TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)

FINANCIAL REPORT
June 30, 2023

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
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RSM US LLP

Independent Auditor's Report

Board of Trustees
Tulsa Public Facilities Authority

Opinions

We have audited the financial statements of the business-type activities, each major fund and the aggregate remaining fund information of the Tulsa Public Facilities Authority (the Authority), a component unit of the City of Tulsa, Oklahoma, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the aggregate remaining fund information of the Authority, as of June 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority 's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and pension and other postemployment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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

Management is responsible for the other information included in the annual report. The other information comprises the debt compliance information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Kansas City, Missouri
December 11, 2023

As management of the Tulsa Public Facilities Authority (the "Authority"), a blended component unit of the City of Tulsa (the "City"), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which begin on page nine. All dollar amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the Authority exceeded its liabilities and deferred outflows at the close of the current year by $196,625. Of this amount, $171,565 is the net investment in capital assets, $1,503 is restricted for debt service, $3,599 is restricted for capital projects, and $19,958 is unrestricted and may be used to meet the Authority's ongoing obligations.

- The Authority's net position decreased $136 to $196,625 as of June 30, 2023.

- The Authority's total assets decreased by $40,484 as of June 30, 2023.

- The Authority's total liabilities decreased by $31,554 as of June 30, 2023.

- The Authority's operating revenues increased by $7,280 for the year ended June 30, 2023.

Overview of the Financial Statements

The Authority, a legally separate public trust, is reported by the City as a blended component unit. As such, the activities of the Authority are reported in various enterprise funds and internal service funds within the City's Annual Comprehensive Financial Report. The primary functions of the Authority are to issue revenue bonds, the proceeds of which may be loaned to the City or one of its component units and use bond proceeds to acquire, construct and ultimately lease governmental facilities to the City or one of its component units. The Authority also leases commercial office space to the City and private sector companies and manages the One Technology Center ("OTC"), the BOK Center, and the Cox Business Convention Center facilities ("CBCC").

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements. The basic financial statements include: 1) Statement of Net Position, 2) Statement of Revenues, Expenses, and Changes in Net Position, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements.

Financial Statements

The Authority uses fund accounting in its financial statements to demonstrate compliance with finance related legal requirements. 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 Authority has one fund type, proprietary, and reports four enterprise funds. Enterprise funds are used to report functions presented as business-type activities. The financial statements of the Authority report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the Authority's assets, liabilities and deferred outflows/inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the financial success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The third financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement allows financial statement users to assess whether the Authority's current cash flows are sufficient to pay its obligations. The statement reports cash receipts, cash payments, and changes in cash resulting from operating, investing, noncapital financing and capital financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the period. The notes to the financial statements provide additional information necessary for a full and complete understanding of the data provided in the financial statements.

Net Position

The Authority's net position decreased $136 to $196,625 at June 30, 2023. The following table provides a summary of net position:

SUMMARY OF NET POSITION

	2023	2022	Dollar Change	Percent Change
Current assets	$ 117,466	$ 96,713	$ 20,753	21.5%
Capital assets, net	222,997	232,789	(9,792)	(4.2%)
Other assets	267,159	318,604	(51,445)	(16.1%)
Total assets	607,622	648,106	(40,484)	(6.2%)
Deferred outflow of resources	850	773	77	10.0%
Current liabilities	81,422	69,380	12,042	17.4%
Noncurrent liabilities	272,149	315,745	(43,596)	(13.8%)
Total liabilities	353,571	385,125	(31,554)	(8.2%)
Deferred inflow of resources	58,276	66,993	(8,717)	(13.0%)
Net investment in capital assets	171,565	178,114	(6,549)	(3.7%)
Restricted	5,102	8,291	(3,189)	(38.5%)
Unrestricted	19,958	10,356	9,602	92.7%
Net position	$ 196,625	$ 196,761	$ (136)	(0.1%)

Current assets increased $20,753 primarily due to an increase in cash and cash equivalents from increased ticket sales at the BOK Center and CBCC and 2023 Stormwater bond issuance. Other assets decreased $51,445 primarily due to a $42,492 decrease in cash and cash equivalents as bond proceeds are advanced to the City offset by payments from the City on advances and a $7,976 decrease in lease receivables as monthly lease payments received. Noncurrent liabilities decreased $43,596, primarily due to regularly scheduled debt payments.

SUMMARY OF CHANGES IN NET POSITION

	2023	2022	Dollar Change	Percent Change
Operating revenues	$ 38,623	$ 31,343	$ 7,280	23.2%
Nonoperating revenues	7,169	3,964	3,205	80.9%
Total revenues	45,792	35,307	10,485	29.7%
Operating expenses	44,482	41,049	3,433	8.4%
Nonoperating expenses	2,184	2,022	162	8.0%
Total expenses	46,666	43,071	3,595	8.3%
Income (loss) before contributions	(874)	(7,764)	6,890	(88.7%)
Capital contributions	-	(4,500)	4,500	(100.0%)
Contributions from the City	738	115	623	541.7%
Change in net position	(136)	(12,149)	12,013	98.9%
Net position, beginning of year	196,761	209,307	(12,546)	(6.0%)
Restatement	-	(397)	397	100.0%
Net position, beginning of year as restated	196,761	208,910	(12,149)	(5.8%)
Net position, end of year	$ 196,625	$ 196,761	$ (136)	(0.1%)

In 2023, the Authority's operating revenues increased $7,280 or 23.2% due primarily to increases in facilities revenue at the BOK Center and CBCC related to a greater number of events during 2023.

In 2023, the Authority's nonoperating revenues increased $3,205 or 80.9% due primarily to increases in investment income.

In 2023, the Authority's operating expenses increased $3,433 or 8.4% due primarily to increased events including higher staffing and supplies costs at the BOK Center and CBCC.

Capital contributions decreased $4,500 primarily due to a one-time land contribution to the City in 2022.

Capital Assets

The Authority's investment in capital assets as of June 30, 2023 was $222,997 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, parking garage, leasehold improvements, and artwork. Construction-in-progress increased related to data and phone cabling improvements in OTC and audio equipment improvements in the BOK Center. Buildings increased related to air handling improvements in the BOK Center and CBCC. Equipment increases related to office furniture and maintenance in OTC.

CAPITAL ASSETS

	2023	2022	Dollar Change	Percent Change
Land	$ 12,937	$ 12,937	$ -	0.0%
Artwork	1,128	1,128	-	0.0%
Construction-in-progress	108	1	107	100.0%
Land improvements	50,867	50,867	-	0.0%
Buildings	307,326	306,600	726	0.2%
Parking garage	4,273	4,273	-	0.0%
Equipment	44,031	42,544	1,487	3.5%
	420,670	418,350	2,320	0.6%
Less accumulated depreciation	(197,673)	(185,561)	(12,112)	6.5%
Capital assets, net	$ 222,997	$ 232,789	$ (9,792)	(4.2%)

Noncurrent Liabilities

The Authority's debt outstanding decreased $41,190 to $310,850 at June 30, 2023. The change is primarily a result of the regular principal payments. More detailed information about the Authority's debt is presented in Note 9.

OUTSTANDING DEBT

	2023	2022	Dollar Change	Percent Change
One Technology Center:				
Series 2017A Refunding	$ 34,185	$ 34,185	$ -	0.0%
Series 2017B Refunding	16,200	18,605	(2,405)	(12.9%)
	50,385	52,790	(2,405)	
BOK Center and CBCC:				
Series 2008	3,235	4,090	(855)	(20.9%)
Financing Funds:				
Series 2017	78,805	86,410	(7,605)	(8.8%)
Series 2018	92,795	99,830	(7,035)	(7.0%)
Series 2019	54,395	83,930	(29,535)	(35.2%)
Series 2020	19,785	21,265	(1,480)	(7.0%)
Series 2021	3,125	3,725	(600)	(16.1%)
Series 2023	8,325	-	8,325	100.0%
	257,230	295,160	(37,930)	
Total debt	$ 310,850	$ 352,040	$ (41,190)	(11.7%)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Authority's appointed officials considered many factors when setting the 2024 budget and fees charged for business-type activities. Lease revenues are governed by rates negotiated in long-term leases. Event revenues are uncertain based on the venue and type of event.

At the national level, unemployment remained 3.6% at the end of fiscal year 2023, consistent with last year. Unemployment in the Tulsa Metro was below the national level during fiscal year 2023. The unemployment rate in the Tulsa Metro was 3.0% at the end of fiscal year 2023 compared to 3.5% at the end of fiscal year 2022. The Authority continues to have consistent accounts receivable collections.

Office space vacancy rates in the City decreased from 16.8% to 16.1% between July 2022 to June 2023. The commercial real estate leasing environment in Tulsa slightly increased over the course of the year. There has been a flight to quality space as businesses compete for new talent. Tulsa office vacancy outperformed the overall U.S. rate of 18.2% and holds an average employee "return to office" rate higher than many peer downtown office utilization rates.

The BOK Center continues to maintain its status as one of the world's busiest concert venues. In 2023, the BOK Center was ranked #20 in the United States and #29 in the World on Billboard Box Score Top Venue Report.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Tulsa, Office of the Controller, 175 East Second Street, Suite 1570, Tulsa, Oklahoma 74103.

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION
June 30, 2023

(in thousands of dollars)

	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
ASSETS						
Current assets:						
Cash and cash equivalents	$ 6,010	$ 14,145	$ -	$ -	$ 6	$ 20,161
Cash and cash equivalents, restricted	1,616	27,165	11,788	576	168	41,313
Interest receivable	43	15	299	52	1	410
Accounts receivable, net	293	1,801	-	-	-	2,094
Lease receivable	4,440	-	-	-	-	4,440
Advance to City	-	-	45,852	1,783	-	47,635
Advance to related entity	-	-	-	-	611	611
Prepaid expenses	-	188	-	-	-	188
Inventory	-	614	-	-	-	614
	12,402	43,928	57,939	2,411	786	117,466
Noncurrent assets:						
Cash and cash equivalents, restricted	4,609	1,652	73,071	14,223	-	93,555
Advance to City	-	-	103,408	12,533	-	115,941
Advance to related entity	-	-	-	-	2,400	2,400
Lease receivable	55,263	-	-	-	-	55,263
Nondepreciable capital assets	4,169	10,004	-	-	-	14,173
Depreciable capital assets, net	36,340	172,484	-	-	-	208,824
Total assets	$ 112,783	$ 228,068	$ 234,418	$ 29,167	$ 3,186	$ 607,622
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	$ 403	$ -	$ -	$ -	$ -	$ 403
Pension related amounts	410	-	-	-	-	410
Other postemployment benefit related amounts	37	-	-	-	-	37
Total deferred outflows of resources	$ 850	$ -	$ -	$ -	$ -	$ 850

(Continued)

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF NET POSITION (continued)
June 30, 2023

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	$ 1,437	$ 3,706	$ -	$ -	$ -	$ 5,143
Retainage payable	5	-	-	-	-	5
Unearned revenue	72	7,884	-	-	-	7,956
Advance ticket sales	-	17,299	-	-	-	17,299
Accrued bond interest payable	136	49	1,352	213	11	1,761
Current portion of revenue bonds	2,475	515	43,835	1,775	610	49,210
Current portion of other long-term liabilities	48	-	-	-	-	48
	4,173	29,453	45,187	1,988	621	81,422
Noncurrent liabilities:						
Deposits subject to refunds	40	-	-	-	-	40
Unearned revenue	-	417	-	-	-	417
Revenue bonds payable, net of current portion	47,910	2,720	182,160	26,335	2,515	261,640
Unamortized premium	788	-	5,908	885	50	7,631
Unamortized discount	(336)	-	(165)	(41)	-	(542)
Other long-term liabilities, net of current portion	1,635	-	1,328	-	-	2,963
	50,037	3,137	189,231	27,179	2,565	272,149
Total liabilities	$ 54,210	$ 32,590	$ 234,418	$ 29,167	$ 3,186	$ 353,571
DEFERRED INFLOWS OF RESOURCES						
Lease related	$ 57,815	$ -	$ -	$ -	$ -	$ 57,815
Deferred gain on refunding	396	-	-	-	-	396
Pension related amounts	56	-	-	-	-	56
Other postemployment benefit related amounts	9	-	-	-	-	9
Total deferred inflows of resources	$ 58,276	$ -	$ -	$ -	$ -	$ 58,276
NET POSITION						
Net investment in capital assets	(9,312)	180,877	-	-	-	171,565
Restricted for:						
Debt service	1,503	-	-	-	-	1,503
Capital projects	3,599	-	-	-	-	3,599
Unrestricted	5,357	14,601	-	-	-	19,958
Total net position	$ 1,147	$ 195,478	$ -	$ -	$ -	$ 196,625

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2023

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Operating revenues:						
Lease revenue	$ 7,764	$ -	$ -	$ -	$ -	$ 7,764
Facilities revenue	-	24,470	-	-	-	24,470
Sponsorship and naming rights revenue	-	1,386	-	-	-	1,386
Parking facilities revenue	769	-	-	-	-	769
Advance/loan investment income	-	-	3,868	272	18	4,158
Other	30	46	-	-	-	76
	8,563	25,902	3,868	272	18	38,623
Operating expenses:						
Personal services	1,478	-	-	-	-	1,478
Materials and supplies	127	1,202	-	-	-	1,329
Facility operator services	-	8,876	-	-	-	8,876
Services and charges	5,387	8,203	4	2	1	13,597
Interest and amortization expense	-	-	6,341	558	27	6,926
Depreciation and amortization	1,393	10,760	-	-	-	12,153
	8,385	29,041	6,345	683	28	44,482
Operating income (loss)	178	(3,139)	(2,477)	(411)	(10)	(5,859)
Nonoperating revenues (expenses):						
Investment income	311	232	2,477	411	10	3,441
Interest and amortization expense	(1,655)	(235)	-	-	-	(1,890)
Interest on lease receivable	2,112	-	-	-	-	2,112
Operating subsidy from the City	82	1,518	-	-	-	1,600
Loss on lease modification	(294)	-	-	-	-	(294)
Gain on disposal of capital assets	-	16	-	-	-	16
	556	1,531	2,477	411	10	4,985
Income (loss) before contributions	734	(1,608)	-	-	-	(874)
Capital contributions from the City	620	118	-	-	-	738
	620	118	-	-	-	738
Change in net position	1,354	(1,490)	-	-	-	(136)
Net position (deficit), beginning of year	(207)	196,968	-	-	-	196,761
Net position, end of year	$ 1,147	$ 195,478	$ -	$ -	$ -	$ 196,625

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Cash flows from operating activities:						
Receipts from customers	$ 7,465	$ 37,826	$ -	$ -	$ -	$ 45,291
Payments to suppliers and service providers	(6,129)	(17,218)	(4)	(2)	(1)	(23,354)
Payments to employees for salaries and benefits	(1,292)	-	-	-	-	(1,292)
Payments for bond issuance costs	-	-	-	(123)	-	(123)
Payments to City	-	-	(47,188)	(5,031)	-	(52,219)
Payments from City	-	-	53,834	2,300	-	56,134
Payments from related entity	-	-	-	-	654	654
Net cash provided (used) by operating activities	44	20,608	6,642	(2,856)	653	25,091
Cash flows from noncapital financing activities:						
Operating subsidy from the City	82	1,518	-	-	-	1,600
Proceeds from issuance of revenue bonds	-	-	-	8,325	-	8,325
Proceeds from revenue bond premium	-	-	-	93	-	93
Principal paid on revenue bonds	-	-	(44,175)	(1,480)	(600)	(46,255)
Interest paid on revenue bonds	-	-	(10,641)	(638)	(51)	(11,330)
Net cash provided (used) by noncapital financing activities	82	1,518	(54,816)	6,300	(651)	(47,567)
Cash flows from capital and related financing activities:						
Acquisition of capital assets	-	(1,332)	-	-	-	(1,332)
Capital contributions from the City	620	118	-	-	-	738
Principal paid on revenue bonds	(2,405)	(855)	-	-	-	(3,260)
Interest paid on revenue bonds	(1,663)	(248)	-	-	-	(1,911)
Proceeds from sale of capital assets	-	16	-	-	-	16
						-
Net cash used by capital and related financing activities	(3,448)	(2,301)	-	-	-	(5,749)
Cash flows from investing activities:						
Investment income	286	223	3,560	364	9	4,442
Interest on lease receivable	2,112	-	-	-	-	2,112
Net cash provided by investing activities	2,398	223	3,560	364	9	6,554
Net change in cash and cash equivalents	(924)	20,048	(44,614)	3,808	11	(21,671)
Cash and cash equivalents, beginning of year	13,159	22,914	129,473	10,991	163	176,700
Cash and cash equivalents, end of year	$ 12,235	$ 42,962	$ 84,859	$ 14,799	$ 174	$ 155,029

(Continued)

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

TULSA PUBLIC FACILITIES AUTHORITY
(A Component Unit of the City of Tulsa, Oklahoma)
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2023

(in thousands of dollars)	One Technology Center	BOK Center and CBCC	Financing-Advance Funding Sales Tax Projects	Financing-Stormwater Revenue Bonds Project	Nonmajor - Financing Parking Bonds Project	Business-Type Activities Total
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Unrestricted cash and cash equivalents	$ 6,010	$ 14,145	$ -	$ -	$ 6	$ 20,161
Current restricted cash and cash equivalents	1,616	27,165	11,788	576	168	41,313
Noncurrent restricted cash and cash equivalents	4,609	1,652	73,071	14,223	-	93,555
Total cash and cash equivalents	$ 12,235	$ 42,962	$ 84,859	$ 14,799	$ 174	$ 155,029
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	$ 178	$ (3,139)	$ (2,477)	$ (411)	$ (10)	$ (5,859)
Adjustments:						
Depreciation and amortization	1,393	10,760	-	-	-	12,153
Change in accounts receivable and other assets	4,270	1,035	-	-	-	5,305
Change in deferred inflows of resources	(5,341)	-	-	-	-	(5,341)
Change in accounts payable and other liabilities	(563)	765	-	-	-	202
Change in net pension liability	345	-	-	-	-	345
Change in deferred outflows of resources	(219)	-	-	-	-	(219)
Change in deferred revenue	(47)	11,187	-	-	-	11,140
Change in OPEB	28	-	-	-	-	28
Change in advance	-	-	9,119	(2,445)	663	7,337
Net cash provided (used) by operating activities	$ 44	$ 20,608	$ 6,642	$ (2,856)	$ 653	$ 25,091
Noncash transactions:						
Purchase of capital assets in accounts payable	$ 193	$ -	$ -	$ -	$ -	$ 193

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

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

NATURE OF BUSINESS AND REPORTING ENTITY - The Tulsa Public Facilities Authority (the "Authority") is a public trust created on March 10, 1981, as the Tulsa Civic Center Authority. On March 12, 1982, the Authority amended its Trust Indenture to change its name to the Tulsa Public Facilities Authority and expand its purposes to promote the acquisition, construction, and operation of various facilities and public improvements in and for the City of Tulsa, Oklahoma (the "City"). The Authority serves as a financing authority for the City as well as an enterprise authority for the operation of the OTC, and the BOK Center and CBCC facilities.

The OTC was acquired to consolidate City operations previously located in several locations in or near the central business district in downtown Tulsa and contains approximately 627,000 square feet of commercial office space. Approximately 293,000 square feet are leased by the City and the remaining is available for leasing.

Personnel costs are provided by the City and reimbursed by the Authority. For financial reporting purposes, personnel costs are reported as costs incurred directly by the Authority. Accordingly, the Authority reports these costs in its financial statements and makes appropriate disclosures in the notes to the financial statements. The Authority has no employees. All references to "employees" are references to City employees who perform operation and maintenance work for the OTC. Payments to and amounts owed to employees are part of the payments the Authority makes to the City.

The CBCC, opened in 1964, is an award-winning venue that houses an exhibit hall and ballroom.

The BOK Center was constructed as part of Vision 2025, a project to grow economic and community infrastructure for future generations. The BOK Center is a 19,199 seat state-of-the-art sports and entertainment venue.

The Authority is included in the City's Annual Comprehensive Financial Report as a blended component unit. The five trustees of the Authority are the Mayor and four individuals appointed by the Mayor and confirmed by the City Council. Although it is legally separate from the City, the Authority 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. The Advance Funding Sales Tax Projects Fund is reported by the City as a capital projects fund because it issued debt to finance governmental capital projects. The Stormwater Revenue Bonds Project Fund is reported with the City's Stormwater Management Fund, an enterprise fund. Other financing activities of the Authority are included as an internal service fund and enterprise activities are included as enterprise funds.

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

BASIS OF ACCOUNTING - The financial statements of the Authority are prepared in accordance with generally accepted accounting principles ("GAAP") as applied to business-type activities of government units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting.

The financial statements of the Authority have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows/outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place. Voluntary nonexchange transactions are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange and nonexchange transactions. Investment income is included in nonoperating revenues.

Major Enterprise Funds:

OTC fund accounts for the commercial leasing activities of the OTC building and parking garage in Tulsa, Oklahoma.

BOK Center and CBCC fund accounts for the operations of the BOK Center and the CBCC; both are sports, entertainment, and convention facilities in downtown Tulsa.

Financing – Advance Funding Sales Tax Projects fund issues revenue bonds, proceeds of which are loaned to the City for the purpose of funding capital projects. The City will transfer to the Authority sales and use tax proceeds to fund debt service.

Financing – Stormwater Revenue Bonds Project fund issues bonds whose proceeds will be used to acquire, construct, equip, furnish, operate and maintain stormwater management projects in the City. The City has a Funding Agreement promising to pay the advance with available revenues, in accordance with the Projects Agreement. The Authority presents the fund as major because of anticipated future activity.

Nonmajor Fund:

Financing Parking Bonds Project fund issues revenue bonds, the proceeds of which are loaned to the City or to one of its component units.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents reported on the statement of net position include both the amounts deposited within the City's pooled portfolio and other cash and cash equivalents. The Authority's cash and cash equivalents included in the City's pooled portfolio are recorded at the net asset value of their position in the City's pooled portfolio.

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

CASH AND CASH EQUIVALENTS, continued - The Authority is allocated interest monthly based on its average daily position in the City's pooled portfolio. Changes in fair value of the City's pooled portfolio are allocated annually based on the Authority's position on June 30.

For purposes of reporting cash flows, the Authority considers all highly liquid debt instruments with an original maturity of three months or less when purchased and any amounts held by the City's portfolio pool, to be cash equivalents. The amounts held in the City's pooled portfolio are considered liquid as they are available to be withdrawn on demand, with no redemption restrictions.

INVESTMENTS –The Authority invests available funds in accordance with the bond indentures and/or state statutes, authorized investments consist of obligations of the U.S. Treasury and federal agencies and instrumentalities. The investments of the Authority are reported at fair value.

FAIR VALUE MEASUREMENTS – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same - that is, to determine the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. The Authority categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

> Level 1 input – Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.
>
> Level 2 input – Quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
>
> Level 3 input – Inputs that are unobservable for the asset or liability which are typically based upon the Authority's own assumptions as there is little, if any, related market activity.

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

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

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

RESTRICTED ASSETS – Restricted assets of the Authority are restricted under the terms of its bond indentures.

ACCOUNTS RECEIVABLE – Accounts receivable are stated net of an allowance for doubtful accounts. The allowance is determined by the length of time accounts receivable are past due and an analysis of the customer's ability to pay. Accounts receivable are written off when deemed uncollectible.

INVENTORY – Inventories consist of food and beverage items, other materials and supplies held for consumption. Inventory is state at lower of cost or market. Cost is determined by specific identification or first-in, first-out basis.

CAPITAL ASSETS - Capital assets purchased or acquired are carried at historical cost. Contributed assets are recorded at acquisition value as of the date of the contribution. Interest incurred during the construction phase of capital assets of enterprise activities is expensed in accordance with GASB Statement No. 89. The Authority owns artwork housed at the CBCC. The artwork is not depreciated because it meets all the following conditions:

- The artwork is held for public exhibition; with a useful life greater than one year.
- The artwork is protected, kept unencumbered, cared for, and preserved.
- The artwork is subject to an organizational policy requiring that the proceeds from sales of artwork be used to acquire other artwork.

DEPRECIATION - Capital assets placed in service are depreciated/amortized on a straight-line basis over the following estimated service lives and have the following capitalization thresholds:

Buildings	30-50 years	$5
Parking garage	30 years	$5
Leasehold improvements	24 years	$5
Equipment	3-20 years	$5
Land and artwork	Not depreciated	$5

UNEARNED REVENUE – Unearned revenues for the BOK Center and CBCC are comprised of arena naming rights, sponsorships, advertising and event deposits and are recognized on a straight line basis over the life of the agreement, generally three to ten years or at the completion of the event. Unearned revenues for the OTC are related to tenant payments in advance for operating expense reimbursement and interest on leases. The related revenues are recognized in the period earned.

ARBITRAGE REBATES – Under the Internal revenue Code of 1986, a liability is recorded for excess earnings on the invested proceeds of tax-exempt bonds. The excess earnings are remitted to the Federal Government on every fifth anniversary of each bond issuance.

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

ADVANCE TICKET SALES AND REFUNDS – A liability is recorded for advance ticket sales to be paid to the promoter at the end of an event. These funds are deposited in an escrow account until the event occurs.

UNAMORTIZED PREMIUMS AND DISCOUNTS – Original issue premiums and discounts on the Authority's revenue bonds are amortized over the lives of the bonds using the effective interest method.

COMPENSATED ABSENCES – Vacation and sick leave are granted to all regular and part-time employees. The City's policy permits employees to accumulate earned but unused vacation and sick benefits. The annual amount of vacation time accrued varies from 14 to 26 days depending upon years of service. The maximum amount of vacation time that may be accumulated is twice the amount which may be earned in one calendar year. Accumulated vacation leave vests and the Authority is obligated to make payment even if the employee terminates. Accumulated sick leave is not paid out to employees upon separation, if separation occurs before retirement eligibility. Upon retirement the employee is eligible to receive a lump sum payout of one hour for every three hours of sick time accrued if the employee has at least 960 hours. The liability for sick leave consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive separation payments and other employees who are expected to become eligible in the future to receive such payments upon separation are included. The liability for compensated absences attributable to the Authority is reported as incurred during the period earned based on a probable payout.

PENSIONS – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement Plan (MERP) and additions to/deductions from MERP's fiduciary net position have been determined on the same basis as they are reported by MERP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OTHER POSTEMPLOYMENT BENEFITS – Postemployment benefits (OPEB) 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 postemployment healthcare, are taken after the employees' services have ended. Nevertheless, the benefit constitutes compensation for employee services. The Authority accounts for other postemployment benefit costs on an accrual basis, charging expenses in the period incurred (earned by employees), with a corresponding liability for benefits to be paid in future periods.

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

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES - Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be reported as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until then. The Authority records deferred outflows of resources and deferred inflows of resources related to their participation in MERP and OPEB. The Authority records deferred outflows/inflows related to deferred charges/gains on debt refunding transactions. The Authority also recognized a deferred inflow of resources related to several leases.

NET POSITION – Net position of the Authority represents the difference between assets and liabilities and deferred inflows/outflows. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Outstanding balances of borrowings are net of unspent bond proceeds, including bond reserve funds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or, laws or regulations of other governments. When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Authority first applies restricted resources. Unrestricted net position is the difference between assets, liabilities and deferred inflow/outflows of resources that do not meet the definition of net investment in capital assets or restricted.

LEASES – The Authority is a lessor for noncancellable leases. The Authority recognizes a lease receivable and deferred inflow of resources on the statement of net position. At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its borrowing rate for debt specific to leased assets as the discount rate or its incremental rate of borrowing.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of the fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

REVENUE AND EXPENSES – Operating revenues consist of commercial office space lease revenue and parking garage rental for OTC building and garage, sponsorship and naming rights revenues and facilities use fees for the BOK Center and the CBCC; and investment income for the financing funds. Long-term leases govern the rates charged for the commercial office space leased. Long-term agreements also govern the amount of revenue recognized by the BOK Center as sponsorship and naming rights revenue.

Operating expenses consist of all costs incurred to administer the OTC building and garage, the BOK Center, the CBCC, including depreciation and amortization of capital assets, and interest costs for financing funds. All revenues and expenses not meeting these descriptions are considered non-operating revenues and expenses.

INCOME TAXES - The Authority is nontaxable as a political subdivision under Section 115(1) of the Internal Revenue Code, as amended.

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. CASH DEPOSITS AND INVESTMENTS

CASH AND CASH EQUIVALENTS -– Cash deposits of the Authority are held within the City's pooled portfolio. The City's pooled portfolio consists primarily of time deposits and other securities guaranteed by the United States Government or its agencies. At June 30, 2023 the Authority maintained a balance of $8,503 in the City's pooled portfolio which represented 0.68% of the City's pooled portfolio. The City's pooled portfolio and Authority's separately held cash and cash equivalents are collateralized by securities held by the City or its agent in the City's name as of June 30, 2023.

Please refer to the City's Annual Comprehensive Financial Report for additional information on the City's pooled portfolio, including required disclosures of risks and fair value measurement techniques. A copy of the City's separately issued Annual Comprehensive Financial Report can be obtained at www.cityoftulsa.org.

As of June 30, 2023, the Authority has $38,824 of cash and cash equivalents separately held for the operations of the BOK Center and CBCC.

INVESTMENTS – The Authority has money market mutual funds of $107,702 as of June 30, 2023 which are reported as cash equivalents on the statement of net position.

Interest Rate Risk –Interest rate risk is the risk that a change in interest rates will adversely affect the value of an investment.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

2. CASH DEPOSITS AND INVESTMENTS, continued

The Authority's investment policy is established by bond indentures that provide for maturity of investments as bonds become due or as funds are needed to provide for construction payments.

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's bond indentures dictate the types of investments that can be purchased thereby reducing credit risk.

Custodial Credit Risk – For deposits with financial institutions, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Authority's policy for custodial credit risk requires compliance with provisions of state law and demand deposits be collateralized by at least 110% of the amount not federally insured. The Authority's deposits held separately for the operations of the BOK Center and CBCC are collateralized with a letter of credit from Federal Home Loan Bank. All safekeeping receipts for investment instruments are held in accounts in the Authority's name and all securities are registered in the Authority's name. Therefore, at June 30, 2023 none of the Authority's deposits of $47,327 were exposed to custodial credit risk.

Concentration of Credit Risk – The Authority places no limit on the amount that may be invested in any one issuer.

INVESTMENT INCOME – Investment income for the year ended June 30, 2023, consisted of:

Interest and dividend income	$	3,474
Advance/loan interest income		4,158
Net decrease in fair value of investments and cash equivalents		(33)
	$	7,599

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

3. ACCOUNTS RECEIVABLE

The accounts receivable balance consists of amounts owed at year end for OTC leasing revenues and BOK Center and CBCC event revenues.

	OTC	BOK Center and CBCC	Total
Accounts receivable:			
Tenant operating expense reimbursement	$ 225	$ -	$ 225
Parking facility revenue	61	-	61
Event revenue	-	1,841	1,841
Sponsorship revenue	-	63	63
Miscellaneous revenue	7	-	7
Total	293	1,904	2,197
Less: Allowance for doubtful accounts	-	(103)	(103)
Accounts Receivable, net	$ 293	$ 1,801	$ 2,094

4. ADVANCES TO/FROM THE CITY AND RELATED ENTITY

ADVANCE FUNDING SALES TAX PROJECTS – In June 2017, the Authority issued its $115,300 Series 2017 Capital Improvements Revenue Bonds. The proceeds of the bonds were loaned to the City to advance fund economic development projects in the City of Tulsa, including Arkansas River development. The bonds carry an interest rate of 3%, mature over a period of fifteen years ending June 1, 2032, and have remaining annual debt service requirements ranging from $9,404 to $10,775. In October 2018, the Authority issued its $118,100 Series 2018 Capital Improvements Revenue Bonds. The proceeds of the bonds are loaned to the City to advance fund economic development projects in the City. The bonds carry an interest rate of 4%, mature over a period of thirteen years ending October 1, 2031, and have remaining annual debt service requirements ranging from $3,366 to $14,770. In November 2019, the Authority issued its $113,895 Series 2019 Capital Improvements Revenue Bonds. The proceeds of the bonds are loaned to the City to advance fund economic development projects in the City. The bonds carry an interest rate of 5%, mature over a period of five years ending June 1, 2025, and have remaining annual debt service requirements ranging from $28,933 to $29,560.

The Authority has an advance to the City of $149,260 at June 30, 2023 relating to this agreement. The City will repay the advance with sales and use tax collections to be used by the Authority for principal and interest payments on the outstanding bonds.

STORMWATER REVENUE BONDS PROJECT – In May 2020, the Authority issued its $24,150 Series 2020 Capital Improvements Revenue Bonds. The proceeds of the bonds are being loaned to the City to fund stormwater capital projects in the City of Tulsa. The bonds carry an interest rate of 3%, mature over a period of fifteen years ending May 1, 2035, and have remaining annual debt service requirements ranging from $1,885 to $2,094.

4. ADVANCES TO/FROM THE CITY AND RELATED ENTITY, continued

STORMWATER REVENUE BONDS PROJECT, continued

In March 2023, the Authority issued its $8,325 Series 2023 Capital Improvements Revenue Bonds. The proceeds of the bonds are being loaned to the city to fund stormwater capital projects in the City of Tulsa. The bonds carry an interest rate of 3.50%-5.00%, mature over a period of twenty years ending March 1, 2043, and have remaining annual debt service requirements ranging from $598 to $645.

The Authority has an advance to the City of $14,316 at June 30, 2023 relating to this agreement. The City will repay the advance with stormwater revenues in accordance with the Projects Agreement.

TULSA PARKING BONDS PROJECT – In April 2021, the Authority issued its $4,315 Series 2021 Capital Improvements Revenue Bonds. The proceeds of the bonds were used to refund the Tulsa Parking Authority's (the "TPA") revenue bonds. Subsequently, TPA transferred operations, assets and obligations to the City who in turn transferred them to the Tulsa Authority for Economic Opportunity ("TAEO"). The Authority's bonds carry an interest rate of 1.25-2.00%, mature over a period of seven years ending April 1, 2028, and have remaining annual debt service requirements ranging from $651 to $658. The Authority has entered into a Projects Agreement whereby the City will make principal and interest payments on the bonds. The City has also entered into a Funding Agreement with the TAEO whereby TAEO will make the required debt service payments. The Authority has an advance to the TAEO of $3,011 at June 30, 2023 relating to this project.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 12,937	$ -	$ -	$ 12,937
Artwork	1,128	-	-	1,128
Construction in progress	1	1,384	(1,277)	108
Total capital assets not being depreciated	14,066	1,384	(1,277)	14,173
Capital assets, being depreciated:				
Land improvements	50,867	-	-	50,867
Buildings	306,600	163	563	307,326
Parking garage	4,273	-	-	4,273
Equipment	42,544	814	673	44,031
Total capital assets being depreciated	404,284	977	1,236	406,497
Less accumulated depreciation/amortization:				
Leasehold improvements	(26,492)	(2,035)	-	(28,527)
Buildings	(121,095)	(8,754)	-	(129,849)
Parking garage	(1,788)	(164)	-	(1,952)
Equipment	(36,186)	(1,200)	41	(37,345)
Total accumulated depreciation	(185,561)	(12,153)	41	(197,673)
Total capital assets being depreciated, net	218,723	(11,176)	1,277	208,824
Capital assets, net	$ 232,789	$ (9,792)	$ -	$ 222,997

6. PENSION PLAN

Plan Description – Employees of the Authority are provided with pensions through the Municipal Employees' Retirement Plan ("MERP") - a cost-sharing multiple-employer defined benefit pension plan administered by the City. The Authority is not defined as an employer in the MERP plan document, but as described in Note 1, payroll and associated costs of City employees performing functions on behalf of the Authority, are reported in the financial statements of the Authority. MERP provides retirement, disability and death benefits which are established by City ordinance to plan members and beneficiaries. MERP's financial statements and required supplementary information are included in the City's Annual Comprehensive Financial Report. The report may be obtained by writing to the City of Tulsa, Office of the Controller, 175 East Second Street, Suite 1570, Tulsa, Oklahoma 74103, or at www.cityoftulsa.org.

6. PENSION PLAN, continued

Benefits Provided – MERP provides retirement, disability, and death benefits. Retirement benefits are determined based on the employee's highest 30 months of pensionable wages during the last five years of service and a multiplier based on the years of service. Employees entering the plan prior to July 1, 2018 are eligible for full retirement at age 65, and at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 80. Reduced benefits are available after age 55 and 5 years of service (Early retirement). Benefits for Early retirement are reduced 2.5% per year prior to age 65. Employees entering the plan on or after July 1, 2018 are eligible for full retirement at age 65, and at least 5 years of service, or when the years of service plus the employee's age equals or exceeds 90. Reduced benefits are available after age 60 and 5 years of service (Early retirement). Benefits for Early retirement are reduced 6.0% per year prior to age 65. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as normal retirement. Death benefits for vested participants are, at the spouse's election, a refund of contribution plus interest or a life annuity of 50% of the member's accrued benefit determined based on final average earnings and service as of the date of death.

Contributions – Contributions are set per City ordinance. Employees were required to contribute 7.5% of their pensionable wages from July 1, 2022 through September 24, 2022 and 8.0% thereafter. The Authority was required to contribute 16.5% of pensionable wages from July 1, 2022 through September 24, 2022 and 17.0% thereafter. Actual contributions to the pension plan from the Authority were $147 for the year ended June 30, 2023.

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

The Authority reported a liability of $1,557 for its proportionate share of the net pension liability as of June 30, 2023. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. Standard update procedures were used to roll forward the total pension liability to June 30, 2023. The Authority's proportion of the net pension liability was based on the Authority's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2023, the Authority's proportion was .5555%.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

The Authority recognized pension expense of $133 for the year ended June 30, 2023. At June 30, 2023 the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	$ 133	$ -
Changes of assumptions	45	27
Net difference between projected and actual earnings on pension plan investments	35	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	197	29
Total	$ 410	$ 56

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (gain) as follows:

Year ended June 30	
2024	$ 130
2025	52
2026	184
2027	(12)
	$ 354

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

Actuarial assumptions – The total pension liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 9.50 percent, including inflation.
Investment rate of return	6.75 percent compounded annually, net of investment expense and including inflation

Mortality rates were based on PubG-2010 mortality table. Mortality was projected generationally using Scale MP-2021.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments. This weighted-return is then increased by expected inflation and reduced by assumed investment expense. Best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	2.75%
Domestic equity	36%	6.00%
International equity	24%	4.50%
Real estate	12%	5.25%
Commodities and timber	7%	4.50%
Cash	1%	0.50%
Total	100%	

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

6. PENSION PLAN, continued

Discount Rate – The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the participating employers will be made as specified in MERP's funding policy. Beginning January 1, 2021 to September 24, 2022, the employer contribution rate was 16.5% of payroll. Beginning September 25, 2022 and all future years, it is assumed that the employer contribution rate will be 17.00% of payroll. Based on those assumptions, MERP's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate – The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Authority's proportionate share of the net pension liability	$ 2,133	$ 1,557	$ 1,077

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the City's Annual Comprehensive Financial Report; which can be located at www.cityoftulsa.org.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB")

General Information about the OPEB Plan

Plan Description – The Authority provides postemployment health care benefits for retired employees and their dependents through participation in the City of Tulsa Postretirement Medical Plan (the "Plan"), a multiple-employer defined benefit health care plan. The Authority is not an employer, but as described in Note 1, payroll and associated costs of City employees performing functions on behalf of the Authority, are reported in the financial statements of the Authority. The benefits, coverage levels, employee contributions, and employer contributions are governed by the City through its personnel and union contracts and are funded on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The Plan does not issue a stand-alone financial report.

Benefits Provided – All health care benefits are provided through the City's fully insured health plan. The benefit levels are the same as those offered 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.

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

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

At June 30, 2023, the Authority reported a liability of $57 for its proportionate share of the OPEB liability. The total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2022. Standard update procedures were used to roll forward the total OPEB liability to June 30, 2023. The Authority's proportion of the total OPEB liability was based on the Authority's share of active employee participants relative to the active employees of all participating employers. At June 30, 2023, the Authority's proportion was 1.0096%.

For the year ended June 30, 2023, the Authority recognized OPEB expense of $2.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual plan experience	$ 10	$ 4
Changes of assumptions	3	5
Changes in proportion and differences between Authority's contributions and proportionate share of contributions	24	-
Total	$ 37	$ 9

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Authority's OPEB expense over the average remaining service lives of plan participant (actives and retirees) as follows:

Year	
2024	$ 8
2025	9
2026	6
2027	5
	$ 28

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.0%
Current year healthcare cost trend rate	7.5%
Annual reduction of healthcare cost trend	0.5%
Ultimate annual healthcare cost trend rate	4.5%

35% of future retirees with coverage are assumed to elect healthcare coverage.

Mortality rates for retirees were based on SOA Pub-2010 General Headcount Weighted Mortality Table full generational using Scale MP-2021. Surviving spouses mortality were based on SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2015, with the exception of the healthcare election rate which was based on an experience study from June 30, 2010 through 2016.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB), continued

Discount Rate – The OPEB plan is financed on a pay-as-you-go basis, thus a long-term rate of return was not used. The discount rate used to measure the total OPEB liability was 4.13% as of June 30, 2023 based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The source of the discount rate used is the S&P Municipal Bond 20-Year High Grade Rate Index.

Sensitivity of the Authority's proportionate share of the total OPEB liability to changes in the discount rate – The following presents the Authority's proportionate share of the total OPEB liability calculated using the discount rate of 4.13%, as well as what the Authority's proportionate share of the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Authority's proportionate share of the total OPEB liability	$ 61	$ 57	$ 52

Sensitivity of the Authority's proportionate share of the total OPEB liability to changes in the healthcare cost trend rate – The following presents the Authority's proportionate share of the total OPEB liability calculated using the healthcare cost trend rate of 7.5 decreasing to 4.5%, as well as what the Authority's proportionate share of the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease (6.5% decreasing to 3.5%)	Current Rate (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Authority's proportionate share of the total OPEB liability	$ 51	$ 57	$ 63

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

8. UNEARNED REVENUE

The Authority had the following unearned revenues at June 30, 2023:

	Total	Current	Noncurrent
BOK Center and CBCC - event deposits	$ 245	$ 245	$ -
BOK Center and CBCC - naming rights, advertising, and sponsorships	8,056	7,639	417
OTC - other tenant revenues	72	72	-
	$ 8,373	$ 7,956	$ 417

9. REVENUE BONDS PAYABLE

Revenue bonds payable activity for the year ended June 30, 2023 is as follows:

Bond, Series, Maturity Dates	Issue Amount	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
One Technology Center:							
Lease Revenue Refunding Series 2017A, 2037	$ 34,185	3.00%-4.00%	$ 34,185	$ -	$ -	$ 34,185	$ -
Lease Revenue, Refunding Series 2017B, 2028	25,465	3.00%-3.10%	18,605	-	(2,405)	16,200	2,475
			52,790	-	(2,405)	50,385	2,475
BOK Center and CBCC:							
Capital Improvements, Series 2008, 2027	16,000	6.069%	4,090	-	(855)	3,235	515
Financing- Advanced Funding Sales Tax Projects:							
Capital Improvements, Series 2017, 2032	115,300	3.00%	86,410	-	(7,605)	78,805	7,790
Capital Improvements, Series 2018, 2031	118,100	4.00%	99,830	-	(7,035)	92,795	9,205
Capital Improvements, Series 2019, 2025	113,895	5.00%	83,930	-	(29,535)	54,395	26,840
			270,170	-	(44,175)	225,995	43,835
Financing- Stormwater Revenue Bonds Project:							
Capital Improvements, Series 2020, 2035	24,150	3.00%	21,265	-	(1,480)	19,785	1,500
Capital Improvements, Series 2023, 2043	8,325	3.50%-5.00%	-	8,325	-	8,325	275
			21,265	8,325	(1,480)	28,110	1,775
Financing- Parking Revenue Bonds Project:							
Capital Improvements, Series 2021, 2028	4,315	1.25%-2.00%	3,725	-	(600)	3,125	610
Unamortized premiums			11,938	135	(4,442)	7,631	-
Unamortized discounts			(539)	(42)	39	(542)	-
			$ 363,439	$ 8,418	$ (53,918)	$ 317,939	$ 49,210

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

9. REVENUE BONDS PAYABLE, continued

COLLATERAL - The Lease Revenue Refunding Series 2017A and 2017B Bonds are collateralized by the Authority's interest in the OTC and the OTC Garage and all other rights, title and interest of the Authority under the lease agreement between the City and the Authority, including gross revenues and payments from the City.

SUBSEQUENT MATURITIES - Principal and interest payments in subsequent years are as follows:

Year	Principal	Interest	Total
2024	$ 49,210	$ 11,379	$ 60,589
2025	52,695	9,213	61,908
2026	25,470	6,954	32,424
2027	25,770	6,085	31,855
2028	25,000	5,150	30,150
2029-2033	103,765	12,674	116,439
2034-2038	26,125	2,966	29,091
2039-2043	2,815	832	3,647
	$ 310,850	$ 55,253	$ 366,103

The Authority Lease Revenue Bonds and Capital Improvement Revenue Bonds are subject to acceleration if the Authority defaults.

10. OTHER LONG-TERM LIABILITIES

The changes in other long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within One Year
Other long-term liabilities:					
Compensated absences	$ 59	$ 10	$ -	$ 69	$ 45
Net pension liability	1,212	345	-	1,557	-
Total OPEB liability	29	28	-	57	3
Arbitrage rebate payable	-	1,328	-	1,328	-
Total other long-term liabilities	$ 1,300	$ 1,711	$ -	$ 3,011	$ 48

11. PLEDGED REVENUE

OTC LEASE REVENUE- The Authority has pledged future gross lease revenues derived from the operations of OTC facility to repay approximately $59,650 in lease revenue bonds. Proceeds from the bonds provided financing for the acquisition and improvements of OTC.

Total principal and interest remaining on the debt is $63,832 with annual requirements ranging from $4,066 to $4,413 through 2038. Annual debt service required 48% of gross revenues. Principal and interest paid in the current year amounted to $4,069. Current year operating revenue totaled $8,563.

CAPITAL IMPROVEMENTS SERIES 2008 – The Authority has pledged future sponsorship and naming rights revenues derived from the operation of the BOK Center to repay approximately $16,000 in Capital Improvements Revenue Bonds. Proceeds from the bonds were used to fund the acquisition, construction, furnishing and equipping of capital improvements and additions to the BOK Center and to fund the Bond Reserve Fund in the amount of 10% of the par amount of the bonds (the "Reserve Requirement") and to pay the costs of issuing the Bonds. The Authority and the City entered into a year-to-year Projects Agreement, dated as of April 1, 2008, pursuant to which the Authority will issue the bonds and the City has agreed to make payments pursuant to the Projects Agreement sufficient to pay (a) the principal of and interest on the bonds; and (b) all costs and expenses of the Authority in connection with the issuance, sale and delivery of the bonds.

Total principal and interest remaining on the debt is $3,832 with annual requirements ranging from $674 to $1,771 through 2027. Annual debt service required 80% of sponsorship and naming right revenues which are pledged towards the debt under the indenture. The Authority paid $1,103 in principal and interest during the year. Sponsorship and naming rights revenue, from which the payments will be made, was $1,386 for the current year.

ADVANCE FUNDING SALES TAX PROJECTS - The Authority has entered into a Projects Agreement with the City to provide financing for certain capital projects and subsequently issued its Capital Improvement Revenue Bonds, Series 2017, 2018, and 2019. The City has pledged certain sales and use tax revenues to repay the advance from the Authority. The total principal and interest remaining on the debt is $258,279 with annual debt service requirements ranging from $12,770 to $53,824 through 2032. Principal and interest paid during the year amounted to $54,816. Sales and use tax recorded during the current fiscal year by the City was $85,973.

11. PLEDGED REVENUE, continued

STORMWATER REVENUE BONDS PROJECT- The Authority has entered into a Projects Agreement with the City to provide funding for the purpose of acquiring, constructing, equipping, furnishing, operating and maintaining stormwater management projects and subsequently issued its Capital Improvements Revenue Bonds, Series 2020 and 2023. The City has pledged available monies for the payment of any indebtedness incurred by or on behalf of the City for the Projects Agreement. The City paid $2,300 to the Authority on the Projects Agreement in 2023. Total principal and interest remaining on the debt is $36,044 with annual requirements ranging from $612 to $2,712 through 2043. The Authority paid $2,118 in principal and interest in 2023.

TULSA PARKING BONDS PROJECT - The Authority has entered into a Projects Agreement with the City on April 1, 2021 to provide financing to assist with the refunding of debt issued by the TPA and subsequently issued its Series 2021 Capital Improvements Revenue Bonds. The City has pledged available revenues to pay the principal and interest of the Series 2021 Capital Improvements Revenue Bonds issued by the Authority. The City also entered into a funding agreement with the TAEO requiring TAEO to make the principal and interest payments required on the 2021 Capital Improvements Revenue Bonds from TAEO parking facility revenues and other available revenue of TAEO. The TAEO paid $654 to the Authority on the Projects Agreement in 2023. The total principal and interest remaining on the debt is $3,267 with annual debt service requirements ranging from $651 to $658 through 2028. The Authority paid $651 in principal and interest payments in 2023.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

12. OPERATING LEASE REVENUE

OTC LEASES

The Authority owns the OTC building with commercial office space available. The City leases the building through 2038 and utilizes approximately 47% of the net rentable space with the remaining space available for leasing to other tenants. The Authority recognized $3,535 in lease revenue and $1,741 in interest income for the City lease.

The Authority has entered into multiple lease agreements with other tenants with lease terms ranging from one to ten years. The other OTC building tenant's square footage range from 500 to 105,408 square feet of net rentable space. At year end, the building was approximately 92% occupied. During the fiscal year, the Authority recognized $3,059 in lease revenue and $371 in interest income related to the agreements. These leases also require the tenants pay a portion of the building operating costs. During the year the Authority recorded $1,170 in lease revenue related to building operating costs.

The schedule below shows future expected lease receipts, exclusive of the required operating cost payments:

	City			Other			Combined Total		
Year	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2024	$ 2,729	$ 1,655	$ 4,384	$ 1,711	$ 172	$ 1,883	$ 4,440	$ 1,827	$ 6,267
2025	2,823	1,566	4,389	1,572	126	1,698	4,395	1,692	6,087
2026	2,928	1,474	4,402	1,515	83	1,598	4,443	1,557	6,000
2027	3,044	1,378	4,422	1,270	41	1,311	4,314	1,419	5,733
2028	3,171	1,278	4,449	431	19	450	3,602	1,297	4,899
2029 - 2033	18,660	4,683	23,343	443	7	450	19,103	4,690	23,793
2034 - 2038	19,406	1,440	20,846	-	-	-	19,406	1,440	20,846
	$ 52,761	$ 13,474	$ 66,235	$ 6,942	$ 448	$ 7,390	$ 59,703	$ 13,922	$ 73,625

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

13. BOK CENTER NAMING RIGHTS AND SPONSORSHIP AGREEMENTS

The Authority had $3,476 in naming rights and sponsorships agreements outstanding at June 30, 2023. During the year, the Authority recognized $1,386 in naming rights and sponsorship revenue. Any amounts received but not earned are reflected as unearned revenue on the statement of net position.

The future earnings to be recognized on these agreements are as follows:

Year	Future Earnings
2024	833
2025	722
2026	722
2027	722
2028	447
2029	30
	$ 3,476

14. FACILITIES REVENUE

The Authority has entered into various agreements for the use of luxury boxes and club seats through 2023. During the year, the Authority recognized $8,688 in luxury boxes and $1,596 in club seats, which is included in facility revenue. Any amounts received but not earned are reflected as unearned revenue on the statement of net position.

15. OPERATING AGREEMENTS

CBCC AND BOK CENTER LEASE AND PROJECT AGREEMENTS - The Authority has leased the CBCC and BOK Center (the “Facilities”) from the City for 25 years, ending June 30, 2032 or such longer period as any indebtedness issued in connection with the Facilities is outstanding. The lease assists the Authority in making financing arrangements that benefit improvements at the Facilities. During the year the Authority received $1,518 from the City’s Hotel/Motel Tax to operate and maintain the Facilities.

CBCC AND BOK CENTER MANAGEMENT AGREEMENTS - In June 2013, the Authority and the City entered into an operating agreement with SMG. SMG has since merged with AEG Facilities to form a new management company, ASM Global (ASM). The agreement provides for the development and management services of the Facilities. The term of the original operating section of the agreement was July 1, 2013 through June 30, 2018. On June 28, 2018, the Authority voted to extend the agreement through June 30, 2023 and on April 27, 2023 the Authority voted to extend the agreement through September 28, 2023. The contract is subject to annual appropriations and may be terminated by any party.

15. OPERATING AGREEMENTS, continued

CBCC AND BOK CENTER MANAGEMENT AGREEMENTS, continued

Under the agreement, for the year ended June 30, 2023, ASM earned an annual base management fee of $168 for the CBCC and $164 for the BOK Center. ASM can also earn an annual incentive fee based on the operating results of both facilities compared to certain operating thresholds, as defined in the agreements. The operating thresholds, as defined in the agreements are gross revenue, attendance and net operating profits. If the benchmark is met for a threshold, ASM may receive an incentive fee equal to 33 1/3% of the management fee. The incentive fee may not exceed the management fee for the year. ASM earned $164 of incentive fee for the BOK Center and $164 for the CBCC for the year ended June 30, 2023.

16. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions and natural disasters. The City purchases commercial insurance for general liability and property damage as well as employee health and dental. The Authority is included in the City's insurance policies and would be responsible for deductibles relating to specific claims pertaining to the Authority. There have been no significant reductions in insurance coverage during the year and there were no settlement amounts in excess of the insurance coverage in the current year or in the three prior years.

The Authority also participates in the City's workers compensation self-insurance program. The City retains all risk of loss for workers' compensation claims.

17. GENERAL LITIGATION

The Authority is subject to claims and lawsuits that arise primarily in the course of ordinary business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits, if any, will not have a material adverse effect on the financial position, changes in financial position and cash flows of the Authority.

NOTES TO FINANCIAL STATEMENTS (in thousands of dollars)

18. RELATED PARTY TRANSACTIONS

During the year ended, the Authority conducted the following transactions with related entities:

One Technology Center		
Payments from the City for operations	$	82
Capital contributions from the City for capital improvements	$	620
Lease payments from the City for leased space in OTC	$	4,380
Lease payments from the TAEO for leased space in OTC	$	61
BOK Center and CBCC		
Operating subsidy from the City for the CBCC	$	1,518
Capital contributions from the City for capital improvements	$	118
Financing - Advance Funding Sales Tax Projects		
Payments on the advance to the City for capital improvements	$	47,188
Payments from the City for bond financing included in advance	$	53,834
Financing - Parking Revenue Bonds Projects		
Payments from the Tulsa Authority for Economic Opportunity related to projects for bond financing included in the advance receivable	$	654
Financing - Stormwater Revenue Bonds Projects		
Payments on the advance to the City for Stormwater capital improvements	$	5,031
Payments from City related to Stormwater projects	$	2,300

19. COMMITMENTS

As of June 30, 2023, the Authority had open commitments for construction projects of approximately $746.

20. FUTURE CHANGES IN ACCOUNTING PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements which will be effective to the Authority in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the Authority's consideration of the impact of the material pronouncements effecting the Authority are described below:

GASB Statement No. 101 – *Compensated Absences*, Issued in June 2022, this Statement will be effective for the Authority beginning with its fiscal year ending June 30, 2025. The primary objective of this Statement is to provide guidance on the accounting and financial reporting requirements for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB).

21. SUBSEQUENT EVENTS

On September 26, 2023, the Authority entered into an operating agreement with Global Spectrum, L.P. d/b/a OVG360 relating to the management of the BOK Center and CBCC. The initial term of the agreement is September 29, 2023 through June 30, 2033 with the option of two five-year renewals at the sole discretion of the Authority.

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(in thousands of dollars)

Municipal Employees' Retirement Plan
Schedule of Proportionate Share – Last ten years

Year	Authority's proportion of net pension liability	Authority's proportionate share of net pension liability	Authority's covered payroll	Authority's proportionate share of net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total pension liability
2023	0.5555%	$ 1,557	$ 868	179%	67.2%
2022	0.4508%	1,212	609	199%	66.6%
2021	0.4759%	861	621	139%	76.9%
2020	0.4491%	1,141	587	194%	65.2%
2019	0.4537%	1,065	563	189%	66.9%
2018	0.4519%	887	542	164%	70.6%
2017	0.4758%	940	574	164%	69.4%
2016	0.4662%	1,008	547	184%	65.6%
2015	0.4452%	558	491	114%	77.1%
2014	0.4212%	471	461	102%	79.3%

* Information prior to 2014 is not available.

** Authority's proportionate share of the net pension liability and its covered payroll are for employees whose payroll costs were charged to the Authority.

Changes of assumptions: In 2016, amounts reported as changes of assumptions resulted primarily from changes in the mortality table and discount rate from 7.75% to 7.50%. In 2019 the inflation rate decreased from 3.00% to 2.50%, salary increases changed from 4.00%-11.75% to 3.50%-11.25%, and investment rate of return (and discount rate) decreased from 7.50% to 7.00%. In 2021 salary increases changed from 3.50%-11.25% to 3.50% to 9.50% and investment rate of return (and discount rate) decreased from 7.00% to 6.75%.

Municipal Employees' Retirement Plan
Schedule of Employer Contributions – Last ten years

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	City's Covered Payroll funded by Authority payments	Actual Contributions as a Percentage of Covered Payroll
2023	$ 147	$ 147	$ -	$ 868	16.9%
2022	101	101	-	609	16.5%
2021	99	99	-	621	16.0%
2020	91	91	-	587	15.5%
2019	87	87	-	563	15.5%
2018	84	84	-	542	15.5%
2017	66	66	-	574	11.5%
2016	63	63	-	547	11.5%
2015	56	56	-	485	11.5%
2014	46	68	(22)	461	14.8%

(in thousands of dollars)

Postemployment Benefits Other than Pensions Plan
Schedule of Proportionate Share - For the current and prior seven years

Year	Authority's proportion of total OPEB liability	Authority's proportionate share of total OPEB liability	Authority's covered payroll	Authority's proportionate share of total OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total OPEB liability
2023	1.0096%	$ 57	$ 1,418	4.0%	0.00%
2022	0.5048%	29	566	5.1%	0.00%
2021	0.4929%	40	525	7.7%	0.00%
2020	0.4762%	39	527	7.5%	0.00%
2019	0.4857%	30	519	5.7%	0.00%
2018	0.4822%	30	492	6.1%	0.00%
2017	0.4776%	27	500	5.4%	0.00%
2016	0.4796%	29	483	6.0%	0.00%

* Information prior to 2016 is not available.

** Authority's porportionate share of total OPEB liablity and its covered payroll are for employees whose payroll costs were charged to the Authority.

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

2023	4.13%
2022	4.09%
2021	2.19%
2020	2.66%
2019	3.51%
2018	3.87%
2017	3.56%
2016	4.00%

Postemployment Benefits Other than Pensions Plan
Schedule of Employer Contributions - Last eight years

Year	Contractually Required Contributions	Actual Contributions	Contribution Deficiency (Excess)	City's Covered Payroll funded by Authority payments	Actual Contributions as a Percentage of Covered Payroll
2023	$ 3	$ 3	$ -	1,418	0.21%
2022	2	2	-	566	0.35%
2021	2	2	-	525	0.46%
2020	2	2	-	527	0.30%
2019	2	2	-	519	0.43%
2018	1	1	-	492	0.20%
2017	6	6	-	500	1.18%
2016	4	4	-	483	0.79%

* Information prior to 2016 is not available.

One Technology Center

Percentage of Occupied Units

Total occupied	18
Total vacant units	3
Total units	21
Percentage Occupied	86%

Percentage of Occupied Square Feet

Total Occupied Square Feet	576,681
Total Vacant Square Feet	50,384
Total Square Footage	627,065
Percentage Occupied	92%

Major Tenants and Square Feet

City of Tulsa	293,353
Level 3 Communications, LLP	105,408
Magellan Midstream Partners, LP	96,258