Fund	C-10
Economic Development Fund	C-11
Tulsa Stadium Improvement District Fund	C-12
Medical Service Program	C-13
Public Safety Sales Tax	C-14
Transportation Sales Tax	C-15
Internal Service Funds:	
Combining Statement of Net Position	C-16
Combining Statement of Revenues, Expenses and Changes in Net Position	C-17
Combining Statement of Cash Flows	C-18
Fiduciary Funds:	
Agency Funds Combining Statement of Changes in Assets and Liabilities	C-19
Component Units:	
Discretely Presented Nonmajor Component Units:	
Statement of Net Position	C-20
Statement of Revenues, Expenses and Changes in Net Position	C-21
Combining Fund Financial Statements of Tulsa Metropolitan Utility Authority:	
Statement of Net Position	C-22
Statement of Revenues, Expenses and Changes in Net Position	C-23
Statement of Revenues, Expenses and Changes in Net Position	C-24
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	C-25
Schedule of Changes by Function and Activity	C-26
Schedule by Function and Activity	C-27

**CITY OF TULSA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year ended June 30, 2018**

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited)	<u>Page</u>
Financial Trend Information:	
Net Position by Component	S-1
Changes in Net Position	S-2
Governmental Activities - Tax Revenues by Source	S-3
Program Revenue by Function / Program	S-4
Fund Balances of Governmental Funds	S-5
Changes in Fund Balances of Governmental Funds	S-6
Revenue Capacity Information:	
General Governmental Tax Revenues by Source	S-7
Principal Sales Tax Remitters	S-8
Direct and Overlapping Sales Tax Rates	S-9
Assessed and Estimated Actual Value of Taxable Property	S-10
Property Tax Rates - Direct and Overlapping Governments	S-11
Principal Property Taxpayers	S-12
Property Tax Levies and Collections	S-13
Debt Capacity Information:	
Ratios of Outstanding Debt by Type	S-14
Ratios of Net General Bonded Debt to Assessed Values and Net Bonded Debt per Capita	S-15
Computation of Direct and Overlapping Debt	S-16
Computation of Legal Debt Margin	S-17
Pledged Revenue Bond Coverage- One Technology Center – Lease Revenue Bonds	S-18
Pledged Revenue Bond Coverage- Arena and Convention – 2008 Capital Improvement	S-19
Pledged Revenue Bond Coverage- Tulsa Stadium Trust – Improvement District Bonds	S-20
Pledged Revenue Bond Coverage- TPFA – 2012 Capital Improvement Bonds	S-21
Demographic and Economic Information:	
Demographic and Economic Statistics	S-22
Principal Employers	S-23
Operating Information:	
Number of City Employees	S-24
Operating Indicators by Function / Program	S-25
Tulsa Metropolitan Utility Authority – Water and Sewer Rates	S-29
Appendix of Abbreviations	S-30

SECTION 1 INTRODUCTORY SECTION



RECREATIONAL CENTER @ WHITESIDE PARK



DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR OF FINANCE
OFFICE OF THE CONTROLLER
175 E. Second Street, Suite 1570
Tulsa, Oklahoma 74103

January 25, 2019

Honorable Mayor, City Auditor, City Council and Citizens of the City of Tulsa:
City of Tulsa, Oklahoma

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Tulsa, Oklahoma (the City) for the year ended June 30, 2018. The CAFR is provided to give detailed information about the financial position and activities of the City.

City management is responsible for both the accuracy of the presented data and the completeness and fairness of presentations, including all disclosures. We believe the data, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. The CAFR has been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the standard-setting body for governmental accounting and financial reporting and based upon a comprehensive framework of internal control which are established for this purpose. The objective of a system of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Oklahoma state law, municipalities are to publish a complete set of audited financial statements. This report fulfills that requirement for the year ended June 30, 2018. To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the full understanding of the City's financial affairs.

Independent Auditor's Report

The basic financial statements and related notes have been audited by RSM US LLP, an independent firm of Certified Public Accountants. RSM US LLP concluded that there was a reasonable basis to render an unmodified opinion on the financial statements of each opinion unit that collectively comprise the City's basic financial statements, concluding that the basic financial statements are fairly presented in conformity with U.S. GAAP. The independent auditor's report can be found on page A-1 of the Financial Section of this CAFR.

Grant awards were audited under the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the Compliance report was issued separately.

Management's Discussion and Analysis (MD&A)

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF TULSA

The City encompasses an area of approximately 201.5 square miles located in northeastern Oklahoma, at the edge of the foothills of the Ozarks, along the Arkansas River. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. With an elevation of 700 feet above sea level and its temperate climate, the City experiences continually changing weather conditions during all four seasons of the year. The average daily temperature is 61 degrees and the average annual rainfall is 40 inches.

Incorporated on January 8, 1898 and following the discovery in 1901 of oil in the nearby town of Red Fork, Tulsa grew quickly, reaching a population of 7,298 by statehood in 1907. Tulsa's current population is 408,451 people, representing a 1.1% increase over 2017. Tulsa, the hub and seat of Tulsa County, is the second largest city in Oklahoma, providing commerce, industrial, transportation and financial services for a metropolitan area of 1,005,375 people.

Under a Mayor-Council form of government, the Mayor, serving as the chief executive of the City, is responsible for City operations. The City Council, the legislative branch of the government, consists of nine members, each representing a distinct geographic district. The City Auditor is responsible for the City's Internal Audit Department. The Mayor and City Auditor are elected at large.

Services

The City provides a full range of basic municipal services, including police and fire protection, street construction, parks, neighborhood revitalization and land use regulation, and other infrastructure, recreational activities, and cultural events. The following services are provided through an array of legally separate entities incorporated into this report as component units:

<u>Service</u>	<u>Entity</u>
Water and sewer systems	Tulsa Metropolitan Utility Authority
Refuse collection and disposal	Tulsa Authority for Recovery of Energy
Airport	Tulsa Airports Improvement Trust
Parking	Tulsa Parking Authority
Urban redevelopment	Tulsa Development Authority
Public transportation	Metropolitan Tulsa Transit Authority
Performing Arts	Tulsa Performing Arts Center Trust
Economic development	Tulsa Industrial Authority
Commercial leasing	Tulsa Public Facilities Authority
Arena and convention	Tulsa Public Facilities Authority
Sporting events venue	Tulsa Stadium Trust

Budgetary Process and Controls

The Mayor prepares the annual proposed budget and presents it on or before April 30th to the City Council. The Council reviews, refines, changes, and adopts it according to the policies and priorities it wishes to see implemented. Examples of governmental funds with legally adopted annually budgets are the General Fund, Special Revenue Funds and various Sales Tax capital funds.

The City maintains a system of budgetary controls with the objective of maintaining compliance with the City Charter and the Oklahoma Municipal Budget Act. The legal level of budgetary control is the level at which expenditures cannot exceed appropriations. The level of control is by department and category of expenditure within a fund and also by project for capital funds. Expenditures categories are personal services, materials and supplies, other services, debt service, and capital outlay. Expenditures are cash outlays plus encumbrances and encumbrances outstanding at year-end are carried forward to be included in appropriations for the following year.

The Local Economy and Factors Affecting Economic Conditions

The Tulsa Metropolitan Statistical Area (TMSA) comprises 25.1% of the state's population and 33.4% of the state's economy (\$58.7 billion in 2009 constant dollars).

Tulsa has a diverse economy including aerospace manufacturing and aviation, health care, energy, machinery and electrical equipment manufacturing and transportation, and distribution and logistics. The Tulsa Metropolitan Chamber of Commerce reported that several of these sectors have large concentrations of employment in the TMSA relative to the rest of the United States. As concentrations go:

- Aerospace parts manufacturing is 1.4 times more,
- Oil and gas production and machinery manufacturing is 8 times more,
- Pump and compressor manufacturing is 16.9 times more,
- Fabricated metal product manufacturing is 2.6 times more,
- Heat-exchanger manufacturing sub-cluster being 55 times more than at the U.S. level.

Many of these sectors are positioned to grow within the metro area as the cost of doing business and cost of living are 11% and 8% below the national average respectively. Tulsa has one of the shortest average commute times in the nation. Tulsa is home to some of the nation's larger companies including QuikTrip, ONEOK, and The Williams Companies.

Tulsa received several national recognitions in 2017 and 2018. The International Entertainment Buyers Association declared the BOK Center as the US Arena of the year for the third year in a row. In 2017 Tulsa was recognized as the sole US City (of three cities globally) to win the Service Engaged Cities Award for effectively collaborating with Citizens to solve problems. Forbes recognized Tulsa in 2017 as the top US City for Young Entrepreneurs. Additionally, that same year the Tulsa Metro Area was recognized by New American Economy for its 4,000 Immigrant Entrepreneurs having generated \$55 million in Business Income.

The Bureau of Labor Statistics reported the unemployment rate for the City at June 30, 2018 was seasonally adjusted 4.2%. This was 0.7 points lower than the rate one year ago. The state and national seasonally adjusted average unemployment rates for this same period were 4.3% and 4.0%, respectively.

Bond Ratings

In their report dated June 2018, Moody's Investors Service assigned and affirmed the City of Tulsa an Aa1 rating with a stable outlook. Standard and Poor's assigned and affirmed an AA rating with a stable outlook to the City's general obligation bonds in their report dated September 2018.

Long-term Financial Planning

The City of Tulsa utilizes these primary planning tools to assist policy makers in addressing near and long term operating and infrastructure challenges: A Five-Year Financial Forecast and the Capital Improvements Plan (CIP).

Five-Year Financial Forecast -The Annual Five-Year Financial Forecast is prepared to provide policy makers with the most current information needed to make judgments about the major financial policy issues facing the City of Tulsa. It is not a detailed line-item spending plan, service delivery plan, or budget for the next five years, but an examination of how issues will affect Tulsa's financial condition. It has been designed to meet the following objectives:

1. Provide the Mayor and City Council with information about potential financial changes;
2. Provide an updated financial base by which different financing options can be judged; and
3. Provide elected officials information about the long-term impacts of current and anticipated financial policies.

As with any multi-year analysis, it is based on assumptions about the future. Of particular importance to a study of this type is the performance of the national and local economies, since tax revenues and demands for services are directly related to private sector economic activity.

Capital Improvements Plan (CIP) - In 1977, Tulsa's governing body adopted a Capital Improvement Plan (CIP) process which outlined a program to build, in an orderly manner, a large backlog of capital projects. Since then, the City has annually updated the five-year CIP schedule. Building on this tradition, the City updated the CIP development process in 2010. The new policy requires departmental justification of expansion projects based on the projects potential return on investment (ROI), its potential leverage and linkages to other projects, and its contribution to the City's strategic initiatives. Additionally, all replacement and rehabilitation projects have been ranked and placed in tiers based on their contribution to public safety, asset preservation, and core service provision. Virtually all of the financing has been provided by four sources: General Obligation (GO) bonds, dedicated sales tax, user fees (pay as you go and a source to repay revenue bonds), and state and federal financial assistance. Local voters have continually validated this approach as 75% of all GO bond and sales tax proposals have been approved since the elected officials adopted the formal Capital Improvements Planning process.

Financial Policies

The City follows a comprehensive set of Financial Policies to ensure the City's financial resources are managed prudently. Policies are shaped by state law and approved by the City Council through the budget adoption process. These financial policies govern the City's budgeting and financial planning, capital planning, revenue, investment, debt management, and procurement. Descriptions of these policies are available in the City's annual budget publication which may be obtained from the City's website, www.cityoftulsa.org.

Such policies, as shaped by state law and Government Finance Officers Association of the United States and Canada (GFOA) Best Practices, advise that total resources will be sufficient to support current operating expenses. Additionally, the City has established and shall maintain an operating reserve in the General Fund to provide for revenue shortfalls or to meet unexpected increases in service delivery costs. The reserve is set annually and was set at 6.39% of the General Fund appropriated expenditures for 2018.

The City created an Economic Stabilization Reserve in 2012. In an emergency situation, upon meeting certain triggers, the City may draw on this pool of reserves in the event of declining revenues. The balance of the reserve was \$2 million in 2018.

Major Initiatives (with a Significant Impact on Revenue or Expenditure Trends)

The City is pleased to have initiated or continued several projects independently and in conjunction with private partners during the year. These projects provide enhancements for the general public with anticipated positive impacts on revenue and expenditure trends in the future.

- *Employee Insurance Task Force* - In response to feedback from the Mayor's Annual Employee Survey, an insurance working group was formed to improve benefits offerings and help guide the City's eventual move to self-insurance. As a result, in FY19 there was no increase in employee insurance premiums. Therefore, the City was able to add enhanced prescription drug coverage as well as contract with a new dental provider at no increase to employee dental premiums for the plan year.
- *Strategic Planning – Action and Implementation Management (AIM) Plan* - In FY18, the Mayor and City Council adopted the AIM Plan which is a 2 year action and implementation management plan. The AIM plan helps guide departments in allocating resources and creating more detailed action plans to achieve city-wide strategic goals. This plan is centered on the belief that employees at all levels of the organization should be able to connect the work that they do on a daily basis with the four goals to make Tulsa a globally competitive, world-class city.
- *Innovation Champions Program* - The Office of Performance Strategy has implemented a program to equip leaders in process improvement and efficiency throughout various City departments to ensure the City operates as effectively as possible. Employees who successfully complete this program are trained in Continuous Improvement and receive a Green Belt certificate in LEAN/Six Sigma. The program concludes with participants completing Service Projects attempting to streamline or improve process effectiveness and efficiency. Recent projects have included; Creating & Centralizing Procedures for Right-of-Way, Improving Evidence Retrieval Wait Times, and Nitrification Control in Water Distribution Systems.
- *Streets Blue-Ribbon Taskforce* - In FY18, the Mayor created a Blue-Ribbon Taskforce to overhaul street construction projects in Tulsa. The goal of which was to reevaluate Tulsa's overall approach to street construction, with a focus on improving the speed and efficiency of individual projects. The taskforce is currently led by a former State Secretary of Transportation, and focusing on Early Completion Incentives, Data Driven Site Selection, and Project Return on Investment.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tulsa for its comprehensive annual financial report for the year ended June 30, 2017. This was the 36th consecutive year that the City of Tulsa has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its 2018 annual budget document. This was the 23rd consecutive year for the City of Tulsa. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Finance Department Accounting Division. Other departments and offices of the City contributed directly or indirectly to the preparation of this report; the Budget Division and the Treasury

Division as well as other staff and departments throughout the City. We express our appreciation to all who assisted in this effort.

We express our appreciation and acknowledge the thorough, professional, and timely manner in which our independent auditor, RSM US LLP, conducted the audit.

Finally, we acknowledge the Mayor and Council members who have consistently supported the City's goal of excellence in all aspects of financial management. Their support is greatly appreciated.



Norman E. Kildow, CPA, MBA, CPFO
Controller



Jack Blair
Interim Director of Finance

**CITY OF TULSA,
LIST OF PRINCIPAL OFFICIALS
As of June 30, 2018**

MAYOR

G. T. Bynum

CITY COUNCIL MEMBERS

Vanessa Hall-Harper.....	District 1
Jeannie Cue.....	District 2
David Patrick.....	District 3
Blake Ewing.....	District 4
Karen Gilbert.....	District 5
Connie Dodson.....	District 6
Anna America.....	District 7
Phil Lakin, Jr.	District 8
Ben Kimbro	District 9

CHIEF OF STAFF

Jack Blair

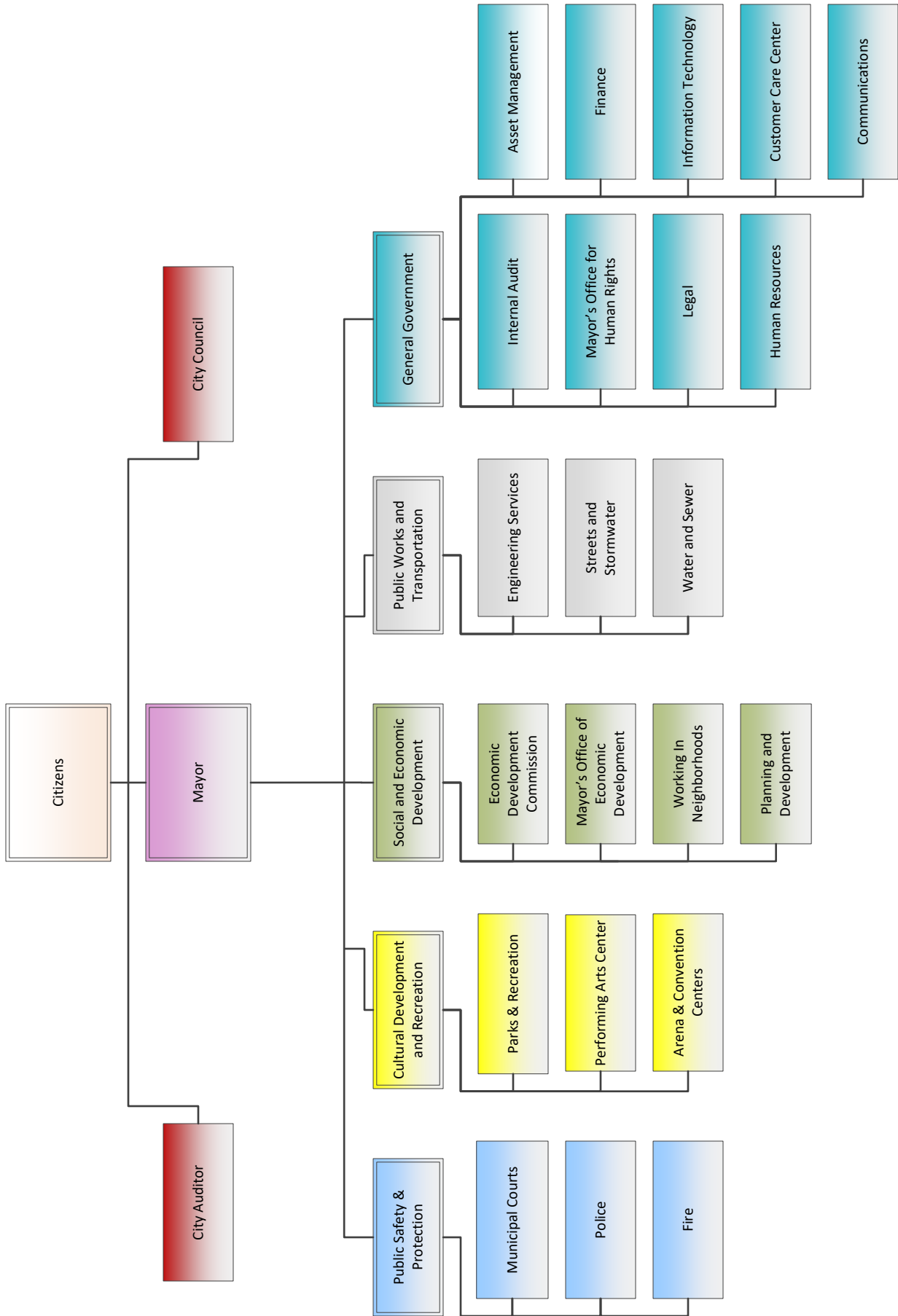
DIRECTOR OF FINANCE

Michael P. Kier, CPFO

CITY AUDITOR

Cathy Criswell

ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Tulsa
Oklahoma

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

SECTION 2
FINANCIAL SECTION



SPRINGDALE PARK

Independent Auditor's Report

RSM US LLP

The Honorable Mayor, City Council and
Audit Committee
City of Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tulsa, Oklahoma (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Tulsa Industrial Authority (TIA), which is a discretely presented component unit of the City. The financial statements of TIA comprise 0.6 percent of total assets and 0.1 percent of total revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the Tulsa Stadium Trust (TST), which is a blended component unit and major enterprise fund of the City. The financial statements of TST comprise 7 percent of total assets and 0.5 percent of total revenues of the business-type activities and represent 100 percent of the assets and revenues of the TST major enterprise fund. Also, we did not audit the financial statements of The Operations of the BOK Center, as managed by SMG, or The Operations of the Cox Business Center, as managed by SMG, an agent operating these facilities (collectively, SMG), which are included within the financial statements of the Arena and Convention Center Fund, a major enterprise fund of the City. This activity represents 18 percent and 74 percent, respectively, of the total assets and total revenues of the Arena and Convention Center major enterprise fund, and 6 percent and 25 percent, respectively, of the total assets and total revenues of the business-type activities. Those statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for TIA, TST, The Operations of the BOK Center, as managed by SMG, and The Operations of the Cox Business Center, as managed by SMG, are based solely on the reports of the other auditors. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tulsa, Oklahoma, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As explained in Note 2.2 to the basic financial statements, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which restated beginning net position of the governmental activities, business-type activities, the aggregate discretely presented component units, the Stormwater Management Fund, the One Technology Center Fund and the aggregate remaining fund information to record the total OPEB liability, deferred inflows of resources and deferred outflows of resources. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the pension and postemployment information, and the Budgetary Comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and other auditors 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory, statistical sections and other schedules, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

RSM US LLP

Kansas City, Missouri
January 25, 2019

As management of the City of Tulsa, Oklahoma (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with our letter of transmittal in the Introductory Section of this report and the City's financial statements, which follow this management's discussion and analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars and references to a year, such as 2018, contain an implied reference to the fiscal year, such as "fiscal year 2018."

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at year end by \$2,155,224 (*net position*). Included as a component of net position is unrestricted net position with a deficit of \$154,041. This deficit results primarily from the net pension liability.
- The City's total net position increased \$131,843. Expenses increased \$1,892 compared to last year while revenues experienced of an overall increase of \$25,404 from the prior year.
- At the close of the current year, the City's governmental funds reported combined fund balances of \$688,191 a decrease of \$1,462 in comparison with the prior year. Approximately 7% of this amount (\$50,128) is available for spending at the government's discretion (*unassigned fund balance*).
- Unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund was \$56,946, or approximately 19% of total general fund expenditures.
- The City's long-term liabilities decreased by \$100,044 during the current year primarily due to the scheduled debt service payments on general obligation debt of \$56,261 and a net decrease in the pension liability of \$88,880.
- The sales tax revenue increased \$28,046 over the prior year in the City's governmental funds due to the 3.65% rate being in effect for the entire fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, comprising the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, similar to private-sector business.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference being reported as *net position*. Over time, increases or decreases in net position can serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The government-wide financial statements of the City are divided into three categories:

- ***Governmental activities*** - Most of the City's basic governmental services are included here, such as public safety and protection, social and economic, public works and transportation, culture and recreation, and administrative and support functions. Sales, use, and property taxes, charges for services, and state and federal grants finance most of these activities.
- ***Business-type activities*** - The City charges fees to customers to help it cover the costs of certain services it provides. BOK Center and Cox Business Center, One Technology Center, Golf Courses, Tulsa Stadium Trust and Stormwater Management operations are included here.
- ***Discretely presented component units*** - The City includes nine other entities in its report—Tulsa Metropolitan Utility Authority, Tulsa Authority for Recovery of Energy, Tulsa Airports, and the Other Component Units comprising of the Tulsa Development Authority, Metropolitan Tulsa Transit Authority, Tulsa Industrial Authority, Tulsa Parking Authority, the Tulsa Performing Arts Center Trust, and the Tulsa International Airport Development Trust. Although legally separate, these "component units" are important because the City is financially accountable for them.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, state law and bond covenants. The fund financial statements provide the reader with information about the City's most significant funds - not the City as a whole.

Fund Financial Statements, continued

The funds of the City are divided into three categories:

- ***Governmental funds*** – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement that explains the relationships (or differences) between them.
- ***Proprietary funds*** – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
 - *Enterprise Funds* (one type of proprietary fund) are used to report the same functions presented as business type activities in the government-wide financial statements, but with additional detailed information, such as cash flows.
 - *Internal Service funds* (the other type of proprietary fund) are used to report activities that provide supplies and services for the City's other programs and activities.
- ***Fiduciary funds*** – The City is the trustee, or fiduciary, for its employees' and other participating entities' pension plan. Fiduciary activities are reported in a statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page FN-1.

Other Information

Required supplementary information - In addition to the basic financial statements and accompanying notes, this report presents twelve schedules of *required supplementary information ("RSI")* following the notes.

Municipal Employees' Retirement Plan (MERP) -

- Schedule of Changes in Net Pension Liability
- Schedule of City's Proportionate Share
- Schedule of City's Contributions
- Schedule of Investment Returns
- Schedule of Actuarial Valuation, Methods and Assumptions

Oklahoma Firefighters Pension and Retirement System-

- Schedule of City's Proportionate Share
- Schedule of City's Contributions

Oklahoma Police Pension and Retirement System-

- Schedule of City's proportionate Share
- Schedule of City's Contributions

General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budgetary Basis)

Other Post-Employment Benefits Plan (OPEB) -

- Schedule of Changes in Total OPEB Liability
- Schedule of City's Proportionate Share

Supplemental Combining and Individual Fund Financial Statements - Combining and Individual Fund Financial Statements, which include nonmajor governmental funds, internal service funds, fiduciary funds, and nonmajor discretely presented component units are presented immediately following the RSI. This section also includes budget to actual schedules for certain special revenue funds and additional General Fund budgetary schedules.

Government-Wide Financial Analysis

Net Position of the City of Tulsa - As of June 30, 2018, the City's *combined* net position was \$2,155 million. Total assets and deferred outflows increased \$71 million or 2% while liabilities and deferred inflows of resources decreased \$60 million or 5%. The net position of Governmental activities increased 9% to \$1,619 million in 2018 from \$1,481 million (as restated) in 2017. Net position of the Business-type activities was \$536 million in 2018 down 1% from \$542 million (as restated) in 2017.

Government-Wide Financial Analysis, continued

	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)
Current and other assets	\$ 867,489	\$ 857,905	\$ 100,640	\$ 87,485	\$ 968,129	\$ 945,390
Capital assets	1,757,480	1,683,707	566,000	575,070	2,323,480	2,258,777
Total assets	2,624,969	2,541,612	666,640	662,555	3,291,609	3,204,167
Deferred outflows of resources	70,018	86,011	3,130	3,154	73,148	89,165
	<u>2,694,987</u>	<u>2,627,623</u>	<u>669,770</u>	<u>665,709</u>	<u>3,364,757</u>	<u>3,293,332</u>
Current and other liabilities	136,487	114,818	32,131	20,352	168,618	135,170
Long-term liabilities	832,541	930,738	100,103	101,950	932,644	1,032,688
Total liabilities	969,028	1,045,556	132,234	122,302	1,101,262	1,167,858
Deferred inflows of resources	107,045	100,684	1,226	1,409	108,271	102,093
	<u>1,076,073</u>	<u>1,146,240</u>	<u>133,460</u>	<u>123,711</u>	<u>1,209,533</u>	<u>1,269,951</u>
Net position:						
Net investment in capital						
assets	1,485,779	1,386,778	490,067	498,427	1,975,846	1,885,205
Restricted	321,201	291,237	12,218	12,664	333,419	303,901
Unrestricted	(188,066)	(196,632)	34,025	30,907	(154,041)	(165,725)
	<u>\$ 1,618,914</u>	<u>\$ 1,481,383</u>	<u>\$ 536,310</u>	<u>\$ 541,998</u>	<u>\$ 2,155,224</u>	<u>\$ 2,023,381</u>

The largest portion of the City's net position (92%) reflects its investment in capital assets, less any outstanding debt that was used to acquire those assets. The City uses capital assets to provide services to its citizens. Accordingly, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Net position category:	Percent of Total	
	2018	2017 (as restated)
Net investment in capital assets	92%	93%
Restricted	15%	15%
Unrestricted	-7%	-8%
	<u>100%</u>	<u>100%</u>

Government-Wide Financial Analysis, continued

Changes in Net Position of the City of Tulsa – The City's net position increased \$131,843 compared to the prior year increase of \$108,331 (as restated). The Governmental activities and Business-type activities had an increase of \$137,531 and a decrease of \$5,688, respectively.

The City's total revenues increased 4.2% to \$636 million in 2018. Program revenue generated \$182.3 million, consisting of charges for services, federal and state grants, and capital grants/contributions, down from \$206.7 million in 2017. Zoo capital improvements of \$14.5 million were contributed in the prior year and account for the majority of the decline in program revenue.

Sales taxes, the largest revenue category, increased 11.2% to \$278.3 million in 2018 from \$250.3 million in 2017. The increase is a result of continued improvement in economic conditions coupled with a full year's effect of a 0.55% increase in the sales tax rate dedicated for public safety, public transportation, and economic development programs. Property tax revenue increased to \$77.1 million in 2018 from \$72.1 million in 2017 due to a 4% increase in the millage rate and a 3% increase in net assessed property values. Use taxes increased to \$31.1 million in 2018 from \$25.9 million in 2017 due to increased collections from online retailers.

Expenses for the primary government increased 0.4% or \$1.9 million to \$504.3 million. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs. Significant changes include:

- General government expenses decreased \$3.4 million (4.9%). The decrease is primarily attributed to decreases of \$2.4 million in workers' compensation expense and \$2.9 million in judgments expenses.
- Public safety and protection expenses totaled \$217.3 million, an increase of \$11.3 million (5.5%). Personnel costs for Police increased \$3.1 million due to a contractual salary increase and 49 new police officers. Personnel costs for Fire increased \$1.1 million due to a contractual salary increase and 23 new firefighters. Payments to EMSA increased \$3.5 million over the prior year.
- Social and economic development expenses decreased \$13.6 million (36.2%), primarily from an \$11.2 million decrease from the prior year in capital expenditures below the capitalization threshold.

Government-Wide Financial Analysis, continued

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2018	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)
Revenues:						
Program revenues:						
Charges for services	\$ 74,246	\$ 73,397	\$ 59,998	\$ 57,430	\$ 134,244	\$ 130,827
Operating grants/contributions	31,057	30,000	-	-	31,057	30,000
Capital grants/contributions	14,846	40,309	2,199	5,602	17,045	45,911
General revenues:						
Sales taxes	278,317	250,271	-	-	278,317	250,271
Property taxes	77,074	72,075	-	-	77,074	72,075
Franchise	24,420	23,235	-	-	24,420	23,235
Use tax	31,084	25,922	-	-	31,084	25,922
Hotel/Motel taxes	7,414	7,380	-	-	7,414	7,380
Intergovernmental revenue	7,587	7,131	-	-	7,587	7,131
Other	26,937	17,405	1,007	625	27,944	18,030
	<u>572,982</u>	<u>547,125</u>	<u>63,204</u>	<u>63,657</u>	<u>636,186</u>	<u>610,782</u>
Expenses:						
General government	65,886	69,297			65,886	69,297
Public safety & protection	217,296	205,966			217,296	205,966
Public works & transportation	80,941	79,762			80,941	79,762
Culture & recreation	27,833	24,963			27,833	24,963
Social & economic development	23,993	37,624			23,993	37,624
Interest on long-term debt	14,863	12,583			14,863	12,583
Stormwater	-		31,680	31,434	31,680	31,434
One Technology Center	-		8,846	9,128	8,846	9,128
Arena & Convention	-		25,755	25,199	25,755	25,199
Tulsa Stadium Trust	-		4,083	3,219	4,083	3,219
Golf courses	-		3,167	3,276	3,167	3,276
	<u>430,812</u>	<u>430,195</u>	<u>73,531</u>	<u>72,256</u>	<u>504,343</u>	<u>502,451</u>
Changes before transfers	142,170	116,930	(10,327)	(8,599)	131,843	108,331
Transfers	(4,639)	(5,783)	4,639	5,783	-	-
Change in Net position	137,531	111,147	(5,688)	(2,816)	131,843	108,331
Net position, beginning	1,481,383	1,370,236	541,998	544,814	2,023,381	1,915,050
Net position, ending	<u>\$ 1,618,914</u>	<u>\$ 1,481,383</u>	<u>\$ 536,310</u>	<u>\$ 541,998</u>	<u>\$ 2,155,224</u>	<u>\$ 2,023,381</u>

Government-Wide Financial Analysis, continued

Governmental Activities – The City provides various services to the citizens. The costs of these services generally are only partially supported by direct revenues (*program revenues*). The chart below illustrates the cost of delivering services in the City's governmental activities by comparing the service cost to program revenue.

	<u>Program Expenses</u>	<u>Program Revenues</u>	<u>Net Cost</u>
General government	\$ 65,886	\$ 37,960	\$ (27,926)
Public safety and protection	217,296	42,730	(174,566)
Public works & transportation	80,941	21,363	(59,578)
Culture & recreation	27,833	4,805	(23,028)
Social & economic development	23,993	13,291	(10,702)
Interest on debt	14,863	-	(14,863)
	<u>\$ 430,812</u>	<u>\$ 120,149</u>	<u>\$ (310,663)</u>

The net cost indicates the financial burden of each of these functions.

The cost of all *governmental* activities this year was \$430.8 million. A portion of the costs were paid by those who directly benefited from the programs (\$74.2 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$45.9 million). The remaining costs are covered by general revenues. Sales tax makes up the majority of general revenues or 61% in 2018. The City's sales tax rate is 3.65%, of which 1.65% is a special tax dedicated for capital improvements, public safety, public transportation, and economic development. Property taxes fund general obligation debt issued for capital improvements and judgment payments.

	<u>General Revenues</u>			
	<u>2018</u>	<u>Percent of Total</u>	<u>2017</u>	<u>Percent of Total</u>
Sales taxes	\$ 278,317	61%	\$ 250,271	62%
Property taxes	77,074	17%	72,075	18%
Franchise tax	24,420	5%	23,235	6%
Use tax	31,084	7%	25,922	6%
Hotel/Motel taxes and Other	41,938	9%	31,916	8%
	<u>\$ 452,833</u>	<u>100%</u>	<u>\$ 403,419</u>	<u>100%</u>

Business-type Activities – The City also provides services that generally require a charge for the service. These expenses are reported in the business-type activities. The chart below illustrates the cost of those services and the related charges for services along with any related grants and contributions (*program revenues*).

Government-Wide Financial Analysis, continued

Business-type activities:	Program Expenses	Program Revenues	Net Cost
Arena & Convention	\$ 25,755	\$ 18,046	\$ (7,709)
One Technology Center	8,846	9,360	514
Golf Courses	3,167	2,588	(579)
Tulsa Stadium Trust	4,083	250	(3,833)
Stormwater	31,680	31,953	273
	<u>\$ 73,531</u>	<u>\$ 62,197</u>	<u>\$ (11,334)</u>

While program revenues are intended to support the business type activities, transfers from the City augment these activities. The business-type activities received \$4,639 in transfers from the Governmental activities of the City. These transfers included:

- Capital transfers of \$2,199 for Stormwater Management improvements funded by the City's Bond, Sales tax and grant funds were offset by transfers of \$1,815 to the General Fund for payments in lieu of taxes;
- \$3,502 to fund Arena and Convention Center debt service and operations which was provided by City hotel/motel taxes;
- \$2,203 of special assessment taxes used in connection with the ballpark located downtown.

Governmental Funds Financial Analysis

Governmental Funds reported a fund balance of \$688.2 million, down \$1.5 million or 0.2% from 2017. Approximately 7% of the fund balance is unassigned fund balance, which is available for appropriating at the City's discretion. Other categories of fund balance include non-spendable, indicating it is not in spendable form such as inventories and advances to others, restricted, committed or assigned for particular purpose.

The General Fund is the main operating fund of the City and its fund balance increased to \$59 million in 2018 from \$56 million in 2017. Of this amount \$51.2 million represents unassigned fund balance and approximates 18% of General Fund expenditures compared to \$47.3 million and 17%, in 2017. The fund balance represents approximately 20% of expenditures compared to 20% in 2017. The change in fund balance can be attributed to the following:

- The General Fund's fund balance increased \$3 million to \$59 million, as expenditures increased 2.4% while revenues increased 1.6%.
- Tax revenues increased \$8.7 million due to increased sales tax collections from continued improvement in economic conditions and increased use tax collection from online retailers. Investment income increased \$3.3 million attributed to higher rate of return on the City's investments.
- Public safety expenditures increased \$2.5 million primarily due to an increase in personnel service costs from a contractual pay increase.

Governmental Funds Financial Analysis, continued

The remaining Governmental Funds' fund balance decreased \$4.5 million, or 0.7% to \$629.2 million. The vast majority of fund balance is restricted (99%).

- The Debt Service Fund's fund balance increased \$2.1 million or 3.3% to \$65.7 million primarily from an increase of \$8.1 million in revenue from property taxes offset by a \$1.7 million decrease in debt service payments. The fund balance of the Debt service fund is restricted for debt service payments.
- Capital expenditures in the Bond fund decreased 24% or \$11.1 million from the prior year. The remaining fund balance of \$197.4 million is restricted for capital improvements.
- The Sales Tax Fund's fund balance increased \$17.5 million or 8.1% over 2017. Sales tax collections increased \$2.3 million due to continued improvement in economic conditions and investment income increased \$1.6 million due to an improvement in the rate of return on the City's investments. The fund balance of \$233.4 million in the sales tax fund is restricted for capital improvements.
- The Limited-Purpose Sales Tax Fund's fund balance increased \$4.2 million primarily from an increase of \$14.6 million collections of sales and use tax. The limited-purpose tax was in effect for a full year in 2018. Capital outlay increased \$20 million and debt service increased \$2.8 million over the prior year. The fund balance of \$135.6 million is restricted for capital improvements.

Proprietary Funds Financial Analysis

Proprietary funds reported a combined net position of \$536.3 million compared to \$542 million (as restated) in the prior year.

- The Stormwater Management fund incurred an operating loss of \$1.8 million while receiving \$0.4 million in transfers for capital improvements and \$2.2 million in capital contributions resulting in a decrease of \$0.7 million in net position. The fund's net position of \$335.2 million is primarily (96.1%) invested in capital assets.
- One Technology Center fund contributed lease revenue of \$9.4 million, an increase of \$0.2 million from the prior year. The overall net position increased \$1.2 million to a \$3.5 million deficit. A \$1.2 million decrease in interest expense was the result of interest savings on a debt refunding.
- The Arena and Convention Center fund contributed revenue of \$18 million, an increase of \$1.3 million over the previous year, due to an increase of premier events attracted to the BOK Center while expenses increased \$0.6 million resulting from the same increase in events. The \$7.2 million operating loss is partially offset by transfers in of \$3.5 million. The overall net position decreased \$4.1 million for the year, ending at \$178 million.

Budgetary Highlights

The General Fund is the only major fund requiring an annually adopted budget.

General Fund Budgetary Highlights

The original 2018 General Fund budget adopted by the Mayor and City Council totaled \$269.4 million. The budget was balanced with revenue estimates of \$269.1 million and the use of \$0.3 million in unassigned fund balance. It was \$1.9 million or 0.7% more than the 2017 original budget. Taking in consideration of the 2017 carry over encumbrances and budget amendments, the total authorized expenditure amount was \$278.0 million for 2018.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2018	2017	2018	2017	2018	2017	2018	2017
Revenues:								
Taxes	\$ 200,203	\$ 203,226	\$ 200,203	\$ 198,796	\$ 201,655	\$ 194,672	\$ 1,452	\$ (4,124)
Licenses and permits	8,593	8,342	8,593	8,342	7,939	8,112	(654)	(230)
Intergovernmental	7,662	8,323	7,849	8,323	9,432	7,457	1,583	(866)
Charges for service	18,923	21,041	18,923	21,057	18,570	20,127	(353)	(930)
Fines and forfeitures	8,338	8,800	8,338	8,800	7,280	8,131	(1,058)	(669)
Investment income	4,029	3,081	4,029	3,081	4,452	3,734	423	653
Payments from component unit	15,603	13,875	15,603	13,875	15,678	14,609	75	734
Miscellaneous	2,942	2,773	2,942	3,023	3,434	2,657	492	(366)
Transfers In	2,441	2,291	2,441	2,291	2,465	2,400	24	109
	<u>\$ 268,734</u>	<u>\$ 271,752</u>	<u>\$ 268,921</u>	<u>\$ 267,588</u>	<u>\$ 270,905</u>	<u>\$ 261,899</u>	<u>\$ 1,984</u>	<u>\$ (5,689)</u>
Expenses:								
General government	\$ 43,014	\$ 40,959	\$ 42,200	\$ 40,147	\$ 40,371	\$ 38,019	\$ (1,829)	\$ (2,128)
Public works and transportation	18,935	19,832	18,244	18,797	17,878	18,275	(366)	(522)
Social and economic development	12,219	11,499	11,705	11,247	11,441	11,153	(264)	(94)
Public safety and protection	165,865	165,918	170,635	169,741	169,347	168,893	(1,288)	(848)
Culture and recreation	22,275	21,389	22,200	21,199	21,566	20,846	(634)	(353)
Payments to component units	7,442	7,344	7,409	7,344	7,409	7,344	-	-
Transfers out	5,569	5,566	5,644	5,566	5,625	5,566	(19)	-
	<u>\$ 275,319</u>	<u>\$ 272,507</u>	<u>\$ 278,037</u>	<u>\$ 274,041</u>	<u>\$ 273,637</u>	<u>\$ 270,096</u>	<u>\$ (4,400)</u>	<u>\$ (3,945)</u>

2018 actual revenues of \$270.9 million exceeded the amended estimate by \$2.9 million or 1.8%. Sales Tax revenues were the largest category causing actual revenues to be above the estimate. Sales Taxes were \$2.3 million above the estimate and explain the primary reasons for revenues exceeding expectations. 2018 actual expenditures were \$273.6 million and were \$4.4 million under the authorized expenditure amount. The 2018 amended budget reflects the total authorized expenditure amount which included budget amendments that increased the budget by \$2.7 million, appropriations for carry over encumbrances of \$5.9 million and the original budget of \$269.4 million.

General Fund Budgetary Highlights, continued

The 2018 General Fund budget was amended three times during the year with the largest amount increasing appropriations by \$2.9 million to adjust for a labor contract settlement and higher levels of overtime above initial estimates. The second amendment moved a County reimbursement for E911 services and an equivalent 911 operating budget to the E911 Fee Operating Fund. The third amendment re-appropriated resources for equipment funded in the prior year but not purchased before year end.

Capital Assets and Debt Administration

Capital Assets - At the end of 2018 the City had invested \$2.3 billion in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, and bridges. This amount represents a net increase (after additions, deductions, and depreciation) of \$64.7 million, or 2.9% during the year (see Note 7 to the financial statements for additional detailed information regarding capital assets). Street improvements funded by the Fix Our Streets bond package and the Third Penny Sales Tax Program contributed to the large increase in infrastructure.

**Capital Assets, net of depreciation
(dollar amounts expressed in millions)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 533	\$ 530	\$ 99	\$ 98	\$ 632	\$ 628
Works of Art	-	-	1	1	1	1
Buildings and improvements	170	164	445	457	615	621
Equipment	75	69	15	17	90	86
Infrastructure	796	745	-	-	796	745
Construction in progress	183	176	6	2	189	178
	<u>\$ 1,757</u>	<u>\$ 1,684</u>	<u>\$ 566</u>	<u>\$ 575</u>	<u>\$ 2,323</u>	<u>\$ 2,259</u>

Capital Assets and Debt Administration, continued

Long-term Liabilities - At year end, the City had \$665 million in general obligation and revenue bonds outstanding, a decrease of 8.6% from last year, as shown below. More detailed information about the City's long-term liabilities is presented in Note 11 to the basic financial statements.

	Long-term Liabilities					
	(dollar amounts expressed in millions)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017 (as restated)	2018	2017 (as restated)	2018	2017 (as restated)
General obligation bonds	\$ 452	\$ 508	\$ -	\$ -	\$ 452	\$ 508
Revenue bonds	121	123	92	92	213	215
Other long-term liabilities	350	379	13	13	362	392
	<u>\$ 923</u>	<u>\$ 1,010</u>	<u>\$ 105</u>	<u>\$ 105</u>	<u>\$ 1,027</u>	<u>\$ 1,115</u>

- General obligation bonds – The balance decreased \$56 million due to scheduled debt service. No general obligation bonds were issued in 2018.
- Revenue Bonds – The balance decreased \$2 million during the year. Scheduled debt service of \$3.6 million was offset by a \$1.1 million increase from a debt refunding. In August 2017, Lease Revenue Bonds 2017A and 2017B were refunded increasing the outstanding balance due to funding a debt service reserve.
- Other long-term liabilities – The City's net pension liability decreased \$25.1 million in 2018 to \$302.2 million.

Economic Factors and Next Year's Budget and Rates

The original 2019 budget totaled \$867.3 million - a 4.9 percent increase from the original FY18 amount. The operating budget is \$691.7 million and the Capital Improvements budget totals \$175.6 million. The operating budget is increasing by 3.2 percent and the capital budget is increasing 12.0 percent from FY18.

All labor figures continue to maintain historic highs. The area labor force continued to grow, gaining another 700 new participants in CY17. This was an increase of 0.1 percent over the previous year. Wage and Salary employment reported its seventh consecutive year of growth, increasing 0.2 percent over CY16, and ended the fiscal year at a seasonally adjusted total of 445,600. The greatest relative growth occurred in the Manufacturing sector; which increased by 2.5 percent over CY16. However, the greatest nominal growth continued to be in the Service sector which increased by a seasonally adjusted 3,200 (1.4 percent) and has grown at a median annual rate of 1.3 percent over the previous ten years. The larger Total Employment survey reported an increase of 0.5 percent over the previous year to total a seasonally adjusted 454,700 in CY17. Although Total Employment grew in CY17, the labor force grew at an even greater rate. This caused the metro jobless rate to fall in CY17 to 4.6 percent, a decrease of 0.3 points from CY16 (4.9 percent). After falling slightly in CY16, retail sales in the TMSA resumed growth in CY17 reporting an additional \$372 million in annual sales. The Oklahoma State University Center for Applied Economic Research (CAER) has forecast retail sales to grow at an annualized rate of 2.4 percent, employment at 1.8 percent and per capita personal income at 7.6 percent; over the coming 4 years.

Economic Factors and Next Year's Budget and Rates, continued

Gross Metro Product (GMP) for the area was estimated to have grown 2.0 percent over the previous year; and is forecast to strengthen in the near future. CAER has forecast an annual growth rate of 5.5 percent through CY22. Barge freight continued to grow in CY17, increasing by 12.9 percent over the previous year. Air freight reported slightly less activity in CY17, decreasing by 22 percent in CY17. Considering the growth forecast in both employment and GMP, it is expected that although the pace continues to be moderate, the local economy will continue to experience modest improvement and continued stability for the near future.

The 2019 budget reflects increases for water, sewer, and stormwater rates. A water rate increase of 4%, sewer rate increase of 9%, and stormwater rate increase of 9% are included to address capital needs and debt service in 2019.

Contacting the City's Financial Management

Questions about this report or requests for additional information should be directed to:

City of Tulsa
Office of the Controller
175 East 2nd Street, Suite 1570
Tulsa, Oklahoma 74103

SECTION 2 (CONT'D.) BASIC FINANCIAL STATEMENTS



EQUESTRIAN TRAILS @ MOHAWK PARK

CITY OF TULSA
STATEMENT OF NET POSITION
June 30, 2018
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash, cash equivalents and investments	\$ 668,654	\$ 53,022	\$ 721,676	\$ 238,169
Cash and cash equivalents - restricted	373	19,215	19,588	44,651
Investments	19,892	-	19,892	2,901
Investments - restricted	-	-	-	1,462
Receivables, net	146,771	5,862	152,633	45,834
Prepaid expenses	-	910	910	-
Internal balances	2,767	(2,767)	-	-
Inventories	1,050	454	1,504	4,229
Other current assets	-	-	-	1,344
Other current assets - restricted	-	-	-	1,031
Current portion of notes receivable	-	-	-	4,938
Total current assets	<u>839,507</u>	<u>76,696</u>	<u>916,203</u>	<u>344,559</u>
Noncurrent assets:				
Cash and cash equivalents - restricted	1,115	13,739	14,854	59,867
Receivables, net	-	9,456	9,456	16,865
Investments	-	-	-	5,114
Investments - restricted	-	748	748	33,522
Advances to primary government	-	-	-	132
Advances to component units	1,821	-	1,821	-
Land held for resale, net	1,619	-	1,619	261
Other assets	13,354	1	13,355	415
Equity interest in joint ventures	10,073	-	10,073	25,867
Nondepreciable capital assets	715,304	105,648	820,952	273,199
Depreciable capital assets, net	1,042,176	460,352	1,502,528	1,487,090
Total noncurrent assets	<u>1,785,462</u>	<u>589,944</u>	<u>2,375,406</u>	<u>1,902,332</u>
Total assets	<u>2,624,969</u>	<u>666,640</u>	<u>3,291,609</u>	<u>2,246,891</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB related items	608	102	710	518
Pension related items	68,445	1,738	70,183	11,197
Deferred charge on refunding	965	1,290	2,255	12,737
Total deferred inflows of resources	<u>70,018</u>	<u>3,130</u>	<u>73,148</u>	<u>24,452</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	45,659	9,585	55,244	42,965
Unearned revenue	-	17,230	17,230	679
Advances from primary government	-	-	-	1,401
Current portion of long-term liabilities	90,828	4,399	95,227	45,600
Refundable deposits payable from restricted assets	-	-	-	11,207
Total current liabilities	<u>136,487</u>	<u>31,214</u>	<u>167,701</u>	<u>101,852</u>
Noncurrent liabilities:				
Advances from primary government	-	-	-	420
Advances from component units	132	-	132	-
Unearned revenue	406	917	1,323	-
Deposits subject to refund	-	-	-	441
Long-term liabilities	832,003	100,103	932,106	618,968
Total noncurrent liabilities	<u>832,541</u>	<u>101,020</u>	<u>933,561</u>	<u>619,829</u>
Total liabilities	<u>969,028</u>	<u>132,234</u>	<u>1,101,262</u>	<u>721,681</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	79,723	-	79,723	2,124
Pension related items	27,219	617	27,836	5,529
OPEB related items	103	21	124	114
Gain on refunding	-	588	588	53
Total deferred inflows of resources	<u>107,045</u>	<u>1,226</u>	<u>108,271</u>	<u>7,820</u>
NET POSITION				
Net investment in capital assets	1,485,779	490,067	1,975,846	1,283,873
Restricted for:				
Economic stabilization reserve	2,000	-	2,000	-
Debt service	54,145	1,513	55,658	16,991
Capital projects	236,631	9,445	246,076	15,088
Federal and state grants	4,496	-	4,496	-
Economic development	2,156	-	2,156	-
Transportation	6,713	-	6,713	-
Public safety	11,174	-	11,174	-
Other purposes	3,886	1,260	5,146	28,391
Unrestricted (deficit)	(188,066)	34,025	(154,041)	197,499
Total net position	<u>\$ 1,618,914</u>	<u>\$ 536,310</u>	<u>\$ 2,155,224</u>	<u>\$ 1,541,842</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(amounts expressed in thousands)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Charges for	Capital	Governmental Activities	Business-type Activities	Total
		Services and Fines	Operating Grants and Contributions			
Primary government:						
Governmental activities:						
General government	\$ 65,886	\$ -	\$ -	\$ (27,926)	\$ -	\$ (27,926)
Public safety and protection	217,296	28,809	-	(174,566)	-	(174,566)
Public works and transportation	80,941	-	14,846	(59,578)	-	(59,578)
Culture and recreation	27,833	-	-	(23,028)	-	(23,028)
Social and economic development	23,993	2,248	-	(10,702)	-	(10,702)
Interest on long-term debt	14,863	-	-	(14,863)	-	(14,863)
Total governmental activities	430,812	31,057	14,846	(310,663)	-	(310,663)
Business-type activities:						
Stormwater	31,680	-	2,199	-	273	273
One Technology Center	8,846	-	-	-	514	514
Arena & Convention	25,755	-	-	-	(7,709)	(7,709)
Tulsa Stadium Trust	4,083	-	-	-	(3,833)	(3,833)
Golf Courses	3,167	-	-	-	(579)	(579)
Total business-type activities	73,531	-	2,199	-	(11,334)	(11,334)
Total primary government	\$ 504,343	\$ 31,057	\$ 17,045	(310,663)	(11,334)	(321,997)
Component units:						
Clean water and waste water systems	168,830	-	13,339	-	-	82,182
Refuse collection and disposal	25,320	-	-	-	-	1,362
Airport services	49,725	8,863	8,692	-	-	4,896
Other component units	33,503	7,668	2,208	-	-	(11,293)
Total component units	\$ 277,378	\$ 16,531	\$ 24,239	-	-	77,147
General revenues:						
Taxes:						
Sales tax				278,317	-	278,317
Property tax				77,074	-	77,074
Franchise tax				24,420	-	24,420
Use tax				31,084	-	31,084
Hotel/Motel tax				7,414	-	7,414
Intergovernmental revenue, unrestricted				7,587	-	7,587
Funding from primary government				-	-	-
Payments in lieu of taxes				17,803	-	17,803
Unrestricted investment earnings				7,629	951	8,580
Miscellaneous				1,376	-	1,376
Gain on disposal of capital assets				129	56	185
Transfers				(4,639)	4,639	-
Total general revenues and transfers				448,194	5,646	453,840
Change in Net position				137,531	(5,688)	131,843
Net position--beginning of year, as restated				1,481,383	541,998	2,023,381
Net position--end of year				\$ 1,618,914	\$ 536,310	\$ 2,155,224

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018
(amounts expressed in thousands)

	General	Debt Service	Bond	Sales Tax	Limited-Purpose Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 33,086	\$ 65,184	\$ 171,806	\$ 232,844	\$ 117,090	\$ 31,126	\$ 651,136
Receivables, net	32,844	83,443	-	12,787	4,283	12,155	145,512
Investments	-	-	-	-	19,892	-	19,892
Due from other funds	2,931	-	-	-	-	-	2,931
Inventories	27	-	-	-	-	-	27
Land held for resale	38	-	-	-	-	-	38
Advances to other funds	146	-	-	-	-	-	146
Advances to component units	326	-	-	-	-	-	326
Total assets	\$ 69,398	\$ 148,627	\$ 171,806	\$ 245,631	\$ 141,265	\$ 43,281	\$ 820,008
Liabilities							
Accounts payable and accrued liabilities	9,461	-	9,653	12,236	5,585	3,519	40,454
Unearned revenue	175	-	-	-	-	231	406
Due to other funds	-	-	-	-	-	2,931	2,931
Advances from component units	127	-	5	-	-	-	132
Total liabilities	9,763	-	9,658	12,236	5,585	6,681	43,923
Deferred inflows of resources							
Unavailable revenue - property taxes	-	82,898	-	-	-	-	82,898
Unavailable revenue - special assessments	-	-	-	-	-	67	67
Unavailable revenue - intergovernmental	-	-	-	-	-	4,327	4,327
Unavailable revenue - long-term receivables	602	-	-	-	-	-	602
Total unavailable revenue	602	82,898	-	-	-	4,394	87,894
Fund balances							
Nonspendable	537	-	-	-	-	-	537
Restricted	2,000	65,729	162,148	233,395	135,680	28,144	627,096
Committed	-	-	-	-	-	5,115	5,115
Assigned	5,315	-	-	-	-	-	5,315
Unassigned (deficit)	51,181	-	-	-	-	(1,053)	50,128
Total fund balances	59,033	65,729	162,148	233,395	135,680	32,206	688,191
Total liabilities, deferred inflows and fund balances	\$ 69,398	\$ 148,627	\$ 171,806	\$ 245,631	\$ 141,265	\$ 43,281	\$ 820,008

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,746,402
Internal service funds are used by management to charge costs of equipment management, employee insurance and office services.	
The assets, liabilities and deferred inflows/outflows of the internal service funds are included in governmental activities in the statement of net position	12,387
Assets, liabilities and deferred outflows and inflows included in governmental activities statement of net position but not in governmental funds:	
Internal balances due to elimination of internal service funds	2,767
Land held for resale	1,619
Facility use lease asset	13,354
Deferred OPEB outflows	558
Deferred pension outflows	67,652
Investment in joint venture is not reported in the funds	10,073
Deferred charge on debt refunding	965
Accrued interest payable	(4,080)
Deferred pension inflows	(27,003)
Unavailable revenue - property taxes	3,175
Unavailable revenue - intergovernmental and long-term receivables	4,929
Unavailable revenue - special assessments	67
Deferred OPEB inflows	(92)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds	
The detail of the individual long-term liabilities is as follows:	
General obligation debt	(440,229)
Unamortized bond premium	(14,965)
Revenue bonds	(115,300)
Compensated absences	(31,479)
Arbitrage rebate payable	(11)
Other post employment benefits liability	(2,783)
Net pension liability	(285,290)
Judgments	(11,556)
Payable to other governments	(683)
Unamortized bond discount	246
Governmental activities net position	\$ 1,618,914

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	General	Debt Service	Bond	Sales Tax	Limited-Purpose Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues							
Sales tax	\$ 152,619	\$ -	\$ -	\$ 83,997	\$ 23,125	\$ 18,576	\$ 278,317
Property tax	-	77,013	-	-	-	-	77,013
Franchise tax	23,921	-	-	-	-	499	24,420
Use tax	26,400	-	-	-	4,684	-	31,084
Hotel/motel tax	148	-	-	-	-	7,266	7,414
Special assessment tax	-	-	-	-	-	3,446	3,446
Charges for services	21,990	-	-	-	-	11,363	33,353
Intergovernmental revenues	31,142	-	-	-	-	17,055	48,197
Fines and forfeitures	7,281	-	-	-	-	105	7,386
Investment income	4,046	-	-	1,833	974	266	7,119
Licenses, permits and fees	7,940	-	-	-	-	-	7,940
Program income from grants	-	-	-	-	-	3,018	3,018
Payments in lieu of taxes	15,678	-	-	-	-	-	15,678
Miscellaneous	1,076	-	-	105	20	160	1,361
Total revenues	292,241	77,013	-	85,935	28,803	61,754	545,746
Expenditures							
Current:							
General government	42,488	-	-	332	1	69	42,890
Public safety and protection	191,508	-	-	-	-	21,255	212,763
Public works and transportation	18,760	-	-	-	-	2,575	21,335
Culture and recreation	21,119	-	-	36	-	661	21,816
Social and economic development	11,021	-	-	-	-	10,695	21,716
Capital and operating funding to component units	7,409	-	-	4,144	-	330	11,883
Capital outlay	-	-	35,307	62,832	20,034	13,972	132,145
Debt service	-	74,871	-	-	3,461	-	78,332
Total expenditures	292,305	74,871	35,307	67,344	23,496	49,557	542,880
Excess (deficiency) of revenues over expenditures	(64)	2,142	(35,307)	18,591	5,307	12,197	2,866
Other financing sources (uses)							
Transfers in	2,465	-	-	-	-	431	2,896
Transfers out	(181)	-	(12)	(1,056)	(1,112)	(5,638)	(7,999)
Proceeds from sale of capital assets	775	-	-	-	-	-	775
Total other financing sources (uses)	3,059	-	(12)	(1,056)	(1,112)	(5,207)	(4,328)
Net change in fund balances	2,995	2,142	(35,319)	17,535	4,195	6,990	(1,462)
Fund balances, beginning of year	56,038	63,587	197,467	215,860	131,485	25,216	689,653
Fund balances, end of year	\$ 59,033	\$ 65,729	\$ 162,148	\$ 233,395	\$ 135,680	\$ 32,206	\$ 688,191

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year ended June 30, 2018
(amounts expressed in thousands)

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (1,462)
Governmental funds report capital outlays expenditures and capital contributions are not recorded. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlays	129,540
Capital contributions	7,199
Depreciation expense	(61,278)
	75,461
The effect of miscellaneous transactions involving capital assets:	
Gain on disposal of capital assets	(1,571)
Proceeds from sale of capital assets	(652)
	(2,223)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources:	
Payment of bond principal	51,847
	51,847
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest expense	450
Amortization of premium and discount on bond issuance	5,176
Amortization of deferred gain on debt refunding	(425)
Decrease in compensated absences liability	1,211
Decrease in liability to other governments	343
Decrease in arbitrage rebate liability	2
Decrease in tort claims and judgments liability	2,860
Net pension liability	24,698
Deferred outflows of resources related to pensions	(5,883)
Deferred inflows of resources related to pensions	(13,528)
Total OPEB liability	(331)
Deferred outflows of resources related to pensions	75
Deferred inflows of resources related to pensions	11
Amortization of facility use lease	(368)
	14,291
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Gain from investment in joint venture	417
	417
Some revenues which are unavailable in the governmental funds represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	(2,236)
Long-term receivables	194
Property Tax	61
Special assessment revenue	(29)
	(2,010)
The net revenue of internal service funds is reported within governmental activities:	
Change in net position of internal service funds	1,087
Internal balances resulting from the elimination of internal service fund revenues	123
	1,210
Change in net position - statement of activities	\$ 137,531

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds						Governmental Activities - Internal Service Funds
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses	Total	
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 17,328	\$ 8,050	\$ 22,141	\$ 5,134	\$ 369	\$ 53,022	\$ 17,518
Cash and cash equivalents, restricted	-	1,669	13,799	3,747	-	19,215	373
Receivables, net	3,075	1,049	1,734	1	3	5,862	1,259
Advances to component units	-	-	-	-	-	-	1,401
Prepaid expenses	-	-	854	-	56	910	-
Inventories, net	-	-	420	-	34	454	985
	<u>20,403</u>	<u>10,768</u>	<u>38,948</u>	<u>8,882</u>	<u>462</u>	<u>79,463</u>	<u>21,536</u>
Noncurrent assets:							
Cash and cash equivalents, restricted	7,356	3,135	1,646	1,602	-	13,739	1,115
Investments - restricted	-	748	-	-	-	748	-
Receivables, net	25	9,431	-	-	-	9,456	-
Advances to component units	-	-	-	-	-	-	94
Other	-	-	-	1	-	1	-
Nondepreciable capital assets	85,515	3,178	11,160	2,840	2,955	105,648	4,751
Depreciable capital assets, net	236,638	33,522	155,431	30,361	4,400	460,352	6,327
	<u>329,534</u>	<u>50,014</u>	<u>168,237</u>	<u>34,804</u>	<u>7,355</u>	<u>589,944</u>	<u>12,287</u>
Total assets	<u>349,937</u>	<u>60,782</u>	<u>207,185</u>	<u>43,686</u>	<u>7,817</u>	<u>669,407</u>	<u>33,823</u>
DEFERRED OUTFLOWS OF RESOURCES							
OPEB related items	96	6	-	-	-	102	50
Deferred charge on refunding	-	1,290	-	-	-	1,290	-
Pension related items	1,610	128	-	-	-	1,738	793
Total deferred outflow of resources	<u>1,706</u>	<u>1,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,130</u>	<u>843</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	4,136	571	3,796	831	251	9,585	1,125
Unearned revenue	-	330	16,900	-	-	17,230	-
Workers compensation claims	-	-	-	-	-	-	3,612
Current portion of long-term liabilities	565	2,424	775	635	-	4,399	1,775
	<u>4,701</u>	<u>3,325</u>	<u>21,471</u>	<u>1,466</u>	<u>251</u>	<u>31,214</u>	<u>6,512</u>
Noncurrent liabilities:							
Unearned revenue	-	-	917	-	-	917	-
Workers compensation claims	-	-	-	-	-	-	7,998
Advances from other funds	-	-	-	-	-	-	146
Long-term liabilities	11,198	61,742	6,800	20,363	-	100,103	7,396
	<u>11,198</u>	<u>61,742</u>	<u>7,717</u>	<u>20,363</u>	<u>-</u>	<u>101,020</u>	<u>15,540</u>
Total liabilities	<u>15,899</u>	<u>65,067</u>	<u>29,188</u>	<u>21,829</u>	<u>251</u>	<u>132,234</u>	<u>22,052</u>
DEFERRED INFLOW OF RESOURCES							
Deferred gain on refunding	-	588	-	-	-	588	-
Pension related items	550	67	-	-	-	617	216
OPEB related items	20	1	-	-	-	21	11
Total deferred outflow of resources	<u>570</u>	<u>656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,226</u>	<u>227</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	322,153	(13,910)	160,662	13,807	7,355	490,067	11,078
Restricted for:							
Debt service	-	1,513	-	-	-	1,513	-
Capital projects	7,381	2,064	-	-	-	9,445	-
Other purposes	-	-	-	1,260	-	1,260	-
Unrestricted	5,640	6,816	17,335	6,790	211	36,792	1,309
Total net position (deficit)	<u>\$ 335,174</u>	<u>\$ (3,517)</u>	<u>\$ 177,997</u>	<u>\$ 21,857</u>	<u>\$ 7,566</u>	<u>539,077</u>	<u>\$ 12,387</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(2,767)	
Net position of business-type activities						<u>\$ 536,310</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses		
Operating revenues							
Charges for services	\$ 29,538	\$ 9,360	\$ 18,046	\$ 163	\$ 2,584	\$ 59,691	\$ 15,203
Insurance premiums	-	-	-	-	-	-	22,052
Workers compensation premiums	-	-	-	-	-	-	4,592
Other	216	-	-	87	4	307	115
	<u>29,754</u>	<u>9,360</u>	<u>18,046</u>	<u>250</u>	<u>2,588</u>	<u>59,998</u>	<u>41,962</u>
Operating expenses							
Salaries and wages	10,187	858	-	-	-	11,045	5,111
Materials and supplies	961	101	725	-	185	1,972	7,433
Services and charges	10,112	3,676	13,839	501	2,657	30,785	4,092
Workers compensation claims	-	-	-	-	-	-	2,684
Insurance claims and premiums	-	-	-	-	-	-	21,669
Depreciation and amortization	10,297	1,242	10,691	2,008	325	24,563	449
	<u>31,557</u>	<u>5,877</u>	<u>25,255</u>	<u>2,509</u>	<u>3,167</u>	<u>68,365</u>	<u>41,438</u>
Operating income (loss)	<u>(1,803)</u>	<u>3,483</u>	<u>(7,209)</u>	<u>(2,259)</u>	<u>(579)</u>	<u>(8,367)</u>	<u>524</u>
Nonoperating revenues (expenses)							
Investment income	250	594	69	36	2	951	93
Interest expense	-	(2,141)	(500)	(986)	-	(3,627)	-
Gain on disposal of capital assets	55	-	-	-	1	56	6
Other, net	-	(828)	-	(588)	-	(1,416)	-
	<u>305</u>	<u>(2,375)</u>	<u>(431)</u>	<u>(1,538)</u>	<u>3</u>	<u>(4,036)</u>	<u>99</u>
Income (loss) before capital contributions and transfers	<u>(1,498)</u>	<u>1,108</u>	<u>(7,640)</u>	<u>(3,797)</u>	<u>(576)</u>	<u>(12,403)</u>	<u>623</u>
Capital contributions	2,199	-	-	-	-	2,199	-
Transfers in	394	103	3,502	2,203	252	6,454	1,214
Transfers out	(1,815)	-	-	-	-	(1,815)	(750)
	<u>778</u>	<u>103</u>	<u>3,502</u>	<u>2,203</u>	<u>252</u>	<u>6,838</u>	<u>464</u>
Change in net position	<u>(720)</u>	<u>1,211</u>	<u>(4,138)</u>	<u>(1,594)</u>	<u>(324)</u>	<u>(5,565)</u>	<u>1,087</u>
Net position (deficit) - beginning of year, as restated	335,894	(4,728)	182,135	23,451	7,890		11,300
Net position (deficit) - end of year	<u>\$ 335,174</u>	<u>\$ (3,517)</u>	<u>\$ 177,997</u>	<u>\$ 21,857</u>	<u>\$ 7,566</u>		<u>\$ 12,387</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(123)	
Change in net position of business-type activities						<u>\$ (5,688)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses		
Cash flows from operating activities:							
Receipts from customers and other funds	\$ 29,814	\$ 9,553	\$ 26,134	\$ 254	\$ 2,586	\$ 68,341	\$ 44,151
Payments to suppliers and for claims	(10,567)	(3,795)	(15,222)	(334)	(2,776)	(32,694)	(38,521)
Payments to employees	(9,988)	(866)	-	-	-	(10,854)	(5,038)
Net cash provided (used) by operating activities	9,259	4,892	10,912	(80)	(190)	24,793	592
Cash flows from noncapital financing activities:							
Transfers from other funds	-	-	2,390	-	150	2,540	750
Transfers to other funds	(1,815)	-	-	-	-	(1,815)	(750)
Net cash provided (used) by financing activities	(1,815)	-	2,390	-	150	725	-
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(8,467)	(489)	(2,233)	(287)	(97)	(11,573)	(248)
Proceeds from refunding debt issuance	-	59,650	-	-	-	59,650	-
Payment to escrow for refunding	-	(59,288)	-	-	-	(59,288)	-
Premium received on debt issuance	-	1,314	-	-	-	1,314	-
Principal paid on debt	-	(1,575)	(895)	(610)	-	(3,080)	-
Interest paid on debt	-	(2,394)	(514)	(990)	-	(3,898)	-
Proceeds from sale of capital assets	66	-	-	-	1	67	6
Proceeds from financing activities	-	1,300	-	-	-	1,300	-
Transfers from other funds for capital additions	394	467	1,112	2,203	102	4,278	464
Bond issuance costs	-	(828)	-	-	-	(828)	-
Net cash provided (used) by capital and related financing activities	(8,007)	(1,843)	(2,530)	316	6	(12,058)	222
Cash flows from investing activities:							
Interest received	240	12	34	36	3	325	87
Sale of investments	-	-	1,596	-	-	1,596	-
Net cash provided by investing activities	240	12	1,630	36	3	1,921	87
Net increase (decrease) in cash and cash equivalents	(323)	3,061	12,402	272	(31)	15,381	901
Cash and cash equivalents, beginning	25,007	9,793	25,184	10,211	400	70,595	18,105
Cash and cash equivalents, end of year	\$ 24,684	\$ 12,854	\$ 37,586	\$ 10,483	\$ 369	\$ 85,976	\$ 19,006
Reconciliation of cash and cash equivalents to the Statement of Net Position:							
Cash and cash equivalents	17,328	8,050	22,141	5,134	369	53,022	17,518
Cash and cash equivalents - restricted	7,356	4,804	15,445	5,349	-	32,954	1,488
Total cash and cash equivalents	\$ 24,684	\$ 12,854	\$ 37,586	\$ 10,483	\$ 369	\$ 85,976	\$ 19,006
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	(1,803)	3,483	(7,209)	(2,259)	(579)	(8,367)	524
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	10,297	1,242	10,691	2,008	325	24,563	449
(Increase) decrease in accounts receivable and other assets	62	107	(317)	-	(23)	(171)	611
(Increase) decrease in deferred outflows of resources	1,216	99	-	-	-	1,315	490
Increase (decrease) in accounts payable and other liabilities	459	(21)	(302)	171	87	394	(1,035)
Increase in unearned revenue	-	85	8,049	-	-	8,134	-
(Decrease) in deposits subject to refund	-	(8)	-	-	-	(8)	-
Decrease in net pension liability	(287)	(53)	-	-	-	(340)	(451)
Increase in other post employment benefits	40	3	-	-	-	43	18
Decrease in deferred inflows of resources	(725)	(45)	-	-	-	(770)	(14)
Net cash provided (used) by operating activities	\$ 9,259	\$ 4,892	\$ 10,912	\$ (80)	\$ (190)	\$ 24,793	\$ 592
NON-CASH TRANSACTIONS:							
Capital contributions and capital assets	\$ 2,199	\$ -	\$ 539	\$ -	\$ -	\$ 2,738	\$ -
Appreciation of fair value of investments	\$ -	\$ 3	\$ 34	\$ -	\$ -	\$ 37	\$ 23

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Municipal Employees Retirement Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 11,854	\$ 7,835
Contributions receivable	755	-
Investment income receivable	322	-
Investments:		
US Government obligations	35,838	-
Corporate bonds	8,855	-
Municipal bonds	66	-
Preferred stock	1,135	-
Common stock	34,345	-
Foreign obligations	4,485	-
Mutual funds	82,715	-
Alternative investments:		
Mutual funds	234,539	
Real estate funds	35,761	
Timber	21,380	-
Total assets	<u>472,050</u>	<u>7,835</u>
LIABILITIES		
Accounts payable and accrued liabilities	440	3,230
Deposits payable	-	4,605
Total liabilities	<u>440</u>	<u>\$ 7,835</u>
NET POSITION RESTRICTED FOR PENSIONS	<u><u>\$ 471,610</u></u>	

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Municipal Employees Retirement Plan
ADDITIONS	
Contributions:	
Employer	\$ 18,512
Plan members	7,794
	26,306
Investment Income:	
Net appreciation in fair value of investments	34,698
Interest	1,386
Dividends	3,746
	39,830
Less: investment expense	(1,369)
Net investment income	38,461
Total additions	64,767
DEDUCTIONS	
Benefits	39,283
Refunds of contributions	1,148
Administrative expense	493
Total deductions	40,924
Net increase in fiduciary net position	23,843
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	447,767
End of year	\$ 471,610

The notes to the financial statements are an integral part of this statement.

CITY OF TULSA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
June 30, 2018
(amounts expressed in thousands)

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 190,681	\$ 19,197	\$ 14,143	\$ 14,148	\$ 238,169
Cash and cash equivalents - restricted	26,017	-	5,562	13,072	44,651
Investments	-	-	-	2,901	2,901
Investments - restricted	-	-	1,462	-	1,462
Receivables, net	36,694	2,894	5,198	1,048	45,834
Inventories	1,978	-	1,580	671	4,229
Current portion of notes receivable	-	-	-	4,938	4,938
Other current assets	-	-	487	857	1,344
Other current assets - restricted	-	-	-	1,031	1,031
	<u>255,370</u>	<u>22,091</u>	<u>28,432</u>	<u>38,666</u>	<u>344,559</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	56,874	-	-	2,993	59,867
Investments	-	-	3,539	1,575	5,114
Investments - restricted	16,122	-	17,400	-	33,522
Advances to primary government	5	-	127	-	132
Receivables, net	164	-	888	15,813	16,865
Land held for resale, net	-	-	-	261	261
Equity interest in joint ventures	25,867	-	-	-	25,867
Other noncurrent assets	-	-	415	-	415
Nondepreciable capital assets	104,808	171	154,382	13,838	273,199
Depreciable capital assets, net	1,183,164	9,120	246,334	48,472	1,487,090
	<u>1,387,004</u>	<u>9,291</u>	<u>423,085</u>	<u>82,952</u>	<u>1,902,332</u>
Total assets	<u>1,642,374</u>	<u>31,382</u>	<u>451,517</u>	<u>121,618</u>	<u>2,246,891</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred charge on refunding	2,448	-	9,965	324	12,737
Pension related amounts	6,823	552	1,882	1,940	11,197
OPEB related amounts	438	50	-	30	518
Total deferred outflow of resources	<u>9,709</u>	<u>602</u>	<u>11,847</u>	<u>2,294</u>	<u>24,452</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	28,305	1,452	8,987	4,221	42,965
Unearned revenue	-	-	550	129	679
Current portion of long-term liabilities	35,030	245	8,317	2,008	45,600
Advances from primary government	-	1,401	-	-	1,401
Deposits subject to refund - restricted	11,158	-	49	-	11,207
	<u>74,493</u>	<u>3,098</u>	<u>17,903</u>	<u>6,358</u>	<u>101,852</u>
Noncurrent liabilities:					
Advances from primary government	-	94	-	326	420
Deposits subject to refund	-	-	-	441	441
Long-term liabilities, net	426,187	4,882	168,937	18,962	618,968
	<u>426,187</u>	<u>4,976</u>	<u>168,937</u>	<u>19,729</u>	<u>619,829</u>
Total liabilities	<u>500,680</u>	<u>8,074</u>	<u>186,840</u>	<u>26,087</u>	<u>721,681</u>
DEFERRED INFLOW OF RESOURCES					
Property tax revenue	2,014	-	-	110	2,124
Pension related amounts	2,970	214	809	1,536	5,529
OPEB related amounts	92	9	-	13	114
Deferred gain on refunding	53	-	-	-	53
Total deferred inflow of resources	<u>5,129</u>	<u>223</u>	<u>809</u>	<u>1,659</u>	<u>7,820</u>
NET POSITION					
Net investment in capital assets	967,854	7,796	252,981	55,242	1,283,873
Restricted for:					
Debt service	14,091	-	671	2,229	16,991
Capital projects	-	-	4,264	10,824	15,088
Other purposes	-	-	6,499	21,892	28,391
Unrestricted	164,329	15,891	11,300	5,979	197,499
Total net position	<u>\$ 1,146,274</u>	<u>\$ 23,687</u>	<u>\$ 275,715</u>	<u>\$ 96,166</u>	<u>\$ 1,541,842</u>

CITY OF TULSA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2018
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other	Total	
Clean water and waste water systems	\$ 168,830	\$ -	\$ 13,339	\$ 82,182	\$ -	\$ -	\$ -	\$ 82,182	
Refuse collection and disposal	25,320	-	-	-	1,362	-	-	1,362	
Airport services	49,725	8,863	8,692	-	-	4,896	-	4,896	
Other	33,503	7,668	2,208	-	-	-	(11,293)	(11,293)	
	<u>\$ 277,378</u>	<u>\$ 16,531</u>	<u>\$ 24,239</u>	<u>\$ 82,182</u>	<u>\$ 1,362</u>	<u>\$ 4,896</u>	<u>\$ (11,293)</u>	<u>\$ 77,147</u>	
General revenues:									
Taxes:									
Sales taxes								309	309
Property taxes				2,410				133	2,543
Funding from primary government								9,442	9,442
Investment earnings				1,780	133	297		529	2,739
Miscellaneous								340	340
Gain on disposal of capital assets				291	1				292
Total general revenues				<u>4,481</u>	<u>134</u>	<u>297</u>	<u>10,753</u>	<u>15,665</u>	<u>15,665</u>
Change in net position				86,663	1,496	5,193	(540)	92,812	92,812
Net position, beginning of year, as restated				1,059,611	22,191	270,522	96,706	1,449,030	1,449,030
Net position, end of year				<u>\$ 1,146,274</u>	<u>\$ 23,687</u>	<u>\$ 275,715</u>	<u>\$ 96,166</u>	<u>\$ 1,541,842</u>	<u>\$ 1,541,842</u>

The notes to the financial statements are an integral part of this statement.

Note 1. Summary of Significant Accounting Policies

The City of Tulsa, Oklahoma (the "City"), is an Oklahoma municipal corporation governed by an elected mayor and a nine-member council.

The financial statements of the City are prepared in accordance with Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") as promulgated by the Governmental Accounting Standards Board ("GASB"), the standard-setting body for governmental accounting and financial reporting.

Governmental accounting standards require reasonable separation between the primary government (including its blended component units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information.

New Pronouncements - The City implemented the following GASB Statements effective for the year ended June 30, 2018:

GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits* This Statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. This Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. See Note 10 for the required disclosures.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period* This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred during a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the

economic resources measurement focus. As a result, subsequent to July 1, 2017, interest cost incurred during a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

A. REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from the blended component unit is combined with data of the City, the primary government. An entity is reported as a blended component unit when it meets one of the following criteria as defined by GASB: Substantively the same governing body and a financial benefit or burden; substantively the same governing body and operational responsibility; almost exclusive service or benefit to the primary government; total debt of the component unit is repayable almost entirely from resources of primary government. When none of these criteria are met, the entity is presented as a discretely presented component unit. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

1. Blended Component Units

The Tulsa Public Facilities Authority ("TPFA") - Trustees of TPFA are appointed by the Mayor and approved by the City Council. Although it is legally separate from the City, TPFA is reported as if it were part of the primary government because its primary purposes are to issue revenue bonds to finance major capital improvements and manage certain properties on behalf of the City. Financing activities of this fund are included as an internal service fund, enterprise activities are included as enterprise funds, and financing of capital projects of the primary government are included in the Limited-Purpose Sales Tax fund, a governmental capital project fund.

Note 1. Summary of Significant Accounting Policies, continued

Tulsa Stadium Trust ("TST") – A public trust created to acquire, construct, own, operate and maintain a baseball stadium in downtown Tulsa and related amenities and facilities, and to incur indebtedness. Debt issuance requires the approval of two-thirds of the Tulsa City Council. The City is the sole beneficiary of the TST. The Mayor of the City is ex-officio trustee and eight additional trustees are appointed by the Mayor and approved by the City Council. The City is obligated for the debt of TST through the collection of special assessments. The activity of TST is reported as a major enterprise fund.

2. Discretely Presented Component Units

Major discretely presented component units:

Tulsa Metropolitan Utility Authority ("TMUA") – A public trust created to provide for a clean water utility system and a wastewater utility system. Trustees are appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the trust and will receive all trust properties and resulting revenues upon retirement of all trust indebtedness. The City provides staffing for the operations of TMUA and acts as a collection agent by collecting TMUA's utility revenues as a part of the City's utility billing system.

Tulsa Authority for Recovery of Energy ("TARE") – A public trust created to provide a system of collection, transportation and disposal of solid waste. Trustees are appointed by the Mayor and confirmed by the City Council. The City provides staffing for the operations of TARE and acts as a collection agent by collecting TARE utility revenues as a part of the City's utility billing system.

Tulsa Airports – Tulsa Airports Improvement Trust ("TAIT") was created to operate, maintain and finance capital improvements at the City's two airports, Tulsa International and Richard L. Jones, Jr. Airports, and to finance capital improvements. Trustees are appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the trust .

Other discretely presented component units:

Tulsa Development Authority ("TDA") – A public authority created to finance urban renewal, rehabilitation and redevelopment. Commissioners of TDA are appointed by the Mayor and confirmed by the City Council. The City approves urban renewal plans.

Metropolitan Tulsa Transit Authority ("MTTA") – A public trust created to provide public transportation systems and facilities. The Mayor appoints trustees of MTTA. The City is the sole beneficiary and finances a significant portion of the annual operations. MTTA cannot incur indebtedness in excess of \$100 within a year without the City's approval.

Tulsa Industrial Authority ("TIA") – A public trust created to provide for the issuance of industrial development bonds upon approval by the City Council, and to lend the proceeds of such issuance to third party organizations. The bonds do not constitute debt of the City and are collateralized solely by the revenues of the borrowing organizations upon whose behalf the bonds are issued. The Mayor is an ex-officio trustee and seven additional trustees are appointed by the Mayor and confirmed by the City Council.

Tulsa Parking Authority ("TPA") – A public trust created by the City to construct and manage various parking facilities within the City. Trustees of TPA consist of the Mayor and four trustees who are appointed by the Mayor and confirmed by the City Council. The City provides certain resources to TPA. The City is the sole beneficiary of TPA and will receive the remaining assets of TPA upon termination.

Tulsa Performing Arts Center Trust ("TPACT") – A public trust created to assist the City in operating the Tulsa Performing Arts Center and to sponsor events promoting the use of the Tulsa Performing Arts Center. Trustees are appointed by the Mayor and confirmed by the City Council. The City is the sole beneficiary of the Trust.

Tulsa International Airport Development Trust ("TIADT") – A public trust created to support the economic development of the area surrounding Tulsa International Airport. Five trustees are appointed by the Mayor and confirmed by the City Council, the remaining two trustees are appointed by the Tulsa County Commissioners. The City and Tulsa County are beneficiaries of the Trust.

Separate financial statements for the individual component units, except TIADT (which does not issue a stand-alone financial report) are available upon request to the Office of the Controller, 175 East 2nd Street, Suite 1570, Tulsa, OK 74103.

Note 1. Summary of Significant Accounting Policies, continued

B. JOINT VENTURES AND RELATED ORGANIZATIONS

1. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to their joint control and in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

The City participates in the following joint ventures:

Emergency Medical Services Authority ("EMSA") - EMSA is a public trust created to provide emergency medical care and transportation and is governed by a ten-member board composed of five appointees from the City and five from other Oklahoma cities and towns. In accordance with the joint venture agreement, Tulsa and Oklahoma City are entitled to their respective share of annual operating income or loss. The City's equity interest in EMSA is \$10,073. Complete financial statements for EMSA can be obtained from EMSA's Chief Financial Officer, 1417 North Lansing, Tulsa, Oklahoma 74106.

River Parks Authority ("RPA") - The City is a participant with Tulsa County ("County") in a joint venture to operate and maintain a park along the Arkansas River. RPA, a public trust, was created for that purpose. The City and the County contribute to the annual operating budget of RPA. The Board of Trustees comprises seven members, three appointed by the City, three appointed by the County, and one by the Tulsa Metropolitan Area Planning Commission. The City and the County have no equity interest in the joint venture; therefore, no equity interest is reflected in the City's financial Statements. Complete financial statements for RPA can be obtained from the Executive Director, 2424 E. 21st St., Suite 300, Tulsa Oklahoma 74114.

Regional Metropolitan Utility Authority ("RMUA") - The City is a participant with the Cities of Broken Arrow, Jenks, Bixby, and Owasso, Oklahoma, to operate a sewage treatment facility. Only the City and the City of Broken Arrow, Oklahoma currently hold an equity interest in RMUA. The City contributes approximately one-half of the Authority's annual operating and capital budget, and operates a facility for RMUA and leases the facility site to the Authority. The City appoints two of the ten trustees. The remaining trustees are appointed two each by the four other participating cities. RMUA's treatment plant provides services to the City of Tulsa and the City of Broken Arrow at approximately equal amounts. Upon

termination of the trust, the net position will be distributed to the beneficiaries based upon their pro rata interest. The City's equity interest of \$25,867 is reported in TMUA's statement of net position. Complete financial statements for RMUA can be obtained from the Office of the Controller, 175 East 2nd Street, Suite 1570, Tulsa, OK 74103.

1. Related Organizations

The City's officials are also responsible for appointing the board members of other organizations; however, the City's accountability for those organizations does not extend beyond the making of appointments.

The following organizations are related organizations that are excluded from the reporting entity:

Tulsa Housing Authority ("THA") - Commissioners of the Authority are appointed by the Mayor, however, the City does not provide funding, has no obligation for the debt issued by THA and cannot impose its will.

City of Tulsa/Rogers County Port Authority ("TRCPA") - The City appoints six of the nine Board members of TRCPA. The City does not provide any funding to TRCPA.

Tulsa City-County Health Department ("TCCHD") - The City appoints five of the nine TCCHD Board members. The City does not provide any funding to the TCCHD.

Tulsa City-County Library ("TCCL") - The Tulsa City-County Library Board is composed of eleven members, of which the City appoints six. The City does not provide any funding to the TCCL.

Tulsa Municipal Airport Trust ("TMAT") - The Mayor is an ex-officio trustee and the additional four trustees are approved by the City Council. The City does not provide any funding to TMAT and has no obligation for the debt issued by TMAT.

2. Jointly Governed Organizations

The following organizations are jointly governed organizations that are excluded from the City's reporting entity. These organizations are not a joint venture because the City does not retain an on-going financial interest or an on-going financial responsibility.

The City, in conjunction with the County and other municipalities, has created the following organizations:

Note 1. Summary of Significant Accounting Policies, continued

Tulsa County Criminal Justice Authority ("TCCJA") --The TCCJA was created for the purpose of acquiring a site and constructing, furnishing, equipping, operating, maintaining, remodeling and repairing a county jail and other detention facilities owned or operated by the County. TCCJA is administered by a seven person Board of Trustees comprising three Tulsa County Commissioners, the Mayor of the City of Tulsa ("ex-officio trustees"), and the mayors of three additional cities situated in whole or in part within the limits of Tulsa County. The City does not provide any funding to the TCCJA.

Tulsa County Vision 2025 Authority ("TCVA") – The TCVA was created for the purpose of determining the use of County sales tax receipts in excess of capital improvements costs generally known as Vision 2025 projects throughout Tulsa County. TCVA is administered by a seven person Board of Trustees composed of three Tulsa County Commissioners, the Mayor of the City of Tulsa ("ex-officio trustees"), and the Mayors of three additional cities situated in whole or in part within the limits of Tulsa County. The City does not provide any funding to the TCVA.

C. GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

Government-wide financial statements and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide statement of activities reflects both the gross and net cost per functional category (public safety, public works, etc.), which are otherwise being supported by general government revenues (property taxes, sales and use taxes, certain intergovernmental revenues, etc.). The statement of activities reports gross expenses and related program revenues and operating and capital grants.

The program revenues must be directly associated with the function or a business-type activity. Program revenues include revenues from fines and forfeitures, licenses and permits fees, special assessment taxes, and charges for services. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects

capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenues (sales taxes, franchise taxes, property taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Certain types of non-current assets and liabilities are reported in the governmental activities column in the government-wide statement of net position that are not reflected in the governmental funds balance sheet.

In the fund financial statements the emphasis is on the major funds for both the governmental or business-type categories. Nonmajor funds (by category) or fund type are summarized into a single column.

The enterprise fund statements will match the business-type activity column presented in the government-wide statements, other than the internal balances from the allocation of a portion of the internal service funds to business-type activities.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. This presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the City's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented either on the fund statement or on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental column of the government-wide presentation.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented as a separate column in the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental column when presented at the government-wide level. To the extent possible, the costs of these services are reflected in the appropriate functional activity (public safety, public works, etc.).

Note 1. Summary of Significant Accounting Policies, continued

The City's fiduciary funds are presented in the fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

D. BASIS OF PRESENTATION

The financial transactions of the City are recorded in individual funds. The various funds are reported by generic classification within the financial statements.

Major governmental and proprietary funds are determined based on relative size. Qualitative factors may provide influence in determining a fund be reported as major that would otherwise be classified as nonmajor. The General Fund is always considered major. Major discretely presented components are determined similarly, but no specific thresholds exist. Nonmajor funds are combined into a single column in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going activity.

Operating expenses include cost of sales and service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1. Governmental Funds – The City reports the following major governmental funds:

General Fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

Debt Service Fund accounts for the accumulation of resources for the payment of general long-term debt and judgments. The City levies annually an ad valorem tax restricted for the retirement of general obligation bonds and judgments along with their associated interest.

Bond Fund accounts for capital improvements that are financed by the City's general obligation bond issues, excluding those accounted for in proprietary funds (Capital projects fund).

Sales Tax Fund accounts for those capital improvements that are financed by a one-cent sales tax (Capital projects fund).

Limited-Purpose Sales Tax Fund accounts for those capital improvements that are financed by the vision sales tax and bond proceeds of the TPFA fund that provided advance funding for these projects (Capital projects fund).

2. Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City reports the following proprietary funds:

Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services. In the entity-wide financial statements, these enterprise funds are combined into a single, aggregated presentation as business-type activities. The City reports the following major enterprise funds:

Stormwater Management Fund accounts for a special stormwater utility fee and other revenue dedicated to improving the City's stormwater drainage system.

One Technology Center Fund, a blended TPFA fund, accounts for the operation of the One Technology Center, a 15-story building in downtown Tulsa. The building is occupied by the City of Tulsa and other commercial tenants.

Arena and Convention Centers Fund, a blended TPFA fund, accounts for the operation of the Arena and Convention Center; both are sports and entertainment facilities in downtown Tulsa.

Tulsa Stadium Trust, a blended component unit, created to acquire, construct, own, operate and maintain a baseball stadium in downtown Tulsa and related amenities and facilities, and to incur indebtedness.

Internal Service Funds accounts for employee health benefits, risk management services, vehicle and equipment services, print services and financing.

Employee Insurance Fund accounts for the collection and payment of health, dental, life and long term disability insurance premiums and administrative expenses.

Note 1. Summary of Significant Accounting Policies, continued

Workers' Compensation Fund accounts for workers' compensation medical claims and administrative expenses.

Equipment Management Fund accounts for the maintenance and repair of licensed motor vehicles and fees charged to other departments.

Office Services Fund accounts for office supplies and reproduction services and fees charged to user departments.

Tulsa Public Facilities Authority issues debt and the proceeds may be loaned to the City or to other component units.

3. Fiduciary Funds – The pension trust fund accounts for the general municipal employees' retirement trust. The agency fund accounts for monies held on behalf of others.

Pension Trust Fund accounts for the activities of the Municipal Employees Retirement Plan (MERP), which accumulates resources for pension benefit payments to qualified retirees. MERP is a cost-sharing multiple-employer defined benefit pension trust.

Agency Funds account for resources held by the City in a purely custodial capacity (assets equal liabilities) and include Municipal Court Bonds, Escrow Fund, Police Property Room, Payroll Withholdings, Unclaimed Property and PAC Ticket Office Escrow.

E. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements and the proprietary, fiduciary and component unit fund financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

Accrual – Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available.

"Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City defined the length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are long-term liabilities and related interest, if any, are recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements, including time requirements, are met.

Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as unearned revenue by the recipient.

Fair Value Measurements – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between the market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability.

F. ASSETS, LIABILITIES AND NET POSITION

1. Cash and Cash Equivalents

The City Charter requires all cash belonging to the City to be placed in the custody of the City Treasurer. Certain component units participate in the City's pooled cash for non-restricted cash and investments. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method,

Note 1. Summary of Significant Accounting Policies, continued

all cash is pooled for investment purposes and each fund and participating component unit have equity in the pooled amount.

All amounts included in the pooled cash and investment accounts are reported as cash and cash equivalents in the fund financial statements because the City and participating component units are able to withdraw cash at any time without prior notice or penalty. In the government-wide financial statements, the pooled cash and investment accounts are reported as cash, cash equivalents and investments.

For purposes of the statement of cash flows, the City, considers cash and cash equivalents (including restricted cash and cash equivalents) to be currency on hand, demand deposits with banks, amounts included in pooled cash and investment accounts and liquid investments held outside the pooled fund with a maturity of three months or less when purchased.

2. Investments

Certain investments are stated at fair value. The change in the fair value of investments is as follows:

Governmental Activities	\$ (2,918)
Business Type Activities	(139)
Net Decrease in Fair Value	<u>\$ (3,057)</u>

3. Accounts Receivable and Taxes Receivable

Accounts receivable and taxes receivable are shown at net realizable value. The allowance for general government accounts receivable is derived from the age of the individual receivable with age categories ranging from 30 days past due to three years past due. Uncollectible percentages by revenue category are derived using historical write-off experience and range from 1% to 62%, as well as consideration of current expectations and economic considerations. In the current year \$430 of accounts receivable were written-off.

The allowance for utility services accounts receivable reported in the component units and enterprise funds is derived from the age of the individual receivable. An allowance is established at one-half of the active accounts over 90 days from date of billing plus 100% of the closed accounts over 90 days from date of billing, based on historical experience as well as current expectations.

4. Inventories

Parts and supplies inventories - are stated at cost (specific identification or first-in, first-out basis), which is not in excess of market. Inventories consist primarily of materials and supplies held for consumption. The cost is recorded as an expense at the time individual inventory items are used.

Land held for resale - Land acquired for rehabilitation and held for resale by the City is recorded at the lower of cost or net realizable value (specific identification basis). The cost of land acquired and held for resale by the City at year end amounted to \$1,657 and was carried at the lower of cost or net realizable value of \$1,657. \$38 of the land is considered current and included in inventories on the Statement of Net Position, and is also reported in the governmental funds as it is considered a current financial resource. The remaining \$1,619 is noncurrent.

5. Internal Balances

Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Within the governmental fund financial statements, advances to other funds are equally offset by a Nonspendable fund balance that indicates they do not constitute available spendable resources.

Due To/Due From - Amounts which are due within one year and owed to one fund or component unit by another are reported as due to other funds or component units.

Advances To/From Other Funds - Amounts which are not due within one year and owed to one fund or component unit by another are reported as advances to/from other funds or component units.

6. Laboratory Facility Use Lease

The City is a party to an agreement with the Oklahoma Board of Regents whereby the City leases from the Oklahoma Board of Regents office and laboratory facilities for a term of 50 years. The lease terms call for the City to pay a proportionate share of the design and construction costs of the facility and, in turn, the City has the right to use the facilities until the expiration of the lease on June 30, 2058. The lease costs are amortized over the life of the lease. The lease with a carrying value

Note 1. Summary of Significant Accounting Policies, continued

of \$13,354, net of amortization, is reflected in other assets on the Government-wide Statement of Net Position.

7. Capital Assets

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition cost as of the date of the contribution.

Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized whereas costs incurred for repairs and maintenance are expensed as incurred.

Depreciation or amortization of capital assets is calculated using the straight-line basis over the following estimated useful lives:

	Estimated Service Life	Capitalization Threshold
Buildings	20-50 years	\$ 5
Land improvements	20-30 years	5
Equipment	2-50 years	5
Water & sewer lines	33-100 years	5
Intangible assets	Indefinite	5
Streets	25 years	100
Bridges	50 years	100

The City owns a collection of art housed in the Gilcrease Museum. The collection is not capitalized 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.

8. Privately Funded Public Improvements

Watermain Extension Contracts - TMUA contracts with various developers for the construction of watermains to provide water service to areas under development. Upon completion, the new watermains become an extension of the City's existing water distribution system. The contract with the developers provides that the developers initially pay for all construction costs. Repayments to the developers are generally limited to 40% of the collected revenues generated by the respective watermain extension, not to exceed the total cost as defined in the contract.

The contracts are payable over a ten-year period, and are non-interest bearing. TMUA has no liability after the ten-year period if the respective revenues generated are insufficient to cover the developers' costs. Historically, revenues generated within the ten-year period have been sufficient to permit recovery of the total costs incurred for the respective watermain extensions.

The liability for watermain extension contracts is \$761 as of year-end. Annual payments of \$347 are due in accordance with these contracts.

Water and Sewer Line Extensions – Contributions from area developers to TMUA during the year totaled \$12,896.

9. Restricted Assets

Certain debt proceeds as well as certain resources set aside for their repayment, are classified as restricted assets in the statements of net position because their use is limited by applicable bond covenants.

Stormwater fees in lieu of detention are paid by developers in lieu of constructing on-site detention facilities. The in lieu fees are collected and spent on a regional basis as a more effective method of stormwater management. These funds are restricted because their use is restricted by City Ordinance to stormwater drainage basin improvements.

10. Bond Premiums and Discounts

In the governmental funds, bond premiums and discounts are treated as other financing sources or uses in the year of issuance.

In proprietary funds, bond premiums and discounts are capitalized and amortized over the term of the bonds using the effective interest method. Bond premiums and discounts are presented as additions and reductions of the face amount of the revenue bonds payable.

As part of the reconciliation and presentation at the government-wide level premiums and discounts in the governmental funds are adjusted and reflected similarly to proprietary funds.

11. Encumbrances – Budgetary Statements

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

Note 1. Summary of Significant Accounting Policies, continued

Other commitments include encumbrances that have been established for future planned expenditures where the purpose is known but a specific contract with a vendor has not yet been finalized.

12. Fund Balances

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories and their purposes are:

- Nonspendable fund balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – The portion of fund balance which is constrained for specific purposes which are externally imposed by bond covenants, grants, providers, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed fund balance – The committed portion of fund balance can only be used for the specific purposes imposed by ordinance. An ordinance is formal action of the City's highest level of decision-making authority, which is enacted by a majority vote of the City Council and approved by the Mayor. Once adopted, the commitment remains in place until a similar action is taken to modify or rescind the commitment.
- Assigned fund balance – The assigned portion of fund balance is constrained by the City's intent to use for specific purposes but are neither restricted nor committed. Assigned fund balance includes resources that will be used to liquidate encumbrances related to purchase orders and contracts payable from assigned resources. The ordinance containing the annual budget, approved by City Council and the Mayor, includes the authority to carryover encumbered amounts from prior year appropriations.
- Unassigned fund balance – The unassigned portion of fund balance is not otherwise restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, if expenditures incurred for a specific purpose exceed the amounts restricted, committed, or

assigned to those purposes, they may report a negative unassigned fund balance.

Spending Policy of Governmental Funds - The City receives inflows from revenue and other financing sources from numerous sources for use in the General Fund and other governmental funds. These Funds will expend those resources on multiple purposes of the local government. The intention of this spending policy is to identify the expenditure order of resource categories for the governmental funds.

When both restricted and unrestricted resources are available in the governmental funds, the following spending policy will apply:

- 1st - Restricted
- 2nd - Committed
- 3rd - Assigned
- 4th - Unassigned

Minimum Fund Balance Policy – The City has a minimum fund balance policy which applies to the General Fund, where by an operating reserve is set and maintained at 6.39% of General Fund revenues. This operating reserve is set forth in the ordinance adopting the City's annual budget.

13. Net Position

In the government-wide and proprietary fund financial statements, equity (Net Position) is displayed in three components as follows:

- *Net Investment in Capital Assets* – This consists of capital assets, net of accumulated depreciation plus deferred inflows/outflows of resources less the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation. Net position restricted by enabling legislation is \$285,098. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.
- *Unrestricted* – This consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

Note 1. Summary of Significant Accounting Policies, continued

14. Stabilization Arrangement

The City Charter established a stabilization arrangement. This stabilization arrangement provides that if the City Treasurer projects that total General Fund revenues for the upcoming budget year will exceed the total General Fund revenues for the current budget year by more than four percent (4%), the budget submitted by the Mayor and approved by the City Council shall allocate fifty percent (50%) of the excess General Fund revenues to the Economic Stabilization Reserve.

If the City Treasurer projects that total General Fund revenues for the upcoming budget year will either (a) be less than the current budget year's total General Fund revenues, or (b) be less than the highest of any other previous year's total General Fund revenues, the budget submitted by the Mayor and approved by the Council may appropriate up to fifty percent (50%) of the current balance in the Economic Stabilization Reserve, but no more than the shortfall in total General Fund revenues as determined above, to be used for any lawful municipal purpose in the upcoming budget year.

For purposes of calculating any shortfall:

1. If the trigger for withdrawal from the Reserve is not met in the current budget year, the City Treasurer shall calculate the shortfall for the upcoming budget year by subtracting the total projected General Fund revenues for the upcoming budget year from the total projected General Fund revenues for the current budget year.
2. If the trigger for withdrawal from the Economic Stabilization Reserve is met in the current budget year, the shortfall shall be calculated by subtracting the total projected General Fund revenues for the upcoming budget year from the highest of any previous year's total General Fund revenues.

The balance in the Economic Stabilization Reserve is \$2,000.

G. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources - In addition to assets, the statement of net position reports in a separate section, deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports three items in this category. The

first is for pension items related to the recording of the net pension liability. The second item is OPEB items related to the recording of the total OPEB liability. The third is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources - In addition to liabilities, the financial statements include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position in government-wide financial statements and an acquisition of fund balance in governmental funds, that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports four types of unavailable revenue items, which arise under a modified accrual basis of accounting and qualify for reporting as deferred inflows. Accordingly, these items are reported in the governmental funds' balance sheet.

The governmental funds report unavailable revenues from property taxes, special assessments, federal and/or state grant revenues and other account receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

In the City's government-wide statements only the property tax revenues remain as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position reports three additional deferred inflows not reported under the modified accrual basis. First is for pension items related to the recording of the net pension liability. The second item is for OPEB items related to the recording of the total OPEB liability. The third item, deferred gain on refunding, results from the refunding of debt.

H. REVENUES, EXPENSES AND EXPENDITURES

Identification of Major Revenue Sources Susceptible to Accrual - In the Governmental Funds, property taxes, sales taxes, franchise taxes, licenses, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the government receives cash.

Note 1. Summary of Significant Accounting Policies, continued

Expenditures are recognized when the related fund liability is incurred except for the following, which are permitted by generally accepted accounting principles:

General obligation long-term debt principal and interest, judgments, compensated absences, pension and other benefits, and other long-term liabilities are reported only when due in the governmental funds.

1. Sales Tax Revenue

The City levies a 3.65% sales tax which is collected monthly by the State of Oklahoma and remitted to the City. The General Fund receives 2% for operations, 1.10% is placed into Sales Tax Funds and is restricted for capital improvements, 0.305% is placed into a the Limited Purpose Sales Tax Fund and is restricted for debt service on indebtedness issued for capital projects, 0.16% is placed into a Special Revenue fund and is restricted for public safety use, and 0.085% is placed into a Special Revenue fund and is restricted for street maintenance and public transportation. The tax is collected by the merchants and remitted to the State. The City receives its tax receipts from the State by the 10th of each month. Vendors owing an average of \$2.5 or more per month to the State are required to remit actual taxes collected plus an estimate of tax collections for the first 15 days of the following month with remittance due by the 20th of that same month. All other vendors are required to remit the actual amount collected (without any estimated tax collections) by the 20th of the following month.

Sales tax revenue is recognized in the period when the underlying exchange transaction occurs and the resources are available.

2. Property Tax Revenue

Oklahoma statutes require that the City make a property tax levy for a sinking fund (Debt Service Fund) which shall, with cash and investments in the fund, be sufficient to pay all the bonded indebtedness, interest and one-third of all outstanding judgments coming due in the following fiscal year.

On or before August 27th of each year, the City submits its sinking fund requirements to the County Excise Board who determines the property tax levy. The County Assessor is required to file a tax roll report on or before October 1st each year with the County Treasurer indicating the net assessed valuation for all real and public service property.

The Oklahoma Tax Commission determines property assessed valuations for railroad, air carrier, and public

service corporations. All other property assessed valuations are determined by the applicable county. The assessment ratio in Tulsa County averages 11% of market value. Property tax is levied each October 1st on the assessed valuation of non-exempt real property located in the City as of the preceding January 1st, the lien date. Property taxes are due on November 1st following the levy date, although they may be paid in two equal installments (if the first installment is paid prior to January 1st, the second installment is not delinquent until April 1st). Property taxes are collected by the County Treasurers of Tulsa, Wagoner and Osage Counties, Oklahoma, and are remitted to the City. Property tax receivables are recorded on the lien date, although the related revenue is reported as a deferred inflow of resources and will not be recognized as revenue until the year for which it is levied.

3. Arena Revenues – Naming Rights, Sponsorships

Revenues derived from naming rights and sponsorships are recognized over the life of the agreement, generally 3 to 20 years. Unearned revenue is recorded for amounts received to the extent they exceed amounts earned. Naming rights and sponsorship revenue of \$2,080 has been recognized in the current year.

4. Grant Revenue

The City is a recipient of grant revenues and recognizes revenues, net of estimated uncollectible amounts, when all applicable eligibility requirements are met. Resources received before eligibility requirements are met are reported as unearned revenues.

Some grants and contributions consist of capital assets or resources that are restricted for capital purposes – to purchase, construct, or renovate capital assets associated with a specific program. These are reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the City.

5. Commercial Lease Revenue

TPFA owns a building in downtown Tulsa known as the One Technology Center. The building contains approximately 630,000 square feet of office space. The City leases approximately 286,000 square feet and 344,000 square feet is available for commercial leasing. Approximately 153,000 square feet of space is leased under a capital lease through 2029. Lease revenue recognized in the current year from private business leasing was \$3,344.

Note 1. Summary of Significant Accounting Policies, continued

6. Investment Income

Investment income from pooled cash and investments is allocated monthly based on the percentage of a fund's average daily equity in pooled cash and investments to the total average daily pooled equity in pooled cash and investments. Investment earnings and losses from the special revenue, agency, debt service, and bond funds are reported net investment earnings of the general fund. The amount allocated in the current year was income of \$2,863.

7. Unearned Revenue

Unearned revenue represents payments and/or revenue received but not yet recognized since it has not been earned. Unearned revenue is composed primarily of money received for sponsorships and Federal and/or State grants in advance of services to be provided.

8. Interfund Transactions

Interfund transactions are loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation. Services, deemed to be reasonably equivalent in value, are reported as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are reported as transfers. Transfers within governmental activities or within business-type activities are eliminated upon consolidation in the government-wide statements.

9. Payments Between the Primary Government and Component Units

Resource flows (except those that affect the statement of net position/balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units are reported as external transactions—that is, as revenues and expenses. Resource flows between the primary government and blended component units are classified as internal activity and capital contributions in the financial statements.

Payments to component units are primarily subsidized funding for capital construction projects financed with sales tax revenues for the benefit of the component units. In addition, the City pays an operating subsidy to MTTA for bus and other transportation services.

The General Fund receives payments in lieu of taxes from TMUA and TARE and reports these payments as

revenue. These amounts are not reasonably equivalent in value to the services provided. TMUA and TARE report these payments as expenses in their statement of activities.

Below is a summary of significant transactions between the Primary Government and discretely presented component units:

Payment	From	To	Purpose
\$7,409	General Fund	MTTA	Operating subsidy
330	Vision Transportation Sales Tax Fund	MTTA	Operating subsidy
443	Sales Tax Fund	TMUA	For capital acquisitions
1,998	Sales Tax Fund	MTTA	For capital acquisitions
1,703	Sales Tax Fund	TDA	For developer loans
1,552	City, various funds	TMUA	Utility services
202	City, various funds	TARE	Refuse services
14,044	TMUA	General Fund	Payments in lieu of taxes
1,634	TARE	General Fund	Payments in lieu of taxes
2,125	TDA	City	Capital contributions
5,716	TMUA	General Fund	Indirect costs
3,488	TMUA	Equipment Management Fund	Equipment maintenance
1,468	TARE	General Fund	Indirect costs
694	TARE	Equipment Management Fund	Equipment maintenance
221	TPA	General Fund	Contracting services

10. Compensated Absences

Vacation and sick leave is granted to all regular and part-time employees. The City's policy permits employees to accumulate earned but unused vacation and sick benefits. The annual amount of vacation time accrued varies from 14 to 26 days depending upon years of service. The maximum amount of vacation time that may be accumulated is twice the amount which may be earned in one calendar year. The liability for sick leave consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive separation payments and other employees who are expected to become eligible in the future to receive such payments upon separation are included. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Note 1. Summary of Significant Accounting Policies, continued

11. Post-Employment Benefits

Postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Of the total benefits offered to attract and retain qualified employees, some benefits, including salaries and active-employee healthcare, are taken while the employees are in active service, whereas other benefits, including retirement and postemployment healthcare, are taken after the employees' services have ended. Nevertheless, both types of benefits constitute compensation for employee services. Pension and other postemployment benefit costs are accounted for on an accrual basis in the government-wide and proprietary fund financial statements, charging expenses in the period incurred, with a corresponding liability for benefits to be paid in future periods along with deferred outflows of resources and deferred inflows of resources for pension and OPEB.

12. Operating Subsidies and Grants

Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as transfers.

13. Judgments

Judgments (tort and workers' compensation liabilities) rendered against the City are funded through subsequent property tax levies over a three-year period beginning with the first year following the judgment. These judgments are reported in the debt service fund.

During the intervening time period from the time the judgment is rendered until the judgment is ultimately funded by the debt service fund, the City is permitted by state statutes to use funds available from a fund other than the debt service fund to pay the judgment creditor in full and effectively acquire in exchange, the judgment creditor's rights to the future cash flows and interest earnings on those cash flows.

Under state statutes, three conditions must be met related to the judgments for the City to invest in its judgments:

1. A judgment is rendered,
2. By a court of record and,
3. The judgment is against the City

Under the City's investment policy, the City uses available funds from its pooled cash and investments portfolio to purchase judgments as investments, just as it purchases treasury instruments and other permissible investments within its cash and investments portfolio. Accordingly, the City does not record interfund activity related to the above transactions.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from those estimates.

Note 2. Stewardship, Compliance and Accountability

1. Net Position/Fund Balance Deficit

One Technology Center – This enterprise fund has a deficit net position of \$3,517 resulting from operating income levels insufficient to cover costs. It is the City's intent to secure additional revenues and manage expenses to eliminate the deficit.

Vision 2025 Capital Projects Fund – This nonmajor capital projects fund has a deficit fund balance of \$905. The City will identify other funds that can be appropriately assigned in order to eliminate the deficit.

2. Restatement

As a result of implementing GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the beginning net position, as previously reported, of the governmental activities, business-type activities, aggregate discretely presented component units, Stormwater Management Fund, One Technology Center fund and the remaining aggregate funds were restated. The effect of the restatement on the beginning of year net position (deficit) is as follows:

	Governmental Activities	Business-Type Activities	Aggregate Discretely Presented Component Units	Stormwater Management	One Technology Center	Internal Service Funds
Net position as previously reported	\$ 1,475,802	\$ 541,180	\$ 1,444,769	\$ 335,125	\$ (4,777)	\$ 10,905
Restatement for net OPEB obligation	7,825	1,177	6,222	1,105	71	567
Restatement for total OPEB liability	(2,663)	(441)	(2,333)	(414)	(27)	(213)
Restatement for deferred outflows	531	98	470	93	6	49
Restatement for deferred inflows	(112)	(16)	(98)	(15)	(1)	(8)
Net position as restated	<u>\$ 1,481,383</u>	<u>\$ 541,998</u>	<u>\$ 1,449,030</u>	<u>\$ 335,894</u>	<u>\$ (4,728)</u>	<u>\$ 11,300</u>

3. Tax Abatements

The City of Tulsa provides tax abatements under two economic development programs: the Tax Incentive District Number One and the Retail Incentives Policy.

The Tax Incentive District Number One provides ad valorem tax abatements to promote development within an enterprise zone in downtown Tulsa. The tax abatement was established to encourage the development, renovation and redevelopment of residential, both single-family and multiple-unit dwellings, as well as commercial retail space and hotels. The Program is established in conformity with the provisions of the State's Local Development Act and under the auspices of City Ordinance 18058, as amended by City Ordinance 19168, which authorized the creation of the Tax Incentive District Number One for the City of Tulsa. The abatements up to 100 percent of the additional property tax resulting from the increase in assessed value as a result of the improvements, are administered as a reduction in the tax bill, and last for up to 6 years (or fewer, if the property is sold).

The City then participates in the ad valorem tax abatement of 15.8%. Abatements are obtained through application by the property owner prior to commencing the improvements and require subsequent provision by the owner of proof that the improvements have been made. Because taxes are not abated until after the improvements have been made, there are no provisions for recapturing abated taxes. The property owner has three years from the date of City Council adoption of the agreement to qualify for the tax exemption, otherwise the agreement immediately terminates. No other commitments were made by the City as part of those agreements. For the fiscal year ended June 30, 2018, the City had twelve active agreements which resulted in a total tax abatement of \$126 and four other agreements which are currently under construction and will not result in tax abatements until such time that the project is completed and the ad valorem taxes are determined by the Tulsa County Tax Assessor.

Note 2. Stewardship, Compliance and Accountability, continued

The Retail Incentives Policy offers individual incentive packages to attract new businesses to the City. The City granted two current abatements to two major business that allow for the Owners to apply for a refund of sales taxes to reimburse their actual costs for construction of certain public infrastructure features that are ancillary to newly constructed facilities. The maximum sales tax abatement is the equivalent of 30 percent from every two cents (\$0.02) of the sales tax revenue stream dedicated by City Ordinance to general operations that the City receives in Sales Tax Revenue attributable to

sales at the Owner's facility up to a maximum reimbursement amount per the agreement, regardless of the Owner's actual costs of the public improvements.

For the ended June 30, 2018, the City abated sales taxes totaling \$453 under this program, including the following tax abatement agreements which are the percentage the City considers to be material for purposes of individual disclosure:

Project Name	Purpose	Percent Abated	Amount Abated
Costco Wholesale Corporation	To construct a public storm water line and public sanitary sewer line in connection with the acquisition and development of property for the operation and maintenance of a wholesale and retail general merchandise facility with a total investment by the Owner of approximately \$19,000.	30% from every two cents (\$0.02) of the sales tax revenue stream up to a maximum reimbursement of \$2,000.	\$ 453
Walk at Tulsa Hills	To develop certain real property near the Tulsa Hills shopping center for the operation and maintenance of a retail, dining, and entertainment complex, with parking and other improvements totaling an estimated \$32,500, with an additional estimated \$8,000 in tenant improvements.	25% from every two cents (\$0.02) of the sales tax revenue stream up to a maximum annual abatement amount of \$250 and a total not to exceed abatement of \$1,200.	\$ -

Note 3. Deposits and Investments

Custodial Credit Risk—City of Tulsa Policy:

Deposits - The City's investment policy requires that demand deposits be collateralized at least by 110% of the amount that is not federally insured. An irrevocable letter of credit issued to the City, by the Federal Home Loan Bank of Topeka (FHLB), serves as collateral for the City's cash deposits.

Securities pledged as collateral are held by a third party. Joint custody safekeeping receipts are held in the name of the depository institution, but pledged to the City. The security cannot be released, substituted or sold without the City's approval and release of the security.

Certificates of deposit are, according to the City's investment policy, to be collateralized at least by 102% of the amount that is not federally insured. As of June 30, 2018, the City had no deposits exposed to custodial credit risk.

Investments - The City's investment policy requires that securities be registered in the name of the City. This excludes MERP, which has its own investment policy, and credit risk disclosures. All safekeeping receipts for investment instruments are held in accounts in the City's name and all securities are registered in the City's name.

State statutes and City ordinances govern the City's investment policies. Permissible investments include direct obligations of the U.S. Government and agency securities, municipal bonds, money market funds, certificates of deposit and savings accounts, repurchase agreements, judgments, and bank or guaranteed investment contracts. Collateral is required for demand deposits, certificates of deposit and repurchase agreements at 102% of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its subdivisions.

Interest Rate Risk - Investments are made based upon prevailing market conditions at the time of the transaction with the intent to hold the instrument until maturity. If the yield of the portfolio can be improved upon by the sale of an investment, prior to its maturity,

with the reinvestment of the proceeds, then this provision is also allowed.

In accordance with its investment policy, the City manages its interest rate risk by limiting the weighted average maturity of its investment portfolio to three (3) years or less. No security, at the time of purchase, shall have a maturity exceeding five (5) years, with the exception that GNMA mortgage backed pass-through securities, as a group shall, at time of purchase, have an average life not to exceed five (5) years.

Credit Risk - The City's investment policy prohibits purchasing any investments rated below AA at the time of purchase.

Concentration of Credit Risk - While the City may choose to maintain one-hundred percent (100%) of its investment portfolio in U. S. Treasury bills, notes, and bonds, at no time will the portfolio be composed of more than seventy percent (70%) related federal agencies. The agencies in which the City invests are outlined in Section 7.0 of the City's investment policy. The policy requires diversification among authorized investment broker/dealers, with not more than fifty percent (50%) of the City's investment portfolio invested through any one financial institution or broker/dealer.

Investment Policy - Repurchase agreements under 14 days are limited to thirty percent (30%) of the investment portfolio. Money market funds, collateralized repurchase agreements over 14 days, certificates of deposit and demand deposits are all limited to not exceed twenty percent (20%) of the investment portfolio. Prime bankers acceptances are limited to five percent (5%) of the investment portfolio.

The City invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the investment amounts reported in the accompanying financial statements of the City and its component units.

Note 3. Deposits and Investments, continued

Fair Value Measurements – The City categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices within Level 1. The observable inputs, either directly or indirectly, include prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable

or can be corroborated by observable market data from third-party pricing agencies for substantially the full term of the asset or liabilities.

- Level 3 inputs are unobservable inputs for an asset or liability.

Hierarchy – The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest to Level 3 inputs.

Inputs – If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Information regarding the interest rate risk and concentrations of credit risk of the City's pooled and non-pooled investments, any credit ratings by Moody's Investors Service and Standard & Poor's, as well as fair value measurements, are as follows:

Pooled Portfolio Investments:

Investments:	Carrying Value	Weighted Average Maturity (years)	Concentration	Moody's	S & P	Fair Value Measurement
Investments measured by fair value levels:						
U.S. Treasury securities	\$ 169,389	1.58	n/a	--	--	Level 1
Federal Farm Credit Bank securities	150,788	2.02	19.2%	Aaa	AA+	Level 2
Federal Home Loan Bank securities	152,293	2.15	19.4%	Aaa	AA+	Level 2
Federal Home Loan Mortgage Corporation securities	151,104	2.70	19.3%	Aaa	AA+	Level 2
Federal National Mortgage Association securities	115,364	2.21	14.7%	Aaa	AA+	Level 2
Municipal obligations	27,047	1.29	3.5%	AAA	Aaa	Level 2
Municipal obligations	1,996	1.14	0.3%	---	Aaa	Level 2
Municipal obligations	9,064	1.14	1.2%	AA	Aa	Level 2
	<u>777,045</u>					
Investments measured at NAV:						
Money market mutual funds	38,000	0.09	n/a	Aaa-mf	AAA	
Investments measured at amortized cost:						
Property tax judgments	6,857	0.96	0.9%	--	--	N/A
	<u>\$ 821,902</u>	<u>2.06</u>				

Pooled Portfolio Investments reported in:

Governmental activities	\$ 563,674
Business-type activities	32,964
Fiduciary funds	7,420
Component units	216,449
Organizations not in reporting entity	1,395
	<u>\$ 821,902</u>

Note 3. Deposits and Investments, continued

Non- Pooled Investments – Primary Government:

Governmental Activities	Fair Value	Weighted Average Maturity (years)	Concentration	Moody's	S & P	Fair Value Measurement
U.S. Treasury securities	\$ 19,892	0.28	n/a	--	--	Level 1
Business-type Activities						
U.S. Treasury securities	\$ 748	0.25	n/a	--	--	Level 1

Non- Pooled Investments – Fiduciary Funds:

The Municipal Employees Retirement Plan ("MERP") investment policy's objective is to balance risk and expected return. MERP's policy deems the following asset classes as appropriate: domestic equities, international equities, fixed income, real estate, timber, commodities and cash equivalents.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Municipal Employees Retirement Plan ("MERP") will not be able to recover the value of its investments that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if they are both uninsured and are not registered in the name of the MERP, and are held by the counterparty or the counterparty's trust department but not in the name of MERP. MERP does not have a policy for custodial credit risk. MERP has no exposure to custodial credit risk because all of MERP's investments that are evidenced by securities are registered in MERP's name.

Credit Risk. Fixed income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. MERP's investment policy requires that at the time of purchase all fixed income portfolios are to be invested primarily in high quality securities but also allows up to 10% of the portfolio to be invested in below grade securities rated lower than BBB- (by Standard & Poor's and Fitch) or BBB3 (by Moody's) and emerging markets bonds.

Note 3. Deposits and Investments, continued

The credit ratings of debt securities held by MERP are as follows:

Investment Type	Rated					Not Rated or	
	Standard & Poors/Moody's					Rating Not	
	AAA/Aaa	AA/Aa	A/A	BBB/Baa	BB/Ba	Available	Total
U.S. agency obligations	\$ 2,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,716
Government mortgage backed securities	5,464	-	-	-	-	-	5,464
Corporate bonds	-	577	763	2,653	-	100	4,093
Asset backed securities	1,552	296	-	200	-	562	2,610
Commercial mortgage backed securities	616	295	-	-	-	1,241	2,152
Municipal obligation	66	-	-	-	-	-	66
Foreign obligations	-	757	770	2,575	383	-	4,485
Domestic fixed income mutual funds ⁽¹⁾	-	-	-	-	-	25,277	25,277
Foreign fixed income mutual funds ⁽¹⁾	-	-	-	-	-	28,603	28,603
	<u>\$ 10,414</u>	<u>\$ 1,925</u>	<u>\$ 1,533</u>	<u>\$ 5,428</u>	<u>\$ 383</u>	<u>\$ 55,783</u>	<u>\$ 75,466</u>

(1)- Commingled funds. Management believes the underlying investments of the commingled funds meet the requirements of the investment policy.

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Municipal Employees Retirement Plan ("MERP") will not be able to recover the value of its investments that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if they are both uninsured and are not registered in the name of the MERP, and are held by the counterparty or the counterparty's trust department but not in the name of MERP. MERP does not have a policy for custodial credit risk. MERP has no exposure to custodial credit risk because all of MERP's investments that are evidenced by securities are registered in MERP's name.

Concentration of Credit Risk. MERP's investment guidelines do not specifically address concentration of credit risk. The asset allocation guidelines for fixed income investments at June 30, 2018 were 24% strategic with a lower limit of 20% and an upper limit of 28%.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While all investments are subject to market changes, securities invested in index funds are more sensitive to market risk. Although MERP's investment policy does not specifically address the duration of fixed-income securities, MERP's management does monitor interest rate risk by monitoring the performance of each investment manager.

Foreign Currency Risk. MERP's policy is to invest in International Equities at a strategic asset allocation of 24% with a lower limit of 20% and an upper limit of 28%. Responsibility for foreign currency management has been delegated to MERP's investment managers.

Note 3. Deposits and Investments, continued

MERP's investments with associated maturities and fair value measurements:

	<u>Balance</u>	<u>Weighted Average Maturity (years)</u>	<u>Fair Value Measurement</u>
Investments measured by fair value levels:			
U.S. Treasury securities	\$ 27,658	7.96	Level 1
Federal Home Loan Mortgage Corp securities	2,716	26.53	Level 2
Federal National Mortgage Association securities	3,152	25.04	Level 2
Government National Mortgage Association securities	2,312	29.03	Level 2
Equity mutual funds	13,530	n/a	Level 1
Foreign equity mutual funds	69,185	n/a	Level 1
Corporate obligations	8,855	18.28	Level 2
Municipal obligations	66	5.17	Level 2
Foreign obligations	4,485	14.04	Level 2
Common Stock	34,345	n/a	Level 1
Preferred Stock	1,135	n/a	Level 2
Investments measured by fair value levels:	<u>167,439</u>		
Investments measured by NAV:			
Equity mutual funds	162,001	n/a	
Foreign equity mutual funds	18,658	n/a	
Domestic fixed income mutual funds	25,277	n/a	
Foreign fixed income mutual funds	28,603	n/a	
Real Estate funds	35,761	n/a	
Timber Limited Partnership	21,380	n/a	
Investments measured by NAV:	<u>291,680</u>	<u>17.24</u>	
	<u>\$ 459,119</u>		

Non- Pooled Investments – Fiduciary Funds:

Investments measured by Net Asset Value (NAV):

The fair value of certain investments of MERP are established by using the net asset value (NAV) per share (or its equivalent), such as member units or an ownership interest in partners' capital to which a proportionate share of net assets is attributed. The NAV provided by the investee is measured as of the City's fiscal year end and is not categorized within the fair value hierarchy.

MERP invests in two real estate funds. These funds make strategic property acquisition primarily in the U.S. As part of the valuation process, independent appraisers value properties on an annual basis (at a minimum). The funds are valued at NAV monthly. The funds allow withdrawals once per quarter subject to "available cash" as determined by a pool trustee with 45 days advance written notice. MERP had no unfunded commitments to the real estate funds.

MERP invests in a timber partnership. The partnership seeks to gain income through acquisition, holding and sale of timberland primarily in the U.S. The term of the partnership is ten years with options to extend. MERP receives income distributions. In general, redemption in this investment won't occur until the partnership has ended. MERP had commitments of \$846 remaining at June 30, 2018 to the timber partnership.

MERP invests in multiple mutual funds for both equity and fixed income investments seeking to achieve positive returns utilizing experienced portfolio managers. Managers use strategies of selecting individual investments or overbalancing certain sectors compared to the benchmark index in order to achieve a greater return. For certain mutual funds quoted market prices are not able to be obtained from exchanges. These investments are instead valued using NAV at least monthly. The funds allow for withdraw at the most recent valued date or end of

Note 3. Deposits and Investments, continued

the month with some funds requiring 30 days notice. MERP had no unfunded commitments to the mutual funds.

Fair Value Measurement Techniques:

For the City and MERP, the following fair value techniques were utilized in measuring the fair value of its investments:

U.S. Treasury securities, corporate equities and mutual funds: These investments are reported at fair value based on quoted market prices obtained from exchanges.

Corporate obligations and fixed income securities: These investments are reported at fair value based on evaluation using market sources and integrating relative credit information, observed market movements, and sector news into the evaluated pricing applications and models.

U.S. Government securities: U.S. Government securities are reported at fair value based on bullet (non-call) spread scale for each issuer for maturities going out to forty years. These spreads represent credit risk and are obtained from the new issue market, secondary trading, and dealer quotes.

An Option Adjusted Spread (OAS) model is incorporated to adjust spreads of issues that have early redemption features. Final spreads are added to a U.S. Treasury curve. A cash discounting yield/price routine calculates prices from final yields to accommodate odd coupon payment dates typical of medium-term notes.

Mortgage-backed securities: Mortgage-backed securities are reported at fair value via model using various inputs such as but not limited to daily cash flow, snapshots of the TBA market and the U.S. Treasury market, floating rate Indices such as LIBOR, CMT and Prime as a benchmark yield, spread over index, periodic and life caps, next coupon adjustment date, and convertibility of the bond.

Municipal bonds: Municipal bonds are reported at fair value based on trades, bid price or spread, two-sided markets, quotes, benchmark curves including but not limited to treasury benchmarks and LIBOR and swap curves, market data feeds such as MSRB, financial statements, discount rate, capital rates, and trustee reports.

Preferred stock: Preferred stock is reported at fair value by calculating the appropriate spread over a comparable U.S. Treasury security for each issue. These spreads represent the amount of additional yield required to account for the risks inherent with preferred stocks, including credit, refunding and liquidity. Evaluators obtain benchmark quotes on liquid issues, follow both the listed and new issue market, and focus on changing market conditions.

The City has no assets reported at fair value on a nonrecurring basis and no other investments meeting the fair value disclosure requirements.

Note 4. Receivables

Receivables for the City's individual major funds, aggregate nonmajor funds, internal service funds, and component units, including applicable allowances for uncollectible accounts, are as follows:

Governmental Funds								
	General Fund	Debt Service	Sales Tax	Limited- Purpose Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
Current receivables, net:								
Interest receivable	\$ 987	\$ -	\$ 735	\$ 157	\$ 72	\$ 1,951	\$ 52	\$ 2,003
Taxes receivable	29,144	83,586	12,041	4,126	3,684	132,581	-	132,581
Accounts receivable	4,839	-	11	-	4,182	9,032	1,209	10,241
Due from other governments	-	-	-	-	4,217	4,217	-	4,217
	<u>34,970</u>	<u>83,586</u>	<u>12,787</u>	<u>4,283</u>	<u>12,155</u>	<u>147,781</u>	<u>1,261</u>	<u>149,042</u>
Less: Allowance for uncollectible	(2,126)	(143)	-	-	-	(2,269)	(2)	(2,271)
	<u>\$ 32,844</u>	<u>\$ 83,443</u>	<u>\$ 12,787</u>	<u>\$ 4,283</u>	<u>\$ 12,155</u>	<u>\$ 145,512</u>	<u>\$ 1,259</u>	<u>\$ 146,771</u>

Business-type Activities Enterprise Funds						
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor- Golf Courses	Total Business-type Activities
Current receivables, net:						
Interest receivable	\$ 60	\$ 29	\$ 16	\$ -	\$ 3	\$ 108
Utility receivable	3,094	-	-	-	-	3,094
Accounts receivable, gross	-	368	1,754	1	-	2,123
Capital lease receivable	-	652	-	-	-	652
	<u>3,154</u>	<u>1,049</u>	<u>1,770</u>	<u>1</u>	<u>3</u>	<u>5,977</u>
Less: Allowance for uncollectibles	(79)	-	(36)	-	-	(115)
	<u>\$ 3,075</u>	<u>\$ 1,049</u>	<u>\$ 1,734</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 5,862</u>
Noncurrent receivables, net:						
Capital lease receivable	-	9,431	-	-	-	9,431
Interest receivable	25	-	-	-	-	25
	<u>\$ 25</u>	<u>\$ 9,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,456</u>

Note 4. Receivables, continued

TPFA Capital Lease - On August 28, 2013, the TPFA entered into an amended lease agreement (agreement) with a tenant of OTC effective July 1, 2013 for approximately 153,000 square feet of commercial office space at One Technology Center ("OTC"). The agreement extended the term of the lease to June 30, 2029. Lease payments will total \$2,207 annually. The tenant assigned the lease to an affiliated company. Throughout the term of the lease, \$1,200 of the total annual lease payments will be applied to the lease and the remainder will be apportioned to operating expense reimbursement. The affiliated company will have the option to purchase the occupied space for one dollar at June 30, 2029. TPFA accounts for the lease agreement as a capital lease.

Minimum future rentals on the capital lease are as follows:

TPFA Capital Lease			
Years	Principal	Interest	Total
2019	\$ 652	\$ 491	\$ 1,143
2020	746	454	1,200
2021	784	416	1,200
2022	824	376	1,200
2023	866	334	1,200
2024-2028	5,043	957	6,000
2029	1,168	32	1,200
	<u>\$ 10,083</u>	<u>\$ 3,060</u>	<u>\$ 13,143</u>

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Current receivables, net:					
Interest receivable	\$ 587	\$ 63	\$ -	\$ 50	\$ 700
Interest receivable - restricted	-	-	-	47	47
Taxes receivable	2,014	-	-	110	2,124
Accounts receivable	262	-	2,611	247	3,120
Utility receivable	34,152	2,870	-	-	37,022
Due from other governments	-	-	2,644	594	3,238
Notes receivable - restricted	-	-	-	4,938	4,938
	<u>37,015</u>	<u>2,933</u>	<u>5,255</u>	<u>5,986</u>	<u>51,189</u>
Less: Allowance for uncollectibles	(321)	(39)	(57)	-	(417)
	<u>\$ 36,694</u>	<u>\$ 2,894</u>	<u>\$ 5,198</u>	<u>\$ 5,986</u>	<u>\$ 50,772</u>
Noncurrent receivables:					
Notes receivable	-	-	-	15,813	15,813
Accounts receivable	-	-	880	-	880
Interest receivable	164	-	8	-	172
	<u>\$ 164</u>	<u>\$ -</u>	<u>\$ 888</u>	<u>\$ 15,813</u>	<u>\$ 16,865</u>

Note 5. Payables

Payables for the City's individual major funds, aggregate nonmajor governmental funds, internal service funds, enterprise funds, and component units are as follows:

	Governmental Funds						Internal Service Funds	Total Governmental Funds	Adjustments to Government Wide Statements	Total Governmental Activities
	General	Bond	Sales Tax	Limited-Purpose Sales Tax	Nonmajor Governmental Funds	Total				
Accounts payable	\$ 6,923	\$ 9,653	\$ 12,236	\$ 5,585	\$ 3,372	\$ 37,769	\$ 1,009	\$ 38,778	\$ -	\$ 38,778
Accrued payroll	2,538	-	-	-	147	2,685	87	2,772	-	2,772
Accrued interest	-	-	-	-	-	-	29	29	4,080	4,109
	<u>\$ 9,461</u>	<u>\$ 9,653</u>	<u>\$ 12,236</u>	<u>\$ 5,585</u>	<u>\$ 3,519</u>	<u>\$ 40,454</u>	<u>\$ 1,125</u>	<u>\$ 41,579</u>	<u>\$ 4,080</u>	<u>\$ 45,659</u>

	Business-type Activities - Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total
Accounts payable	\$ 3,957	\$ 386	\$ 3,681	\$ 755	\$ 251	\$ 9,030
Accrued payroll	179	24	-	-	-	203
Accrued interest	-	161	115	76	-	352
	<u>\$ 4,136</u>	<u>\$ 571</u>	<u>\$ 3,796</u>	<u>\$ 831</u>	<u>\$ 251</u>	<u>\$ 9,585</u>

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Accounts payable	\$ 23,806	\$ 1,379	\$ 8,374	\$ 3,761	\$ 37,320
Accrued payroll	903	73	-	305	1,281
Accrued interest	3,596	-	613	155	4,364
	<u>\$ 28,305</u>	<u>\$ 1,452</u>	<u>\$ 8,987</u>	<u>\$ 4,221</u>	<u>\$ 42,965</u>

Note 6. Interfund Transactions

Primary government interfund receivables and payables consist of the following:

<u>Amount</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Purpose</u>
2,184	General Fund	Federal and State Grants	To finance grant projects
747	General Fund	Vision 2025 Capital Projects	To finance capital projects
<u>\$ 2,931</u>			
	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Purpose</u>
146	General Fund	Office Services	To provide cash flow
<u>\$ 146</u>			
	<u>Advances To Primary Government</u>	<u>Advances From Component Units</u>	<u>Purpose</u>
127	Tulsa Airports	General Fund	Payment in advance - Fire Department services
5	TMUA	Bond	To subsidize capital improvement
<u>\$ 132</u>			
	<u>Advances To Component Units</u>	<u>Advances From Primary Government</u>	<u>Purpose</u>
326	General Fund	MTTA	To provide cash flow
1,495	TPFA Internal Service Fund	TARE	To finance capital improvements
<u>\$ 1,821</u>			

Note 6. Interfund Transactions, continued

Primary government interfund transfers for the year ended consist of the following amounts:

Transfers To	Total	Transfers From						
		General Fund	Bond Fund	Sales Tax Fund	Limited Purpose Sales Tax	Nonmajor Governmental Funds	Internal Service Funds	Stormwater Management Fund
Governmental Funds:								
Major Funds:								
General Fund	\$ 2,465	\$ -	\$ -	\$ -	\$ -	\$ 650	\$ -	\$ 1,815
Nonmajor Funds	431	31	-	-	-	400	-	-
Total Governmental Funds	<u>2,896</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,050</u>	<u>-</u>	<u>1,815</u>
Internal Service Funds	1,214	-	-	464	-	-	750	-
Enterprise Funds:								
Stormwater Management Fund	394	-	12	387	-	(5)	-	-
One Technology Center	103	-	-	103	-	-	-	-
Arena & Convention Center	3,502	-	-	-	1,112	2,390	-	-
Tulsa Stadium Trust	2,203	-	-	-	-	2,203	-	-
Golf Courses Fund	252	150	-	102	-	-	-	-
Total Enterprise Funds	<u>6,454</u>	<u>150</u>	<u>12</u>	<u>592</u>	<u>1,112</u>	<u>4,588</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 10,564</u>	<u>\$ 181</u>	<u>\$ 12</u>	<u>\$ 1,056</u>	<u>\$ 1,112</u>	<u>\$ 5,638</u>	<u>\$ 750</u>	<u>\$ 1,815</u>

Transfers - in		Transfers - out	
Governmental Funds	\$ 2,896	Governmental Funds	\$ 7,999
Internal Service Funds	1,214	Internal Service Funds	750
Enterprise Funds	6,454	Enterprise Funds	1,815
Total Primary Government	<u>\$ 10,564</u>	Total Primary Government	<u>\$ 10,564</u>

1. Purpose of Transfers

The above transfers occur principally to fund operations and finance capital asset acquisitions. Transfers are used to: (1) move revenues from the fund that State statutes or City ordinances requires to collect them to the fund that State statutes or City ordinances requires to expend them; (2) move receipts restricted to debt service from the funds collecting the receipts to the fund making the payments; (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (4) payments in lieu of franchise fees; and (5) provide matching funds for grants.

2. Eliminations

Interfund transfers are reported in the governmental activities and business-type activities fund financial statements. In the government-wide statements, interfund transfers are eliminated within the governmental activities column and within the business-type activities column.

Note 7. Capital Assets

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 41,648	\$ 743	\$ (2,676)	\$ 39,715
Land - Infrastructure use	488,427	4,406	-	492,833
Construction in progress:				
General government	31,262	56,839	(31,853)	56,248
Infrastructure	144,872	73,924	(92,288)	126,508
Total construction in progress	176,134	130,763	(124,141)	182,756
Total nondepreciable capital assets	706,209	135,912	(126,817)	715,304
Depreciable capital assets:				
Land improvements	83,656	881	-	84,537
Buildings	219,939	13,929	-	233,868
Equipment	199,129	19,080	(9,749)	208,460
Street network	3,313,348	94,696	-	3,408,044
Bridge network	40,567	-	-	40,567
Total depreciable capital assets	3,856,639	128,586	(9,749)	3,975,476
Total capital assets	4,562,848	264,498	(136,566)	4,690,780
Accumulated depreciation:				
Land improvements	(55,363)	(1,394)	-	(56,757)
Buildings	(84,523)	(5,633)	-	(90,156)
Equipment	(129,750)	(11,789)	7,586	(133,953)
Street network	(2,598,886)	(41,214)	-	(2,640,100)
Bridge network	(10,619)	(1,715)	-	(12,334)
Total accumulated depreciation	(2,879,141)	(61,745)	7,586	(2,933,300)
Total depreciable capital assets, net	977,498	66,841	(2,163)	1,042,176
Governmental activities capital assets, net	\$ 1,683,707	\$ 202,753	\$ (128,980)	\$ 1,757,480

Note 7. Capital Assets, continued

	Beginning Balance	Additions	Reductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 98,441	\$ 76	\$ -	\$ 98,517
Works of Art	653	-	-	653
Construction in progress	2,226	11,431	(7,179)	6,478
Total nondepreciable assets	<u>101,320</u>	<u>11,507</u>	<u>(7,179)</u>	<u>105,648</u>
Depreciable capital assets:				
Land improvements	394,402	7,782	-	402,184
Buildings	290,149	738	-	290,887
Equipment	59,412	2,656	(512)	61,556
Total depreciable capital assets	<u>743,963</u>	<u>11,176</u>	<u>(512)</u>	<u>754,627</u>
Total capital assets	<u>845,283</u>	<u>22,683</u>	<u>(7,691)</u>	<u>860,275</u>
Accumulated depreciation:				
Land improvements	(128,722)	(11,115)	-	(139,837)
Buildings	(99,415)	(8,979)	-	(108,394)
Equipment	(42,076)	(4,469)	501	(46,044)
Total accumulated depreciation	<u>(270,213)</u>	<u>(24,563)</u>	<u>501</u>	<u>(294,275)</u>
Total depreciable capital assets, net	<u>473,750</u>	<u>(13,387)</u>	<u>(11)</u>	<u>460,352</u>
Business-type activities capital assets, net	<u>\$ 575,070</u>	<u>\$ (1,880)</u>	<u>\$ (7,190)</u>	<u>\$ 566,000</u>
DISCRETELY PRESENTED COMPONENT UNITS:				
Nondepreciable capital assets:				
Land, easements and other	\$ 191,970	\$ 1,132	\$ -	\$ 193,102
Water rights	9,594	-	-	9,594
Construction in progress	69,900	65,405	(64,802)	70,503
Total nondepreciable capital assets	<u>271,464</u>	<u>66,537</u>	<u>(64,802)</u>	<u>273,199</u>
Depreciable capital assets:				
Land improvements and water and sewer lines	2,015,240	75,096	(615)	2,089,721
Buildings	391,952	4,091	(173)	395,870
Equipment	154,011	11,184	(5,383)	159,812
Total depreciable capital assets	<u>2,561,203</u>	<u>90,371</u>	<u>(6,171)</u>	<u>2,645,403</u>
Total capital assets	<u>2,832,667</u>	<u>156,908</u>	<u>(70,973)</u>	<u>2,918,602</u>
Accumulated depreciation:				
Land improvements and water and sewer lines	(807,264)	(39,267)	582	(845,949)
Buildings	(207,289)	(10,509)	63	(217,735)
Equipment	(87,156)	(12,646)	5,173	(94,629)
Total accumulated depreciation	<u>(1,101,709)</u>	<u>(62,422)</u>	<u>5,818</u>	<u>(1,158,313)</u>
Total depreciable capital assets, net	<u>1,459,494</u>	<u>27,949</u>	<u>(353)</u>	<u>1,487,090</u>
Component unit capital assets, net	<u>\$1,730,958</u>	<u>\$ 94,486</u>	<u>\$ (65,155)</u>	<u>\$1,760,289</u>

Depreciation expense is charged to functional activities as follows:

Governmental Activities		Business-type Activities		Component Units	
General government	\$ 572	Stormwater Management	\$ 10,297	TMUA	\$ 38,590
Public safety and protection	9,804	One Technology Center	1,242	TARE	1,998
Public works and transportation	47,172	Arena & Convention Center	10,691	Tulsa Airports	17,025
Social and economic development	180	Tulsa Stadium Trust	2,008	Other	4,809
Culture and recreation	4,017	Golf Courses	325		<u>\$ 62,422</u>
	<u>\$ 61,745</u>		<u>\$ 24,563</u>		

Note 8. Risk Management

The City is exposed to various risk of loss related to the following: workers' compensation; torts including errors and omissions; theft of, damage to and destruction of assets; and natural disasters. The City purchases commercial insurance for general liability and property damage as well as employee health and dental. There have been no significant reductions in insurance coverage in the current year or in the three prior years.

Judgments against the City for workers' compensation and torts are recovered through property taxes. As judgments are paid they are included in property tax levies over the following three years. Property tax revenue and expenditures for judgments as paid are included in the Debt Service Fund. The City records a liability in the entity wide statements for judgments.

The City self-insures for medical and injury leave related to workers' compensation claims not included in a judgment. These claims are paid from the City's Employee Insurance Fund and funded by charges to the City's other funds and component units, and is based primarily upon the contributing funds' claims experience.

Liabilities for judgments and workers' compensation claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The liability also includes an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, economic and social factors, and trends in damage awards. Accordingly, claims are reevaluated periodically to consider the effect of these factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expense related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. Estimated recoveries, for example subrogation, are another component of the liability estimate.

Changes in the balances of claims liability, including judgments, during the past two years are as follows:

Workers' Compensation Liability	2018	2017
Claims liability at beginning of year	\$ 19,412	\$ 18,542
Current year claims and changes in estimates	2,671	4,436
Claims payments	(3,190)	(3,566)
Claims liability at end of year	18,893	19,412
Tort Claims Liability		
Claims liability at beginning of year	7,151	10,563
Current year claims and changes in estimates	493	526
Claims payments	(3,371)	(3,938)
Claims liability at end of year	4,273	7,151
Total claims liability	\$ 23,166	\$ 26,563

Note 9. Pension and Deferred Compensation Plans

Each qualified employee is included in one of the three pension plans in which the City participates. The three plans are:

- Municipal Employees' Retirement Plan ("MERP")
- Oklahoma Firefighters Pension Fund
- Oklahoma Police Pension and Retirement System

Plan information is as follows. Unless otherwise described, amounts relate to the primary government of the City and exclude discretely presented component units.

Below is a summary of amounts reported by the City:

	MERP	Firefighters	OPPRS	Total
Net Pension Liability	\$ 94,873	\$ 205,921	\$ 1,360	\$ 302,154
Deferred Outflows of Resources	11,558	41,332	17,293	70,183
Deferred Inflows of Resources	4,700	14,167	8,969	27,836
Pension Expense	7,610	22,132	8,090	37,832

A. MUNICIPAL EMPLOYEES' RETIREMENT PLAN

1. Plan Description - MERP is a cost-sharing multiple-employer defined benefit pension trust. MERP covers full-time non-sworn employees of the City, its component units and employees of four other governmental organizations.

The Plan was established by the City in accordance with the City Charter and State statutes, and provides retirement, disability and death benefits to plan members.

Management of the Plan is vested in the Board of Trustees consisting of seven members – two elected by active plan members, one elected by retirees, two mayoral appointments and the Director of Finance and the Director of Human Resources who serve as ex-officio members.

The Plan does not issue a stand-alone financial report and is not included in the report of a public employee retirement system or a report of another entity.

2. Summary of Significant Accounting Policies

Basis of Accounting – The MERP financial statements are prepared on the accrual basis of accounting.

Employer and employee contributions are recognized when due and a formal commitment to provide the contributions is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investment income is recognized when earned. Investments are reported at fair value in accordance with the fair value techniques disclosed in Note 3. Realized gains and losses on sales and exchanges are recognized on the transaction date. Changes in fair value between periods are reported as investment income.

3. Benefits and Refunds Paid - Any member whose years of continuous employment, when added to the member's age equals or exceeds 80, may retire without a reduction in the monthly benefit. The amount of retirement benefit is established by City ordinance and is equal to 2.35% of final average earnings of highest 30 months within last five years of service, up to covered compensation, times years of service.

Pension provisions include death benefits for the surviving spouse. Disability benefits are determined in the same manner as normal retirement. Benefits vest at 100% after five years of service.

4. Membership data (for MERP):

Active members	2,439
Retirees and beneficiaries	
currently receiving benefits	2,008
Inactive members entitled to but	
not yet receiving benefits	303
	<u>4,750</u>

5. Contributions - The contribution requirements of active members and the participating employers are established by City ordinance. Plan members are required to contribute 6.5% of covered compensation to the Plan. The City is required to contribute the remaining amounts necessary to fund the system, which was 15.5% of covered compensation for 2018. During the year the City contributed \$8,897 in employer contributions.

Note 9. Pension and Deferred Compensation Plans, continued

6. Investments - The Board of Trustees established an investment policy guiding the allocation of invested assets. This policy may be amended by the Board of Trustees. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan.

7. Asset Allocation - Following is the Plans' asset allocation policy, and the long-term expected geometric real rate of return for each major asset class:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	24%	1.16%
Domestic equity	36%	6.19%
International equity	24%	6.59%
Real estate	8%	4.24%
Commodities	3%	0.40%
Timber	4%	3.75%
Cash	1%	0.11%

There are no investments in any one organization representing 5% or more of MERP's net position. There are no investments in, loans to, or leases with related parties.

For the year ended, the annual money-weighted rate of return on MERP investments, net of investment expense, was 8.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

8. Net Pension Liability (for MERP):

Total pension liability	\$ 667,931
Plan fiduciary net position	(471,610)
Net pension liability	<u>\$ 196,321</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70.6%</u>

The total pension liability was determined using an actuarial valuation date of January 1, 2018 rolled forward from the valuation date to the fiscal year ending June 30, 2018 using generally accepted actuarial principals and methods.

Proportionate share and net pension liability reported in:

Governmental activities	42.5249%	\$ 83,485
Business type activities	5.8007%	11,388
Component units	38.0235%	74,648
Organizations not in reporting entity	13.6509%	26,800
	<u>100.0000%</u>	<u>\$ 196,321</u>

9. Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of the date below.

Valuation date	January 1, 2018
Investment rate of return*	7.50%
Projected salary increases*	4.00% - 11.75%
* Includes inflation at	3.00%
Mortality rates	RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments. Generational mortality improvements with Scale MP-2015 from the table's base year of 2014.

The actuary assumptions used were based on the results of an actuarial experience study for the five-year period ending December 31, 2015.

10. Discount Rate (for MERP) - A discount rate of 7.5% was used to measure the total estimated pension liability. This discount rate was based on an expected rate of return on pension plan investments of 7.5%.

The projection of cash flows used to determine this discount rate assumed that MERP member contributions will be made at the current contribution rate and that employer contributions will be made as specified in MERP's funding policy.

Based on these assumptions, MERP's fiduciary net position and future contributions were sufficient to finance all the future benefit payments of the current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Note 9. Pension and Deferred Compensation Plans, continued

Regarding the sensitivity of the net pension liability to changes in the discount rate, the following presents the Plan's estimated net pension liability, calculated using a discount rate of 7.5% as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower and higher.

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Plan	\$274,375	\$196,321	\$130,921
Primary Government	\$132,593	\$ 94,873	\$ 63,268

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ended June 30 th	
2019	\$ 7,397
2020	2,624
2021	(2,656)
2022	(507)
	<u>\$ 6,858</u>

11. Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

The primary government's pension expense for the year was \$7,610. At June 30, 2018, the primary government's deferred outflows of resources and deferred inflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 1,037	\$ 2,345
Assumption Change	9,611	407
Net difference between projected and actual earnings on pension plan investments	-	811
Changes in proportion and differences between employer contributions and proportionate share of contributions	910	1,137
	<u>\$ 11,558</u>	<u>\$ 4,700</u>

Note 9. Pension and Deferred Compensation Plans, continued

B. OKLAHOMA FIREFIGHTERS PENSION AND RETIREMENT SYSTEM

The Firefighters Plan is a statewide retirement system for firefighters, and is administered by the State of Oklahoma. The City is neither involved in the administration of the Firefighters System nor does it maintain the accounting records or hold Plan investments.

Unless otherwise indicated, information in this note related to the Firefighters Pension and Retirement systems are provided as of July 1, 2017, the most recent actuarial valuation.

1. Plan Description - Sworn firefighters of the City are provided with pensions through the Oklahoma Firefighters Pension Retirement System (Firefighters System)—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Firefighters Pension Plan established by Oklahoma Statutes for both paid and volunteer firefighters of participating municipalities and protection districts. Firefighters System provides retirement and death benefits which are established by State statute to plan members and beneficiaries. Firefighters System issues a publicly available financial report that includes financial statements and required supplementary information. The report is located at <http://www.ok.gov/fprs/Financials/index.html>.

2. Benefits provided - In general, the Firefighters System provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. Benefits are established and amended by State statute. The normal retirement date is the date upon which the participant completes 20 years of credited service, regardless of age for participants who entered the plan prior to November 1, 2013. For participants entering the plan after November 1, 2013 normal retirement is upon completion of 22 years of services and at least age 50. Normal benefits equal 50% of final average compensation for participants entering prior to November 1, 2013 and 55% of final average compensation for participants entering after November 1, 2013.

3. Contributions - The Oklahoma Legislature sets the required contribution rate based on payroll and is not determined by actuary calculations. The City's contractually required contribution rate for the year ended June 30, 2018, was 14% of annual payroll, employee participants were required to contribute 9%.

Contributions to the pension plan from the City were \$6,862 for the year ended June 30, 2018. The State of Oklahoma, a non-employer contributing agency, contributes 36% of taxes received from the tax on premiums collected by insurance companies operating in Oklahoma. The State of Oklahoma contributed \$14,430 to the Firefighters System on behalf of the City for the year ended June 30, 2018.

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the City reported a liability of \$205,921 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2017, the City's proportion was 16.3726%.

For the year ended June 30, 2018, the City recognized pension expense of \$22,132. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Plan experience	\$ 27,507	\$ -
Net difference between projected and actual earnings on pension plan investments	-	5,738
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,993	8,429
City contributions subsequent to the measurement date	6,832	-
	<u>\$ 41,332</u>	<u>\$ 14,167</u>

\$6,832 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

The deferred outflow related to the difference between projected and actual investment earnings is being

Note 9. Pension and Deferred Compensation Plans, continued

amortized over a closed 5-year period beginning in the current year. The remaining amount of deferred outflows and inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the associated measurement period, which ranges from 6.23 to 6.37 years. Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense (gain) as follows:

Year	Amortization of Deferred Outflows
2019	\$ 978
2020	7,349
2021	5,339
2022	1,184
2023	4,563
Thereafter	920
	<u>\$ 20,333</u>

5. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return*	7.5% compounded annually, net of investment expense
Projected salary increases*	3.5% - 9.0%
* Includes inflation at	3.00%

Mortality rates were based on the RP-2000 Combined Healthy Blue Collar adjustments, as appropriate, with adjustments for generational mortality improvements based on Scale AA for healthy lives and no mortality improvements for disabled lives.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

Asset Class	Target Allocation
Equities	62%
Fixed income	20%
Real estate and other	18%
	<u>100%</u>

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	4.72%
International equity	6.70%
Fixed income	1.38%
Real estate	3.96%
Other investments	2.75%

6. Discount Rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from cities will be made at contractually required rates, determined by Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 36% of the insurance premium, as established by Oklahoma statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 9. Pension and Deferred Compensation Plans, continued

7. Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability	\$ 270,140	\$ 205,921	\$ 151,499

Pension plan fiduciary net position- Detailed information about the pension plan's fiduciary net position is available in the separately issued Firefighters System financial report; which can be located at <http://www.ok.gov/fprs/>.

C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1. Plan Description - Sworn police officers of the City are provided with pensions through the Oklahoma Police Pension and Retirement System (OPPRS)—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Police Pension Plan established by Oklahoma Statutes for police officers of an Oklahoma municipality or state agency. OPPRS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. OPPRS issues a publicly available financial report that includes financial statements and required supplementary information. The report is located at <http://www.ok.gov/opprs/Financials/index.html>.

2. Benefits - In general OPPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. Benefits are established and amended by State statute. The normal retirement date is the date upon which the participant completes 20 years of credited service, regardless of age.

3. Contributions - The Oklahoma Legislature sets the required contribution rate based on payroll and is not

determined by actuary calculations. The City's contractually required contribution rate for the year ended June 30, 2018, was 13% of annual payroll, employee participants were required to contribute 8%. The State of Oklahoma, a non-employer contributing agency, contributes 14% of taxes received from the tax on premiums collected by insurance companies operating in Oklahoma. Contributions to the pension plan from the City were \$6,967 for the year ended June 30, 2018. The State of Oklahoma contributed \$6,062 to the Police System on behalf of the City for the year ended June 30, 2018.

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

- At June 30, 2018, the City reported a liability of \$1,360 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating governments. At June 30, 2017, the City's proportion was 17.6817%.

For the year ended June 30, 2018, the City recognized pension expense of \$8,090. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual Plan experience	\$ 68	\$ 8,223
Net difference between projected and actual earnings on pension plan investments	10,130	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	128	746
City contributions subsequent to the measurement date	6,967	-
	<u>\$ 17,293</u>	<u>\$ 8,969</u>

Note 9. Pension and Deferred Compensation Plans, continued

\$6,967 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

The deferred outflows related to the difference between projected and actual investment earnings are being amortized over a closed 5-year period beginning in the current year. The remaining amount of deferred outflows and inflows of resources are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the associated measurement period, which ranges from 5.68 to 5.83 years. Amounts reported as deferred outflows of resources (other than contributions) and deferred inflows of resources related to pensions will be recognized in pension expense (gain) as follows:

Year	Amortization of Deferred Outflows
2019	\$ (542)
2020	4,783
2021	2,155
2022	(4,086)
2023	(953)
	<u>\$ 1,357</u>

5. Actuarial assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions:

- Investment rate of return* 7.5% compounded annually,
net of investment expense
- Projected salary increases* 4.5% - 17.0%
- * Includes inflation at 3.00%

Mortality rates were based on the RP-2000 Blue Collar Healthy Combined Table with age set back 4 years with fully generational improvements based on Scale AA for active employees (pre-retirement). Active employees (post-retirement and nondisabled pensioners) use the same table with no age set backs. Disability pensioners use the same table with age set forward 4 years.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

Asset Class	Target Allocation
Equities	60%
Fixed Income	25%
Real Estate and other investments	15%
	<u>100%</u>

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	3.62%
International equity	6.70%
Private equity/debt	6.86%
Fixed Income	1.51%
Real Estate	3.96%
Commodities	2.18%

6. Discount rate - The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from cities will be made at contractually required rates, determined by the Oklahoma Statutes. Projected cash flows also assume the State of Oklahoma will continue contributing 14% of the insurance premium, established by Oklahoma statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 9. Pension and Deferred Compensation Plans, continued

7. Sensitivity of the City's proportionate share of the net pension liability (asset) to changes in the discount rate - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	\$ 45,967	\$ 1,360	\$ (36,317)

Pension plan fiduciary net position. - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPPRS financial report; which can be located at <http://www.ok.gov/opprs/Financials/index.html>.

D. DEFERRED COMPENSATION PLAN

The City offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 ("the Plan").

The Plan, available to all City employees, permits them to defer a portion of their current salary to future years. Each participant may direct the Plan to invest his or her account balance in one or more of several investment funds. The Plan offers a variety of investment options that will provide participants with a reasonable opportunity to build diversified portfolios.

The compensation deferred is available to the employees upon termination, retirement, death, or unforeseeable emergency.

The Plan is administered by the Deferred Compensation Board of Trustees ("Board"), created by Executive Order of the Mayor. The Board has full power and authority to adopt investment policies and to select and monitor the funds made available to participants. The Board also has the authority to establish rules and regulations for the administration of the plan and advises the Mayor on employment of investment providers.

The Plan is not reported in the City's financial statements because the assets are held in trust by an independent trustee for the benefit of the participating employees.

Note 10. Other Post-Employment Benefits

A. OPEB

1. Plan Description - The City provides post-employment healthcare benefits (OPEB) for retired employees and their dependents through the City of Tulsa Postretirement Medical Plan (the Plan), a cost-sharing multi-employer defined benefit healthcare plan. The governmental activities, business type activities and component units account for 96% of the OPEB liability. Other organizations, not in the reporting entity account for the remaining 4%. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue a stand-alone financial report.

2. Benefits Provided - The Plan covers all current retirees who elected postretirement medical coverage through the City of Tulsa and future retired general employees. All current active police officers and firefighters are covered by a separate trust established specifically to provide medical benefits to the City of Tulsa police officers and firefighters and are not considered for this disclosure.

All healthcare benefits are provided through the City's fully insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services and prescriptions. General employees are eligible for membership in the Plan if they retire from the City on or after age 55 with 5 years of service or with age and service totaling 80 points. Coverage ceases upon

eligibility of the member (retiree or dependent) for Medicare. Coverage for dependents can continue upon the death of the retiree. Spouses of employees eligible for benefits and who die in active service can receive coverage.

3. Membership - As of the most recent actuarial valuation date, membership consisted of the following:

Retired participants	109
Active employees	2,116
	<u>2,225</u>

4. Contributions - Contribution rates are set by the City. Retiree plan participants pay the entire amount of the premium charged by the insurer for coverage thus the employer does not directly contribute to the Plan. Retiree and active participants are included in the same cost pool used to determine the rates set by the insurer. An implicit subsidy results from this method of rate setting.

5. Total OPEB Liability - The total OPEB liability of \$6,314 was measured as of June 30, 2018, and was determined by an actuary valuation as of that date.

Proportionate share and OPEB liability reported in:

Governmental activities	47.73%	\$ 3,014
Business type activities	7.67%	483
Component units	41.03%	2,591
Organizations not in reporting entity	3.57%	226
		<u>\$ 6,314</u>

Note 10. Other Post-Employment Benefits, continued

6. Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend.

Actuarial Methods and Assumptions	
Valuation date	June 30, 2018
Inflation rate	3.0%
Initial annual healthcare cost trend rate	9.0%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5%

Thirty-five percent of future retirees with coverage are assumed to elect healthcare coverage.

Mortality rates were based on RPH-2017 Total Dataset Mortality fully generational using Scale 2017.

The actuary assumptions used were based on an actuary experience study for the five-year period ending December 31, 2015, with the exception of the healthcare election rate which was based on an experience study from June 30, 2010 through June 30, 2016.

7. Discount Rate - The OPEB plan is financed on a pay-as-you-go basis, thus a long-term rate of return was not used. The discount rate used to measure the total OPEB liability was 3.87 percent as of June 30, 2018, based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

8. Discount Rate Sensitivity - The following presents the total OPEB liability as a whole and for the primary government, calculated using the 3.87% discount rate and if the discount rate was decreased 1% to 2.87% and if the discount rate was increased 1% to 4.87%:

	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Plan	\$ 6,783	\$ 6,314	\$ 5,886
Primary Government	\$ 3,758	\$ 3,497	\$ 3,261

9. Healthcare Rate Sensitivity - The following presents the total OPEB liability as a whole and for the primary government, calculated using the current healthcare cost rate trend of 9% decreasing .5% to an ultimate trend of 5%. It also presents the total OPEB liability if the healthcare cost rate trend was decreased to 8% decreasing .5% to an ultimate trend rate of 4% as well as if the trend rate was increased to 10% decreasing .5% to an ultimate trend rate of 6%:

	1% Decrease	Healthcare Cost Trend Rates Assumption	1% Increase
Plan	\$ 5,781	\$ 6,314	\$ 6,929
Primary Government	\$ 3,203	\$ 3,497	\$ 3,839

10. OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - The primary government's OPEB expense for the year was \$422. At June 30, 2018, the primary government's deferred outflows of resources and deferred inflows of resources related to OPEB were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	\$ 559	\$ -
Assumption Change	113	103
Changes in proportion and differences between employer contributions and proportionate share of contributions	38	21
	<u>\$ 710</u>	<u>\$ 124</u>

Note 10. Other Post-Employment Benefits, continued

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as OPEB expense over the average remaining service lives of plan participants (actives and retirees) as follows:

Year ended June 30 th	
2019	\$ 157
2020	157
2021	157
2022	76
2021	39
	<u>\$ 586</u>

B. DEFINED CONTRIBUTION OPEB PLANS

1. Tulsa Firefighters Health and Welfare Trust – The Tulsa Firefighters Health and Welfare Trust is a single employer defined contribution OPEB Plan that provides health, dental, and vision insurance for full time, sworn Tulsa firefighters and retirees. Assets

accumulated in the trust meet the criteria in paragraph 4 of GASB Statement No. 75. Rates are established by the Trust. The City contributed \$6,777 to the Trust during the year as required by the annual collective bargaining contract and recognized the same amount as expense. No additional amounts were due to the Trust by the City at year-end.

2. Tulsa FOP #93 Health and Welfare Trust – The Tulsa FOP #93 Health and Welfare Trust is a single employer defined contribution OPEB Plan that provides health, dental and vision insurance for full time, sworn Tulsa police officers and retirees. Assets accumulated in the trust meet the criteria in paragraph 4 of GASB Statement No. 75. Rates are established by the Trust. The City contributed \$6,808 to the Trust during the year as required by the annual collective bargaining contract and recognized the same amount as expense. No additional amounts were due to the Trust by the City at year-end.

Note 11. Long-Term Liabilities

A. LONG-TERM LIABILITIES

A summary of long-term liability activity is as follows (detailed information is available on the following pages):

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
PRIMARY GOVERNMENT					
Governmental activities:					
General obligation bonds	\$ 492,076	\$ -	\$ (51,847)	\$ 440,229	\$ 52,744
Revenue bonds	119,575	-	(1,395)	118,180	8,450
Other long-term liabilities	378,932	24,151	(53,456)	349,627	29,634
Premium on debt issuance - GO bonds	16,247	-	(4,414)	11,833	-
Discount on debt issuance - Revenue bonds	-	(246)	-	(246)	-
Premium on debt issuance - Revenue bonds	3,805	-	(597)	3,208	-
Total governmental activities	<u>1,010,635</u>	<u>23,905</u>	<u>(111,709)</u>	<u>922,831</u>	<u>90,828</u>
Business-type activities:					
Revenue bonds	92,580	59,650	(61,625)	90,605	3,810
Unamortized discount--revenue bonds	(106)	(452)	122	(436)	-
Unamortized premium--revenue bonds	19	1,766	(166)	1,619	-
Compensated absences	917	871	(945)	843	589
Total other post-employment benefits liability	441	69	(27)	483	-
Net pension liability	11,727	3,685	(4,024)	11,388	-
Total business-type activities	<u>105,578</u>	<u>65,589</u>	<u>(66,665)</u>	<u>104,502</u>	<u>4,399</u>
Total primary government	<u>\$ 1,116,213</u>	<u>\$ 89,494</u>	<u>\$ (178,374)</u>	<u>\$ 1,027,333</u>	<u>\$ 95,227</u>
DISCRETELY PRESENTED COMPONENT UNITS					
Revenue bonds:					
TAIT	\$ 160,127	\$ 54,180	\$ (55,507)	\$ 158,800	\$ 8,020
TMUA	183,620	11,850	(14,250)	181,220	14,865
TPA	10,930	-	(1,855)	9,075	1,910
Premium on debt issuance - TMUA	9,205	192	(1,617)	7,780	-
Unamortized bond discount - TMUA	-	(64)	-	(64)	-
Premium on debt issuance - TAIT	6,579	-	(432)	6,147	-
Unamortized bond discount - TAIT	(527)	-	22	(505)	-
Premium on debt issuance - TPA	385	-	(68)	317	-
	<u>370,319</u>	<u>66,158</u>	<u>(73,707)</u>	<u>362,770</u>	<u>24,795</u>
General obligation bonds - TMUA	17,989	-	(4,373)	13,616	3,633
Premium on debt issuance - TMUA	782	-	(308)	474	-
	<u>18,771</u>	<u>-</u>	<u>(4,681)</u>	<u>14,090</u>	<u>3,633</u>
Promissory notes - TMUA	193,595	5,702	(13,076)	186,221	13,327
Premium on debt issuance - TMUA	7,452	-	(484)	6,968	-
	<u>201,047</u>	<u>5,702</u>	<u>(13,560)</u>	<u>193,189</u>	<u>13,327</u>
Capital lease	3,588	-	(207)	3,381	213
Watermain extension contracts	2,942	-	(2,181)	761	347
Claims and judgments - Airport	545	-	(172)	373	158
Compensated absences	6,222	5,060	(5,332)	5,950	3,127
Total other post-employment benefits liability	2,333	388	(130)	2,591	-
Net pension liability	82,222	-	(759)	81,463	-
Total discretely presented component units	<u>\$ 687,989</u>	<u>\$ 77,308</u>	<u>\$ (100,729)</u>	<u>\$ 664,568</u>	<u>\$ 45,600</u>

Note 11. Long-Term Liabilities, continued

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and for improvements to the waste water utility system, an operation of TMUA, a component unit. The bonds are direct obligations and pledge the full faith and credit of the City.

General obligation bonds issued for governmental activity purposes are liquidated by the Debt Service Fund. General obligation bonds issued for a component unit's activity is liquidated by the component unit.

The General Fund is typically used to liquidate other governmental long-term liabilities for pension, compensated absences, and other post-employment benefits. The Debt Service Fund is used to liquidate general obligation bonds and judgments.

Revenue bonds issued for governmental activities are liquidated by the TPFA internal service fund from lease and loan repayments.

Revenue bonds, promissory notes and other long-term liabilities of business-type activities or by component units are repaid from those activities or component units.

B. PRIMARY GOVERNMENT

The Constitution of Oklahoma prohibits the City from becoming indebted for any amount exceeding the revenue to be received for any fiscal year, without the approval of the voters. General obligation bonds have been approved by the voters and issued by the City for various municipal improvements. These bonds are to be fully paid, generally within 20 years from the date of issue, and are backed by the full faith and credit of the City.

Revenue Bond Refunding - On August 1, 2017, the TPFA issued \$34,185 Refunding Series 2017A Lease Payment Revenue Bonds to refund the Series 2007A Lease Payment Revenue Bonds. This transaction will reduce debt service payments by \$10,998 over the next 20 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$8,944. The refunding resulted in a deferred gain of \$620 which will be amortized over the life of the new bonds. The amortization and related deferred gain are reported in the financial statements.

On August 1, 2017, the TPFA issued \$25,465 Taxable Refunding Series 2017B Lease Payment Revenue Bonds to refund the Taxable Series 2007B Lease Payment Revenue Bonds. This transaction will reduce debt service payments by \$5,009 over the next 12 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,469. The refunding resulted in a deferred charge of \$1,468 which will be amortized over the life of the new bonds. The amortization and related deferred charge are reported in the financial statements.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018
(dollar amounts expressed in thousands)

Note 11. Long-Term Liabilities, continued

Primary government long-term liability activity is as follows:

	Issue Amount	Maturity Date	Interest Rate	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities								
General obligation bonds:								
Series 2009B	\$ 70,000	2019	5.00%	\$ 23,200	\$ -	\$ (7,800)	\$ 15,400	\$ 7,800
Series 2009A, Refunding	9,153	2019	4.00%	1,920	-	(947)	973	973
Series 2009B, Refunding	14,405	2021	5.00%	4,940	-	(1,250)	3,690	1,229
Series 2010	70,000	2020	5.00%	31,000	-	(7,800)	23,200	7,800
Series 2011	50,000	2031	3.0-3.50%	39,400	-	(2,650)	36,750	2,650
Series 2011A, Refunding	21,105	2022	3.375-4.25%	8,750	-	(1,850)	6,900	1,800
Series 2013A, Refunding	23,746	2025	2.50%	14,738	-	(2,071)	12,667	2,005
Series 2013	45,000	2023	4.0%	30,000	-	(5,000)	25,000	5,000
Series 2014	50,000	2034	3.0-4.0%	44,710	-	(2,630)	42,080	2,630
Series 2014A, Refunding	15,875	2025	3.00%	12,570	-	(1,577)	10,993	1,533
Series 2015	70,000	2040	2.0-3.25%	67,045	-	(2,915)	64,130	2,915
Series 2015A, Refunding	41,198	2027	2.0-2.5%	33,330	-	(3,751)	29,579	3,637
Series 2016	57,000	2036	3.0%	57,000	-	(3,000)	54,000	3,000
Series 2016A, Refunding	23,133	2019	5.0%	14,273	-	(8,606)	5,667	5,667
Series 2017	78,000	2037	3.0-4.0%	78,000	-	-	78,000	4,105
Series 2017A, Refunding	31,200	2021	5.0%	31,200	-	-	31,200	-
				492,076	-	(51,847)	440,229	52,744
Premium on debt issuance				16,247	-	(4,414)	11,833	-
				508,323	-	(56,261)	452,062	52,744
Revenue bonds:								
Capital Improvements - 2012	\$ 10,900	2020	4.00%	4,275	-	(1,395)	2,880	1,420
Capital Improvements - 2017	115,300	2032	3.00%	115,300	-	-	115,300	7,030
				119,575	-	(1,395)	118,180	8,450
Discount on debt issuance				-	(246)	-	(246)	-
Premium on debt issuance				3,805	-	(597)	3,208	-
				123,380	(246)	(1,992)	121,142	8,450
Other long-term liabilities:								
Compensated absences				33,172	20,636	(21,821)	31,987	22,351
Total other post-employment benefits liability				2,663	351	-	3,014	-
Net pension liability				315,495	-	(24,729)	290,766	-
Arbitrage rebate liability				13	-	(2)	11	-
Claims and judgments				26,563	3,164	(6,561)	23,166	6,940
Due to other governments				1,026	-	(343)	683	343
				378,932	24,151	(53,456)	349,627	29,634
Total governmental activities				\$ 1,010,635	\$ 23,905	\$ (111,709)	\$ 922,831	\$ 90,828
Business-type activities								
Revenue bonds:								
Lease Rev Bonds 2007A	\$ 34,620	2037	4.625-5.25%	\$ 34,620	\$ -	\$ (34,620)	\$ -	\$ -
Lease Rev Bonds 2007B	33,130	2029	5.58 - 6.60%	23,925	-	(23,925)	-	-
Capital Improvements - 2008	16,000	2027	6.069%	8,470	-	(895)	7,575	775
Capital Improvements - 2012, Refunding	9,480	2018	1.25%	3,975	-	(1,575)	2,400	2,400
TPFA Lease Reve Bonds 2017A Refunding	34,185	2037	3.00-4.00%	-	34,185	-	34,185	-
TPFA Lease Reve Bonds 2017B Refunding	25,465	2028	3.00-3.10%	-	25,465	-	25,465	-
Improvement District - 2013, Tax-exempt	19,355	2038	4.26%	17,925	-	(515)	17,410	535
Improvement District - 2013, Taxable	3,950	2038	5.24%	3,665	-	(95)	3,570	100
				92,580	59,650	(61,625)	90,605	3,810
Unamortized discount				(106)	(452)	122	(436)	-
Unamortized premium				19	1,766	(166)	1,619	-
				92,493	60,964	(61,669)	91,788	3,810
Other long-term liabilities:								
Compensated absences				917	871	(945)	843	589
Total other post-employment benefits liability				441	69	(27)	483	-
Net pension liability				11,727	3,685	(4,024)	11,388	-
Total business-type activities				\$ 105,578	\$ 65,589	\$ (66,665)	\$ 104,502	\$ 4,399

Note 11. Long-Term Liabilities, continued

Summary of general obligation bonds outstanding and allocation between primary government and component units, at year end:

General Obligation Series	Ending Balance	Primary Government	Discretely Presented Component Units
Series 2009B	\$ 15,400	\$ 15,400	\$ -
Series 2009A, Refunding (37.668% Sewer)	1,560	973	587
Series 2009B, Refunding (30.5625% Sewer)	5,315	3,690	1,625
Series 2010	23,200	23,200	-
Series 2011	36,750	36,750	-
Series 2011A, Refunding	6,900	6,900	-
Series 2013A Refunding (26.438% Sewer)	17,220	12,667	4,553
Series 2013	25,000	25,000	-
Series 2014	42,080	42,080	-
Series 2014A, Refunding (2.6354839% Sewer)	11,290	10,993	297
Series 2015	64,130	64,130	-
Series 2015A, Refunding (9.2949512% Sewer)	32,610	29,579	3,031
Series 2016	54,000	54,000	-
Series 2016A Refunding (19.45405530% Sewer)	7,035	5,667	1,368
Series 2017	78,000	78,000	-
Series 2017A Refunding (6.4604247% Sewer)	33,355	31,200	2,155
	<u>\$ 453,845</u>	<u>\$ 440,229</u>	<u>\$ 13,616</u>

C. DISCRETELY PRESENTED COMPONENT UNITS

1. Revenue Bonds

Revenue bonds outstanding include debt issued by component units of the City. The debt of these component units does not constitute debt of the City and is payable solely from resources of the authorities or trusts. Revenue bonds are collateralized primarily by the trust estates and revenues derived there from.

Various bond indentures, loan agreements, and pledge and security agreements contain significant limitations and restrictions for annual debt requirements and flow of monies through various restricted accounts.

Revenue Bond Refunding - On September 6, 2017, the TAIT issued the Series 2017A Revenue Bonds in the amount of \$54,180. The proceeds of this issue were used to advance refund the Airport Trustees General Airport Revenue Bonds, Taxable Refunding Series 2009D, and to pay the costs of issuance of the 2017A Bonds. This transaction will reduce debt service payments by approximately \$9,178 over the next 15 years and result

in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$3,186. This refunding resulted in a deferred charge of \$8,185, which will be amortized over the life of the new bonds.

2. Promissory Notes

TMUA borrows from the Oklahoma Water Resources Board through two types of program loans: the State Financial Assistance Program (FAP) Loans and the Clean Water State Revolving Fund (SRF) Loan Program. FAP loan proceeds are received at closing and SRF loan proceeds are received on a reimbursement basis.

TMUA's outstanding loans with the Oklahoma Water Resources Board are collateralized by a first lien and security interest in the TMUA's wastewater treatment system and the revenues derived there from and generally requires semi-annual principal and interest payments.

Note 11. Long-Term Liabilities, continued

3. TMUA Line of Credit

On July 10, 2013 TMUA approved a \$10,000 line of credit agreement with a banking institution. The agreement is for an initial two year term and renewable in two year increments thereafter. In November 2017, TMUA approved the second amendment to the agreement, extending the maturity date to October 22, 2018. The applicable interest rate is the 30 day LIBOR plus 1.75%. There have been no draws under the agreement.

4. Conduit Debt – Tulsa International Airport

To pay the costs of certain modifications, rehabilitation, and reconstruction to special facilities located at the Tulsa International Airport, the Airport issued a series of Special Facility Revenue Bonds. At June 30, 2018, Special Facility Revenue Bonds outstanding aggregated \$10,120.

The outstanding amounts are special limited obligations of the Airport, payable solely from and collateralized by a pledge of rentals to be received from a lease agreement between the Airport and Biz Jet International. The bonds do not constitute a debt or pledge of the

faith and credit of the Airport or the City, and accordingly, neither the assets nor the debt are reported in the accompanying financial statements.

5. Conduit Debt – Tulsa Industrial Authority

Notes and bonds issued by the Tulsa Industrial Authority are utilized by industrial, commercial and other organizations to promote economic development within and near the territorial limits of the City of Tulsa.

TIA loans the proceeds from the notes and bonds to organizations or enters into lease-purchase agreements for the facilities. The notes and bonds issued by TIA are special and limited obligations payable solely from and collateralized by a pledge of revenues from the loan agreements. The bonds do not constitute a debt or pledge of faith and credit of TIA or the City, and accordingly, they have not been reported in the accompanying financial statements. At June 30, 2018, the aggregate outstanding principal balances due on these notes and bonds are approximately \$140,000.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018
(dollar amounts expressed in thousands)

Note 11. Long-Term Liabilities, continued

Discretely Presented Component Units long-term liability activity is as follows:

	Authorized Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
REVENUE BONDS:								
<u>Tulsa Airports Improvement Trust</u>								
Series 2009-D	\$ 56,615	2031	2.726-7.759%	\$ 47,530	\$ -	\$ (47,530)	\$ -	\$ -
Series 2010-A	5,770	2021	4.57-5.0%	2,675	-	(625)	2,050	655
Series 2010-B	8,215	2021	6.0-6.50%	3,550	-	(810)	2,740	855
Series 2010-C	13,520	2025	4.0-5.25%	4,670	-	(560)	4,110	585
Series 2013-A	33,665	2043	5.0-5.25%	33,065	-	(630)	32,435	660
Series 2013-B	3,275	2024	1.389-5.087%	2,570	-	(245)	2,325	255
Series 2015-A	44,045	2045	2.0-5.0%	40,595	-	(2,440)	38,155	3,025
Series 2015-B	6,670	2018	2.0-4.0%	1,720	-	(1,720)	-	-
Series 2015-C	895	2045	2.0-4.25%	855	-	(20)	835	20
Series 2015-D	24,395	2028	2.0-5.0%	21,895	-	(60)	21,835	1,850
Series 2016-A	1,500	2027	3.82%	1,002	-	(87)	915	85
Series 2017-A	54,180	2037	1.888-3.977%	-	54,180	(780)	53,400	30
				160,127	54,180	(55,507)	158,800	8,020
Premium on debt issuance				6,579	-	(432)	6,147	-
Unamortized discount				(527)	-	22	(505)	-
				166,179	54,180	(55,917)	164,442	8,020
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2011	24,100	2031	3.0-4.375%	\$ 18,900	\$ -	\$ (925)	\$ 17,975	\$ 955
Series 2012 Refunding	12,685	2025	2.0-2.65%	7,850	-	(985)	6,865	995
Series 2013 Refunding	61,280	2025	2.5-3.0%	43,900	-	(4,560)	39,340	4,580
Series 2014	17,825	2034	2.0-3.50%	16,500	-	(670)	15,830	680
Series 2015	9,940	2027	2.0-3.0%	7,765	-	(665)	7,100	705
Series 2016A	16,565	2031	3.0-3.25%	15,665	-	(910)	14,755	920
Series 2016B	10,885	2036	2.0-3.50%	10,465	-	(425)	10,040	430
Series 2016C Refunding	34,810	2025	5%	34,810	-	(3,270)	31,540	3,310
Series 2017A Refunding	27,765	2030	3.00 - 3.125%	27,765	-	(1,840)	25,925	1,865
Series 2018A	11,850	2038	3.125-3.250%	-	11,850	-	11,850	425
				183,620	11,850	(14,250)	181,220	14,865
Unamortized discount				-	(64)	-	(64)	-
Premium on debt issuance				9,205	192	(1,617)	7,780	-
				192,825	11,978	(15,867)	188,936	14,865
<u>Tulsa Parking Authority</u>								
Series 2012 - Refunding	\$ 17,860	2028	2.0-4.0%	10,930	-	(1,855)	9,075	1,910
Premium on debt issuance				385	-	(68)	317	-
				11,315	-	(1,923)	9,392	1,910
				<u>\$ 370,319</u>	<u>\$ 66,158</u>	<u>\$ (73,707)</u>	<u>\$ 362,770</u>	<u>\$ 24,795</u>

Continued

Note 11. Long-Term Liabilities, continued

Discretely Presented Component Units long-term liability activity, continued

Description	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
PROMISSORY NOTES:								
<u>Tulsa Metropolitan Utility Authority</u>								
Series 1998-B, Sanitary Sewer (SRF)	\$ 4,392	2017	0.50%	\$ 115	\$ -	\$ (115)	\$ -	\$ -
Series 2001-B, Sanitary Sewer (SRF)	4,996	2020	0.50%	789	-	(263)	526	263
Series 2002-D, Sanitary Sewer (SRF)	6,813	2021	0.50%	1,572	-	(349)	1,223	349
Series 2004-B, Sanitary Sewer (SRF)	1,560	2023	0.50%	520	-	(80)	440	80
Series 2005-B, Sanitary Sewer (SRF)	7,900	2027	0.50-2.74%	4,543	-	(372)	4,171	383
Series 2005-C, Sanitary Sewer (SRF)	1,203	2025	0.50%	511	-	(60)	451	60
Series 2006-A, Sanitary Sewer (SRF)	3,130	2027	0.50-2.74%	1,754	-	(143)	1,611	148
Series 2006-C, Sanitary Sewer (SRF)	17,825	2029	0.50-2.77%	11,688	-	(777)	10,911	801
Series 2007-A, Sanitary Sewer (SRF)	5,131	2026	0.50%	2,500	-	(263)	2,237	263
Series 2009-A, Sanitary Sewer (SRF)	11,320	2032	3.22%	7,372	161	(566)	6,967	566
Series 2009-B, Sanitary Sewer (SRF)	7,350	2032	2.91%	4,210	-	(227)	3,983	234
Series 2010-A, Sanitary Sewer (SRF)	27,757	2032	2.89%	20,858	-	(1,388)	19,470	1,388
Series 2010-B, Sanitary Sewer (FAP)	29,380	2030	3.145-5.145%	22,690	-	(1,230)	21,460	1,265
Series 2011 A, Sanitary Sewer (SRF)	23,480	2033	3.11%	18,452	-	(1,174)	17,278	1,174
Series 2011-B, Sanitary Sewer (FAP)	14,275	2031	2.145-5.145%	11,660	-	(580)	11,080	595
Series 2011-C, Sanitary Sewer (SRF)	16,700	2034	2.55%	14,034	-	(835)	13,199	835
Series 2012-A, Sanitary Sewer (SRF)	4,347	2034	2.43%	3,393	-	(217)	3,176	217
Series 2012-B, Sanitary Sewer (FAP)	11,355	2032	2.145-3.395%	9,360	-	(465)	8,895	480
Series 2012-C, Sanitary Sewer (FAP)	2,450	2017	4.145%	505	-	(505)	-	-
Series 2013-A, Sanitary Sewer (SRF)	9,850	2035	2.24%	4,445	2,060	(518)	5,987	518
Series 2013-B, Sanitary Sewer (FAP)	27,605	2033	2.645-5.145%	24,305	-	(1,010)	23,295	1,035
Series 2014-A, Sanitary Sewer (SRF)	2,910	2035	2.58%	2,178	364	(146)	2,396	146
Series 2014-B, Sanitary Sewer (FAP)	10,180	2033	2.145-4.06%	9,120	-	(430)	8,690	440
Series 2014-C, Sanitary Sewer (FAP)	17,735	2034	2.145-5.145%	16,575	-	(655)	15,920	670
Series 2015-A, Sanitary Sewer (SRF)	28,330	2038	2.46%	446	3,117	(708)	2,855	1,417
				193,595	5,702	(13,076)	186,221	13,327
Premium on debt issuance-TMUA				7,452	-	(484)	6,968	-
				<u>\$ 201,047</u>	<u>\$ 5,702</u>	<u>\$ (13,560)</u>	<u>\$ 193,189</u>	<u>\$ 13,327</u>

GENERAL OBLIGATION BONDS:

Tulsa Metropolitan Utility Authority

Series 2009A Refunding, Sanitary Sewer	\$ 5,532	2019	4.00%	\$ 1,160	\$ -	\$ (573)	\$ 587	\$ 588
Series 2009B Refunding, Sanitary Sewer	6,340	2021	5.00%	2,175	-	(550)	1,625	541
Series 2013A Refunding, Sanitary Sewer	8,534	2025	2.50%	5,297	-	(744)	4,553	720
Series 2014A Refunding, Sanitary Sewer	430	2026	3.00%	340	-	(43)	297	42
Series 2015A Refunding, Sanitary Sewer	4,222	2027	2.0-2.5%	3,415	-	(384)	3,031	373
Series 2016A Refunding, Sanitary Sewer	5,587	2019	5.00%	3,447	-	(2,079)	1,368	1,369
Series 2017A Refunding, Sanitary Sewer	2,155	2021	5.00%	2,155	-	-	2,155	-
				17,989	-	(4,373)	13,616	3,633
Premium on debt issuance-TMUA				782	-	(308)	474	-
				<u>\$ 18,771</u>	<u>\$ -</u>	<u>\$ (4,681)</u>	<u>\$ 14,090</u>	<u>\$ 3,633</u>

Note 11. Long-Term Liabilities, continued

Principal and Interest Scheduled Maturities in Subsequent Years:

Year	Primary Government					
	General Obligation		Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 52,744	\$ 14,571	\$ 12,260	\$ 6,921	\$ 65,004	\$ 21,492
2020	55,891	12,296	12,340	6,530	68,231	18,826
2021	48,007	10,286	11,150	6,113	59,157	16,399
2022	39,068	8,654	11,455	5,748	50,523	14,402
2023	26,708	7,536	11,600	5,371	38,308	12,907
2024-2028	95,851	28,113	61,810	21,046	157,661	49,159
2029-2033	73,500	15,276	59,670	10,317	133,170	25,593
2034-2038	42,630	4,605	26,940	2,933	69,570	7,538
2039-2040	5,830	284	1,560	41	7,390	325
	<u>\$ 440,229</u>	<u>\$ 101,621</u>	<u>\$ 208,785</u>	<u>\$ 65,020</u>	<u>\$ 649,014</u>	<u>\$ 166,641</u>

Year	Discretely Presented Component Units							
	General Obligation		Revenue Bonds		Promissory Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 3,633	\$ 467	\$ 24,795	\$ 13,530	\$ 13,327	\$ 6,453	\$ 41,755	\$ 20,450
2020	2,339	303	24,450	12,647	13,530	6,072	40,319	19,022
2021	2,338	215	24,510	11,383	12,069	5,700	38,917	17,298
2022	1,762	126	23,904	10,485	12,070	5,321	37,736	15,932
2023	1,007	84	24,438	9,992	12,160	4,906	37,605	14,982
2024-2028	2,537	121	106,873	36,372	63,955	17,851	173,365	54,344
2029-2033	-	-	59,020	20,342	52,912	6,254	111,932	26,596
2034-2038	-	-	41,225	10,082	6,198	206	47,423	10,288
2039-2043	-	-	16,800	3,569	-	-	16,800	3,569
2043-2045	-	-	3,080	232	-	-	3,080	232
	<u>\$ 13,616</u>	<u>\$ 1,316</u>	<u>\$ 349,095</u>	<u>\$ 128,634</u>	<u>\$ 186,221</u>	<u>\$ 52,763</u>	<u>\$ 548,932</u>	<u>\$ 182,713</u>

D. APPLICABILITY OF FEDERAL ARBITRAGE REGULATIONS

Debt issuances of the City and various Authorities issued after the Tax Reform Act of 1986 are subject to the federal arbitrage regulations. The arbitrage rebate regulations require that all earnings from the investment of gross proceeds of a bond issue in excess of the amount that could have been earned, had the yield on

the investment been equal to the yield on the bonds, be remitted to the federal government. These rules carry strict penalties for noncompliance, including taxability of interest retroactive to the date of the issue. City management believes the City is in compliance with these rules and regulations.

Note 11. Long-Term Liabilities, continued

E. DEFEASED DEBT

Certain outstanding general obligation and revenue bonds of the City and its component units have been defeased by placing the proceeds of refunding bonds and cash received from a tenant in irrevocable escrow accounts held and managed by bank trustees, and invested in U. S. Treasury obligations, the principal and interest on which would provide amounts sufficient to

pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due or until the date callable. Accordingly, the escrow accounts and the defeased bonds are not included in the financial statements of the City or its component units. The defeased bonds outstanding and considered extinguished are as follows:

<u>Tulsa Airports Improvement Trust</u>	
2000A Revenue Bonds	\$ 1,865

Note 12. Fund Balances of Governmental Funds

The details for the City's Governmental Funds fund balances are:

	General	Debt Service	Bond	Sales Tax	Limited-Purpose Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:							
 Nonspendable:							
Not in spendable form:							
Advances to other funds	\$ 472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472
Inventory	27	-	-	-	-	-	27
Land held for sale	38	-	-	-	-	-	38
	<u>537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537</u>
 Restricted for:							
Economic stabilization reserve	2,000	-	-	-	-	-	2,000
Debt service	-	65,729	-	-	877	-	66,606
Capital projects	-	-	162,148	233,395	134,803	4,113	534,459
Federal and state grants	-	-	-	-	-	169	169
E-911 operations	-	-	-	-	-	1,935	1,935
Economic development	-	-	-	-	-	1,481	1,481
Transportation	-	-	-	-	-	6,713	6,713
Tulsa Stadium district improvements	-	-	-	-	-	608	608
Law enforcement training	-	-	-	-	-	31	31
Public safety	-	-	-	-	-	11,174	11,174
Other governmental purposes	-	-	-	-	-	1,920	1,920
	<u>2,000</u>	<u>65,729</u>	<u>162,148</u>	<u>233,395</u>	<u>135,680</u>	<u>28,144</u>	<u>627,096</u>
 Committed:							
Medical services program	-	-	-	-	-	3,529	3,529
Operation of Air Force Plant 3 facility	-	-	-	-	-	1,533	1,533
Whittier Square district improvements	-	-	-	-	-	53	53
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,115</u>	<u>5,115</u>
 Assigned to:							
Budgetary resources - subsequent year	5,315	-	-	-	-	-	5,315
 Unassigned (deficit)	<u>51,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,053)</u>	<u>50,128</u>
	<u>\$ 59,033</u>	<u>\$ 65,729</u>	<u>\$ 162,148</u>	<u>\$ 233,395</u>	<u>\$ 135,680</u>	<u>\$ 32,206</u>	<u>\$ 688,191</u>

The purpose of governmental funds and their revenue sources are listed below:

Major Governmental Funds	Revenue sources	Purpose
Debt Service	Property tax	To pay debt service on General Obligation bonds and Judgments
Bond	Proceeds from bond issuances	Capital Improvements
Sales Tax	Sales taxes	Capital Improvements
Limited-Purpose Sales Tax	Sales taxes	Capital Improvements and debt service
	Proceeds from bond issuances	

Note 13. Pledged Revenues

1. Sales and Use Tax Revenues Pledged

Capital Improvements Series 2017 – TPFA has entered into a projects agreement with the City to provide financing for certain capital projects. The City will repay the advance with sales and use tax. Total principal and interest remaining on the debt is \$142,709 with annual debt service requirements ranging from \$9,404 to \$10,774 through 2032. Interest paid during the year amounted to \$3,459. Sales and use tax revenue recorded by the City was \$27,808.

2. Revenues Pledged in Connection with Proprietary Fund Debt

One Technology Center Lease Revenue – TPFA has pledged future gross lease revenues derived from the operation of the OTC facility, including money received from the City pursuant to the lease and other funds, to repay approximately \$62,050 in revenue bonds. Proceeds from the bonds provided financing for the acquisition and improvement of the facilities. The bonds are payable from new and existing leases and other revenues and are payable through 2038. Annual principal and interest payments on the bonds required 42% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$84,493. Principal and interest paid on the bonds amounted to \$3,969. Total gross revenues were \$9,360.

Capital Improvements 2008 - TPFA has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Arena to repay approximately \$16,000 in capital improvement bonds. Proceeds from the bonds provided financing for the acquisition, construction, furnishing and equipping of capital improvements and additions to the BOK Arena. The bonds are payable from new and existing sponsorship and naming rights revenues and are payable through 2027. Annual principal and interest payments on the bonds required 68% of sponsorship and naming right revenues. The total principal and interest remaining to be paid on the bonds is \$9,962. Principal and interest paid for the year was \$1,409. Total gross sponsorship and naming rights revenues were \$2,080.

Capital Improvements 2012 - TPFA has entered into a projects agreement with TARE to provide financing for the acquisition and delivery of trash carts and other capital improvements for use in the operations of TARE's system for solid waste management providing collection and disposal of residential solid waste. In return TARE has pledged future revenues to repay \$10,900 in capital improvement bonds issued payable through 2020. Total principal and interest remaining to be paid on the bonds

is \$3,054. Principal and interest paid for the year was \$1,568. Total solid waste collection and disposal revenue was \$26,682.

Improvement District Series 2013 – TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$20,980 in revenue bonds. Proceeds from the bonds provided financing for construction of the baseball stadium and related facilities. The bonds are payable from gross revenues along with property tax assessments of the Tulsa Stadium Improvement District received from the City and are payable through 2039. Annual principal and interest payments on the bonds required 65% of total gross revenues. The total principal and interest remaining to be paid on the bonds is \$33,588. Principal and interest required to be paid for the year was \$1,600 exclusive of any additional amounts paid. Total gross revenues were \$250 and property tax assessments received from the City were \$2,203.

3. Revenues Pledged in Connection with Component Unit Debt

TMUA - TMUA has pledged future water and wastewater customer revenues, net of specified operating expenses and net of amounts pledged for promissory note debt service to repay \$181,220 in water and wastewater system revenue bonds and future wastewater customer revenues, net of specified operating expenses, to repay \$186,221 in wastewater promissory notes. Proceeds from the bonds and promissory notes provided financing for the construction of various water and wastewater capital projects. The bonds and promissory notes are payable solely from water and wastewater net revenues and are payable through 2041. Annual principal and interest payments on the bonds and promissory notes required 18% and 33% of water and wastewater net revenues, respectively. The total principal and interest remaining to be paid on the bonds and promissory notes is \$154,116 and \$307,385 for water and wastewater, respectively. Combined principal and interest paid for the year were \$14,556 and \$25,528, for water and wastewater, respectively. Total net revenues as described above were \$112,542 and \$60,075 respectively.

Airports - TAIT has pledged future revenues derived from the operation of the Airports to repay approximately \$158,800 in revenue bonds. Proceeds from the bonds provided financing for various airport capital projects and debt refundings. The bonds are payable solely from gross revenues and are payable through 2045. Annual principal and interest payments on the bonds required 35% of gross revenues. The total principal and interest remaining to be paid on the bonds

Note 13. Pledged Revenue, continued

is \$244,552. Principal and interest paid for the year was \$17,375. Total gross revenues were \$53,297.

TPA - TPA has pledged future gross revenues derived from the operation of the parking facilities to repay approximately \$17,860 in revenue bonds. Proceeds from the bonds provided financing for various parking facilities and debt refundings. The bonds are payable

solely from gross revenues and are payable through 2028. Annual principal and interest payments on the bonds required 27% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$10,662. Principal and interest paid for the year were \$1,855 and \$337, respectively. Total gross revenues were \$8,047.

Note 14. Lease Commitments

Operating Leases

The City has entered into a number of operating leases. These leases contain cancellation provisions and are subject to annual appropriation clauses. Lease expenditures were \$471 for all types of leases for the primary government and \$414 for its component units.

Capital Leases

On December 2, 1984, TMUA entered a contract with the United States of America to utilize the water storage in Oologah Lake as a source of a municipal and industrial water supply.

The lease terms call for annual payment of principal and interest along with operations and maintenance costs, which is subject to adjustment based upon the consumer price index. The lease carries an interest rate of 3.23% and matures in 2031.

Minimum lease payments for TMUA under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Operating Expense</u>	<u>Total</u>
2019	\$ 213	\$ 109	\$ 255	\$ 577
2020	220	102	255	577
2021	227	95	255	577
2022	235	88	255	578
2023	242	80	255	577
2024-2028	1,335	278	1,273	2,886
2029-2031	909	59	764	1,732
	<u>\$ 3,381</u>	<u>\$ 811</u>	<u>\$ 3,312</u>	<u>\$ 7,504</u>

Note 15. Contingent Liabilities

Other Litigation: The City is a party to numerous legal proceedings, many of which normally occur in governmental operations. Such litigation includes, but is not limited to, claims assessed against the City for property damages and personal injury, employment related matters, civil rights matters, alleged breaches of contract, condemnation proceedings and other alleged violations of city, state and federal laws. Management has recorded an estimate for losses that have been determined to be probable. Management believes that the resolution of these matters will not have a material adverse effect on the financial condition of the City government. Resulting judgments, if any, will likely be paid from ad valorem taxes to be received over a three year period.

Federal Grants: In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed to be material.

Note 16. Commitments

Primary Government Encumbrances:

Governmental Funds:

Major Funds:

General Fund	\$ 3,577
Sales Tax	9,290
Bond	747
Limited-Purpose Sales Tax	398
Nonmajor Funds	<u>3,108</u>
	<u>17,120</u>

Internal Service Funds 352

Enterprise Funds:

Stormwater Management	1,906
One Technology Center	<u>255</u>
	<u>2,161</u>

Total \$ 19,633

Note 17. Subsequent Events

The City has evaluated events or transactions for potential recognition or disclosure in these financial statements that occurred subsequent to June 30, 2018 through January 25, 2019, the date these financial statements were available to be issued.

General Obligation Bonds, Series 2019 – On or around March 2019, the City plans to issue approximately \$30,000 in Series 2019 General Obligation Bonds. This issuance will be for constructing, reconstructing, improving and repairing streets and bridges.

TPFA Capital Improvements Revenue Bonds, Series 2018 – On October 9, 2018, the TPFA issued \$118,100 in Series 2018 Capital Improvements Revenue Bonds. The

proceeds of the bonds together with certain other funds of the City will be used for acquiring, constructing, furnishing, operating and maintaining certain economic development projects in the City.

TAIT General Airport Revenue Bonds, Taxable Series 2018A – On October 25, 2018, the TAIT issued \$19,825 in Series 2018A General Airport Revenue Tax Exempt Bonds. The proceeds will be used for the design, renovation, equipping and rehabilitation of the terminal building.

TMUA Line of Credit - On October 24, 2018, the TMUA approved the termination of the \$10,000 line of credit agreement with Arvest Bank.

Note 18. Future Changes in Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements not yet effective and not yet implemented by the City. The City plans to implement all applicable standards by the required dates. The City's management has not yet determined the effect these statements will have on the City's financial statements.

GASB Statement No. 84 – Fiduciary Activities- Issued in January 2017 will be effective for the City beginning with its fiscal year ending June 30, 2020. This statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities. The statement also provides for recognition of a liability to the beneficiary in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

GASB Statement No. 83 – Certain Asset Retirement Obligations - This Statement will be effective for the City beginning with its fiscal year ending June 30, 2019. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

GASB Statement No. 87 – Leases – Issued in June 2017, will be effective for the City beginning with its fiscal year ending June 30, 2021. This Statement increases the usefulness of the City's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, the City, as a lessee, is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor, is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the City's leasing activities. GASB Statement 87 has the potential to have a significant impact on the City's financial statements

GASB Statement No. 88 – Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements - This Statement will be effective for the City beginning with its fiscal year ending June 30, 2019. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

GASB Statement No. 90 – Majority Equity Interests – An Amendment to GASB Statement No. 14 and No. 61 – This Statement will be effective for the City beginning with its fiscal year ending June 30, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Municipal Employees' Retirement Plan Defined Benefits Pension Plan
Schedule of Changes in the Net Pension Liability
For the current and prior four years

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 14,049	\$ 13,853	\$ 12,203	\$ 12,561	\$ 15,518
Interest	47,429	46,331	41,536	40,928	38,247
Changes of benefit terms	-	(191)	-	(788)	-
Differences between expected and actual experience	1,547	(6,652)	2,979	(8,598)	(1,581)
Changes of assumptions	-	-	61,038	-	(71,058)
Benefit payments, including refunds of member contributions	(40,431)	(37,222)	(36,326)	(35,842)	(33,472)
Net change in total pension liability	<u>22,594</u>	<u>16,119</u>	<u>81,430</u>	<u>8,261</u>	<u>(52,346)</u>
Total pension liability—beginning	645,337	629,218	547,788	539,527	591,873
Total pension liability—ending (a)	<u>\$ 667,931</u>	<u>\$ 645,337</u>	<u>\$ 629,218</u>	<u>\$ 547,788</u>	<u>\$ 539,527</u>
Plan fiduciary net position:					
Contributions—employer	\$ 18,512	\$ 13,562	\$ 14,016	\$ 12,886	\$ 12,003
Contributions—member	7,794	7,653	7,533	7,182	6,677
Net investment income	38,461	51,278	5,523	10,797	61,164
Benefit payments, including refunds of member contributions	(40,431)	(37,222)	(36,326)	(35,842)	(33,472)
Administrative expense	(493)	(409)	(375)	(295)	(313)
Net change in plan fiduciary net position	<u>23,843</u>	<u>34,862</u>	<u>(9,629)</u>	<u>(5,272)</u>	<u>46,059</u>
Plan fiduciary net position—beginning	447,767	412,905	422,534	427,806	381,747
Plan fiduciary net position—ending (b)	<u>\$ 471,610</u>	<u>\$ 447,767</u>	<u>\$ 412,905</u>	<u>\$ 422,534</u>	<u>\$ 427,806</u>
Plan's net pension liability—ending (a) – (b)	<u>\$ 196,321</u>	<u>\$ 197,570</u>	<u>\$ 216,313</u>	<u>\$ 125,254</u>	<u>\$ 111,721</u>

Notes:

Information for years prior to 2014 is not available.

Changes of assumptions- In 2016, amounts reported as changes of assumptions resulted primarily from the change in the mortality table from the 1994 Group Annuity Tables, set forward 2 year for males and 1 year for females to the RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments and generational mortality improvements with Scale MP-2015 from the table's base year of 2014. Additionally, the discount rate changed from 7.75% to 7.5%.

Changes of assumptions- In 2014, amounts reported as changes of assumptions resulted primarily from the change in the discount rate from 6.56% to 7.75%.

*Municipal Employees' Retirement Plan Defined Benefits Pension Plan
 Schedule of City's Proportionate Share
 For the current and prior four years*

Year	Primary Government Proportion of Net Pension Liability	Primary Government Proportionate Share of Net Pension Liability	Primary Government Covered Payroll	Primary Government Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary net Position as a Percentage of Total Pension Liability
2018	48.3256%	\$ 94,873	\$ 57,400	165%	70.6%
2017	48.5084%	95,838	58,643	163%	69.4%
2016	48.6849%	105,312	55,991	188%	65.6%
2015	47.7731%	59,838	54,059	111%	77.1%
2014	48.8840%	54,614	52,162	105%	79.3%

Note:

Information for years prior to 2014 is not available.

*Municipal Employees' Retirement Plan Defined Benefits Pension Plan
 Schedule of City's Contributions
 For the current and past nine years, and
 Schedule of Actuarial Valuation, Methods and Assumptions*

Fiscal Year Ended June 30	Primary Government Contractually Required Contribution	Primary Government Actual Contributions	Contribution Deficiency (Excess)	Primary Government Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 8,897	\$ 8,897	\$ -	\$ 57,400	15.5%
2017	6,744	6,744	-	58,643	11.5%
2016	6,439	6,439	-	55,991	11.5%
2015	6,217	6,217	-	54,059	11.5%
2014	5,216	5,520	(304)	52,162	10.6%
2013	5,707	7,061	(1,354)	57,070	12.4%
2012	4,988	6,886	(1,898)	53,638	12.8%
2011	3,289	3,289	-	52,204	6.3%
2010	3,732	3,732	-	59,235	6.3%
2009	3,795	3,795	-	60,236	6.3%

Actuarial Valuation, Methods and Assumptions

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, 30 year closed period beginning January 1, 2016
Remaining amortization periods	30 years
Asset valuation method	5 year smoothed FMV
Investment rate of return	7.50%
Projected salary increases	4.00%-11.75%
Inflation	3.00%
Cost-of-living adjustments	None
Mortality	RP-2014 Combined Healthy Mortality Tables with Blue Collar adjustments Generational mortality improvements with Scale MP-2015 from the table's base year of 2014

Note:

Actuarial valuation methods and assumptions are utilized in the calculation of the required contribution rates.

Municipal Employees' Retirement Plan Defined Benefits Pension Plan
Schedule of Investment Returns
For the current and prior five years

Annual Money-weighted Rate of Return, Net of Investment Expense

(Information for prior years is not available)

2018	2017	2016	2015	2014	2013
8.7%	13.0%	1.7%	2.7%	16.9%	11.8%

Oklahoma Firefighters Pension and Retirement System
Schedule of City's Proportionate Share
For the current and prior three years

<u>Year</u>	<u>Measurement Date</u>	<u>City's Proportion of Net Pension Liability</u>	<u>City's Proportionate Share of Net Pension Liability</u>	<u>City's Covered Payroll</u>	<u>City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2018	6/30/2017	16.3726%	\$ 205,921	\$ 48,299	426.35%	66.6%
2017	6/30/2016	16.6406%	203,300	46,505	437.16%	64.9%
2016	6/30/2015	15.7228%	166,883	42,958	388.48%	68.3%
2015	6/30/2014	16.6964%	171,697	45,889	374.16%	68.1%

Note:

Information for years prior to 2015 is not available.

Oklahoma Firefighters Pension and Retirement System
Schedule of City's Contributions
 For the current and past nine years

Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 6,832	\$ 6,832	\$ -	\$ 48,800	14%
2017	6,762	6,762	-	48,299	14%
2016	6,511	6,511	-	46,505	14%
2015	6,014	6,014	-	42,958	14%
2014	5,995	5,995	-	45,889	13%
2013	5,661	5,661	-	43,543	13%
2012	5,456	5,456	-	41,968	13%
2011	5,092	5,092	-	39,170	13%
2010	5,306	5,306	-	40,814	13%
2009	5,477	5,477	-	42,127	13%

Oklahoma Police Pension and Retirement System
Schedule of City's Proportionate Share
For the current and prior three years

Year	Measurement Date	City's Proportion of Net Pension Liability (Asset)	City's Proportionate Share of Net Pension Liability (Asset)	City's Covered Payroll	City's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)
2018	6/30/2017	17.6817%	\$ 1,360	\$ 54,316	2.50%	99.7%
2017	6/30/2016	18.3388%	28,084	53,854	52.15%	93.5%
2016	6/30/2015	17.8728%	728	50,332	1.45%	99.8%
2015	6/30/2014	19.1732%	(6,455)	50,720	-12.73%	101.5%

Note:

Information for years prior to 2015 is not available.

Oklahoma Police Pension and Retirement System
Schedule of City's Contributions
For the current and past nine years

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>City's</u> <u>Covered</u> <u>Payroll</u>	<u>Contributions</u> <u>as a Percentage</u> <u>of Covered</u> <u>Payroll</u>
2018	\$ 6,967	\$ 6,967	\$ -	\$ 53,592	13%
2017	7,061	7,061	-	54,316	13%
2016	7,001	7,001	-	53,854	13%
2015	6,543	6,543	-	50,332	13%
2014	6,594	6,594	-	50,720	13%
2013	6,595	6,595	-	50,727	13%
2012	6,135	6,135	-	47,189	13%
2011	5,961	5,961	-	45,855	13%
2010	6,112	6,112	-	47,018	13%
2009	6,585	6,585	-	50,653	13%

City of Tulsa Postretirement Benefit Plan -- Schedule of Changes in the Total OPEB Liability

For the current and prior two years

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB liability:			
Service cost	\$ 271	\$ 297	\$ 241
Interest	207	167	210
Changes of benefit terms	-	-	-
Differences between expected and actual experience	427	637	459
Changes of assumptions	(23)	(250)	409
Benefit payments, including refunds of member contributions	(202)	(1,234)	(796)
Net change in total OPEB liability	<u>680</u>	<u>(383)</u>	<u>523</u>
Total OPEB liability—beginning	<u>5,634</u>	<u>6,017</u>	<u>5,494</u>
Total OPEB liability—ending	<u><u>\$ 6,314</u></u>	<u><u>\$ 5,634</u></u>	<u><u>\$ 6,017</u></u>
Covered payroll	\$ 103,869	\$ 104,090	\$ 101,059
Total OPEB liability as a percent of covered payroll	6.1%	5.4%	6.0%

Change in assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2018	3.87%
2017	3.56%
2016	4.00%

Note:

Information for years prior to 2016 is unavailable

City of Tulsa Postretirement Benefit Plan -- Schedule of City's Total OPEB Liability and Related Ratios
 For the current and prior two years

Year	Primary Government Proportion of Total OPEB Liability	Primary Government Proportionate Share of Total OPEB Liability	Primary Government Covered Payroll	Primary Government Proportionate Share of Total OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary net Position as a Percentage of Total OPEB Liability
2018	55.4002%	\$ 3,497	\$ 57,544	6.1%	0.0%
2017	55.1098%	3,104	57,364	5.4%	0.0%
2016	54.9639%	3,307	55,546	6.0%	0.0%

Note:

Information for years prior to 2016 is unavailable

General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis)

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts Budgetary Basis	
Revenues				
Taxes	\$ 200,203	\$ 200,203	\$ 201,655	\$ 1,452
Licenses and permits	8,593	8,593	7,939	(654)
Intergovernmental	7,662	7,849	9,432	1,583
Charges for service	18,923	18,923	18,570	(353)
Fines and forfeitures	8,338	8,338	7,280	(1,058)
Investment income	4,029	4,029	4,452	423
Payments from component unit	15,603	15,603	15,678	75
Miscellaneous	2,942	2,942	3,434	492
Total revenues	266,293	266,480	268,440	1,960
Expenditures				
Current				
General government	43,014	42,200	40,371	1,829
Public works and transportation	18,935	18,244	17,878	366
Social and economic development	12,219	11,705	11,441	264
Public safety and protection	165,865	170,635	169,347	1,288
Culture and recreation	22,275	22,200	21,566	634
Payments to component units	7,442	7,409	7,409	-
Total expenditures	269,750	272,393	268,012	4,381
Excess (deficiency) of revenues over expenditures	(3,457)	(5,913)	428	6,341
Other financing sources (uses)				
Transfers in	2,441	2,441	2,465	24
Transfers out	(5,569)	(5,644)	(5,625)	19
Total other financing uses	(3,128)	(3,203)	(3,160)	43
Net change in fund balances	(6,585)	(9,116)	(2,732)	6,384
Fund balances, beginning of year	30,898	30,898	30,898	-
Fund balances, end of year	\$ 24,313	\$ 21,782	28,166	\$ 6,384
Reconciliation to GAAP basis - basis differences:				
Reserve for encumbrances			5,315	
Reserve for advances			472	
Reserve for land inventory			38	
Receivables			32,845	
Non-budgetary payables			(2,767)	
Unearned revenue			(777)	
Decrease in fair value of investments			(4,259)	
Fund balance - GAAP basis			\$ 59,033	

General Fund - Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis)

Budgetary Process - City Charter and the Oklahoma Municipal Budget Act (Act) require the Mayor to prepare and submit an annual budget to the City Council for adoption in the form of an ordinance. An annual budget is adopted for the General Fund. There are no major Special Revenue Funds with a legally adopted annual budget.

Budget Policy - Under the Municipal Budgetary Act, it is unlawful for the City to create or authorize creation of a deficit in any fund that is subject to the Act.

Transfers of available budgetary balances appropriated for one purpose may be transferred for another purpose with the following levels of approval:

- The Budget and Planning Division Manager may approve budget amendments affecting accounts within the same expenditure account group, department, fund and project.
- The Mayor has the authority to approve budget amendments of less than \$100 from one expenditure account group to another expenditure account group or from one project to another project with the same department and fund.
- The City Council has the authority to approve budget amendments from one department to another department and transfers in excess of \$100 between account groups within a department.

Generally, appropriations lapse at the end of the fiscal year with the exception of multi-year project appropriations, unexpended grant appropriations and encumbered appropriations. Encumbered appropriations carry over from one year to the next.

Budgetary Basis of Accounting - The City's policy is to prepare the governmental fund type annual budgets on a cash basis, which is modified to include encumbrances as the equivalent of expenditures. Estimated revenues are prepared on a cash basis and may include any available amounts in fund balance.

Legal Level of Budgetary Control - Excess of Expenditures over Appropriations - Expenditures cannot exceed appropriations at the legal level of budgetary control. The level at which expenditures cannot exceed appropriations is by department and category of expenditure within a fund. Expenditure categories at this level are personal services, materials and supplies, other services, debt service, and capital outlay. There were no expenditures in excess of appropriations and the legal level of budgetary control.

Budgeting and Budgetary Control - The accounting principles employed by the City in its budgetary accounting and reporting system are designed to enhance budgetary control. Certain of these principles differ from those used to present financial statements in accordance with U.S. generally accepted accounting principles. The significant differences are the exclusion of accrued and deferred revenues and accrued expenditures and transfers out from the budgetary-basis statement.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration in the funds.

Budgetary Amounts – Original and Final - The original budget includes that adopted by ordinance including provision for encumbered amounts carried over from the prior year. The final budget amounts include the original budget along with amendments.

SECTION 2 (CONT'D.)
NONMAJOR GOVERNMENTAL FUNDS



BUTTERFLY GARDEN @ WOODWARD PARK

Nonmajor Governmental Funds

Special Revenue Funds—are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

- Federal and State Grants Fund—Accounts for grants received from various federal agencies and the State of Oklahoma.
- Medical Services Program—Accounts for the collection of service fees and operating expenditures to help ensure quality emergency ambulance service in the City.
- Vision Public Safety Sales Tax Fund—Accounts for a limited-purpose sales tax levy for the purpose of providing revenue for the support of the public safety functions of the City of Tulsa.
- Vision Transportation Sales Tax Fund—Accounts for a limited-purpose sales tax levy for the purpose of providing revenue for the support of street maintenance, traffic and public transportation functions of the City of Tulsa.
- E-911 Operating Fund—Accounts for the collection of E-911 fees and operating expenditures incurred in the provision of emergency 911 services.
- Economic Development Fund—Accounts for City's hotel/motel excise tax revenue. The monies are used for and economic development and to promote the convention center.
- Tulsa Stadium Improvements District Fund—Accounts for a special assessment tax to be used for funding for ONEOK Field Baseball Park, home of the Tulsa Drillers minor league baseball team and to provide services to the downtown area.
- Special Development Fund—A grouping of seven small funds with varying restricted revenue expenditure types. The two most significant funds are the Air Force Plant 3 Fund, and Penalty Assessment Law Enforcement Training Fund.

Capital Projects Funds—are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- Graham Trust Park Division—Accounts for park capital improvements financed with donations from the Graham Trust.
- Long Range Capital Projects Fund—Accounts for other capital projects that will take more than one year to complete.
- Vision 2025 Capital Projects Fund—Accounts for revenue and capital improvements financed through contributions from the Tulsa County Bond Fund.
- Parkway Arterial Street—Accounts for fee in lieu of payments from developers for sidewalk improvements.
- Enhanced 911 Construction Fund—Accounts for funds allocated for the construction of the E-911 facility.

Budget And Actual Schedules—Budgetary Basis—Budgetary Level of Control

- General Fund:
 - Schedule of Revenues
 - Schedule of Expenditures and Encumbrances
- Nonmajor Governmental Funds:
 - Schedules of Revenues, Expenditures and Changes in Fund Balances

CITY OF TULSA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2018
 (amounts expressed in thousands)

	Special Revenue							Capital Projects							Total
	Federal and State Grants	Medical Services Program	Vision Public Safety Sales Tax	Vision Transportation Sales Tax	E-911 Operating	Economic Development	Tulsa Stadium Improvement District	Special Development	Grahams Park Trust Capital Project	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Streets	Enhanced 911 Construction	Nonmajor Governmental Funds	
Assets															
Cash and cash equivalents	\$ -	\$ 2,918	\$ 9,640	\$ 6,014	\$ 1,853	\$ 1,263	\$ 707	\$ 4,632	\$ 62	\$ 4,007	\$ -	\$ -	\$ 29	\$ 31,126	
Receivables, net	7,683	647	1,778	948	333	632	73	14	-	47	-	-	-	12,155	
Total assets	\$ 7,683	\$ 3,565	\$ 11,418	\$ 6,962	\$ 2,186	\$ 1,895	\$ 780	\$ 4,646	\$ 62	\$ 4,054	\$ -	\$ -	\$ 29	\$ 43,281	
Liabilities															
Accounts payable and accrued liabilities	883	36	804	249	251	414	105	586	-	33	158	-	-	3,519	
Due to other funds	2,184	-	-	-	-	-	-	-	-	-	747	-	-	2,931	
Unearned revenue	120	-	-	-	-	-	-	111	-	-	-	-	-	231	
Total liabilities	3,187	36	804	249	251	414	105	697	-	33	905	-	-	6,681	
Deferred inflows of resources															
Unavailable revenue - special assessments	-	-	-	-	-	-	67	-	-	-	-	-	-	67	
Unavailable revenue - intergovernmental	4,327	-	-	-	-	-	-	-	-	-	-	-	-	4,327	
Total unavailable revenue	4,327	-	-	-	-	-	67	-	-	-	-	-	-	4,394	
Fund balances (deficit):															
Restricted	169	-	10,614	6,713	1,935	1,481	608	2,511	62	4,021	-	1	29	28,144	
Committed	-	3,529	-	-	-	-	-	1,586	-	-	-	-	-	5,115	
Unassigned (deficit)	-	-	-	-	-	-	-	(148)	-	-	(905)	-	-	(1,053)	
Total fund balances (deficit)	169	3,529	10,614	6,713	1,935	1,481	608	3,949	62	4,021	(905)	1	29	32,206	
Total liabilities, deferred inflows of resources and fund balances	\$ 7,683	\$ 3,565	\$ 11,418	\$ 6,962	\$ 2,186	\$ 1,895	\$ 780	\$ 4,646	\$ 62	\$ 4,054	\$ -	\$ 1	\$ 29	\$ 43,281	

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2018
 (amount expressed in thousands)

	Special Revenue										Capital Projects						Total Nonmajor Governmental Funds
	Federal and State Grants	Medical Services Program	Vision Public Safety Sales Tax	Vision Transportation Sales Tax	E-911 Operating	Economic Development	Tulsa Stadium Improvement District	Special Development	Grahams Park Trust Capital Projects	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Street	Enhanced 911 Construction				
\$	-	-	12,131	6,445	-	-	-	-	-	-	-	-	-	-	-	18,576	
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	499	
Franchise tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,266	
Hotel/Motel tax	-	-	-	-	-	7,266	-	-	-	-	-	-	-	-	-	3,446	
Special assessment	-	-	-	-	-	3,437	9	-	-	-	-	-	-	-	-	11,363	
Charges for services	-	6,699	-	-	3,993	-	671	-	-	-	-	-	-	-	-	17,055	
Intergovernmental revenues	16,499	-	-	-	-	-	556	-	-	-	-	-	-	-	-	105	
Fines and forfeitures	-	-	-	-	-	24	81	-	-	-	-	-	-	-	-	266	
Investment income	3	53	91	37	1	12	23	-	1	29	-	-	-	-	3,018		
Program income from grants	3,018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160	
Miscellaneous	-	-	-	-	-	-	160	-	-	-	-	-	-	-	-	-	
Total revenue	19,520	6,752	12,222	6,482	3,994	7,278	3,477	1,500	1	528	-	-	-	-	61,754		

Revenues:

- Sales tax
- Franchise tax
- Hotel/Motel tax
- Special assessment
- Charges for services
- Intergovernmental revenues
- Fines and forfeitures
- Investment income
- Program income from grants
- Miscellaneous
- Total revenue

Expenditures:

- Current:
 - General government
 - Public safety and protection
 - Public works and transportation
 - Culture and recreation
 - Social and economic development
 - Payments to component units
 - Capital outlay
 - Total expenditures

-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69
3,800	7,681	6,443	-	2,994	-	-	337	-	-	-	-	-	-	-	-	21,255
-	-	-	1,991	-	-	-	584	-	-	-	-	-	-	-	-	2,575
-	-	-	-	-	661	-	-	-	-	-	-	-	-	-	-	661
5,098	-	-	-	-	4,077	1,217	303	-	-	-	-	-	-	-	-	10,695
-	-	-	330	-	-	-	-	-	-	-	-	-	-	-	-	330
11,761	55	-	-	-	88	33	794	-	-	592	631	18	-	-	13,972	
20,659	7,736	6,443	2,321	2,994	4,826	1,319	2,018	-	-	592	631	18	-	-	49,557	

Excess (deficiency) of revenues
over expenditures

(1,139)	(984)	5,779	4,161	1,000	2,452	2,158	(518)	1	(64)	(631)	(18)	-	-	-	12,197
---------	-------	-------	-------	-------	-------	-------	-------	---	------	-------	------	---	---	---	--------

Other financing sources (uses):

- Transfers in
- Transfers out
- Total other financing sources (uses)

421	-	-	-	-	-	-	10	-	-	-	-	-	-	-	431
5	(650)	(400)	-	-	(2,390)	(2,203)	-	-	-	-	-	-	-	-	(5,638)
426	(650)	(400)	-	-	(2,390)	(2,203)	10	-	-	-	-	-	-	-	(5,207)

Net change in fund balances
Fund balance (deficit), beginning of year
Fund balance (deficit), end of year

(713)	(1,634)	5,379	4,161	1,000	62	(45)	(508)	1	(64)	(631)	(18)	-	-	-	6,990
882	5,163	5,235	2,552	935	1,419	653	4,457	61	4,085	(274)	47	1	1	1	25,216
\$ 169	\$ 3,529	\$ 10,614	\$ 6,713	\$ 1,935	\$ 1,481	\$ 608	\$ 3,949	\$ 62	\$ 4,021	\$ (905)	\$ 29	\$ 1	\$ 1	\$ 29	\$ 32,206

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
Taxes			
Sales tax	\$ 150,286	\$ 151,534	\$ 1,248
Use tax	26,170	26,219	49
Franchise tax:			
Gas	4,100	3,970	(130)
Power and light	8,700	9,264	564
Cable television	5,300	4,998	(302)
Right of way fee	5,500	5,521	21
Hotel/Motel tax	147	149	2
	200,203	201,655	1,452
Licenses and Permits			
Charges for Services	1,334	959	(375)
Non-business licenses and permits:			
Building inspections- residential	930	882	(48)
Building inspections- commercial	2,054	1,925	(129)
Electrical inspections	545	533	(12)
Mechanical inspections	570	577	7
Other non-business	3,160	3,063	(97)
	8,593	7,939	(654)
Intergovernmental Revenue			
Grants and reimbursements	673	1,833	1,160
Shared revenue:			
State liquor tax	720	745	25
State gasoline tax	766	759	(7)
State tobacco tax	2,844	3,288	444
State vehicle license	2,846	2,807	(39)
	\$ 7,849	\$ 9,432	\$ 1,583

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)**

Continued

	Final Budget	Actual	Variance with Final Budget
Charges for Services			
Indirect costs:			
Airport	\$ 51	\$ 51	\$ -
TARE	593	592	(1)
Stormwater	1,024	1,024	-
Water	3,143	3,143	-
Sewer	2,573	2,573	-
Other general government	525	595	70
Public safety:			
Code enforcement	1,300	879	(421)
Airport fire reimbursement	1,700	1,824	124
Other service fees	775	726	(49)
Cultural and recreational:			
Performing Arts Center	1,468	2,049	581
Parks	716	581	(135)
Highways and streets:			
Paving cut repair charges	4,575	4,096	(479)
Parking meters and other	480	437	(43)
	<u>18,923</u>	<u>18,570</u>	<u>(353)</u>
Fines and Forfeitures			
Parking and traffic fines	8,338	7,280	(1,058)
Interest on Investments	4,029	4,452	423
Payments from component units			
TMUA	13,970	14,044	74
TARE	1,633	1,634	1
	<u>15,603</u>	<u>15,678</u>	<u>75</u>
Miscellaneous	2,942	3,434	492
Total revenues	<u>\$ 266,480</u>	<u>\$ 268,440</u>	<u>\$ 1,960</u>

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)

	Appropriations			Expenditures	Actual		Variance with Final Budget
	Original	Revisions	Final		Encumbrances	Total	
	Budget	Budget	Budget				
General government							
Departments:							
Mayor:							
Personnel services	\$ 1,338	\$ -	\$ 1,338	\$ 1,297	\$ -	\$ 1,297	\$ 41
Materials & supplies	10	-	10	6	-	6	4
Other services & charges	116	-	116	96	5	101	15
City Auditor:							
Personnel services	1,119	(140)	979	884	3	887	92
Materials & supplies	40	-	40	25	6	31	9
Other services & charges	69	90	159	26	90	116	43
City Council:							
Personnel services	1,134	(41)	1,093	1,013	-	1,013	80
Materials & supplies	12	-	12	9	-	9	3
Other services & charges	67		67	45	3	48	19
Finance:							
Personnel services	6,175	(483)	5,692	5,586	18	5,604	88
Materials & supplies	66	-	66	43	5	48	18
Other services & charges	3,236	-	3,236	1,721	888	2,609	627
Legal:							
Personnel services	3,550	20	3,570	3,531	-	3,531	39
Materials & supplies	81	-	81	75	5	80	1
Other services & charges	568	-	568	265	288	553	15
Human Resources:							
Personnel services	2,903	75	2,978	2,921	-	2,921	57
Materials & supplies	116	-	116	108	8	116	-
Other services & charges	1,074	(130)	944	579	229	808	136

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)

Continued	Appropriations			Actual		Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	
General government, continued						
Departments:						
Information Technology:						
Personnel services	7,781	(180)	7,601	7,385	22	7,407
Materials & supplies	315	-	315	275	20	295
Other services & charges	3,470	-	3,470	2,623	842	3,465
Communications:						
Personnel services	530	10	540	540	-	540
Materials & supplies	20	-	20	13	-	13
Other services & charges	21	(5)	16	13	-	13
Customer Care:						
Personnel services	477	-	477	472	2	474
Materials & supplies	3	-	3	1	-	1
Other services & charges	16	-	16	13	-	13
Mayor's Office of Human Rights:						
Personnel services	492	(16)	476	405	-	405
Materials & supplies	4	3	7	6	-	6
Other services & charges	19	13	32	26	-	26
Asset Management:						
Personnel services	1,871	(30)	1,841	1,804	-	1,804
Materials & supplies	376	-	376	322	6	328
Other services & charges	2,112	-	2,112	1,997	83	2,080
General Government:						
Other services & charges	2,827	-	2,827	2,043	674	2,717
Indian Nations Council of Government:						
Other services & charges	1,006	-	1,006	1,006	-	1,006
	\$ 43,014	\$ (814)	\$ 42,200	\$ 37,174	\$ 3,197	\$ 40,371
						\$ 1,829

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)

Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)

Continued	Appropriations			Actual		Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	
Public Works and Transportation						
Departments:						
Streets and Stormwater:						
Personnel services	\$ 5,220	\$ (516)	\$ 4,704	\$ 4,589	\$ 5	\$ 4,594
Materials & supplies	738	-	738	607	43	650
Other services & charges	9,124		9,124	8,740	298	9,038
Engineering:						
Personnel services	3,406	(175)	3,231	3,196	16	3,212
Materials & supplies	82	-	82	72	4	76
Other services & charges	365	-	365	308	-	308
	<u>18,935</u>	<u>(691)</u>	<u>18,244</u>	<u>17,512</u>	<u>366</u>	<u>17,878</u>
Social and Economic Development						
Mayor's Office of Economic Development:						
Personnel services	435	(70)	365	365	-	365
Materials & supplies	2	-	2	2	-	2
Other services & charges	94	33	127	75	50	125
Working in Neighborhoods:						
Personnel services	3,466	(181)	3,285	3,248	3	3,251
Materials & supplies	295	54	349	338	11	349
Other services & charges	1,409	(54)	1,355	1,166	172	1,338
Planning and Economic Development						
Personnel services	6,047	(296)	5,751	5,596	24	5,620
Materials & supplies	80	5	85	41	37	78
Other services & charges	391	(5)	386	300	13	313
	<u>\$ 12,219</u>	<u>\$ (514)</u>	<u>\$ 11,705</u>	<u>\$ 11,131</u>	<u>\$ 310</u>	<u>\$ 11,441</u>
Continued						<u>\$ 264</u>

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Budgetary Level of Control
 Year ended June 30, 2018
 (amounts expressed in thousands)

	Appropriations			Actual		Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	
Continued						
Public Safety and Protection						
Departments:						
Municipal Court:						
Personnel services	\$ 2,121	\$ (50)	\$ 2,071	\$ 2,053	\$ -	\$ 18
Materials & supplies	26	-	26	11	-	15
Other services & charges	154	-	154	122	11	21
Police:						
Personnel services	83,532	3,231	86,763	85,987	1	775
Materials & supplies	2,219	-	2,219	1,426	598	195
Other services & charges	8,353	379	8,732	8,365	410	(43)
Fire:						
Personnel services	64,333	750	65,083	64,768	-	315
Materials & supplies	1,394	50	1,444	1,444	-	-
Other services & charges	3,593	410	4,003	3,952	59	(8)
Agencies:						
Tulsa Area Emergency Management Authority:						
Other services & charges	140	-	140	140	-	-
	<u>\$ 165,865</u>	<u>\$ 4,770</u>	<u>\$ 170,635</u>	<u>\$ 168,268</u>	<u>\$ 1,079</u>	<u>\$ 1,288</u>

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2018
(amounts expressed in thousands)**

	Appropriations			Actual			Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	Total	
Continued							
Culture and Recreation							
Departments:							
Gilcrease Museum:							
Other services & charges	\$ 3,067	\$ -	\$ 3,067	\$ 3,066	\$ 1	\$ 3,067	\$ -
Parks:							
Personnel services	5,882	-	5,882	5,427	22	5,449	433
Materials & supplies	1,062	-	1,062	843	102	945	117
Other services & charges	9,529	(75)	9,454	9,203	231	9,434	20
Convention & Performing Arts Centers:							
Personnel services	1,566	-	1,566	1,561	-	1,561	5
Materials & supplies	63	-	63	48	-	48	15
Other services & charges	460	-	460	409	7	416	44
Agencies:							
River Parks:							
Other services & charges	646	-	646	646	-	646	-
	<u>22,275</u>	<u>(75)</u>	<u>22,200</u>	<u>21,203</u>	<u>363</u>	<u>21,566</u>	<u>634</u>
Total expenditures and encumbrances	262,308	2,676	264,984	255,288	5,315	260,603	4,381
Operating transfers:							
Transfers to TPFA - OTC	5,101	-	5,101	5,101	-	5,101	-
Transfers to Golf Course Fund	75	75	150	150	-	150	-
Transfers to Whittier Square Improvement District	10	-	10	10	-	10	-
Transfers to Federal and State Grants Fund	383	-	383	364	-	364	19
Total transfers	<u>5,569</u>	<u>75</u>	<u>5,644</u>	<u>5,625</u>	<u>-</u>	<u>5,625</u>	<u>19</u>
Payments to component units:							
Transfers to MTTA	7,442	(33)	7,409	7,409	-	7,409	-
Total expenditures, encumbrances, and transfers	<u>\$ 275,319</u>	<u>\$ 2,718</u>	<u>\$ 278,037</u>	<u>\$ 268,322</u>	<u>\$ 5,315</u>	<u>\$ 273,637</u>	<u>\$ 4,400</u>

CITY OF TULSA
E-911 OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Intergovernmental Revenue	\$ 197	\$ -	\$ (197)
E-911 fees	3,617	3,993	376
Investment income	5	15	10
Total revenues	<u>3,819</u>	<u>4,008</u>	<u>189</u>
Expenditures			
Current:			
Public Safety and Protection:			
Personnel services	1,787	1,267	520
Materials and supplies	97	67	30
Other services and charges	1,947	1,812	135
Total expenditures	<u>3,831</u>	<u>3,146</u>	<u>685</u>
Excess (deficiency) of revenues over expenditures and encumbrances	<u>(12)</u>	<u>862</u>	<u>874</u>
Net change in fund balances	(12)	862	874
Fund balances, beginning of year (budgetary basis)	<u>727</u>	<u>727</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 715</u>	<u>\$ 1,589</u>	<u>\$ 874</u>

CITY OF TULSA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 7,207	\$ 7,339	\$ 132
Charge for services	2,287	2,034	(253)
Investment income	21	18	(3)
Total revenues	<u>9,515</u>	<u>9,391</u>	<u>(124)</u>
Expenditures			
Cultural Development and Recreation:			
Personnel services	234	141	93
Materials and supplies	29	25	4
Other services and charges	546	539	7
Capital outlay	276	181	95
Social and Economic Development:			
Personnel services	53	53	-
Materials and supplies	5	4	1
Other services and charges	4,227	4,047	180
Total expenditures and encumbrances	<u>5,370</u>	<u>4,990</u>	<u>380</u>
Excess of revenues over expenditures and encumbrances	<u>4,145</u>	<u>4,401</u>	<u>256</u>
Other financing sources (uses):			
Transfers out	<u>(4,577)</u>	<u>(4,424)</u>	<u>153</u>
Total other financing sources (uses)	<u>(4,577)</u>	<u>(4,424)</u>	<u>153</u>
Net change in fund balances	<u>(432)</u>	<u>(23)</u>	<u>409</u>
Fund balances, beginning of year (budgetary basis)	<u>747</u>	<u>747</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 315</u>	<u>\$ 724</u>	<u>\$ 409</u>

CITY OF TULSA
TULSA STADIUM IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Special assessment tax	\$ 3,471	\$ 3,437	\$ (34)
Fines and forfeitures	-	23	23
Investment income	18	19	1
Total revenues	<u>3,489</u>	<u>3,479</u>	<u>(10)</u>
Expenditures			
Current:			
General government:			
Personnel services	72	63	9
Materials and supplies	6	-	6
Other services and charges	10	6	4
Social and economic development:			
Personnel services	348	316	32
Materials and supplies	133	63	70
Other services and charges	966	966	-
Capital outlay	41	33	8
Total expenditures	<u>1,576</u>	<u>1,447</u>	<u>129</u>
Excess of revenues over expenditures and encumbrances	<u>1,913</u>	<u>2,032</u>	<u>119</u>
Other financing uses:			
Transfers out	<u>(2,228)</u>	<u>(2,203)</u>	<u>25</u>
Net change in fund balances	(315)	(171)	144
Fund balances, beginning of year (budgetary basis)	<u>731</u>	<u>731</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 416</u>	<u>\$ 560</u>	<u>\$ 144</u>

CITY OF TULSA
MEDICAL SERVICES PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Medical services fee	\$ 7,000	\$ 6,744	\$ (256)
Investment income	29	54	25
Total revenues	<u>7,029</u>	<u>6,798</u>	<u>(231)</u>
Expenditures			
Public Safety and Protection:			
Current:			
Personnel services	233	199	34
Materials and supplies	178	177	1
Other services and charges	309	194	115
Capital outlay	55	55	-
Total expenditures and encumbrances	<u>775</u>	<u>625</u>	<u>150</u>
Excess of revenues over expenditures and encumbrances	<u>6,254</u>	<u>6,173</u>	<u>(81)</u>
Other financing (uses):			
Transfers out	<u>(9,007)</u>	<u>(7,731)</u>	<u>1,276</u>
Net change in fund balances	(2,753)	(1,558)	1,195
Fund balances, beginning of year (budgetary basis)	<u>4,487</u>	<u>4,487</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 1,734</u>	<u>\$ 2,929</u>	<u>\$ 1,195</u>

CITY OF TULSA
PUBLIC SAFETY SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Sales tax	\$ 12,033	\$ 12,044	\$ 11
Investment income	150	175	25
Total revenues	<u>12,183</u>	<u>12,219</u>	<u>36</u>
Expenditures			
Public Safety and Protection:			
Current:			
Personnel services	5,557	3,832	1,725
Materials and supplies	819	764	55
Other services and charges	434	5	429
Capital outlay	3,734	3,059	675
Total expenditures and encumbrances	<u>10,544</u>	<u>7,660</u>	<u>2,884</u>
Excess of revenues over expenditures and encumbrances	<u>1,639</u>	<u>4,559</u>	<u>2,920</u>
Other financing (uses):			
Transfers out	<u>(400)</u>	<u>(400)</u>	<u>-</u>
Net change in fund balances	1,239	4,159	2,920
Fund balances, beginning of year (budgetary basis)	<u>3,603</u>	<u>3,603</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 4,842</u>	<u>\$ 7,762</u>	<u>\$ 2,920</u>


CITY OF TULSA
TRANSPORTATION SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2018
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Sales tax	\$ 6,392	\$ 6,398	\$ 6
Investment income	80	94	14
Total revenues	<u>6,472</u>	<u>6,492</u>	<u>20</u>
Expenditures			
Public Works and Transportation:			
Current:			
Personnel services	1,528	1,206	322
Materials and supplies	729	517	212
Other services and charges	622	520	102
Payments to component units	330	330	-
Capital outlay	1,996	135	1,861
Total expenditures and encumbrances	<u>5,205</u>	<u>2,708</u>	<u>2,497</u>
Excess of revenues over expenditures and encumbrances	<u>1,267</u>	<u>3,784</u>	<u>2,517</u>
Net change in fund balances	1,267	3,784	2,517
Fund balances, beginning of year (budgetary basis)	<u>1,684</u>	<u>1,684</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 2,951</u>	<u>\$ 5,468</u>	<u>\$ 2,517</u>

SECTION 2 (CONT'D.)
INTERNAL SERVICE FUNDS



MCCLURE PARK



Internal Service Funds—are used to account for the financing of goods or services provided by one department or agency to another department or agency of the City or to other government units on a cost-reimbursement basis.

- Employee Insurance Fund—Accounts for the costs of employee insurance plans for City employees and the related charges to user departments.
- Workers' Compensation Fund—Accounts for the costs of employee workers compensation claims for City employees and the related charges to user departments.
- Tulsa Public Facilities Authority—Accounts for the financing of acquisition and construction of certain facilities and public improvements in and for the City.
- Office Services—Used to manage the City's postage, printing and reproduction costs and subsequent charges to user departments for associated services.
- Equipment Management Fund—Used to account for the centralized maintenance program for City vehicles and a rate structure for charges to user departments.

CITY OF TULSA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2018
(amounts expressed in thousands)

	Employee Insurance	Workers' Compensation	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 996	\$ 15,707	\$ 7	\$ 300	\$ 508	\$ 17,518
Cash and cash equivalents - restricted	-	-	373	-	-	373
Receivables, net	1,191	50	2	-	16	1,259
Inventories, net	-	-	-	-	985	985
Advances to component unit	-	-	1,401	-	-	1,401
	2,187	15,757	1,783	300	1,509	21,536
Noncurrent assets:						
Cash and cash equivalents, restricted	-	-	1,115	-	-	1,115
Advances to component unit	-	-	94	-	-	94
Nondepreciable capital assets	-	-	4,500	-	251	4,751
Capital assets, net	-	44	-	-	6,283	6,327
	-	44	5,709	-	6,534	12,287
Total assets	2,187	15,801	7,492	300	8,043	33,823
DEFERRED OUTFLOW OF RESOURCES						
Pension related items	48	-	-	-	745	793
OPEB related amounts	2	-	-	-	48	50
Total deferred outflow of resources	50	-	-	-	793	843
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	376	121	29	13	586	1,125
Current portion of long-term liabilities	-	-	1,420	-	355	1,775
Workers compensation claims	-	3,612	-	-	-	3,612
	376	3,733	1,449	13	941	6,512
Noncurrent liabilities:						
Long-term liabilities	72	-	1,536	-	5,788	7,396
Workers compensation claims	-	7,998	-	-	-	7,998
Advances from other funds	-	-	-	146	-	146
	72	7,998	1,536	146	5,788	15,540
Total liabilities	448	11,731	2,985	159	6,729	22,052
DEFERRED INFLOW OF RESOURCES						
Pension related items	13	-	-	-	203	216
OPEB related amounts	-	-	-	-	11	11
Total deferred inflow of resources	13	-	-	-	214	227
NET POSITION						
Investment in capital assets	-	44	4,500	-	6,534	11,078
Unrestricted	1,776	4,026	7	141	(4,641)	1,309
Total net position	\$ 1,776	\$ 4,070	\$ 4,507	\$ 141	\$ 1,893	\$ 12,387

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Employee Insurance	Workers' Compensation	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Operating revenues						
Charges for services	\$ -	\$ -	\$ -	\$ 1,391	\$ 13,812	\$ 15,203
Insurance premiums	22,052	-	-	-	-	22,052
Workers compensation premiums	-	4,592	-	-	-	4,592
Other	-	17	83	-	15	115
	<u>22,052</u>	<u>4,609</u>	<u>83</u>	<u>1,391</u>	<u>13,827</u>	<u>41,962</u>
Operating expenses						
Salaries and wages	76	-	-	-	5,035	5,111
Materials and supplies	-	-	-	-	7,433	7,433
Services and charges	968	-	83	1,278	1,763	4,092
Workers compensation claims	-	2,684	-	-	-	2,684
Insurance claims and premiums	21,669	-	-	-	-	21,669
Depreciation and amortization	-	25	-	-	424	449
	<u>22,713</u>	<u>2,709</u>	<u>83</u>	<u>1,278</u>	<u>14,655</u>	<u>41,438</u>
Operating income (loss)	(661)	1,900	-	113	(828)	524
Nonoperating revenues (expenses)						
Investment income (loss)	10	111	-	-	(28)	93
Gain on sale of equipment	-	-	-	-	6	6
	<u>10</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>99</u>
Income (loss) before transfers	(651)	2,011	-	113	(850)	623
Transfers in	750	-	-	-	464	1,214
Transfers out	-	(750)	-	-	-	(750)
	<u>750</u>	<u>(750)</u>	<u>-</u>	<u>-</u>	<u>464</u>	<u>464</u>
Change in net position	99	1,261	-	113	(386)	1,087
Net position - beginning of year, as restated	1,677	2,809	4,507	28	2,279	11,300
Net position - end of year	<u>\$ 1,776</u>	<u>\$ 4,070</u>	<u>\$ 4,507</u>	<u>\$ 141</u>	<u>\$ 1,893</u>	<u>\$ 12,387</u>


CITY OF TULSA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Employee Insurance	Workers' Compensation	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Cash flows from operating activities:						
Receipts from customers	\$ 21,696	\$ 4,610	\$ 2,637	\$ 1,391	\$ 13,817	\$ 44,151
Payments to suppliers	(23,009)	(3,275)	(1,575)	(1,371)	(9,291)	(38,521)
Payments to employees	(61)	-	-	-	(4,977)	(5,038)
Net cash provided (used) by operating activities	(1,374)	1,335	1,062	20	(451)	592
Cash flows from noncapital financing activities:						
Transfers from other funds	750	-	-	-	-	750
Transfers to other funds	-	(750)	-	-	-	(750)
Net cash provided (used) by noncapital financing activities	750	(750)	-	-	-	-
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	-	-	-	(248)	(248)
Proceeds from disposition of capital assets	-	-	-	-	6	6
Transfers from other funds for capital additions	-	-	-	-	464	464
Net cash provided by capital and related financing activities	-	-	-	-	222	222
Cash flows from investing activities:						
Interest earned	9	103	-	-	(25)	87
Net cash provided (used) by investing activities	9	103	-	-	(25)	87
Net increase (decrease) in cash and cash equivalents	(615)	688	1,062	20	(254)	901
Cash and cash equivalents, beginning of year	1,611	15,019	433	280	762	18,105
Cash and cash equivalents, end of year	\$ 996	\$ 15,707	\$ 1,495	\$ 300	\$ 508	\$ 19,006
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Unrestricted cash and cash equivalents	996	15,707	7	300	508	17,518
Restricted cash and cash equivalents	-	-	1,488	-	-	1,488
Total cash and cash equivalents	\$ 996	\$ 15,707	\$ 1,495	\$ 300	\$ 508	\$ 19,006
Reconciliation of operating income (loss) to cash provided (used) by operating activities:						
Operating income (loss)	(661)	1,900	-	113	(828)	524
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	-	25	-	-	424	449
(Increase) decrease in accounts receivable and other assets	(356)	-	1,064	-	(97)	611
(Increase) decrease in deferred outflows of resources	26	-	-	-	464	490
Increase (decrease) in accounts payable and other liabilities	(372)	(590)	(2)	(93)	22	(1,035)
Increase (decrease) in net pension liability	(14)	-	-	-	(437)	(451)
Increase (decrease) in other post employment benefits	-	-	-	-	18	18
Increase (decrease) in deferred inflows of resources	3	-	-	-	(17)	(14)
Net cash provided (used) by operating activities	\$ (1,374)	\$ 1,335	\$ 1,062	\$ 20	\$ (451)	\$ 592
Non-cash transactions:						
Appreciation of fair value of investments	\$ -	\$ -	\$ 23	\$ -	\$ -	\$ 23

SECTION 2 (CONT'D.)
FIDUCIARY FUNDS



LITTLE FREE LIBRARY @ REED PARK



FIDUCIARY FUNDS—are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the City's own programs.

- Agency Funds—Accounts for assets held by the City of Tulsa in a purely custodial capacity.

CITY OF TULSA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year ended June 30, 2018
(amounts expressed in thousands)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Municipal Court Bonds				
Assets:				
Cash and cash equivalents	\$ 272	\$ 120	\$ 117	\$ 275
Total assets	<u>\$ 272</u>	<u>\$ 120</u>	<u>\$ 117</u>	<u>\$ 275</u>
Liabilities:				
Deposits payable	272	120	117	275
Total liabilities	<u>\$ 272</u>	<u>\$ 120</u>	<u>\$ 117</u>	<u>\$ 275</u>
Escrow Fund				
Assets:				
Cash and cash equivalents	2,193	1,915	1,775	2,333
Total assets	<u>\$ 2,193</u>	<u>\$ 1,915</u>	<u>\$ 1,775</u>	<u>\$ 2,333</u>
Liabilities:				
Deposits payable	2,193	1,915	1,775	2,333
Total liabilities	<u>\$ 2,193</u>	<u>\$ 1,915</u>	<u>\$ 1,775</u>	<u>\$ 2,333</u>
Police Property Room				
Assets:				
Cash and cash equivalents	2,043	980	948	2,075
Total assets	<u>\$ 2,043</u>	<u>\$ 980</u>	<u>\$ 948</u>	<u>\$ 2,075</u>
Liabilities:				
Accrued liabilities	2,043	980	948	2,075
Total liabilities	<u>\$ 2,043</u>	<u>\$ 980</u>	<u>\$ 948</u>	<u>\$ 2,075</u>
Payroll Withholding				
Assets:				
Cash and cash equivalents	888	230,137	230,633	392
Total assets	<u>\$ 888</u>	<u>\$ 230,137</u>	<u>\$ 230,633</u>	<u>\$ 392</u>
Liabilities:				
Accrued liabilities	888	230,137	230,633	392
Total liabilities	<u>\$ 888</u>	<u>\$ 230,137</u>	<u>\$ 230,633</u>	<u>\$ 392</u>
Unclaimed Property				
Assets:				
Cash and cash equivalents	764	-	1	763
Total assets	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 763</u>
Liabilities:				
Accrued liabilities	764	-	1	763
Total liabilities	<u>\$ 764</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 763</u>
PAC Ticket Office Escrow				
Assets:				
Cash and cash equivalents	1,164	12,310	11,477	1,997
Total assets	<u>\$ 1,164</u>	<u>\$ 12,310</u>	<u>\$ 11,477</u>	<u>\$ 1,997</u>
Liabilities:				
Deposits payable	1,164	12,310	11,477	1,997
Total liabilities	<u>\$ 1,164</u>	<u>\$ 12,310</u>	<u>\$ 11,477</u>	<u>\$ 1,997</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	7,324	245,462	244,951	7,835
Total assets	<u>\$ 7,324</u>	<u>\$ 245,462</u>	<u>\$ 244,951</u>	<u>\$ 7,835</u>
Liabilities:				
Accrued liabilities	3,695	231,117	231,582	3,230
Deposits payable	3,629	14,345	13,369	4,605
Total liabilities	<u>\$ 7,324</u>	<u>\$ 245,462</u>	<u>\$ 244,951</u>	<u>\$ 7,835</u>

SECTION 2 (CONT'D.)
DISCRETELY PRESENTED NONMAJOR
COMPONENT UNITS



TULSA ZOO



DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS

—are presented separately from blended component units to emphasize that they are legally separate from the City, but are a part of the City's reporting entity.

- Tulsa Development Authority—TDA is a public authority created to finance urban renewal, rehabilitation and redevelopment.
- Metropolitan Tulsa Transit Authority—MTTA is a public trust created to provide public transportation systems and facilities.
- Tulsa Industrial Authority—TIA is a public trust created to provide for the issuance of industrial development bonds upon approval by the City Council, and to lend the proceeds of such issuance to third party organizations.
- Tulsa Parking Authority—TPA is a public trust created by the City to construct and manage various parking facilities within the City.
- Tulsa Performing Arts Center Trust—TPACT is a public trust created under the provisions of the Oklahoma Trust Act. The Beneficiary of the Trust is the City. TPACT's purpose is to assist the City in operating and maintaining the Tulsa Performing Arts Center and to sponsor events promoting the use of the Tulsa Performing Arts Center.
- Tulsa International Airport Development Trust—TIADT is a public trust created to support and promote economic development and commerce in the geographic area around the Tulsa International Airport.

COMBINING FUNDS OF TULSA METROPOLITAN UTILITY AUTHORITY—A Major Component Unit

- Sewer Fund—provides for wastewater collection utility systems.
- Water Fund—provides for water delivery utility systems.

DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS

- Statement of Net Position

CITY OF TULSA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
June 30, 2018
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Tulsa International Airport Development	Total Nonmajor Component Units
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 3,916	\$ 2,797	\$ 779	\$ 5,597	\$ 848	\$ 211	\$ 14,148
Cash and cash equivalents - restricted	11,466	208	108	1,290	-	-	13,072
Investments	-	-	-	990	1,911	-	2,901
Receivables, net	83	730	118	99	17	1	1,048
Inventories, net	-	671	-	-	-	-	671
Current portion of notes receivable	4,938	-	-	-	-	-	4,938
Other current assets	4	311	29	513	-	-	857
Other current assets - restricted	-	-	-	1,031	-	-	1,031
	<u>20,407</u>	<u>4,717</u>	<u>1,034</u>	<u>9,520</u>	<u>2,776</u>	<u>212</u>	<u>38,666</u>
Noncurrent assets:							
Cash and cash equivalents - restricted	2,188	769	-	36	-	-	2,993
Investments	-	-	-	1,088	487	-	1,575
Receivables, net	15,813	-	-	-	-	-	15,813
Land held for resale, net	261	-	-	-	-	-	261
Nondepreciable capital assets	35	2,853	-	9,455	1,495	-	13,838
Depreciable capital assets, net	252	20,452	11,371	16,340	57	-	48,472
	<u>18,549</u>	<u>24,074</u>	<u>11,371</u>	<u>26,919</u>	<u>2,039</u>	<u>-</u>	<u>82,952</u>
Total assets	<u>38,956</u>	<u>28,791</u>	<u>12,405</u>	<u>36,439</u>	<u>4,815</u>	<u>212</u>	<u>121,618</u>
DEFERRED OUTFLOW OF RESOURCES							
Deferred charge on refunding	-	-	-	324	-	-	324
Pension related items	-	1,940	-	-	-	-	1,940
OPEB related items	-	30	-	-	-	-	30
Total deferred outflow of resources	<u>-</u>	<u>1,970</u>	<u>-</u>	<u>324</u>	<u>-</u>	<u>-</u>	<u>2,294</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,071	2,620	80	239	20	191	4,221
Unearned revenue	-	-	29	57	43	-	129
Current portion of long-term liabilities	16	82	-	1,910	-	-	2,008
	<u>1,087</u>	<u>2,702</u>	<u>109</u>	<u>2,206</u>	<u>63</u>	<u>191</u>	<u>6,358</u>
Noncurrent liabilities:							
Advances from primary government	-	326	-	-	-	-	326
Deposits subject to refund	437	-	-	4	-	-	441
Long-term liabilities, net	95	11,385	-	7,482	-	-	18,962
	<u>532</u>	<u>11,711</u>	<u>-</u>	<u>7,486</u>	<u>-</u>	<u>-</u>	<u>19,729</u>
Total liabilities	<u>1,619</u>	<u>14,413</u>	<u>109</u>	<u>9,692</u>	<u>63</u>	<u>191</u>	<u>26,087</u>
DEFERRED INFLOWS OF RESOURCES							
Pension related items	-	1,536	-	-	-	-	1,536
OPEB related items	-	13	-	-	-	-	13
Property tax revenue	-	-	110	-	-	-	110
Total deferred inflow of resources	<u>-</u>	<u>1,549</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,659</u>
NET POSITION							
Net investment in capital assets	287	23,305	11,371	18,727	1,552	-	55,242
Restricted for:							
Debt service	-	-	-	2,229	-	-	2,229
Capital projects	10,055	769	-	-	-	-	10,824
Other purposes	21,651	208	33	-	-	-	21,892
Unrestricted	<u>5,344</u>	<u>(9,483)</u>	<u>782</u>	<u>6,115</u>	<u>3,200</u>	<u>21</u>	<u>5,979</u>
Total net position	<u>\$ 37,337</u>	<u>\$ 14,799</u>	<u>\$ 12,186</u>	<u>\$ 27,071</u>	<u>\$ 4,752</u>	<u>\$ 21</u>	<u>\$ 96,166</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
Year ended June 30, 2018
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Tulsa International Airport Development	Total Nonmajor Component Units
Operating revenues							
Property rentals	\$ 96	\$ -	\$ 116	\$ 204	\$ -	\$ -	\$ 416
Parking revenues	-	-	-	7,740	339	-	8,079
Transit services	-	2,990	-	-	-	-	2,990
Event revenues	-	-	-	-	11	-	11
Other income	772	39	27	-	-	-	838
	<u>868</u>	<u>3,029</u>	<u>143</u>	<u>7,944</u>	<u>350</u>	<u>-</u>	<u>12,334</u>
Operating expenses							
Salaries and wages	334	12,245	18	-	-	-	12,597
Materials and supplies	5	2,313	-	-	-	-	2,318
Other services and charges	819	5,187	227	4,503	416	191	11,343
Depreciation	15	3,546	339	899	10	-	4,809
	<u>1,173</u>	<u>23,291</u>	<u>584</u>	<u>5,402</u>	<u>426</u>	<u>191</u>	<u>31,067</u>
Operating income (loss)	<u>(305)</u>	<u>(20,262)</u>	<u>(441)</u>	<u>2,542</u>	<u>(76)</u>	<u>(191)</u>	<u>(18,733)</u>
Nonoperating revenues (expenses)							
Investment income (loss)	212	4	6	103	206	(2)	529
Interest and amortization expense	-	-	-	(311)	-	-	(311)
Sales taxes	102	-	-	-	-	207	309
Property taxes	16	-	110	-	-	7	133
Federal and state operating grant revenues	-	7,668	-	-	-	-	7,668
Contributions	-	-	-	-	75	-	75
Program support from primary government	1,703	7,739	-	-	-	-	9,442
Other, net	2	338	-	-	-	-	340
	<u>2,035</u>	<u>15,749</u>	<u>116</u>	<u>(208)</u>	<u>281</u>	<u>212</u>	<u>18,185</u>
Income (loss) before capital contributions and grants	<u>1,730</u>	<u>(4,513)</u>	<u>(325)</u>	<u>2,334</u>	<u>205</u>	<u>21</u>	<u>(548)</u>
Federal and state capital grant revenues	-	937	-	-	-	-	937
Capital contributions	-	-	-	147	-	-	147
Capital contributions to primary government	(2,125)	-	-	-	-	-	(2,125)
Capital contributions from primary government	-	1,049	-	-	-	-	1,049
Change in net position	<u>(395)</u>	<u>(2,527)</u>	<u>(325)</u>	<u>2,481</u>	<u>205</u>	<u>21</u>	<u>(540)</u>
Net position, beginning of year, as restated	37,732	17,326	12,511	24,590	4,547	-	96,706
Net position, end of year	<u>\$ 37,337</u>	<u>\$ 14,799</u>	<u>\$ 12,186</u>	<u>\$ 27,071</u>	<u>\$ 4,752</u>	<u>\$ 21</u>	<u>\$ 96,166</u>

CITY OF TULSA
STATEMENT OF NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
June 30, 2018
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 70,165	\$ 120,516	\$ 190,681
Cash and cash equivalents - restricted	8,236	17,781	26,017
Receivables, net	16,998	19,696	36,694
Inventories, net	119	1,859	1,978
	<u>95,518</u>	<u>159,852</u>	<u>255,370</u>
Noncurrent assets:			
Cash and cash equivalents - restricted	32,241	24,633	56,874
Investments - restricted	7,769	8,353	16,122
Advances to primary government	5	-	5
Investment in joint venture	25,867	-	25,867
Receivables, net	89	75	164
Nondepreciable capital assets	48,612	56,196	104,808
Depreciable capital assets, net	652,050	531,114	1,183,164
	<u>766,633</u>	<u>620,371</u>	<u>1,387,004</u>
Total assets	<u>862,151</u>	<u>780,223</u>	<u>1,642,374</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	349	2,099	2,448
Pension related items	3,174	3,649	6,823
OPEB related items	202	236	438
	<u>3,725</u>	<u>5,984</u>	<u>9,709</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	17,298	11,007	28,305
Current portion of long-term liabilities	22,336	12,694	35,030
Deposits subject to refund - restricted	581	10,577	11,158
	<u>40,215</u>	<u>34,278</u>	<u>74,493</u>
Noncurrent liabilities:			
Long-term liabilities	271,637	154,550	426,187
	<u>271,637</u>	<u>154,550</u>	<u>426,187</u>
Total liabilities	<u>311,852</u>	<u>188,828</u>	<u>500,680</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	53	-	53
Pension related items	1,072	1,898	2,970
OPEB related items	38	54	92
Property tax revenue	2,014	-	2,014
Total deferred inflows of resources	<u>3,177</u>	<u>1,952</u>	<u>5,129</u>
NET POSITION			
Net investment in capital assets	485,543	482,311	967,854
Restricted for:			
Debt service	8,058	6,033	14,091
Unrestricted	<u>57,246</u>	<u>107,083</u>	<u>164,329</u>
Total net position	<u>\$ 550,847</u>	<u>\$ 595,427</u>	<u>\$ 1,146,274</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
Year ended June 30, 2018
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
Operating revenues			
Water and sewer services	\$ 109,836	\$ 127,837	\$ 237,673
Operating expenses			
Salaries and wages	24,278	27,837	52,115
Materials and supplies	4,262	7,122	11,384
Other services and charges	19,472	21,579	41,051
Depreciation	20,907	17,683	38,590
	<u>68,919</u>	<u>74,221</u>	<u>143,140</u>
Operating income	<u>40,917</u>	<u>53,616</u>	<u>94,533</u>
Nonoperating revenues (expenses)			
Investment income	723	1,057	1,780
Interest and amortization expense	(7,652)	(3,994)	(11,646)
Property taxes	2,410	-	2,410
Payments to primary government	(6,529)	(7,515)	(14,044)
Other, net	80	211	291
	<u>(10,968)</u>	<u>(10,241)</u>	<u>(21,209)</u>
Income before capital contributions	29,949	43,375	73,324
Capital contributions	8,316	4,580	12,896
Capital contributions - primary government	443	-	443
	<u>8,759</u>	<u>4,580</u>	<u>13,339</u>
Change in net position	38,708	47,955	86,663
Net position beginning of year as restated	512,139	547,472	1,059,611
Net position, end of year	<u>\$ 550,847</u>	<u>\$ 595,427</u>	<u>\$ 1,146,274</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2018
(amounts expressed in thousands)

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Operating revenues					
Water and sewer services	\$ 237,673	\$ -	\$ -	\$ -	\$ 237,673
Refuse services	-	26,682	-	-	26,682
Property rentals	-	-	27,288	416	27,704
Parking revenues	-	-	9,778	8,079	17,857
Transit services	-	-	-	2,990	2,990
Event revenues	-	-	-	11	11
Other income	-	-	-	838	838
	<u>237,673</u>	<u>26,682</u>	<u>37,066</u>	<u>12,334</u>	<u>313,755</u>
Operating expenses					
Salaries and wages	52,115	4,100	11,301	12,597	80,113
Materials and supplies	11,384	-	2,049	2,318	15,751
Other services and charges	41,051	17,533	9,826	11,343	79,753
Depreciation	38,590	1,998	17,025	4,809	62,422
	<u>143,140</u>	<u>23,631</u>	<u>40,201</u>	<u>31,067</u>	<u>238,039</u>
Operating income (loss)	<u>94,533</u>	<u>3,051</u>	<u>(3,135)</u>	<u>(18,733)</u>	<u>75,716</u>
Nonoperating revenues (expenses)					
Investment income	1,780	133	297	529	2,739
Interest and amortization expense	(11,646)	-	(8,355)	(311)	(20,312)
Sales taxes	-	-	-	309	309
Property taxes	2,410	-	-	133	2,543
Federal and state grant revenues	-	-	8,863	7,668	16,531
Contributions	-	-	-	75	75
Payments from primary government	-	-	-	9,442	9,442
Payments to primary government	(14,044)	(1,634)	-	-	(15,678)
Gain on disposition of capital assets	291	1	-	-	292
Other, net	-	(55)	(1,169)	340	(884)
	<u>(21,209)</u>	<u>(1,555)</u>	<u>(364)</u>	<u>18,185</u>	<u>(4,943)</u>
Income (loss) before capital contributions and grants	<u>73,324</u>	<u>1,496</u>	<u>(3,499)</u>	<u>(548)</u>	<u>70,773</u>
Federal and state capital grant revenues	-	-	8,692	937	9,629
Capital contributions	12,896	-	-	147	13,043
Capital contributions to primary government	-	-	-	(2,125)	(2,125)
Capital contributions from primary government	443	-	-	1,049	1,492
	<u>13,339</u>	<u>-</u>	<u>8,692</u>	<u>8</u>	<u>22,039</u>
Change in net position	<u>86,663</u>	<u>1,496</u>	<u>5,193</u>	<u>(540)</u>	<u>92,812</u>
Net position - beginning of year as restated	1,059,611	22,191	270,522	96,706	1,449,030
Net position - end of year	<u>\$ 1,146,274</u>	<u>\$ 23,687</u>	<u>\$ 275,715</u>	<u>\$ 96,166</u>	<u>\$ 1,541,842</u>

SECTION 2 (CONT'D.)
CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS



WATERWORKS ART CENTER

CITY OF TULSA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2018 and 2017
(amounts expressed in thousands)

	<u>2018</u>	<u>2017</u>
Governmental funds capital assets		
Land	\$ 532,548	\$ 530,075
Buildings	233,868	219,939
Improvements other than buildings	84,537	83,656
Machinery and equipment	208,460	199,129
Infrastructure	3,448,611	3,353,915
Construction in progress	182,756	176,134
Total governmental funds capital assets	<u>\$ 4,690,780</u>	<u>\$ 4,562,848</u>
Investments in governmental funds capital assets by source		
General fund	8,174	7,448
Special revenue funds	292,054	289,607
Capital projects funds	3,927,654	3,809,087
Donations	462,898	456,706
Total governmental funds capital assets	<u>\$ 4,690,780</u>	<u>\$ 4,562,848</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
Year ended June 30, 2018
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2017	Additions	Deductions	Governmental Funds Capital Assets June 30, 2018
<i>General Government</i>				
Mayor	\$ 6	\$ -	\$ -	\$ 6
Finance	1,111	3,442	(60)	4,493
Legal	103	11	-	114
Human Resources	443	220	(21)	642
Communications	21	-	-	21
Equipment Management	1,728	671	(13)	2,386
City Council	653	-	-	653
General Government	22,619	-	-	22,619
Information Technology	49,411	2,812	(334)	51,889
	<u>76,095</u>	<u>7,156</u>	<u>(428)</u>	<u>82,823</u>
<i>Public Works & Transportation</i>	4,142,490	233,386	(124,992)	4,250,884
<i>Public Safety & Protection</i>				
Police	80,296	4,567	(2,158)	82,705
Fire	68,141	5,271	(6,116)	67,296
Municipal Court	66	-	-	66
	<u>148,503</u>	<u>9,838</u>	<u>(8,274)</u>	<u>150,067</u>
<i>Social & Economic Development</i>				
Human Rights	44	-	(16)	28
Mayor's Office of Economic Development	-	775	-	775
WIN	3,042	116	(99)	3,059
Development Services	1,234	746	(56)	1,924
	<u>4,320</u>	<u>1,637</u>	<u>(171)</u>	<u>5,786</u>
<i>Cultural Development & Recreation</i>				
Gilcrease	20,830	215	-	21,045
Parks	144,281	9,456	(25)	153,712
Public Events and PAC	26,329	134	-	26,463
	<u>191,440</u>	<u>9,805</u>	<u>(25)</u>	<u>201,220</u>
Total Governmental funds capital assets	<u>\$ 4,562,848</u>	<u>\$ 261,822</u>	<u>\$ (133,890)</u>	<u>\$ 4,690,780</u>


CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2018
(amounts expressed in thousands)

Function and Activity	Land	Buildings	Buildings Other than Improvements	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Mayor	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 6
Finance	150	-	-	4,343	-	-	4,493
Legal	-	-	-	114	-	-	114
Human Resources				642	-	-	642
Communications		7		14	-	-	21
Equipment Management		630		1,756	-	-	2,386
City Council		12		641	-	-	653
General Government	2,500	3,443	16,040	636	-	-	22,619
Information Technology	32	11,622	687	39,548	-	-	51,889
	<u>2,682</u>	<u>15,714</u>	<u>16,727</u>	<u>47,700</u>	<u>-</u>	<u>-</u>	<u>82,823</u>
Public Works & Transportation							
	504,960	58,675	18,143	37,963	3,448,611	182,532	4,250,884
	<u>504,960</u>	<u>58,675</u>	<u>18,143</u>	<u>37,963</u>	<u>3,448,611</u>	<u>182,532</u>	<u>4,250,884</u>
Public Safety & Protection							
Police	1,504	28,121	85	52,872	-	123	82,705
Fire	1,719	18,167	1,083	46,226	-	101	67,296
Municipal Court				66	-	-	66
	<u>3,223</u>	<u>46,288</u>	<u>1,168</u>	<u>99,164</u>	<u>-</u>	<u>224</u>	<u>150,067</u>
Social & Economic Development							
Human Rights				28	-	-	28
Mayor's Office of Economic Development	743			32	-	-	775
WIIN		1,746		1,313	-	-	3,059
Development Services	27		15	1,882	-	-	1,924
	<u>770</u>	<u>1,746</u>	<u>15</u>	<u>3,255</u>	<u>-</u>	<u>-</u>	<u>5,786</u>
Cultural Development & Recreation							
Gilcrease	80	13,033	110	7,822	-	-	21,045
Parks	20,237	74,716	48,374	10,385	-	-	153,712
PAC	596	23,696		2,171	-	-	26,463
	<u>20,913</u>	<u>111,445</u>	<u>48,484</u>	<u>20,378</u>	<u>-</u>	<u>-</u>	<u>201,220</u>
Total Governmental Funds Capital Assets	<u>\$ 532,548</u>	<u>\$ 233,868</u>	<u>\$ 84,537</u>	<u>\$ 208,460</u>	<u>\$ 3,448,611</u>	<u>\$ 182,756</u>	<u>\$ 4,690,790</u>

SECTION 3
STATISTICAL SECTION



ZEIGLER PARK



THE STATISTICAL SECTION—Presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

- **Financial Trends**—These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- **Revenue Capacity**—These schedules contain information to help the reader assess the government's most significant local revenue source, sales tax.
- **Debt Capacity**—These schedules include information to help the reader assess the affordability of the Government's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- **Demographic and Economic Information**—These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- **Operating Information**—These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF TULSA
NET POSITION BY COMPONENT
Current and Past Nine Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
Net investment in capital assets	\$ 1,485,779	\$ 1,386,778	\$ 1,288,414	\$ 1,235,482	\$ 1,167,495	\$ 1,111,600	\$ 1,104,679	\$ 989,918	\$ 967,462	\$ 951,466
Restricted	321,201	291,237	273,642	262,022	263,303	239,504	244,257	160,049	121,161	132,695
Unrestricted	(188,066)	(202,213)	(197,489)	(212,406)	53,045	47,933	59,643	65,532	53,012	38,170
	\$ 1,618,914	\$ 1,475,802	\$ 1,364,567	\$ 1,285,098	\$ 1,483,843	\$ 1,399,037	\$ 1,408,579	\$ 1,215,499	\$ 1,141,635	\$ 1,122,331
Business-type activities:										
Net investment in capital assets	490,067	498,427	504,926	514,764	531,789	528,912	535,424	541,280	516,148	498,405
Restricted	12,218	12,664	11,732	11,939	14,398	16,925	11,875	8,936	11,185	9,482
Unrestricted	34,025	30,089	27,332	22,202	19,289	18,077	16,086	15,183	12,073	14,881
	\$ 536,310	\$ 541,180	\$ 543,990	\$ 548,905	\$ 565,476	\$ 563,914	\$ 563,385	\$ 565,399	\$ 539,406	\$ 522,768
Primary government:										
Net investment in capital assets	1,975,846	1,885,205	1,793,340	1,750,246	1,699,284	1,640,512	1,640,103	1,531,198	1,483,610	1,449,871
Restricted	333,419	303,901	285,374	273,961	277,701	256,429	256,132	168,985	132,346	142,177
Unrestricted	(154,041)	(172,124)	(170,157)	(190,204)	72,334	66,010	75,729	80,715	65,085	53,051
	\$ 2,155,224	\$ 2,016,982	\$ 1,908,557	\$ 1,834,003	\$ 2,049,319	\$ 1,962,951	\$ 1,971,964	\$ 1,780,898	\$ 1,681,041	\$ 1,645,099

Restatements of prior years

- 2018** - June 30, 2018 governmental activities and business-type activities were restated \$5,581 and \$818 respectively as a result of the adoption of GASB Statement No. 75.
Prior years were not restated.
- 2015** - June 30, 2015 governmental activities and business-type activities were restated \$298,116 and \$9,491 respectively as a result of the adoption of GASB Statement No. 68.
Prior years were not restated.
- 2013** - June 30, 2013 business-type activities were restated \$2,165 to correct an error in the treatment of initial direct costs of operating leases.
Prior years were not restated.
- 2011** - June 30, 2011 governmental activities and business-type activities were restated \$728 and \$1,288 respectively as a result of the adoption of GASB Statement No. 65.
Prior years were not restated.
- 2009** - June 30, 2009 governmental activities and business-type activities were restated \$43,441 and \$3,011 respectively to correct errors in capital asset depreciation.

CITY OF TULSA
CHANGES IN NET POSITION
Current and Past Nine Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental activities:										
General government	\$ 65,886	\$ 69,279	\$ 64,141	\$ 46,755	\$ 42,853	\$ 50,697	\$ 46,345	\$ 39,654	\$ 45,311	\$ 42,257
Public safety and protection	217,296	205,938	200,726	186,385	199,749	221,872	204,822	182,971	173,339	183,862
Public works and transportation	80,941	79,746	75,400	69,523	64,381	54,848	56,650	54,029	83,295	87,318
Culture and recreation	27,833	24,949	24,124	22,638	24,629	25,372	20,858	20,419	17,749	21,752
Social and economic	23,993	37,612	38,629	31,409	27,845	32,071	24,089	21,894	31,310	28,325
Interest on long-term debt	14,863	12,583	11,864	12,285	12,250	13,097	12,724	12,624	10,910	12,560
Total governmental activities expenses	430,812	430,107	414,884	368,995	371,707	397,957	365,488	331,591	361,914	376,074
Business-type activities:										
Stormwater	31,680	31,429	30,084	25,877	25,721	26,004	27,729	26,050	24,859	23,743
One Technology Center	8,846	9,127	9,982	10,643	9,927	11,488	10,435	9,884	9,431	9,993
Arena & Convention	25,755	25,199	24,910	25,507	23,815	23,993	22,823	22,480	22,182	17,434
Tulsa Stadium Trust	4,083	3,219	3,330	3,500	4,028	3,733	3,603	3,768	-	-
Golf Courses	3,167	3,276	3,288	2,917	3,183	3,544	3,696	3,316	3,503	3,615
Total business-type activities	73,531	72,250	71,594	68,444	66,674	68,762	68,286	65,498	59,975	54,785
Total primary government	504,343	502,357	486,478	437,439	438,381	466,719	433,774	397,089	421,889	430,859
Program Revenues:										
Governmental activities:										
Charges for services										
General government	37,960	29,763	25,493	9,664	10,279	14,789	14,421	15,416	12,647	12,996
Public safety and protection	13,921	24,490	24,359	25,264	23,918	24,693	21,553	16,815	20,289	22,674
Public works and transportation	6,517	12,277	11,250	13,693	14,045	13,792	12,761	10,421	9,054	14,908
Culture and recreation	4,805	4,420	4,814	5,006	4,754	4,516	4,148	4,887	5,638	3,797
Social and economic	11,043	2,447	1,913	1,626	1,155	2,037	1,850	543	530	1,375
Operating grants and contributions	31,057	30,000	29,486	32,364	35,063	35,742	29,629	27,816	32,262	25,944
Capital grants and contributions	14,846	40,309	6,308	4,694	3,784	34,169	36,144	9,924	12,185	11,560
Total governmental activities program revenues	120,149	143,706	103,623	92,311	92,998	129,738	120,506	85,822	92,605	93,254
Business-type activities:										
Charges for services										
Stormwater	29,754	28,488	27,674	25,099	23,625	24,101	23,604	23,231	22,007	21,424
One Technology Center	9,360	9,154	8,986	9,183	9,176	10,253	9,401	8,560	6,637	5,787
Arena & Convention	18,046	16,754	15,633	16,514	13,953	12,634	12,012	12,300	12,130	10,281
Tulsa Stadium Trust	250	249	281	276	334	299	246	163	16,286	-
Golf Courses	2,588	2,785	2,828	2,420	2,700	2,558	2,574	2,024	2,733	2,713
Operating grants and contributions	-	-	-	-	-	3	308	-	79	-
Capital grants and contributions	2,199	5,602	4,689	1,291	2,360	1,277	1,072	3,319	10,735	36,839
Total business-type activities program revenues	62,197	63,032	60,091	54,783	52,148	51,125	49,217	49,597	70,607	77,044
Total primary government program revenues	\$ 182,346	\$ 206,738	\$ 163,714	\$ 147,094	\$ 145,146	\$ 180,863	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298
Governmental activities	(310,663)	(286,401)	(311,261)	(276,684)	(278,709)	(268,219)	(264,051)	(245,769)	(269,309)	(282,820)
Business-type activities	(11,334)	(9,218)	(11,503)	(13,661)	(14,526)	(17,637)	(17,205)	(15,901)	(5,654)	(22,259)
Total primary government net expense	\$ (321,997)	\$ (295,619)	\$ (290,345)	\$ (290,345)	\$ (293,235)	\$ (285,856)	\$ (262,343)	\$ (261,670)	\$ (274,963)	\$ (260,561)
General Revenues and Other Changes in Net Position:										
Taxes										
Sales tax	278,317	250,271	234,912	231,997	231,108	227,905	219,240	199,384	193,505	207,289
Property tax	77,074	72,075	73,450	64,667	59,659	58,445	58,955	49,315	41,989	39,090
Franchise tax	24,420	23,235	22,620	24,039	24,053	22,588	22,427	27,225	26,144	25,871
Use tax	31,084	25,922	23,640	24,104	24,776	22,393	21,522	17,927	15,622	18,422
Hotel / motel tax	7,414	7,380	7,483	7,552	7,050	6,676	6,120	5,683	5,821	6,327
Unrestricted grants and contributions	7,587	7,131	6,814	6,037	7,894	22,154	23,305	22,698	15,860	21,224
Payments from component units	17,803	15,094	14,631	14,100	14,710	4,282	690	76	13	1,808
Investment earnings	7,629	(551)	7,910	6,469	7,072	(2,343)	2,888	7,513	9,566	19,570
Miscellaneous	1,505	2,862	4,749	2,734	2,253	9,812	4,586	2,490	1,705	3,788
Transfers	(4,639)	(5,783)	(5,479)	(5,644)	(15,060)	(18,092)	(16,814)	(11,950)	(21,612)	(22,248)
Total governmental activities	448,194	397,636	390,730	376,055	363,515	353,820	342,919	320,361	288,613	321,141
Business-type activities:										
Investment earnings and other	1,007	625	1,109	937	3,193	(1)	316	611	691	1,290
Transfers & capital contributions	4,639	5,783	5,479	5,644	15,060	18,092	16,814	11,950	23,619	22,248
Total business-type activities	5,646	6,408	6,588	6,581	18,253	18,091	17,130	12,561	24,310	23,538
Total primary government	\$ 453,840	\$ 404,044	\$ 397,318	\$ 382,636	\$ 381,768	\$ 371,911	\$ 360,049	\$ 332,922	\$ 312,923	\$ 344,679
Changes in Net Position:										
Governmental activities	137,531	111,235	79,469	99,371	84,806	85,601	97,937	74,592	19,304	38,321
Business-type activities	(5,688)	(2,810)	(4,915)	(7,080)	3,727	454	(1,939)	(3,340)	18,656	45,797
Total primary government	\$ 131,843	\$ 108,425	\$ 74,554	\$ 92,291	\$ 88,533	\$ 86,055	\$ 95,998	\$ 71,252	\$ 37,960	\$ 84,118

CITY OF TULSA
GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE
Current and Past Nine Years

(accrual basis of accounting)
(amounts expressed in thousands)

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel / Motel Tax	Total
2018	\$ 278,317	\$ 77,074	\$ 24,420	\$ 31,084	\$ 7,414	\$ 418,309
2017	250,271	72,075	23,235	25,922	7,380	378,883
2016	234,912	73,450	22,620	23,640	7,483	362,105
2015	231,997	64,667	24,039	24,104	7,552	352,359
2014	231,108	59,659	24,053	24,776	7,050	346,646
2013	227,905	58,445	22,588	22,393	6,676	338,007
2012	223,988	58,955	21,857	21,522	6,120	332,442
2011	199,384	49,315	27,225	17,927	5,683	299,534
2010	193,505	41,989	26,144	15,622	5,821	283,081
2009	207,289	39,090	25,871	18,422	6,327	296,999

CITY OF TULSA
PROGRAM REVENUE BY FUNCTION / PROGRAM
Current and Past Nine Years

(accrual basis of accounting)
(amounts expressed in thousands)

Function/Program:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General government	\$ 37,960	\$ 29,763	\$ 25,493	\$ 9,664	\$ 10,478	\$ 14,789	\$ 14,421	\$ 15,416	\$ 13,380	\$ 13,240
Public safety and protection	42,730	48,388	47,860	50,824	47,874	47,727	52,384	37,311	37,973	39,454
Public works and transportation	21,363	52,586	17,558	18,387	17,476	46,502	42,822	16,475	20,024	25,397
Culture and recreation	4,805	4,420	4,814	5,006	4,754	4,516	4,148	5,122	5,960	3,801
Social and economic	13,291	8,549	7,898	8,430	12,416	16,204	7,675	11,498	15,268	11,362
Total governmental activities	<u>120,149</u>	<u>143,706</u>	<u>103,623</u>	<u>92,311</u>	<u>92,998</u>	<u>129,738</u>	<u>121,450</u>	<u>85,822</u>	<u>92,605</u>	<u>93,254</u>
Business-type activities:										
Stormwater	31,953	34,090	32,363	26,390	25,806	25,353	24,676	24,824	25,078	33,057
One Technology Center	9,360	9,154	8,986	9,183	9,176	10,253	9,401	8,560	6,637	5,787
Arena & Convention	18,046	16,754	15,633	16,514	13,993	12,659	12,012	12,856	19,871	35,487
Tulsa Stadium Trust	250	249	281	276	334	302	554	918	16,286	-
Tulsa Golf Courses	2,588	2,785	2,828	2,420	2,839	2,558	2,574	2,439	2,735	2,713
Total business-type activities	<u>62,197</u>	<u>63,032</u>	<u>60,091</u>	<u>54,783</u>	<u>52,148</u>	<u>51,125</u>	<u>49,217</u>	<u>49,597</u>	<u>70,607</u>	<u>77,044</u>
Total primary government	<u>\$ 182,346</u>	<u>\$ 206,738</u>	<u>\$ 163,714</u>	<u>\$ 147,094</u>	<u>\$ 145,146</u>	<u>\$ 180,863</u>	<u>\$ 170,667</u>	<u>\$ 135,419</u>	<u>\$ 163,212</u>	<u>\$ 170,298</u>

Note: With the adoption of GASB No. 61, *The Financial Reporting Entity, Omnibus*, in the year ending June 30 2010, the Tulsa Stadium Trust is reported as a blended component unit. Prior to 2010, the Tulsa Stadium Trust was reported as a discretely presented component unit of the City.

CITY OF TULSA
FUND BALANCES OF GOVERNMENTAL FUNDS
Current and Past Nine Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Nonspendable	\$ 537	\$ 516	\$ 611	\$ 611	\$ 611	\$ 745	\$ 606	\$ 1,055	\$ 7,730	\$ 8,876
Restricted	2,000	2,000	2,000	2,000	2,000	2,000	-	-	47,045	41,647
Assigned	5,315	6,221	5,183	8,047	6,889	13,504	20,989	13,807	\$ 54,775	\$ 50,523
Unassigned	51,181	47,301	54,252	54,830	50,264	41,528	49,540	52,255		
	<u>\$ 59,033</u>	<u>\$ 56,038</u>	<u>\$ 62,046</u>	<u>\$ 65,488</u>	<u>\$ 59,764</u>	<u>\$ 57,777</u>	<u>\$ 71,135</u>	<u>\$ 67,117</u>		
Other Governmental Funds:										
Nonspendable	-	-	-	-	-	-	-	-	229,880	224,633
Restricted	625,096	627,362	458,796	441,787	403,806	383,576	388,231	325,181		
Committed	5,115	6,672	4,691	3,094	1,698	1,761	1,095	1,135	15,572	9,552
Assigned	-	-	-	-	-	718	718	3,977	12,412	4,014
Unassigned	(1,053)	(419)	(310)	(321)	(456)	(512)	(145)	(261)	1,966	1,692
	<u>\$ 629,158</u>	<u>\$ 633,615</u>	<u>\$ 463,177</u>	<u>\$ 444,560</u>	<u>\$ 405,048</u>	<u>\$ 385,543</u>	<u>\$ 389,899</u>	<u>\$ 330,032</u>	<u>\$ 259,830</u>	<u>\$ 239,891</u>

Note: GASB Statement No. 54 changed the reporting of fund balances by establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City adopted GASB Statement No. 54 for the year ending June 30, 2011. Information for prior years is unavailable.

CITY OF TULSA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Current and Past Nine Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Sales tax	\$ 278,317	\$ 250,271	\$ 234,912	\$ 231,997	\$ 231,108	\$ 227,905	\$ 223,988	\$ 199,384	\$ 193,505	\$ 207,289
Property tax	77,013	68,961	73,450	63,229	57,478	56,096	54,124	44,690	34,457	33,287
Franchise tax	24,420	23,235	22,620	24,039	24,053	22,588	21,857	27,225	26,144	25,871
Use tax	31,084	25,922	23,640	24,104	24,776	22,393	21,522	17,927	15,622	18,422
Hotel/motel tax	7,414	7,380	7,483	7,552	7,050	6,676	6,120	5,683	5,821	6,327
Special assessment tax	3,446	3,392	3,525	3,412	3,595	3,344	3,164	3,169	3,275	855
Charges for services	33,353	30,043	28,408	30,927	30,412	45,450	45,553	35,918	40,385	42,353
Intergovernmental revenues	48,197	42,349	39,759	43,425	47,794	53,891	39,598	42,261	51,776	50,761
Fines and forfeitures	7,386	8,226	8,077	8,923	9,565	10,567	11,718	10,875	8,257	8,763
Investment income	7,119	928	7,974	5,423	7,002	363	5,222	6,140	8,663	12,913
Licenses, permits and fees	7,940	8,111	8,397	8,421	7,801	7,137	6,832	5,922	5,175	6,191
Program income from grants	3,018	1,382	1,337	1,397	1,146	1,962	1,763	440	530	793
Payments from component units	15,678	14,846	14,383	13,506	13,566	701	668	57	13	1,808
Miscellaneous	1,361	2,447	4,413	2,659	2,253	9,778	3,033	2,492	2,794	3,787
Total revenues	545,746	487,493	478,378	469,014	467,599	468,851	445,162	402,183	396,417	419,420
Expenditures										
Current:										
General government	42,890	39,899	37,105	36,773	37,857	43,389	27,443	21,638	20,819	20,826
Public safety and protection	212,763	198,827	202,794	194,430	190,069	186,552	187,513	171,552	174,401	188,475
Public works and transportation	21,335	22,773	21,038	24,186	24,983	25,857	29,039	31,557	31,412	32,174
Culture and recreation	21,816	20,799	20,790	20,867	21,584	21,112	14,948	14,385	15,362	19,473
Social and economic development	21,716	23,917	30,595	28,673	28,319	32,986	31,066	20,215	28,991	25,611
Payments to component units	11,883	14,223	15,600	11,123	9,719	11,111	9,562	10,354	16,535	23,480
Capital outlay	132,145	120,653	122,370	104,128	111,597	114,238	96,057	79,680	105,904	102,681
Debt service:										
Principal	61,155	59,546	52,975	52,832	41,953	38,347	31,173	24,581	18,860	17,354
Interest	17,177	17,755	15,975	17,516	16,727	16,150	17,335	15,887	14,433	12,251
Total expenditures	542,880	518,392	519,242	490,528	482,808	489,742	444,136	389,849	426,717	442,325
Excess (deficiency) of revenues over expenditures	2,866	(30,899)	(40,864)	(21,514)	(15,649)	(20,891)	1,026	12,334	(30,300)	(22,905)
Other financing sources (uses)										
Transfers in	2,896	4,373	5,121	4,495	1,706	3,657	2,570	3,941	25,758	12,761
Transfers out	(7,999)	(12,134)	(11,162)	(11,454)	(17,349)	(22,047)	(17,887)	(16,565)	(47,650)	(35,395)
Sale of capital assets	775	608	1,222	905	1,468	1,173	664	1,691	821	-
Bond issuance	-	193,300	57,000	70,000	50,000	45,000	44,927	70,000	70,000	48,453
Refunding bond issuance	-	31,200	23,133	57,073	-	23,746	-	21,546	23,558	-
Premium on bond issuance	-	9,182	3,858	2,804	1,316	7,341	647	11,143	12,017	16
Payment to bond escrow agent	-	(31,200)	(23,133)	(57,073)	-	(23,746)	-	(21,546)	(30,013)	-
Total other financing sources (uses)	(4,328)	195,329	56,039	66,750	37,141	35,124	30,921	70,210	54,491	25,835
Net changes in fund balances	(1,462)	164,430	15,175	45,236	21,492	14,233	31,947	82,544	24,191	2,930
Fund balance, beginning	689,653	525,223	510,048	464,812	443,320	429,087	429,087	314,605	290,414	287,484
Fund balance, ending	\$ 688,191	\$ 689,653	\$ 525,223	\$ 510,048	\$ 464,812	\$ 443,320	\$ 461,034	\$ 397,149	\$ 314,605	\$ 290,414
Debt service as a percentage of noncapital expenditures	18.95%	18.78%	17.02%	18.05%	15.04%	14.45%	13.92%	12.86%	9.59%	8.72%

CITY OF TULSA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Current and Past Nine Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel/Motel Tax	Total
2018	\$ 278,317	\$ 77,013	\$ 24,420	\$ 31,084	\$ 7,414	\$ 418,248
2017	250,271	68,961	23,235	25,922	7,380	375,769
2016	234,912	73,450	22,620	23,640	7,483	362,105
2015	231,997	63,229	24,039	24,104	7,552	350,921
2014	231,108	57,478	24,053	24,776	7,050	344,465
2013	227,905	56,096	22,588	22,393	6,676	335,658
2012	223,988	54,124	21,857	21,522	6,120	327,611
2011	199,384	44,690	27,225	17,927	5,683	294,909
2010	193,505	34,457	26,144	15,622	5,821	275,549
2009	207,289	33,287	25,871	18,422	6,327	291,196

CITY OF TULSA
PRINCIPAL SALES TAX REMITTERS
(amounts expressed in thousands)
June 30, 2018

		2018				2009			
SIC Code	Sales Tax Remitter	Amount Remitted	Revenue Base	Percentage of Total Revenue Base	SIC Code	Sales Tax Remitter	Amount Remitted	Revenue Base	Percentage of Total Revenue Base
53	General Merchandise Stores	\$ 40,322	\$ 1,104,701	14.58%	53	General Merchandise Stores	\$ 36,678	\$ 1,222,592	18.13%
58	Eating and Drinking Places	37,558	1,028,990	13.58%	58	Eating and Drinking Places	27,438	914,597	13.57%
59	Miscellaneous Retail	24,955	683,712	9.02%	59	Miscellaneous Retail	23,809	793,631	11.77%
50	Wholesale Trade-Durable Goods	21,836	598,246	7.89%	49	Electric, Gas, and Sanitary Services	18,914	630,482	9.35%
54	Food Stores	20,162	552,372	7.29%	57	Furniture and Home Furnishing Stores	17,726	590,869	8.76%
49	Electric, Gas, and Sanitary Services	20,119	551,219	7.27%	52	Building Materials & Garden Supplies	16,433	547,781	8.12%
52	Building Materials & Garden Supplies	18,827	515,810	6.81%	54	Food Stores	16,171	539,047	7.99%
57	Furniture and Equipment	17,851	489,062	6.45%	50	Wholesale Trade-Durable Goods	13,735	457,821	6.79%
56	Apparel and Accessory Stores	11,384	311,892	4.12%	48	Communication	10,817	360,570	5.35%
48	Communication	9,013	246,921	3.26%	56	Apparel and Accessory Stores	10,617	353,896	5.25%
		<u>\$ 222,027</u>	<u>\$ 6,082,925</u>	<u>80.26%</u>			<u>\$ 192,338</u>	<u>\$ 6,411,286</u>	<u>95.08%</u>

Source: Oklahoma Tax Commission

CITY OF TULSA
DIRECT AND OVERLAPPING SALES TAX RATES
Current and Past Nine Years

Year	City of Tulsa	Tulsa County	State of Oklahoma
2018	3.650%	0.367%	4.500%
2017	3.650%	0.367%	4.500%
2016	3.100%	0.917%	4.500%
2015	3.100%	0.917%	4.500%
2014	3.167%	0.850%	4.500%
2013	3.167%	0.850%	4.500%
2012	3.167%	0.850%	4.500%
2011	3.000%	1.017%	4.500%
2010	3.000%	1.017%	4.500%
2009	3.000%	1.017%	4.500%

Source: Oklahoma Tax Commission
City and County Rates Effective January 1, 2018

CITY OF TULSA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Current and Past Nine Years

(amounts expressed in thousands, except tax rate)

Year	Real Property			Personal Property			Public Service Property			TOTAL			Assessed to Estimated Actual Value
	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	
2018	\$ 26,891,678	\$ 2,958,380	22.44	\$ 4,271,316	\$ 427,132	22.44	\$ 495,879	\$ 157,590	22.44	\$ 31,658,873	\$ 3,543,102	22.44	11.2%
2017	26,069,568	2,867,939	21.20	4,196,622	419,662	21.20	478,675	152,123	21.20	30,744,865	3,439,724	21.20	11.2%
2016	25,223,050	2,774,813	22.79	4,147,160	414,716	22.79	427,595	135,890	22.79	29,797,805	3,325,419	22.79	11.2%
2015	24,472,298	2,692,222	21.46	4,030,010	403,001	21.46	426,001	135,383	21.46	28,928,309	3,230,606	21.46	11.2%
2014	23,899,110	2,629,165	20.24	3,793,290	379,329	20.24	491,001	156,040	20.24	28,183,401	3,164,534	20.24	11.2%
2013	23,572,306	2,593,213	20.16	3,673,950	367,395	20.16	622,631	197,872	20.16	27,868,887	3,158,480	20.16	11.3%
2012	23,257,483	2,558,579	20.01	3,612,420	361,242	20.01	615,592	195,635	20.01	27,485,495	3,115,456	20.01	11.3%
2011	22,980,865	2,528,148	16.98	3,836,900	383,690	16.98	687,020	218,335	16.98	27,504,785	3,130,173	16.98	11.4%
2010	22,455,554	2,470,358	14.15	3,991,610	399,161	14.15	658,738	209,347	14.15	27,105,902	3,078,866	14.15	11.4%
2009	21,699,539	2,387,188	14.08	3,857,010	385,701	14.08	585,925	186,207	14.08	26,142,474	2,959,096	14.08	11.3%

Source: Tulsa County Assessor's Office

CITY OF TULSA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 (Per \$1,000 of Net Assessed Valuation)
Current and Past Nine Years

Year	Direct		Overlapping				Direct & Overlapping Combined
	General Fund	Sinking Fund	Schools	County	County Library	County Health	
2018	\$ -	\$ 22.44	\$ 96.40	\$ 10.34	\$ 5.32	\$ 2.58	137.08
2017	-	21.50	94.81	10.34	5.32	2.58	134.55
2016	-	22.79	93.50	10.32	5.32	2.58	134.51
2015	-	21.46	93.53	10.33	5.32	2.58	133.22
2014	-	20.24	89.45	10.33	5.32	2.58	127.92
2013	-	20.16	89.19	10.34	5.32	2.58	127.59
2012	-	20.01	89.33	10.34	5.32	2.58	127.58
2011	-	16.98	88.44	10.31	5.32	2.58	123.63
2010	-	14.15	89.49	10.31	5.32	2.58	121.85
2009	-	14.08	88.31	10.31	5.32	2.58	120.60
2008	-	13.48	88.31	10.31	5.32	2.58	120.00

Source: Tulsa County Assessor's Office

CITY OF TULSA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Assessed Valuation
Public Service Co of Okla	\$ 56,749	1	1.55%	\$ 67,914	1	2.21%
AHS/VTR Hillcrest/Tulsa Spine	39,779	2	1.09%	26,515	4	0.86%
Oklahoma Natural Gas Co	25,205	3	0.69%	27,036	3	0.88%
AT&T Companies/Services	22,797	4	0.62%	67,319	2	2.19%
Quik Trip Corp	20,666	5	0.56%	-	-	0.00%
Wal Mart Stores	17,761	6	0.49%	16,425	5	0.54%
Warren Foundation	16,823	7	0.46%	13,420	8	0.44%
Williams Companies	14,964	8	0.41%	14,059	7	0.46%
Woodland Hills Mall	14,491	9	0.40%	14,236	6	0.46%
Weidner Apartment Homes	13,650	10	0.37%	-	-	0.00%
Cox Communications				10,652	9	0.35%
Kanbar Prop Management LLC				8,917	10	0.29%
	<u>\$ 242,887</u>		<u>6.6%</u>	<u>\$ 266,493</u>		<u>8.68%</u>

Sources:
Tulsa County Assessor

CITY OF TULSA
PROPERTY TAX LEVIES AND COLLECTIONS
Current and Past Nine Years
(amounts expressed in thousands)

Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Taxes Receivable	Delinquent Percent of Levy	Delinquent Tax Collections	Total Collections	Percent of Total Collections to Tax Levy
2018	\$ 79,507	\$ 78,011	98.1%	\$ 11,684	14.7%	\$ 1,524	\$ 79,535	100.0%
2017	72,915	71,528	98.1%	11,712	16.1%	-	71,528	98.1%
2016	75,781	74,030	97.7%	11,352	15.0%	84	74,114	97.8%
2015	69,329	66,943	96.6%	11,747	16.9%	341	67,284	97.1%
2014	64,050	62,019	96.8%	11,206	17.5%	1,384	63,403	99.0%
2013	63,687	61,641	96.8%	10,834	17.0%	1,129	62,770	98.6%
2012	62,334	60,219	96.6%	10,334	16.6%	1,647	61,866	99.3%
2011	53,163	50,945	95.8%	9,955	18.7%	1,947	52,892	99.5%
2010	43,557	41,887	96.2%	9,060	20.8%	1,413	43,300	99.4%
2009	41,663	40,014	96.0%	8,469	20.3%	1,474	41,488	99.6%

CITY OF TULSA
RATIOS OF OUTSTANDING DEBT BY TYPE
Current and Past Nine Years

(amounts expressed in thousands, except per capita)

Year	Governmental Activities Debt			Business Type Activities Debt		Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds, Net	Revenue Bonds, Net	Notes Payable	Total Governmental Activities	Revenue Bonds, Net			
2018	\$ 452,062	\$ 121,142	\$ -	\$ 573,204	\$ 91,788	\$ 664,992	2.86%	1,628
2017	508,323	123,380	-	631,703	92,493	724,196	2.96%	1,793
2016	480,703	5,908	-	486,611	95,747	582,358	2.79%	1,446
2015	468,293	7,381	-	475,674	98,807	574,481	2.77%	1,435
2014	447,465	8,856	-	456,321	103,316	559,637	2.81%	1,407
2013	439,032	10,335	-	449,367	107,390	556,757	2.92%	1,429
2012	426,659	11,821	407	438,887	104,324	543,211	2.85%	1,375
2011	407,858	14,255	796	422,909	106,402	529,311	3.03%	1,314
2010	351,105	27,911	1,165	380,181	90,354	470,535	2.98%	1,221
2009	291,245	41,030	1,519	333,794	92,558	426,352	2.78%	1,139

Notes:

1. Outstanding debt balances are reported net of related discounts and premiums.
2. Bonded debt reported above agree to their respective categories in Note 11, Long-Term Liabilities.
 Bonded debt along with other long-term liabilities are aggregated and reported as Long-Term Liabilities on the face of the financial statements.

CITY OF TULSA
RATIOS OF NET GENERAL BONDED DEBT TO
ASSESSED VALUES AND NET BONDED DEBT PER CAPITA
Current and Past Nine Years

(amounts expressed in thousands, except per capita)

Year	Population	Net Assessed Property Value	Net General Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita (In dollars)
2018	408,451	\$ 3,543,102	\$ 452,062	12.76%	\$ 1,107
2017	403,890	3,423,491	508,323	14.85%	1,259
2016	402,662	3,325,419	480,703	14.46%	1,194
2015	400,436	3,230,606	468,293	14.50%	1,169
2014	397,737	3,164,534	447,465	14.14%	1,125
2013	397,139	3,158,480	439,032	13.90%	1,105
2012	393,831	3,115,456	426,659	13.69%	1,083
2011	391,831	3,130,173	407,858	13.03%	1,041
2010	391,956	3,078,866	351,105	11.40%	896
2009	392,080	2,959,096	291,245	9.84%	743

Notes:

1. **Source:** Net Assessed Value: Tulsa County Assessor's Office
2. General bonded debt reported by the governmental activities, statement of net position.

CITY OF TULSA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2018

(amounts expressed in thousands)

Governmental Unit	Net General Bonded Debt	Estimated Percentage Applicable to City of Tulsa	Estimated Share Applicable to City of Tulsa
Debt repaid with property taxes:			
Independent School Districts:			
No. 1 Tulsa	\$ 180,087	92.3%	\$ 166,132
No. 3 Broken Arrow	73,792	11.4%	8,446
No. 4 Bixby	32,905	9.3%	3,074
No. 5 Jenks	77,724	73.1%	56,786
No. 9 Union	75,000	75.7%	56,782
No. 11 Owasso	35,514	0.1%	37
			291,257
City direct debt	\$ 573,204	100.0%	573,204
Total direct and overlapping debt			\$ 864,461

Notes:

1. **Source:** Tulsa County Assessor's Office
2. Ratio of assessed valuation of property within the overlapping unit to assessed valuation of property within the City of Tulsa

CITY OF TULSA
COMPUTATION OF LEGAL DEBT MARGIN
Current and Past Nine Years
(amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit ¹⁻²	\$ 354,310	\$ 342,349	\$ 332,542	\$ 323,061	\$ 316,453	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910
Total net debt subject to limit ³	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 354,310	\$ 342,349	\$ 332,542	\$ 323,061	\$ 316,453	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source:

1. Tulsa County Assessor's Office - Net Assessed Valuation
2. Article 10, Section 26, Oklahoma Constitution - 10% of Net Assessed Valuation
3. Article 10, Section 27, Oklahoma Constitution - debt subject to limit

CITY OF TULSA
PLEDGED-REVENUE BOND COVERAGE
ONE TECHNOLOGY CENTER - LEASE REVENUE BONDS
Current and Past Nine Years

(amounts expressed in thousands)

Year	Gross Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2018	\$ 10,057	\$ 1,575	\$ 2,394	\$ 3,969	2.53
2017	9,878	1,485	3,321	4,806	2.06
2016	9,660	1,400	3,339	4,739	2.04
2015	9,853	1,340	3,356	4,696	2.10
2014	12,065	1,280	3,372	4,652	2.59
2013	10,930	-	3,645	3,645	3.00
2012	9,466	-	3,734	3,734	2.54
2011	9,820	-	3,734	3,734	2.63
2010	8,678	-	3,734	3,734	2.32
2009	7,005	600	3,747	4,347	1.61

Notes:

1. The bonds were issued in 2008 and repayment is the responsibility of TPA's One Technology Center fund.
2. Gross revenues includes lease revenues derived from the operation of the OTC facility along including investment income, transfers and gains on capital asset disposition.

CITY OF TULSA
PLEDGED-REVENUE BOND COVERAGE
ARENA AND CONVENTION - 2008 CAPITAL IMPROVEMENT BONDS
Current and Past Nine Years

(amounts expressed in thousands)

Year	Gross Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2018	\$ 2,080	\$ 895	\$ 514	\$ 1,409	1.48
2017	2,080	1,190	586	1,776	1.17
2016	2,080	1,095	653	1,748	1.19
2015	2,080	1,000	713	1,713	1.21
2014	2,080	915	769	1,684	1.24
2013	2,090	835	820	1,655	1.26
2012	2,090	725	852	1,577	1.33
2011	2,140	680	881	1,561	1.37
2010	2,276	640	905	1,545	1.47
2009	1,563	450	867	1,317	1.19

Notes:

1. The bonds were issued in 2009 and repayment is the responsibility of TPGA's Arena and Convention fund.
2. Gross revenue includes revenues derived from the Arena sponsorship and naming.

CITY OF TULSA
PLEGGED-REVENUE BOND COVERAGE
TULSA STADIUM TRUST - IMPROVEMENT DISTRICT BONDS
Current and Past Eight Years
(amounts expressed in thousands)

Year	Gross Revenue	Direct Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2018	\$ 2,521	\$ 1,121	\$ 1,400	\$ 610	\$ 989	\$ 1,599	0.88
2017	2,450	251	2,199	585	1,014	1,599	1.38
2016	2,505	332	2,173	570	1,032	1,602	1.36
2015	2,491	516	1,975	560	1,028	1,588	1.24
2014	2,689	919	1,770	383	1,946	2,329	0.76
2013	2,439	404	2,035	360	1,253	1,613	1.26
2012	2,663	427	2,236	339	1,217	1,556	1.44
2011	3,042	678	2,364	5,319	1,174	6,493	0.36
2010	18,303	733	17,570	289	141	430	40.86

Notes:

1. Bonds were issued in 2010 and refunded in 2013. Repayment of debt is the responsibility of the Tulsa Stadium Trust.
2. Gross revenue includes revenues derived from the operation of the ballpark and transfers from the Tulsa Stadium Improvement District along with other revenues of the fund including investment income and gains on capital asset disposition.
3. Direct expenses include all expenses of TST except for depreciation and interest expense.

CITY OF TULSA
PLEDGED-REVENUE BOND COVERAGE
TPFA - 2012 CAPITAL IMPROVEMENT BONDS
Current and Past Five Years
(amounts expressed in thousands)

Year	Gross Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2018	\$ 26,816	\$ 1,395	\$ 171	\$ 1,566	17.12
2017	27,238	1,365	226	1,591	17.12
2016	26,828	1,340	266	1,606	16.70
2015	26,492	1,320	305	1,625	2.21
2014	26,720	1,305	345	1,650	2.83
2013	23,792	1,295	372	1,667	0.03

Notes:

1. Bonds were issued in 2013 and repayment is the responsibility of TPFA's Financing fund and TARE.
2. Gross revenue includes revenue derived from the operation of TARE along with other revenues of the Improvements fund including investment income and gains on capital asset disposition.
3. Direct expenses include all expenses of TARE except for depreciation and interest expense.

CITY OF TULSA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Current and Past Nine Years

Year	Population	MSA Current Personal Income (in millions)	MSA Per Capita Personal Income	Median Age	Percent of High School Graduates	Unemployment Rate
2018	408,451	\$ 57,172	\$ 56,867	34.9	86.8%	5.0%
2017	403,890	60,088	60,587	34.9	86.7%	5.0%
2016	403,085	50,881	51,786	34.9	86.8%	4.5%
2015	402,662	50,247	51,500	34.8	86.7%	4.2%
2014	400,436	48,199	49,807	34.8	86.7%	5.0%
2013	398,222	45,935	47,857	34.8	86.7%	5.4%
2012	396,021	45,787	48,095	34.8	86.7%	5.8%
2011	393,831	41,846	44,316	34.8	86.7%	6.7%
2010	391,831	37,723	40,239	34.8	86.8%	7.5%
2009	391,956	36,300	39,075	34.8	86.5%	5.1%

Sources:

- Population: 2000 & 2010 Census
- Forecast (2018): Extrapolation using 17 year Experian series, and 2016 Growth Projection
- Personal Income: Bureau of Economic Analysis to 2015
- Forecast (2017/2018): OSU Center for Applied Economic Research, Tulsa Regional Chamber
- Per Capita Personal Income: Bureau of Economic Analysis to 2016
- Forecast (2017/2018): OSU CAER, Tulsa Regional Chamber
- Median Age: 2000 & 2010 Census
- Forecast (2018): Extrapolation using 17 year Experian series, and 2017 Growth Projection
- Percent of High School Graduates: Tulsa Metro Chamber - as reported by Experian
- Forecast (2018): Extrapolation using 13 year Experian series, and 2017 Growth Projection
- Unemployment Rate: Bureau of Labor Statistics (12 month moving average closing July 30, 2018)

CITY OF TULSA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total MSA Employment	Employees	Rank	Percentage of Total MSA Employment
Saint Francis Healthcare System	10,000	1	2.20%	4,500	3	1.07%
Wal-Mart/Sam's Club	8,500	2	1.87%	-	-	NA
Tulsa Public Schools	7,500	3	1.65%	7,000	2	1.66%
Hillcrest Healthcare System	7,500	4	1.65%	2,000	16	0.38%
American Airlines	7,500	5	1.65%	7,500	1	1.78%
St. John Health System	7,500	6	1.65%	3,000	5	0.65%
City of Tulsa	5,000	7	1.10%	4,500	4	1.06%
Reasor's (all Tulsa area locations)	5,000	8	1.10%	2,000	11	0.48%
Tulsa County	5,000	9	1.10%	2,000	12	0.48%
QuikTrip	5,000	10	1.10%	1,500	20	0.33%
	<u>68,500</u>		<u>15.06%</u>	<u>34,000</u>		<u>7.89%</u>

Notes:

- Source:** Tulsa Metro Chamber and Oklahoma State Department of Commerce Chamber Sources: Direct Contact with Companies; D&B Million Dollar Database: Global Reach, ReferenceUSA & Tulsa World articles
- Employer headcount survey includes regular full-time and part-time employees.
- Total employment for all locations of the company in the Tulsa MSA area.
- Employee counts are categorized in increments of 500. The number of employees shown for each employer is the peak value of each increment.

CITY OF TULSA
Number of City Employees
Current and Past Nine Years

Departments	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety and Protection:										
Police	1,048	1,008	977	971	997	881	879	874	888	897
911 Public Safety Communications	-	-	-	-	-	97	97	97	108	109
Municipal Courts	39	39	41	41	46	51	51	50	53	58
Fire	735	715	695	694	696	696	699	698	708	714
	<u>1,822</u>	<u>1,762</u>	<u>1,713</u>	<u>1,706</u>	<u>1,739</u>	<u>1,725</u>	<u>1,726</u>	<u>1,719</u>	<u>1,757</u>	<u>1,778</u>
Cultural Development and Recreation:										
Park & Recreation	168	170	173	176	195	196	110	180	270	273
Tulsa Performing Arts Center	31	31	31	30	30	30	29	30	36	37
	<u>199</u>	<u>201</u>	<u>204</u>	<u>206</u>	<u>225</u>	<u>226</u>	<u>139</u>	<u>210</u>	<u>306</u>	<u>310</u>
Social and Economic Development:										
Mayor's Office of Economic Development	10	9	11	9	-	-	-	-	-	-
Planning and Economic Development	79	79	87	88	115	112	121	118	91	93
Working in Neighborhoods	69	69	67	67	75	77	75	72	87	91
	<u>158</u>	<u>157</u>	<u>165</u>	<u>164</u>	<u>190</u>	<u>189</u>	<u>196</u>	<u>190</u>	<u>178</u>	<u>184</u>
Public Works and Transportation:										
Engineering Services	144	144	145	146	162	161	153	155	-	-
Streets and Stormwater	346	328	312	357	375	374	434	437	-	-
Water and Sewer	661	657	655	648	646	642	657	653	-	-
Public Works	-	-	-	-	-	-	-	-	1,441	1,453
Airports	-	-	-	-	157	157	157	157	158	172
	<u>1,151</u>	<u>1,129</u>	<u>1,112</u>	<u>1,151</u>	<u>1,340</u>	<u>1,334</u>	<u>1,401</u>	<u>1,402</u>	<u>1,599</u>	<u>1,625</u>
General Government and Support:										
Finance	156	158	163	157	170	171	158	153	89	84
Information Technology	116	116	119	119	143	146	149	249	270	278
Asset Management	136	136	137	111	79	79	79	79	79	83
All Other	181	175	177	177	157	181	177	73	83	96
	<u>589</u>	<u>585</u>	<u>596</u>	<u>564</u>	<u>581</u>	<u>577</u>	<u>563</u>	<u>554</u>	<u>521</u>	<u>541</u>
	<u>3,919</u>	<u>3,834</u>	<u>3,790</u>	<u>3,791</u>	<u>4,075</u>	<u>4,051</u>	<u>4,025</u>	<u>4,075</u>	<u>4,361</u>	<u>4,438</u>

Notes:

1. **Source:** City of Tulsa, *Annual Budget and Capital Plan*
2. Other departments include: Elected Officials Offices, Legal, Human Resources and other departments with less than fifty positions.
3. Years and departments with no employees indicated by "-" are the result of organizational changes, with employee counts included in a different department as well as the discontinued use of that department name.

CITY OF TULSA
Selected Operating Indicators by Function/Program
Current and Past Five Years

Function/Program	2018	2017	2016	2015	2014	2013
<u>Public Safety & Protection</u>						
Municipal Court						
1 . Percent of expunges completed within 30 days of the order date signed by the judge.	65%	40%	75%	New Measure	New Measure	New Measure
2 . Percent of Minute clerk entries for daily court entered within 24 or 48 hours (depending up on the type as described in the objective.)	75%	50%	80%	New Measure	New Measure	New Measure
3 . Percent of hand written citations entered within 24 hours of receipt from the prosecutor's office.	75%	55%	90%	New Measure	New Measure	New Measure
Police						
1 . Percent reduction in Part One crimes over previous year.	7.0% increase	2.4% increase	15.37% decrease	3.6% decrease	5% decrease	3% decrease
2 . Part I Property crime rate per 1,000 population	60.32	56.18	57.55	50.25	New Measure	New Measure
3 . Part I Violent crime rate per 1,000 population	10.59	11.51	10.1	8.69	New Measure	New Measure
4 . Percent reduction in fatality/high injury collisions over previous year.	30.3% decrease	5.1% increase	12.8% decrease	13.9% decrease	15.4% decrease	3% decrease
5 . Percent increase in Priority One calls responded to in three minutes or less	0.7% increase	2.2% increase	5.5% decrease	0.3% increase	13.54% decrease	5% increase
Fire						
1 . Percent of arrival on scene from receipt of call within six minutes	91%	91%	85%	86%	86%	90%
2 . Percent of reduction of firefighter injuries from previous year.	20%	16%	0%	33%	32%	5%
<u>Culture and Recreation</u>						
Parks						
1 . Average number of hours Recreation Centers were open on a weekly basis	65	65	65	New Measure	New Measure	New Measure
2 . Number of exercise programs held per quarter at each recreation center	44	42	25	New Measure	New Measure	New Measure
Gilcrease Museum						
1 . Number of school-aged children receiving services per year.	27,993	29,267	35,326	35,326	17,000	25,000
2 . Number of visitors attracted annually.	86,208	76,366	72,100	81,384	78,144	100,000
Performing Arts Center						
1 . Number of performances per year.	310	381	555	505	506	500
2 . Dollar amount of gross ticket sales.	\$9.5 million	\$9.2 million	\$7.5 million	\$7.9 million	\$10.6 million	\$7 million
BOK Arena and Convention Center						
1 . Number of paid attendance to event centers per year.	990,293	1,040,742	1,057,590	1,126,758	921,535	550,000
2 . Gross ticket sales per year	\$29,418,993	\$25,841,977	\$16,902,142	\$25,212,936	\$19,132,173	\$15,000,000
3 . Number of attended events scheduled and serviced annually.	242	295	609	600	527	476

Continued

CITY OF TULSA
Selected Operating Indicators by Function/Program
Current and Past Five Years

Function/Program	2018	2017	2016	2015	2014	2013
Continued						
<u>Social & Economic Development</u>						
Mayor's Office of Economic Development						
1 . Number of Commerical Permits issued	1335	1455	1397	New Measure	New Measure	New Measure
Working In Neighborhoods						
1 . Average number of housing rehabilitations per month.	24	27	23	23	20	23
2 . Average number of housing demolitions per month.	4	25	32	32	23	32
3 . Average number of voluntary compliance of code violations per month.	1064	1200	1100	1100	882	1100
4 . Percent reduction of animals euthanized at Tulsa Animal Welfare (TAW).	7% reduction	15% reduction	15% reduction	12% reduction	18.6% reduction	12% reduction
5 . Percent increase of live exits of animals from TAW.	5% increase	10% increase	10% increase	12% increase	1.6% increase	12% increase
Planning and Economic Development						
1 . Average number of working days for plans review.	9	10	10	9	8	10
2 . Average number of calendar days to issue permits for commercial projects under \$1 million.	45	33	30	41	37	30

Continued

CITY OF TULSA
Selected Operating Indicators by Function/Program
Current and Past Five Years

Function/Program	2018	2017	2016	2015	2014	2013
Continued						
Public Works & Transportation						
Engineering Services						
1 .	83%	58%	51%	62%	62%	80%
Percent of capital projects designed, right-of-way easements acquired and utilities relocated within scheduled time frames.						
2 .	100%	86%	97%	85%	93%	90%
Percent of capital projects constructed within scheduled time frames.						
3 .	100%	100%	100%	100%	100%	95%
Percent of capital projects completed within appropriated budgets.						
4 .	2.4%	1.2%	8.0%	4.0%	0.5%	7.0%
Change order percent for capital projects (State statute: Projects valued at: a) \$1,000,000 or less: 15% maximum; b) Above \$1,000,000: 10% maximum.						
5 .	100%	100%	100%	100%	95%	95%
Percent of bid advertisements posted and updated in all locations.						
Streets and Stormwater						
1 .	37 minutes	56 minutes	41 minutes	34 minutes	25 minutes	60 minutes
Average number of minutes it takes to respond to emergency street repair requests.						
2 .	46	52	45	New Measure	New Measure	New Measure
Average response time to traffic signal trouble call						
3 .	23 minutes	46 minutes	58 minutes	32 minutes	32 minutes	60 minutes
Average number of minutes it takes to respond to stormwater emergencies.						
4 .	<5%	<5%	0.8%	<1%	0.1%	0.2%
Percent of verified missed collections of refuse and recycling services.						
Water and Sewer						
1 .	100%	100%	100%	100%	100%	98%
Percent of customer service demand for treated water.						
2 .	100%	100%	100%	100%	100%	New Measure
Drinking water compliance rate (number of days in full compliance divided by 365 days)						
3 .	6.18	5.3	4.83	5.11	4.91	5
Average number hours for water off per customer during emergency repairs.						
4 .	99.1%	99.9%	98.0%	98.0%	99.7%	95%
Percent of on-site responses to sanitary sewer stoppage and overflow calls within two hours.						
Metropolitan Tulsa Transit Authority						
1 .	41	38	new measure	new measure	new measure	new measure
Number of fixed route accidents per 100k miles						
2 .	17	10	new measure	new measure	new measure	new measure
Number of lift program accidents per 100k miles.						
3 .	15	16	16	16	18.3	17
Number of fixed route passengers per hour.						
4 .	2	2	2	2	2.1	2
Number of lift program passengers per hour.						
Continued						

CITY OF TULSA
Selected Operating Indicators by Function/Program
Current and Past Five Years

Function/Program	2018	2017	2016	2015	2014	2013
Continued						
<u>Administrative and Support Services</u>						
Elected Officials						
1 . Percent of acceptance rate for recommendations.	94%	95%	90%	90%	90%	90%
2 . Direct Staff time	74%	67%	New Measure	New Measure	New Measure	New Measure
3 . Quality ranking on a 1-4 scale.	3.6	3.6	3.6	3.3	3.5	3.3
Legal Department						
1 . Percent of reviews for prosecutions completed within two working days.	100%	100%	100%	100%	100%	100%
2 . Percent of contracts completed within ten business days.	95%	94%	93%	93%	98%	90%
Human Resources Department						
1 . Percent of internal non-sworn vacancies filled within 45 days of closing date.	80%	84%	93%	95%	95%	80%
2 . Percent of external non-sworn vacancies filled within 45 days of closing date.	70%	78%	83%	79%	89%	80%
3 . Percent of reported injury claims closed within 90 days of submission.	61%	70%	77%	76%	76%	65%
Finance Department						
1 . Basis points over the treasury bill rate.	1	75	98	86	90	25
2 . City's Standard and Poor bond rating.	AA	AA	AA	AA	AA	AA
3 . City's Moody's Investor Service bond rating.	Aa ¹	Aa ¹	Aa ¹	Aa ¹	Aa ¹	Aa ¹
Information Technology						
1 . Annual and quarterly customer service rating (1-5).	4.5	4.5	4.0	4.9	4.9	4.0
2 . Percent of IT service tickets open past 30 days.	11%	8%	16%	2%	2%	1%
3 . First contact resolution rate.	42%	47%	31%	47%	47%	35%
Customer Care						
1 . Percent of calls answered within 45 seconds.	48%	47%	52%	56%	48%	85%
2 . Average call abandonment percentage.	16%	17%	16%	16%	18%	<8%
3 . Customer service quality score percent for recorded and monitored calls.	82%	92%	94%	94%	94%	90%
Asset Management Department						
1 . Percent of designated fleet availability.	93%	93%	93%	93%	94%	93%
2 . Percent of parking meters that are operational per year.	69%	77%	85%	85%	New Measure	New Measure
3 . Percent of direct labor hours dedicated to parking meter enforcement per year.	80%	77%	75%	100%	New Measure	New Measure

Note: Data not available is indicated by a "-".

Source: City of Tulsa

CITY OF TULSA
TULSA METROPOLITAN UTILITY AUTHORITY
WATER AND SEWER RATES
Current and Past Nine Years
 (Residential - Inside City Limits)

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
2018	\$ 6.19	\$ 4.13	\$ 7.00	\$ 7.30
2017	5.90	3.93	6.41	6.70
2016	5.51	3.64	5.88	6.15
2015	5.15	3.40	5.39	5.64
2014	4.81	3.18	4.91	5.14
2013	4.50	2.97	4.50	4.71
2012	4.50	2.75	4.50	4.27
2011	4.50	2.53	4.50	3.92
2010	4.20	2.37	4.50	3.56
2009	4.08	2.31	4.08	3.23

APPENDIX
APPENDIX OF ABBREVIATIONS



PRAIRIE SCHOONER @ CHAPMAN GREEN

APPENDIX OF ABBREVIATIONS

(Occasionally used throughout this report)

City	..City of Tulsa, Oklahoma
DPCU	..Discretely Presented Component Unit
EMSA	..Emergency Medical Services Authority
GAAP	..Generally Accepted Accounting Principles
GASB	..Governmental Accounting Standards Board
GFOA	..The Government Finance Officers Association of the U.S. and Canada
GO	..General Obligation (bonds)
MERP	..Municipal Employees' Retirement Plan
MSA	..Metropolitan Statistical Area (of Tulsa)
MTTA	..Metropolitan Tulsa Transit Authority
PFPI	..Privately Financed Public Improvement
RMUA	..Regional Metropolitan Utility Authority
RPA	..River Parks Authority
TAIT	..Tulsa Airports Improvement Trust
TARE	..Tulsa Authority for Recovery of Energy
TDA	..Tulsa Development Authority
TIA	..Tulsa Industrial Authority
TMUA	..Tulsa Metropolitan Utility Authority
TPA	..Tulsa Parking Authority
TPACT	..Tulsa Performing Arts Center Trust
TPFA	..Tulsa Public Facilities Authority
TST	..Tulsa Stadium Trust



TULSA PARK AND RECREATION



CITY OF TULSA, OKLAHOMA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED: JUNE 30, 2018