

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF TULSA, OKLAHOMA | YEAR ENDED JUNE 30, 2013



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MAYOR

DEWEY F. BARTLETT JR.

DIRECTOR OF FINANCE

MICHAEL P. KIER, CPFO

CONTROLLER

DAVID W. BRYANT, CPA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

CITY OF TULSA, OKLAHOMA
YEAR ENDED JUNE 30, 2013

**CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2013**

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Introductory Section



DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR OF FINANCE
OFFICE OF THE CONTROLLER
175 E. Second Street, Suite 885
Tulsa, Oklahoma 74103

November 15, 2013

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, 2013. 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, are accurate in all material respects and are presented in a manner which fairly sets for 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) based upon a comprehensive framework of internal control that it has 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 is fulfills that requirement for the year ended June 30, 2013. 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 maximum understanding of the City's financial affairs.

Independent Auditor's Report

The basic financial statements and related notes have been audited by the independent firm of Certified Public Accountants McGladrey LLP. The independent firm 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 accounting principals generally accepted in the United States (U.S. GAAP). The independent auditor's report can be found on page A-1 of the Financial Section of this CAFR.

Grant awards are being audited under the provisions of the Single Audit Act of 1996, as amended and the Single Audit reports will be 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 complement 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. It has an elevation of 700 feet above sea level. The average daily temperature is 61 degrees and the average annual rainfall is 39 inches. With its temperate climate, the City experiences continually changing weather conditions during all four seasons of the year.

The City was incorporated on January 8, 1898. With 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 currently population is 397,476 people, representing a 0.02% increase over 2012. Tulsa is the hub and seat of Tulsa County and is the second largest city in Oklahoma, providing commerce, industrial, transportation and financial services for a metropolitan area of 966,361 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 by May 1 to the City Council. The Council reviews, refines, changes, and adopts it according to the policies and priorities it wishes to see implemented. Governmental funds with legal annually appropriated budgets are the General Fund and the Sales Tax Fund (a capital projects fund).

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% of the state's population and 30.7% of the state's economy (TMSA share equals \$42.9 billion in 2010 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 1.5 times more,
- Oil and gas production and machinery manufacturing is 8.2 times more,
- Pump and compressor manufacturing is 16.8 times more,
- Fabricated metal product manufacturing is 2.6 times more, with its
- Heat-exchanger manufacturing sub-cluster being 46.4 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 12% below the national average respectively. Tulsa has the 2nd shortest average commute time in the nation. Tulsa is home to some of the nation's larger companies including QuikTrip, ONEOK, ConocoPhillips, and The Williams Companies.

Tulsa received several national recognitions in 2013. Site Selection publication ranked Tulsa as 2nd in the nation among mid-sized cities for New and Expanded Corporate Facilities. Global Investment publication ranked Tulsa as 10th in the nation among mid-sized cities for Foreign Direct Investment Strategy. The Brookings Institute ranked Tulsa as the 23rd Fastest Growing Metro Area for Exports from 2009 to 2012.

The Bureau of Labor Statistics reported the unemployment rate for the City at June 30, 2013 as seasonally adjusted declined from 6.1% the previous year to 5.4%. The state and national seasonally adjusted average unemployment rates for this same time period were 5.1% and 7.8%, respectively.

Bond Ratings

In their report dated November 2012, Moody's Investors Service assigned and affirmed the City of Tulsa an Aa1 rating. Standard and Poor's assigned and affirmed an AA rating to the City's general obligation bonds in their report dated January 2013.

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; &
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 transfer payments. 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 allocation 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 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 6.25% of the General Fund appropriated expenditures for 2013.

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 City made its first deposit to the reserve in the amount of \$2 million in 2013.

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

The City initiated or completed several projects which provide enhancements for the general public, as well as the potential to create significant impact on revenue and expenditure trends in the future.

Adoption of the Retail Economic Investment Incentive - In 2013, the City Council approved the adoption of a multi-million dollar incentive program in attracting big-box retailers aimed at making Tulsa more competitive with surrounding cities. The program would offer up to \$2 million in sales tax rebates for retailers that generate substantial sales tax revenue. Rebates would be limited to public infrastructure investments, relative to the amount of tax revenue the retailer remits to the City each year. The incentive program would be capped at 1% of the City's General Fund operating fund each year.

Pension Review Committee - A Pension Review committee was created in 2013 to review the City of Tulsa's pension program and recommend reforms ensuring the City can meet its future commitments. In late August, the committee returned with recommendations including moving the current pension system to a defined contribution model for new employees. The Council and Management staff are currently reviewing the aforementioned committee's recommendations.

Awards

The Government Finance Officers Association of the United States and Canada (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, 2012. This was the thirty-first 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.

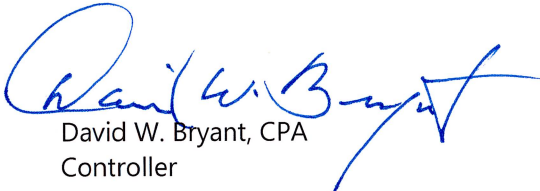
The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated June 20, 2013. This was the 18th consecutive year for the City of Tulsa. To qualify for the Distinguished Budget Presentation Award, the City's budget document had to be judged proficient as 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 have also contributed directly or indirectly to the preparation of this report; the Budget Division, the Treasury Division and other staff throughout the City. We would like to 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, McGladrey LLP, conducted the audit.

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



David W. Bryant, CPA
Controller



Michael P. Kier, CPFO
Director of Finance

**CITY OF TULSA,
LIST OF PRINCIPAL OFFICIALS**

MAYOR

Dewey F. Bartlett, Jr.

CITY COUNCIL MEMBERS

Jack R. Henderson.....	District 1
Jeannie Cue.....	District 2
David Patrick.....	District 3
Blake Ewing.....	District 4
Karen Gilbert.....	District 5
Byron Steele.....	District 6
Arianna Moore.....	District 7
Phil Lakin, Jr.	District 8
G.T. Bynum.....	District 9

CHIEF OF STAFF

Jarred Brejcha

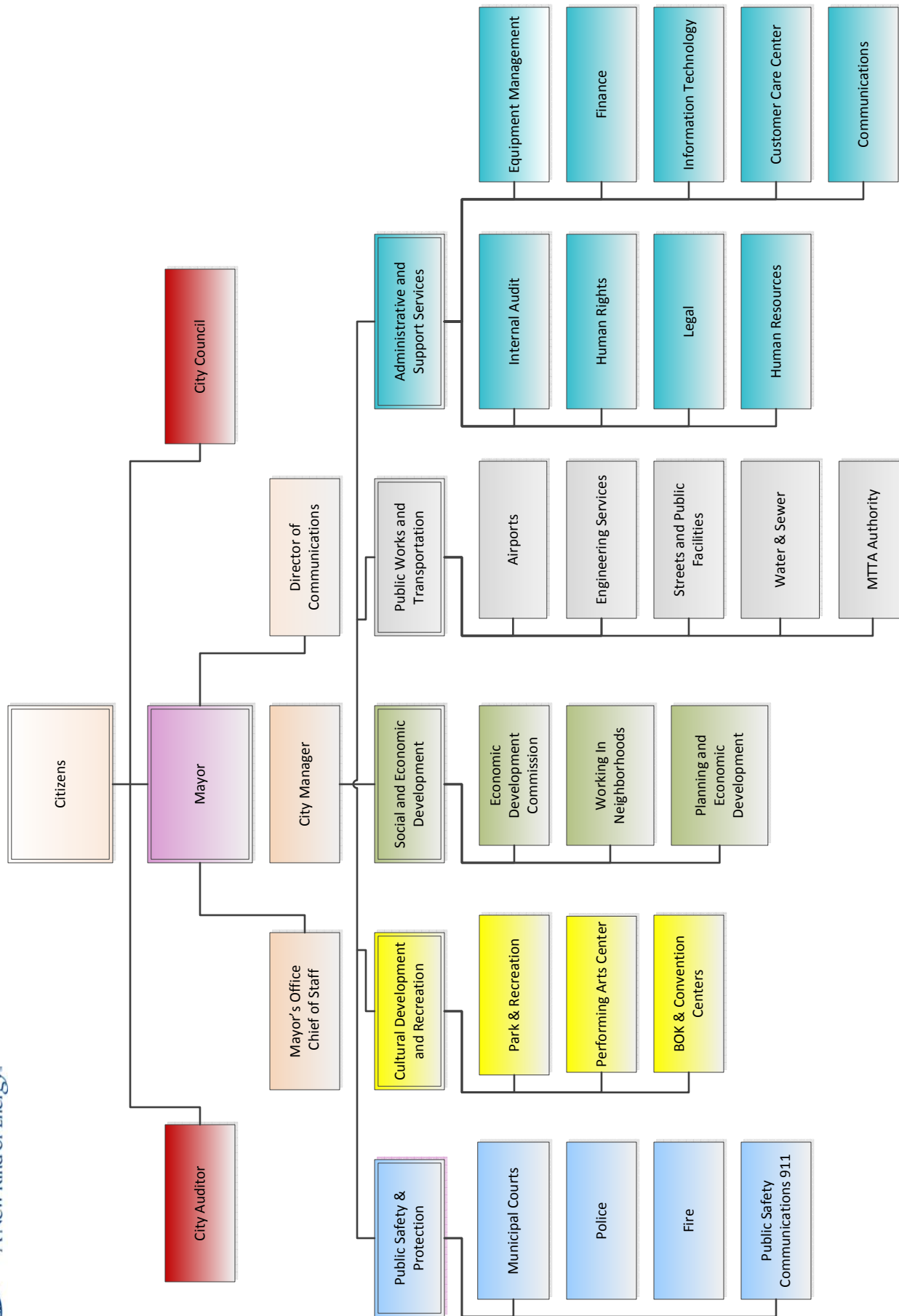
DIRECTOR OF FINANCE

Michael P. Kier, CPFO

CITY AUDITOR

Clift Richards

ORGANIZATION CHART





Government Finance Officers Association

**Certificate of
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for Excellence
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Reporting**

Presented to

**City of Tulsa
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section



Independent Auditor's Report

The Honorable Mayor and City Council
City of Tulsa, Oklahoma
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, 2013, 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, which comprise 0.8 percent of total assets and 0.7 percent of total revenues of the aggregate discretely presented component units, were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for TIA, are based solely on the report of the other auditor. 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, which comprise 8 percent of total assets and 0.6 percent of total revenues of the business-type activities and represent 100 percent of the assets and revenues of the TST major enterprise fund, were audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included for TST, are based solely on the report of the other auditor. Also, we did not audit the financial statements of The Operations of the BOK Center, as managed by SMG, or The Operations of the Tulsa Convention 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 7 percent and 58 percent, respectively, of the total assets and total revenues of the Arena and Convention Center major enterprise fund, and 2 percent and 21 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 The Operations of the BOK Center, as managed by SMG, and The Operations of the Tulsa Convention 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, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages MDA-1 through MDA-13, the pension and postemployment information on pages RSI - 1 and RSI - 2, and the Budgetary Comparison schedule on page RSI - 3, 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.

McGladrey LLP

Kansas City, Missouri
November 15, 2013

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, 2013. 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 2013, contain an implied reference to the fiscal year, such as "fiscal year 2013."

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent year by \$1,962,951 (*net position*). Of this amount, \$66,010 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$86,055 resulting from slightly increased revenues exceeding similarly increased expenses.
- At the close of the current year, the City's governmental funds reported combined fund balances of \$443,320, an increase of \$14,233 in comparison with the prior year. Approximately 9% of this amount (\$41,016) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$55,032, or approximately 19% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$10,983 during the current year primarily due to the issuance of general obligation debt of \$45,000 for city-wide capital improvements offset by regularly scheduled debt payments.

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 between 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 Convention Center, One Technology Center, Golf Course, Tulsa Stadium Trust and Stormwater Management operations are included here.
- ***Discretely presented component units*** - The City includes eight 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, and the Tulsa Performing Arts Center 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, or on the subsequent page, 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' 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 three schedules of *required supplementary information ("RSI")* following the notes.

- The City's progress in funding its obligation to provide pension benefits to its employees
- The City's progress in funding its obligation to provide post-employment benefits to its employees
- The General Fund's Budget and Actual Schedule on a Budgetary Basis

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 budgetary schedules on the General Fund.

Government-Wide Financial Analysis

Net Position of the City of Tulsa - As of June 30, 2013, the City's *combined* net position was \$1.9 billion. Total assets and deferred inflows increased \$99,141 or 4% while liabilities and deferred inflows of resources increased \$13,086 or 2%. The net position of Governmental activities increased 6.5% to \$1,399 million in 2013 from \$1,313 million in 2012. Net position of the Business-type activities was \$563.9 million in 2013 up slightly from \$563.5 million in 2012.

	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 597,248	\$ 590,873	\$ 56,031	\$ 49,671	\$ 653,279	\$ 640,544
Capital assets	1,407,554	1,317,644	631,558	635,056	2,039,112	1,952,700
Deferred outflows of resources	-	-	-	6	-	6
	<u>2,004,802</u>	<u>1,908,517</u>	<u>687,589</u>	<u>684,733</u>	<u>2,692,391</u>	<u>2,593,250</u>
Current and other liabilities	107,087	98,233	18,959	18,415	126,046	116,648
Long-term liabilities	447,156	441,266	104,716	102,858	551,872	544,124
Deferred inflows of resources	51,522	55,582	-	-	51,522	55,582
	<u>605,765</u>	<u>595,081</u>	<u>123,675</u>	<u>121,273</u>	<u>729,440</u>	<u>716,354</u>
Net position:						
Net investment in capital						
assets	1,111,600	1,050,508	528,912	535,424	1,640,512	1,585,932
Restricted	239,504	197,455	16,925	11,875	256,429	209,330
Unrestricted	47,933	65,473	18,077	16,161	66,010	81,634
	<u>\$ 1,399,037</u>	<u>\$ 1,313,436</u>	<u>\$ 563,914</u>	<u>\$ 563,460</u>	<u>\$ 1,962,951</u>	<u>\$ 1,876,896</u>

Government-Wide Financial Analysis, continued

The largest portion of the City's net position (84%) 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.

	Percent of Total	
	2013	2012
Net position by category:		
Net investment in capital assets	84%	85%
Restricted	13%	11%
Unrestricted	3%	4%
	<u>100%</u>	<u>100%</u>

Changes in Net Position of the City of Tulsa – The City's net position increased \$86,055, or approximately 10% less than the prior year increase of \$95,998. The Governmental activities and Business-type activities had increases of \$85,601 and \$454, respectively.

The City's total revenues increased 4.3% to \$552.8 million in 2013. Program revenue generated \$180.9 million, consisting of charges for services, federal and state grants, and other contributions, up from \$169.7 million in 2012. Charges for services within governmental activities increased due to emergency medical service fees. Business-type activity charges for services increases resulted from increased lease property rates along with additional facility rental charges. Operating grant revenue increased \$5.8 million while Capital grants revenue decreased \$1.8 million. A majority of the increase in operating grants revenue related to Housing and Urban Development (HUD) grants.

Sales taxes, the largest revenue category, increased to \$227.9 million in 2013 from \$219.2 million in 2012. The increase is a result of continuing economic upturn and major development of an expanding shopping district. Property tax revenue decreased slightly to \$58.4 million in 2013 from \$59.0 million in 2012.

Expenses for the primary government increased 7.1% or \$30.6 million to \$466.7 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 increased \$4.4 million (9.4%). The increase is attributed to many one-time expenses such as compensation and classification study of civilian workforce, consultants in the Customer Care and Management Review Office, development of a city mobile application and migrating City personal computers to the latest Microsoft operating system and Office Suite.
- Public safety and protection expenses totaled \$221.9 million, an increase of \$17.1 million (8.3%). Personnel service costs account for much of the change in order to add additional police officers and firefighters. Additionally, depreciation on capital assets used by these departments increased approximately \$5 million.
- Culture and recreation expenses increased \$4.5 million (21.6%) due to the cost of operating new facilities including the Mohawk Soccer Complex and new splash pads. The cost of operating the zoo

Government-Wide Financial Analysis, continued

also increased. Increased depreciation expense on capital assets used of \$2 million aided in the increase.

- Social and economic development expenses increased \$8 million (33.1%), a result of additional spending of HUD grants.
- Stormwater fund expenses decreased \$1.7 million (6.2%). Allocations of personnel service costs were the primary driver of the decrease.

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 59,827	\$ 54,733	\$ 49,845	\$ 47,837	\$ 109,672	\$ 102,570
Operating grants/contributions	35,742	29,629	3	308	35,745	29,937
Capital grants/contributions	34,169	36,144	1,277	1,072	35,446	37,216
General revenues:						
Sales taxes	227,905	219,240	-	-	227,905	219,240
Property taxes	58,445	58,955	-	-	58,445	58,955
Franchise	22,588	22,427	-	-	22,588	22,427
Use tax	22,393	21,522	-	-	22,393	21,522
Hotel/Motel taxes	6,676	6,120	-	-	6,676	6,120
Intergovernmental revenue	22,154	23,305	-	-	22,154	23,305
Other	11,751	8,164	(1)	316	11,750	8,480
	<u>501,650</u>	<u>480,239</u>	<u>51,124</u>	<u>49,533</u>	<u>552,774</u>	<u>529,772</u>
Expenses:						
General government	50,697	46,345	-	-	50,697	46,345
Public safety & protection	221,872	204,822	-	-	221,872	204,822
Public works & transportation	54,848	56,650	-	-	54,848	56,650
Culture & recreation	25,372	20,858	-	-	25,372	20,858
Social & economic development	32,071	24,089	-	-	32,071	24,089
Interest on long-term debt	13,097	12,724	-	-	13,097	12,724
Stormwater	-	-	26,004	27,729	26,004	27,729
One Technology Center	-	-	11,488	10,435	11,488	10,435
Arena & Convention	-	-	23,993	22,823	23,993	22,823
Tulsa Stadium Trust	-	-	3,733	3,603	3,733	3,603
Golf courses	-	-	3,544	3,696	3,544	3,696
	<u>397,957</u>	<u>365,488</u>	<u>68,762</u>	<u>68,286</u>	<u>466,719</u>	<u>433,774</u>
Changes before transfers	103,693	114,751	(17,638)	(18,753)	86,055	95,998
Transfers	(18,092)	(16,814)	18,092	16,814	-	-
Change in Net position	<u>85,601</u>	<u>97,937</u>	<u>454</u>	<u>(1,939)</u>	<u>86,055</u>	<u>95,998</u>
Net position, beginning	1,313,436	1,215,499	563,460	565,399	1,876,896	1,780,898
Net position, ending	<u>\$ 1,399,037</u>	<u>\$ 1,313,436</u>	<u>\$ 563,914</u>	<u>\$ 563,460</u>	<u>\$ 1,962,951</u>	<u>\$ 1,876,896</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.

	Program Expenses	Program Revenues	Net Cost
General government	\$ 50,697	\$ 14,789	\$ (35,908)
Public safety and protection	221,872	47,727	(174,145)
Public works & transportation	54,848	46,502	(8,346)
Culture & recreation	25,372	4,516	(20,856)
Social & economic development	32,071	16,204	(15,867)
Interest on debt	13,097	-	(13,097)
	<u>\$ 397,957</u>	<u>\$ 129,738</u>	<u>\$ (268,219)</u>

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

The cost of all *governmental* activities this year was \$398 million. A portion of the costs were paid by those who directly benefited from the programs (\$59.8 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$69.9 million). The remaining costs are covered by general revenues. Sales tax makes up the majority of general revenues or 61% in 2013. The City's sales tax rate is 3.167%, of which 1% is a special tax dedicated to capital improvement and .167% funds street improvements. Property taxes fund general obligation debt issued for capital improvements.

	General Revenues			
	2013	Percent of Total	2012	Percent of Total
Sales taxes	\$227,905	61%	\$219,240	61%
Property taxes	58,445	16%	58,955	16%
Franchise tax	22,588	6%	22,427	6%
Use tax	22,393	6%	21,522	6%
Other	40,581	11%	37,589	11%
	<u>\$ 371,912</u>	<u>100%</u>	<u>\$ 359,733</u>	<u>100%</u>

Government-Wide Financial Analysis, continued

Business-type Activities – The City also provides services that are 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*).

Business-type activities:	Program	Program	Net Cost
	Expenses	Revenues	
Arena & Convention	\$ 23,993	\$ 12,659	\$ (11,334)
One Technology Center	11,488	10,253	(1,235)
Golf Courses	3,544	2,558	(986)
Tulsa Stadium Trust	3,733	302	(3,431)
Stormwater	26,004	25,353	(651)
	<u>\$ 68,762</u>	<u>\$ 51,125</u>	<u>\$ (17,637)</u>

While program revenues are intended to support the business type activities, transfers from the City augment these activities. The business-type activities received \$18,092 in transfers from the Governmental activities of the City. These transfers included:

- Capital transfers of \$9,127 for Stormwater Management improvements funded by the City's Bond, Sales tax and grant funds;
- \$4,858 to fund Arena and Convention Center debt service and operations of which \$3,629 was provided by City hotel/motel taxes;
- \$2,133 of special assessment taxes used in connection with the ballpark located downtown;
- \$1,024 for capital improvements funded by Sales tax funds for other activities other than Stormwater Management;
- \$650 to fund Golf Course operations and debt service; and
- \$500 to fund debt repayments on One Technology Center resulting from surplus capital asset proceeds.

Governmental Funds Financial Analysis

Governmental funds reported a combined fund balance of \$443.3 million, up \$14.2 or 3.3% from 2012. Approximately 9% of the fund balance is unassigned fund balance, which is available for spending at the City's discretion. Other categories of fund balance include nonspendable, 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. The General fund's fund balance decreased \$13.4 million to \$57.8 million. Of this amount \$41.5 million represents unassigned fund balance and approximates 16% of the total general fund expenditures, while the total fund balance represents approximately 20% of the same amount. The change in fund balance can be attributed to the following:

- The General Fund's fund balance decreased \$13.4 million to \$57.8 million, as expenditures increased 8% while revenues increased only increased 1.5%.
- Tax revenues increased \$5.3 million due to improved economic conditions and development activity. Investment income decreased \$3.7 million attributed to lower rates earned on the city's investments.

Governmental Funds Financial Analysis, continued

- General government expenditures increased for many one-time expenditures similar to the increase in expenses mentioned previously in the Changes in Net Position discussion. Depreciation being the exception since fund financial statements do not include this type of expense.
- Expenditures for Culture and Recreation also increased due to the cost of operating new facilities as discussed in the Changes of Net Position discussion.

The remaining governmental funds fund balance increased \$27.6 million, or 8% to \$385.5 million. The majority of the fund balance is restricted (99.5%).

- The Debt Service Fund's fund balance increased \$16.0 million or 35.4% to \$61.4 million as a result of premiums received on new bonds issued and the return of an overturned judgment payment. The fund balance of the Debt service fund is restricted for debt service payments.
- Capital expenditures in the Bond fund increased 26% or \$12.4 from the prior year, while proceeds from debt issued decreased \$5 million or 10%. The remaining fund balance of \$143 is restricted for capital improvements.
- Fund balance in the Sales Tax Fund increased \$27.0 million or 19.3% over 2012 due to sales tax collections increasing approximately \$4 million from continued steady economic growth and slightly reduced capital expenditures. Fund balance of \$167 million in the sales tax fund is restricted for capital improvements.

Proprietary Funds Financial Analysis

Proprietary funds reported a combined net position of \$581.8 million compared to \$580.9 million in the prior year.

- The Stormwater Management fund incurred an operating loss of \$1.8 million while receiving \$9.1 million in transfers for capital improvements and \$1.3 million in capital contributions resulting in and overall increase in net position of \$8.4 million. The fund's net position of \$326.4 million is primarily (95%) invested in capital assets.
- One Technology Center contributed lease revenue of \$10.3 million, an increase of \$0.9 million. Contractual escalations for existing leases as well as a new tenant accounted for the increase. The overall net position decreased \$0.6 million to a \$4.9 million deficit; largely as a result of capital assets depreciating faster than the related debt is retired.
- The Arena and Convention Center revenue of \$12.6 million, an increase of \$0.6 million over the previous year, due to premier events attracted to the BOK Center while expenses increased \$1.2 million. The loss is offset by transfers in of \$5.7 million. The overall net position decreased \$5.7 million for the year, ending at approximately \$209 million.

Budgetary Highlights

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

General Fund Budgetary Highlights

The original 2013 General Fund budget adopted by the Mayor and City Council totaled \$272.5 million. The budget was balanced with revenue estimates of \$261.1 million and fund balance totaling \$11.4 million. It was 7.3 percent more than the 2012 original budget. Taking into consideration 2012 carry over encumbrances, the total authorized expenditure amount on July 1, 2012 was \$281.8 million.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenues:								
Taxes	\$ 189,759	\$ 177,935	\$ 190,059	\$ 178,195	\$ 187,872	\$ 183,590	\$ 2,187	\$ (5,395)
Licenses and permits	7,484	5,524	7,484	5,524	7,136	6,832	348	(1,308)
Intergovernmental	8,346	8,111	8,346	8,111	8,528	8,896	(182)	(785)
Charges for service	36,371	35,112	36,371	35,112	35,588	34,968	783	144
Fines and forfeitures	11,727	10,541	11,727	10,581	10,426	11,566	1,301	(985)
Investment income	3,699	5,277	3,699	5,277	3,514	3,780	185	1,497
Miscellaneous	3,147	2,251	3,772	2,416	3,268	3,032	504	(616)
Transfers In	600	1,075	600	1,075	600	1,050	-	25
	<u>\$ 261,133</u>	<u>\$ 245,826</u>	<u>\$ 262,058</u>	<u>\$ 246,291</u>	<u>\$ 256,932</u>	<u>\$ 253,714</u>	<u>\$ 5,126</u>	<u>\$ (7,423)</u>
Expenses:								
General government	\$ 43,413	\$ 22,999	\$ 42,916	\$ 25,400	\$ 41,606	\$ 23,660	\$ 1,310	\$ 1,740
Public works and transportation	28,386	30,115	28,092	30,925	27,217	29,838	875	1,087
Social and economic development	13,837	10,607	12,987	11,155	12,914	10,245	73	910
Public safety and protection	154,723	158,836	156,905	164,522	156,203	161,689	702	2,833
Culture and recreation	22,138	14,291	21,868	14,747	21,649	14,590	219	157
Payments to component units	7,892	7,450	7,892	7,450	7,892	7,450	-	-
Transfers out	11,374	9,599	12,174	10,658	12,174	10,607	-	51
	<u>\$ 281,763</u>	<u>\$ 253,897</u>	<u>\$ 282,834</u>	<u>\$ 264,857</u>	<u>\$ 279,655</u>	<u>\$ 258,079</u>	<u>\$ 3,179</u>	<u>\$ 6,778</u>

The local economy continued to improve in 2012, allowing the Mayor and City Council to finance a number of one-time projects in 2013, exceeding \$11 million. Along with increasing the reserve from 6% to 6.25%, the newly created Economic Stabilization Reserve was funded at \$2 million and \$2.2 million was reserved for OPEB liabilities.

Budget amendments increased appropriations by \$1.1 million or .4% of the original approved amount. The largest increase was needed to transfer resources to other funds. The transfers provided additional funding to Golf Course Operations to comply with contract terms and also to transfer the proceeds of the sale of the Center Office Building to offset debt service for the One Technology Center.

General Fund Budgetary Highlights, continued

Revenues and expenditures continue to reflect the gradual increase in resources that has occurred since 2010. Using the revenue growth in 2012 and growth in 2013, it was possible to increase service levels in 2013. However, policy makers were constrained by several factors. Federal grants supporting police officers and firefighters expired in 2013 and required the General Fund to absorb \$2.1 million in salaries. In addition, a slight increase in civilian pension contributions, a full year of civilian raises awarded on January 1, 2012, an increase in health insurance, and higher workers compensation payments consumed an additional \$2 million collectively. The General Fund had to also absorb cost reallocations for the development services and park maintenance functions. Other factors include a \$300,000 support increase to One Technology Center and a \$700,000 zoo management contract increase. All of these factors, and others like them, collectively consume nearly \$9 million in General Fund revenue growth.

Capital Assets and Debt Administration

Capital Assets - At the end of 2013 the City had invested \$2.0 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 \$87 million, or 4.5% over last year (see Note 7 to the financial statements for additional detailed information regarding capital assets). The most significant increases in infrastructure and construction in progress is a result of street improvements resulting from the Fix Our Street bond package and the Third Penny Sales Tax Program.

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

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 526	\$ 520	\$ 84	\$ 84	\$ 610	\$ 604
Buildings and improvements	89	85	499	506	588	591
Equipment	70	68	30	34	100	102
Infrastructure	559	483	-	-	559	483
Construction in progress	164	162	18	10	182	172
	<u>\$ 1,408</u>	<u>\$ 1,318</u>	<u>\$ 631</u>	<u>\$ 634</u>	<u>\$ 2,039</u>	<u>\$ 1,952</u>

Long-term Liabilities - At year end, the City had \$557 million in general obligation and revenue bonds outstanding, an increase of 2.5% from last year, as shown below. More detailed information about the City's long-term liabilities is presented in Note 11 to the financial statements.

Long-term Liabilities
(dollar amounts expressed in millions)

	Governmental Activities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 439	\$ 427	\$ -	\$ -	\$ 439	\$ 427
Revenue bonds	10	12	107	104	118	116
Other long-term liabilities	66	68	2	3	68	71
	\$ 515	\$ 507	\$ 109	\$ 107	\$ 625	\$ 614

- General Obligation bonds – In March 2013, the City issued General Obligation bonds totaling \$84.7 million which includes \$7.4 million for premium on debt issuance. \$45 million of the proceeds are to be used for street improvements and will be repaid 100% from the sinking fund. The remaining \$33.7 million proceeds, also to be repaid 100% from the sinking fund, were used to refund Series 2005C and reduce future debt service payments. Reductions totaling \$38.3 million represent principal payments on existing obligations. Refer to Note 11.
- Revenue bonds –The One Technology Center fund issued \$9.5 million to use for payment of prior bonds totaling \$8.7 million. The Tulsa Stadium Trust issued \$5.3 million in additional bonds.

Economic Factors and Next Year's Budget and Rates

The 2014 total budget is \$712.8 million – a 1.2% increase from the original 2013 amount. The operating budget is \$604.8 million and the capital Improvement budget totals \$108.0 million. The operating budget is increasing by 2.3% and the capital budget is down 4.8% from 2013.

Development of the budget begins with a review of the economy. Most indicators continued to improve in the Tulsa Metropolitan Statistical Area (TMSA). The area population regained momentum, increasing 1% in 2012. The annual metro labor force grew by 11,000 in 2012 (2.54%), ending the current calendar year with 444,500 job seekers. As labor force regained losses sustained in 2011, Wage & Salary employment reported its second consecutive year of growth, increasing 1.6% over 2011, and ended the calendar year at a seasonally adjusted total of 418,900. The metro jobless rate fell again in 2012 to 5.4%, an improvement of 1.5 points from 2011 (6.9%). As there is some correlation between Wage & Salary employment and retail sales, it is not surprising to see that total retail sales in the TMSA rose 4% to \$9.35 billion in 2012. The Tulsa Chamber of Commerce has forecast retail sales to grow at an annualized rate of 4.8% in the coming two years, so it may be reasonable to assume sales tax revenue may increase at a similar rate over the same time.

Gross Metro Product (GMP) for the area increased 3% over the previous year; and is forecast to continue to grow at an annualized rate of 1.8% through 2018. Meanwhile, both air and barge freight has increased in 2012, respectively, at 4.4% and 23% growth. As demonstrated by the growth in employment, retail sales, GMP, and various energy related indicators; the local economy continues to improve and could soon regain most of the losses which occurred in the previous recession.

Some of the same challenges faced in 2013 absorb much of the projected General Fund 2014 projected growth. Expiring federal grants supporting police officers and firefighters absorbed \$3.2 million. A 4 percent health insurance premium increase will require an additional \$1 million in 2014. Utilities at the City's golf courses and the recently constructed Mohawk Sports Complex are also increasing, requiring additional General Fund resources. All of these factors, and others like them, collectively consume nearly \$5 million in the General Fund.

The 2014 budget reflects increases for water and sewer rates. A water rate increase of 7% and a sewer rate increase of 9% are included to address capital needs and debt service in 2014. These rate increases were at the same level in the 2013 budget.

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 885
Tulsa, Oklahoma 74103

Basic Financial Statements

CITY OF TULSA
STATEMENT OF NET POSITION
June 30, 2013
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 441,286	\$ 24,633	\$ 465,919	\$ 116,664
Cash and cash equivalents - restricted	1,032	7,478	8,510	2,480
Investments	-	-	-	3,879
Investments - restricted	-	-	-	1,000
Receivables, net	104,233	4,569	108,802	44,266
Prepaid expenses	-	560	560	-
Internal balances	443	(443)	-	-
Inventories	808	322	1,130	3,978
Current portion of notes receivable - restricted	-	-	-	1,351
Total current assets	<u>547,802</u>	<u>37,119</u>	<u>584,921</u>	<u>173,618</u>
Noncurrent assets:				
Cash and cash equivalents - restricted	-	14,716	14,716	71,146
Receivables, net	11,649	13	11,662	4,000
Receivables, net - restricted	-	-	-	10,864
Investments	-	-	-	506
Investments - restricted	1,061	2,288	3,349	76,652
Advances to primary government	-	-	-	127
Advances to primary government - restricted	-	-	-	984
Advances to component units	8,650	-	8,650	-
Land held for resale, net	2,356	-	2,356	3,843
Land held for resale, net - restricted	-	-	-	197
Other assets	15,194	1,895	17,089	414
Equity interest in joint ventures	10,536	-	10,536	13,007
Nondepreciable capital assets	689,870	102,402	792,272	312,852
Capital assets, net	717,684	529,156	1,246,840	1,245,826
Total noncurrent assets	<u>1,457,000</u>	<u>650,470</u>	<u>2,107,470</u>	<u>1,740,418</u>
Total assets	<u>2,004,802</u>	<u>687,589</u>	<u>2,692,391</u>	<u>1,914,036</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	11,072
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	35,691	5,019	40,710	9,280
Accounts payable and accrued liabilities - restricted	-	-	-	21,232
Unearned revenue	-	7,981	7,981	656
Advances from primary government	-	-	-	1,309
Current portion of long-term liabilities	68,293	4,534	72,827	41,970
Deposits subject to refund - restricted	-	-	-	9,356
Total current liabilities	<u>103,984</u>	<u>17,534</u>	<u>121,518</u>	<u>83,803</u>
Noncurrent liabilities:				
Advances from primary government	-	-	-	7,341
Advances from component units	127	-	127	-
Advances from component units - restricted	984	-	984	-
Unearned revenue	1,992	1,417	3,409	-
Deposits subject to refund	-	-	-	212
Deposits subject to refund - restricted	-	8	8	80
Long-term liabilities	447,156	104,716	551,872	562,043
Total noncurrent liabilities	<u>450,259</u>	<u>106,141</u>	<u>556,400</u>	<u>569,676</u>
Total liabilities	<u>554,243</u>	<u>123,675</u>	<u>677,918</u>	<u>653,479</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	51,072	-	51,072	3,964
Deferred gain on refunding	450	-	450	284
Total deferred inflows of resources	<u>51,522</u>	<u>-</u>	<u>51,522</u>	<u>4,248</u>
NET POSITION				
Net investment in capital assets	1,111,600	528,912	1,640,512	1,068,369
Restricted for:				
Debt service	53,163	7,486	60,649	11,973
Capital projects	175,403	8,215	183,618	27,270
Community development	4,590	-	4,590	-
Other purposes	6,348	1,224	7,572	6,058
Unrestricted	47,933	18,077	66,010	153,711
Total net position	<u>\$ 1,399,037</u>	<u>\$ 563,914</u>	<u>\$ 1,962,951</u>	<u>\$ 1,267,381</u>

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

CITY OF TULSA
STATEMENT OF ACTIVITIES
Year ended June 30, 2013
(amounts expressed in thousands)

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Units
	Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary government:							
Governmental activities:							
General government	\$ 50,697	\$ -	\$ -	\$ (35,908)	\$ -	\$ (35,908)	\$ -
Public safety and protection	221,872	23,034	-	(174,145)	-	(174,145)	-
Public works and transportation	54,848	-	32,710	(8,346)	-	(8,346)	-
Culture and recreation	25,372	-	-	(20,856)	-	(20,856)	-
Social and economic development	32,071	12,708	1,459	(15,867)	-	(15,867)	-
Interest on long-term debt	13,097	-	-	(13,097)	-	(13,097)	-
Total governmental activities	397,957	35,742	34,169	(268,219)	-	(268,219)	-
Business-type activities:							
Stormwater	26,004	-	1,252	-	(651)	(651)	-
One Technology Center	11,488	-	-	-	(1,235)	(1,235)	-
Arena & Convention	23,993	-	25	-	(11,334)	(11,334)	-
Tulsa Stadium Trust	3,733	3	-	-	(3,431)	(3,431)	-
Golf Courses	3,544	-	-	-	(986)	(986)	-
Total business-type activities	68,762	3	1,277	-	(17,637)	(17,637)	-
Total primary government	\$ 466,719	\$ 35,745	\$ 35,446	(268,219)	(17,637)	(285,856)	-
Component Units	\$ 260,123	\$ 14,750	\$ 36,856				37,968
General revenues:							
Taxes:							
Sales taxes				227,905	-	227,905	635
Property taxes				58,445	-	58,445	4,473
Franchise taxes				22,588	-	22,588	-
Use taxes				22,393	-	22,393	-
Hotel/Motel taxes				6,676	-	6,676	-
Intergovernmental revenue, unrestricted				22,154	-	22,154	7,892
Payments from primary government				-	-	-	18
Payments from component units				4,282	-	4,282	-
Unrestricted investment earnings				(2,343)	(54)	(2,397)	(408)
Miscellaneous				9,812	53	9,865	292
Gain on disposal of capital assets				-	-	-	41
Transfers				(18,092)	18,092	-	-
Total general revenues and transfers				353,820	18,091	371,911	12,943
Change in Net position				85,601	454	86,055	50,911
Net position--beginning of year				1,313,436	563,460	1,876,896	1,216,470
Net position--end of year				\$ 1,399,037	\$ 563,914	\$ 1,962,951	\$ 1,267,381

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

**CITY OF TULSA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013
(amounts expressed in thousands)**

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 32,351	\$ 55,947	\$ 157,861	\$ 165,411	\$ 15,549	\$ 427,119
Receivables, net	28,064	56,887	-	11,633	7,612	104,196
Due from other funds	379	-	-	-	-	379
Land held for resale	139	-	-	-	-	139
Advances to other funds	280	-	-	-	-	280
Advances to component units	326	-	-	-	-	326
Total assets	\$ 61,539	\$ 112,834	\$ 157,861	\$ 177,044	\$ 23,161	\$ 532,439
Liabilities						
Accounts payable and accrued liabilities	3,516	-	13,799	10,006	3,054	30,375
Unearned revenue	119	-	-	-	664	783
Due to other funds	-	-	-	-	379	379
Advances from other funds	-	-	-	-	1,667	1,667
Advances from component units	127	-	984	-	-	1,111
Total liabilities	3,762	-	14,783	10,006	5,764	34,315
Deferred inflows of resources						
Unavailable revenue - property taxes	-	51,431	-	-	-	51,431
Unavailable revenue - special assessments	-	-	-	-	299	299
Unavailable revenue - intergovernmental	-	-	-	-	3,074	3,074
Total unavailable revenue	-	51,431	-	-	3,373	54,804
Fund balances						
Nonspendable	745	-	-	-	-	745
Restricted	2,000	61,403	143,078	167,038	12,057	385,576
Committed	-	-	-	-	1,761	1,761
Assigned	13,504	-	-	-	718	14,222
Unassigned	41,528	-	-	-	(512)	41,016
Total fund balances	57,777	61,403	143,078	167,038	14,024	443,320
Total liabilities, deferred inflows and fund balances	\$ 61,539	\$ 112,834	\$ 157,861	\$ 177,044	\$ 23,161	\$ 532,439

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	1,398,481
Internal service funds are used by management to charge costs of equipment management, employee insurance and office services.	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	13,932
Assets and liabilities included in governmental activities statement of net position but not in governmental funds:	
Internal balances due to elimination of internal service funds	1,976
Land held for resale	2,356
Accrued interest payable does not require the use of current resources and therefore is not reported in the governmental funds	(4,034)
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	(418,793)
Unamortized bond premium	(20,239)
Compensated absences	(30,155)
Other post employment benefits liability	(7,467)
Net pension obligation	(1,719)
Judgements	(4,565)
Due to other governments	(3,068)
Facility use lease asset	15,194
Unavailable revenue - property taxes	359
Unavailable revenue - intergovernmental	3,074
Unavailable revenue - special assessments	299
Deferred gain on debt refunding	(450)
Investment in joint venture is not reported in the funds.	10,536
Governmental activities net position	\$ 1,399,037

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, 2013
(amounts expressed in thousands)

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues						
Sales tax	\$ 144,219	\$ -	\$ -	\$ 83,686	\$ -	\$ 227,905
Property tax	-	56,096	-	-	-	56,096
Franchise tax	22,039	-	-	-	549	22,588
Use tax	22,393	-	-	-	-	22,393
Hotel/motel tax	134	-	-	-	6,542	6,676
Special assessment tax	-	-	-	-	3,344	3,344
Charges for services	36,045	-	-	-	9,405	45,450
Intergovernmental revenues	27,622	-	-	-	26,269	53,891
Fines and forfeitures	10,426	-	-	-	141	10,567
Investment income (loss)	434	-	-	(53)	(18)	363
Licenses, permits and fees	7,137	-	-	-	-	7,137
Program income from grants	-	-	-	-	1,962	1,962
Payments from component units	400	-	-	-	301	701
Miscellaneous	2,247	7,100	-	222	209	9,778
Total revenues	273,096	63,196	-	83,855	48,704	468,851
Expenditures						
Current:						
General government	43,198	-	-	-	191	43,389
Public safety and protection	173,494	-	-	-	13,058	186,552
Public works and transportation	24,642	-	73	-	1,142	25,857
Culture and recreation	20,647	-	-	-	465	21,112
Social and economic development	13,309	-	-	-	19,677	32,986
Payments to component units	7,892	-	25	2,237	957	11,111
Capital outlay	-	-	60,886	45,957	7,395	114,238
Debt service	-	54,497	-	-	-	54,497
Total expenditures	283,182	54,497	60,984	48,194	42,885	489,742
Excess (deficiency) of revenues over expenditures	(10,086)	8,699	(60,984)	35,661	5,819	(20,891)
Other financing sources (uses)						
Transfers in	600	-	-	-	3,057	3,657
Transfers out	(5,045)	-	(461)	(8,599)	(7,942)	(22,047)
Sale of capital assets	1,173	-	-	-	-	1,173
Bond issuance	-	-	45,000	-	-	45,000
Refunding bonds issued	-	23,746	-	-	-	23,746
Premium on bonds issued	-	7,341	-	-	-	7,341
Payment to refunded bond escrow agent	-	(23,746)	-	-	-	(23,746)
Total other financing sources (uses)	(3,272)	7,341	44,539	(8,599)	(4,885)	35,124
Net change in fund balances	(13,358)	16,040	(16,445)	27,062	934	14,233
Fund balances, beginning of year	71,135	45,363	159,523	139,976	13,090	429,087
Fund balances, end of year	\$ 57,777	\$ 61,403	\$ 143,078	\$ 167,038	\$ 14,024	\$ 443,320

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, 2013
(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	\$ 14,233
Governmental funds report capital outlays as expenditures. 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	112,639
Capital contributions	26,408
Depreciation expense	(46,075)
	<u>92,972</u>
The effect of miscellaneous transactions involving capital assets:	
Loss on disposal of capital assets	(5,574)
Proceeds from sale of capital assets	(1,173)
Capital assets transferred to proprietary funds	(612)
Capital assets transferred from component units	3,419
	<u>(3,940)</u>
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:	
Bond issuance	(45,000)
Premium on bond issuance	(7,341)
Refunding bonds issued	(23,746)
Deferred gain on debt refunding	476
Interest expense on refunding	(629)
Payment to bond escrow (including City contribution of \$1,999)	25,745
Payment of bond principal	33,516
	<u>(16,979)</u>
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	(567)
Amortization of premium on bond issuance	4,130
Amortization of deferred inflow on debt refunding	26
Increase in other post employment benefit expense	(482)
Decrease in net pension obligation	828
Decrease in pollution remediation obligation	166
Increase in compensated absences expense	(2,462)
Decrease in liability to other governments	1,236
Decrease in tort claims and judgments expense	924
Amortization of facility use lease	(368)
	<u>3,431</u>
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:	
Loss from investment in joint venture	(2,708)
Some revenues which are unavailable in the governmental funds represent accrual based revenue in the entity-wide statements:	
Intergovernmental revenue	(1,888)
Special assessment revenue	(6)
	<u>(1,894)</u>
The net revenue of internal service funds is reported within governmental activities:	
Change in net position of internal service funds	354
Internal balances resulting from the elimination of internal service fund revenues	132
	<u>486</u>
Change in net position--statement of activities	\$ 85,601

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

CITY OF TULSA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013
(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	\$ 9,218	\$ 2,917	\$ 8,149	\$ 4,044	\$ 305	\$ 24,633	\$ 14,167
Cash and cash equivalents, restricted	-	1,280	6,198	-	-	7,478	1,032
Receivables, net	2,894	316	1,357	-	2	4,569	37
Advances to component units, restricted	-	-	-	-	-	-	1,309
Prepaid expenses	-	156	392	-	12	560	-
Inventories, net	-	-	250	-	72	322	669
	<u>12,112</u>	<u>4,669</u>	<u>16,346</u>	<u>4,044</u>	<u>391</u>	<u>37,562</u>	<u>17,214</u>
Noncurrent assets:							
Cash and cash equivalents, restricted	6,661	6,074	1,981	-	-	14,716	-
Investments - restricted	-	734	1,554	-	-	2,288	1,061
Receivables, net	13	-	-	-	-	13	11,649
Advances to component units, restricted	-	-	-	-	-	-	7,015
Advances to other funds, restricted	-	-	1,533	-	-	1,533	-
Other	-	666	1,228	1	-	1,895	-
Nondepreciable capital assets	80,661	2,700	9,508	6,763	2,770	102,402	4,586
Depreciable capital assets, net	229,493	49,569	203,916	41,233	4,945	529,156	4,487
	<u>316,828</u>	<u>59,743</u>	<u>219,720</u>	<u>47,997</u>	<u>7,715</u>	<u>652,003</u>	<u>28,798</u>
Total assets	<u>328,940</u>	<u>64,412</u>	<u>236,066</u>	<u>52,041</u>	<u>8,106</u>	<u>689,565</u>	<u>46,012</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	821	1,036	2,167	836	159	5,019	1,282
Unearned revenue	-	247	7,734	-	-	7,981	1,209
Workers compensation claims	-	-	-	-	-	-	7,441
Current portion of long-term liabilities	418	1,298	2,435	383	-	4,534	1,653
	<u>1,239</u>	<u>2,581</u>	<u>12,336</u>	<u>1,219</u>	<u>159</u>	<u>17,534</u>	<u>11,585</u>
Noncurrent liabilities:							
Unearned revenue	-	-	1,417	-	-	1,417	-
Workers compensation claims	-	-	-	-	-	-	10,499
Advances from other funds	-	-	-	-	-	-	146
Deposits subject to refund	-	8	-	-	-	8	-
Long-term liabilities	1,291	66,746	13,370	23,309	-	104,716	9,850
	<u>1,291</u>	<u>66,754</u>	<u>14,787</u>	<u>23,309</u>	<u>-</u>	<u>106,141</u>	<u>20,495</u>
Total liabilities	<u>2,530</u>	<u>69,335</u>	<u>27,123</u>	<u>24,528</u>	<u>159</u>	<u>123,675</u>	<u>32,080</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	310,154	(11,227)	197,966	24,304	7,715	528,912	9,073
Restricted for:							
Debt service	-	3,061	4,425	-	-	7,486	-
Capital projects	6,674	1,541	-	-	-	8,215	-
Other purposes	-	431	-	793	-	1,224	-
Unrestricted	9,582	1,271	6,552	2,416	232	20,053	4,859
Total net position (deficit)	<u>\$ 326,410</u>	<u>\$ (4,923)</u>	<u>\$ 208,943</u>	<u>\$ 27,513</u>	<u>\$ 7,947</u>	<u>565,890</u>	<u>\$ 13,932</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(1,976)	
Net position of business-type activities						<u>\$ 563,914</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, 2013
(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	
Operating revenues							
Charges for services	\$ 22,731	\$ 10,216	\$ 12,634	\$ 213	\$ 2,558	\$ 48,352	\$ 17,317
Insurance premiums	-	-	-	-	-	-	22,674
Workers compensation premiums	-	-	-	-	-	-	6,001
Other	1,370	37	-	86	-	1,493	227
	<u>24,101</u>	<u>10,253</u>	<u>12,634</u>	<u>299</u>	<u>2,558</u>	<u>49,845</u>	<u>46,219</u>
Operating expenses							
Salaries and wages	6,870	776	-	-	-	7,646	4,278
Materials and supplies	724	991	-	-	28	1,743	10,212
Other services and charges	10,115	4,123	11,946	404	3,062	29,650	3,427
Workers compensation claims	-	-	-	-	-	-	7,784
Insurance claims and premiums	-	-	-	-	-	-	23,281
Depreciation and amortization	8,171	1,922	11,033	1,982	434	23,542	330
	<u>25,880</u>	<u>7,812</u>	<u>22,979</u>	<u>2,386</u>	<u>3,524</u>	<u>62,581</u>	<u>49,312</u>
Operating income (loss)	<u>(1,779)</u>	<u>2,441</u>	<u>(10,345)</u>	<u>(2,087)</u>	<u>(966)</u>	<u>(12,736)</u>	<u>(3,093)</u>
Nonoperating revenues (expenses)							
Investment income (loss)	(15)	(11)	(32)	4	-	(54)	2
Interest expense	-	(3,599)	(1,014)	(1,347)	(12)	(5,972)	-
Property taxes	-	-	-	-	-	-	2,348
Gain on sale of equipment	38	-	-	-	15	53	11
Contributions	-	-	-	3	-	3	-
Payments from component units	-	-	-	-	-	-	157
Other, net	-	(77)	-	-	-	(77)	15
Net nonoperating revenues (expenses)	<u>23</u>	<u>(3,687)</u>	<u>(1,046)</u>	<u>(1,340)</u>	<u>3</u>	<u>(6,047)</u>	<u>2,533</u>
Income (loss) before capital contributions and transfers	<u>(1,756)</u>	<u>(1,246)</u>	<u>(11,391)</u>	<u>(3,427)</u>	<u>(963)</u>	<u>(18,783)</u>	<u>(560)</u>
Capital contributions	1,252	-	25	-	-	1,277	612
Transfers in	9,127	677	5,666	2,133	689	18,292	352
Transfers out	(200)	-	-	-	-	(200)	(50)
Net capital contributions and transfers	<u>10,179</u>	<u>677</u>	<u>5,691</u>	<u>2,133</u>	<u>689</u>	<u>19,369</u>	<u>914</u>
Change in net position	<u>8,423</u>	<u>(569)</u>	<u>(5,700)</u>	<u>(1,294)</u>	<u>(274)</u>	<u>586</u>	<u>354</u>
Net position (deficit) - beginning of year	317,987	(4,354)	214,643	28,807	8,221		13,578
Net position (deficit) - end of year	<u>\$ 326,410</u>	<u>\$ (4,923)</u>	<u>\$ 208,943</u>	<u>\$ 27,513</u>	<u>\$ 7,947</u>		<u>\$ 13,932</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(132)	
Change in net position of business-type activities						<u>\$ 454</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, 2013
(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	
Cash flows from operating activities:							
Receipts from customers	\$ 24,087	\$ 10,057	\$ 12,640	\$ 299	\$ 2,564	\$ 49,647	\$ 48,170
Payments to suppliers	(10,103)	(5,041)	(11,717)	(417)	(3,069)	(30,347)	(66,487)
Payments to employees	(7,584)	(638)	-	-	-	(8,222)	(4,566)
Quasi external transactions, fee-in-lieu	(1,462)	-	-	-	-	(1,462)	-
Net cash provided (used) by operating activities	4,938	4,378	923	(118)	(505)	9,616	(22,883)
Cash flows from noncapital financing activities:							
Property taxes received	-	-	-	-	-	-	5,788
Noncapital gifts and contributions received	-	-	-	3	-	3	-
Payments from interfund activity	-	-	2,098	-	689	2,787	(7)
Transfers out	-	-	-	-	-	-	(50)
Proceeds from insurance reimbursements	-	-	-	-	-	-	15
Net cash provided by financing activities	-	-	2,098	3	689	2,790	5,746
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(14,837)	(245)	(1,965)	(2,057)	(48)	(19,152)	(746)
Payments from interfund activity	-	-	348	2,133	-	2,481	352
Payments from component unit	-	-	-	-	-	-	157
Principal paid on debt	-	(8,605)	(2,260)	(360)	(445)	(11,670)	-
Interest paid on debt	-	(3,645)	(1,074)	(1,253)	(8)	(5,980)	-
Proceeds from sale of capital assets	38	-	-	-	16	54	11
Proceeds from issuance of debt	-	9,480	-	5,250	-	14,730	-
Payments from financing activities	-	(77)	-	154	-	77	-
Transfers in	9,127	677	3,139	-	-	12,943	-
Transfers out	(200)	-	-	-	-	(200)	-
Net cash provided (used) by capital and related financing activities	(5,872)	(2,415)	(1,812)	3,867	(485)	(6,717)	(226)
Cash flows from investing activities:							
Interest received	14	3	11	4	-	32	18
Repayments on notes receivable	-	27	-	-	-	27	-
Purchase of investments	-	(742)	(1,596)	-	-	(2,338)	-
Net cash provided by investing activities	14	(712)	(1,585)	4	-	(2,279)	18
Net increase (decrease) in cash and cash equivalents	(920)	1,251	(376)	3,756	(301)	3,410	(17,345)
Cash and cash equivalents, beginning	16,799	9,020	16,704	288	606	43,417	32,544
Cash and cash equivalents, end of year	\$ 15,879	\$ 10,271	\$ 16,328	\$ 4,044	\$ 305	\$ 46,827	\$ 15,199
Reconciliation of cash and cash equivalents to the Statement of Net Position:							
Cash and cash equivalents	9,218	2,917	8,149	4,044	305	24,633	14,167
Cash and cash equivalents - restricted	6,661	7,354	8,179	-	-	22,194	1,032
Total cash and cash equivalents	\$ 15,879	\$ 10,271	\$ 16,328	\$ 4,044	\$ 305	\$ 46,827	\$ 15,199
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	(1,779)	2,441	(10,345)	(2,087)	(966)	(12,736)	(3,093)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	8,171	1,922	11,033	1,982	434	23,542	330
(Increase) decrease in accounts receivable and other assets	(58)	(301)	(240)	-	(10)	(609)	(17,149)
Increase (decrease) in accounts payable and other liabilities	(1,396)	316	475	(13)	37	(581)	(2,971)
Net cash provided (used) by operating activities	\$ 4,938	\$ 4,378	\$ 923	\$ (118)	\$ (505)	\$ 9,616	\$ (22,883)
NON-CASH TRANSACTIONS:							
Capital contributions	\$ 1,252	\$ -	\$ 29	\$ -	\$ -	\$ 1,281	\$ -

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

CITY OF TULSA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2013
(amounts expressed in thousands)

	Municipal Employees Pension Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 8,456	\$ 5,483
Investments:		
US Government obligations	41,493	-
Corporate bonds	14,441	-
Preferred stock	704	-
Common stock	27,931	-
Foreign obligations	2,155	-
Mutual funds	278,709	-
Timber	11,725	-
Accounts receivable	171	-
Investment income receivable	299	-
Total assets	386,084	5,483
LIABILITIES		
Accounts payable and accrued liabilities	4,337	1,497
Deposits payable	-	3,986
Total liabilities	4,337	\$ 5,483
NET POSITION		
Held in trust for pension benefits	381,747	
Total net position	\$ 381,747	

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, 2013
(amounts expressed in thousands)

	Municipal Employees Pension Plan
ADDITIONS	
Investment Income:	
Net appreciation in fair value of investments	\$ 37,093
Interest	1,907
Dividends	1,681
	40,681
Less: investment expense	(880)
Net investment income	39,801
Contributions:	
Employer	14,703
Plan members	6,812
	21,515
Total additions	61,316
DEDUCTIONS	
Benefits	29,673
Refunds of contributions	749
Administrative expense	325
Total deductions	30,747
Change in net position	30,569
NET POSITION	
Held in trust for pension benefits, beginning of year	351,178
Held in trust for pension benefits, end of year	\$ 381,747

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, 2013
(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	\$ 81,035	\$ 8,851	\$ 19,549	\$ 7,229	\$ 116,664
Cash and cash equivalents - restricted	-	-	1,760	720	2,480
Investments	-	-	-	3,879	3,879
Investments - restricted	-	-	-	1,000	1,000
Receivables, net	27,520	3,252	12,455	1,039	44,266
Inventories	2,077	-	1,332	569	3,978
Other current assets	-	-	87	1,264	1,351
	<u>110,632</u>	<u>12,103</u>	<u>35,183</u>	<u>15,700</u>	<u>173,618</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	50,626	-	7,618	12,902	71,146
Investments	-	-	-	506	506
Investments - restricted	54,849	-	20,808	995	76,652
Advances to primary government - restricted	984	-	-	-	984
Advances to primary government	-	-	127	-	127
Receivables, net	-	-	-	4,000	4,000
Receivables, net - restricted	46	-	836	9,982	10,864
Land held for resale, net	-	-	-	3,843	3,843
Land held for resale, net - restricted	-	-	-	197	197
Equity interest in joint ventures	13,007	-	-	-	13,007
Other noncurrent assets	-	-	414	-	414
Nondepreciable capital assets	128,600	-	172,398	11,854	312,852
Depreciable capital assets, net	981,843	15,469	192,270	56,244	1,245,826
	<u>1,229,955</u>	<u>15,469</u>	<u>394,471</u>	<u>100,523</u>	<u>1,740,418</u>
Total assets	<u>1,340,587</u>	<u>27,572</u>	<u>429,654</u>	<u>116,223</u>	<u>1,914,036</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred charge on refunding	3,018	-	7,271	783	11,072
	<u>3,018</u>	<u>-</u>	<u>7,271</u>	<u>783</u>	<u>11,072</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	4,624	1,247	1,616	1,793	9,280
Unearned revenue	-	-	302	354	656
Current portion of long-term liabilities	30,669	188	9,356	1,757	41,970
Accounts payable and accrued liabilities- restricted	10,752	-	10,148	332	21,232
Advances from primary government	-	1,309	-	-	1,309
Deposits subject to refund - restricted	9,280	-	76	-	9,356
	<u>55,325</u>	<u>2,744</u>	<u>21,498</u>	<u>4,236</u>	<u>83,803</u>
Noncurrent liabilities:					
Advances from primary government	-	7,015	-	326	7,341
Deposits subject to refund	-	-	-	212	212
Deposits subject to refund - restricted	-	-	-	80	80
Long-term liabilities, net	399,254	731	143,605	18,453	562,043
	<u>399,254</u>	<u>7,746</u>	<u>143,605</u>	<u>19,071</u>	<u>569,676</u>
Total liabilities	<u>454,579</u>	<u>10,490</u>	<u>165,103</u>	<u>23,307</u>	<u>653,479</u>
DEFERRED INFLOW OF RESOURCES					
Deferred gain on refunding	284	-	-	-	284
Unavailable revenue - property taxes	3,964	-	-	-	3,964
	<u>4,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,248</u>
NET POSITION					
Net investment in capital assets	776,740	7,145	231,118	53,366	1,068,369
Restricted for:					
Debt service	9,466	-	695	1,812	11,973
Capital projects	-	-	4,726	22,544	27,270
Other purposes	-	-	5,497	561	6,058
Unrestricted	98,572	9,937	29,786	15,416	153,711
Total net position	<u>\$ 884,778</u>	<u>\$ 17,082</u>	<u>\$ 271,822</u>	<u>\$ 93,699</u>	<u>\$ 1,267,381</u>

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

CITY OF TULSA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2013
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	TMUA	TARE	Tulsa Airports	Other	Total
Tulsa Metropolitan Utility Authority	\$ 158,066	\$ 178,406	\$ -	\$ 7,123	\$ 27,463	-	-	-	\$ 27,463
Tulsa Authority for Recovery of Energy	23,824	23,758	-	-	-	(66)	-	-	(66)
Tulsa Airports	44,387	31,341	8,380	25,373	-	-	20,707	-	20,707
Other	33,846	12,980	6,370	4,360	-	-	-	(10,136)	(10,136)
	\$ 260,123	\$ 246,485	\$ 14,750	\$ 36,856	27,463	(66)	20,707	(10,136)	37,968
General revenues:									
Taxes:									
Sales taxes								635	635
Property taxes					3,531			942	4,473
Payments from primary government								7,892	7,892
Payments from component units								18	18
Investment earnings					17	(27)	(587)	189	(408)
Miscellaneous								292	292
Gain on disposal of capital assets						34	7	-	41
Total general revenues					3,548	7	(580)	9,968	12,943
Change in net position					31,011	(59)	20,127	(168)	50,911
Net position--beginning of year, restated					853,767	17,141	251,695	93,867	1,216,470
Net position--end of year					\$ 884,778	\$ 17,082	\$ 271,822	\$ 93,699	\$ 1,267,381

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 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.

Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

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. 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 and enterprise activities are included as enterprise funds.

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 water delivery utility systems and a wastewater utility. Trustees of TMUA are the same as those on the City's Utility Board. 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 rates for user charges and bond issuance authorization are also approved by the City Council. The City provides staffing to, and maintains the accounting records of TMUA.

Tulsa Authority for Recovery of Energy ("TARE") - A public trust created to provide a system of collection, transportation and disposal of solid waste. Trustees for TARE are appointed by the Mayor and approved by the City Council. The City participates in management decisions and acts as a collection agent by collecting TARE revenues as part of the City's utility bill. The City provides staffing to, and maintains the accounting records of TARE.

Tulsa Airports - Tulsa Airports Improvement Trust ("TAIT") and Tulsa Airports Authority ("TAA") were created to operate and maintain the City's two airports, Tulsa International and Richard L. Jones, Jr. Airports, and to finance capital improvements. The Tulsa International and Richard L. Jones, Jr. Airports have been combined with TAIT and are included in the Tulsa Airports component unit. The purpose of TAIT is to fund airport improvements through the issuance of revenue bonds. All improvements are leased by TAIT to TAA and become the property of the City upon termination of the lease. The City is also designated as the sole beneficiary of the trust. TAIT and TAA trustees are appointed by the Mayor and approved by the City Council.

Note 1. Summary of Significant Accounting Policies, continued

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 approved 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 annual operations and 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 of the City is ex-officio trustee and seven additional trustees are appointed by the Mayor and approved 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. 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 approved by the City Council. The City is the sole beneficiary of the Trust.

Separate financial statements for the individual component units are available upon request to the Office of the Controller, 175 East 2nd Street, Suite 885, Tulsa, OK 74103.

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 joint control 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 \$10,536. 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 in a joint venture to operate and maintain a park along the Arkansas River. RPA, a trust, was created for that purpose. The City and Tulsa 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 Tulsa 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, 717 S. Houston, Suite 10, Tulsa Oklahoma 74127. The City does not have an equity interest in this organization.

Regional Metropolitan Utility Authority ("RMUA") - The City is a participant with the City of Broken Arrow, Oklahoma, to operate a sewage treatment facility. The Authority ("RMUA"), a trust, was created for that purpose. 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. Services are provided approximately 50% each to the City and the City of Broken Arrow. Upon termination of the trust, the net assets will be distributed to the beneficiaries based upon their pro rata interest. The City's equity interest of \$13,007 is reported in TMUA's statement of net position. Complete financial statements for RMUA can be obtained from the Office of the Controller, City of Tulsa, 175 East 2nd Street, Suite 885, Tulsa, OK 74103.

2. Related Organizations

The City's officials are also responsible for appointing the board members of other organizations; however, the

Note 1. Summary of Significant Accounting Policies, continued

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 of the City is 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.

OSU Medical Center Trust ("OSUMCT") - The Mayor of the City is ex-officio trustee and the additional eight trustees are approved by the City Council. The City does not provide any funding to OSUMCT and has no obligation for the debt issued by OSUMCT.

3. 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 Tulsa County and other municipalities, has created the following organizations:

Tulsa County Criminal Justice Authority ("TCCJA") --The TCCJA was created for the purpose of acquiring a site and erecting, furnishing, equipping, operating, maintaining, remodeling and repairing a county jail and other detention facilities owned or operated by Tulsa 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 AND FUND FINANCIAL STATEMENTS

Government-wide 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 reduces gross expenses (including depreciation) by 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 revenue (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.

Note 1. Summary of Significant Accounting Policies, continued

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

In the fund financial statements the emphasis is on the major funds in either 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.

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 in the summary form as part of 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.).

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 government, 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 funds are determined by criteria - percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined, no specific threshold for major discretely presented components. The nonmajor funds are combined in 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 required to be 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)

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

Note 1. Summary of Significant Accounting Policies, continued

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.

3. 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 workers' compensation medical claims, judgments and administrative expenses.

Equipment Management Fund accounts for the maintenance and repair of licensed motor vehicles and their related costs to other departments.

Office Services Fund accounts for office supplies and reproduction services and their related costs charged to user departments.

Tulsa Public Facilities Authority issues debt, the proceeds of which are loaned either to the City or to its component units.

4. 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.

Municipal Employees Pension Trust (MERP) is used to report resources that are held in trust for the

members and beneficiaries of Municipal Employees Pension Fund, a cost-sharing multiple-employer defined benefit retirement plan.

Agency funds are used to report 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 exception to this general rule are long-term liabilities and related interest, if any, is recognized when due.

In applying the "susceptible to accrual" concept to intergovernmental revenues pursuant to GASB No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* 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.

Note 1. Summary of Significant Accounting Policies, continued

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.

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.

A "Pooled Cash" concept is therefore used in maintaining the cash and investment accounts in the accounting records. Under this method, all cash is pooled for investment purposes and each fund has equity in the pooled amount. All amounts included in the pooled cash and investment accounts are considered to be cash and cash equivalents.

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

Investments are stated at fair value in the statement of net position. Securities traded on a national or international exchange are valued at the last reported sales price, at current exchange rates. If quoted market prices are not available, such as certain Municipal Employees Pension Trust investments, fair value is estimated based on estimated fair values provided by brokerage statements. A net change in fair value of investments is recognized and reported as a change in investment income in the financial statements for the year ended.

The decrease is as follows:

Governmental activities	\$ (5,218)
Business-type activities	(190)
Component units	(842)
Net decrease in fair value	<u>\$ (6,250)</u>

3. Accounts Receivable and Taxes Receivable

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. 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%. In the current year \$271 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.

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 fair value (specific identification basis). The cost of land acquired and held for resale by the City at year end amounted to \$2,495 and was carried at the lower of cost or fair value of \$2,495. \$139 of the land is considered current and included with in Inventories on the Statement of Net Position. The remaining \$2,356 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

Note 1. Summary of Significant Accounting Policies, continued

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 of \$15,194, 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 fair value as of the date donated. 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.

Interest is capitalized in proprietary funds and discretely presented component units on assets acquired with tax-exempt debt. The amount of interest capitalized is the net interest expense incurred (interest expense less interest income) from the date of the borrowing until the project is placed into service.

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% or 60% 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 \$5,284 as of year-end. Annual payments of \$524 are due in accordance with these contracts.

Sewer Line Extensions - Private and non-assessed sewer line extensions contributed to TMUA totaled \$3,152 during the year.

9. Interest Capitalization

Component units capitalized net interest cost in the amount of \$3,479 related to tax exempt financing for capital construction projects during the year. Component units incurred interest costs of \$13,595 during the year.

10. Restricted Assets

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

11. Bond Premiums and Discounts

In the governmental funds, bond premiums and discounts are treated as period costs 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.

Note 1. Summary of Significant Accounting Policies, continued

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.

12. 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.

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.

13. 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* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and do not lapse at year-end. The governmental action to commit fund balance is typically in the form of a City ordinance.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Mayor through policy approval.

- *Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

Spending Policy of the General Fund - The City receives inflows from revenue and other financing sources from numerous sources for use in the General Fund. The Fund 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 General Fund. When both restricted and unrestricted resources are available in the General Fund, the following spending policy will apply:

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

The Mayor has the authority to express assignments in the General Fund.

Spending Policy of Other Governmental Funds – The City receives inflows from revenue and other financing sources from various sources for use in Special Revenue Funds. Special Revenue Funds will expend those resources on the specific purpose of the fund.

The intention of this spending policy is to identify the expenditure order of resource categories for all Special Revenue Funds. When both restricted and unrestricted resources are available in a Special Revenue Fund, the following spending policy will apply;

- 1st Restricted
- 2nd Committed
- 3rd Assigned

The Mayor has the authority to express assignments in Special Revenue Funds.

Minimum Fund Balance Policy – The City has adopted a minimum fund balance policy for the General Fund, where by an operating reserve is set and maintained at 6% of General Fund revenues. This operating reserve is contained in the City's annual budget proposed by the Mayor and adopted by the City Council.

Note 1. Summary of Significant Accounting Policies, continued

14. 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. \$176,534 in net position is restricted by enabling legislation. When both restricted and unrestricted resources are available for use, it is generally 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."

15. 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 the 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 withdrawals from the reserve was 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 withdrawals from the Economic Stabilization Reserve was 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 will sometimes report a separate section for 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 only has one item that qualifies for reporting in this category. It 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 statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of unavailable revenue items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, these items are reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and federal and/or state grant revenues. 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 under the full accrual basis or accounting and will become an inflow in the year for which they are levied. The government-wide has an

Note 1. Summary of Significant Accounting Policies, continued

additional deferred inflow not reported under the modified accrual basis. This 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 so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

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.

1. Sales Tax Revenue

The City has a 3.167% sales tax levy that is collected monthly by the State of Oklahoma and remitted to the City. The General Fund receives 2% for operations and the remaining 1.167% is placed into Sales Tax Funds and is restricted for capital improvements. 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.

After review and approval by the City, the sinking fund estimates are submitted to the County Excise Board to determine the property tax levy. This submission is made by July 20th of each year. 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. The assessment ratio in Tulsa County currently 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, Club Sales

Revenues derived from naming rights and club sales 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 revenue of \$550 has been recognized in the current year.

4. Grant Revenue

The City, a recipient of grant revenues, recognizes revenues (net of estimated uncollectible amounts, if any), when all applicable eligibility requirements are met. Resources transmitted to the City before the 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

In September 2007, the TPFA acquired a building in downtown Tulsa known as the One Technology Center. The building containing approximately 630,000 square

Note 1. Summary of Significant Accounting Policies, continued

feet has been used to consolidate City operations previously located in several locations in or near the central business district in downtown Tulsa.

In addition to acquiring the building, the TPFA assumed existing commercial leases to various tenants occupying approximately 179,000 square feet. The leases are comprised of both cancelable and noncancelable leases for periods up to ten years. Annual revenue from these noncancelable leases averages approximately \$2,390 through 2018.

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 as investment earnings of the general fund.

7. Unearned Revenue

Unearned revenue represents payments and/or revenue received but not yet recognized since it has not been earned. Unearned revenue is primarily composed of money received for health insurance premiums, 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 treated 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 presented as transfers. Transfers within governmental activities or within business-type activities are eliminated upon consolidation in the government-wide statements.

9. Payments between City 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 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, included in payments to component units, is the City subsidy to MTTA for bus and other transportation services.

10. Compensated Absences

Vacation and sick leave is granted to all regular and part-time employees. 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 that may be earned in one calendar year.

Accumulated vacation leave vests, and the City is obligated to make payment if the employee terminates. The liability for compensated absences attributable to the City's governmental funds is recorded in the entity-wide statements. The amount attributable to the business-type activities is charged to expense with a corresponding liability established in the entity-wide statements as well as the applicable business-type funds.

Sick leave accrues at rates based on the classification of employee and years of service. Sick leave for members of the City's Labor and Trade union, Tulsa Police Department, and the Tulsa Fire Department is based upon the current labor contract. For nonunion employees, sick leave accrues in accordance with the City's personnel policy guideline. Vested sick leave is payable upon retirement, disability, or death based on the employee's classification, as follows:

- Labor and Trade union members whose service is terminated for reason of retirement, disability, or death are paid for one-half of accrued sick leave in excess of 29 days.
- Police Officers may convert sick leave over 120 days to vacation leave. Upon retirement or death, those with at least 20 years of service shall receive payment for one-half accrued sick leave up to a maximum of 60 days.
- Firefighters are paid, upon retirement or death, sick leave accrued in excess of 55 24-hour shifts or 161.7 8-hour shifts.
- All other City employees may convert any sick leave in excess of 120 days to vacation leave. Upon retirement or death, the employee is eligible to receive payment for one-third of the 120 days.

11. Post-Employment Benefits: Pension and Other

Postemployment benefits are part of an exchange of salaries and benefits for employee services

Note 1. Summary of Significant Accounting Policies, continued

rendered. Of the total benefits offered by employers 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. The Authority accounts for annual pension and other postemployment benefit costs on an accrual basis, charging expenses in the period incurred, with a corresponding liability for benefits to be paid in future periods.

12. Operating Subsidies, Grants and Impact Fees

Subsidies and grants to proprietary funds, which finance either capital or current operations, are recorded as non-operating revenue.

The City's wastewater treatment policy requires restriction of all monies collected as impact fees. These fees represent a capacity charge for the proportionate share of the cost of expanding, over-sizing, separating or constructing new additions to the wastewater system.

The City is obligated to expend these funds only to provide expanded capacity to the system and is permitted to pay applicable debt service on one or more series of bonds.

13. Judgments

Judgments (tort liabilities) rendered against the City are funded through subsequent property tax levies over a three-year period beginning with the first year of the judgment. Levies for District Court judgments are reported in the debt service fund whereas levies for

workers' compensation judgments are recorded in the employee insurance 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 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other changes in net position during the reporting period. Actual results could differ from those estimates.

Note 2. Stewardship, Compliance and Accountability

1. Net Position/Fund Balance Deficit

Office Services – an internal service fund, has a deficit net position of \$39, which is a significant improvement over the last several years. The City will continue to set fees in amounts sufficient to fund current expenditures and eliminate the deficit.

One Technology Center – An enterprise fund, has a deficit net position of \$4,923 resulting from insufficient operating income to cover interest payments on outstanding debt. It is the City's intent to secure

additional revenues and manage expenses to eliminate the deficit.

Vision 2025 Capital Projects Fund – a capital projects fund has a deficit fund balance of \$367 because it overspent its entitlement to reimbursement from the Tulsa County Vision 2025 Capital Projects Program. The City will determine other funds where charges can be appropriately reassigned.

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, 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, 2013, 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. 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. Diversification among authorized investment broker/dealers is required, 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. 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

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

Pooled Portfolio Investments – Primary Government:

Investments--Primary Government	Fair Value	Weighted	Concentration	Percent of	Moody's	S & P
		Average Maturity (years)		Pooled Portfolio		
U.S. Treasury securities	\$ 64,655	1.81	n/a	14.0%	n/a	n/a
Property tax judgments	5,734	1.12	n/a	1.3%	n/a	n/a
Federal Farm Credit Bank securities	66,937	3.62	18.0%	14.5%	Aaa	AA+
Federal Home Loan Bank securities	80,778	3.44	21.7%	17.5%	Aaa	AA+
Federal Home Loan Mortgage Corporation securities	70,437	3.25	19.0%	15.3%	Aaa	AA+
Federal National Mortgage Association securities	82,189	3.64	22.1%	17.8%	Aaa	AA+
Certificates of Deposit	1,198	n/a	0.3%	0.3%	n/a	n/a
	<u>\$ 371,928</u>	<u>2.53</u>	<u>81.1%</u>	<u>80.7%</u>		

Non- Pooled Investments – Primary Government:

Internal Service Funds	Fair Value	Weighted	Concentration	Moody's	S & P
		Average Maturity (years)			
Federal Home Loan Bank securities	\$ 1,061	4.69	50.7%	Aaa	AA
Money Market	1,032	n/a	49.3%	Aaa	AAA
	<u>\$ 2,093</u>	<u>4.69</u>	<u>100.0%</u>		
Proprietary Funds					
Federal Home Loan Bank securities	1,554	4.69	15.6%	Aaa	AA
U.S. Treasury securities	734	2.83	7.4%	n/a	n/a
Money Market	7,666	n/a	77.0%	Aaa	AAA
	<u>\$ 9,954</u>	<u>3.14</u>	<u>100.0%</u>		

Non- Pooled Investments – Fiduciary Funds:

Custodial Credit Risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the 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 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 MERP's debt securities are as follows:

Investment Type	Rated			Not Rated or	
	Standard & Poors/Moody's			Rating Not	
	AAA/Aaa	A/A	BBB/Baa	Available	Total
U.S. agency obligations	\$ 8,836	\$ -	\$ -	\$ -	\$ 8,836
Government mortgage backed securities	9,755	-	-	-	9,755
Corporate bonds	-	7,056	4,833	552	12,441
Asset backed securities	97	609	383	-	1,089
Commercial mortgage backed securities	132	400	-	379	911
Foreign obligations	-	1,009	944	202	2,155
	<u>\$ 18,820</u>	<u>\$ 9,074</u>	<u>\$ 6,160</u>	<u>\$ 1,133</u>	<u>\$ 35,187</u>

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, 2013 were 31% strategic with a lower limit of 27% and an upper limit of 35%.

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.

MERP's investments with associated maturities:

Non-Pooled Investments--Fiduciary Funds	Fair Value	Weighted Average Maturity (years)
U.S. Treasury securities	\$ 22,902	8.15
Federal Home Loan Mortgage Corp securities	8,836	16.47
Federal National Mortgage Association securities	9,755	19.17
Mutual funds	278,709	N/A
Corporate obligations	14,441	12.20
Foreign obligations	2,155	9.62
Common Stock	27,931	N/A
Preferred Stock	704	N/A
Timber	11,725	N/A
	<u>\$ 377,158</u>	<u>13.76</u>

Note 3. Deposits and Investments, continued

Non- Pooled Investments – Discretely Presented Component Units:

Certain component units invest in U.S. Treasury securities, U.S. agency obligations, state and local government securities, money market mutual funds, equity index funds. The component units do not have a formal policy for limiting its exposure to fair value losses arising from rising interest rates, nor do they have a formal policy to address credit risk. For custodial credit risk, the component units' investments in U.S. agency obligations at June 30, 2013 are uninsured and unregistered with securities held by the counterparty or by its trust department or agent, but not in the component units' name. The investment in

money market mutual funds are not categorized as to custodial credit risk because the investment is not evidenced by securities that exist in physical form or book entry form. In addition, the component units place no limits on the amount that may be invested in any one issuer. At June 30, 2013, the component units' investment in FHLB constituted 15% of its total investments. Money market mutual funds, equity index fund and U.S. Treasury securities are not subject to concentration of credit risk disclosure not in the component unit's name.

Component units' non-pooled investments consisted of the following:

Investment Type	Fair Value	Maturities in Years		Moody's	S&P
		<1	1 - 10		
U.S. Treasury securities	\$ 56,349	\$ 26,948	\$ 29,401	n/a	n/a
U.S. agency obligations	22,636	1,017	21,619	Aaa	AA+
State and local government securities	690	-	690	n/a	n/a
Money market mutual funds	81,141	81,141	-	Aaa	AAA
Equity index funds	1,035	1,035	-	n/a	n/a
	<u>\$ 161,851</u>	<u>\$ 110,141</u>	<u>\$ 51,710</u>		

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
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Note 4. Receivables

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

	Governmental Funds						
	General	Debt Service	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	
Current receivables, net:							
Interest receivable	\$ 540	\$ -	\$ 295	\$ 21	\$ 856	\$ 4	\$ 860
Taxes receivable	25,667	51,859	11,338	1,663	90,527	-	90,527
Accounts receivable, gross	4,886	5,028	-	537	10,451	33	10,484
Due from other governments	-	-	-	5,640	5,640	-	5,640
	<u>31,093</u>	<u>56,887</u>	<u>11,633</u>	<u>7,861</u>	<u>107,474</u>	<u>37</u>	<u>107,511</u>
Less: Allowance for uncollectibles	(3,029)	-	-	(249)	(3,278)	-	(3,278)
	<u>\$ 28,064</u>	<u>\$ 56,887</u>	<u>\$ 11,633</u>	<u>\$ 7,612</u>	<u>\$ 104,196</u>	<u>\$ 37</u>	<u>\$ 104,233</u>
Noncurrent receivables, net:							
Taxes receivable	-	-	-	-	-	11,615	11,615
Interest receivable - restricted	-	-	-	-	-	19	19
Accounts receivable	-	-	-	-	-	17	17
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,651</u>	<u>11,651</u>
Less: Allowance for uncollectibles	-	-	-	-	-	(2)	(2)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,649</u>	<u>\$ 11,649</u>

	Business-type Activities Enterprise Funds				
	Stormwater Management	One Technology Center	Arena & Convention Center	Golf Courses	Total Business-type Activities
Current receivables, net:					
Interest receivable	\$ 23	\$ 8	\$ 1	\$ -	\$ 32
Utility receivable	2,941	-	-	-	2,941
Accounts receivable, gross	-	308	1,405	2	1,715
	<u>2,964</u>	<u>316</u>	<u>1,406</u>	<u>2</u>	<u>4,688</u>
Less: Allowance for uncollectibles	(70)	-	(49)	-	(119)
	<u>\$ 2,894</u>	<u>\$ 316</u>	<u>\$ 1,357</u>	<u>\$ 2</u>	<u>\$ 4,569</u>
Noncurrent receivables, net:					
Interest receivable - restricted	\$ 13	\$ -	\$ -	\$ -	\$ 13
	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>

Note 4. Receivables, continued

	Component Units				Total Component Units
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	
Current receivables, net:					
Interest receivable	\$ 144	\$ 19	\$ -	\$ 23	\$ 186
Interest receivable - restricted	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Accounts receivable, gross	3,985	-	1,737	326	6,048
Utility receivable	23,619	3,257	-	-	26,876
Due from other governments	-	-	10,738	690	11,428
	<u>27,748</u>	<u>3,276</u>	<u>12,475</u>	<u>1,039</u>	<u>44,538</u>
Less: allowance for uncollectibles	(228)	(24)	(20)	-	(272)
	<u>\$ 27,520</u>	<u>\$ 3,252</u>	<u>\$ 12,455</u>	<u>\$ 1,039</u>	<u>\$ 44,266</u>
Noncurrent receivables, net:					
Notes receivable, net	-	-	-	4,000	4,000
Notes receivable, net - restricted	-	-	-	9,955	9,955
Accounts receivable - restricted	-	-	796	2	798
Interest receivable - restricted	46	-	40	25	111
	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ 836</u>	<u>\$ 13,982</u>	<u>\$ 14,864</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
(dollar amounts expressed in thousands)

Note 5. Payables

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

	Governmental Funds					Internal Service Funds	Total Governmental Funds	Adjustments to	
	General	Bond	Sales Tax	Nonmajor Governmental Funds	Total			Government Wide Statements	Total Governmental Activities
Accounts payable	\$ 3,039	\$ 13,799	\$ 10,006	\$ 3,039	\$ 29,883	\$ 1,080	\$ 30,963	\$ -	\$ 30,963
Accrued payroll	477	-	-	15	492	116	608	-	608
Accrued interest	-	-	-	-	-	86	86	4,034	4,120
	<u>\$ 3,516</u>	<u>\$ 13,799</u>	<u>\$ 10,006</u>	<u>\$ 3,054</u>	<u>\$ 30,375</u>	<u>\$ 1,282</u>	<u>\$ 31,657</u>	<u>\$ 4,034</u>	<u>\$ 35,691</u>

	Business-type Activities Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total
Accounts payable	\$ 727	\$ 611	\$ 1,871	\$ 16	\$ 159	\$ 3,384
Accrued payroll	94	-	-	-	-	94
Accrued interest - restricted	-	425	296	820	-	1,541
	<u>\$ 821</u>	<u>\$ 1,036</u>	<u>\$ 2,167</u>	<u>\$ 836</u>	<u>\$ 159</u>	<u>\$ 5,019</u>

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Accounts payable	\$ 3,872	\$ 1,196	\$ 1,616	\$ 1,793	\$ 8,477
Accounts payable - restricted	7,277	-	9,379	71	16,727
Accrued payroll	752	51	-	-	803
Accrued interest - restricted	3,475	-	769	261	4,505
	<u>\$ 15,376</u>	<u>\$ 1,247</u>	<u>\$ 11,764</u>	<u>\$ 2,125</u>	<u>\$ 30,512</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>
\$ 379	General Fund	Vision 2025 Capital Projects	To finance capital projects
	<u>Advances To Other Funds</u>	<u>Advances From Other Funds</u>	<u>Purpose</u>
\$ 134	General Fund	Federal and State Grants	To advance fund grants
146	General Fund	Office Services	To provide cash flow
1,533	Arena & Convention Center	Tourism and Convention	To provide cash flow
<u>\$ 1,813</u>			
	<u>Advances To Primary Government</u>	<u>Advances From Component Units</u>	<u>Purpose</u>
\$ 127	Tulsa Airports	General Fund	To fund firefighter services
984	TMUA	Bond	To fund capital improvements
<u>\$ 1,111</u>			
	<u>Advances To Component Units</u>	<u>Advances From Primary Government</u>	<u>Purpose</u>
\$ 326	General Fund	MTTA	To provide cash flow
8,324	TPFA Internal Service Fund	TARE	To fund capital improvements
<u>\$ 8,650</u>			

CITY OF TULSA
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2013
 (dollar amounts expressed in thousands)

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	Nonmajor Governmental Funds	Internal Service Funds	Enterprise Funds	Governmental Activities Capital Assets
Governmental Funds:								
Major Funds:								
General Fund	\$ 600	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -	\$ -
Nonmajor Funds	3,057	2,670	-	137	-	50	200	-
Total Governmental Funds	<u>3,657</u>	<u>2,670</u>	<u>-</u>	<u>137</u>	<u>600</u>	<u>50</u>	<u>200</u>	<u>-</u>
Internal Service Funds	352	-	-	280	72	-	-	-
Enterprise Funds:								
Stormwater Management Fund	9,127	-	461	7,158	1,508	-	-	-
One Technology Center	677	500	-	177	-	-	-	-
Arena & Convention Center	5,666	1,225	-	808	3,629	-	-	4
Tulsa Stadium Trust	2,133	-	-	-	2,133	-	-	-
Golf Courses Fund	689	650	-	39	-	-	-	-
Total Enterprise Funds	<u>18,292</u>	<u>2,375</u>	<u>461</u>	<u>8,182</u>	<u>7,270</u>	<u>-</u>	<u>-</u>	<u>4</u>
Total Primary Government	<u>\$ 22,301</u>	<u>\$ 5,045</u>	<u>\$ 461</u>	<u>\$ 8,599</u>	<u>\$ 7,942</u>	<u>\$ 50</u>	<u>\$ 200</u>	<u>\$ 4</u>

Transfers - in		Transfers - out	
Governmental Funds	\$ 3,657	Governmental Funds	\$ 22,047
Internal Service Funds	352	Internal Service Funds	50
Enterprise Funds	18,292	Enterprise Funds	200
		Governmental activities capital assets	4
Total Primary Government	<u>\$ 22,301</u>	Total Primary Government	<u>\$ 22,301</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 Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
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Note 7. Capital Assets

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Transfers & Reclasses	Ending Balance
GOVERNMENTAL ACTIVITIES:					
Nondepreciable capital assets:					
Land	\$ 31,141	\$ 8,832	\$ (2,470)	\$ -	\$ 37,503
Land - Infrastructure use	488,448	-	-	-	488,448
Construction in progress:					
General government	53,318	15,453	(24,916)	(993)	42,862
Infrastructure	108,571	91,037	(80,004)	1,453	121,057
Total construction in progress	161,889	106,490	(104,920)	460	163,919
Total nondepreciable capital assets	681,478	115,322	(107,390)	460	689,870
Depreciable capital assets:					
Land improvements	61,020	6,060	(1,717)	(59)	65,304
Buildings	141,807	5,874	(4,134)	12	143,559
Equipment	164,524	13,553	(4,069)	44	174,052
Street network	2,904,843	88,821	-	-	2,993,664
Bridge network	21,218	17,893	(1,899)	-	37,212
Total depreciable capital assets	3,293,412	132,201	(11,819)	(3)	3,413,791
Total capital assets	3,974,890	247,523	(119,209)	457	4,103,661
Accumulated depreciation:					
Land improvements	(49,143)	(2,960)	1,590	59	(50,454)
Buildings	(68,276)	(3,597)	2,055	-	(69,818)
Equipment	(96,320)	(11,289)	3,793	(56)	(103,872)
Street network	(2,440,679)	(27,318)	-	-	(2,467,997)
Bridge network	(2,828)	(1,241)	103	-	(3,966)
Total accumulated depreciation	(2,657,246)	(46,405)	7,541	3	(2,696,107)
Total depreciable capital assets, net	636,166	85,796	(4,278)	-	717,684
Governmental activities capital assets, net	\$ 1,317,644	\$ 201,118	\$ (111,668)	\$ 460	\$ 1,407,554

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
(dollar amounts expressed in thousands)

Note 7. Capital Assets, continued

	Beginning Balance	Additions	Reductions	Transfers & Reclasses	Ending Balance
BUSINESS-TYPE ACTIVITIES:					
Nondepreciable capital assets:					
Land	\$ 84,188	\$ 12	\$ -	\$ -	\$ 84,200
Construction in progress	10,260	14,174	(6,232)	-	18,202
Total nondepreciable assets	94,448	14,186	(6,232)	-	102,402
Depreciable capital assets:					
Land improvements	341,163	5,722	-	4,575	351,460
Buildings	295,908	3,447	(72)	-	299,283
Equipment	60,739	3,002	(1,055)	(4,575)	58,111
Total depreciable capital assets	697,810	12,171	(1,127)	-	708,854
Total capital assets	792,258	26,357	(7,359)	-	811,256
Accumulated depreciation:					
Land improvements	(76,120)	(9,830)	-	(1,126)	(87,076)
Buildings	(54,620)	(9,603)	-	-	(64,223)
Equipment	(26,462)	(4,109)	1,046	1,126	(28,399)
Total accumulated depreciation	(157,202)	(23,542)	1,046	-	(179,698)
Total depreciable capital assets, net	540,608	(11,371)	(81)	-	529,156
Business-type activities capital assets, net	\$ 635,056	\$ 2,815	\$ (6,313)	\$ -	\$ 631,558
DISCRETELY PRESENTED COMPONENT UNITS:					
Nondepreciable capital assets:					
Land, easements and other	\$ 183,258	\$ 1,143	\$ (8)	\$ -	\$ 184,393
Water rights	9,593	-	-	-	9,593
Construction in progress	83,855	87,458	(52,447)	-	118,866
Total nondepreciable capital assets	276,706	88,601	(52,455)	-	312,852
Depreciable capital assets:					
Land improvements and water and sewer lines	1,672,455	47,112	(1,692)	-	1,717,875
Buildings	328,929	9,816	(461)	-	338,284
Equipment	130,752	21,988	(4,173)	-	148,567
Total depreciable capital assets	2,132,136	78,916	(6,326)	-	2,204,726
Total capital assets	2,408,842	167,517	(58,781)	-	2,517,578
Accumulated depreciation:					
Land improvements and water and sewer lines	(686,475)	(34,316)	1,692	-	(719,099)
Buildings	(179,735)	(8,788)	(57)	-	(188,580)
Equipment	(45,379)	(9,970)	4,128	-	(51,221)
Total accumulated depreciation	(911,589)	(53,074)	5,763	-	(958,900)
Total depreciable capital assets, net	1,220,547	25,842	(563)	-	1,245,826
Component unit capital assets, net	\$ 1,497,253	\$ 114,443	\$ (53,018)	\$ -	\$ 1,558,678

Depreciation expense is charged to functions as follows:

Governmental Activities		Business-type Activities		Component Units	
General government	\$ 309	Stormwater Management	\$ 8,171	TMUA	\$ 32,524
Public safety and protection	9,104	One Technology Center	1,922	TARE	1,405
Public works and transportation	33,193	Arena & Convention Center	11,033	Tulsa Airports	13,782
Social and economic development	284	Tulsa Stadium Trust	1,982	Other	5,363
Culture and recreation	3,515	Golf Courses	434		
	<u>\$ 46,405</u>		<u>\$ 23,542</u>		<u>\$ 53,074</u>

Note 8. Risk Management

The City's risk-management activities are recorded in the Employee Insurance Fund. The purpose of the fund is to administer the workers' compensation, health and dental insurance programs of the City. The use of this fund does not constitute a transfer of risk from the City.

Insurance - Significant losses are covered by commercial insurance for all major programs except workers' compensation, for which the City retains all risk of loss. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Judgments - Judgments (tort liability) are funded through property taxes over a three-year period. Tax revenues are reported in the Debt Service Fund and amounts associated with workers' compensation judgments are recorded in the Employee Insurance Fund.

Workers' compensation judgments include lump-sum judgments and installment judgments. Lump-sum judgments are paid in full at the time of judgment whereas installment judgments are payable over time. The total amount of installment judgments is indeterminable at the time of judgment.

Judgments paid are included in the subsequent property tax levy. The levy amount is recorded as a receivable.

The carrying amount of the liability for judgments in the amount of \$6,069 is discounted at an annual rate of 1.63% and presented at their net present value of \$5,200.

Workers' Compensation - The City records a liability for workers' compensation claims. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) plus an estimate for claims which have been incurred but not reported based on historical experience.

Change in Workers' Compensation Liabilities

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Claims liability at beginning of year	\$ 19,690	\$ 19,179	\$ 18,937
Current year claims and changes in estimates	7,784	8,666	8,650
Claims payments	(9,534)	(8,155)	(8,408)
Claims liability at end of year	<u>\$ 17,940</u>	<u>\$ 19,690</u>	<u>\$ 19,179</u>
Assets available to pay claims at June 30	<u>\$ 24,492</u>	<u>\$ 26,247</u>	<u>\$ 24,463</u>

Note 9. Retirement and Deferred Compensation Plans

Each qualified employee is included in one of the three retirement plans in which the City participates. These are the Municipal Employees' Pension Fund (MERP), Oklahoma Firefighters' Pension Fund, and Oklahoma Police Pension and Retirement System. The City does not maintain the accounting records, hold the investments or administer the police officers' and firefighters' retirement funds. The police officers' and firefighters' plans are statewide systems administered by the State of Oklahoma. The Municipal Employees' Pension Fund is administered by a separate board of trustees and a local bank holds the assets in custody. Actuarial valuations for these plans are performed annually. Unless otherwise indicated, information in this note related to the Municipal Employees' Pension Fund is provided as of the latest actuarial valuation, January 1, 2013. Also, unless otherwise indicated, information in this note related to Oklahoma Police and Firefighters' Pension and Retirement systems are provided as of the latest actuarial valuations, July 1, 2013.

On-behalf payments - For fiscal year 2013, the State of Oklahoma contributed payments on behalf of City employees to the Oklahoma Police Pension and Retirement System of \$6.0 million and the Oklahoma Firefighters Pension and Retirement System of \$13.1 million. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

A summary of significant information for each of the retirement plans follows.

A. MUNICIPAL EMPLOYEES' PENSION FUND

1. Plan Description

The City contributes to the Municipal Employees' Retirement Plan ("Plan") which is a cost-sharing multiple employer defined benefit pension plan. The Plan was established by the City in accordance with the City Charter and State statutes, and is reported as a pension trust fund. All full-time employees of the City and related agencies, except employees covered under the pension program established for police officers and firefighters, are eligible to participate in the system on the first day of the month which coincides with, or next following, their first day of employment. The Plan covers four participating entities. Administrative costs of the Plan are financed through investment earnings.

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.

Employee membership data related to the pension plan, as of January 1, 2013 was as follows:

Membership	
Active plan members	2,473
Retirees and beneficiaries currently receiving benefits	1,699
Terminated employees entitled to but not yet receiving benefits	259
Total	4,431

For the year ended June 30, 2013, the City's total payroll for all employees was \$208,891, including police and fire employees. Excluding police and fire employees, the City's total payroll was \$114,621. Total covered payroll was \$96,131. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

2. Summary of Significant Accounting Policies

Basis of Accounting – The Municipal Employees' Pension Trust Fund financial statements are prepared on the accrual basis of accounting. Both employer and employee contributions are recognized as revenue in the period in which employees provide services.

Method Used to Value Investments – Investment income is recognized when earned. Investments are reported at fair value which is determined using selected bases, as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments that do not have an established market are reported at estimated fair value. Gains and losses on sales and exchanges are recognized on the transaction date. Administrative costs are financed with investment earnings of the plan.

3. Contributions

The contribution requirements of Plan members and the City are established by City ordinance. Employees of the City are required to contribute 6% of covered compensation to the Plan. The contributions are deducted from the employee's wages or salary and remitted by the City to the Plan on a semi-monthly basis. The City is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by City ordinance.

Note 9. Retirement and Deferred Compensation Plans, continued

4. Benefits and Refunds Paid

Any participant whose years of continuous employment, when added to the participant's age equals or exceeds 80, may retire without a reduction in the monthly benefit. The amount of retirement income is established by City ordinance and is equal to 2.35% of final average earnings, up to covered compensation, times years of service.

Pension provisions include death benefits for the surviving spouse. The system does not provide a monthly income for disabled participants; however, under certain conditions, employees who become disabled may be eligible to receive their full retirement at age 65 even though they were unable to work up to the retirement age. Benefits vest at 100% after five years of service.

5. Concentrations

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

**6. Annual Pension Cost Trend Information
 (for the reporting entity)**

Year	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2013	\$ 10,722	120.9%	\$ 3,471
2012	11,299	96.7%	5,714
2011	8,698	65.1%	5,338

**7. Actuarial Valuation, Methods and Assumptions
 (for the reporting entity)**

Valuation date	July 1, 2012
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4.0%
Inflation rate	3.0%
Initial annual healthcare cost trend rate	8.5%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5%

**8. Funded Status and Funding Progress
 (for the reporting entity)**

The funded status of the plan as of January 1, 2013, is as follows (in millions).

Actuarial accrued liability (AAL)	\$ 512
Actuarial value of plan assets (AVA)	\$ 393
Unfunded actuarial accrued liability (UAAL)	\$ (119)
Funded ratio	76.8%
Covered payroll	\$ 110
UAAL as a percentage of funded payroll	107.8%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time, relative to the AALs for benefits.

B. OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM

1. Plan Description

Members of the City's Fire Department are covered by the Oklahoma Firefighters' Pension and Retirement System, (the "Firefighters' System") which is a statewide cost sharing multiple-employer defined benefit plan established by the State of Oklahoma that provides participants with retirement, death and disability benefits, and a deferred option plan. All full-time firefighters who are hired before age 45 are eligible to participate in the Firefighters' System.

Participants become vested upon completing ten years of credited service as a contributing participant of the Firefighters' System. Any participant who completes 20 years of credited service, regardless of age, is entitled to pension payments equal to 50% of the member's final average compensation.

The Oklahoma State Legislature has the authority to grant percentage increases or special one-time payments to persons receiving benefits from the System, and is required by statute to make appropriations as necessary to insure that benefit payments are made.

The City's covered payroll for the Firefighters' System was \$43,543, while the City's total payroll for all employees was \$208,891 during the same time period. The Firefighters' System issues a stand-alone financial report which can be obtained from the Oklahoma State Firefighters' Retirement Board at 4545 North Lincoln Boulevard, Suite 265, Oklahoma City, Oklahoma 73105.

Note 9. Retirement and Deferred Compensation Plans, continued

2. Contributions

Members of the Firefighters' System are required to pay 8% of their covered compensation to the pension plan. The City makes a contribution of 13% of the members' covered compensation to the system as required by state statute. The total contribution to the Firefighters' System amounted to \$9,144 of which \$5,661 was made by the City and \$3,483 was made by the employees. These contributions represent approximately 13% (City) and 8% (member) of covered payroll.

The City's contributions represent 26% of the Firefighters' System total annual contributions state-wide.

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2013	\$ 9,144	100%
2012	8,813	100%
2011	8,226	100%

4. Related Party Investments

As of and for the year ended June 30, 2013, the Firefighters' System held no securities issued by the City or other related parties.

C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1. Plan Description

Members of the City's Police Department are covered by the Oklahoma Police Pension and Retirement System, ("the Police System") which is a statewide cost sharing multiple-employer defined benefit pension plan established by the State of Oklahoma that provides participants with retirement, death and disability benefits, and a deferred option plan. Police officers employed by participating municipalities are required to participate in the Police System.

Participants become vested upon completing ten years of credited service as a contributing participant of the Police System. Any participant who completes 20 years of credited service, regardless of age is entitled to pension payments equal to 50% of the member's final average compensation.

The Oklahoma State Legislature has the authority to grant percentage increases or special one-time payments to persons receiving benefits from the Police System, and is required by statute to make appropriations as necessary to insure that benefit payments are made.

The City's covered payroll for the Police System was \$50,727, while the City's total payroll for all employees was \$208,891 during the same time period.

The Police System issues a stand-alone financial report which can be obtained from the Oklahoma State Police Retirement Board at 1001 NW 63rd Street, Suite 305, Oklahoma City, Oklahoma 73116.

2. Contributions

Members of the Police System are required to pay 8% of their covered compensation to the pension plan. The City makes a contribution of 13% of the members' covered compensation to the Police system as required by state statute. Total contributions to the Police System amounted to \$10,653, of which \$6,595 is from the City's contributions and \$4,058 is from employee contributions. These contributions represent approximately 13% (City) and 8% (member) of covered payroll.

The City's contributions represent 29% of the Police System total annual contributions state-wide.

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2013	\$ 10,653	100%
2012	9,910	100%
2011	9,629	100%

4. Related Party Investments

As of and for the year ended June 30, 2013, the Police System held no securities issued by the City or other related parties.

Note 9. Retirement and Deferred Compensation Plans, continued

D. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

The City appoints a committee of employees that represents the City in all matters concerning the administration of the deferred compensation plan. The committee has full power and authority to adopt rules and regulations for the administration of the deferred compensation plan. The committee also contracts with providers to manage the investment of plan assets and is responsible for selecting the plan investment options.

Additionally, the committee reviews and approves withdrawals, terminations, and benefit payments.

The City accounts for and reports its deferred compensation plan under the provisions of both GASB No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans;" and GASB No. 34. GASB No. 32 rescinded GASB No. 2 ("Financial Reporting of Deferred Compensation Plans Adopted under the Provisions of Internal Revenue Code Section 457") and established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local government employers. The laws governing these plans were changed to state that as of August 20, 1996, new plans would not be considered eligible plans unless all assets and income of the plan are held in trust or covered by annuity contract for the exclusive benefits of the participants and their beneficiaries. The City's plan meets this requirement.

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 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 single-employer defined benefit healthcare plan. The governmental activities, business type activities and component units account for 94% of the OPEB liability. Other organizations, not in the reporting entity account for the remaining 6%. 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. The Plan does not issue a stand-alone financial report.

B. 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.

C. MEMBERSHIP

As of the most recent actuarial valuation date, membership consisted of the following:

Retirees and beneficiaries	
currently receiving benefits	284
Active employees	2,162
	2,446
	2,446

D. FUNDING POLICY

The City contributes a fixed premium subsidy towards the medical coverage of retirees and their dependents. For the fiscal year ending June 30, 2013, the City contributed \$72.73 per month for participants retiring prior to July 1, 1998 and \$101.37 per month for participants retiring after June 30, 1998. Additionally, the City contributed \$108.03 per month for dependent coverage. The retirees and their dependents are responsible for the remainder of the group contract rate for the medical plan chosen. As of June 30, 2013, no irrevocable trust had been established for the funding of the Plan's post-retirement benefit obligation. The premium subsidy paid by the City is funded on a pay-as-you-go basis.

E. ANNUAL OPEB COSTS

Year	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 2,581	\$ 1,685	65%	\$ 17,631
2012	2,493	1,208	48%	16,735
2011	3,017	537	18%	15,450

Note 10. Other Post-Employment Benefits, continued

F. NET OPEB OBLIGATION:

The net OPEB obligation was calculated as follows:

Annual Required Contribution	\$ 2,880
Interest on Net OPEB Obligation	669
Adjustment to Annual Required Contribution	(968)
Annual OPEB Cost	<u>2,581</u>
Contributions	(1,685)
Increase in Net OPEB Obligation	896
Net OPEB Obligation, beginning of year	16,735
Net OPEB Obligation, end of year	<u><u>\$ 17,631</u></u>

Net OPEB Obligation reported in:

Governmental activities	7,998
Business type activities	941
Component units	7,583
Organizations not in reporting entity	1,109
	<u><u>\$ 17,631</u></u>

G. SCHEDULE OF FUNDING PROGRESS

The funded status of the plan as of July 1, 2012

Actuarial Accrued Liability (AAL)	\$ 28,539
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 28,539
Funded ratio (actuarial value of plan assets / AAL)	0%
Covered payroll (active plan members)	\$ 101,631
UAAL as a percentage of covered payroll	28%

Note 10. Other Post-Employment Benefits, continued

H. 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. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Valuation date	July 1, 2012
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4.0%
Inflation rate	3.0%
Initial annual healthcare cost trend rate	8.5%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5%

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	Additions	Reductions	Ending Balance	Due Within One Year
PRIMARY GOVERNMENT					
Governmental activities:					
General obligation bonds	\$ 408,690	\$ 68,746	\$ (58,643)	\$ 418,793	\$ 38,415
Revenue bonds	10,900	-	(1,295)	9,605	1,305
Other long-term liabilities	68,502	27,871	(30,291)	66,082	28,573
Premium on debt issuance - GO bonds	17,969	7,341	(5,071)	20,239	-
Premium on debt issuance - Revenue bonds	921	-	(191)	730	-
Total governmental activities	<u>506,982</u>	<u>103,958</u>	<u>(95,491)</u>	<u>515,449</u>	<u>68,293</u>
Business-type activities:					
Revenue bonds	104,462	14,730	(11,670)	107,522	4,098
Unamortized discount--revenue bonds	(138)	-	6	(132)	-
Compensated absences	973	955	(1,244)	684	421
Other post-employment benefits	1,052	60	(171)	941	-
Pension liability	385	94	(244)	235	15
Total business-type activities	<u>106,734</u>	<u>15,839</u>	<u>(13,323)</u>	<u>109,250</u>	<u>4,534</u>
Total primary government	<u>\$ 613,716</u>	<u>\$ 119,797</u>	<u>\$ (108,814)</u>	<u>\$ 624,699</u>	<u>\$ 72,827</u>
COMPONENT UNITS					
Revenue bonds:					
TAIT	154,360	780	(8,170)	146,970	8,495
TMUA	153,530	61,280	(70,875)	143,935	9,710
TPA	17,860	-	-	17,860	1,675
Premium on debt issuance - TMUA	780	2,300	(614)	2,466	-
Premium on debt issuance - TAIT	81	-	(8)	73	-
Unamortized bond discount - TAIT	(342)	-	25	(317)	-
Premium on debt issuance - TPA	883	-	(115)	768	-
	<u>327,152</u>	<u>64,360</u>	<u>(79,757)</u>	<u>311,755</u>	<u>19,880</u>
General obligation bonds	46,085	8,534	(13,802)	40,817	5,510
Premium on debt issuance - TMUA	2,035	428	(988)	1,475	-
	<u>48,120</u>	<u>8,962</u>	<u>(14,790)</u>	<u>42,292</u>	<u>5,510</u>
Promissory notes	172,376	55,278	(13,479)	214,175	11,826
Unamortized bond discount - TMUA	(85)	-	22	(63)	-
Premium on debt issuance - TMUA	2,432	4,263	(407)	6,288	-
	<u>174,723</u>	<u>59,541</u>	<u>(13,864)</u>	<u>220,400</u>	<u>11,826</u>
Capital lease	8,719	-	(392)	8,327	407
Watermain extension contracts	6,402	-	(1,118)	5,284	524
Compensated absences	7,503	4,529	(5,542)	6,490	3,620
Other post-employment benefits	7,223	442	(82)	7,583	-
Pension liability	2,893	905	(1,916)	1,882	203
Arbitrage rebate liability	1	-	(1)	-	-
Total component units	<u>\$ 582,736</u>	<u>\$ 138,739</u>	<u>\$ (117,462)</u>	<u>\$ 604,013</u>	<u>\$ 41,970</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. General obligation bonds have been issued for both governmental and business-type activities as well as component units. General obligation 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 component unit purposes are liquidated by the component unit. Revenue bonds issued for governmental activities are liquidated by the TPFA internal service fund from lease and loan repayments. Revenue bonds and promissory notes issued for business-type activities or by component units are repaid from those activities or component units. Compensated absences incurred by governmental activities are liquidated by the fund which pays the salary.

Compensated absences incurred by business-type activities or by component units are liquidated by those activities or component units.

The workers' compensation liability will be liquidated primarily through a portion of a property tax levy of the Employee Insurance Fund and secondarily by charging the other funds based on management's assessment of the insurance risk that should be assumed by the individual funds.

The City is subject to legal debt limits set forth in the Oklahoma Constitution. While the City's legal debt limit is \$315,848, no currently outstanding City general obligation bonds are subject to that limit. All currently outstanding City general obligation bonds were approved by at least three-fifths the voters; therefore, are not subject to that limitation.

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.

General Obligation Bond Refunding

On March 1, 2013, the City issued \$32,280 in Series 2013A General Obligation Refunding Bonds. The proceeds of the issue along with \$2,725 of other City resources were used to currently refund the City's Series 2005 General Obligation Bonds.

This transaction will reduce debt service payments by \$6,315 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 \$5,424. The refunding resulted in a deferred gain of \$648 which will be amortized over the life of the new bonds.

Revenue Bond Refunding

On December 20, 2012, TPFA issued \$9,480 Series 2012 Taxable Refunding bonds. The proceeds of these bonds refunded a portion of the Lease Revenue Series 2007B bonds and to fund the bond reserve fund.

This transaction will reduce debt service payments by \$1,168 over the next six years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,125. There was no deferred accounting gain or loss on this transaction.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
(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	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities								
General obligation bonds:								
Series 2004-A, Refunding	28,021	2016	5.0%	\$ 9,453	\$ -	\$ (2,325)	\$ 7,128	\$ 2,321
Series 2004-B, Refunding	11,582	2015	4.0-5.0%	3,874	-	(1,286)	2,588	1,285
Series 2005	36,781	2025	5.0%	25,126	-	(25,126)	-	-
Series 2006	30,183	2026	4.0-4.50%	22,198	-	(1,596)	20,602	1,597
Series 2007	65,933	2027	4.0-4.25%	54,941	-	(3,665)	51,276	3,664
Series 2008	35,851	2028	4.0-4.75%	30,172	-	(1,892)	28,280	1,893
Series 2009	48,454	2029	3.0-4.25%	43,309	-	(2,572)	40,737	2,572
Series 2009B	70,000	2019	5.0%	62,200	-	(7,800)	54,400	7,800
Series 2009A, Refunding	9,153	2019	3.0-4.0%	6,972	-	(1,054)	5,918	1,032
Series 2009B, Refunding	14,405	2021	3.0-5.0%	11,560	-	(1,377)	10,183	1,351
Series 2010	70,000	2020	4.0-5.0%	70,000	-	(7,800)	62,200	7,800
Series 2011	50,000	2031	2.0-3.50%	50,000	-	-	50,000	2,650
Series 2011A, Refunding	21,105	2022	2.25-4.25%	18,885	-	(2,150)	16,735	2,085
Series 2013A, Refunding	23,746	2025	2.50%	-	23,746	-	23,746	2,365
Series 2013	45,000	2023	4.0%	-	45,000	-	45,000	-
				408,690	68,746	(58,643)	418,793	38,415
Premium on debt issuance				17,969	7,341	(5,071)	20,239	-
				426,659	76,087	(63,714)	439,032	38,415
Revenue bonds:								
Capital Improvements - 2012	10,900	2020	3.0-4.0%	10,900	-	(1,295)	9,605	1,305
				10,900	-	(1,295)	9,605	1,305
Premium on debt issuance				921	-	(191)	730	-
				11,821	-	(1,486)	10,335	1,305
Other long-term liabilities:								
Compensated absences				28,212	18,432	(15,959)	30,685	18,815
Other post-employment benefits				7,499	499	-	7,998	-
Pension liability				2,735	774	(1,683)	1,826	267
Claims and judgments				25,179	8,166	(10,840)	22,505	9,056
Pollution remediation obligation				166	-	(166)	-	-
E911 Promissory Note - 2005	2,500	2013	4.30%	407	-	(407)	-	-
Due to other governments				4,304	-	(1,236)	3,068	435
				68,502	27,871	(30,291)	66,082	28,573
Total governmental activities				\$ 506,982	\$ 103,958	\$ (95,491)	\$ 515,449	\$ 68,293
Business-type activities								
Revenue bonds:								
Recreational Facilities - 2003	3,460	2012	3.15-3.35%	445	-	(445)	-	-
Assembly Center - 1985	23,335	2014	6.60%	4,560	-	(1,425)	3,135	1,520
Lease Rev Bonds 2007A	34,620	2037	4.625-5.25%	34,620	-	-	34,620	-
Lease Rev Bonds 2007B	33,130	2029	6.30 - 6.60%	32,530	-	(8,605)	23,925	-
Capital Improvements - 2008	16,000	2027	6.07%	13,505	-	(835)	12,670	915
Capital Improvements - 2012, Refunding	9,480	2018	1.25%	-	9,480	-	9,480	1,280
Improvement District - 2010-1	19,711	2038	6.15%	14,013	5,168	(289)	18,892	308
Improvement District - 2010-2	5,000	2038	7.90%	4,789	82	(71)	4,800	75
				104,462	14,730	(11,670)	107,522	4,098
Unamortized discount				(138)	-	6	(132)	-
				104,324	14,730	(11,664)	107,390	4,098
Compensated absences				973	955	(1,244)	684	421
Other post-employment benefits				1,052	60	(171)	941	-
Pension liability				385	94	(244)	235	15
Total business-type activities				\$ 106,734	\$ 15,839	\$ (13,323)	\$ 109,250	\$ 4,534

Note 11. Long-Term Liabilities, continued

Summary of general obligation bonds outstanding at year end:

General Obligation Series	Maturity Date	Interest Rate	Ending Balance	Primary Government	Component Units
Series 2004-A, Refunding (3% Sewer)	2016	5.0%	\$ 7,370	\$ 7,128	\$ 242
Series 2004-B, Refunding (8% Sewer)	2015	4.0-5.0%	2,820	2,588	232
Series 2006 (2.635% Sewer)	2026	4.0-4.50%	21,160	20,602	558
Series 2007 (9.295% Sewer)	2027	4.0-4.25%	56,530	51,276	5,254
Series 2008 (19.45405530% Sewer)	2028	4.0-4.75%	35,110	28,280	6,830
Series 2009 (6.4604247% Sewer)	2029	3.0-4.25%	43,550	40,737	2,813
Series 2009B	2019	5.0%	54,400	54,400	-
Series 2009A, Refunding (37.668% Sewer)	2019	3.0-4.0%	9,495	5,918	3,577
Series 2009B, Refunding (30.5625% Sewer)	2021	3.0-5.0%	14,665	10,183	4,482
Series 2010	2020	4.0-5.0%	62,200	62,200	-
Series 2011	2031	2.0-3.50%	50,000	50,000	-
Series 2011A, Refunding	2022	2.25-4.25%	16,735	16,735	-
Series 2012A, Refunding (100% Sewer)	2017	4.0%	8,295	-	8,295
Series 2013A Refunding (26.438% Sewer)	2025	2.50%	32,280	23,746	8,534
Series 2013	2023	4.0%	45,000	45,000	-
			<u>\$ 459,610</u>	<u>\$ 418,793</u>	<u>\$ 40,817</u>

C. 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.

2. Revenue Bond Refundings

TMUA - On March 27, 2013 TMUA issued \$61,280 in Series 2013 Refunding Utility Revenue Bonds to advance refund the TMUA Series 2003 and Series 2005 Utility Revenue Bonds. The refunding proceeds and other funds were deposited into an irrevocable escrow account to provide for full payment of the refunded bonds on September 3, 2013. As a result, the Series 2003 and Series 2005 bonds are considered defeased and the liability for those bonds has been removed from TMUA's statement of net position.

This transaction will reduce debt service payments by \$8,861 over the next 13 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,930. The refunding resulted in a deferred charge of \$2,679 which will be amortized over the remaining life of the old bonds.

3. Promissory Notes

The 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. During the year ended June 30, 2013, the Series 2013A Promissory Note for \$9,850 was authorized but unissued.

4. Conduit Debt

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, 2013, Special Facility Revenue Bonds outstanding aggregated \$10,120.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
(dollar amounts expressed in thousands)

Note 11. Long-Term Liabilities, continued

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.

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. The Authority 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 the Authority are special and limited obligations of the Authority, payable solely out of revenues from the loan agreements and security provided by the loan agreements. At June 30, 2013, the aggregate outstanding principal balances due on these notes and bonds are approximately \$147,000.

Component Unit 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 2000-A	\$ 11,000	2020	6.0%	\$ 5,000	\$ -	\$ -	\$ 5,000	\$ -
Series 2004-A	17,800	2018	3.25-5.0%	9,620	-	(1,415)	8,205	1,485
Series 2004-B	2,200	2017	4.95%	1,000	-	(200)	800	200
Series 2009-A	42,705	2024	3.0-5.375%	35,215	-	(2,300)	32,915	2,370
Series 2009-B	25,865	2031	3.0-5.75%	24,025	-	(1,185)	22,840	1,195
Series 2009-C	4,020	2023	3.0-6.0%	3,940	-	(75)	3,865	80
Series 2009-D	56,615	2031	2.726-7.114%	51,685	-	(770)	50,915	855
Series 2010-A	5,770	2021	4.57-5.0%	5,495	-	(530)	4,965	545
Series 2010-B	8,215	2021	6.0-6.50%	7,075	-	(660)	6,415	685
Series 2010-C	13,520	2025	4.0-5.25%	11,305	-	(1,035)	10,270	1,080
Series 2012-A	14,625	2016	1.92%	-	132	-	132	-
Series 2012-B	2,000	2015	2.75%	-	648	-	648	-
				<u>154,360</u>	<u>780</u>	<u>(8,170)</u>	<u>146,970</u>	<u>8,495</u>
Premium on debt issuance				81	-	(8)	73	-
Unamortized discount				(342)	-	25	(317)	-
				<u>154,099</u>	<u>780</u>	<u>(8,153)</u>	<u>146,726</u>	<u>8,495</u>
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2003 - Refunding	8,890	2018	3.9-4.45%	4,660	-	(4,660)	-	-
Series 2005 - Refunding	78,720	2025	4.0-4.50%	60,955	-	(60,955)	-	-
Series 2007	27,815	2027	4.0-4.50%	18,015	-	(2,200)	15,815	2,400
Series 2009	21,500	2029	3.0-4.75%	19,505	-	(715)	18,790	745
Series 2010	14,510	2030	2.0-4.0%	14,510	-	(550)	13,960	560
Series 2011	24,100	2031	2.0-4.375%	23,200	-	(830)	22,370	840
Series 2012 Refunding	12,685	2025	2.0-2.65%	12,685	-	(965)	11,720	965
Series 2013 Refunding	61,280	2025	2.0-3.0%	-	61,280	-	61,280	4,200
				<u>153,530</u>	<u>61,280</u>	<u>(70,875)</u>	<u>143,935</u>	<u>9,710</u>
Premium on debt issuance				780	2,300	(614)	2,466	-
				<u>154,310</u>	<u>63,580</u>	<u>(71,489)</u>	<u>146,401</u>	<u>9,710</u>
<u>Tulsa Parking Authority</u>								
Series 2012 - Refunding	17,860	2028	2.0-4.0%	17,860	-	-	17,860	1,675
				<u>17,860</u>	<u>-</u>	<u>-</u>	<u>17,860</u>	<u>1,675</u>
Premium on debt issuance				883	-	(115)	768	-
				<u>18,743</u>	<u>-</u>	<u>(115)</u>	<u>18,628</u>	<u>1,675</u>
				<u>\$ 327,152</u>	<u>\$ 64,360</u>	<u>\$ (79,757)</u>	<u>\$ 311,755</u>	<u>\$ 19,880</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013
(dollar amounts expressed in thousands)

Note 11. Long-Term Liabilities, continued

Component Unit 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 1992-A, Sanitary Sewer	\$ 4,299	2012	0.50%	\$ 107	\$ -	\$ (107)	\$ -	\$ -
Series 1997-A, Sanitary Sewer	4,035	2016	0.50%	927	-	(206)	721	206
Series 1998-B, Sanitary Sewer	4,392	2017	0.50%	1,261	-	(229)	1,032	229
Series 1998-C, Sanitary Sewer	8,500	2017	5.15%	3,490	-	(3,490)	-	-
Series 2001-B, Sanitary Sewer	4,996	2020	0.50%	2,103	-	(262)	1,841	263
Series 2002-D, Sanitary Sewer	6,813	2021	0.50%	3,320	-	(350)	2,970	349
Series 2003, Sanitary Sewer	4,310	2012	3.75%	520	-	(520)	-	-
Series 2004-B, Sanitary Sewer	1,560	2023	0.50%	920	-	(80)	840	80
Series 2005-B, Sanitary Sewer	7,900	2027	3.10%	6,319	1	(402)	5,918	328
Series 2005-C, Sanitary Sewer	1,203	2025	0.50%	812	-	(60)	752	60
Series 2006-A, Sanitary Sewer	3,130	2027	3.10%	2,354	72	(141)	2,285	127
Series 2006-B, Sanitary Sewer	835	2016	1.56%	367	-	(91)	276	96
Series 2006-C, Sanitary Sewer	17,825	2029	3.10%	15,139	282	(891)	14,530	891
Series 2006, Sanitary Sewer	52,585	2025	4.145-5.145%	42,495	-	(2,265)	40,230	2,355
Series 2007-A, Sanitary Sewer	5,131	2026	0.50%	3,815	-	(263)	3,552	263
Series 2007-B, Sanitary Sewer	8,365	2026	3.795-4.845%	6,953	-	(344)	6,609	358
Series 2008-A, Water	1,250	2013	2.03%	653	75	(312)	416	416
Series 2009-A, Sanitary Sewer	11,320	2032	3.22%	7,767	1,615	(566)	8,816	566
Series 2009-B, Sanitary Sewer	7,350	2032	2.91%	4,809	539	(294)	5,054	202
Series 2009-C, Water	5,225	2031	2.82%	3,574	-	(132)	3,442	137
Series 2010-A, Sanitary Sewer	27,757	2032	2.89%	10,716	9,861	(694)	19,883	1,388
Series 2010-B, Sanitary Sewer	29,380	2030	3.145-5.145%	28,325	-	(1,060)	27,265	1,095
Series 2011 A, Sanitary Sewer	23,480	2033	3.11%	-	9,205	-	9,205	587
Series 2011-B, Sanitary Sewer	14,275	2031	2.645-5.145%	14,275	-	(500)	13,775	505
Series 2011 C, Sanitary Sewer	16,700	2034	2.55%	-	3,569	-	3,569	-
Series 2012A, Sanitary Sewer	4,347	2034	2.43%	-	4	-	4	-
Series 2012-B, Sanitary Sewer	11,355	2032	.545-3.395%	11,355	-	(220)	11,135	435
Series 2012C, Sanitary Sewer	2,450	2017	.395-4.145%	-	2,450	-	2,450	480
Series 2013B, Sanitary Sewer	27,605	2033	2.145-5.145%	-	27,605	-	27,605	410
				172,376	55,278	(13,479)	214,175	11,826
Premium on debt issuance-TMUA				2,432	4,263	(407)	6,288	-
Unamortized discount-TMUA				(85)	-	22	(63)	-
				<u>\$ 174,723</u>	<u>\$ 59,541</u>	<u>\$ (13,864)</u>	<u>\$ 220,400</u>	<u>\$ 11,826</u>

GENERAL OBLIGATION BONDS:

Tulsa Metropolitan Utility Authority

Series 2004-A, Refunding	949	2016	5.0%	320	-	(78)	242	79
Series 2004-B, Refunding	1,038	2015	4.0-5.0%	347	-	(115)	232	115
Series 2005, Sanitary Sewer	13,219	2025	5.0%	9,031	-	(9,031)	-	-
Series 2006, Sanitary Sewer	817	2026	4.0-4.50%	601	-	(43)	558	43
Series 2007, Sanitary Sewer	6,757	2027	4.0-4.25%	5,630	-	(376)	5,254	376
Series 2008, Sanitary Sewer	8,659	2028	4.0-4.75%	7,288	-	(458)	6,830	457
Series 2009, Sanitary Sewer	3,347	2029	3.0-4.25%	2,991	-	(178)	2,813	178
Series 2009A Refunding, Sanitary Sewer	5,532	2019	3.0-4.0%	4,213	-	(636)	3,577	623
Series 2009B Refunding, Sanitary Sewer	6,340	2021	3.0-5.0%	5,089	-	(607)	4,482	594
Series 2012A Refunding, Sanitary Sewer	10,575	2017	4.0%	10,575	-	(2,280)	8,295	2,195
Series 2013A Refunding, Sanitary Sewer	8,534	2025	2.50%	-	8,534	-	8,534	850
				46,085	8,534	(13,802)	40,817	5,510
Premium on debt issuance-TMUA				2,035	428	(988)	1,475	-
				<u>\$ 48,120</u>	<u>\$ 8,962</u>	<u>\$ (14,790)</u>	<u>\$ 42,292</u>	<u>\$ 5,510</u>

Note 11. Long-Term Liabilities, continued

Principal and Interest Payments in Subsequent Years:

Year	Primary Government			
	General Obligation		Revenue Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 38,415	\$ 16,606	\$ 5,403	\$ 6,117
2015	43,246	15,143	5,682	5,965
2016	41,928	13,404	4,268	5,768
2017	39,267	11,663	4,500	5,619
2018	39,095	10,026	4,354	5,438
2019-2023	146,450	28,034	20,193	24,102
2024-2028	57,991	8,219	19,662	18,215
2029-2033	12,401	776	22,297	11,787
2034-2038	-	-	29,003	5,006
2039-2043	-	-	1,765	166
	<u>\$ 418,793</u>	<u>\$ 103,871</u>	<u>\$ 117,127</u>	<u>\$ 88,183</u>

Year	Component Units					
	General Obligation		Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 5,510	\$ 1,524	\$ 19,880	\$ 13,451	\$ 11,826	\$ 7,640
2015	5,374	1,329	22,323	12,917	13,554	7,405
2016	5,137	1,132	21,521	12,169	13,746	7,011
2017	4,923	945	21,185	11,384	13,810	6,602
2018	2,920	762	20,920	10,583	13,853	6,178
2019-2023	10,860	2,334	94,990	40,543	63,507	23,972
2024-2028	5,944	670	73,005	21,642	55,949	11,699
2029-2033	149	6	34,941	4,280	25,895	3,047
2034-2038	-	-	-	-	2,035	52
	<u>\$ 40,817</u>	<u>\$ 8,702</u>	<u>\$ 308,765</u>	<u>\$ 126,969</u>	<u>\$ 214,175</u>	<u>\$ 73,606</u>

Variable Rate Terms - Interest requirements for variable rate debt are calculated using the interest rate effective at the end of the reporting year. The interest rate is reset semiannually and is based upon the Oklahoma Water Resources Board bond rate plus program costs. The variable rate included in the above requirements is 2.115%, which includes program costs of 1.465% and an interest rate of .65%.

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 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. 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 Airport</u>	
1997B Revenue Bonds	\$15,040
<u>Tulsa Parking Authority</u>	
2003 Parking Revenue Bonds	\$ 9,420
2004 Parking Revenue Bonds	\$ 2,805
<u>Tulsa Metropolitan Utility Authority</u>	
2003 Utility Revenue Bonds	\$ 4,060
2005 Utility Revenue Bonds	\$57,810

F. NET PENSION OBLIGATION

The net pension obligation was calculated as follows:

Annual Required Contribution	\$ 10,622
Interest on Net Pension Obligation	443
Adjustment to Annual Required Contribution	(343)
Annual Pension Cost	10,722
Contributions	(12,965)
Decrease in Net Pension Obligation	(2,243)
Net Pension Obligation, beginning of year	5,714
Net Pension Obligation, end of year	<u>\$ 3,471</u>
Net Pension Obligation reported in:	
Governmental activities	1,826
Business type activities	235
Component units	1,410
	<u>\$ 3,471</u>

Note 12. Fund Balances of Governmental Funds

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

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Fund balances:						
Nonspendable:						
Not in spendable form:						
Advances to other funds	\$ 606	\$ -	\$ -	\$ -	\$ -	\$ 606
Land held for sale	139	-	-	-	-	139
	<u>745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>745</u>
Restricted for:						
Economic stabilization reserve	2,000	-	-	-	-	2,000
Debt service	-	61,403	-	-	-	61,403
Capital projects	-	-	143,078	167,038	8,014	318,130
Federal and state grants	-	-	-	-	1,516	1,516
E-911 operations	-	-	-	-	1,246	1,246
Economic development	-	-	-	-	355	355
Tourism and convention	-	-	-	-	113	113
Tulsa Stadium district improvements	-	-	-	-	430	430
Law enforcement training	-	-	-	-	78	78
Juvenile crime	-	-	-	-	17	17
Miscellaneous special revenue funds	-	-	-	-	288	288
	<u>2,000</u>	<u>61,403</u>	<u>143,078</u>	<u>167,038</u>	<u>12,057</u>	<u>385,576</u>
Committed:						
Medical services program	-	-	-	-	666	666
Operation of Air Force Plant 3 facility	-	-	-	-	1,060	1,060
Whittier Square district improvements	-	-	-	-	35	35
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,761</u>	<u>1,761</u>
Assigned to:						
Budgetary resources - subsequent year	13,303	-	-	-	-	13,303
Capital projects	-	-	-	-	718	718
MTTA operations	201	-	-	-	-	201
	<u>13,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>718</u>	<u>14,222</u>
Unassigned	<u>41,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(512)</u>	<u>41,016</u>
	<u>\$ 57,777</u>	<u>\$ 61,403</u>	<u>\$ 143,078</u>	<u>\$ 167,038</u>	<u>\$ 14,024</u>	<u>\$ 443,320</u>

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

<u>Major Governmental Funds</u>	<u>Revenue sources</u>
Debt Service	Collection of property tax assessments
Bond fund	Proceeds from bond issuances for capital projects
Sales tax fund	Collection of sales taxes

Note 13. Pledged Revenues

1. Tax Increment Revenues Pledged

In March 2006, the City passed an ordinance creating the Tulsa Hills Increment District, a Tax Increment Financing District. In June 2006, the TIA issued its Series 2006 Tax Apportionment Bonds in the amount of \$18,500 to finance improvements within the Tulsa Hills Increment District.

The City pledged a portion of its future sales tax revenues to repay these bonds. The 2006A bonds are payable from increased ad valorem tax revenue derived from increased property valuations within the district. The 2006B bonds are payable from incremental sales tax revenues pledged by the City and generated by increased retail sales in the district. Incremental ad valorem tax and sales tax revenues combined were projected to produce a range from 134.3% to 345.7% of the debt service requirements over the life of the bonds. Revenues from ad valorem and sales tax in excess of debt service requirements are cross pledged.

Principal and interest of \$5,295 and \$1,010, respectively remains on the Series 2006A Ad valorem Tax Increment Bonds, payable through January 2017. Principal and interest of \$8,625 and \$3,462 respectively, remains on the Series 2006B Sales Tax Increment Bonds, payable through July 2021. Principal payments for the Series 2006A&B bonds amounted to \$1,090 and \$310, respectively, and interest amounted to \$469 and \$659, respectively. Total gross revenues were \$2,262 from ad valorem taxes and \$8,441 from sales taxes.

2. Revenues Pledged in Connection with Proprietary Fund Debt

Recreational Facilities 2003 - The TPFA had pledged future gross revenues derived from the operations of certain golf courses to repay approximately \$3,460 in recreational facility bonds issued. Proceeds from the bonds refunded existing debt issued for the construction of an 18-hole golf course and improvements of a 36-hole golf course owned by the City. The bonds were payable from gross revenue and certain payments from the City through November 2012. This debt was paid in full during the current fiscal year.

Assembly Center 1985 - The TPFA has pledged future gross lease revenues derived from the operation of the Convention Center facilities, including money received from the City pursuant to the lease and other funds, to repay approximately \$23,335 in lease revenue bonds issued. Proceeds from the bonds provided financing for certain improvements, additions, and the refunding of existing debt issued to construct the facilities. The bonds are payable from new and existing leases and other revenues and are payable through 2015. The total

principal and interest remaining to be paid on the bonds is \$3,345. Principal and interest paid for the year was \$1,679. Total hotel/motel taxes received by the Authority for debt service were \$1,679.

Lease Revenue Bonds 2007A&B - 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 \$59,145 in revenue bonds issued. 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 38% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$112,721. Principal and interest paid on the bonds amounted to \$3,498. Total gross revenues were \$9,220.

Capital Improvements 2008 - The 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 issued. 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. The total principal and interest remaining to be paid on the bonds is \$18,292. Principal and interest paid for the year was \$1,655. Total gross sponsorship and naming rights revenues were \$2,090.

Capital Improvements 2012 - The 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. Total principal and interest remaining to be paid on the bonds is \$11,901. Principal and interest paid for the year was \$1,667. Total solid waste collection and disposal revenue was \$23,758.

Lease Revenue Bonds Refunding Series 2012 - In December 2012, TPFA issued \$9,480 to refund a portion of its Lease Revenue Bonds Series 2007B and to fund the bond reserve fund. The taxable refunding bonds will be paid from current and new lease revenues and are payable through 2019. Total principal and interest remaining to be paid on the bonds is \$9,875. Interest paid for the year was \$53. Total lease revenues were \$9,220.

Note 13. Pledged Revenues, continued

Improvement District Series 2010-1 & 2010-2 – The TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$24,711 in revenue bonds issued. 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 36% of total gross revenues. The total principal and interest remaining to be paid on the bonds is \$49,985. Principal and interest required to be paid for the year was \$887 exclusive of any additional amounts paid. Total gross revenues were \$299 and property tax assessments received from the City were \$2,133.

3. Revenues Pledged in Connection with Component Unit Debt

TMUA - The TMUA has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay \$143,935 and \$214,175 in water and wastewater system revenue bonds and promissory notes issued, respectively. 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 2034. Annual principal and interest payments on the bonds required between 41% and 26%

of water and wastewater net revenues, respectively. The total principal and interest remaining to be paid on the bonds is \$184,584 and \$287,781 for water and wastewater, respectively. Combined principal and interest paid for the year were \$15,972 and \$17,358, for water and wastewater respectively. Total net revenues were \$38,804 and \$65,808, respectively.

Airport - The TAIT has pledged future gross revenues derived from the operation of the Airports to repay approximately \$204,335 in revenue bonds issued. 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 2031. 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 is \$229,563. Principal and interest paid for the year was \$17,012. Total gross revenues were \$48,383.

TPA - The TPA has pledged future gross revenues derived from the operation of the parking facilities to repay approximately \$17,860 in revenue bonds issued. 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. Principal payments are scheduled to begin in 2014. Annual interest payments on the bonds required 4% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$21,588. Interest paid for the year was \$277. Total gross revenues were \$6,394.

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 appropriations. Lease expenditures were \$1,058 for all types of leases for the primary government and \$490 for its component units.

For the initial development stage, the interest rate is 2.5% and for the ultimate development stage, it is 3.23%. There is an outlet works and four storage spaces referenced in the contract. Payment terms are annual. The outlet works and storage space one matured in 2012. The maturity date and interest rate for the remaining three storage spaces are 2031 and 3.23% respectively. There are also annual operation and maintenance expenses included.

Capital Lease

On December 2, 1984, TMUA entered a contract with the United States of America to utilize storage of the Oologah Lake as a source of a municipal and industrial water supply. Interest rates for the contract were determined by the Secretary of the Treasury.

The Authority leases water storage space at Lake Oologah and the lease payments are subject to a consumer price index adjustment. The minimum lease payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Operating Expense</u>	<u>Total</u>
2014	\$ 182	\$ 140	\$ 169	\$ 491
2015	188	134	169	491
2016	194	128	169	491
2017	200	122	169	491
2018	207	116	169	492
2019-2023	1,139	474	844	2,457
2024-2028	1,334	279	844	2,457
2029-2032	908	60	505	1,473
	<u>\$ 4,352</u>	<u>\$ 1,453</u>	<u>\$ 3,038</u>	<u>\$ 8,843</u>

Note 15. Contingent Liabilities

Police Officer Probe - The City is a named defendant in multiple civil cases arising from a federal investigation that charged six former or current police officers and a former federal agent in a corruption probe. Charges include allegations that the officers stole drug money, falsified reports, planted drugs, committed perjury and violated civil rights.

Twenty-one individuals, two of which were serving life sentences, were freed from prison or their conviction or case was dismissed because of the federal investigation. We believe that the statute of limitations has expired on all potential police corruption claims based upon what is known at this time.

The City is an active defendant in multiple civil cases, several of which were settled. The City was dismissed from three others. At this time, the City is unable to form an opinion as to the outcome of remaining litigation.

Airport – Great Plains Airlines: The Tulsa Industrial Authority and BOKF, NA, dba Bank of Oklahoma (“BOK”) originally filed suit against Tulsa Airports Improvement Trust (TAIT) in Oklahoma state court in 2004 based on TAIT’s alleged breach of a “Support (Contingent Purchase and Sale) Agreement” entered into by TAIT in December 2000. The Support Agreement was a form of credit enhancement for a \$30 million loan from BOK to a start-up airline known as Great Plains Airlines (“Great Plains”). According to the terms of the Support Agreement, if Great Plains defaulted on the loan, TAIT would be obligated to purchase a parcel of land mortgaged to BOK for the amount outstanding on the loan, without regard to the parcel’s fair market value. Great Plains ultimately defaulted, but TAIT declined to purchase the land because to do so would have violated various provisions of federal aviation law applicable to federally obligated airports. TAIT defended the case principally on the grounds that the Support Agreement violated federal law. The original case was settled in 2008 after BOK joined the City of Tulsa as a defendant and the City agreed to pay \$7.1 million to resolve the matter. In 2011, the Oklahoma Supreme Court overturned the settlement, *City of Tulsa v. Bank of Oklahoma, NA*, 280 P.3d 316 (Okla. 2011).

On March 3, 2013, the Tulsa Industrial Authority and BOK filed a Petition against TAIT in the District Court of Tulsa County, Oklahoma. The current lawsuit seeks more than \$15 million in principal, interest and fees from TAIT. Because of the issues related to the Support Agreement’s validity under federal law, TAIT removed the case to federal court and BOK filed a Motion to Remand the case to state court.

On November 7, 2013, Federal District Judge Claire Eagan issued an Order on BOK’s Motion and ordered the case remanded to the District Court of Tulsa County, Oklahoma. TAIT then filed an Amended Answer and a Motion to Dismiss on November 12, 2013. No court proceedings are scheduled at this time.

The litigation is at a very early stage and it is impossible to predict the outcome of the claims against TAIT. TAIT continues to aggressively assert its defenses that the Support Agreement violates various provisions of federal law and is therefore unenforceable.

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. Although the aggregated claims are material and the outcome of each claim is not presently determinable, 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

Encumbered amounts in individual primary government funds are as follows:

Governmental Funds:	
Major Funds:	
General Fund	\$ 10,418
Sales Tax Fund	52,061
Bond Fund	41,557
Nonmajor Funds	11,581
	<u>115,617</u>
Internal Service Funds	<u>668</u>
Enterprise Funds:	
Stormwater Management Fund	4,996
One Technology Center Fund	168
	<u>5,164</u>
Total Primary Government	<u>\$ 121,449</u>

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, 2013 through November 15, 2013, the date these financial statements were available to be issued.

TPFA Naming Rights - On May 1, 2013 (with a term later amended to start July 1, 2013), The City of Tulsa, Tulsa Public Facilities Authority, CoxCom LLC, and SMG entered into a Sponsorship, Promotion and Branding Agreement ("naming rights agreement"). The term of the agreement is ten years. Under the terms of the agreement the Tulsa Convention Center was renamed the Cox Business Center. Furthermore, CoxCom LLC is granted certain sponsorship, promotional and branding rights. CoxCom LLC, shall pay a naming rights fee, and provide, among other things, certain internet service upgrades, video equipment, cabling and cabling installation, cable services, and advertising services to the facility.

TPFA Capital Lease - On August 28, 2013, the Authority entered into an amended lease agreement (agreement) with a tenant of OTC effective July 1, 2013 for 143,242 square feet of commercial office space at OTC. The agreement extends the term of the lease to June 30, 2029. Annual lease payments will be \$2,207 except for fiscal year 2015 which will be reduced by \$80. The tenant will assign the lease to an affiliated company. \$1,200 of the annual lease payment will remain unchanged throughout the term of the lease. The remainder of the annual lease payments 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. The Authority will account for the lease agreement as a capital lease.

Airport Revenue Bond Issuance - On August 8, 2013, the Trust passed resolutions approving the issuance of General Airport Revenue Bonds in a principal amount not to exceed \$42,500. The proceeds of the 2013A General Airport Revenue Bonds will pay for capital purchases and improvements and to retire an existing capital lease of approximately \$4,000.

On August 8, 2013, the Trust passed a resolution authorizing the issuance of General Airport Revenue Bonds in a principal amount not to exceed \$35,000. The 2013B General Airport Revenue Bonds proceeds pay for capital purchases and improvements.

TMUA Line of Credit - On July 10, 2013 the Authority approved a \$10,000 line of credit agreement with a banking institution. The applicable interest rate is the 30 day LIBOR plus 1.75%. The agreement is for an initial two year term and renewable in two year increments thereafter.

Improve Our Tulsa Capital Improvements Propositions - On November 12, 2013 Tulsa voters approved \$918.7 million in capital improvements included in two propositions. Proposition 2 consists of a \$563.7 million extension of a 1.167 percent sales tax issue and Proposition 3 consists of a \$355 million streets and bridges bond issue.

TST Debt Refunding - On October 22, 2013, the Trust issued Series 2013 bonds aggregating \$23.3 million for the purpose of redeeming Revenue Bond No. 2010-1 and 2010-2. The tax-exempt Series 2013 bonds were issued in the par amount of \$19.4 million and include an original issue premium of \$0.02 million. The proceeds from the tax-exempt Series 2013 bonds were used to fund the full redemption of the Trust's Revenue Bond No. 2010-1. The tax-exempt Series 2013 bonds have an average coupon of 4.6% and a final maturity of June 30, 2039. The taxable Series 2013 bonds were issued in the par amount of \$3.9 million. The proceeds from the taxable Series 2013 bonds were used to fund the full redemption of Revenue Bond No. 2010-2. The taxable Series 2013 bonds have an average coupon of 6% and a final maturity of June 30, 2039. A debt service reserve fund was established for each series 2013 bonds and \$1,603,000 was deposited into a trust account at UMB Bank.

Note 18. Future Changes in Accounting Pronouncements

GASB Statement No. 67 - *Financial Reporting for Pension Plans*, issued June 2012, will be effective for the City for its year ending June 30, 2014. This Statement replaces the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria.

This Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position.

While a stand-alone pension report is not expected to be issued, this Statement enhances note disclosures and required supplementary information in the City's 2014 CAFR. Additionally, this Statement requires new disclosures regarding the presentation of information about annual money-weighted rates of return in the notes to the financial statements and in 10-year required supplementary information schedules.

GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions*, issued June 2012, will be effective for the City for its year ending June 30, 2015. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

This Statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information.

The following pronouncements have been issued, but not yet adopted and are not expected to have a significant impact on the City's financial statements:

GASB Statement No. 69 - *Government Combinations and Disposals of Government Operations*, issued January 2013, will be effective for the City for its year ending June 30, 2016. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions.

GASB Statement No. 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, issued April 2013, will be effective for the City for its year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. Additionally, this Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The Statement also specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that receive nonexchange financial guarantees.

Defined Benefits Pension Trust – data reported is for the Pension Trust in its entirety

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/13	\$ 392,990	\$ 511,927	\$ 118,937	76.8%	\$ 110,285	107.8%
1/1/12	378,454	495,920	117,466	76.2%	104,313	112.6%
1/1/11	372,469	484,698	112,229	76.8%	101,690	110.4%
1/1/10	365,775	457,233	91,458	80.0%	108,423	84.4%
1/1/09	359,191	437,504	78,313	82.1%	111,170	70.4%
1/1/08	392,428	412,704	20,276	95.1%	107,574	18.8%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year	Annual Required Contribution	Percentage Contributed
2013	\$ 12,186	117%
2012	12,643	84%
2011	9,783	70%
2010	9,747	74%
2009	7,004	102%
2008	6,777	103%

Other Post-Employment Benefits

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/12	\$ -	\$ 28,539	\$ 28,539	0.0%	\$ 101,631	28.1%
7/1/11	-	27,437	27,437	0.0%	98,670	27.8%
7/1/10	-	34,166	34,166	0.0%	102,941	33.2%

SCHEDULE OF ACTUARIAL VALUATION, METHODS AND ASSUMPTIONS

Valuation date	July 1, 2012
Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization periods	30 years open
Discount rate	4.0%
Inflation rate	3.00%
Initial annual healthcare cost trend rate	8.5%
Annual reduction of healthcare cost trend rate	0.5%
Ultimate annual healthcare cost trend rate	5.0%

*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	\$ 189,759	\$ 190,059	\$ 187,872	\$ (2,187)
Licenses and permits	7,484	7,484	7,136	(348)
Intergovernmental	8,346	8,346	8,528	182
Charges for service	36,371	36,371	35,588	(783)
Fines and forfeitures	11,727	11,727	10,426	(1,301)
Investment income	3,699	3,699	3,514	(185)
Miscellaneous	3,147	3,772	3,268	(504)
Total revenues	260,533	261,458	256,332	(5,126)
Expenditures				
Current				
General government	43,413	42,916	41,606	1,310
Public works and transportation	28,386	28,092	27,217	875
Social and economic development	13,837	12,987	12,914	73
Public safety and protection	154,723	156,905	156,203	702
Culture and recreation	22,138	21,868	21,649	219
Payments to component units	7,892	7,892	7,892	-
Total expenditures	270,389	270,660	267,481	3,179
Excess (deficiency) of revenues over expenditures	(9,856)	(9,202)	(11,149)	(1,947)
Other financing sources (uses)				
Transfers in	600	600	600	-
Transfers out	(11,374)	(12,174)	(12,174)	-
Total other financing uses	(10,774)	(11,574)	(11,574)	-
Net change in fund balances	(20,630)	(20,776)	(22,723)	(1,947)
Fund balances, beginning of year	39,445	39,445	44,377	4,932
Fund balances, end of year	\$ 18,815	\$ 18,669	21,654	\$ 2,985
Reconciliation to GAAP basis - basis differences:				
Reserve for encumbrances			10,418	
Reserve for advances			606	
Reserve for land inventory			139	
Receivables			28,064	
Non-budgetary payables			(993)	
Unearned revenue			(119)	
Decrease in fair value of investments			(1,992)	
Fund balance - GAAP basis			\$ 57,777	

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 and certain nonmajor special revenue funds. 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 types' 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.

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Nonmajor Governmental Funds

Governmental Funds Subsection

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.
- 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 38% of the City's hotel/motel excise tax revenue and economic development activity expenditures in conjunction with the Tulsa Chamber of Commerce.
- Tourism and Convention Fund - Accounts for 62% of the City's hotel/motel revenue tax. These monies are used to promote convention activities and to make monthly rental payments to the Tulsa Public Facilities Authority.
- 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 five 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 Balance

CITY OF TULSA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013
(amounts expressed in thousands)

	Special Revenue						Capital Projects						Total Nonmajor Governmental Funds
	Federal and State Grants	Medical Services Program	E-911 Operating	Economic Development	Tourism and Convention	Tulsa Stadium Improvement District	Special Development	Grahams Trust Park Division	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Streets	Enhanced 911 Construction	
Assets													
Cash and cash equivalents	\$ 875	\$ 1,334	\$ 994	\$ 334	\$ 1,281	\$ 518	\$ 1,355	\$ 703	\$ 7,022	\$ -	\$ 14	\$ 1,119	\$ 15,549
Receivables, net	5,636	532	421	259	406	339	6	1	-	12	-	-	7,612
Total assets	\$ 6,511	\$ 1,866	\$ 1,415	\$ 593	\$ 1,687	\$ 857	\$ 1,361	\$ 704	\$ 7,022	\$ 12	\$ 14	\$ 1,119	\$ 23,161
Liabilities													
Accounts payable and accrued liabilities	1,123	1,200	169	238	41	128	28	-	33	-	-	94	3,054
Due to other funds	-	-	-	-	-	-	-	-	-	379	-	-	379
Unearned revenue	664	-	-	-	-	-	-	-	-	-	-	-	664
Advances from other funds	134	-	-	-	1,533	-	-	-	-	-	-	-	1,667
Total liabilities	1,921	1,200	169	238	1,574	128	28	-	33	379	-	94	5,764
Deferred inflows of resources													
Unavailable revenue- special assessments	-	-	-	-	-	299	-	-	-	-	-	-	299
Unavailable revenue- intergovernmental	3,074	-	-	-	-	-	-	-	-	-	-	-	3,074
Total unavailable revenue	3,074	-	-	-	-	299	-	-	-	-	-	-	3,373
Fund balances (deficit):													
Restricted	1,516	-	1,246	355	113	430	383	-	6,989	-	-	1,025	12,057
Committed	-	666	-	-	-	-	1,095	-	-	-	-	-	1,761
Assigned	-	-	-	-	-	-	-	704	-	-	14	-	718
Unassigned	-	-	-	-	-	-	(145)	-	-	(367)	-	-	(512)
Total fund balances	1,516	666	1,246	355	113	430	1,333	704	6,989	(367)	14	1,025	14,024
Total liabilities, deferred resources and fund balance	\$ 6,511	\$ 1,866	\$ 1,415	\$ 593	\$ 1,687	\$ 857	\$ 1,361	\$ 704	\$ 7,022	\$ 12	\$ 14	\$ 1,119	\$ 23,161

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2013
(amount expressed in thousands)

	Special Revenue						Capital Projects						Total Nonmajor Governmental Funds
	Federal and State Grants	Medical Services Program	E-911 Operating	Economic Development	Tourism and Convention	Tulsa Stadium Improvement District	Special Development	Grahams Trust Park Division	Long Range Capital Projects	Vision 2025 Capital Projects	Parkway Arterial Street	Enhanced 911 Construction	
Revenues:													
Franchise tax	-	-	-	-	-	-	-	-	549	-	-	-	549
Hotel/Motel tax	-	-	-	2,584	3,958	-	-	-	-	-	-	-	6,542
Special assessment	-	-	-	-	-	3,335	9	-	-	-	-	-	3,344
Charges for services	-	5,249	3,761	-	-	-	66	329	-	-	-	-	9,405
Intergovernmental revenues	26,162	-	11	-	-	-	84	-	12	-	-	-	26,269
Fines and forfeitures	-	-	-	-	-	-	141	-	-	-	-	-	141
Investment income (loss)	(34)	(2)	-	-	13	6	(1)	-	-	-	-	-	(18)
Program income from grants	1,962	-	-	-	-	-	-	-	-	-	-	-	1,962
Payments from component units	301	-	-	-	-	-	-	-	-	-	-	-	301
Miscellaneous	4	-	-	-	-	28	37	-	-	-	-	-	209
Total revenue	28,395	5,247	3,772	2,584	3,971	3,369	336	2	1,016	12	-	-	48,704
Expenditures:													
Current:													
General government	-	-	-	-	-	67	-	-	114	-	-	10	191
Public safety and protection	4,274	3,981	4,534	-	-	-	269	-	-	-	-	-	13,058
Public works and transportation	-	-	196	-	-	946	-	-	-	-	-	-	1,142
Culture and recreation	-	-	-	-	465	-	-	-	-	-	-	-	465
Social and economic development	16,969	-	-	2,614	-	-	94	-	-	-	-	-	19,677
Payments to component units	957	-	-	-	-	-	-	-	-	-	-	-	957
Capital outlay	4,683	-	-	-	263	381	183	-	1,200	379	-	306	7,395
Total expenditures	26,883	3,981	4,730	2,614	728	1,394	546	-	1,314	379	-	316	42,885
Excess (deficiency) of revenues over expenditures	1,512	1,266	(958)	(30)	3,243	1,975	(210)	2	(298)	(367)	-	(316)	5,819
Other financing sources (uses):													
Transfers in	387	-	-	100	-	-	10	-	2,560	-	-	-	3,057
Transfers out	(1,580)	(600)	-	-	(3,569)	(2,133)	(60)	-	-	-	-	-	(7,942)
Total other financing sources (uses)	(1,193)	(600)	-	100	(3,569)	(2,133)	(50)	-	2,560	-	-	-	(4,885)
Net change in fund balances	319	666	(958)	70	(326)	(158)	(260)	2	2,262	(367)	-	(316)	934
Fund balance, beginning of year	1,197	-	2,204	285	439	588	1,593	702	4,727	-	14	1,341	13,090
Fund balance, end of year	\$ 1,516	\$ 666	\$ 1,246	\$ 355	\$ 113	\$ 430	\$ 1,333	\$ 704	\$ 6,989	\$ (367)	\$ 14	\$ 1,025	\$ 14,024

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
Taxes			
Sales tax	\$ 145,533	\$ 143,954	\$ (1,579)
Franchise tax:			
Gas	4,500	4,028	(472)
Power and light	9,000	7,725	(1,275)
Telephone	4,300	4,356	56
Thermal systems	300	264	(36)
Cable television	5,155	5,433	278
Use tax	21,145	21,979	834
Hotel/Motel tax	126	133	7
	<u>190,059</u>	<u>187,872</u>	<u>(2,187)</u>
Licenses and Permits			
Business licenses and permits:			
Occupational licenses	374	356	(18)
Retail liquor licenses	58	52	(6)
Amusement and recreation permits	290	227	(63)
Restaurant licenses	144	120	(24)
Taxicabs and drivers permits	40	34	(6)
Liquor occupational tax	366	384	18
Beer licenses	26	24	(2)
Non-business licenses and permits:			
Inspection fees	4,344	4,179	(165)
PFPI permits	560	663	103
Security alarm permits	500	511	11
Other	782	586	(196)
	<u>7,484</u>	<u>7,136</u>	<u>(348)</u>
Intergovernmental Revenue			
Grants	30	89	59
Shared revenue:			
State liquor tax	660	660	-
State gasoline tax	750	731	(19)
State tobacco tax	3,100	2,979	(121)
State vehicle license	2,800	2,804	4
Other	1,006	1,265	259
	<u>\$ 8,346</u>	<u>\$ 8,528</u>	<u>\$ 182</u>

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)**

Continued

	Final Budget	Actual	Variance with Final Budget
Charges for Services			
Indirect costs:			
Airport	\$ 1,258	\$ 1,219	\$ (39)
TARE	696	696	-
Stormwater	1,100	1,814	714
Water & Sewer	5,608	5,608	-
Other	275	290	15
Payments in lieu of taxes:			
TARE	1,436	1,499	63
Stormwater	2,240	1,468	(772)
Water & Sewer	10,892	11,072	180
General government:			
Planning & zoning fees	210	247	37
Processing fees	10	9	(1)
Service charges	125	66	(59)
Document sales & copies	10	32	22
Public safety:			
Dog pound fees	110	153	43
Weed mowing	1,074	802	(272)
Nuisance abatement fees	14	12	(2)
Police special events	275	325	50
Airport police & fire services	1,800	1,698	(102)
Other service fees	260	336	76
Cultural and recreational:			
Concessions	25	18	(7)
Performing Arts Center	1,244	1,391	147
Parks	969	876	(93)
Highways and streets:			
Paving cut repair charges	6,520	5,717	(803)
Parking meters and other	220	240	20
	<u>36,371</u>	<u>35,588</u>	<u>(783)</u>
Fines			
Parking and traffic fines	11,727	10,426	(1,301)
Interest on Investments			
	3,699	3,514	(185)
Miscellaneous			
Sales of City property	1,134	1,172	38
Recoveries	2,306	1,498	(808)
Property rentals & leases	150	213	63
Other	182	385	203
	<u>3,772</u>	<u>3,268</u>	<u>(504)</u>
Total revenues	<u>\$ 261,458</u>	<u>\$ 256,332</u>	<u>\$ (5,126)</u>

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

Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)

	Appropriations		Actual		Variance with Final Budget	
	Original Budget	Revisions	Expenditures	Encumbrances		Total
General government						
Departments:						
Mayor:						
Personnel services	\$ 866	\$ 51	\$ 917	\$ -	\$ 916	1
Materials & supplies	20	(7)	13	1	9	4
Other services & charges	102	(7)	95	-	86	9
City Auditor:						
Personnel services	1,040	(85)	955	-	939	16
Materials & supplies	29	-	29	2	23	6
Other services & charges	163	(50)	113	-	69	44
City Council:						
Personnel services	1,147	(205)	942	-	932	10
Materials & supplies	15	-	15	1	10	5
Other services & charges	76	53	129	3	105	24
Finance:						
Personnel services	6,615	-	6,615	-	6,580	35
Materials & supplies	87	-	87	5	48	39
Other services & charges	2,742	(165)	2,577	666	2,519	58
Legal:						
Personnel services	3,095	110	3,205	-	3,201	4
Materials & supplies	58	-	58	8	56	2
Other services & charges	428	151	579	299	571	8
Human Resources:						
Personnel services	2,946	135	3,081	-	3,079	2
Materials & supplies	130	-	130	-	96	34
Other services & charges	2,150	(318)	1,832	623	1,688	144

Continued

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

Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)

	Appropriations		Final Budget	Actual		Variance with Final Budget
	Original Budget	Revisions		Expenditures	Encumbrances	
Continued						
General government, continued						
Departments:						
Information Technology:						
Personnel services	9,300	(275)	9,025	8,838	-	187
Materials & supplies	1,211	-	1,211	602	607	2
Other services & charges	4,988	260	5,248	4,505	742	1
Communications:						
Personnel services	608	8	616	615	-	1
Materials & supplies	13	-	13	11	-	2
Other services & charges	66	(8)	58	9	15	34
Customer Care:						
Personnel services	303	-	303	297	-	6
Materials & supplies	4	-	4	1	1	2
Other services & charges	111	(60)	51	39	6	6
Human Rights Department:						
Personnel services	692	(85)	607	597	-	10
Materials & supplies	16	-	16	7	-	9
Other services & charges	27	-	27	19	-	8
General Government:						
Other services & charges	3,276	-	3,276	2,190	489	597
Indian Nations Council of Government:						
Other services & charges	1,089	-	1,089	1,089	-	-
	\$ 43,413	\$ (497)	\$ 42,916	\$ 38,138	\$ 3,468	\$ 1,310

Continued

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)

	Appropriations		Final Budget	Expenditures	Actual Encumbrances	Total	Variance with Final Budget
	Original Budget	Revisions					
Continued							
Public Works and Transportation							
Departments:							
Streets and Stormwater:							
Personnel services	\$ 7,400	\$ (193)	\$ 7,207	\$ 7,207	\$ -	\$ 7,207	\$ -
Materials & supplies	1,518	(77)	1,441	832	434	1,266	175
Other services & charges	13,816	(63)	13,753	11,750	1,521	13,271	482
Engineering:							
Personnel services	3,036	-	3,036	2,929	-	2,929	107
Materials & supplies	1,404	-	1,404	894	479	1,373	31
Other services & charges	1,212	39	1,251	845	326	1,171	80
	<u>28,386</u>	<u>(294)</u>	<u>28,092</u>	<u>24,457</u>	<u>2,760</u>	<u>27,217</u>	<u>875</u>
Social and Economic Development							
Working in Neighborhoods:							
Personnel services	3,455	(210)	3,245	3,234	-	3,234	11
Materials & supplies	344	-	344	237	106	343	1
Other services & charges	1,705	(42)	1,663	1,326	336	1,662	1
Planning and Economic Development							
Personnel services	7,260	(620)	6,640	6,614	-	6,614	26
Materials & supplies	114	(30)	84	67	1	68	16
Other services & charges	959	52	1,011	695	298	993	18
	<u>\$ 13,837</u>	<u>\$ (850)</u>	<u>\$ 12,987</u>	<u>\$ 12,173</u>	<u>\$ 741</u>	<u>\$ 12,914</u>	<u>\$ 73</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, 2013
(amounts expressed in thousands)

	Appropriations		Final Budget	Actual		Variance with Final Budget
	Original Budget	Revisions		Expenditures	Encumbrances	
Public Safety and Protection						
Departments:						
Municipal Court:						
Personnel services	\$ 2,629	\$ 80	\$ 2,709	\$ 2,633	\$ -	\$ 76
Materials & supplies	84	(18)	66	47	-	19
Other services & charges	257	25	282	236	35	11
Police:						
Personnel services	73,382	1,226	74,608	74,119	-	489
Materials & supplies	2,744	(25)	2,719	1,638	1,070	11
Other services & charges	8,305	(115)	8,190	7,284	878	28
Fire:						
Personnel services	58,930	945	59,875	59,865	-	10
Materials & supplies	1,545	(98)	1,447	1,158	288	1
Other services & charges	3,687	143	3,830	3,756	30	44
911 Public Safety and Communications:						
Personnel services	2,993	-	2,993	2,989	-	4
Other services & charges	10	19	29	20	-	9
Agencies:						
Tulsa Area Emergency Management Authority:						
Other services & charges	157	-	157	157	-	-
	\$ 154,723	\$ 2,182	\$ 156,905	\$ 153,902	\$ 2,301	\$ 702

Continued

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

Budgetary Level of Control
Year ended June 30, 2013
(amounts expressed in thousands)

	Appropriations			Actual Encumbrances	Total	Variance with Final Budget
	Original Budget	Revisions	Final Budget			
Continued						
Culture and Recreation						
Departments:						
Gilcrease Museum:						
Other services & charges	\$ 2,893	\$ -	\$ 2,893	\$ -	\$ 2,893	\$ -
Parks:						
Personnel services	6,492	(140)	6,352	-	6,235	117
Materials & supplies	982	-	982	116	956	26
Other services & charges	8,599	-	8,599	893	8,574	25
Convention & Performing Arts Centers:						
Personnel services	1,555	40	1,595	-	1,583	12
Materials & supplies	66	-	66	5	51	15
Other services & charges	888	(170)	718	134	694	24
Agencies:						
River Parks:						
Other services & charges	663	-	663	-	663	-
	<u>22,138</u>	<u>(270)</u>	<u>21,868</u>	<u>1,148</u>	<u>21,649</u>	<u>219</u>
Total expenditures and encumbrances	262,497	271	262,768	10,418	259,589	3,179
Operating transfers:						
Transfers to TPFA - OTC	4,954	500	5,454	-	5,454	-
Transfers to Convention Fund	1,225	-	1,225	-	1,225	-
Transfers to Whittier Square Improvement District	10	-	10	-	10	-
Transfers to Federal and State Grants Fund	586	-	586	-	586	-
Transfers to Economic Development Commission	100	-	100	-	100	-
Transfers to Golf Course Fund	350	300	650	-	650	-
Transfers to Misc Cap Projects	2,560	-	2,560	-	2,560	-
Transfers to Municipal Employees Pension Trust	1,589	-	1,589	-	1,589	-
Total transfers	<u>11,374</u>	<u>800</u>	<u>12,174</u>	<u>-</u>	<u>12,174</u>	<u>-</u>
Payments to component units:						
Transfers to MTTA	7,892	-	7,892	-	7,892	-
Total expenditures, encumbrances, and transfers	\$ 281,763	\$ 1,071	\$ 282,834	\$ 10,418	\$ 279,655	\$ 3,179

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, 2013
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Intergovernmental Revenue	\$ 200	\$ 11	\$ (189)
E-911 fees	4,200	3,761	(439)
Investment income	33	32	(1)
Total revenues	<u>4,433</u>	<u>3,804</u>	<u>(629)</u>
Expenditures			
Current:			
Streets and Stormwater:			
Other services and charges	216	203	13
Public Safety and Protection:			
Personnel services	2,562	2,561	1
Materials and supplies	55	24	31
Other services and charges	1,965	1,823	142
Capital outlay	13	-	13
Total expenditures	<u>4,811</u>	<u>4,611</u>	<u>200</u>
Excess of revenues over expenditures and encumbrances	<u>(378)</u>	<u>(807)</u>	<u>(429)</u>
Other financing uses:			
Transfers out	484	483	1
Total other financing uses	<u>484</u>	<u>483</u>	<u>1</u>
Net change in fund balances	106	(324)	(430)
Fund balances, beginning of year (budgetary basis)	<u>2,134</u>	<u>2,134</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 2,240</u>	<u>\$ 1,810</u>	<u>\$ (430)</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, 2013
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 2,519	\$ 2,564	\$ 45
Total revenues	<u>2,519</u>	<u>2,564</u>	<u>45</u>
Expenditures			
Social and Economic Development:			
Current:			
Other services and charges	<u>2,989</u>	<u>2,929</u>	<u>60</u>
Deficiency of revenues over expenditures and encumbrances	<u>(470)</u>	<u>(365)</u>	<u>105</u>
Other financing sources:			
Transfers in	<u>100</u>	<u>100</u>	<u>-</u>
Total other financing sources	<u>100</u>	<u>100</u>	<u>-</u>
Net change in fund balances	<u>(370)</u>	<u>(265)</u>	<u>105</u>
Fund balances, beginning of year (budgetary basis)	<u>433</u>	<u>433</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 63</u>	<u>\$ 168</u>	<u>\$ 105</u>

CITY OF TULSA
TOURISM & CONVENTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2013
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 3,755	\$ 3,973	\$ 218
Investment income	-	33	33
Miscellaneous	1,868	4	(1,864)
Total revenues	<u>5,623</u>	<u>4,010</u>	<u>(1,613)</u>
Expenditures			
Cultural Development and Recreation:			
Current:			
Materials and supplies	31	28	3
Other services and charges	470	381	89
Capital outlay	587	278	309
Total expenditures and encumbrances	<u>1,088</u>	<u>687</u>	<u>401</u>
Excess of revenues over expenditures and encumbrances	4,535	3,323	(1,212)
Other financing uses:			
Transfers (out)	<u>(5,229)</u>	<u>(3,144)</u>	<u>2,085</u>
Total other financing uses	<u>(5,229)</u>	<u>(3,144)</u>	<u>2,085</u>
Net change in fund balances	<u>(694)</u>	<u>179</u>	<u>873</u>
Fund balances, beginning of year (budgetary basis)	<u>831</u>	<u>831</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 137</u>	<u>\$ 1,010</u>	<u>\$ 873</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, 2013
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Special assessment tax	\$ 3,313	\$ 3,334	\$ 21
Fines and forfeitures	10	21	11
Investment income	16	14	(2)
Miscellaneous	-	7	7
Total revenues	<u>3,339</u>	<u>3,376</u>	<u>37</u>
Expenditures			
Current:			
General government:			
Personnel services	62	61	1
Materials and supplies	6	-	6
Other services and charges	10	6	4
Public works and transportation:			
Materials and supplies	85	47	38
Other services and charges	1,059	936	123
Capital outlay	532	394	138
Total expenditures	<u>1,754</u>	<u>1,444</u>	<u>310</u>
Excess of revenues over expenditures and encumbrances	<u>1,585</u>	<u>1,932</u>	<u>347</u>
Other financing uses:			
Transfers out	<u>(2,192)</u>	<u>(2,133)</u>	<u>59</u>
Net change in fund balances	(607)	(201)	406
Fund balances, beginning of year (budgetary basis)	639	639	-
Fund balances, end of year (budgetary basis)	<u>\$ 32</u>	<u>\$ 438</u>	<u>\$ 406</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, 2013
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Medical services fee	\$ 5,449	\$ 5,271	\$ (178)
Investment income	6	19	13
Miscellaneous	-	10	10
Total revenues	<u>5,455</u>	<u>5,300</u>	<u>(155)</u>
Expenditures			
Public Safety and Protection:			
Current:			
Personnel services	89	87	2
Materials and supplies	3	3	-
Other services and charges	6,133	5,509	624
Capital outlay	2	-	2
Total expenditures and encumbrances	<u>6,227</u>	<u>5,599</u>	<u>628</u>
Deficiency of revenues over expenditures and encumbrances	<u>(772)</u>	<u>(299)</u>	<u>473</u>
Other financing (uses):			
Transfers out	<u>(600)</u>	<u>(600)</u>	<u>-</u>
Net change in fund balances	(1,372)	(899)	473
Fund balances, beginning of year (budgetary basis)	<u>1,588</u>	<u>1,588</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 216</u>	<u>\$ 689</u>	<u>\$ 473</u>

Internal Service Funds

Internal Service Funds

INTERNAL SERVICE FUNDS - are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and 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.
- **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, 2013
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 12,843	\$ -	\$ 343	\$ 981	\$ 14,167
Cash and cash equivalents - restricted	-	1,032	-	-	1,032
Receivables, net	-	4	-	33	37
Inventories, net	-	-	-	669	669
Advances to component unit, restricted	-	1,309	-	-	1,309
	<u>12,843</u>	<u>2,345</u>	<u>343</u>	<u>1,683</u>	<u>17,214</u>
Noncurrent assets:					
Restricted:					
Investments, restricted	-	1,061	-	-	1,061
Advances to component unit, restricted	-	7,015	-	-	7,015
Receivables, net	11,649	-	-	-	11,649
Nondepreciable capital assets	-	4,500	-	86	4,586
Capital assets, net	-	-	-	4,487	4,487
	<u>11,649</u>	<u>12,576</u>	<u>-</u>	<u>4,573</u>	<u>28,798</u>
Total assets	<u>24,492</u>	<u>14,921</u>	<u>343</u>	<u>6,256</u>	<u>46,012</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	401	86	236	559	1,282
Current portion of long-term liabilities	-	1,305	-	348	1,653
Unearned revenue	1,209	-	-	-	1,209
Workers compensation claims	7,441	-	-	-	7,441
	<u>9,051</u>	<u>1,391</u>	<u>236</u>	<u>907</u>	<u>11,585</u>
Noncurrent liabilities:					
Long-term liabilities	-	9,030	-	820	9,850
Workers compensation claims	10,499	-	-	-	10,499
Advances from other funds	-	-	146	-	146
	<u>10,499</u>	<u>9,030</u>	<u>146</u>	<u>820</u>	<u>20,495</u>
Total liabilities	<u>19,550</u>	<u>10,421</u>	<u>382</u>	<u>1,727</u>	<u>32,080</u>
NET POSITION (DEFICIT)					
Investment in capital assets	-	4,500	-	4,573	9,073
Unrestricted	4,942	-	(39)	(44)	4,859
Total net position (deficit)	<u>\$ 4,942</u>	<u>\$ 4,500</u>	<u>\$ (39)</u>	<u>\$ 4,529</u>	<u>\$ 13,932</u>

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2013
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ 2,286	\$ 15,031	\$ 17,317
Insurance premiums	22,674	-	-	-	22,674
Workers compensation premiums	6,001	-	-	-	6,001
Other	-	198	-	29	227
	<u>28,675</u>	<u>198</u>	<u>2,286</u>	<u>15,060</u>	<u>46,219</u>
Operating expenses					
Salaries and wages	-	-	-	4,278	4,278
Materials and supplies	-	-	252	9,960	10,212
Other services and charges	-	198	1,989	1,240	3,427
Workers compensation claims	7,784	-	-	-	7,784
Insurance claims and premiums	23,281	-	-	-	23,281
Depreciation and amortization	-	-	-	330	330
	<u>31,065</u>	<u>198</u>	<u>2,241</u>	<u>15,808</u>	<u>49,312</u>
Operating income (loss)	(2,390)	-	45	(748)	(3,093)
Nonoperating revenues (expenses)					
Investment income	2	-	-	-	2
Property taxes	2,348	-	-	-	2,348
Gain on sale of equipment	-	-	-	11	11
Payments from component units	-	-	-	157	157
Other, net	15	-	-	-	15
	<u>2,365</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>2,533</u>
Income (loss) before capital contributions and transfers	(25)	-	45	(580)	(560)
Capital contributions	-	-	-	612	612
Transfers in	-	-	-	352	352
Transfers out	-	-	-	(50)	(50)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>914</u>	<u>914</u>
Change in net position	(25)	-	45	334	354
Net position (deficit)--beginning of year	4,967	4,500	(84)	4,195	13,578
Net position (deficit)--end of year	<u>\$ 4,942</u>	<u>\$ 4,500</u>	<u>\$ (39)</u>	<u>\$ 4,529</u>	<u>\$ 13,932</u>

CITY OF TULSA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2013
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Cash flows from operating activities:					
Receipts from customers	\$ 28,740	\$ 2,086	\$ 2,288	\$ 15,056	\$ 48,170
Payments to suppliers	(31,865)	(21,287)	(2,130)	(11,205)	(66,487)
Payments to employees	-	-	-	(4,566)	(4,566)
Net cash provided by (used for) operating activities	(3,125)	(19,201)	158	(715)	(22,883)
Cash flows from noncapital financing activities:					
Property taxes received	5,788	-	-	-	5,788
Payments from interfund activity	-	-	(7)	-	(7)
Transfer out	-	-	-	(50)	(50)
Proceeds from insurance reimbursements	15	-	-	-	15
Net cash provided (used) by noncapital financing activities	5,803	-	(7)	(50)	5,746
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	-	-	(746)	(746)
Payments from interfund activity	-	-	-	352	352
Payments from component units	-	-	-	157	157
Proceeds from disposition of capital assets	-	-	-	11	11
Net cash used for capital and related financing activities	-	-	-	(226)	(226)
Cash flows from investing activities:					
Interest earned	8	-	7	3	18
Net cash provided by investing activities	8	-	7	3	18
Net increase (decrease) in cash and cash equivalents	2,686	(19,201)	158	(988)	(17,345)
Cash and cash equivalents, beginning of year	10,157	20,233	185	1,969	32,544
Cash and cash equivalents, end of year	<u>\$ 12,843</u>	<u>\$ 1,032</u>	<u>\$ 343</u>	<u>\$ 981</u>	<u>\$ 15,199</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Unrestricted cash and cash equivalents	12,843	-	343	981	14,167
Restricted cash and cash equivalents	-	1,032	-	-	1,032
Total cash and cash equivalents	<u>\$ 12,843</u>	<u>\$ 1,032</u>	<u>\$ 343</u>	<u>\$ 981</u>	<u>\$ 15,199</u>
Reconciliation of operating income (loss) to cash provided (used) by operating activities:					
Operating income (loss)	(2,390)	-	45	(748)	(3,093)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and amortization	-	-	-	330	330
Decrease (increase) in accounts receivable and other assets	995	(18,139)	2	(7)	(17,149)
Increase (decrease) in accounts payable and other liabilities	(1,730)	(1,062)	111	(290)	(2,971)
Net cash provided (used) by operating activities	<u>\$ (3,125)</u>	<u>\$ (19,201)</u>	<u>\$ 158</u>	<u>\$ (715)</u>	<u>\$ (22,883)</u>

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Fiduciary Funds

Fiduciary Funds

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, 2013
(amounts expressed in thousands)

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Municipal Court Bonds				
Assets:				
Cash and cash equivalents	249	402	413	238
Total assets	<u>\$ 249</u>	<u>\$ 402</u>	<u>\$ 413</u>	<u>\$ 238</u>
Liabilities:				
Deposits payable	249	402	413	238
Total liabilities	<u>\$ 249</u>	<u>\$ 402</u>	<u>\$ 413</u>	<u>\$ 238</u>
Escrow Fund				
Assets:				
Cash and cash equivalents	2,405	9,142	8,770	2,777
Total assets	<u>\$ 2,405</u>	<u>\$ 9,142</u>	<u>\$ 8,770</u>	<u>\$ 2,777</u>
Liabilities:				
Deposits payable	2,405	9,142	8,770	2,777
Total liabilities	<u>\$ 2,405</u>	<u>\$ 9,142</u>	<u>\$ 8,770</u>	<u>\$ 2,777</u>
Police Property Room				
Assets:				
Cash and cash equivalents	781	777	551	1,007
Total assets	<u>\$ 781</u>	<u>\$ 777</u>	<u>\$ 551</u>	<u>\$ 1,007</u>
Liabilities:				
Accrued liabilities	781	777	551	1,007
Total liabilities	<u>\$ 781</u>	<u>\$ 777</u>	<u>\$ 551</u>	<u>\$ 1,007</u>
Payroll Withholding				
Assets:				
Cash and cash equivalents	5	314,290	314,229	66
Total assets	<u>\$ 5</u>	<u>\$ 314,290</u>	<u>\$ 314,229</u>	<u>\$ 66</u>
Liabilities:				
Accrued liabilities	5	314,290	314,229	66
Total liabilities	<u>\$ 5</u>	<u>\$ 314,290</u>	<u>\$ 314,229</u>	<u>\$ 66</u>
Unclaimed Property				
Assets:				
Cash and cash equivalents	\$ 441	\$ 13	\$ 30	\$ 424
Total assets	<u>\$ 441</u>	<u>\$ 13</u>	<u>\$ 30</u>	<u>\$ 424</u>
Liabilities:				
Accrued liabilities	441	13	30	424
Total liabilities	<u>\$ 441</u>	<u>\$ 13</u>	<u>\$ 30</u>	<u>\$ 424</u>
PAC Ticket Office Escrow				
Assets:				
Cash and cash equivalents	227	15,676	14,932	971
Total assets	<u>\$ 227</u>	<u>\$ 15,676</u>	<u>\$ 14,932</u>	<u>\$ 971</u>
Liabilities:				
Deposits payable	227	15,676	14,932	971
Total liabilities	<u>\$ 227</u>	<u>\$ 15,676</u>	<u>\$ 14,932</u>	<u>\$ 971</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	4,108	340,300	338,925	5,483
Total assets	<u>\$ 4,108</u>	<u>\$ 340,300</u>	<u>\$ 338,925</u>	<u>\$ 5,483</u>
Liabilities:				
Accrued liabilities	1,227	315,080	314,810	1,497
Deposits payable	2,881	25,220	24,115	3,986
Total liabilities	<u>\$ 4,108</u>	<u>\$ 340,300</u>	<u>\$ 338,925</u>	<u>\$ 5,483</u>

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Discretely Presented Nonmajor Component Units

Nonmajor Component Units

Discretely Presented Nonmajor Component Units

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.

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.

CITY OF TULSA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
June 30, 2013
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Total Nonmajor Component Units
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 3,502	\$ 1,143	\$ 33	\$ 1,369	\$ 1,182	\$ 7,229
Cash and cash equivalents - restricted	-	122	438	160	-	720
Investments	-	-	1,327	1,517	1,035	3,879
Investments - restricted	-	-	-	1,000	-	1,000
Receivables, net	7	911	9	34	48	1,009
Accounts receivable, net - restricted	-	-	-	30	-	30
Inventories, net	-	569	-	-	-	569
Other current assets	26	65	5	1,168	-	1,264
	<u>3,535</u>	<u>2,810</u>	<u>1,812</u>	<u>5,278</u>	<u>2,265</u>	<u>15,700</u>
Noncurrent assets:						
Cash and cash equivalents - restricted	12,177	625	-	100	-	12,902
Investments	-	-	-	506	-	506
Investments - restricted	-	-	-	995	-	995
Receivables, net	4,000	-	-	-	-	4,000
Receivables, net - restricted	9,982	-	-	-	-	9,982
Land held for resale, net	3,843	-	-	-	-	3,843
Land held for resale, net - restricted	197	-	-	-	-	197
Nondepreciable capital assets	35	2,861	-	7,488	1,470	11,854
Depreciable capital assets, net	327	22,893	13,063	19,874	87	56,244
	<u>30,561</u>	<u>26,379</u>	<u>13,063</u>	<u>28,963</u>	<u>1,557</u>	<u>100,523</u>
Total assets	<u>34,096</u>	<u>29,189</u>	<u>14,875</u>	<u>34,241</u>	<u>3,822</u>	<u>116,223</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred charge on refunding	-	-	-	783	-	783
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	39	1,430	169	155	-	1,793
Accounts payable - restricted	71	-	-	261	-	332
Unearned revenue	-	-	285	49	20	354
Current portion of long-term liabilities	5	77	-	1,675	-	1,757
	<u>115</u>	<u>1,507</u>	<u>454</u>	<u>2,140</u>	<u>20</u>	<u>4,236</u>
Noncurrent liabilities:						
Advances from primary government	-	326	-	-	-	326
Deposits subject to refund	208	-	-	4	-	212
Deposits subject to refund - restricted	80	-	-	-	-	80
Long-term liabilities, net	44	1,456	-	16,953	-	18,453
	<u>332</u>	<u>1,782</u>	<u>-</u>	<u>16,957</u>	<u>-</u>	<u>19,071</u>
Total liabilities	<u>447</u>	<u>3,289</u>	<u>454</u>	<u>19,097</u>	<u>20</u>	<u>23,307</u>
NET POSITION						
Net investment in capital assets	362	25,754	13,063	12,630	1,557	53,366
Restricted for:						
Debt service	-	-	-	1,812	-	1,812
Capital projects	21,766	625	153	-	-	22,544
Other purposes	439	122	-	-	-	561
Unrestricted	<u>11,082</u>	<u>(601)</u>	<u>1,205</u>	<u>1,485</u>	<u>2,245</u>	<u>15,416</u>
Total net position	<u>\$ 33,649</u>	<u>\$ 25,900</u>	<u>\$ 14,421</u>	<u>\$ 15,927</u>	<u>\$ 3,802</u>	<u>\$ 93,699</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
Year ended June 30, 2013
(amounts expressed in thousands)

	Tulsa Development Authority	Metropolitan Tulsa Transit Authority	Tulsa Industrial Authority	Tulsa Parking Authority	Tulsa Performing Arts Center Trust	Total Nonmajor Component Units
Operating revenues						
Property rentals	\$ 85	\$ -	\$ 20	\$ 154	\$ -	\$ 259
Parking revenues	-	-	-	6,240	363	6,603
Transit services	-	3,294	-	-	-	3,294
Event revenues	-	-	-	-	79	79
Other income	623	56	2,066	-	-	2,745
	708	3,350	2,086	6,394	442	12,980
Operating expenses						
Salaries and wages	242	9,996	125	-	-	10,363
Materials and supplies	7	3,240	-	-	-	3,247
Other services and charges	537	4,595	186	3,967	615	9,900
Unrealized loss on land held for resale	99	-	-	-	-	99
Depreciation	13	3,921	338	1,083	8	5,363
	898	21,752	649	5,050	623	28,972
Operating income (loss)	(190)	(18,402)	1,437	1,344	(181)	(15,992)
Nonoperating revenues (expenses)						
Investment income (loss)	(5)	3	5	(2)	188	189
Interest expense	-	-	-	(524)	-	(524)
Sales taxes	635	-	-	-	-	635
Property taxes	942	-	-	-	-	942
Federal and state operating grant revenues	-	6,359	-	-	11	6,370
Contributions	43	-	-	10	131	184
Payments from primary government	-	7,892	-	-	-	7,892
Payments to primary government	(701)	-	-	-	-	(701)
Payments from component units	-	-	-	18	-	18
Payments to component units	(18)	-	-	-	-	(18)
Other, net	(207)	292	-	-	-	85
	689	14,546	5	(498)	330	15,072
Income (loss) before capital contributions, grants and charges	499	(3,856)	1,442	846	149	(920)
Federal and state capital grant revenues	-	3,541	-	-	-	3,541
Capital contributions to primary government	(1,459)	-	(1,965)	-	-	(3,424)
Capital contributions from primary government	-	635	-	-	-	635
Change in net position	(960)	320	(523)	846	149	(168)
Net position - beginning of year	34,609	25,580	14,944	15,081	3,653	93,867
Net position - end of year	\$ 33,649	\$ 25,900	\$ 14,421	\$ 15,927	\$ 3,802	\$ 93,699

CITY OF TULSA
STATEMENT OF NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
June 30, 2013
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 29,699	\$ 51,336	\$ 81,035
Receivables, net	14,010	13,510	27,520
Inventories, net	261	1,816	2,077
	<u>43,970</u>	<u>66,662</u>	<u>110,632</u>
Noncurrent assets:			
Cash and cash equivalents - restricted	25,212	25,414	50,626
Investments-restricted	35,992	18,857	54,849
Advances to primary government - restricted	984	-	984
Investments in joint venture	13,007	-	13,007
Receivables, net - restricted	23	23	46
Nondepreciable capital assets	79,090	49,510	128,600
Depreciable capital assets, net	502,187	479,656	981,843
	<u>656,495</u>	<u>573,460</u>	<u>1,229,955</u>
Total assets	<u>700,465</u>	<u>640,122</u>	<u>1,340,587</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	3,018	3,018
	<u>-</u>	<u>3,018</u>	<u>3,018</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities - restricted	8,448	2,304	10,752
Accounts payable and accrued liabilities	2,427	2,197	4,624
Current portion of long-term liabilities	17,977	12,692	30,669
Deposits subject to refund - restricted	470	8,810	9,280
	<u>29,322</u>	<u>26,003</u>	<u>55,325</u>
Noncurrent liabilities:			
Long-term liabilities	245,700	153,554	399,254
	<u>245,700</u>	<u>153,554</u>	<u>399,254</u>
Total liabilities	<u>275,022</u>	<u>179,557</u>	<u>454,579</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	284	-	284
Unavailable revenue - property taxes	3,964	-	3,964
	<u>4,248</u>	<u>-</u>	<u>4,248</u>
NET POSITION			
Net investment in capital assets	368,939	407,801	776,740
Restricted for:			
Debt service	6,514	2,952	9,466
Unrestricted	45,742	52,830	98,572
Total net position	<u>\$ 421,195</u>	<u>\$ 463,583</u>	<u>\$ 884,778</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, 2013
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
Operating revenues			
Water and sewer services	\$ 78,735	\$ 99,671	\$ 178,406
Operating expenses			
Salaries and wages	20,606	25,923	46,529
Materials and supplies	4,117	10,015	14,132
Other services and charges	23,426	31,187	54,613
Depreciation	16,476	16,048	32,524
	<u>64,625</u>	<u>83,173</u>	<u>147,798</u>
Operating income	<u>14,110</u>	<u>16,498</u>	<u>30,608</u>
Nonoperating revenues (expenses)			
Interest income (loss)	(3)	20	17
Interest and amortization expense	(5,521)	(4,588)	(10,109)
Property taxes	3,531	-	3,531
Other, net	(171)	12	(159)
	<u>(2,164)</u>	<u>(4,556)</u>	<u>(6,720)</u>
Income before capital contributions	11,946	11,942	23,888
Capital contributions	3,511	1,028	4,539
Capital contributions - primary government	2,584	-	2,584
	<u>6,095</u>	<u>1,028</u>	<u>7,123</u>
Change in net position	18,041	12,970	31,011
Net position beginning	403,154	450,613	853,767
Net position - ending	<u>\$ 421,195</u>	<u>\$ 463,583</u>	<u>\$ 884,778</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2013
(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	\$ 178,406	\$ -	\$ -	\$ -	\$ 178,406
Fuel sales and commissions	-	-	843	-	843
Refuse services	-	23,758	-	-	23,758
Property rentals	-	-	30,312	259	30,571
Parking revenues	-	-	-	6,603	6,603
Transit services	-	-	-	3,294	3,294
Event revenues	-	-	-	79	79
Other income	-	-	186	2,745	2,931
	<u>178,406</u>	<u>23,758</u>	<u>31,341</u>	<u>12,980</u>	<u>246,485</u>
Operating expenses					
Salaries and wages	46,529	3,563	9,052	10,363	69,507
Materials and supplies	14,132	-	1,302	3,247	18,681
Other services and charges	54,613	18,490	10,353	9,900	93,356
Unrealized loss on land held for resale	-	-	-	99	99
Depreciation	32,524	1,405	13,782	5,363	53,074
Relocation and improvement	-	-	-	-	-
	<u>147,798</u>	<u>23,458</u>	<u>34,489</u>	<u>28,972</u>	<u>234,717</u>
Operating income (loss)	<u>30,608</u>	<u>300</u>	<u>(3,148)</u>	<u>(15,992)</u>	<u>11,768</u>
Nonoperating revenues (expenses)					
Investment income (loss)	17	(27)	(587)	189	(408)
Interest and amortization expense	(10,109)	-	(9,680)	(524)	(20,313)
Sales taxes	-	-	-	635	635
Property taxes	3,531	-	-	942	4,473
Federal and state grant revenues	-	-	8,380	6,370	14,750
Contributions	-	-	-	184	184
Payments from primary government	-	-	-	7,892	7,892
Payments to primary government	-	(157)	-	(701)	(858)
Payments from component unit	-	-	-	18	18
Payments to component unit	-	-	-	(18)	(18)
Gain on disposition of capital assets	-	34	7	-	41
Other, net	(159)	(209)	(218)	85	(501)
	<u>(6,720)</u>	<u>(359)</u>	<u>(2,098)</u>	<u>15,072</u>	<u>5,895</u>
Income (loss) before capital contributions, grants and charges	<u>23,888</u>	<u>(59)</u>	<u>(5,246)</u>	<u>(920)</u>	<u>17,663</u>
Federal and state capital grant revenues	-	-	6,591	3,541	10,132
Capital contributions	4,539	-	18,782	-	23,321
Capital contributions to primary government	-	-	-	(3,424)	(3,424)
Capital contributions from primary government	2,584	-	-	635	3,219
	<u>7,123</u>	<u>-</u>	<u>25,373</u>	<u>752</u>	<u>33,248</u>
Change in net position	<u>31,011</u>	<u>(59)</u>	<u>20,127</u>	<u>(168)</u>	<u>50,911</u>
Net position - beginning of year	853,767	17,141	251,695	93,867	1,216,470
Net position - end of year	<u>\$ 884,778</u>	<u>\$ 17,082</u>	<u>\$ 271,822</u>	<u>\$ 93,699</u>	<u>\$ 1,267,381</u>

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

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Capital Assets Used In the Operation of Governmental Funds

CITY OF TULSA
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
June 30, 2013 and 2012
(amounts expressed in thousands)

	<u>2013</u>	<u>2012</u>
Governmental funds capital assets		
Land	\$ 525,951	\$ 519,589
Buildings	143,559	141,807
Improvements other than buildings	65,304	61,020
Machinery and equipment	174,052	164,524
Infrastructure	3,030,876	2,926,061
Construction in progress	163,919	161,889
Total governmental funds capital assets	<u>\$ 4,103,661</u>	<u>\$ 3,974,890</u>
Investments in governmental funds capital assets by source		
General fund	14,350	10,646
Special revenue funds	276,706	263,995
Capital projects funds	3,383,916	3,271,797
Donations	428,689	428,452
Total governmental funds capital assets	<u>\$ 4,103,661</u>	<u>\$ 3,974,890</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
Year ended June 30, 2013
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2012	Additions	Deductions	Transfers & Reclass	Governmental Funds Capital Assets June 30, 2013
Administrative & Support:					
Mayor	\$ 6	\$ -	\$ -	\$ -	\$ 6
Finance	1,170	-	(7)	-	1,163
Legal	99	-	-	-	99
Human Resources	435	-	(28)	-	407
Communications	21	-	-	-	21
City Council	46	-	-	-	46
General Government	27,579	-	-	(1,523)	26,056
	<u>29,356</u>	<u>-</u>	<u>(35)</u>	<u>(1,523)</u>	<u>27,798</u>
Public Works & Transportation	3,657,194	225,060	(109,292)	(4,284)	3,768,678
Public Safety & Protection					
Police	63,952	5,811	(1,925)	2,202	70,040
Fire	59,941	2,418	(457)	1,857	63,759
Municipal Court	158	20	-	(23)	155
Telecommunications	23,119	1,993	(170)	-	24,942
	<u>147,170</u>	<u>10,242</u>	<u>(2,552)</u>	<u>4,036</u>	<u>158,896</u>
Social & Economic Development					
Human Rights	44	-	-	-	44
WIN	2,911	36	(41)	-	2,906
Planning	45	-	-	-	45
Development Services	834	265	-	71	1,170
Economic Development	3,728	-	(2,641)	(71)	1,016
	<u>7,562</u>	<u>301</u>	<u>(2,682)</u>	<u>-</u>	<u>5,181</u>
Cultural Development & Recreation					
Gilcrease	17,245	-	(25)	-	17,220
Parks	92,352	11,629	(4,623)	2,243	101,601
Public Events and PAC	24,011	291	-	(15)	24,287
	<u>133,608</u>	<u>11,920</u>	<u>(4,648)</u>	<u>2,228</u>	<u>143,108</u>
Total Governmental funds capital assets	<u>\$ 3,974,890</u>	<u>\$ 247,523</u>	<u>\$ (119,209)</u>	<u>\$ 457</u>	<u>\$ 4,103,661</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
 June 30, 2013
 (amounts expressed in thousands)

Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
Administrative & Support							
Mayor	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 6
Finance	150	-	-	1,013	-	-	1,163
Legal	-	-	-	99	-	-	99
Human Resources	-	-	-	407	-	-	407
Communications	-	7	-	14	-	-	21
City Council	-	12	-	33	-	-	45
General Government	2,500	6,781	16,041	735	-	-	26,057
	2,650	6,800	16,041	2,307	-	-	27,798
Public Works & Transportation							
	498,594	27,063	8,173	40,095	3,030,876	163,877	3,768,678
	498,594	27,063	8,173	40,095	3,030,876	163,877	3,768,678
Public Safety & Protection							
Police	1,500	25,194	69	43,254	-	22	70,039
Fire	1,797	16,944	1,059	43,939	-	20	63,759
Municipal Court	-	-	-	155	-	-	155
Telecommunications	32	822	512	23,577	-	-	24,943
	3,329	42,960	1,640	110,925	-	42	158,896
Social & Economic Development							
Human Rights	-	-	-	44	-	-	44
WIN	-	1,757	-	1,149	-	-	2,906
Planning	-	-	-	45	-	-	45
Development Services	-	-	-	1,170	-	-	1,170
Urban Development (EDREM)	465	-	514	37	-	-	1,016
	465	1,757	514	2,445	-	-	5,181
Cultural Development & Recreation							
Gilcrease	81	10,225	110	6,804	-	-	17,220
Parks	20,236	32,792	38,826	9,746	-	-	101,600
PAC	596	21,962	-	1,730	-	-	24,288
	20,913	64,979	38,936	18,280	-	-	143,108
Total Governmental Funds Capital Assets	\$ 525,951	\$ 143,559	\$ 65,304	\$ 174,052	\$ 3,030,876	\$ 163,919	\$ 4,103,661

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Statistical Section

Statistical Section

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
Last Ten Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2012	2011**	2010	2009*	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 1,111,600	\$ 1,104,679	\$ 989,918	\$ 967,462	\$ 951,466	\$ 952,282	\$ 1,032,890	\$ 941,096	\$ 850,368	\$ 847,135
Restricted	239,504	244,257	160,049	121,161	132,695	148,553	123,475	153,941	204,727	162,724
Unrestricted	47,933	59,643	65,532	53,012	38,170	5,168	33,889	29,628	30,720	31,590
	<u>\$ 1,399,037</u>	<u>\$ 1,408,579</u>	<u>\$ 1,215,499</u>	<u>\$ 1,141,635</u>	<u>\$ 1,122,331</u>	<u>\$ 1,106,003</u>	<u>\$ 1,190,254</u>	<u>\$ 1,124,665</u>	<u>\$ 1,085,815</u>	<u>\$ 1,041,449</u>
Business-type activities										
Net investment in capital assets	528,912	535,424	541,280	516,148	498,405	457,012	257,841	247,242	243,070	238,150
Restricted	16,925	11,875	8,936	11,185	9,482	13,582	9,528	7,806	7,154	7,017
Unrestricted	18,077	16,086	15,183	12,073	14,881	9,033	4,526	4,346	5,077	5,837
	<u>\$ 563,914</u>	<u>\$ 563,385</u>	<u>\$ 565,399</u>	<u>\$ 539,406</u>	<u>\$ 522,768</u>	<u>\$ 479,627</u>	<u>\$ 271,895</u>	<u>\$ 259,394</u>	<u>\$ 255,301</u>	<u>\$ 251,004</u>
Primary government										
Net investment in capital assets	1,640,512	1,640,103	1,531,198	1,483,610	1,449,871	1,409,294	1,290,731	1,188,338	1,093,438	1,085,285
Restricted	256,429	256,132	168,985	132,346	142,177	162,135	133,003	161,747	211,881	169,741
Unrestricted	66,010	75,729	80,715	65,085	53,051	14,201	38,415	33,974	35,797	37,427
	<u>\$ 1,962,951</u>	<u>\$ 1,971,964</u>	<u>\$ 1,780,898</u>	<u>\$ 1,681,041</u>	<u>\$ 1,645,099</u>	<u>\$ 1,585,630</u>	<u>\$ 1,462,149</u>	<u>\$ 1,384,059</u>	<u>\$ 1,341,116</u>	<u>\$ 1,292,453</u>

* The June 30, 2009 governmental activities and business-type activities were restated \$43,441 and \$3,011 respectively to correct errors in capital asset depreciation. This schedule does not reflect these changes prior to 2009.

** The 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. This schedule does not reflect these changes prior to 2011.

CITY OF TULSA
CHANGES IN NET POSITION
Last Ten Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	\$ 50,697	\$ 46,345	\$ 39,654	\$ 45,311	\$ 42,257	\$ 46,795	\$ 44,407	\$ 43,636	\$ 33,937	\$ 31,230
Public safety and protection	221,872	204,822	182,971	173,339	183,862	193,293	166,374	163,907	148,112	150,317
Public works and transportation	54,848	56,650	54,029	87,318	80,855	90,855	78,817	84,177	76,775	73,192
Culture and recreation	25,372	20,858	20,419	17,749	21,752	27,841	24,148	24,346	24,346	22,130
Social and economic	32,071	24,089	21,894	31,310	28,325	28,346	25,776	22,023	25,410	23,889
Interest on long-term debt	13,097	12,724	12,624	10,910	12,560	14,134	11,046	8,765	8,076	9,372
Total governmental activities expenses	397,957	365,488	331,951	361,914	376,074	398,883	391,818	347,296	316,656	310,130
Business-type activities:										
Stormwater	26,004	27,729	26,050	24,859	23,743	21,744	19,862	17,575	16,556	14,078
One Technology Center	11,488	10,435	9,894	9,431	9,993	6,527	-	-	-	-
Arena & Convention	23,983	22,823	22,480	22,182	17,434	6,044	-	-	-	-
Tulsa Stadium Trust	3,733	3,603	3,768	-	-	-	-	-	-	-
Golf Courses	3,544	3,696	3,616	3,503	3,615	3,246	2,470	2,599	2,591	2,573
Total business-type activities	68,762	68,286	65,498	59,975	54,785	37,561	22,332	20,174	19,147	16,651
Total primary government	466,719	433,774	397,089	421,889	430,859	436,444	414,150	367,470	335,803	326,781
Program Revenues:										
Charges for services										
General government	14,789	14,421	15,416	12,647	12,896	12,346	16,250	18,482	16,476	15,877
Public safety and protection	24,693	21,553	16,815	20,289	22,674	25,090	18,275	8,233	9,880	10,689
Public works and transportation	13,792	12,761	10,421	14,904	14,908	14,235	9,040	8,296	8,517	6,879
Culture and recreation	4,516	4,148	4,887	5,638	3,797	3,903	4,455	4,355	4,188	3,741
Social and economic	2,037	1,850	543	530	1,375	2,246	3,228	3,001	1,838	3,583
Operating grants and contributions	35,742	29,629	27,816	32,262	25,944	39,700	33,172	41,077	25,951	37,463
Capital grants and contributions	34,169	36,144	9,924	12,185	11,560	24,891	57,665	25,802	28,854	11,241
Total governmental activities program revenues	129,738	120,506	85,822	92,605	93,254	122,411	142,175	109,246	95,704	89,469
Charges for services										
Stormwater	24,101	23,604	23,231	22,007	21,424	19,296	17,742	14,651	14,286	13,505
One Technology Center	10,253	9,401	8,560	6,637	5,787	2,478	-	-	-	-
Arena & Convention	12,634	12,012	12,300	10,281	1,128	1,128	-	-	-	-
Tulsa Stadium Trust	299	246	163	16,286	-	-	-	-	-	-
Golf Courses	2,558	2,574	2,024	2,733	2,713	1,683	1,084	1,221	1,392	1,401
Operating grants and contributions	3	308	-	79	-	-	-	-	-	-
Capital grants and contributions	1,277	1,072	3,319	10,735	36,839	113,759	11,082	6,211	-	2,342
Total business-type activities program revenues	51,125	49,217	49,997	70,607	77,044	138,344	29,908	22,083	15,678	17,248
Total primary government program revenues	\$ 180,863	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382	\$ 106,717
Governmental activities	(262,219)	(264,051)	(245,769)	(269,309)	(282,820)	(276,472)	(249,643)	(238,050)	(220,952)	(220,661)
Business-type activities	(17,637)	(17,205)	(15,901)	(5,654)	(22,259)	100,783	7,576	1,909	(3,469)	597
Total primary government net expense	\$ (285,856)	\$ (262,343)	\$ (261,670)	\$ (274,963)	\$ (260,561)	\$ (175,689)	\$ (242,067)	\$ (236,141)	\$ (224,421)	\$ (220,064)
General Revenues and Other Changes in Net Position:										
Taxes										
Sales tax	227,905	219,240	199,384	193,505	207,289	210,633	201,717	192,261	182,136	177,732
Property tax	58,445	58,955	49,315	41,989	39,090	34,475	29,182	22,501	19,594	18,581
Franchise tax	22,588	22,427	27,225	26,144	25,871	23,211	22,213	22,064	22,753	22,861
Use tax	22,393	21,522	17,927	15,622	18,422	18,501	16,346	16,480	14,765	13,464
Hotel / motel tax	6,676	6,120	5,683	5,821	6,327	6,819	6,134	5,508	5,032	4,880
Unrestricted grants and contributions	22,154	23,305	22,698	15,860	21,224	20,396	20,765	20,023	16,958	14,127
Payments from component units	4,282	690	76	13	1,808	2,008	181	229	2,081	521
Investment earnings	(2,343)	2,888	7,513	9,566	19,570	24,151	18,971	4,927	4,060	282
Miscellaneous	9,812	4,586	2,490	1,705	3,788	5,246	2,014	1,011	1,178	2,182
Transfers	(18,092)	(16,814)	(11,990)	(21,612)	(22,249)	(105,851)	(4,292)	(8,103)	(7,387)	(8,340)
Total governmental activities	353,820	342,919	320,361	288,613	321,141	239,589	315,231	276,901	261,170	246,090
Business-type activities:										
Investment earnings and other	(1)	316	611	691	1,290	1,209	633	292	379	96
Transfers & capital contributions	18,092	16,814	11,950	23,619	22,248	105,851	4,292	1,892	7,387	8,340
Total business-type activities	18,091	17,130	12,561	24,310	23,538	107,060	4,925	2,184	7,766	8,136
Total primary government	\$ 371,911	\$ 360,049	\$ 332,922	\$ 312,923	\$ 344,679	\$ 346,649	\$ 320,156	\$ 279,085	\$ 268,936	\$ 254,826
Governmental activities	85,601	97,937	74,592	19,304	38,321	(36,883)	65,589	38,851	40,218	25,429
Business-type activities	454	(1,939)	(3,340)	18,656	45,797	207,843	12,501	4,093	4,297	9,033
Total primary government	\$ 86,055	\$ 95,998	\$ 71,252	\$ 37,960	\$ 84,118	\$ 170,960	\$ 78,090	\$ 42,944	\$ 44,515	\$ 34,462

CITY OF TULSA
GOVERNMENTAL ACTIVITIES - TAX REVENUES BY SOURCE

Last Ten Years

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

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel / Motel Tax	Total
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
2008	210,633	34,475	23,211	18,501	6,819	293,639
2007	201,717	29,182	22,213	18,346	6,134	277,592
2006	192,261	22,064	22,501	16,480	5,508	258,814
2005	182,136	22,753	19,594	14,765	5,032	244,280
2004	177,732	22,661	18,581	13,464	4,880	237,318

CITY OF TULSA
PROGRAM REVENUE BY FUNCTION / PROGRAM
Last Ten Years

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

Function/Program:	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
General government	\$ 14,789	\$ 14,421	\$ 15,416	\$ 13,380	\$ 13,240	\$ 12,368	\$ 16,250	\$ 18,482	\$ 16,476	\$ 15,877
Public safety and protection	47,727	52,384	37,311	37,973	39,454	49,018	37,459	35,254	17,616	31,962
Public works and transportation	46,502	42,822	16,475	20,024	25,397	43,524	64,317	33,105	36,999	18,507
Culture and recreation	4,516	4,148	5,122	5,960	3,801	3,943	4,545	4,355	4,205	3,765
Social and economic	16,204	7,675	11,498	15,268	11,362	13,558	19,604	18,050	20,408	19,358
Total governmental activities	129,738	121,450	85,822	92,605	93,254	122,411	142,175	109,246	95,704	89,469
Business-type activities:										
Stormwater	25,353	24,676	24,824	25,078	33,057	20,657	28,824	20,394	14,286	15,847
One Technology Center	10,253	9,401	8,560	6,637	5,787	2,478	-	-	-	-
Arena & Convention	12,659	12,012	12,856	19,871	35,487	113,526	-	-	-	-
Tulsa Stadium Trust ^a	302	554	918	16,286	-	-	-	-	-	-
Tulsa Golf Courses	2,558	2,574	2,439	2,735	2,713	1,683	1,084	1,689	1,392	1,401
Total business-type activities	51,125	49,217	49,597	70,607	77,044	138,344	29,908	22,083	15,678	17,248
Total primary government	\$ 180,863	\$ 170,667	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382	\$ 106,717

^a Prior to 2010 and the adoption of GASB No. 61, *The Financial Reporting Entity, Omnibus*, the Tulsa Stadium Trust was reported as a discretely presented component unit of the City.

CITY OF TULSA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Years

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund:										
Nonspendable	\$ 745	\$ 606	\$ 1,055	\$7,730	\$8,876	\$13,273	\$9,668	\$8,831	\$10,659	\$10,871
Restricted	2,000	-	-	47,045	41,647	37,759	43,778	38,665	32,809	35,294
Committed	-	-	-	\$54,775	\$50,523	\$51,032	\$53,446	\$47,496	\$43,468	\$46,165
Assigned	13,504	20,989	13,807							
Unassigned	41,528	49,540	52,255							
	<u>\$ 57,777</u>	<u>\$ 71,135</u>	<u>\$ 67,117</u>							
Other Governmental Funds:										
Nonspendable	-	-	-	229,880	224,633	221,997	229,496	206,626	182,231	141,698
Restricted	383,576	388,231	325,181							
Committed	1,761	1,095	1,135	15,572	9,552	9,412	12,842	10,294	12,969	11,481
Assigned	718	718	3,977	12,412	4,014	3,948	3,439	2,733	5,650	5,665
Unassigned	(512)	(145)	(261)	1,966	1,692	1,095	832	358	5,895	5,964
	<u>\$ 385,543</u>	<u>\$ 389,899</u>	<u>\$ 330,032</u>	<u>\$ 259,830</u>	<u>\$ 239,891</u>	<u>\$ 236,452</u>	<u>\$ 246,609</u>	<u>\$ 220,011</u>	<u>\$ 206,735</u>	<u>\$ 164,808</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. Accordingly, information for prior years is unavailable.

CITY OF TULSA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues										
Sales tax	\$ 227,905	\$ 223,988	\$ 199,384	\$ 193,505	\$ 207,289	\$ 210,633	\$ 201,716	\$ 192,261	\$ 182,136	\$ 177,732
Property tax	56,096	54,124	44,690	34,457	33,287	30,838	22,213	19,047	18,511	21,276
Franchise tax	22,588	21,857	27,225	26,144	25,871	23,211	26,322	22,501	19,594	18,581
Use tax	22,393	21,522	17,927	15,622	18,422	18,501	18,346	16,480	14,765	13,464
Hotel/motel tax	6,676	6,120	5,683	5,821	6,327	6,819	6,134	5,508	5,032	4,880
Special assessment tax	3,344	3,164	3,169	3,275	855	910	869	795	530	539
Charges for services	45,450	45,553	35,918	40,385	42,353	39,554	35,123	33,723	32,386	29,129
Intergovernmental revenues	53,891	39,598	42,261	51,776	50,761	71,134	98,539	65,972	54,805	48,644
Fines and forfeitures	10,567	11,718	10,875	8,257	8,763	12,001	10,350	8,957	8,424	8,341
Investment income	363	5,222	6,140	8,663	12,913	18,911	15,279	6,638	5,780	988
Licenses, permits and fees	7,137	6,832	5,922	5,175	6,191	6,745	5,823	5,979	5,625	4,970
Program income from grants	1,962	1,763	440	530	793	1,606	3,228	2,421	1,267	2,979
Payments from component units	701	668	57	13	1,808	2,008	181	229	2,081	521
Miscellaneous	9,778	3,033	2,492	2,794	3,787	5,935	2,664	2,080	1,523	1,786
Total revenues	<u>468,851</u>	<u>445,162</u>	<u>402,183</u>	<u>396,417</u>	<u>419,420</u>	<u>448,806</u>	<u>446,787</u>	<u>382,591</u>	<u>352,459</u>	<u>333,830</u>
Expenditures										
Current:										
General government	43,389	27,443	21,638	20,819	20,826	19,781	17,376	16,988	14,947	14,064
Public safety and protection	186,552	187,513	171,552	174,401	188,475	193,595	174,293	169,218	143,780	146,794
Public works and transportation	25,857	29,039	31,557	31,412	32,174	35,064	30,072	26,855	27,060	23,146
Culture and recreation	21,112	14,948	14,385	15,362	19,473	22,753	25,385	22,535	20,937	20,347
Social and economic development	32,986	31,066	20,215	28,991	25,611	26,897	25,259	21,465	24,744	23,804
Refund of sales and use taxes	-	-	-	-	-	-	-	-	376	1,921
Payments to component units	11,111	9,562	10,354	16,535	23,480	21,970	31,899	9,675	12,052	13,106
Capital outlay	114,238	96,057	79,680	105,904	102,681	122,328	142,399	93,566	74,665	57,139
Debt service:										
Principal	38,610	32,621	24,581	18,860	17,354	20,481	17,392	16,114	12,703	13,969
Interest	15,887	15,887	15,887	14,433	12,251	10,172	7,436	7,436	6,148	6,814
Total expenditures	<u>489,742</u>	<u>444,136</u>	<u>389,849</u>	<u>426,717</u>	<u>442,325</u>	<u>473,041</u>	<u>471,511</u>	<u>384,948</u>	<u>339,010</u>	<u>321,694</u>
Excess (deficiency) of revenues over (under) expenditures	(20,891)	1,026	12,334	(30,300)	(22,905)	(24,235)	(24,724)	(2,357)	13,449	12,136
Other financing sources (uses)										
Transfers in	3,657	2,570	3,941	25,758	12,761	13,590	20,083	17,262	10,108	11,777
Transfers out	(22,047)	(17,887)	(16,565)	(47,650)	(35,395)	(37,777)	(29,163)	(21,177)	(21,083)	(22,784)
Sale of capital assets	1,173	664	1,691	821	-	-	-	-	-	-
Bond issuance	45,000	44,927	70,000	70,000	48,453	35,851	65,934	(6,211)	36,781	-
Refunding bond issuance	23,746	-	21,546	23,558	-	-	-	30,183	12,917	28,021
Premium on bond issuance	7,341	647	11,143	12,017	16	-	418	-	2,652	2,758
Payment to bond escrow agent	(23,746)	-	(21,546)	(30,013)	-	-	-	229	(16,419)	(28,886)
Total other financing sources (uses)	<u>35,124</u>	<u>30,921</u>	<u>70,210</u>	<u>54,491</u>	<u>25,835</u>	<u>11,664</u>	<u>57,272</u>	<u>20,286</u>	<u>24,956</u>	<u>(9,114)</u>
Net changes in fund balances	14,233	31,947	82,544	24,191	2,930	(12,571)	32,548	17,929	38,405	3,022
Fund balance, beginning	429,087	429,087	314,605	290,414	287,484	300,055	268,132	250,203	210,973	207,951
Cumulative effect of change in acctg. principle	-	-	-	-	-	(625)	-	-	825	-
Fund balance, ending	<u>\$ 443,320</u>	<u>\$ 461,034</u>	<u>\$ 397,149</u>	<u>\$ 314,605</u>	<u>\$ 290,414</u>	<u>\$ 287,484</u>	<u>\$ 300,055</u>	<u>\$ 268,132</u>	<u>\$ 250,203</u>	<u>\$ 210,973</u>
Debt service as a percentage of noncapital expenditures	14.45%	13.92%	12.86%	9.59%	8.72%	8.74%	7.54%	8.08%	7.13%	7.86%

CITY OF TULSA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Years

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

Year	Sales Tax	Property Tax	Franchise Tax	Use Tax	Hotel/Motel Tax	Total
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
2008	208,435	33,287	23,999	18,348	6,807	290,876
2007	201,716	26,322	22,213	18,346	6,134	274,731
2006	192,261	19,047	22,501	16,480	5,508	255,797
2005	182,136	18,511	19,594	14,765	5,032	240,038
2004	177,732	21,276	18,581	13,464	4,880	235,933

CITY OF TULSA
PRINCIPAL SALES TAX REMITTERS
 (amounts expressed in thousands)
 June 30, 2013

2013		2012							
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	\$36,938	\$1,166,349	16.13%	53	General Merchandise Stores	\$36,505	\$1,200,788	16.61%
58	Eating and Drinking Places	28,152	888,903	12.29%	58	Eating and Drinking Places	26,339	866,394	11.98%
59	Miscellaneous Retail	26,032	821,971	11.37%	59	Miscellaneous Retail	22,144	728,386	10.07%
49	Electric, Gas, & Sanitary Services	17,598	555,672	7.68%	49	Electric, Gas, & Sanitary Services	16,005	526,471	7.28%
57	Furniture & Home Furnishings Store	16,583	523,625	7.24%	57	Furniture & Home Furnishings Store	15,762	518,458	7.17%
54	Food Stores	15,151	478,395	6.62%	54	Food Stores	15,046	494,911	6.84%
52	Building Materials & Garden Supplies	13,424	423,858	5.86%	52	Building Materials & Garden Supplies	13,319	438,119	6.06%
50	Wholesale Trade-Durable Goods	13,011	410,839	5.68%	50	Wholesale Trade-Durable Goods	12,319	405,235	5.60%
56	Apparel And Accessory Stores	11,249	355,197	4.91%	56	Apparel And Accessory Stores	11,065	363,967	5.03%
48	Communication	9,473	299,123	4.14%	48	Communication	10,525	346,196	4.79%
		<u>\$187,611</u>	<u>\$5,923,932</u>	<u>81.93%</u>			<u>\$179,028</u>	<u>\$5,888,925</u>	<u>81.44%</u>

Sources: Oklahoma Tax Commission

CITY OF TULSA
DIRECT AND OVERLAPPING SALES TAX RATES
Last Ten Years

Year	City of Tulsa	Tulsa County	State of Oklahoma
2013	3.167%	0.850%	4.500%
2012	3.167%	0.850%	4.500%
2011	3.167%	0.850%	4.500%
2010	3.000%	1.017%	4.500%
2009	3.000%	1.017%	4.500%
2008	3.000%	1.017%	4.500%
2007	3.000%	1.017%	4.500%
2006	3.000%	1.017%	4.500%
2005	3.000%	1.017%	4.500%
2004	3.000%	1.017%	4.500%

Source: Oklahoma Tax Commission

CITY OF TULSA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years
(amounts expressed in thousands)

Year	Real Property			Personal Property			Public Service Property			TOTAL			
	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	Assessed to Estimated Actual Value
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%
2008	20,631,446	2,269,686	13.48	3,617,470	361,747	13.48	608,046	193,237	13.48	24,856,962	2,824,670	13.48	11.4%
2007	19,558,898	2,151,694	12.67	3,504,620	350,462	12.67	679,072	215,809	12.67	23,742,590	2,717,965	12.67	11.4%
2006	18,733,445	2,060,885	9.97	3,149,020	314,902	9.97	700,230	222,533	9.97	22,582,695	2,598,320	9.97	11.5%
2005	17,739,317	1,951,520	10.11	3,241,550	324,155	10.11	743,191	236,186	10.11	21,724,058	2,511,861	10.11	11.6%
2004	16,987,974	1,868,864	11.16	3,304,960	330,496	11.16	824,519	262,032	11.16	21,117,453	2,461,392	11.16	11.7%

Source: Tulsa County Assessor

CITY OF TULSA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(Per \$1,000 of Net Assessed Valuation)
Last Ten Years
(amounts expressed in thousands)

Year	DIRECT		OVERLAPPING					Total
	General Fund	Sinking Fund	Schools	County	County Library	County Health	Total	
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	
2007	-	12.67	87.47	10.31	5.32	2.58	118.35	
2006	-	9.97	89.16	10.69	5.32	2.58	117.72	
2005	-	10.11	89.45	10.71	5.32	2.58	118.17	
2004	-	11.16	91.40	10.99	5.32	2.58	121.45	

Source: Tulsa County Assessor

CITY OF TULSA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten 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
2013	\$ 63,687	\$ 61,641	96.8%	\$ 10,834	17.0%	\$ 1,546	\$ 63,187	99.2%
2012	62,334	60,219	96.6%	10,334	16.6%	1,736	61,955	99.4%
2011	53,163	50,945	95.8%	9,955	18.7%	1,323	52,268	98.3%
2010	43,557	41,887	96.2%	9,060	20.8%	1,079	42,966	98.6%
2009	41,663	40,014	96.0%	8,469	20.3%	877	40,891	98.1%
2008	38,098	36,305	95.3%	7,697	20.2%	1,766	38,071	99.9%
2007	34,420	33,018	95.9%	7,387	21.5%	275	33,293	96.7%
2006	25,893	24,799	95.8%	6,260	24.2%	760	25,559	98.7%
2005	25,386	24,163	95.2%	5,926	23.3%	783	24,946	98.3%
2004	27,467	26,184	95.3%	5,769	21.0%	1,000	27,184	99.0%

CITY OF TULSA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years
(amounts expressed in thousands, except per capita)

Year	General Bonded Debt		Percentage of Net Assessed Value ^a	Per Capita ^b	Other		Business Type		Total Primary Government ^c	Percentage of Personal Income ^b	Per Capita ^b
	General Obligation Bonds, Net ^a	Bonds, Net ^a			Governmental Activities Debt Revenue	Bonds, Net	Activities Debt Revenue				
2013	\$ 450,309	\$ 1,134	14.26%	\$ 1,134	\$ 9,605	\$ 107,522	\$ 567,436	3.08%	\$ 1,429		
2012	446,274	1,133	14.32%	1,133	10,900	104,462	561,636	3.07%	1,375		
2011	441,913	1,006	14.12%	1,006	14,125	106,547	562,585	3.21%	1,314		
2010	401,212	1,029	13.03%	1,029	27,515	90,505	519,232	3.10%	1,221		
2009	343,885	889	11.62%	889	40,239	92,725	476,849	3.26%	1,139		
2008	314,423	815	11.13%	815	51,965	95,270	461,658	2.73%	1,196		
2007	286,625	746	10.55%	746	73,350	2,425	362,400	2.19%	803		
2006	233,032	610	8.97%	610	89,579	2,780	325,391	2.22%	757		
2005	220,060	578	8.76%	578	27,401	3,125	250,586	1.89%	658		
2004	185,045	484	7.52%	484	39,113	3,460	227,618	1.83%	596		

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^a See Schedule of Ratios of Net General Bonded Debt To Assessed Values and Net Bonded Debt Per Capita for net assessed value data.

^b Population and personal income data can be found on Schedule of Demographics and Economic Statistics.

^c Includes general bonded debt, other governmental activities debt, and business-type activities debt.

CITY OF TULSA
RATIOS OF NET GENERAL BONDED DEBT TO
ASSESSED VALUES AND NET BONDED DEBT PER CAPITA
LAST TEN YEARS
(amounts expressed in thousands)

Year	Population	Net Assessed Value	General Bonded Debt ^a	Less Bond Reserves ^b	Net Bonded Debt ^c	Ratio of Net Bonded Debt To Assessed Value (Percentage)	Net Bonded Debt Per Capita (In dollars)
2013	397,139	\$ 3,158,480	\$ 481,324	\$ 31,015	\$ 450,309	14.26%	\$ 1,134
2012	393,987	3,115,456	474,779	28,505	446,274	14.32%	1,133
2011	392,000	3,130,173	460,548	18,635	441,913	14.12%	1,006
2010	390,000	3,078,866	409,332	8,120	401,212	13.03%	1,029
2009	387,000	2,959,096	355,785	11,900	343,885	11.62%	889
2008	386,000	2,824,690	322,283	7,860	314,423	11.13%	815
2007	384,000	2,717,965	295,785	9,160	286,625	10.55%	746
2006	382,000	2,598,320	240,952	7,920	233,032	8.97%	610
2005	381,000	2,511,861	231,065	11,005	220,060	8.76%	578
2004	382,000	2,461,392	197,385	12,340	185,045	7.52%	484

^a Net of related premiums, discounts, and adjustments

^b Includes only reserves related to principal on outstanding general bonded debt.

^c Certain General Obligation bonds issued to fund water and sewer projects are repayable 50% from component unit revenues and 50% from property tax revenues. The portion of these issues, net of any reserves, that are repayable from property tax revenues are included in the amount of net bonded debt per capita.

Sources: Net Assessed Value - Tulsa County Assessor
Other data: City of Tulsa

CITY OF TULSA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2013
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Net Debt⁽¹⁾ Outstanding</u>	<u>Estimated⁽²⁾ Percentage Applicable to City of Tulsa</u>	<u>Estimated Share Applicable to City of Tulsa</u>
Debt repaid with property taxes:			
Independent School District:			
No. 1 TPS	\$ 199,027	64.6%	\$ 128,552
No. 3 BA	72,875	1.2%	905
No. 4 Bixby	31,750	1.2%	381
No. 5 Jenks	76,955	15.7%	12,060
No. 9 Union	71,850	17.3%	12,419
			<u>154,317</u>
City direct debt	\$ 450,309	100.0%	450,309
Total direct and overlapping debt			<u>\$ 604,626</u>

Notes: (1) General bonded debt net of reserves.
(2) Ratio of assessed valuation of property within the overlapping unit to assessed valuation of property within the City of Tulsa.

Sources: Tulsa County Assessor
Independent School Districts

CITY OF TULSA
COMPUTATION OF LEGAL DEBT MARGIN
Last Ten Years
(amounts expressed in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limit ¹⁻²	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 246,139
Total net debt subject to limit ³	-	-	-	-	-	-	-	-	-	3,200
Legal debt margin	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186	\$ 242,939
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%	1.30%

Sources:

- ¹ Tulsa County Assessor - 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
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

(amounts expressed in thousands)

Year	Population	MSA Current Personal Income (in millions)	MSA Per Capita Personal Income	Median Age	Percent of High School Graduates	Unemployment Rate
2013	397,139	\$ 44,796	\$ 46,355	34.5	87.8%	5.6%
2012	393,987	42,741	44,755	34.6	87.1%	6.3%
2011	392,000	39,996	42,236	34.7	86.3%	7.3%
2010	390,000	37,162	39,529	37.3	86.4%	7.7%
2009	387,000	35,396	38,067	37.1	85.0%	5.2%
2008	386,000	40,198	43,859	36.9	89.7%	3.7%
2007	384,000	35,773	39,466	36.6	N/A	4.0%
2006	382,000	34,393	38,470	36.4	N/A	4.1%
2005	381,000	30,734	34,812	36.2	N/A	4.7%
2004	382,000	28,614	32,590	36.0	85.1%	5.8%

Sources: Population - U.S. Department of Commerce, Bureau of the Census.
Total Personal Income Current Dollars - U.S. Bureau of Economic Analysis (BEA)
Per Capita Personal Income - U.S. Bureau of Economic Analysis
Median age - calculated by extrapolating reported 2000 Census number and 2011 projection
Percent of High School Graduates - American Community Survey Ranking Tables 2000-2004
Bureau of the Census
Unemployment Rate - Oklahoma Employment Security Commission

CITY OF TULSA
Number of City Employees
Last Ten Years

Departments	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Engineering Services	160	153	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Streets and Stormwater	317	434	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water and Sewer	642	657	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Police	881	879	874	888	897	898	892	936	926	919
911 Public Safety Communications	97	97	97	108	109	109	109	114	114	117
Fire	696	699	698	708	714	714	713	721	719	718
Information Technology	145	149	249	270	278	277	273	193	193	194
Park & Recreation	141	110	180	270	273	274	274	384	384	400
Airports	157	157	157	158	172	171	169	174	173	162
Finance	170	158	153	89	84	84	78	76	76	77
Planning and Economic Development	112	121	118	91	93	93	84	n/a	n/a	n/a
Equipment Management	79	79	79	79	83	83	83	83	83	90
Working in Neighborhoods	75	75	72	87	91	86	83	n/a	n/a	n/a
Municipal Courts	44	51	50	53	58	58	58	63	62	62
Public Works	n/a	n/a	1,245	1,441	1,453	1,445	1,426	1,608	1,609	1,471
Urban Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	127
All Other ⁽¹⁾	207	206	103	119	133	145	177	142	136	132
	3,923	4,025	4,075	4,361	4,438	4,437	4,419	4,494	4,475	4,469

⁽¹⁾ Other departments include: Elected Officials Offices, Legal, Human Resources and other departments with less than fifty positions.

CITY OF TULSA
Selected Operating Indicators by Function/Program
Last Three Years

<u>Function/Program</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Public Safety & Protection</u>			
Police			
1	Percent reduction in Part One crimes over previous year.	12% decrease	5% increase
2	Percent reduction in fatality/high injury collisions over previous year.	4% decrease	8% decrease
3	Percent reduction in number of backlogged forensic cases over previous year.	25% increase	0% increase/decrease
4	Percent increase of calls responded to in three minutes or less.	3% decrease	5% increase
Fire			
1	Percent of arrival on scene from receipt of call within six minutes	87%	89%
2	Percent of reduction of firefighter injuries from previous year.	15% reduction	5% reduction
911 Public Safety Communications			
1	Percent of emergency calls answered within 10 seconds.	88%	90%
2	Percent of emergency calls answered within 20 seconds.	93%	95%
3	Percent of Emergency Communicator staffing of authorized EC positions.	96%	95%
4	Percent of staff certified in one operational function.	92%	90%
5	Percent of CALEA accreditation process completed.	5%	50%
<u>Culture and Recreation</u>			
Performing Arts Center			
1	Number of performances per year.	500	554
2	Dollar amount of gross ticket sales.	\$8 million	\$5 million
BOK Arena and Convention Center			
1	Number of paid attendance to event centers per year.	600,000	500,000
2	Gross ticket sales per year	\$16,000,000	\$15,000,000
3	Number of attended events scheduled and serviced annually.	500	300
			\$7 million
			849,052
			\$16,101,011
			589

Continued

CITY OF TULSA
Selected Operating Indicators by Function/Program
Last Three Years

Function/Program	2011	2012	2013
Continued			
Social & Economic Development			
Economic Development Commission			
1 Number of visitor inquiries.	50,000	145,000	145,000
2 Number of event planner inquiries.	600	600	600
3 Number of trade shows attended.	14	15	13 ¹
4 Percent increase in future hotel room nights over current year.	35%	25%	25%
Working In Neighborhoods			
1 Average number of demolitions and housing rehabilitations per month.	20 rehabs, 21 demos	15 rehabs, 45 demos	21 rehabs, 27 demos
2 Number of neighborhoods that have undergone a mapping process per year.	8	4	1
3 Average number of neighborhoods that undergo a clean-up initiative per month	New Measure	New Measure	12
4 Average number of voluntary compliance of code violations per month.	1,258	900	990
5 Percent reduction of animals euthanized at TAW.	New Measure	New Measure	10%
6 Percent increase of live exits of animals from TAW.	New Measure	New Measure	10%
Planning and Economic Development			
1 Number of small area plans created or updated by 6/30/14.	New Measure	3	1
2 Average number of working days for plans review.	7	10	10
3 Average number of calendar days to issue permits for commercial projects under \$1 million.	34	30	30
4 Number of new project opportunities identified for economic development per year.	12	12	12

Continued

CITY OF TULSA
Selected Operating Indicators by Function/Program
Last Three Years

Function/Program	2013	2012	2011
Continued			
Public Works & Transportation			
Airports			
1	Days of unrestricted cash retained for liquidity.	280	273
2	Operating cost per passenger.	\$15	\$15
3	Number of additional acres leased or developed per year.	28	2
Public Works - Engineering Services			
1	Percent of capital projects designed, ROW easements acquired and utilities relocated within scheduled time.	84%	83%
2	Percent of capital projects constructed within scheduled time frames.	97%	96%
3	Percent of capital projects completed within appropriated budgets.	100%	100%
4	Change order percent for capital projects.	2.00%	2.00%
5	Percent of bid advertisements posted and updated in all locations.	100%	98%
Public Works - Streets and Stormwater			
1	Average number of hours it takes to respond to emergency street repair requests.	37 minutes	60 minutes
2	Percent of compliance with City grass height ordinance.	100%	100%
3	Percent reduction in travel time in modified and updated traffic signal areas.	24	10-15%
4	Average number of hours it takes to respond to stormwater emergencies.	25 minutes	1 hour
5	Percent of verified missed collections of refuse and recycling services.	0.3%	0.1%
Public Works - Water and Sewer			
1	Percent of customer service demand for treated water.	100%	98%
2	Average number of instances of noncompliance with OPDES for all wastewater treatment plants per quarter.	0.25	<5
3	Average number hours for water off per customer during emergency repairs.	5	5
4	Percent of on-site responses to sanitary sewer stoppage and overflow calls within two hours.	98%	95%
Tulsa Transit			
1	Number of fixed route complaints per 10k boardings	3	4
2	Number of lift program complaints per 10k boardings.	22	23
3	Number of fixed route passengers per hour.	18	15
4	Number of lift program passengers per hour.	2	2

Continued

CITY OF TULSA
Selected Operating Indicators by Function/Program
Last Three Years

Function/Program Continued	2013	2012	2011
Administrative and Support Services			
Elected Officials			
1	90%	90%	100%
2	89%	90%	86%
3	3	3.25	New Measure
Human Rights Department			
1	100%	100%	New Measure
2	75%	75%	New Measure
3	80%	80%	New Measure
Legal Department			
1	100%	100%	100%
2	90%	90%	91%
Human Resources Department			
1	98%	80%	94%
2	92%	80%	89%
3	76%	65%	74%
Finance Department			
1	25	25	115
2	AA	AA	AA
3	AA ¹	AA ¹	AA ¹
4	6.25% (+/-)	6.25%	6.00%
5	99.50%	99.30%	99.90%
Information Technology			
1	4.9	4.0	4.9
2	2%	1%	New Measure
3	41%	35%	41%
Customer Care			
1	70 seconds	New Measure	New Measure
2	14%	New Measure	New Measure
3	NA ²	New Measure	New Measure
Equipment Management Department			
1	86%	86%	86%
2	95%	93%	95%

Source: City of Tulsa

CITY OF TULSA
TULSA METROPOLITAN UTILITY AUTHORITY
WATER AND SEWER RATES
Last Ten Years
 (Residential - Inside City Limits)

Year	Water		Sewer	
	Monthly Base Rate	Rate per 1,000 Gallons	Monthly Base Rate	Rate per 1,000 Gallons
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
2008	4.00	2.17	4.08	3.05
2007	4.00	2.17	4.04	2.87
2006	3.85	1.98	4.04	2.61
2005	3.85	1.98	4.04	2.61
2004	3.85	1.98	4.04	2.61

APPENDIX OF ABBREVIATIONS

(Occasionally used throughout this report)

City	..City of Tulsa, Oklahoma
E-911	..Enhanced 911 emergency telephone number system (Police, Fire and Ambulance services)
EMSA	..Emergency Medical Services Authority
EPA	..U.S. Environmental Protection Agency
FY	..Fiscal year (July 1 through June 30)
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
PAC	..Performing Arts Center (of Tulsa)
PERS	..Public Employees' Retirement System
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

