



**Comprehensive Annual
Financial Report**

City of Tulsa, Oklahoma
Year Ended June 30, 2014



**CITY OF
Tulsa**
A New Kind of Energy.

cityoftulsa.org

Comprehensive Annual Financial Report

City of Tulsa, Oklahoma
Year Ended June 30, 2014

Mayor

Dewey F. Bartlett, Jr.

Director of Finance

Michael P. Kier, CPFO

Controller

David W. Bryant, CPA



**CITY OF
Tulsa**
A New Kind of Energy.

cityoftulsa.org

**CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
List of Principal Officials	vii
Organizational Chart	viii
Certificate of Achievement	ix
 FINANCIAL SECTION	
Independent Auditor's Report	A-1
Management's Discussion and Analysis	MDA-1
 Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5
Proprietary Funds:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8
Fiduciary Funds:	
Statement of Fiduciary Net Position	9
Statement of Changes in Fiduciary Net Position	10
Discretely Presented Component Units:	
Statement of Net Position	11
Statement of Activities	12
Notes to Basic Financial Statements	FN-1
 Required Supplementary Information	
Defined Benefit Pension Trust:	
Schedule of Changes in the Net Pension Liability – Current Year	RSI-1
Schedule of Net Pension Liability and Related Ratios – for the current year	RSI-2
Schedule of Employer Contributions – Last ten years	RSI-3
Schedule of Investment Returns- For the current and prior year	RSI-4
Other Post Employment Benefits:	
Schedule of Funding Progress	RSI-5
Schedule of Actuarial Valuation, Methods and Assumptions	RSI-5
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Budgetary Basis and related notes	RSI-6

CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION (continued)	
Supplemental Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds Subsection:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	C-1
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	C-2
Budget and Actual Schedules - Budgetary Basis:	
General Fund:	
Schedule of Revenues – Budgetary Level of Control	C-3
Schedule of Expenditures and Encumbrances – Budgetary Level of Control	C-5
E-911 Operating Fund	C-10
Economic Development Fund	C-11
Tulsa Stadium Improvement District Fund	C-12
Medical Services Program	C-13
Internal Service Funds:	
Combining Statement of Net Position	C-14
Combining Statement of Revenues, Expenses and Changes in Net Position	C-15
Combining Statement of Cash Flows	C-16
Fiduciary Funds:	
Agency Funds Combining Statement of Changes in Assets and Liabilities	C-17
Component Units:	
Discretely Presented Nonmajor Component Units:	
Statement of Net Position	C-18
Statement of Revenues, Expenses and Changes in Net Position	C-19
Combining Fund Financial Statements of Tulsa Metropolitan Utility Authority:	
Statement of Net Position	C-20
Statement of Revenues, Expenses and Changes in Net Position	C-21
Statement of Revenues Expenses and Changes in Net Position	C-22
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules by Source	C-23
Schedule of Changes by Function and Activity	C-24
Schedule by Function and Activity	C-25
STATISTICAL SECTION (Unaudited)	
Financial Trend Information:	
Net Position by Component	S-1
Changes in Net Position	S-2
Governmental Activities - Tax Revenues by Source	S-3
Program Revenue by Function / Program	S-4
Fund Balances of Governmental Funds	S-5
Changes in Fund Balances of Governmental Funds	S-6

CITY OF TULSA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (Unaudited - continued)	
Revenue Capacity Information:	
General Governmental Tax Revenues by Source	S-7
Principal Sales Tax Remitters	S-8
Direct and Overlapping Sales Tax Rates	S-9
Assessed and Estimated Actual Value of Taxable Property	S-10
Property Tax Rates - Direct and Overlapping Governments	S-11
Property Tax Levies and Collections	S-12
Debt Capacity Information:	
Ratios of Outstanding Debt by Type	S-13
Ratios of Net General Bonded Debt to Assessed Values and Net Bonded Debt per Capita	S-14
Computation of Direct and Overlapping Debt	S-15
Computation of Legal Debt Margin	S-16
Pledged Revenue Bond Coverage- One Technology Center – Lease Revenue Bonds	S-17
Pledged Revenue Bond Coverage- Arena and Convention – 2008 Capital Improvement	S-18
Pledged Revenue Bond Coverage- Arena and Convention – 1985 Assembly Center Bonds	S-19
Pledged Revenue Bond Coverage- Tulsa Stadium Trust – Lease Revenue Bonds	S-20
Pledged Revenue Bond Coverage- Internal Service Financing Fund – 2012 Capital Improvement Bonds	S-21
Demographic and Economic Information:	
Demographic and Economic Statistics	S-22
Operating Information:	
Number of City Employees	S-23
Operating Indicators by Function	S-24
Tulsa Metropolitan Utility Authority – Water and Sewer Rates	S-28
Appendix of Abbreviations	S-29



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 14, 2014

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, 2014. 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 forth the financial position and results of operations of the City. The CAFR has been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) 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 fulfills that requirement for the year ended June 30, 2014. 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 complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY OF TULSA

The City encompasses an area of approximately 201.5 square miles located in northeastern Oklahoma, at the edge of the foothills of the Ozarks, along the Arkansas River. The northeastern part of Oklahoma is often called "Green Country" due to its wooded terrain in the rolling Ozark foothills. 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's current population is 397,737 people, representing a 0.07% increase over 2013. 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 969,964 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 30.4% of the state's economy (TMSA share equals \$42.6 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 2.1 times more,
- Oil and gas production and machinery manufacturing is 10.8 times more,
- Pump and compressor manufacturing is 18.6 times more,
- Fabricated metal product manufacturing is 2.9 times more,
- Heat-exchanger manufacturing sub-cluster being 49.4 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 15% and 12% below the national average respectively. Tulsa has one of the shortest average commute times in the nation. Tulsa is home to some of the nation's larger companies including QuikTrip, ONEOK, and The Williams Companies.

Tulsa received several national recognitions in 2014. Site Selection publication ranked Tulsa as 5th 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 seasonally adjusted unemployment rate for the City at June 30, 2014 declined from 5.4% in the previous year to 5.3%. The state and national seasonally adjusted average unemployment rates for this same time period were 5.1% and 6.7%, respectively.

Bond Ratings

In their report dated December 2013, 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 2014.

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 6.16% of the General Fund appropriated expenditures for 2014.

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. In 2014, the City identified a prospective business for the Incentive Program.

Public Safety Tax - In 2014, the Mayor announced a proposal to use 2/10ths of one cent of the countywide Vision 2025 sales tax which expires in 2016, for a dedicated source of revenue for public safety. With this funding, in addition to the general fund allotment, the City would be capable of employing 70 additional police officers and 30 additional firefighters for the community. As this is an existing tax, the effective tax rate of Tulsa would not change upon the implementation of this proposal. It is the Mayor's intention to begin discussions of this proposal with the City Council, as well as begin a public outreach campaign to gather support and feedback for this initiative.

Riverside Investments (Gathering Place) - One of Tulsa's greatest assets is the Arkansas River. Its presence represents an incredible opportunity for new development. It should play a vital role in improving tourism, boosting sales tax revenue, and creating a unique gathering place for Tulsans and people across the region. Recently the George Kaiser Family Foundation has released plans for more river trail and recreation improvements along the river, as well as the development of a new regional park; The Gathering Place, which is currently slated for completion in early 2017. The City began repairing the existing low-water dams in late 2013, while ground was broken on the site construction of the Gathering Place in mid-2014.

Consolidation of City/County Parks Citizen Committee- In 2014, the Mayor authorized the formation of Tulsa Leadership Vision Inc., a citizen's committee charged with examining and making recommendations regarding the consolidation of the City of Tulsa and Tulsa County park systems. The organization will investigate and determine if there may be financial and/or operational efficiencies which could be achieved through the consolidation of the two parks' systems. Presently, the committee has no charged authority, and may only embark on fact-finding efforts.

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, 2013. This was the 32nd 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, 2014. This was the 19th 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 Council members 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

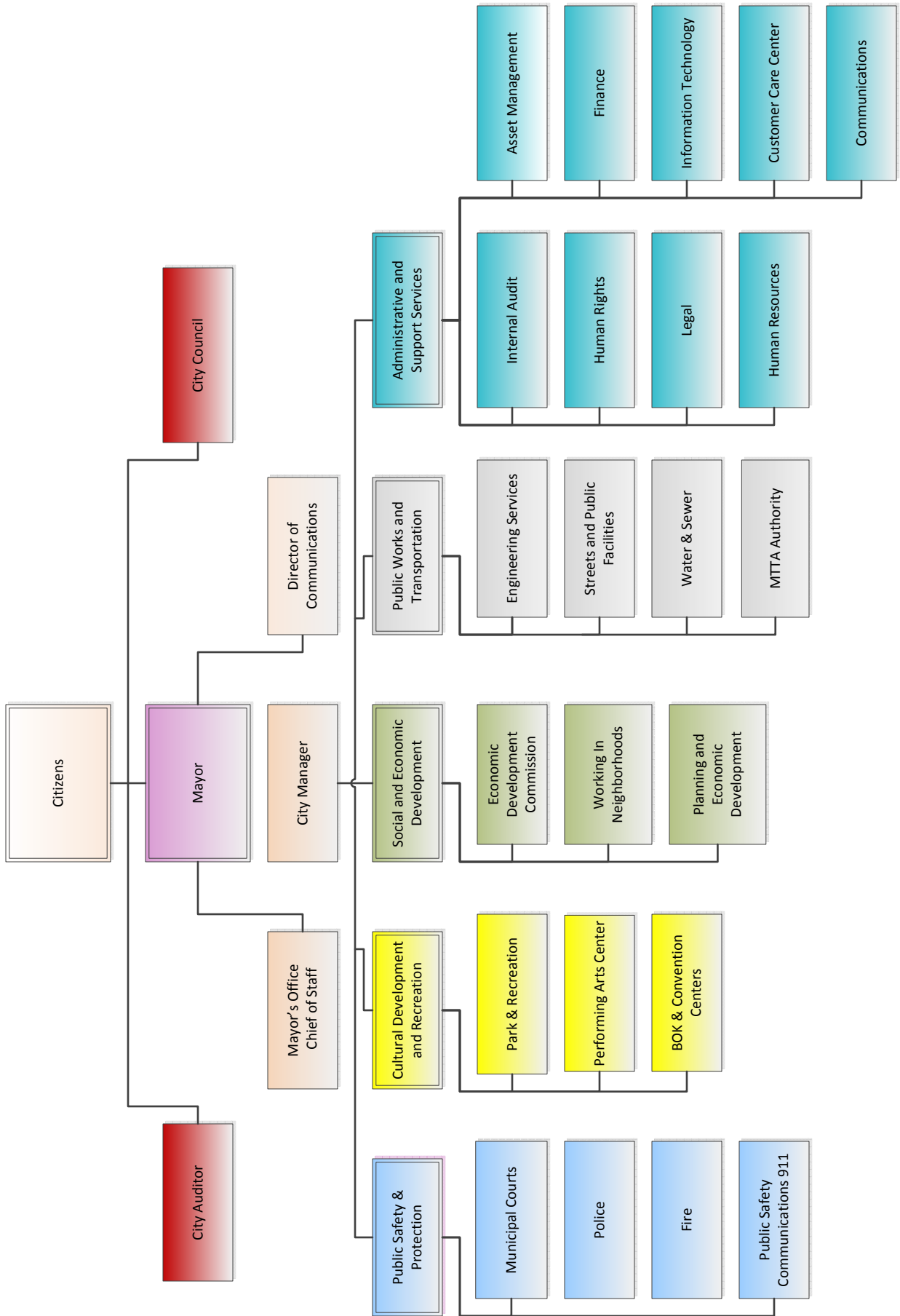
DIRECTOR OF FINANCE

Michael P. Kier, CPFO

CITY AUDITOR

Cathy Criswell

ORGANIZATION CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tulsa
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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, 2014, 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 0.7 percent of total assets and 0.04 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 7 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 Cox Business Center, as managed by SMG, an agent operating these facilities (collectively, SMG), which are included within the financial statements of the Arena and Convention Center Fund, a major enterprise fund of the City. This activity represents 8 percent and 65 percent, respectively, of the total assets and total revenues of the Arena and Convention Center major enterprise fund, and 3 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 Cox Business Center, as managed by SMG, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Tulsa, Oklahoma, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2, the City restated beginning net position of the business-type activities, One Technology Center Fund, and Arena and Convention Center Fund to correct an error in the prepaid expense balances as of June 30, 2013. Our opinion is not modified with respect to this matter.

The City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25* which changed the standards for the recognition, measurement and presentation of information about the City's Municipal Employees Pension Plan.

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 – 12, the pension and postemployment information on pages RSI – 1 and RSI – 5, and the Budgetary Comparison schedule on page RSI – 6, 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 14, 2014

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, 2014. 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 2014, contain an implied reference to the fiscal year, such as "fiscal year 2014."

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 \$2,049,319 (*net position*). Of this amount, \$72,334 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 \$88,533. The City reduced expenses \$28,307 compared to last year while experiencing of an overall decrease of \$28,048 in revenues from the prior year.
- At the close of the current year, the City's governmental funds reported combined fund balances of \$464,812, an increase of \$21,492 in comparison with the prior year. Approximately 11% of this amount (\$49,808) 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 \$57,153, or approximately 21% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$2,210 during the current year primarily due to the issuance of general obligation debt of \$50,000 for city-wide capital improvements offset by regularly scheduled debt payments and a decline in the liability for compensated absences.

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

- ***Governmental activities*** - Most of the City's basic governmental services are included here, such as public safety and protection, social and economic, public works and transportation, culture and recreation, and administrative and support functions. Sales, use, and property taxes, charges for services, and state and federal grants finance most of these activities.
- ***Business-type activities*** - The City charges fees to customers to help it cover the costs of certain services it provides. BOK Center and Cox Business Center, One Technology Center, Golf 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 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, 2014, the City's *combined* net position was \$2,049 million. Total assets and deferred outflows increased \$102 million or 4% while liabilities and deferred inflows of resources increased \$13 million or 2%. The net position of Governmental activities increased 6.1% to \$1,484 million in 2014 from \$1,399 million in 2013. Net position of the Business-type activities was \$565 million in 2014 up slightly from \$562 million in 2013 (as restated).

	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 624,638	\$ 597,248	\$ 70,923	\$ 53,866	\$ 695,561	\$ 651,114
Capital assets	1,479,491	1,407,554	616,797	631,558	2,096,288	2,039,112
	<u>2,104,129</u>	<u>2,004,802</u>	<u>687,720</u>	<u>685,424</u>	<u>2,791,849</u>	<u>2,690,226</u>
Current and other liabilities	107,083	107,087	20,582	18,959	127,665	126,046
Long-term liabilities	449,461	447,156	101,662	104,716	551,123	551,872
Deferred inflows of resources	63,742	51,522	-	-	63,742	51,522
	<u>620,286</u>	<u>605,765</u>	<u>122,244</u>	<u>123,675</u>	<u>742,530</u>	<u>729,440</u>
Net position:						
Net investment in capital						
assets	1,167,495	1,111,600	531,789	528,912	1,699,284	1,640,512
Restricted	263,303	239,504	14,398	14,760	277,701	254,264
Unrestricted	53,045	47,933	19,289	18,077	72,334	66,010
	<u>\$ 1,483,843</u>	<u>\$ 1,399,037</u>	<u>\$ 565,476</u>	<u>\$ 561,749</u>	<u>\$ 2,049,319</u>	<u>\$ 1,960,786</u>

Government-Wide Financial Analysis, continued

The largest portion of the City's net position (83%) reflects its investment in capital assets, less any outstanding debt that was used to acquire those assets. The City uses capital assets to provide services to its citizens. Accordingly, these assets are not available for future spending. Although the city's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Net position by category:	Percent of Total	
	2014	2013
Net investment in capital assets	83%	84%
Restricted	14%	13%
Unrestricted	3%	3%
	<u>100%</u>	<u>100%</u>

Changes in Net Position of the City of Tulsa – The City's net position increased \$88,533 or approximately 4.5% more than the prior year increase of \$86,086 (as restated). The Governmental activities and Business-type activities had increases of \$84,806 and \$3,727, respectively.

The City's total revenues decreased 4.7% to \$526.9 million in 2014. Program revenue generated \$145.1 million, consisting of charges for services, federal and state grants, and other contributions, down from \$166.8 million in 2013. Charges for services within governmental activities decreased due to a decline in municipal court fines. Capital grant and contribution revenue decreased \$29.3 million related to capital contributions related to street projects received in the prior year not repeated.

Sales taxes, the largest revenue category, increased to \$231.1 million in 2014 from \$227.9 million in 2013. The increase is a result of continuing economic upturn and continued development of an expanding shopping district. Property tax revenue increased slightly to \$59.7 million in 2014 from \$58.4 million in 2013.

Expenses for the primary government decreased 6.1% or \$28.3 million to \$438.4 million. The City's expenses cover a range of services, including public safety, public works, culture and recreation, and social and economic programs. Significant changes include:

- General government expenses decreased \$7.8 million (15.5%). The decrease is primarily attributed to a \$5.9 million reduction in personnel costs and a \$3.9 million reduction in equipment management charges.
- Public safety and protection expenses totaled \$199.7 million, a decrease of \$22.1 million (10%). Depreciation on capital assets used by these departments decreased approximately \$24 million. The cost of the Medical Services Program increased \$1 million over the prior year.
- Public Works and Transportation expenses increased \$9.5 million (17.4%) due to an increase in capital outlay.
- Social and economic development expenses decreased \$4.2 million (13.2%), primarily from reduced expenditures on FEMA grants (\$1.8 million) and HUD grants (\$1.8 million).

Government-Wide Financial Analysis, continued

- The One Technology Center fund expenses decreased \$1.6 million (14.2%) primarily from a \$0.7 million decline in materials and supplies expense and a \$0.6 million decline in depreciation.

	Changes in Net Position					
	Governmental		Business-type		Total	
	Activities		Activities			
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 54,151	\$ 45,794	\$ 49,788	\$ 49,845	\$ 103,939	\$ 95,639
Operating grants/contributions	35,063	35,742	-	3	35,063	35,745
Capital grants/contributions	3,784	34,169	2,360	1,277	6,144	35,446
General revenues:						
Sales taxes	231,108	227,905	-	-	231,108	227,905
Property taxes	59,659	58,445	-	-	59,659	58,445
Franchise	24,053	22,588	-	-	24,053	22,588
Use tax	24,776	22,393	-	-	24,776	22,393
Hotel/Motel taxes	7,050	6,676	-	-	7,050	6,676
Intergovernmental revenue	7,894	22,154	-	-	7,894	22,154
Other	24,035	25,784	3,193	(1)	27,228	25,783
	<u>471,573</u>	<u>501,650</u>	<u>55,341</u>	<u>51,124</u>	<u>526,914</u>	<u>552,774</u>
Expenses:						
General government	42,853	50,697	-	-	42,853	50,697
Public safety & protection	199,749	221,872	-	-	199,749	221,872
Public works & transportation	64,381	54,848	-	-	64,381	54,848
Culture & recreation	24,629	25,372	-	-	24,629	25,372
Social & economic development	27,845	32,071	-	-	27,845	32,071
Interest on long-term debt	12,250	13,097	-	-	12,250	13,097
Stormwater	-	-	25,721	26,004	25,721	26,004
One Technology Center	-	-	9,927	11,572	9,927	11,572
Arena & Convention	-	-	23,815	23,878	23,815	23,878
Tulsa Stadium Trust	-	-	4,028	3,733	4,028	3,733
Golf courses	-	-	3,183	3,544	3,183	3,544
	<u>371,707</u>	<u>397,957</u>	<u>66,674</u>	<u>68,731</u>	<u>438,381</u>	<u>466,688</u>
Changes before transfers	99,866	103,693	(11,333)	(17,607)	88,533	86,086
Transfers	(15,060)	(18,092)	15,060	18,092	-	-
Change in Net position	84,806	85,601	3,727	485	88,533	86,086
Net position, beginning, as restated	1,399,037	1,313,436	561,749	561,264	1,960,786	1,874,700
Net position, ending	<u>\$ 1,483,843</u>	<u>\$ 1,399,037</u>	<u>\$ 565,476</u>	<u>\$ 561,749</u>	<u>\$ 2,049,319</u>	<u>\$ 1,960,786</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	\$ 42,853	\$ 10,478	\$ (32,375)
Public safety and protection	199,749	47,874	(151,875)
Public works & transportation	64,381	17,476	(46,905)
Culture & recreation	24,629	4,754	(19,875)
Social & economic development	27,845	12,416	(15,429)
Interest on debt	12,250	-	(12,250)
	<u>\$ 371,707</u>	<u>\$ 92,998</u>	<u>\$ (278,709)</u>

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

The cost of all *governmental* activities this year was \$371.7 million. A portion of the costs were paid by those who directly benefited from the programs (\$54.1 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$38.8 million). The remaining costs are covered by general revenues. Sales tax makes up the majority of general revenues or 61% in 2014. The City's sales tax rate is 3.167%, of which 1.167% is a special tax dedicated to capital improvements. Property taxes fund general obligation debt issued for capital improvements.

	General Revenues			
	2014	Percent of Total	2013	Percent of Total
Sales taxes	\$231,108	61%	\$227,905	59%
Property taxes	59,659	16%	58,445	15%
Franchise tax	24,053	6%	22,588	6%
Use tax	24,776	7%	22,393	6%
Other	38,979	10%	54,614	14%
	<u>\$ 378,575</u>	<u>100%</u>	<u>\$ 385,945</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	\$ 23,815	\$ 13,993	\$ (9,822)
One Technology Center	9,927	9,176	(751)
Golf Courses	3,183	2,839	(344)
Tulsa Stadium Trust	4,028	334	(3,694)
Stormwater	25,721	25,806	85
	<u>\$ 66,674</u>	<u>\$ 52,148</u>	<u>\$ (14,526)</u>

While program revenues are intended to support the business type activities, transfers from the City augment these activities. The business-type activities received \$15,060 in transfers from the Governmental activities of the City. These transfers included:

- Capital transfers of \$8,862 for Stormwater Management improvements funded by the City's Bond, Sales tax and grant funds;
- \$4,313 to fund Arena and Convention Center debt service and operations of which \$3,325 was provided by City hotel/motel taxes;
- \$2,339 of special assessment taxes used in connection with the ballpark located downtown.

Governmental Funds Financial Analysis

Governmental funds reported a combined fund balance of \$464.8 million, up \$21.5 million or 4.8% from 2013. Approximately 11% 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 increased \$2 million to \$59.8 million. Of this amount \$50.3 million represents unassigned fund balance and approximates 18% of the total general fund expenditures, while the total fund balance represents approximately 21% of the same amount. The change in fund balance can be attributed to the following:

- The General Fund's fund balance increased \$2 million to \$59.8 million, as expenditures decreased 1.6% while revenues increased 2.6%.
- Tax revenues increased \$5.6 million due to improved economic conditions and development activity. Investment income increased \$4.1 million attributed to the increased market value of the City's investments.
- General government expenditures decreased for many of the same 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.

Governmental Funds Financial Analysis, continued

The remaining governmental funds fund balance increased \$19.5 million, or 4.8% to \$405 million. The majority of the fund balance is restricted (99.6%).

- The Debt Service Fund's fund balance increased \$0.1 million or 0.2% to \$61.5 million as a result of premiums received on new bonds issued. The fund balance of the Debt service fund is restricted for debt service payments.
- Capital expenditures in the Bond fund decreased 5.6% or \$3.5 million from the prior year, while proceeds from debt issued increased \$5 million or 11.1%. The remaining fund balance of \$135 million is restricted for capital improvements.
- Fund balance in the Sales Tax Fund increased \$27.1 million or 16.2% over 2013 due to sales tax collections increasing approximately \$1.4 million from continued steady economic growth, investment income increasing \$2.4 million due to increased market value of the City's investments, and a capital expenditures increase of \$4.6 million. Fund balance of \$194 million in the sales tax fund is restricted for capital improvements.

Proprietary Funds Financial Analysis

Proprietary funds reported a combined net position of \$565.5 million compared to \$577.6 million (as restated) in the prior year.

- The Stormwater Management fund incurred an operating loss of \$2 million while receiving \$8.9 million in transfers for capital improvements and \$2.2 million in capital contributions resulting in an overall increase in net position of \$7.9 million. The fund's net position of \$334.4 million is primarily (95%) invested in capital assets.
- One Technology Center contributed lease revenue of \$9.2 million, a decrease of \$1.1 million. A capital lease transaction with a major tenant accounted for the decrease. The overall net position increased \$2.1 million to a \$3.6 million deficit; largely as a result of a gain on sale of capital assets related to the capital lease transaction with a major tenant.
- The Arena and Convention Center contributed revenue of \$14 million, an increase of \$1.4 million over the previous year, due to premier events attracted to the BOK Center while expenses remained level with the prior year. The loss is offset by transfers in of \$4.3 million. The overall net position decreased \$5.5 million for the year, ending at approximately \$202 million.

Budgetary Highlights

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

General Fund Budgetary Highlights

The original 2014 General Fund budget adopted by the Mayor and City Council totaled \$267.6 million. The budget was balanced with revenue estimates of \$264.6 million and fund balance totaling \$3 million. It was 1.8 percent less than the 2013 original budget. Taking into consideration 2013 carry over encumbrances, the total authorized expenditure amount on July 1, 2013 was \$277.9 million.

	Original Budget		Amended Budget		Budgetary Basis Actual		Variance	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenues:								
Taxes	\$ 194,735	\$ 189,759	\$ 194,835	\$ 190,059	\$ 193,785	\$ 187,872	\$ (1,050)	\$ (2,187)
Licenses and permits	7,238	7,484	7,238	7,484	7,801	7,136	563	(348)
Intergovernmental	8,426	8,346	8,426	8,346	8,510	8,528	84	182
Charges for service	22,310	36,371	22,310	36,371	20,285	35,588	(2,025)	(783)
Fines and forfeitures	10,551	11,727	10,551	11,727	9,421	10,426	(1,130)	(1,301)
Investment income	2,733	3,699	2,733	3,699	2,482	3,514	(251)	(185)
Payments from component unit	12,966	-	12,966	-	13,067	-	101	-
Miscellaneous	3,298	3,147	3,348	3,772	2,484	3,268	(864)	(504)
Transfers In	2,375	600	2,425	600	1,925	600	(500)	-
	<u>\$ 264,632</u>	<u>\$ 261,133</u>	<u>\$ 264,832</u>	<u>\$ 262,058</u>	<u>\$ 259,760</u>	<u>\$ 256,932</u>	<u>\$ (5,072)</u>	<u>\$ (5,126)</u>
Expenses:								
General government	\$ 40,238	\$ 43,413	\$ 38,336	\$ 42,916	\$ 36,261	\$ 41,606	\$ (2,075)	\$ (1,310)
Public works and transportation	28,034	28,386	25,994	28,092	24,283	27,217	(1,711)	(875)
Social and economic development	12,923	13,837	12,577	12,987	12,112	12,914	(465)	(73)
Public safety and protection	159,044	154,723	160,055	156,905	158,838	156,203	(1,217)	(702)
Culture and recreation	22,566	22,138	22,315	21,868	21,725	21,649	(590)	(219)
Payments to component units	7,855	7,892	7,580	7,892	7,580	7,892	-	-
Transfers out	7,237	11,374	7,237	12,174	7,237	12,174	-	-
	<u>\$ 277,897</u>	<u>\$ 281,763</u>	<u>\$ 274,094</u>	<u>\$ 282,834</u>	<u>\$ 268,036</u>	<u>\$ 279,655</u>	<u>\$ (6,058)</u>	<u>\$ (3,179)</u>

Revenues were below expectations in 2013. The General Fund started 2014 with \$2.9 million less in unassigned fund balance than anticipated. This is largely attributable to sales tax revenue declines in the last three months of the year and expenditures that came in higher than estimates. The underperformance of the City's sales tax continued through the first eight months of 2014 requiring the Mayor and City Council to make mid-year budget adjustments. Budget amendment reduction of \$3.9 million along with cost saving measures saved approximately \$7.0 million dollars through the end of the year. The operating reserve for 2014 was set at 6.16%, the Economic Stabilization Reserve was funded at \$2 million, and \$2.6 million was reserved for OPEB liabilities.

Along with the challenge of underperforming revenues in 2014, policy makers were constrained by several factors. Federal grants supporting police officers and firefighters expired in 2014 and required additional funding of \$3.2 million in salaries. In addition, health insurance premiums increased by 4% or \$1 million. Utilities at the City's golf courses and the recently constructed North Tulsa Sports Complex also required additional resources. All of these factors, and others like them, collectively consumed nearly \$5 million.

Capital Assets and Debt Administration

Capital Assets - At the end of 2014 the City had invested \$2.1 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 \$58 million, or 2.8% 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-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 528	\$ 526	\$ 88	\$ 84	\$ 616	\$ 610
Buildings and improvements	113	89	483	499	596	588
Equipment	69	70	27	30	96	100
Infrastructure	620	559	-	-	620	559
Construction in progress	149	164	19	18	168	182
	<u>\$ 1,479</u>	<u>\$ 1,408</u>	<u>\$ 617</u>	<u>\$ 631</u>	<u>\$ 2,096</u>	<u>\$ 2,039</u>

Long-term Liabilities - At year end, the City had \$559 million in general obligation and revenue bonds outstanding, an increase of 0.5% 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-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 447	\$ 439	\$ -	\$ -	\$ 447	\$ 439
Revenue bonds	9	10	103	107	112	117
Other long-term liabilities	66	66	2	2	68	68
	<u>\$ 522</u>	<u>\$ 515</u>	<u>\$ 105</u>	<u>\$ 109</u>	<u>\$ 627</u>	<u>\$ 624</u>

- General Obligation bonds – In March 2014, the City issued General Obligation bonds totaling \$51.3 million which includes \$1.3 million for premium on debt issuance. The proceeds are to be used for street improvements and will be repaid 100% from the sinking fund. Refer to Note 11.
- Revenue bonds –The Tulsa Stadium Trust issued \$23.3 million in additional bonds, which includes \$0.2 million for premium on debt issuance. The proceeds were used for payment of \$23.7 million of prior bonds.

Economic Factors and Next Year's Budget and Rates

The 2015 total original budget is \$688.1 million – a 2.0% decrease from the original 2014 amount. The operating budget is \$597.6 million and the Capital Improvement budget totals \$90.5 million. After adjusting for Airport Operations that are no longer being reported with the Adopted Budget, the operating budget increased by 0.6% and the capital budget is down 16.2% from 2014.

Development of the budget begins with a review of the economy. Most indicators continued to improve in the Tulsa Metropolitan Statistical Area. The area population continued its modest growth, increasing 0.8% in calendar year 2013. The annual metro labor force grew by 7,700 in calendar year 2013 (1.7 percent), ending the current calendar year with 452,200 job seekers. Labor force has now regained all losses sustained in the previous recession, and is now at a historic high. Wage & Salary employment reported its third consecutive year of growth, increasing 2.5 percent over calendar year 2012, and ended the fiscal year at a seasonally adjusted total of 429,700. The greatest growth was sustained in the Service sector, which increased 4.3% over the previous fiscal year. As Wage & Salary employment grew faster than the labor force, the metro jobless rate fell in calendar year 2013 to 5.4%, a decrease of 0.2% from calendar year 2012. Retail sales in the TMSA rose by an estimated 3.9% to \$9.88 billion in calendar year 2013. The Oklahoma State University Center for Applied Economic Research has forecast retail sales to grow at an annualized rate of 4.4%, employment at 2.3%, and per capita personal income at 4.7% over the coming two years.

Gross Metro Product (GMP) for the area was estimated to have increased 3% over the previous calendar year; and is forecast to continue to grow at an annualized rate of 3.8% through calendar year 2017. Meanwhile, barge freight reported its 2nd best shipping year in calendar year 2013, and air freight continues its modest annual gains. As demonstrated by the growth in employment, retail sales, GMP, and various energy related indicators; the local economy continues to improve and regain most of the losses sustained in the previous recession.

Some of the same challenges faced in 2014 will impact the General Fund 2015 budget. Expiring federal grants supporting police personnel will absorb \$1.0 million. A 7.8% health insurance premium increase and new Affordable Care Act Fees will require an additional \$1.7 million in 2015. Retirement contributions are also increasing by 1.5% requiring the General Fund to absorb an additional \$0.7 million. Operational costs of newly completed capital projects continue to impact the General Fund adding an additional \$0.2 million in annual expenses. All of these factors and others required original budget reductions of 2.4% or \$6.4 million to balance the budget with 2015 General Fund projected revenues.

The 2015 budget reflects rate increases of 7% for water, 9.75% for sewer, and 9% for stormwater to address capital needs and debt service in 2015.

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, 2014
(amounts expressed in thousands)

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 457,392	\$ 26,882	\$ 484,274	\$ 127,205
Cash and cash equivalents - restricted	658	9,784	10,442	27,621
Investments	-	-	-	3,463
Investments - restricted	-	-	-	300
Receivables, net	116,344	4,732	121,076	35,043
Prepaid expenses	154	567	721	1,015
Internal balances	319	(319)	-	-
Inventories	826	298	1,124	3,847
Current portion of notes receivable - restricted	-	-	-	1,076
Total current assets	<u>575,693</u>	<u>41,944</u>	<u>617,637</u>	<u>199,570</u>
Noncurrent assets:				
Cash and cash equivalents - restricted	-	14,591	14,591	56,366
Receivables, net	12,697	12,093	24,790	3,000
Receivables, net - restricted	-	-	-	11,574
Investments	-	-	-	500
Investments - restricted	1,069	2,294	3,363	80,035
Advances to primary government	-	-	-	127
Advances to primary government - restricted	-	-	-	297
Advances to component units	7,526	-	7,526	-
Land held for resale, net	2,356	-	2,356	1,181
Land held for resale, net - restricted	-	-	-	197
Other assets	14,826	1	14,827	414
Equity interest in joint ventures	10,471	-	10,471	13,479
Nondepreciable capital assets	676,586	106,549	783,135	364,682
Capital assets, net	802,905	510,248	1,313,153	1,259,413
Total noncurrent assets	<u>1,528,436</u>	<u>645,776</u>	<u>2,174,212</u>	<u>1,791,265</u>
Total assets	<u>2,104,129</u>	<u>687,720</u>	<u>2,791,849</u>	<u>1,990,835</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	10,108
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	32,554	5,146	37,700	10,053
Accounts payable and accrued liabilities - restricted	-	-	-	20,193
Unearned revenue	-	10,436	10,436	697
Advances from primary government	-	-	-	1,325
Current portion of long-term liabilities	74,529	5,000	79,529	44,304
Deposits subject to refund - restricted	-	-	-	9,873
Total current liabilities	<u>107,083</u>	<u>20,582</u>	<u>127,665</u>	<u>86,445</u>
Noncurrent liabilities:				
Advances from primary government	-	-	-	6,201
Advances from component units	127	-	127	-
Advances from component units - restricted	297	-	297	-
Unearned revenue	1,953	1,317	3,270	-
Deposits subject to refund	-	-	-	430
Deposits subject to refund - restricted	-	8	8	61
Long-term liabilities	447,084	100,337	547,421	579,966
Total noncurrent liabilities	<u>449,461</u>	<u>101,662</u>	<u>551,123</u>	<u>586,658</u>
Total liabilities	<u>556,544</u>	<u>122,244</u>	<u>678,788</u>	<u>673,103</u>
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	63,727	-	63,727	3,197
Gain on refunding	15	-	15	222
Total deferred inflows of resources	<u>63,742</u>	<u>-</u>	<u>63,742</u>	<u>3,419</u>
NET POSITION				
Net investment in capital assets	1,167,495	531,789	1,699,284	1,124,731
Restricted for:				
Economic stabilization reserve	2,000	-	2,000	-
Debt service	52,947	3,977	56,924	14,889
Capital projects	202,326	8,991	211,317	24,399
Federal and state grants	3,668	-	3,668	-
Economic development	1,683	-	1,683	-
Other purposes	679	1,430	2,109	6,754
Unrestricted	53,045	19,289	72,334	153,648
Total net position	<u>\$ 1,483,843</u>	<u>\$ 565,476</u>	<u>\$ 2,049,319</u>	<u>\$ 1,324,421</u>

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

CITY OF TULSA
STATEMENT OF ACTIVITIES
Year ended June 30, 2014
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Component Units
Primary government:							
Governmental activities:							
General government	\$ 42,853	\$ 10,279	\$ -	\$ 199	\$ (32,375)	\$ -	\$ -
Public safety and protection	199,749	23,918	23,802	154	(151,875)	-	(151,875)
Public works and transportation	64,381	14,045	-	3,431	(46,905)	-	(46,905)
Culture and recreation	24,629	4,754	-	-	(19,875)	-	(19,875)
Social and economic development	27,845	1,155	11,261	-	(15,429)	-	(15,429)
Interest on long-term debt	12,250	-	-	-	(12,250)	-	(12,250)
Total governmental activities	371,707	54,151	35,063	3,784	(278,709)	-	(278,709)
Business-type activities:							
Stormwater	25,721	23,625	-	2,181	-	85	85
One Technology Center	9,927	9,176	-	-	(751)	-	(751)
Arena & Convention	23,815	13,953	-	40	(9,822)	-	(9,822)
Tulsa Stadium Trust	4,028	334	-	-	(3,694)	-	(3,694)
Golf Courses	3,183	2,700	-	139	(344)	-	(344)
Total business-type activities	66,674	49,788	-	2,360	(14,526)	-	(14,526)
Total primary government	\$ 438,381	\$ 103,939	\$ 35,063	\$ 6,144	(278,709)	(14,526)	(293,235)
Component Units	\$ 257,894	\$ 254,206	\$ 14,749	\$ 23,760	-	-	34,821
General revenues:							
Taxes:							
Sales tax		231,108	-	-	-	231,108	696
Property tax		59,659	-	-	-	59,659	4,612
Franchise tax		24,053	-	-	-	24,053	-
Use tax		24,776	-	-	-	24,776	-
Hotel/Motel tax		7,050	-	-	-	7,050	-
Intergovernmental revenue, unrestricted		7,894	-	-	-	7,894	7,580
Payments from primary government		-	-	-	-	-	20
Payments from component units		14,710	-	-	-	14,710	-
Unrestricted investment earnings		7,072	-	1,005	-	8,077	2,911
Miscellaneous		2,253	-	-	-	2,253	6,361
Gain on disposal of capital assets		-	-	2,188	-	2,188	39
Transfers		(15,060)	-	15,060	-	-	-
Total general revenues and transfers		363,515	-	18,253	-	381,768	22,219
Change in Net position		84,806	-	3,727	-	88,533	57,040
Net position--beginning of year, as restated		1,399,037	-	561,749	-	1,960,786	1,267,381
Net position--end of year		\$ 1,483,843	-	\$ 565,476	-	\$ 2,049,319	\$ 1,324,421

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

**CITY OF TULSA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014
(amounts expressed in thousands)**

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 33,662	\$ 56,781	\$ 145,102	\$ 192,704	\$ 15,580	\$ 443,829
Receivables, net	30,165	68,463	-	12,248	5,201	116,077
Due from other funds	388	-	-	-	-	388
Land held for resale	44	-	-	-	-	44
Advances to other funds	241	-	-	-	-	241
Advances to component units	326	-	-	-	-	326
Total assets	\$ 64,826	\$ 125,244	\$ 145,102	\$ 204,952	\$ 20,781	\$ 560,905
Liabilities						
Accounts payable and accrued liabilities	4,816	-	9,321	10,853	2,088	27,078
Unearned revenue	119	-	-	-	897	1,016
Due to other funds	-	-	-	-	388	388
Advances from other funds	-	-	-	-	1,909	1,909
Advances from component units	127	-	297	-	-	424
Total liabilities	5,062	-	9,618	10,853	5,282	30,815
Deferred inflows of resources						
Unavailable revenue - property taxes	-	63,727	-	-	-	63,727
Unavailable revenue - special assessments	-	-	-	-	100	100
Unavailable revenue - intergovernmental	-	-	-	-	1,451	1,451
Total unavailable revenue	-	63,727	-	-	1,551	65,278
Fund balances						
Nonspendable	611	-	-	-	-	611
Restricted	2,000	61,517	135,484	194,099	12,706	405,806
Committed	-	-	-	-	1,698	1,698
Assigned	6,889	-	-	-	-	6,889
Unassigned	50,264	-	-	-	(456)	49,808
Total fund balances	59,764	61,517	135,484	194,099	13,948	464,812
Total liabilities, deferred inflows and fund balances	\$ 64,826	\$ 125,244	\$ 145,102	\$ 204,952	\$ 20,781	\$ 560,905

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	1,470,242
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	13,778
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	2,133
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	(4,273)
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	(430,378)
Unamortized bond premium	(17,087)
Compensated absences	(28,382)
Other post employment benefits liability	(7,807)
Net pension obligation	(1,944)
Judgements	(4,297)
Due to other governments	(2,143)
Facility use lease asset	14,826
Unavailable revenue - intergovernmental	1,451
Unavailable revenue - special assessments	100
Deferred gain on debt refunding	(15)
Investment in joint venture is not reported in the funds	10,471
Governmental activities net position	\$ 1,483,843

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, 2014
(amounts expressed in thousands)

	General	Debt Service	Bond	Sales Tax	Other Governmental Funds	Total Governmental Funds
Revenues						
Sales tax	\$ 145,998	\$ -	\$ -	\$ 85,110	\$ -	\$ 231,108
Property tax	-	57,478	-	-	-	57,478
Franchise tax	23,510	-	-	-	543	24,053
Use tax	24,776	-	-	-	-	24,776
Hotel/motel tax	141	-	-	-	6,909	7,050
Special assessment tax	-	-	-	-	3,595	3,595
Charges for services	21,458	-	-	-	8,954	30,412
Intergovernmental revenues	27,511	-	-	-	20,283	47,794
Fines and forfeitures	9,421	-	-	-	144	9,565
Investment income	4,561	-	-	2,310	131	7,002
Licenses, permits and fees	7,801	-	-	-	-	7,801
Program income from grants	-	-	-	-	1,146	1,146
Payments from component units	13,067	-	-	-	59	13,126
Miscellaneous	1,905	-	-	137	211	2,253
Total revenues	280,149	57,478	-	87,557	41,975	467,159
Expenditures						
Current:						
General government	37,684	-	-	-	173	37,857
Public safety and protection	176,260	-	-	-	13,809	190,069
Public works and transportation	23,669	-	102	-	1,212	24,983
Culture and recreation	21,070	-	-	-	514	21,584
Social and economic development	12,317	-	-	-	16,002	28,319
Payments to component units	7,580	-	-	1,970	169	9,719
Capital outlay	-	-	57,321	50,583	3,693	111,597
Debt service	-	58,680	-	-	-	58,680
Total expenditures	278,580	58,680	57,423	52,553	35,572	482,808
Excess (deficiency) of revenues over expenditures	1,569	(1,202)	(57,423)	35,004	6,403	(15,649)
Other financing sources (uses)						
Transfers in	1,577	-	-	-	129	1,706
Transfers out	(1,590)	-	(171)	(8,980)	(6,608)	(17,349)
Sale of capital assets	431	-	-	1,037	-	1,468
Bond issuance	-	-	50,000	-	-	50,000
Premium on bonds issued	-	1,316	-	-	-	1,316
Total other financing sources (uses)	418	1,316	49,829	(7,943)	(6,479)	37,141
Net change in fund balances	1,987	114	(7,594)	27,061	(76)	21,492
Fund balances, beginning of year	57,777	61,403	143,078	167,038	14,024	443,320
Fund balances, end of year	\$ 59,764	\$ 61,517	\$ 135,484	\$ 194,099	\$ 13,948	\$ 464,812

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, 2014
(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	\$	21,492
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		116,093
Capital contributions		1,005
Depreciation expense		(45,229)
		71,869
The effect of miscellaneous transactions involving capital assets:		
Loss on disposal of capital assets		(196)
Proceeds from sale of capital assets		(1,468)
Capital assets transferred from component units		1,556
		(108)
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		(50,000)
Premium on bond issuance		(1,316)
Payment of bond principal		38,415
		(12,901)
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		(239)
Amortization of premium on bond issuance		4,468
Amortization of deferred gain on debt refunding		76
Increase in other post employment benefit expense		(340)
Increase in net pension obligation		(225)
Decrease in compensated absences expense		1,773
Decrease in liability to other governments		925
Decrease in tort claims and judgments expense		268
Amortization of facility use lease		(368)
		6,338
Some revenues reported in the statement of activities do not provide current financial resources in governmental funds:		
Loss from investment in joint venture		(65)
Some revenues which are unavailable in the governmental funds represent accrual based revenue in the entity-wide statements:		
Intergovernmental revenue		(1,623)
Special assessment revenue		(199)
		(1,822)
The net revenue of internal service funds is reported within governmental activities:		
Change in net position of internal service funds		(154)
Internal balances resulting from the elimination of internal service fund revenues		157
		3
Change in net position - statement of activities	\$	84,806

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

CITY OF TULSA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014
(amounts expressed in thousands)

	Business-type Activities Enterprise Funds					Total	Governmental Activities - Internal Service Funds
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Nonmajor - Golf Courses		
ASSETS							
Current assets:							
Cash and cash equivalents	\$ 9,245	\$ 4,825	\$ 10,193	\$ 1,973	\$ 646	\$ 26,882	\$ 13,563
Cash and cash equivalents, restricted	-	1,116	7,838	830	-	9,784	658
Receivables, net	2,531	1,044	1,139	17	1	4,732	267
Advances to component units, restricted	-	-	-	-	-	-	1,325
Prepaid expenses	-	-	552	-	15	567	154
Inventories, net	-	-	240	-	58	298	782
	<u>11,776</u>	<u>6,985</u>	<u>19,962</u>	<u>2,820</u>	<u>720</u>	<u>42,263</u>	<u>16,749</u>
Noncurrent assets:							
Cash and cash equivalents, restricted	7,690	3,599	1,699	1,603	-	14,591	-
Investments - restricted	-	728	1,566	-	-	2,294	1,069
Receivables, net	16	12,070	7	-	-	12,093	12,697
Advances to component units, restricted	-	-	-	-	-	-	5,875
Advances to other funds, restricted	-	-	1,814	-	-	1,814	-
Other	-	-	-	1	-	1	-
Nondepreciable capital assets	81,122	3,164	11,182	7,858	3,223	106,549	4,578
Depreciable capital assets, net	236,768	37,875	193,506	37,238	4,861	510,248	4,671
	<u>325,596</u>	<u>57,436</u>	<u>209,774</u>	<u>46,700</u>	<u>8,084</u>	<u>647,590</u>	<u>28,890</u>
Total assets	<u>337,372</u>	<u>64,421</u>	<u>229,736</u>	<u>49,520</u>	<u>8,804</u>	<u>689,853</u>	<u>45,639</u>
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	1,133	1,059	2,684	101	169	5,146	1,203
Unearned revenue	-	204	10,232	-	-	10,436	937
Workers compensation claims	-	-	-	-	-	-	7,180
Current portion of long-term liabilities	463	1,362	2,615	560	-	5,000	1,634
	<u>1,596</u>	<u>2,625</u>	<u>15,531</u>	<u>661</u>	<u>169</u>	<u>20,582</u>	<u>10,954</u>
Noncurrent liabilities:							
Unearned revenue	-	-	1,317	-	-	1,317	-
Workers compensation claims	-	-	-	-	-	-	12,419
Advances from other funds	-	-	-	-	-	-	146
Deposits subject to refund	-	8	-	-	-	8	-
Long-term liabilities	1,420	65,395	10,755	22,767	-	100,337	8,342
	<u>1,420</u>	<u>65,403</u>	<u>12,072</u>	<u>22,767</u>	<u>-</u>	<u>101,662</u>	<u>20,907</u>
Total liabilities	<u>3,016</u>	<u>68,028</u>	<u>27,603</u>	<u>23,428</u>	<u>169</u>	<u>122,244</u>	<u>31,861</u>
NET POSITION (DEFICIT)							
Net investment in capital assets	317,890	(10,445)	192,888	23,372	8,084	531,789	9,249
Restricted for:							
Debt service	-	693	3,284	-	-	3,977	-
Capital projects	7,706	1,285	-	-	-	8,991	-
Other purposes	-	541	-	889	-	1,430	-
Unrestricted	8,760	4,319	5,961	1,831	551	21,422	4,529
Total net position (deficit)	<u>\$ 334,356</u>	<u>\$ (3,607)</u>	<u>\$ 202,133</u>	<u>\$ 26,092</u>	<u>\$ 8,635</u>	<u>567,609</u>	<u>\$ 13,778</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(2,133)	
Net position of business-type activities						<u>\$ 565,476</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, 2014
(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	\$ 22,684	\$ 9,176	\$ 13,953	\$ 238	\$ 2,700	\$ 48,751	\$ 17,753
Insurance premiums	-	-	-	-	-	-	22,555
Workers compensation premiums	-	-	-	-	-	-	5,563
Other	941	-	-	96	-	1,037	196
	<u>23,625</u>	<u>9,176</u>	<u>13,953</u>	<u>334</u>	<u>2,700</u>	<u>49,788</u>	<u>46,067</u>
Operating expenses							
Salaries and wages	7,779	723	-	-	-	8,502	4,247
Materials and supplies	807	293	-	-	206	1,306	10,135
Other services and charges	8,090	4,228	11,898	534	2,597	27,347	3,274
Workers compensation claims	-	-	-	-	-	-	7,284
Insurance claims and premiums	-	-	-	-	-	-	23,896
Depreciation and amortization	8,901	1,299	11,049	1,977	367	23,593	339
	<u>25,577</u>	<u>6,543</u>	<u>22,947</u>	<u>2,511</u>	<u>3,170</u>	<u>60,748</u>	<u>49,175</u>
Operating income (loss)	<u>(1,952)</u>	<u>2,633</u>	<u>(8,994)</u>	<u>(2,177)</u>	<u>(470)</u>	<u>(10,960)</u>	<u>(3,108)</u>
Nonoperating revenues (expenses)							
Investment income	231	717	42	12	3	1,005	139
Interest expense	-	(3,384)	(868)	(1,212)	-	(5,464)	-
Property taxes	-	-	-	-	-	-	2,181
Gain (loss) on disposal of capital assets	91	2,172	-	(78)	3	2,188	2
Other, net	-	-	-	(305)	-	(305)	34
Net nonoperating revenues (expenses)	<u>322</u>	<u>(495)</u>	<u>(826)</u>	<u>(1,583)</u>	<u>6</u>	<u>(2,576)</u>	<u>2,356</u>
Income (loss) before capital contributions and transfers	<u>(1,630)</u>	<u>2,138</u>	<u>(9,820)</u>	<u>(3,760)</u>	<u>(464)</u>	<u>(13,536)</u>	<u>(752)</u>
Capital contributions	2,181	-	40	-	139	2,360	15
Transfers in	8,862	-	4,313	2,339	1,013	16,527	583
Transfers out	(1,467)	-	-	-	-	(1,467)	-
Net capital contributions and transfers	<u>9,576</u>	<u>-</u>	<u>4,353</u>	<u>2,339</u>	<u>1,152</u>	<u>17,420</u>	<u>598</u>
Change in net position	<u>7,946</u>	<u>2,138</u>	<u>(5,467)</u>	<u>(1,421)</u>	<u>688</u>	<u>3,884</u>	<u>(154)</u>
Net position (deficit) - beginning of year, as restated	326,410	(5,745)	207,600	27,513	7,947		13,932
Net position (deficit) - end of year	<u>\$ 334,356</u>	<u>\$ (3,607)</u>	<u>\$ 202,133</u>	<u>\$ 26,092</u>	<u>\$ 8,635</u>		<u>\$ 13,778</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						(157)	
Change in net position of business-type activities						<u>\$ 3,727</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, 2014
(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	\$ 24,010	\$ 8,991	\$ 16,570	\$ 320	\$ 2,702	\$ 52,593	\$ 46,832
Payments to suppliers	(8,963)	(4,481)	(11,589)	(538)	(2,783)	(28,354)	(44,837)
Payments to employees	(7,395)	(754)	-	-	-	(8,149)	(4,324)
Net cash provided (used) by operating activities	7,652	3,756	4,981	(218)	(81)	16,090	(2,329)
Cash flows from noncapital financing activities:							
Property taxes received	-	-	-	-	-	-	1,098
Transfers in	-	-	4,244	-	500	4,744	-
Transfers out	(1,467)	-	(1,966)	-	-	(3,433)	-
Proceeds from insurance reimbursements	-	-	-	-	-	-	34
Net cash provided (used) by financing activities	(1,467)	-	2,278	-	500	1,311	1,132
Cash flows from capital and related financing activities:							
Acquisition and construction of capital assets	(14,319)	(453)	(2,266)	-	(603)	(17,641)	(517)
Payments from interfund activity	-	-	-	2,339	513	2,852	583
Principal paid on debt	-	(1,280)	(2,435)	(23,692)	-	(27,407)	-
Interest paid on debt	-	(3,378)	(933)	(1,946)	-	(6,257)	-
Proceeds from sale of capital assets	99	1	-	845	9	954	19
Proceeds from issuance of debt	-	-	-	23,328	-	23,328	-
Proceeds from financing activities	-	1,200	-	-	-	1,200	-
Payments for financing activities	-	(650)	-	(306)	-	(956)	-
Transfers in	8,862	-	1,754	-	-	10,616	-
Net cash provided (used) by capital and related financing activities	(5,358)	(4,560)	(3,880)	568	(81)	(13,311)	85
Cash flows from investing activities:							
Interest received	229	73	23	12	3	340	134
Net cash provided by investing activities	229	73	23	12	3	340	134
Net increase (decrease) in cash and cash equivalents	1,056	(731)	3,402	362	341	4,430	(978)
Cash and cash equivalents, beginning	15,879	10,271	16,328	4,044	305	46,827	15,199
Cash and cash equivalents, end of year	\$ 16,935	\$ 9,540	\$ 19,730	\$ 4,406	\$ 646	\$ 51,257	\$ 14,221
Reconciliation of cash and cash equivalents to the Statement of Net Position:							
Cash and cash equivalents	9,245	4,825	10,193	1,973	646	26,882	13,563
Cash and cash equivalents - restricted	7,690	4,715	9,537	2,433	-	24,375	658
Total cash and cash equivalents	\$ 16,935	\$ 9,540	\$ 19,730	\$ 4,406	\$ 646	\$ 51,257	\$ 14,221
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	(1,952)	2,633	(8,994)	(2,177)	(470)	(10,960)	(3,108)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation and amortization	8,901	1,299	11,049	1,977	367	23,593	339
(Increase) decrease in accounts receivable and other assets	362	(142)	(46)	(17)	12	169	659
Increase (decrease) in accounts payable and other liabilities	341	(34)	2,972	(1)	10	3,288	(219)
Net cash provided (used) by operating activities	\$ 7,652	\$ 3,756	\$ 4,981	\$ (218)	\$ (81)	\$ 16,090	\$ (2,329)
NON-CASH TRANSACTIONS:							
Capital contributions	\$ 2,181	\$ -	\$ 40	\$ -	\$ -	\$ 2,221	\$ -

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, 2014
(amounts expressed in thousands)

	Municipal Employees Pension Plan	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 11,492	\$ 6,666
Accounts receivable	714	-
Investment income receivable	413	-
Investments:		
US Government obligations	53,075	-
Corporate bonds	19,513	-
Municipal bonds	704	-
Preferred stock	253	-
Common stock	24,528	-
Foreign obligations	3,655	-
Mutual funds	302,869	-
Timber	13,374	-
Total assets	430,590	6,666
LIABILITIES		
Accounts payable and accrued liabilities	2,784	3,243
Deposits payable	-	3,423
Total liabilities	2,784	\$ 6,666
NET POSITION RESTRICTED FOR PENSIONS	\$ 427,806	

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, 2014
(amounts expressed in thousands)

	Municipal Employees Pension Plan
ADDITIONS	
Contributions:	
Employer	\$ 12,001
Plan members	6,678
	18,679
Investment Income:	
Net appreciation in fair value of investments	58,510
Interest	1,908
Dividends	1,737
	62,155
Less: investment expense	(990)
Net investment income	61,165
Total additions	79,844
DEDUCTIONS	
Benefits	32,264
Refunds of contributions	1,208
Administrative expense	313
Total deductions	33,785
Net increase in fiduciary net position	46,059
NET POSITION RESTRICTED FOR PENSIONS	
Beginning of year	381,747
End of year	\$ 427,806

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, 2014
(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	\$ 85,125	\$ 12,010	\$ 18,940	\$ 11,130	\$ 127,205
Cash and cash equivalents - restricted	12,889	-	4,497	10,235	27,621
Investments	-	-	-	3,463	3,463
Investments - restricted	-	-	300	-	300
Receivables, net	26,337	3,458	3,456	1,792	35,043
Inventories	1,794	-	1,427	626	3,847
Other current assets - restricted	-	-	-	1,015	1,015
Other current assets	-	-	568	508	1,076
	<u>126,145</u>	<u>15,468</u>	<u>29,188</u>	<u>28,769</u>	<u>199,570</u>
Noncurrent assets:					
Cash and cash equivalents - restricted	24,552	-	28,281	3,533	56,366
Investments	-	-	-	500	500
Investments - restricted	58,526	-	20,507	1,002	80,035
Advances to primary government - restricted	297	-	-	-	297
Advances to primary government	-	-	127	-	127
Receivables, net	-	-	-	3,000	3,000
Receivables, net - restricted	16	-	677	10,881	11,574
Land held for resale, net	-	-	-	1,181	1,181
Land held for resale, net - restricted	-	-	-	197	197
Equity interest in joint ventures	13,479	-	-	-	13,479
Other noncurrent assets	-	-	414	-	414
Nondepreciable capital assets	152,300	-	200,753	11,629	364,682
Depreciable capital assets, net	1,007,456	13,864	183,525	54,568	1,259,413
	<u>1,256,626</u>	<u>13,864</u>	<u>434,284</u>	<u>86,491</u>	<u>1,791,265</u>
Total assets	<u>1,382,771</u>	<u>29,332</u>	<u>463,472</u>	<u>115,260</u>	<u>1,990,835</u>
DEFERRED OUTFLOW OF RESOURCES					
Deferred charge on refunding	2,719	-	6,716	673	10,108
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	5,413	1,368	1,523	1,749	10,053
Unearned revenue	-	-	353	344	697
Current portion of long-term liabilities	32,547	282	9,677	1,798	44,304
Accounts payable and accrued liabilities- restricted	12,532	-	6,957	704	20,193
Advances from primary government	-	1,325	-	-	1,325
Deposits subject to refund - restricted	9,841	-	32	-	9,873
	<u>60,333</u>	<u>2,975</u>	<u>18,542</u>	<u>4,595</u>	<u>86,445</u>
Noncurrent liabilities:					
Advances from primary government	-	5,875	-	326	6,201
Deposits subject to refund	-	-	-	430	430
Deposits subject to refund - restricted	-	-	-	61	61
Long-term liabilities, net	400,029	663	162,424	16,850	579,966
	<u>400,029</u>	<u>6,538</u>	<u>162,424</u>	<u>17,667</u>	<u>586,658</u>
Total liabilities	<u>460,362</u>	<u>9,513</u>	<u>180,966</u>	<u>22,262</u>	<u>673,103</u>
DEFERRED INFLOW OF RESOURCES					
Property tax revenue	3,197	-	-	-	3,197
Deferred gain on refunding	222	-	-	-	222
	<u>3,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,419</u>
NET POSITION					
Net investment in capital assets	806,803	6,664	258,359	52,905	1,124,731
Restricted for:					
Debt service	12,190	-	809	1,890	14,889
Capital projects	-	-	1,910	22,489	24,399
Other purposes	-	-	6,290	464	6,754
Unrestricted	102,716	13,155	21,854	15,923	153,648
Total net position	<u>\$ 921,709</u>	<u>\$ 19,819</u>	<u>\$ 289,222</u>	<u>\$ 93,671</u>	<u>\$ 1,324,421</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, 2014
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	TMUA	TARE	Tulsa Airports	Other	Total
Tulsa Metropolitan Utility Authority	\$ 182,464	\$ -	\$ 4,961	\$ 31,822	\$ -	\$ -	\$ -	\$ 31,822
Tulsa Authority for Recovery of Energy	26,557	-	-	-	2,574	-	-	2,574
Tulsa Airports	33,452	8,506	15,447	-	-	10,510	-	10,510
Other	11,733	6,243	3,352	-	-	-	(10,085)	(10,085)
	<u>\$ 254,206</u>	<u>\$ 14,749</u>	<u>\$ 23,760</u>	<u>\$ 31,822</u>	<u>2,574</u>	<u>10,510</u>	<u>(10,085)</u>	<u>34,821</u>
Expenses	\$ 155,603							
	23,983							
	46,895							
	31,413							
	<u>\$ 257,894</u>							
General revenues:								
Taxes:								
Sales taxes							696	696
Property taxes				3,646			966	4,612
Payments from primary government							7,580	7,580
Payments from component units							20	20
Investment earnings				1,463	128	788	532	2,911
Miscellaneous						6,098	263	6,361
Gain on disposal of capital assets					35	4	-	39
Total general revenues				<u>5,109</u>	<u>163</u>	<u>6,890</u>	<u>10,057</u>	<u>22,219</u>
Change in net position				36,931	2,737	17,400	(28)	57,040
Net position--beginning of year				884,778	17,082	271,822	93,699	1,267,381
Net position--end of year				<u>\$ 921,709</u>	<u>\$ 19,819</u>	<u>\$ 289,222</u>	<u>\$ 93,671</u>	<u>\$ 1,324,421</u>

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

Note 1. Summary of Significant Accounting Policies

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

The City implemented the following GASB Statements effective for the year ended June 30, 2014:

GASB Statement No. 67, *Financial Reporting for Pension Plans*, was issued in 2012. GASB Statement 67 revises existing guidance for the financial reports of most pension plans. The Statement enhances reporting requiring additional note disclosures and required supplementary information (RSI) for both defined benefit and defined contribution pension plans. Statement 67 also requires presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in ten-year RSI schedules.

GASB Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, provides accounting and financial reporting guidance to governments that offer or receive nonexchange financial guarantees, which are commitments to ensure payments on an obligation of a legally separate entity or individual. The implementation of the Statement had no significant impact on the City's financial statements.

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.

Note 1. Summary of Significant Accounting Policies, continued

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

Other discretely presented component units:

Tulsa Development Authority ("TDA") - A public authority created to finance urban renewal rehabilitation and redevelopment. Commissioners of TDA are appointed by the Mayor and 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 \$10,471. 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, 2424 E. 21st St., Suite 300, Tulsa Oklahoma 74114.

Regional Metropolitan Utility Authority ("RMUA") - The City is a participant with the City of Broken Arrow, Oklahoma, to operate a sewage treatment facility. The

Note 1. Summary of Significant Accounting Policies, continued

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 \$13,479 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 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") - In October 2013, the City Council voted to relinquish the City's beneficiary interest in the Trust as part of an agreement

with the State to provide additional state funding to the medical center. Accordingly, the OSUMCT ceases to be a related organization.

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.

Note 1. Summary of Significant Accounting Policies, continued

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.

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

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

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

Note 1. Summary of Significant Accounting Policies, continued

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 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 and the proceeds may be loaned to the City or to other 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.

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

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

E. BASIS OF ACCOUNTING

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

The government-wide financial statements and the proprietary, fiduciary and component unit fund financial statements are presented on an accrual basis of

Note 1. Summary of Significant Accounting Policies, continued

accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

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

Modified Accrual – All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

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

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

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

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. 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 increase in fair value is as follows:

Governmental activities	\$ 2,100
Business-type activities	76
Component units	<u>1,086</u>
Net increase in fair value	<u>\$ 3,262</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 65%. In the current year \$305 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

Note 1. Summary of Significant Accounting Policies, continued

land acquired and held for resale by the City at year end amounted to \$2,400 and was carried at the lower of cost or fair value of \$2,400. \$44 of the land is considered current and included in inventories on the Statement of Net Position, and is also reported in the governmental funds as it is considered a current financial resource. The remaining \$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 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 \$14,826, 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.

Note 1. Summary of Significant Accounting Policies, continued

The liability for watermain extension contracts is \$4,507 as of year-end. Annual payments of \$442 are due in accordance with these contracts.

Sewer Line Extensions - Private and non-assessed sewer line extensions contributed to TMUA totaled \$1,149 during the year.

9. Interest Capitalization

Component units capitalized net interest cost in the amount of \$4,471 related to tax exempt financing for capital construction projects during the year. Component units incurred interest costs of \$24,050 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 other financing sources or uses in the year of issuance.

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

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

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

Note 1. Summary of Significant Accounting Policies, continued

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

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

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 ordinance adopting the City's annual budget.

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. \$201,805 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 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.

Note 1. Summary of Significant Accounting Policies, continued

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 as a deferred inflow under the full accrual basis of accounting and will become an inflow in the year for which they are levied. The government-wide Statement of Net Position has an 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.

Note 1. Summary of Significant Accounting Policies, continued

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

The Oklahoma Tax Commission determines property assessed valuations. 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, Sponsorships

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

4. Grant Revenue

The City, 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

TPFA acquired a building in downtown Tulsa known as the One Technology Center. The building containing

approximately 630,000 square feet has been used to consolidate City operations previously located in several locations in or near the central business district in downtown Tulsa. Approximately 143,000 square feet of space is leased under a capital lease to a tenant through 2029. Of the remaining 487,000 square feet of space, 239,000 square feet is leased by the City and the remaining is available for leasing to private businesses.

Lease revenue recognized in the current year from private business leasing was \$3,208.

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 reported as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are reported as transfers. Transfers within governmental activities or within business-type activities are eliminated upon consolidation in the government-wide statements.

9. Payments between 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

Note 1. Summary of Significant Accounting Policies, continued

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.

Certain component units and proprietary funds make nonreciprocal interfund payments to the General Fund for payments in lieu of taxes. These amounts are not reasonably equivalent in value to the services provided.

The General Fund receives payments in lieu of taxes from the Stormwater fund, TMUA, and TARE. The General Fund reports the payments from Stormwater as transfers and the payments from TMUA and TARE as payments from component units. Stormwater reports the payments as a transfer out and as a non-operating, noncapital transfer out in the statement of cash flows. TMUA and TARE report these payments as non-operating payments to primary government and as non-operating, noncapital payments in their cash flow statements.

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 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 City 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.

Note 1. Summary of Significant Accounting Policies, continued

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 by state statutes to use funds available from a fund other than the debt service fund to pay the judgment creditor in full and effectively acquire in exchange, the judgment creditor's rights to the future cash flows and interest earnings on those cash flows.

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

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

Under the City's investment policy, the City uses available funds from its pooled cash and investments portfolio to purchase judgments as investments, just as it purchases treasury instruments and other permissible investments within its cash and investments portfolio.

Accordingly, the City does not record interfund activity related to the above transactions.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the 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

One Technology Center – An enterprise fund, has a deficit net position of \$3,607 resulting from operating income levels insufficient 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 \$311 because it Capital Projects Program. The City will determine other funds where charges can be appropriately reassigned.

E-911 Operating Fund – A special revenue fund, has a deficit budgetary fund balance of \$82 resulting from revenues not meeting projections and expenditures being reduced at a level less than the reduced revenues. It is the City’s intent to manage expenditures to eliminate the deficit.

2. Restatement

The City restated beginning of year net position (deficit) for commissions previously recorded as a prepaid asset. This restatement is in connection with the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, which provided guidance on the treatment of initial direct costs of operating leases and was adopted by the City in 2012. As a result of the error, the change in net position for the year ending June 30, 2013 was understated by \$84 in the One Technology Center fund, overstated by \$115 in the Arena and Convention fund, and overstated in the Business-Type Activities total by \$31. The result of the restatement on the current beginning of year net position (deficit) is as follows:

	One Technology Center	Arena and Convention	Business-Type Activities Total
Net position (deficit), beginning of year	\$ (4,923)	\$ 208,943	\$ 563,914
Adjustment applicable to prior periods	(822)	(1,343)	(2,165)
Net position (deficit), beginning of year as restated	<u>\$ (5,745)</u>	<u>\$ 207,600</u>	<u>\$ 561,749</u>

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, 2014, 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. The policy requires diversification among authorized investment broker/dealers, with not more than fifty percent (50%) of the City's investment portfolio invested through any one financial institution or broker/dealer.

Investment Policy - Repurchase agreements under 14 days are limited to thirty percent (30%) of the investment portfolio. Money market funds, collateralized repurchase agreements over 14 days, certificates of deposit and demand deposits are all limited to not exceed twenty percent (20%) of the investment. 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	\$ 98,711	2.12	n/a	20.5%	n/a	n/a
Property tax judgments	6,475	1.30	n/a	1.3%	n/a	n/a
Federal Farm Credit Bank securities	78,727	2.87	19.3%	16.4%	Aaa	AA+
Federal Home Loan Bank securities	71,778	3.01	17.6%	14.9%	Aaa	AA+
Federal Home Loan Mortgage Corporation securities	78,630	3.15	19.3%	16.4%	Aaa	AA+
Federal National Mortgage Association securities	72,497	3.02	17.8%	15.1%	Aaa	AA+
Certificates of Deposit	1,185	n/a	0.3%	0.2%	n/a	n/a
	<u>\$ 408,003</u>	<u>2.30</u>	<u>74.3%</u>	<u>84.8%</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	\$ 1,069	3.69	61.9%	Aaa	AA+
Money Market	658	n/a	38.1%	Aaa	AAA
	<u>\$ 1,727</u>	<u>3.69</u>	<u>100.0%</u>		

Proprietary Funds	Fair Value	Weighted	Concentration	Moody's	S & P
		Average Maturity (years)			
Federal Home Loan Bank securities	1,566	3.69	18.0%	Aaa	AA+
U.S. Treasury securities	728	1.84	8.4%	n/a	n/a
Money Market	6,415	n/a	73.7%	Aaa	AAA
	<u>\$ 8,709</u>	<u>3.10</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 Municipal Employees Retirement Plan ("MERP") will not be able to recover the value of its investments that are in the possession of the counterparty. Investment securities are exposed to custodial credit risk if they are both uninsured and are not registered in the name of the MERP, and are held by the counterparty or the counterparty's trust department but not in the name of MERP. MERP has no exposure to custodial credit risk because all of MERP's investments that are evidenced by securities are registered in MERP's name.

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

Note 3. Deposits and Investments, continued

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

Investment Type	Rated			Not Rated or	
	Standard & Poors/Moody's			Rating Not	
	AAA/Aaa	A/A	BBB/Baa	Available	Total
U.S. agency obligations	\$ 10,617	\$ -	\$ -	\$ -	\$ 10,617
Government mortgage backed securities	12,723	-	-	-	12,723
Corporate bonds	8,292	5,623	1,140	-	15,055
Asset backed securities	1,297	380	-	231	1,908
Commercial mortgage backed securities	1,244	-	-	1,306	2,550
Municipal obligation	704	-	-	-	704
Foreign obligations	1,067	2,142	264	183	3,656
	<u>\$ 35,944</u>	<u>\$ 8,145</u>	<u>\$ 1,404</u>	<u>\$ 1,720</u>	<u>\$ 47,213</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, 2014 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	\$ 29,735	7.53
Federal Home Loan Mortgage Corp securities	10,617	19.62
Federal National Mortgage Association securities	12,723	19.66
Mutual funds	302,869	N/A
Corporate obligations	19,513	12.07
Foreign obligations	3,655	11.68
Common Stock	24,528	N/A
Preferred Stock	253	N/A
Timber	13,374	N/A
	<u>\$ 417,971</u>	14.61

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, and 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, 2014 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, 2014, the component units' investment in FHLB constituted 12% 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 consist of the following:

Investment Type	Fair Value	Maturities in Years		Moody's	S&P
		<1	1 - 10		
U.S. Treasury securities	\$ 59,525	\$ 39,506	\$ 20,019	n/a	n/a
U.S. agency obligations	22,012	503	21,509	Aaa	AA+
Money market mutual funds	90,652	90,652	-	Aaa	AAA
Equity index funds	1,300	1,300	-	n/a	n/a
	<u>\$ 173,489</u>	<u>\$ 131,961</u>	<u>\$ 41,528</u>		

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, are as follows:

	Governmental Funds						
	General	Debt Service	Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	Total Governmental Activities
	Current receivables, net:						
Interest receivable	\$ 578	\$ -	\$ 405	\$ 22	\$ 1,005	\$ 27	\$ 1,032
Taxes receivable	26,974	68,463	11,843	1,338	108,618	-	108,618
Accounts receivable, gross	5,770	-	-	520	6,290	242	6,532
Due from other governments	-	-	-	3,557	3,557	-	3,557
	33,322	68,463	12,248	5,437	119,470	269	119,739
Less: Allowance for uncollectibles	(3,157)	-	-	(236)	(3,393)	(2)	(3,395)
	<u>\$ 30,165</u>	<u>\$ 68,463</u>	<u>\$ 12,248</u>	<u>\$ 5,201</u>	<u>\$ 116,077</u>	<u>\$ 267</u>	<u>\$ 116,344</u>
Noncurrent receivables:							
Taxes receivable	-	-	-	-	-	12,697	12,697
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,697</u>	<u>\$ 12,697</u>

	Business-type Activities Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total Business-type Activities
	Current receivables, net:					
Interest receivable	\$ 22	\$ 12	\$ 2	\$ -	\$ 1	\$ 37
Utility receivable	2,556	-	-	-	-	2,556
Accounts receivable, gross	-	451	1,157	17	-	1,625
Capital lease receivable	-	581	-	-	-	581
	2,578	1,044	1,159	17	1	4,799
Less: Allowance for uncollectibles	(47)	-	(20)	-	-	(67)
	<u>\$ 2,531</u>	<u>\$ 1,044</u>	<u>\$ 1,139</u>	<u>\$ 17</u>	<u>\$ 1</u>	<u>\$ 4,732</u>
Noncurrent receivables, net:						
Capital lease receivable	\$ -	\$ 12,070	\$ -	\$ -	\$ -	\$ 12,070
Interest receivable - restricted	16	-	7	-	-	23
	<u>\$ 16</u>	<u>\$ 12,070</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,093</u>

TPFA Capital Lease - On August 28, 2013, the TPFA entered into an amended lease agreement (agreement) with a tenant of OTC effective July 1, 2013 for 143,242 square feet of commercial office space at One Technology Center ("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. TPFA will account for the lease agreement as a capital lease. The initiation of this lease resulted in a gain of approximately \$2,200 that was recognized during 2014 in the One Technology Center fund.

Note 4. Receivables, continued

Minimum future rentals on the capital lease are as follows:

TPFA Capital Lease			
Years	Principal	Interest	Total
2015	\$ 581	\$ 619	\$ 1,200
2016	611	589	1,200
2017	642	558	1,200
2018	675	525	1,200
2019	710	490	1,200
2020-2024	4,131	1,869	6,000
2025-2029	5,301	699	6,000
	<u>\$ 12,651</u>	<u>\$ 5,349</u>	<u>\$ 18,000</u>

Component Units

	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
Current receivables, net:					
Interest receivable	\$ 193	\$ 24	\$ -	\$ 18	\$ 235
Interest receivable - restricted	-	-	-	26	26
Accounts receivable, gross	3,276	-	1,688	332	5,296
Utility receivable, gross	22,975	3,460	-	-	26,435
Due from other governments	-	-	1,784	422	2,206
Notes receivable	-	-	-	1,000	1,000
	<u>26,444</u>	<u>3,484</u>	<u>3,472</u>	<u>1,798</u>	<u>35,198</u>
Less: Allowance for uncollectibles	(107)	(26)	(16)	(6)	(155)
	<u>\$ 26,337</u>	<u>\$ 3,458</u>	<u>\$ 3,456</u>	<u>\$ 1,792</u>	<u>\$ 35,043</u>
Noncurrent receivables:					
Notes receivable	-	-	-	3,000	3,000
Notes receivable - restricted	-	-	-	10,881	10,881
Accounts receivable - restricted	-	-	677	-	677
Interest receivable - restricted	16	-	-	-	16
	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 677</u>	<u>\$ 13,881</u>	<u>\$ 14,574</u>

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(dollar amounts expressed in thousands)

Note 5. Payables

Accounts payable and accrued expenses 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				Government Wide Statements	Total Governmental Activities
				Funds	Total				
Accounts payable	\$ 2,631	\$ 9,321	\$ 10,853	\$ 1,923	\$ 24,728	\$ 960	\$ 25,688	\$ -	\$ 25,688
Accrued payroll	2,185	-	-	165	2,350	167	2,517	-	2,517
Accrued interest	-	-	-	-	-	76	76	4,273	4,349
	<u>\$ 4,816</u>	<u>\$ 9,321</u>	<u>\$ 10,853</u>	<u>\$ 2,088</u>	<u>\$ 27,078</u>	<u>\$ 1,203</u>	<u>\$ 28,281</u>	<u>\$ 4,273</u>	<u>\$ 32,554</u>

	Business-type Activities Enterprise Funds					
	Stormwater Management	One Technology Center	Arena & Convention Center	Tulsa Stadium Trust	Golf Courses	Total
Accrued payroll	301	26	-	-	-	327
Accrued interest - restricted	-	425	232	86	-	743
	<u>\$ 1,133</u>	<u>\$ 1,059</u>	<u>\$ 2,684</u>	<u>\$ 101</u>	<u>\$ 169</u>	<u>\$ 5,146</u>

	Component Units				
	Tulsa Metropolitan Utility Authority	Tulsa Authority for Recovery of Energy	Tulsa Airports	Other Component Units	Total Component Units
	Accounts payable	\$ 3,562	\$ 1,212	\$ 1,523	\$ 1,749
Accounts payable - restricted	8,782	-	6,136	460	15,378
Accrued payroll	1,852	156	-	-	2,008
Accrued interest - restricted	3,749	-	821	244	4,814
	<u>\$ 17,945</u>	<u>\$ 1,368</u>	<u>\$ 8,480</u>	<u>\$ 2,453</u>	<u>\$ 30,246</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>
\$ 388	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>
\$ 95	General Fund	Federal and State Grants	To advance fund grants
146	General Fund	Office Services	To provide cash flow
1,814	Arena & Convention Center	Economic Development	To provide cash flow
<u>\$ 2,055</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
297	TMUA	Bond	To fund capital improvements
<u>\$ 424</u>			
	<u>Advances To Component Units</u>	<u>Advances From Primary Government</u>	<u>Purpose</u>
\$ 326	General Fund	MTTA	To provide cash flow
7,200	TPFA Internal Service Fund	TARE	To fund capital improvements
<u>\$ 7,526</u>			

Note 6. Interfund Transactions, continued

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

Transfers To	Total	Transfers From				
		General Fund	Bond Fund	Sales Tax Fund	Nonmajor Governmental Funds	Enterprise Fund
Governmental Funds:						
Major Funds:						
General Fund	\$ 1,577	\$ -	\$ -	\$ -	\$ 110	\$ 1,467
Nonmajor Funds	129	129	-	-	-	-
Total Governmental Funds	<u>1,706</u>	<u>129</u>	<u>-</u>	<u>-</u>	<u>110</u>	<u>1,467</u>
Internal Service Funds	583	-	-	583	-	-
Enterprise Funds:						
Stormwater Management Fund	8,862	-	171	7,857	834	-
Arena & Convention Center	4,313	961	-	27	3,325	-
Tulsa Stadium Trust	2,339	-	-	-	2,339	-
Golf Courses Fund	1,013	500	-	513	-	-
Total Enterprise Funds	<u>16,527</u>	<u>1,461</u>	<u>171</u>	<u>8,397</u>	<u>6,498</u>	<u>-</u>
Total Primary Government	<u>\$ 18,816</u>	<u>\$ 1,590</u>	<u>\$ 171</u>	<u>\$ 8,980</u>	<u>\$ 6,608</u>	<u>\$ 1,467</u>

Transfers - in		Transfers - out	
Governmental Funds	\$ 1,706	Governmental Funds	\$ 17,349
Internal Service Funds	583	Internal Service Funds	-
Enterprise Funds	16,527	Enterprise Funds	1,467
Total Primary Government	<u>\$ 18,816</u>	Total Primary Government	<u>\$ 18,816</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
June 30, 2014
(dollar amounts expressed in thousands)

Note 7. Capital Assets

Capital asset activity for the year ended is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 37,503	\$ 1,720	\$ -	\$ 39,223
Land - Infrastructure use	488,448	-	-	488,448
Construction in progress:				
General government	42,862	27,453	(30,417)	39,898
Infrastructure	121,057	80,134	(92,174)	109,017
Total construction in progress	163,919	107,587	(122,591)	148,915
Total nondepreciable capital assets	689,870	109,307	(122,591)	676,586
Depreciable capital assets:				
Land improvements	65,304	9,454	(326)	74,432
Buildings	143,559	20,447	(1,956)	162,050
Equipment	174,052	11,013	(6,377)	178,688
Street network	2,993,664	89,375	-	3,083,039
Bridge network	37,212	2,164	-	39,376
Total depreciable capital assets	3,413,791	132,453	(8,659)	3,537,585
Total capital assets	4,103,661	241,760	(131,250)	4,214,171
Accumulated depreciation:				
Land improvements	(50,454)	(974)	76	(51,352)
Buildings	(69,818)	(3,590)	1,452	(71,956)
Equipment	(103,872)	(10,871)	5,467	(109,276)
Street network	(2,467,997)	(28,509)	-	(2,496,506)
Bridge network	(3,966)	(1,624)	-	(5,590)
Total accumulated depreciation	(2,696,107)	(45,568)	6,995	(2,734,680)
Total depreciable capital assets, net	717,684	86,885	(1,664)	802,905
Governmental activities capital assets, net	\$ 1,407,554	\$ 196,192	\$ (124,255)	\$ 1,479,491

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(dollar amounts expressed in thousands)

Note 7. Capital Assets, continued

	Beginning Balance	Additions	Reductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Nondepreciable capital assets:				
Land	\$ 84,200	\$ 5,276	\$ (1,895)	\$ 87,581
Construction in progress	18,202	14,889	(14,123)	18,968
Total nondepreciable assets	102,402	20,165	(16,018)	106,549
Depreciable capital assets:				
Land improvements	351,460	14,554	-	366,014
Buildings	299,283	530	(14,005)	285,808
Equipment	58,111	2,430	(1,917)	58,624
Total depreciable capital assets	708,854	17,514	(15,922)	710,446
Total capital assets	811,256	37,679	(31,940)	816,995
Accumulated depreciation:				
Land improvements	(87,076)	(9,992)	-	(97,068)
Buildings	(64,223)	(9,297)	1,550	(71,970)
Equipment	(28,399)	(4,304)	1,543	(31,160)
Total accumulated depreciation	(179,698)	(23,593)	3,093	(200,198)
Total depreciable capital assets, net	529,156	(6,079)	(12,829)	510,248
Business-type activities capital assets, net	\$ 631,558	\$ 14,086	\$ (28,847)	\$ 616,797
DISCRETELY PRESENTED COMPONENT UNITS:				
Nondepreciable capital assets:				
Land, easements and other	\$ 184,393	\$ 2,534	\$ (16)	\$ 186,911
Water rights	9,593	-	-	9,593
Construction in progress	118,866	97,283	(47,971)	168,178
Total nondepreciable capital assets	312,852	99,817	(47,987)	364,682
Depreciable capital assets:				
Land improvements and water and sewer lines	1,717,875	58,839	(59)	1,776,655
Buildings	338,284	994	(525)	338,753
Equipment	148,567	8,712	(6,206)	151,073
Total depreciable capital assets	2,204,726	68,545	(6,790)	2,266,481
Total capital assets	2,517,578	168,362	(54,777)	2,631,163
Accumulated depreciation:				
Land improvements and water and sewer lines	(719,099)	(35,131)	58	(754,172)
Buildings	(188,580)	(8,879)	518	(196,941)
Equipment	(51,221)	(10,792)	6,058	(55,955)
Total accumulated depreciation	(958,900)	(54,802)	6,634	(1,007,068)
Total depreciable capital assets, net	1,245,826	13,743	(156)	1,259,413
Component unit capital assets, net	\$ 1,558,678	\$ 113,560	\$ (48,143)	\$ 1,624,095

Depreciation expense is charged to functional activities as follows:

Governmental Activities		Business-type Activities		Component Units	
General government	\$ 183	Stormwater Management	\$ 8,901	TMUA	\$ 33,768
Public safety and protection	8,810	One Technology Center	1,299	TARE	1,792
Public works and transportation	33,730	Arena & Convention Center	11,049	Tulsa Airports	13,664
Social and economic development	267	Tulsa Stadium Trust	1,977	Other	5,578
Culture and recreation	2,578	Golf Courses	367		\$ 54,802
	<u>\$ 45,568</u>		<u>\$ 23,593</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 \$6,942 is discounted at an annual rate of 3.2% and presented at their net present value of \$5,199.

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

	2014	2013	2012
Claims liability at beginning of year	\$ 17,940	\$ 19,690	\$ 19,179
Current year claims and changes in estimates	7,284	7,784	8,666
Claims payments	(5,625)	(9,534)	(8,155)
Claims liability at end of year	<u>\$ 19,599</u>	<u>\$ 17,940</u>	<u>\$ 19,690</u>
Assets available to pay claims at June 30	<u>\$ 24,885</u>	<u>\$ 24,492</u>	<u>\$ 26,247</u>

Note 9. Retirement and Deferred Compensation Plans

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

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

A summary of plan information is as follows:

A. MUNICIPAL EMPLOYEES' RETIREMENT PLAN

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Accounting – The MERP financial statements are prepared on the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions is made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Securities without an established market value are reported at estimated fair value. Administrative costs of MERP are financed through investment earnings.

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.

3. Benefits and Refunds Paid - Any member whose years of continuous employment, when added to the member's age equals or exceeds 80, may retire without a reduction in the monthly benefit. The amount of retirement benefit is established by City ordinance and is equal to 2.35% of final average earnings, 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 members; 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.

4. Membership data (for MERP):

Active members	2,386
Retirees and beneficiaries	
currently receiving benefits	1,764
Inactive members entitled to but	
not yet receiving benefits	270
	4,420

5. Contributions - The contribution requirements of active members and the City are established by City ordinance. Plan members are required to contribute 6% of covered compensation to the Plan. The City is required to contribute the remaining amounts necessary to fund the system.

Active MERP members	
Payroll costs	\$ 96,901
Covered payroll costs	\$ 92,598

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

7. Asset Allocation - Following is the Plans' asset allocation policy as of June 30, 2014, and the long-term expected geometric real rate of return for each major asset class:

Note 9. Retirement and Deferred Compensation Plans, continued

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	34%	0.75%
Domestic equity	31%	5.35%
International equity	21%	5.55%
Real estate	7%	3.90%
Commodities	3%	0.80%
Timber	4%	4.65%

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

For the year ended, the annual money-weighted rate of return on MERP investments, net of investment expense, was 16.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

8. Annual Pension Cost Trend Information

Year	Annual		Net
	Pension Cost	Percentage Contributed	Pension Obligation
2014	\$ 10,701	94.0%	\$ 4,647
2013	11,360	118.3%	4,000
2012	11,874	96.1%	6,074

9. Net Pension Liability (for MERP):

Total pension liability	\$ 537,584
Plan fiduciary net position	(427,806)
Net pension liability	<u>\$ 109,778</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>79.6%</u>

The total pension liability was determined using an actuarial valuation date of January 1, 2014 rolled forward from the valuation date to the fiscal year ending June 30, 2014 using generally accepted actuarial principals and methods.

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

Valuation date	January 1, 2014
Investment rate of return	7.75%
Projected salary increases*	4.25% - 13.70%
* Includes inflation at	3.25%
Mortality rates	1994 Group Annuity Table

10. Single Discount Rate (for MERP) - A single discount rate of 7.75% was used to measure the total estimated pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.75%. The projection of cash flows used to determine this single discount rate assumed that MERP member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, MERP's fiduciary net position and future contributions were sufficient to finance all the benefit payments of the current plan members.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the Plan's estimated net pension liability, calculated using a single discount rate of 7.75% as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is one percentage point lower and higher.

Current Assumption		
1% Decrease	Rate (7.75%)	1% Increase
\$ 168,162	\$ 109,778	\$ 59,983

B. OKLAHOMA FIREFIGHTERS' PENSION AND RETIREMENT SYSTEM

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

Unless otherwise indicated, information in this note related to the Firefighters' Pension and Retirement systems are provided as of July 1, 2014, the most recent actuarial valuation.

1. Plan Description - The City's Firefighters are covered by the Oklahoma Firefighters' Pension and Retirement System, ("Firefighters' System") which is a statewide cost sharing multiple-employer defined benefit plan established by the State of Oklahoma that provides members 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 member of the Firefighters' System. Any participant who completes 20

Note 9. Retirement and Deferred Compensation Plans, continued

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 Firefighters' System, and is required by statute to make appropriations as necessary to insure that benefit payments are made.

Covered payroll for the Firefighters' System was \$43,838 while the City's total payroll for participants was \$45,889.

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.

2. Contributions - Members of the Firefighters' System are required to pay 9% (effective 11/1/13) of their covered compensation to the pension plan. The City makes a contribution of 14% (effective 11/1/13) of the members' covered compensation to the system as required by state statute. Contributions to the Firefighters' System were \$9,797 of which \$5,994 was made by the City and \$3,803 was made by the firefighters. These contributions represent approximately 13.7% (City) and 8.7% (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
2014	\$ 9,797	100%
2013	9,144	100%
2012	8,813	100%

4. On-Behalf Payments - The State of Oklahoma contributed \$13.1 million to the Oklahoma Firefighters Pension and Retirement System on behalf of City firefighters. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

5. Related Party Investments - As of and for the year ended, the Firefighters' System held no securities issued by the City or other related parties.

C. OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

1. Plan Description - Sworn officers of the City's Police Department are covered by the Oklahoma Police Pension and Retirement System, ("OPPRS") which is a statewide cost sharing multiple-employer defined benefit pension plan established by the State of Oklahoma to provide members 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.

Members become vested upon completing ten years of credited service as a contributing participant of OPPRS. 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 OPPRS, and is required by statute to make appropriations as necessary to insure that benefit payments are made.

The covered payroll for OPPRS was \$50,720 while the City's total covered payroll for participants was \$61,847.

OPPRS 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 OPPRS 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 OPPRS as required by state statute. Total contributions were \$10,651, of which \$6,593 is from the City's contributions and \$4,058 is from employee contributions.

The City's contributions represent 28% of the OPPRS total annual contributions state-wide.

3. Annual Required Contribution Trend Information

Year	Required Contribution	Percentage Contributed
2014	\$ 10,651	100%
2013	10,653	100%
2012	9,910	100%

Note 9. Retirement and Deferred Compensation Plans, continued

4. On-Behalf Payments - The State of Oklahoma contributed \$5.9 million to the OPPRS on behalf of City Police Officers. State contributions are funded by allocations of the state's insurance premium tax. The City is not legally responsible for these contributions.

5. Related Party Investments - As of and for the year ended, the OPPRS held no securities issued by the City or other related parties

D. DEFERRED COMPENSATION PLAN

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

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

that will provide participants with a reasonable opportunity to build diversified portfolios.

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

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

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

Note 10. Other Post-Employment Benefits

A. OPEB 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 multi-employer defined benefit healthcare plan. The governmental activities, business type activities and component units account for 96% of the OPEB liability. Other organizations, not in the reporting entity account for the remaining 4%. The benefits, coverage levels, employee contributions and employer contributions are governed by the City and can be amended by the City through its personnel manual and union contracts. 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	218
Active employees	2,453
	<u>2,671</u>

D. FUNDING POLICY

Effective June 30, 2014, the City terminated the direct retiree subsidy, but continues to offer retiree medical coverage at the same rate as that provided to current employees.

During the year, the City contributed a fixed premium

subsidy towards the medical coverage of retirees and their dependents. For the year ending June 30, 2014, the City contributed \$73.39 per month for participants retiring prior to July 1, 1998 and \$111.39 per month for participants retiring after June 30, 1998. Additionally, the City contributed \$84.48 per month for dependent coverage and \$131.60 for retirees residing out of the network area. The retirees and their dependents are responsible for the remainder of the group contract rate for the medical plan chosen. As of June 30, 2014, no irrevocable trust had been established for the funding of the Plan's post-retirement benefit obligation. The premium subsidy paid by the City was 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
2014	\$ 1,062	\$ 1,332	125%	\$ 16,637
2013	2,581	1,685	65%	17,631
2012	2,493	1,208	48%	16,735

F. 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.

Note 10. Other Post-Employment Benefits, continued

G. NET OPEB OBLIGATION IS CALCULATED AS FOLLOWS:

Annual Required Contribution	\$ 1,376
Interest on Net OPEB Obligation	705
Adjustment to Annual Required Contribution	<u>(1,019)</u>
Annual OPEB Cost	1,062
Contributions	<u>(1,332)</u>
Decrease in Net OPEB Obligation	(270)
Net OPEB Obligation, beginning of year	17,631
Adjustment for employee group leaving the plan	<u>(724)</u>
Net OPEB Obligation, end of year	<u><u>\$ 16,637</u></u>
Net OPEB Obligation reported in:	
Governmental activities	8,363
Business type activities	1,091
Component units	6,537
Organizations not in reporting entity	646
	<u><u>\$ 16,637</u></u>

H. SCHEDULE OF FUNDING PROGRESS

The funded status of the plan as of July 1, 2013	
Actuarial Accrued Liability (AAL)	\$ 14,216
Actuarial value of plan assets (AVPA)	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 14,216</u>
Funded ratio (AVPA / AAL)	0%
Covered payroll (active plan members)	<u>\$ 105,553</u>
UAAL as a percentage of covered payroll	<u><u>13.5%</u></u>

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):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
PRIMARY GOVERNMENT					
Governmental activities:					
General obligation bonds	\$ 418,793	\$ 50,000	\$ (38,415)	\$ 430,378	\$ 43,246
Revenue bonds	9,605	-	(1,305)	8,300	1,320
Other long-term liabilities	66,082	27,834	(28,624)	65,292	29,963
Premium on debt issuance - GO bonds	20,239	1,316	(4,468)	17,087	-
Premium on debt issuance - Revenue bonds	730	-	(174)	556	-
Total governmental activities	<u>515,449</u>	<u>79,150</u>	<u>(72,986)</u>	<u>521,613</u>	<u>74,529</u>
Business-type activities:					
Revenue bonds	107,522	23,305	(27,407)	103,420	4,515
Unamortized discount--revenue bonds	(132)	-	6	(126)	-
Unamortized premium--revenue bonds	-	23	(1)	22	-
Compensated absences	684	986	(993)	677	485
Other post-employment benefits	941	150	-	1,091	-
Pension liability	235	37	(37)	235	-
Contract obligation	-	18	-	18	-
Total business-type activities	<u>109,250</u>	<u>24,501</u>	<u>(28,432)</u>	<u>105,337</u>	<u>5,000</u>
Total primary government	<u>\$ 624,699</u>	<u>\$ 103,651</u>	<u>\$ (101,418)</u>	<u>\$ 626,950</u>	<u>\$ 79,529</u>
COMPONENT UNITS					
Revenue bonds:					
TAIT	146,970	41,030	(16,648)	171,352	9,510
TMUA	143,935	-	(9,710)	134,225	9,965
TPA	17,860	-	(1,675)	16,185	1,715
Premium on debt issuance - TMUA	2,466	-	(317)	2,149	-
Premium on debt issuance - TAIT	73	373	(12)	434	-
Unamortized bond discount - TAIT	(317)	(590)	52	(855)	-
Premium on debt issuance - TPA	768	-	(108)	660	-
	<u>311,755</u>	<u>40,813</u>	<u>(28,418)</u>	<u>324,150</u>	<u>21,190</u>
General obligation bonds	40,817	-	(5,510)	35,307	5,374
Premium on debt issuance - TMUA	1,475	-	(430)	1,045	-
	<u>42,292</u>	<u>-</u>	<u>(5,940)</u>	<u>36,352</u>	<u>5,374</u>
Promissory notes	214,175	31,533	(11,730)	233,978	13,699
Unamortized bond discount - TMUA	(63)	(54)	13	(104)	-
Premium on debt issuance - TMUA	6,288	432	(321)	6,399	-
	<u>220,400</u>	<u>31,911</u>	<u>(12,038)</u>	<u>240,273</u>	<u>13,699</u>
Capital lease	8,327	-	(4,157)	4,170	188
Watermain extension contracts	5,284	-	(777)	4,507	442
Compensated absences	6,490	4,294	(4,845)	5,939	3,330
Other post-employment benefits	7,583	25	(1,071)	6,537	-
Pension liability	1,882	941	(481)	2,342	81
Total component units	<u>\$ 604,013</u>	<u>\$ 77,984</u>	<u>\$ (57,727)</u>	<u>\$ 624,270</u>	<u>\$ 44,304</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. The City's legal debt limit is \$316,453. All currently outstanding City general obligation bonds were approved by at least three-fifths the voters; therefore, they are not subject to that limit.

B. PRIMARY GOVERNMENT

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

Revenue Bond Refunding - On October 22, 2013, TST issued Series 2013 bonds aggregating \$23,305 for the purpose of refunded Revenue Bonds No. 2010-1 and 2010-2.

The transaction will reduce debt service payments by approximately \$9,340 over the next 25 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$4,070.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(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%	\$ 7,128	\$ -	\$ (2,321)	\$ 4,807	\$ 2,321
Series 2004-B, Refunding	11,582	2015	4.0-5.0%	2,588	-	(1,285)	1,303	1,303
Series 2006	30,183	2026	4.0-4.50%	20,602	-	(1,597)	19,005	1,597
Series 2007	65,933	2027	4.0-4.25%	51,276	-	(3,664)	47,612	3,664
Series 2008	35,851	2028	4.0-4.75%	28,280	-	(1,893)	26,387	1,893
Series 2009	48,454	2029	3.0-4.25%	40,737	-	(2,572)	38,165	2,572
Series 2009B	70,000	2019	5.0%	54,400	-	(7,800)	46,600	7,800
Series 2009A, Refunding	9,153	2019	3.0-4.0%	5,918	-	(1,032)	4,886	1,010
Series 2009B, Refunding	14,405	2021	3.0-5.0%	10,183	-	(1,351)	8,832	1,323
Series 2010	70,000	2020	4.0-5.0%	62,200	-	(7,800)	54,400	7,800
Series 2011	50,000	2031	2.0-3.50%	50,000	-	(2,650)	47,350	2,650
Series 2011A, Refunding	21,105	2022	2.25-4.25%	16,735	-	(2,085)	14,650	2,025
Series 2013A, Refunding	23,746	2025	2.50%	23,746	-	(2,365)	21,381	2,288
Series 2013	23,746	2025	4.0%	45,000	-	-	45,000	5,000
Series 2014	45,000	2023	4.0%	-	50,000	-	50,000	-
				418,793	50,000	(38,415)	430,378	43,246
Premium on debt issuance				20,239	1,316	(4,468)	17,087	-
				439,032	51,316	(42,883)	447,465	43,246
Revenue bonds:								
Capital Improvements - 2012	10,900	2020	3.0-4.0%	9,605	-	(1,305)	8,300	1,320
Premium on debt issuance				730	-	(174)	556	-
				10,335	-	(1,479)	8,856	1,320
Other long-term liabilities:								
Compensated absences				30,685	18,327	(20,192)	28,820	20,652
Other post-employment benefits				7,998	365	-	8,363	-
Pension liability				1,826	511	(267)	2,070	-
Claims and judgments				22,505	8,631	(7,240)	23,896	8,880
Due to other governments				3,068	-	(925)	2,143	431
				66,082	27,834	(28,624)	65,292	29,963
Total governmental activities				\$ 515,449	\$ 79,150	\$ (72,986)	\$ 521,613	\$ 74,529
Business-type activities								
Revenue bonds:								
Assembly Center - 1985	23,335	2014	6.60%	3,135	-	(1,520)	1,615	1,615
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%	23,925	-	-	23,925	-
Capital Improvements - 2008	16,000	2027	6.07%	12,670	-	(915)	11,755	1,000
Capital Improvements - 2012, Refunding	9,480	2018	1.25%	9,480	-	(1,280)	8,200	1,340
Improvement District - 2010-1	19,711	2038	6.15%	18,892	-	(18,892)	-	-
Improvement District - 2010-2	5,000	2038	7.90%	4,800	-	(4,800)	-	-
Improvement District - 2013, Tax-exempt	19,355	2038	4.26%	-	19,355	-	19,355	465
Improvement District - 2013, Taxable	3,950	2038	5.24%	-	3,950	-	3,950	95
				107,522	23,305	(27,407)	103,420	4,515
Unamortized discount				(132)	-	6	(126)	-
Unamortized premium				-	23	(1)	22	-
				107,390	23,328	(27,402)	103,316	4,515
Compensated absences				684	986	(993)	677	485
Other post-employment benefits				941	150	-	1,091	-
Pension liability				235	37	(37)	235	-
Contract obligation				-	18	-	18	-
Total business-type activities				\$ 109,250	\$ 24,519	\$ (28,432)	\$ 105,337	\$ 5,000

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%	\$ 4,970	\$ 4,807	\$ 163
Series 2004-B, Refunding (8% Sewer)	2015	4.0-5.0%	1,420	1,303	117
Series 2006 (2.635% Sewer)	2026	4.0-4.50%	19,520	19,005	515
Series 2007 (9.295% Sewer)	2027	4.0-4.25%	52,490	47,612	4,878
Series 2008 (19.45405530% Sewer)	2028	4.0-4.75%	32,760	26,387	6,373
Series 2009 (6.4604247% Sewer)	2029	3.0-4.25%	40,800	38,165	2,635
Series 2009B	2019	5.0%	46,600	46,600	-
Series 2009A, Refunding (37.668% Sewer)	2019	3.0-4.0%	7,840	4,886	2,954
Series 2009B, Refunding (30.5625% Sewer)	2021	3.0-5.0%	12,720	8,832	3,888
Series 2010	2020	4.0-5.0%	54,400	54,400	-
Series 2011	2031	2.0-3.50%	47,350	47,350	-
Series 2011A, Refunding	2022	2.25-4.25%	14,650	14,650	-
Series 2012A, Refunding (100% Sewer)	2017	4.0%	6,100	-	6,100
Series 2013A Refunding (26.438% Sewer)	2025	2.50%	29,065	21,381	7,684
Series 2013	2023	4.0%	45,000	45,000	-
Series 2014	2034	3.0-4.0%	50,000	50,000	-
			<u>\$ 465,685</u>	<u>\$ 430,378</u>	<u>\$ 35,307</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.

Revenue Bond Refunding - On December 4, 2013, TAIT issued the Series 2013B Revenue Bonds in the amount of \$3,275. The proceeds of this issue were used to complete a current refunding of the Trust's capital lease obligation. The transaction will reduce debt service payments by approximately \$888 over the next 10 years and result in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$91. This refunding resulted in a deferred accounting gain of \$65 which will be amortized over the life of the new bonds.

2. 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, 2014, the Series 2013A and 2014A Promissory Notes for \$9,850 and \$2,910, respectively, were authorized but unissued.

3. TMUA Line of Credit - On July 10, 2013 TMUA 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. There have been no draws under the agreement.

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, 2014, Special Facility Revenue Bonds outstanding aggregated \$10,120.

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(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.

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, 2014, the aggregate outstanding principal balances due on these notes and bonds are approximately \$142,000.

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.

Component Units long-term liability activity is as follows:

	Authorized Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
REVENUE BONDS:								
<u>Tulsa Airports Improvement Trust</u>								
Series 2000-A	\$ 11,000	2020	6.0%	\$ 5,000	\$ -	\$ (5,000)	\$ -	\$ -
Series 2004-A	17,800	2018	3.25-5.0%	8,205	-	(1,485)	6,720	1,560
Series 2004-B	2,200	2017	4.95%	800	-	(200)	600	200
Series 2009-A	42,705	2024	3.0-5.375%	32,915	-	(2,370)	30,545	2,465
Series 2009-B	25,865	2031	3.0-5.75%	22,840	-	(1,195)	21,645	1,195
Series 2009-C	4,020	2023	3.0-6.0%	3,865	-	(80)	3,785	85
Series 2009-D	56,615	2031	2.726-7.114%	50,915	-	(855)	50,060	1,040
Series 2010-A	5,770	2021	4.57-5.0%	4,965	-	(545)	4,420	560
Series 2010-B	8,215	2021	6.0-6.50%	6,415	-	(685)	5,730	690
Series 2010-C	13,520	2025	4.0-5.25%	10,270	-	(1,080)	9,190	1,485
Series 2012-A	14,625	2016	1.92%	132	3,716	(2,131)	1,717	-
Series 2012-B	2,000	2015	2.75%	648	374	(1,022)	-	-
Series 2013-A	33,665	2043	5.0-5.63%	-	33,665	-	33,665	-
Series 2013-B	3,275	2024	1.389-5.09%	-	3,275	-	3,275	230
				146,970	41,030	(16,648)	171,352	9,510
Premium on debt issuance				73	373	(12)	434	-
Unamortized discount				(317)	(590)	52	(855)	-
				146,726	40,813	(16,608)	170,931	9,510
<u>Tulsa Metropolitan Utility Authority</u>								
Series 2007	27,815	2027	4.0-4.50%	15,815	-	(2,400)	13,415	2,500
Series 2009	21,500	2029	3.0-4.75%	18,790	-	(745)	18,045	775
Series 2010	14,510	2030	2.0-4.0%	13,960	-	(560)	13,400	575
Series 2011	24,100	2031	2.0-4.375%	22,370	-	(840)	21,530	855
Series 2012 Refunding	12,685	2025	2.0-2.65%	11,720	-	(965)	10,755	960
Series 2013 Refunding	61,280	2025	2.0-3.0%	61,280	-	(4,200)	57,080	4,300
				143,935	-	(9,710)	134,225	9,965
Premium on debt issuance				2,466	-	(317)	2,149	-
				146,401	-	(10,027)	136,374	9,965
<u>Tulsa Parking Authority</u>								
Series 2012 - Refunding	17,860	2028	2.0-4.0%	17,860	-	(1,675)	16,185	1,715
				17,860	-	(1,675)	16,185	1,715
Premium on debt issuance				768	-	(108)	660	-
				18,628	-	(1,783)	16,845	1,715
				\$ 311,755	\$ 40,813	\$ (28,418)	\$ 324,150	\$ 21,190

CITY OF TULSA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(dollar amounts expressed in thousands)

Note 11. Long-Term Liabilities, continued

Component Units long-term liability activity, continued

Description	Issue Amount	Maturity Date	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
PROMISSORY NOTES:								
Tulsa Metropolitan Utility Authority								
Series 1997-A, Sanitary Sewer	\$ 4,035	2016	0.50%	\$ 721	\$ -	\$ (206)	\$ 515	\$ 206
Series 1998-B, Sanitary Sewer	4,392	2017	0.50%	1,032	-	(229)	803	229
Series 2001-B, Sanitary Sewer	4,996	2020	0.50%	1,841	-	(263)	1,578	263
Series 2002-D, Sanitary Sewer	6,813	2021	0.50%	2,970	-	(350)	2,620	349
Series 2004-B, Sanitary Sewer	1,560	2023	0.50%	840	-	(80)	760	80
Series 2005-B, Sanitary Sewer	7,900	2027	3.10%	5,918	-	(328)	5,590	338
Series 2005-C, Sanitary Sewer	1,203	2025	0.50%	752	-	(60)	692	60
Series 2006-A, Sanitary Sewer	3,130	2027	3.10%	2,285	-	(127)	2,158	131
Series 2006-B, Sanitary Sewer	835	2016	1.56%	276	-	(96)	180	101
Series 2006-C, Sanitary Sewer	17,825	2029	3.10%	14,530	140	(793)	13,877	707
Series 2006, Sanitary Sewer	52,585	2025	4.145-5.145%	40,230	-	(2,355)	37,875	2,445
Series 2007-A, Sanitary Sewer	5,131	2026	0.50%	3,552	-	(263)	3,289	263
Series 2007-B, Sanitary Sewer	8,365	2026	3.795-4.845%	6,609	-	(358)	6,251	371
Series 2008-A, Water	1,250	2013	2.03%	416	-	(416)	-	-
Series 2009-A, Sanitary Sewer	11,320	2032	3.22%	8,816	611	(566)	8,861	566
Series 2009-B, Sanitary Sewer	7,350	2032	2.91%	5,054	-	(202)	4,852	208
Series 2009-C, Water	5,225	2031	2.82%	3,442	-	(138)	3,304	141
Series 2010-A, Sanitary Sewer	27,757	2032	2.89%	19,883	2,774	(1,388)	21,269	1,388
Series 2010-B, Sanitary Sewer	29,380	2030	3.145-5.145%	27,265	-	(1,095)	26,170	1,125
Series 2011 A, Sanitary Sewer	23,480	2033	3.11%	9,205	9,451	(587)	18,069	1,174
Series 2011-B, Sanitary Sewer	14,275	2031	2.645-5.145%	13,775	-	(505)	13,270	520
Series 2011 C, Sanitary Sewer	16,700	2034	2.55%	3,569	7,371	-	10,940	835
Series 2012A, Sanitary Sewer	4,347	2034	2.43%	4	1,006	-	1,010	109
Series 2012-B, Sanitary Sewer	11,355	2032	.545-3.395%	11,135	-	(435)	10,700	440
Series 2012C, Sanitary Sewer	2,450	2017	.395-4.145%	2,450	-	(480)	1,970	480
Series 2013A, Sanitary Sewer	9,850	2035	3.45%	-	-	-	-	-
Series 2013B, Sanitary Sewer	27,605	2033	2.145-5.145%	27,605	-	(410)	27,195	945
Series 2014A (ORF-14-0002-CW)	2,910	2035	2.58%	-	-	-	-	-
Series 2014B (FAP-14-0001-L)	10,180	2033	1.45-4.0599%	-	10,180	-	10,180	225
				<u>214,175</u>	<u>31,533</u>	<u>(11,730)</u>	<u>233,978</u>	<u>13,699</u>
Premium on debt issuance-TMUA				6,288	432	(321)	6,399	-
Unamortized discount-TMUA				(63)	(54)	13	(104)	-
				<u>\$ 220,400</u>	<u>\$ 31,911</u>	<u>\$ (12,038)</u>	<u>\$ 240,273</u>	<u>\$ 13,699</u>

GENERAL OBLIGATION BONDS:

Tulsa Metropolitan Utility Authority

Series 2004-A, Refunding	949	2016	5.0%	242	-	(79)	163	79
Series 2004-B, Refunding	1,038	2015	4.0-5.0%	232	-	(115)	117	117
Series 2006, Sanitary Sewer	817	2026	4.0-4.50%	558	-	(43)	515	43
Series 2007, Sanitary Sewer	6,757	2027	4.0-4.25%	5,254	-	(376)	4,878	376
Series 2008, Sanitary Sewer	8,659	2028	4.0-4.75%	6,830	-	(457)	6,373	457
Series 2009, Sanitary Sewer	3,347	2029	3.0-4.25%	2,813	-	(178)	2,635	178
Series 2009A Refunding, Sanitary Sewer	5,532	2019	3.0-4.0%	3,577	-	(623)	2,954	610
Series 2009B Refunding, Sanitary Sewer	6,340	2021	3.0-5.0%	4,482	-	(594)	3,888	582
Series 2012A Refunding, Sanitary Sewer	10,575	2017	4.0%	8,295	-	(2,195)	6,100	2,110
Series 2013A Refunding, Sanitary Sewer	8,534	2025	2.50%	8,534	-	(850)	7,684	822
				<u>40,817</u>	<u>-</u>	<u>(5,510)</u>	<u>35,307</u>	<u>5,374</u>
Premium on debt issuance-TMUA				1,475	-	(430)	1,045	-
				<u>\$ 42,292</u>	<u>\$ -</u>	<u>\$ (5,940)</u>	<u>\$ 36,352</u>	<u>\$ 5,374</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
2015	\$ 43,246	\$ 16,810	\$ 5,835	\$ 5,457
2016	44,588	15,072	4,405	5,261
2017	41,897	13,251	4,625	5,110
2018	41,725	11,535	4,475	4,938
2019	41,612	9,811	5,230	4,775
2020-2024	134,708	28,303	18,935	20,581
2025-2029	61,852	9,913	20,230	14,832
2030-2034	20,750	1,958	23,220	8,995
2035-2039	-	-	24,765	2,659
	<u>\$ 430,378</u>	<u>\$ 106,653</u>	<u>\$ 111,720</u>	<u>\$ 72,608</u>

Year	Component Units					
	General Obligation		Revenue Bonds		Promissory Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 5,374	\$ 1,329	\$ 21,190	\$ 14,634	\$ 13,699	\$ 8,335
2016	5,137	1,132	22,581	13,878	14,216	7,920
2017	4,923	945	21,220	13,114	14,308	7,500
2018	2,920	762	20,940	12,325	14,386	7,062
2019	2,903	656	19,765	11,522	14,063	6,588
2020-2024	9,627	1,924	99,590	45,286	72,810	25,295
2025-2029	4,423	431	71,955	25,074	64,652	11,404
2030-2034	-	-	27,795	7,890	25,844	2,318
2035-2039	-	-	8,270	3,825	-	-
2040-2044	-	-	8,456	1,222	-	-
	<u>\$ 35,307</u>	<u>\$ 7,179</u>	<u>\$ 321,762</u>	<u>\$ 148,770</u>	<u>\$ 233,978</u>	<u>\$ 76,422</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 1.51%, which includes program costs of 1.26% and an interest rate of .25%.

D. APPLICABILITY OF FEDERAL ARBITRAGE REGULATIONS

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

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

Note 11. Long-Term Liabilities, continued

E. DEFEASED DEBT

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

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

<u>Tulsa Airports</u>	
1997B Revenue Bonds	\$ 11,125
2000A Revenue Bonds	\$ 5,000

F. NET PENSION OBLIGATION

The net pension obligation was calculated as follows:

Actuarially Determined Contribution (ADC)	\$ 10,631
Interest on Net Pension Obligation	309
Adjustment to ADC	<u>(239)</u>
Annual Pension Cost	10,701
Contributions	<u>(10,054)</u>
Increase in Net Pension Obligation	647
Net Pension Obligation, beginning of year	<u>4,000</u>
Net Pension Obligation, end of year	<u><u>\$ 4,647</u></u>

Net pension obligation reported in:

Governmental activities	\$ 2,070
Business type activities	235
Component units	<u>2,342</u>
	<u><u>\$ 4,647</u></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	\$ 567	\$ -	\$ -	\$ -	\$ -	\$ 567
Land held for sale	44	-	-	-	-	44
	<u>611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611</u>
Restricted for:						
Economic stabilization reserve	2,000	-	-	-	-	2,000
Debt service	-	61,517	-	-	-	61,517
Capital projects	-	-	135,484	194,099	8,227	337,810
Federal and state grants	-	-	-	-	2,217	2,217
E-911 operations	-	-	-	-	179	179
Economic development	-	-	-	-	880	880
Tulsa Stadium district improvements	-	-	-	-	703	703
Law enforcement training	-	-	-	-	51	51
Juvenile crime	-	-	-	-	16	16
Other governmental purposes	-	-	-	-	433	433
	<u>2,000</u>	<u>61,517</u>	<u>135,484</u>	<u>194,099</u>	<u>12,706</u>	<u>405,806</u>
Committed:						
Medical services program	-	-	-	-	540	540
Operation of Air Force Plant 3 facility	-	-	-	-	1,121	1,121
Whittier Square district improvements	-	-	-	-	37	37
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,698</u>	<u>1,698</u>
Assigned to:						
Budgetary resources - subsequent year	6,889	-	-	-	-	6,889
	<u>6,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,889</u>
Unassigned	50,264	-	-	-	(456)	49,808
	<u>\$ 59,764</u>	<u>\$ 61,517</u>	<u>\$ 135,484</u>	<u>\$ 194,099</u>	<u>\$ 13,948</u>	<u>\$ 464,812</u>

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

Major Governmental Funds	Revenue sources
Debt Service	Collection of property taxes
Bond fund	Proceeds from bond issuances
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. Revenues from ad valorem and sales tax in excess of debt service requirements are cross pledged.

Principal and interest of \$4,120 and \$621, respectively remains on the Series 2006A Ad valorem Tax Increment Bonds, payable through January 2017. Principal and interest of \$8,215 and \$2,829 respectively, remains on the Series 2006B Sales Tax Increment Bonds, payable through July 2021. Principal payments for the Series 2006A&B bonds amounted to \$1,175 and \$410, respectively, and interest amounted to \$389 and \$633, respectively. Total gross revenues were \$2,504 from ad valorem taxes and \$8,883 from sales taxes.

2. Revenues Pledged in Connection with Proprietary Fund Debt

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 \$1,668. Principal and interest paid for the year was \$1,727. Total hotel/motel taxes received by the Authority for debt service were \$1,677.

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 \$77,230 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 57% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$117,944. Principal and interest paid on the bonds amounted to \$4,677. Total gross revenues were \$8,176.

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. Annual principal and interest payments on the bonds required 81% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$16,608. Principal and interest paid for the year was \$1,684. Total gross sponsorship and naming rights revenues were \$2,080.

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 payable through 2020. Total principal and interest remaining to be paid on the bonds is \$9,441. Principal and interest paid for the year was \$1,650. Total solid waste collection and disposal revenue was \$26,557.

Improvement District Series 2013 – The TST has pledged future gross revenues derived from operations of the baseball stadium and related facilities to repay approximately \$23,305 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 69% of total gross revenues. The total principal and interest remaining to be paid on the bonds is \$38,666. Principal and interest required to be paid for the year was \$1,838 exclusive of any additional amounts paid. Total gross revenues were \$335 and property tax assessments received from the City were \$2,339.

Note 13. Pledged Revenues, continued

**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 \$134,225 and \$233,978 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 25% and 36% of water and wastewater net revenues, respectively. The total principal and interest remaining to be paid on the bonds is \$170,479 and \$310,400 for water and wastewater, respectively. Combined principal and interest paid for the year were \$15,117 and \$19,616, for water and wastewater respectively. Total net revenues were \$42,186 and \$78,501, respectively.

Airports - The TAIT has pledged future gross revenues derived from the operation of the Airports to repay approximately \$241,275 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 2043. Annual principal and interest payments on the bonds required 39% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$280,590. Principal and interest paid for the year was \$20,277. Total gross revenues were \$51,887.

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. 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 \$19,408. Principal and interest paid for the year were \$1,675 and \$505, respectively. Total gross revenues were \$6,220.

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 \$879 for all types of leases for the primary government and \$367 for its component units.

Capital Leases

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. Included in the lease is an outlet works along with four storage spaces.

Interest rates for the contract were determined by the Secretary of the Treasury. For the initial development stage, the interest rate is 2.5% and for the ultimate development stage, it is 3.23%. Payment for principal and interest along with operations and maintenance costs are due annually and are subject to adjustment based upon the consumer price index.

The lease for the outlet works and storage space #1 matured in 2012. The maturity date and interest rate for the remaining three storage spaces are 2031 and 3.23% respectively.

The minimum lease payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Operating Expense</u>	<u>Total</u>
2015	\$ 188	\$ 135	\$ 169	\$ 492
2016	194	128	169	491
2017	200	122	169	491
2018	207	116	169	492
2019	214	109	169	492
2020-2024	1,175	437	844	2,456
2025-2029	1,377	235	844	2,456
2030-2031	615	30	337	982
	<u>\$ 4,170</u>	<u>\$ 1,312</u>	<u>\$ 2,870</u>	<u>\$ 8,352</u>

Note 15. Contingent Liabilities

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 new 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. A trial date has currently been set for June 2015. TAIT continues to vigorously defend this matter.

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	\$ 6,889
Sales Tax Fund	35,757
Bond Fund	21,960
Nonmajor Funds	7,665
	<u>72,271</u>
Internal Service Funds	<u>940</u>
Enterprise Funds:	
Stormwater Management Fund	3,848
One Technology Center Fund	546
Arena and Convention Center Fund	45
	<u>4,439</u>
Total Primary Government	<u><u>\$ 77,650</u></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, 2014 through November 14, 2014, the date these financial statements were available to be issued.

General Obligation Refunding Bonds, Series 2014A

– On September 2, 2014, the City issued \$16,305 in Series 2014A General Obligation Refunding Bonds. The proceeds of the issue, along with approximately \$3,500 of other City resources were used to currently refund the City's Series 2006 General Obligation bonds.

General Obligation Bonds, Series 2015

– On or around March 2015, the City plans to issue \$70,000 in Series 2015 General Obligation Bonds. This issuance is for the purpose of constructing, reconstructing, improving and repairing streets and bridges. This issuance is the final in a series of issuances of \$355,000,000 of General Obligation Bonds authorized at an election held on November 12, 2013 for that purpose.

General Obligation Refunding Bonds, Series 2015A

– On or around March 2015, the City plans to issue \$45,420 in Series 2015A General Obligation Refunding Bonds. The proceeds of the issue will be used to currently refund the City's Series 2007 General Obligation bonds.

Utility Revenue Bonds, Refunding Series 2014

– TMUA issued its Series 2014 bonds in the amount of \$17,825 to finance the construction, acquisition and equipping of certain capital improvements to the Authority's water treatment and distribution system.

TMUA OWRB Promissory Notes, Series 2014

– TMUA has authorized the issuance of a promissory note with the Oklahoma Water Resources Board in the amount of \$21,000. Closing is scheduled for December 2014 and the proceeds will provide funds for making necessary improvements to the waste water system.

TST Contracts for Sale of Investment Properties

– The Tulsa Stadium Trust has accepted a contract for the sale of two of its investment properties. The purchase price is \$1,900. The sale is expected to close later this year. Also the Tulsa Stadium Trust has accepted a contract for the sale of two investment properties known. The purchase price is \$3,100 and the sale is expected to close later this year.

Note 18. Future Changes in Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements not yet effective and not yet implemented by the City. The City plans to implement all standards by the required dates. GASB Statement No. 68 has the potential to have a significant impact on the City's financial statements:

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, 2015. 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. 71 - *Pension Transitions for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, issued November 2013, will be effective for the City for its year ending June 30, 2015.

The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This benefit will be achieved without the imposition of significant additional costs.

Defined Benefits Pension Trust – Schedule of Changes in the Net Pension Liability – for the current Year

	<u>2014</u>
Total pension liability:	
Service cost	15,518
Interest	38,215
Differences between expected and actual experience	(3,688)
Changes of assumptions	(70,862)
Benefit payments, including refunds of member contributions	(33,472)
Net change in total pension liability	<u>(54,289)</u>
Total pension liability—beginning	591,873
Total pension liability—ending (a)	<u>\$ 537,584</u>
Plan fiduciary net position:	
Contributions—employer	\$ 12,001
Contributions—member	6,678
Net investment income	61,165
Benefit payments, including refunds of member contributions	(33,472)
Administrative expense	(313)
Net change in plan fiduciary net position	<u>46,059</u>
Plan fiduciary net position—beginning	381,747
Plan fiduciary net position—ending (b)	<u>\$ 427,806</u>
Plan's net pension liability—ending (a) - (b)	<u>\$ 109,778</u>

Information for prior years is unavailable

*Defined Benefits Pension Trust – Schedule of Net Pension Liability and
Related Ratios - for the current year*

	<u>2014</u>	
Total pension liability	\$ 537,584	
Plan fiduciary net position	<u>427,806</u>	.
Plans' net pension liability	<u>\$ 109,778</u>	.
Plan fiduciary net position as a percentage of the total pension liability	79.58%	
Covered-employee payroll	107,293	
Plans' net pension liability as a percentage of covered employee payroll	102.32%	

CITY OF TULSA
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2014
 (dollar amounts expressed in thousands)

Defined Benefits Pension Trust – Schedule of Employer Contributions
Last ten years

Measurement Year Ending June 30	Actuarially determined contribution	Actual Contributions	Contribution deficiency (excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2014	\$ 11,834	\$ 12,001	\$ (167)	\$ 107,293	11.2%
2013	12,186	14,305	(2,119)	110,285	13.0%
2012	12,643	10,620	2,023	104,313	10.2%
2011	9,783	6,848	2,935	101,690	6.7%
2010	9,747	7,213	2,534	108,423	6.7%
2009	7,004	7,144	(140)	111,170	6.4%
2008	6,777	6,980	(203)	107,574	6.5%
2007	6,512	6,512	-	103,358	6.3%
2006	6,036	6,036	-	95,804	6.3%
2005	5,634	5,634	-	89,434	6.3%

Note: Amounts presented for years 2013 - 2005 were determined using a December 31st measurement date

Defined Benefits Pension Trust – Schedule of Investment Returns
For the current and prior year

	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense	16.9%	11.8%

Information for prior years is unavailable

Actuarial Valuation, Methods and Assumptions

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level percent, open
Remaining amortization periods	30 years
Asset valuation method	5 year smoothed FMV
Investment rate of return	7.75%
Projected salary increases*	4.25%-13.70%
* Includes inflation at	3.25%
Cost-of-living adjustments	None

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)
7/1/13	\$ -	\$ 14,216	\$ 14,216	0.0%	\$ 105,553	13.5%
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%

Actuarial Valuation, Methods and Assumptions

Valuation date	July 1, 2013
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	5.0%

CITY OF TULSA
 Required Supplementary Information
 General Fund
 Year ended June 30, 2014
 (dollar amounts expressed in thousands)

*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	\$ 194,735	\$ 194,835	\$ 193,785	\$ (1,050)
Licenses and permits	7,238	7,238	7,801	563
Intergovernmental	8,426	8,426	8,510	84
Charges for service	22,310	22,310	20,285	(2,025)
Fines and forfeitures	10,551	10,551	9,421	(1,130)
Investment income	2,733	2,733	2,482	(251)
Payments from component unit	12,966	12,966	13,067	101
Miscellaneous	3,298	3,348	2,484	(864)
Total revenues	262,257	262,407	257,835	(4,572)
Expenditures				
Current				
General government	40,238	38,336	36,261	2,075
Public works and transportation	28,034	25,994	24,283	1,711
Social and economic development	12,923	12,577	12,112	465
Public safety and protection	159,044	160,055	158,838	1,217
Culture and recreation	22,566	22,315	21,725	590
Payments to component units	7,855	7,580	7,580	-
Total expenditures	270,660	266,857	260,799	6,058
Excess (deficiency) of revenues over expenditures	(8,403)	(4,450)	(2,964)	1,486
Other financing sources (uses)				
Transfers in	2,375	2,425	1,925	(500)
Transfers out	(7,237)	(7,237)	(7,237)	-
Total other financing uses	(4,862)	(4,812)	(5,312)	(500)
Net change in fund balances	(13,265)	(9,262)	(8,276)	986
Fund balances, beginning of year	32,072	32,072	32,072	-
Fund balances, end of year	\$ 18,807	\$ 22,810	23,796	\$ 986
Reconciliation to GAAP basis - basis differences:				
Reserve for encumbrances			6,889	
Reserve for advances			567	
Reserve for land inventory			44	
Receivables			30,165	
Non-budgetary payables			(987)	
Unearned revenue			(119)	
Decrease in fair value of investments			(591)	
Fund balance - GAAP basis			\$ 59,764	

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.

This page intentionally left blank



A blue diagonal line runs from the bottom-left towards the top-right. A horizontal blue bar intersects this line, extending to the right. The text "Nonmajor Governmental Funds" is centered within this bar.

Nonmajor Governmental Funds

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 City's hotel/motel excise tax revenue. The monies are used for and economic development and to promote the convention center.
- Tulsa Stadium Improvements District Fund—Accounts for a special assessment tax to be used for funding for ONEOK Field Baseball Park, home of the Tulsa Drillers minor league baseball team and to provide services to the downtown area.
- Special Development Fund—A grouping of 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, 2014
 (amounts expressed in thousands)

	Special Revenue						Capital Projects						Total Nonmajor Governmental Funds
	Federal and State Grants	Medical Services Program	E-911 Operating	Economic Development	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	\$ 1,934	\$ 416	\$ 118	\$ 2,250	\$ 794	\$ 1,526	\$ 712	\$ 7,066	\$ -	\$ 14	\$ 750	\$ 15,580	
Receivables, net	3,252	510	282	704	128	9	2	-	314	-	-	5,201	
Total assets	\$ 5,186	\$ 926	\$ 400	\$ 2,954	\$ 922	\$ 1,535	\$ 714	\$ 7,066	\$ 314	\$ 14	\$ 750	\$ 20,781	
Liabilities													
Accounts payable and accrued liabilities	526	386	221	260	119	22	28	281	237	-	8	2,088	
Due to other funds	-	-	-	-	-	-	-	-	388	-	-	388	
Unearned revenue	897	-	-	-	-	-	-	-	-	-	-	897	
Advances from other funds	95	-	-	1,814	-	-	-	-	-	-	-	1,909	
Total liabilities	1,518	386	221	2,074	119	22	28	281	625	-	8	5,282	
Deferred inflows of resources													
Unavailable revenue- special assessments	-	-	-	-	100	-	-	-	-	-	-	100	
Unavailable revenue- intergovernmental	1,451	-	-	-	-	-	-	-	-	-	-	1,451	
Total unavailable revenue	1,451	-	-	-	100	-	-	-	-	-	-	1,551	
Fund balances (deficit):													
Restricted	2,217	-	179	880	703	500	686	6,785	-	14	742	12,706	
Committed	-	540	-	-	-	1,158	-	-	-	-	-	1,698	
Unassigned	-	-	-	-	-	(145)	-	-	(311)	-	-	(456)	
Total fund balances (deficit)	2,217	540	179	880	703	1,513	686	6,785	(311)	14	742	13,948	
Total liabilities, deferred inflows of resources and fund balances	\$ 5,186	\$ 926	\$ 400	\$ 2,954	\$ 922	\$ 1,535	\$ 714	\$ 7,066	\$ 314	\$ 14	\$ 750	\$ 20,781	

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2014
(amount expressed in thousands)

	Special Revenue						Capital Projects						Total Nonmajor Governmental Funds
	Federal and State Grants	Medical Services Program	E-911 Operating	Economic Development	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 543	\$ -	\$ -	\$ -	\$ 543	
Hotel/Motel tax	-	-	-	6,909	-	-	-	-	-	-	-	6,909	
Special assessment	-	-	-	-	3,586	9	-	-	-	-	-	3,595	
Charges for services	-	4,907	3,638	-	-	61	-	-	-	-	-	8,954	
Intergovernmental revenues	19,552	-	11	-	-	348	-	348	-	-	-	20,283	
Fines and forfeitures	-	-	-	-	-	144	-	-	-	-	-	144	
Investment income	15	13	28	36	13	16	10	-	-	-	-	131	
Program income from grants	1,146	-	-	-	-	-	-	-	-	-	-	1,146	
Payments from component units	59	-	-	-	-	-	-	-	-	-	-	59	
Miscellaneous	4	-	-	4	25	178	-	-	-	-	-	211	
Total revenue	20,776	4,920	3,677	6,949	3,624	756	10	891	372	-	-	41,975	
Expenditures:													
Current:													
General government	-	-	-	-	69	-	-	97	-	-	7	173	
Public safety and protection	3,902	4,986	4,656	-	-	199	-	66	-	-	-	13,809	
Public works and transportation	284	-	-	-	928	-	-	-	-	-	-	1,212	
Culture and recreation	-	-	-	514	-	-	-	-	-	-	-	514	
Social and economic development	13,296	-	-	2,602	-	104	-	-	-	-	-	16,002	
Payments to component units	162	-	-	-	-	7	-	-	-	-	-	169	
Capital outlay	1,697	-	88	115	15	276	28	882	316	-	276	3,693	
Total expenditures	19,341	4,986	4,744	3,231	1,012	586	28	1,045	316	-	283	35,572	
Excess (deficiency) of revenues over expenditures	1,435	(66)	(1,067)	3,718	2,612	170	(18)	(154)	56	-	(283)	6,403	
Other financing sources (uses):													
Transfers in	100	-	-	19	-	10	-	-	-	-	-	129	
Transfers out	(834)	(60)	-	(3,325)	(2,339)	-	-	(50)	-	-	-	(6,608)	
Total other financing sources (uses)	(734)	(60)	-	(3,306)	(2,339)	10	-	(50)	-	-	-	(6,479)	
Net change in fund balances	701	(126)	(1,067)	412	273	180	(18)	(204)	56	-	(283)	(76)	
Fund balance (deficit), beginning of year	1,516	666	1,246	468	430	1,333	704	6,989	(367)	14	1,025	14,024	
Fund balance (deficit), end of year	\$ 2,217	\$ 540	\$ 179	\$ 880	\$ 703	\$ 1,513	\$ 686	\$ 6,785	\$ (311)	\$ 14	\$ 742	\$ 13,948	

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2014
(amounts expressed in thousands)**

	Final Budget	Actual	Variance with Final Budget
Taxes			
Sales tax	\$ 148,738	\$ 145,648	\$ (3,090)
Franchise tax:			
Gas	4,300	4,572	272
Power and light	8,600	8,524	(76)
Telephone	4,400	4,497	97
Thermal systems	300	265	(35)
Cable television	5,705	5,497	(208)
Use tax	22,660	24,642	1,982
Hotel/Motel tax	132	140	8
	194,835	193,785	(1,050)
Licenses and Permits			
Business licenses and permits:			
Occupational licenses	385	379	(6)
Retail liquor licenses	58	60	2
Amusement and recreation permits	290	241	(49)
Restaurant licenses	123	112	(11)
Taxicabs and drivers permits	40	37	(3)
Liquor occupational tax	360	403	43
Beer licenses	26	24	(2)
Non-business licenses and permits:			
Inspection fees	4,088	4,740	652
PFPI permits	620	721	101
Security alarm permits	520	469	(51)
Other	728	615	(113)
	7,238	7,801	563
Intergovernmental Revenue			
Grants	30	34	4
Shared revenue:			
State liquor tax	690	678	(12)
State gasoline tax	750	714	(36)
State tobacco tax	3,000	2,757	(243)
State vehicle license	2,800	3,029	229
Other	1,156	1,298	142
	\$ 8,426	\$ 8,510	\$ 84

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2014
(amounts expressed in thousands)**

Continued

	Final Budget	Actual	Variance with Final Budget
Charges for Services			
Indirect costs:			
Airport	\$ 915	\$ 915	\$ -
TARE	799	719	(80)
Stormwater	1,218	1,218	-
Water & Sewer	5,715	5,715	-
Other	275	225	(50)
General government:			
Planning & zoning fees	235	269	34
Processing fees	10	10	-
Service charges	71	50	(21)
Document sales & copies	30	31	1
Public safety:			
Dog pound fees	150	161	11
Weed mowing	1,600	594	(1,006)
Nuisance abatement fees	12	15	3
Police special events	300	359	59
Airport police & fire services	1,800	1,752	(48)
Other service fees	206	205	(1)
Cultural and recreational:			
Concessions	20	21	1
Performing Arts Center	1,250	1,507	257
Parks	942	834	(108)
Highways and streets:			
Paving cut repair charges	6,520	5,512	(1,008)
Parking meters and other	242	173	(69)
	<u>22,310</u>	<u>20,285</u>	<u>(2,025)</u>
Fines			
Parking and traffic fines	10,551	9,421	(1,130)
Interest on Investments	2,733	2,482	(251)
Payments from component units			
TARE	1,624	1,655	31
TMUA	11,342	11,412	70
	<u>12,966</u>	<u>13,067</u>	<u>101</u>
Miscellaneous			
Sales of City property	892	525	(367)
Recoveries	2,105	1,382	(723)
Property rentals & leases	181	249	68
Other	170	328	158
	<u>3,348</u>	<u>2,484</u>	<u>(864)</u>
Total revenues	<u>\$ 262,407</u>	<u>\$ 257,835</u>	<u>\$ (4,572)</u>

CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
 Budgetary Level of Control
 Year ended June 30, 2014
 (amounts expressed in thousands)

	Appropriations			Actual			Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	Total	
	\$	\$	\$	\$	\$	\$	
General government							
Departments:							
Mayor:							
Personnel services	861	-	861	808	-	808	53
Materials & supplies	21	-	21	9	-	9	12
Other services & charges	100	-	100	75	-	75	25
City Auditor:							
Personnel services	949	-	949	837	-	837	112
Materials & supplies	12	-	12	6	-	6	6
Other services & charges	98	-	98	46	47	93	5
City Council:							
Personnel services	960	10	970	959	-	959	11
Materials & supplies	16	-	16	6	1	7	9
Other services & charges	107	(10)	97	83	-	83	14
Finance:							
Personnel services	6,468	(285)	6,183	5,744	-	5,744	439
Materials & supplies	77	(5)	72	32	2	34	38
Other services & charges	2,268	(24)	2,244	1,214	716	1,930	314
Legal:							
Personnel services	3,037	(95)	2,942	2,823	-	2,823	119
Materials & supplies	75	-	75	55	4	59	16
Other services & charges	487	61	548	207	318	525	23
Human Resources:							
Personnel services	2,858	98	2,956	2,948	-	2,948	8
Materials & supplies	108	(30)	78	59	-	59	19
Other services & charges	1,553	(372)	1,181	897	242	1,139	42
Continued							

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

Budgetary Level of Control
Year ended June 30, 2014
(amounts expressed in thousands)

Continued	Appropriations			Actual		Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	
General government, continued						
Departments:						
Information Technology:						
Personnel services	8,698	(983)	7,715	7,558	-	7,558
Materials & supplies	1,098	(101)	997	374	580	954
Other services & charges	4,742	(20)	4,722	3,665	1,006	4,671
Communications:						
Personnel services	623	-	623	608	-	608
Materials & supplies	12	-	12	5	-	5
Other services & charges	66	11	77	49	1	50
Customer Care:						
Personnel services	263	-	263	261	-	261
Materials & supplies	5	-	5	3	-	3
Other services & charges	13	-	13	2	6	8
Human Rights Department:						
Personnel services	598	-	598	527	-	527
Materials & supplies	6	-	6	2	-	2
Other services & charges	27	7	34	28	-	28
General Government:						
Other services & charges	2,975	(127)	2,848	1,992	436	2,428
Indian Nations Council of Government:						
Other services & charges	1,057	(37)	1,020	1,020	-	1,020
	<u>\$ 40,238</u>	<u>\$ (1,902)</u>	<u>\$ 38,336</u>	<u>\$ 32,902</u>	<u>\$ 3,359</u>	<u>\$ 36,261</u>
						<u>\$ 2,075</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, 2014
(amounts expressed in thousands)

	Appropriations			Final Budget	Actual			Variance with Final Budget
	Original Budget	Revisions			Expenditures	Encumbrances	Total	
Continued								
Public Works and Transportation								
Departments:								
Streets and Stormwater:								
Personnel services	\$ 7,366	\$ (230)	\$ 7,136	\$ 7,038	\$ -	\$ 7,038	\$ 98	
Materials & supplies	1,593	(92)	1,501	786	310	1,096	405	
Other services & charges	14,769	(1,612)	13,157	11,902	477	12,379	778	
Engineering:								
Personnel services	3,086	-	3,086	2,917	-	2,917	169	
Materials & supplies	548	(7)	541	373	13	386	155	
Other services & charges	672	(99)	573	409	58	467	106	
	<u>28,034</u>	<u>(2,040)</u>	<u>25,994</u>	<u>23,425</u>	<u>858</u>	<u>24,283</u>	<u>1,711</u>	
Social and Economic Development								
Working in Neighborhoods:								
Personnel services	3,213	82	3,295	3,059	-	3,059	236	
Materials & supplies	407	(3)	404	245	137	382	22	
Other services & charges	1,731	(13)	1,718	1,659	53	1,712	6	
Planning and Economic Development								
Personnel services	6,765	(372)	6,393	6,287	-	6,287	106	
Materials & supplies	86	(21)	65	46	-	46	19	
Other services & charges	721	(19)	702	416	210	626	76	
	<u>\$ 12,923</u>	<u>\$ (346)</u>	<u>\$ 12,577</u>	<u>\$ 11,712</u>	<u>\$ 400</u>	<u>\$ 12,112</u>	<u>\$ 465</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, 2014
 (amounts expressed in thousands)

	Appropriations			Actual			Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	Total	
Public Safety and Protection							
Departments:							
Municipal Court:							
Personnel services	\$ 2,239	\$ (30)	\$ 2,209	\$ 2,176	\$ -	\$ 2,176	\$ 33
Materials & supplies	28	(15)	13	7	-	7	6
Other services & charges	175	-	175	160	5	165	10
Police:							
Personnel services	75,082	400	75,482	74,851	-	74,851	631
Materials & supplies	2,554	(47)	2,507	1,472	985	2,457	50
Other services & charges	8,943	(1,034)	7,909	7,380	468	7,848	61
Fire:							
Personnel services	61,866	1,465	63,331	63,088	-	63,088	243
Materials & supplies	1,313	-	1,313	1,192	86	1,278	35
Other services & charges	3,644	247	3,891	3,695	103	3,798	93
911 Public Safety and Communications:							
Personnel services	3,014	-	3,014	2,994	-	2,994	20
Other services & charges	30	30	60	25	-	25	35
Agencies:							
Tulsa Area Emergency Management Authority:							
Other services & charges	156	(5)	151	151	-	151	-
	\$ 159,044	\$ 1,011	\$ 160,055	\$ 157,191	\$ 1,647	\$ 158,838	\$ 1,217

Continued

**CITY OF TULSA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
Budgetary Level of Control
Year ended June 30, 2014
(amounts expressed in thousands)**

	Appropriations			Actual			Variance with Final Budget
	Original Budget	Revisions	Final Budget	Expenditures	Encumbrances	Total	
Continued							
Culture and Recreation							
Departments:							
Gilcrease Museum:							
Other services & charges	\$ 2,915	\$ -	2,915	\$ 2,915	\$ -	2,915	\$ -
Parks:							
Personnel services	6,281	(250)	6,031	5,680	-	5,680	351
Materials & supplies	1,004	(56)	948	718	183	901	47
Other services & charges	9,380	156	9,536	8,946	422	9,368	168
Convention & Performing Arts Centers:							
Personnel services	1,522	70	1,592	1,585	-	1,585	7
Materials & supplies	67	(9)	58	56	-	56	2
Other services & charges	748	(139)	609	574	20	594	15
Agencies:							
River Parks:							
Other services & charges	649	(23)	626	626	-	626	-
	<u>22,566</u>	<u>(251)</u>	<u>22,315</u>	<u>21,100</u>	<u>625</u>	<u>21,725</u>	<u>590</u>
Total expenditures and encumbrances	262,805	(3,528)	259,277	246,330	6,889	253,219	6,058
Operating transfers:							
Transfers to TPFA - OTC	4,968	-	4,968	4,968	-	4,968	-
Transfers to Convention Fund	961	-	961	961	-	961	-
Transfers to Whittier Square Improvement District	10	-	10	10	-	10	-
Transfers to Federal and State Grants Fund	535	-	535	535	-	535	-
Transfers to Economic Development Commission	19	-	19	19	-	19	-
Transfers to Golf Course Fund	500	-	500	500	-	500	-
Transfers to Municipal Employees Pension Trust	244	-	244	244	-	244	-
Total transfers	<u>7,237</u>	<u>-</u>	<u>7,237</u>	<u>7,237</u>	<u>-</u>	<u>7,237</u>	<u>-</u>
Payments to component units:							
Transfers to MTTA	7,855	(275)	7,580	7,580	-	7,580	-
Total expenditures, encumbrances, and transfers	<u>\$ 277,897</u>	<u>\$ (3,803)</u>	<u>\$ 274,094</u>	<u>\$ 261,147</u>	<u>\$ 6,889</u>	<u>\$ 268,036</u>	<u>\$ 6,058</u>

CITY OF TULSA
E-911 OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
(Budgetary Basis)
Year ended June 30, 2014
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Intergovernmental Revenue	\$ -	\$ 11	\$ 11
E-911 fees	4,000	3,774	(226)
Investment income	33	17	(16)
Total revenues	<u>4,033</u>	<u>3,802</u>	<u>(231)</u>
Expenditures			
Current:			
Streets and Stormwater:			
Personnel services	60	58	2
Materials and supplies	24	10	14
Other services and charges	239	237	2
Public Safety and Protection:			
Personnel services	2,371	2,343	28
Materials and supplies	85	68	17
Other services and charges	2,125	1,964	161
Capital outlay	180	180	-
Total expenditures	<u>5,084</u>	<u>4,860</u>	<u>224</u>
Excess of revenues over expenditures and encumbrances	<u>(1,051)</u>	<u>(1,058)</u>	<u>(7)</u>
Other financing uses:			
Transfers out	(2)	(2)	-
Total other financing uses	<u>(2)</u>	<u>(2)</u>	<u>-</u>
Net change in fund balances	(1,053)	(1,060)	(7)
Fund balances, beginning of year (budgetary basis)	<u>978</u>	<u>978</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ (75)</u>	<u>\$ (82)</u>	<u>\$ (7)</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, 2014
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Hotel/Motel taxes	\$ 6,468	\$ 6,887	\$ 419
Charge for services	1,840	1,966	126
Investment income	28	52	24
Miscellaneous	-	4	4
Total revenues	<u>8,336</u>	<u>8,909</u>	<u>573</u>
Expenditures			
Cultural Development and Recreation:			
Materials and supplies	35	31	(4)
Other services and charges	479	428	(51)
Capital outlay	622	362	(260)
Social and Economic Development:			
Materials and supplies	5	1	(4)
Other services and charges	2,776	2,664	(112)
Total expenditures and encumbrances	<u>3,917</u>	<u>3,486</u>	<u>(431)</u>
Deficiency of revenues over expenditures and encumbrances	<u>4,419</u>	<u>5,423</u>	<u>1,004</u>
Other financing sources:			
Transfers in	19	19	-
Transfers out	(5,011)	(5,010)	1
Total other financing sources	<u>(4,992)</u>	<u>(4,991)</u>	<u>1</u>
Net change in fund balances	<u>(573)</u>	<u>432</u>	<u>1,005</u>
Fund balances, beginning of year (budgetary basis)	<u>1,441</u>	<u>1,441</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 868</u>	<u>\$ 1,873</u>	<u>\$ 1,005</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, 2014
(amounts expressed in thousands)

	Final Budget	Actual	Variance
Revenues			
Special assessment tax	\$ 3,642	\$ 3,568	\$ (74)
Fines and forfeitures	30	11	(19)
Investment income	16	10	(6)
Miscellaneous	-	14	14
Total revenues	<u>3,688</u>	<u>3,603</u>	<u>(85)</u>
Expenditures			
Current:			
General government:			
Personnel services	61	60	1
Materials and supplies	6	1	5
Other services and charges	10	8	2
Public works and transportation:			
Materials and supplies	72	53	19
Other services and charges	1,049	926	123
Capital outlay	305	14	291
Total expenditures	<u>1,503</u>	<u>1,062</u>	<u>441</u>
Excess of revenues over expenditures and encumbrances	<u>2,185</u>	<u>2,541</u>	<u>356</u>
Other financing uses:			
Transfers out	<u>(2,492)</u>	<u>(2,339)</u>	<u>153</u>
Net change in fund balances	(307)	202	509
Fund balances, beginning of year (budgetary basis)	<u>517</u>	<u>517</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ 210</u>	<u>\$ 719</u>	<u>\$ 509</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, 2014
(amounts expressed in thousands)


	Final Budget	Actual	Variance
Revenues			
Medical services fee	\$ 5,009	\$ 4,919	\$ (90)
Investment income	6	7	1
Miscellaneous	-	8	8
Total revenues	<u>5,015</u>	<u>4,934</u>	<u>(81)</u>
Expenditures			
Public Safety and Protection:			
Current:			
Personnel services	194	144	50
Materials and supplies	6	4	2
Other services and charges	6,233	5,252	981
Total expenditures and encumbrances	<u>6,433</u>	<u>5,400</u>	<u>1,033</u>
Deficiency of revenues over expenditures and encumbrances	<u>(1,418)</u>	<u>(466)</u>	<u>952</u>
Other financing (uses):			
Transfers out	<u>(600)</u>	<u>(60)</u>	<u>540</u>
Net change in fund balances	(2,018)	(526)	952
Fund balances, beginning of year (budgetary basis)	<u>689</u>	<u>689</u>	<u>-</u>
Fund balances, end of year (budgetary basis)	<u>\$ (1,329)</u>	<u>\$ 163</u>	<u>\$ 952</u>

This page intentionally left blank





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, 2014
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 11,790	\$ -	\$ 444	\$ 1,329	\$ 13,563
Cash and cash equivalents - restricted	-	658	-	-	658
Receivables, net	244	5	-	18	267
Prepaid expenses	154	-	-	-	154
Inventories, net	-	-	-	782	782
Advances to component unit, restricted	-	1,325	-	-	1,325
	<u>12,188</u>	<u>1,988</u>	<u>444</u>	<u>2,129</u>	<u>16,749</u>
Noncurrent assets:					
Restricted:					
Investments, restricted	-	1,069	-	-	1,069
Advances to component unit, restricted	-	5,875	-	-	5,875
Receivables, net	12,697	-	-	-	12,697
Nondepreciable capital assets	-	4,500	-	78	4,578
Capital assets, net	-	-	-	4,671	4,671
	<u>12,697</u>	<u>11,444</u>	<u>-</u>	<u>4,749</u>	<u>28,890</u>
Total assets	<u>24,885</u>	<u>13,432</u>	<u>444</u>	<u>6,878</u>	<u>45,639</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	119	76	180	828	1,203
Current portion of long-term liabilities	-	1,320	-	314	1,634
Unearned revenue	937	-	-	-	937
Workers compensation claims	7,180	-	-	-	7,180
	<u>8,236</u>	<u>1,396</u>	<u>180</u>	<u>1,142</u>	<u>10,954</u>
Noncurrent liabilities:					
Long-term liabilities	-	7,536	-	806	8,342
Workers compensation claims	12,419	-	-	-	12,419
Advances from other funds	-	-	146	-	146
	<u>12,419</u>	<u>7,536</u>	<u>146</u>	<u>806</u>	<u>20,907</u>
Total liabilities	<u>20,655</u>	<u>8,932</u>	<u>326</u>	<u>1,948</u>	<u>31,861</u>
NET POSITION					
Investment in capital assets	-	4,500	-	4,749	9,249
Unrestricted	4,230	-	118	181	4,529
Total net position	<u>\$ 4,230</u>	<u>\$ 4,500</u>	<u>\$ 118</u>	<u>\$ 4,930</u>	<u>\$ 13,778</u>

CITY OF TULSA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year ended June 30, 2014
(amounts expressed in thousands)

	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Operating revenues					
Charges for services	\$ -	\$ -	\$ 1,961	\$ 15,792	\$ 17,753
Insurance premiums	22,555	-	-	-	22,555
Workers compensation premiums	5,563	-	-	-	5,563
Other	-	165	-	31	196
	<u>28,118</u>	<u>165</u>	<u>1,961</u>	<u>15,823</u>	<u>46,067</u>
Operating expenses					
Salaries and wages	-	-	-	4,247	4,247
Materials and supplies	-	-	147	9,988	10,135
Other services and charges	-	165	1,659	1,450	3,274
Workers compensation claims	7,284	-	-	-	7,284
Insurance claims and premiums	23,896	-	-	-	23,896
Depreciation and amortization	-	-	-	339	339
	<u>31,180</u>	<u>165</u>	<u>1,806</u>	<u>16,024</u>	<u>49,175</u>
Operating income (loss)	<u>(3,062)</u>	<u>-</u>	<u>155</u>	<u>(201)</u>	<u>(3,108)</u>
Nonoperating revenues					
Investment income	135	-	2	2	139
Property taxes	2,181	-	-	-	2,181
Gain on sale of equipment	-	-	-	2	2
Other, net	34	-	-	-	34
	<u>2,350</u>	<u>-</u>	<u>2</u>	<u>4</u>	<u>2,356</u>
Income (loss) before capital contributions and transfers	<u>(712)</u>	<u>-</u>	<u>157</u>	<u>(197)</u>	<u>(752)</u>
Capital contributions	-	-	-	15	15
Transfers in	-	-	-	583	583
	<u>-</u>	<u>-</u>	<u>-</u>	<u>598</u>	<u>598</u>
Change in net position	<u>(712)</u>	<u>-</u>	<u>157</u>	<u>401</u>	<u>(154)</u>
Net position (deficit) - beginning of year	4,942	4,500	(39)	4,529	13,932
Net position - end of year	<u>\$ 4,230</u>	<u>\$ 4,500</u>	<u>\$ 118</u>	<u>\$ 4,930</u>	<u>\$ 13,778</u>

CITY OF TULSA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2014
(amounts expressed in thousands)


	Employee Insurance	Tulsa Public Facilities Authority	Office Services	Equipment Management	Total
Cash flows from operating activities:					
Receipts from customers	\$ 27,642	\$ 1,391	\$ 1,960	\$ 15,839	\$ 46,832
Payments to suppliers	(29,958)	(1,765)	(1,861)	(11,253)	(44,837)
Payments to employees	-	-	-	(4,324)	(4,324)
Net cash provided by (used for) operating activities	(2,316)	(374)	99	262	(2,329)
Cash flows from noncapital financing activities:					
Property taxes received	1,098	-	-	-	1,098
Proceeds from insurance reimbursements	34	-	-	-	34
Net cash provided by noncapital financing activities	1,132	-	-	-	1,132
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	-	-	-	(517)	(517)
Payments from interfund activity	-	-	-	583	583
Proceeds from disposition of capital assets	-	-	-	19	19
Net cash provided by capital and related financing activities	-	-	-	85	85
Cash flows from investing activities:					
Interest earned	131	-	2	1	134
Net cash provided by investing activities	131	-	2	1	134
Net increase (decrease) in cash and cash equivalents	(1,053)	(374)	101	348	(978)
Cash and cash equivalents, beginning of year	12,843	1,032	343	981	15,199
Cash and cash equivalents, end of year	\$ 11,790	\$ 658	\$ 444	\$ 1,329	\$ 14,221
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Unrestricted cash and cash equivalents	11,790	-	444	1,329	13,563
Restricted cash and cash equivalents	-	658	-	-	658
Total cash and cash equivalents	\$ 11,790	\$ 658	\$ 444	\$ 1,329	\$ 14,221
Reconciliation of operating income (loss) to cash provided (used) by operating activities:					
Operating income (loss)	(3,062)	-	155	(201)	(3,108)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation and amortization	-	-	-	339	339
Decrease (increase) in accounts receivable and other assets	(359)	1,115	-	(97)	659
Increase (decrease) in accounts payable and other liabilities	1,105	(1,489)	(56)	221	(219)
Net cash provided (used) by operating activities	\$ (2,316)	\$ (374)	\$ 99	\$ 262	\$ (2,329)

This page intentionally left blank





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, 2014
(amounts expressed in thousands)

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Municipal Court Bonds				
Assets:				
Cash and cash equivalents	\$ 238	\$ 301	\$ 283	\$ 256
Total assets	<u>\$ 238</u>	<u>\$ 301</u>	<u>\$ 283</u>	<u>\$ 256</u>
Liabilities:				
Deposits payable	238	301	283	256
Total liabilities	<u>\$ 238</u>	<u>\$ 301</u>	<u>\$ 283</u>	<u>\$ 256</u>
Escrow Fund				
Assets:				
Cash and cash equivalents	2,777	9,294	9,916	2,155
Total assets	<u>\$ 2,777</u>	<u>\$ 9,294</u>	<u>\$ 9,916</u>	<u>\$ 2,155</u>
Liabilities:				
Deposits payable	2,777	9,294	9,916	2,155
Total liabilities	<u>\$ 2,777</u>	<u>\$ 9,294</u>	<u>\$ 9,916</u>	<u>\$ 2,155</u>
Police Property Room				
Assets:				
Cash and cash equivalents	1,007	1,013	418	1,602
Total assets	<u>\$ 1,007</u>	<u>\$ 1,013</u>	<u>\$ 418</u>	<u>\$ 1,602</u>
Liabilities:				
Accrued liabilities	1,007	1,013	418	1,602
Total liabilities	<u>\$ 1,007</u>	<u>\$ 1,013</u>	<u>\$ 418</u>	<u>\$ 1,602</u>
Payroll Withholding				
Assets:				
Cash and cash equivalents	66	315,072	314,274	864
Total assets	<u>\$ 66</u>	<u>\$ 315,072</u>	<u>\$ 314,274</u>	<u>\$ 864</u>
Liabilities:				
Accrued liabilities	66	315,072	314,274	864
Total liabilities	<u>\$ 66</u>	<u>\$ 315,072</u>	<u>\$ 314,274</u>	<u>\$ 864</u>
Unclaimed Property				
Assets:				
Cash and cash equivalents	424	371	18	777
Total assets	<u>\$ 424</u>	<u>\$ 371</u>	<u>\$ 18</u>	<u>\$ 777</u>
Liabilities:				
Accrued liabilities	424	371	18	777
Total liabilities	<u>\$ 424</u>	<u>\$ 371</u>	<u>\$ 18</u>	<u>\$ 777</u>
PAC Ticket Office Escrow				
Assets:				
Cash and cash equivalents	971	18,169	18,128	1,012
Total assets	<u>\$ 971</u>	<u>\$ 18,169</u>	<u>\$ 18,128</u>	<u>\$ 1,012</u>
Liabilities:				
Deposits payable	971	18,169	18,128	1,012
Total liabilities	<u>\$ 971</u>	<u>\$ 18,169</u>	<u>\$ 18,128</u>	<u>\$ 1,012</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	5,483	344,220	343,037	6,666
Total assets	<u>\$ 5,483</u>	<u>\$ 344,220</u>	<u>\$ 343,037</u>	<u>\$ 6,666</u>
Liabilities:				
Accrued liabilities	1,497	316,456	314,710	3,243
Deposits payable	3,986	27,764	28,327	3,423
Total liabilities	<u>\$ 5,483</u>	<u>\$ 344,220</u>	<u>\$ 343,037</u>	<u>\$ 6,666</u>

This page intentionally left blank



A blue diagonal line runs from the bottom-left towards the top-right. A blue rectangular box is attached to the right side of this line, containing the text "Discretely Presented 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, 2014
(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	\$ 6,640	\$ 1,393	\$ 78	\$ 1,870	\$ 1,149	\$ 11,130
Cash and cash equivalents - restricted	8,772	122	280	1,061	-	10,235
Investments	-	-	1,161	1,002	1,300	3,463
Receivables, net	9	623	4	47	25	708
Accounts receivable, net - restricted	26	-	-	58	-	84
Inventories, net	-	626	-	-	-	626
Current portion of notes receivable	1,000	-	-	-	-	1,000
Other current assets - restricted	-	-	-	1,015	-	1,015
Other current assets	17	124	5	350	12	508
	<u>16,464</u>	<u>2,888</u>	<u>1,528</u>	<u>5,403</u>	<u>2,486</u>	<u>28,769</u>
Noncurrent assets:						
Cash and cash equivalents - restricted	2,523	905	-	105	-	3,533
Investments	-	-	-	500	-	500
Investments - restricted	-	-	-	1,002	-	1,002
Receivables, net	3,000	-	-	-	-	3,000
Receivables, net - restricted	10,881	-	-	-	-	10,881
Land held for resale, net	1,181	-	-	-	-	1,181
Land held for resale, net - restricted	197	-	-	-	-	197
Nondepreciable capital assets	35	2,672	-	7,436	1,486	11,629
Depreciable capital assets, net	312	22,035	12,725	19,402	94	54,568
	<u>18,129</u>	<u>25,612</u>	<u>12,725</u>	<u>28,445</u>	<u>1,580</u>	<u>86,491</u>
Total assets	<u>34,593</u>	<u>28,500</u>	<u>14,253</u>	<u>33,848</u>	<u>4,066</u>	<u>115,260</u>
DEFERRED OUTFLOW OF RESOURCES						
Deferred charge on refunding	-	-	-	673	-	673
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	71	1,613	13	44	8	1,749
Accounts payable - restricted	412	-	-	292	-	704
Unearned revenue	-	-	285	59	-	344
Current portion of long-term liabilities	5	78	-	1,715	-	1,798
	<u>488</u>	<u>1,691</u>	<u>298</u>	<u>2,110</u>	<u>8</u>	<u>4,595</u>
Noncurrent liabilities:						
Advances from primary government	-	326	-	-	-	326
Deposits subject to refund	426	-	-	4	-	430
Deposits subject to refund - restricted	61	-	-	-	-	61
Long-term liabilities, net	50	1,670	-	15,130	-	16,850
	<u>537</u>	<u>1,996</u>	<u>-</u>	<u>15,134</u>	<u>-</u>	<u>17,667</u>
Total liabilities	<u>1,025</u>	<u>3,687</u>	<u>298</u>	<u>17,244</u>	<u>8</u>	<u>22,262</u>
NET POSITION						
Net investment in capital assets	347	24,707	12,725	13,546	1,580	52,905
Restricted for:						
Debt service	-	-	-	1,890	-	1,890
Capital projects	21,584	905	-	-	-	22,489
Other purposes	342	122	-	-	-	464
Unrestricted	11,295	(921)	1,230	1,841	2,478	15,923
Total net position	<u>\$ 33,568</u>	<u>\$ 24,813</u>	<u>\$ 13,955</u>	<u>\$ 17,277</u>	<u>\$ 4,058</u>	<u>\$ 93,671</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DISCRETELY PRESENTED NONMAJOR COMPONENT UNITS
Year ended June 30, 2014
(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	\$ 80	\$ -	\$ 20	\$ 167	\$ -	\$ 267
Parking revenues	-	-	-	6,032	386	6,418
Transit services	-	3,427	-	-	-	3,427
Event revenues	-	-	-	-	69	69
Other income	1,417	47	88	-	-	1,552
	<u>1,497</u>	<u>3,474</u>	<u>108</u>	<u>6,199</u>	<u>455</u>	<u>11,733</u>
Operating expenses						
Salaries and wages	258	9,711	128	-	-	10,097
Materials and supplies	2	3,215	-	-	-	3,217
Other services and charges	1,519	4,815	122	3,277	629	10,362
Unrealized loss on land held for resale	22	-	-	-	-	22
Depreciation	15	4,093	338	1,124	8	5,578
	<u>1,816</u>	<u>21,834</u>	<u>588</u>	<u>4,401</u>	<u>637</u>	<u>29,276</u>
Operating income (loss)	<u>(319)</u>	<u>(18,360)</u>	<u>(480)</u>	<u>1,798</u>	<u>(182)</u>	<u>(17,543)</u>
Nonoperating revenues (expenses)						
Investment income	211	3	14	22	282	532
Interest and amortization expense	-	-	-	(490)	-	(490)
Sales taxes	696	-	-	-	-	696
Property taxes	966	-	-	-	-	966
Federal and state operating grant revenues	-	6,201	-	-	42	6,243
Contributions	12	-	-	-	107	119
Payments from primary government	-	7,580	-	-	-	7,580
Payments to primary government	(59)	-	-	-	-	(59)
Payments from component units	-	-	-	20	-	20
Payments to component units	(20)	-	-	-	-	(20)
Other, net	1	263	-	-	-	264
	<u>1,807</u>	<u>14,047</u>	<u>14</u>	<u>(448)</u>	<u>431</u>	<u>15,851</u>
Income (loss) before capital contributions and grants	<u>1,488</u>	<u>(4,313)</u>	<u>(466)</u>	<u>1,350</u>	<u>249</u>	<u>(1,692)</u>
Federal and state capital grant revenues	-	2,429	-	-	-	2,429
Capital contributions to primary government	(1,569)	-	-	-	-	(1,569)
Capital contributions from primary government	-	797	-	-	7	804
Change in net position	<u>(81)</u>	<u>(1,087)</u>	<u>(466)</u>	<u>1,350</u>	<u>256</u>	<u>(28)</u>
Net position - beginning of year	33,649	25,900	14,421	15,927	3,802	93,699
Net position - end of year	<u>\$ 33,568</u>	<u>\$ 24,813</u>	<u>\$ 13,955</u>	<u>\$ 17,277</u>	<u>\$ 4,058</u>	<u>\$ 93,671</u>

CITY OF TULSA
STATEMENT OF NET POSITION
TULSA METROPOLITAN UTILITY AUTHORITY - COMBINING FUND FINANCIAL STATEMENTS
June 30, 2014
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 34,734	\$ 50,391	\$ 85,125
Cash and cash equivalents - restricted	6,692	6,197	12,889
Receivables, net	13,351	12,986	26,337
Inventories, net	227	1,567	1,794
	<u>55,004</u>	<u>71,141</u>	<u>126,145</u>
Noncurrent assets:			
Cash and cash equivalents - restricted	12,812	11,740	24,552
Investments - restricted	40,157	18,369	58,526
Advances to primary government - restricted	297	-	297
Investment in joint venture	13,479	-	13,479
Receivables, net - restricted	12	4	16
Nondepreciable capital assets	79,450	72,850	152,300
Depreciable capital assets, net	531,546	475,910	1,007,456
	<u>677,753</u>	<u>578,873</u>	<u>1,256,626</u>
Total assets	<u>732,757</u>	<u>650,014</u>	<u>1,382,771</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	2,719	2,719
	<u>-</u>	<u>2,719</u>	<u>2,719</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities - restricted	8,625	3,907	12,532
Accounts payable and accrued liabilities	2,447	2,966	5,413
Current portion of long-term liabilities	20,112	12,435	32,547
Deposits subject to refund - restricted	445	9,396	9,841
	<u>31,629</u>	<u>28,704</u>	<u>60,333</u>
Noncurrent liabilities:			
Long-term liabilities	257,995	142,034	400,029
Total liabilities	<u>289,624</u>	<u>170,738</u>	<u>460,362</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	222	-	222
Property tax revenue	3,197	-	3,197
	<u>3,419</u>	<u>-</u>	<u>3,419</u>
NET POSITION			
Net investment in capital assets	380,476	426,327	806,803
Restricted for:			
Debt service	7,879	4,311	12,190
Unrestricted	51,359	51,357	102,716
Total net position	<u>\$ 439,714</u>	<u>\$ 481,995</u>	<u>\$ 921,709</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, 2014
(amounts expressed in thousands)

	Sewer Fund	Water Fund	Total
Operating revenues			
Water and sewer services	\$ 81,949	\$ 100,515	\$ 182,464
Operating expenses			
Salaries and wages	20,809	25,506	46,315
Materials and supplies	4,390	8,672	13,062
Other services and charges	16,903	25,182	42,085
Depreciation	17,488	16,280	33,768
	<u>59,590</u>	<u>75,640</u>	<u>135,230</u>
Operating income	<u>22,359</u>	<u>24,875</u>	<u>47,234</u>
Nonoperating revenues (expenses)			
Investment income	432	1,031	1,463
Interest and amortization expense	(6,109)	(3,298)	(9,407)
Property taxes	3,646	-	3,646
Payments to primary government	(5,142)	(6,270)	(11,412)
Other, net	159	287	446
	<u>(7,014)</u>	<u>(8,250)</u>	<u>(15,264)</u>
Income before capital contributions	15,345	16,625	31,970
Capital contributions	1,867	1,759	3,626
Capital contributions - primary government	1,307	28	1,335
	<u>3,174</u>	<u>1,787</u>	<u>4,961</u>
Change in net position	18,519	18,412	36,931
Net position beginning	421,195	463,583	884,778
Net position - ending	<u>\$ 439,714</u>	<u>\$ 481,995</u>	<u>\$ 921,709</u>

CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
Year ended June 30, 2014
(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	\$ 182,464	\$ -	\$ -	\$ -	\$ 182,464
Fuel sales and commissions	-	-	628	-	628
Refuse services	-	26,557	-	-	26,557
Property rentals	-	-	32,824	267	33,091
Parking revenues	-	-	-	6,418	6,418
Transit services	-	-	-	3,427	3,427
Event revenues	-	-	-	69	69
Other income	-	-	-	1,552	1,552
	<u>182,464</u>	<u>26,557</u>	<u>33,452</u>	<u>11,733</u>	<u>254,206</u>
Operating expenses					
Salaries and wages	46,315	3,954	9,610	10,097	69,976
Materials and supplies	13,062	-	1,101	3,217	17,380
Other services and charges	42,085	16,441	11,212	10,362	80,100
Unrealized loss on land held for resale	-	-	-	22	22
Depreciation	33,768	1,792	13,664	5,578	54,802
	<u>135,230</u>	<u>22,187</u>	<u>35,587</u>	<u>29,276</u>	<u>222,280</u>
Operating income (loss)	<u>47,234</u>	<u>4,370</u>	<u>(2,135)</u>	<u>(17,543)</u>	<u>31,926</u>
Nonoperating revenues (expenses)					
Investment income	1,463	128	788	532	2,911
Interest and amortization expense	(9,407)	-	(10,342)	(490)	(20,239)
Sales taxes	-	-	-	696	696
Property taxes	3,646	-	-	966	4,612
Federal and state grant revenues	-	-	8,506	6,243	14,749
Contributions	-	-	-	119	119
Payments from primary government	-	-	-	7,580	7,580
Payments to primary government	(11,412)	(1,655)	-	(59)	(13,126)
Payments from component unit	-	-	-	20	20
Payments to component unit	-	-	-	(20)	(20)
Gain on disposition of capital assets	-	35	4	-	39
Other, net	446	(141)	5,132	264	5,701
	<u>(15,264)</u>	<u>(1,633)</u>	<u>4,088</u>	<u>15,851</u>	<u>3,042</u>
Income (loss) before capital contributions and grants	<u>31,970</u>	<u>2,737</u>	<u>1,953</u>	<u>(1,692)</u>	<u>34,968</u>
Federal and state capital grant revenues	-	-	13,692	2,429	16,121
Capital contributions	3,626	-	1,755	-	5,381
Capital contributions to primary government	-	-	-	(1,569)	(1,569)
Capital contributions from primary government	1,335	-	-	804	2,139
	<u>4,961</u>	<u>-</u>	<u>15,447</u>	<u>1,664</u>	<u>22,072</u>
Change in net position	<u>36,931</u>	<u>2,737</u>	<u>17,400</u>	<u>(28)</u>	<u>57,040</u>
Net position - beginning of year	884,778	17,082	271,822	93,699	1,267,381
Net position - end of year	<u>\$ 921,709</u>	<u>\$ 19,819</u>	<u>\$ 289,222</u>	<u>\$ 93,671</u>	<u>\$ 1,324,421</u>

This page intentionally left blank





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, 2014 and 2013
(amounts expressed in thousands)

	<u>2014</u>	<u>2013</u>
Governmental funds capital assets		
Land	\$ 527,671	\$ 525,951
Buildings	162,050	143,559
Improvements other than buildings	74,432	65,304
Machinery and equipment	178,688	174,052
Infrastructure	3,122,415	3,030,876
Construction in progress	148,915	163,919
Total governmental funds capital assets	<u>\$ 4,214,171</u>	<u>\$ 4,103,661</u>
Investments in governmental funds capital assets by source		
General fund	-	14,350
Special revenue funds	282,414	276,706
Capital projects funds	3,502,963	3,383,916
Donations	428,794	428,689
Total governmental funds capital assets	<u>\$ 4,214,171</u>	<u>\$ 4,103,661</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Schedule of Changes by Function and Activity
Year ended June 30, 2014
(amounts expressed in thousands)

Function and Activity	Governmental Funds Capital Assets July 1, 2013	Additions	Deductions	Governmental Funds Capital Assets June 30, 2014
General Government				
Mayor	\$ 6	\$ -	\$ -	\$ 6
Finance	1,163	-	(7)	1,156
Legal	99	-	(13)	86
Human Resources	407	-	(20)	387
Communications	21	-	-	21
City Council	46	-	-	46
General Government	26,056	-	(725)	25,331
	<u>27,798</u>	<u>-</u>	<u>(765)</u>	<u>27,033</u>
Public Works & Transportation	3,768,678	205,937	(124,458)	3,850,157
Public Safety & Protection				
Police	70,040	6,572	(2,985)	73,627
Fire	63,759	643	(1,355)	63,047
Municipal Court	155	-	(34)	121
Telecommunications	24,942	9,589	(285)	34,246
	<u>158,896</u>	<u>16,804</u>	<u>(4,659)</u>	<u>171,041</u>
Social & Economic Development				
Human Rights	44	-	-	44
WIN	2,906	49	(17)	2,938
Planning	45	-	-	45
Development Services	1,170	30	(15)	1,185
Economic Development	1,016	-	(56)	960
	<u>5,181</u>	<u>79</u>	<u>(88)</u>	<u>5,172</u>
Cultural Development & Recreation				
Gilcrease	17,220	1,307	(20)	18,507
Parks	101,601	16,715	(1,216)	117,100
Public Events and PAC	24,287	918	(44)	25,161
	<u>143,108</u>	<u>18,940</u>	<u>(1,280)</u>	<u>160,768</u>
Total Governmental funds capital assets	<u>\$ 4,103,661</u>	<u>\$ 241,760</u>	<u>\$ (131,250)</u>	<u>\$ 4,214,171</u>

CITY OF TULSA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2014
(amounts expressed in thousands)


Function and Activity	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government							
Mayor	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 6
Finance	150	-	-	1,006	-	-	1,156
Legal	-	-	-	86	-	-	86
Human Resources	-	-	-	387	-	-	387
Communications	-	7	-	14	-	-	21
City Council	-	12	-	33	-	-	45
General Government	2,500	6,155	16,041	636	-	-	25,332
	2,650	6,174	16,041	2,168	-	-	27,033
Public Works & Transportation							
	500,315	29,195	9,470	39,883	3,122,415	148,879	3,850,157
	500,315	29,195	9,470	39,883	3,122,415	148,879	3,850,157
Public Safety & Protection							
Police	1,500	25,471	81	46,588	-	19	73,659
Fire	1,796	17,162	1,059	42,979	-	17	63,013
Municipal Court	-	-	-	121	-	-	121
Telecommunications	32	8,858	512	24,846	-	-	34,248
	3,328	51,491	1,652	114,534	-	36	171,041
Social & Economic Development							
Human Rights	-	-	-	44	-	-	44
WIN	-	1,746	-	1,192	-	-	2,938
Planning	-	-	-	45	-	-	45
Development Services	27	-	15	1,143	-	-	1,185
Urban Development (EDREM)	439	-	499	22	-	-	960
	466	1,746	514	2,446	-	-	5,172
Cultural Development & Recreation							
Gilcrease	81	10,559	110	7,757	-	-	18,507
Parks	20,235	40,196	46,645	10,024	-	-	117,100
PAC	596	22,689	-	1,876	-	-	25,161
	20,912	73,444	46,755	19,657	-	-	160,768
Total Governmental Funds Capital Assets	\$ 527,671	\$ 162,050	\$ 74,432	\$ 178,688	\$ 3,122,415	\$ 148,915	\$ 4,214,171

This page intentionally left blank





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)

	2014	2013***	2012	2011**	2010	2009*	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 1,167,495	\$ 1,111,600	\$ 1,104,679	\$ 989,918	\$ 967,462	\$ 951,466	\$ 952,282	\$ 1,032,890	\$ 941,096	\$ 850,368
Restricted	263,303	239,504	244,257	160,049	121,161	132,695	148,553	123,475	153,941	204,727
Unrestricted	53,045	47,933	59,643	65,532	53,012	38,170	5,168	33,889	29,628	30,720
	<u>\$ 1,483,843</u>	<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>
Business-type activities										
Net investment in capital assets	531,789	528,912	535,424	541,280	516,148	498,405	457,012	257,841	247,242	243,070
Restricted	14,398	16,925	11,875	8,936	11,185	9,482	13,582	9,528	7,806	7,154
Unrestricted	19,289	18,077	16,086	15,183	12,073	14,881	9,033	4,526	4,346	5,077
	<u>\$ 565,476</u>	<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>
Primary government										
Net investment in capital assets	1,699,284	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
Restricted	277,701	256,429	256,132	168,985	132,346	142,177	162,135	133,003	161,747	211,881
Unrestricted	72,334	66,010	75,729	80,715	65,085	53,051	14,201	38,415	33,974	35,797
	<u>\$ 2,049,319</u>	<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>

Note: * 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.

*** The June 30, 2013 business-type activities were restated \$2,165 to correct an error in the treatment of initial direct costs of operating leases. This schedule does not reflect these changes prior to 2013.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental activities:										
General government	\$ 42,853	\$ 50,697	\$ 46,345	\$ 39,654	\$ 45,311	\$ 42,257	\$ 46,795	\$ 44,407	\$ 43,636	\$ 33,937
Public safety and protection	199,749	221,872	204,822	182,971	173,339	183,862	193,293	166,374	163,907	148,112
Public works and transportation	64,381	54,848	56,650	54,029	83,295	87,318	90,855	116,374	84,817	76,775
Culture and recreation	24,629	25,372	20,858	20,419	17,749	21,752	25,460	27,841	24,148	24,346
Social and economic	27,845	32,071	24,089	21,894	31,310	28,325	28,346	25,776	22,023	25,410
Interest on long-term debt	12,250	13,097	12,724	12,624	10,910	12,560	14,134	11,046	8,765	8,076
Total governmental activities expenses	371,707	397,957	365,488	331,591	361,914	376,074	398,883	391,818	347,296	316,656
Business-type activities:										
Stormwater	25,721	26,004	27,729	26,050	24,859	23,743	21,744	19,862	17,575	16,556
One Technology Center	9,927	11,488	10,435	9,884	9,431	9,993	6,527	-	-	-
Arena & Convention	23,815	23,993	22,823	22,480	22,182	17,434	6,044	-	-	-
Tulsa Stadium Trust	4,028	3,733	3,603	3,768	-	-	-	-	-	-
Golf Courses	3,183	3,544	3,696	3,316	3,503	3,615	3,246	2,470	2,599	2,591
Total business-type activities	66,674	68,762	68,286	65,498	59,975	54,785	37,561	22,332	20,174	19,147
Total primary government	438,381	466,719	433,774	397,089	421,889	430,859	436,444	414,150	367,470	335,803
Program Revenues:										
Governmental activities:										
Charges for services										
General government	10,279	14,789	14,421	15,416	12,647	12,996	12,346	16,250	18,482	16,476
Public safety and protection	23,918	24,693	21,553	16,815	20,289	22,674	25,090	18,275	8,233	9,880
Public works and transportation	14,045	13,792	12,761	10,421	9,054	14,908	14,235	9,040	8,296	8,517
Culture and recreation	4,754	4,516	4,148	4,887	5,638	3,797	3,903	4,545	4,355	4,188
Social and economic	1,155	2,037	1,850	543	530	1,375	2,246	3,228	3,001	1,838
Operating grants and contributions	35,063	35,742	29,629	27,816	32,262	25,944	39,700	33,172	41,077	25,951
Capital grants and contributions	3,784	34,169	36,144	9,924	12,185	11,560	24,891	57,665	25,802	28,854
Total governmental activities program revenues	92,998	129,738	120,506	85,822	92,605	93,254	122,411	142,175	109,246	95,704
Business-type activities:										
Charges for services										
Stormwater	23,625	24,101	23,604	23,231	22,007	21,424	19,296	17,742	14,651	14,286
One Technology Center	9,176	10,253	9,401	8,560	6,637	5,787	2,478	-	-	-
Arena & Convention	13,953	12,634	12,012	12,300	12,130	10,281	1,128	-	-	-
Tulsa Stadium Trust	334	299	246	163	16,286	-	-	-	-	-
Golf Courses	2,700	2,558	2,574	2,024	2,733	2,713	1,683	1,084	1,221	1,392
Operating grants and contributions	-	3	308	-	79	-	-	-	-	-
Capital grants and contributions	2,360	1,277	1,072	3,319	10,735	36,839	113,759	11,082	6,211	-
Total business-type activities program revenues	52,148	51,125	49,217	49,597	70,607	77,044	138,344	29,908	22,083	15,678
Total primary government program revenues	\$ 145,146	\$ 180,863	\$ 169,723	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382
Governmental activities	(278,709)	(268,219)	(264,051)	(245,769)	(269,309)	(282,820)	(276,472)	(249,643)	(238,050)	(220,952)
Business-type activities	(14,526)	(17,637)	(17,205)	(15,901)	(5,654)	22,259	100,783	7,576	1,909	(3,469)
Total primary government net expense	\$ (293,235)	\$ (285,856)	\$ (282,343)	\$ (261,670)	\$ (274,963)	\$ (260,561)	\$ (175,689)	\$ (242,067)	\$ (236,141)	\$ (224,421)
General Revenues and Other Changes in Net Position:										
Taxes										
Sales tax	231,108	227,905	219,240	199,384	193,505	207,289	210,633	201,717	192,261	182,136
Property tax	59,659	58,445	58,965	49,315	41,989	39,090	34,475	29,182	22,501	19,594
Franchise tax	24,053	22,588	22,427	27,225	26,144	25,871	23,211	22,213	22,064	22,753
Use tax	24,776	22,393	21,522	17,927	15,622	18,422	18,501	18,346	16,480	14,765
Hotel / motel tax	7,050	6,676	6,120	5,683	5,821	6,327	6,819	6,134	5,508	5,032
Unrestricted grants and contributions	7,894	22,154	23,305	22,698	15,860	21,224	20,396	20,765	20,023	16,958
Payments from component units	14,710	4,282	690	76	13	1,808	2,008	181	229	2,081
Investment earnings	7,072	(2,343)	2,888	7,513	9,566	19,570	24,151	18,971	4,927	4,060
Miscellaneous	2,253	9,812	4,586	2,490	1,705	3,788	5,246	2,014	1,011	1,178
Transfers	(15,060)	(18,092)	(16,814)	(11,950)	(21,612)	(22,248)	(105,851)	(4,292)	(8,103)	(7,387)
Total governmental activities	363,515	353,820	342,919	320,361	288,613	321,141	239,589	315,231	276,901	261,170
Business-type activities:										
Investment earnings and other	3,193	(1)	316	611	691	1,290	1,209	633	292	379
Transfers & capital contributions	15,060	18,092	16,814	11,950	23,619	22,248	105,851	4,292	1,892	7,387
Total business-type activities	18,253	18,091	17,130	12,561	24,310	23,538	107,060	4,925	2,184	7,766
Total primary government	\$ 381,768	\$ 371,911	\$ 360,049	\$ 332,922	\$ 312,923	\$ 344,679	\$ 346,649	\$ 320,156	\$ 279,085	\$ 268,936
Governmental activities	84,806	85,601	97,937	74,592	19,304	38,321	(36,883)	65,589	38,851	40,218
Business-type activities	3,727	454	(1,939)	(3,340)	18,656	45,797	207,843	12,501	4,093	4,297
Total primary government	\$ 88,533	\$ 86,055	\$ 95,998	\$ 71,252	\$ 37,960	\$ 84,118	\$ 170,960	\$ 78,090	\$ 42,944	\$ 44,515

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
2014	\$ 231,108	\$ 59,659	\$ 24,053	\$ 24,776	\$ 7,050	\$ 346,646
2013	227,905	58,445	22,588	22,393	6,676	338,007
2012	223,988	58,955	21,857	21,522	6,120	332,442
2011	199,384	49,315	27,225	17,927	5,683	299,534
2010	193,505	41,989	26,144	15,622	5,821	283,081
2009	207,289	39,090	25,871	18,422	6,327	296,999
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

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

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

Function/Program:	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
General government	\$ 10,478	\$ 14,789	\$ 14,421	\$ 15,416	\$ 13,380	\$ 13,240	\$ 12,368	\$ 16,250	\$ 18,482	\$ 16,476
Public safety and protection	47,874	47,727	52,384	37,311	37,973	39,454	49,018	37,459	35,254	17,616
Public works and transportation	17,476	46,502	42,822	16,475	20,024	25,397	43,524	64,317	33,105	36,999
Culture and recreation	4,754	4,516	4,148	5,122	5,960	3,801	3,943	4,545	4,355	4,205
Social and economic	12,416	16,204	7,675	11,498	15,268	11,362	13,558	19,604	18,050	20,408
Total governmental activities	92,998	129,738	121,450	85,822	92,605	93,254	122,411	142,175	109,246	95,704
Business-type activities:										
Stormwater	25,806	25,353	24,676	24,824	25,078	33,057	20,657	28,824	20,394	14,286
One Technology Center	9,176	10,253	9,401	8,560	6,637	5,787	2,478	-	-	-
Arena & Convention	13,993	12,659	12,012	12,856	19,871	35,487	113,526	-	-	-
Tulsa Stadium Trust	334	302	554	918	16,286	-	-	-	-	-
Tulsa Golf Courses	2,839	2,558	2,574	2,439	2,735	2,713	1,683	1,084	1,689	1,392
Total business-type activities	52,148	51,125	49,217	49,597	70,607	77,044	138,344	29,908	22,083	15,678
Total primary government	\$ 145,146	\$ 180,863	\$ 170,667	\$ 135,419	\$ 163,212	\$ 170,298	\$ 260,755	\$ 172,083	\$ 131,329	\$ 111,382

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

CITY OF TULSA
FUND BALANCES OF GOVERNMENTAL FUNDS

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Fund:										
Nonspendable	\$ 611	\$ 745	\$ 606	\$ 1,055	\$7,730	\$8,876	\$13,273	\$9,668	\$8,831	\$10,659
Restricted	2,000	2,000	-	-	47,045	41,647	37,759	43,778	38,665	32,809
Assigned	6,889	13,504	20,989	13,807	\$54,775	\$50,523	\$51,032	\$53,446	\$47,496	\$43,468
Unassigned	50,264	41,528	49,540	52,255						
	<u>\$ 59,764</u>	<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
Restricted	403,806	383,576	388,231	325,181						
Committed	1,698	1,761	1,095	1,135	15,572	9,552	9,412	12,842	10,294	12,959
Assigned	-	718	718	3,977	12,412	4,014	3,948	3,439	2,733	5,650
Unassigned	(456)	(512)	(145)	(261)	1,966	1,692	1,095	832	358	5,895
	<u>\$ 405,048</u>	<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>

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)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Sales tax	\$ 231,108	\$ 227,905	\$ 223,988	\$ 199,384	\$ 193,505	\$ 207,289	\$ 210,633	\$ 201,716	\$ 192,261	\$ 182,136
Property tax	57,478	56,096	54,124	44,690	34,457	33,287	30,838	22,213	19,047	18,511
Franchise tax	24,053	22,588	21,857	27,225	26,144	25,871	23,211	26,322	22,501	19,594
Use tax	24,776	22,393	21,522	17,927	15,622	18,422	18,501	18,346	16,480	14,765
Hotel/motel tax	7,050	6,676	6,120	5,683	5,821	6,327	6,819	6,134	5,508	5,032
Special assessment tax	3,595	3,344	3,164	3,169	3,275	855	910	869	795	530
Charges for services	30,412	45,450	45,553	35,918	40,385	42,353	39,554	35,123	33,723	32,386
Intergovernmental revenues	47,794	53,891	39,598	42,261	51,776	50,761	71,134	98,539	65,972	54,805
Fines and forfeitures	9,565	10,567	11,718	10,875	8,257	8,763	12,001	10,350	8,957	8,424
Investment income	7,002	363	5,222	6,140	8,663	12,913	18,911	15,279	6,638	5,780
Licenses, permits and fees	7,801	7,137	6,832	5,922	5,175	6,191	6,745	5,823	5,979	5,625
Program income from grants	1,146	1,962	1,763	440	530	793	1,606	3,228	2,421	1,267
Payments from component units	13,126	701	668	57	13	1,808	2,008	181	229	2,081
Miscellaneous	2,253	9,778	3,033	2,492	2,794	3,787	5,935	2,664	2,080	1,523
Total revenues	467,159	468,851	445,162	402,183	396,417	419,420	448,806	446,787	382,591	352,459
Expenditures										
Current:										
General government	37,857	43,389	27,443	21,638	20,819	20,826	19,781	17,376	16,988	14,947
Public safety and protection	190,069	186,552	187,513	171,552	174,401	188,475	193,595	174,293	169,218	143,780
Public works and transportation	24,983	25,857	29,039	31,557	31,412	32,174	35,064	30,072	26,855	27,060
Culture and recreation	21,584	21,112	14,948	14,385	15,362	19,473	22,753	25,385	23,631	22,535
Social and economic development	28,319	32,986	31,066	20,215	28,991	25,611	26,897	25,259	21,465	24,744
Refund of sales and use taxes	-	-	-	-	-	-	-	-	-	376
Payments to component units	9,719	11,111	9,562	10,354	16,535	23,480	21,970	31,899	9,675	12,052
Capital outlay	111,597	114,238	96,057	79,680	105,904	102,681	122,328	142,399	93,566	74,665
Debt service:										
Principal	41,953	38,347	31,173	24,581	18,860	17,354	20,481	17,392	16,114	12,703
Interest	16,727	16,150	17,335	15,887	14,433	12,251	10,172	7,436	7,436	6,148
Total expenditures	482,808	489,742	444,136	389,849	426,717	442,325	473,041	471,511	384,948	339,010
Excess (deficiency) of revenues over (under) expenditures	(15,649)	(20,891)	1,026	12,334	(30,300)	(22,905)	(24,235)	(24,724)	(2,357)	13,449
Other financing sources (uses)										
Transfers in	1,706	3,657	2,570	3,941	25,758	12,761	13,590	20,083	17,262	10,108
Transfers out	(17,349)	(22,047)	(17,887)	(16,565)	(47,650)	(35,395)	(37,777)	(29,163)	(21,177)	(21,083)
Sale of capital assets	1,468	1,173	664	1,691	821	-	-	-	-	-
Bond issuance	50,000	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
Premium on bond issuance	1,316	7,341	647	11,143	12,017	16	-	418	-	2,652
Payment to bond escrow agent	-	(23,746)	-	(21,546)	(30,013)	-	-	-	229	(16,419)
Total other financing sources (uses)	37,141	35,124	30,921	70,210	54,491	25,835	11,664	57,272	20,286	24,956
Net changes in fund balances	21,492	14,233	31,947	82,544	24,191	2,930	(12,571)	32,548	17,929	38,405
Fund balance, beginning	443,320	429,087	429,087	314,605	290,414	287,484	300,055	268,132	250,203	210,973
Cumulative effect of change in acctg. principle	-	-	-	-	-	-	-	(625)	-	825
Fund balance, ending	\$ 464,812	\$ 443,320	\$ 461,034	\$ 397,149	\$ 314,605	\$ 290,414	\$ 287,484	\$ 300,055	\$ 268,132	\$ 250,203
Debt service as a percentage of noncapital expenditures	16.00%	14.45%	13.92%	12.86%	9.59%	8.72%	8.74%	7.54%	8.08%	7.13%

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
2014	\$ 231,108	\$ 57,478	\$ 24,053	\$ 24,776	\$ 7,050	\$ 344,465
2013	227,905	56,096	22,588	22,393	6,676	335,658
2012	223,988	54,124	21,857	21,522	6,120	327,611
2011	199,384	44,690	27,225	17,927	5,683	294,909
2010	193,505	34,457	26,144	15,622	5,821	275,549
2009	207,289	33,287	25,871	18,422	6,327	291,196
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

CITY OF TULSA
PRINCIPAL SALES TAX REMITTERS
(amounts expressed in thousands)
June 30, 2014

		2014				2013			
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	\$36,351	\$1,147,820	15.87%	53	General Merchandise Stores	\$36,938	\$1,166,349	16.13%
58	Eating And Drinking Places	28,844	910,753	12.60%	58	Eating and Drinking Places	28,152	888,903	12.29%
59	Miscellaneous Retail	25,062	791,342	10.94%	59	Miscellaneous Retail	26,032	821,971	11.37%
49	Electric, Gas, And Sanitary Services	17,084	539,431	7.46%	49	Electric, Gas, & Sanitary Services	17,598	555,672	7.68%
54	Food Stores	16,892	533,387	7.38%	57	Furniture & Home Furnishings Store	16,583	523,625	7.24%
57	Furniture And Home Furnishing Stores	16,674	526,506	7.28%	54	Food Stores	15,151	478,395	6.62%
52	Building Materials & Garden Supplies	14,231	449,339	6.21%	52	Building Materials & Garden Supplies	13,424	423,858	5.86%
50	Wholesale Trade-Durable Goods	13,279	419,299	5.80%	50	Wholesale Trade-Durable Goods	13,011	410,839	5.68%
56	Apparel And Accessory Stores	11,222	354,343	4.90%	56	Apparel And Accessory Stores	11,249	355,197	4.91%
48	Communication	8,670	273,761	3.79%	48	Communication	9,473	299,123	4.14%
		<u>\$188,309</u>	<u>\$5,945,982</u>	<u>82.23%</u>			<u>\$187,611</u>	<u>\$5,923,932</u>	<u>81.93%</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
2014	3.167%	0.850%	4.500%
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%

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			Assessed to Estimated Actual Value
	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	Estimated Actual Value	Net Assessed Value	Tax Rate Per \$1,000	
2014	\$ 23,899,110	\$ 2,629,165	20.24	\$ 3,793,290	\$ 379,329	20.24	\$ 491,001	\$ 156,040	20.24	\$ 28,183,401	\$ 3,164,534	20.24	11.2%
2013	23,572,306	2,593,213	20.16	3,673,950	367,395	20.16	622,631	197,872	20.16	27,868,887	3,158,480	20.16	11.3%
2012	23,257,483	2,558,579	20.01	3,612,420	361,242	20.01	615,592	195,635	20.01	27,485,495	3,115,456	20.01	11.3%
2011	22,980,865	2,528,148	16.98	3,836,900	383,690	16.98	687,020	218,335	16.98	27,504,785	3,130,173	16.98	11.4%
2010	22,455,554	2,470,358	14.15	3,991,610	399,161	14.15	658,738	209,347	14.15	27,105,902	3,078,866	14.15	11.4%
2009	21,699,539	2,387,188	14.08	3,857,010	385,701	14.08	585,925	186,207	14.08	26,142,474	2,959,096	14.08	11.3%
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%

Source: Tulsa County Assessor's Office

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	
2014	\$ -	\$ 20.24	\$ 89.45	\$ 10.33	\$ 5.32	\$ 2.58	127.92	
2013	-	20.16	89.19	10.34	5.32	2.58	127.59	
2012	-	20.01	89.33	10.34	5.32	2.58	127.58	
2011	-	16.98	88.44	10.31	5.32	2.58	123.63	
2010	-	14.15	89.49	10.31	5.32	2.58	121.85	
2009	-	14.08	88.31	10.31	5.32	2.58	120.60	
2008	-	13.48	88.31	10.31	5.32	2.58	120.00	
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	

Source: Tulsa County Assessor's Office

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
2014	\$ 64,050	\$ 62,019	96.8%	\$ 11,206	17.5%	\$ 1,659	\$ 63,678	99.4%
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%

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

Year	General Obligation		Governmental Activities Debt		Governmental Service Funds		Total Governmental Activities		Business Type Activities		Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Bonds, Net	Payable	Revenue	Notes	Revenue	Bonds, Net	Revenue	Bonds, Net	Revenue	Bonds, Net			
2014	\$ 447,465	-	\$ 8,856	-	\$ 456,321	\$ 103,316	107,390	104,324	106,402	90,354	\$ 559,637	2.84%	\$ 1,407
2013	439,032	-	10,335	-	449,367	107,390	107,390	104,324	106,402	90,354	556,757	3.08%	1,429
2012	426,659	407	11,821	407	438,887	104,324	104,324	104,324	106,402	90,354	543,211	3.07%	1,375
2011	407,858	796	14,255	796	422,909	106,402	106,402	106,402	106,402	90,354	529,311	3.21%	1,314
2010	351,105	1,165	27,911	1,165	380,181	90,354	90,354	106,402	106,402	90,354	470,535	3.10%	1,221
2009	291,245	1,519	41,030	1,519	333,794	92,558	92,558	106,402	106,402	90,354	426,352	3.26%	1,139
2008	255,817	1,862	53,270	1,862	310,949	95,081	95,081	106,402	106,402	90,354	406,030	2.40%	1,052
2007	234,224	2,189	75,225	2,189	311,638	2,425	2,425	106,402	106,402	90,354	314,063	2.19%	803
2006	180,908	2,500	92,284	2,500	275,692	2,780	2,780	106,402	106,402	90,354	278,472	2.22%	757
2005	165,579	-	27,530	-	193,109	3,125	3,125	106,402	106,402	90,354	196,234	1.48%	515

Note: Outstanding debt balances are reported net of related discounts and premiums.

Long-term liabilities reported on the financial statements include the debt reported above along with liabilities for compensated absences, pension and other post-employment benefit liabilities, arbitrage, claims and judgments, therefore the total primary government debt included above will not tie directly to the financial statements.

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

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	Assessed Property Value	Net General Bonded Debt			Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita (In dollars)
			General Bonded Debt ^a	Less Reserves ^b	Net		
2014	397,737	\$ 3,164,534	\$ 483,817	\$ 39,010	\$ 444,807	14.06%	\$ 1,118
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%	1,127
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

^a Net of related premiums or discounts. Includes general obligation bonds reported by primary government and component units.

^b Reserves related to principal on outstanding general bonded debt.

Sources: Net Assessed Value - Tulsa County Assessor's Office

CITY OF TULSA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2014
(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	\$ 139,287	92.7%	\$ 129,073
No. 3 BA	60,638	9.7%	5,858
No. 4 Bixby	29,120	10.2%	2,973
No. 5 Jenks	69,592	73.9%	51,399
No. 9 Union	61,860	76.0%	47,036
No. 11 Owasso	37,200	0.1%	40
			<u>236,378</u>
City direct debt			444,807
Total direct and overlapping debt	\$ 444,807	100.0%	\$ 681,185

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's Office

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Debt limit ¹⁻²	\$ 316,453	\$ 315,848	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186
Total net debt subject to limit ³	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 316,453	\$ 311,546	\$ 311,546	\$ 313,017	\$ 307,877	\$ 295,910	\$ 282,469	\$ 271,797	\$ 259,832	\$ 251,186
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Sources:

¹ Tulsa County Assessor's Office - Net Assessed Valuation

² Article 10, Section 26, Oklahoma Constitution - 10% of Net Assessed Valuation

³ Article 10, Section 27, Oklahoma Constitution - debt subject to limit

CITY OF TULSA
PLEDGED-REVENUE BOND COVERAGE
ONE TECHNOLOGY CENTER- LEASE REVENUE BONDS
LAST SEVEN YEARS
(amounts expressed in thousands)

Year	Gross Revenue ^a	Direct Expenses ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 12,065	\$ 5,244	\$ 6,821	\$ 1,280	\$ 3,372	\$ 4,652	1.47
2013	10,930	5,978	4,952	-	3,645	3,645	1.36
2012	9,466	4,999	4,467	-	3,734	3,734	1.20
2011	9,820	4,354	5,466	-	3,734	3,734	1.46
2010	8,678	4,226	4,452	-	3,734	3,734	1.19
2009	7,005	5,147	1,858	600	3,747	4,347	0.43
2008	7,602	2,589	5,013	-	1,597	1,597	3.14

Information is as of issuance

Note: The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of TPFAs One Technology Center fund.

a- Gross revenues includes lease revenues derived from the operation of the OTC facility along with other revenues of the fund including investment income, transfers and gains on capital asset disposition.

b- Direct expenses include all expenses of the OTC fund excluding depreciation and interest expense.

CITY OF TULSA
PLEDGED-REVENUE BOND COVERAGE
ARENA AND CONVENTION - 2008 CAPITAL IMPROVEMENT BONDS
LAST SIX YEARS
(amounts expressed in thousands)

Year	Gross Revenue ^a	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$ 2,080	\$ 915	\$ 769	\$ 1,684	1.24
2013	2,090	835	820	1,655	1.26
2012	2,090	725	852	1,577	1.33
2011	2,140	680	881	1,561	1.37
2010	2,276	640	905	1,545	1.47
2009	1,563	450	867	1,317	-

Information is as of issuance

Note: The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the TPFA's Arena and Convention fund.

a- Gross revenues includes revenues derived from the sponsorship and naming rights of the Arena.

CITY OF TULSA
 PLEDGED-REVENUE BOND COVERAGE
 ARENA AND CONVENTION- 1985 ASSEMBLY CENTER BONDS
 LAST TEN YEARS
 (amounts expressed in thousands)

Year	Gross Revenue ^a	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2014	\$ 3,973	\$ 1,520	\$ 157	\$ 1,684	2.36
2013	3,958	1,425	254	1,655	2.39
2012	3,666	1,340	345	1,577	2.32
2011	3,386	1,260	431	1,561	2.17
2010	3,470	1,185	512	1,545	2.25
2009	3,771	1,115	588	1,317	2.86
2008	4,063	1,050	658	1,708	2.38
2007	3,656	985	723	1,708	2.14
2006	3,283	930	783	1,713	1.92
2005	2,999	880	839	1,719	1.74

Note: The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the TPFA's Arena and Convention fund.

a- Gross revenues includes a portion of the City's hotel motel tax revenues dedicated to the Convention Center facility and operations.

CITY OF TULSA
 PLEDGED-REVENUE BOND COVERAGE
 TULSA STADIUM TRUST- LEASE REVENUE BONDS
 LAST FIVE YEARS
 (amounts expressed in thousands)

Year	Gross Revenue ^a	Direct Expenses ^b	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 2,689	\$ 919	\$ 1,770	\$ 383	\$ 1,946	\$ 2,329	0.76
2013	2,439	404	2,035	360	1,253	1,613	1.26
2012	2,663	427	2,236	339	1,217	1,556	1.44
2011	3,042	678	2,364	5,319	1,174	6,493	0.36
2010	18,303	733	17,570	289	141	430	40.86

Information is from 2010, the date of the first debt service requirements.

Note: The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of the Tulsa Stadium Trust.

a- Gross revenues includes revenues derived from the operation of the ballpark and transfers from the Tulsa Stadium Improvement District along with other revenues of the fund including investment income and gains on capital asset disposition.

b- Direct expenses include all expenses of the Tulsa Stadium Trust excluding depreciation and interest expense.

CITY OF TULSA
 PLEDGED-REVENUE BOND COVERAGE
 INTERNAL SERVICE FINANCING FUND- 2012 CAPITAL IMPROVEMENT BONDS
 LAST TWO YEARS
 (amounts expressed in thousands)

Year	Gross Revenue	Direct Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 26,720	\$ 22,051	\$ 4,669	\$ 1,305	\$ 345	\$ 1,650	2.83
2013	23,792	23,735	57	1,295	372	1,667	0.03

Information is from issuance in 2013

Note: The City has no obligation for repayment of revenue bond debt. Repayment of debt is the responsibility of TPFA's Financing fund and TARE.

a- Gross revenues includes revenues derived from the operation TARE along with other revenues of the fund including investment income and gains on capital asset disposition.

b- Direct expenses include all expenses of TARE excluding depreciation and interest expense.

CITY OF TULSA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Years

(amounts expressed in thousands)

Year	Population	MSA Current		MSA Per Capita		Median Age	Percent of High School Graduates	Unemployment Rate
		Personal Income (in millions)	Personal Income	Personal Income	Personal Income			
2014	397,737	\$ 47,880	\$ 49,631	34.8	86.7%	5.3%		
2013	397,139	44,796	46,355	34.5	86.7%	5.7%		
2012	393,987	42,741	44,755	34.6	86.7%	6.2%		
2011	392,000	39,996	42,236	34.7	86.7%	7.1%		
2010	390,000	37,162	39,529	37.3	86.8%	7.8%		
2009	387,000	35,396	38,067	37.1	86.5%	5.3%		
2008	386,000	40,198	43,859	36.9	86.2%	3.6%		
2007	384,000	35,773	39,466	36.6	86.0%	4.1%		
2006	382,000	34,393	38,470	36.4	85.7%	4.1%		
2005	381,000	30,734	34,812	36.2	85.4%	4.7%		

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	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public Safety and Protection:										
Police	997	881	879	874	888	897	898	892	936	926
911 Public Safety Communications	-	97	97	97	108	109	109	109	114	114
Municipal Courts	46	51	51	50	53	58	58	58	63	62
Fire	696	696	699	698	708	714	714	713	721	719
	<u>1,739</u>	<u>1,725</u>	<u>1,726</u>	<u>1,719</u>	<u>1,757</u>	<u>1,778</u>	<u>1,779</u>	<u>1,772</u>	<u>1,834</u>	<u>1,821</u>
Cultural Development and Recreation:										
Park & Recreation	195	196	110	180	270	273	274	274	384	384
Tulsa Performing Arts Center	30	30	29	30	36	37	38	38	35	37
	<u>225</u>	<u>226</u>	<u>139</u>	<u>210</u>	<u>306</u>	<u>310</u>	<u>312</u>	<u>312</u>	<u>419</u>	<u>421</u>
Social and Economic Development:										
Planning and Economic Development	115	112	121	118	91	93	93	84	-	-
Working in Neighborhoods	75	77	75	72	87	91	86	83	-	-
	<u>190</u>	<u>189</u>	<u>196</u>	<u>190</u>	<u>178</u>	<u>184</u>	<u>179</u>	<u>167</u>	-	-
Public Works and Transportation:										
Engineering Services	162	161	153	155	-	-	-	-	-	-
Streets and Stormwater	375	374	434	437	-	-	-	-	-	-
Water and Sewer	646	642	657	653	-	-	-	-	-	-
Public Works	-	-	-	-	1,441	1,453	1,445	1,426	1,608	1,609
Airports	157	157	157	157	158	172	171	169	174	173
	<u>1,340</u>	<u>1,334</u>	<u>1,401</u>	<u>1,402</u>	<u>1,599</u>	<u>1,625</u>	<u>1,616</u>	<u>1,595</u>	<u>1,782</u>	<u>1,782</u>
General Government and Support:										
Finance	170	171	158	153	89	84	84	78	76	76
Information Technology	143	146	149	249	270	278	277	273	193	193
Asset Management	111	79	79	79	79	83	83	83	83	83
All Other	157	181	177	73	83	96	107	139	107	99
	<u>581</u>	<u>577</u>	<u>563</u>	<u>554</u>	<u>521</u>	<u>541</u>	<u>551</u>	<u>573</u>	<u>459</u>	<u>451</u>
	<u>4,075</u>	<u>4,051</u>	<u>4,025</u>	<u>4,075</u>	<u>4,361</u>	<u>4,438</u>	<u>4,437</u>	<u>4,419</u>	<u>4,494</u>	<u>4,475</u>

Notes:

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

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

Function/Program	2014	2013	2012	2011
<u>Public Safety & Protection</u>				
Municipal Court				
1 Percent of adult offenders who successfully complete probation order.	70%	70%	New Measure	New Measure
2 Percent of juvenile offenders who successfully complete probation order.	70%	70%	New Measure	New Measure
Police				
1 Percent reduction in Part One crimes over previous year.	5% decrease	3% decrease	6.75% decrease	5% increase
2 Percent reduction in fatality/high injury collisions over previous year.	0% decrease	3% decrease	15.4% decrease	8% decrease
3 Percent reduction in number of backlogged forensic cases over previous year.	37% decrease	10% decrease	9% decrease	43% increase
4 Percent increase of calls responded to in three minutes or less.	6% increase	5% increase	3.37% decrease	6% increase
5 Percent of PSAP calls answered within 10 seconds.	85%	90%	88%	
6 Percent of emergency calls answered within 20 seconds.	89%	95%	92%	
Fire				
1 Percent of arrival on scene from receipt of call within six minutes	90%	90%	87%	89%
2 Percent of reduction of firefighter injuries from previous year.	5%	5%	11%	9% increase
<u>Culture and Recreation</u>				
Parks				
1 Number of Master Plan Citizen Advisory newsletters created per year.	4	4	New Measure	New Measure
2 Percent of National Accreditation Standards achieved by June 30, 2015.	117	128	New Measure	New Measure
3 Number of specialized wellness programs with a minimum of 15 participants implemented per year.	90	85	New Measure	New Measure
Gilcrease Museum				
1 Number of school-aged children receiving services per year.	17,000	25,000	17,695	25,000
2 Number of visitors attracted annually.	80,000	100,000	113,561	85,700
Performing Arts Center				
1 Number of performances per year.	530	500	524	554
2 Dollar amount of gross ticket sales.	\$7 million	\$7 million	\$10.8 million	\$7 million
BOK Arena and Convention Center				
1 Number of paid attendance to event centers per year.	846,176	550,000	894,092	849,052
2 Gross ticket sales per year	\$18,967,548	\$15,000,000	\$19,601,157	\$16,101,011
3 Number of attended events scheduled and serviced annually.	465	476	508	589

Continued

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

Function/Program	2014	2013	2012	2011
Continued				
Social & Economic Development				
Mayor's Office of Economic Development				
1	Percent increase in future hotel room nights.	5%	6.5%	New Measure
Working In Neighborhoods				
1	Average number of housing rehabilitations per month.	23	20	20 rehabs, 21
2	Average number of housing demolitions per month.	32	23	8
3	Number of neighborhoods that have undergone a mapping process per year.	4	4	New Measure
4	Number of neighborhoods clean-up initiative per year.	13	12	1258
5	Average number of voluntary compliance of code violations per month.	1100	882	New Measure
6	Percent reduction of animals euthanized at Tulsa Animal Welfare (TAW).	12% reduction	18.6% reduction	New Measure
7	Percent increase of live exits of animals from TAW.	12% increase	1.6% increase	New Measure
8	Percent reduction of animal intake at TAW.	New Measure	8.6% reduction	New Measure
Planning and Economic Development				
1	Number of small area plans created or updated by 6/30/14.	5	0	New Measure
2	Average number of working days for plans review.	10	10	7
3	Average number of calendar days to issue permits for commercial projects under \$1 million.	30	30	34

Continued

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

Function/Program	2014	2013	2012	2011	
Continued					
Public Works & Transportation					
Engineering Services					
1	Percent of capital projects designed, right-of-way easements acquired and utilities relocated within scheduled time frames.	82%	80%	62%	83%
2	Percent of capital projects constructed within scheduled time frames.	97%	90%	93%	96%
3	Percent of capital projects completed within appropriated budgets.	100%	95%	100%	100%
4	Change order percent for capital projects (State statute: Projects valued at: a) \$1,000,000 or less: 15% maximum; b) Above \$1,000,000: 10% maximum.	0.3%	7.0%	2.4%	2.0%
5	Percent of bid advertisements posted and updated in all locations.	95%	95%	96%	98%
Streets and Stormwater					
1	Average number of hours it takes to respond to emergency street repair requests.	15 minutes	1	New Measure	New Measure
2	Percent of compliance with City grass height ordinance.	100%	100%	New Measure	New Measure
3	Percent reduction in travel time in modified and updated traffic signal areas.	20%	10%	New Measure	New Measure
4	Average number of hours it takes to respond to stormwater emergencies.	28 minutes	1	New Measure	New Measure
5	Percent of verified missed collections of refuse and recycling services.	0.1%	0.2%	New Measure	New Measure
Water and Sewer					
1	Percent of customer service demand for treated water.	100%	98%	100%	New Measure
2	Average number of instances of noncompliance with Oklahoma Pollutant Discharge Elimination System for all wastewater treatment plants per quarter.	0.75	5	1.25	New Measure
3	Average number hours for water off per customer during emergency repairs.	5.11	5	4.91	New Measure
4	Percent of on-site responses to sanitary sewer stoppage and overflow calls within two hours.	99.2%	95%	99.7%	New Measure
Metropolitan Tulsa Transit Authority					
1	Number of fixed route complaints per 10k boardings	3.3	4	2.7	4
2	Number of lift program complaints per 10k boardings.	18.9	23	21.8	23
3	Number of fixed route passengers per hour.	18.3	17	17.6	15
4	Number of lift program passengers per hour.	2.1	2	2.1	2

Continued

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

Function/Program	2014	2013	2012	2011
Continued				
General Government				
Elected Officials				
1	90%	90%	90%	100%
2	88%	90%	88%	86%
3	3.0	3.3	3.5	New Measure
Human Rights Department				
1	100%	100%	100%	New Measure
2	75%	75%	50%	New Measure
3	75%	80%	40%	New Measure
Legal Department				
1	100%	100%	100%	100%
2	90%	90%	98%	91%
Human Resources Department				
1	95%	80%	95%	94%
2	92%	80%	92%	89%
3	76%	65%	76%	74%
Finance Department				
1	110	25	108	115
2	AA	AA	AA	AA
3	AA ¹	AA ¹	AA ¹	AA ¹
4	75.0%	6.3%	89.0%	6.0%
5	99.3%	99.3%	99.3%	99.9%
Information Technology				
1	4.9	4.0	4.8	4.9
2	2%	1%	2%	New Measure
3	47%	35%	43%	41%
Customer Care				
1	70%	85%	48%	New Measure
2	11%	<8%	18%	New Measure
3	94%	90%	N/A	New Measure
Communications Department				
1	1%	New Measure	New Measure	New Measure
Equipment Management Department				
1	93%	93%	95%	86%

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
2014	\$ 4.81	\$ 3.18	\$ 4.91	\$ 5.14
2013	4.50	2.97	4.50	4.71
2012	4.50	2.75	4.50	4.27
2011	4.50	2.53	4.50	3.92
2010	4.20	2.37	4.50	3.56
2009	4.08	2.31	4.08	3.23
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

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
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



cityoftulsa.org